

ATTACHMENT #1

USEP, PACKAGE 1 - MAJOR TERMS OF FRAMEWORK AGREEMENT

Project Lands:

- The City-owned lands and airspace constituting the southerly portion of the Union Station site, and the adjacent Metrolinx-owned lands and airspace located south of the existing train shed, are to be the joint site of the south concourse "Project"

Closing Date:

- The transaction shall close, and the Design and Construction Agreement and the other Key Agreements shall be entered into on a date in early 2019, as selected by the parties to align with Metrolinx's selection of the successful proponent under the RFP issued for USEP, Package 1
- If additional terms require Council approval to be obtained, City staff will seek authority when Council reconvenes in early 2019, where required, after which the transaction may close

Pre-Closing Obligations:

- Metrolinx, in consultation with the City, is to carry out various preclosing activities, with the City to provide such assistance, copies of relevant documentation and access to the site as is reasonably required, which activities shall include:
 - Finalizing the list of all regulatory permits and approvals required to carry out the Project on both the City-owned portion of the Project Lands and on the Metrolinx-owned portion of the Project Lands, including zoning and site plan approval and, through the Design and Construction Agreement, Metrolinx agreeing to obtain or causing ProjectCo to obtain and comply with the same
 - Carrying out pre-construction preparations and due diligence, including reviewing relevant documents and plans, site condition inspections, non-destructive testing and other necessary testing of the Project Lands, pursuant to a non-exclusive nominal sum licence granted by the City to Metrolinx and others authorized by Metrolinx over the City-owned portion of the Project Lands for such purposes, subject to compliance with the City's protocols and requirements pertaining to such access
 - With the City's reasonable assistance, ascertaining the location of existing services, utilities and structures on the City-owned Project Lands and work with the City to develop a plan to address, in a satisfactory manner, any potential interference with such services, utilities and structures

- Developing and obtaining the approval of the City to the design and construction documentation to be included in the Project Agreement, including construction and sequencing schedules for the Project and including the Output Specifications, with particular regard for material impacts on the City property or the proper functioning of Union Station or the pedestrian flow within the vicinity of Union Station
- In consultation with the City's surveyors, finalizing a Reference Plan of Survey of the Project Lands
- Providing the City with the pedestrian modelling done by Metrolinx to be assessed by the City's consultant to identify any reasonable appropriate changes to the Output Specifications to address any potential material negative consequences resulting from the Project as are identified by the City's pedestrian modelling consultant
- Providing the City will full copies of all surveys, results, reports, studies and plans received by Metrolinx as a result of its inspections, testing and other due diligence investigations
- Employing the governance framework set out in the existing Amended and Restated Reciprocal Rights Agreement ("ARRRA") and having recourse to the dispute resolution escalation process adopted by the RER Steering Committee
- Both Metrolinx and the City acting reasonably in reviewing and approving requests within designated response periods, and including reasonable protocol to allow for extensions if requests cannot be actioned within the designated response period, provided that a failure to respond within the designated period shall not be deemed to be an approval
- With the City, developing a co-ordinated communications protocol for the Project
- Metrolinx fully funding the City's third party costs of participating in the Project, with both parties acting reasonably
- With the City, diligently negotiating and endeavouring to finalize the Key Agreements

Closing Conditions:

- Each party shall be satisfied that:
 - the other party has performed its pre-closing obligations;
 - the necessary new or amended Key Agreements are in place;

- Metrolinx shall be satisfied that any approval required pursuant to Section 28(1) of the *Financial Administration Act (Ontario)* has been obtained and the City shall be satisfied that any approval for further funding required pursuant to the Funding Agreement has been obtained

Key Agreements:

- The parties shall endeavour to put in place any new agreements and amendments to existing agreements as are necessary in order for the design, construction and operation of the Project to be carried out in a manner which does not result in a breach of any agreement and which does not have a material adverse impact on the City Property or the functioning of Union Station or the pedestrian flow within the vicinity of Union Station and does not result in a loss of revenue to the City or otherwise create a negative financial impact for the City including, in particular:
 - amendments to the Amended and Restated Reciprocal Rights Agreement to incorporate the new south concourse areas into the overall integrated operating areas of the station, consistent with the approach used in the existing portions of Union Station;
 - any necessary amendments to the VIA Lease, the Head Lease Agreement, the CN HighLine Crossing Easement, the Enwave Easement and any other identified key agreement, to address the relocation of any internal areas, any temporary disruptions due to Project construction, any necessary relocation of services and any other potential negative impacts; and
 - with respect to MLSE, arrangements that Metrolinx may require in order to secure the necessary rights over the Blue Route to complete the development and construction of the Project without affecting (other than temporarily) the City's existing rights through the Blue Route and, in the event that Metrolinx acquires an interest in the Blue Route, the application of the ARRRA to the same, including the same integrated easements and use provisions as are contained within the ARRRA.

Note:

- Additional issues may arise in the course of negotiations of the Framework Agreement and the Design and Construction Agreement with Metrolinx or in the course of discussion with other stakeholders at Union Station which will be addressed within the negotiating principles outlined in the report.