



City of
Peterborough

To: **Members of the General Committee**

From: **Richard Freymond**
Commissioner of Corporate and Legislative Services

Meeting Date: **July 20, 2020**

Subject: **Report CLSFM20-014**
Approval of the Successful Proponent for EOI-01-20
Opportunity to Acquire and Develop Property Abutting the
Downtown Urban Park Site in the City of Peterborough and
Approval to Negotiate an Agreement

Purpose

A report to recommend Approval of the Successful Proponent for Expression of Interest - EOI-01-20 Opportunity to Acquire and Develop Property Abutting the Downtown Urban Park Site in the City of Peterborough and Approval to Negotiate an Agreement.

Recommendations

That Council approve the recommendations outlined in Report CLSFM20-014, dated July 20, 2020 of the Commissioner of Corporate and Legislative Services as follows:

- a) That Ashburnham Realty, 116 Hunter Street East, Peterborough, Ontario, K9H 1K6 be acknowledged as the successful proponent for the Expression of Interest Document EOI-01-20 Opportunity to Acquire and Develop Property Abutting the Downtown Urban Park Site in the City of Peterborough;
- b) That City staff be allowed to negotiate an agreement with Ashburnham Realty for the Development of the Property Abutting the Downtown Urban Park Site in the City of Peterborough; and
- c) That upon successful negotiations between the City of Peterborough and Ashburnham Realty, an agreement be drawn up and signed by the Mayor and Clerk, in a form acceptable to the City Solicitor.

Budget and Financial Implications

There are no budget or financial implications of approving the recommendations.

Background

Brief description of the Expression of Interest's Objectives

As part of the Urban Park development, the City acquired the property at 220 King Street, being the former Shish Kabob Hut restaurant. The building was demolished, and the property was reserved for a future park facility building, which could contain washrooms, a change room area and storage space.

Due to its prime location on a Downtown Core street, an opportunity was identified to potentially have a developer construct a building, with imposed limits, on the City property in exchange for the construction of an interior space the City needed facing north into the park. The imposed limits included good urban design practices that would be complimentary to the Downtown, the Urban Park and would result in a mixed-use development that would implement Official Plan Policy. A six-storey building was identified as the maximum building height at the south end of the park, which is consistent with best practices for buildings adjacent to urban parks of a similar size. Notionally, it was thought that the value of the land should approximately match the cost for a developer to construct the interior space needed for the Urban Park. A long-term land lease could be negotiated with the City, or the land could be conveyed to the developer in exchange for the incorporation of the park facilities interior space.

Presently the building area's north-south dimension is 28.5 metres and its east-west dimension is 19.25 metres. The east-west dimension is fixed due to property line constraints, but there is some flexibility with respect to the north-south building dimension. Using the current notional building dimensions, a very preliminary architectural investigation was done to show that a six-storey building could accommodate approximately 2,600 square feet of ground floor commercial space facing King Street and up to 2,000 square feet of ground floor area as park facility space facing north into the Urban Park. The floors above could accommodate up to 25 dwelling units of approximately 850 square feet in floor area.

In exchange for the above-mentioned development rights on the site, City staff were instructed by Council to investigate having the interior space in support of the Urban Park included in the building's design and construction. The interior space could include but not be limited to skate change area with cubbies or lockers, public washrooms, storage space and a small office.

There are multiple ways to structure an arrangement to achieve the City's park facilities interior space objectives, including a long-term lease of the land or perhaps a purchase of the land, where the cost to construct the park facility space is subtracted from the purchase price.

The Expression of Interest (EOI) requested that submissions highlight a willingness to provide an affordable housing component and include features that assist in addressing climate change will generally be viewed with favour, as they are priorities for the City of Peterborough. As including affordable housing generally involves an injection of capital to enable a developer to offer below market rents, proposals with an affordable housing component would eventually be required to give details regarding financial expectations.

EOI's Requested Submission Information

Submissions were to be no more than twenty pages in length, excluding any Appendices to be completed and were to include, at a minimum, the following:

- i. Organization/company/Individual contact information including firm name, mailing address, telephone and fax numbers, and web address, if applicable. Also indicate all partners, if applicable;
- ii. Type of development envisioned (i.e., all residential, mixed-use, commercial office, commercial retail and/or other and indicate location in building);
- iii. Building form, exterior building materials and building height;
- iv. Proposed ideas regarding parking;
- v. Any special utility servicing requests;
- vi. Other incentives;
- vii. Notional purchase price for property or notional long-term lease rate for property or propose an alternative structure;
- viii. Estimated timetable for building's construction;
- ix. Information as it pertains to how the proposed property/properties satisfy the City's requirements; and
- x. Other information – i.e. any pricing or budget information, availability, partnership or reciprocal expectations or opportunities, etc.

EOI Issued

EOI EOI-01-20 was issued on February 6, 2020 and closed on March 26, 2020. Three Expression of Interests were received. Two submissions were chosen for an interview and are summarized in Chart 1. The Commissioner of Infrastructure and Planning, Commissioner of Corporate and Legislative Services, Chief Planner, Planner, Urban Design and the Facilities and Energy Manager reviewed the submissions.

EOI Evaluation

This solicitation process was an EOI where a number of criteria were used to evaluate the submissions. The Chart 1 will show the rating summary for each Proponent and the total points.

Chart 1
EOI-01-20 Evaluation Chart

Rated Criteria Category	Points	Ashburnham Realty	Green Leaf/KPP
Urban Design/Creativity/Synergy with Urban Park	25	22.4	12.8
Alignment with Key Official Plan Policies	20	18.6	11.6
Affordable Housing Component	10	7.0	9.0
Cost to Municipality	15	14.2	5.4
Sensitivity/Incorporation of Arts, Culture and Heritage Elements	10	8.0	2.8
Sustainability and Climate Change	10	7.2	7.4
Construction Timetable	10	8.8	7.2
Totals	100	86.2	56.2

Highlights of Ashburnham Realty Submission

- i. Purchased the corner property at Aylmer Street and King Street (Historic “Montreal House”) for consolidation with the City owned 220 King Street property;
- ii. Presented that an aspect of the building at the south end of the Urban Park needed to create an architectural focal point lending to the development’s success. Explained how important it is to create a feature building that allowed air and sunlight into the Urban Park at its south end as well;
- iii. Explained how the Montreal House building would be incorporated into the architecture of the main 8 storey residential building proposed to be constructed between the Montreal House and a lower aspect of the building at the south end of the Urban Park. The rear addition on the Montreal House would be removed;
- iv. Application to be made to CMHC’s Co-Investment Fund. As a minimum, 30% of the units are “affordable” (80% average market rent), but more may be added. 20-year contract with CMHC;

- v. Due to the acquisition of the Montreal House property, the scale of residential intensification is much larger. Proposal included implementation of the Peterborough Age Friendly Plan;
- vi. In recognition that the Official Plan speaks to the Downtown Core Area being the City's cultural hub, the submission included a mixed-use component where office space for EC3 and potentially, the DBIA will be accommodated;
- vii. There is no funding requested from the City;
- viii. Commitment to construct the interior facilities needed in support of the Urban Park at no additional cost to the City;
- ix. Designed to ensure the lowest possible greenhouse gas emissions both operationally and in building material selections to surpass the targets set out in the Climate Action Plan; and
- x. Recognized that the length of time it takes to get approval from the CMHC will have the most significant impact on the timing of construction. With it progressing normally, construction could begin early in 2021.

Recommended Next Steps

Staff recommends that the city negotiate an agreement with Ashburnham Realty for the Development of the Property Abutting the Downtown Urban Park Site in the City of Peterborough and upon successful negotiations between the City of Peterborough and Ashburnham Realty an agreement be drawn up and signed by the Mayor and Clerk.

Summary

EOI-01-20 Opportunity to Acquire and Develop Property Abutting the Downtown Urban Park Site in the City of Peterborough has been issued in accordance with the City's Procurement By-law 18-084 and City staff can negotiate a successful agreement as recommended in this report.

Submitted by

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Commissioner of Corporate and Legislative Services

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