

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON AUGUST 20, 2013
FROM:	MARTIN HAYWARD MANAGING DIRECTOR OF CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	1156 DUNDAS STREET REOI & RFQUAL 13-03 FOR THE PURCHASE AND RE-ADAPTIVE USE OF FORMER MCCORMICK BUILDING

RECOMMENDATION

That, on the recommendation of the Managing Director of Corporate Services and City Treasurer, Chief Financial Officer, on the advice of the Manager of Realty Services, with respect to the property located at 1156 Dundas Street, the former McCormick Building, the Civic Administration **BE DIRECTED** to take the following actions:

- a) the Request for Expression Of Interest/Request for Qualifications (REOI/RFQUAL) submissions by Sierra Construction (Woodstock) Limited and Allied Construction Corporation, **BE RECEIVED**; and
- b) **PROCEED** with a Request for Proposals (RFP) with the two pre-qualified proponents submissions;

it being noted that the under the direction of the City Manager, the Civic Administration is concurrently undertaking further investigations into potential municipal uses for the property if brought into municipal ownership, including partnership opportunities and to report back to Council with the results of those investigations.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

- December 9, 2009 – Board of Control - Request for Expressions of Interest for Properties That Did Not Sell At a Municipal Tax Sale
- November 7, 2011 – Municipal Council Meeting
- April 23, 2013 – Corporate Services Committee

BACKGROUND

Municipal Council at its session on April 30, 2013, resolved that, Civic Administration **BE DIRECTED** to take the following actions:

- a) undertake further investigations into potential municipal uses for the property if brought into municipal ownership, including partnership opportunities and to report back to Council with the results of those investigations; and
- b) concurrently, proceed with the Request for Expression of Interest (REOI) for the Purchase and Sale of the property including a Request for Qualifications (RFQUAL); it being noted that Phases 1 and 2 of the Environmental Site Assessment will be shared with the public as part of the REOI process.

PURPOSE

The purpose of this report is to provide Municipal Council with the results of the REOI/RFQUAL and to obtain approval to proceed with an RFP process with the two prequalified submissions.

BACKGROUND

Where there are no bids for a property at a tax sale conducted under Part XI the City proceeds as set out in Council Policy 26(4) (attached as Schedule A) and in accordance with Part XI of the *Municipal Act, 2001*.

Council Policy 26(4) permits City staff to conduct an Expression of Interest to identify individuals or corporations who may be interested in the property. Subject to Council's approval the City can then vest property and transfer or sell at a lower price, or even a nil price. Where property has significant environmental problems, the implications of joining the chain of ownership must be considered.

Phase 1 – REOI/RFQUAL Process

Request for Expression of Interest (REOI) means a focussed market research tool used to determine supplier interest in a proposed sale of real estate. It may be conducted simultaneously with a Request for Qualifications (RFQUAL) when the proposed sale is well defined and the purchaser has clear expectations for the property.

In response to Council's direction of May 1, 2013, the City initiated a REOI/RFQUAL process to identify possible interested purchasers for the adaptive re-use of the McCormick Building. Only applicants whom responded to the Phase 1 would be considered for the Phase 2 RFP process.

The REOI/RFQUAL timeline was as follows:

REOI/RFQUAL Release Date	Friday May 31, 2013
REOI/RFQUAL Closing Date	Thursday July 4, 2013
Evaluation Committee Meeting	Week of July 22, 2013
Interviews with Respondents (if necessary)	
CSC Committee	Tuesday August 20, 2013
Council Approval	Tuesday August 27, 2013

The respondents were asked to provide a list and describe projects undertaken of a similar nature and magnitude including team members involved in each project. Information regarding the types of project, intended use of the property, opportunities for public access, its values, funding arrangements and the relevance to this REOI/RFQUAL were also required to be submitted.

Expressions of Interest were received from two companies: Sierra Construction (Woodstock) Limited and Allied Construction Corporation. Both submissions were evaluated by a team with representation from Planning, Realty Services and Asset Management. The evaluation criteria were based on the following:

- a) Financial Capacity to Purchase the Property (40 points)
- b) Respondent Qualifications (20 points)
- c) Project Timelines (20 points)
- d) Community Factors (20 points)

A minimum of 60 points is required to qualify and participate in the RFP process. Both submissions achieved above the minimum score of 60 and qualify to participate in the RFP process.

Phase 2 – RFP Process

Based upon the two successful submissions achieved from the REOI/RFQUAL process, the City will conduct a RFP process to further request a more defined proposal for the purchase and re-adaptive use of the property and also identify the financial abilities, project timelines and community benefits of the proponents to carry out a project of this scale.

The tentative RFP timeline is as follows:

RFP Release Date	Friday September 20, 2013
RFP Closing Date	Wednesday October 9, 2013
Evaluation Committee Meeting	Week of October 22, 2013
CSC Committee	Tuesday November 12, 2013
Council Approval	Tuesday November 19, 2013

CONCLUSION

The City will proceed with issuing the RFP with the two interested and qualified companies to determine if a viable option for the purchase and adaptive re-use of the site is acceptable to the City. Concurrently under the direction of the City Manager, the Civic Administration is undertaking further investigations into potential municipal uses for the property if brought into municipal ownership, including partnership opportunities of those investigations that can be achieved and to report back to Municipal Council on the results of the investigations.

A location map is attached for the Committee’s information.

PREPARED BY:	SUBMITTED BY:
RON GASPARETTO PROPERTY COORDINATOR/NEGOTIATOR	BILL WARNER MANAGER REALTY SERVICES
RECOMMENDED BY:	
MARTIN HAYWARD MANAGING DIRECTOR OF CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	

August 9, 2013
Attach.

File No. P-2229

- cc:
- A. Zuidema, City Manager
 - J. Braam, Managing Director, Environmental and Engineering Services & City Engineer
 - J. Fleming, Managing Director, Planning and City Planner
 - G. Kotsifas, Managing Director, Development & Compliance Services and Chief Building Official
 - J. Logan, Division Manager – Revenue & Tax Collector
 - David G. Munteer, Solicitor

Location Map

