

Pier 8 Solicitation Process Staff Recommendations

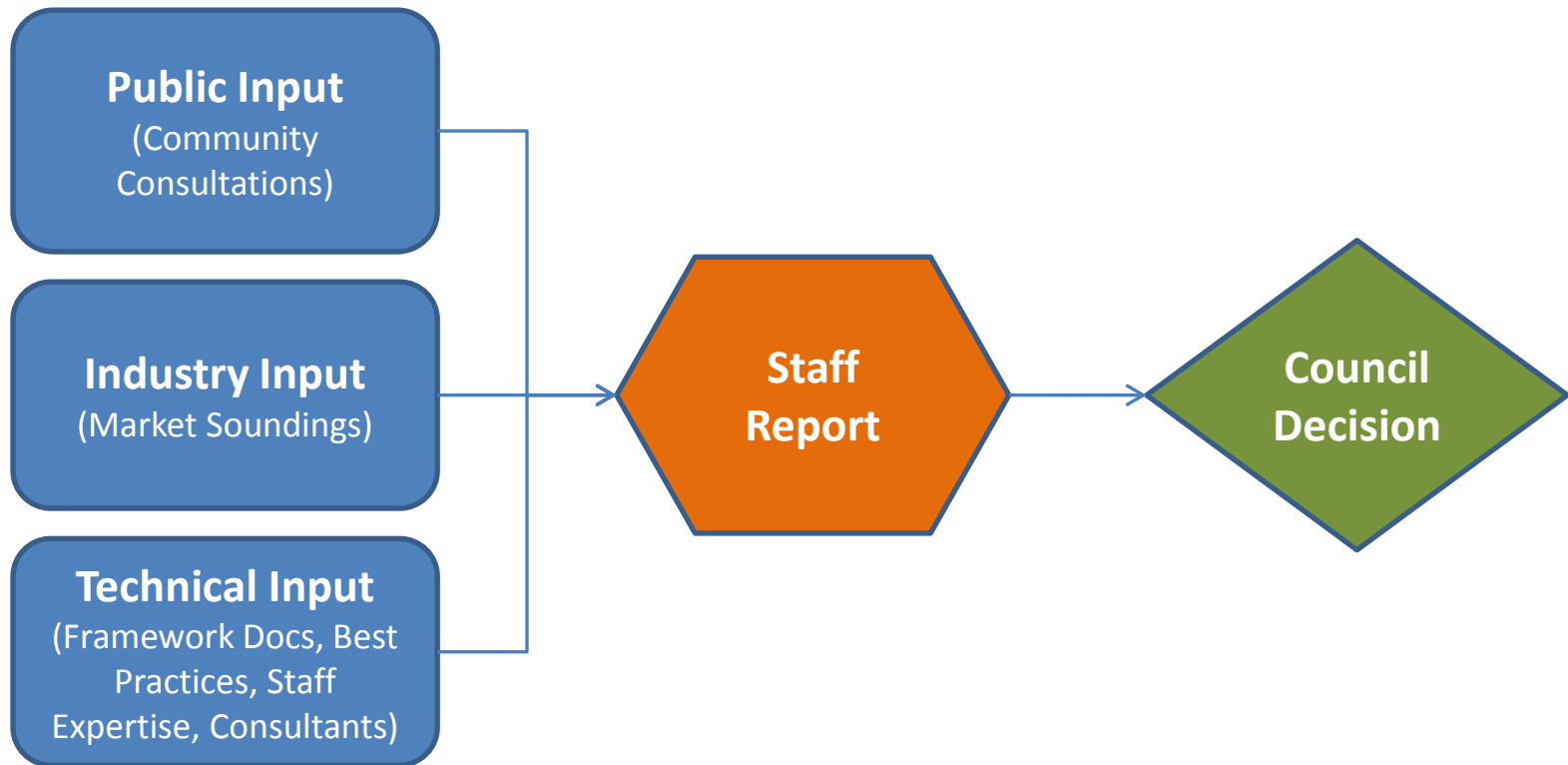
Overview of Pending Staff
Recommendations to GIC and Council

Presented to the West Harbour Development Sub-committee – October 11, 2016

Forthcoming Recommendations and Council Approval Requests

- Solicitation Process (in full) – approval in principle
- Offering Strategy (in full) – approval in principle
- Fairness Monitor – approval in principle and approval to procure
- Request for Qualifications stage – approval to commence
- Return to Council with final RFP evaluation criteria – approval in principle
- Additional research and consultations to inform RFP evaluation criteria recommendations – direction to continue

Balanced Recommendation



Best Practices

- Peers reviewed:
 - City of Victoria: Dockside Lands
 - City of Vancouver: SE False Creek Olympic Village
 - TCHC: Lawrence Heights Phase 1
 - Waterfront Toronto: Bayside
 - NCC (Ottawa): Lebreton Flats
 - Also Metrolinx Port Credit GO and other TCHC & Waterfront Toronto projects

Best Practices

- Prominent messages:
 - Partnership not transaction → multi-stage solicitation process
 - Articulate City's desired outcomes as clearly as possible
 - Fairness Monitor is good governance
 - Commercially confidential meetings help manage complexity
 - RFPs and evaluation criteria are highly customized
 - Transaction negotiation and relationship governance model determine long-term success

Public Consultation

- Vision: 8 principles from Setting Sail + 2 additional
- Multiple formats, multiple opportunities for input
 - Monthly meetings, Conversation Couches, PICs
 - Survey workshops, ranking exercises
- Workshops to inform Solicitation Strategy
 - Articulating desired outcomes and priorities
 - Broad range of opinions to inform singular direction

Public Consultation

- Prominent messages:
 - City should aim for a balance between land sale price and community benefits
 - Prioritize affordability, environmental sustainability, family-friendly options, and appropriate commercial uses
 - Affordability can be delivered through different business models and tenures – a mix is preferred

Market Sounding

- Altus Group, in-depth interview format
- Experienced developers, senior personnel, interested in Hamilton opportunities

DREAM

Diamond Corp.

bcIMC

Hi-Rise Group

Canderel

Tridel

Empire Communities

Daniels Corp.

- Wide range of opinions on most topics

Market Sounding

- Prominent messages:
 - City's vision is attractive, but market absorption and prices may inhibit feasibility
 - City's commitment to public realm and infrastructure is value driver
 - Pre-zoning reduces creativity but de-risking has value
 - Support for environmental sustainability outcomes
 - District energy is workable in theory, but limited experience in marketplace is risk
 - Advance Record of Site condition is a valuable de-risking activity although may be constraint on concept
 - City should be open to different deal/partnering structures
 - Rather than being prescriptive, let bidders offer creative solutions

Proposed Solicitation Process



- Key team members
- Track record
- Financial capacity
- How do values align with the City's?

- Detailed concept
- Visuals and drawings that reflect concept
- Financial business plan and pricing
- Demonstrate innovation and value-add that addresses City's priorities
- Presentations to Council and public

- Final sales details
- Ground rules for relationship with City
- What-if scenarios

Other Considerations

- Fairness Monitor, Procurement & Legal, Marketing
- Timing:
 - Release RFQ Q1 2017
 - Shortlist announced Q2 2017
 - Release RFP Q3 2017
 - Finalist(s) announced Q1 2018
- **Evaluation Criteria recommendation coming Q1 2017 (prior to RFP release)**

Request for Qualifications

- Pier 8 is a long term “partnership”
- RFQ focuses on Who, not Concept or Price
 - **Corporate Profile** – history, values, ownership
 - **Team Composition** – key personnel, partners, designers
 - **Alignment of Vision** – how City’s values will be upheld
 - **Areas of Expertise** – quantitative metrics
 - **Financial Capacity** – equity, creditworthiness, solvency
 - **Competitive Advantages** – distinction from competitors
 - **Record of Experience** – comparability to Pier 8

Offering Strategy

- Parameters, constraints, mandated features that define the development's risk-reward profile
- Need to set direction early in the process so interested developers are aware of expectations

Block offering

Policy integrity

Phasing plan

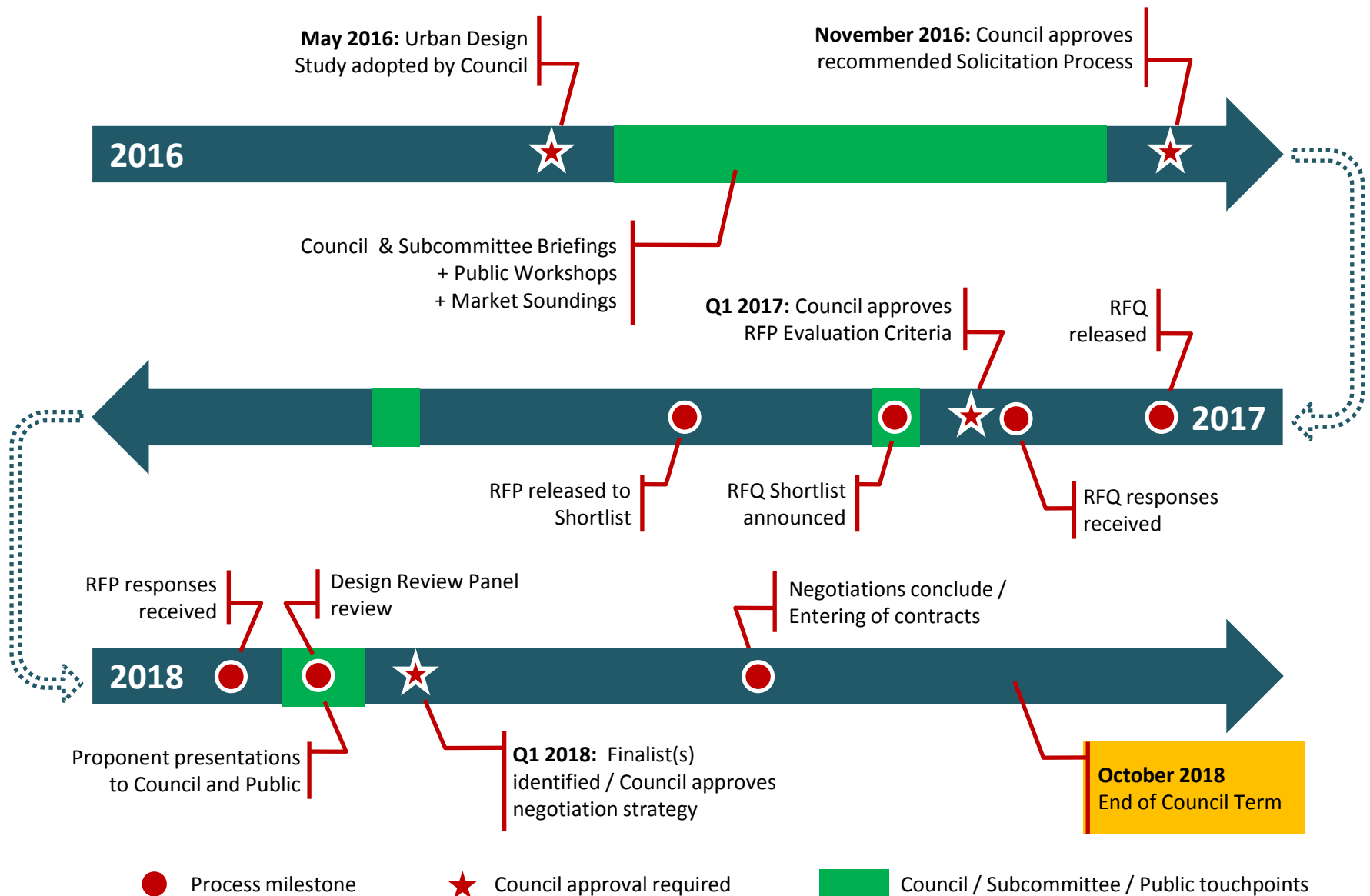
Sustainability infrastructure

Environmental condition

Affordability

Price discovery method

Solicitation Process: Sequence of Events & Approvals



Concurrent Processes

