

ATTACHMENT #1

Provincial Funding Term Sheet

#	Proposed New/Revised Term
1.	<p>The definition of “Program Budget” in the Revised AIP would be replaced with the following sentence “Program Budget means the total capital budget of the SmartTrack Stations Program (“Program”) of up to \$1.689B (YOE\$) inclusive of \$1.195B (YOE\$) for Base Station Infrastructure, \$268M (YOE\$) for City-Initiated Station Requirements and a provincial contribution of up to \$226M (YOE\$) which total consists of all Station-related capital costs, including without limitation the costs for planning, design, capital financing, risk, contingency, escalation, project management, and property acquisition. For greater certainty, “Program Budget” does not include costs arising due to the inclusion of Additional Infrastructure”.</p> <p>Section 1.3 of the Revised AIP would be amended by deleting the sentence “The Province will not fund any portion of the Program Budget” and replacing it with “Subject to the terms of this Revised AIP, the Province will provide up to \$226M (YOE\$) of funding for the SmartTrack Stations Program (“Provincial Funding”).</p> <p>Section 1.3 of the Revised AIP would be amended by deleting the sentence “Any underspending of the Program Budget, including savings that may result from lower bid cost, proposed savings that may result from further design development, unspent proceeds from the sale of real estate interests acquired through the Program Budget and any other underspending of the Program overall, will be returned to the City.”</p> <p>Section 1.3 of the Revised AIP would be amended by adding the clause “The previous program budget of \$1.463B (including contingency) shall be used prior to triggering any use of Provincial Funding. Should the total Program cost exceed the Program Budget, the Parties agree to discuss potential mitigation strategies, including potential scope adjustments (while maintaining five stations within the Program), at such time as appropriate.”</p>
2.	<p>The City and Province will continue to work together and make best efforts to manage the Program Budget by implementing mutually agreed upon cost mitigation measures as may be required, such as value engineering, de-scoping and using station-specific and Program contingencies to keep the Program on-time and on-budget. The City and Province acknowledge that their respective financial contributions are capped and Metrolinx, as the Program authority, will deliver a five-station Program.</p>

3.	The Province, through its agent Metrolinx, will execute the design-build contract agreement for the Bloor-Lansdowne Station project, provided the City first executes an interim agreement setting out, among other things, the City's commitment to fund the project. This agreement shall be executed by the City immediately subject to receipt of requisite approvals from City Council in June 2023.
4.	With respect to early works activities required for the construction of the Program, the City agrees to be a collaborative partner and will work together in cooperation with the Province and its applicable agencies (i.e., Metrolinx) during the early works stage for the Program's construction.
5.	<p>All parties agree to fully executing the SmartTrack Master Agreement by August 15, 2023, including the applicable terms agreed to here, and to resolve all terms to enable Metrolinx to expeditiously award all necessary contracts in order to deliver the Program. The City will support the expedited completion of the following agreements:</p> <ol style="list-style-type: none"> 1. Execution of a Bloor-Lansdowne Station Interim Agreement immediately subject to receiving requisite approvals, from City Council in June 2023. 2. Necessary agreements to support property acquisition and additional infrastructure works required to support East Harbour Transit Hub (EHTH) delivery, including those required to advance the Broadview Extension, on which the design of the EHTH is dependent, as soon as possible. 3. Amendment to the St. Clair Transportation Master Plan ("STMP") Letter Agreement reflecting modification of the STMP scope.
6.	<p>The City at its cost may request that Metrolinx design and/or construct Additional Infrastructure as part of the Program. Through its agent Metrolinx, the Province will, in its sole discretion, decide whether to incorporate the requested Additional Infrastructure work into a project's scope.</p> <p>The City will be responsible for all cost attributable for the Additional Infrastructure, including property acquisition (where Metrolinx is acquiring property on the City's behalf), all financial risk and potential cost escalation associated with the work.</p> <p>The City will not be responsible for any costs, loss, injury, or damage resulting from the negligent acts or omissions, wilful misconduct, or breach of contract by any one of Metrolinx, a Proponent, Project Co, or any of their contractors, subcontractors, or anyone acting on their behalf.</p>
7.	The City and Province acknowledge the process underway within the Provincial government to assess options for flood protection north of the rail corridor. While this process continues, the City is advancing design work on the Environmental Assessment-approved approach and will continue to lead the advancement of necessary flood protection works. Should an alternative

	<p>approach to flood protection be pursued, the Parties will determine the most appropriate approach to project delivery, cost sharing, risk management and overall project governance, including any contributions from landowners. In addition, the City will work with and support the Province for the advancement of an alternative flood protection solution, including its \$57M of previously committed City funding, subject to City Council approval of a future agreement.</p> <p>Subject to execution of a future agreement, Metrolinx will lead all property negotiations related to the East Harbour Transit Hub, the Broadview Extension, and the flood protection north of the rail corridor.</p>
8.	<p>Consistent with the Memorandum of Understanding on Transit Oriented Development between the Province and the City, the Parties reaffirm their commitment to work in partnership, through cooperative, solutions-focused collaboration using the tools available to them, to advance the Province's Transit Oriented Communities proposals along the subway, LRT and GO corridors throughout the city.</p>