

Building Markham's Future Together
Journey to Excellence

Markham International Sports Training Academy

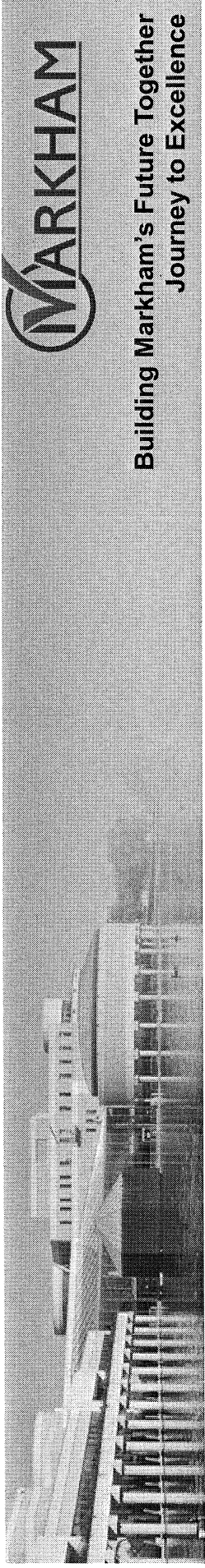
UPDATE

General Committee
March 3rd, 2014



Agenda

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1. Background

April 10th, 2012

Markham issued a Request for Information (RFI) seeking information from interested parties.

More specifically, the RFI identified the following purpose:

- Gather input from firms to assist Markham in developing the scope and structure of the project
- Identify firms that may be interested in responding to the project if it is procured at a later date

June 12th, 2012

RFI closed with Markham receiving 9 submissions.



1. Background (Continued)

July 4th, 2012

Staff presented to the Markham Live Committee an update on the RFI issued to the public as well as a brief overview of the 9 submissions.

Staff were instructed to:

- Initiate preparation of the MISTA-compliant specifications for sports venues to be used for inclusion in a potential RFP for MISTA
- Undertake a detailed evaluation of the 9 RFI submissions and schedule interviews with the interested parties

September 12th, 2012

Council approved the award to Sasaki Associates to initiate preparation of the MISTA-compliant specifications.

November 1st, 2012

Staff presented to the Markham Live Committee an overview of all 9 submissions and provided a recommendation to interview 5 firms to probe gaps within their RFI submission and obtain more detailed information.

1. Background (Continued)

November 20th, 2012

General Committee appointed all members of Council to the RFI Respondents Interview Committee.

December 7th, 2012

Interviews with Dominus Capital Group and BSIX Group.

January 24th, 2013

Interview with AECOM.

February 4th, 2013

Interview with Carillion Canada Inc.

April 22th, 2013

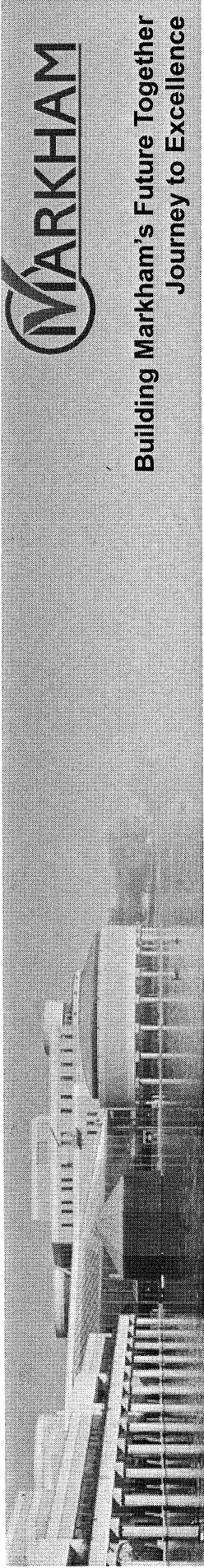
Interview with King Square.

2.1. Overview – Dominus Capital Group

<u>Source</u>	<u>Sports</u>	<u>Residential</u>	<u>Commercial</u>	<u>Parking</u>	<u>Land (ac.)</u>	<u>Public Funding</u>
Request for Information Document	1M sq. ft.	1,400 units	500,000 to 1.1M sq. ft. office, retail & restaurants; 250-500 room 5-star hotel	3,000-5,000	13	\$0
Dominus Group	Less than 1M sq. ft.	Did not identify	Did not identify	Did not identify	Did not identify	Property tax and DC incentives required

Dominus identified they would be the developer of the MISTA project, however, during the interview process they did not provide any detail on the residential, commercial and parking requirements.

Dominus identified public funding through property tax increases and development charge incentives would be required.



2.2. Overview – BSIX Group

<u>Source</u>	<u>Sports</u>	<u>Residential</u>	<u>Commercial</u>	<u>Parking</u>	<u>Land (ac.)</u>	<u>Public Funding</u>
Request for Information Document	1M sq. ft.	1,400 units	500,000 to 1.1M sq. ft. office, retail & restaurants; 250-500 room 5-star hotel	3,000-5,000	13	\$0
BSIX Group	Did not identify	Did not identify	Did not identify	Did not identify	Did not identify	Property Tax increases and other incentives required (e.g. new tax bill, municipal bonds)

BSIX presented their sports concept which was a urban sports/wellness/commercial facility called the “Odyssey Sports and Wellness Center”.

They identified public funding through property tax increases would be required.

2.3. Overview – AECOM

<u>Source</u>	<u>Sports</u>	<u>Residential</u>	<u>Commercial</u>	<u>Parking</u>	<u>Land (ac.)</u>	<u>Public Funding</u>
Request for Information Document	1M sq. ft.	1,400 units	500,000 to 1.1M sq. ft. office, retail & restaurants; 250-500 room 5-star hotel	3,000-5,000	13	\$0
AECOM	Did not identify	Did not identify	Did not identify	Did not identify	Did not identify	Financing would have to be secured by the City

AECOM is a consulting firm which proposed that it would provide architectural, engineering, project management and construction support to the developer or operator.

They stated a market assessment would need to be conducted of the financial viability of the project and to assess whether City funding would be required. Through this assessment, revenue sources identified would be vetted and other revenue sources would be explored.

They believed financing would have to be secured by the City.

2.4. Overview – Carillion Canada Ltd.

<u>Source</u>	<u>Sports</u>	<u>Residential</u>	<u>Commercial</u>	<u>Parking</u>	<u>Land (ac.)</u>	<u>Public Funding</u>
Request for Information Document	1M sq. ft.	1,400 units	500,000 to 1.1M sq. ft. office, retail & restaurants; 250-500 room 5-star hotel	3,000-5,000	13	\$0
Carillion Canada Inc.	Did not identify	Did not identify	Did not identify	Did not identify	Did not identify	P3 Required

Carillion Canada Inc. provided a preliminary budget and identified that both public and private funding was required to finance the capital cost of constructing the training facility. The Carillion team believed private investors would be attracted to certain aspects of this project; however, they had not secured a commitment from investors.

They suggested that one level of government would be required to help construct the training centre and that one level of government would be needed to operate the facility. Additionally, public sector funding may be required to supplement the operating cost of the facility on an on-going basis upon its completion.

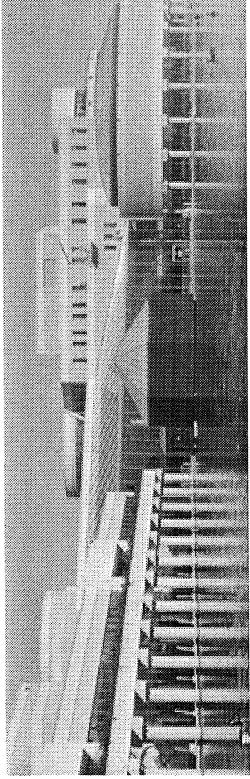
2.5. Overview – King Square

<u>Source</u>	<u>Sports</u>	<u>Residential</u>	<u>Commercial</u>	<u>Parking</u>	<u>Land (ac.)</u>	<u>Public Funding</u>
Request for Information Document	1M sq. ft.	1,400 units	500,000 to 1.1M sq. ft. office, retail & restaurants; 250-500 room 5-star hotel	3,000-5,000	13	\$0
King Square	929,000	3,150 units	1.8M sq.ft	6,000(Below grade)	23.58 ac	Public & Private

King Square presentation mirrored an earlier presentation received by Markham Live Committee.

They indicated the project would be viable with additional lands incorporated into the program and development limits far exceeding the program outlined in the RFI.

Also, they would require deferral of all fees (Parkland cost and Development Charges) until completion of the project and would require MISTA to be treated as a Municipal Capital Facility rather than a private enterprise. Additionally, MISTA would need to be exempted from voluntary and Section 37 contributions.



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3. Conclusion

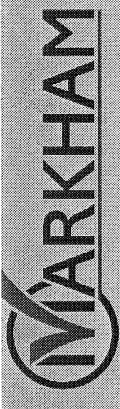
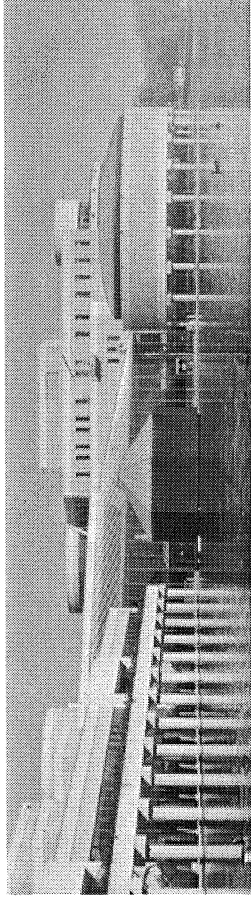
Some of the interviews provided good dialogue and offered input to the project.

None of the proponents identified any details of sources or extent of private funding and all respondents indicated the project is not viable as outlined in the RFI.

None of the proposals met all the criteria of the RFI.

Only 1 firm (King Square) identified a detailed residential and commercial building program, however, the proposal was not consistent with the requirements set out in the RFI.





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4. Summary

Most to all respondents identified the need for public funding and/or expenditure backstops such as:

- Funding from municipal tax increases
- Development charge incentives or forgiveness
- Land contributions
- Section 37 forgiveness
- P3 structure
- Designation as a Municipal Capital Facility

Also, some identified the financial viability of the program has not been tested and additional funding may be required for on-going operating costs.

5. Next Steps

Based on the RFI submissions, Markham would be required to provide some funding in all instances. Therefore, the following needs to be discussed by Committee:

- Better understanding of the financial viability of MISTA
- Markham's position that it should provide no financial contribution needs to be reassessed if the project is to proceed
- Reconsider scope and final contribution by Council