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| TO: | CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE |
| FROM: | JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER |
| SUBJECT: | OLD VICTORIA HOSPITAL LANDS: REQUEST FOR PROPOSALS UPDATE MEETING ON AUGUST 26, 2014 |
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| RECOMMENDATION |
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That, on the recommendation of the Managing Director, Planning & City Planner, the attached report **BE RECEIVED** for information.

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| PREVIOUS REPORTS PERTINENT TO THIS MATTER |
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| June 17, 2014 | Planning and Environment Committee, "Old Victoria Hospital Lands Secondary Plan and Associated Official Plan Amendments. Old Victoria Hospital Lands Zoning Study." |
| June 9, 2014 | Investment and Economic Prosperity Committee, "Old Victoria Hospital Development Plan Update." |
| June 20, 2013 | Planning and Environment Committee, "Draft Old Victoria Hospital Lands Secondary Plan." |
| September 25, 2012 | Investment and Economic Prosperity Committee, "South Street Campus Lands Redevelopment Process: Master Development and Secondary Plans." |

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| BACKGROUND |
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At its session held June 9, 2014, the Investment and Economic Prosperity Committee directed staff to take the following action with respect to the Old Victoria Hospital Development Plan:

- a) *the Report dated June 9, 2014, from the Managing Director, Planning and City Planner, with respect to this matter, **BE RECEIVED**; and,*
- b) *the Civic Administration **BE DIRECTED** to take the necessary steps to initiate the Request for Expression of Interest/Request for Proposals process for Phase 1 of the Old Victoria Hospital lands.*

Council has also received separate reporting regarding London Health Sciences Centre (LHSC) timelines for decommissioning, demolitions and the related need for City identification of potential heritage buildings. As identified in Figure 1, below, the heritage assets are:

- The Colborne Building (1899 plus additions in entirety);
- The War Memorial Children's Hospital Building (1922 plus 1945 elevator shaft);
- The Nurses Residences (1926 and 1927); and
- The Medical Services Building (circa 1920).

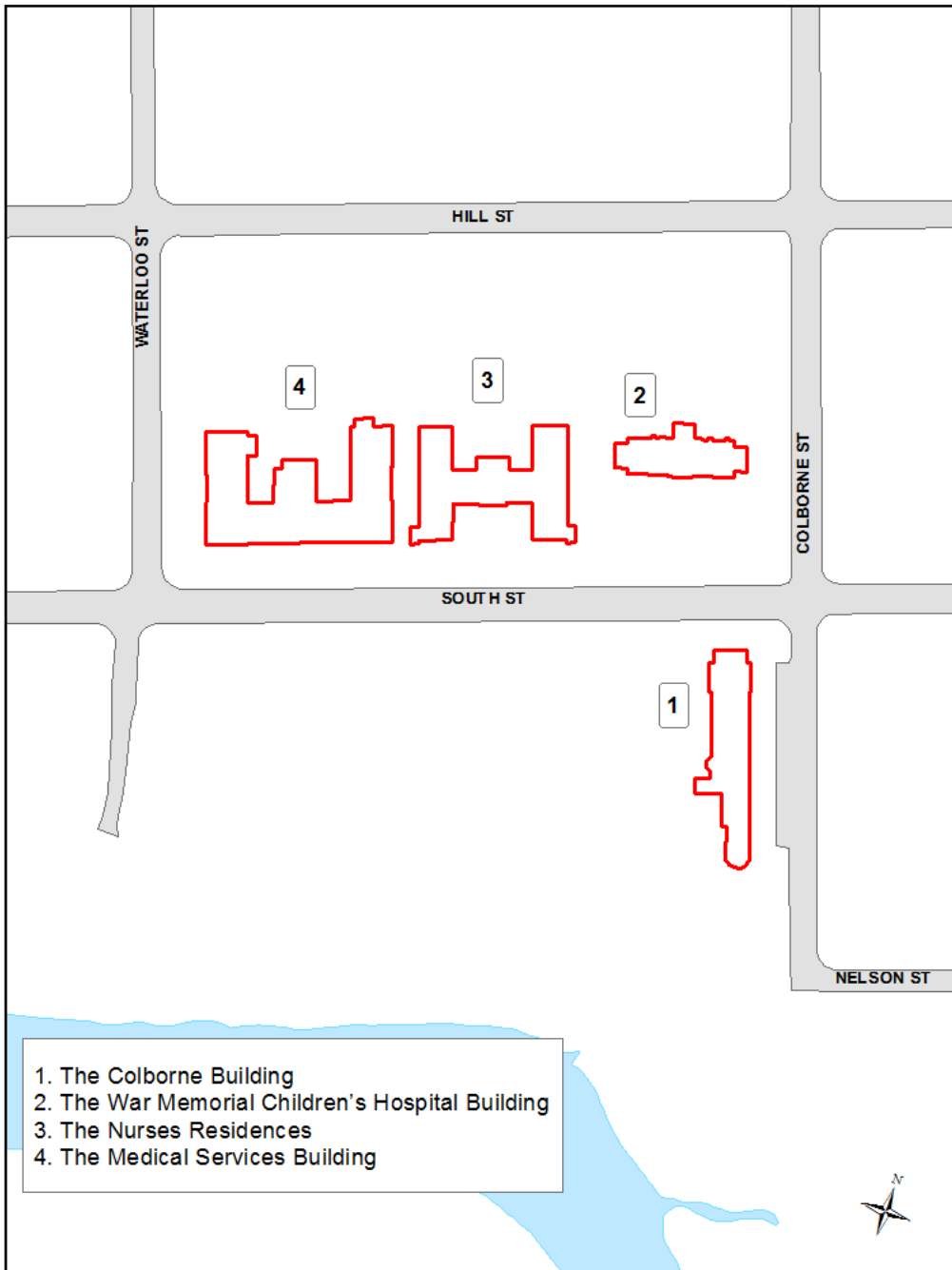


Figure 1: Heritage Buildings

In response to Council's June 9, 2014, direction, a Request for Proposals (RFP) process is being undertaken in order to:

- Meet the City's and community's goals for re-development of the site, as identified in the objectives of the Old Victoria Hospital Secondary Plan;
- Determine market interest in Phase 1 of the Old Victoria Hospital lands (see Figure 2, below, for Phasing);
- Determine market interest in adaptive re-use of the heritage buildings, or heritage elements identified by Figure 1, above; and
- Provide Council with the necessary information to assess the viability of maintaining one or more of these heritage buildings.



Figure 2: Generalized Phasing Plan

REQUEST FOR PROPOSALS - UPDATE

Administration is currently working to issue an RFP to identify private developers interested in the purchase and development of the subject lands. The RFP process is projected to dovetail with timing requirements for building decommissioning/demolitions led by the LHSC. Pending the market response to adaptive re-use of the heritage buildings remaining on site, Council can make a decision regarding heritage conservation and adaptive re-use that is based on the RFP, and within timelines identified by the hospital authority. The decision will be informed by the RFP because of the requirement for proponents to consider adaptive re-use of heritage buildings as part of their RFP (Stage 1) proposal submission.

To test market interest within the identified demolition timelines of the LHSC, the RFP process has been separated into two (2) stages. The first stage RFP will require proponent developers to:

- Include expressions of interest;
- Identify qualifications and financial capability to undertake the development project; and
- Provide the City with a high-level development concept that includes any proposed heritage buildings or heritage elements proposed to be retained and adaptively re-used.

Submissions will be accepted for the Phase 1 lands and will also allow for proposals that configure development differently than the current phasing concept.

Proposals received by the City will be evaluated by an inter-departmental steering team against a range of evaluation criteria, including but not limited to: the project teams' capabilities and experience, demonstrated financial capacity, and development concepts that align with goals and policies identified through the SoHo Community Improvement Plan and the Old Victoria Hospital Secondary Plan.

**Old Victoria Hospital Development Plan
T. Macbeth**

Based upon results of the evaluation, respondents with the highest scores will be short-listed and invited to participate in the second stage RFP. The second stage RFP will require more detailed architectural and design concepts as well as any further information required, as identified by the steering team.

The RFP document prepared by the City will be complimented by production of website and hard-copy marketing materials and by an outreach program, both of which will aim to effectively communicate the site's development potential and community goals. The marketing and outreach will also seek to ensure that messages are received by key decision-makers at firms, organizations, and publications in the development industry.

The following table is a generalized projected timeline for completion of the first stage RFP process, noting Staff will report back to Council throughout the RFP process:

| Activity or Deadline | Anticipated Completion |
|---|--------------------------------|
| Writing of RFP and Marketing material | Up to Week of October 31, 2014 |
| Public release of RFP | Week of November 1, 2014 |
| Deadline for respondents' RFP submissions | Mid-December 2014 |
| Evaluation by Steering Team complete | Week of February 1, 2015 |
| Second stage RFP begins | April 2015 |

The second stage of the RFP process is projected to have comparable timelines to Stage 1, with an anticipated six (6) to eight (8) weeks' submission period for the more detailed design concepts and additional materials, and a similar timeframe for the Steering Team's evaluation of Stage 2 proposals. For Phase 1 of the Old Victoria Hospital lands, as identified above in Figure 2, the projected completion of the entire RFP process is by fall of 2015.

The next land sale and development phase of the site is anticipated to be released for RFP in five (5) years; however, subsequent releases of land will be flexible to meet market needs and will be based upon absorption and market interest.

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| PREPARED BY: | SUBMITTED BY: |
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| TRAVIS MACBETH, MCIP, RPP PLANNER II, LONG RANGE PLANNING AND RESEARCH | JIM YANCHULA, MCIP, RPP MANAGER, URBAN REGENERATION |
| RECOMMENDED BY: | |
| | |
| JOHN M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER | |

August 8, 2014
TM/tm

CC: Geoff Belch, Corporation Counsel
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