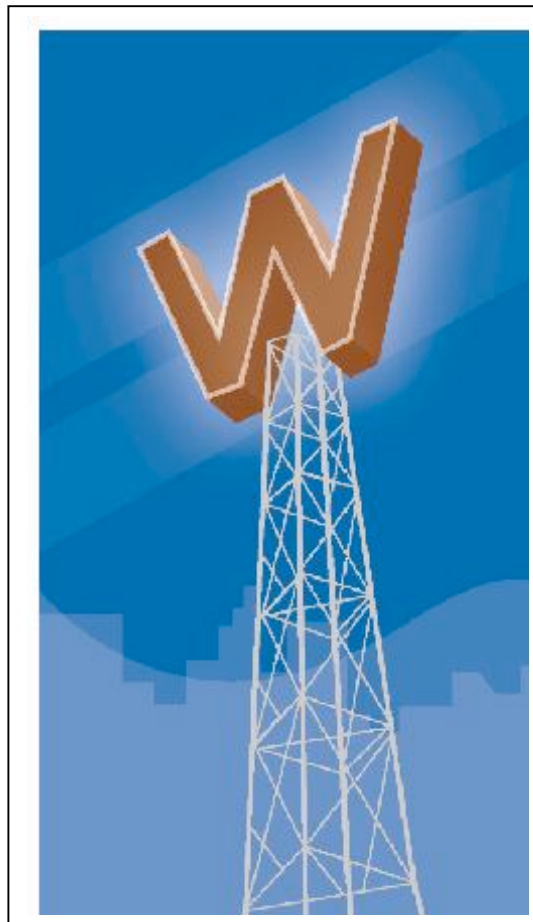


CITY OF VANCOUVER

**REQUEST FOR PROPOSALS
FOR THE REDEVELOPMENT OF
THE WOODWARD'S SITE**

101 WEST HASTINGS STREET
VANCOUVER



RFP CLOSING

DATE: 4:00 P.M.

(PST) JUNE 30, 2004

NOTE: THIS CONFORMED REQUEST FOR PROPOSALS IS PROVIDED FOR EASE OF REFERENCE ONLY. IT IS A CONSOLIDATION OF THE REQUEST FOR PROPOSALS ISSUED APRIL 8, 2004 AS AMENDED BY ADDENDUM NO. 1 DATED MAY 21, 2004 AND ADDENDUM NO. 2 DATED JUNE 4, 2004

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REQUEST FOR PROPOSALS
For the Redevelopment of the Woodward's Site
101 West Hastings Street, Vancouver

1. INTRODUCTION AND PROJECT STATUS

1.1 Purpose of this Request for Proposals

This Request for Proposals ("RFP") by the City of Vancouver ("City") is a request for proposals (the "Proposals") from certain respondents (the "Short-listed Respondents in the Developer Category") which responded to the City's Request for Expressions of Interest (the "RFEI") to redevelop the former Woodward's site (the "Project"). The City purchased the former Woodward's store, located at 101 West Hastings Street in the City of Vancouver, (the "Property") in March of 2003 and shortly afterwards decided to proceed with the redevelopment of the Property.

The Proposals must be received by the City on or before 4:00 p.m. (Pacific Standard Time), June 30, 2004 (the "RFP Closing Date") at the location noted in Section 10.5.

1.2 The Property

The Property, located at 101 West Hastings Street, Vancouver, is legally described as:

Parcel Identifier: 024-317-560
Lot E
Block 4
Old Granville Townsite
New Westminster District
Plan LMP40092

It occupies one-half of the city block bounded by West Hasting Street, Abbott Street and West Cordova Street, with an area of approximately 80,188 square feet.

The existing building (the "Existing Building") on the Property has an area of approximately 670,000 square feet and consists of an 8 storey structure with one full basement level and a partial sub-basement level. The Existing Building is on the Vancouver Heritage Register and has been designated a heritage building under the Heritage Designation By-law.

Further information on the Property, including the Existing Building, is included in Schedule 9 of the information package which is part of this RFP (the "RFP Info Package").

1.3 The Project

1.3.1 First Phase

The first phase of the Project was a series of community workshops and a full day ideas fair on the redevelopment of the Property, which the City conducted in May of 2003. Hundreds of people attended the week long event and participants reflected a wide range of community views. The report (the "Woodward's Co-Design Report") on these community meetings is available on the Woodward's Website and a summary of the Woodward's Co-Design Report is included as Schedule 8 of the RFP Info Package.

1.3.2 Second Phase

The second phase of the Project has now been completed and included the following:

(a) Request for Expressions of Interest

The City issued the RFEI; reviewed all Submissions submitted by interested parties in response to the RFEI; consulted with the public on the Submissions made under the Developer Category; and then:

(i) selected the Short-listed Respondents in each of:

- A. the Developer Category; and
- B. the Non-market Housing Sponsor Category;

which Short-listed Respondents are listed in Schedule 1 - Part 1 of the RFP Info Package; and

(i) reviewed the Submissions submitted by Respondents in each of:

- A. the Commercial/Retail Premises Category; and
- B. the Non-profit Premises Category;

which Respondents are set out in Schedule 1- Part 2 of the RFP Info Package.

(b) Proponents Selected to Participate in this RFP

In accordance with the RFEI, the City selected the following as the Short-listed Respondents in the Developer Category (the "Proponents") to be invited to participate in this RFP:

- Concert Properties Ltd.
- The Holborn Group
- Millennium Properties Ltd.
- Westbank Projects Corp./The Peterson Investment Group Inc.

Only these four Proponents will be invited or permitted to submit a Proposal or otherwise participate in this RFP.

(c) City to Sell Property to Developer

Concurrently with the selection of the Proponents, the City determined that a private developer should undertake the Project and therefore that the City will sell the Property to the Proponent chosen in accordance with this RFP to undertake the Project (the "Developer") upon issuance of the development permit (the "Development Permit") for the Project.

(d) City's Role in the Project

As the City wishes to play a pivotal role in the development and operation of the Project, the City has decided to reinvest the proceeds from the sale of the Property in

the Project. Therefore one of the conditions of the sale of the Property to the Developer will be that the Developer will grant to the City an option to purchase (the "Option") the fee simple interest in:

- (i) a portion of the Project for use for non-market housing (the "Non-Market Housing Parcel"); and
- (ii) a portion of the Project for use by the City for civic purposes, as well as commercial, cultural and non-profit purposes at the discretion of the City (the "City Parcel").

1.3.3 Third Phase

The third phase of the Project is this RFP to invite each of the Proponents to submit a Proposal for:

- a. a conceptual/schematic design for the Project; and
- b. the monetary terms for the purchase of the Property by the Proponent and for the grant by the Proponent of the Option in favour of the City.

Once the City has selected the Developer for the Project, the Developer will enter into a contract to purchase the Property (the "Sale Contract") which provides that the parties' obligations under the Sale Contract are subject to the execution of an agreement for the design and construction of the Project in accordance with the Developer's Proposal (the "Development Agreement").

After execution of the Development Agreement, the Developer will proceed to complete the detailed design of the Project. After the rezoning of the Property, if required, and the issuance of the development permit for the Project (the "Development Permit"), the Developer will complete the purchase of the Property and will then proceed to complete the Project, including, without limitation:

- (c) the improvements on the Non-Market Housing Parcel (the "Non-Market Housing Parcel Improvements");
- (d) the improvements on the City Parcel (the "City Parcel Improvements"); and
- (e) if included in the Developer's Proposal as accepted by the City, the improvements for any purpose-built amenity space (the "Community Amenity Space").

1.3.4 Fourth Phase

The fourth phase of the Project will be the issuance by the City and B.C. Housing of a separate request for proposals (the "Sponsor RFP") for proposals from the Short-listed Respondents in the Non-Market Housing Sponsor Category which responded to the City's RFEI to be the sponsor (the "Sponsor") of the non-market housing on the Non-Market Housing Parcel, which Sponsor RFP will provide that:

- a. the Developer will undertake the design and construction of the Non-Market Housing Parcel Improvements as a turn-key project, with input on the design from the Sponsor;

- b. the Sponsor will not be selected until after the Developer for the Project has been selected, to allow the Developer to be consulted by the City and B.C. Housing concerning the selection of the Sponsor;
- c. the Developer will build the Non-Market Housing Parcel Improvements with funding provided by B.C. Housing as set out in the B.C. Housing Agreement (as defined in Section 2.1), with potential additional funding from the Sponsor or others; and
- d. on completion of the Non-Market Housing Parcel Improvements and the transfer of the Non-Market Housing Parcel to the City, the City will grant to the Sponsor a 60 year lease of the Non-Market Housing Parcel for the purpose of operating the non-market housing on the Non-Market Housing Parcel.

A copy of the Sponsor RFP is included in Schedule 4 - Part 2 of the RFP Info Package. The closing date for the Sponsor RFP is June 30, 2004, the same date as the RFP Closing Date for this RFP, but the Sponsor will not be selected until after the Developer is selected.

1.3.5 Fifth Phase

The fifth phase of the Project will be the decision by Vancouver City Council, after review of all of the Proposals, as to the uses to be accommodated in the City Parcel, including which of the approved non-profit uses for the Project already determined by City Council (the "Approved Non-Profit Uses") will be included. Council will then select those entities which Council determines are the most appropriate tenants of the non-profit space within the City Parcel.

The Approved Non-Profit Uses are set out in Schedule 5 - Part 2 of the RFP Info Package. The current list of Respondents in the Non-profit Premises Category, which desire to lease non-profit space in the Project, is set out in Schedule 1 - Part 2 of the RFP Info Package, however the potential tenants of such non-profit space within the City Parcel are not limited to these Respondents.

1. INTERPRETATION

2.1 Definitions

In this RFP the following definitions will apply, provided that any capitalized terms in this RFP that are not defined in this Section 2.1, but are defined in the RFEI, will have the meaning assigned in the RFEI:

"Alternate Design" means the design component of a Proposal which does not include the SFU Design;

"Approved Non-Profit Use" means a non-profit use which has been approved by Vancouver City Council for possible inclusion in the Project, which non-profit uses are listed in Schedule 5 - Part 2 of the RFP Info Package;

"B.C. Housing" means the British Columbia Housing Management Commission;

"B.C. Housing Agreement" means the agreement dated February 20, 2003 between the City and B.C. Housing with respect to the development of 100 units of non-market housing on the Property, a copy of which is in Schedule 4 - Part 1 of the RFP Info Package;

"business day" means a day other than a Saturday, Sunday or statutory holiday in British Columbia;

"City" means the City of Vancouver;

"City Parcel" means the portion or portions of the Project that the Developer will transfer to the City pursuant to the Option, for use by the City for civic purposes as well as commercial, cultural and non-profit purposes, at the discretion of the City;

"City Parcel Area" means the gross area in square feet of the City Parcel;

"City Parcel Construction Cost" means the price per gross square foot for the City Parcel Improvements, as described in Section 6.3.2(c);

"City Parcel Improvements" means the improvements to the City Parcel to be constructed or installed by the Developer in accordance with the City Parcel Improvements Requirements and the Development Agreement;

"City Parcel Improvements Requirements" means the specifications and base building requirements for the City Parcel Improvements as set out in Schedule 5 - Part 1 of the RFP Info Package;

"City Parcel Purchase Price" means the consideration to be paid by the City for the City Parcel as improved by the City Parcel Improvements (including both interest in land and improvements), which amount will be equal to or less than the Property Purchase Price, unless otherwise approved by Vancouver City Council;

"Community Amenity Space" means such purpose-built amenity space as a Proponent proposes to include in the Project as shown in its Proposal or such amenity space in the Project as the Developer and the City may agree on, but does not include any space in the City Parcel;

"Contact Person" means the person identified in Section 10.9;

"Developer" means the Proponent selected by Vancouver City Council to enter into the Sale Contract with the City and to design and construct the Project in accordance with the Development Agreement;

"Development Agreement" means the agreement between the City, the Developer, B.C. Housing and the Sponsor which will set out the terms and conditions for the design and construction of the Project, including the City Parcel Improvements, the Non-Market Housing Parcel Improvements, and the Community Amenity Space, if any, and for the Option, all as described in Section 6.3;

"Development Permit" means the development permit issued by the City for the Project;

"Evaluation Committee" means the committee appointed by the City to evaluate the Proposals, as described in Article 9;

"Existing Building" means the improvements on the Property as of the date of issuance of this RFP;

"Gastown Parkades" means the City-owned parking garage across Cordova Street from the Property, located at 151 West Cordova Street, Vancouver and legally described as: Parcel

Identifier: 025-452-045, Lot K, Block 5, Old Granville Townsite, Plan BCP203; and located at 150/160 Water Street, Vancouver and legally described as: Parcel Identifier: 025-244-761, Lot J, Block 5, Old Granville Townsite, Plan LMP52319;

"Guiding Principles" means the set of guiding principles for the Project endorsed by Vancouver City Council, as set out in Section 5.1;

"Non-Market Housing Parcel" means the portion or portions of the Project that the Developer will transfer to the City pursuant to the Option, for lease to the Sponsor for use for non-market housing purposes;

"Non-Market Housing Parcel Area" means the gross area in square feet of the Non-Market Housing Parcel;

"Non-Market Housing Parcel Construction Cost" means the price per gross square foot for the Non-Market Housing Parcel Improvements, as described in Section 6.3.2.(f);

"Non-Market Housing Parcel Improvements" means the improvements, consisting of at least 100 non-market housing units, to the Non-Market Housing Parcel to be constructed or installed by the Developer in accordance with the Non-Market Housing Parcel Improvements Requirements and the Development Agreement;

"Non-Market Housing Parcel Improvements Requirements" means the specifications and base building requirements for the Non-Market Housing Parcel Improvements as set out in Schedule 6 of the RFP Info Package;

"Non-Market Housing Parcel Purchase Price" means the nominal amount of TEN DOLLARS (\$10.00) to be paid by the City as consideration for the interest in land only of the Non-Market Housing Parcel;

"Option" means an option to purchase the City Parcel and the Non-Market Housing Parcel, granted by the Developer to the City, which option will include the terms and conditions set out in Section 6.3.2 and will form part of the Development Agreement;

"Permits" means any permit, approval, certificate, licence or other such approval required from any Public Authority for the Project;

"Project" means the design and construction a new development or redevelopment of all or part of the Existing Building on the Property, including the City Parcel Improvements and the Non-Market Housing Parcel Improvements, and all utilities and other works ancillary to such development or redevelopment, all in accordance with the Sale Contract and the Development Agreement, and in accordance with the zoning for the Property or any rezoning by-law for the Property enacted by the City and with the Development Permit;

"Property" means the property, including the Existing Building, located at 101 West Hastings in the City of Vancouver and legally described as: Parcel Identifier: 024-317-560, Lot E, Block 4, Old Granville Townsite, New Westminster District, Plan LMP40092;

"Property Purchase Price" means the purchase price for the Property to be paid to the City on the purchase of the Property by the Developer in accordance with the Sale Contract;

"Proponent" means a party invited and permitted to participate in this RFP as described under Section 1.3.2(b);

"Proposal" means a proposal prepared by a Proponent as called for by this RFP;

"Public Authority" means any government agency, tribunal, commission or other authority exercising executive, legislative, regulatory or administrative functions;

"RFEI" means the Request for Expressions of Interest for the Project issued on August 11, 2003;

"RFP" means this Request for Proposals;

"RFP Closing Date" means the date and time for submission of a Proposal as set out in Section 1.1;

"RFP Info Package" means the package of information concerning the Property, the Project and this RFP, which package forms part of this RFP;

"RFP Stage" means the stage of procurement commencing with the issuance of this RFP and continuing until the Sale Contract and Development Agreement are signed by the City and the Developer;

"Sale Closing Date" means the closing date for the sale of the Property to the Developer in accordance with the Sale Contract, as described in Section 6.2.4;

"Sale Contract" means the sale contract in the form attached as Schedule 11 of the RFP Info Package, as amended by agreement between the City and the Developer, for the sale of the Property to the Developer;

"SFU" means Simon Fraser University;

"SFU Advisory Panel" means the advisory panel appointed by SFU to negotiate the terms and conditions for the lease or purchase of the SFU Premises with each Proponent;

"SFU Design" means the design component of a Proposal which includes a design for the SFU Premises;

"SFU Premises" means an approximately 180,000 square foot portion of the Project that SFU has expressed interest in leasing or purchasing and that the Developer may determine to lease or transfer to SFU for use by its School of Contemporary Arts, at the sole discretion of the Developer;

"SFU Premises Improvements" means the improvements to the SFU Premises that, subject to agreement between the Developer and SFU, will be constructed or installed by the Developer in accordance with the SFU Premises Improvements Requirements;

"SFU Premises Improvements Requirements" means the specifications and base building requirements for the SFU Premises Improvements as set out in Schedule 7 - Part 1 of the RFP Info Package;

"Short-listed Respondents" means the respondents under the Developer Category or the Non-Market Housing Sponsor Category, as the case may be, of the RFEI as short-listed by the City, as set out in Schedule 1- Part 1 of the RFP Info Package;

"Sponsor" means the Short-listed Respondent under the Non-Market Housing Sponsor Category which, in accordance with the Sponsor RFP, is selected by Vancouver City Council and B.C. Housing to undertake the design and construction of the Non-Market Housing Parcel

Improvements in collaboration with the City, B.C. Housing and the Developer and to undertake the operation of the non-market housing on the Non-Market Housing Parcel;

“Sponsor RFP” means the request for proposals issued by the City and B.C. Housing for proposals from the Short-listed Respondents in the Non-Market Housing Sponsor Category of the RFEI to be the Sponsor, a copy of which is included as Schedule 4 - Part 2 of the RFP Info Package;

“Urban Design Guidelines” means the guidelines for the design of the Project as set out in Schedule 2 - Part 1 of the RFP Info Package;

“Woodward’s Co-Design Report” means the report on the community meetings held by the City in the spring of 2003 to discuss the redevelopment of the Property, which report is available on the Woodward’s Website; and;

“Woodward’s Website” means the website at <http://www.city.vancouver.bc.ca/woodwards>.

2.2 RFP Info Package

This RFP consists of the main body of the RFP, the RFP Info Package (which forms a part of this RFP), and any written addenda to this RFP issued by the City at any time before the RFP Closing Date.

The RFP Info Package includes:

Schedule 1 -Part 1 - Short-listed Respondents for Developer Category and Non-Market Housing Sponsor Category of the RFEI

Part 2 - Respondents for Commercial/Retail Premises Category and Non-profit Premises Category of the RFEI

Schedule 2 - Part 1 - Urban Design Guidelines

Part 2 - General Accessibility Guidelines for Woodward’s Housing

Schedule 3 -Description of possible financial incentives from the City and:

Part 1- Gastown and Chinatown Heritage Building Rehabilitation Program Policies and Procedures

Part 2 - Gastown and Chinatown Heritage Facade Rehabilitation Program Policies and Procedures

Schedule 4 -Background Information on the non-market housing component of the Project and

Part 1 - B.C. Housing Agreement

Part 2 - Sponsor RFP

Schedule 5 -Part 1 - City Parcel Improvements Requirements

Part 2 - List of Approved Non-Profit Uses for the Project

Schedule 6 - Non-Market Housing Parcel Improvements Requirements

Schedule 7 - Part 1 - SFU Premises Improvements Requirements

Part 2 - Vancouver Community College Program Requirements

Schedule 8 - Summary of the Woodward's Co-Design Report

Schedule 9 - Information on the Property and the Existing Building; and:

Part 1 - Plans, including the survey plan, the plan of existing building grades and the proposed pedestrian bridge plan

Part 2 - Title search and charges registered on title

Part 3 - Summary of environmental status of Existing Building

Part 4 - Building Information Summary and Seismic/Structural Overview prepared by structural consultant Read Jones Christofferson, including detailed analysis of the 1903/1908 Building

Part 5 - Statement of Historical Significance from Commonwealth Historical Society

Part 6 - Downtown Official Development Plan (adopted by By-law 4912)

Part 7 - Draft Victory Square Area Concept Plan

Schedule 10 - Development Permit No. DE217797 "Prior To" Permit Issuance Conditions

Schedule 11 - Sale Contract

Schedule 12- Proposal Format

3. SCOPE OF THE PROJECT

Once the following have occurred:

- all five initial phases of the Project as set out in Section 1.3 have been completed
- the City has selected the Developer for the Project; and
- the City and the Developer have entered into the Sale Contract;

then the Developer, the City, B.C. Housing and the Sponsor will negotiate, execute and deliver the Development Agreement, (as more fully described in Section 6.3) on or before November 1, 2004, to set out their agreement with respect to the following (and such other matters related to the Project as the parties agree on):

3.1 Detailed Design for Project

The Developer will prepare and deliver to the City a detailed design package, including detailed drawings and specifications for all of the improvements for the Property in conformance with the Developer's Proposal and the Urban Design Guidelines, except where otherwise agreed by the City, including:

- 3.1.1 the design of the City Parcel Improvements in accordance with the City Parcel Improvements Requirements;
- 3.1.2 the design of the Non-Market Housing Parcel Improvements in accordance with Non-Market Housing Parcel Improvements Requirements; and
- 3.1.3 the design of any Community Amenity Space as agreed between the Developer and the City;

3.2 Completion of Purchase of Property

Once:

- 3.2.1 the Developer has completed the detailed design drawings and specifications for all of the improvements for the Property and the City has accepted them and, in the case of the Non-Market Housing Parcel Improvements, the Sponsor and B.C. Housing have accepted them; and
- 3.2.2. all other conditions precedent set out in the Sale Contract have been fulfilled or waived;

and prior to commencement of construction, the Developer will complete the purchase of the Property for the Property Purchase Price 30 days after issuance of the Development Permit, in accordance with the Sale Contract;

3.3 Construction of Improvements

The Developer will construct all the improvements on the Property, including the Community Amenity Space if any, entirely at the cost of the Developer, subject to Sections 3.3.1 and 3.3.2, and in accordance with the detailed drawings and specifications accepted by the City and the time frame agreed to by all parties as set out in the Development Agreement, provided that:

- 3.3.1 the City will pay to the Developer, on the date of transfer of the City Parcel to the City as part of the City Parcel Purchase Price, the cost to construct the City Parcel Improvements, such amount not to exceed the amount which is the product of the City Parcel Construction Cost multiplied by the City Parcel Area. The City Parcel Purchase Price will:
 - (a) include both the cost to construct the City Parcel Improvements and the land component of the City Parcel; and
 - (b) be equal to or less than the Property Purchase Price;unless otherwise approved by Vancouver City Council; and
- 3.3.2 B.C. Housing will fund the Non-Market Housing Parcel Improvements up to the limit set out in the B.C. Housing Agreement (less the amount of \$750,000 which has been allocated to provide for the parking requirements for the Non-Market Housing Parcel), provided that the Sponsor may agree to fund more than the 100

units to be funded by B.C. Housing. If the Sponsor only agrees to develop the 100 units funded by B.C. Housing, the amount that B.C. Housing has agreed to pay pursuant to the B.C. Housing Agreement (less the \$750,000 allocated for parking) will be full payment for the cost to construct the Non-Market Housing Parcel Improvements;

3.4 Sale of Non-Market Housing Parcel to City

Once the Developer has completed the construction of the Non-Market Housing Parcel Improvements and the Sponsor, B.C. Housing and the City have accepted them, the Developer will sell the Non-Market Housing Parcel to the City for the Non-Market Housing Parcel Purchase Price, which will be the nominal amount of TEN DOLLARS (\$10.00), in accordance with the Option in the Development Agreement, and the City will lease same to the Sponsor;

3.5 Sale of City Parcel to City

Once the Developer has completed the construction of the City Parcel Improvements and the City has accepted them, the Developer will sell the City Parcel to the City for the City Parcel Purchase Price in accordance with the Option in the Development Agreement;

3.6 SFU Premises

If the Developer and SFU reach agreement on the design, financing and construction of the SFU Premises as a part of the Project as described in Section 5.5, once the Developer has completed the construction of the SFU Premises and SFU has accepted them, the Developer will lease or sell the SFU Premises to SFU;

3.7 Alternate Design Premises

If the Developer and SFU do not reach agreement on the design, financing and construction of the SFU Premises as part of the Project, once the Developer has completed the construction of the premises described in the Developer's Alternate Design or such other design for such floor area within the Project as agreed between the Developer and the City, the Developer may lease or sell such premises to any third party as determined by the Developer in its sole discretion; and

3.8 Remainder of the Project

Once the Developer has completed the construction of the remainder of the improvements on the Property, the Developer may lease or sell such premises to such third parties as determined by the Developer in its sole discretion, provided that for any Community Amenity Space for an Approved Non-Profit Use constructed on such remainder of the Property:

3.8.1 the Developer will consider as tenants or purchasers of such Community Amenity Space the appropriate Respondents in the Non-profit Premises Category as set out in Schedule 1- Part 2 of the RFP Info Package and such other tenants or purchasers of such Community Amenity Space as recommended to the Developer by the City; and

3.8.2 despite Section 3.8.1, the Developer will be free to consider any third party as a tenant or purchaser of any portion of the Project other than the City Parcel and the Non-Market Housing Parcel (provided that the use of such portion of the Project complies with the City's Zoning and Development By-law and any other relevant by-laws) and will not be required to lease or sell to any Respondent in

the Commercial/Retail Category or the Non-profit Premises Category or any other tenants or purchasers recommended to the Developer by the City.

The Sale Contract will provide that the parties' obligations to complete the sale of the Property will be subject to the Development Agreement being fully executed by November 1, 2004. Once the Development Agreement has been negotiated, executed and delivered, the Developer will be required to undertake the Project in accordance with the Development Agreement.

4. ADDITIONAL CITY SUPPORT FOR THE PROJECT

To facilitate a successful, economically viable Project, the City will consider providing the following additional support for the Project:

4.1 Parking in Gastown Parkades

At the option of the Developer, the City will allocate up to 500 parking spaces in the newly constructed Gastown Parkades for use by owners, tenants and customers of the redeveloped Property, at market rental rates agreed to by the City. The design of the Gastown Parkades anticipates a possible bridge to the Property for access directly from the Gastown Parkades to the Property. If a Proponent chooses to include in its Proposal a bridge or other connection between the Property and the Gastown Parkades as part of the Project, it will be expected to pay all costs associated with the bridge design and connections and any items required for secured reserved parking.

The City will provide for the parking requirements for both the City Parcel and the Non-Market Housing Parcel, provided that such parking requirements will reduce the available parking spaces for the Project in the Gastown Parkades referred to in this Section 4.1, as approximately 50 parking spaces will be allocated for the City Parcel and approximately 50 parking spaces will be allocated to the Non-Market Housing Parcel..

4.2 Financial Incentives from the City

The City will consider providing a number of financial incentives for the Project in order to facilitate the preservation and restoration of important heritage elements of the Existing Building. The City's Gastown/Chinatown heritage incentive programs include the heritage buildings along the Hastings corridor in the Downtown Eastside, including the Existing Building. These heritage incentive programs include bonus density and property tax exemptions, as well as facade improvement grants, to facilitate major building upgrades to heritage buildings. Further details concerning these possible financial incentives are set out in Schedule 3 of the RFP Info Package.

5. DESIGN OF THE PROJECT

5.1 Guiding Principles for the Project

Vancouver City Council has endorsed Guiding Principles for the Project, which provide that the Project must:

5.1.1 be financially viable and self-sustaining;

5.1.2 be developed in a timely manner;

5.1.3. include at least 100 units of non-market housing;

- 5.1.4. be open and inclusive;
- 5.1.5 be an urban revitalization catalyst;
- 5.1.6 maintain and enhance the existing community;
- 5.1.7 incorporate the talents, visions, and desires of the Downtown Eastside community;
- 5.1.8 incorporate the talents and ideas of people throughout the City;
- 5.1.9 play a role in the economic revitalization of the community;
- 5.1.10 provide employment opportunities for local residents in both the construction and operation of the new building;
- 5.1.11 provide opportunities and create synergies for local owners and businesses;
- 5.1.12 incorporate user group involvement in the design process;
- 5.1.13 celebrate the symbolism of the historic building (eg. the lighted “W”, the building facade, Christmas displays, etc.);
- 5.1.14 be environmentally sustainable;
- 5.1.15 create a lively street front with animation at grade;
- 5.1.16 not be a “black box” (eg. accommodate and encourage pedestrian circulation, etc.);
- 5.1.17 provide appropriate parking;
- 5.1.18 be accessible;
- 5.1.19 take advantage of heritage opportunities; and,
- 5.1.20 respond to the local physical context.

In interpreting these Guiding Principles, and particularly Section 5.1.7, "Downtown Eastside" includes the aboriginal community.

5.2 Urban Design Guidelines

Vancouver City Council has approved the Urban Design Guidelines for the Property, specifically to assist in this RFP Stage. They are set out in Schedule 2 - Part 1 of the RFP Info Package.

The Urban Design Guidelines are intended to provide guidance for the development of the Project, not regulations, and are to be applied in a flexible manner so that a variety of design approaches are possible. Where a certain guideline is considered to be required, it is emphasized as such to indicate that it is an essential element of the Project that will generally be expected. All other guidelines are considered to be discretionary in nature but represent performance goals that will be expected in most circumstances because they satisfy the public’s

interests and the City's preferences for the Project. Nonetheless, a design of extraordinary uniqueness and exemplary quality that is evident in the landmark character of several other buildings in the area, enhances the heritage district and may become a new pivot for the historic skyline, may be considered even if it does not exactly meet all the guidelines.

The Urban Design Guidelines set out the following requirements for the design of the Project:

- 5.2.1 retain the remaining 1903/1908 portion of the Existing Building in its entirety and restore same as a key part of the Project;
- 5.2.2 include a significant proportion of market and non-market residential use in the Project, appropriately located to ensure proper standards of livability for the residents;
- 5.2.3. retain the Woodward's "W", preferably with its supporting steel tower, and make same fully operable and illuminated to ensure its prominence on the Vancouver skyline;
- 5.2.4 incorporate continuous retail along the West Hastings Street frontage, with individual storefronts ideally set at a maximum of 15 metres in width, consistent with the historical pattern of adjacent development;
- 5.2.5 contribute to the upgrading of the streetscape along all 3 frontages, including paving treatments, lighting, street trees, signage and public art features to improve the overall amenity of the street;
- 5.2.6 incorporate a continuous, fixed canopy treatment along all frontages of the Project, designed to allow for light penetration to the sidewalk below; and
- 5.2.7 conceal all parking in the Project from view from the surrounding streets and locate all loading bays on the Property.

If the Developer makes an application to rezone the Property and a rezoning by-law is enacted, the Urban Design Guidelines may be amended by Vancouver City Council.

Despite the flexibility of the Urban Design Guidelines, this RFP requires that the design for the Project MUST:

- include at least 100 non-market housing units in the Non-Market Housing Parcel;
- retain the remaining 1903/1908 portion of the Existing Building in its entirety and provide for the restoration of same; and
- retain the Woodward's "W".

5.3 Rezoning

The City will consider a Proposal which requires that the Proponent rezone the Property. A Proponent interested in making an application to rezone the Property should refer to the Urban Design Guidelines, which should be used as a guide to any rezoning application.

If the Developer requires that its obligations under the Sale Contract and the Development Agreement are subject to the Property being rezoned as required by its Proposal, and if such Proposal includes Community Amenity Space and/or other community amenities acceptable to the City, as evidenced by the selection of that Proponent as the Developer and acceptance of its Proposal, then City staff will recommend to Vancouver City Council that the rezoning of the Property proceed without any further community amenity contributions other than providing such Community Amenity Space and/or other community amenities as set out in the Proposal.

Any rezoning application would require a public hearing. No regulatory decisions with respect to the Project will be made until after such a public hearing. The evaluation of a Proposal and the selection of the Developer pursuant to this RFP will not restrict or otherwise limit Vancouver City Council in its consideration of any proposed rezoning.

5.4 Existing Zoning

A combination of uses is allowed under the existing zoning, which is set out in Schedule 9 - Part 6 of the RFP Info Package.

If a Proponent does not wish to rezone the Property, the Proponent could consider proceeding pursuant to Development Permit No. DE217797, which was approved in 1997 subject to certain conditions being fulfilled. This conditional approval has been amended and renewed annually since it was first approved and the development permit could be issuable once all conditions for issuance have been met.

The conditionally approved development would accommodate 417 residential units and 190,000 square feet of commercial and retail space (565,000 square feet of total floor area). If a Proponent wishes to proceed under Development Permit No. DE217797, it would need to prepare plans and specifications in accordance with its Proposal that comply with such development permit application.

The “prior to” conditions for issuance of this development permit are set out in Schedule 10 of the RFP Info Package. The City will extend the date for complying with the “prior to” conditions from December 31, 2003, to December 31, 2004, and will update the “prior to” conditions to reflect current circumstances.

5.5 SFU Design/Alternate Design

SFU, a Respondent in the Non-profit Premises Category, expressed an interest in leasing or purchasing the SFU Premises in the Project for use by its School of Contemporary Arts and provided the SFU Premises Improvements Requirements as set out in Schedule 7 - Part 1 of the RFP Info Package.

As SFU is unable to confirm funding for the lease or purchase of the SFU Premises until after the RFP Closing Date, each Proponent is required to submit a Proposal which allows for:

5.5.1 including the SFU Premises in the Project (the “SFU Design”); and

5.5.2 omitting the SFU Premises from the Project (the “Alternate Design”).

If SFU does confirm that the required funding for the SFU Premises is available, which is estimated to be approximately \$30 to \$35 million, the inclusion of the SFU Premises in the Project would achieve the intent of many of the Guiding Principles and provide

considerable financial certainty to the Project. SFU has appointed the SFU Advisory Panel to negotiate the terms and conditions for the SFU Premises with each Proponent. Shortly after this RFP is issued, the Contact Person will set up individual meetings between each Proponent and the SFU Advisory Panel.

If, prior to the date on which Vancouver City Council selects the successful Proponent, SFU advises the City that for any reason SFU will not be proceeding with the SFU Premises, then the SFU Design in a Proposal will be excluded from the evaluation of Proposals by the Evaluation Committee.

If SFU does not confirm by December 31, 2004, that the required funding for the SFU Premises is available, then the SFU Design in a Proposal will be excluded and the Development Agreement will be amended accordingly and the parties will agree to proceed with the Alternate Design or such other design for such floor area within the Project as agreed between the Developer and the City.

5.6 Vancouver Community College Premises

Vancouver Community College, a Respondent in the Non-profit Premises Category, expressed an interest in leasing or purchasing premises in the Project for an approximately 57,000 square foot contemporary design centre and school of music and provided the program requirements for this space as set out in Schedule 7 - Part 2 of the RFP Info Package. Proponents may wish to pursue this interest further with Vancouver Community College.

5.7 Important Pre-Proposal Meetings

The following are the dates for important meetings related to the Project which all Proponents are required to attend:

Meeting with City Departments	Week of April 19, 2004
Meeting with City Housing Centre and B.C. Housing	Week of April 26, 2004
Meeting with SFU	Week of April 26, 2004

The City will schedule additional meetings between a Proponent and City Departments, if requested by a Proponent.

6. SALE OF PROPERTY TO DEVELOPER

Proponents should read the main body of this RFP in conjunction with the RFP Info Package, particularly Schedule 11 - the Sale Contract, because that is where the terms and conditions for the proposed sale of the Property to the Developer are set out.

6.1 Sale Contract and Development Agreement

Once the City has selected the Developer and accepted its Proposal, the City will enter into discussions and negotiations with the successful Proponent to reach agreement on the final terms of the Sale Contract. The City reserves the right to negotiate any amendments to the form of the Sale Contract set out in Schedule 11 of the RFP Info Package. The Sale Contract is to be fully executed by the City and the Developer on or before 14 days after Vancouver City Council selects the Developer for the Project, presently scheduled for the City Council meeting on September 14, 2004.

The executed Sale Contract will be kept confidential.

The Sale Contract is included in this RFP for reference only and is **not** to be completed by a Proponent as part of a Proposal.

6.2 Sale Contract Key Terms

An overview of some of the key terms of the Sale Contract is as follows:

6.2.1 Parties

The Sale Contract will be between the City as seller and the Developer as buyer. At the option of the successful Proponent, the Developer may be a special purpose corporation incorporated for the purpose of the Project.

6.2.2 Property Purchase Price

The City expects that the Property Purchase Price will be at least the City's costs to date for the Property, which is:

- the amount the City paid to purchase the Property (FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$5,500,000)); and
- all property holding and improvement costs incurred by the City up to the Sale Closing Date, which property holding and improvement costs are presently estimated to be \$500,000 up to the Sale Closing Date.

The City encourages Proponents to submit the highest possible Property Purchase Price in order that the City Parcel Area is maximized, which will be one of the criteria used in the evaluation of the Proposals.

6.2.3 Deposit

The Developer will be required to pay to the City a deposit in the amount of 10% of the Property Purchase Price on execution and delivery of the Development Agreement. If the Developer subsequently breaches its obligations under the Sale Contract the City may retain this deposit.

6.2.4 Closing Date for Sale of Property

The Sale Closing Date for the sale of the Property to the Developer will be the later of:

- a. the date which is 30 days after the date on which the Development Permit is issued for the Project or such earlier date as the parties may agree on; and
- b. December 31, 2005.

The City will not be responsible for costs due to any delay in the Sale Closing Date or the commencement of construction of the Project.

6.2.5 Condition of Property/Environmental Responsibility

The Sale Contract provides that the Developer will purchase the Property from the City "as is, where is" and will satisfy itself with request to all matters related to

the Property. The Developer will bear all risk relating to any environmental conditions on the Property.

Limited environmental investigations on the Existing Building have been completed. A summary of the environmental report on the Existing Building is included in Schedule 9 - Part 3 of the RFP Info Package.

6.3 Development Agreement

The Sale Contract provides that the Development Agreement will be negotiated, executed and delivered by the Developer, the City, B.C. Housing and the Sponsor on or before November 1, 2004. The Sale Contract provides that the parties' obligations to complete the sale of the Property will be subject to the Development Agreement being fully executed by that date. The Development Agreement will be registered on title to the Property in the Lower Mainland Land Title Office on the Sale Closing Date.

The Development Agreement will address the scope of the Project as described in Article 3, including without limitation:

6.3.1 Construction of Improvements on Parcels to be Transferred to City

The Development Agreement will provide that the Developer will have full responsibility for the design and construction of all elements of the Project, including without limitation:

- c. the design and construction of the City Parcel Improvements in accordance with the City Parcel Improvements Requirements, incorporating any other base building requirements proposed by the Developer that offer improved benefits, as finalized and agreed to by the Developer and the City;
- d. the design and construction of the Non-Market Housing Parcel Improvements in accordance with Non-Market Housing Parcel Improvements Requirements, taking into consideration the General Accessibility Guidelines for Woodward's Housing set out in Schedule 2 - Part 2 of the RFP Info Package, as finalized and agreed to by the Developer, the City, the Sponsor and B.C. Housing; and
 - (c) the design and construction of any Community Amenity Space as agreed between the Developer and the City.

6.3.2 Option to Purchase in Favour of City

The Development Agreement will set out the terms and conditions of the Option which, when exercised by the City, will require the transfer to the City of a fee simple interest in:

- the City Parcel as improved with the City Parcel Improvements; and
- the Non-Market Housing Parcel as improved with the Non-Market Housing Parcel Improvements.

The Option will provide for the following:

- (a) City Parcel Area:

The area of the City Parcel (the “City Parcel Area”) will be the Property Purchase Price (as proposed by the successful Proponent in its Proposal pursuant to Section 7.2.1) divided by the City Parcel Construction Cost (as proposed by the successful Proponent in its Proposal pursuant to Section 7.2.2.(a)).

Proposals should identify the floor area in the Project (floor by floor) that the Proponent proposes to sell to the City for the City Parcel. For example, the City Parcel could consist of retail space on the ground floor and office space on other floors. As the City may wish to invest more than the Property Purchase Price, a Proponent may wish to indicate areas, in addition to the City Parcel Area, which may be available for purchase by the City, however the Option in the Development Agreement will be limited to the City Parcel and will not cover such additional areas unless otherwise approved by Vancouver City Council.

The City Parcel is separate from and in addition to any Community Amenity Space that the Developer includes in its Proposal.

(b) City Parcel Purchase Price:

The City Parcel Purchase Price, which is the consideration to be paid by the City for the City Parcel as improved by the City Parcel Improvements (including both the interest in land and improvements), will be an amount equal to or less than the Property Purchase Price as set out in the Developer’s Proposal, unless otherwise approved by Vancouver City Council.

(c) City Parcel Construction Cost:

The City Parcel Construction Cost is the price per gross square foot for the City Parcel Improvements, exclusive of GST. The City Parcel Construction Cost should be broken down by floor and should be the cost to construct the base building specifications set out in the City Parcel Improvements Requirements. The City Parcel Construction Cost includes all costs (hard and soft) except for the land component.

(d) Non-Market Housing Parcel Area:

The area of the Non-Market Housing Parcel (the “Non-Market Housing Parcel Area”) on which the Developer will construct the Non-Market Housing Parcel Improvements will be determined by the Non-Market Housing Parcel Improvements Requirements, up to the maximum amount available for the Non-Market Housing Parcel Improvements as set out in the B.C. Housing Agreement, of which \$750,000 is allocated for parking.

If additional funding is made available by the Sponsor, the City or through federal or provincial programs, the City may wish to purchase additional square footage for the Non-Market Housing Parcel.

The Non-Market Housing Parcel is separate from and in addition to any Community Amenity Space that the Developer includes in its Proposal.

(e) Non-Market Housing Parcel Purchase Price:

The Non-Market Housing Parcel Purchase Price, the consideration for the land component of the Non-Market Housing Parcel, is the nominal amount of TEN DOLLARS (\$10.00).

(f) Non-Market Housing Parcel Construction Cost

The Non-Market Housing Parcel Construction Cost is the price per gross square foot for the Non-Market Housing Parcel Improvements. The Non-Market Housing Parcel Construction Cost includes all costs (hard and soft) except for the land component.

(g) Creation of City Parcel and Non-Market Housing Parcel:

On substantial completion of construction of both the City Parcel Improvements and the Non-Market Housing Parcel Improvements and exercise of the Option by the City, the Developer will be required to subdivide the Project to create separate legal titles and register any required easements for access and support for each of:

- (i) the City Parcel, which must include all of the City Parcel Improvements within the boundaries of the City Parcel; and
- (ii) the Non-Market Housing Parcel, which must include all of the Non-Market Housing Parcel Improvements within the boundaries of the Non-Market Housing Parcel.

Within 45 days of the Developer creating such separate legal titles, the Developer will sell the City Parcel and the Non-Market Housing Parcel to the City pursuant to the Option. The City will concurrently enter into the 60 year lease of the Non-Market Housing Parcel with the Sponsor.

6.3.3 Permits

The Development Agreement will provide that with respect to the City Parcel Improvements and the Non-Market Housing Parcel Improvements the Developer will be responsible for and will assume the risk of:

- (a) obtaining all Permits;
- (b) complying with all terms and conditions of the Permits; and
- (c) providing all required security (letters of credit, bonds and other financial instruments) as may be required by any Public Authority in connection with the issuance of any Permits.

6.3.4 Construction Risk

The Development Agreement will provide that the Developer will have control of the work methods and procedures for, and will bear the risks related to construction of, the City Parcel Improvements and the Non-Market Housing Parcel Improvements.

The Developer will also :

- (a) bear the full risk of proper design and construction integration between the various elements of the Project;
- (b) assume the risk relating to the protection or relocation of public utilities, including the municipal utilities such as sewer and water; and

- (c) be responsible for acquiring, at its cost, any land rights required temporarily for construction purposes.

6.3.5 Right to Inspect the Project

The Development Agreement will provide that the City, B.C. Housing and the Sponsor will have the right to enter the Project as necessary to confirm that the Developer is meeting its obligations under the Development Agreement.

6.4 Final Form of Sale Contract and Development Agreement

The City will enter into discussions and negotiations with the successful Proponent to reach agreement on the final terms of the Sale Contract and the Development Agreement. Such discussions and negotiations will be based on the Proposal submitted by that Proponent and selected by the City, including amendments to the Sale Contract, if any, specified by that Proponent in its Proposal or agreed to by the City on the basis of that Proposal.

The Proponent will be entitled to offer counter-proposals with respect to the issues raised by the City in the discussions, but the Developer will not be entitled to raise new issues after the RFP Closing Date with respect to its Proposal or the Sale Contract.

If for any reason the City and the successful Proponent fail to reach complete agreement on the Development Agreement on or before November 1, 2004, the City will be at liberty to terminate the negotiations with the Proponent and to:

- e. invite one or more of the other Proponents to enter into negotiations to reach an agreement for the Project; or
- f. pursue such other alternatives as the City may decide.

6.5 Assignment of Sale Contract and Development Agreement

The Developer will not assign either the Sale Contract or the Development Agreement nor transfer or assign any of its rights or privileges under either the Sale Contract or the Development Agreement without obtaining the prior written consent of the City, which consent may be arbitrarily withheld.

2. PROPOSAL PACKAGE

A Proponent should include in its Proposal a complete description of any variations which have been made from the requirements of this RFP, and the justification for them.

A complete Proposal must include as a minimum:

7.1 Design of the Project

This RFP calls for Proposals to describe the Proponent's plan for all aspects of the Project, which Proposals are to be in the format set out in Schedule 12 of the RFP Info Package.

Having regard for the Proponent's costs of preparing a Proposal, at this RFP Stage the design should be a conceptual/schematic design including performance specifications, not a detailed design, and should be suitable for a preliminary development permit application. Blocks of space should be shown for only major components of the Project, for example, the Non-Market Housing Parcel, the market housing component, the City Parcel, the SFU Premises, any

Community Amenity Space, the 1903/1908 portion of the Existing Building, any other portion of the Existing Building to be retained, the other premises for sale or lease, and open spaces.

The design elements need only be taken to a level of completion as required to provide an appropriate level of confidence in the financial models submitted by Proponents and any other cost estimates used by the City in the evaluation of the Proposals. The detailed design drawings and specifications will be completed after the selection of the successful Proponent.

Proposals should include the following information, as more particularly described in Schedule 12:

7.1.1 Proponent and Project Information Summary

The Proponent and Project Information Summary should include a general description of the Proponent's design philosophy in the context of the Guiding Principles for the Project.

7.1.2 Technical Package

The technical package should consist of a conceptual/schematic design, including performance specifications, for the Project, including at least the 2 scenarios required by this RFP - the SFU Design and the Alternate Design - as described in Section 5.5. Additional variables are acceptable.

A Proponent should clearly identify the SFU Design in its Proposal.

The Proposal should include a description of the conceptual/schematic design for the Project, including internal programs (including the non-market housing program, the market housing program, the commercial, office and retail programs, the City Parcel and any Community Amenity Space), special features, response to the Urban Design Guidelines, development concept, vehicular traffic, views, open space, accessibility and calculated floor space ratio.

Proponents should endeavour to include in the design for the Project some of the uses that have been identified as being the most important to the surrounding community as set out in the Woodward's Co-Design Report.

7.1.3 Presentation Panels and Project Model

The Proposal should include no more than 20 presentation panels and a project model at a scale of 1:400, all as more particularly described in Schedule 12.

7.1.4 Financial Model

The financial model should be a financial proforma model (in Excel) of the Proponent's proposed design for the Project, including both scenarios required by this RFP: the SFU Design and the Alternate Design. The financial model should be structured to allow the City to conduct a sensitivity analysis on costs and inputs;

7.1.5 Additional Information

A Proponent may include such additional information in support of the design component of its Proposal as it chooses to provide.

7.2 Proposal Form #1 - Purchase of the Property/Option to City

A Proponent must include in its Proposal a completed and signed copy of Proposal Form #1 - Purchase of Property/Option to City, which is included in Schedule 12 of the RFP Info Package and available by email from the Contract Person, with each page initialled and with the following information with respect to the Property completed (all amounts must be exclusive of GST):

7.2.1 Property Purchase Price, as proposed by the Proponent, to be paid by the Developer to the City on purchase of the Property, as provided in the Sale Contract (exclusive of GST, provincial sales tax, property transfer tax or other like charges);

7.2.2 with respect to the Option for the City Parcel:

- (a) City Parcel Construction Cost, as proposed by the Proponent, (with a breakdown by floor) (to be used to calculate the City Parcel Purchase Price)
- (b) City Parcel Area, as proposed by the Proponent
- (c) City Parcel Purchase Price (City Parcel Purchase Price must NOT exceed the Property Purchase Price)
- (d) a plan of the proposed City Parcel, with a separate plan for each floor of the Project identifying the City Parcel floor by floor and identifying access and egress, locations of elevators, stairs, electrical rooms and mechanical systems, etc.

7.2.3. with respect to the Option for the Non-Market Housing Parcel:

- (a) Non-Market Housing Parcel Construction Cost, as proposed by the Proponent (which must not exceed the funding from B.C. Housing as set out in the B.C. Housing Agreement, of which \$750,000 is allocated for parking)
- (b) Non-Market Housing Parcel Area, as proposed by the Proponent
- (c) a plan of the proposed Non-Market Housing Parcel, with a separate plan for each floor of the Project identifying the Non-Market Housing Parcel floor by floor and identifying access and egress, locations of elevators, stairs, electrical rooms and mechanical systems, etc.

7.3 Proposal Form #2 - Legal Acknowledgment

A Proponent must include in its Proposal a completed and signed copy of Proposal Form #2 - Legal Acknowledgment, which is included in Schedule 12 of the RFP Info Package and is available by email from the Contact Person, with each page initialled.

7.4 Additional Information

A Proponent may provide any additional information in support of its Proposal.

8. RFP PROCESS

8.1 General

The process for the selection of the Developer is as generally described in this Section 8, but the City reserves the right to make changes to such process as the City may decide.

8.2 Timetable

In order to ensure that the Property will be redeveloped in a timely manner, the City has established the following intended selection process timetable:

ACTIVITY	DATE
RFP Closing Date	June 30, 2004
Publication of Summary of Proposals	July 9, 2004
Public Open Houses to View Proposals	July and August, 2004
Deadline for Written Comments from Public	September 7, 2004
Evaluation of Proposals by Evaluation Committee	July, August and early September, 2004
Selection of Developer by Vancouver City Council	September 14, 2004
Execution of Sale Contract by City and Developer	On or before September 28, 2004
Execution of Development Agreement by City, Developer, B.C. Housing and Sponsor	On or before November 1, 2004
Deadline for submission of application for rezoning, if required by the Developer's Proposal	On or before November 1, 2004
Deadline for SFU Funding Confirmation	December 31, 2004
Projected Outside Date for issuance of Development Permit for the Project	December 31, 2005

8.3 Consultations on Proposals Prior to RFP Closing Date

The City may have confidential informal discussions with a Proponent at any time **prior to the RFP Closing Date** with respect to ideas for Proposals, provided that the Contract Person must arrange all of these meetings. Nothing in such discussions will obligate the City in any way. Proponents are encouraged to submit confidential enquiries to the Contact Person regarding potential Proposals. They must do so by presenting to the Contact Person an outline for a potential Proposal or an element of a potential Proposal, for preliminary review and consideration by the City as follows:

- 8.3.1 the outline must be in writing and include a written description with sufficient explanation and information to enable the City and its advisors to understand how the potential Proposal complies with or varies from the requirements for this RFP;
- 8.3.2 the Contact Person will endeavour to advise in writing whether any aspect of the Proposal would make such Proposal unacceptable to the City if formally submitted, and may, but is not required to, suggest amendments that would make the potential Proposal acceptable to the City;

8.3.3 notwithstanding Section 8.3.2, the City will keep confidential any potential Proposal received and related discussions with the Proponent; and

8.3.4. nothing in this Section will be interpreted to mean that a potential Proposal that is not rejected by the City will be accepted by the City.

8.4 Public Consultations

The Project is of considerable public interest and so consultation and communication with the public is an important aspect of the Project.

The public consultation to date has been as follows:

8.4.1 during the first phase of the Project the City conducted community workshops and an ideas fair on the redevelopment of the Property as described in Section 1.3.1; and

8.4.2 as part of the second phase of the Project, the City consulted the public on the Submissions made under the Developer Category in response to the RFEI, as described in Section 1.3.2.(a)

All of the Proposals will be exhibited for viewing by the public and the public will be invited to submit written comments for consideration by both the Evaluation Committee and Vancouver City Council.

During the RFP Stage the Proponents may be required to attend public meetings and to participate in any filming documenting the Project, as requested by the City.

8.5 No Effect on *Vancouver Charter* Rights

Nothing in this RFP will operate, if the City so elects, to affect or derogate from the City's powers, rights, duties and obligations under the *Vancouver Charter* as amended or replaced from time to time, and the City may, if the City so elects, exercise and carry out any and all of its powers, rights, duties and obligations under the *Vancouver Charter* as though any agreement resulting from this RFP had never been made.

9. EVALUATION AND EVALUATION CRITERIA

9.1 Evaluation Committee

The evaluation of Proposals will be undertaken by the Evaluation Committee appointed by the City. The Evaluation Committee may be assisted by technical, legal, financial and such other advisors as the Evaluation Committee may in its discretion decide it requires.

9.2 Minimum Requirements

The Evaluation Committee may reject a Proposal if:

9.2.1 the design for the Project does not:

- (a) include at least 100 non-market housing units in the Non-Market Housing Parcel;

- (b) retain the remaining 1903/1908 portion of the Existing Building in its entirety and provide for the restoration of same; and
- (c) retain the Woodward's "W"; and

9.2.2 the Proponent has not fully completed:

- (a) Proposal Form #1- Purchase of Property/Option to City; and
- 1. Proposal Form #2 - Legal Acknowledgment.

9.3 Evaluation Criteria

A key objective of this RFP is to encourage Proposals which maximize benefits to the residents of the Downtown Eastside, as well as the residents of the remainder of the City, while at the same time being economic for the Developer.

The criteria for the evaluation of the Proposals by the Evaluation Committee will consist of, but will not be limited, to the following (Note: These are not in any order of importance):

9.3.1 the strength of the Proposal and the demonstrated ability and experience of the Proponent to deliver the Project in accordance with the Guiding Principles, including:

- (a) design and construction; and
- (b) financial matters;

9.3.2 the value of:

- (a) the City Parcel and the City Parcel Improvements;
- (b) the Non-Market Housing Parcel and the Non-Market Housing Parcel Improvements; and
- (c) the community benefits generated by the Project, including without limitation any Community Amenity Space proposed to be provided in the Project other than in the City Parcel and the Non-Market Housing Parcel;

9.3.3. factors relating to a Proposal which are not possible to value directly in financial terms, including:

- (a) quality of the urban design aesthetics and architecture,
 - (b) urban fit;
- (c) connectivity and integration of the various elements of the Project, including the connectivity and integration of the market housing component and the non-market housing component;

(d) benefits to the public in general, including the type and mix of uses; and

(e) response to the Urban Design Guidelines;

9.3.4 other factors which the City, in its sole discretion, deems relevant, provided that the same criteria will be applied to all Proposals.

9.4 Additional Land

A Proposal must be for a Project that is to be constructed on the Property only. If a Proponent owns or leases any other property in the vicinity of the Property, the Proposal may describe uses for these additional lands, but the Proposal will be evaluated only on the basis of the Project constructed on the Property only.

9.5 Rejection of Unacceptable Proposals/Waiver of Non-Compliance

The Evaluation Committee may at any time reject a Proposal submitted by a Proponent that in the judgment of the Evaluation Committee will not result in an acceptable Project. The City may waive any non-compliance with this RFP and may at its sole discretion elect to retain for consideration Proposals which are non-conforming because they do not contain the content or form required by this RFP or because they have not complied with the process for submission set out in this RFP.

9.6 Presentations and Clarifications

The Evaluation Committee may, at its election, during the evaluation after the RFP Closing Date, invite a Proponent to provide a presentation or clarification of its Proposal, either in writing or by meeting directly with the Evaluation Committee, and expects to do so, but the Evaluation Committee is not required to invite any such presentation or clarification from, or to have a meeting with, any Proponent. The Evaluation Committee may, at its election, invite such presentations or clarifications from only one or some of the Proponents. The Evaluation Committee may consider such presentations or clarifications in the evaluation of a Proposal. After the RFP Closing Date, no additional information may be submitted by any Proponent except upon invitation and request from the Evaluation Committee, and the Evaluation Committee will have no obligation to request that a Proponent provide missing or deficient information.

9.7 Priority of Evaluation Criteria

The evaluation criteria described in this Section 9 will be applied to all Proposals without a priority or weighting established in advance of the evaluation the Proposals. The Evaluation Committee may give different weight to individual evaluation criteria provided that the same criteria and weights are applied to all Proposals. For the assistance of Proponents, the City

anticipates that the criteria set out in the Guiding Principles will have primary significance in the evaluation of Proposals and that other criteria will have lesser significance after these criteria are satisfied. However, the City expressly reserves the right to select the Proponent that offers a Proposal that the City judges to be most advantageous overall.

9.8 Recommendation of Evaluation Committee

The Evaluation Committee will recommend to Vancouver City Council which Proponent and Proposal should be selected.

9.9 SFU Design to be Excluded after Certain Date

In deciding which Proponent to recommend, the Evaluation Committee will evaluate both the SFU Design and the Alternate Design in each Proposal. Only one Proponent and one Proposal will be recommended. The successful Proponent will be expected to proceed with either the SFU Design or the Alternate Design, or such other design for such floor area within the Project as agreed between the Developer and the City, depending on whether funding for the SFU Premises is available and SFU and the Developer reach agreement on the SFU Premises

If, prior to the date on which Vancouver City Council selects the successful Proponent, SFU advises the City that for any reason SFU will not be proceeding with the SFU Premises, then the SFU Design in a Proposal will be excluded from the evaluation of Proposals by the Evaluation Committee.

If SFU does not confirm by December 31, 2004, that the required funding for the SFU Premises is available, then the SFU Design in a Proposal will be excluded.

9.10 Vancouver City Council to Select Proponent and

Proposal

Vancouver City Council will consider the recommendations of the Evaluation Committee and will make the selection of the Proponent and the Proposal. The Contact Person will advise all Proponents in writing of City Council's decision. The successful Proponent will execute the Sale Contract based on the form of sale contract set out in Schedule 11 of the RFP Info Package as amended by agreement with the City, on or before 14 days after City Council selects the Developer for the Project.

The City reserves the right to accept any Proposal it considers to be in its best interest or to reject any or all Proposals. The City may negotiate with the successful Proponent any changes to the scope of the Project and any other terms and conditions.

10 INSTRUCTIONS TO PROPONENTS

10.1 RFP Closing Date

Proposals must be received by the City on or before the RFP Closing Date. The City reserves the right to extend the RFP Closing Date.

10.2 Number of Copies of Proposal

Proponents should deliver the number of copies of the various components of the Proposal as set out in Schedule 12 of the RFP Info Package, organized in accordance with Schedule 12.

10.3 Execution of Proposal Forms/Proposal to be Initialled

The Proposal Forms must be executed in the places provided on the Proposal Forms by an authorized signatory of the Proponent. The title and position held within the company by the signing officer must be clearly legible and the company's full legal name must be stated. All other pages of the Proponent's Proposal must be initialed by the authorized signatory whose signature appears on the execution page of the Proposal Forms.

10.4 Variations must be Indicated

All variations from the requirements set out in the RFP must be clearly indicated. The attachment of descriptive literature from which a variation could be gleaned will not be binding on the City.

10.5 Delivery

All Proposals must be in sealed packages or boxes labelled "Proposal -- Woodward's Development Project" and delivered by courier on or before the RFP Closing Date as follows:

10.5.1. All parts of a Proposal other than the project model and presentation panels must be delivered to:

Woodward's Project
City of Vancouver
300-515 West 10th Avenue
Vancouver, B. C. V5Z 4A8

Attention: Project Manager

10.5.2. All project models and presentation panels which form a part of a Proposal must be delivered separately to:

Woodward's Project
City Hall
City of Vancouver
Third Floor Foyer (outside of Mayor's office)
453 West 12th Avenue
Vancouver, B. C. V5Y 1V4

10.6 Late Proposals

Proposals received by the City after the RFP Closing Date may be rejected by the City in the City's sole discretion.

10.7 Faxed Submissions

Faxed Proposals will not be accepted.

10.8 Revisions to Proposals

Proposals may be revised by written amendment, delivered to the address set out in Section 10.5, on or before the RFP Closing Date but not after.

10.9 Contact Person for Enquiries

Proponents should submit any enquiries related to this RFP in writing to the following person (the "Contact Person"):

Michael Flanigan
Manager, Real Estate Services
City of Vancouver
300-515 West 10th Avenue
Vancouver, B.C. V5Z 4A8
Telephone: (604) 873-7422
Fax: (604) 873-7064
Email: michael_flanigan@city.vancouver.bc.ca

Proponents may not rely on information obtained from any source other than the Contact Person.

10.10 Responses to Enquiries

The City will respond to written enquiries as follows:

10.10.1 responses will be in writing - **Proponents may not rely on any oral information or advice;**

10.10.2 the City will attempt to provide a response within 5 business days, or advise the enquirer of the time required;

10.10.3 a Proponent may request that a response to an enquiry be kept confidential if the Proponent considers the enquiry is commercially confidential to it, and if the City decides that any response must be distributed to all Proponents, then the City will permit the enquirer to withdraw the enquiry rather than receive a response;

10.10.4 subject to Section 10.10.3, any enquiry and response may in the City's discretion be distributed to all Proponents and may at the discretion of the Contact Person be posted on the Woodward's Website, or the City may keep either or both the enquiry and response confidential if in the judgement of the City it is fair or appropriate to do so; and

10.10.5 the City may meet with individual Proponents separately to discuss any aspect of the Project, but expressly reserves the right to issue written addenda or to bring matters to the attention of the other Proponents as the City in its sole discretion may decide is required to achieve the purpose of this RFP.

10.11 View of Property and Drawings

Arrangements to view the Property or view the drawings prepared for previously proposed redevelopments of the Property should be made by telephone or email to the Contact Person.

10.12 Addenda to RFP

The City may amend, supplement or otherwise modify this RFP at any time and from time to time. This RFP may only be amended, supplemented or otherwise modified by written addenda issued by the Contact Person.

10.13 Ownership of Proposals

If a Proposal is selected by the City, all drawings, models and documentation contained in that Proposal will become the property of the City, and the City is under no obligation to return that Proposal. The City will have the right to publish all Proposals in any report or publication on the RFP process. The authors of all design components of the accepted Proposal and the authors of the design components of any other Proposals submitted in response to this RFP will retain the full copyrights to all of their designs and drawings.

10.14 Confidentiality

The information in the Proposals will be disclosed as necessary to carry out the RFP process or as require by law, including the *Freedom of Information and Protection of Privacy Act*.

The contents of all Proposals will be subject to public disclosure and will be scrutinized by the community through a series of open houses scheduled for July and August of 2004, except that any part of a Proposal that would reveal a Proponent's financial information or third party confidential lease or purchase negotiations will be kept confidential by the City **if the Proponent has clearly indicated that such part of its Proposal has been provided in confidence.**

10.15 Material Change After RFP Closing Date

Subsequent to the receipt of Proposals, a Proponent will give immediate notice to the City of any changes that could materially affect that Proponent's ability to undertake the Project.

10.16 Proposals to Remain Open

Proposals will remain open for acceptance by the City for a period of 180 calendar days after the RFP Closing Date.

11 GENERAL CONDITIONS

11.1 No Obligation to Select or Proceed

Notwithstanding any other section in this RFP, by participating in the process as outlined in this RFP the Proponent acknowledges and agrees that:

11.1.1 the City may, at its election, at any time by written notice terminate this RFP for the Project for any reason, including because the City elects not to enter into or continue negotiation of the Sale Contract or the Development Agreement; and

11.1.2. after a termination under Section 11.1.1, the City will be under no obligation to any Proponent and that in the event of such termination the City may, at its further election, decide not to proceed with the Project, or decide to proceed with all or part of the Project in any manner that the City may elect.

11.2 Costs and Expenses of Proponents

Proponents are solely responsible for their own costs and expenses in preparing and submitting a Proposal and participating in this RFP.

11.3 No Contract

By submitting a Proposal and participating in the process as outlined in this RFP, each Proponent expressly agrees that no contract of any kind is formed under, or arises from, this RFP, and that no legal rights or obligations will arise out of this RFP prior to the signing of the Sale Contract.

11.4 No Claims

By participating in the process as outlined in this RFP the Proponent consents to the procedures as described in this RFP, including separate confidential discussions between the City and individual Proponents, and including the City's right to terminate this RFP as described in Section 11.1.1, and the Proponent acknowledges and agrees that the City and its officials, employees, agents and consultants will not be liable to any Proponent for any claims, direct or indirect, whether for costs, expenses, losses or damages, or loss of anticipated profits, or for any other matter whatsoever, incurred by the Proponent in preparing and submitting a Proposal, or participating in negotiations for the Sale Contract or the Development Agreement, or other activity related to or arising out of this RFP.

11.5 No Lobbying

After the date that this RFP is issued, Proponents, including their consultants, must not communicate either directly or indirectly in any manner whatsoever with respect to this RFP with any member of Vancouver City Council, the Woodward's Project Steering Committee (other than the Contact Person) or the Evaluation Committee during the RFP Stage without first consulting with the Contact Person. The City reserves the right to disqualify a Proponent that contravenes this Section 11.5.

11.6 Accuracy of Information

The City does not give any representation or warranty express or implied as to the accuracy or completeness of any information set out in this RFP, or any other background or reference information or documents prepared by third parties and made available to Proponents, and any liability related to such information is hereby expressly disclaimed. Proponents will make an independent assessment of the accuracy and completeness of such information and will have no claim whatsoever against the City or its officials, employees, agents and consultants with respect to, or as a result of any use of, such information.

11.7 Publicity

Proponents will not issue any news release or other public announcement that discloses the details of its Proposal without the prior written consent of the City.

11.8 Paramountcy

To the extent of any conflict between the terms of this RFP and the RFEI, the terms of this RFP will prevail.