

200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application – Supplementary Report

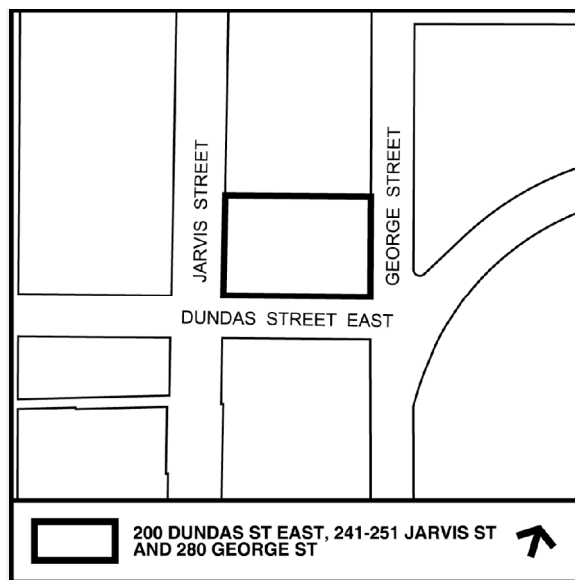
Date:	August 15, 2013
To:	Toronto and East York Community Council
From:	Director, Community Planning, Toronto and East York District
Wards:	Ward 27 – Toronto Centre-Rosedale
Reference Number:	11 295873 STE 27 OZ

SUMMARY

At its meeting of June 18, 2013 Toronto and East York Community Council adjourned the statutory meeting for the report from the Director, Community Planning, Toronto and East York District dated May 30, 2013 and headed: "200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application – Final Report ".

The details with respect to the Section 37 community benefits have now been finalized and this report is brought forward to set out those details. The draft Zoning By-law has been revised accordingly. The substantive planning issues and conclusions contained within the body of the May 30, 2013 Final Report have not changed.

Staff recommend that the recommendations of this supplementary report be adopted by Council to give effect to the recommended changes to the Zoning By-law.



RECOMMENDATIONS

The City Planning Division recommends that:

1. Recommendation 1 in the report (May 30, 2013) from the Director, Community Planning, Toronto and East York District, headed: "200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application - Final Report", be deleted and replaced with the following:

"1. City Council amend Zoning By-law 438-86 for the lands at 200 Dundas Street East, 241-251 Jarvis Street and 280 George Street, substantially in accordance with the draft Zoning By-law Amendment attached as Attachment No. 1 to the report (August 15, 2013) from the Director, Community Planning, Toronto and East York District, headed '200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application - Supplementary Report'."

2. Recommendation 3 in the report dated May 30, 2013 from the Director, Community Planning, Toronto and East York District, headed "200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application - Final Report", be deleted and replaced with the following:

"3. Before introducing the necessary Bills to City Council for enactment, City Council require the Owner to enter into an Agreement pursuant to Section 37 of the *Planning Act* as outlined below and that the City Solicitor be given authority to enact such agreements as may be required to give effect to the Section 37 community benefits as follows:

- a. The community benefits recommended to be secured in the Section 37 Agreement are as follows:
 - i. Prior to the issuance of the first above-grade building permit, the Owner shall make a cash contribution to the City in the amount of \$250,000 which will be used for local streetscape, parkland and community services improvements within Ward 27 and may be used for finishing the community space at 200 Dundas Street East.
 - ii. 1,300 square metres of community space be conveyed to the City substantially as outlined in the term sheet located in Attachment 1 of the report (August 15, 2013) from the Director, Community Planning, Toronto and East York District.
 - iii. Require that the cash amounts identified in Recommendation a. i. above shall be indexed upwardly in accordance with the Non-Residential Construction Price Index for the Toronto CMA, reported quarterly by Statistics Canada in Construction Price Statistics Publication No. 62-007-XPB, or its successor, calculated

from the date of execution of the Section 37 Agreement to the date of submission of the funds by the Owner to the City.

- b. The following matters which are routinely secured as part of a Site Plan Agreement are also recommended to be secured in the Section 37 Agreement as a legal convenience to support development:
 - i. Require the owner to pay all costs of infrastructure improvements associated with their development including such improvements to utilities and transportation infrastructure as may be required.
 - ii. The owner is required to obtain approval from Transportation Services for the road improvements required to accommodate projected site traffic levels.
 - iii. The size of the residential waste room for the Tower shall be at least 113 square metres and the size of the residential garbage room for the base shall be at least 139 square metres.
 - iv. A type G loading space shall be provided, which has minimum dimensions of 13m long x 4m wide with an unencumbered vertical clearance of 6.1m for the entire loading area.
 - v. A concrete staging pad abutting the front of the Type G loading space shall be provided with a minimum size of 75 square metres.
 - vi. All access driveways must have a minimum overhead travelling clearance of 4.4 metres including any overhead doors.
 - vii. A collection vehicle's minimum turning radius of 9.5 metres inside and 14 metres outside must be observed entering, exiting and travelling throughout the site. The access route and loading platform must be designed in such a way as to allow the collection vehicle to enter the site, collect the waste materials and exit in a forward motion without the need to backup onto a public road."
3. Recommendation 5 in the report dated May 30, 2013 from the Director, Community Planning, Toronto and East York District, headed "200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application - Final Report", be deleted and replaced with the following:
 - "5. City Council authorize the City to enter into any necessary agreements including but not limited to an agreement of purchase and sale, a put agreement and a shared facilities agreement, substantially based on the terms contained in the Term Sheet attached as Appendix 2 to the report (August 15, 2013) from the Director, Community Planning, Toronto and East York District, with any such

revisions thereto and any other terms as are acceptable to the Chief Corporate Officer and in a form satisfactory to the City Solicitor."

4. That a Recommendation 6 be added to the report of May 30, 2013 from the Director, Community Planning, Toronto and East York District, headed "200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application - Final Report", stating the following:

"6. City Council authorize the City Solicitor to complete the transaction(s) in Recommendation 2(a)(ii) on behalf of the City including amending the closing date and other dates to such earlier or later date(s) and on such terms as she/he may from time to time consider reasonable."

Financial Impact

There are no financial implications arising from this report. A final determination of the use for the community space has not been made and appropriate finishes have not been determined. As such, the space is proposed to be conveyed serviced and finished to drywall.

Costs to finish this community space will be funded from either Section 37 funds secured in the Agreement or community groups. Should these funds not be found, the space can be sold at the City's discretion, or the developer must buy the space back from the City.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of June 18, 2013 Toronto and East York Community Council adjourned the statutory meeting for the final report from the Director, Community Planning, Toronto and East York District dated May 30, 2013 and headed: "200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application – Final Report" as the final details of the Section 37 Agreement had not been finalized.

A fulsome decision history is provided in the report from the Director, Community Planning, Toronto and East York District dated May 30, 2013 and headed: "200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application – Final Report"

<http://www.toronto.ca/legdocs/mmis/2013/te/bgrd/backgroundfile-59127.pdf>

ISSUE BACKGROUND AND COMMENTS

A detailed review of the application is provided in the report from the Director, Community Planning, Toronto and East York District dated May 30, 2013 and headed: "200 Dundas Street East, 241-251 Jarvis Street and 280 George Street - Zoning Amendment Application – Final Report"

<http://www.toronto.ca/legdocs/mmis/2013/te/bgrd/backgroundfile-59127.pdf>

Section 37

Section 37 of the Planning Act allows the City to grant increased density and/or height in exchange for community benefits. Community benefits are specific capital facilities (or cash contributions for specific capital facilities) and can include: parkland and/or park improvements above and beyond the parkland dedication; public art; streetscape improvements on the public boulevard not abutting the site, Heritage Conservation District studies identified in the Official Plan; and other works detailed in Section 5.1.1.6 of the Official Plan. Section 37 may also be used as may otherwise be agreed upon, subject to the policies contained in Chapter 5 of the Official Plan.

The community benefits must bear a reasonable planning relationship to the proposed development including at a minimum, an appropriate geographic relationship and the addressing of planning issues associated with the development (e.g. local shortage of parkland, replacement rental apartment units).

On January 22, 2013 Toronto and East York Community Council received a status report from the Directors of Social Development, Finance and Administration and Community Planning, Toronto and East York District. That report outlined the components of the Downtown East Revitalization Initiative. Those components were:

- Planning and Heritage;
- Safety;
- Community Services Planning;
- Housing Strategies;
- Economic Development; and
- Public Realm.

An increase in community space in the area has the potential to support the further coordination of Community Services Planning and act as a catalyst for Economic Development in the area, especially if used for employment training, social enterprise or a high profile arts use such as a theatre.

<http://www.toronto.ca/legdocs/mmis/2013/te/bgrd/backgroundfile-53970.pdf>

The applicant has proposed to convey community space to the City of Toronto in furtherance of the revitalization goals in the Downtown East Study Area. The amount of space proposed is 1,300 square metres, inclusive of 180 square metres of retail space and a 39 square metre lobby. The details of the conveyance are outlined in the Term Sheet attached as Attachment 1 of this

report. As part of the Section 37 benefits, the Owner will make a \$250,000.00 cash contribution to the City which may be used to assist with the finishing of the community space.

When calculating the value of a Section 37 contribution that is public space for the City of Toronto, only the costs of construction are taken into account. In this case the proposed community space is being conveyed at nominal cost to the City of Toronto. The cost of construction is estimated to be \$250.00/square foot or \$2,688.17/ m², therefore the total value of the proposed Section 37 contribution is approximately \$3.5 million.

The community benefits recommended to be secured in the Section 37 Agreement are as follows:

1. Prior to the issuance of the first above-grade building permit, the Owner shall make a cash contribution to the City in the amount of \$250,000 which will be used for local streetscape, parkland and community services improvements within Ward 27 and may be used for finishing the community space at 200 Dundas Street East.
2. 1,300 square metres of community space be conveyed to the City substantially as outlined in the term sheet located in Attachment 1 of this report.
3. Require that the cash amounts identified in Recommendation 1 above shall be indexed annually in accordance with the Non-Residential Construction Price Index for the Toronto CMA, reported quarterly by Statistics Canada in Construction Price Statistics Publication No. 62-007-XPB, or its successor, calculated from the date of execution of the Section 37 Agreement to the date of submission of the funds by the owner to the City.

The following matters which are routinely secured as part of a Site Plan Agreement are also recommended to be secured in the Section 37 Agreement as a legal convenience to support development:

1. Require the owner to pay all costs of infrastructure improvements associated with their development including such improvements to utilities and transportation infrastructure as may be required.
2. The owner is required to obtain approval from Transportation Services for the road improvements required to accommodate projected site traffic levels.
3. The size of the residential waste room for the Tower shall be at least 113 square metres and the size of the residential garbage room for the base shall be at least 139 square metres.
4. A type G loading space shall be provided, which has minimum dimensions of 13m long x 4m wide with an unencumbered vertical clearance of 6.1m for the entire loading area.

5. A concrete staging pad abutting the front of the Type G loading space shall be provided with a minimum size of 75 square metres.
6. All access driveways must have a minimum overhead travelling clearance of 4.4 metres including any overhead doors.
7. A collection vehicle's minimum turning radius of 9.5 metres inside and 14 metres outside must be observed entering, exiting and travelling throughout the site. The access route and loading platform must be designed in such a way as to allow the collection vehicle to enter the site, collect the waste materials and exit in a forward motion without the need to backup onto a public road.

CONTACT

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SIGNATURE

Gregg Lintern, MCIP, RPP
Director, Community Planning
Toronto and East York District

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ATTACHMENTS

Attachment 1: Draft Zoning By-law Amendment

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Authority: Toronto and East York Community Council Item ~ as adopted by City of Toronto Council on ~, 2013
Enacted by Council: ~, 2013

CITY OF TORONTO Bill No. ~ BY-LAW No. -2013

To amend the General Zoning By-law No. 438-86, as amended of the former City of Toronto with respect to the lands municipally known as 200 Dundas Street East, 241-251 Jarvis Street and 280 George Street

WHEREAS Council of the City of Toronto has the authority pursuant to Section 34 of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended, to pass this By-law;

WHEREAS Council of the City of Toronto has provided adequate information to the public and has held at least one public meeting in accordance with the *Planning Act*;

WHEREAS the Official Plan for the City of Toronto contains such provisions relating to the authorization of increases in height and density of development;

WHEREAS pursuant to Section 37 of the *Planning Act*, a by-law under Section 34 of the *Planning Act*, may authorize increases in the height or density of development beyond those otherwise permitted by the by-law and that will be permitted in return for the provision of such facilities, services or matter as are set out in the by-law;

WHEREAS subsection 37(3) of the *Planning Act* provides that where an owner of land elects to provide facilities, services and matters in return for an increase in the height or density of development, a municipality may require the Owner to enter into one or more agreements with the municipality dealing with the facilities, services and matters;

WHEREAS the Owner of the aforesaid lands has elected to provide the facilities, services and matters hereinafter set out;

WHEREAS the increase in height and density permitted beyond that otherwise permitted on the aforesaid lands by By-law No. 438-86, as amended, is permitted in return for the provision of the facilities, services and matters set out in this By-law which is secured by one or more agreements between the Owner of the land and the City of Toronto.

The Council of the City of Toronto HEREBY ENACTS as follows:

1. Pursuant to Section 37 of the *Planning Act*, the *heights* and density of development permitted in this By-law are permitted subject to compliance with all of the conditions set out in this By-law and in return for the provision by the *owner* of the *lot* of the facilities,

services and matters, to the City at the *owner's* sole expense and in accordance with and subject to the agreement referred to in Appendix "1" of this By-law.

2. Upon execution and registration of an agreement or agreements with the *owner* of the *lot* pursuant to Section 37 of the *Planning Act* securing the provision of the facilities, services and matters set out in Appendix "1" hereof, the *lot* is subject to the provisions of this By-law, provided that in the event the said agreement(s) requires the provision of a facility, service or matter as a precondition to the issuance of a building permit, the *owner* may not erect or use such building until the *owner* has satisfied the said requirements.
3. Except as otherwise provided herein, the provisions of By-law 438-86, as amended, shall continue to apply to the *lot*.
4. None of the provisions of Section 2(1) with respect to the definition of *grade* and *height* and Sections 4(2)(a), 4(5)(b), 4(8), 4(10), 4(12), 4(16), 8(3) Part I 1. and 3., 8(3) Part II 1.(a)(ii), 8(3) Part II 2.(a) and 12(2)132 of By-law No. 438-86 of the former City of Toronto, being "A By-law to regulate the use of land and the erection, use, bulk, height, spacing of and other matters relating to buildings and structures and to prohibit certain uses of lands and the erection and use of certain buildings and structures in various areas of the City of Toronto", as amended, shall apply to prevent the erection or use of a *mixed-use building*, including *accessory* uses thereto and a *commercial parking garage* on the *lot* provided that:
 - (a) the *lot* on which the building is to be located comprises at least those lands delineated by a heavy line on Map 1, attached to and forming part of this By-law;
 - (b) the total aggregate *residential gross floor area* and *non-residential gross floor area* shall not exceed 57,050 square metres;
 - (c) the *residential gross floor area* shall not exceed 54,250 square metres;
 - (d) the *non-residential gross floor area* shall not exceed 2,800 square metres;
 - (e) the *height* of any building or structure, or portion thereof, including mechanical and elevator/stair overrun, shall not exceed those heights as indicated by the numbers following the symbol H on the attached Map 2, with the exception of the following:
 - (i) parapets, terrace or balcony guards and dividers, planters and railings extending to a maximum vertical projection of 2.0 metres above the *height* limits shown on Map 2; and
 - (ii) window washing equipment, landscape elements, lighting fixtures, vents, flues, pipes, access roof hatch, and structures located on the roof used for outside or open air recreation, safety or wind protection purposes may project above the *height* limits shown on Map 2;

- (f) no portion of any building or structure erected and used above *grade* is located otherwise than wholly within the areas delineated by heavy lines shown on Map 2 attached to and forming part of this By-law, subject to the following:
 - (i) cornices, eaves, guardrails, lighting fixtures and vents may extend beyond the heavy lines shown on Map 2;
 - (ii) awnings, and canopies may extend beyond the heavy lines shown on Map 2 to a maximum of 2.0 metres beyond the wall to which they are attached; and
 - (iii) balconies may extend beyond the heavy lines shown on Map 2 to a maximum of 1.5 metres.

5. Provide a minimum number of resident parking spaces on the site to serve this development in accordance with the following minimum ratios:

Studio Units	0.30 spaces per unit
1-bedroom Units	0.50 spaces per unit
2-bedroom Units	0.75 space per unit
3+ bedroom Units	1.20 spaces per unit
Residential Visitor Parking	0.10 spaces per unit

Provided further that:

A reduction of four resident parking spaces will be permitted for each car-share parking space provided on the lot and that the maximum reduction permitted by this means be capped by the application of the following formula:

$4 \times (\text{Total No. of Units} \div 60)$, rounded down to the nearest whole number.

6. A minimum of 786 *bicycle parking spaces* shall be provided on the lot as follows:

- a. 632 resident *bicycle parking spaces*; and
- b. 153 shared visitor and retail *bicycle parking spaces*.

7. Residential *dwelling units* shall be provided as follows:

- A minimum of 10% three-bedroom *dwelling units*.

1. *Residential amenity space* shall be provided on the *lot* as follows:

- a. a minimum of 2 square metres of indoor *residential amenity space* per unit, and
- b. a minimum of 1,560 square metres of outdoor *residential amenity space*.

2. A minimum of one *loading space – type “B”* shall be provided on the *lot*.

3. A minimum of two *loading spaces* – type “C” shall be provided on the *lot*.
4. A minimum of one *loading space* – type “G” shall be provided on the *lot*.
5. The minimum ground floor height shall be 6.5 metres excluding the area below the mezzanine where the minimum ground floor height shall be 4.1 metres.
6. Continuous pedestrian level weather protection shall be provided to the *lot* lines along Jarvis Street, Dundas Street East and George Street.
7. Notwithstanding the provisions outlined on Map 2, the ground floor shall be setback as follows for a height of 6.5 metres:
 - a. 2 metres from the west *lot* line;
 - b. 2.6 metres from the south *lot* line; and
 - c. 1.5 metres from the east *lot* line.
8. For the purpose of this By-law:
 - a. “*car-share parking space*” means an unimpeded area that is readily accessible at all times for the parking and removal of a motor vehicle that is owned by a profit or non-profit car-sharing organization and where such organization may require that the use of cars be reserved in advance, charge fees based on time and/or kilometers driven, and set membership requirements;
 - b. “*grade*” shall mean 89.5 metres Canadian Geodetic Datum;
 - c. “*height*” shall mean the vertical distance between *grade* and the highest point of the roof, excluding permitted projections identified in section 4(e) of this By-law; and
 - d. each other word or expression that is italicized shall have the same meaning as each such word or expression as defined in By-law No. 438-86, as amended.

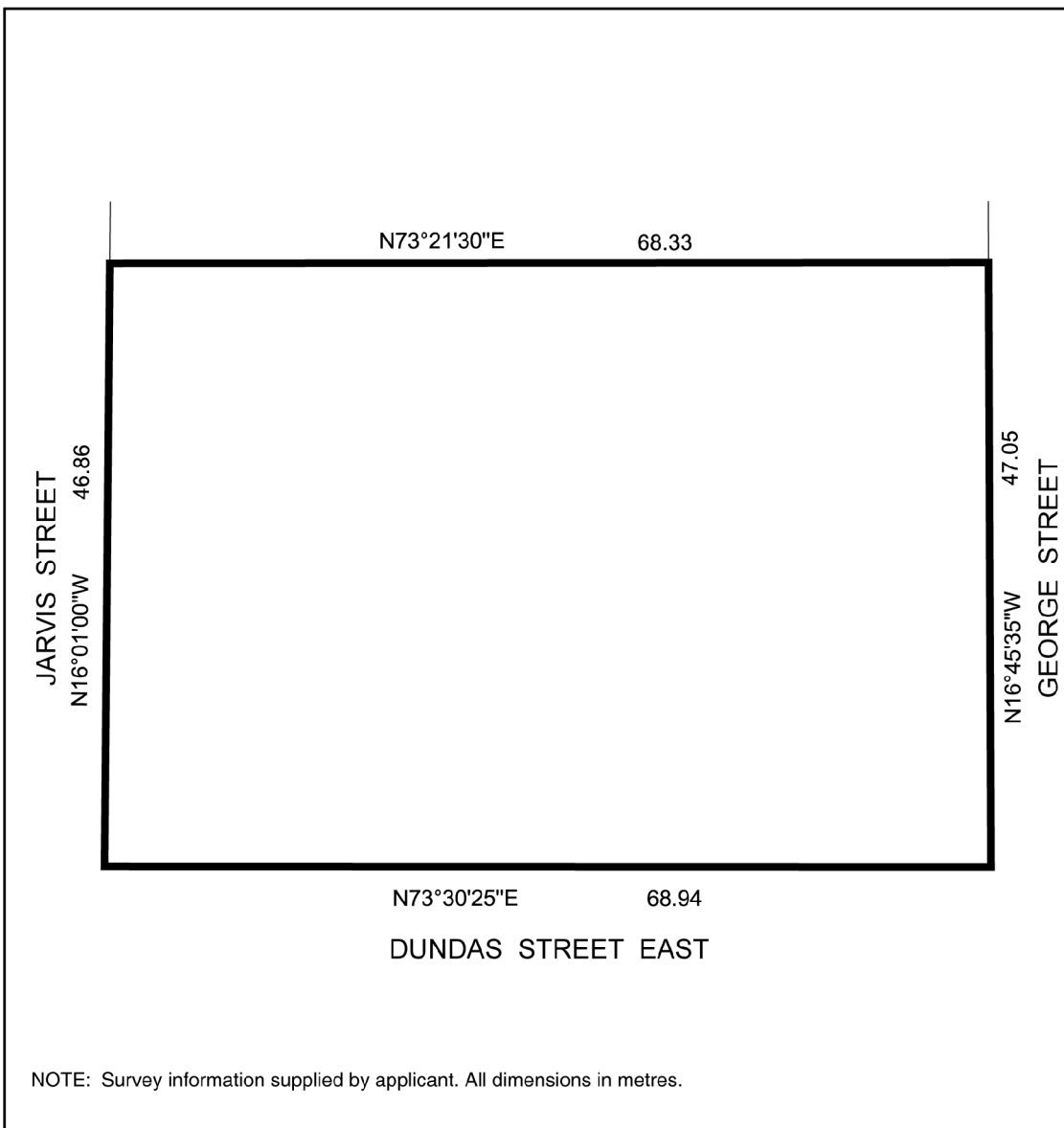
ENACTED AND PASSED this ~ day of ~, A.D. 2013.

ROB FORD,
Mayor

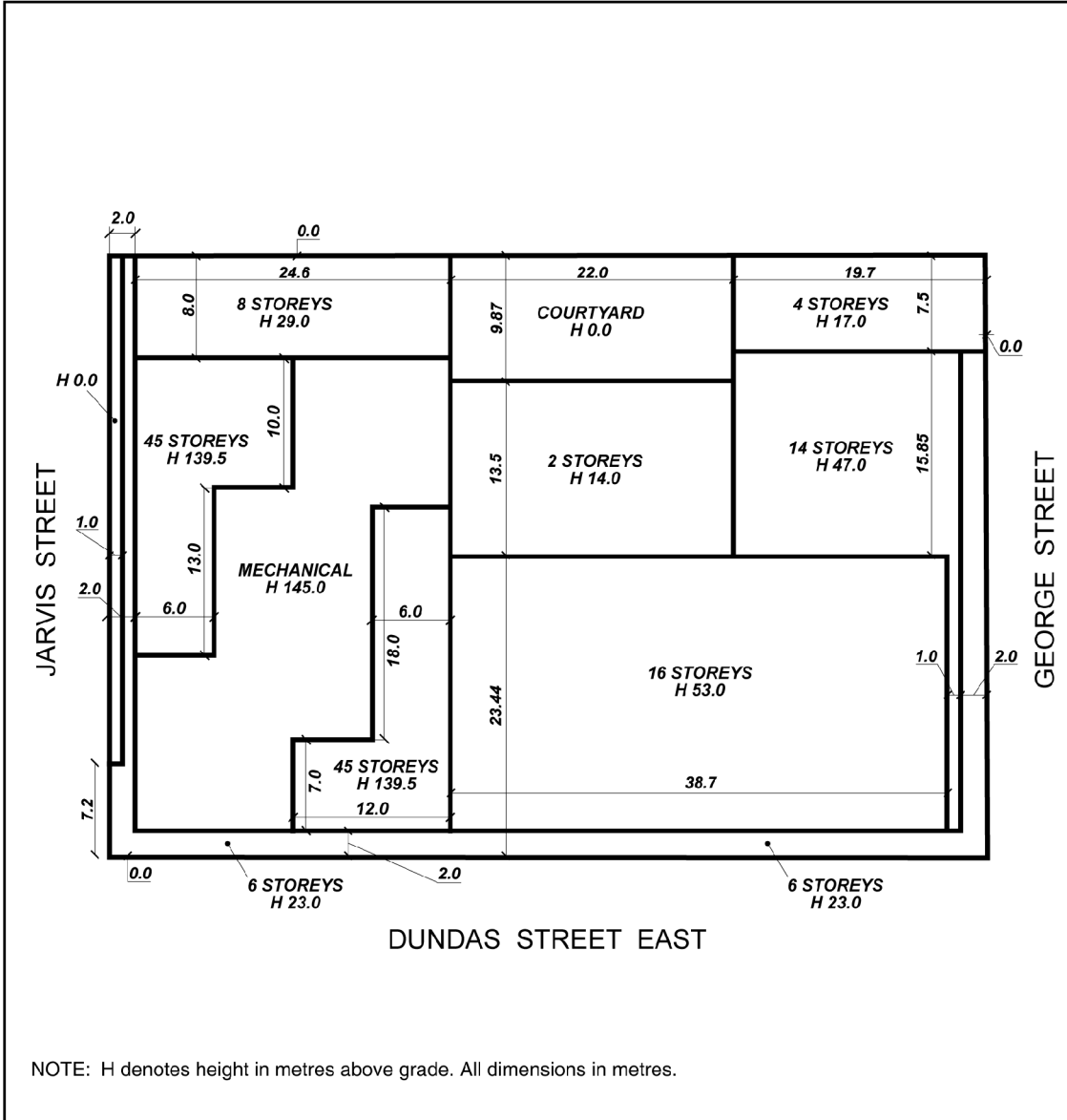
ULLI S. WATKISS,
City Clerk

(Corporate Seal)

Map 1



Map 2



Appendix 1: Council Authorities to Implement Matters Pursuant to the Section 37 Agreement

The facilities, services and matters set out below are required to be provided to the City at the *Owner's* expense in return for the increase in height and density of the proposed development on the *Lands* and secured in an agreement or agreements under Section 37(3) of the *Planning Act* whereby the *Owner* agrees as follows:

1. Prior to the issuance of the first above-grade building permit, the Owner shall make a cash contribution to the City in the amount of \$250,000 which will be used for local streetscape, parkland and community services improvements within Ward 27 and may be used for finishing the community space at 200 Dundas Street East.
2. The Owner shall convey to the City a minimum of 1,300 square metres of space as a freehold stratified fee simple interest free and clear of all charges, liens, registered restrictions and other encumbrances of any kind except any Shared Facilities Agreement required pursuant to the Section 37 Agreement prior to the registration of any condominium on the site or in the event no condominium is registered on the site, before such time that any unit is occupied.
3. The cash amounts provided to the City shall be indexed upwardly in accordance with the Non-Residential Construction Price Index for the Toronto CMA, reported quarterly by statistics Canada in Construction Price Statistics Publication No. 62-007-XPB, or its successor, calculated from the date of execution of the Section 37 Agreement to the date of submission of the funds by the owner to the City.
4. The following matters are to be secured in the Section 37 Agreement as a legal convenience to support development:
 - i. Require the owner to pay all costs of infrastructure improvements associated with their development including such improvements to utilities and transportation infrastructure as may be required.
 - ii. The owner is required to obtain approval from Transportation Services for the road improvements required to accommodate projected site traffic levels.
 - iii. The size of the residential waste room for the Tower shall be at least 113 square metres and the size of the residential garbage room for the base shall be at least 139 square metres.

- iv. A type G loading space shall be provided, which has minimum dimensions of 13m long x 4m wide with an unencumbered vertical clearance of 6.1m for the entire loading area.
- v. A concrete staging pad abutting the front of the Type G loading space shall be provided with a minimum size of 75 square metres.
- vi. All access driveways must have a minimum overhead travelling clearance of 4.4 metres including any overhead doors.
- viii. A collection vehicle's minimum turning radius of 9.5 metres inside and 14 metres outside must be observed entering, exiting and travelling throughout the site. The access route and loading platform must be designed in such a way as to allow the collection vehicle to enter the site, collect the waste materials and exit in a forward motion without the need to backup onto a public road.

Appendix 2: Term Sheet

SECTION 37 TERM SHEET FOR CITY SPACE AT THE CONDOMINIUM TO BE CONSTRUCTED AT 200 DUNDAS STREET EAST (the "Project")

- 1. Transfer of City Space:** The owner of the property municipally known as 200 Dundas Street East, 241-251 Jarvis Street and 280 George Street (the "**Owner**") shall convey to the City or to whom the City directs, for nominal consideration, space in the Project having an area of no less than 1,300 m², (the "**City Space**") substantially in the location and as set out in the Building Renderings and Drawing List dated March 26, 2013 relating to 200 Dundas Street East, 241-251 Jarvis Street and 280 George Street, Toronto prepared by Page and Steele Architects, attached to this Term Sheet as Appendix "A", to be constructed on the terms set out in this Term Sheet, at the expense of the Owner, and such other terms as acceptable to the parties acting reasonably.
- 2. Calculation of Area:** The area of the City Space shall be calculated by the Owner's surveyor or architect. A certificate from the surveyor or architect shall be binding on the parties and shall be conclusive evidence of the facts stated therein.
- 3. Cash Contribution:** The Owner will provide the City with a cash contribution of \$250,000.00 payable prior to the issuance of the first above-grade building permit for the development, with such amount to be indexed upwardly in accordance with the Statistics Canada Non-Residential Construction Price Index for Toronto, calculated from the date of the Section 37 Agreement to the date of payment.
- 4. Ownership and Title:** The City Space shall be conveyed by the Owner to the City as a freehold stratified fee simple interest, free and clear of all charges, liens, registered restrictions and other encumbrances of any kind except any Easement and Cost Sharing Agreement (the "**ECA**") required pursuant to this term sheet and the Section 37 Agreement (the "**Permitted Encumbrances**"). Upon completion of the conveyance, the Owner shall provide, at its cost, its lawyer's legal opinion, addressed to the City and in a form satisfactory to the City Solicitor, confirming that the City is obtaining good and marketable title in fee simple to the City Space free and clear of all charges, liens, registered restrictions and other encumbrances of any kind, except the Permitted Encumbrances.
- 5. Timing of Conveyance:** The City Space shall be conveyed to the City on or before registration of the condominium in relation to the Project, or in the event that a condominium is not being registered, at such time as units in the Project are being made available for occupancy (the "**Conveyance Date**").

6. Other Terms Relating to City Space: The City Space will have access to and use of all areas located in the Project reasonably necessary for the operation, use, repair and maintenance of the City Space. For greater certainty, further particulars of the City Space follow:

- a) The City Space shall be divided as follows:
 - (i) the ground floor area (the “**City Retail Space**”) having a floor area of not less than 219 m², (including 39 m² of lobby space), and
 - (ii) the second floor area (the “**City Cultural Facility Space**”) having a floor area of not less than 1081.03 m².
- b) The City Space shall have access to the City street through the first floor lobby being constructed as part of the City Space.
- c) Each separate unit of the City Retail Space shall have direct access to the City street.
- d) Each of the City Retail Space and the City Cultural Facility Space will have internal access and use of the loading and garbage areas, and service corridors of the Project. All of the access routes shall be functional and not require special care and attention to gain access to the service corridor leading to the loading and garbage facility.
- e) The City Cultural Facility Space on the second floor shall have windows along the north wall to the satisfaction of the Chief Planner of the City.
- f) The Owner shall provide at its cost the required containers to be able to meet the City's waste diversion program.
- g) The City shall pay for utilities consumed in the City Space. The utilities will be separately metered and paid by the City (or its tenant, or licensee or occupier) directly to the utility company. The meters will be installed by the Owner at the Owner's expense.
- h) The City Space will be heated and cooled by the central building HVAC system . For greater certainty, the Owner acknowledges and agrees that the City Space shall not have an HVAC system installed within the City Space but will be supplied from the central building HVAC system serving the complex as a whole.
- i) The City shall pay a percentage of a pro-rata share of operating costs for shared facilities it has continuous and regular use of, being the access driveway, loading area, garbage disposal area, the public washrooms, the service corridors to get to the above areas and service elevator (the “**Shared Facilities**”). The aforementioned percentage to be determined by the Director of Real Estate Services, acting reasonably.
- j) The City Space shall comply with the *Accessibility for Ontarians with Disabilities Act, 2005*.

- k) The Owner shall construct and complete the City Space in accordance with the Section 37 Agreement and the standards contained herein. The Owner agrees to consult with the City on the construction and update the City periodically, acting reasonably, on the status of the construction
- l) Although the City Space may be used for any use permitted by the Official Plan and Zoning By-law 569-2013, as amended, from time to time, the City expressly agrees that the City Space will not be used for *adult entertainment, amusement arcades, body rub services, gaming establishments, group homes, hospitals, hospice care homes, municipal shelters, night clubs, nursing homes, residential care homes, and respite care facilities.*
- m) The Owner shall provide a full covering warranty for the City space and agrees to correct any deficiencies with a reasonable time.

7. Easement and Cost-Sharing Agreement: The City and the Owner will enter into an ECA on or before the Conveyance Date to facilitate the integration of the various elements of the Project and the City Space. The ECA will be on such terms as agreed upon by Chief Corporate Officer and in a form satisfactory to the City Solicitor and shall include but not be limited to the following:

- a) The City, its employees, tenants, licensees, occupiers, invitees, users, patrons et al. of the City Space shall have access and use of the Shared Facilities including the right of access to the public washrooms located on the ground floor of the Project.
- b) The City shall not be responsible for repair, maintenance, or replacement, including capital expenditures, for any of the Shared Facilities except to the extent of its contribution for such costs as discussed herein.
- c) The City shall have full access to the Shared Facilities at all times.

8. Option Agreement: On the Conveyance Date, the Owner shall enter into a option agreement with the City, in a form satisfactory to the City Solicitor, acting reasonably, pursuant to which the City will have for a period of (2) two years following the Conveyance Date, the option to put the City Space back to the Owner requiring the Owner to purchase the City Space at fair market value (such value to be determined as of the date immediately preceding the date the City notifies the Owner that it is exercising its option).

9. Financial Matters: The Owner

- a) acknowledges that the City Space constitutes a Section 37 benefit and is being conveyed to the City at nominal cost. The City will not be responsible for any costs associated with the conveyance of the City Space, pursuant to the Section 37 Agreement; and

- b) will pay all costs associated with conveyance of the City Space to the City, including any land transfer tax payable by the City in respect of the conveyance and any documents registered relating to the conveyance.
- c) Upon execution of the Section 37 Agreement, the Developer will provide the City with an irrevocable and unconditional letter of credit in a form and from a Canadian Chartered Bank acceptable to the City's Chief Financial Officer, in the amount of \$1,250,000.00, (the "**Finishing Allowance**"), being 125% of the full value of the estimated costs to finish the CitySpace in the manner more fully described in this Term Sheet. Until the parties agree on the final plans and specifications for finishing the City Space and the finishing work commences, the amount of the Finishing Allowance will be increased annually by an amount equal to the increase in the Non-Residential Building Construction Price Index (Toronto) and the Developer agrees to increase the amount secured by the letter of credit accordingly forthwith upon calculation of the increase. The terms upon which the City may draw on the letter of credit for the Finishing Allowance will include the Developer failing to complete the City Space in the manner specified in this Term sheet.

10. Interior Construction:

- a) The Owner shall construct the City Space to Base Building Standards entirely at its own costs. For The purpose of this Term sheet, "**Base Building Standards**" means: basic improvements including but not limited to, concrete floors, dry walls taped, sanded and primed, life safety systems and emergency lighting, lighting, electrical panel and heating and cooling and ventilation, plumbing (excluding internal distribution).
- b) The flooring, ceiling and wall finishes shall be determined by the City in accordance with the type of use the unit will be constructed for. The City Space on turnover to the City will meet all the Ontario Building Code requirements, City By-law requirements and accessibility requirements, as well as health and safety requirements.

The City and the Owner's architect will work to properly construct the City Space, as a quality of finishes consistent with the City standards and requirements necessary to operate the space to the satisfaction of the City

- c) The Owner's requirement on the type and degree of interior finish includes but is not limited to this section and attached Appendix "A" attached to this Term Sheet
- d) For greater certainty, the Owner acknowledges and agrees that it will be responsible at its sole cost for the initial and ongoing responsibility to install, supply, repair and maintain all the mechanical components servicing the City Space, without limitation this includes the HVAC system servicing the City Space, the electrical power and panel coming into the City Space, the plumbing coming into and outgoing from the City Space, including the installation of check meters for incoming hot and cold water supply lines, the sprinkler system and life and safety equipment, and the required intake and exhaust ventilation system.

- e) For greater certainty, the City Space shall have at minimum the following: Heating ventilation and air conditioning provided to the City Space. This will include the distribution network that will meet ASHRAE standards, an electrical panel and appropriate distribution of the electrical requirements to operate the City Space, the necessary plumbing system that would be required or requested by the City, this would include but not be limited to bathrooms, janitorial closet, kitchen and any other requirements needed by the City for the proposed use. The flooring, ceiling and wall finishes shall be determined by the City in accordance with the type of use the unit will be constructed

APPENDIX "A"

PLANS, OWNER'S APPROVAL AND CONDUCT OF WORK

1. After the completion of the architect and engineer's base building drawings, the Owner agrees to work with the City and to provide to the City, at its sole cost, a floor plan of Project and any other drawings required by the City for the review and design of the City Space. The Owner shall pay the total fee or expense charged or incurred by the Owner's architect and consultant's work in approving the drawings and the as-built architectural and engineering plans, the Owner will also at his sole cost review, and do periodic inspection of the site and construction.
2. The Owner shall work with the City to prepare the design plans of the City Space, upon determination of any design by the City. Upon the City's satisfaction, the City shall provide written approval to the Owner that the requirements, drawings, specifications, construction schedules, sketches or blueprints prepared by the Owner's architect or engineer and any other documents or permits necessary for the City's work, illustrating the interior design work within sufficient detail, including how it affects the mechanical systems, electrical systems, fire/life safety and structural elements affecting the building. All copies of as-built drawings with any changes are to be prepared by the Owner, which shall be retained by the Owner with a copy provided to the City for its records.
3. The Owner shall keep the City Space, including all improvements, insured during the period of time in which the Owner is carrying out the work on the City's Space (as may be required by a prudent owner of similar property).
4. Prior to performing any work, the Owner shall obtain all necessary consents, permits, licenses, certificates and inspections from all municipal, governmental and regulatory authorities having jurisdiction, and shall make available to the City copies of same and shall post permits as required. The Owner agrees to provide the City copies of any required occupancy permits (5) five days prior to first occupancy of any unit in the Project.
5. The opinion in writing of the City's approved architect or other qualified consultants shall be binding on both the Owner and the City respecting all matters of dispute regarding the Owner's work, including the state of completion and whether or not the Owner's work is completed in a good and workmanlike manner and in accordance with the City requirements, and plans as approved by the City and Owner.
6. The Owner shall be responsible, at the Owner's cost, for performance of fire protection work in the City Space together with any other Owner related work in the Shared Facilities of the building
7. All of the work by the Owner shall be performed by competent workmen whose labour affiliations are compatible with those employed by the City and its contractors and which

will not result in work stoppages or delays in the construction and completion of the Building, or other units in the Project, including exterior work on the Project.

8. The Owner is responsible for the cost of the removal of all construction debris.
9. The Owner shall be responsible for construction of all hydro and public utilities during the construction period of the interior work.
10. In the event the Owner has not completed part of the work, which must be done in order for the City to occupy the City Space, the City may complete the work for which the Owner is responsible and charge the Owner for such work.
11. The Owner will comply with the City's Fair Wage Policy and the Labour Trades Contractual Obligations in the Construction Industry, if required.

OWNER'S WORK:

The Owner agrees to, at his/her own expense, install or perform for the City on or before receiving occupancy for the City Space:

WALL :	All demising walls, exterior walls and columns and City's demising partitions are on light gauge metal studs.
FLOORS :	Ground floor City space steel trowelled concrete to receive at Owner's cost City's finish as may be selected by City from Owner's selection. Second floor City Space steel, trowelled concrete to receive, if City wishes to finish the floor and may be selected from Owner selection, at no mark up to the City.
CEILING :	Drop ceiling shall be installed suitable for the proposed use.
PLUMBING & DRAINAGE:	The Owner at his sole cost shall provide at-least one washroom meeting Accessibility requirements in each unit. If the building code requires more than one washroom the Owner at his sole cost shall provide the required washrooms for each unit, as well as a janitorial closet. The Owner at their sole cost shall install in each unit a water check meter and water usage for the City Space shall be at City's expense.
MECHANICAL SYSTEM :	Mechanical ventilation in compliance with Ontario Building Code, ASHRAE, and best industry practice, including fresh air and exhaust air, from a central system will be ducted and distributed to the City Space. The Owner at his sole cost shall also provide full interior air distribution system and any additional cooling requirement

	over the Owner's provision of 1 ton/250 sq. ft.
ELECTRICAL SYSTEM :	Electrical distribution including power panel, wiring, lighting fixtures, receptacles and wiring of HVAC equipment within the City Space shall be at the expense of the Owner. The Owner shall provide the appropriate power as determined by the Executive Director of Technical Services. Electrical service for City Space will be check metered and power consumption within the City Space shall be City's expense.
SPRINKLER SYSTEM :	Owner at his sole cost shall provide alternations to the basic sprinkler system such as drops, changes in location and additional sprinkler, required by the City's interior plans shall be performed by the Owner's at the Owner's expense. The City will coordinate with the Owner in the design of its lighting, ceiling, profiles and interior partition layout to accommodate this sprinkler system.
COMMUNICATIONS:	A minimum of three 1" empty conduits will be provided from telephone room to the City Space in locations to be agreed upon by the City and the Owner.