

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure

Subject: Amendment to Lease Agreement with SunSaver 4 Limited
For Public Electric Vehicle (EV) Charging Stations

Date: March 21, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Environment & Infrastructure, with respect to the Lease Agreement with SunSaver 4 Limited for public electric vehicle (EV) charging stations on municipal property, the following actions **BE TAKEN**:

- a) the draft amending by-law attached as Appendix “A” BE INTRODUCED at the Municipal Council meeting to be held on April 4, 2023 to:
 - i) approve the Lease Amending Agreement between The Corporation of the City of London (“City”) and SunSaver 4 Limited (“SunSaver”) in the form attached as Appendix “A”, Schedule “1”;
 - ii) authorize the Mayor and City Clerk to execute the Lease Amending Agreement; and
 - iii) delegate authority to the Deputy City Manager, Environment and Infrastructure and/or designate to approve future amendments to Exhibit’s “A” and “B” of the SunSaver Lease Agreement dated June 2nd, 2020 and authorize the Mayor and City Clerk to execute future amending agreements.

Executive Summary

Natural Resources Canada’s (NRCan) Zero-Emission Vehicle Infrastructure Program (ZEVIP) provides up to 50 per cent of equipment and installation costs, administered through a series of procurement rounds. The City of London’s existing Lease Agreement with SunSaver was associated with the first procurement round. These charging stations are owned and operated by SunSaver under the ChargerCrew brand name on approved municipal properties. SunSaver pays the City of London an annual nominal gross rent of \$10 per parking spot plus a supplementary rent based on a percentage of net revenue generated annually.

In 2022, SunSaver informed City staff that one of their other clients was unable to proceed with charging stations that had received ZEVIP funding and asked whether the City of London would be interested in these stations. After discussions with SunSaver, it was agreed that one of these charging stations would be added to the existing list of leased parking spots for installation at 824 Dundas Street (Municipal Parking Lot Number 7) to expand public-serving EV charging in an underserved area of London. This location is near both the Old East Village commercial area as well as the Western Fair District.

The current amended location and the proposed approach will expand public EV charging services at no capital or operating cost to the City of London. This approach does not prevent other EV charging businesses from applying for Federal funding and approaching the City of London (or other businesses) for potential arrangements.

Linkage to the Corporate Strategic Plan

Municipal Council's 2019-2023 Strategic Plan for the City of London continues to recognize the importance of reducing greenhouse gas emissions from transportation. Providing EV charging stations at public-serving municipal facilities addresses three of the five Areas of Focus, at various levels:

- Strengthening Our Community
- Building a Sustainable City
- Growing our Economy

On April 23, 2019, the following was approved by Municipal Council with respect to climate change:

Therefore, a climate emergency be declared by the City of London for the purposes of naming, framing, and deepening our commitment to protecting our economy, our eco systems, and our community from climate change.

On April 12, 2022, Municipal Council approved the Climate Emergency Action Plan which includes Area of Focus 4, Transforming Transportation and Mobility.

Context

1.0 Background Information

1.1 Purpose

The purpose of this report is to provide Civic Works Committee (CWC) with details to:

1. approve the Lease Amending Agreement between The Corporation of the City of London ("City") and SunSaver 4 Limited ("SunSaver") (Appendix "A", Schedule 1);
2. authorize the Mayor and City Clerk to execute the Lease Amending Agreement; and
3. delegate authority to the Deputy City Manager, Environment and Infrastructure and/or designate to approve future amendments to Exhibit's "A" and "B" of the SunSaver Lease Agreement dated June 2nd, 2020. Note that there would be the limitations on the delegation of authority for future amendments to a limit of thirty (30) parking spaces and be subject to solicitor review.

1.2 Previous Reports Related to this Matter

- Lease Agreement with SunSaver 4 Limited for New Public Electric Vehicle (EV) Charging Stations (May 26, 2020 meeting of the CWC, Item #2.5)

2.0 Discussion and Considerations

The Government of Canada has published proposed regulations that set zero emission vehicle sales targets for manufacturers and importers of new passenger cars, SUVs, and pickup trucks. The regulations will require that at least 20 percent of new vehicles sold in Canada will be zero emission by 2026, at least 60 percent by 2030, and 100 percent by 2035.

The Government of Canada, through Natural Resources Canada's (NRCan) Zero-Emission Vehicle Infrastructure Program (ZEVIP), also provides up to 50 per cent of equipment and installation costs and is administered through a series of procurement rounds targeting different market segments such as public charging, employee charging, fleet vehicle charging, and multi-unit residential building tenant charging. The City of London's existing Lease Agreement with SunSaver was associated with the first procurement round. These charging stations are owned and operated by SunSaver

under the ChargerCrew brand name on the approved municipal properties. SunSaver pays the City of London an annual nominal gross rent at the beginning of each year of \$10 per parking spot plus a supplementary rent as for each charging station based on a percentage of net revenue generated annually as identified below:

- 7.5% of the annual net revenue* earned during the Term being ten (10) years; and
- 45% of the net revenue earned during any Extension Term thereafter.

* - Net revenue is defined as the total revenue earned minus the electricity consumption and other costs incurred to build, operate, and maintain the charging stations as per Generally Accepted Accounting Principles (GAAP).

SunSaver has participated in subsequent ZEVIP procurement rounds with other clients for charging stations. In 2022, SunSaver informed City staff that one of their other clients was unable to proceed with charging stations that had received ZEVIP funding and asked whether the City of London would be interested in these stations. After discussions with SunSaver, it was agreed that one of these charging stations would be added to the existing list of leased parking spots for installation at 824 Dundas Street (Municipal Parking Lot Number 7) to expand public-serving EV charging in an underserved area of London. This location is near both the Old East Village commercial area as well as the Western Fair District.

3.0 Financial Impact/Considerations

This proposed approach will expand public EV charging services at no capital or operating cost to the City of London. The operating and maintenance costs for the charging stations are the responsibility of SunSaver, with annual rent payments to be used to cover any incidental costs associated with Facilities staff providing support tasks for SunSaver's EV chargers. Given that this new location is also a municipal parking lot, there is also the potential to increase parking revenue from EV drivers making use of the charging stations given that parking fees will still need to be paid while charging their vehicle.

Conclusion

This proposed approach will expand public EV charging services at no capital or operating cost to the City of London, with the added potential to increase parking revenue at that location. The new location will be in an underserved area for EV charging, located close to both the Old East Village commercial area as well as the Western Fair District.

Prepared by: **Jamie Skimming, P.Eng.**
Manager, Energy & Climate Change

Prepared by: **Bill Warner, AACI, Papp, Director, Realty Services**

Submitted by: **Jay Stanford, M.A., M.P.A.**
Director, Climate Change, Environment & Waste Management

Recommended by: **Kelly Scherr, P.Eng., MBA, FEC**
Deputy City Manager, Environment and Infrastructure

Appendix A A By-law to approve the Lease Amending Agreement between The Corporation of the City of London ("City") and SunSaver 4 Limited ("SunSaver")

APPENDIX A

A by-law to approve the Lease Amending Agreement between The Corporation of the City of London (“City”) and SunSaver 4 Limited (“SunSaver”)

Bill No.

By-law No.

A By-law to approve the Lease Amending Agreement with SunSaver 4 Ltd. for the purpose of leasing parking spots on property owned by The Corporation of the City of London for use as publicly-accessible electric vehicle changing stations; and to authorize the Mayor and City Clerk to act on behalf the City of London and execute the Agreement.

WHEREAS section 2 of the Municipal Act, 2001, S.O. 2001, c.25, as amended, provides that municipalities are created by the Province of Ontario to be responsible and accountable governments with respect to matters within their jurisdiction and each municipality is given powers and duties under this Act and many other Acts for the purpose of providing good government with respect to those matters;

AND WHEREAS section 9 of the Municipal Act, 2001 provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS section 10 of the Municipal Act, 2001 provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public; and may pass by-laws respecting economic, social and environmental well-being of the municipality, and may pass by-laws respecting services and 'things the municipality is authorized to provide';

AND WHEREAS Municipal Council for the City of London approved a Lease Agreement between The Corporation of the City of London (“City”) and SunSaver 4 Limited (“SunSaver”) pursuant to By-law No. A.-7985-138 passed June 2nd, 2020 to lease parking spaces on City-owned lands to permit the installation of public electric vehicle charging stations (the "SunSaver Lease Agreement");

AND WHEREAS it is deemed appropriate to amend the Lease Agreement to rearrange the locations of the approved charging stations;

AND WHEREAS subsection 5(3) of the Municipal Act, 2001 provides that a municipal power shall be exercised by by-law:

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Lease Amending Agreement between the City and SunSaver, in the form attached as Schedule “1”, is hereby authorized and approved;
2. The Mayor and City Clerk are hereby authorized to execute the Lease Amending Agreement substantially in the form authorized and approved under Section 1 of this by-law.
3. The Deputy City Manager, Environment and Infrastructure and/or designate is hereby delegated the power to approve future amendments of the SunSaver Lease Agreement, subject to the limitations contained in section 4 of this by-law.

4. The authority of the Deputy City Manager, Environment and Infrastructure and/or designate to act under section 3 of this by-law, is subject to the following:
 - i. such agreements operate to amend only Exhibits “A” and “B” of the SunSaver Lease Agreement for the purposes of changing the location or number of the leased parking spaces described within said exhibits;
 - ii. such agreements shall not result in an overall increase in the number of parking spaces leased under the SunSaver Lease Agreement to more than 30 spaces total;
 - iii. such agreements are in a form satisfactory to the Deputy City Manager, Legal Services;
 - iv. such agreements do not require additional funding or are provided for in the City’s current budget; and
 - v. such agreements do not contain any financial arrangement, guarantee, indemnity or similar commitment that would increase, directly or indirectly, the indebtedness or contingent liabilities of The Corporation of the City of London.
5. The Mayor and City Clerk are hereby authorized to execute amending agreements approved by the Deputy City Manager, Environment and Infrastructure and/or designate, under the authority delegated by section 3 of this by-law.
6. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council,

2023

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First reading – April 4, 2023
Second reading – April 4, 2023
Third reading – April 4, 2023

SCHEDULE 1 - LEASE AMENDING AGREEMENT

This Agreement dated the ____ day of _____, 2023.

B E T W E E N:

THE CORPORATION OF THE CITY OF LONDON

(the "LESSOR")

OF THE FIRST PART

- and -

SUNSAVER 4 LTD.

(the "LESSEE")

OF THE SECOND PART

WHEREAS by a Lease Agreement dated the 2nd day of June, 2020, (the "Lease") as approved by Council by the passing of Bylaw No. A-7985-138, the Lessor has agreed to grant to the Lessee a lease of a portion(s) of the real property described in Exhibit "A" (the "Lands"), being the area(s) described in Exhibit "B" (the "Leased Area"), for the purposes of constructing and operating electric vehicle charging stations ("EV Stations") to charge electric vehicles (the "Project");

AND WHEREAS the parties desire to amend the terms and conditions of Lease to include Municipal Parking Lot #7 (824 Dundas Street) as described herein;

NOW THEREFORE this agreement witnesseth that in consideration of the mutual covenants contained here and for other good and valid consideration, the receipt of which is hereby acknowledged, the parties agree that the Lease shall be amended as follows:

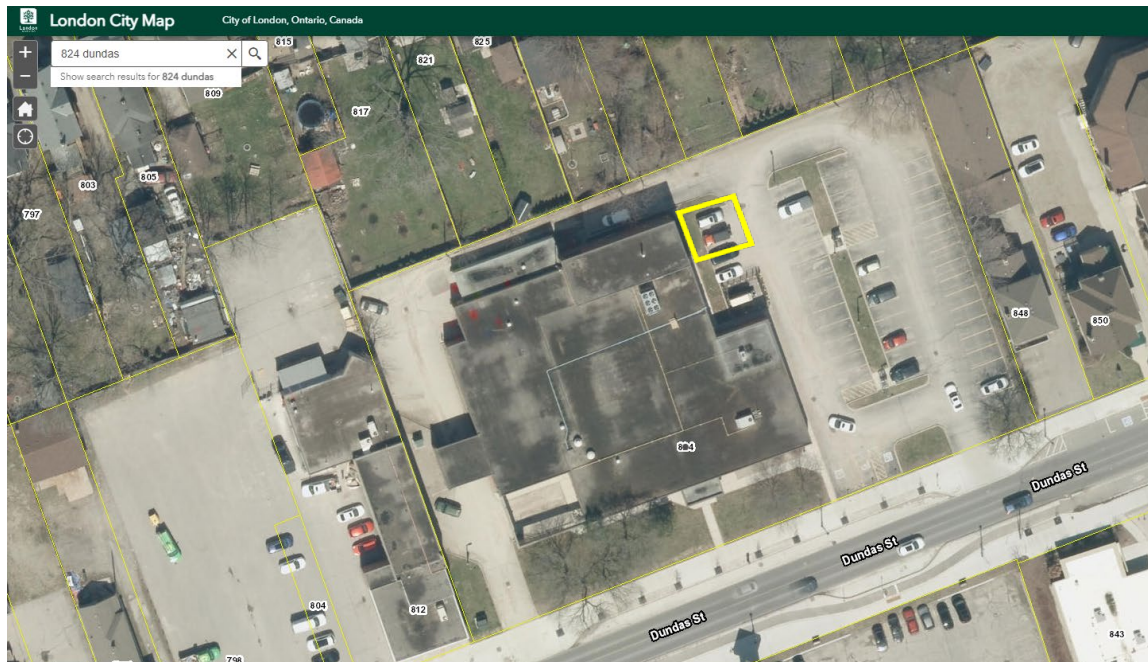
1. Exhibit "A" of the Lease is deleted in its entirety and replaced with the following:

EXHIBIT "A" DESCRIPTION OF LANDS

Proponent	Description of Lands (Location)	No. of Parking Spots Allocated to Proponent
SunSaver 4 Ltd	RBC Convention Centre – indoor parking (300 York Street)	6
	Medway Arena (119 Sherwood Forest Square)	2
	Kinsmen Recreation Centre (20 Granville St.)	2
	Tourism London (696 Wellington Rd. South)	2
	South London Community Centre (1119 Jalna Blvd.)	2
	East Lions Community Centre (1731 Churchill Ave.)	2
	Bostwick Community Centre (501 Southdale Ave.)	4
	Oakridge Optimistic Community Park (825 Valetta St.)	2
	Stronach Community Centre (1221 Sandford St.)	4
	Municipal Parking Lot No. 7 (824 Dundas St.)	2
	Total	28

2. Exhibit “B”, wherein the portions of the Leased Area are diagrammed and described, a new Section 10 is included as follows:

10. Municipal Parking Lot No.7 – 824 Dundas St.



One Level 2 EC chargers located at the North/East corner of the parking lot of the building.

3. The Lessor and Lessee each represents and warrants that it has the right, full power and authority to agree to amend the Lease as provided in this Agreement.
4. The terms, covenants and conditions of the Lease remain unchanged and in full force and effect, except as modified by this Agreement. All capitalized terms and expressions when used in this Agreement have the same meaning as they have in the Lease, unless a contrary intention is expressed in this Agreement.
5. This Agreement shall enure to the benefit of and be binding upon the parties hereto, the successors and assigns of the Lessor and the permitted successors and permitted assigns of the Lessee.
6. It is understood and agreed that all terms and expressions when used in this Agreement, unless a contrary intention is expressed herein, have the same meaning as they have in the Lease.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

Address of Lessor :

300 Dufferin Ave,
London, ON
N6A 4L9

“The Corporation of the City of London”

By:

Printed Name:

Title:

I have the authority to bind the corporation

“The Corporation of the City of London”

By:

Printed Name:

Title:

I have the authority to bind the corporation

Address of Lessee:

“SunSaver 4 Ltd.”

By:

Name:

Title:

I have the authority to bind the corporation