OPG Lakeview
Briefing with Minister of Finance

Privileged and Confidential: Status Update & Next Steps

Oct 30, 2017

ONTARIO POWER GENERATION

Ontario
Infrastructure Ontario

OBJECTIVE

1. Provide an update on status of sales process, including an overview of the deal, closing conditions to be met, and potential development timeline.

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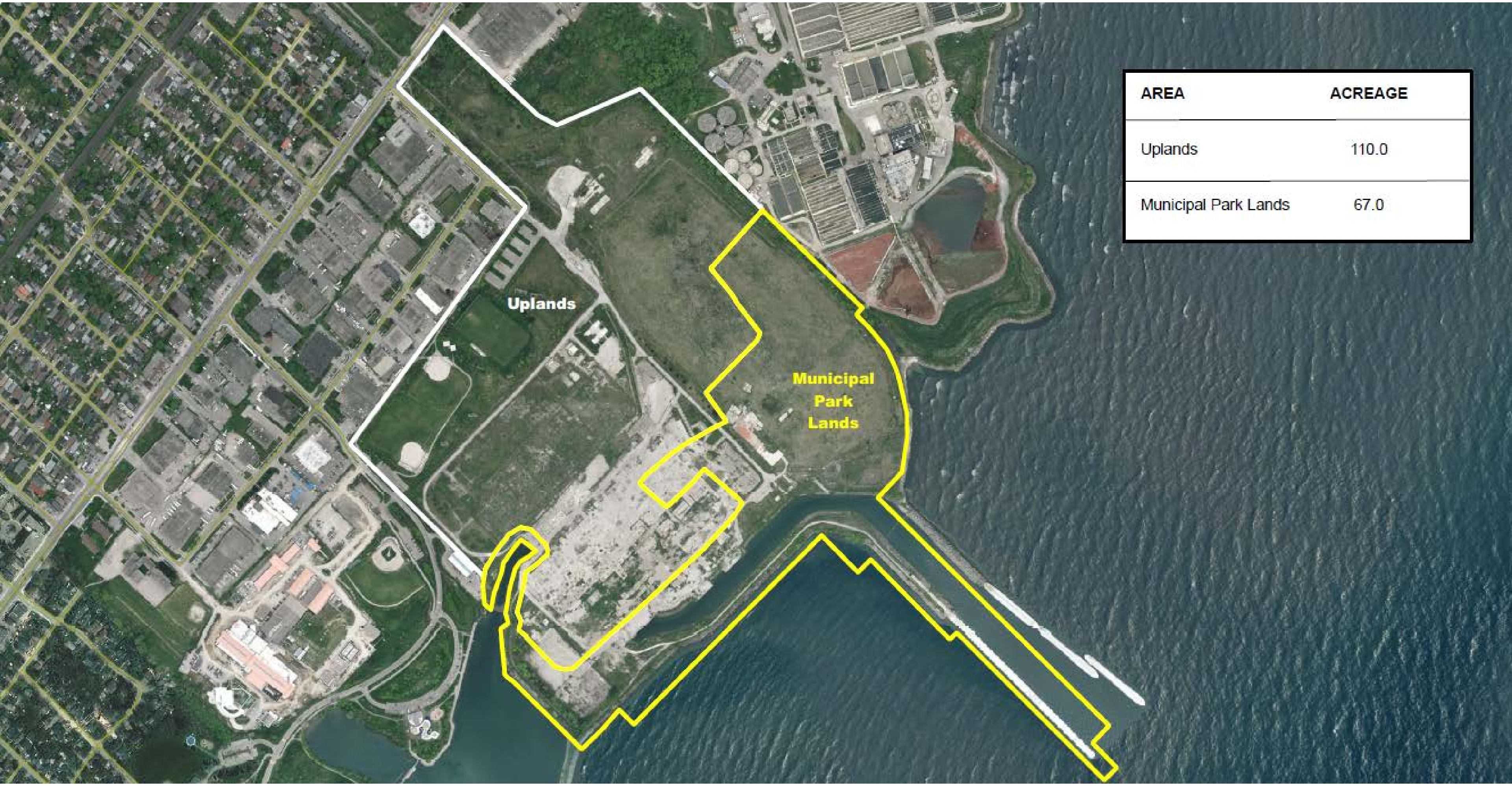
BACKGROUND AND CONTEXT

- OPG is currently proceeding with the final stage of disposition of the Lakeview site in accordance with the Shareholder Declaration and Resolution issued in June 2016.
- Specifically, the resolution directed the Corporation to:
  a) take all necessary steps to proceed with the disposition in a single, fixed-price transaction, in the manner determined by the Shareholder's advisors;
  b) cause the purchaser of the Lakeview Site to fully remediate the Municipal Park Lands (see following slide) and complete any site preparation or improvement work to MOECC standards; and
  c) Provide information, access, services, assistance, personnel and resources needed by the Government, the Government's advisors and consultants, as and when any of them may request during the disposition.
- OPG has engaged IO to advise on the disposition on behalf of the Shareholder.
- Three key objectives for the Lakeview Disposition have been identified as:
  1. Maximize <u>value</u> to the Trillium Trust
  2. Fulfill Municipal <u>land commitments</u> to the City of Mississauga ("City")
  3. Complete the disposition in <u>Fiscal 2017-18</u>

OPG Lakeview Disposition

BACKGROUND AND CONTEXT



AREA	ACREAGE
Uplands	110.0
Municipal Park Lands	67.0

THE SALES PROCESS

- **June 2017** - The sales process launched **,** led by OPG's broker, Jones Lang Lasalle (JLL).

- **September 2017** - Following two rounds of offer submissions, bids were evaluated based on the Shareholder approved Disposition Evaluation Criteria and Process. The preferred purchaser was identified as Lakeview Community Partners Limited (a partnership between Argo Land Development, Mattamy Homes, CCI Development, and Branthaven Homes).

- **October 2017** - the Shareholder (Ministry of Energy) accepted the recommendation and approved OPG to enter into an Agreement of Purchase and Sale (APS) with the preferred purchaser.

- **October 2017** - The preferred purchaser is currently under contract with OPG and a $5M deposit has been secured. The 60-day due diligence period is underway.

- **March 20th 2018** - Consistent with the Shareholder objectives, a closing date of no later than March 20th 2018 has been accepted by the preferred purchaser as a condition of sale.

LAKEVIEW COMMUNITY PARTNERS OFFER

1. Offered the **highest offer price ($275M)**, allowing OPG to generate the greatest revenue through the transaction. Maximizes value to the Trillium Trust
2. Had **no material changes** to the Agreement of Purchase and Sale or supporting agreements. Fulfills Municipal land transfer commitments to the benefit of the City of Mississauga.
3. Consortium **offers a highly experienced and financially sound purchaser** that completed a significant amount of initial due diligence.
4. Requested a due **diligence period contained to only 60 days.**
5. Provided a **commitment to finalize the transaction by March 20, 2018**. Meets the objective for a March 31, 2018 closing.

CLOSING CONDITIONS

- In order for the transaction to close, the following four conditions must be met:
  1. The Purchaser completes their on-site due-diligence and **any price adjustment is negotiated and agreed to by OPG**. Once utility locates are in place on site, the Purchaser has sixty (60) days to complete their due-diligence.
  2. The City-Purchaser agreement is signed between the City and the Purchaser (at closing).
  3. OPG secures all approvals required to close (Treasury Board approval)
  4. Payment is made to OPG.

- Concurrent to the 60 day due-diligence by the Purchaser, OPG is continuing to advance indigenous consultations on the duty to consult and discussions with Hydro One on removal of idle transmission infrastructure.
- As part of the due diligence, the Purchaser may conduct discussions with City Staff. Representatives from OPG will be in attendance at all due diligence meetings with the City.

In order not to impact negotiations, until the transaction is closed (March 20, 2018), there should be no public announcements made that identifies the future Purchaser and potential purchase price.

ESTIMATED DEVELOPMENT TIMELINE

Estimated Date	Development Milestone
by March 20, 2018	Closing + transfer of land to purchaser
by March 31, 2018	Public announcement opportunity. Promotional event to announce completion of sales process and introduce the Purchaser.
April 2018 – April 2021*	Planning Approvals (City-led OPA and Purchaser-led ZBA)
April 2018 – onwards	Remediation
~ Dec 2022 [within 18 months of approved OPA]	Phase 1 Municipal Land Transfer: Waterfront trail to Western Pier [Following remediation of Western Pier trail lands]
April 2021* – onwards	Phased build-out of site by developer [Dependent on planning approvals]
by 2026 [within 8 years following initiation of remediation of main Power Station slab]	Phase 2 Municipal Land Transfer: Municipal Lands
~2028 [following transfer of Municipal Lands]	Waterfront Park Construction start

* dependant on appeals to Official Plan Amendment and Municipal support for rezoning