



ADMINISTRATIVE REPORT

Report Date: July 26, 2017
Contact: Mary Clare Zak
Contact No.: 604.871.6643
RTS No.: 12139
VanRIMS No.: 08-2000-20
Meeting Date: September 20, 2017

TO: Standing Committee on City Finance and Services

FROM: General Manager of Community Services in Consultation with the General Manager of Real Estate and Facilities Management

SUBJECT: Appointment of Operator and Lease Terms for Aunt Leah's Place at 1101 Seymour Street

RECOMMENDATION

- A. THAT Council approve the following non-profit organization to occupy and operate a portion of the 21,270 square foot social service centre (the "Centre") recently completed at 1101 Seymour Street, legally described as Parcel Identifier: 029-321-808; Lot 1 Block 93 Plan EPP40740 District Lot 541 NWD Group 1 (the "Property"):

Aunt Leah's Independent Lifeskills Society ("Aunt Leah's Place")

- B. THAT Council authorize the Director of Real Estate Services to negotiate and execute a nominal lease agreement with Aunt Leah's Place for approximately 1,654 square feet on the third floor of the Centre (the "Aunt Leah's Place Lease") on terms and conditions consistent with the Term Sheet attached hereto as Appendix C and otherwise satisfactory to the Director of Real Estate Services and the Director of Legal Services.

As the rent for the premises will be below the applicable market rate and includes rent-in-lieu of property taxes, Recommendation B constitutes a grant valued at approximately \$60,000/annum based on the first year of the term.

- C. THAT no legal rights or obligations will arise or be created by Council's adoption of Recommendations A or B unless and until all legal documentation has been executed and delivered by the respective parties.

Recommendation B authorizes a grant and requires two-thirds affirmative votes for approval.

REPORT SUMMARY

As part of rezoning negotiations at 1300 Richards Street, the City received title to a mixed-use building (the "Building") with 81 units of turn-key social housing component (the "Housing Component") with a social service centre located on floors one to four.

At the time of the rezoning and since then, Council approved that two non-profit tenants of the previous building located at this site, Positive Living Society of British Columbia (PLBC) and AIDS Vancouver (AV), be provided space in the new building. Since that approval, staff identified 2,234 square feet of excess space within the social service centre, providing an opportunity for two other non-profit organizations to lease this space, of which SWAN Vancouver was selected and approved for 580 square feet on the first floor.

Staff are now seeking Council approval to appoint a fourth non-profit organization, Aunt Leah's Place, to lease and operate a 1,654 square foot portion on the third floor within the Centre. Staff have prepared general lease terms for Aunt Leah's that are consistent with other City-funded social non-profits in new City facilities. A copy of the signed Term Sheet, which has been approved by Aunt Leah's Place board of directors, is attached as Appendix C.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Pursuant to Section 206(1) (a) of the Vancouver Charter, no less than two-thirds of all members of Council must approve a resolution for a grant to a charitable institution. A lease of City-owned property at less than market rent is considered to be a grant.

On April 15, 2013, Council approved on-site facilities as Community Amenity Contributions at 1101 Seymour Street from two rezonings at Public Hearing:

- 1300-1320 Richards Street (RTS 9953);
- 1101-1105 Seymour Street (RTS 9952).

On September 20, 2016, Council approved two non-profit organizations, Positive Living Society of British Columbia (PLBC) and Vancouver AIDS Society (AV) (RTS 11605), as tenants.

On June 14, 2017, Council approved Supporting Women's Alternatives Network (SWAN Vancouver) Society as an additional third non-profit organization tenant (RTS 11898).

Relevant Council policies include:

- Healthy City Strategy (2015);
- Housing and Homelessness Strategy (2011);
- Financing Growth policy (Community Amenity Contributions) (January 1990; amended February 12, 2004);
- Downtown Official Development Plan (1975).

CITY MANAGER'S COMMENTS

Aunt Leah's Place is a reputable, financially and operationally viable organization that provides priority social programs and housing services for vulnerable youth and mothers in need. This organization advances a number of key Council priorities, including poverty reduction and housing and homelessness, advancing broader City objectives. The City Manager recommends approval of Recommendations A through C above to ensure that this City-owned space is a non-profit hub with organizations that complement each other, including SWAN Vancouver, Positive Living Society of British Columbia, and Vancouver AIDS Society.

REPORT

Background/Context

1. Securing Community Amenity Space through Rezoning as Part of a Larger Mixed-Use Social Housing Development

On May 15, 2013, Council approved, subject to conditions of enactment, the rezoning at Public Hearing for 1300-1320 Richards Street. In addition to 81 units of turn-key social housing, part of the in-kind Community Amenity Contribution was that the applicant/owner (Wall Financial Corporation) would provide the City with 21,270 square feet of a purpose-built social service centre on floors one through four at 1101 Seymour Street (see <http://council.vancouver.ca/20130423/documents/p3.pdf>).

In late August, construction of the mixed-use building at 1101-1105 Seymour Street (the "Building") was completed and the property was transferred to the City. 1101 Seymour contains the social service centre located on floors 1 through 4, while 1105 Seymour contains the 81 units of turn-key social housing on floors 5 through 15 (the "Housing Component"). The City will manage the leases for the non-profit organizations occupying the social service centre, and will be the interim operator of the Housing Component for the initial phases of the project through the City's Housing Operations division. Staff intend to conduct a process to select a long-term non-profit housing operator.

2. Appointment of Non-Profit Organizations to Operate a Portion of the Social Service Centre

Prior to rezoning, Wall Financial made commitments that PLBC and AV, the two non-profits occupying the previous building, would be invited to return to the new facility. In September 2016, Council approved both organizations for tenancy.

In January 2017, City staff circulated an application to Community Services Grants applicants (total of 375 contacts), and was made available on the City's website to solicit interest to operate and program the 2,234 square feet of excess space within the social service centre aligning with the City's public service objectives (see Appendix A).

In June 2017, Council approved SWAN Vancouver as the third non-profit organization to tenant a 580 square foot portion on the first floor of the Centre.

3. Appointing a Fourth Non-Profit Tenant for a Portion of the Remaining Space within the Social Service Centre

Out of the 13 applications received (see Appendix B), staff are recommending Aunt Leah's Place for the remaining 1,654 square foot portion located on the third floor. This process was based on a variety of criteria to ensure that space would be managed by an organization that: provides programs and services that advance City priorities; is currently located in inadequate space; and has strong organizational and financial capacity.

Strategic Analysis

1. The Need for Suitable Community Space Amongst the Non-Profit Sector

Vancouver is home to social non-profit organizations that provide valuable community programs and services. However, this sector faces significant challenges of affordability, aging facilities, and inappropriately designed space—all of which limit their ability to focus resources on the communities that they serve. As such, City support for securing multi-tenant, flexibly-designed, affordable, and accessible space is essential to retaining non-profits within Vancouver.

2. Non-Profits that Support Youth Transitioning out of Care and Mothers in Need

For almost 30 years, Aunt Leah's Place has provided priority services to high needs groups. The organization has taken a leadership role in preventing youth who are formerly in foster care from becoming homeless and supporting mothers at risk of losing custody of their children. In British Columbia, approximately 700 youth age out of the foster care system each year and over 40% of homeless youth have been part of the child welfare system including adoption and foster care. Aunt Leah's provides support systems for youth as they leave government care and transition into adulthood, with programs specific to more marginalized youth (eg, Aboriginal youth).¹

The clients served by Aunt Leah's Place would benefit greatly from securing a centrally located space in Vancouver. Currently, the organization's head office is located in New Westminster, however, Aunt Leah's Place operates a social enterprise thrift store within Vancouver and almost half of the individuals that Aunt Leah's serves reside in Vancouver. The City-owned premises at 1101 Seymour would allow for additional programming space within close proximity to existing Vancouver clientele, as well as provide a more accessible location for a greater number of youth and mothers in need.

Aunt Leah's Place provides essential programs that are an upstream push to preventing homelessness and further vulnerabilities and provides supports toward self-sufficiency. Aunt Leah's Place customizes its programs to very marginalized individuals through supportive housing, coaching on essential life skills, and education/employment training through community workshops, offering relevant resources, education programs, and employment training to build skills and hands-on experience. These

¹ Vancouver Foundation. "Fostering Change." <http://www.fosteringchange.ca>. Last accessed August 2017.

programs are key to ensuring youth transitioning out of foster care and mothers in need, and provides support to navigate living on their own. The City is also confident that Aunt Leah’s Place’s complementary services will create a strong synergistic mix amongst the three other existing tenants.

Staff recommend Aunt Leah’s Place as a reputable, financially viable organization that provides priority services to prevent youth homelessness. They have received a social grant of approximately \$35,000 per year since 2012. Aunt Leah’s has also demonstrated a need for affordable space within Vancouver – as such, this well-located, new, accessible City-owned space would enhance the organization’s ability to deliver programs and services.

3. General Lease Terms

Staff are recommending Aunt Leah’s Place as the successful applicant for the 1,654 square foot portion on the 3rd floor of the remaining space in the social service centre.

Table 1 below describes the space allocation amongst the non-profit organizations.

Floor	Positive Living BC	AIDS Vancouver	SWAN	Aunt Leah’s Place	Common Area	Total Square Feet
1	508	798	580		1,330	3,216
2	816	3,985			1,302	6,103
3	3,383			1,654	1,176	6,213
4	4,543				1,195	5,738
TOTAL	9,250	4,783	580	1,654	5,003 & parking, loading, end-of-trip, bikes	21,270

Staff have developed lease terms for Aunt Leah’s Place that are similar to other social non-profits in new City facilities. This includes nominal rent, which is considered a City subsidy of approximately \$60,000 per annum for Aunt Leah’s Place, based on the first year of the term.

Staff recommend an initial five-year lease term, with one five-year renewal option that is conditional on a positive service review in the fifth year of the initial term. Summary of lease terms for the Aunt Leah’s Place Lease are listed in Table 2 with the full term sheet in Appendix C:

Table 2 - Aunt Leah's Place Lease Terms:	
Tenant	Aunt Leah's Independent Lifeskills Society (dba, Aunt Leah's Place)
Term	Five (5) years, with one (1) option to renew for a further five (5) year term.
Commencement	February 1, 2018, with one month early possession from January 1, 2018
Tenant Improvements	Premises are provided "As Is Where Is."
Premises	1,654 square feet on the third floor as shown in Appendix C.
Basic Rent	Nominal Basic Rent of \$10.00 for the Term, but the Tenant will contribute its proportionate share of operating costs.
Use	Institutional Use limited to Social Service Centre and permissible ancillary uses.
Insurance	Not less than Two Million Dollars (Commercial General Liability).
Public Service Objectives	The Tenant shall operate the Premises for the benefit of the citizens of Vancouver and the advancement of social services in Vancouver.
Early Termination	The tenant may terminate the Lease upon 180 days written notice to the Landlord.

Implications/Related Issues/Risk (if applicable)

Financial

Staff are recommending that basic rent be set at a nominal rate of \$10 per Term for Aunt Leah's Place. Nominal rent is considered a grant based on the fair market value (FMV) of the Lease. The FMV results in a grant of approximately \$60,000 per annum for Aunt Leah's based on the first year of the lease term.

To be consistent with other City-funded non-profits, Aunt Leah's Place would need to contribute its proportionate share of operating and maintenance costs for the Building, currently estimated at approximately \$14,000 per annum.

CONCLUSION

The 2013 Public Hearings from 1300-1320 Richards Street and 1101-1105 Seymour Street approved \$7.03 M of the negotiated Community Amenity Contribution to be an on-site social service centre at 1101 Seymour Street to be owned by the City as part of the Capital Asset portfolio. This report seeks Council authority to enter into a lease agreement with Aunt Leah's Place as the operator of a portion of the Centre on the terms and conditions described in this report. The lease includes a form of rental subsidy as deemed appropriate based on the level of City support of social non-profit organizations in City facilities and the City's approach to ensuring that community amenities provide community benefits.



Jan 25, 2017

APPLICATION FOR CITY-OWNED SPACE WITHIN A
SOCIAL SERVICE CENTRE AT 1107 SEYMOUR STREET

Intent:

The City of Vancouver is undertaking a process to select a non-profit organization to operate space and provide social programs in a City-owned social service centre at 1107 Seymour Street.

Background:

In May 2013, City Council approved 22,425 square feet (gross) of space intended for non-profit organization(s) to program. This space will be leased to non-profit organization(s) that deliver programs and services that support the community and advance City priorities.

City Council has already committed space to two non-profit organizations, Positive Living BC and AIDS Vancouver, within the new facility. As such, PLBC and AV will operate a portion of the space and a third non-profit organization, selected through this process, will operate the remaining space.

The total space is 2,234 square feet (gross) which is made up of 580 square feet (gross) on the ground floor and 1,654 square feet (gross) on the third floor. Applicants are encouraged to apply for all or a portion of the space; the applicant(s) must describe how they intend to program the 580 sq ft on the ground floor and/or the 1654 sq ft on the third floor.

Description of Space:

Location: 1107 Seymour Street

Building Description: A shared, fully finished social service centre in a new LEED Gold building. The full social service centre is 22,425 square feet and distributed across floors one through four.

Available Dedicated Private Space: A total of 2,234 square feet (gross) includes 580 square feet (gross) on the ground floor and 1,654 square feet (gross) on the third floor.

Shared Space: The loading bay, garbage/recycling, emergency exit stairways, end-of-trip cycling facilities, washrooms and hallway circulation are all shared.

Please see separate attachment for draft floorplans (subject to adjustments)

Other information

Application Close Date: February 27, 2017 at 4pm

General Lease Terms: Subject to Council approval, staff will enter into lease terms with a non-profit organization.

Available Space: Applicant may apply for the full 2,234 square feet, or one of the 1654 square feet (3rd floor) or 580 square feet (ground floor) spaces.

Expected Operational Costs: Subject to Council approval, the non-profit organization will receive below-market rent and will be responsible for a proportionate share of utilities and common area costs, routine and preventative maintenance (not capital life cycle), and day-to-day operations and repairs.

Expected Move-In Date: July 1st, 2017 (date is approximate and subject to adjustment).



Requirements and Evaluation:

Staff will evaluate the non-profit organization's ability to demonstrate following requirements and priorities:

(a) Organizational Structure and Status:

- (i) Be a registered non-profit society in good standing with the BC Registry Services with an active governing body composed of volunteers, and with by-laws that must include provisions that no board director can be remunerated for being a director and staff members cannot be voting members of the board or executive;
- (ii) Have a proven local track record of efficiency, effectiveness and stability as a non-profit society;
- (iii) Possess strong governance and a demonstrated ability to uphold lease terms, and demonstrated financial and organizational capacity for managing operational costs, infrastructure and tenant improvements;
- (iv) Must not exclude anyone by reason of religion, ethnicity, gender, age, sexual orientation, language, disability or income;
- (v) Adhere to the BC Human Rights Code and the BC Labour Code as amended from time to time, and as outlined in the City of Vancouver's Supplier Code of Conduct;
- (vi) Be registered and in good standing with WorkSafeBC (www.worksafebc.ca);

(b) Administrative Capacity:

- (i) Maintain and provide adequate financial records for its program operations upon request of the City;
- (ii) Ability to generate revenue from diverse sources as may be required to sustain operations;
- (iii) Maintain its social service operating and programming expenses in a way that is financially viable and sustainable;

(c) Organizational Programming and Service Delivery:

- (i) Have demonstrated success operating similar types of facilities and programs;
- (ii) Capability and experience to efficiently and effectively provide community benefits for residents of Downtown and Vancouver in general;
- (iii) Capacity to identify and deliver a range of community and social services that will advance City priorities, and meet the needs of the local community;
- (iv) Support inclusive, affordable, and accessible capacity-building programs and services for vulnerable populations, such as isolated seniors, newcomers, immigrants, refugees, First Nations and urban Aboriginal community, at-risk youth, and low income families, amongst others;



- (v) Implement processes for setting standards and evaluating the quality of the services and programs being provided;
- (vi) Compatibility with the programs and services offered by Positive Living BC and AIDS Vancouver.

(d) Community Collaboration and Partnerships:

- (i) Provide services in the neighbourhood where the program will be implemented, and establish partnerships and links to existing services; and
- (ii) Maintain positive and collaborative relationships with the community, City and other levels of government;
- (iii) Implement and maintain sustainable waste management practices for the operation of the facility.

(e) Financial Requirements:

Provide social programs while maintaining long-term financial sustainability pursuant to the following financing terms, which are subject to Council approval:

- (i) Initial lease term of five (5) years, with the option to extend at the end of the initial term for two successive 5-year terms; and
- (ii) A nominal lease rate of \$10.00 fixed for the effective term of the lease.

The Proponent will be required to pay for:

- (i) Utilities, a security system for the facility, minor maintenance services, janitorial, operating program, service delivery costs and any other items indicated as the responsibility of the NPO in a Service Level Agreement;
- (ii) The costs of any programs and services, including the costs of administration of such programs and services, which it provides to third parties.

Questions for Applicant:

The responses to the following questions will assist in informing the selection of the successful applicant.

1. Organization's Purpose and Program/Facility Needs:

- A) Please briefly describe your organization's purpose and goals and how they advance City priorities.
- B) Please describe the type of services and programs that your organization will deliver at 1107 Seymour Street.
- C) Describe how you intend to program the space. Indicate if you're interested in the 580 sq ft on the ground floor and/or the 1654 sq ft on the third floor.



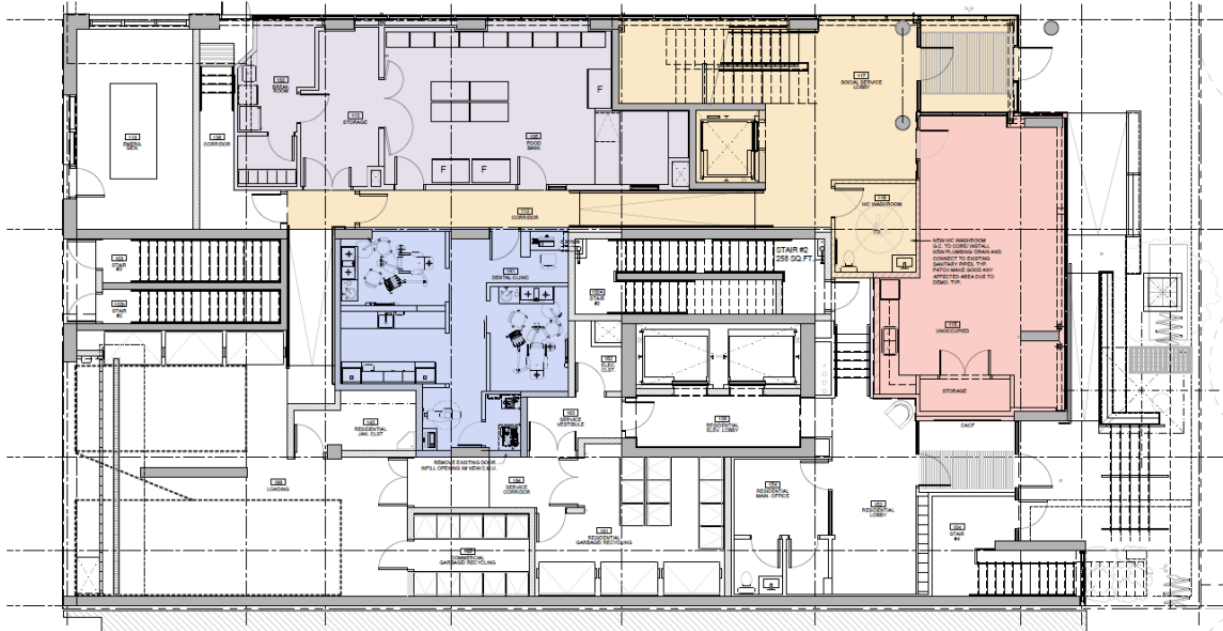
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- D) Please briefly describe the population groups with whom you deliver programs and services to (e.g., youth, seniors, immigrants and refugees, etc.).
 - E) What is the catchment area that your programs reach (e.g., neighbourhood-level, city-level)?
- 2. Organizational Capacity:**
- A) Please provide details of organizational governance and the capacity to achieve your purpose and goals (eg. list of Board of Directors, their length of term and area of expertise, a profile of the Executive Director, a list of staff, Strategic Plan (if applicable), annual report (if available)).
- 3. Organizations' Financial Capacity:**
- A) Please explain the organization's financial readiness to program and operate the space in the social service centre. Please include a full proposed operating budget for the space in the social service centre including all costs associated with programs and operating costs as well as sources of funding. Please indicate if sources of funding are already secured, in process, or to be applied for.
 - B) Please include 2015 and 2016 audited financial statements.
- 4. Readiness:**
- A) Move-in date is expected to be July 2017. Please describe how the organization will be financially and organizationally ready for the space at that time.
 - B) Will the organization have Board of Directors approval in advance of the move-in date?
- 5. Co-location and Compatibility with Positive Living BC and AIDS Vancouver:**
- A) Please describe how your programming will be compatible with the programs and services offered by Positive Living BC and AIDS Vancouver.
- 7. Programming Partnerships:**
- A) Please identify other local, regional or national partners that your organization connects with for programs and services. Please describe what the partnership consists of, and the results of these partnerships.

Application Close Date: February 27, 2017 at 4pm PST

Send completed application to socialfacilities@vancouver.ca

For further information, contact James O'Neill at 604-873-7764 or james.oneill@vancouver.ca

The appointment of non-profit organization and general lease terms will be subject to Council approval.



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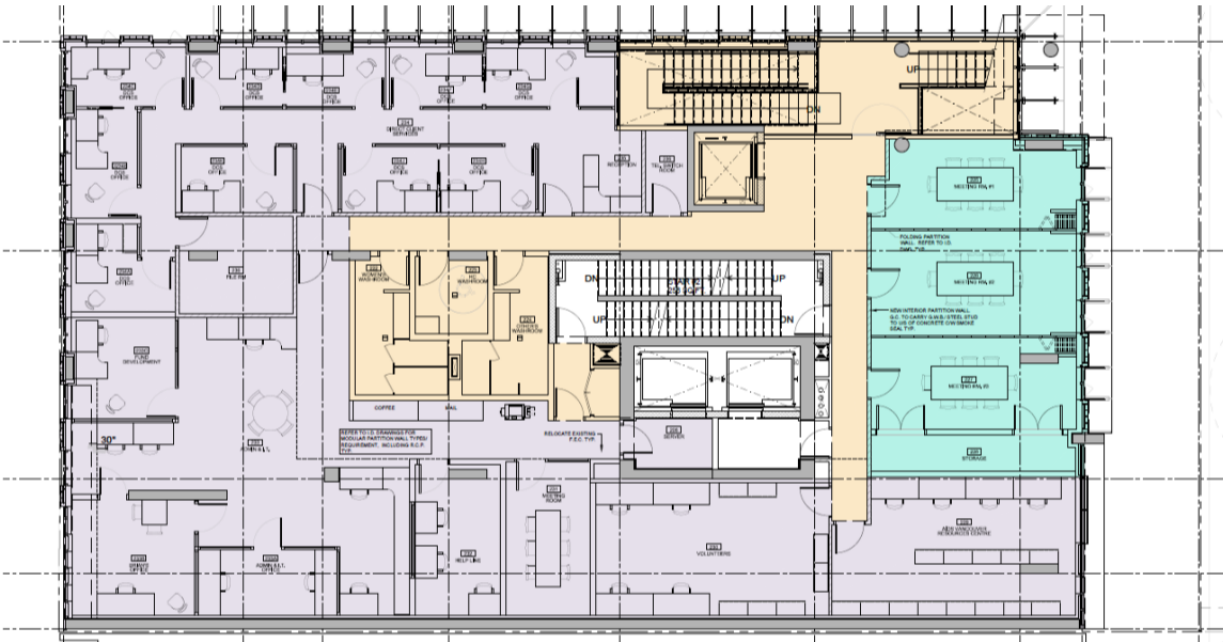
POSITIVE LIVING
508 SQ.FT.

CIRCULATION - SHARED
1330 SQ.FT.

UNOCCUPIED SPACE
580 SQ.FT.

NOTE
AREA TAKE-OFFS F.S.R. BASED.

1105 SEYMOUR STREET, VANCOUVER
LEVEL 1 FLOOR PLAN - COMMERCIAL SPACE
1/8" = 1'-0"
JULY 05, 2016



endall elliot
associates
architecture urban design

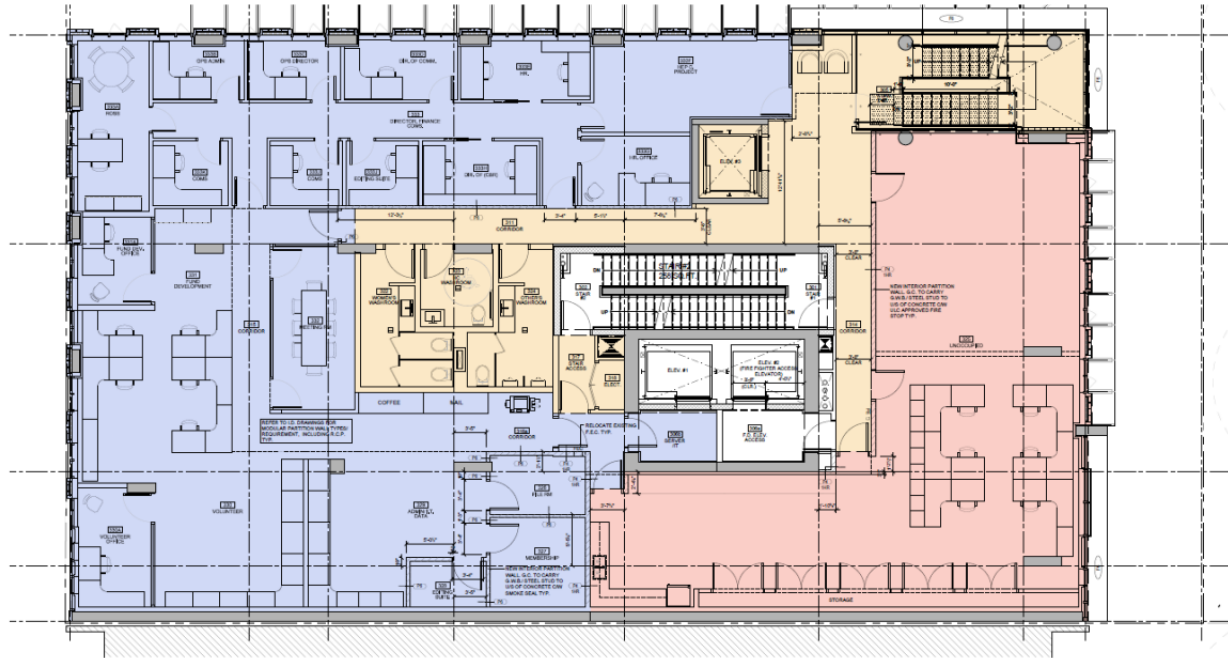
910b richards street, vancouver, bc,
canada. v6b 3c1
t 604 687 3008 f 604 687 0780
www.endallelliot.com

MEETING ROOM - SHARED
816 SQ.FT.

CIRCULATION - SHARED
1302 SQ.FT.

NOTE
AREA TAKE-OFFS F.S.R. BASED.

1105 SEYMOUR STREET, VANCOUVER
LEVEL 2 FLOOR PLAN - COMMERCIAL SPACE
1/8" = 1'-0"
JULY 05, 2016



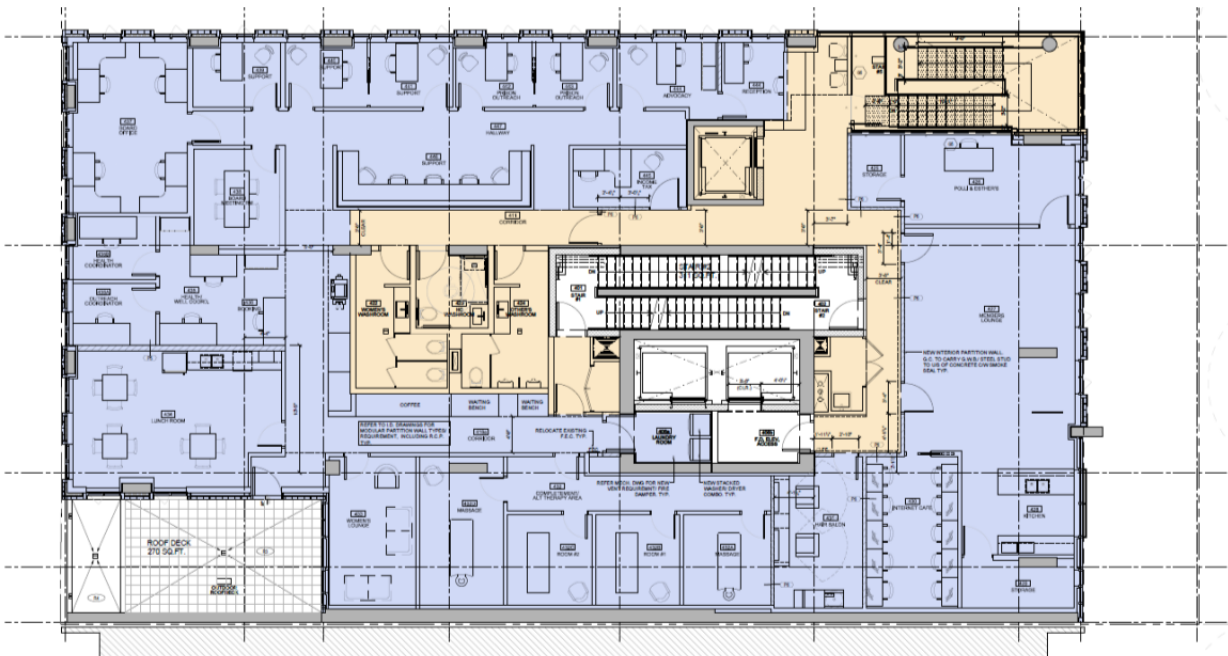
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- POSITIVE LIVING
3383 SQ.FT.
- UNOCCUPIED SPACE
1854 SQ.FT.
- CIRCULATION - SHARED
1176 SQ.FT.

NOTE
AREA TAKE-OFFS F.S.R. BASED.

1105 SEYMOUR STREET, VANCOUVER
LEVEL 3 FLOOR PLAN - COMMERCIAL SPACE
1/8" = 1'-0"
JULY 05, 2016



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- POSITIVE LIVING
4643 SQ.FT.
 - CIRCULATION - SHARED
1196 SQ.FT.
- NOTE
AREA TAKE-OFFS F.S.R. BASED.

1105 SEYMOUR STREET, VANCOUVER
LEVEL 4 FLOOR PLAN - COMMERCIAL SPACE
1/8" = 1'-0"
JULY 05, 2016

Non-profit Organizations that Applied for Social Service Space at 1101 Seymour Street

- Aunt Leah's Place
- Battered Women's Support Services
- Cerebral Palsy Association of BC
- Elizabeth Fry Society
- Health Initiative for Men
- Inland Refugee Society
- John Howard Society of BC
- Metro Vancouver Aboriginal Executive Council
- Pacific Immigrant Resources Society
- Sanctuary Mental Health
- Society for Children and Youth of BC
- SWAN Vancouver Society
- Women Against Violence Against Women

Aunt Leah’s Term Sheet

(Please note: Schedules B and C provided by separate attachment to Aunt Leah’s)

Term Sheet for CoV/Aunt Leah’s Place, Proposed Lease - Portion of 3rd Floor, 1101 Seymour St

TERM SHEET

Topic: Proposed Lease for Aunt Leah’s Independent Lifeskills Society (“Aunt Leah’s Place”)

<p>Community Amenity Contribution Context:</p>	<p>Recommendations to Council on specific uses and/or operating groups to be accepted to occupy and deliver services to the public at the social service centre (the “Centre”) provided as a Community Amenity Contribution follow criteria as part of the Financing Growth policy. Groups and/or uses must be:</p> <ol style="list-style-type: none"> 1. Located in the community in which the rezoning takes place and/or serve the site; 2. Growth-related, or meet past deficiencies or other community priorities; 3. Operationally viable; 4. Within City servicing standards - i.e. a type of service normally provided or supported by the City and at a service level supported by City policy; 5. Identified through an assessment of: <ol style="list-style-type: none"> (a) the full range of City services and of the adequacy of existing City amenities in the area; (b) opportunities to meet needs; (c) City plans and policies; (d) the cost to provide the amenities; (e) community input obtained during the rezoning and through community plans or Visions, and/or city-wide plans and policies; and (f) the development economics of the donor project.
<p>Purpose:</p>	<ul style="list-style-type: none"> • To conclude lease terms and secure a lease for Aunt Leah’s Independent Lifeskills Society (“Aunt Leah’s Place”) for a portion of the 3rd floor of the new Building constructed as City CAC at 1101 Seymour Street
<p>Parties:</p>	<ul style="list-style-type: none"> • City of Vancouver (the “Landlord”) • Aunt Leah’s Independent Lifeskills Society (“Aunt Leah’s Place”) (“the Tenant”)
<p>Permitted Use:</p>	<ul style="list-style-type: none"> • Institutional Use, limited to Social Service Centre and permissible ancillary uses.

Term Sheet for CoV/Aunt Leah's Place, Proposed Lease - Portion of 3rd Floor, 1101 Seymour St

Subject Premises:	<ul style="list-style-type: none"> Approximately 1,654 square feet on the third floor of the Building, shaded in pink and labeled “unoccupied” as shown attached as Schedule “A” (the “Premises”), together with its proportionate share of 5,003 square feet of common areas plus shared parking, loading, bike storage, garbage and recycling, and end of trip facilities located at grade and in the parking levels of the Building. Aunt Leah’s Place will also be responsible to contribute to the costs of maintaining the common areas of the Building including hallways, stairwells, washrooms, parking, bike storage and end of trip facilities, and its proportionate share of operating costs for the Building complex.
Form of Lease:	<ul style="list-style-type: none"> The Lease between the Landlord and the Tenant for the Premises shall be substantially in the Landlord’s standard form of lease, attached as Schedule “B”, and amended in accordance with the terms of this Term Sheet.
Expected Project Completion Date:	August 2017 (construction of new Building completed).
Lease Commencement Date:	February 1, 2018.
Lease Term and Renewal Options:	<ul style="list-style-type: none"> Five (5) years from the Commencement Date, with one Option to Renew for a further five (5) year term.
Base Rental Rate:	<ul style="list-style-type: none"> Year 1 to 5 - Base Rent Rate = \$1.00 per annum Renewal Term - Base Rent Rate = \$1.00 per annum * Estimated common area and maintenance costs from market comparables less capital reserve and property tax component cost is \$8.50 psf. This equates to an estimated additional rent of approximately \$14,000 per annum. Total Rental Cost (market) for the Premises is estimated at approximately \$74,000 per annum City Subsidy based on above is estimated at approximately \$60,000 per annum based on the first year of occupancy. <i>* (all figures rounded)</i>
Security Deposit:	<ul style="list-style-type: none"> NIL
Utility Costs:	<ul style="list-style-type: none"> Tenant responsible for all utilities including but not limited to heat, electricity, gas, water, sewer, garbage and recycling collection, telephone, cable, internet and other utility costs serving the Premises or required for its operations. Some of these costs may be captured in overall operating costs instead of direct Tenant billing.

Term Sheet for CoV/Aunt Leah's Place, Proposed Lease - Portion of 3rd Floor, 1101 Seymour St

Fixturing Period:	<ul style="list-style-type: none"> The Premises will be provided by the Developer in 'turn-key' condition on the Project Completion Date. Upon project completion, and subject to a signed lease being in place, the City may provide possession of the Premises to the Tenant up to one month prior to the Lease Commencement Date for move-in purposes.
Repairs, Maintenance and Replacement:	<ul style="list-style-type: none"> The Landlord and Tenant will be responsible for the repairs, maintenance and replacement responsibilities identified in the Service Level Agreement (the "SLA") in the form attached as Schedule "C" and which shall form part of the Lease.
Insurance:	<ul style="list-style-type: none"> The Tenant shall obtain and maintain during the Term, the insurance specified in the Lease, with commercial general liability insurance with a limit of not less than Two Million Dollars (\$2,000,000) or such higher limit of coverage as the Landlord's Director of Risk Management may require from time to time, for loss, damage, injury or death arising out of any one occurrence. The Tenant shall provide the Landlord with satisfactory proof of such coverage prior to possession of the Premises.
Further Investment or Subsidy by the Landlord:	<ul style="list-style-type: none"> None.
Investment by Tenant:	<ul style="list-style-type: none"> Tenant will be responsible for: <ul style="list-style-type: none"> The cost and completion of all tenant improvements beyond those provided upon Project Completion.
"As Is Where Is":	<ul style="list-style-type: none"> The Premises are provided "As Is Where Is" on the Project Completion Date. The Landlord makes no representation as to the fitness or suitability of the Premises for the Tenants' proposed use.
Permits:	<ul style="list-style-type: none"> The Tenant shall be solely responsible for obtaining all necessary permits, approvals and consents to construct any tenant improvements, to occupy the Premises and operate its business on the Premises.
Public Service Objectives:	<ul style="list-style-type: none"> The Tenant shall operate the Premises for the benefit of the citizens of Vancouver and the advancement of social services in Vancouver. The Tenant will be asked to articulate and follow a set of <i>public service objectives</i> including minimum hours of operation; type and range of services; and availability for community and public use (meeting/board or other such spaces appropriate for community and public use).

Term Sheet for CoV/Aunt Leah's Place, Proposed Lease - Portion of 3rd Floor, 1101 Seymour St

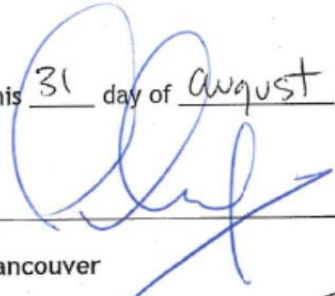
<p>Third Party Use and Subleasing:</p>	<ul style="list-style-type: none"> The Lease will include a clause that restricts the Tenants' right to assign, sublet, grant a mortgage or license to another party without advance written permission by the City. The Tenant will be permitted to license all or part of the Premises to other third parties for occasional use in accordance with an Occasional Third Party Use Policy that will form part of the Lease.
<p>Naming Rights:</p>	<ul style="list-style-type: none"> The Tenant shall follow the City of Vancouver Naming Rights policy including potential restrictions on the right to name the Premises (including any portion of the Premises) or the building in which the Premises are situated.
<p>Early Termination:</p>	<ul style="list-style-type: none"> The Tenant may terminate the Lease upon 180 day's written notice to the Landlord. The Landlord may terminate the Lease upon 180 day's written notice to the Tenant if the Landlord's elected council, by a resolution approved by a simple majority, is not satisfied with: (i) the Tenant's performance and/or service required of the Tenant in respect of the Use of the Premises including use by third parties and as articulated in the Public Service Objectives, or (ii) if the Tenant is otherwise in default under the Lease.
<p>Landlord's Condition</p>	<p>This Term Sheet is subject to the following:</p> <ol style="list-style-type: none"> City Council Approval by September 20, 2017. Within 30 days of Council approving the terms of this Term Sheet, the parties will enter into a Lease Agreement
<p>Tenant's Condition:</p>	<p>This Term Sheet is subject to the following:</p> <ol style="list-style-type: none"> The Board approval of Aunt Leah's Independent Lifeskills Society ("Aunt Leah's Place") by September 5, 2017.
<p>Parking, Storage, Bike parking, scooter parking, shower facilities:</p>	<ul style="list-style-type: none"> There are 5 parking stalls available to the Centre component of the Building. There are two loading bays available for general building use, bike parking, scooter parking, garbage and recycling bins, and shower facilities for the use of the Centre.
<p>Schedules: Schedule A Schedule B Schedule C</p>	<p>Plan of Premises (Lease Area) Standard Form of Lease Standard Form of Service Level Agreement</p>

Term Sheet for CoV/Aunt Leah's Place, Proposed Lease - Portion of 3rd Floor, 1101 Seymour St

No legal rights or obligations will arise or be created by the tabling and discussion of these terms or any amendments to them until City Council have approved same and the City and Aunt Leah's Independent Lifeskills Society have executed the formal agreements arising from these terms and otherwise on terms and conditions satisfactory to the General Manager of Real Estate and Facilities Management.

Agreed this 31 day of August, 2017.

City of Vancouver

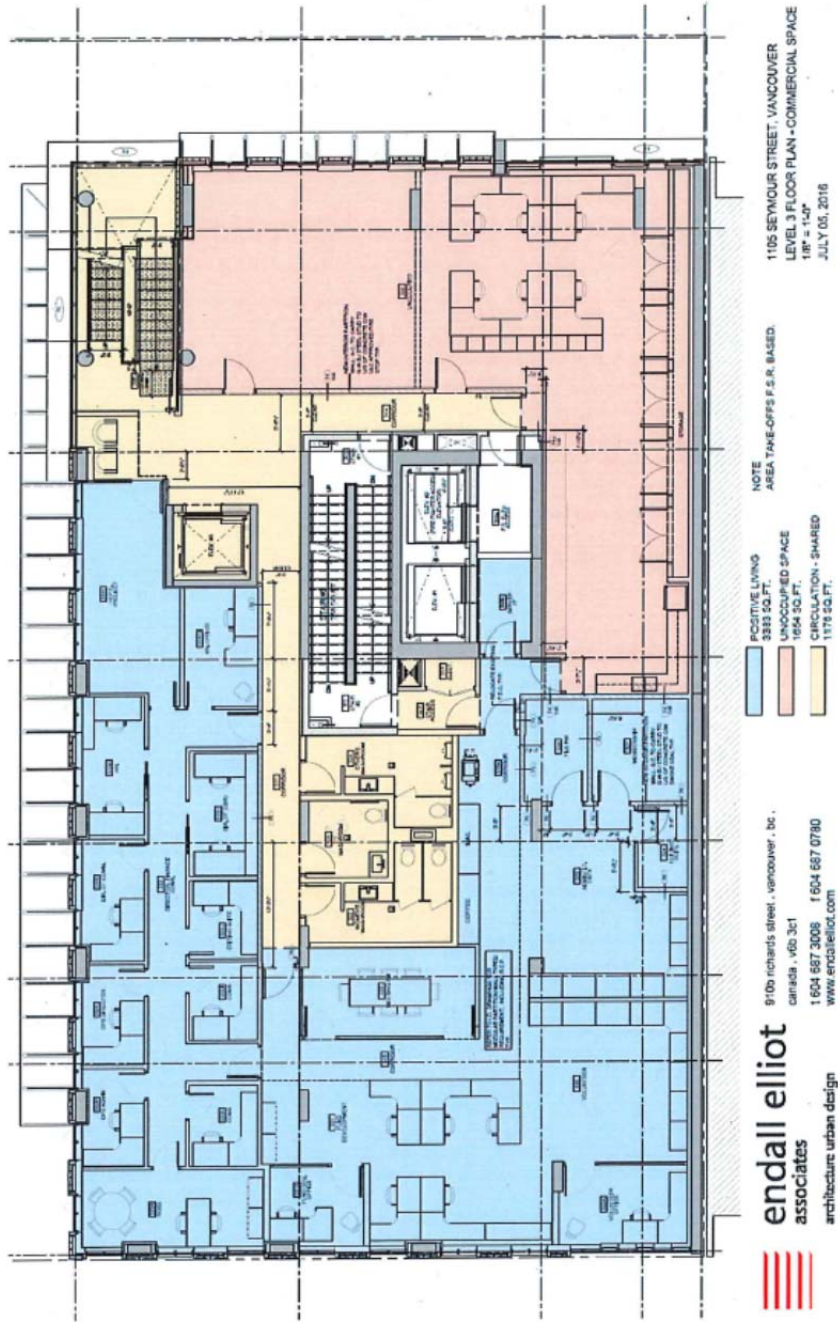


PATRICK MURPHY
Real Estate Services

Aunt Leah's Independent Lifeskills Society

Term Sheet for CoV/Aunt Leah's Place, Proposed Lease - Portion of 3rd Floor, 1101 Seymour St

Schedule A - Plan of Premises



Term Sheet for CoV/Aunt Leah's Place, Proposed Lease - Portion of 3rd Floor, 1101 Seymour St

Schedule B - City of Vancouver Standard Form of Lease
(by separate attachment)

Term Sheet for CoV/Aunt Leah's Place, Proposed Lease - Portion of 3rd Floor, 1101 Seymour St

Schedule C - Standard Form of Service Level Agreement
(by separate attachment)