Helsinki



Photo: Tuomas Uusheimo

Principles for the implementation of the Hanasaari area and plot disposition

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Summary

- The Competition Area (Hanasaari area) is divided into three sub-areas:
  1) Starting Area
  2) Power Plant Area and
  3) Option Areas (2 areas)

- The Competition Group with the Winning Proposal develops the entire Hanasaari area. The Competition Group with the Winning Proposal implements the Power Plant Area and the Starting Area. In addition, the Competition Group has the opportunity, if the prerequisites are met, to implement two Option Areas.

- With regard to contractual arrangements, the implementation agreement is drawn up first. The negotiations on the implementation agreement will begin already in the Negotiation Phase, and the draft will be submitted for the City's decision making before the Competi-tion is resolved. The principles set out in this document serve as the basis for the terms and conditions of the implementation agreement.

- The implementation agreement will be finalised with the Competition Group with the Win-ning Proposal and the City.

  - Other agreements to be drafted include the preliminary agreement on the sale of real estate and, if so agreed, agreements related to the establishment of the Joint Venture.

  - The City shall make the decision on the approval of these agreements simultane-ously with the procurement decision.

  - After this decision, the agreements will be signed.

- The local detailed plan for Hanasaari will be drawn up on the basis of the Winning Proposal in cooperation between the Competition Winner and the City.

  - The further planning of the Starting Area and the Power Plant Area requires close planning cooperation between the Competition Winner and the City. In addition, implementation requires a clear division of responsibilities between the Competi-tion Winner and the City. The division of responsibilities is described in this docu-ment.

- The pricing and plot disposition of the Starting Area and Option Areas follows the City's or-dinary principles for plot disposition rules, in addition to which the area- and project-specific terms and conditions for Kalasatama shall be complied with. These terms and conditions for Kalasatama are attached to this document (appendix 1).

  - This document presents the principles of pricing and plot disposition for the Power Plant Area, which will be used as the basis for the actual pricing and plot disposi-tion.

  - Regarding the Power Plant Area, it is difficult to specify the values in euros at this stage, as they depend fully on the solutions presented in the competition pro-posals and the functional content.

- The Competition Winner may establish a development company for the further develop-ment and implementation of the Power Plant Area; this said the development company can be either the winner's own Development Company or a Joint Venture to be established to-gether with the City. This document defines the prerequisites for establishing a Joint Ven-ture and for the City becoming a shareholder.

- The agreements will include penalty clauses concerning the contractual terms and condi-tions that are essential for the City, as specified in this document. The principles of penalty clauses to be recorded in the agreements are described in this document, as are the prin-ciples for securities and incentives.

1. Procedure after the Competition - General

The terms and conditions of the implementation agreement will be negotiated already during the Competition and finalised to meet the Winning Proposal before the City makes the decision on the acceptance and the signing of the implementation agreement. The City will make a decision, simul-taneously with the procurement decision on the Competition Winner, on the finalized imple-menta-tion agreement and if so agreed establishment of a Joint Venture and the agreements required for it,. Once the decisions have taken legal effect, the implementation agreement and agreements required for the establishment of a Joint Venture will be signed between the City and the Competi-tion Winner.

The planning of the Power Plant Area and the new residential and business premises area (Starting Area) will begin in accordance with section 1.1. A development company will be established for the further development and implementation of the Power Plant Area, either a Development Company estab-lished by the Competition Winner or a Joint Venture in which the City becomes a shareholder within the prerequisites set out below in section 4.3.

After the further development phase, and once the local detailed plan for the Hanasaari area has taken legal effect and the necessary site preparation measures have been done, the implementa-tion of the permitted building vol-ume for the Power Plant Area and the Starting Area will begin. the Competition Winner commits to the implementation through the contractual arrangements specified in section 1.1. In addition, the Competition Winner has the opportunity to implement Option Areas, if the conditions specified in more detail in section 1.3.3 are met.

This document and its appendices specify the preliminary principles for implementation and plot disposition in the Competition Area and set out the essential prerequisites specified by the City. This document also describes the main aspects of the agreements to be concluded with the Com-petition Winner, as well as the roles and responsibilities for the further development and future im-plementation of the Hanasaari area. In addition, the Competition Winner shall be bound by the area-specific terms and conditions for plot reservations and disposition in the Kalasatama area (appen-dix 1).

1.1 The Winning Proposal as the starting point for the planning and the quality promise

The Winning Proposal is the basis for the further planning and local detailed planning of the Compe-tition Area. the City shall prepare the local detailed plan in close cooperation with the Competition Winner through co-planning. The preparation, processing and approval of the local detailed plan follow the City's normal land use planning and decision-making process, including the possibility to lodge an appeal, as regulated by the Finnish Land Use and Building Act.

The Winning Proposal and the plans developed on the basis of it also serve as the basis for the future implementation of the Competition Area, and there-fore the Winning Proposal constitutes a quality promise by the Competition

Winner. In accordance with the quality promise, the Competition Winner must implement the projects and areas in Hanasaari in accordance with the Winning Pro-posal or at bare minimum in accordance with the quality level and basic solutions promised in the proposal. Any amendments and deviations must be agreed upon separately and in advance with the City. Any changes of persons in charge appointed by the Competition Winner must also be agreed upon separately with the City. In order to fulfil the quality promise, the Competition Winner commits to the contractual arrangements described in more detail below in section 1.2. In the im-plementation agreement, the City will reserve the right, among other things, to refrain from dispos-ing the plots if the plans do not meet the quality promise of the Winning Proposal, as specified in this section 1.1, or approximately and approved by the City comply with the Winning Proposal.

The Competition Area and its sub-areas will be implemented in phases. The key starting points of the implementation phases are presented in more detail below in section 2.2.

1.2 Implementation agreement and other contractual arrangements

The implementation agreement between the Competition Winner and the City shall guide the further development of the project, as well as the future plot disposition and the implementation of the Hanasaari area. The implementation agreement shall include the City's standard terms and conditions, as well as, among other things: the terms and conditions on the division of the parties' planning and implementation responsibilities, the obligation to comply with the Winning Proposal, the implementation phases of the Competition Area, the re-lated deadlines and other objectives, housing policy objectives (e.g. distribution of funding and tenure types), the principles of establishing Joint Venture, if so agreed, plot pricing and other principles; and conditions that are relevant for plot disposition.

The implementation agreement shall also include penalty and incentive clauses (e.g. the possibility to implement Option Areas) that enhance compliance with the implementation objectives and terms of the Competition Area.

The principles set out in the Call for Requests to Participate, its appendices and this document serve as the starting points for the terms and conditions of the implementation agreement. The principles of the implementation agreement are negotiated and drafted with all Competition Groups during the Negotiation Phase. The implementation agreement will be finalised before signing the implementation agreement only with regard to revisions and adden-da attributable to the special characteristics of the Winning Proposal and, if necessary, by updating the unit prices of the building right to be complied with in the plot disposition to correspond to the situation at the time of signing the implementation agreement.

Unless otherwise agreed, in addition to the implementation agreement, the City will draw up and negotiate a preliminary agreement or preliminary agreements (preliminary agreement(s) for the sale of property and preliminary agree-ment(s) for the lease of plots) with the Competition Winner. In principle, prelim-inary agreements will be drawn up at the earliest when the Urban Environment Committee has approved the proposed local detailed plan for the Competition Area.

The Competition Winner is, at its own expense, the principal party responsible to implement, develop and plan all plots in the Starting Area and the Power Plant Area, taking full responsibility for the project. In addition, the Competi-tion Winner shall develop and plan the Option Areas as part of the planning of the entire Hanasaari area.

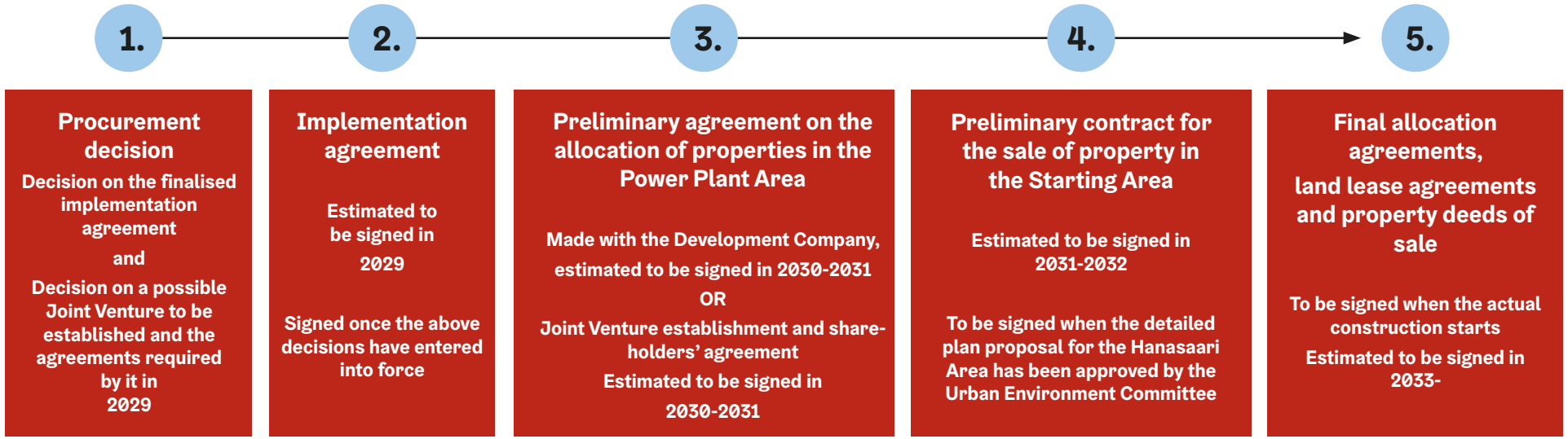
The Competition Winner is responsible, at its own expense, for all planning and implementation in such a way that the plots are built in accordance with the Winning Proposal, the local detailed plan, the building permits issued by the authorities and the implementation agreement as well as the City's terms and conditions of plot disposition. The Competition Winner is also responsible, at its own expense, for implementing any functional or other concepts presented in the Winning Proposal and for ensuring that the projects form a functional part of the planning and implementation of the entire Competition Area.

If the prerequisites are met, the Competition Winner has an opportunity to implement the Option Areas. In principle, there are two Option Areas. A key prerequisite for being granted the Option Areas is that the development and implementation of the Power Plant Area and the Starting Area have progressed in accordance with the terms and conditions agreed in the implementation agreement and within the deadlines set in it. Another prerequisite is that the Competition Winner and the City conclude separate implementation agreements on the Option Areas and agree on the terms and conditions of the agreements. However, the Competition Winner is not required to implement the Option Areas.

The Competition Winner and the City shall negotiate and agree on assigning the first Option Area to the Competition Winner when the implementation of the Starting Area and the Power Plant Area has progressed sufficiently so that the fulfilment of the conditions and deadlines set in the implementation agreement and other objectives can be established in a sufficiently reliable manner. A separate implementation agreement and preliminary agreements concerning the disposition of plots will be drawn up for the first and also for the second Option Area. The terms and principles of the original implementation agreement shall apply to the implementation agreement of the Option Area, as applicable. The implementation agreement for the first Option Area shall set out the conditions that must be met in order for the Competition Winner to also have the right to implement the second Option Area.

If the Competition Winner establishes a Development Company for the Power Plant Area, a separate preliminary agreement on the sale of buildings and plot lease will be concluded with the Development Company for the disposition of the properties in the Power Plant Area. If, on the other hand, the Winning Proposal requires establishing a Joint Venture for developing the Power Plant Area, the instruments of incorporation and shareholder agreement shall be drawn up for it. The buildings in the Power Plant Area will then be transferred to the Joint Venture as a contribution in kind. In principle, the land is allocated by leasing it with an option to purchase.

The contract structure diagram below presents the agreements to be concluded with the Competition Winner and the preliminary estimates of their signing dates. For the sake of clarity, the agreements will be drawn up as required on the basis of the Winning Proposal, so not all of the agreements below will be concluded automatically, and the final contract structure may therefore differ from the one presented below. The City's competent body or official shall make the decision on the implementation agreement and other agreements required by the Winning Proposal.



For the sake of clarity, the boundary conditions imposed by the City in this document are incorpo-rated into the terms and conditions of the needed agreements, and therefore there are no actual draft agreements appended to the competition documents in the Call for Requests to Participate phase. Standard draft of agreements that include the City's ordinary terms and conditions are available to the Competition Groups in the project database.

If the City and the Competition Group with the Winning Proposal cannot reach an agreement on the implementation of the Hanasaari area in the negotiations on the finalisation of the agreements after the Competition has been concluded, the City reserves the right to negotiate on the implementation of the Hanasaari area and the disposition of the plots with the other Competition Groups.

In addition, if no contractual arrangements can be made with any Competition Group participating in the Competition or the contractual arrangements required for the implementation of the Hanasaari area cannot be reached otherwise, the City shall have the right to designate another party to im-plement the Hanasaari area without penalties by means of the procedure and of its choice.

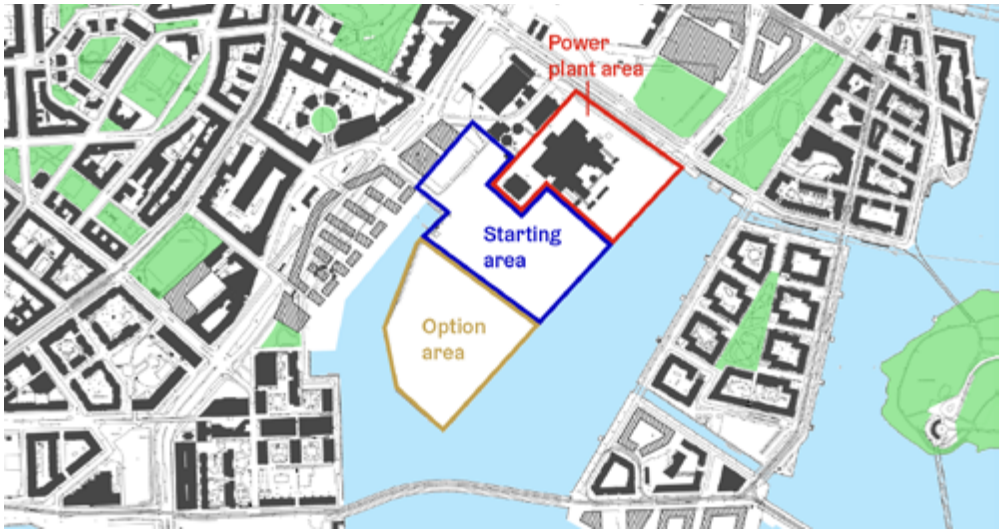
1.3 Sub-areas to be implemented by the Competition Winner

In the implementation agreement, the Competition Winner undertakes to implement the plots of residential and business premises for private ownership and use in the Power Plant Area and in the Starting Area presented on the map below. The implementation agreement will be done on the ba-sis of the Winning Proposal in accordance with the Competition Winner's overall responsibility prin-ciple specified in more detail in section 1.2.. For the sake of clarity, the overall responsibility princi-ple also includes etc. parking in the sub-areas to be implemented by the Competition Winner, which is described in more detail in the Land Use Planning Principles document.

The Competition Winner, at its own expense. commits as the principal implementing party and with overall responsibility to all the development and the implementation of the Starting Area and the Power Plant Area with a long-term commitment. The Hanasaari power plant buildings are located in the Power Plant Area. In addition, the Competition Winner shall develop and plan the Option Areas and will have the opportunity to implement the Option Areas, subject to the conditions specified in more detail in section 1.3.3.

According to preliminary estimates, the permitted building volume in the Starting Area is approxi-mately 60,000 sqm of GFA, the permitted building volume allocated to the Power Plant Area may be approximately 60,000 sqm of GFA, the permitted building volume in the first Option Area ap-proximately 40,000 sqm of GFA and the permitted building volume in the second Option Area ap-proximately 40,000 sqm of GFA.

The sub-area boundaries shown on the map below are indicative, as are the stated area-specific permitted building volumes are also estimates. The area boundaries and the permitted building volumes will probably change from the indicated volumes, as the boundaries of the areas are nego-tiated with the Competition Groups and the permitted building volumes and the intended uses of the permitted building volumes are determined on the basis of the Winning Proposal and the local de-tailed plan drawn up on the basis of it.



Irrespective of the above, the City may negotiate a solution with the Competition Winner in which part of the (residential) plots in the Starting Area remain in the City's unrestricted possession and are therefore not covered by the Competition Winner's implementation obligation. In this case, the City will designate developers for the plots at its own discretion. However, the prerequisite for the above is that the parties reach a negotiation result on the matter and that the local detailed plan and other planning solutions facilitate the implementation of the plots under the City's control as independent projects and in such a way that the implementation of the plots does not cause unusual costs, technical, operational or other challenges or risks.

1.3.1 Starting Area

The Starting Area is an area for new construction close to the Power Plant Area, which is the first construction phase of the Hanasaari area. Housing production as well as cultural, service and other business premises construction can be proposed for the Starting Area.

1.3.2 Power Plant Area

The Starting Area is an area for new construction close to the Power Plant Area, which is the first construction phase of the Hanasaari area. Housing production as well as cultural, service and other business premises construction can be proposed for the Starting Area.

1.3.3 Option Areas

The Option Areas are shown on the map in section 1.3. In principle, the Option Areas are imple-mented as two areas. As the name suggests, the Option Areas are options that the Competition Winner may implement, provided that the following conditions are met. For the sake of clarity, be-ing granted the second Option Area requires the fulfilment of the conditions below also with regard to the first Option Area.

The Competition Winner has:

- complied with the implementation agreement(s), preliminary agreements on the sale of property and plot disposition agreements as well as any other agreements concluded with the City,
- complied with the instructions and regulations issued by the City,
- followed the phases of the implementation and adhered to the agreed schedule,
- demonstrated, in a manner approved by the City, that it still has at its disposal sufficient technical competence and financial and other resources to implement the Option Area,
- complied with the social obligations; and
- reached a negotiation result with the City on an implementation agreement concerning each Option Area.

For the sake of clarity, the Competition Groups must also submit a plan concerning the Option Areas, including a plot-specific phasing plan, as part of their competition proposal for the Second Actual Competition Phase. The construction of the Option Areas requires that the building supervi-sion authority (Building Control Services) has approved the Starting Area's buildings are approved in the final inspection before the actual construction of the Option Area can begin.

2. Main principles of the implementation of the Competition Area

The Competition Winner shall act as the principal implementing party of the Starting Area and the Power Plant Area under the principle of overall responsibility, as specified in more detail in section 1.2. The implementation of the Option Areas shall be agreed upon separately according to the same principles as in the Starting Area and the Power Plant Area.

The City is responsible for the implementation of the plots to be used by the City, as well as the soil improvement of the Hanasaari area and the construction and maintenance of public areas. The Competition Winner is responsible for the implementation of areas, structures, buildings or other similar items that serve the plots or blocks covered by the Winner's implementation obligation, either alone or principally.

The area-specific terms and conditions of Kalasatama and the terms and conditions of plot disposition for Kalasatama's smart energy systems are attached as Appendix 1 to this document and must be followed.

2.1 Design cooperation, approval and commission of plans from the members of the Winning Group

With regard to the Starting Area and the Power Plant Area, the Competition Winner is responsible, at its own expense, for the more detailed reference planning, the further development of functional and other concepts required by the blocks and for any related cost reviews, business reports and other similar reports, as well as the measures required to acquire future users. The Competition Winner shall, at its own expense, specify all of its plans concerning the entire Competition Area, including those concerning the Option Areas, in accordance with the jury's instructions for further planning.

With regard to the Power Plant Area, the Competition Winner or the Development Company/Joint Venture is responsible for all condition surveys and any other additional technical surveys required for the development of the Power Plant Area, including those concerning the power plant buildings. In addition, the Competition Winner must commission all of the usual technical surveys required for the construction of the blocks (e.g. construction feasibility studies).

The Competition Winner may also be required to carry out other technical surveys, such as a wind, nature and flow survey and a business survey, at their own expense. The necessity of these de-pends on the designed solution and will be assessed in connection with the preparation of the local detailed plan.

The City is responsible for the planning of public areas as well as the planning of soil improvement, municipal engineering and streets.

The planning and implementation of the Competition area is monitored and coordinated in regional groups and project meetings organised by the Helsinki City Executive Office. In accordance with the City's established practice, the Competition Winner shall commit to and participate in the area group work and to appoint a representative to it. The tasks of the area group include monitoring the compliance of the new construction planning with the implementation agreement. The area group coordinates the cooperation during planning, including the permit procedures, and for its part ap-proves the plans presented to the City before the processing of the building permit and provides a statement on them to Building Control Services. In addition, the Competition Winner shall appoint sufficient representation to the project group and actively participate in the activities of the project group and any relevant sub-work groups that may be formed, including in project group work during implementation.

The City has the right to order further planning from the winning Competition Group's planning offic-es in connection with the urban planning, such as with regard to municipal engineering plans and plans for public areas. As part of the competition proposal, the planning offices must report their hourly rates and their annual review criteria. For the sake of clarity, these will not be assessed and will not affect the selection of the Competition Winner. The maximum order amount is EUR 500,000 (VAT 0%).

2.2 Phasing of the implementation of the Competition Area

The Competition Area and its sub-areas Power Plant Area, Starting Area and Option Areas will be implemented in phases, as appropriate for their implementation, soil improvement and infrastructure construction, project management, construction of block areas and living comfort. Annual targets are set for the progress of the construction of the sub-areas. The phasing and the quantitative tar-gets set for construction aim to ensure a swift lead time for the construction of the Competition Area and the implementation of the development project planned for the Power Plant Area.

The phasing of the implementation of the Competition Area and the objectives and requirements set for the progress of construction are negotiated with the Competition Groups in the Negotiation Phase. The key objectives and requirements concerning these are set out in more detail in the Competition Programme, on the basis of which the Competition Groups prepare their com-petition proposals. On the basis of these, the Competition Groups must submit a plan for the schedule and phasing of the implementation of the Competition Area with regard to the Power Plant Area, the Starting Area and the Option Areas as part of their competition proposal for the Second Actual Competition Phase.

The phasing must take into account the volume of the Winning Proposal and other design solutions affecting the phasing, environmental comfort and safety aspects, as well as the quantitative targets set for the progress of the construction of the Hanasaari area. The phasing must also take into account the targets concerning funding form and tenure type in housing production, presented in section 3.1. With regard to the Starting Area and the Power Plant Area, they must be coordinated and take place during the same phase, as set out in section 2.2.1.

In the implementation agreement, the Competition Winner commits to the phases, schedules and quantitative objectives of the implementation submitted in its competition proposal and approved by the City.

1. **Power Plant Area, 2032-2035 min. 60,000 sqm of GFA (min. 15,000 sqm of GFA/year) and Starting Area, 1st phase 2032-2033 min. 30,000 sqm of GFA (min. 15,000 sqm of GFA/year)** Soil improvement of the Hanasaari area, street and municipal engineering, the first res-idential blocks and temporary traffic arrangements.

2. **Starting Area, 2nd phase 2034-2035 approximately 30,000 sqm of GFA (min. 15,000 sqm of GFA/year)**First permanent services, first sections of parks and waterfront trails.

3. **Option 1. 2036-2038 approximately 40,000 sqm of GFA** Most of the residential construction has been completed, the regional centre strength-ens, construction of school/daycare centre and commercial premises.

4. **Option 2. 2039-2041 approximately 45,000 sqm of GFA** Last plots, public outdoor areas, complementary services, finishing of parking and green infrastructure.

2.2.1 Starting points for the phasing of the Starting Area

The implementation of the Competition Area can begin with the (residential) construction of the Starting Area. However, no more than approximately 1/4 of the permitted building volume in the Starting Area will be dispositioned before the construction of the development project in the Power Plant Area has to begin. A maximum of 3/4 of the permitted (residential) building volume in the Starting Area will be dispositioned before the completion of the development project for the Power Plant Area. For the sake of clarity, the Power Plant Area cannot remain unbuilt before the comple-tion of the Starting Area.

The construction of the first block of the Starting Area must begin no later than twelve (12) months after the City's written notice of suitability for construction. With regard to the Starting Area, the aim is to start construction of at least 15,000 square metres of GFA in the Hanasaari area annually.

The buildings constructed on the plots must be completed within two to three (2-3) years of the start of construction, depending on the volume of the building.

All construction in the Starting Area and the Power Plant Area should be in progress no later than five (5) years after the first start-up, depending on the total GFA of the Winning Proposal.

2.2.2 Starting points for the phasing of the Power Plant Area

The development of the Power Plant Area can be phased if this is possible without compromising safety and comfort and if it is technically, economically or otherwise feasible.

Unless otherwise agreed with the City, the phasing of the implementation must be done in such a way that the part of the Power Plant Area development project that can be objectively assessed to be the weakest in terms of property finances and reliability of implementation is constructed first.

2.3 Principles for soil improvement in the Competition Area and plots as well as shores and foundations

In principle, the City is responsible for all costs related to the implementation of public areas and the replacement and implementation of waterline structures. The City is also responsible for the necessary cable transfers, soil improvement and groundwater remediation in the Competition Area, as well as for the geotechnical soil improvement and street and infrastructure construction of public areas. For the sake of clarity, the City is not liable for any demolition costs of the buildings in the Power Plant Area, as the Development Company/Joint Undertaking is responsible for these.

The land use of the new construction in the Competition Area requires considerable renovation measures for the waterline and foundation structures. The waterline structures in the Competition Area will be renovated and their structures will also ensure regional stability. Due to the elevation of the clay under the mixed fill material and the levelling of the area, it is important to take care of stability in the area. The design of structural solutions will be specified as the land use solution becomes more precise.

The lowest recommended construction height is +3.4 (N2000). In the area where new construction is to be located, flood protection is generally organised by elevating the ground surface to a level of +3.4.

2.3.1 Soil contamination and flood protection

The City reports that the soil and groundwater in the Hanasaari area are contaminated. The impact of contamination on the planning of the Hanasaari area is described in Land Use Planning Princi-ples. The City will carry out the necessary soil and groundwater pollution surveys in the Competi-tion Area.

In the Starting Area and Option Areas, the City's normal procedure is followed, according to which contaminated soil and groundwater are remediated on the basis of a risk assessment. The City is responsible for remediating contaminat-ed soil and water in such a way that no harmful substances pose a risk to the planned use of the Hanasaari area. For the sake of clarity, however, this does not mean that all contaminated soil will be removed from the area.

The City is responsible for the risk-based planning and soil remediation so that the area is suitable for future use and is healthy and safe. The City is respon-sible for the costs of remediating contam-inated soil that are additional to the costs of ordinary building construction and have been approved in advance by the City. In addition, the City is responsible for planning, research, monitoring and any follow-up related to the remediation of contaminated soil. If there is a need to remediate the soil or groundwater in the Starting Area or Option Areas, the necessary remediation measures will be carried out in connection with construction. The Winner of the Competition is responsible for the earthworks related to the remediation, such as excavation and transport, as well as the im-plemen-tation of any other measures related to the remediation in accordance with the decision of the envi-ronmental authority and the City's instructions. If the risk assessment for the remediation of con-taminated soil reveals the need for structural risk management measures, such as the sealing of base floor structures, the City will compensate for the additional costs caused by the measure. The implementation of ventilated base floor structures in new build-ings and any delays caused by soil remediation shall not be considered to be additional costs. The ventilation solution of the base floor of new buildings will not be compensated for, as the structures are built with ventilation in Helsinki in general.

The City shall compensate the Competition Winner for any additional, pre-ap-proved and verified costs in relation to the normal structural solution for the existing buildings in the Power Plant Area, if the remediation plan commis-sioned by the City requires structural solutions to eliminate or control risks, up to a maximum of EUR 3,000,000. Structural solutions shall take into account the different intended uses of land areas, such as areas under buildings and yards. If the technical building solu-tion also serves another intended use (e.g. achieving a safe building height), this shall be taken into account as a factor reducing the City's liability to pay. Delays caused by soil remediation shall not be considered to be additional costs. In the yard areas or in the area of any new buildings con-structed in the Power Plant Area, the same principles apply as in the Starting Area.

For the sake of clarity, the normal planning of new buildings for all sub-areas in the Hanasaari area shall take into account flood heights and the other special conditions in the Hanasaari area.

Due to its history, the soil in the area contains old structures and waste frac-tions. As a rule, the Competition Winner is responsible for the additional costs caused by these; however, in such a way that if the old structures and waste fractions cause significant costs, the sharing of these costs can be negotiated with the City.

3. Principles for plot disposition in the Starting Area and Option Areas

The plots intended for non-subsidized housing production and the plots for business premises in the Starting Area and Option Areas (not the Power Plant Area), which are covered by the legally valid local detailed plan that is based on the Winning Proposal, will be dispositioned by selling or leased with purchase rights or or leased with long-term agreements. The Competition Winner can freely choose whether to purchase the plots outright, lease them with an option to purchase, or lease them with long-term agreements.

Plots intended for housing production with state subsidies are leased for the long term. It must be possible to tender projects allocated to state-subsidised housing production.

The Competition Winner is responsible, at their own expense, for the implementation of the Winning Proposal according to the local detailed plan and other plans based on it, as well as for the necessary encumbrances and joint arrangements.

Decisions on the terms of plot disposition are made by the City Council of Helsinki and a governing body or official. The disposition of the plots of the Starting Area and the Option Areas shall comply with the City's normal terms and conditions of disposition and disposition practice, as well as the special terms and conditions arising from the Competition Programme and its appendices, the implementation agreement and the preliminary contracts for the sale of property, the Winning Proposal and the local detailed plan, and the additional terms and conditions for the Kalasatama area, which are attached as appendix 1 to this document. The aim of the additional and special terms and conditions to be agreed separately is, among other things, to ensure that the Hanasaari Area is implemented in accordance with the Winning Proposal.

3.1 Tenure types and forms of funding in the housing production and the requirement for family housing

At least 50% of the housing production allocated to the Hanasaari Area must be privately financed owner-occupied housing production. Part of this can also be implemented as middle-ground housing production (e.g. right-of-occupancy and co-ownership apartments and rental housing with purchase option). In privately financed owner-occupied housing production, at least 50% of the residential area must consist of family apartments (with two or more bedrooms). The average GFA of these apartments must be at least 70-75 sqm.

Approximately 20% of the housing production must be state-subsidised rental housing production with long-term interest subsidies, if state-subsidised housing production allows this.

A maximum of 30% of the housing production can be privately financed or short-term interest subsidy rental housing.

Regardless of the tenure type, the minimum GFA of the studios is 30 sqm. In rental housing production, the requirement is a diverse apartment distribution.

For the sake of clarity, the residential building right allocated to the Power Plant Area is not, as a rule, taken into account in the assessment of whether the

housing production meets the target for funding form and tenure type distribution, which means that the residential construction can be implemented in its entirety as non-subsidised ownership and/or rental housing production.

3.2 Pricing of plots for new construction in the Starting Area and Option Areas

With regard to state-subsidised housing production, plot pricing is based on the maximum pricing approved by the Finnish Centre for State-Subsidised Housing Construction "Varke".

Plots other than those intended for state-subsidised housing production are allocated at the market price and will be dispositioned by selling or leased with purchase rights or leased with long term agreements such as the Competition Winner has chosen. The instructions and regulations concerning state aid are followed in the pricing of these plots. For the purpose of pricing the plots, the City will always have the fair value of building rights assessed by at least two independent, competent and reputable experts selected by the City.

The plots in the implementation sub-areas referred to in Section 2.2 are priced one area at a time, and the City decides at its discretion whether the prices of the plots (unit prices for the building right) are determined on a plot-by-plot or block-by-block basis, taking into account their unique features. The market prices of building rights determined in the aforementioned manner are recorded in the implementation agreement and subsequent preliminary agreements for the sale of property.

The unit prices for building rights are valid for approximately three (3) years at a time. For the purpose of updating the building rights prices, the City will order new assessment statements approximately every three (3) years. The updated prices are also recorded as an amendment to the implementation agreement and preliminary agreements for the sale of property.

The review dates and procedure for plot pricing are specified in the implementation agreement. Unless the parties agree otherwise, the unit prices of the building right are determined as the average of the assessment statements received, without taking into account the assessment tolerance of the statements.

The City's view of the market prices in the Hanasaari Area for different intended uses and minimum sales prices at the price level of spring 2026 is as follows:

- Housing (block of flats) without sea view €1,200-1,400/sqm
- with different degrees of sea views €1,500-1,700/sqm
- Commercial premises plot €450-600/sqm,
- Cafés and restaurants €800-2,000/sqm
- Semi-detached houses €1,000-1,200/sqm
- Office plot €500-650/sqm
- Hotel plot €650-900/sqm
- Service facilities, e.g. saunas €600-2,000/sqm

Any other intended uses are priced on the basis of an external assessor's statement (AKA).

In state-subsidised housing production, the land rent is 4% of the plot's capital value, and it is tied to the cost-of-living index. In non-subsidised housing production, the land rent is 3.5% of the market capital value of the plot, when the land lease agreement includes a condition concerning the adjustment of the land lease. The land rent for plots allocated to non-subsidised housing production is also tied to the cost of living index. For non-residential plots, the land rent is 5% of the market-conform capital value of the plot, and the land rents are tied to the cost of living index.

The land rent and purchase price are charged at least according to the building right indicated in the local detailed plan of the plot or, if it is exceeded by a legally valid building permit, also for this excess. However, land rent is not charged to the extent that the excess concerns premises outside the apartments that the local detailed plan allows to be built in addition to the building right indicated in the plan.

As a rule, plots are dispositioned on a plot-by-plot basis, unless the implementation of the local detailed plan and planning solution for the block requires the plots to be dispositioned as larger entities (e.g. block-by-block). The dispositions are subject to the City's standard terms and conditions for the disposition of plots as well as project- and area-specific special terms and conditions.

As a rule, the purchase prices of the plots are paid in full when the deed of sale is signed. If the parties agree on the staggered payment of the purchase price, a security deposit in accordance with the City's usual practice shall be taken for the unpaid purchase price and interest will be paid on the unpaid purchase price, based on the basic interest rate confirmed by the Ministry of Finance at the time of the sale of the plot increased by 0.75%. Land rent is charged from the start of the lease period.

For the purpose of applying for a building permit, the City grants a power of attorney to the initiator of the implementation taking it up. The City charges a fee corresponding to two months' land rent for this.



Photo: Tuomas Uusheimo

4. Development, implementation and ownership of the Power Plant Area

4.1 Renting of facilities from properties implemented in the Power Plant Area

The City does not commit to renting any premises from the properties developed in the Power Plant Area during or after the Competition. However, the City reserves the right to negotiate and agree with the Competition Winner or a company established for the development and implementation of the Power Plant Area on the renting of a maximum of approximately 10,000 sqm at a market price and on market terms for use as business premises by the City. In this case, the room rent and the market-conformity of the lease agreement will be ensured by external, impartial expert(s). For the sake of clarity, however, the Competition Winner or the company established for the development and implementation of the Power Plant Area is not obligated to lease facilities to the City.

4.2 Establishment of a development company and first operations

In accordance with the Competition Programme, the Competition Groups must present their objectives with regard to the development, implementation and ownership of the Power Plant Area in their competition proposal for the Second Actual Competition Phase.

Unless otherwise separately agreed, a Development Company may be established for the development of the Power Plant Area. The Development Company is responsible for the further development of the Power Plant Area and the projects to be carried out on it, focusing on promoting the development and implementation of the Power Plant Area.

Based on the Winning Proposal, the Development Company shall prepare refined architectural and other needed special plans of the Power Plant Area and plans related to the business concept, as well as technical reports and other plans required by the City. These shall be submitted to the City for approval after the approval of the local detailed plan proposal; however, in good time before the final decision-making regarding the local detailed plan. In this context, the City will assess whether the plans correspond to the Winning Proposal in terms of their quality and basic solutions, and assess the technical and economic implementation of the development project. For the sake of clarity, the City considers it important that the plans correspond to the Winning Proposal. As a result, the City reserves the right to impose penalties on this with a significant contractual penalty clause, as specified in more detail in Section 5, and the right to cancel the implementation agreement either in part or in full in case of a material breach of contract.

The Development company must be established within twelve (12) months of signing the implementation agreement. At the beginning, the Development company shall focus on the further development of the Power Plant Area by, for example, carrying out the necessary additional surveys, planning and participating in the land use planning of the Competition Area. During this period, the City will not dispose any properties in the Power Plant Area to the Development Company. The City manages the temporary use of the Power Plant Area and is responsible for the maintenance of the properties in the Power Plant Area. The disposition of the buildings in the Power Plant Area will take place after the amendment to the local detailed plan permitting the development of the Power Plant Area has entered into force, but no later than six (6) months after the entry into force of the plan. In this case, the buildings in the Power Plant Area will be dispositioned in their entirety to the Development Company or the companies established and owned by it by means of a property deed of sale. The Development Company is responsible for any demolition of buildings in the Power Plant Area at its own expense.

For the sake of clarity, it is stated that the City shall hand over the buildings in the Power Plant Area in their existing condition. Furthermore, it is explicitly stated that the City shall not be held liable for the accuracy of surveys, reports, or other similar assessments prepared by third parties and included in the information provided during the Competition; instead, the Winner of the Competition shall be responsible for independently verifying such information as part of the design and construction of the Winning Proposal. Consequently, the Winner of the Competition shall also be responsible at its own expense for conducting soil investigations and any other necessary studies (including the selection of the foundation method) to ensure appropriate construction practices, as well as for fulfilling all other requirements and conditions necessary for the implementation of the Winning Proposal.

The land in the Power Plant Area is dispositioned to the Development Company by renting it on market terms, and the land lease agreement(s) including a right of purchase, the use of which is, among other things, conditional on the completion of the development project in the Power Plant Area.

The Competition Winner shall prepare the further development plans in the early stage of the process and present them to the City, as specified in more detail in Section 2.1

4.3 Principles and framework conditions for establishing a Joint Venture

The City and the Competition Winner may establish a Joint Venture, in accordance with the framework conditions defined by the City, as specified in more detail below.

In the Negotiation Phase of the Competition, more detailed negotiations will be held on the framework conditions for establishing the Joint Venture and the City becoming a shareholder in the Joint Venture. The Competition Winner must notify the City no later than during the First Actual Competition Phase if it wishes to establish a Joint Venture with the City.

The City and the Competition Winner undertake to promote the establishment of the Joint Venture in a solution-oriented manner within the target schedule set in the Competition Programme, taking into account the goals and interests of both parties. A preliminary project plan, prepared for the Competition Programme, must present its objectives concerning the Joint Venture in such a way that they can be negotiated and recorded in both the implementation agreement and the shareholders' agreement for the Joint Venture.

The arrangement must be appropriate from the City's point of view as a whole. The Joint Venture must be financially viable in the long term, meaning that it can at least cover all its costs with the revenue from its operations, in which case the shareholders would not have to support the Joint Venture financially during its operations.

4.3.1 Obligations and rights of the City and the Competition Winner in the Joint Venture

The Joint Venture must be established within twelve (12) months of signing the implementation agreement. To begin with, the Joint Venture must focus on the further development of the Power Plant Area by, for example, carrying out additional surveys and planning, as specified in more detail in Section 2.1 and participating in the detailed planning. During this period, the City will not disposition any properties in the Power Plant Area to the Joint Venture. During this time, the City manages the temporary use of the Power Plant Area and is responsible for the maintenance of the properties in the Power Plant Area.

The disposition of the Power Plant Area's buildings to the Joint Venture will take place after the amendment to the local detailed plan has entered into force, but no later than six (6) months after the entry into force of the plan. In this case, the buildings in the Power Plant Area will be transferred to the Joint Venture or to companies established and owned by it. The City transfers the Power Plant Area's buildings to the Joint Venture as a transfer in kind, at a value determined by an external, impartial assessor (however, at least EUR 1). The Joint Venture shall be responsible for any demolition of buildings in the Power Plant Area at its own expense.

The land in the Power Plant Area will initially be transferred to the Joint Venture by leasing it for a market-based rent, in which the right to purchase will be included. In principle, the prerequisite for exercising the right to purchase is that the development project for the Power Plant Area has been completed in entirety.

The City's maximum investment in the Joint Venture is approximately EUR 35 million. The City's investment may consist of equity and debt capital investments. However, the City will not invest the maximum investment amount in the Joint Venture at once; rather, the City's investments in the Joint Venture will be phased according to the progress of the development project, the required surveys and the resulting funding need of the Joint Venture. The City makes investments in proportion to the ownership shares, in similar quantities and simultaneously with the other shareholders. If necessary, the City has the right to assess the need for funding on the basis of an assessment made by an external assessor.

The City's financial liabilities as a shareholder in the Joint Venture are limited to the maximum investment amount presented above. This means that shareholders other than the City will be responsible for any additional investments in the Joint Venture in the future, which means that the ownership of the Joint Venture will change accordingly. The operating model concerning this will be agreed on separately in more detail in the shareholders' agreement to be drawn up between the parties. As a shareholder, the City has an equal position with the other shareholders.

The City's investment in the Joint Venture must be in line with the market investor principle, which requires an MEOP analysis (state aid assessment). If possible, the MEOP analysis will be carried out before the selection of the Competition Winner. In addition, the transfer in kind or other transfer made by the City must be on market terms, and this will be counted as part of the City's investment. The determination of the market value and the selection of the assessment method are carried out by an independent external assessor(/s), in accordance with industry standards.

Both the City and the Competition Winner shall reserve the necessary personnel resources for the establishment of the Joint Venture and the related preparations and shall be responsible of their own costs arising from these.

The Parties undertake to ensure that the Joint Venture has sufficient resources and an effective organisation for its operations.

If necessary, the Joint Venture may establish separate companies for the various sub-areas of the development project. The Parties undertake to negotiate and decide on the corporate structure of the Joint Venture in connection with negotiating on the shareholders' agreement.

The City's prerequisites for a decision to establish the Joint Venture in the development phase are at least:

- The Joint Venture is lawful and in accordance with the outcome of the negotiations between the parties,
- The parties have prepared the establishment documents of the Joint Venture, the Articles of Association and negotiated a shareholders' agreement,
- A governing body of the City has approved the agreements and documents related to the establishment of the Joint Venture; and
- The Joint Venture has an effective management that can be appointed

At the end of the development phase, the prerequisites for making a final investment decision are:

- The local detailed plan has entered into force,
- The Power Plant Area's project has been assessed as technically and economically implementable by an external expert,
- The Competition Winner has submitted to the City and the City has approved the detailed business plan and project plan of the Joint Venture, as well as the plan for the temporary use of the power plant property; and
- The financing and/or investor solutions enabling the operations of the Joint Venture and the City's participation in the Joint Venture have been secured by binding decisions and agreements.

All of the City's activities must meet the requirements set out in the Finnish Local Government Act, state aid regulations and other applicable legislation. In addition, the City and the Competition Winner shall reach a negotiation outcome on the articles of association of the Joint Venture, the shareholders'

agreement and other necessary arrangements, a governing body of the City must approve the documents related to the establishment of the Joint Venture and the shareholders' agreement, and the decision must become legally valid.

The City has the right to refrain from signing agreements concerning the Joint Venture and/or cancel agreements already signed without penalty if it becomes apparent that the Competition Winner has materially breached or it is clear that it will materially breach sanctions, taxation, environmental protection, occupational health and safety or other similar statutory obligations, and does not immediately correct its conduct within at least sixty (60) days of receiving written notice of the breach.

The Competition Winner shall be responsible for any financing, rental and other negotiations and agreements that may be necessary for the promotion of the Power Plant Area development project before the establishment of the Joint Venture, after which the responsibility shall be transferred to the established Joint Venture. The City has the right to participate in the negotiations, and the conclusion of agreements concerning the Joint Venture and affecting its operations requires the City's approval.

The Competition Winner undertakes to support the Joint Venture, as necessary, in promoting the project also during the company's operations.

The shareholders of the Joint Venture must commit to being shareholders of the Joint Venture for at least three (3) years after the completion of the development project for the Power Plant Area. Shareholdings must be disposed of on market terms. The principles of the exit phase will be negotiated in more detail with the Competition Groups, and the necessary terms and conditions will be included in the implementation agreement and the shareholders' agreement.

4.3.2 Establishment of the Joint Venture, legal form and operations

The shareholders of the Joint Venture must commit to developing the Power Plant Area on the basis of the solutions for the urban landscape, functions and other solutions specified in the Winning Proposal, in accordance with the target schedule set out in the Competition Programme.

The Competition Winner must endeavour to establish the Joint Venture at its own expense and in close cooperation with the City within twelve (12) months of the signing of the implementation agreement. The City participates in the establishment of the Joint Venture. A governing body of the City is responsible for the establishment of the Joint Venture, the approval of the shareholders' agreement and the appointment of the members appointed by the City for the Board of Directors of the Joint Venture.

As a rule, the legal form is a real estate company. The shareholders' ownership is determined in relation to the share subscription fees and equity investments. However, the City's ownership share in the Joint Venture is a maximum of 49%, so that the City is not a majority shareholder at any time.

The establishment of the Joint Venture requires that the Joint Venture has effective management. The shareholders of the Joint Venture undertake to ensure that they form an operative management and organisation for the Joint Venture that have sufficient resources and expertise in view of the complexity of the project and the scope of the operations and that they appoint a Board of Directors with sufficient competence. The Board of Directors shall have at least five (5) expert members, one (1) of whom shall be an independent expert appointed jointly by the parties. The other members are appointed half by the City and half by the Competition Winner. The Competition Winner appoints the Chairperson.

In principle, decisions in the Joint Venture are made unanimously. The provisions concerning decision-making are agreed upon separately in more detail in the shareholders' agreement concerning the Joint Venture. The Joint Venture applies to be liable for VAT on the transfer of the right to use the property. For the sake of clarity, the operations of the Joint Venture shall also be subject to VAT.

If the Competition Winner's proposal for a Joint Venture requires notifications to or permits from the authorities, the notifications required by law and any other similar measures must have been made and a decision or other approval obtained from the authorities that enables proceeding with the establishment of the Joint Venture before the establishment of the Joint Venture. The Competition Winner is responsible for carrying out the aforementioned actions at their own expense.

4.4 Pricing of plots in the Power Plant Area

For the sake of clarity, the City is aware that the economic profitability of the properties to be developed and implemented in the Power Plant Area is likely to be weak, taking into account the objectives set in the Competition.

The City's estimate of the present value of the buildings in the Power Plant Area is EUR 1 + the value of the land.

The value of the Power Plant Area and the plots to be formed in it depends heavily on the solutions presented in the competition entries and the functional content, i.e. the intended use of the plot(s). For this reason, the value of the building right in the Power Plant Area covered by the plans cannot be estimated at this point. A preliminary assessment of the pricing of building rights/land will be made with the help of an independent external expert after the First Actual Competition Phase, when the main features of the proposed solutions are clear.

The residential building right allocated to the Power Plant Area is not, as a rule, taken into account in the assessment of whether the housing production meets the target for funding form and tenure type distribution, which means that the residential construction can be implemented in its entirety as non-subsidised ownership and/or rental housing production.

Taking into account the complexity of the development project of the Power Plant Area, the assessment of the market value and pricing of the building right/land in the Power Plant Area can be based, for example, on the yield value, taking into account the project as a whole. In this case, the differences in economic profitability between the different sub-areas of the project may affect the assessment in such a way that the sub-areas with lower economic profitability may have a decreasing effect on the pricing of the building right in more economically profitable sub-areas.

The plots to be formed in the Power Plant Area will be leased with purchase rights, in accordance with the project phases. Unless otherwise agreed, the purchase right included in the land lease agreements will not be available until the Power Plant Area development project have been entirety completed.

The implementation agreement shall include a more detailed estimate of the value of the building rights/land in the Power Plant Area, based on the Winning Proposal and on an assessment by an independent expert.

The price of the building rights/land in the Power Plant Area will be determined on the basis of an assessment by two (2) independent external assessors after the project's further development phase has ended and when the final detailed plan solutions are sufficiently clear. The final price may be higher than the price stated in the implementation agreement, but it may be lower than the price originally stated in the implementation agreement only for a compelling reason independent of the Competition Winner.

The final price is recorded in the implementation agreement or in the preliminary agreement made with the Development Company.

The instructions and regulations concerning state aid are followed in the pricing of plots under all circumstances.

The plot price cannot be negative.

5. Penalties, securities and incentives

The implementation agreement and allocation agreements made with the Competition Winner will include penalties regarding compliance with the deadlines agreed upon in the agreement and other contractual terms and conditions, such as applying for a building permit, delaying the start of construction and compliance with agreements. The penalties are defined in accordance with the City's established practice for minor and significant breaches of contract. The contractual penalty is at least EUR 250,000 for non-significant breaches and at least EUR 2 million for significant breaches, taking into account the agreement as a whole.

Significant breaches of contract include, for example, significant deviations from the basic solutions and quality level of the Winning Proposal (unless the parties have agreed on such deviations), partial or complete non-implementation of the Power Plant Project, repeated failure to achieve the interim targets set for the progress of the construction of the Hanasaari Area and other significant instances of negligence entitling to the cancellation of the implementation agreement. The demolition of the buildings in the Power Plant Area that are marked for conservation and renovation for new use in the Winning Proposal is also considered a material breach of contract, unless this has been agreed upon with the City in advance and it can be objectively assessed that there is a new structural or technical reason for the demolition that was not known during the Competition and that has a particularly significant impact on the economic and technical implementation.

In principle, the contractual penalty for not meeting the agreed quantitative targets for the annual construction volume is as follows:

1. For the first year, EUR 250,000,
2. For the second year, EUR 500,000, if the total volume of agreed construction in the first and second years has not been started in the second year; and
3. For the third year and subsequent years, EUR 750,000/year, if construction has not begun in the third year according to the agreed total construction volume for the first, second and third years, and the following years accordingly.

For the sake of clarity, the respective contractual penalties will be specified in more detail in the plot-specific disposition documents, particularly with regard to the completion of buildings. Depending on the size of the building, the buildings must be completed within two to three (2-3) years of the start of the construction of the plot.

In addition, the City reserves the right to cancel the implementation agreement in whole or in part if the third interim target is not met. In the event of a cancellation of agreements, it must be taken into account that the City has the right to cancel all or part of the preliminary contracts for the property sale as a result of the cancellation of the implementation agreement and to cancel the implementation agreement in full or in part as a result of the cancellation of the preliminary contracts for the property sale.

For the sake of clarity, the City reserves for the contracting party the opportunity to rectify the incorrect procedure or negligence without delay before demanding penalties or cancelling the agreements, excluding intentional and grossly negligent breaches.

Failure to implement the Power Plant Area's development project entitles the City to cancel the implementation agreement in part or in full and to charge a double contractual penalty for the aforementioned significant breaches.

Preliminary contracts for the sale of property are subject to the City's standard terms and conditions for penalties and the contractual penalties specified in the table.

The Competition Winner or the Development Company shall give a security deposit for compliance with the implementation agreement. The security must be an absolute guarantee, deposit or other security approved in advance by the City. When the implementation agreement is signed, the amount of security is EUR 1 million. The amount of the security shall be increased to EUR 3 million within three (3) months of the entry into force of the local detailed plan for the Competition Area.

With regard to preliminary contracts for the sale property, the need for security is negotiated separately, and the maximum security is approximately EUR 100,000 per plot.

The Winner of the Competition has the right to implement the Option Areas, if the conditions specified in Section 1.3.3 are met. The penalties and securities for the Option Areas shall be negotiated separately; however, in accordance with the City's standard terms and conditions. Other incentives can be negotiated in the Negotiation Phase, if the overall solution requires it. When negotiating possible incentives, the regulations and decrees concerning state aid are taken into account, among other things.

Appendixes

Additional terms and conditions applied in the Kalasatama area

1. General terms and conditions

1.1 Definitions

These terms and conditions cover the Kalasatama area, and will therefore also serve as the regional terms and conditions to be complied with in the Competition Area. If these terms and conditions are in conflict with the competition documents for the Hanasaari Area, the terms and conditions in the competition documents shall apply.

With regard to terminology, it is stated that the definition of "recipient" used below refers to not only the party participating in the Competition but also, where applicable, the development company/companies established for the implementation of the project. However, Section 2.1. discusses the recipient and the company established by the recipient as two separate concepts.

Hereinafter, the reservation site refers to the area reserved for the recipient or the plot(s) to be formed in it.

In addition, hereinafter, Kalasatama and the Kalasatama area also refer to the parts of the Competition Area that are covered by the local detailed plan.

1.2 The recipient and their obligation to implement

The recipient is obligated to plan and implement the reservation site at its own expense, in full compliance with the terms and conditions of the City's decisions and the allocation documents of the reservation site. The planning and implementation must comply with the provisions of the local detailed plan, good construction and development practices, as well as the regulations and instructions of the authorities and permit conditions concerning construction. The reservation site must be planned and implemented in such a way that the construction causes as little disturbance as possible to the construction and use of other plots and public areas.

The approval of the aforementioned plans and the granting of permits does not release the receiver from liability for any losses that may be caused to the City or a third party by the construction or use of the facilities and areas.

1.3 Progress and coordination of the project

Within six (6) months of signing these additional terms and conditions, the recipient is obligated to notify the Development of Real Property and Plots service of the Land Use and Urban Structure Division and the Kalasatama construction project at the City Executive Office of the planned construction schedule and preliminary project plan of the reservation site. Similarly, the recipient is obligated to inform the aforementioned parties without delay of any significant changes to the project plan or construction schedule. A building permit must be applied for for the construction of the reservation site within the agreed deadline. Construction must commence without undue delay once the building permit has been obtained, but no later than six (6) months after the permit has been obtained.

The City may, for justified reasons, extend the deadline and grant an extension to the aforementioned deadlines. The City states that only a reason independent of the recipient is considered justified, such as a complaint about a local detailed plan or building permit, a change in the local detailed plan required for the implementation of the project or a delay in municipal engineering or soil improvement.

The planning and implementation of the reservation site will be monitored and coordinated in meetings organised at intervals specified by the Kalasatama construction project at the City Executive Office. The recipient shall appoint a contact person from their organisation who will participate in the meetings.

2. Special terms and conditions

2.1 Regional service company

If the City of Helsinki and the regional service company Kalasataman Palvelu 2 Oy/Ltd decide to extend the operating area of the said service company to the reservation site or to establish a new regional service company in the area, the recipient and/or the company established by the recipient is obligated to become a shareholder of the regional service company under the conditions determined by the City.

The recipient (developer, construction company) is obligated to conclude a plot-specific developer agreement with the service company, subscribe to/purchase one voting A share per plot and pay the subscription price for the share to the service company, in accordance with the principles confirmed by the City. If residential plots are reserved for group development, the said agreement shall be concluded and the share subscribed for by a developer consultant approved by the City of Helsinki or another party representing the group.

Similarly, if necessary, the recipient undertakes to act as the founding shareholder of the new service company mentioned above, in accordance with the same principles. However, a developer consultant approved by the City of Helsinki or another party representing the group will act as the founding shareholder on any residential plots reserved for group development.

A regional service company has been established for the implementation, financing, use and maintenance of block-specific shared yard plots, ground-level parking plots and shared club facilities specified in the local detailed plan as well as the regional portal. The service company may also implement above-ground parking facilities on parking plots (LPA) in later contract areas, if this is agreed upon between the City and the service company.

The service company provides cost-based services to its shareholders. The recipient (tenant/owner of the plot) is obligated to conclude a plot-specific subscription and use agreement with the service company for the implementation and use of the matters mentioned in the previous paragraph, to subscribe/purchase shares in the service company, in accordance with the services it uses, and to pay the subscription prices of the shares to the service company, in accordance with the principles confirmed by the City, within two (2) months of signing the long-term lease agreement/deed of sale for the plot, unless otherwise agreed on with the service company. In the case of residential plots reserved for group construction, the recipient or a developer consultant approved by the City of Helsinki or another party representing the group is obligated to remain as a shareholder in the service company and participate in its administration until the Kalasatama area is completed or until the service company is transferred to the companies or other entities that control or own the plots in the area, in accordance with a subscription and use agreement or other similar agreement.

2.2 Regional pipeline waste collection system

Unless otherwise decided by the City, the recipient is obligated to arrange the collection of waste from the buildings constructed at the reservation site (according to current information, mixed waste, biowaste, paper, plastic and small cardboard) through the regional waste collection system that is being implemented in Kalasatama. For the purpose of organising waste collection, the recipient is obligated to connect the buildings in the reservation site to the system and to become a shareholder of Kalasataman jätteen putkikeräys Oy/Ltd (hereinafter "the Company"), in accordance with the principles and terms and conditions to be confirmed later by the City and the Company.

The Company operates on the cost principle, unless the City decides otherwise. The recipient is also obligated to conclude the necessary planning and implementation, subscription and use agreements or other possible agreements with the Company. The Company decides on the terms of the agreements, share subscription prices, fees for the use and maintenance of the system and other similar matters in accordance with the principles confirmed by the City of Helsinki. Unless otherwise required by Kalasataman jätteen putkikeräys Oy/Ltd, the recipient is obligated to sign a plot-specific planning and implementation agreement with the Company concerning the implementation of the pipeline waste collection system within three (3) months of the decision concerning the short-term rental of the plot or authorisation. Similarly, the recipient is obligated to sign a subscription agreement for each plot, subscribe/purchase shares in the Company according to the services they use and pay the subscription prices for the shares to the Company within two (2) months of signing the long-term lease agreement or deed of sale for the plot and to sign the usage agreement before the approval of the buildings to be built in the reservation site (leased area/plot to be sold) by the authorities.

The Company implements the waste station and the main network required by the system in the street area or other public area and acquires the central units and other parts of the system. In addition, the Company implements the property-specific parts of the pipeline collection system (such as the property pipe and feed stations) at the reservation site. The City of Helsinki and the persons appointed by it have the right to determine the appropriate number and location of waste collection points serving the reservation site. The recipient is obligated to allow, free of charge, the construction, maintenance, use, replacement and repair of the supply or collection points, pipes, cables, equipment or other similar items required for the implementation and use of the regional waste collection system in the reservation site and, where necessary, in the buildings and structures constructed for it.

The recipient is obligated to plan and implement at its own expense the technical facilities, technical building systems, cable ducts and other similar structures required for the installation and use of the waste collection system. In addition, the recipient is obligated, if necessary, to agree with the other plots in the block on the implementation, use, maintenance, repair and renewal of any shared temporary waste shelters, the block-specific recycling room, feeding station and feeding points as well as the technical space and the sharing of costs.

Furthermore, the recipient is obligated to allow the temporary placement and use of traditional waste containers at the reservation site without compensation. To the extent that waste collection cannot be arranged using the system (such as glass, metal, old furniture, large cardboard or other waste not suitable for the system), waste collection is arranged in the manner prescribed by the City (currently block-specific recycling rooms). If the pipeline waste collection system has not been completed by the time the buildings come into use, the recipient is obligated to take care of the collection of waste from the reservation site temporarily using traditional waste collection methods at its own expense. The City of Helsinki and the waste management company are not liable for any losses, inconvenience or costs caused by this.

2.2.1 Plot-specific waste pipe connection points

In addition, the recipient is obligated to comply with the connection points of the waste pipes serving the plots marked on the attached map provided by Kalasataman jätteen putkikeräys Oy for the reservation site and other plots in the same block or plots formed by these. If the recipient wishes to change the connection points marked in the appendix and points that have already been/ are being constructed, the recipient shall be responsible for all costs arising from the change.

However, if the recipient can reliably explain to the City that the location of the connection point makes the planning and construction of the building significantly more difficult, the relocation of the connection point and the sharing of costs can be negotiated with the City and the waste management company. For the sake of clarity, the aforementioned maps showing the connection points of the waste pipelines are prepared by the waste management company and must be made available to the recipient at a sufficiently early phase. The City is obligated to ensure that the waste management company delivers the aforementioned maps to the recipients as soon as possible after they are completed.

2.3 Construction logistics control

The recipient is obligated, at its own expense, to draw up a construction logistics plan for the construction of the leased area and the organisation of the construction site areas in good time before the start of construction, in accordance with the regulations and instructions issued by the Buildings and Public Property service of the Urban Environment Division and to approve the plan with the Buildings and Public Property service or a third party appointed by it.

The recipient is obligated to comply with the above-mentioned plot-specific logistics plan approved by the City and the regional logistics plan prepared for the Kalasatama area now or in the future, as well as with the instructions and regulations issued by the City or its representative on the basis of the plans. To the extent necessary, the recipient undertakes to include the terms and conditions concerning compliance with the above-mentioned plans and the instructions and regulations issued on the basis thereof also in the contract agreements concerning the implementation of the reservation site and other similar agreements.

If the recipient or a third party acting on its behalf does not comply with the aforementioned logistics plans or the requirements that are based on them, and the recipient does not immediately rectify its negligence after receiving a request to do so, the City or its representative has the right to take or commission the measures required to rectify the negligence in the manner it deems best and to charge the costs arising from this in full from the recipient.

2.4 Parking spaces

There are no plans to have a parking obligation for residential construction in the Hanasaari area. There is a parking obligation for commercial premises. Market-based parking is being tested in Kalasatama. For this reason, the recipient is obligated to provide the City with a report on the number of parking spaces to be implemented per plot, including the reasons, before the allocation of the reservation site. If parking spaces are provided at the reservation site, the following principles shall be followed:

If the local detailed plan does not specify parking on ground-level parking plots (LPA), the recipients of the reservation sites (AK and AK-1 plots) are obligated, at their own expense, to plan and build underground (=under deck) parking facilities for the sites in connection with the construction of residential plots or other parking spaces required by the plan, including structures and equipment, on AK/AK-1 plots or areas marked with a Map marking or a similar marking, unless otherwise specified in the local detailed plan.

In addition to the above, recipients in block areas are obligated to plan and build a parking facility in cooperation with the other recipients of the plots, if the City so requires. The recipients of the residential plots own the aforementioned parking facilities, including their structures and equipment, and are responsible for their use, maintenance, upkeep and cleaning as well as for their costs.

If more than one reservation site places parking spaces in an underground parking facility, the recipients are obligated to agree separately on the planning and construction, ownership, use, maintenance, upkeep and cleaning of the facilities and the sharing of costs in proportion to the number of parking spaces on the plots or other separately agreed grounds.

If the recipients of the AK/AK-1 plots in the block areas do not reach an agreement on the implementation of the above-mentioned parking facility construction obligations, the City has the right to appoint the developers on a block-by-block basis and define their terms of implementation in connection

with the plot allocation terms. Parking facility plans must be submitted to the City for approval. All encumbrances and encumbrance-related rights concerning the arrangement of vehicle and pedestrian access to the parking facilities are assigned by both parties free of charge.

The City is not responsible for the costs of arranging parking spaces or any temporary parking spaces that may be required. The City is also not liable for any losses, inconveniences or costs caused by any delay in the implementation of the reservations. If necessary, the City will lease the area to the recipient in order to arrange temporary parking spaces on standard terms and conditions.

2.5 Smart energy systems in Kalasatama

The recipient is obligated, at its own expense, to implement the functions of the smart energy systems at the reservation site, in accordance with the terms and conditions of plot allocation concerning smart energy systems in Kalasatama, as specified at the end of this appendix.

2.6 Other special terms and conditions in the Kalasatama area

2.6.1 The recipient must approve the surface drying plan of the reservation site, including the elevation levels, with the Buildings and Public Property service of the Urban Environment Division.

2.6.2 The recipient is obligated to comply with the planning instructions for building construction prepared for the Kalasatama area with regard to the reservation site. The recipients of reservation sites on the shore side are obligated to approve the plot foundation plans in advance with the Buildings and Public Property service of the Urban Environment Division.

2.6.3 In accordance with the building rights marked for the reservation site in the local detailed plan, the recipient is obligated to pay EUR 10/m² (construction cost index 1/2009) and an index adjustment for the environmental artistic cooperation to the Economic Development and Planning Division of the City Executive Office or another party appointed by the City of Helsinki, by the signing of the plot's long-term lease agreement/deed of sale. The construction cost index refers to the index series RI 2005 = 100, in which case the 1/202X score is XXX.XX.

2.6.4 The recipient agrees that the reservation site can be used, free of charge, for the routing, installation, construction, maintenance, repair and renewal of the main water pipes and sewer pipes, in accordance with the plans made with HSY Water Services.

2.6.5 The recipient is obligated to provide the building supervision permit point of the City of Helsinki with an IFC data model 2 × 3 (permit version) for the project.

2.6.6 If so required by the City of Helsinki, the recipient is obligated to allow the placement of substation facilities serving utility maintenance in the reservation site free of charge. The substation room is located in a separate building or on a floor at ground level on the outer wall of the building so that the door of the substation opens directly outwards. In this case, the recipient is obligated to separately agree with Helen Electricity Network Ltd on the planning, construction, allocation, use and maintenance of the substation space and the costs under the usual terms and conditions. If the parties cannot reach an agreement on the matter, the matter will be resolved by the Development of Real Property and Plots service.

2.6.7 The recipient is obligated, at its own expense, to implement a space with doors opening to the street for distribution cabinets of the utility maintenance facility, including all structures, in accordance with the City's instructions, and to allow the construction, maintenance, use, servicing and renewal of the distribution cabinets at the reservation site free of charge. The space must be at least 2.0 metres deep, 2.5 metres wide and 2.2 metres high. The space must not have a subfloor, and it must be possible to route pipes at least 1 metre below the street level.

2.6.8 The recipient is also obligated, if so required by the City of Helsinki, to implement, at its own expense, the embedded cable reservations and connections required by the street lighting and suspended tram electrical conductor structures on the streets and facades, in accordance with the instructions given by the owners of these devices and structures and future users, and to allow their attachment, construction, maintenance, use, servicing and renewal at the reservation site without compensation.

2.6.9 Soil cleaning: The soil of the Kalasatama area has been found to be contaminated. For this reason, the buildings must have a ventilated subfloor structure or radon piping with mechanical ventilation. If other structural solutions are used, their suitability must be verified separately. The City is responsible for cleaning the contaminated soil, sediments and groundwater of the reservation site under the conditions normally observed in the City's land transfers, taking into account, however, the matters concerning the amendment and transfer of the reservation mentioned in Section 2.7.

2.6.10 Indoor coverage of mobile phones: The recipient must demonstrate that the indoor coverage of mobile phones has been taken into account in the plans and structures. If so required by the City of Helsinki, the recipient must allow, free of charge, the placement, maintenance, repair and renewal of the mobile telephone network-related transmission equipment and the cables required for them in the building and take into account the space needs of these in the plans and structures.

2.7 Transfer, amendment and validity of the reservation

The reservation may not be transferred to a third party without the City's consent. During the reservation period, the City has the right to change the location of the reservation site without consequences; for example, when the dredging required for the implementation of the project could endanger the stability of the area or when the dredging, cleaning of the area or shore construction required for the implementation of the project could result in exceptionally high costs or when required by the functionality of the planning area or its surroundings, availability, implementability, or the preparation of a local detailed plan amendment. Changing the location also covers reducing or expanding the reservation site. Similarly, during the reservation period, the City has the right to change the reservation terms and conditions of the site without consequences; for example, when the change can achieve a better end result from the point of view of the functionality, usability or implementation or of the area or its surroundings.

Notwithstanding the above, the recipient is otherwise obligated to comply with the terms of the City's decisions, unless otherwise agreed with the City. The reservation is valid during the reservation period, provided that the recipient does not waive the reservation and that the recipient complies with the terms and conditions of the City Board's reservation decision and its appendices.

Otherwise, the City has the right, without penalty, to order the reservation to expire immediately during the reservation period and to reserve the reservation site for a third party. Similarly, the City has the right to order the reservation to expire immediately during the reservation period and reserve the reservation site for a third party if the recipient or one or more members of the recipient group or association are declared bankrupt or in liquidation during the reservation period or otherwise enter into a situation where it is obvious that the recipient or the recipient group or association is unable to fulfil its obligations.

The same applies to a situation where it becomes apparent during the reservation period that the recipient or one or more members of the recipient group or association neglects/has neglected their legal obligations, such as obligations under the Finnish Limited Liability Companies Act and/or the Finnish Accounting Act, or registration obligations, or the fulfilment of tax, social security and pension insurance or other similar social obligations.

The City decides on the possible extension of the reservation period at its discretion, taking into account, among other things, what has been stated in this respect in Section 1.4. above. The City shall not be liable for any losses, inconveniences or costs if it decides not to continue the reservation.

2.8 Other terms and conditions

The recipients are obligated, at their own expense, to prepare and establish agreements concerning the encumbrances and joint arrangements required for the implementation and use of the reservations. The rental principles of the reservation site, such as the rental period and the amount of rent, are presented to the City Council for decision-making. The proposal for the allocation of the reservation site is to follow the City's usual terms and conditions for the allocation of residential plots and other areas, as well as any additional terms and conditions decided by the Urban Environment Committee. The aforementioned additional terms and conditions may also include encumbrances based on amendments to the local detailed plan.

The City has the right to examine and consider the additional terms and conditions specified during the reservation period in more detail. Similarly, the City has the right to amend the terms and conditions of the reservation decision to make them comply with the local detailed plan, if the plan is incomplete at the time of the reservation. The City may include the terms and conditions set out in the reservation decision in the transfer agreements for the reservation site at its discretion.

The reservation decision does not give the recipient the right to start construction or earthworks at the reservation site. For the sake of clarity, the fulfilment of the aforementioned construction obligations requires that the City decides in due time on the transfer of the reservation site to the recipient and that the recipient signs the final transfer documents concerning the reservation site.

2.9 Commitment

"NAME" undertakes, as the recipient of plots x - x of block no. xxxxx, as specified in the local detailed plan and its amendment no. XXXX concerning the Hanasaari Area in the 10th district of the City of Helsinki (Sörnäinen), to comply with the reservation conditions presented above and below and in the City Board's reservation decision concerning the plot in question.

In Helsinki on 202X

Recipient's signature

1. General

This document specifies the terms and conditions of plot disposition, as specified by the City, to which the recipient of the plot must commit. The proposed requirements are based on the EU's energy efficiency guidelines, national targets for the adaptability of properties throughout their life cycle, and market trends related to the smart functionalities of energy systems. Energy efficiency is examined at the apartment level, and the aim of smart systems is to enable the residents to take advantage of the new services.

The practical implementation of the requirements is at least related to HVAC, electrical, building automation and telecommunications planning and contracts. This needs to be taken into account already in the planning phase, and special attention must be paid to the coordination of planning and implementation in order to avoid overlaps and the resulting additional costs.

2. Requirements

REQUIREMENT 1: All HVAC automation systems at the apartment and property level must be implemented in such a way that an application programming interface (API) can be opened for them securely. Interface descriptions should be open and based on common open standards or widely used industry standards. The interface descriptions must be delivered to the property as part of the final documentation.

REQUIREMENT 2: The amount of hot and cold water must be measured for each apartment and business premises. The measurement system must be connected to the building automation system.

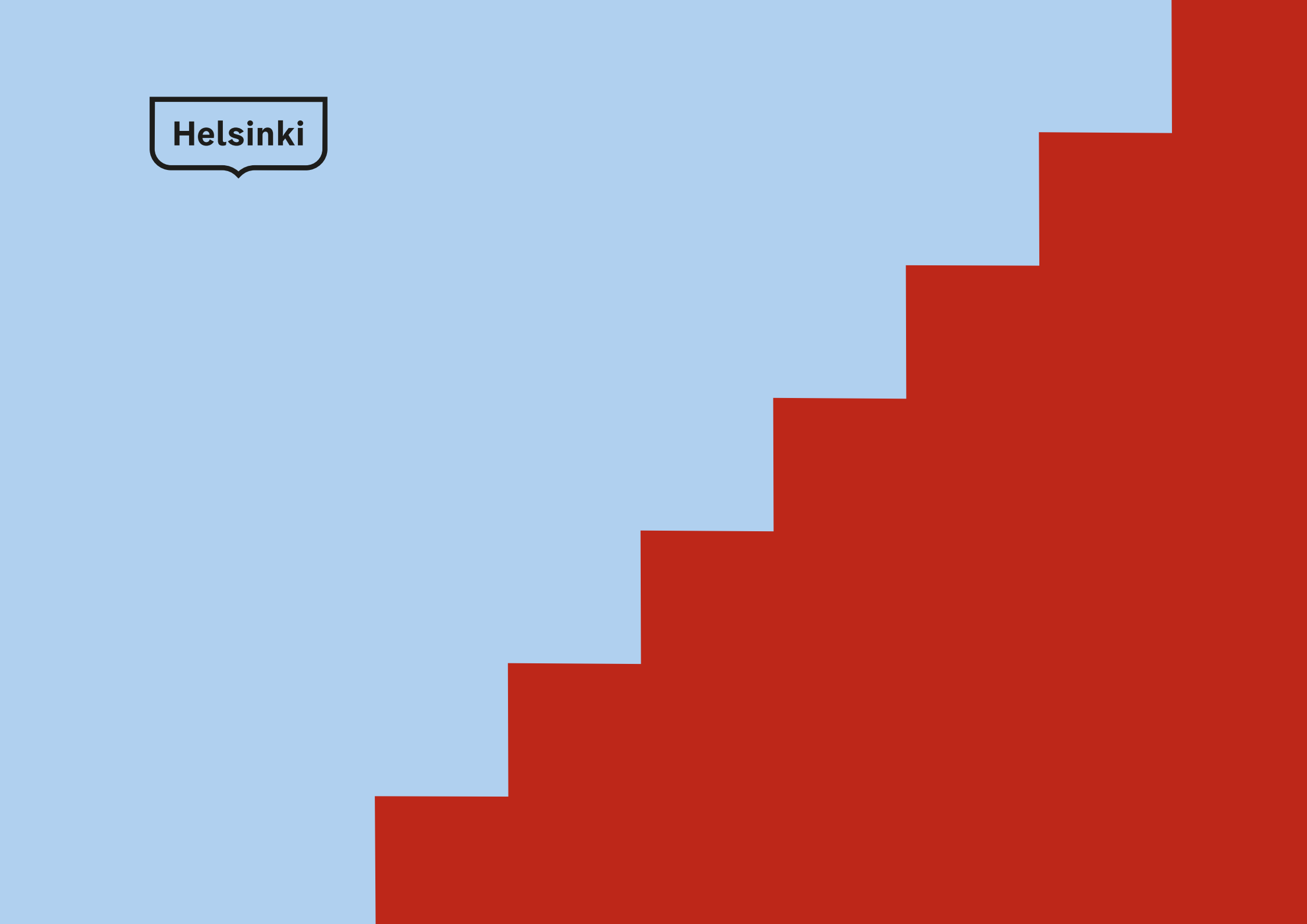
REQUIREMENT 3: At least 1/3 of the parking spaces on the plot must be electric car charging spaces. These charging stations must be implemented using the basic charging method (charging method 3, mode 3) specified in the latest SESKO Charging Recommendation for Electric Vehicles SK69, which means that the charging station has a type 2 electric car socket in accordance with SFS-EN 62196-2. Each electric car parking space must have at least 10 kW of charging power available, but this can be limited by load management, if necessary. The charging operator may provide the control of the charging system as a service, and it can have a separate electricity connection.

It must be possible to install a charging station for electric vehicles also in the remaining 2/3 of the parking spaces. This means cables that are routed up to the parking space or another electricity distribution system that meets the above requirements for charging points for electric vehicles to be installed later.

The cabling of the charging stations and charging reservations in the parking spaces must be designed so that the charging current is 3 × 16 A and a charging capacity of at least 11 kW is achieved.

REQUIREMENT 4: Any freezing prevention systems for traffic routes must be implemented as liquid-circulating systems, unless the City grants a separate exemption.

REQUIREMENT 5: The waste heat from high-performance refrigeration equipment in commercial premises shall be utilised locally or transferred to the regional district cooling network.


Helsinki