

Report to Council



Date: June 22, 2016
File: 1880-50
To: City Manager
From: Kevin Van Vliet, Utility Services Manager
Subject: Brandt's Creek Trade Waste Treatment Plant - Sale of Industry Capacity

Recommendation:

THAT Council receives for information, the report from the Utility Services Manager dated June 22, 2016, pertaining to the Brandt's Creek Trade Waste Treatment Plant - Sale of Industry Capacity;

AND THAT Council waives the City's Right of First Refusal to purchase facility capacity from Sun-Rype Products Ltd.;

AND THAT Council authorizes the Mayor and City Clerk to execute the relevant Notice of Waiver for the Right of First Refusal.

Purpose:

To determine the action on a City Right of First Refusal over the sale of treatment facility capacity by Sun-Rype Products Ltd.

Background:

The City has a partnership agreement (the "Agreement") with Sun-Rype Products Ltd. and Canrim Packaging Ltd. regarding the ownership and operation of the Brandt's Creek Trade Waste Facility (the "Facility"). The Facility is owned and operated by the City with all costs (both capital and operating) being recovered from the industry partners.

The Agreement allocates specific facility capacity to each of the industry partners. If a partner wishes to sell some of the apportioned flow capacity to a third party, each of the other partners has the right of first refusal should they deem a need for that flow capacity.

Sun-Rype Products has approached the partners with a desire to sell a portion of their allocated capacity to a third party. If the sale proceeds accountability and responsibility for the costs and quality of flow from the third party would remain with Sun-Rype Products.

The City currently does not have any flow capacity at this facility allocated for City use. Should the City acquire capacity in the facility then the City would also be required to fund its portion of both operating and capital costs (potentially including past capital costs).

Staff do not see a future need for the City to acquire the flow capacity that Sun-Rype Products is requesting to sell, therefore a Notice of Waiver regarding the City's Right of Refusal can be executed.

Internal Circulation:

Andrew Reeder - Utility Planning Manager

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

K. Van Vliet, Utility Services Manager

Approved for inclusion:



Joe Creron, Divisional Director, Civic Operations

cc:

Andrew Reeder - Utility Planning Manager