

Special City Council Meeting Agenda



Monday, July 17, 2017 – 5:30 p.m.

Council Chambers, Guelph City Hall, 1 Carden Street

Please turn off or place on non-audible all electronic devices during the meeting.

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Authority to move into closed meeting

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to the Municipal Act, to consider:

C-CON-2017.11 Potential Disposition of Baker District Properties

Section 239 (2) (c) a proposed or pending acquisition or disposition of land by the municipality or local board.

Open Meeting – 6:00 p.m.

Disclosure of Pecuniary Interest and General Nature Thereof

Closed Meeting Summary

Special Council - Downtown Implementation Strategic Framework (Workshop 2)

CON-2017.34 Parking Master Plan Implementation: Award of the Wilson Street Parkade Design-Build Contract #17-050

Presentation:

Peter Cartwright, General Manager, Business Development and Enterprise
Ian Panabaker, Manager, Downtown Renewal

Recommendation:

1. That the amended request for proposal for the design and construction of the Wilson Street Parkade, pedestrian bridge and Wilson Street final works from Gordon Street to Carden Street, as recommended by Staff and described in Report IDE-17-80 "Parking Master Plan Implementation: Award of the Wilson Street Parkade Design-Build Contract #17-050", be awarded for a total of \$20,404,532.00 exclusive of HST, and that the Mayor and the Clerk be authorized to execute the contract.
2. That the required total budget increase of \$8,535,000 be approved and funded from debt and reserves funds in accordance with the staff

recommendations in Report IDE-17-80 "Parking Master Plan Implementation: Award of the Wilson Street Parkade Design-Build Contract #17-050".

3. That staff report back to Council with an update to the Parking Master Plan that incorporates the changes in strategy, technology, timing and revenue projections since Council endorsement of the plan.

**CON-2017.33 Downtown Guelph Secondary Plan –
Implementation – Priority Programs of Work**

Presentation:

Peter Cartwright, General Manager, Business Development and Enterprise
Rhett Nussey, Collins Barrow
Tomoko King, Manager, Corporate Project Management Office

Recommendation:

1. That the Baker District redevelopment, as described in Report IDE 17-71, become the Corporation's priority program of work to further implement the Downtown Secondary Plan; and
2. That staff be directed to implement a Request for Proposal (RFP) process for the Baker District redevelopment, as described in Report IDE 17-71, and report back to Council on the results by no later than the end of Q1 2018; and
3. That staff be directed to develop the associated work plan, funding strategy and business term options for the Baker District redevelopment through the Request for Proposal (RFP) process, as described in Report IDE 17-71, and report back to Council by the end of Q1 2018; and
4. That staff be directed to apply the priority setting criteria and weighting, as described in Report IDE 17-71, to further assess the prioritization of the balance of the programs of work to implement the Downtown Guelph Secondary Plan, and to report back on the status of this work by the end of Q1 2018.

By-laws

Resolution to adopt the By-law (Councillor Bell).
"That By-law Number (2017)-20189 is hereby passed."

By-law Number (2017)- 20189	A by-law to confirm the proceedings of meeting of Guelph City Council held July 17, 2017.
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Adjournment

Staff Report



To **City Council**

Service Area Infrastructure, Development and Enterprise Services

Date Monday, July 17, 2017

Subject **Parking Master Plan Implementation: Award of the Wilson Street Parkade Design-Build Contract #17-050**

Report Number IDE 17-80

Recommendation

1. That the amended request for proposal for the design and construction of the Wilson Street Parkade, pedestrian bridge and Wilson Street final works from Gordon Street to Carden Street, as recommended by Staff and described in Report IDE-17-80 "Parking Master Plan Implementation: Award of the Wilson Street Parkade Design-Build Contract #17-050", be awarded for a total of \$20,404,532.00 exclusive of HST, and that the Mayor and the Clerk be authorized to execute the contract.
2. That the required total budget increase of \$8,535,000 be approved and funded from debt and reserves funds in accordance with the staff recommendations in Report IDE-17-80 "Parking Master Plan Implementation: Award of the Wilson Street Parkade Design-Build Contract #17-050".
3. That staff report back to Council with an update to the Parking Master Plan that incorporates the changes in strategy, technology, timing and revenue projections since Council endorsement of the plan.

Executive Summary

Purpose of Report

- To approve a budget increase sufficient to award contract #17-050 including appropriate contingency; and
- To approve awarding contract #17-050 - 'The Design and Build of the Wilson Street Parking Garage' to The Newton Group Ltd.

Key Findings

The construction of the Wilson Street Parking Garage was identified as the first major capital project within the Council approved Parking Master Plan (PMP).

The project has been developed under the Tier-1 project management framework and includes the reconstruction of Wilson Street, the replacement of the Norfolk pedestrian bridge as well as the parking structure. The program details were developed with public consultation in the spring of 2016 and the first design-build proposal call was released and subsequently cancelled in the fall of 2016.

A second Request for Proposals call was completed in April 2017, that included revised specifications, evaluation criteria and more built in flexibility. Bidders were encouraged to advise on items/specifications that could be value engineered in order to meet budget constraints. This resulted in only one (1) proposal submitted from The Newton Group Ltd.

The Newton Group proposal reduced or removed some elements from the scope and included 302 parking spaces in order to meet the constraints of the RFP. Staff worked with The Newton Group to develop an acceptable base proposal to recommend to Council, as well as additional options.

Staff are recommending that Option 3, adding an additional two (2) storeys to create a 496 parking space facility, be approved and that additional funding be allocated as outlined in this report as the most efficient direction to achieve the long-term objectives of the PMP and Downtown Secondary Plan.

Proposed Schedule:

Contract Award	Q3 2017
Design and Approvals Phase	Q3 2017 – Q1 2018
Construction Period	Q1 2018 – Q2 2019
Parkade, Bridge and Road open	Q2/3 2019

Financial Implications

The recommended Option 3, "Base plus 2 floors", including the final road works and pedestrian bridge, requires an additional budget request totalling \$8,535,000. This option minimizes the cost per parking space to a value consistent with market, maximizes the use of the Wilson Street land, minimizes disruptions to the public and is consistent with meeting the core objectives of the PMP. Further to this, Option 3 includes a roof installation over the top parking deck which permits all-year operations while avoiding major winter controls costs and provides a large platform for future solar generation revenue potential.

Using funding originally planned for a second downtown parkade to maximize the Wilson site provides a combined cost per space lower than what would be achievable by building two separate facilities by increasing the number of spaces over the fixed costs of construction on one project. Option 3 provides 496 spaces at Wilson plus the 107 existing spaces at Neeve Street for a total of 603, a net

benefit of 51 spaces when compared to achieving 302 spaces on Wilson and the 250 allocated to Neeve Street in 2019 (a total of 552 spaces). As well, the additional spaces will be available sooner than anticipated providing relief for existing demand and increased revenues earlier than originally forecasted in the PMP.

Moving forward with this project re-emphasises the need to complete other related policy, capital and operating work included in the PMP as approved by Council in December 2015. Specific items include the development of a periphery parking policy for areas bordering the downtown to ensure minimal impact to residents and maximization of on-street parking; planned rate increases for parkade rates as prescribed in the PMP; and implementation of on-street revenue generation to provide the necessary funding streams to make the PMP viable.

Approval of this option will free up previously committed debt funding within the 10 year capital plan of \$3,140,000. The net increases in funding for the road and bridge can be accommodated within existing reserve balances with minimal impact on the 10 year capital plan.

Report

The Role of Wilson within Downtown Implementation

The construction of the Wilson Street Parkade was identified as the first project required to implement the Council approved Parking Master Plan (2015) as part of the Downtown Secondary Plan (2012). This project achieves the following:

1. Addresses the lack of inventory within the existing parking system, which is stalling daytime employment investment in the downtown;
2. Provides the parking staging capacity to enable the redevelopment of other municipally-owned real estate within the downtown.

Construction of the Wilson Street Parkade is a precursor to the redevelopment of the Baker District, which will see up to 255 parking spaces displaced during this redevelopment. Redevelopment of the Baker district is further described in the companion Report IDE 17-71 Downtown Secondary Plan Implementation – Proposed Baker District Redevelopment.

Summary of the Wilson process

Due to the interdependencies of the final road works on Wilson Street, the replacement of the Norfolk Street pedestrian bridge and the parkade, these capital items were combined into a larger project to ensure optimal implementation. This resulted in the packaging of three (3) elements within the single RFP process.

Based on extensive public consultation about the design of both the road and the parking structure, undertaken in the spring of 2016, the Request for Proposal (RFP) for the Parking Garage and Pedestrian Bridge was issued to five (5) pre-qualified bidders in September 2016. This RFP was cancelled later in the fall based on the costs of the proposals received.

A second RFP, issued in January 2017, incorporated optimized specifications, more objective evaluation criteria and a realistic schedule of completion. The budgetary limit was included as one of the required criteria which encouraged proponents to propose value engineering measures to achieve the required outcomes.

The revised RFP period closed in March 2017. One proponent, The Newton Group Ltd., submitted a proposal containing 302 parking spaces. In addition, the proposal contained departures from the RFP requirements and contract clauses in an effort to address the cost-ceiling imposed by the RFP (Note: The schematic plans attached to the Newton Group proposal will be included in the accompanying presentation material to this report).

Discussions were held with The Newton Group Ltd. to ascertain the details, costs associated with acceptable departures and to address scope elements needed for staff to make a recommendation.

Additional discussions were held with The Newton Group Ltd. to establish the details and costs to optimize the number of storeys based on allowable building height and increase the number of spots from 302 to 496. The cost comparison is summarised below:

Parkade Options Comparison (numbers are total, including contingencies, fees etc. above RFP Contract value)			
	Option 1 – Base Parkade	Option 2 – Base plus future option	Option 3 – Base plus two floors
Description	All RFP required items	Addition of items to allow for future addition of 2 floors	Inclusion of additional 2 floors
Costs incurred to date	\$410,000	\$410,000	\$410,000
Base cost	\$14,150,000	\$14,150,000	\$14,150,000
Option to expand		\$360,000	N/A
Two additional floors			\$6,540,000
Total	\$14,560,000	\$14,920,000	\$21,100,000
Number of spaces	302	302	496
Cost per space	\$48,200	\$49,400	\$42,500

Wilson Street – Phase 3

Total estimated cost to complete road works on Wilson Street between Gordon Street and Carden Street, excluding costs spent during Phase 1, is \$1,080,000. The project budget held \$400,000 for this item therefore additional funds are being recommended to complete this work within the project.

Norfolk Street Pedestrian Bridge

Total estimated costs to complete replacement of existing bridge including integration into parkade and design as a “Veteran’s” bridge is \$375,000. The

project budget held \$250,000 for this item and therefore additional funds are being recommended to complete this work within the project.

Staff Recommendation

Staff are recommending that Option 3 be selected for the parkade and that additional funding be approved, as detailed in the Financial Implications section.

TOTAL PROJECT BUDGET SUMMARY (Includes contingencies, fees and soft costs above RFP Contract value)			
	Original Budget	Additional Funding	Total Budget
Parkade Option 3	\$13,370,000	\$7,730,000	\$21,100,000
Wilson Street – Phase 3	\$400,000	\$680,000	\$1,080,000
Pedestrian Bridge	\$250,000	\$125,000	\$375,000
Total	\$14,020,000	\$8,535,000	\$22,555,000

This is the first major opportunity to add capacity to the downtown parking system since 1983. The site is capable of accommodating 496 spaces within the downtown zoning. If the project is not optimised now, it is unlikely that the structure would be enlarged at a later date and it would be cost prohibitive.

In addition, staff are recommending the completion of the upper parking deck with a roof to permit all-year operations while avoiding major winter control costs and providing a large platform for future solar photovoltaic deployment.

The creation of only 302 spaces on the site, taking into account the existing 86 spaces, is a yield of 217 new spaces into the parking system. Adding the additional floors takes the net new spaces to 410, while preserving the Neeve Street surface lots 107 spaces. This net number is 51 spaces more than if Wilson and Neeve were pursued separately (302 + 250). Building to this scale also uses the site efficiently, and meets the basic inventory objectives of the PMP earlier. It is also the most cost-efficient per parking space, by increasing the number of spaces over the fixed costs of construction on the Wilson Street site.

Project Schedule Impacts

Should Council support the recommendation, the new milestone dates for the project schedule are as follows:

Contract Award	Q3 2017
Detailed Design and Approvals Phase	Q3 2017 – Q1 2018
Construction Period	Q1 2018 – Q2 2019
Completion of Road, Bridge and Parkade	Q2/3 2019

Financial Implications

Based on the three (3) options proposed, the 3rd option “Base plus 2 floors” provides the best cost per space, maximizes the use of the Wilson Street land and

provides more parking spaces sooner while also minimizing the total time the site is out of operation.

Using funding originally planned for the second downtown parkade to maximize this site, provides a combined cost per space lower than that achievable by building two (2) separate facilities. Option 1 provides a per space cost of \$48,200 for 302 and original estimates for the second parkade based on \$40,000 per space for 250 spots, would see an average cost of \$44,500 for the total number of spaces. Using this average price would create an additional cost of \$972,000 on 496 spaces. This number is optimistic given that our current pricing is 26% higher than originally forecast and using this escalation factor the total average cost per space in two builds may start at \$49,200 or \$3,300,000 more expensive.

The net increase in spaces is greater under the recommended option due to the Neeve Street lot remaining as a surface lot. Option 1 provides 302 spaces plus the 250 planned for Neeve Street, for a total of 552. Option 3 provides 496 spaces plus the 107 existing spaces at Neeve for a total of 603, a net benefit of 51 spaces. As well the additional spaces will be available sooner than anticipated providing relief for existing demand and increased revenues earlier than originally forecasted in the PMP.

Moving forward with this project reemphasises the need to complete other related policy, capital and operating work included in the PMP as approved by Council in December 2015. Specific items include development of a periphery parking policy for areas bordering the downtown to ensure minimal impact to residents and maximization of on-street parking; planned rate increases for parkade rates as prescribed in the PMP; and implementation of on-street revenue generation to provide the necessary funding streams to make the PMP viable.

Approval of this option will free up previously committed debt funding within the 10 year capital plan of \$3,140,000. The net increases in funding for the road and bridge can be accommodated within existing reserve balances with minimal impact on the 10 year capital plan.

Based on the above, an additional budget request totalling \$8,535,000 is required to fund the recommended Option 3 "Base plus 2 floors".

To accommodate this budget increase, the planned second parkade project presented in the capital forecast will be cancelled and funds of \$7,730,000 will be reallocated to the Wilson Street parkade as follows:

- \$870,000 from Parking Development Charge Reserve Fund #323
- \$6,860,000 in tax funded debt financing

Additional funding of \$680,000 for the Wilson Street road works from Gordon Street to Carden Street will be transferred from the following:

- \$188,000 Infrastructure Renewal Reserve Fund #150,
- \$161,000 from Water Services Capital Reserve Fund #152,
- \$111,000 from Wastewater Capital Reserve Fund #153,

- \$82,000 from Stormwater Capital Reserve Fund #165,
- \$138,000 from Federal Gas Tax Reserve Fund #343

Additional funding for the pedestrian bridge of \$125,000 will be transferred from City Building Reserve Fund #159.

Consultations

Finance
Procurement
Legal
Facilities Management
Planning, Building and Urban Design
Parking
Engineering

Corporate Administrative Plan

Overarching Goals

Service Excellence
Financial Stability
Innovation

Service Area Operational Work Plans

Our Resources - A solid foundation for a growing city
Our Services - Municipal services that make lives better

Departmental Approval

Peter Cartwright, GM, Business Development & Enterprise
Mario Petricevic, GM, Facilities Management
Tara Baker, City Treasurer/GM, Finance
Christopher Cooper, City Solicitor/GM, Legal, Realty & Risk

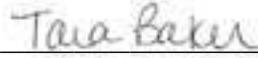
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Staff Report



To City Council

Service Area Infrastructure, Development & Enterprise Services

Date Monday, July 17, 2017

Subject Downtown Guelph Secondary Plan – Implementation – Priority Programs of Work

Report Number IDE 17-71

Recommendation

1. That the Baker District redevelopment, as described in Report IDE 17-71, become the Corporation’s priority program of work to further implement the Downtown Secondary Plan; and
2. That staff be directed to implement a Request for Proposal (RFP) process for the Baker District redevelopment, as described in Report IDE 17-71, and report back to Council on the results by no later than the end of Q1 2018; and
3. That staff be directed to develop the associated work plan, funding strategy and business term options for the Baker District redevelopment through the Request for Proposal (RFP) process, as described in Report IDE 17-71, and report back to Council by the end of Q1 2018; and
4. That staff be directed to apply the priority setting criteria and weighting, as described in Report IDE 17-71, to further assess the prioritization of the balance of the programs of work to implement the Downtown Guelph Secondary Plan, and to report back on the status of this work by the end of Q1 2018.

Executive Summary

Purpose of Report

The purpose of this report is to provide Council with background information regarding:

- The results and recommendations of the ‘Market Engagement Findings – Downtown Real Estate Opportunities’ study that was conducted on the City’s behalf by Collins Barrow (CB); and
- The status of staff’s application of the downtown implementation priority setting criteria that was established “in principle” at the February 16th Downtown Implementation Council Workshop; and

- The status of recent developer/investment interest in the Baker District.

Based on this information, staff are recommending that:

- The Baker District program of work become the Corporation's priority downtown program of work; and
- That staff implement a Request for Proposal (RFP) process, which will serve as a competitive process to further confirm the project scope, work plan, municipal funding strategy and business terms with a preferred private partner; and
- That Council formally endorse the program of work priority criteria and its weighting to allow staff to further assess the priority setting for the remaining downtown programs of work.

Key Findings

1. Market Engagement Findings – Downtown Real Estate Opportunities:

The 'Market Engagement Finding – Downtown Real Estate Opportunity' report implemented Council approved directions as provided in Report IDE-BDE-1611, and subsequently updated in Information Report IDE 17-18.

The intent of this Request for Information (RFI) market engagement was to obtain expressions of developer/investment interest and their requirements for the purpose of prioritizing the following City owned downtown properties (as shown in priority sequence):

- 55 Baker Street (Baker Parking Lot / Baker District)
- 141 Fountain Street East (Fountain Street Parking Lot)
- 50 Wyndham Street South (Fire/EMS Headquarters)
- 100 Norfolk Street (Guelph Public Library Main Library)
- 34 MacDonell Street (MacDonell/Cork Parking Lot)

2. Recent Developer/Investment Interest in the Baker District:

Aside from the RFI, staff have also received unsolicited developer/investor interest regarding the potential redevelopment of the Baker District, which in staff's opinion are serious and suggest the need to advance the Baker District to market as soon as possible.

The interest that has been expressed appears to be consistent with Council's development objectives for the Baker District, and the findings of the 'Market Engagement Findings – Downtown Real Estate Opportunities' study that was conducted on the City's behalf by CB. It is also staff's collective opinion that this interest supports the preliminary results of the priority setting as provided elsewhere in this report.

3. Preliminary Priority Setting:

At the February 16th, 2017 Council Workshop, staff presented the programs of work and budget requirements to continue the implementation of the Downtown Guelph

Secondary Plan. Through this facilitated session, Council was presented with proposed criteria to prioritize the programs of work for economic development purposes. Council provided interactive feedback regarding the weighting of this criteria, which staff have commenced using to evaluate the complete downtown programs of work.

At this time the application of the criteria requires further refinement; however the preliminary findings consistently suggests that the Baker District program of work consistently ranks as a high priority.

4. Staff Recommendation:

Based on the above, it is staff's opinion and recommendation that:

- the Baker District should become the corporate priority project to further advance the Downtown Secondary Plan; and
- this project will act as a catalyst in setting the implementation priorities for the other noted programs of work; and
- the City should proceed to a Request for Proposal to redevelop the Baker District.

Financial Implications

There are no direct financial implications from the report. Next steps include:

- providing a comprehensive costing of each downtown project;
- perform analysis of the current capital budget forecast, and review all identified and potential funding sources;
- review of all other competing corporate capital priorities; and
- investigate re-development incentive opportunities and best practices to determine a program that best achieves the City's objectives.

Council had approved \$13.3m for the purchase of property required to achieve its vision for the Baker District. Of this, \$4.2m has been spent to date on property acquisition (funded \$2.2m by tax and \$2m of library development charges) and \$3.8m was reallocated to the Victoria Road Recreation Centre renovation project. It was the expectation that these reallocated funds would be re-directed back to Baker at a later date in the capital forecast. The remaining unspent, approved funds total \$5.1m of which, \$2.9m is funded by tax supported dollars and \$2.2m by parking and library development charge (DC) revenue.

In addition to the unspent approved capital budget, the City owned Baker Street properties have value and will be a source of funding upon the future sale for this development. It is expected that a valuation of this land will be completed and the net proceeds can also be dedicated to the Baker District project. Council has also approved funds in the amount of \$45k for the purpose of conducting Phase 1 and 2 Environmental Assessments, to meet current Ministry of the Environment and Climate Change (MOECC) requirements, and \$45k for downtown servicing studies.

Subject to Council's direction regarding the recommendations found in companion report IDE 17-80- the 'Award of the Wilson Street Parkade Design – Build Contract # 117-050', the Corporation will have made significant financial commitments to provide

the Downtown with additional public parking capacity. This investment will assist in the development of the Baker District as it offers parking capacity for current permit holders when the Baker Street lot will be taken offline during construction.

Further to this, the City has a Community Improvement Plan (CIP) that provides incentives to private development through a variety of tools including tax-increment based grants. The City is committed to reviewing these programs in 2017 in order to bring to Council a recommendation on the next phase of funding and incentive priorities. There is a possibility to focus the redesign of these programs towards the priorities of achieving more downtown parking and increasing employment opportunities.

The intent of the RFP that is referenced elsewhere in this report will be to leverage current financial commitments and future Baker Street land sale revenues, and align planned municipal budgets with private sector investment.

Report

At its meeting of July 5, 2016, the Infrastructure, Development and Enterprise Committee was presented Report IDE-BDE-1611 - 'Process Recommendations for Identifying Potential Downtown Real Estate Partnerships'.

The following report recommendations were approved at the July 18th, 2016 Council Meeting:

1. That Council receive report IDE-BDE-1611, dated July 5, 2016, titled "Process Recommendation for Identifying Potential Downtown City-owned Real Estate Partnerships", describing the procurement approach to engaging and identifying potential private sector partners in the development of city-owned downtown real estate.
2. That Council endorses the Real Estate Partnership process as described in report IDE-BDE-1611.
3. That Council direct staff to include the downtown library project within the 10 year capital forecast for Council consideration during the 2017 budget process.

The process that was endorsed by Council included the following four stages.

Stage 1: Expression of Interest (EOI) – Intended to confirm market interest and feedback on Baker District and other downtown real estate, as well as the proposed Request for Proposal (RFP) structure.

Stage 2: Request for Qualifications (RFQ) – Intended to identify "qualified" teams and obtain early feedback on development interest.

Stage 3: Request for Proposal (RFP) – Intended to identify a preferred partner.

Stage 4: Contractual Stage. At this stage the City and the selected partner would negotiate and finalize the business terms, confirm the partnership obligations and execute various legal agreements relating to the partnership.

The full contents of Report IDE-BDE-1611 can be viewed at: http://guelph.ca/wp-content/uploads/IDE_agenda_070516.pdf#page=219

On February 3rd, 2017 Council received Information Report IDE 17-18 – ‘Potential Downtown City-owned Real Estate Partnerships – Process Update’. In part, this report acknowledged the need for a Request for Information (RFI), which was not contemplated in Report IDE-BDE-1611, and was determined through further consultation with City Legal and Procurement staff, and Collins Barrow’s Projects and Economics team.

During the development of the RFI, an opportunity materialized to partner with a major national employer, which was contemplating the expansion and relocation of its current head office within downtown Guelph.

The full contents of Information Report IDE 17-18 can be viewed at: http://guelph.ca/wp-content/uploads/info_items_020317.pdf#page=17

• **Market Engagement Findings – Downtown Real Estate Opportunities**

The RFI was released on December 21, 2016 closing on February 2, 2017 and included properties identified within the Downtown Guelph Secondary Plan as being important to the implementation of this plan, namely:

- 55 Baker Street (Baker Parking Lot / Baker District)
- 141 Fountain Street East (Fountain Street Parking Lot)
- 50 Wyndham Street South (Fire/EMS Headquarters)
- 100 Norfolk Street (Guelph Public Library Main Library)
- 34 MacDonell Street (MacDonell/Cork Parking Lot)

The intent of the RFI was to:

- Test and confirm market interest;
- Prioritize real estate opportunities;
- Identify interested parties; and
- Secure feedback on the potential redevelopment of the properties (including bundling of properties) and the enabling requirements of the City.

The results of the RFI process addresses the requirements of the Stage 1 ‘Expressions of Interest’ and partially the Stage 2 ‘Request for Qualifications’ portions as previously noted.

The information received from the RFI is intended to assist the City to prioritize properties, the required related infrastructure projects and enabling programs to attract private sector investment in its multi-year capital and operating budgets. The information will also allow the City to initiate a scoped and focused property redevelopment procurement process taking into consideration market expectations. The complete report is provided in ATT-1 of this report. The following represents a summary of the report.

The RFI process was open to the general market and did not prohibit parties, whether they responded or not, from participating as part of later procurement phases.

Using data bases development by Business Development and Enterprise Services and CB, targeted respondents consisting of two categories were identified: 1) real estate developers and, 2) investors/financiers of real estate developments. Input from the first category was critical in terms of getting meaningful feedback from the market that could be used as input into Council decisions concerning the future of the selected properties.

The second category was included to specifically target feedback on the financial aspects of the property developments.

Potential real estate developers were classified into different market segments: small developers, mid-tier developers and large-scale developers. This approach was designed to ensure that the feedback was considerate of the (potentially) different drivers of the different sized organizations.

The targeted Respondents were individually and directly contacted by CB by a mix of email and phone.

Advertisement of the RFI was also included on the City website within the Business Development and Enterprise home page and in the regular "Invest in Guelph" e-newsletter sent by the Business Development and Enterprise team.

In order to ensure maximum exposure to the market the RFI was also advertised in national real estate development and procurement web-site, publications and social media venues.

Table 1 identifies the number of parties contacted, number of parties that received the RFI and the number of submitted responses.

Table 1

Description	Number	Percentage (%)
Number of parties contacted	197	-
Number of parties sent RFI	57	28.9%
Number of submitted Responses	7	12.3%

CB has indicated, that based on its experience, a 10-15% rate of response from the parties that received the RFI package is considered good, given that the real estate developers received limited benefit from the process and that the RFI did not prohibit participation of non-respondents in further stages of the procurement process. Given these constraints, a response rate of 12.3% and a strong informal feedback was in line with market expectations.

The Response Form was designed to assign relative values to each of the properties to determine what were seen as the most prospective properties given a particular criterion. The criteria used consisted of the following:

- Development Timing;

- Market Opportunity;
- Approval/Permitting Requirements;
- Development Requirements;
- Investment and Development Risk and Readiness; and
- Overall Redevelopment Potential.

Also provided as an additional field to these questions was the opportunity for respondents to include comments against each of the properties elaborating on or contextualizing their assessments.

A number of open-ended questions which focused on particular areas of interest were also provided as part of the response forms.

The responses to these questions were grouped into the following categories:

1. Investment Attraction
2. Disincentives
3. Comments related directly to Baker District
4. Ancillary Infrastructure Works
5. Financial
6. Procurement
7. Partnership
8. Development Incentives
9. Office Developments

Quantitative Feedback

In summary **Table 2** provides how each property was ranked across the six different criteria (including the Overall Redevelopment Potential).

Table 2

	Development Timing	Market Opportunity	Approval/Permitting Requirements	Development Requirements	Investment & Development Risk and Readiness	Overall Redevelopment Potential
Baker District	Equal 1st	1st	2 nd	2 nd	2 nd	1st
141 Fountain Street East	3 rd	2 nd	1st	1st	1st	2 nd
34 MacDonnell Street	Equal 1st	5 th	3 rd	Equal 3 rd	3 rd	3 rd

50 Wyndham Street South	4 th	3 rd	5 th	5 th	Equal 4 th	4 th
100 Norfolk Street	5 th	4 th	4 th	Equal 3 rd	Equal 4 th	5 th

The feedback from the rating scale questions found that the Baker District and 141 Fountain Street East were, across the majority of categories, either the 1st or 2nd ranked properties (with the exception of Development Timing where 141 Fountain Street was ranked 3rd).

This was also further supported by the ranking of the Overall Development Potential where Baker District and 141 Fountain Street East ranked 1st and 2nd respectively.

This assessment indicates that rankings were generally in line with the Overall Development Potential ranking except that 141 Fountain Street East was ranked 1st and Baker District 2nd.

On the other end of the spectrum 100 Norfolk Street and 50 Wyndham Street South ranked relatively consistently as 4th or 5th across all categories and was reflected in their Overall Redevelopment Potential ranking.

34 MacDonnell Street occupied the middle ground on the majority of the assessments with the exception of Development Timing where it ranked equal 1st and Market Opportunity where it ranked 5th.

Qualitative Feedback

When assessing the combined feedback of the rating scale questions, the results of the open-ended questions, and individual interviews, several recurring themes became apparent. For the most part the themes did not uniformly apply to all properties; however where they did it was with varying significance. **Table 3** identifies and describes the themes and associates them with the relevant properties.

Table 3

	Baker District	100 Norfolk Street	50 Wyndham Street S.	141 Fountain Street E	34 MacDonnell Street
Environmental Approvals & Remediation					
Parking					
Current Height Limitations					
Financial Commitments from the City					
Approval Process					
Site Constraints					
Public Space/Program Requirement					
Zoning					
Legend		Concerns Raised			
		Concerns not Raised			

Environment approvals (and remediation)

The concerns related to environmental approvals (and remediation) were perceived as affecting the investment attractiveness, ability to finance the site and the development

timeline. It was suggested that the City could address this in a number of ways that would significantly de-risk the associated sites:

- Provide any information available on the environmental condition of the properties to prospective developers;
- Compensate the developer for undertaking the ESA process (including remediation); or
- Complete the necessary approvals (and remediation) themselves.

It was noted by the Respondents that it would send “the right signal to market” if the City was to undertake the necessary approvals (and remediation) and would likely be easier for the City to address than a real estate developer.

Parking

The concerns related to parking (e.g. public parking requirements, global parking strategy etc.) were perceived as a disincentive to private investment, an impact on the investment and development risk and readiness and a particular impediment to developing Class A type space in Guelph. There were several opportunities were identified to address this:

- Provide existing information on the parking master plan, the status of the Wilson Street Parkade including completion date and confirmation and certainty of any further parkade development;
- Reduce the public parking requirements on these sites particularly where there are several competing uses for space – residential v institutional; and/or
- Provide options for temporary relocation of parking during development;
- Provide funding for public parking requirements.

Financial Commitments from the City

Given the high cost associated with the development downtown and in-fill properties, as found in other communities, financial commitments from the City were seen as essential to the development of the properties.

The uncertainty as to the City’s continued commitment on this issue was seen as affecting the ability to commercially finance the developments. There exists a host of options for the City to address this concern examples being in the form of traditional development type incentives (such as TIBGs) or the City could consider other forms of financial participation such as infrastructure funding or more direct financial participation. The Respondents did note a preference for DC waivers or more upfront based incentives to reduce cost rather than incentives over the life of the project due to the importance of early funding support. It is the City’s policy to provide grants equal to the cost of the DC’s owing instead of waiving DC’s to ensure the growth related capital budget is sufficiently funded.

The feedback provided also identified tax incentives for tenants as a way of providing financial incentive – through ensuring tenancy of a given property development.

Approvals Process

Uncertainty about the timing, scope, complexity and coordination of the approvals for the development was a concern for Respondents. Having a streamlined approval process (as provided through the Integrated Operational Review process) was seen as a key attractor of investment and mitigation to financing concerns. Respondents thought this could be addressed several ways:

- Have an open dialogue on development incentives that the City will provide;
- Appointing a “Coordinator general” type position to assist in being a single point of accountability for the development of City owned real estate (note: this has been attended to through the recent re-organization of Business Development and Enterprise Services); and/or
- Selecting a partner through a RFP that focuses on developer experience rather than a specific development proposal, which would allow the developer and City to work together on addressing business matters and development approvals.

Overall Redevelopment Potential

Considering all of the above, the responses received ranked the overall redevelopment of the subject properties as illustrated in **Table 4**. The overall redevelopment potential was based on a generalized assessment of all the criteria to provide an understanding of what was the most prospective property when all considerations were weighed and measured.

Respondents were asked to rate these on a scale of 1 to 5 with 1 being the property with the most redevelopment potential and 5 being property with the least. The values were then summed. As illustrated in **Table 4**, the property with the lowest calculated result based on all respondents selections was considered the most prospective.

Table 4

	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Respondent 5	Respondent 6	Total Ranking	Ranking
Baker District	1	2	1	3	2	2	11	1st
141 Fountain Street E	2	1	4	5	1	2	15	2nd
34 MacDonnell Street	5	3	2	1	4	3	18	3rd
50 Wyndham Street S	3	5	3	2	5	1	19	4th
100 Norfolk Street	4	4	5	4	3	4	24	5th

Summary Findings/Recommendations:

CB has recommended that the Baker District property provides the best prospect for private investment interest, and that the City should consider this property as the priority property to market.

Regarding the concerns raised by the respondents, and the options provided by CB, the following assertive actions are recommended to provide confidence to the private sector regarding the City's commitment to the redevelopment of the Baker District. (Reference is provided where the City has commenced taking action.)

1. That the City implements a combined Request for Developer Qualifications and Development Proposals for the purpose of selecting a preferred developer. Such a document should include the following:
 - A That that City update current Phase 1 and Phase 2 Environmental Assessment Reports, and provide the same to interested developers (**Note:** this work is currently underway);
 - B That the City provide assurances regarding the capacity of the municipal infrastructure (water and sewer) is sufficient, or will be sufficient to permit the redevelopment of the property (**Note:** Preliminary modelling conducted by Engineering Services indicates there appears to be sufficient capacity, subject to confirmation of final redevelopment plans; however the current infrastructure is at, or nearing the end of its functional lifecycle);
 - C That the City provide assurances regarding the status of, and attending to archeological matters (**Note:** The City has addressed this matter with the Ministry of Culture, Sports and Tourism);
 - D That the City consider amendments to current land use zoning policies to allow for greater site densities (**Note:** At the time of writing this report, Report IDE 17-77 (the Downtown Zoning By-law amendment) is scheduled to go to Council on July 10);
 - E That the City consider offering incentives to assist with the re-development of Downtown properties (**Note:** This matter is currently being considered by staff, and the results will be forthcoming to Council by Q1 2018);
 - F That the City provide certainty to the private sector regarding the development of new downtown parking inventory as stated in the Downtown Parking Master Plan (**Note:** Report IDE 17-80 – 'Parking Master Plan Implementation: Award of the Wilson Street Parkade Design-Build Contract #17-050', which is being presented to Council in companion with this report, addresses this matter in part);
 - G That the City establish the valuation of the Baker District properties through detailed appraisals of the subject properties (**Note:** Subject to Council direction to advance the marketing of the Baker District, it would be staff's intention to immediately initiate this work);
 - H That the City confirm its budget commitments to the redevelopment of the Baker District (**Note:** Subject to Council direction, this work will be addressed through the 2018 budget process); and
 - I That mapping of current municipal infrastructure and utility locates be created and provided within the marketing (**Note:** This work is currently underway).

CB has further recommended that the City undertake Stage 2 of the Procurement Process as identified in Report Number IDE-BDE-1611: Process Recommendation for Identifying Potential Downtown City-owned Real Estate Partnerships for the Baker District. Stage 2 of the Procurement Process is a RFQ and that the procurement process be truncated, implementing the RFQ and RFP as a two-step phase rather than as discrete, standalone work packages.

- **Recent Developer/Investment Interest in the Baker District:**

Staff have received further unsolicited developer/investor interest regarding the potential redevelopment of the Baker District, which in staff's opinion are serious and suggest the need to advance the Baker District to market as soon as possible.

The interest that has been expressed is consistent with Council's development the City's objectives for the Baker District, and the findings of the 'Market Engagement Findings – Downtown Real Estate Opportunities' study that was conducted on the City's behalf by CB. It is also staff's collective opinion that this interest supports the preliminary results of the "program of work" priority setting as provided earlier in this report.

For the most part this interest includes experienced developers who are currently redeveloping similar projects within the Cities of Cambridge, London, and elsewhere within the South-West Ontario and Greater Toronto Area market places. A number of local developers have also expressed interest in participating in the next stage of the disposition process.

In addition, a major national company has identified its interest to possibly expand its current head office at the Baker District. Staff have responded to this prospect, and at the time of preparing this report the company was still considering its relocation options.

Summary Findings/Recommendations:

It is staff's opinion that the nature of the unsolicited inquiries strongly suggests there is qualified development interest in the redevelopment of the Baker District. The above findings further supports staff's recommendation that the Baker District should be the Downtown priority "program of work".

- **Preliminary Priority Setting – Downtown Programs of Work:**

At the February 16th, 2017 Council Workshop, staff presented the entire menu of downtown "programs of work" as well as a preliminary assessment of the financial requirements to implement the Downtown Guelph Secondary Plan.

Through this facilitated session, Council considered criterion which may be used to prioritize the "programs of work". Council members then independently voted on the ranking of the following criterion, the results of which is summarized (from highest to lowest) in **Table 5**.

Table 5

Criteria	Responses
Economic Development	16.8
Financial Affordability & Sustainability	14.3
Mobility	12.5
Culture & Tourism	10.5
Public Realm, Community Facilities & Heritage	9.9
Well Being	9.4
Energy, Water and Natural Environment	8.8
Land Use & Built Form	8.7
Community Capacity & Opportunity	8.2
Capital Asset Management	7.4
Legislative & Legal	6.9
Health & Safety	6.5

Staff have commenced applying this preliminary criteria weighting to initially cluster the programs of work for the purpose of achieving economic development activity within the downtown.

Staff have determined that further definitions of the programs of work and the criterion need to be developed to allow for the effective and consistent application of this criteria. Notwithstanding this need, the preliminary results consistently rank the Baker District as a high priority.

Summary Findings/Recommendations:

Based on the combined findings and results of: 1) the Market Engagement Findings – Downtown Real Estate Opportunities work conducted by CB, 2) the unsolicited interest received from the private sector, and 3) the preliminary ranking of priority projects as described in this report, it is staff’s opinion and recommendation that:

- The Baker District be confirmed as the corporation’s priority Downtown project; and
- Staff proceed with the next phase of the Request for Proposal process for the purpose of identifying a qualified developer/investor and redevelopment plan that is consistent with City’s redevelopment objectives and budgets by no later than the end of Q1 2018.
- Provided that Council approves the criteria and its weighting, staff will further refine the prioritization of the rest of the downtown programs of work, and staff will provide regular updates to Council with final results and recommendations to be provided in Q1 2018.

Baker District – Request for Proposal (RFP)

As stated earlier in the report, the City has made significant investments to date, which prepares the Baker District for redevelopment. Staff are recommending that a RFP process should be implemented as soon as possible, which is intended to further leverage these investments.

The RFP will further confirm developer qualifications, development proposals, and preliminary business terms be implemented for the purpose of identifying a preferred development partner that will implement Council’s vision for the property. Given the size and financial requirements for the Baker District, staff expects responses may propose phasing and/or modification to the current vision that has been approved by Council.

In June 2014, Guelph City Council received a decision pro-forma which considered the following three distinct re-development options for the Baker District.

- Option “A” – Private & Major Institutional
- Option “B” – Private & Institutional
- Option “C” - Private

At the time Council endorsed Option “A” which in part contemplated the inclusion of a major post-secondary academic institution.

At the time of Council’s endorsement of this option, it was assumed that the post-secondary institutional use would be eligible for Provincial government funding, which turned out to not be the case.

With this in mind, staff are proposing that the RFP not include a requirement for post-secondary institutional uses. The RFP will allow respondents to propose commercially viable developments which may give consideration to inclusion of other institutional uses, such as a public library and/or YMCA.

Staff are also recommending the following general activities and time lines to deliver the RFP.

Q3/17	Q4/17	Q1/18
Request for Qualifications	Request for Proposals	Development Contract
<ul style="list-style-type: none"> • Issuance of RFQ 	<ul style="list-style-type: none"> • Issuance of RFP 	<ul style="list-style-type: none"> • Enter into Letter of Intent (preliminary business terms, financial obligations, etc.)
<ul style="list-style-type: none"> • Information Session with Prospective developers 	<ul style="list-style-type: none"> • Documentation review with qualified developers 	
<ul style="list-style-type: none"> • RFQ Responses/Assessment 	<ul style="list-style-type: none"> • RFP Responses/Assessment 	<ul style="list-style-type: none"> • Council direction
<ul style="list-style-type: none"> • Council Direction 	<ul style="list-style-type: none"> • Council Direction 	<ul style="list-style-type: none"> • Development of Business Agreements

The above proposed schedule is consistent with, and gives consideration to the Wilson Street Parkade scheduled that is provided in companion report IDE 17-80 – Parking Master Plan: Award of the Wilson Street Parkade – Design-Build Contract # 17-050.

Financial Implications

There are no direct financial implications from the report. Next steps include:

- providing a comprehensive costing of each downtown project
- perform analysis of the current capital budget forecast and review all identified and potential funding sources
- review of all other competing corporate capital priorities and
- investigate re-development incentive opportunities and best practices to determine a program that best achieves the City's objectives.

Related Financial Information

Council has approved \$13.3m for the purchase of property required to achieve its vision for the Baker District. Of this, \$4.2m has been spent to date on property acquisition (funded \$2.2m by tax and \$2m of library development charges) and \$3.8m was reallocated to the Victoria Road Recreation Centre renovation project. It was the expectation that these reallocated funds would be re-directed back to Baker at a later date in the capital forecast. The remaining unspent, approved funds total \$5.1m of which, \$2.9m is funded by tax supported dollars and \$2.2m by parking and library development charge (DC) revenue.

In addition to the unspent approved capital budget, the City owned Baker Street properties have value and will be a source of funding upon the future sale for this development. It is expected that a valuation of this land will be completed and the net proceeds can also be dedicated to the Baker District project.

Council has also approved funds in the amount of \$90k for the purpose of conducting Phase 1 and 2 Environmental Assessments, to meet current Ministry of the Environment and Climate Change (MOECC) requirements.

Subject to Council's direction regarding the recommendations found in companion report IDE 17-80- the 'Award of the Wilson Street Parkade Design - Build Contract # 117 - 050', to provide the Downtown with additional public parking capacity. This investment will assist in the development of the Baker District as it offers parking capacity for current permit holders when the Baker Street lot will be taken offline during construction.

Further to this, the City has a Community Improvement Plan (CIP) that provides incentives to private development through a variety of tools including tax-increment based grants. The City is committed to reviewing these programs in 2017 in order to bring to Council a recommendation on the next phase of funding and incentive priorities. There is a possibility to focus the redesign of these programs towards the priorities of achieving more downtown parking and increasing employment opportunities..

The intent of the proposed RFP will be to leverage current financial commitments and future Baker Street land sale revenues, and align planned municipal budgets with private sector investment.

Consultations

- Planning and Building Services
- Finance

- Parks
- Project Management Office
- Engineering and Environmental Services
- Business Development and Enterprise
- Legal and Realty

Corporate Administrative Plan

Overarching Goals

Service Excellence
 Financial Stability
 Innovation

Service Area Operational Work Plans

Our Services - Municipal services that make lives better
 Our People- Building a great community together
 Our Resources - A solid foundation for a growing city

Attachments

ATT-1 - 'Market Engagement Findings – Downtown Real Estate Opportunities' June 2017 - Collins Barrow

Departmental Approval

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- Tara Baker, City Treasurer/GM, Finance
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Market Engagement Findings

Downtown Real Estate Investment Opportunities

June 29, 2017



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Revision Register

Version	Description	Authorized	Date
1.0	1st Draft	RN	March 2017
2.2	2nd Draft	RN	May 2017
2.3	Final Draft	RN	June 2017
3.0	Released Document	RN	June 2017

Definitions

CB	Collins Barrow
City	City of Guelph
City Staff	Staff of the City of Guelph
Conestoga	Conestoga College
Co-operators	Co-operators General Insurance Company
Council	Guelph City Council
DC	Development Charges
Downtown	Downtown in the City of Guelph
DSP	Downtown Secondary Plan
ESA	Environmental Site Assessment
EST	Eastern Standard Time
GPL	Guelph Public Library
GTA	Greater Toronto Area
IDE	Infrastructure, Development and Enterprise Committee
LEED	Leadership in Energy and Environmental Design
MPAC	Municipal Property Assessment Corporation
Responding Parties	Parties who responded to the RFI
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Qualifications
RSC	Record of Site Condition
Sq. ft.	Square Feet
TIF	Tax Increment Financing
TIBG	Tax Increment-Based Grant

Executive Summary

Overview

On July 5, 2016, City Staff and Collins Barrow (“**CB**”) presented to the Infrastructure, Development and Enterprise Committee (“**IDE**”), a recommended four-stage approach to engage with the market and identify potential partners to assist the City of Guelph (“**City**”) in the redevelopment of Downtown City-owned real estate. The IDE endorsed the process developed. Since endorsement of the process, City Staff and CB have worked to implement the first stage of the process: a Request for Information (“**RFI**”)¹. The RFI was released on December 21, 2016 closing on February 2, 2017 and included properties identified within the Downtown Secondary Plan (“**DSP**”) as being important to the implementation of this plan, namely:

- Baker District (55 Baker Street);
- 100 Norfolk Street;
- 50 Wyndham Street South;
- 141 Fountain Street East; and
- 34 Macdonell Street



Figure 1: Nominated Properties

¹The timing been delayed and influenced by notice provided by the Co-operators General Insurance Company (“**Co-operators**”) of its intention to assess head office relocation options.

The RFI process was designed to gauge private sector interest in Downtown real estate opportunities and obtain information from experienced real estate developers that may be interested in the redevelopment of select City-Downtown real estate. More Specifically its intent was to:

- Test and confirm market interest;
- Prioritize real estate opportunities;
- Identify interested parties; and
- Secure feedback on the potential redevelopment of the properties and the enabling requirements of the City.

The information received from the RFI is intended to assist the City to prioritize properties and the required infrastructure projects and enabling programs to attract private sector investment in its multi-year capital budget. The information will also allow the City to initiate a scoped and focused property redevelopment procurement process taking into consideration market expectations.

RFI Respondents

The RFI ran for 43 days with the RFI document provided to 57 parties. Seven parties provided submissions constituting a response rate of 12.3% in line with market expectations. The RFI also benefited from strong informal feedback and was able to provide a mix of small, medium and large-scale real estate developers and a mix of local, regional and Greater Toronto Area (“**GTA**”) developers.

Response Forms and Interviews

The RFI process consisted of two component parts. One was the RFI document itself and the second was interviews with the Respondents (those parties who submitted in response to the RFI document).

Respondent Description

The Respondents consisted of small, medium and large scale developers. The respondents can be further sub-categorized by local, regional and GTA developers. The types of developers are as follows: four commercial real estate developers, a combined response from a real estate developer and social housing provider, a combined response from a real estate developer and real estate agent and one real estate agent. The Respondents who submitted are as follows:

- Belterre Real Estate Partners Limited (“**Belterre**”);
- Creating Affordable Homes Inc (“**Creating Homes**”) and Habitat for Humanity Wellington Dufferin Guelph (“**Habitat for Humanity**”);
- Cushman and Wakefield (Waterloo office);
- First Gulf;
- Fusion Homes;
- HIP Developments; and
- Lyle McNair & Steve Nash.

In addition to the formal submissions received there were a number of parties that engaged on the potential for redevelopment of the properties and wished to be kept informed of any further progress. Their feedback has been included as part of the analysis undertaken.

What were the Key Findings?

The following table summarizes how each property was ranked across the six different criteria (including the Overall Redevelopment Potential)².

	Development Timing	Market Opportunity	Approval/Permitting Requirements	Development Requirements	Investment & Development Risk and Readiness	Overall Redevelopment Potential
Baker District	Equal 1 st	1 st	2 nd	2 nd	2 nd	1 st
100 Norfolk Street	5 th	4 th	4 th	Equal 3 rd	Equal 4 th	5 th
50 Wyndham Street South	4 th	3 rd	5 th	5 th	Equal 4 th	4 th
141 Fountain Street East	3 rd	2 nd	1 st	1 st	1 st	2 nd
34 Macdonell Street	Equal 1 st	5 th	3 rd	Equal 3 rd	3 rd	3 rd

Table 1: Summary of overall rankings

The feedback from the rating scale questions found that the Baker District and 141 Fountain Street East were, across the majority of categories, either the 1st or 2nd ranked properties (with the exception of Development Timing where 141 Fountain Street was ranked 3rd).

This was also further supported by the ranking of the Overall Development Potential where Baker District and 141 Fountain Street East ranked 1st and 2nd respectively.

When assessing the combined feedback of rating scale questions, the results of the Open-ended questions and individual interviews, several recurring themes became apparent. For the most part the themes did not uniformly apply across all properties; however where they did it was with varying significance. The table below identifies and describes the themes and associates them with the relevant properties:

² Detailed results are shown in Appendix G

	Description	Baker District	100 Norfolk Street	50 Wyndham Street South	141 Fountain Street East	34 Macdonell Street
Environmental approvals (and remediation)	This concern was related to the uncertainty associated with the environmental condition, particularly given their previous uses, and the unknown Environmental Site Assessment (“ ESA ”) scope, timing and cost to remediate the property.	×	-	×	×	-
Parking	There were three aspects of parking that were consistently raised as a potential concern. One, that three of the existing sites are public parking lots and the municipality’s ability and commitment to provide temporary relocation to allow redevelopment. Two, the requirements to include public parking as part of these developments and the underwriting of related costs. Thirdly, the global parking of the City in relation to the Downtown and how this may affect development value and cost.	×	×	×	×	×
Height limitations	The DSP Height Schedule or the Protected View restrictions were seen as a limiting factor for achieving the financial viability of developments.	×	-	-	×	×
Financial Commitment from the City	Financial commitments relating to municipal infrastructure and site preparation from the City were identified as a key factor in the development of any site. The lack of understanding as to what this commitment would be and the	×	×	×	×	×

	quantum of such a commitment was a concern.					
Approvals process³	Uncertainty about the time, scope and coordination to achieve provincial/or municipal approvals for development was a concern for Respondents.	×	×	×	×	×
Irregular lots / Site layout / Size	Physical constraints due to site layout were considered a concern due to the effect on cost/yield of the development.	×	×	×	-	×
Public space requirements	The need to include requirements for an open square, parkland dedication etc. due to the uncertainty associated with timing, cost and scope.	-	×	×	×	-
Zoning⁴	This centered on concerns as to the existing zoning restrictions or the time required to amend them.	-	-	×	-	×

Table 2: Respondent concerns by property

³ It should be noted there is currently changes being considered to Guelph's approvals process which may address some concerns

⁴ It should be noted there is currently new Downtown zoning being considered which may address some concerns

Evaluation of Key Findings

There is no doubt based on the level of feedback from the development community that the Respondents see the City of Guelph – one of the fastest growing municipalities in Canada – as a desirable location to invest and do business. However, there are a number of issues that emerged from the market engagement that indicated that there is more the City can be doing to ensure it aligns its Downtown policy goals and objectives with the financial and market realities of the private sector. Addressing these matters will assist in maintaining the momentum that has been created by recent projects in the community. Whether the properties are sold on an “as-is” basis or whether the City partners with the development community the City will have an ongoing facilitation and financial role in the successful redevelopment of its Downtown properties. Some of the matters raised by the Respondents can be directly influenced by the City and others cannot. Broadly speaking we can categorize them according to the following criteria:

- Those that cannot be directly influenced by the City;
- Those that can be directly influenced by the City but are already bound by existing plans; and
- Those that can be directly influenced by the City but there is a significant degree of uncertainty as to how they will be addressed.

The first category is self-evident, in that they include matters that cannot be influenced directly (within reason) by the City. Examples include: the size of a lot, it’s shape and geographic features or external factors like the real-estate market in general.

The second category consists of concerns that can be influenced or impacted by the City but are already bound by existing City plans and determinations. While these existing City plans and determinations may not provide an optimum outcome for the real estate developers (eg. they would prefer height restrictions could be raised) it does provide certainty (a benefit), which they can then use as a fixed assumption into their assessment of the sites.

The third category consists of concerns that are highly uncertain and where investment by the City in addressing these may provide greater benefit in terms of expediting development. The below table divides the concerns listed under the key findings into these three categories.

Cannot be directly influenced by the City	Can be influenced by the City but are bound by existing plans	Can be influenced by the City but there is uncertainty in how they will be addressed
Irregular lots / Site layout / Size	Zoning ⁵	Environmental approvals (and remediation)
Property market	Height Limitations Public space requirements	Parking Financial Commitments from the City Approvals process ⁶

Table 3: City influence over redevelopment concerns

⁵ It should be noted there is currently new Downtown zoning is currently being considered which may address some concerns

⁶ It should be noted there is currently changes being considered to Guelph’s approvals process which may address some concerns

It is those concerns that are noted in the third category where the City should focus its time and resources to better understand determine what reasonable action can be undertaken in order to alleviate these concerns. The following section provides some of the options and preferences Respondents had to address these general concerns.

Options to address concerns - General

Environment approvals (and remediation)

The concerns related to environmental approvals (and remediation) were perceived as affecting the investment attractiveness, ability to finance the site and the development timeline. It was suggested that the City could address this in a number of ways that would significantly de-risk the associated sites:

- Provide any information available on the environmental condition of the properties to prospective developers;
- Compensate the developer for undertaking the ESA process (including remediation); or
- Complete the necessary approvals (and remediation) themselves⁷.

It was noted by the Respondents that it would send “the right signal to market” if the City was to undertake the necessary action to actively prepare the sites for development.

It was also noted that if there were to be a delay from the City regarding a decision to market and/or develop the properties it would be beneficial for the City to begin the process so that project construction is not further delayed once a decision is finally made.

Parking

The concerns related to parking were perceived as a disincentive to private investment, an impact on the investment and development risk and readiness and a particular impediment to developing Class A type space in Guelph. There were several opportunities were identified to address this:

- Provide existing information on the parking master plan, the status of the Wilson Street Parkade including completion date and confirmation and certainty of any further parkade development (eg., Neeve Street);
- Reduce the public parking requirements on these sites particularly where there are several competing uses for space – residential v institutional;
- Provide options for temporary relocation of parking during development;
- Provide additional funding for public parking requirements; and/or

Financial Commitments from the City

Financial commitments from the City were seen as essential to the development of the properties. The uncertainty as to the City’s continued commitment on this issue was seen as affecting the ability to commercially finance the developments.

⁷ The third option, does present some degree of difficulty if there is not sufficient clarity on what is to be developed on site

There exists a host of options for the City to address this concern, examples being in the form of traditional development type incentives (such as tax increment based grants (“**TIBG**”)) or the City could consider other forms of financial participation such as infrastructure funding or more direct financial participation. The Respondents did note a preference for Development Charges (“**DC**”) waivers or more upfront based incentives to reduce cost rather than incentives over the life of the project due to the importance of early funding support. Respondents did specifically identify incentives that had been used in other municipalities including:

- Region of Waterloo – DC exemptions/deferrals;
- City of Hamilton – DC exemptions/deferrals; and
- City of Cambridge – DC deferral / waiver of planning fees and phase in Tax Incremental Financing (“**TIF**”) (examples being for affordable housing)

The feedback provided also identified tax incentives for tenants as a way of providing financial incentive – through ensuring tenancy of a given property development.

Appendix H provides a complete list of incentives offered by several municipalities and what they include.

Approvals Process⁸

Uncertainty about the time, scope, complexity and coordination of the approvals for the development was a concern for Respondents. Having a streamlined approval process was seen as a key attractor of investment and mitigation to financing concerns. Feedback indicated this could be addressed several ways:

- Have an open dialogue on development incentives that the City will provide;
- Appointing a “Coordinator general” type position to assist in being a single point of accountability for the site development for real estate developers assisting to expediting approvals; and/or
- Selecting a partner through a Request for Proposal (“**RFP**”) that focused on developer experience rather than a specific development proposal, which would allow the developer and City to work together on addressing approvals (and other concerns).

⁸ It should be noted there is currently changes being considered to Guelph’s approvals process which may address some concerns

Next Steps

The intent of the RFI stage of the procurement was to gauge private sector interest, obtaining information from experienced real estate developments on an independent and industry objective basis. Specifically, it was to test and confirm market interest; identify interested parties; secure feedback on the potential redevelopment and ultimately prioritize the real estate opportunities.

The level of feedback, direct from the development community, locally, regionally and within the Toronto GTA shows that there is significant developer interest in the Guelph market. More specifically, there is an acute interest in the properties nominated in this report from suitably qualified developers

What is also clear from this market engagement are that the prospects of each property vary significantly as does the potential value and risk to the City of redevelopment. Two properties stand out as more prospective than the others when weighed against risk and value to the City. These are the Baker District and 34 Macdonell St.

Baker District offers significant value in terms of its development, though it has a higher risk profile. 34 Macdonell St offers lower value, at least on the basis of the current City paradigm (height restrictions) but a lower risk profile. However, when examined further the risks associated with Baker District and the short-term actions required to address these, it becomes the more compelling opportunity based on current market appetite and its significant development value.

While Baker District should be prioritized as the primary real estate opportunity this does not prohibit and should not delay action to be undertaken on the other properties (including 34 Macdonell) that have a longer development profile. Indeed, while the general consensus from the market is that bundling the properties together is not warranted, there are complimentary actions that can be taken by the City to concurrently progress the development of each of the properties. These actions, based on the feedback from the development community, would reduce risk and speed up the development timetable for all properties in a systematic and logical manner which is particularly relevant in terms of securing finance (e.g., low risk profile = lower cost of finance). Indeed, its CB's understanding that concurrent to the market engagement evidenced in this report there are actions being undertaken by the City to do so.

Recommendation(s)

It is recommended that the City undertake Stage 2 of the Procurement Process as identified in Report Number IDE-BDE-1611: Process Recommendation for Identifying Potential Downtown City-owned Real Estate Partnerships for the Baker District. Stage 2 of the Procurement Process is a Request for Qualifications (“**RFQ**”).

While there are concerns that have been raised by developers many of these are already being addressed by the City. Furthermore, there is currently, sufficient interest, from an appropriate caliber of developer to warrant continuation of the procurement process.

The outcome of the RFQ stage of is to develop a shortlist of “qualified” teams and direct feedback on the site and structure of the next proposal stage. It is intended for this list of “qualified” teams to then be used to select a partner to enter into commercial arrangements through RFP.

It is further recommended that the procurement process be truncated, implementing the RFQ and RFP as a two-step phase rather than as discrete, standalone work packages.

This approach would better align with other City initiatives (Wilson Parkade, Integrated Operational Review, Environmental Assessment Reports) and timelines as well as maximizing the current market opportunity. This amendment to the original process would result in the selection of a preferred partner in Q4.

Introduction

CB has been working with the City to develop an approach to identify potential private sector partners to assist the City in achieving its objectives to implement the DSP. With a focus on the potential redevelopment of City-owned real estate assets, the City of Guelph engaged CB to develop and implement a four-stage process to engage with the market and identify potential partners. This process was developed with a view to understanding the investment interest and reduce the risk of the City of going out to market for the development of these properties. On July 5, 2016, City Staff and CB presented to the IDE who endorsed the process developed. Since endorsement of the process, City Staff and CB have worked to implement the first stage of the process: a RFI⁹. The RFI includes properties identified within the DSP as being important to the implementation of this plan, namely:

- Baker District (55 Baker Street);
- 100 Norfolk Street;
- 50 Wyndham Street South;
- 141 Fountain Street East; and
- 34 Macdonell Street.



Figure 2: Nominated Properties

⁹The timing been delayed and influenced by notice provided by the Co-operators of its intention to assess head office relocation options.

The purpose of this document is to provide:

- An overview of the RFI process;
- A description of the properties;
- Background on who responded;
- The feedback provided as part of the RFI;
- Evaluation of the feedback; and
- Recommendations as to next steps.

Limitations

CB has relied upon the completeness, accuracy and fair presentation of all the information, data and representations obtained from various sources, which were not audited or otherwise verified. These sources (collectively, the **Information**), include:

- City of Guelph;
- Stats Canada;
- Ontario Real Estate Association;
- Canadian Mortgage and Housing Corporation;
- Relevant publically available studies;
- Information obtained from parties who responded to this RFI; and
- Information from parties interviewed as part of this RFI.

The findings in this report are conditional upon such completeness, accuracy and fair presentation of the Information, which has not been verified independently by CB.

CB reserves the right at its discretion to withdraw or make revisions to this report should we be made aware of facts existing at the date of the report that were not known to us when we prepared this report. The findings are as of the date hereof and CB is under no obligation to advise any person of any change or matter brought to its attention after such date, which would affect the findings and CB reserves the right to change or withdraw this report.

This information has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with the City of Guelph. CB disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than the City of Guelph.

Any use that a third party makes of this report or reliance thereon, or any decision made based on it, is the responsibility of such third party. The City of Guelph accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions taken, based on this report.

Out of Scope

The Market Engagement Findings Report is an independent assessment of information generated by the market with a view to informing subsequent stages of procurement and site development. It is not, and its intention is not, to provide a detailed feasibility assessment of the nominated properties.

Note to reader

This report has been prepared by CB based on data and information provided by the City of Guelph and other third parties. CB's assessment of the responses received as part of the RFI process is based on our own view of the information we obtained.

In preparing this report, we have strived to be as transparent as possible in terms of the methodology employed, data sources used and any assumptions made.

The RFI Process

Introduction

This section will detail the intent behind the RFI process – what it was designed to achieve. It will also provide information about the mechanics of the process, its structure, how the RFI document was prepared, what information was included, when it was released and closed, post RFI submission, to whom the document was targeted and how it was marketed.

Objectives

The RFI process was designed to gauge private sector interest in Downtown real estate opportunities and obtain information from experienced real estate developers that may be interested in the redevelopment of select City-Downtown real estate. More specifically its intent was to:

- Test and confirm market interest;
- Prioritize real estate opportunities;
- Identify interested parties; and
- Secure feedback on the potential redevelopment and the enabling requirements of the City.

Conversely it provided real estate developers with an opportunity to provide their input about the redevelopment of these assets to ensure the alignment of private commercial requirements and municipal policy. In an instance where a real estate developer was not previously known to the City, the RFI process provided an opportunity for them to introduce their company expertise and background to the City and make their interest known.

The RFI process was open to the public and did not prohibit parties, whether they responded or not, from participating as part of later procurement phases.

The information received from the RFI is intended to assist the City to prioritize properties and the required infrastructure projects and enabling programs to attract private sector investment in its multi-year capital budget. The information will also allow the City to initiate a scoped and focused property redevelopment procurement process taking into consideration market expectations.

Structure

The RFI process consisted of two component parts. One was the RFI document itself and the second was interviews with the Respondents (those parties who submitted in response to the RFI document).

RFI Document

As part of developing the RFI Document, CB conferred extensively with City Staff on multiple occasions to encapsulate City objectives and requirements. The City Staff who participated in the development of the documentation included:

- Peter Cartwright – General Manager, Business Development and Enterprise;

- Ian Panabaker – Corporate Manager, Downtown Renewal, Business Development and Enterprise;
- David Brattan – Business/Legal Advisor, Guelph Municipal Holdings;
- Christine Chapman – Economic Development Officer, Business Development and Enterprise; and
- Courtney Miller – Downtown Renewal Officer, Business Development and Enterprise.

The final RFI document produced from the consultation and draft process was broken down into three main sections:

- Background information designed to provide context about the City of Guelph as a community, the local real estate market and a location for Downtown redevelopment. It also listed a number of reference documents (provided in Appendix A) to provide further background about the City and the work that has been completed within the Downtown since 2010;
- A description of each of the properties including but not limited to a property map, civic address, legal description, current owner, current zoning (including any special provisions e.g., view corridor), DSP Land Use, DSP Height Schedule, Current Use, Known Constraints, Site Size and the Municipal Property Assessment Corporation (“**MPAC**”) assessed value¹⁰; and
- The RFI requirements including timeline, response format and required information.

Furthermore, there were two Appendices provided. One was the Response Forms, these constituted the questions that the RFI was seeking answers to. The second Appendix disclosed the interest from a number of external parties in being potential anchor tenants to the redevelopment of the properties listed in the RFI. These parties included:

Co-operators General Insurance Company

The Co-operators expressed an interest in the possible development of approximately 180,000-200,000 sq.ft. of Class A office premises on the Baker District or 141 Fountain Street East properties.

Conestoga College (“Conestoga”)

Conestoga has been involved as a potential tenant within the Baker District and have considered the possible program benefits of an urban campus with other like-minded institutions such as the Guelph Public Library and YMCA. College program spaces of 50,000-80,000 sq.ft. have been conceptualized as part of earlier Downtown partnership discussions.

Guelph Public Library (“GPL”)

In 2009, Guelph City Council (“**Council**”) directed that a new library be part of the mixed-use redevelopment of the Baker District. They initially identified a maximum space of approximately 90,000 sq.ft. to be included in such a development. The GPL is currently re-assessing its space and program requirements. The GPL is also the current occupant of another property included in the RFI – 100 Norfolk Street.

The RFI commenced at 2:00 pm EST on December 21, 2016.

¹⁰ Where Baker District was concerned additional background on the history of the project and contingent projects was included

It was determined to take a soft-marketing approach prior to Christmas due to the time of year and availability of potential respondents with more formalized marketing commencing in January 2017. The RFI was originally scheduled to run through to 4:00 pm EST on January 25, 2017. CB facilitated the process and acted as the point of contact for the RFI document on behalf of the City. Two clarifications were issued for the RFI. The first was issued on January 13, 2017 clarifying the length of the required submission and the second was issued on January 24, 2017 extending the deadline submission date by one week to 4pm EST to February 2, 2017.¹¹

In order to respond, submissions were to be sent to an email inbox setup for this particular purpose. The responses were to include the following information, along with completed Response Forms. They were also encouraged to provide any additional marketing information that they considered relevant.

- The name and nature of the entity (i.e. public listed company, partnership, closely held company);
- Entity website;
- Place of incorporation/registration, registered office, postal address;
- Contact details of the individual from the Responding Party with whom the City will principally communicate in its dealings with the Responding Party, including name and title, email address, office phone numbers, mobile numbers, and office and postal addresses;
- A brief overview of the Responding Party including background information and details of their operations; and
- Their qualifications and experience in the development and timely delivery of high quality property and mixed-use developments and associated infrastructure for (at a minimum) their largest, relevant project including the Project Name, Location, Project Value (\$), when the project was completed (built) and project description.

The respondents were also provided the option to request a meeting with the City to discuss their response.

Interviews

The interviews were undertaken by CB on behalf of the City of Guelph. The intent of the interviews was to provide additional context and clarity to the responses, and where relevant allow the Respondent to further engage with the City (through CB), gain a deeper understanding of the intent of the process and how their information was going to be used.

Targeted Respondents

The targeted respondents consisted of two categories: 1) real estate developers and, 2) investors/financiers of real estate developments. Input from the first category was critical in terms of getting meaningful feedback from the market that could be used as input into Council decisions concerning the future of the selected properties.

¹¹ The full RFI and associated clarifications are provided as part of Appendix B

The second category was included to specifically target feedback on the financial aspects of the property developments.

Potential real estate developers were classified into different market segments: small developers, mid-tier developers and large-scale developers. This approach was designed to ensure that the feedback was considerate of the (potentially) different drivers of the different sized organizations.

The original list of targeted Respondents was developed from an existing database that City Staff had developed based on interest in the properties from credible and relevant parties over the past several years and CB's database of contacts in the real estate and investment communities developed from their client relationship management system, augmented for the particular requirements of the RFI process and the desired Respondent attributes.

This was further added to from a larger City of Guelph database consisting of subscribers to the e-newsletter distribution list and from targeted market analysis of property developers undertaken by CB.

Marketing

All original targeted Respondents were individually and directly contacted by CB by a mix of email and phone.

Advertisement of the RFI was also included on the City website within the Business Development and Enterprise home page and in the regular "Invest in Guelph" e-newsletter sent by the Business Development and Enterprise team.

In order to ensure maximum exposure to the market the RFI was also included on Biddingo.com., an online portal that connects suppliers providing various goods and services to buyers from the Provincial, Municipal, Education, Crown Corporation, Housing, Construction and Healthcare sectors and Private companies from across Canada.

Advertisements for the RFI were also included with two publications: Canadian Real Estate Wealth e-newsletter and Novae Res Urbis-Greater Toronto Area Edition. Both of these publications target real estate developers in the Canadian market. The Canadian Real Estate Wealth e-newsletter was selected on the basis that it provided access to a wide range of real estate developers and professionals across Canada. Novae Res Urbis-Great Toronto Area Edition was selected on that basis that it focused on the local market with a strong municipality emphasis. Further details are provided on the publications under Appendix C.

Property Descriptions

Introduction

This section provides an overview of the five properties included as part of the RFI including location, existing use, size and height restrictions. Further details are provided as part of Appendix D.

Baker District (55 Baker Street)

The Baker District is currently a City owned parking lot located on Baker Street bordered by Chapel Lane and Baker Street with access off both Woolwich and Quebec Streets. The Baker District property currently functions as a 250-stall surface, public parking lot. It is a 2.45-acre¹² brownfield site able to be developed up to 15 storeys outside of the protected view corridor. The property has long been recognized as a potential high-value opportunity site and has been identified for redevelopment as part of the DSP. Three options for the Baker District development have been previously considered by the City. They contemplate a mix of the following uses: residential, commercial and institutional with public and residential parking included.

100 Norfolk Street

This property is the current site of the GPL bordered by Paisley, Norfolk and Oxford streets with access off Oxford and Norfolk Streets. As referenced earlier in the document, in 2009 the City directed that the new library hub be included as part of the Baker District. 100 Norfolk Street is a 0.672 acre brownfield site able to be developed to between three to six storeys. The Downtown Guelph Secondary Plan contemplates the following potential future uses: small-scale retails uses, commercial or institutional use; detached, semi-detached and duplex dwellings, townhouses and multiple unit apartment buildings or parks, conservation lands or public and private recreational uses and facilities.

50 Wyndham Street South

50 Wyndham Street South is home to a fire house currently serving the Guelph community. It is bordered by Wyndham Street South, Wellington Street East and Neeve Street. Access is provided off all bordered streets. It is a 1.12 acre brownfield site with varying height restrictions across the property.

The Downtown Guelph Secondary Plan contemplates the following potential future uses: retail/service, institutional, commercial and entertainment uses; public parking; hotels; multiple unit residential buildings, including apartments and townhouse dwellings and parks including urban squares.

141 Fountain Street East

This property is an existing 202 space surface municipal parking lot bordered by Surrey Street East, Fountain Street East and Wyndham Street South. Access is located off Fountain Street East. It is a 1.55 acre brownfield site with varying height restrictions across the property.

¹² Ultimate size may be ~3.2 acres as there are additional properties that may also be included.

The Downtown Guelph Secondary Plan contemplates the following potential future uses: retail/service, institutional, commercial and entertainment uses; public parking; hotels; multiple unit residential buildings, including apartments and townhouse dwellings and parks including urban squares.

34 Macdonell Street

This property is an existing 59 space municipal surface parking lot for the City bordered by Macdonell Street and Cork Street East. Access is located off Macdonell Street. It is a 0.512 acre brownfield site able to be developed to between three to six storeys.

The Downtown Guelph Secondary Plan contemplates the following potential future uses: retail/service, institutional, commercial and entertainment uses; public parking; hotels; multiple unit residential buildings, including apartments and townhouse dwellings and parks including urban squares.

RFI Respondents

Introduction

This section provides response statistics, background on the Respondents and other informal feedback as well as presents an analysis of the number of responses compared against success criteria and an assessment of the parties who responded.

Response Statistics

The RFI ran for 43 days from December 21, 2016 to February 2, 2017. The below table identifies the number of parties contacted, number of parties that received the RFI and the number of submitted responses.

Description	Number	Percentage (%)
Number of parties contacted	197	-
Number of parties sent RFI	57	28.9%
Number of submitted Responses ¹³	7	12.3%

Table 4: Response Statistics

Response Analysis

The following response criteria were successfully achieved:

- A 10-15% submission percentage based on the parties who were sent the RFI;
- A mix of small, medium and large real estate developers; and
- Local regional and GTA developers.

A 10-15% rate of response was considered good, given that the real estate developers received limited benefit from the process and that the RFI did not prohibit participation of non-respondents in further stages of the procurement process. Given these constraints, a response rate of 12.3% and a strong informal feedback was in line with market expectations.

Respondent Description

The Respondents consisted of small, medium and large scale developers. The respondents can be further sub-categorized by local, regional and GTA developers. The types of developers are as follows: four commercial real estate developers, a combined response from a real estate developer and social housing provider, a combined response from a real estate developer and real estate agent and one real estate agent.

¹³ One response was received after formal RFI close

Belterre Real Estate Partners Limited

Belterre is a GTA based real estate development company. It is a private corporation located in Toronto. They have undertaken a range of residential, commercial and mixed use developments. Recent projects have included:

- Storage City, a \$19.8 million self-storage development consisting of a 97,220 sqft self-storage warehouse, with ancillary office in Toronto; and
- Riverside Trail, a \$9.5 million medium density residential community consisting of 14 unit semi-detached homes in northwest Ajax.

Creating Affordable Homes Inc and Habitat for Humanity Wellington Dufferin Guelph

Creating Homes is a local real estate development company based in Cambridge. It is a non-profit corporation that specifically focuses on the development of affordable homes (primarily residential development). Creating Homes is provided with primary development consulting by Tim Welch Consulting Inc. Recently they developed Market Commons, a \$16 million, 61 unit condominium building in Downtown Guelph. Habitat for Humanity is a regional based charitable organization focused on the Wellington Dufferin Guelph region. They work with volunteers and community partners to build affordable housing and provide affordable home ownership. Since 2000 they have built 23 homes. They are currently undertaking the development of “cityview village”, a \$6 million, three storey condominium including 8-12 units.

Cushman and Wakefield (Waterloo office)

Cushman & Wakefield is an American commercial real estate services company. The company’s global headquarters is located in Chicago, with regional headquarters in New York City (Americas), London (EMEA), and Sydney (APAC). Cushman & Wakefield is among the largest commercial real estate services firms with revenues of \$5 billion. The firm operates in more than 60 countries and has 43,000 employees.

First Gulf

First Gulf is an international real estate development company and the commercial arm of residential builder Great Gulf. It is located in Toronto and has been in operation for more than 25 years. They provide development, construction, leasing finance and project management expertise. Developments have included a range of commercial, mixed use and retail developments. Recent projects have included:

- Globe and Mail Centre, a \$140 million development consisting of a 17 storey, 500,000 sqft LEED Gold office development in Toronto headquarters to The Globe and Mail; and
- Waterloo Town Square, an \$8.4 million development that houses over 40 retailers and plays host to City of Waterloo’s community events.

Fusion Homes

Fusion Homes is a regional based real estate development company operating across Guelph, Kitchener, London and Waterloo. It is a private corporation located in Guelph, focused on residential

development. They are currently undertaking development of The Metalworks in Guelph, a \$300 million residential, commercial and heritage use building. The first stage of the project is aimed for completion in summer 2017.

HIP Developments

HIP Developments is a regional real estate development company based out of Waterloo, Ontario. It is a privately held company focused on residential and mixed use developments. They have successfully completed residential and mixed use developments in Guelph, Kitchener and Cambridge. Recent projects have included:

- Solstice Condominiums in Guelph, Ontario. A \$25 million residential development consisting of 195,000 sqft and 160 units; and
- Trio on Belmont in Kitchener, Ontario. A \$39.6 million residential development (first phase) consisting of over 470,000 sqft and 512 units (in three phases).

Lyle McNair & Steve Nash

Lyle McNair is a Professional Engineer and a REALTOR®, practicing with Trillium West in Guelph.

Steve Nash is a long-time resident of Guelph with experience in the development of properties throughout the City of Guelph.

Informal Feedback

In addition to the formal submissions received there were a number of parties that engaged on the potential for redevelopment of the properties and wished to be kept informed of any further progress. Their feedback has been included as part of the analysis undertaken and discussed later in this document.

These parties included:

Kilmer Group

The Kilmer group coordinates business development and investment in Canada. Operating out of Toronto and Montreal the Kilmer Group invests in three main areas, being:

- Private Equity;
- Infrastructure and Real Estate; and
- Sports and Media.

Forum Equity Partners

Forum Equity Partners operates in Canadian and North American Markets. As asset developer, investor and manager, Forum Equity oversees \$1.4 B in assets. Forum Equity manages a largely diversified portfolio of assets.

Perimeter Development Corporation

Perimeter Development is an urban planning department based out of Kitchener, Ontario. Founded in 2010, it is currently focused on retail space, office space, apartments and hotels. As owners of their

developments, they are involved in developing, leasing, and operating its properties, which are located primarily in downtown core areas.

Tricar

Tricar's main focus is the development of condominiums and rental suites. They have developed over 5,000 homes in South-western Ontario, mainly in larger cities and municipalities.

Diamond Corporation

Located in Toronto, Diamond Corporation develops real estate – both residential and mixed use. The Diamond Corporation raises capital through Whitecastle New Urban Fund, which they utilize to pursue development initiatives throughout the GTA.

Zancor Homes

Zancor Homes is a residential real estate developer operating within the GTA. Founded in 1990, they are privately owned and headquartered out of Concord, Ontario.

Ayerswood Development Corporation

Is a regional London, Ontario based regional real estate developer.

J Lammer Developments Ltd

Is a local Guelph, Ontario based real estate developer.

Response Forms and Interviews

Introduction

The response forms developed for the RFI consisted of questions targeted to elicit specific feedback on individual properties and general feedback related more to a particular area of interest, for instance how the real estate developer would like to partner with the City of Guelph. Response forms were received from six of the seven respondents.¹⁴ The question types included both rating scale and open-ended questions.

The Interviews provided the opportunity to engage with the Respondents on a more informal basis and clarify responses or establish additional context. There were interviews conducted with six of the seven Respondents.¹⁵

Rating scale questions

The first half of the Response Forms was designed to assign relative values to each of the properties to determine what were seen as the most prospective properties given a particular criterion. The criteria used consisted of the following:

- Development Timing;
- Market Opportunity;
- Approval/Permitting Requirements;
- Development Requirements;
- Investment and Development Risk and Readiness; and
- Overall Redevelopment Potential.

Also provided as an additional field to these questions was the opportunity for respondents to include comments against each of the properties elaborating on or contextualizing their assessments.

Open-ended questions

The open-ended questions provided as part of the response forms focused on particular areas of interest. The list of questions is provided below.

- In your opinion what should be the City's focus to attract investment and accelerate development timeframes?
- Based on your understanding of the properties that are described in this RFI, please provide your comments for each property with respect to:

¹⁴ Cushman & Wakefield were not interviewed

¹⁵ Cushman & Wakefield were not interviewed

- a. What level of planning/development approvals and infrastructure is required to attract private investment?
 - b. Are there any other factors which will prevent private sector investment at this time?
- The Baker District property currently contemplates market driven residential/commercial uses mixed with non-market-driven institutional uses. Please advise:
 - a. What, if any, concerns you might have with this requirement?
 - b. What assurances commitments and pre-conditions of development that you would need from the City and/or the noted institutional users (Guelph Public Library, Conestoga College, YMCA and Innovation Guelph) that have been identified in this RFI.
- If you were to become involved with the redevelopment of any of the properties that are noted in this RFI, how you would like the site and any ancillary infrastructure works to be delivered?
- With regards to the financing for the redevelopment of these properties:
 - a. Please describe any potential financing concerns that you foresee for any of these properties.
 - b. What sort of lending/financing restrictions/parameters would you expect?
 - c. In your opinion how could these concerns be addressed?
 - d. What role/commitments would the City need to make, either financially or structurally?
 - e. Would such a structure be consistent across all properties described in this RFI?
- What might be some specific factors that may cause your company to not participate in the development, and what would the City need to do to make these properties attractive for private sector redevelopment?
- With regards to the procurement process:
 - a. What information would you expect the City to provide in a procurement process?
 - b. What commitments would you expect from the City to make the procurement process attractive for you to respond.
- If the properties were owned and under the total control of your company, what would be your priority properties and why?

- How would you propose that the City of Guelph engage or partner with the development and/or development finance community to help facilitate the development of the properties described in this RFI?
- The City of Guelph has used incentive tools within the Downtown Guelph Community Improvement Plan to support eligible projects since the adoption of the DSP in 2012.

The large-scale redevelopment program has been the Downtown Major Activation Grant, a tax-increment based grant (“**TIBG**”) that provides the new municipal tax value generated back to the developer following the construction and reassessment of the improvement.

Eligible costs considered included Brownfield mitigation costs, as well as downtown elements such as structured parking premiums and extraordinary off-site infrastructure improvements that may be required. Council will be reviewing and reconsidering the program in 2017.

- a. What role or impact would a program like this have in your consideration of developing the RFI properties?
 - b. What other mechanisms have you encountered in other cities looking to incent investment? And are there preferences other than TIBG style programs?
- The City will be looking at increasing the focus on employment growth within the Urban Growth Centre over the next 5 years of the Community Improvement Plan.
 - a. Have you developed new office space in the last decade, and where? (suburban/downtown/brownfield)
 - b. Were there clients already identified or were your projects speculative?
 - c. What market thresholds were present that made the project viable in each case?
 - d. What challenges are there in securing a major employment user in the current market?
 - e. What’s your experience in developing ‘Class A’ type space – and are there particular challenges in providing that level of facility in Guelph?
 - f. What parking ratios were utilized? And were different ratios acceptable in different locations?
 - g. Do you see a potential to grow employment uses in Downtown Guelph given the real estate momentum created and the infrastructure investments in transit, parking and rail services over the last 5 years?
 - h. If there were office space clients identified in the next procurement stages for the lands in this RFI, what information, beyond the standard program and needs, would you require to develop a proposal?

The responses to these questions were grouped into the following categories:

1. Investment Attraction
2. Disincentives
3. Baker District
4. Ancillary Infrastructure Works
5. Financial
6. Procurement
7. Partnership
8. Development Incentives
9. Office Developments

The detailed responses are included as part of Appendix E.

Interviews with Respondents

The interviews were between 30-60 minutes in length. All Respondents were asked to reiterate their thoughts on each of the properties to begin with and then targeted questions were asked in relation to particular responses in their submissions. The interviews reaffirmed findings within the response forms to a large degree. In some instances the discussion provided new/additional information. These supplementary comments are summarized by Respondent in Appendix F.

What were the Key Findings?

Introduction

This section summarizes the feedback from the Response Form feedback and the Interviews to highlight the key findings associated with the redevelopment of the properties.

Rankings

The following table summarizes how each property was ranked across the six different criteria (including the Overall Redevelopment Potential)¹⁶.

	Development Timing	Market Opportunity	Approval/Permitting Requirements	Development Requirements	Investment & Development Risk and Readiness	Overall Redevelopment Potential
Baker District	Equal 1 st	1 st	2 nd	2 nd	2 nd	1 st
100 Norfolk Street	5 th	4 th	4 th	Equal 3 rd	Equal 4 th	5 th
50 Wyndham Street South	4 th	3 rd	5 th	5 th	Equal 4 th	4 th
141 Fountain Street East	3 rd	2 nd	1 st	1 st	1 st	2 nd
34 Macdonell Street	Equal 1 st	5 th	3 rd	Equal 3 rd	3 rd	3 rd

Table 5: Summary of overall rankings

The feedback from the rating scale questions found that the Baker District and 141 Fountain Street East were, across the majority of categories, either the 1st or 2nd ranked properties (with the exception of Development Timing where 141 Fountain Street was ranked 3rd).

This was also further supported by the ranking of the Overall Development Potential where Baker District and 141 Fountain Street East ranked 1st and 2nd respectively.

An aggregation of the rankings (and their assigned relative values) across all of the categories (Development Timing, Market Opportunity etc.) excluding Overall Development Potential was also calculated. This was done in order to check for consistency of the ranking against the Overall Development Potential.

¹⁶ Detailed results are shown in Appendix G

Aggregated Ranking	
Baker District	2 nd
100 Norfolk Street	5 th
50 Wyndham Street South	4 th
141 Fountain Street East	1 st
34 Macdonell Street	3 rd

Table 6: Aggregated Rankings

What this showed was that rankings were generally in line with the Overall Development Potential ranking except that 141 Fountain Street East was ranked 1st and Baker District 2nd.

On the other end of the spectrum 100 Norfolk Street and 50 Wyndham Street South ranked relatively consistently as 4th or 5th across all categories and was reflected in their Overall Redevelopment Potential ranking.

34 Macdonell Street occupied the middle ground on the majority of the assessments with the exception of Development Timing where it ranked equal 1st and Market Opportunity where it ranked 5th.

Qualitative Feedback

When assessing the combined feedback of the rating scale questions, the results of the Open-ended questions, and individual interviews, several recurring themes became apparent. For the most part the themes did not uniformly apply to all properties; however where they did it was with varying significance. The table below identifies and describes the themes and associates them with the relevant properties:

	Description	Baker District	100 Norfolk Street	50 Wyndham Street South	141 Fountain Street East	34 Macdonel I Street
Environmental approvals (and remediation)	This concern was related to the uncertainty associated with the environmental condition, particularly given their previous uses, and the unknown ESA scope, timing and cost to remediate the property.	×	-	×	×	-
Parking	There were three aspects of parking that were consistently raised as a potential concern. One, that three of the existing sites are public parking lots and the municipality's ability/commitment to provide temporary relocation to allow redevelopment. Two, the requirements to include public parking as part of these developments and the underwriting of related costs. Thirdly, the global parking strategy of the City in relation to the Downtown and how this may affect development value v cost.	×	×	×	×	×
Height limitations	The DSP Height Schedule or the Protected View restrictions were seen as a limiting factor for achieving the financial viability of developments.	×	-	-	×	×
Financial Commitment from the City	Financial commitments relating to municipal infrastructure and site preparation from the City were identified as a key factor in the development of any site. The lack of understanding as to what this commitment	×	×	×	×	×

	would be and the quantum of such a commitment was a concern.					
Approvals process¹⁷	Uncertainty about the time, scope and coordination to achieve provincial and/or municipal approvals for development was a concern for Respondents.	×	×	×	×	×
Irregular lots / Site layout / Size	Physical constraints due to site layout were considered a concern due to the effect on cost/yield of the development.	×	×	×	-	×
Public space requirements	The need to include requirements for an open square, parkland dedication etc. due to the uncertainty associated with timing, cost and scope.	-	×	×	×	-
Zoning¹⁸	This centered on concerns as to the existing zoning restrictions or the time required to amend them.	-	-	×	-	×

Table 7: Respondent concerns by property

¹⁷ It should be noted there is currently changes being considered to Guelph's approvals process which may address some concerns

¹⁸ It should be noted there is currently new Downtown zoning being considered which may address some concerns

Property Specific Feedback

In addition to the broader more general themes and concerns, there was also the individual, property specific feedback identified by the Respondents. The below section provides commentary on each of the five properties.

Baker District

Respondents were enthusiastic about the develop prospects of Baker District though there were a number of specific concerns raised including: **public-use requirements, archaeological concerns, land assembly and services to site** that should they be address would have a significant, positive impact on the investment risk and readiness.

The **public-use requirements** related particularly to whether or not there was a requirement to include the GPL, YMCA or any other mandated institutional use. The inclusion of these requirements in itself was seen as a challenge to development but in addition to that was the uncertainty about the inclusion of them. Whether or not they were included had the flow-on effect of dictating the market-use component of the development and the associated market rents that could be achieved. Comments were made by a number of the Respondents suggesting that the City limit the institutional requirements to only a couple of institutional uses as it was their impression that the City was trying to accomplish too much with Baker District. It was felt that if the City proceeded with all the institutional requirements it would not allow Co-operators to be a part of the same development. Alternatively, it was suggested the City accept large scale commercial development as a preferred use as opposed to mixed-use and focus the desired institutional uses as part of one or more of the other properties.

The **archeological concerns** were referenced as a known constraint for the site but the scope of the issue was not known which caused significant concerns for Respondents.

The land assembly concerns referred specifically to the potential acquisition of additional properties for Baker District listed on the property map. This added uncertainty was also the cause of apprehension for Respondents.

Providing **services to site** (ancillary infrastructure works) was District centered on time delay and the cost-sharing of such development.

100 Norfolk Street

Respondents suggested there were several options available for the development of 100 Norfolk Street. The uncertainty around the **relocation of the GPL** – when, where and if – detracted from its overall development potential. While the City had previously stated that the GPL would be part of the Baker District development the associated uncertainty surrounding the institutional uses on that property has a flow-on effect to 100 Norfolk Street. There were also some more minor concerns raised around the **property boundaries** as it interferes with the right-of-way for the Paisley-Norfolk intersection and **resident concerns** due to the current zoning in a residential area¹⁹.

¹⁹ It should be noted there is currently new Downtown zoning being considered which may address some concerns

50 Wyndham Street South

The key driving factor in the Respondent's assessment of 50 Wyndham Street South was, as with 100 Norfolk Street, the uncertainty around the timing to relocate the **fire house**. Should information be available governing when, where and if the fire house was to be moved this was factor significantly into the market-readiness of the site for redevelopment.

141 Fountain Street East

141 Fountain Street was seen as a prospective market opportunity with no specific impediments to its redevelopment apart from it being considered 'off the beaten path of the Downtown' which could, it was suggested, be addressed by the City considering a pathway that could link it more closely to the

34 Macdonell Street

While this property is generally viewed as being relatively straight-forward and development ready from a servicing, environmental and approvals point of view, concerns were raised given current City parameters and the existing real-estate market that the property may **not yet** trigger development given current, anticipated price per unit rates.

Evaluation of Key Findings

Introduction

This section will firstly seek to assess the feedback provided from the RFI process, considering any external factors that may be affecting or skewing the opinions of the Respondents. Secondly the general and site specific concerns will be categorized to determine what actions the City should consider to improve the redevelopment potential of these properties. Lastly, this section will make a high level assessment of each of properties based on the perceived risk of redevelopment to the City against the potential benefits associated with the redevelopment.

Feedback Analysis

The rating scale questions and associated rankings when coupled with the supplementary comments, open ended questions responses and interview feedback indicate that there are external factors and market conditions that are contributing to the findings. For instance when we examine the ranking of the Baker District in the area of Approval/Permitting Requirements, which is defined as “the imposition of the approvals and permits required e.g., building permits, Record of Site Condition (“**RSC**”): Phase 1, Phase 2 ESA, archeological concerns etc” it ranks 2nd as opposed to 34 Macdonell Street that ranks 3rd. However, when we examine the comments associated with the ranking and other qualitative data captured from the response forms and interviews it shows that there are archaeological and environmental approvals (and remediation) concerns for the Baker District while there were no Approval/Permitting concerns identified by the Respondents for 34 Macdonell Street. The same can be seen when examining the ranking for Investment and Development Risk and Readiness. What this would seem to indicate is that factors, such as the current market interest in Baker District from Co-operators and/or the individual development strengths and motivations of the Respondents are impacting at least to some degree on their perception of each of the properties.

In contrast, we can see how Respondents have responded quite rationally to other criteria, for example Market Opportunity. Market Opportunity was related to what type of use could be developed upon each of the properties e.g., residential, mixed-use, commercial etc. To a degree this selection is driven by the financial viability and return that a developer would need to achieve to rationalize investment in a site. When we examine the rankings we see that the smaller sites, 100 Norfolk Street and 34 Macdonell occupy the lower rankings. Though there are many drivers determining these rankings it would seem to indicate that while external factors do impact on the categorization there is overarching market-based rationale that is also guiding the feedback. The benefit of the open-ended questions and interviews also provides a mitigating factor against any bias and allows us to examine more objectively the feedback of the Respondents.

Evaluation

There is no doubt based on the level of feedback from the development community that the Respondents see the City of Guelph – one of the fastest growing municipalities in Canada – as a desirable location to invest and do business. However, there are a number of issues that emerged from the market engagement that indicated that there is more the City can be doing to ensure it aligns its Downtown policy goals and objectives with the financial and market realities of the private sector. Addressing these matters will assist in maintaining the momentum that has been created by recent projects in the community. Whether the properties are sold on an “as-is” basis or whether the City partners with the development community the City will have an ongoing facilitation and financial role in the successful redevelopment of its Downtown properties. Some of the matters raised by the Respondents can be directly influenced by the City and others cannot. Broadly speaking we can categorize them according to the following criteria:

- Those that cannot be directly influenced by the City;
- Those that can be directly influenced by the City but are already bound by existing plans; and
- Those that can be directly influenced by the City but there is a significant degree of uncertainty as to how they will be addressed.

The first category is quite clear, these concerns cannot be influenced directly (within reason) by the City. Examples include: the size of a lot, it’s shape and geographic features or external factors like the real-estate market in general.

The second category consists of concerns that can be influenced or impacted by the City but are already bound by existing City plans and determinations. While these existing City plans and determinations may not provide an optimum outcome for the real estate developers (eg. they would prefer height restrictions could be raised) it does provide certainty (a benefit), which they can then use as a fixed assumption into their assessment of the sites.

The third category consists of concerns that are highly uncertain and where investment by the City in addressing these may provide greater benefit in terms of expediting development. The below table divides the concerns listed under the key findings into these three categories.

Cannot be directly influenced by the City	Can be influenced by the City but are bound by existing plans	Can be influenced by the City but there is uncertainty in how they will be addressed
Irregular lots / Site layout / Size	Zoning ²⁰	Environmental approvals (and remediation)
Property market	Height Limitations Public space requirements	Parking Financial Commitments from the City Approvals process ²¹

Table 8: City influence over redevelopment concerns

²⁰ It should be noted there is currently new Downtown zoning being considered which may address some concerns

²¹ It should be noted there is currently changes being considered to Guelph’s approvals process which may address some concerns

It is those concerns within the third category where the City should focus its time and resources to better understand and determine what reasonable action can be undertaken in order to alleviate these concerns. The following section provides some of the options and preferences Respondents had to address these general concerns.

Options to address concerns - General

Environment approvals (and remediation)

The concerns related to environmental approvals (and remediation) were perceived as affecting the investment attractiveness, ability to finance the site and the development timeline. It was suggested that the City could address this in a number of ways that would significantly de-risk the associated sites:

- Provide any information available on the environmental condition of the properties to prospective developers;
- Compensate the developer for undertaking the ESA process (including remediation); or
- Complete the necessary approvals (and remediation) themselves²².

It was noted by the Respondents that it would send “the right signal to market” if the City was to undertake the necessary approvals (and remediation) and would likely be easier for the City to address than a real estate developer.

It was also noted that if there were to be delay from the City regarding a decision to market and/or develop the properties it would be beneficial for the City to begin the ESA process so that project construction is not further delayed once a decision is finally made.

Parking

The concerns related to parking e.g. public parking requirements, global parking strategy etc. were perceived as a disincentive to private investment, an impact on the investment and development risk and readiness and a particular impediment to developing Class A type space in Guelph. There were several opportunities were identified to address this:

- Provide existing information on the parking master plan, the status of the Wilson Street Parkade including completion date and confirmation and certainty of any further parkade development (eg., Neeve Street);
- Reduce the public parking requirements on these sites particularly where there are several competing uses for space – residential v institutional;
- Provide options for temporary relocation of parking during development;
- Provide funding for public parking requirements; and/or

Financial Commitments from the City

Financial commitments from the City were seen as essential to the development of the properties. The uncertainty as to the City’s continued commitment on this issue was seen as affecting the ability to commercially finance the developments.

²² The third option, does present some degree of difficulty if there is not sufficient clarity on what is to be developed on site

There exists a host of options for the City to address this concern examples being in the form of traditional development type incentives (such as TIBGs) or the City could consider other forms of financial participation such as infrastructure funding or more direct financial participation. The Respondents did note a preference for DC waivers or more upfront based incentives to reduce cost rather than incentives over the life of the project due to the importance of early funding support. Respondents did specifically identify incentives that had been used in other municipalities including:

- Region of Waterloo –DC exemptions/deferrals;
- City of Hamilton – DC exemptions/deferrals; and
- City of Cambridge – DC deferral / waiver of planning fees and phase in Tax Increment Financing (“TIF”) (examples being for affordable housing)

The feedback provided also identified tax incentives for tenants as a way of providing financial incentive – through ensuring tenancy of a given property development.

Appendix H provides a complete list of incentives offered by several municipalities and what they include.

Approvals Process

Uncertainty about the time, scope, complexity and coordination of the approvals for the development was a concern for Respondents. Having a streamlined approval process was seen as a key attractor of investment and mitigation to financing concerns²³. Respondents thought this could be addressed several ways:

- Have an open dialogue on development incentives that the City will provide;
- Appointing a “Coordinator general” type position to assist in being a single point of accountability for the site development for real estate developers assisting to expediting approvals; and/or
- Selecting a partner through RFP that focused on developer experience rather than a specific development proposal, which would allow the developer and City to work together on addressing approvals (and other concerns).

Options to address concerns – Property Specific

There are also a number of site specific concerns that fall into the above established criteria as per the table below:

Cannot be directly influenced by the City	Can be influenced by the City but are bound by existing plans	Can be influenced by the City but there is uncertainty in how they will be addressed
Resident concerns (100 Norfolk Street)	Property boundaries (100 Norfolk Street)	Relocation of library (100 Norfolk Street) Relocation of fire house (50 Wyndham Street South)

²³ It should be noted there is currently changes being considered to Guelph’s approvals process which may address some concerns

	Public-use requirements
	Archaeological concerns (Baker District)
	Land assembly (Baker District)
	Services to site (ancillary infrastructure works) (Baker District)

Table 9: City influence over redevelopment concerns (property specific)

Baker District

Certainty of City requirements particularly in relation to **public use requirements** for the Baker District including the associated space required and who the tenants are would have a significant impact on de-risking the site from a developer perspective.

In terms of addressing the **archaeological concerns** the City has available information which could be released to prospective developers alleviating this as a source of concern.

Clarification on the acquisition of additional properties related to the Baker District and whether or not they are going to be included would assist in addressing the concern of the **Land assembly** requirements.

Commitment from the City with regards to the infrastructure works required in terms of funding and scope would significantly alleviate concerns about **services to site**.

100 Norfolk Street & 50 Wyndham Street South

100 Norfolk Street and 50 Wyndham Street South are both hampered by uncertainty regarding the relocation of their current uses. Should this be addressed it would have an impact on the desirability of real estate developers to engage on the sites. If the City re-confirms the inclusion of 100 Norfolk Street as part of the Baker District it will have the added benefit of addressing this. Alternatively, if the City was to provide a clear plan for both the relocation of the GPL and the fire house it would at least allow prospective real estate developers certainty when assessing the property.

Risk Analysis

The other consideration when assessing these sites is weighing up the concerns on a site by site basis and comparing this against the potential value that may be generated by each sites redevelopment. This can inform the City as to what properties may be the best candidates for development by the City at this time.

To do this we have qualitatively ranked each site based on the concerns raised to provide a basis for the City to consider its risk of development (**Potential City Risk**) and then compared this to MPAC Assessed Value as an indicator of relative development benefit (**Potential City Benefit**).

While the MPAC Assessed Value is not a true indicator of the potential economic value to the City of each development, this would depend a great deal on what the development is, which is not currently known. It does however provide some relatively across the sites in terms of the benefit that could be yielded by the City.

Property	Risk	Benefit
Baker District	Medium to High	\$3,126,000
100 Norfolk Street	Medium to High	\$2,806,000
50 Wyndham Street South	Medium	\$2,311,000
141 Fountain Street East	Low to Medium	\$530,000
34 Macdonell Street	Low	\$953,000

Table 10: By Property - Potential City Risk v Potential City Benefit

The chart below summarizes this information.

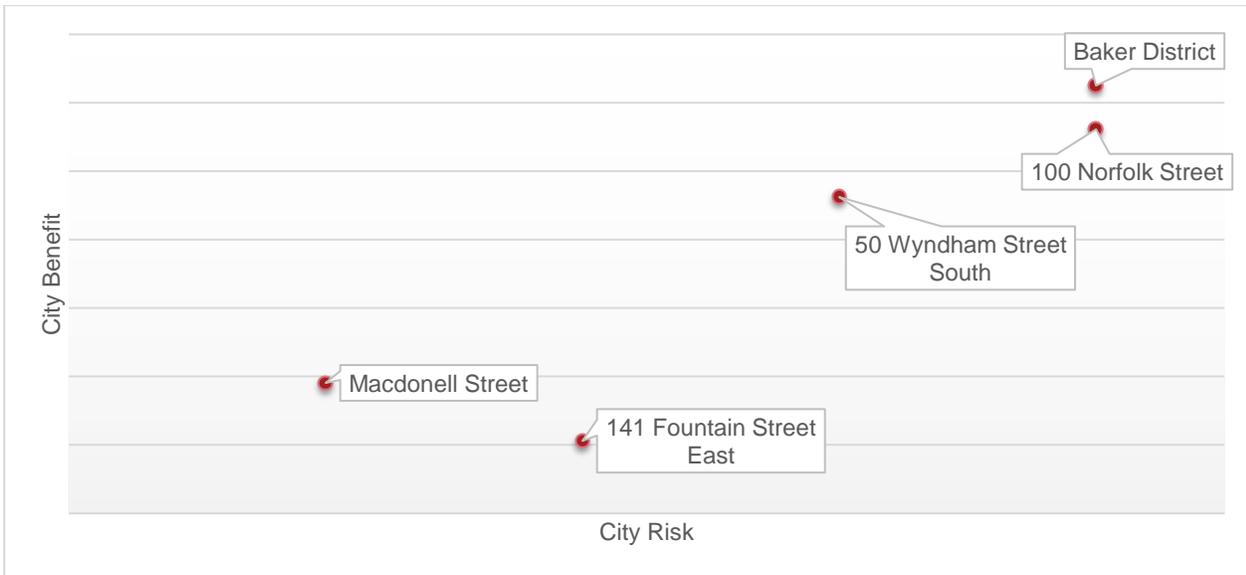


Figure 3: Potential City Risk v Potential City Benefit

The above provides a good starting point for assessment and while further work would need to be done to more conclusively rank the properties the choice of which sites to develop comes largely down to the City appetite for risk. The analysis above identifies Baker District and Macdonell Street as the most beneficial and least risk project respectively.

Next Steps

The intent of the RFI stage of the procurement was to gauge private sector interest, obtaining information from experienced real estate developments on an independent and industry objective basis. Specifically, it was to test and confirm market interest; identify interested parties; secure feedback on the potential redevelopment and ultimately prioritize the real estate opportunities.

The level of feedback, direct from the development community, locally, regionally and within the Toronto GTA shows that there is significant developer interest in the Guelph market. More specifically, there is an acute interest in the properties nominated in this report from suitably qualified developers

What is also clear from this market engagement are that the prospects of each property vary significantly as does the potential value and risk to the City of redevelopment. One property stands out as a more prospective and compelling opportunity than the others when weighed against risk and value to the City, on the basis of the current City paradigm (e.g. height restrictions) and the existing market appetite. The Baker District offers significant value in terms of its development and though it has a higher risk profile than the other properties, when examined further, many of the risks associated can be addressed through short-term actions. Also, and importantly, there is a clear market desire to develop this property.

While Baker District should be prioritized as the primary real estate opportunity this does not prohibit and should not delay action to be undertaken on the other properties that have a longer development profile. Indeed, while the general consensus from the market is that bundling the properties together is not warranted, there are complimentary actions that can be taken by the City to concurrently progress the development of each of the properties. These actions, based on the feedback from the development community, would reduce risk and speed up the development timetable for all properties in a systematic and logical manner which is particularly relevant in terms of securing finance (e.g., low risk profile = lower cost of finance). Indeed, its CB's understanding that concurrent to the market engagement evidenced in this report there are actions being undertaken by the City to do so.

Recommendation(s)

It is recommended that the City undertake Stage 2 of the Procurement Process as identified in Report Number IDE-BDE-1611: Process Recommendation for Identifying Potential Downtown City-owned Real Estate Partnerships for the Baker District. Stage 2 of the Procurement Process is a Request for Qualifications ("RFQ").

While there are concerns that have been raised by developers many of these are already being addressed by the City. Furthermore, there is currently, sufficient interest, from an appropriate caliber of developer to warrant continuation of the procurement process.

The outcome of the RFQ stage of is to develop a shortlist of "qualified" teams and direct feedback on the site and structure of the next proposal stage. It is intended for this list of "qualified" teams to then be used to select a partner to enter into commercial arrangements through RFP.

It is further recommended that the procurement process be truncated, implementing the RFQ and RFP as a two-step phase rather than as discrete, standalone work packages.

This approach would better align with other City initiatives (Wilson Parkade, Integrated Operational Review, Environmental Assessment Reports) and timelines as well as maximizing the current market opportunity. This amendment to the original process would result in the selection of a preferred partner in Q4.

Appendices

Appendix A: Reference Documents

Document Number	Document Name
Planning Documents	
1	Official Plan Amendment 43: Downtown Guelph Secondary Plan http://guelph.ca/wp-content/uploads/Attachment1OPA43.pdf
2	Downtown Community Improvement Plan http://guelph.ca/wp-content/uploads/DowntownGuelphCIP.pdf
3	Downtown Guelph Strategic Assessment http://guelph.ca/wp-content/uploads/DraftDowntownStrategicAssessment.pdf
4	City of Guelph – Prosperity 2020: Phase 1 and Phase 2 Phase 1: http://guelph.ca/wp-content/uploads/DraftDowntownStrategicAssessment.pdf Phase 2: http://guelph.ca/wp-content/uploads/Prosperity_2020_Phase2_Strategic_Directions_for_Economic_Development_and_Tourism.pdf
5	Parking Master Plan – 2015 http://guelph.ca/wp-content/uploads/ParkingMasterPlan_map.pdf
6	Downtown Streetscape Manual & Built Form Standards -- 2014 http://guelph.ca/plans-and-strategies/placemaking/
City Marketing Information	
5	Guelph Quicksheet 2015 http://guelph.ca/wp-content/uploads/2016Quicksheet.pdf
6	Guelph Community Profile http://guelph.ca/wp-content/uploads/2016-2017GuelphCommunityProfile.pdf
7	Lure Brochure http://guelph.ca/wp-content/uploads/Lure_Brochure.pdf

Appendix B: RFI and Clarifications

Request for Information

Downtown Real Estate Investment Opportunities

No.D20161041

Issue Date: 21/12/2016



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Disclaimer

This document does not, in any way, present or imply that a Request for Qualifications, Request for Proposals or tender will be issued or that any procurement will be initiated; nor should it be construed to present or imply any similar commitment on behalf the City of Guelph, Collins Barrow, their affiliates, associates or clients.

2. Introduction

Collins Barrow (“**CB**”) has been retained by the City of Guelph (“**City**”) to obtain information from experienced private sector developers that may be interested in the redevelopment of select City-Downtown real estate. Private sector developers hereby have the opportunity to introduce their company expertise and background to the City, make their interest known to the City and provide their views on the potential redevelopment of these assets.

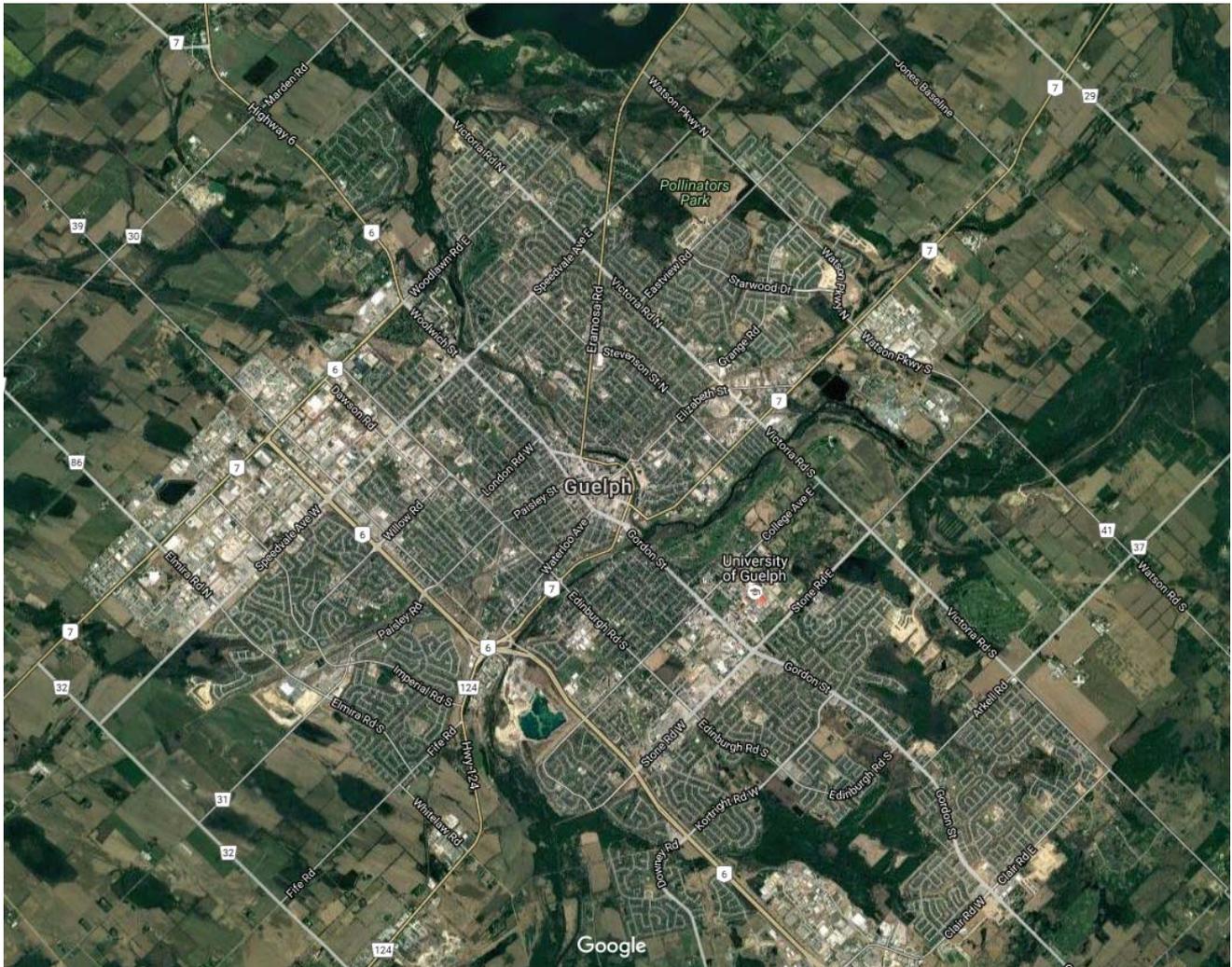


Figure 1: City of Guelph

2.1. Purpose of Document

The purpose of this Request for Information (“RFI”) is to engage with private sector developers and provide background on select City owned Downtown real estate assets to identify interested parties, confirm market interest in and secure feedback on the potential redevelopment of such assets.

The included City owned Downtown real estate for the RFI is as follows:

- Baker District (55 Baker Street);
- 100 Norfolk Street;
- 50 Wyndham Street South;
- 141 Fountain Street East; and
- 34 Macdonell Street.

The information received from this RFI will assist the City to prioritize properties and the required infrastructure projects in its multi-year capital budget to attract private sector investment. The information will also allow the City to initiate a scoped and focused property redevelopment procurement process, anticipated for 2017. Respondents to this RFI will be notified prior to the initiation of the procurement process.

This RFI is being sought strictly for the purpose of gaining information and does not constitute a commitment, implied or otherwise that the City will take procurement action in this matter.



Figure 2: City downtown real estate

2.2. City of Guelph

The City of Guelph is a vibrant community of over 120,000 people situated in the heart of southern Ontario. It is located in one of the strongest economic regions in Canada, 100 km or one hour west of the City of Toronto, just east of Kitchener-Waterloo and only 145 km to the United States border via Buffalo, New York. It has close proximity to four domestic and international airports, (Pearson, Toronto Island, Waterloo and Hamilton), access to shipping ports through Hamilton, Niagara and Toronto and linkages to major transportation routes via rail and Highway 401. It is one of Canada's safest cities and one of its smartest. It's rich in culture and history, architectural heritage and natural, open spaces. Residents enjoy a combination of big-city amenities and small-town ambience.

Geographic Area	City of Guelph	Downtown Guelph
Population (2011)	121,688	3,500
Projected Population (2031)	169,000	8,500
Median Age	38 years	30 years
Average Household Size	2.5	1.5
Median Household Income	\$64,319	\$26,187

Table 1: City of Guelph population assessment
Source: Downtown Guelph Strategic Assessment

Destination	Commute Time (Automobile) ¹
Kitchener	30 minutes
Cambridge	30 minutes
Waterloo	35 minutes
Hamilton	45 minutes
Mississauga	45 minutes
Toronto	1 hour
London	1 hour 30 minutes

Table 2: Commute times from Guelph to other major cities in Ontario

Guelph is also home to two world class academic and applied educational institutions, the University of Guelph and Conestoga College. Also in close proximity to the City are the University of Waterloo and Wilfrid Laurier University in Waterloo. This cluster is stimulating the local economy through the provision of a highly educated and skilled labour force. Coupled with Guelph's central location and commuter links to the Greater Toronto Area, Guelph is a growing and evolving community which is resulting in a mixture of residential, commercial and public institutional investment opportunities.

¹Approximate

Education Institutes within 25km	Students	Annual Graduates
University of Guelph	23,500	5,000
Conestoga College	45,000	4,000
University of Waterloo	30,000	7,800
Wilfrid Laurier University	18,500	4,300

Table 3: Education institutes within 25km of Guelph
Source: Guelph Quicksheet 2016

The City is focused on creating an investment friendly climate that involves working with the business community to create new investment opportunities. Guelph offers competitive land and building development and business operating costs partnered with a variety of employment lands and buildings to suit most business needs.

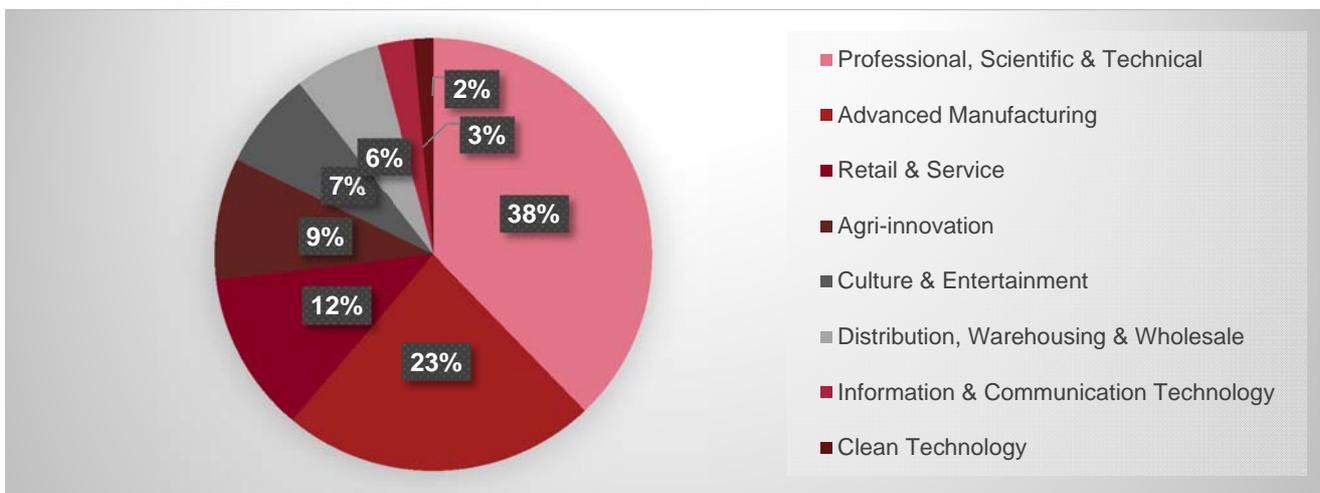


Figure 3: Guelph industry composition (by number of jobs)
Source: Guelph Quicksheet 2016

The City's Business Development and Enterprise Office works with businesses to provide services such as: site location analysis; assistance with expansion projects; advice and referrals to government agencies and organizations; as well as managing and marketing City-owned industrial and commercial lands. Guelph is also home to some of the world's most innovative companies in key growth sectors including agri-innovation, advanced manufacturing, information technology and clean technology.

Major Employers

Private Employers	Public Employers
Linamar Corporation	Upper Grand District School Board
Cargill Meat Solutions	University of Guelph
Polycon Industries	City of Guelph
The Co-operators	Wellington Catholic District School Board
Guelph Tool Inc	Guelph General Hospital
Blount Canada Inc	Ontario Ministry of Agriculture Ministry of Rural Affairs

Table 4: Major employers
Source: Guelph Quicksheet 2016

As part of the Ontario Government's Places to Grow Act (2005), Guelph remains an Urban Growth Centre and is required to meet residential and employment growth targets of 150 people and jobs (combined) per hectare by 2031. In order to achieve that target the City identified a number of strategic directions including "Envision Guelph", the Downtown Secondary Plan – Official Plan Amendment 43.

2.3. Downtown Redevelopment

Downtown Guelph is the heart of the city. Guelph was founded on a plan drawn in 1827 by John Galt, head of the Canada Company and the plan remains and provides Guelph its unique design and feel to this day. After several decades of limited economic growth, Downtown Guelph has experienced renewed interest and investment. Over the past decade the city has put in place ambitious plans focused on spurring major economic development including: Prosperity 2020 (the City's Economic Development Strategy), the Downtown Guelph Community Improvement Plan and the Downtown Secondary Plan.

The Downtown Secondary Plan is a, comprehensive vision for revitalizing Downtown Guelph up to 2031. It addresses the requirements of both municipal and provincial growth plans by planning for increased residential development to complement continued commercial and employment growth and cultural activities in the Downtown core. It is one of the City's growth centres, targeted to accommodate 8,500 residents and 7,500 jobs by the year 2031. The Downtown Secondary Plan and its companion the Downtown Guelph Community Improvement Plan identify the role of publicly owned land, public anchors and infrastructure as key levers that will contribute and enable the economic development of the area. It is the City's objective to:

- Provide an economic climate that supports increased business investment in Downtown Guelph;
- Increase the number and quality of jobs in Downtown Guelph;
- Increase the number of people that call Downtown Guelph home; and
- Continue to position Downtown Guelph as the centrepiece of the broader community.

By 2031, it is envisioned that Guelph will have many thousand more people living Downtown, in addition to the thousands who work there daily and visit routinely to shop, dine, enjoy culture and entertainment. The City has, in line with this strategic direction to invest in the Downtown, proactively used government stimulus funding towards the creation of the Market Square (a seasonal outdoor public ice rink and water feature) and the construction and renewal of the transit hub – Guelph Central Station.

This vision has gained momentum, with Downtown seeing a remarkable boom in new residential construction over the last five years.



Over 1,000 housing units have been approved for development, with over 450 of those units being marketed and built with more on the way. In addition, major renovations of historic downtown landmarks such as the Petrie and the Acker's Furniture building have commenced targeting the employment and not-for-profit sectors.

The City is now looking at the role and potential of Downtown City-owned real estate assets to continue to maintain this momentum. In November 2015, Guelph City Council directed City staff to gather market intelligence to explore the private sector's interest in those assets. This has resulted in this RFI.



2.4. Guelph Real Estate Market

The following provides an overview of some of the key highlights for the Guelph Real Estate Market both for the City and specifically Downtown Guelph:

Guelph²

- The City is both house-based as well as higher-density in the Downtown and other intensification corridors.
- The City has a current population of 121,688 expected to increase to 169,000 by 2031. It is expected to grow by 1.2% in 2016 and by 1.3% in 2017 and 2018;
- Guelph employment growth will continue to support housing demand. It grew by 10.6% in 2015 and is expected to grow approximately 1% for 2016 to 2018;
- Currently, Guelph unemployment rate is at 4.7%, compared with 6.4% for Ontario.³ It is estimated to be at 5% for 2017 and 2018;
- Total housing starts for 2016 are expected to range between 1,000 units and 1,100 units with forecasted housing starts ranging between 900 and 1,100 units in 2017 and between 850 and 1,150 in 2018;
- The current resale demand for 2016 is between 3,100 and 3,400 with projected resale demand to remain strong, ranging between 3,100 and 3,300 units in 2017 and between 3,100 and 3,600 in 2018;
- The resale market is expected to range between \$405,500 and \$423,500 in 2016 with strong price growth in the range between \$420,800 and \$442,200 in 2017 and between \$432,400 and \$457,200 in 2018;

² Source: Canada Mortgage and Housing Corporation (CMHC) – Housing Market Information, Housing Market Outlook Guelph CMA Fall 2016

³ Statistics Canada – Labour force characteristics, seasonally adjusted, by census metropolitan area (3 month moving average)

- Guelph also has one of the tightest rental markets in Ontario with vacancy rates at 1.3% for 2016 and forecast at 1.4% in 2017 and 2018.

Downtown Guelph^{4,5}

- The sales to new ratio for Downtown Guelph over the past three quarters has exceeded Ontario

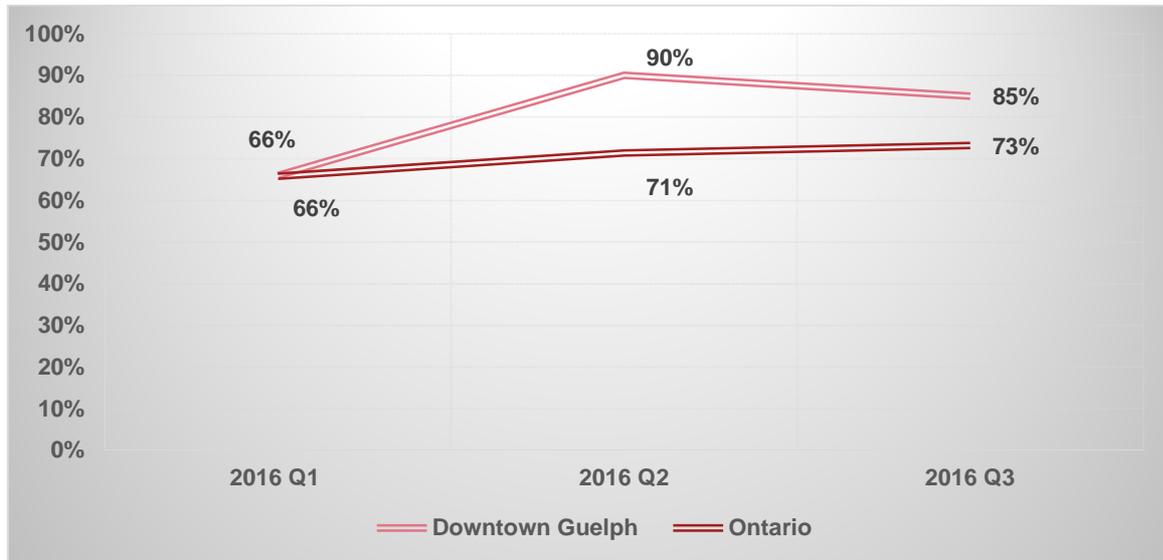


Figure 4: Sales to new inventory ratio downtown Guelph v. Ontario

- In Q3 Downtown Guelph saw a Median Sale Price increase of 10.2% Y/Y

	2014 H2	2015 H1	2015 H2	2016 H1	2016 Q3
Median List Price	\$317,450	\$339,900	\$344,900	\$359,450	\$358,650
Number of Sales	169	231	211	281	121
New Inventory	234	318	236	356	142
Detached Homes	171	208	148	232	80
Town/Link Homes	31	34	46	52	27
Apartment/Condo	24	76	42	72	35
Sales to New Ratio	0.72	0.73	0.89	0.79	0.85
Median Sale Price	\$306,500	\$324,975	\$334,725	\$353,450	\$35,800
Detached Median Sale Price	\$319,000	\$363,500	\$346,750	\$382,375	\$390,000
Town/Link Median Sale	\$242,875	\$275,975	\$273,150	\$312,000	\$307,200
Apartment/Condo Median Sale	\$182,000	\$282,875	\$243,825	\$265,775	\$259,900

Table 5: Overview of real estate sales 2014 to 2016

⁴ Ontario Real Estate Association – Insights: Real Estate in Ontario Monthly Reports

⁵ TrilliumWest Real Estate Brokerage Quarterly Data Reports

2.5. Reference Documents

Document Number	Document Name
Planning Documents	
1	Official Plan Amendment 43: Downtown Guelph Secondary Plan http://guelph.ca/wp-content/uploads/Attachment1OPA43.pdf
2	Downtown Community Improvement Plan http://guelph.ca/wp-content/uploads/DowntownGuelphCIP.pdf
3	Downtown Guelph Strategic Assessment http://guelph.ca/wp-content/uploads/DraftDowntownStrategicAssessment.pdf
4	City of Guelph – Prosperity 2020: Phase 1 and Phase 2 Phase 1: http://guelph.ca/wp-content/uploads/DraftDowntownStrategicAssessment.pdf Phase 2: http://guelph.ca/wp-content/uploads/Prosperity_2020_Phase2_Strategic_Directions_for_Economic_Development_and_Tourism.pdf
5	Parking Master Plan – 2015 http://guelph.ca/wp-content/uploads/ParkingMasterPlan_map.pdf
6	Downtown Streetscape Manual & Built Form Standards -- 2014 http://guelph.ca/plans-and-strategies/placemaking/
City Marketing Information	
5	Guelph Quicksheet 2015 http://guelph.ca/wp-content/uploads/2016Quicksheet.pdf
6	Guelph Community Profile http://guelph.ca/wp-content/uploads/2016-2017GuelphCommunityProfile.pdf
7	Lure Brochure http://guelph.ca/wp-content/uploads/Lure_Brochure.pdf

Table 6: List of reference documents

3. Description of Properties

The City real estate selected as part of this RFI includes five different properties. Each property presents a unique redevelopment opportunity for interested parties and are at different stages of the development process. Generally, the lands are in active use as either a surface parking lot or with current municipal services. The City is interested in considering the potential redevelopment of the properties either individually or through incorporating multiple properties into an overall development. There are several parties that have indicated an interested in potentially being a tenant as part of one or more of the properties. These parties are described under Appendix One: Supplementary Material.

3.1 Baker District (Surface Parking)

The Baker District is a City parking lot located on Baker Street bordered by Chapel Lane and Baker Street with access off both Woolwich and Quebec Streets. The Baker District property currently functions as a 250-stall public parking lot. The property has long been recognized as a potential high-value opportunity site, and has been identified for redevelopment as part of the Downtown Secondary Plan.

Three options for the Baker District development have been considered by the City. They contemplate a mix of the following uses: residential, commercial and institutional, with included public and residential parking. The table below represents a range of options that have been considered to date.

Description	OPTION A: Private & Major Institutional	OPTION B: Private & Institutional	OPTION C: Private
Residential (Units)	350	400	460
Institutional (sqft)	183,000	80,000	0
Commercial (sqft)	0	20,000	40,000
Parking (Public Spaces)	725	500	500
Parking (Private Spaces)	350	400	460

Table 7: Baker District development options

Based on the high-impact economic development potential, Guelph City Council endorsed a mix of private and major institutional development (Option A) as the preferred direction for the proposed redevelopment of Baker District which is considered a key Downtown real estate asset in June 2014. Contemplated public partners included the Guelph Public Library, Conestoga College, YMCA, and Innovation Guelph in addition to private sector involvement. Option A was considered best for the redevelopment of the site due to its ability to activate the Downtown through an increased number of visitors, residents, jobs and related retail spending. Initially the redevelopment of this property considered the inclusion of a post-secondary institution as an anchor tenant for the development. Conestoga College was identified as the potential major educational partner, and the College submitted a proposal in September 2014 to the Province of Ontario in response to a call for proposals for new and expanded campuses as part of the Province’s Post-Secondary Education Policy Framework on Major Capacity Expansion. While this proposal was unsuccessful, Conestoga College has continued to express interest in being part of the Baker District redevelopment.

Guelph City Council also directed City staff to gather market intelligence to explore the private sector's interest regarding the redevelopment of the Baker District property and, where feasible, incorporate other potential downtown development projects.

While Option A has previously been nominated as the preferred option, it is the City's objective to further confirm the highest potential value of the site through this outreach to the private sector to provide their insight and expertise regarding the three options in relationship to market, financing and phasing realities.



Figure 5: Property map for Baker District

Legend



Land that is yet to be acquired



Land currently part of property

Address	55 Baker Street
Legal Description	Pt Burying Ground, Plan 8, Pt Lane through burying ground, Plan 8, closed by MS80255, as in MS78644, MS20082, CS58221s/t Interest if any, in CS58221, Guelph (PIN 71287-0038)
Current Owner	The Corporation of the City of Guelph
Current Zoning	CBD.1
Current Zoning – Special Provision	Defined View Corridor from Eramosa Rd to Basilica (Refer Zoning Bylaw Map 63)
DSP Land Use Plan	Mixed Use 1 & Parks and Open Spaces
DSP Height Schedule	Up to 15 Storeys outside of the Protected View Corridor
Current Use	Surface Parking Lot

Known Constraints	Archeological Site, Brownfield
Site Size	2.45 acres*
MPAC Assessed Value (including 160 & 162 Wyndham St W)	\$3,126,000.00

Table 8: Overview of Baker District development

* The ultimate size of the Site may be ~3.2acres as there are additional properties nominated for acquisition. The acquisition by the City will be dependent upon the outcomes of this RFI.

Downtown Secondary Plan

The below provides the specific sections relevant to the Baker District from the Downtown Secondary Plan.

11.1.35

The Baker Street Property will be a model for mixed-use projects with uses such as a new central library, public open space and public parking, along with private sector residential and commercial uses. An Urban Design Master Plan for these lands will be required in accordance with 11.1.7.3.9 of the Downtown Secondary Plan.

11.1.4.2.7

b) A mid-block street linking Wyndham Street to Baker Street, to be built in conjunction with *redevelopment* on adjacent sites, including the proposed Downtown Main Library.

11.1.7.3.9

As identified in Schedule C, there are areas containing multiple properties west of the Speed River that represent significant opportunities for coordinated and integrated redevelopment: the Baker Street Property and the Wellington Street/Neeve Street Area. Each of these sites shall be developed based on comprehensive master plans for the site. Therefore, in addition to any other submissions required as part of a complete planning application for either of these two sites or any portion thereof, a detailed Urban Design Master Plan shall be prepared for the site by the applicant to the satisfaction of the City and in consultation with the community. The Urban Design Master Plan will be prepared in accordance with the policies of 11.1.8.5.

Known Constraints

- Archeological Site
- Infrastructure
- Land title (easements)
- Zoning Requirements
- Protected View Corridor (Zoning Bylaw Map 63)

Contingent Projects

There are several municipal infrastructure projects related to the development of the Baker District. This is not an exhaustive list but is provided for consideration by developers to include in consideration of their response to this RFI. The projects include:

Project	Association with Baker District	Status
Wilson Street Parkade and street reconstruction	In order to redevelop the Baker District which currently functions as a public car park, the Wilson Street Parkade needs to be built to provide replacement parking during any redevelopment of Baker District.	Target completion date – Q4/2017 to Q1/2018
Wyndham and Quebec Streets reconstruction	The street reconstruction is required to replace aging and undersized infrastructure necessary to service any Baker District redevelopment	Currently identified in 2020 in the Capital Investment Strategy 2017-2026 recommended Capital Budget and Forecast
Neeve Street Parking	Neve Street Parking is an additional parking inventory identified in 2019 that would further ease the Baker parking lot to be taken off line	Currently identified in 2020 in the Capital Investment Strategy 2017-2026 recommended Capital Budget and Forecast
Renewal of St George’s Square	St George’s Square is a key landmark near to the Baker District and was under previous redevelopment scenarios targeted for renewal to support the development of the Baker District	Currently identified in 2020 in the Capital Investment Strategy 2017-2026 recommended Capital Budget and Forecast

Table 9: List of contingent projects for the Baker District development



3.2 100 Norfolk Street (Public Library)



Figure 6: Property map of 100 Norfolk Street

Address	100 Norfolk Street
Legal Description	Lot 640, Plan 8, Pt Lot 639, Plan 8, Pt Nelson Crescent as closed by BLS333 & BLS133, as in MS35044, CS52280, MS39584, CS1293, CS51973, Guelph, s/t & t/w MS39584, s/t Interest in the Municipality (PIN 71291-0181)
Current Owner	Guelph Public Library Board
Current Zoning	I.1
DSP Land Use Plan	Mixed Use 2 & Parks and Open Spaces
DSP Height Schedule	3-6 Storeys
Current Use	Downtown Public Library
Known Constraints	Active Downtown Library
Site Size	0.672 acres
MPAC Assessed Value	\$2,806,000

Table 10: Overview of 100 Norfolk Street development

3.3 50 Wyndham Street (Fire Station)



Figure 7: Property map of 50 Wyndham Street

Address	55 Wyndham Street
Legal Description	Park Lot 83, Plan 8, Pt Park Lot 84, Plan 8, Pt of Reserve Between Mrs Leader's 3 Acre Lot & River Speed, Plan 8, designated as Parts 1 & 2, Reference Plan 61R-221, Guelph, s/t & t/w MS91756, s/t easement WC72702 (PIN 71285-0061)
Current Owner	The Corporation of the City of Guelph
Current Zoning	CBD. 1-1
DSP Land Use Plan	Mixed Use 1 - Active Frontage Required & Special Policy Area
DSP Height Schedule	Wyndham corner: 6-18 Storeys Rest of block: 3-6 Storeys
Current Use	Downtown Fire Station
Known Constraints	Active Downtown Fire Station
Site Size	1.12 acres
MPAC Assessed Value	\$2,311,000

Table 11: Overview of 50 Wyndham Street development

3.4 141 Fountain Street East (Surface Parking)



Figure 8: Property map of 141 Fountain Street East

Address	141 Fountain Street East
Legal Description	Lots 132, 133 & 134, Plan 8, Lots 138 & 139, Plan 8, Lot 140, Plan 8, save and except CS71526; Guelph (PIN 71284-0040)
Current Owner	The Corporation of the City of Guelph
Current Zoning	CBD. 1-1
DSP Land Use Plan	Mixed Use 1 - Active Frontage Required
DSP Height Schedule	Wyndham length: 4-8 Storeys Rest of block: 3-6 Storeys
Current Use	Surface Parking Lot
Known Constraints	Brownfield, Active 202 Space Surface Lot
Site Size	1.55 acres
MPAC Assessed Value	\$530,000.00

Table 12: Overview of 141 Fountain Street East development

3.5 34 Macdonell Street (Surface Parking)

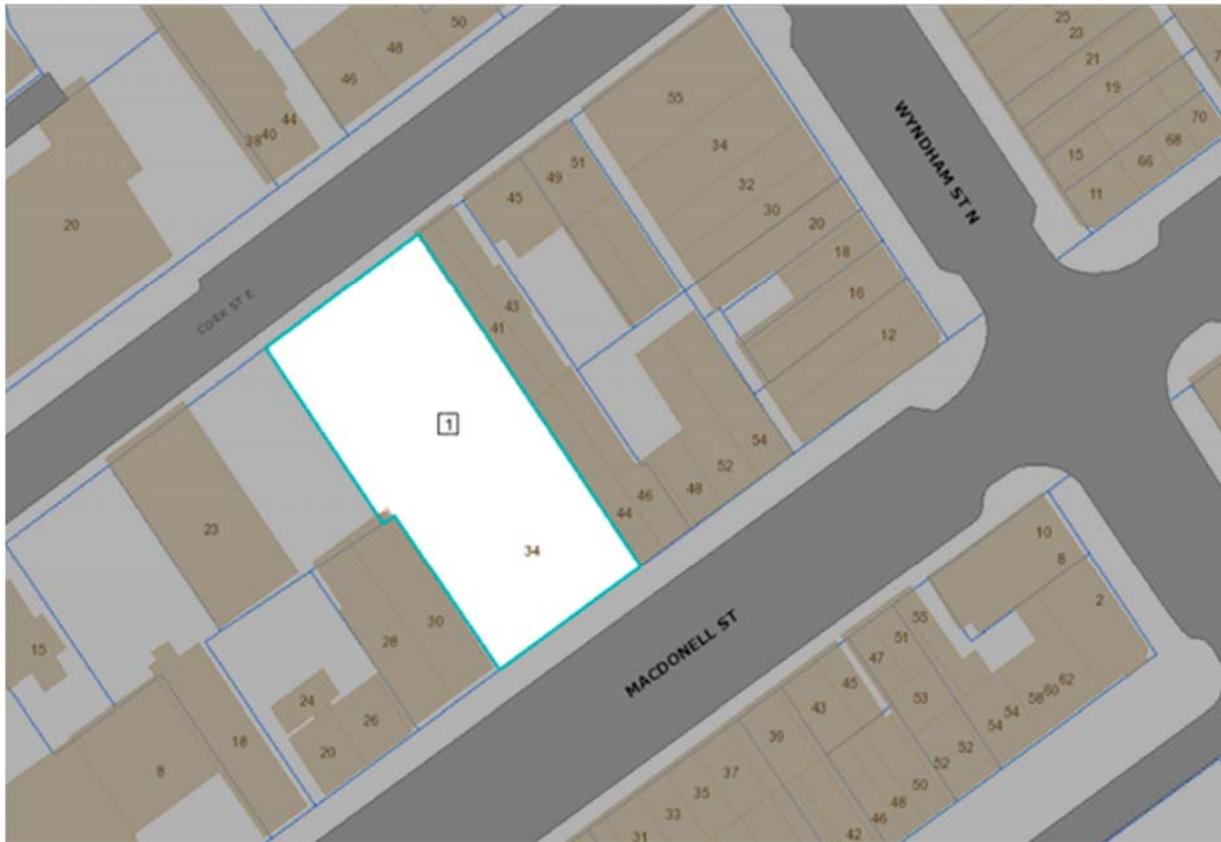


Figure 9: Property map of 34 Macdonell Street

Address	34 Macdonell Street
Legal Description	Lot 104, Plan 8; Pt Lot 110, Plan 8, Pt Macdonell St, Plan 8, as in MS46396, MS40695, MS40433, save and except the easements therein, Guelph (PIN 71286-0031)
Current Owner	The Corporation of the City of Guelph
Current Zoning	CBD. 1-1
Current Zoning – Special Provision	Part of Grange Road Protected View to Basilica (Refer Zoning Bylaw Map 63)
DSP Land Use Plan	Mixed Use 1 - Active Frontage Required
DSP Height Schedule	3-6 Storeys
Current Use	Surface Parking Lot
Known Constraints	Active 59 Space Surface Lot
Site Size	0.512 acres
MPAC Assessed Value	\$953,000.00

Table 13: Overview of 34 Macdonell Street development

4 Request for Information

This is not a bid solicitation for tenders or proposals and should not be construed as such. No reimbursement will be provided by the City of Guelph (or CB) for any costs incurred in the preparation of a response to this RFI and it is not considered as an authorization to undertake work that could result in costs. Nothing in this RFI shall be construed as a commitment to issue an RFP for this project and responding to this RFI is not a prerequisite to receiving or being eligible to bid on any potential RFP issued.

The purpose of this RFI is to solicit information, feedback and views from the private sector in relation to the following aspects:

- the market's interest in the redevelopment of City Downtown real estate assets;
- the type of developments that may be possible;
- the delivery of such projects including phasing; and
- the financing of such projects.

Interested parties (“**Responding Parties**”) are asked to provide a response that includes the information and feedback requested as part of 4.3 Required Information and 4.4 Questions for Response.

The City also retains the right to invite Responding Parties to interviews, likely in the form of a phone or video conference. Responding Parties that would like to request a meeting with CB post submission of their response should indicate this interest as part of their response.

The responses will be used to inform City decision making and reporting to Council, and detailed feedback from this process is expected to be reported publicly, including the names and characteristics of participants and information and opinions provided. However, subject to the *Municipal Freedom of Information and Protection of Privacy Act* and any other applicable law, information and opinions provided will not be attributed to individual participants.

Information submitted in response to this RFI will become the property of the City. The timeframe for the RFI, the format of responses and the required information are listed or referred to in the below sections.



4.1 Timeline for RFI



Figure 10: Timeline for RFI

Issue Date	2pm EST on December 21, 2016
Enquiries and Clarification Questions Deadline	4pm EST on January 23, 2016
Submission Date	4pm EST on January 25, 2016
Interviews	Should interviews be sought or requested they will be completed over January and February 2017

Table 14: Timeline for RFI

4.2 Response Format

Submission of your response

RFI submissions should include both a response to 3.3 Required Information and 3.4 Response Questions. Responding Parties may also include additional marketing information as per 3.5 Marketing Information.

Written responses to 3.3 and 3.4 should be no longer than ten (10) one-sided pages in length (in total), 12 font letter size.

RFI submissions should be sent to Guelphdowntownrealestate@collinsbarrow.com with “RFI Submission” followed by the Responding Parties name in the subject line. RFI submissions will be accepted as email attachments only.

Attachments should be in Adobe Portal Document format (.PDF files) and be limited to a total size for all attachments of 10MB. Should the total size be more than 10MB please submit in separate emails, each with attachments smaller than 10MB in total, with “RFI Submission Part 2 (or subsequent number as required) followed by the Responding Parties name in the subject line.

The following file naming convention should be used: RFI Submission “Responding Parties Name”.PDF

An acknowledgement of receipt will be issued as soon as possible after receipt of the RFI submission.

Enquiries and clarification questions

During the RFI process, Responding Parties may submit enquiries or requests for clarification to:

Rhett Nussey,
Vice President
Collins Barrow
T 647.727.3653
C 416.500.4947
E Guelphdowntownrealestate@collinsbarrow.com

Should the inquiries be provided by email it should include “Clarification Question” in the subject line.

A response will be issued as soon as practicable after receipt of the enquiry or clarification.

4.3 Required Information

Responding Parties should provide the following information as part of their submission:

- The name and nature of the entity (i.e. public listed company, partnership, closely held company);
- Entity website;
- Place of incorporation/registration, registered office, postal address;
- Contact details of the individual from the Responding Party with whom the City will principally communicate in its dealings with the Responding Party, including name and title, email address, office, mobile numbers, and office and postal addresses;
- A brief overview of the Responding including background information and details of their operations; and
- Their qualifications and experience in the development and timely delivery of high quality property and mixed-use developments and associated infrastructure for (at a minimum) their largest, relevant project including the Project Name, Location, Project Value (\$), when the project was completed (built) and project description.

4.4 Questions for Response

Please refer to Appendix Two for Questions.

4.5 Marketing Materials

Responding Parties should also include with their submission any company information and background in the form of marketing materials that are relevant.

Appendices

Appendix One: Supplementary Material

The following external parties are included for information as part of this RFI package. These contacts are being provided as potential anchor tenants to the redevelopment of lands within this RFI. For details and program specifics please contact the enterprises directly.

1. Co-operators General Insurance Company

The Co-operators is a leading Canadian, multi-product insurance and financial services organization with \$39.9 billion in assets under administration. Co-operators operates in three core areas: Property and Casualty (P&C) insurance, Life insurance and institutional investments. They have 4,675 employees and a dedicated financial advisor network with 2,673 licensed insurance representatives throughout Canada. They serve approximately 300 credit unions with more than 5.5 million members.

Since 1967 The Co-operators corporate headquarters have been at 130 Macdonell Street, Guelph, Ontario.

The Co-operators have an interest in the development of approximately 180,000 square feet of Class A office premises on the Baker District or 141 Fountain Street East properties.

Primary contact

Details:

Stuart Cox, Senior Vice President
Jones Lang LaSalle Real Estate Services Inc.
T 905-755-4645
E stuart.cox@am.jll.com

Secondary contact

Details:

Shawn Fitzgerald C.S.C.M.P., C.P.P., C.P.S.M, Senior Director
Enterprise Procurement & Workplace Services
The Co-operators Group Limited
T 519-824-4400 ext 302886
E shawn.fitzgerald@cooperators.ca

2. Conestoga College

Conestoga is one of Ontario's fastest growing colleges and a leader in polytechnic education. They have career-focused education programs – from apprenticeships to diplomas, degrees to post-graduate certificates, continuing education and part-time studies. Their main campus is at Doon in south Kitchener, with satellite locations in Cambridge, Guelph, Waterloo, Stratford, Brantford and Ingersoll.

Conestoga's Guelph facility at 460 Speedvale West focuses primarily on the 'motive power trades'. It has been a long-standing desire of the College to bring additional programs and training to the Guelph market in modern, well-connected facilities.

They have been involved as a potential partner in the development of the Baker District and have considered the possible program benefits of an urban campus with other like-minded institutions such as the Guelph Public Library and YMCA of Guelph. College program spaces of 50,000 – 80,000 sqft have been developed as part of earlier downtown partnership discussions.

Contact Details: **Dr. John Tibbits, President**
 Conestoga College
 T 519-748-3500
 E jtibbits@conestogac.on.ca

3. Guelph Public Library

For 132 years that the Guelph Public Library has been delivering library services, since their beginning in 1883, they have been a vital community hub for information, knowledge and entertainment. The library focuses on developing community engagement opportunities and fostering social connections. The library is often the first link between newcomers and our great community. They have attracted over 7,000 new members in 2015 to Ontario's oldest free public library. More than one million people visited the Guelph Public Library in 2015 with over 2.2 million items circulated.

In 2009 Guelph City Council directed that the new library main hub be part of the mixed-use redevelopment of the Baker District. GPL has undertaken needs assessments and additional studies that can be viewed here:

<https://www.guelphpl.ca/about/main/index.cfm>

The library has therefore been involved as a partner in the development of the Baker District and is the current occupant of the 100 Norfolk Street property.

Contact Details: **Steven Kraft, CEO, Guelph Public Library**
 T 519-824-6220 x224
 E skraft@guelphpl.ca

Appendix Two: Response Forms

Request for Information

City of Guelph

Downtown Real Estate Investment Opportunities

Response Forms



Entity Name

1. Could you please identify the redevelopment potential of each property in priority order from 1 to 5 (1 being best potential, 5 being least potential)?

Property	Development Potential (1-5)
Baker District (55 Baker Street)	
100 Norfolk Street	
50 Wyndham Street South	
141 Fountain Street East	
34 MacDonell Street	

2. Based on your assessment of the properties that have been described in this RFI, please provide an assessment of the development timing – immediate, short-term 1-2 years, medium term 3-5, long-term 5-10 years and the reasons why you would classify them as such.

Property	Development timing	Comments
Baker District (55 Baker Street)		
100 Norfolk Street		
50 Wyndham Street South		
141 Fountain Street East		
34 MacDonell Street		

In your opinion what should be the City’s focus to attract investment and accelerate development timeframes?

- Based on your assessment of the properties that have been described in this RFI, please rank them according to their market opportunity (1 being highest, 5 being lowest) and identify the types of market opportunities you see for these properties.

Property	Ranking (1-5)	Comments
Baker District (55 Baker Street)		
100 Norfolk Street		
50 Wyndham Street South		
141 Fountain Street East		
34 MacDonell Street		

4. Based on your assessment of the properties that have been described in this RFI, please rank them according to their approval/permitting requirements (1 being most favorable, 5 being least favorable) and provide your assessment of these requirements.

Property	Ranking (1-5)	Comments
Baker District (55 Baker Street)		
100 Norfolk Street		
50 Wyndham Street South		
141 Fountain Street East		
34 MacDonell Street		

5. Based on your assessment of the properties that have been described in this RFI, please rank them according to their development requirements (1 being most favorable, 5 being least favorable) and provide your assessment of these requirements.

Property	Ranking (1-5)	Comments
Baker District (55 Baker Street)		
100 Norfolk Street		
50 Wyndham Street South		
141 Fountain Street East		
34 MacDonell Street		

6. Based on your assessment of the properties that have been described in this RFI, please rank them according to their investment and development risk and readiness (1 being most favorable, 5 being least favorable) and provide your assessment of their investment and development risk and readiness.

Property	Ranking (1-5)	Comments
Baker District (55 Baker Street)		
100 Norfolk Street		
50 Wyndham Street South		
141 Fountain Street East		
34 MacDonell Street		

7. Based on your understanding of the properties that are described in this RFI, please provide your comments for each property with respect to:

- a. What level of planning/development approvals and infrastructure is required to attract private investment?

- b. Are there any other factors which will prevent private sector investment at this time?

8. The Baker District property currently contemplates market driven residential/commercial uses mixed with non-market-driven institutional uses. Please advise:

- a. What, if any, concerns you might have with this requirement.

- b. What assurances commitments and pre-conditions of development that you would need from the City and/or the noted institutional users (Guelph Public Library, Conestoga College, YMCA and Innovation Guelph) that have been identified in this RFI.
9. If you were to become involved with the redevelopment of any of the properties that are noted in this RFI, how you would like the site and any ancillary infrastructure works to be delivered.
10. With regards to the financing for the redevelopment of these properties:
- a. Please describe any potential financing concerns that you foresee for any of these properties.
 - b. What sort of lending/financing restrictions/parameters would you expect?
 - c. In your opinion how could these concerns be addressed?
 - d. What role/commitments would the City need to make, either financially or structurally?
 - e. Would such a structure be consistent across all properties described in this RFI?
11. What might be some specific factors that may cause your company to not participate in the development, and what would the City need to do to make these properties attractive for private sector redevelopment?

12. With regards to the procurement process:

- a. What information would you expect the City to provide in a procurement process?
- b. What commitments would you expect from the City to make the procurement process attractive for you to respond.

13. If the properties were owned and under the total control of your company, what would be your priority properties and why?

14. How would you propose that the City of Guelph engage or partner with the development and/or development finance community to help facilitate the development of the properties described in this RFI?

15. The City of Guelph has used incentive tools within the Downtown Guelph Community Improvement Plan to support eligible projects since the adoption of the Downtown Secondary Plan in 2012.

The large-scale redevelopment program has been the Downtown Major Activation Grant (MDAG), a tax-increment based grant (TIBG) that provides the new municipal tax value generated back to the developer following the construction and reassessment of the improvement.

Eligible costs considered included Brownfield mitigation costs, as well as downtown elements such as structured parking premiums and extraordinary off-site infrastructure improvements that may be required. Council will be reviewing and reconsidering the program in 2017.

- a. What role or impact would a program like this have in your consideration of developing the RFI properties?

- b. What other mechanisms have you encountered in other cities looking to incent investment? And are there preferences other than TIBG style programs?

16. The City will be looking at increasing the focus on employment growth within the Urban Growth Centre over the next 5 years of the Community Improvement Plan.

- a. Have you developed new office space in the last decade, and where? (suburban / downtown / brownfield)
- b. Were there clients already identified or were your projects speculative?
- c. What market thresholds were present that made the project viable in each case?
- d. What challenges are there in securing a major employment user in the current market?
- e. What's your experience in developing 'Class A' type space – and are there particular challenges in providing that level of facility in Guelph?
- f. What parking ratios were utilized? And were different ratios acceptable in different locations?
- g. Do you see a potential to grow employment uses in Downtown Guelph given the real estate momentum created and the infrastructure investments in transit, parking and rail services over the last 5 years?
- h. If there were office space clients identified in the next procurement stages for the lands in this RFI, what information, beyond the standard program and needs, would you require to develop a proposal?

About Collins Barrow

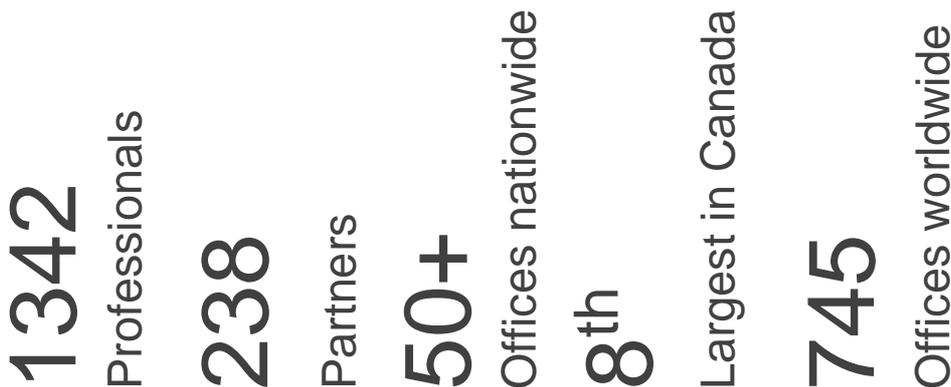
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Collins Barrow National Cooperative and Baker Tilly International statistics as at November 2016.

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Request for Information

Downtown Real Estate Investment Opportunities
No.D20161041

RFI Clarification 1

Issue Date: 13/01/2017



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Clarification(s)

This document is to clarify the requirements outlined in in the Downtown Real Estate Investment Opportunities No.D20161041.

I. RFI Clarification

Page 21 of PDF

Section 4.2 – Response Format: Submission of your response

Paragraph: One

“RFI submissions should include both a response to 3.3 Required Information and 3.4 Response Questions. Responding Parties may also include additional marketing information as per 3.5 Marketing Information.”

Clarification - This should be read *“RFI submissions should include both a response to 4.3 Required Information and 4.4 Response Questions. Responding Parties may also include additional marketing information as per 4.5 Marketing Information.”*

II. RFI Clarification

Page 21 of PDF

Section 4.2 – Response Format: Submission of your response

Paragraph: Two

“Written responses to 3.3 and 3.4 should be no longer than ten (10) one-sided pages in length (in total), 12 font letter size.”

Clarification - *“Written responses to 4.3 and 4.4 should be no longer than ten (10) one-sided pages in length (in total), 12 font letter size. **This includes the Response Forms provided under 4.4 (eight (8) pages)**¹.”*

¹ The Response Forms will contain any length of text inputted into the response fields without exceeding the existing eight (8) pages.

Contact Information

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Request for Information

Downtown Real Estate Investment Opportunities

No.D20161041

RFI Clarification 2

Issue Date: 24/01/2017



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Clarification(s)

This document is to clarify the requirements outlined in in the Downtown Real Estate Investment Opportunities No.D20161041.

I. RFI Clarification

Page 21 of PDF

Section 4.1 – Timeline for RFI

Table 14 – Timeline for RFI

*“Enquiries and Clarification Questions Deadline
Submission Date*

*4pm EST on January 23, 2016
4pm EST on January 25, 2016”*

Amendment - This should be read:

*“Enquiries and Clarification Questions Deadline
Submission Date*

*4pm EST on January 31st, 2017
4pm EST on February 2nd, 2017”*

Contact Information

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Appendix C: Description of Marketing Publications

Novae Res Urbis – Greater Toronto Area Edition published by nrupublishing

First published in June 1998 to cover planning, development and transportation issues in the four regions (Halton, Peel, York, and Durham) and their 24 respective, local municipalities (Burlington, Oakville, Milton, Halton Hills, Brampton, Caledon, Mississauga, Aurora, East Gwillimbury, Georgina, King, Markham, Newmarket, Richmond Hill, Vaughan, Whitchurch-Stouffville, Ajax, Brock, Clarington, Oshawa, Pickering, Scugog, Uxbridge, and Whitby). In recent years the publication has broadened its coverage to include the Greater Golden Horseshoe (including the City of Hamilton, Niagara Region and Simcoe County). The list of paid subscribers to Novae Res Urbis– Greater Toronto Area Edition is a ‘who’s who’ of municipal politics, real estate, development, municipal law, architecture, and land use planning. The publication is also an influential with senior and mid-level staff in key municipal and regional departments.

Readership Profile

- Over 3,500 professionals read Novae Res Urbis– Greater Toronto Area Edition each week
- 370 paid subscribers with an average readership of 7.8 individuals per subscriber
- Approximately 50 hand-picked individuals are sent Novae Res Urbis-Greater Toronto Area Edition each week on a 4-week complimentary subscription basis
- Readers are urban planning professionals, architects, municipal lawyers, plus executives from development, real estate financial services, and management consulting

Canadian Real Estate Wealth e-newsletter published by KMI Media Ltd

The Canadian Real Estate Wealth publications are designed to offer readers accurate, cutting-edge information to guide their investment decisions. The publications are filled with informative articles on a broad range of topics including property values and trends, mortgage advice and product overviews, investment strategies, surveys of particular real estate markets throughout Canada, renovating advice, and general tips and traps for buyers, sellers and investors.

Readership Profile

- National e-newsletter delivered to 35,000 real estate professionals weekdays
- 46.2% average open rates
- 21.2% average click through rate

Appendix D: Detailed description of properties

Baker District (55 Baker Street)



Property map for Baker District

Legend



Land that is yet to be acquired



Land currently part of property

Address	55 Baker Street
Legal Description	Pt Burying Ground, Plan 8, Pt Lane through burying ground, Plan 8, closed by MS80255, as in MS78644, MS20082, CS58221s/t Interest if any, in CS58221, Guelph (PIN 71287-0038)
Current Owner	The Corporation of the City of Guelph
Current Zoning	CBD.1
Current Zoning – Special Provision	Defined View Corridor from Eramosa Rd to Basilica (Refer Zoning Bylaw Map 63)
DSP Land Use Plan	Mixed Use 1 & Parks and Open Spaces
DSP Height Schedule	Up to 15 Storeys outside of the Protected View Corridor
Current Use	Surface Parking Lot
Known Constraints	Archeological Site, Brownfield
Site Size	2.45 acres*
MPAC Assessed Value (including 160 & 162 Wyndham St W)	\$3,126,000.00

Overview of Baker District development

* The ultimate size of the Site may be ~3.2acres as there are additional properties that may also be included.

100 Norfolk Street



Property map of 100 Norfolk Street

Address	100 Norfolk Street
Legal Description	Lot 640, Plan 8, Pt Lot 639, Plan 8, Pt Nelson Crescent as closed by BLS333 & BLS133, as in MS35044, CS52280, MS39584, CS1293, CS51973, Guelph, s/t & t/w MS39584, s/t Interest in the Municipality (PIN 71291-0181)
Current Owner	Guelph Public Library Board
Current Zoning	I.1
DSP Land Use Plan	Mixed Use 2 & Parks and Open Spaces
DSP Height Schedule	3-6 Storeys
Current Use	Downtown Public Library
Known Constraints	Active Downtown Library
Site Size	0.672 acres
MPAC Assessed Value	\$2,806,000

Overview of 100 Norfolk Street development

50 Wyndham Street South



Property map of 50 Wyndham Street

Address	55 Wyndham Street
Legal Description	Park Lot 83, Plan 8, Pt Park Lot 84, Plan 8, Pt of Reserve Between Mrs Leader's 3 Acre Lot & River Speed, Plan 8, designated as Parts 1 & 2, Reference Plan 61R-221, Guelph, s/t & t/w MS91756, s/t easement WC72702 (PIN 71285-0061)
Current Owner	The Corporation of the City of Guelph
Current Zoning	CBD. 1-1
DSP Land Use Plan	Mixed Use 1 - Active Frontage Required & Special Policy Area
DSP Height Schedule	Wyndham corner: 6-18 Storeys Rest of block: 3-6 Storeys
Current Use	Downtown Fire Station
Known Constraints	Active Downtown Fire Station
Site Size	1.12 acres
MPAC Assessed Value	\$2,311,000

Overview of 50 Wyndham Street development

141 Fountain Street East

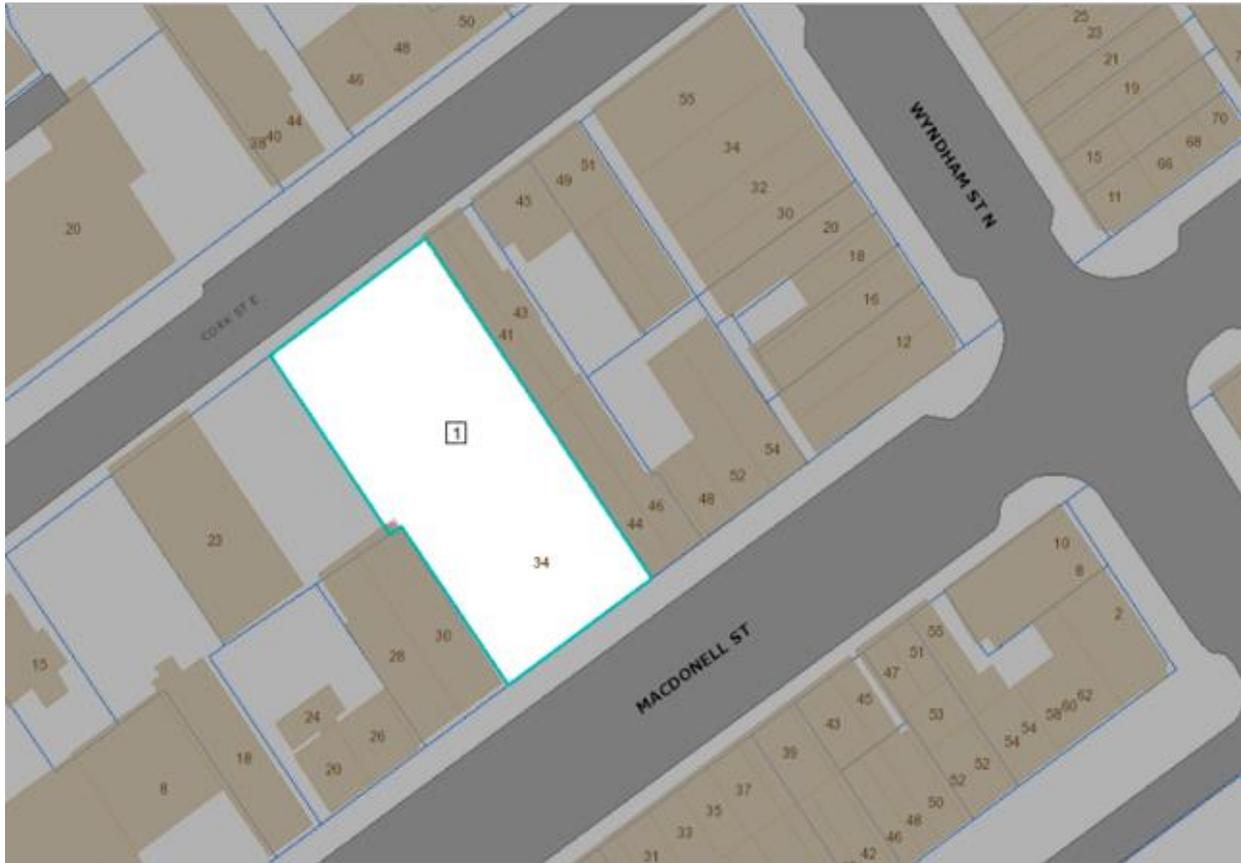


Property map of 141 Fountain Street East

Address	141 Fountain Street East
Legal Description	Lots 132, 133 & 134, Plan 8, Lots 138 & 139, Plan 8, Lot 140, Plan 8, save and except CS71526; Guelph (PIN 71284-0040)
Current Owner	The Corporation of the City of Guelph
Current Zoning	CBD. 1-1
DSP Land Use Plan	Mixed Use 1 - Active Frontage Required
DSP Height Schedule	Wyndham length: 4-8 Storeys Rest of block: 3-6 Storeys
Current Use	Surface Parking Lot
Known Constraints	Brownfield, Active 202 Space Surface Lot
Site Size	1.55 acres
MPAC Assessed Value	\$530,000.00

Overview of 141 Fountain Street East development

34 Macdonell Street



Property map of 34 Macdonell Street

Address	34 Macdonell Street
Legal Description	Lot 104, Plan 8; Pt Lot 110, Plan 8, Pt Macdonell St, Plan 8, as in MS46396, MS40695, MS40433, save and except the easements therein, Guelph (PIN 71286-0031)
Current Owner	The Corporation of the City of Guelph
Current Zoning	CBD. 1-1
Current Zoning – Special Provision	Part of Grange Road Protected View to Basilica (Refer Zoning Bylaw Map 63)
DSP Land Use Plan	Mixed Use 1 - Active Frontage Required
DSP Height Schedule	3-6 Storeys
Current Use	Surface Parking Lot
Known Constraints	Active 59 Space Surface Lot
Site Size	0.512 acres
MPAC Assessed Value	\$953,000.00

Overview of 34 Macdonell Street development

Appendix E: Response Form Feedback

Rating scale questions

The following section provides the results of the rating scale questions and ranks the properties (refer the Ranking Key below) according to who was seen as the most prospective across each of the criteria.

1 st Ranked	
2 nd Ranked	
3 rd Ranked	
4 th Ranked	
5 th Ranked	

Ranking Key

Development Timing

The Development Timing was related to how long it would require to redevelop each of the properties based on a range of considerations including market opportunity, known condition of the property, infrastructure and environmental conditions, approval/permitting requirements, City commitment etc.

Respondents were asked to classify the properties according to whether they were considered:

- Immediate;
- Short-term 1-2 years;
- Medium-term 3-5 years; and
- Long-term 5-10 years.

These selections were then assigned a value of 1 to 4 depending on the selection of the timeframe. The Immediate value was assigned “1”, Short-term “2” and so on based on the assumption that the earlier the development the better. The values were then summed. The property with the lowest overall result based on all Respondents selections was considered the most prospective with regards to Development Timing. The results of this assessment are provided below.

	Respondent One	Respondent Two	Respondent Three	Respondent Four	Respondent Five	Respondent Six	Total Ranking
Baker District	1	3	1	3	3	3	14
100 Norfolk Street	2	3	4	4	3	3	19
50 Wyndham Street South	2	4	3	3	3	3	18
141 Fountain Street East	1	1	4	3	3	3	15
34 Macdonell Street	2	2	3	2	3	2	14

Development Timing Ratings

Market Opportunity

The Market Opportunity was related to what type of use could be developed upon each of the properties e.g., residential, mixed-use, commercial etc.

Respondents were asked to rate these on a scale of 1 to 5 with 1 being highest and 5 being lowest in terms of Market Opportunity. The values were then summed. The property with the lowest overall result based on all respondents selections considered the most prospective with regards to Market Opportunity. The results of this assessment are provided below.

	Respondent One	Respondent Two	Respondent Three	Respondent Four	Respondent Five	Respondent Six	Total Ranking
Baker District	1	2	1	2	2	1	9
100 Norfolk Street	4	5	3	4	3	2	21
50 Wyndham Street South	2	3	4	3	5	1	18
141 Fountain Street East	3	1	2	5	1	1	13
34 Macdonell Street	5	4	5	1	4	3	22

Market Opportunity Ratings

Approval/Permitting Requirements

The Approval/Permitting Requirements was related to the imposition of the approvals and permits required for each of the properties for e.g., building permits, RSC: Phase 1, Phase 2 ESA, archaeological concerns etc.

Respondents were asked to rate these on a scale of 1 to 5 with 1 being most favorable and 5 being least favorable in terms of Approval/Permitting. The values were then summed. The property with the lowest overall result based on all respondents selections considered the most prospective with regards to Approval/Permitting Requirements. The results of this assessment are provided below.

	Respondent one	Respondent Two	Respondent Three	Respondent Four	Respondent Five	Respondent Six	Total Ranking
Baker District	1	4	1	5	2	5	18
100 Norfolk Street	4	5	3	2	3	3	20
50 Wyndham Street South	3	2	5	3	5	4	22
141 Fountain Street East	2	1	2	4	1	4	14

34 Macdonell Street	5	3	4	1	4	2	19
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Approval/Permitting Ratings

Development Requirements

The Development Requirements was related to the effect of factors such as site layout, infrastructure, the protected view corridor may have on the ability to successful develop the properties.

Respondents were asked to rate these on a scale of 1 to 5. 1 being most favorable and 5 being least favorable in terms of Development Requirements. The values were then summed. The property with the lowest overall result based on all respondents selections considered the most prospective with regards to Development Requirements. The results of this assessment are provided below.

	Respondent one	Respondent Two	Respondent Three	Respondent Four	Respondent Five	Respondent Six	Total Ranking
Baker District	1	3	1	5	2	4	16
100 Norfolk Street	4	5	3	2	3	3	20
50 Wyndham Street South	3	2	5	3	5	3	21
141 Fountain Street East	2	1	2	4	1	3	13
34 Macdonell Street	5	4	4	1	4	2	20

Development Requirements Ratings

Investment and Development Risk and Readiness

The Investment and Development Risk and Readiness was related to a combination of the implicit risk in each of the developments and its state of readiness (the time required to begin development).

Respondents were asked to rate these on a scale of 1 to 5. 1 being most favorable and 5 being least favorable in terms of Investment and Development Risk and Readiness. The values were then summed. The property with the lowest overall result based on all respondents selections considered the most prospective with regards to Investment and Development Risk and Readiness. The results of this assessment are provided below.

	Respondent one	Respondent Two	Respondent Three	Respondent Four	Respondent Five	Respondent Six	Total Ranking
Baker District	1	3	1	5	2	4	16
100 Norfolk Street	4	5	4	3	3	3	22
50 Wyndham Street South	3	2	5	2	5	5	22

141 Fountain Street East	2	1	2	4	1	4	14
34 Macdonell Street	5	4	4	1	4	2	20

Investment and Development Risk and Readiness Ratings

Overall Redevelopment Potential

The Overall Redevelopment Potential was based on a generalized assessment of all the criteria to provide an understanding of what was the most prospective property when all considerations were weighed and measured.

Respondents were asked to rate these on a scale of 1 to 5 with 1 being the property with the most redevelopment potential and 5 being property with the least. The values were then summed. The property with the lowest calculated result based on all respondents selections was considered the most prospective. The results of this assessment are provided below.

	Respondent one	Respondent Two	Respondent Three	Respondent Four	Respondent Five	Respondent Six	Total Ranking
Baker District	1	2	1	3	2	2	11
100 Norfolk Street	4	4	5	4	3	4	24
50 Wyndham Street South	3	5	3	2	5	1	19
141 Fountain Street East	2	1	4	5	1	2	15
34 Macdonell Street	5	3	2	1	4	3	18

Overall Development Potential Ratings

Rating scale question comments

The following provides specific comments that were made in relation to each of the criteria by property. Regardless of the ranking, there existed concerns over the redevelopment of all the sites. The below section identifies those concern(s) on a property specific basis, based on the commentary provided for each of the criteria. It should be noted that while the focus of the below is on the concerns generated over the redevelopment there was also optimism and positive comments or in some instances Respondents simply did not have any concerns. As the focus of this analysis is targeted at constructive feedback and understanding what the challenges may be, we have centered our feedback on the concerns.

	Baker District	100 Norfolk Street	50 Wyndham Street South	141 Fountain Street East	34 Macdonell Street
Development Timing	<ul style="list-style-type: none"> • Phasing of the development • Leasing of space • Marketing and sales (residential component) • Archaeological concerns • City parking requirements • Services to site (ancillary infrastructure works) • Environmental approvals (and remediation) 	<ul style="list-style-type: none"> • Uncertainty of timing regarding library relocation • Resident concerns 	<ul style="list-style-type: none"> • Uncertainty of timing regarding firehouse relocation • Irregular lot • Complexity due to small, narrow site and the 18 storey height limit 	<ul style="list-style-type: none"> • Parking lot coordination and temporary relocation • Environmental approvals (and remediation) • City Parking requirements 	<ul style="list-style-type: none"> • Parking lot coordination and temporary relocation • New Downtown zoning approval
Market Opportunity	<ul style="list-style-type: none"> • All Respondents identified mixed use as being the most desirable, however the “mix” of the land uses varied with the site allowing for a range of land use options. 	<ul style="list-style-type: none"> • A range of options were identified for the site including: mixed-use, mid-rise residential or commercial. 	<ul style="list-style-type: none"> • The property was identified as best suited for residential – potentially stacked townhouses, mid-rise residential with some ground-floor retail/commercial. 	<ul style="list-style-type: none"> • This site was seen as having a range of uses including commercial, residential, institutional – singularly or in a mixed use development. 	<ul style="list-style-type: none"> • Seen as residential with a retail/commercial component (ground floor) or stand-alone retail.
Approval/Permitting	<ul style="list-style-type: none"> • Archaeological Concerns • Environmental approvals (and remediation) 	<ul style="list-style-type: none"> • Resident concerns • Boundaries of the property: appears to interfere with the right-of-way with the Paisley-Norfolk intersection 	<ul style="list-style-type: none"> • Environmental approvals (and remediation) • Zoning 	<ul style="list-style-type: none"> • Environmental approvals (and remediation) 	<ul style="list-style-type: none"> • There were no concerns.
Development Requirements	<ul style="list-style-type: none"> • Public-use requirements 	<ul style="list-style-type: none"> • Irregular lot 	<ul style="list-style-type: none"> • Irregular lot 	<ul style="list-style-type: none"> • Requirement for an open square 	<ul style="list-style-type: none"> • Parking requirements

	(including institutional)	<ul style="list-style-type: none"> • Land and construction costs vs unit yield and per sqft sale requirements • Parkland dedication 	<ul style="list-style-type: none"> • Potential setbacks • Site layout • Firehouse relocation 	<ul style="list-style-type: none"> • City Parking requirements • Height restrictions 	<ul style="list-style-type: none"> • Size concerns • Height restrictions
Investment and Development Risk and Readiness	<ul style="list-style-type: none"> • Public-use objectives • Land assembly • Height restrictions • Archaeological concerns • City parking requirements • Environmental approvals (and remediation) 	<ul style="list-style-type: none"> • Land and construction costs vs unit yield and per sqft sale requirements • Library relocation • Parkland dedication • Resident concerns 	<ul style="list-style-type: none"> • Irregular lot • Firehouse relocation • Environmental approvals (and remediation) 	<ul style="list-style-type: none"> • Parking coordination • Environmental contamination (and remediation) • Height restrictions 	<ul style="list-style-type: none"> • Marketing risk • Parking requirements

Criteria comments

Open-ended Questions

The following sections provides the results of the open-ended questions grouped into the relevant categories. As per the rating scale question comments the focus of this analysis is targeted at constructive feedback and understanding what the challenges may be so we have centered our feedback on the concerns.

Investment Attraction

The questions relevant to this category invited discussion on what could be done by the City to promote and attract investment.

Investment Attraction	
General Comments	<ul style="list-style-type: none"> • Private sector partnerships • Capital commitments • Complete parking options for temporary relocation • City parking strategy • Complete necessary studies for environmental approvals (and remediation) and to address archaeological concerns • Development incentives • Streamlining approval processes
Property Specific: Baker District	<ul style="list-style-type: none"> • Acceptance of large scale commercial development as a preferred use on Baker District properties (as opposed to currently proposed mixed-use)

Disincentives

The questions under this category invited discussion on what would discourage private investment.

Disincentives	
General Comments	<ul style="list-style-type: none"> • Environmental approvals (and remediation) • Financing the development(s) prior to receiving the building permits is generally much more expensive. • City parking strategy (particularly related to the cost for underground or above grade structures) • Archaeological concerns • Uncertainty related to development timelines due to environmental approvals (and remediation) and archaeological concerns • Planning approvals process • Lower neighborhood interest in some commercial uses • Height restrictions • Inadequate or delayed infrastructure • Lack of financial incentives
Property Specific: Baker District	<ul style="list-style-type: none"> • Satisfying demand, sales price and absorption.

Baker District

There were two specific questions asked regarding Baker District. One asking about any concerns with the institutional requirements and a second asking what assurances would be needed from the City to address these concerns. The following feedback was provided:

Baker District	
Concerns with the Institutional Requirements	<ul style="list-style-type: none">• Institutional requirements would lower market value of land pre development• Satisfying demand, sale price and absorption for residential uses• Rent that can be achieved against allowable density/height• Parking requirements• Type of institutional uses• Who the tenants were
Assurances/Commitments needed to address Concerns	<ul style="list-style-type: none">• Long term leases with AAA covenants• Commitment to size (for institutional requirements)• Required parking space

Ancillary Infrastructure Works

The Respondents were asked how they would like the site and any ancillary infrastructure works delivered.

Ancillary Infrastructure Works	
General Comments	<ul style="list-style-type: none">• One of the Respondents preferred for ancillary infrastructure works to be provided “as is”• Zoning entitlements in place and servicing to the property line• Coordinated in advance of the construction program• Environmental approvals (and remediation) completed by the City• Infrastructure requirements fully funded by the City• Ancillary Infrastructure Works borne by both infrastructure and developer as determined through negotiations

Financial

Respondents were asked a range of questions in relation to potential financing concerns for the properties, the type of lending/financing/restrictions that could be expected, and mitigations about financing the redevelopments.

Financial	
Potential Financing Concerns	<ul style="list-style-type: none">• The length of time and uncertainty regarding environmental approvals (and remediation) particularly with regard to the RSC process and the associated Risk Assessment with the Ministry Of Environment and Climate Change

	<ul style="list-style-type: none"> • That financing before building permits would be more expensive • It was premature to comment on financing until there is a better understanding of the environmental conditions of the property • The ability of parties to meet deadlines with respect to the development of the site and the associated additional costs
Lending/Financing/Restrictions to be Expected	<ul style="list-style-type: none"> • No particular restrictions, market terms and conventional lending • Equity participation, long term leases with tenants and cost containment for construction • There will be less interest before building permits available • Construction financiers will need to see City financial support as a written agreement • Environmental approvals (and remediation) required from the City
Mitigations to address Concerns	<ul style="list-style-type: none"> • Experienced developer / existing lending relationships • Equity (Guelph participation or loan guarantee) • Full cost recovery from tenants • Cost of Construction (commitment by the City to fully fund contingencies) • Environmental approvals (remediation) by the City • Downtown incentives package • The City provide a clean “Bill of Health” prior to any development proposals • Potential for the City to take back a vendor mortgage until building permits are available • Tax-increment grants on brownfield properties and/or DC exemptions • New TIBG funding

Procurement

The Respondents were asked what information would be expected from the City in regard to the Procurement Process and what commitments would be required.

Procurement	
Information requirements	<ul style="list-style-type: none"> • Environmental approvals (remediation) • Geotech • Archaeological assessment • Any and all non-negotiable policy objectives attached to each property • Financial incentives • Outline of the City’s involvement, firm timeline for any related infrastructure projects • Broad development requirements and completed rezoning of the property to meet those requirements • Stated intention to negotiate the cost of the infrastructure necessary to enable proposed development and the forward thinking planning for the surrounding properties
Commitments from the City	<ul style="list-style-type: none"> • Fully approved funding commitments for non-market use • Clear goals and objectives, and a willingness to participate in infrastructure improvements in downtown (parking) • Partnership parameters and level of financial commitment

	<ul style="list-style-type: none"> • Infrastructure improvements • Parking strategy (site specific and downtown) • Adequate time for consultation with each proposal, but within a limited time-frame • Provide assurances that their intention is to move forward expeditiously
Commitments from the tenants	<ul style="list-style-type: none"> • Confirmed rental rates and term • Initial tenant requirements and an understanding of growth prospects

Partnership

The Respondents were asked how the City could best engage or partner with the development and/or the finance community.

Partnership

General Comments	<ul style="list-style-type: none"> • Outright sale of the property to a developer • Show commitment to invest and make the sites development-ready • Provide clear and prioritized approvals program that maximizes development opportunity • Clarification of the financial commitment the City is willing to put forward for each site • Approve proposed new downtown zoning • Get the project designed and engineered, and then make it exceedingly difficult for changes to the approved plans
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Development Incentives

The Respondents were asked what role would incentive programs currently (or previously) utilized by the City have in consideration of developing the properties and what other mechanisms have been encountered/preferred.

Development Incentives

Current (or previous) incentive programs	<ul style="list-style-type: none"> • Current (or previous) incentive programs are not an absolute necessity but likely a requirement for non-market institutional component • Would have to be available to all types of development eg. residential v commercial and future tenure • Depending on value/"quantum", would heavily direct/support developing downtown • TIBG is a very positive incentive • A program like the Major Downtown Activation Grant would highly impact the ability to prioritize properties like 141 Fountain Street East (for affordable housing) as multiple costs may be mitigated through the process • It will be absolutely essential to make the development of these properties a reality
Other Mechanisms	<ul style="list-style-type: none"> • DC waiver/exemptions/deferrals

- Tax incentives for tenants
- Waiver of planning fees
- Phased in TIF for new affordable housing

Office Developments

The Respondents were asked a range of questions on the development of new office space. The questions and responses are detailed below:

Office Developments

<i>Have you developed new office space in the last decade, and where (suburban / downtown / brownfield)?</i>	The developers had developed new office space in Kitchener, Waterloo, Mississauga, Montreal, Oakville, Toronto, and Guelph. Both greenfield and brownfield as well as suburban and downtown.
<i>Were the clients already identified or speculative prior to development?</i>	Respondents stated that there were both scenarios where clients were already identified and scenarios where it was speculative.
<i>What market thresholds were present that made the project viable in each case?</i>	<p>The market thresholds identified included:</p> <ul style="list-style-type: none"> • Rapid growth of tech industry which was a unique circumstance • Client having identified the need for new office space based on then current conditions and future market demands • Parking was a major factor impacting the feasibility of office projects in the suburbs and on urban sites
<i>What challenges are there in securing a major employment user in the current market (to utilize office space)?</i>	<p>Feedback on the challenges of securing the employment user consisted of:</p> <ul style="list-style-type: none"> • The cost of new construction v existing office stock • Being able to offer the right kinds of incentives other than base rent eg. lower operating expenses, hoteling solutions, internet of things, supply of transit-based sites, ability to attract and keep competent staff, and property location and availability • As a mid-size City (Guelph) needs to develop more critical mass of jobs/residents in the Downtown area particularly
<i>What's your experience in developing 'Class A type space – and are there particular challenges in providing that level of facility in Guelph?</i>	<p>Two of the Respondents indicated they had extensive experience with one respondent noting all their buildings are Class-A accredited buildings. Other Respondents did not specifically nominate their experience. The particular challenges nominated were:</p> <ul style="list-style-type: none"> • The cost of associated parking • The challenge will be meeting the expectations of Co-operators with respect to improvements and additional rents. • One of the Respondents did not believe it would be difficult to achieve in Guelph.
<i>What parking ratios were utilized? And were different</i>	Respondent feedback varied (see below) but a ratio of 2.5/3 per 1000 was identified as a general target. Feedback from respondents was as follows:

ratios acceptable in different locations?

- 3 per 1000 is normal. Tech has a lower need but only with walkable mixed-use areas and public transport
- 3 per 1000 in Mississauga and 2.5 per 1000 in Montreal. Both facilities were in suburban locations. The cost of underground parking was greatly reduced by using natural, rather than mechanical exhaust systems.
- The parking ratios varies in each municipality. Typically it tries to achieve urban/suburban
- Different ratios are acceptable based upon the expected use.

Do you see a potential to grow employment uses in Downtown Guelph given the real estate momentum created and the infrastructure investments in transit, parking and rail services over the last five year?

It was considered there was potential for Guelph to grow employment use but potentially limited for large footprints and that is was difficult to quantify the effects of the infrastructure investments mentioned.

Appendix F: Interview Results

Respondent One

Respondent One advised that the redevelopment process needs to be driven by the developer and not by the City. They used the Baker District as a particular example eg. height restrictions. The Respondent also felt that the City is trying to accomplish too much with all the institutional and market-driven uses for the Baker District.

They had concerns that if a decision on the redevelopment of the properties is delayed which they tend to see with municipalities is that it would be beneficial to have the environmental approvals (and remediation) process completed by the City to enable a quicker start once a decision has been reached.

While they preferred a developer driven process they suggested that if the City wants to partner on the development of sites going forward that they should consider running an RFP process that considers the appointment of a development partner for the sites based on their qualifications rather than based on the proposed development itself. Ultimately they would like the City to be open to accepting unsolicited offers of development which they believed would drive innovation.

They considered incentives provided to current real estate development projects an impediment for future projects unless they had (at least) the same incentives particularly for brownfield sites. They advised there should be some sort of core area exemption package for permit and site plan fees. They also had a preference for less upfront cost i.e. more benefits in the short-term rather than on the back-end of the development life cycle

Respondent Two

This Respondent indicated that the land remediation for various sites, which was flagged as a significant concern, is primarily because it is an unknown and that the cost may end up being minor. They also advised that DC waivers would be a preferred form of development incentive when compared to other potential incentives on offer.

Respondent Three

This Respondent had particular thoughts as to 34 Macdonell and 141 Fountain Street East. The Respondent considered that 34 Macdonell would be most appropriate for Downtown parking due to the height restrictions and that 141 Fountain Street East being “off the beaten path of the Downtown” needs a pathway to it developed linking it to Downtown core. More generally they considered that the zoning bylaws were too complex and that the City is not flexible when there exists a practical reason for an adjustment, making it difficult to do business. In order to address this they suggested the City should appoint a project manager to lead all aspects of the development, expedite and streamline approvals requirements and act as a single point of contact for the developer (i.e. Co-ordinator General type function). Additionally they suggested that the City should define broad parameters as to what is required and what will be acceptable rather than being too specific to allow parties to submit proposals that answer the City’s needs, allowing them to ‘use their imagination’.

Respondent Four

This Respondent suggested that the City should have an open dialogue on development incentives that it will provide and for these and other decisions to be clear and decisive otherwise it will lead to uncertainty in forecasting project costs.

Respondent Five

This respondent was specifically interested in the Baker District. They noted though that it ‘can’t be everything to everyone,’ and that it is impeded by the parking requirements and height restrictions. From a mixed-use perspective they advised it lent itself to commercial and some institutional. They noted it could include all the mandated institutional uses but this would not allow for Co-operators in the same development.

They had specific concerns around parking costs, believing that this will be a significant impediment to getting the Baker District developed, noting that tenants will only pay so much. They suggested that Co-operators could choose to move to suburbia where they can get a much lower rent and that the City needs to factor this into their decision because it will impact on whether they can secure a major employer downtown.

They also had concerns around 141 Fountain Street East being the site of a Co-operators development due to parking and office space.

As a next step for the development of the Baker District they suggested that all stakeholders involved in Baker District need to be consulted together but that it is unlikely all institutional uses can be catered for.

When asked whether building in Guelph would be more costly than in Toronto, they advised that building in Guelph may be more cost-effective which would be a positive for any development.

Respondent Six

This Respondent had specific concerns around parking also. Suggesting that the City should be more proactive in reducing the parking spots per unit as the parking requirements will affect the proforma, the design and potentially the institutional and commercial split and use.

They provided several site specific comments in addition to the material provided as part of the Response Forms:

- They advised that Baker District also does not have great access, it is a strange configuration and action would need to be taken to address this (additional street frontage) as part of any development.
- They also considered 34 Macdonell St as a more straight-forward development than the other properties and that it had less risk but also less upside.

In terms of next steps they advised that the City should undertake the environmental approvals (and remediation) as this would send the right signal to market and would likely be easier for the City than a real estate developer.

Acquiring the property “as-is” was not the preferred way to acquire the sites as it would take more due diligence on the developers part and more risk with clean-up costs, alternatively however the cost of the approvals (and remediation) could be discounted from the purchase price for the real estate.

Appendix G: Development Incentive Jurisdictional Review

City of Guelph

Appendix G – Development Incentive Jurisdiction Review

May 4, 2017



Table 1 – Downtown Development Incentive – Overview of Comparative Cities

City	Program	Initiative	Type of Incentive	Application			Currently Available?
				Downtown Residential	Downtown Commercial/ Office	Conversion / Renovation	
Guelph	Guelph Downtown Community Improvement Plan	Minor Downtown Activation Grant	Grant	Yes	Yes	Yes	Yes
		Major Downtown Activation Grant	Tax Increment-based Grant	Yes	Yes	Yes	No
		Downtown Feasibility Study Grant	Grant	Yes	Yes	Yes	TBC ¹
		Downtown Façade Improvement Grant	Grant	No	Yes	Yes	TBC ²
Kitchener	Downtown Kitchener Community Improvement Plan	Façade Grant Program.	Grant	No	Yes	Yes	Yes
		Grants in Lieu of Building Fees	Grant	No	Yes	Yes	Yes
		Startup Landing Pad Grant Program	Grant	No	Yes	Yes	Yes
London	London Community Improvement Plan	Upgrade to Building Code	Loan Commitment	Yes	Yes	Yes	Yes

¹ To be confirmed - the Downtown Feasibility Study Grant is currently under review.

² To be confirmed – the Downtown Façade Improvement Grant is currently under review.

City	Program	Initiative	Type of Incentive	Application			Currently Available?
				Downtown Residential	Downtown Commercial/ Office	Conversion / Renovation	
		Façade Improvement Loan Program	Loan Commitment	Yes	Yes	Yes	Yes
		Non-street Façade Improvement Loan	Loan Commitment	Yes	Yes	Yes	Yes
		Rehabilitation and Redevelopment Grant	Tax Increment-based Grant	Yes	Yes	Yes	Yes
	Heritage Community Incentive Plan	Tax Increment Grant Program	Tax Increment-based Grant	Yes	Yes	Yes	TBC ³
		Development Charge Equivalent Grant	Development Charge Waiver / Reduction	Yes	Yes	Yes	TBC ⁴
Waterloo	Uptown Community Improvement Plan	Façade improvement grant	Grant	No	Yes	Yes	Yes
		Study grant	Grant	Yes	Yes	Yes	Yes
		Fee grant	Grant	No	Yes	Yes	Yes

³ To be confirmed - Heritage Community Incentive Plan document dated March 2007.

⁴ Ibid.

City	Program	Initiative	Type of Incentive	Application			Currently Available?
				Downtown Residential	Downtown Commercial/ Office	Conversion / Renovation	
		Major activity grant	Tax Increment-based Grant	Yes ⁵	Yes	Yes	Yes
		Minor activity grant	Grant	Yes ⁶	Yes	Yes	Yes
		Commercial building improvement loan	Loan Commitment	No	Yes	Yes	Yes ⁷

⁵ For affordable housing.

⁶ Ibid.

⁷ Expires 2017.

Table 2 – Downtown Development incentive – Program Overview and Component Description

City	Program	Program Overview	Component	Component Description
Guelph	Downtown Guelph Community Improvement Plan	This plan supports the implementation of the Downtown Secondary Plan and is focused on implementing the City's economic development strategy. It contains several grants, such as the tax increment-based grants, the minor downtown activation grant and the façade improvement and feasibility study grants. ⁸	Minor Downtown Activation Grant	The Minor Downtown Activation Grant is for midsize renovation projects, such as vacant and underutilized downtown properties. Grants may be awarded for 30 per cent of a project's capital costs, up to a maximum of \$120,000. ⁹
			Major Downtown Activation Grant	The Major Downtown Activation Grant is a tax increment-based grant for major redevelopment projects involving significant redevelopment for commercial and/or residential buildings. ¹⁰
			Downtown Feasibility Study Grant	The downtown feasibility study grant is for supporting feasibility studies to assess downtown redevelopment opportunities. Grants may be awarded for 50 per cent of the cost of a feasibility study to a maximum of \$5,000 per building. ¹¹
			Downtown Façade Improvement Grant	The downtown façade improvement grant is for repairing or restoring facades of downtown buildings that have ground-floor commercial uses. ¹²
Kitchener	Downtown Kitchener Community Improvement Plan		Façade Grant Program	The City of Kitchener offers a façade-improvement grant program to assist downtown property owners and tenants with the financing of street-oriented building façade improvements. ¹³
			Grants in Lieu of Building Fees	Grants in lieu of Building Permit Fees are provided to registered owners of downtown

⁸ Retrieved from http://guelph.ca/wp-content/uploads/TIBG_FactSheet.pdf.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² Retrieved from http://guelph.ca/wp-content/uploads/TIBG_FactSheet.pdf.

¹³ Retrieved from <https://www.kitchener.ca/en/businessinkitchener/FacadeImprovementLoan.asp>.

City	Program	Program Overview	Component	Component Description
				commercial properties, within the Community Improvement Project area. ¹⁴
			Heritage Tax Rebates and Grants	Assists designated property owners with the conservation of cultural heritage resources. Owners of property designated under the Ontario Heritage Act may be eligible to receive grants toward the conservation of their property. ¹⁵
			Startup Landing Pad Grant Program	Provides property owners of downtown Kitchener 2nd storey and above underutilized building spaces and startups access to leasehold and accessibility improvement funds. ¹⁶
London	London Downtown Community Improvement Plan	The Downtown Community Improvement Plan provides a context for Downtown revitalization projects, and guides the municipal decision-making process so that actions are undertaken that are supportive of, and instrumental in, encouraging Downtown renewal. ¹⁷	Upgrade to Building Code	The Upgrade to Building Code Loan Program is intended to assist property owners with the financing of building improvements that are often necessary to ensure older buildings comply with today's Building Code Requirements. The costs associated with these improvements frequently pose a major issue for building owners wanting to upgrade their properties. ¹⁸
			Façade Improvement Loan Program	The Façade Improvement Loan Program is intended to assist property owners in identified community improvement project areas with street front façade improvements; and bring participating buildings and properties within the identified community

¹⁴ Retrieved from <https://www.kitchener.ca/en/businessinkitchener/GrantsInLieuOfBuildingPermitFees.asp>.

¹⁵ Retrieved from <https://www.kitchener.ca/en/livinginkitchener/HeritageFunding.asp>.

¹⁶ Retrieved from <http://www.kitchener.ca/en/businessinkitchener/StartupLandingPads.asp>.

¹⁷ Retrieved from <https://www.london.ca/business/Planning-Development/secondary-plans/Documents/Downtown-London-%20Community-%20Improvement-%20Plan%20-%201996.pdf>.

¹⁸ <https://www.london.ca/business/Planning-Development/fees-incentives/Documents/upgrade-building-code.pdf>

City	Program	Program Overview	Component	Component Description
				improvement areas into conformity with the City of London Property Standards By-law. ¹⁹
			Non-street Façade Improvement Loan	Up to 50% of the upgrade costs to be paid back to property owner through a grant. ²⁰
			Rehabilitation and Redevelopment Grant	The Downtown Rehabilitation and Redevelopment Grant Program is intended to provide economic incentive for the rehabilitation and redevelopment of residential and commercial properties in the Core. ²¹
	Heritage Community Incentive Plan	The Heritage Community improvement Plan seeks to address some of the financial impacts of heritage preservation by offering incentives that promote building rehabilitation in conjunction with new development. ²²	Tax Increment Grant Program	The Tax Increment Grant Program is intended to encourage the retention of existing designated heritage buildings in the City by removing some of the cost disincentives associated preservation. ²³
			Development Charge Equivalent Grant	A Development Charge Equivalent Grant may offer an additional enticement to protect designated heritage buildings from destruction when faced with a development proposal. ²⁴
Waterloo	Uptown Community Improvement Plan	The CIP is a tool to support and incent sustainable re-urbanization, revitalization and heritage conservation within the Uptown area. ²⁵	Façade Improvement Grant	Improve the appearance of the streetscape and buildings, and conserve heritage properties in the CIP boundary. ²⁶
			Study Grant	This program is intended to encourage interested parties to prepare and submit high quality professional urban design studies and drawings, as well as heritage

¹⁹ Retrieved from <https://www.london.ca/business/Planning-Development/fees-incentives/Documents/facade-improvement-loan.pdf>.

²⁰ Retrieved from <https://www.london.ca/business/Planning-Development/secondary-plans/Documents/Questionnaire-Full-Version.pdf>.

²¹ Retrieved from <https://www.london.ca/business/Planning-Development/fees-incentives/Documents/Tax-Break-Grant-Program.pdf>.

²² Retrieved from <https://www.london.ca/business/Planning-Development/secondary-plans/Documents/Heritage-Community-%20Improvement%20Plan%20-%20March-%202007.pdf>.

²³ Retrieved from <https://www.london.ca/business/Planning-Development/secondary-plans/Documents/Heritage-Community-%20Improvement%20Plan%20-%20March-%202007.pdf>

²⁴ Ibid.

²⁵ Retrieved from http://www.waterloo.ca/en/contentresources/resources/government/Uptown_staff_report_CIP_August_5.pdf.

²⁶ Retrieved from <http://www.waterloo.ca/en/business/UptownCommunityImprovementPlan.asp>.

City	Program	Program Overview	Component	Component Description
				feasibility studies and assessments to the City of Waterloo. ²⁷
			Fee Grant	This grant is intended to facilitate renovations and small expansions through the provision of an additional financial incentive to offset planning and development fees. The maximum grant available is \$10,000 per property/project. ²⁸
			Major Activity Grant	Large re-urbanization projects (over 5,000 square feet) that create new floor space for affordable housing uses and/or non-residential uses that include an office employment component are eligible for this grant. Additional incentives are provided for developments that include heritage conservation and/or sustainable building design. ²⁹
			Minor Activity Grant	This grant is intended to facilitate small expansions and new construction that create spaces of up to 464.5 square metres (5,000 square feet) for affordable housing uses and/or office employment uses. The program provides additional incentive for development that includes heritage conservation and/or sustainable building design. There is a maximum grant of \$50,000 per project/property. Additionally, an interior grant includes specific criteria for small office conversions that will lead to greater employment in the uptown core. ³⁰

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

City	Program	Program Overview	Component	Component Description
			Commercial Building Improvement Loan	This loan will help fund interior renovations and maintenance that improve the usability and/or accessibility of non-residential buildings within the uptown core. ³¹

³¹ Ibid.

References

Guelph

http://guelph.ca/wp-content/uploads/TIBG_FactSheet.pdf

<http://guelph.ca/wp-content/uploads/DowntownGuelphCIP.pdf>

London

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Kitchener

<https://www.kitchener.ca/en/businessinkitchener/FinancialIncentives.asp>

<https://www.kitchener.ca/en/businessinkitchener/FinancialIncentives.asp>

Waterloo

<http://www.regionofwaterloo.ca/en/doingBusiness/resources/reurbcommunityimprovementplan.pdf>

<http://www.regionofwaterloo.ca/en/regionalGovernment/resources/P-07-065.pdf>

<http://www.waterloo.ca/en/business/UptownCommunityImprovementPlan.asp>

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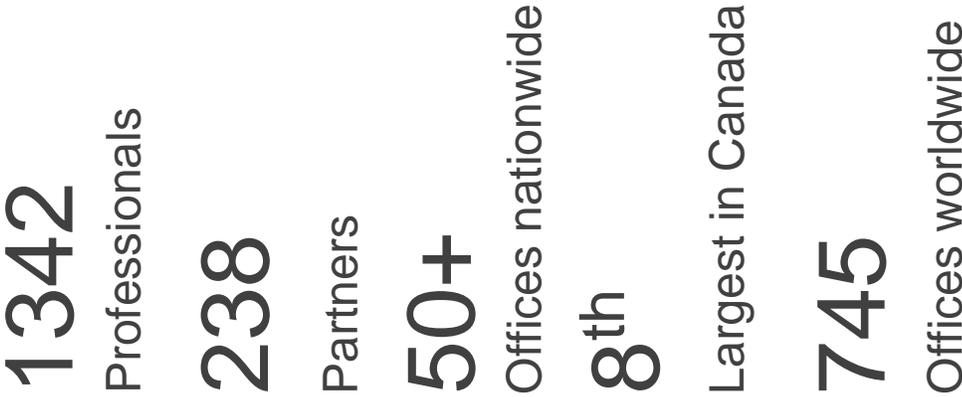
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