

ATTACHMENT #2

Key Terms for Reimbursement

TERM SHEET

The proposed terms outlined in this Attachment relate to Lawrence Heights Phases 2 and 3.

Item	Details
(1) Description of Property	Lawrence Heights Phases 2 and 3
(2) Property Owner	Toronto Community Housing Corporation (TCHC)
(3) Purpose	To establish terms for the reimbursement of infrastructure costs incurred by TCHC for municipal services constructed as part of the Lawrence Heights Revitalization Phases 2 and 3, funded through the approved 2026-2035 Capital Budget and Plans for Toronto Water and Transportation Services and to be incorporated into the 2027-2036 Capital Budget and Plan submissions for Toronto Water and Transportation Services.
(4) Scope of Reimbursable Works	It is requested that Toronto Water and Transportation Services include the updated infrastructure cost estimates for Lawrence Heights Phases 2 and 3 in their respective 2027-2036 Capital Budget and Plan submissions, subject to the availability of funding, for consideration of other City priorities, and Council review and approval, to reimburse TCHC for 100% of the eligible costs (or 60% of the eligible costs, should TCHC acquire a development partner), associated with: <u>Hard Costs:</u> Direct construction costs for municipal infrastructure as per City approved design drawings. <u>Soft Costs:</u> Toronto Water and Transportation Services will only repay soft costs related to the design of the hard infrastructure items included in their cost reimbursement scope. Eligible costs: • All public streets, pavement markings, regulatory signs, TTC bus pads, traffic signals and all related appurtenances, including the costs of relocating or removing any existing municipal services [not including streetlights, street trees, any non-municipal utilities or services, and enhanced boulevard treatments (above

	and beyond standard concrete sidewalk and sodded boulevard) unless it is agreed in writing by Toronto Water and Transportation Services that the City will pay for the enhanced treatments] • All municipal sewer systems and water distribution systems, stormwater management, LID Infrastructure, and their related respective appurtenances, including the costs of relocating, removing or abandoning any existing municipal services • All required temporary municipal services and any temporary accesses and driveways, as per drawings that have been accepted by Development Review, in consultation with Toronto Water and Transportation Services • All required field testing; and inspections or verification by specialist consulting or inspection firms, as deemed necessary by Toronto Water and Transportation Services, to determine that the work conforms with intent of design requirements (e.g. geotechnical investigations, granular material and compaction testing, concrete testing, asphalt mix design and testing of asphalt and membranes, watermain disinfection and hydrostatic pressure test, CCTV inspection, sewer deformation test) • All required permits, related to the construction of the municipal roads, sewers and watermains, including permits from the City of Toronto, Transfer of Review Program and Drinking Water License to obtain Environmental Compliance Approvals (ECA) from the Ministry of the Environment, Conservation and Parks
(5) Ineligible Costs	The City will not reimburse costs for: • Construction of new or relocation of existing non-municipal utilities • Sanitary and storm sewer service connections, control maintenance holes, and stormwater facilities for development blocks • Water service connections, chambers, and meters for development blocks • Private stormwater collection facilities • Streetlights • Street trees • Enhanced boulevard treatments (unless pre-approved in writing by Engineering Review in consultation with Transportation Services)

	Any work outside the original scope without prior City approval
(6) Reimbursement Process	TCHC shall submit monthly progress draws for hard costs, certified by the Contract Administrator. Each draw must include: - Payment certificates - Change order logs - Contingency drawdown reports - Supporting invoices and documentation TCHC shall submit soft cost invoices and be reimbursed quarterly, prior to waiting for the completion of hard costs. The City will: - Review within 10 business days and advise whether submitted progress draw is acceptable or requires further information. - Issue reimbursement within 30 business days of acceptance of submitted progress draw.
(7) Change Orders	Must be pre-approved by Toronto Water and Transportation Services. The City will not reimburse unauthorized changes. TCHC agrees that the City will not accept responsibility for any costs associated with a change order where the Contract Administrator has issued the change order without first obtaining the written approval of Toronto Water and Transportation Services for such change order. TCHC agrees that all change orders will include the following supporting documentation: - A Site Instruction (SI), Contemplated Change Order (CCO) or Change directive/notice (CD/CN) to the Contractor identifying the additional scope of work to be performed; - Contractor's scope of work to be performed, and the cost. The cost shall include impact cost, overhead and profit; and - Rationale and recommendation from the Contract Administrator with respect to the contractor's scope of work to be performed.

	TCHC agrees that all best efforts will be made to avoid increases to price, however, it is understood that the City will not unreasonably refuse change orders arising due to unforeseen circumstances including, but not limited to, reasonable claims for delay, and increases in the cost of labour and materials over time.
(8) Maximum Reimbursement	Reimbursement is subject to the amounts approved in the City's Capital Budget and Plan, as may be amended and approved from year to year in connection with the annual budget process, inclusive of a 3% contingency.
(9) Reporting and Oversight	TCHC shall: • Update the yearly cash flow projection upon contract award and as construction progresses • Further update the yearly cash flow projections based on the progress of construction by June 30 of each year in connection with Toronto Water and Transportation Services annual budget processes • If projected costs exceed the City's annual budget, TCHC must notify Toronto Water and Transportation Services by June 30 • If the City cannot adjust its budget, further reimbursement requests must be deferred to the next year • Submit to the City separate progress draws certified by the Contract Administrator for both hard and soft costs • Submit supporting documentation including invoices from contractors, consultants, and sub consultants • Work with City staff and Housing Development Office to seek City Council approval for changes to the funding amount included in the 2027-2036 Capital Budget and Plans for Toronto Water and Transportation Services. TCHC agrees that the Contract Administrator must submit a monthly progress payment certificate to Toronto Water and Transportation Services, including: • Tender amount and contingency • Contractor payment certificates • Contingency drawdown reports • Change order logs • Updated contract value and cost-to-complete projections • Description of work completed • Budget tracking reports • Digital progress photos

(10) Dispute Resolution	Disputes will be resolved through good faith negotiations between the parties. If unresolved, may be escalated to senior management or a designated mediator.
(11) Term and Termination	This Term Sheet remains in effect until all eligible costs are reimbursed or until terminated by mutual consent. Termination does not affect obligations for work already completed and approved.