



Apex Site (749 Douglas Street) Request for Expressions of Interest BACKGROUND

April 25, 2017

The City acquired the Apex site in 1977, and since that time it has been primarily leased to car and bike rental businesses. Other than this annual lease revenue, there are few benefits to residents and businesses from the current use of the site. The site is underutilized given its prime downtown location and proximity to business, residential and tourism activity. The site has significant potential to generate sustainable economic and social benefits for the City and the Region through the appropriate development of the site.

The City will be issuing a Request for Expression of Interest (RFEI) to determine what opportunities exist for this property. This opportunity is being explored now due to the favourable market conditions, new neighbouring development projects and the interest the site continues to generate.

Development of this property has the potential to optimize its commercial value and meet the objectives of the City's Strategic Plan and Economic Action Plan. It would advance the City's economic, social and environmental priorities, while achieving other strategic objectives.

The RFEI process will take approximately 2 – 3 months to complete.

Part A. City Council's Objectives for Development of the Apex Site

Victoria's City Council has approved a set of specific objectives that reflect the goals of the City for development of the Apex site; and which will form part of the evaluation criteria against which all proposals for this site will be measured. These objectives are the following:

1. The use should remain primarily commercial and should be a commercial anchor for Douglas Street South.
2. The Proposal should advance at least one and preferably more of the following engines in the City's Economic Action Plan, Making Victoria: Unleashing Potential namely:
 - Advanced Education and Research and Development
 - Ocean Marine Sector
 - Experiential Tourism
 - Technology
 - Entrepreneurship, Start-Ups and social enterprise, as well as Arts and Culture.
3. The project should tie seamlessly into the public space between the site and the Crystal Garden and should turn this public space into a high-quality, welcoming, and vibrant space using place making and high quality urban design principles.
4. The project should be a sustainability and green building showcase.
5. The project should realize a land value for the site at or near that defined as its highest and best use.
6. The project offers a high quality pedestrian experience.
7. The project proposes uses that are compatible with adjacent residential buildings.

Part B. Frequently Asked Questions:

What is a RFEI?

An RFEI is a type of public procurement process whereby you publically seek out all interested parties to submit their proposals and then evaluate the proposals based on a set of established criteria.

Why do you want to develop this land?

The current use provides minimal benefits to Victoria's residents and businesses. The site is in a prime location but is underutilized which will become much more apparent as further development occurs around the site. Getting new commercial activity on the site will foster better economic activity and vitality in the area and support the City's strategic objective to "Create Prosperity Through Economic Development". Additionally, the City is seeking a development that will improve the public space that integrates with Crystal Gardens into a high quality, vibrant space that will better support social activity and use by all residents of the City.

Why is this being considered now?

Given current favourable market conditions, new high quality neighbouring development projects and the interest the site continues to generate, this is a prime time to look at the sale and development of this surplus land. This is an ideal time to revitalize the site for economic development and improved social benefits in the community, while optimizing sale proceeds to reinvest into the City's other capital priorities.

How will you pick the preferred proponent?

At this time, the City is only exploring opportunities through the Request for Expression of Interest process. This process does not commit the City to selling the property. Proposals will be evaluated against how well they achieve each of the criteria. If one or more of the proposals achieve the stated objectives, the City can choose to negotiate directly or move to a Request for Proposal process.

What is the land worth?

Market value is very much dependent on the use and condition of the land. As part of this process, the City will be completing assessments of the land.

What is the current zoning of the site? How many storeys and for what use?

The current zone is CA-4 Central Area Commercial Office District. It is within the Development Permit Area 9 Inner Harbour, which is a Heritage Conservation Area, meaning the design will need to consider heritage buildings in the area. The Official Community Plan envisions buildings up to approximately 15 storeys in this Development Permit Area. Under this current zoning, a mixed use of residential and commercial would be allowed. Residential uses are restricted to the second storeys and above.

When will there be opportunities for the neighbourhood and general public to provide their feedback?

The broad objectives of the RFEI, for this publically owned site, reflect a number of the City's objectives contained in multiple strategic plans the City has developed through consultation with residents and business throughout the City (e.g. Economic Action Plan, 2015-2018 Strategic Plan & OCP). The RFEI is intentionally a fairly high level document, to allow a greater scope of concepts within the defined criteria, and is not an appropriate instrument to reflect public feedback on a specific type of development. Opportunity for public consultation input would be part of the development approval process should a specific development proposal move forward.