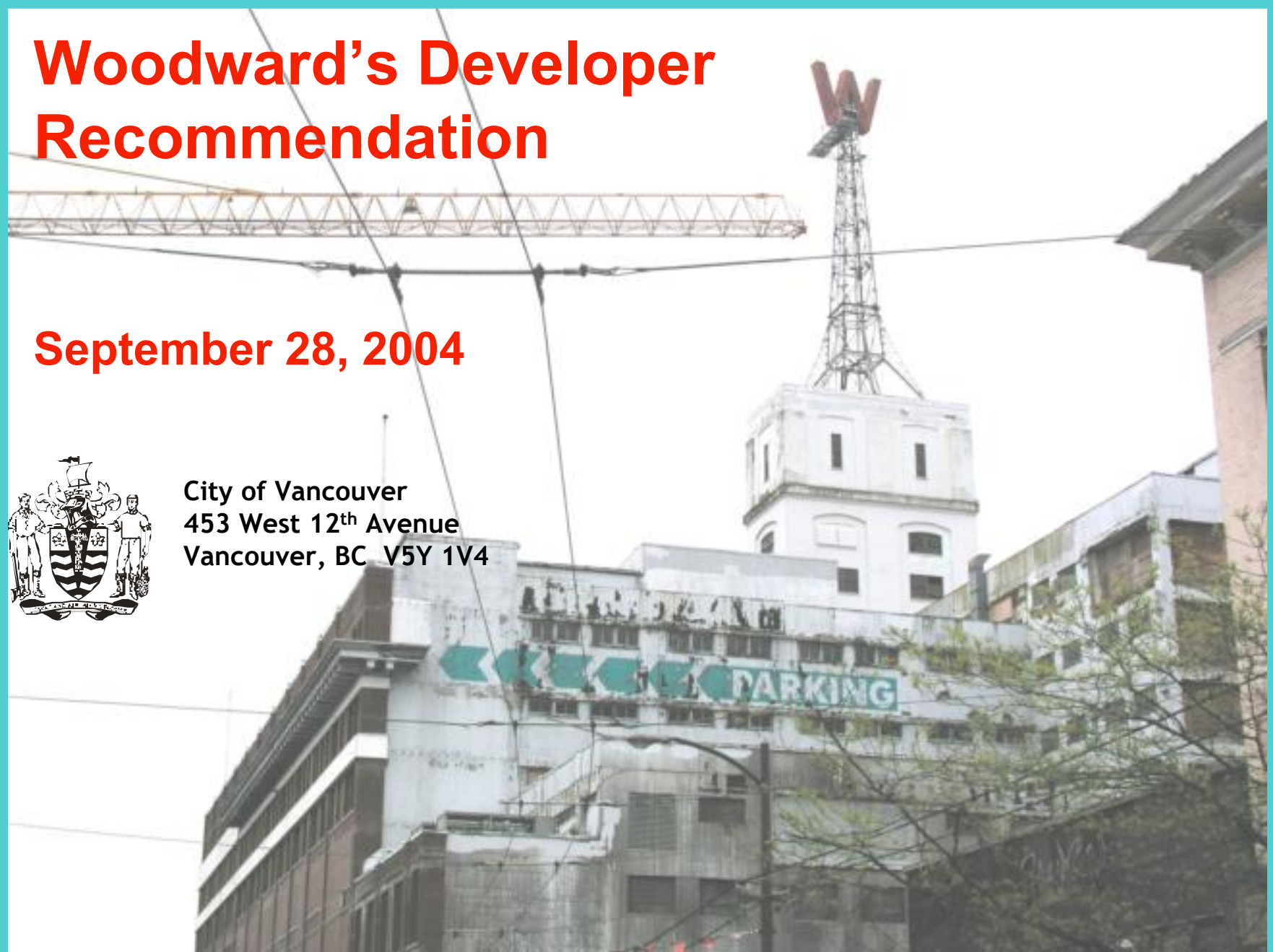


Woodward's Developer Recommendation

September 28, 2004



City of Vancouver
453 West 12th Avenue
Vancouver, BC V5Y 1V4



WOODWARD'S STEERING COMMITTEE

- J. Rogers, City Manager, Co-Chair
- Councillor J. Green, Co-Chair
- J. Forbes-Roberts, General Manager, Community Services
- C. Hosein, Director, Facilities Design & Management
- D. Rudberg, General Manager, Engineering Services
- R. Scobie, Director, Development Services
- B. Maitland, Director, Real Estate Services
- L. Beasley, Director, Current Planning
- B. Taylor, Director, Cultural Affairs
- C. Gray, Director, Housing Centre
- Y. Liljefors, Solicitor

- M. Flanigan, Project Manager



PROPOSAL OBJECTIVES

- maximize benefits to local residents and all citizens of the city
- economically viable for developer
- financial feasible for the City



THREE SUBMISSIONS PROPOSALS RECEIVED

- Concert Properties Ltd. /
The Holborn Group
- Millennium Properties Ltd.
- Westbank Projects/
Peterson Investments



DETAILED EVALUATION OF PROPOSALS

- Detailed evaluation in accordance with the terms and conditions of the RFP commenced
- An Evaluation Committee was formed
- Developer proponent interviews were conducted
- Evaluation Committee reported their conclusions back to the Steering Committee



EVALUATION CRITERIA



1. Overall quality
2. Urban Design and architecture
3. Sustainable development
4. Heritage restoration and retention
5. Financial: performance, risk and return
6. Retail/commercial impacts
7. Social goods / community linkages
8. Non-market housing
9. Engineering and transportation
10. Project schedules
11. Community Feedback

STAFF RECOMMENDATION

WESTBANK PROJECTS
CORP./

THE PETERSON
INVESTMENT GROUP

with HENRIQUEZ
PARTNERS as
Architects

(“Westbank / Peterson”)



WESTBANK/PETERSON PROPOSAL HIGHLIGHTS



- Compensation to City for land via 31,500 sq.ft. City Parcel
- Transfer of risk from City
- Downtown Eastside community
 - Amount of dedicated retail space
 - Existence of food market
 - Integration of market and non-market housing
 - Provision for a variety of on-site usesFamilies with children; seniors and Aboriginal needs
 - meeting spaces
 - health and wellness
 - play area
 - childcare
 - public art and
 - employment targets

WESTBANK PROPOSAL HIGHLIGHTS

- Urban Design
- LEED™ Silver target – higher if financially feasible
- Community Advisory Council
- Local Marketplace



DECISION RATIONALE

- Millennium offered the best financial terms of the three proposals, but is contingent on gaining significant height & FSR allowance over the Current Urban Design Guidelines.
- All three proposals could be built as proposed, but all three proposals would evolve during the development permit process.
- Given the extreme complexity of the proposals, it is not possible to distill the financial impacts into one net figure.
- Financial assessment has been categorized into several distinct areas comparing the following financial elements:
 - guaranteed cash to City
 - possible contingent cash
 - value of assets
 - City outlay



CONCERT/HOLBORN PROPOSAL

- City Parcel @ 57,000 sq.ft., but transfers entire cost and risk of heritage to City
- Least guaranteed cash of \$6,145,000 for non-market housing shortfall
- 31,000 sq.ft. public square offered, but transfers programming and operating costs to City
- Profit sharing potential, but no guarantees
- Non-market housing shortfall may need to be covered by additional bonus density
- Gives developer \$40-47M in transferable bonus density



MILLENNIUM PROPOSAL

- largest cash to City (\$20-22M)
- Proponent does not transfer development-related costs to City
- no City financial contribution for heritage
- do not require transferable density
- mid-sized City Parcel – 12,500-18,000 sq.ft.
- significant space for seniors and Aboriginal Healing Centre
- requires most on-site density



WESTBANK PROPOSAL

- Moderate guaranteed cash to City (\$6.3-7.1M)
- City Parcel of 31,500 sq.ft.
- No financial contribution from City for heritage upgrade
- Tenant improvement allowance for City (\$790,000)
- Does not fund shortfall for non-market housing (\$5.6-\$7.3M)
- Assumes 10 year heritage tax incentive
- Possible exemptions from permit/rezoning fees (\$3,780,000)
- \$8.4-10.1M transferable off-site bonus
- Requires additional on-site density for SFU scheme



MILLENNIUM



Financial incentive offered (\$22M) was very attractive, but not sufficient to overcome performance in urban design & architecture, community feedback, City Parcel, heritage, and social goods evaluations.

Millennium expressed willingness to work with staff and community to revisit the design and program, but it was agreed a full redesign would compromise the proposal, and therefore, Millennium is not recommended to be the Project Developer at this time.

CONCERT/ HOLBORN

- Strongest community support
- Preferred heritage / urban design and architecture
- Financial risk and performance a concern for City

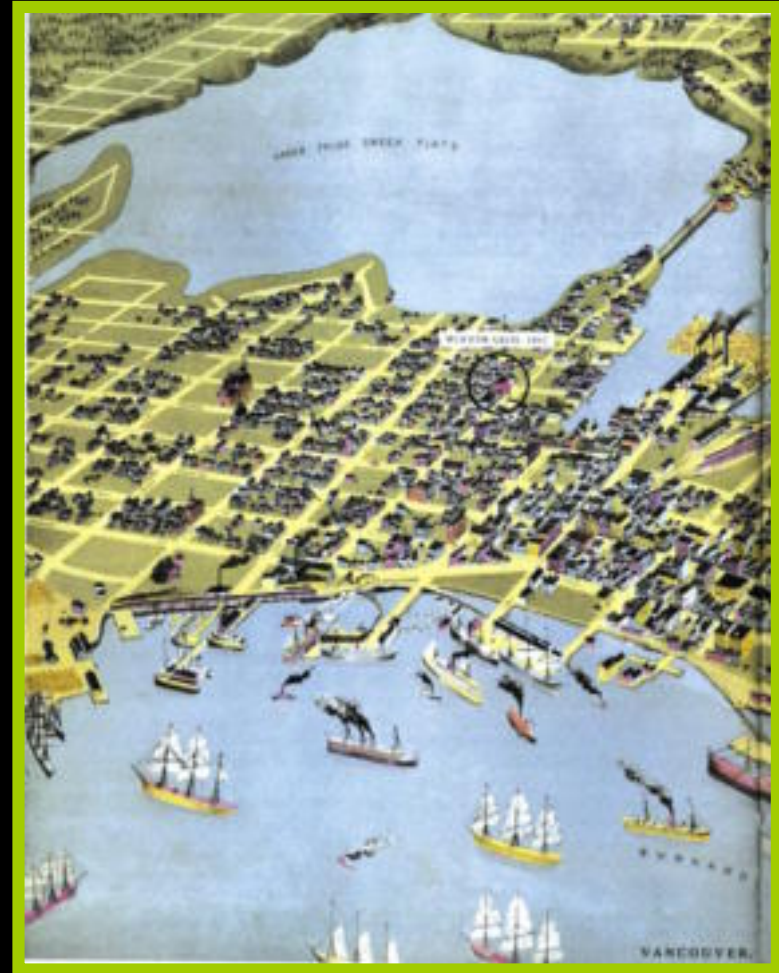
WESTBANK / PETERSON

- Favourable community support
- Strong in the area of sustainability
- Weaker in heritage issues
- Strong in retail impact, urban design & architecture, but height & public space need further consideration

FINANCIAL RISK

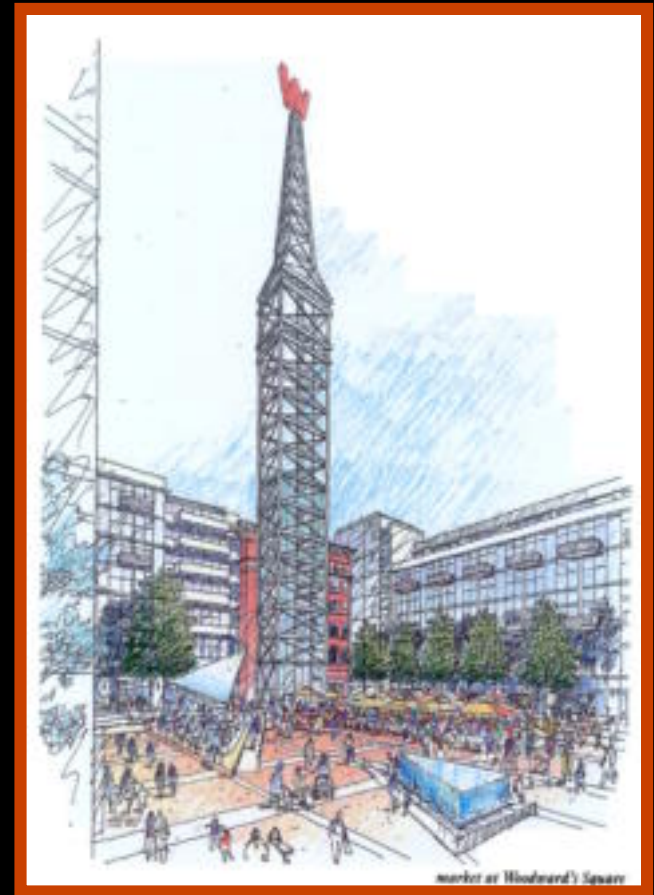
Concert/Holborn

- link to 1133 West Georgia
- transfer of risk for City Parcel to City
- construction & heritage upgrade costs
- uncertain returns with profit share for market housing

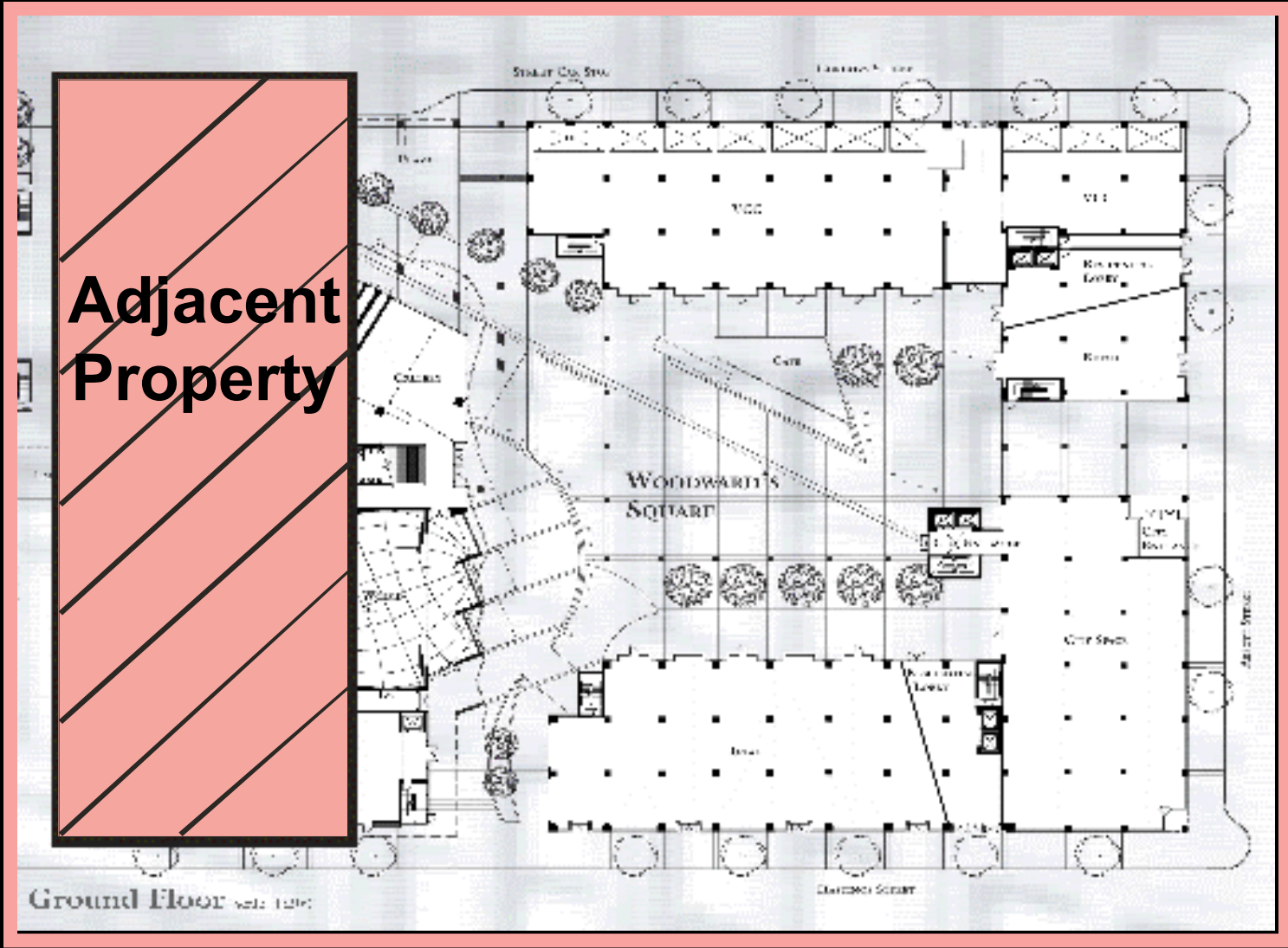


CONCERT/HOLBORN

- Transfer between 400,000 and 467,000 sq.ft. of bonus/heritage density from Woodward's site and adjacent site to 1133 West Georgia.
- Financial Risk:
 - City required to fund entire 1903/1908 building restoration
 - Relying on profit sharing of market condominiums to cover City's land costs; and
 - Rezoning of 2 properties, the success of one being contingent on the other



CONCERT/HOLBORN



SUSTAINABILITY



- LEED™ PERFORMANCE
- Reuse/Recycle
- Energy Alternatives
- Green Roofs



LEED™ Targeted Performance

- Concert/Holborn – LEED™ Certifiable
- Millennium – target LEED™ Silver
- Westbank/Peterson – well delivered LEED™ Silver, Gold as goal

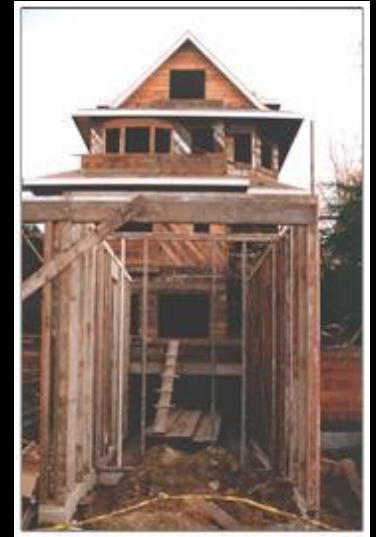


- Higher LEED™ target, noting ‘point chasing’ comes at a cost premium



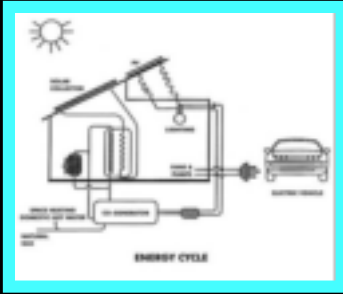
Reuse / Recycled Content

- Commitment to reuse of materials, recycled content and local materials
- Millennium and Westbank to quantities to reused/refurbished, recycled, local materials
- Concert/Holborn provides preliminary commitments to ensure use of these materials
- Quantity of original structure retained



Concert/Holborn retain highest percentage of original building, façade and \pm 60 feet on 3 street frontages.

Clearly the strongest in this category.



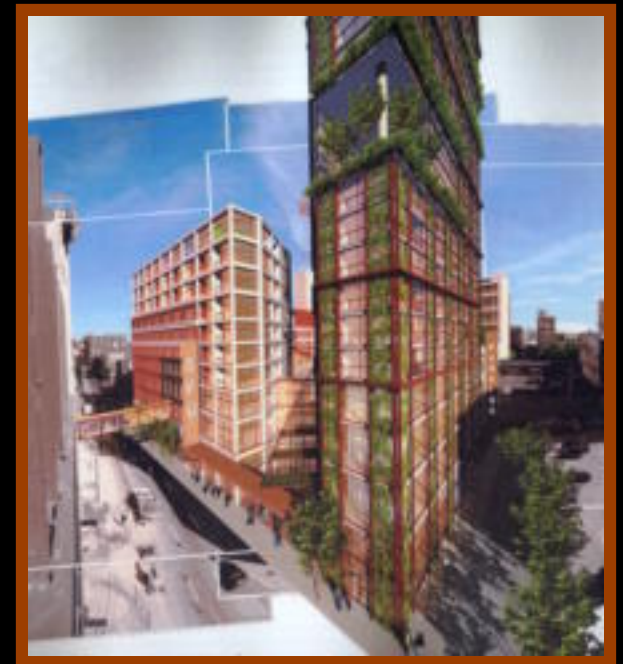
Energy Alternatives

- Energy alternatives are an important factor in developing a long-life cycle building.
- Reduced operating costs are vital.
- Reduced emissions
- Only Westbank/Peterson has undertaken a preliminary energy analysis.
- Millennium conceptually offers interesting options.
- Concert/Holborn has an undefined strategy.



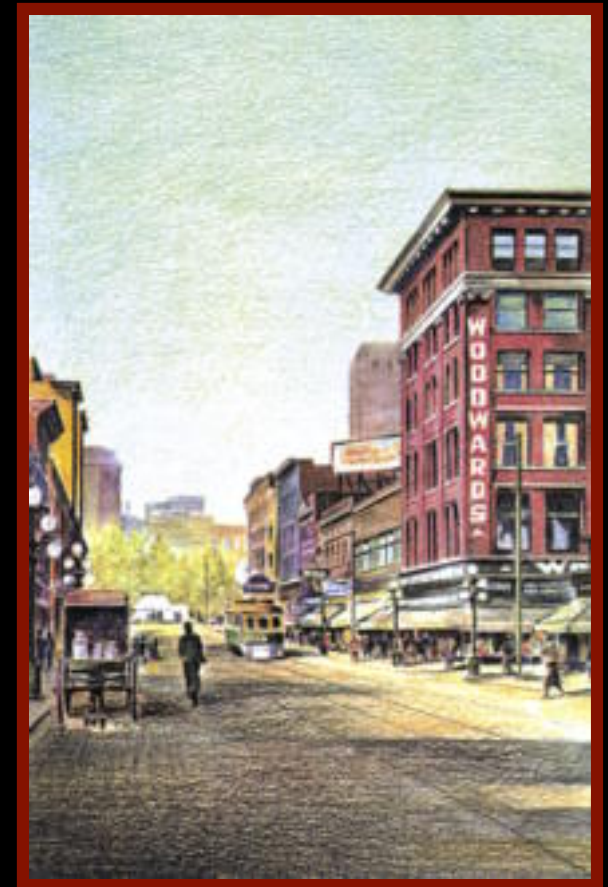
Green Roofs

- Well represented in all three proposals.
- Westbank and Millennium both expect to achieve LEED™ for “Heat Island Effect-Roof”, 50% green roof.
- Concert/Holborn illustrates significant green roofs.
- Westbank is seeking to expand green roof from horizontal plane to vertical façade.



ENVIRONMENTAL SUSTAINABILITY RECOMMENDATION

- Favourable sustainable building designs
 - Westbank leads in this category with LEED™ Silver
- Work with Developer to attain highest reasonable certification possible
- City Parcel fit-out could be performed under LEED™ CI (Commercial Interiors) to a Gold standard



NON-MARKET HOUSING

- 100 units of non-market housing a requirement of RFP
 - Westbank identified how up to 237 units could be accommodated
 - Millennium offered 110 units, with 30 additional units of market rental through a partnership relationship with Vancouver Resource Society.
 - Concert/Holborn proposed affordable market rental, particularly if SFU is unable to participate in the project.

What is important to note is that any of the three submissions can be designed to accommodate additional non-market housing units.

ENGINEERING

- Engineering evaluation proved to be neutral across all three proposals and did not sway the decision, although Concert/Holborn's incorporation of the lane could pose some challenges.



CONCLUSION

- Westbank presented a viable, flexible, urban design proposal that was well received by community.
- Demonstrated confidence in local marketplace.
- Accepted financial risk; and
- Responded well to Guiding Principles.

Recommend the City enter into negotiations with Westbank/Peterson as the Project Developer.



The Woodward's
Redevelopment Group

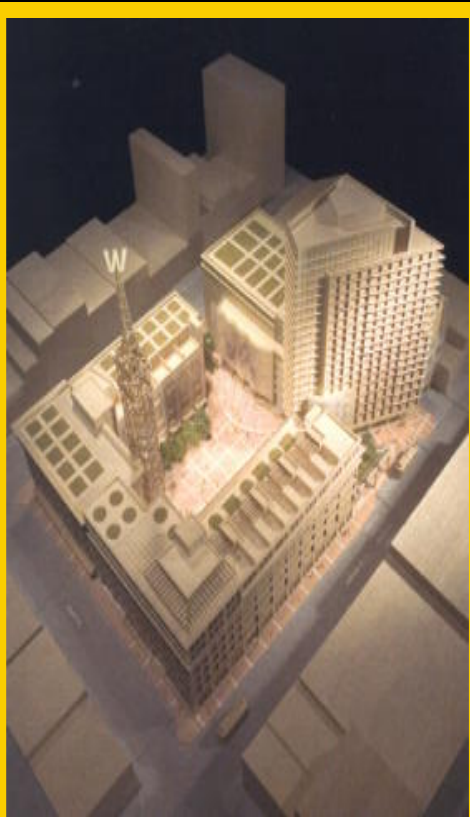
Proposal for the Redevelopment of the Former Woodward's Site

NEXT STEPS

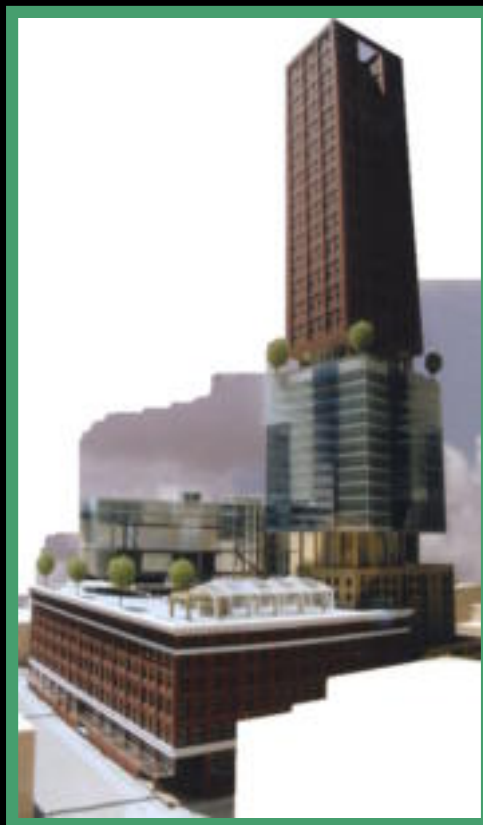


- Negotiate Sale Agreement with Developer
- Report back to Council on Sale Contract
- Note: 2 non-recommended developers RFP submissions remain open for 180 days
- Recommend to Council a Non-Market Housing sponsor
- Developer Agreement between the City, Developer, Non-Market Housing sponsor and BC Housing
- SFU participation to be confirmed by December 31st
- Staff to analyze and select Non-Profit tenants and report back to Council

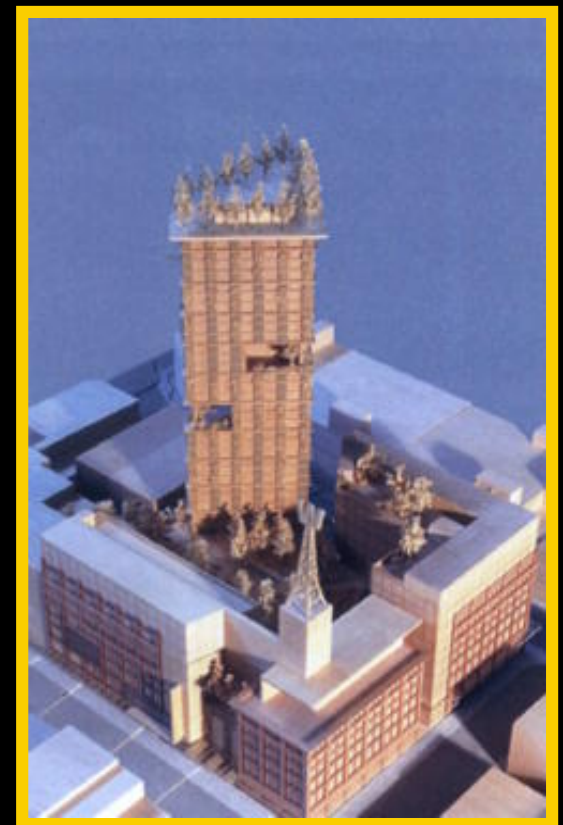
THANK YOU TO ALL DEVELOPERS



Concert/Holborn



Millennium



Westbank/Peterson

Woodward's

www.city.vancouver.bc.ca/woodwards

***coming soon to a
Neighbourhood***