

Planner: G. BAILEY

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| TO: | CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON TUESDAY JUNE 20, 2017 |
| FROM: | JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER |
| SUBJECT: | LORNE AVENUE PUBLIC SCHOOL UPDATE 723 LORNE AVENUE |

RECOMMENDATION

That, on the recommendation of the Managing Director, Planning and City Planner, the staff report providing an update on the Lorne Avenue Public School building **BE RECEIVED** and the following actions **BE TAKEN**:

- a) That the Civic Administration **BE DIRECTED** to continue with the demolition of the Lorne Avenue Public School building; and
- b) That any future unsolicited proposals **BE RETURNED** unopened to interested parties to allow the demolition process to move forward unimpeded.

IT BEING NOTED that funding for the demolition has been identified through 2016 year-end surplus as approved by Municipal Council on April 18, 2017.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Four in-camera reports to Corporate Services Committee dated February 4, 2014, March 18, 2014, August 26, 2014, and February 21, 2017 respectively

Corporate Services Committee – March 24, 2015 – Lorne Avenue Public School Update

Corporate Services Committee – February 21, 2017 – Lorne Avenue Public School Request for Proposals Update and Next Steps

STRATEGIC PLAN 2015-2019

Municipal Council has recognized the importance of parks and investing in public spaces in its 2015-2019 Strategic Plan for the City of London. Providing for a new park at the Lorne Avenue Public School site supports three of the four Areas of Focus as follows:

Strengthening Our Community – Amazing arts, culture, and recreation experiences

Building a Sustainable City – Beautiful places and spaces

Growing Our Economy – Urban regeneration

DISCUSSION

Background

Municipal Council, at its session held on September 2, 2014 resolved that the following actions be taken with respect to the acquisition of the Lorne Avenue Public School property located at 723 Lorne Avenue:

- a) *the Civic Administration BE DIRECTED to submit the proposed Offer to Purchase to the Thames Valley District School Board to acquire the subject property at a purchase price of \$550,000, as contained in the staff report dated September 2, 2014, subject to:*

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- i) *the City having 120 days from the date of the Vendor's acceptance of the Agreement to satisfy itself in its sole and absolute discretion as to the soil and environmental condition of the property;*
 - ii) *the Purchaser successfully rezoning the subject property to an Open Space OS Variation and/or Residential Variation and successfully obtaining an amendment to the Official Plan, if necessary, within 240 days of the Vendor's acceptance of the Agreement; and*
- b) *the financing for this acquisition BE APPROVED as \$250,000 from the Parklands Reserve Fund and \$350,000 from the Miscellaneous Property Acquisition Reserve Fund. (C1/21/CSC) (3/17/CW)*

On October 15, 2014 the City entered into an Agreement of Purchase and Sale with the Thames Valley District School Board (TVDSB) to acquire the Lorne Avenue Public School property located at 723 Lorne Avenue for \$550,000, subject to several conditions.

The City took possession of the property from the TVDSB on October 28, 2016.

Endorsed Process

The March 24, 2015 report to Corporate Services Committee outlined the process that was endorsed by Municipal Council on March 31, 2015 regarding engagement with the local community and to determine the process to solicit private sector interest and opportunities in retaining the school building.

Briefly, the endorsed process outlined two general scenarios to guide the disposition of the site.

Scenario "A" is the creation of a municipal park on a portion of the site and the sale of the existing school building to a purchaser who will retain the remainder of the site and all or a portion of the existing building for a use that is compatible with the neighbourhood determined through the Request for Proposals (RFP). Scenario "A" envisioned a symbiotic relationship between the existing school building, the community, and the municipal parkland.

In the event that the Scenario "A" RFP is unable to attract a successful purchaser, Scenario "B" envisioned the demolition of the existing school building, the creation of a municipal park on a portion of the site, and a repurposing of the remainder of the site for a use that is compatible with the neighbourhood.

Community Engagement and Request for Proposals Results

On April 23, 2015, Planning Services and the Old East Village Community Association co-hosted a community information meeting to discuss the City's purchase of the Lorne Avenue Public School property to create a neighbourhood park, to share the RFP process for finding a purchaser for the building (Scenario "A"), and to learn about the community's vision for the site and parkland.

Feedback from the community information meeting was incorporated into RFP16-10 – Adaptive Re-use Opportunity: Lorne Avenue Public School Building that was released on February 12, 2016 for six weeks. Also, a community member was chosen by the community to sit on the RFP Evaluation Committee. The RFP closed on March 24, 2016.

It should be noted that the original RFP closing date was March 25, 2016. On February 19, 2016 an Addendum to the RFP was released to formally change the closing date to March 24, 2016 as the original closing date coincided with Good Friday. The Addendum was released on the RFP's Biddingo webpage. The timing of the Addendum still allowed the RFP to be available to the public for five weeks subsequent to the amended deadline.

An update on the Lorne Avenue Public School RFP results was provided to Corporate Services Committee on February 21, 2017. The RFP did not result in an eligible submission for review by the Evaluation Committee. One submission was received late. As per the Procurement of Goods and Services Policy, the late submission was returned to the proponent unopened.

As the RFP did not result in an eligible submission, Staff recommended that the Civic Administration be directed to return with a plan for demolition for the school building.

Municipal Council, at its session held on March 2, 2017 resolved that the following actions be taken with respect to the Lorne Avenue Public School Request for Proposals process:

- a) *the staff report dated February 21, 2017 BE RECEIVED;*
- b) *the Civic Administration BE DIRECTED to return with a plan for demolition of the Lorne Avenue Public School building; it being noted that a source of financing for the demolition costs will need to be identified;*
- c) *the Civic Administration BE DIRECTED to hold a community meeting to re-engage the local Old East Village community to update them on the process to date and articulate the community's vision for parkland and residential infill on a cleared site; and*
- d) *in the event that staff feel that there is a viable opportunity for retention of the building that comes forward prior to its demolition, the Civic Administration BE DIRECTED to bring that opportunity forward for the consideration of the Municipal Council.*

This report will focus on clause b) and c) of the March 2, 2017 Municipal Council resolution.

Clause b):

Source of Financing for Demolition Costs

As noted above, a source of financing for the \$3,000,000 estimated demolition costs was required and has since been identified through 2016 budget surplus as outlined in the 2016 Operating Budget Year-end Monitoring Report approved by Municipal Council on April 18, 2017.

Demolition Plan

A Request for Proposal for a consultant for the demolition of Lorne Avenue Public School was issued and closed in May 2017. Civic Administration is prepared to issue a purchase order for \$51,105.00 (excluding HST) pending Municipal Council's approval to proceed.

Pending approval from Municipal Council and London Advisory Committee on Heritage (LACH) the tentative demolition schedule is as follows:

- September 2017 - Completion of tender contract documents;
- October 2017 – Issue tenders and award demolition contract; and
- Spring 2018 – Completion of demolition.

Holding Costs

Projected holding costs are estimated at \$200,000 until the end of October 2017 when the site is turned over to the demolition contractor. These costs include utilities, building repairs as required, grounds maintenance and security. Site security which was enhanced in late 2016 to address vandalism and intrusions account for the majority of these costs.

Heritage Demolition Process

The Lorne Avenue Public School building is located within the Old East Village Heritage Conversation District and designated under Part V of the *Ontario Heritage Act*. There is a formal process for the demolition of buildings located on heritage designated properties including consultation with the LACH, a public participation meeting at Planning and Environment Committee, and a final decision by Municipal Council. There is a maximum 90 day response time under the *Ontario Heritage Act* when a request to demolish has been received.

Archaeological Assessment Update

A Stage 1 Archaeological Assessment was completed for the site which determined that the property demonstrates high potential for archaeological resources. A Stage 2 Archaeological Assessment, which includes field work, is required. A source of financing for the Stage 2 Assessment has been identified and a Purchase Order issued for the work. Upon Municipal Council direction to continue moving forward with the demolition the archaeological work is scheduled to begin in late June in advance of the demolition activities.

Clause c):

June 27, 2017 Community Meeting

To satisfy clause c) of the March 2, 2017 Municipal Council resolution a community meeting has been scheduled for June 27, 2017. This community meeting is being held at the end of June as the City of London convention is to avoid community meetings in July and August.

This meeting will focus on the park's features, dimensions, site location, as well as the future use of the school building based on Municipal Council's direction.

Clause d):

Unsolicited Proposals Process

Initially two parties (Campus Creative and an international school) expressed interest in acquiring the Lorne Avenue Public School building. After the RFP process had closed, Campus Creative submitted an unsolicited proposal that was reviewed by Staff. Staff believed that the unsolicited proposal was lacking in crucial details, in particular, the costs to operate and maintain the school building appeared to be understated. No action was taken by Municipal Council regarding this initial Campus Creative unsolicited proposal.

The February 21, 2017 Corporate Services Committee report and the resulting media attention around the proposed demolition of the Lorne Avenue Public School resulted in four additional interested parties approaching City staff seeking further information on acquiring the school building.

In response to this interest and to be able to fairly and transparently review unsolicited proposals to determine if a viable opportunity for retaining the building existed (in other words, satisfy clause d) of the March 2 Council resolution), Staff developed the *Guidelines for Evaluating Unsolicited Proposals for the Lorne Avenue Public School Building* ("*Guidelines document*" – attached as Appendix "A").

To develop the *Guidelines document*, Staff exercised the new exemption in the Procurement of Goods and Services Policy Schedule B item 16 first approved by Municipal Council on December 19, 2016: Planning and Development or Re-development Projects to purchase, sell, or repurpose property or other City assets.

By using this exemption, the City is not bound by the Procurement of Goods and Services Policy or the Request for Proposals process defined within it for Planning and Development or Re-development projects to sell City assets such as the Lorne Avenue Public School building.

As a result, Staff created a framework for the evaluation of unsolicited proposals to determine if they represented a "viable opportunity". Since an extensive hierarchy of criteria were created for the RFP process, these criteria formed the basis for the *Guidelines document*.

The *Guidelines document* was sent to the five interested parties (Campus Creative and the four new parties) on Friday March 31, 2017. Included with the *Guidelines document* was an Asbestos Product Survey, Designated Substance Report, information on building renewal costs from the TVDSB, a Stage 1 Archaeological Assessment report, information on utility costs, and building floor plans.

A site visit of the school was held on Wednesday April 19, 2017. Three of the five interested parties attended the site visit. Originally, this site visit had been deemed mandatory by the *Guidelines document*, but after further consultation with the City Solicitors' Office, the mandatory site visit requirement was waived as it was determined that making the site visit mandatory was inconsistent with Municipal Council's direction with respect to the Lorne Avenue Public School site.

After the site visit, the interested parties requested further information and documentation. As a result, the following was shared with all interest parties: a reference plan, a Phase 1 Environmental Site Assessment, site plan and floor plan drawings with servicing detail, servicing drawings for Queens Place, as well as hard copy drawings of both the 1961 addition and the 1969 addition (full architectural and mechanical / electrical sets) were made available at the Planning Services office for review. Only one interested party reviewed the hard copy drawings.

Initially, a deadline of May 12, 2017 was selected for all interested parties who received the *Guidelines document*. This meant interested parties had six weeks (the same as the RFP) to prepare an unsolicited proposal for review by Staff. Internal discussion between City staff resulted in the deadline being extended until May 26, 2017. This new deadline better aligned the unsolicited proposals process with the issuance of the RFP for a demolition consultant.

In total, interested parties had eight weeks to submit a proposal to the Civic Administration for review to assess its viability.

In late April 2017, a sixth interested party approached City staff seeking information on acquiring the Lorne Avenue Public School building. In discussion with Purchasing and Supply and the City Solicitors' Office, Staff determined that this sixth interested party could participate in the aforementioned Unsolicited Proposals Process.

Staff provided them with the same information about the site and building including the *Guidelines document* that was provided to the other five interested parties. Staff strongly suggested that any submitted unsolicited proposal should adhere to the *Guidelines document* in order for Staff to be able to determine if the proposal is a viable opportunity for retaining the building.

A second site visit was held on May 16, 2017 for all interested parties.

CONCLUSION

The Lorne Avenue Public School property was acquired by the City of London to meet a critical need for parkland in the Old East Village neighbourhood.

A Request for Proposals was released in February 2016 to gauge the private sector interest and seek proposals for retaining all or a portion of the school building. No eligible proposals were submitted that could be reviewed by the Evaluation Committee.

As no eligible RFP submissions were submitted and consistent with the previously endorsed process, staff recommended to move forward with demolishing the building, establishing a park and development plan, severing the development parcel, and constructing the new park.

Staff continue to recommend demolition of the school building. Further, staff recommend that any future unsolicited proposals be returned unopened to interest parties to allow the demolition process to move forward unimpeded.

While Planning Staff were facilitating the unsolicited proposal process, other simultaneous processes were underway to implement the Council resolution from March 2, 2017 including scheduling the archaeological assessment, securing a source of financing for the demolition, and obtaining a consultant to create the demolition plan for the school. Upon Municipal Council direction to continue moving forward with the demolition, the archaeological work is scheduled to begin and the demolition consultant RFP will be awarded.

Acknowledgments

This report was prepared with input from Bill Warner, Realty Services, Tim Wellhauser, Daryl Diegel and Allan Taylor, Facilities, and Alan Dunbar, Financial Planning and Policy.

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June 8, 2017

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Attach: Appendix A – Guidelines for Evaluating Unsolicited Proposals for the Lorne Avenue Public School Building

Appendix A – Guidelines for Evaluating Unsolicited Proposals for the Lorne Avenue Public School Building

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Guidelines for Evaluating Unsolicited Proposals for the Lorne Avenue Public School Building

In order to determine if an unsolicited proposal is a viable opportunity for retention of the Lorne Avenue Public School building, the City of London requests that the following information and documentation be included when submitting an unsolicited proposal to purchase the building.

Site Visit / Building Inspection

- a) A site visit / building inspection has been scheduled for **Wednesday, April 19, 2017 at 2:00 pm** at Lorne Avenue Public School, 723 Lorne Avenue, London, ON.
- b) Each Proponent is **required** to attend the site visit / building inspection. Failure to attend the site visit will result in your unsolicited proposal being rejected.

Submission Instructions

Closing Date and Time

Proponents are required to submit one (1) hardcopy in a sealed envelope clearly identified as an unsolicited proposal for the Lorne Avenue Public School building. In addition, Proponents must submit one (1) electronic copy of their unsolicited proposal on a USB flash drive, in the sealed envelope. **Please note that the USB flash drive will be non-refundable and will become property of the City of London.** Unsolicited proposals can be mailed to Planning Services, Attn: Graham Bailey, P.O. Box 5035, London, Ontario N6A 4L9 or hand delivered (in person or by courier) to Planning Services, 206 Dundas Street, London, Ontario N6A 1G7 and must be received before **2:00 pm, local time, Friday, May 12, 2017.**

Proponents are solely responsible for ensuring their unsolicited proposals are received by Planning Services prior to the closing date and time.

Late Submissions

Unsolicited proposals received by Planning Services later than the specified closing time will be returned, unopened, to the Proponent.

Period of Acceptance

The unsolicited proposal is to remain firm for acceptance for a period of **one hundred and twenty (120) days** from the date of closing.

Questions/Inquiries

Inquiries regarding the submission of an unsolicited proposal are to be directed to City of London, Planning Services, Graham Bailey, Planner II, by e-mail at gbailey@london.ca

Inquiries **must not** be directed to other City employees or Elected Officials. Directing inquiries to other than Planning Services may result in your proposal submission being rejected.

All clarification requests are to be sent in writing via email to the individual mentioned above.

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No clarification requests will be accepted by telephone. Responses to clarification requests will be provided to all Proponents in writing via email.

The City assumes no responsibility for any verbal (spoken) information from any City staff or from any Consultant firms retained by the City, or from any other person or persons who may have an interest in an unsolicited proposal for the Lorne Avenue Public School building.

Each Proponent must review all documents and promptly report and request clarification of any discrepancy, deficiency, ambiguity, error, inconsistency, or omission contained therein. Any such request must be submitted to the City in writing via email, prior to Friday, May 5, 2017, at 2:00 p.m.

Rights Reserved by the City

- a) The City reserves the right to modify any and all requirements stated in this Guideline document at any time prior to the possible awarding of a contract.
- b) In the event of any disagreement between the City and the Proponent regarding the interpretation of the provisions of this Guideline document, the Evaluation Team or an individual acting as a representative of the Evaluation Team, shall make the final determination as to interpretation.

Joint Submission

If an unsolicited proposal is a joint proposal submission of two (2) or more Proponent firms, a single unsolicited proposal is to be coordinated and submitted by the lead firm with the required information. The lead firm shall act as the Proponent in all contractual obligations of any resulting award and agreement, or as determined by the City.

For the purpose of the unsolicited proposal, the Lead Proponent, which may be a joint venture, is the primary purchaser of the building. Where the Lead Proponent is a joint venture a "Participant in Charge" shall be identified. The Proponent's Team includes all of the technical consultants and advisors to the Lead Proponent.

Multiple Proposals

Proponents may submit more than one unsolicited proposal. Should a Proponent submit more than one (1) unsolicited proposal, each proposal submission shall be submitted as a separate envelope. Each unsolicited proposal will be evaluated as a separate proposal submission. Each unsolicited proposal must meet all of the mandatory requirements of this document.

Completeness of Proposals

The City of London will open each unsolicited proposal and will review its contents to assess whether it is complete. While a proposal that fully complies with the requirements of this document is likely to be evaluated more favorably, a failure to comply fully does not necessarily mean a proposal will be rejected or disqualified.

If an unsolicited proposal does not provide sufficient information to permit evaluation of the proposal, the City of London may, without liability, cost or penalty, eliminate the proposal and, if eliminated, the proposal will not be given any further consideration. The Evaluation Team may, in its sole discretion, determine that it wishes to consider an incomplete proposal.

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General Submission Requirements

- a) The onus is on the Proponent to show their knowledge, understanding and capacity to conduct the work outlined in their unsolicited proposal.
- b) The unsolicited proposal will be assessed according to how well the submission assures the City's success in relation to the requirements. The detail and clarity of the unsolicited proposal will be considered indicative of the Proponents expertise and competence.
- c) All information provided in the unsolicited proposal must contain sufficient detail to support the services and uses being proposed.

Specific Submission Requirements

A title page which will include the Proponent's legal name, address, telephone and fax numbers, e-mail address, and name of primary contact and date.

Vision Statement and Re-use Proposal

All unsolicited proposals shall include a **vision statement and re-use proposal**. The vision statement and re-use proposal will identify the Proponent's vision and proposal for adaptively re-using the Lorne Avenue Public School building and lands and how they would successfully implement it, including a statement of why they are the best potential purchaser for the building and lands. The vision and re-use proposal shall include graphics, a full description of the proposed use for the building and lands and the required zoning (including parking requirements). Further, the vision and re-use proposal shall respond specifically to the objectives below.

- a) **Compatibility**
 - Describe how their proposed approach to the adaptive re-use of the Lorne Avenue School building and lands will be a compatible fit and enhance the surrounding neighbourhood and land uses;
 - Describe and illustrate how their proposal will be compatible with the future parkland including such things as access to the parkland, interaction and interface with the park, and how to enhance the safety of the park;
 - Identify the required Zone variation (including Zone regulations) and Official Plan designation required for the proposed re-use;
 - Submit a brief Planning Rationale for any proposed changes to the Zoning By-law or Official Plan.
- b) **Urban Design and Neighbourhood Park**

A full Urban Design Brief is not required, but the proposal shall include:

 - A Spatial Analysis (400m & 800m);
 - A detailed Site Plan that shows what portion of the Site will be retained by the Proponent for their use and what portion will become the neighbourhood park;
 - Demonstrate how their proposed use for the building will interact with the parkland to ensure the parkland is a successful and safe addition to the neighbourhood;

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- A parking plan for the proposed use;
 - A Conceptual Landscape Plan;
 - Conceptual Elevations;
 - Sections east-west and north-south through the building to show how the proposal integrates with the public realm;
 - Photographs or examples of other projects that represent the final desired product.
- c) **Urban Civic Space**
- A description and illustration of how their proposal may introduce the opportunity for a new Urban Civic Space paid for and maintained by the Proponent at the corner of Lorne Avenue and English Street.
- d) **Use of Building**
- Describe and illustrate with the assistance of floor plans to show how the interior of the building will be used including the use of space by any community partners who are intended to share and/or use the building with the Proponent. The description of use shall also identify any opportunities for community/public access and/or use of the building or portions thereof;
 - Describe and illustrate if the entire building will be retained or if any of the building will be demolished. If any portion of the building is to be demolished, the Proponent must identify the estimated costs to demolish.
- e) **Heritage**
- Address any relevant Old East Village Heritage Conservation District guidelines.
- f) **Maintenance**
- Demonstrate how their proposal will ensure that the property and building are maintained to a high standard.
- g) **Proposed Improvements**
- Provide a long-term maintenance plan with estimated costs for the building and lands including how to improve the building so that it is financially sustainable over the long term and all the proposed capital improvements;
 - Provide a building condition assessment study.
- h) **Community Benefit**
- Demonstrate and illustrate how the proposal will contribute to the safety of the parkland;
 - Describe possible collaboration between the Proponent, the City and the community, in terms of joint use of the parkland or possible financial contribution / in-kind donation towards the park and/or its proposed amenities.
- i) **Additional Submissions Which May Be Required**
- The following documents are required before the Zoning By-law Amendment application is undertaken by the City:
- A traffic analysis for the proposed use;

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- A parking analysis for the proposed use;
- A servicing analysis to ensure capacity for proposed use;
- A Heritage Impact Statement if an exterior alteration to the building or demolition of a portion of the building is proposed;
- Phase 2 Archaeological Assessment.

In addition to the vision statement and re-use proposal, the Proponent must submit the following:

The Proponent's Team and Organization

- a) The Proponent's Team and organization shall be reflected in an organizational chart of the Proponent's Team, including the Lead Proponent and the Proponent's Team members. The chart shall illustrate how the Proponent's Team will be organized, the specific roles each team member will be undertaking and the working relationships of each of the Proponent's Team members.
- b) The organization chart shall be accompanied by a brief (no more than three (3) additional pages) description of the Proponent's Team including:
 - The nature of the business of each member of the Proponent's Team;
 - An overview of how the team intends to work and communicate together; and,
 - Experience in working together as a team (if applicable);
 - Submit a profile of the Proponent and the Proponent's Team that provides information regarding the expertise of the Proponent to purchase, operate and maintain such a facility;
 - The proposal shall identify the name of the legal entity representing the Proponent with whom the City might negotiate a sale in the event that the Proponent is selected. The City requires full disclosure of the direct and indirect ownership of any legal entity which is established in respect of the unsolicited proposal and all organizations or entities which are part of the Proponent's consortium.
- c) An opinion of the Proponents' Counsel that the Proponent:
 - Is a corporate body, duly incorporated and properly organized and validly existing as a corporation under the laws of the jurisdiction in which it was incorporated;
 - Is qualified to do business in the Province of Ontario;
 - Has all the necessary corporate power and authority to enter into and perform its obligations under any agreement with the City;
 - That, to the best of such Counsel's knowledge, there are no actions or proceedings pending or threatened against the Proponent before any court or administrative agency;
 - That no instrument containing a charge on any undertaking, property or assets of the Proponent, or notice thereof, has been registered in the Province of Ontario other than Permitted Encumbrances.

The Lead Proponent and the Proponent's Team Experience

The unsolicited proposal must provide evidence to demonstrate how the Lead Proponent's experience is relevant to the scale and complexity of the Site.

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The Proponent shall provide information about the Lead Proponent and the Proponent's Team Members in the project team, including all senior and key personnel and their experience and role in this project. The members of the Proponent's team/partnership should be identified by their function within the team, and the extent to which they have worked together in the past.

The Proponents are to provide a description of two (2) examples of projects (maximum six (6) examples) undertaken within the last 10 years of a similar nature and magnitude that in their opinion, indicate their ability to undertake the re-use of the building and lands. Proponents shall indicate the team members involved in each of these projects, including their roles. Information should include the type of project, its value and funding arrangements, its relevance to their unsolicited proposal for the Lorne Avenue Public School building, and any other information regarding the design and nature of works undertaken/improvements to the property, tenancy arrangements, revenue generating uses, etc. Submissions should demonstrate prior experience of the proposed partners working together on similar projects.

Key Personnel Experience and Qualifications

Key personnel experience and qualifications shall be submitted for each of the proposed Key Personnel of the Proponent and Proponent's Team members. Key Personnel shall be identified and include sufficient information to demonstrate that each proposed Key Personnel has the experience and qualifications to meet the needs of the project. Key Personnel experience and qualifications shall be provided using a maximum of two (2) pages per Proponent Team member.

Financial Capacity to Purchase, Operate and Maintain the Building

- a) Provide information regarding the financial capacity of the Proponent and their team to undertake the project. Information regarding the Proponent's ability to purchase the property and operate and maintain the facility must be provided including:
- A statement of financial stability (including detailed audited financial statements) for the previous five years;
 - A statement of financial capability including access to capital (debt and equity);
 - A statement of performance capability that includes an overview of overall experience, experience in similar projects, management and operational expertise;
 - Copies of the most recent issuer/issue credit ratings (if applicable);
 - A current credit reference letter that is executed by the requisite officers of the Lead Proponent's current corporate banking institution (including names, addresses and telephone numbers of such individuals) specifying the length and nature of the relationship between the Lead Proponent and such reference bank and amount of financing that is currently available and/or provided to the Lead Proponents;
 - A proposed capital budget detailing estimates of all anticipated costs relating to property renovation costs including Ontario Building Code and Accessibility upgrades and long-term maintenance of the building. The capital budget must also identify all anticipated sources of funding and financing;
 - Proponents are required to submit a detailed financial and business plan regarding the operation and maintenance of the building with this submission;
 - A proposed operating budget for the adaptive re-use of the Lorne Avenue Public School building detailing estimates of all operating costs including administration

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- and maintenance, utilities, property taxes, and reserves. Any external sources of ongoing funding should be identified;
- A statement of qualification providing sufficient information to allow a thorough evaluation of the Proponent's relevant experience, expertise and ability to operate and maintain the Lorne Avenue Public School building.
- b) The City review may also include, but is not limited to, citation; commercial law and litigation; regulatory filing and bankruptcy search procedures as a part of the qualification process. Negative or adverse data returns on such search procedures will impact the assessment of the Proponent's unsolicited proposal;
- c) If the Lead Proponent intends to bring on a financial partner to complete the project, such financial partner shall be disclosed and their financial information shall be provided as outlined above. The City of London will only review financial information provided to it through this process, and cannot rely on previous project experience to assess the financial capability for this project;
- d) Proponents must identify any expectations regarding any municipal funding participation in this project from existing City programs and how they intend to secure the funding necessary to undertake the purchase of the building and any works associated with the project. The City will not provide funding to assist the Proponent with any proposed demolition costs.

Financial Offer to Purchase the Building

Please outline the proposed purchase price expressed in Canadian dollars to be negotiated in the form of an agreement of purchase and sale with the City of London for the entire, or a portion of, the building and land. If the Proponent is offering to purchase only a portion of the building, the estimated costs for the Proponent to demolish the remainder of the building need to be submitted with the Proposal. The Proponent is responsible for any building demolition costs associated with their proposal.

Additional Conditions Applicable to the Proponent

The successful Proponent is required to obtain a Building Permit within 24 months of the date that the building and land transfer is finalized. The project is to be completed within 36 months of the date that the building and land transfer for the subject building and land is finalized. In the event that the project is not substantially completed to the City's satisfaction, the City may elect to meet with the Proponent to agree on an acceptable extension or the land and building will revert back to the City's ownership at a price equal to 90% of the original Purchase Price.

Furthermore, any future re-sale of any part of the acquired property prior to completing the project in the agreed upon timeline, the Corporation of the City of London will have first right of refusal to reacquire the subject land and building at a price equal to 90% of the original Purchase Price.

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Other Relevant Information

Archaeological Potential

A Stage 1 archaeological assessment has been completed for the Site. The Stage 1 assessment has indicated that archaeological potential is present within the Site in landscaped areas and beneath asphalt-covered surfaces. As such, a Stage 2 archaeological assessment is required. No grading or other activity that may result in the destruction or disturbance to the Site is permitted until any archaeological concerns have been mitigated.

The Proponent will bear the costs of any delays in construction due to potential archaeological findings while excavating their purchased lands.

Planning / Development Fees

All typical fees will apply including such things as, but not limited to, Development Charges, Site Plan, building permits, heritage alteration permits (no fee for this application) and licences. Fees related to an Official Plan and/or Zoning By-law amendment are the responsibility of the City.

Building Drawings

The building drawings (the "Drawings") were prepared by Thames Valley District School Board ("TVDSB") for internal purposes. Neither TVDSB, nor the City of London (the "City"), are or will be, in any way, responsible for the accuracy or completeness of the Drawings. No representation is made by either TVDSB or the City with respect to any aspect of the Drawings. Any party submitting an unsolicited proposal should conduct their own due diligence and undertake such investigations as they consider appropriate. No party should rely upon the accuracy or completeness of the Drawings for any purposes whatsoever.

Designated Substance Report

Neither TVDSB, the City nor OH Solutions (formerly Advanced Environmental) accepts any responsibility in connection with your use of or reliance on the Designated Substance Report (the "Report") prepared by Advanced Environmental in respect of Lorne Avenue Public School and made available to you. None of TVDSB, the City nor OH Solutions (formerly Advanced Environmental) will have any responsibility for damages, if any, because of decisions or actions based on the Report. Any party submitting an unsolicited proposal should conduct their own due diligence and undertake such investigations as they consider appropriate for purposes of undertaking their own assessment of any matter addressed in the Report or otherwise. No party should rely on the accuracy or completeness of the Report for any purposes whatsoever.

Property and Building Condition

The Proponent is aware, understands and agrees that all land, improvements and real and personal property will be sold, conveyed and/or assigned, as applicable, by the City to the Proponent in an "AS IS" condition without warranty or representation, express or implied. The Proponent understands and acknowledges that the City hereby expressly disclaims any and all warranties, whether express or implied, with respect to the land, improvements, and real and personal property, including without limitation, any warranty of habitability, warranty of marketability, or warranty of fitness for a particular use. The Proponents surrender, waive, and relinquish all rights to assert any claim, demand, or lawsuit of any kind with respect to the condition of the land, the improvements, the real property, or the personal property. The City

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will not be required to make any repairs or pay any expenses concerning the land, the improvements, the real property, or the personal property.

Life Cycle Renewal Costs

The Lorne Avenue Public School building is a purpose built institutional facility constructed in 1970. It comprises approximately 80,000 square feet of structure in three levels. According to information provided from the Thames Valley District School Board, the estimated costs for life cycle renewal of the building are in the order of \$13 million. Although the renewal items would be prioritized over a period of years, there is an expectation that significant capital will be required to maintain the building and reduce its depreciation in order to preserve the economic life of the asset.

Evaluation

Unsolicited proposals will be evaluated by an Evaluation Team with representation from Planning Services, Realty Services, Development Services, and Finance and Corporate Services, as well as other departmental support and external advisors, if needed.

By submitting an unsolicited proposal, Proponents acknowledge that the Evaluation Team is solely responsible for determine if the unsolicited proposal is a viable opportunity for retention of the school building and for recommending the unsolicited proposal to Municipal Council and Municipal Council makes the final decision.

The Evaluation Team will review all the unsolicited proposals to ensure compliance to this document.

Evaluation Process

Each unsolicited proposal will be evaluated by the City on the basis of the information provided by the Proponent. Each unsolicited proposal will be reviewed for viable with the guidelines set out in this document. Evaluation results will be the property of the City. The City does not intend to disclose details of the evaluation results, under any circumstances.

After receipt of an unsolicited proposal the City may request clarification. The City may request clarification to ascertain a Proponent’s understanding of, and level of responsiveness to, the unsolicited proposal submission for the purpose of the evaluation.

Submission Weighting

The evaluation criteria will be based on, but not limited to, the following:

| Criteria | Weight |
|---|-----------|
| Financial Capacity to Purchase, Operate, and Maintain the Building | Pass/Fail |
| The viability of the business plan | |
| The viability of the management plan | |
| The viability of the financial plan | |
| The viability of the maintenance plan | |

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| | |
|---|-----|
| Proposal | |
| Quality of the vision and re-use proposal (20 pts.) | 60 |
| Intent to provide for capital improvements to the building and land (10 pts.) | |
| Appropriateness of use/compatibility with neighbourhood and park (10 pts.) | |
| The provision of an Urban Civic Space at the corner of Lorne Avenue and English Street (5 pts.) | |
| The proposed use will encourage and foster public access and/or use of the building and Urban Civic Space (5 pts.) | |
| Potential for collaboration between the Proponent, City and community for the parkland (5 pts.) | |
| A financial or in-kind contribution to the parkland by the Proponent (3 pts.) | |
| The proposed use does not require amendments to the existing policies of the Official Plan (2 pts.) | |
| Proponent Qualifications | |
| Experience and Qualifications of the Proponent to purchase and maintain the building (20 pts.) | 40 |
| Experience and Qualifications of the Proponent in the operation of the proposed use (20 pts.) | |
| Proposed Financial Offer to Purchase the Property | 20 |
| TOTAL Note: In the event of a tied score, the following categories will be used in the specified order to break the tie: 1. Proposal; 2. Proposed Financial Offer to Purchase the Property. | 120 |