

## **APPENDIX 1 – TERM SHEET FOR 17 GUELPH STREET**

### **Term Sheet for 17 Guelph Street (“the Property”) Development and Land Lease Agreement between the Land Lessee (“Lessee”) and the Town of Halton Hills (“Lessor” or “Town”)**

This Term Sheet outlines the land and development partnership framework, and expectations for the 17 Guelph Street property. Without limitation, the land and development partner sought by the Town (i.e., the Lessee) will be responsible for the design, financing, construction, development, operation and maintenance of the site as affordable rental housing in perpetuity. This Term Sheet will be refined through the negotiation process and be replaced by a formal Development and Land Lease Agreement, once a proponent, if any, is selected.

#### **Basic Terms**

1. Property to be leased by the Lessee at a nominal annual rate, plus applicable property taxes;
  - a. Lessee to pay any applicable land transfer tax;
2. Initial term of the lease to be set at a minimum of 50 years, renewable by agreement of both parties;

#### **Preconditions to Lease**

3. Lease is conditional on the Lessee securing the required funding, including submitting a Financial Plan to the Town’s satisfaction;
4. Lease is conditional on the Town receiving approval of the required Official Plan and Zoning By-law amendments;

#### **Development of the Property**

5. Property to include a range of apartment sizes and affordability levels equating to an overall weighted rental rate of no greater than 80% of the average market rent (AMR) as defined by the Canada Mortgage Housing Corporation (CMHC) (i.e., the criteria constituting an affordable rental product);
6. Property to be developed, maintained and operated as an affordable rental product, as defined by the above, in perpetuity;
7. Property to contain no more than 14 units and no less than 6 units;
8. Height of the building to be no greater than 4 stories;
9. Property to be designed and operated with energy efficiency targets that achieve a minimum 25% decrease in energy consumption and greenhouse gas (GHG) emissions (2015 National Building Code), as per CMHC’s National Housing Co-Investment Fund energy efficiency requirements;
10. Property must embody Universal Design as defined by CMHC to ensure full accessibility for the diverse needs of the future resident population;

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### **Responsibility to Obtain Approvals**

11. Town will be responsible for establishing the underlying land use planning permissions on the Property, including:
  - a. Official Plan amendment
  - b. Zoning By-law amendment;
12. Lessee shall be responsible for obtaining all site-specific approvals, including but not limited to:
  - a. Site Plan approval
  - b. Building permits
  - c. Minor Variance, as required;
13. Lessee shall be responsible to pay all applicable fees, including application fees, permits, levies, and charges for all site-specific approvals;

### **Pre-Development Responsibility**

14. The Town will complete early due diligence work to establish the principles of development on-site. This includes the following:
  - a. Phase I and II Environmental Site Assessment
  - b. Geotechnical Investigation
  - c. Record of Site Condition
  - d. Functional Servicing Report
  - e. Conceptual Site Plan
  - f. Planning Justification Report
  - g. Urban Design Brief;
15. The Town will obtain a Record of Site Condition. Based on the findings of the Phase II ESA (included in the REOI document package), surficial soil contamination exists on the western portion of the property. The Town's intention is to couple the Lessee's excavation of the parking garage with the Town's remedial efforts. This will require the presence of the Town's environmental consultants on-site during the Lessee's excavation phase in order to conduct confirmatory soil sampling required for the filing of the Record of Site Condition. Coordination between the Town's environmental consultants and the Lessee's excavation contractors will be required;
16. The Town will demolish the existing building located on-site, which will include the following work:
  - a. Designated Substances and Hazardous Materials Survey Update
  - b. Abatement of Designated Substances
  - c. Demolition Permit
  - d. Building Demolition;
17. Lessee will be responsible for any structural work required for site redevelopment that may arise during the due diligence process, including but not limited to the assessment and potential replacement of the retaining wall;

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18. Lessee will undertake all work required commencing from the Site Plan Control stage and beyond, including but not limited to:
- a. Detailed Site Plan
  - b. Grading Plan, Servicing Plan, and Sediment and Erosion Control Plan
  - c. Photometrics drawing
  - d. Stormwater Management Brief
  - e. Noise/Vibration Study
  - f. Cost estimate of site works
  - g. Civil works cost estimate
  - h. Landscape Plan
  - i. Tree Inventory/Protection Plan
  - j. Waste Management Plan
  - k. Updated Risk Management Plan and Section 59 Notice
  - l. Excavation and Building permits;

### **Site Operations**

19. Lessee will have full responsibility for operating and maintaining the property and indemnifies the Lessor of any liability associated with the property:
- a. Lessor will not be obliged to furnish any services or facilities or to make repairs or Alterations in or to the Lands or the Building, and the Lessee hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Lands and the Building and all expenses related thereto;
  - b. Reasonable wear and tear is not excepted, and the Lessee will periodically replace or repair any part of the Lands and Building which become subject to reasonable wear and tear, to a standard acceptable by the Town;
  - c. Lessee is required to maintain the property in a good state of repair and shall submit a Building Condition Assessment to the Town every ten (10) years to demonstrate this, and to the Town's satisfaction. The Lessee shall also submit audited financial statements every ten (10) years, or as requested by the Town. Any deficiencies or critical repairs to the property shall be resolved to an acceptable standard, as deemed by the Town;
  - d. Lessee must provide adequate liability insurance and indemnity to the Town;
20. Site to be used solely for rental housing and ancillary uses with tenant rent levels to not exceed a combined weighted average of 80% of the local AMR;
- a. Lessee must provide an annual Occupancy Report to the Town that declares tenants' rent levels and other fees paid by tenants;

### **Termination Conditions**

21. Lease may be terminated by the Lessor based on any of the following conditions:

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- a. If the Property ceases to be used for affordable rental housing as defined by the terms of the agreement;
- b. If the building is abandoned or remains vacant for more than thirty (30) days;
- c. If the Lessee defaults in performing or observing any of its obligations under the Lease Agreement, such as maintaining the property in a good state of repair, whereby the Lessor has given to the Lessee notice of such default, and if at the expiration of forty-five (45) days after the giving of such notice the default continues to exist, or in the case of a default which cannot with due diligence be cured within the period of forty-five (45) days aforesaid, if the Lessee does not commence the rectification of such default within the said forty-five (45) day notice period and thereafter promptly and diligently and continuously proceed with such rectification;

#### **End of Lease**

- 22. Two years prior to the end of the lease term, the Lessee shall notify the Town of their intention to either renew or end the lease;
- 23. Six months prior to the termination or expiry of the Lease Agreement, or at the request of the Town, the Lessee shall submit an updated Building Condition Assessment to the Town confirming that the property is in a good state of repair. Regardless of if the Lease Agreement has been terminated or has expired, the Lessee shall be responsible for bringing the property to an acceptable standard/condition, to the satisfaction of the Town;
- 24. Upon termination or expiry of the lease, the property will revert back to the Town, in a condition satisfactory to the Town;

#### **Statement of Intent**

- 25. This Term Sheet shall remain a non-binding statement of intent until the terms herein have been endorsed by Town Council and a formal Land Lease and Development Agreement has been signed by the parties.

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