



**The City of Winnipeg  
Planning, Property and Development Department**

**Invitation for Expressions of Interest for the  
Exclusive Right to a Due Diligence Period  
and Preparation of a Proposal for the City-  
Owned Property located at 266 Graham  
Avenue, Winnipeg Manitoba**

**(EOI # 340–2016)**

## 1.0 INTRODUCTION

The City of Winnipeg (City) invites Expressions of Interest (EOI) from Proponents for an Exclusive Right to perform Due Diligence for the purposes of preparation of a Proposal for Development of the 11 storey building (266 Graham Avenue) adjoining the new Winnipeg Police Service (WPS) Headquarters (HQ) (245 Smith Street). Following a period of study/due diligence by the successful Proponent, the City will exclusively consider the Proponent's detailed Development Proposal for:

- i) Development and 3<sup>rd</sup> Party Lease;
- ii) Purchase and Development;
- iii) Development & Lease Back to the City; and/or,
- iv) An alternately Proposed Development Opportunity.

### **Civic Vision:**

*"OurWinnipeg, the Complete Communities Direction Strategy is to facilitate the expansion of employment and education opportunities in the Downtown seeking to reinforce Downtown's role as a hub for business, for learning, for government and for commercial activity."*

*"Promote downtown as the location of choice for new office space development for both the private and public sectors."*

*"Promote and Guide the transformation of existing regional mixed use centres through a proactive and collaborative process."*

This document provides an overview of 266 Graham and the associated terms of reference for this EOI.

## 2.0 LOCATION

266 Graham Avenue property is located on the northeast corner of Graham Avenue between Smith Street and Garry Street and is shown as "**266 Graham Avenue**" outlined on the attached Misc. Plan No. 14485/1 shown appended as "Schedule A".

**WPS HQ at 245 Smith Street is attached to 266 Graham Avenue but is not part of this EOI. Any EOI submission must meet acceptance of the WPS.**

## 3.0 BACKGROUND

Canada Post operation was formerly located at 266 Graham Avenue and 245 Smith Street. Currently, Canada Post continues to occupy a portion of the main floor and third floor of 266 Graham Avenue and Commercial tenants lease units on the skywalk.

Otherwise, 266 Graham Avenue is vacant, allowing for uninterrupted development/upgrade of the approximately 156,300 square foot, 11 story building, more accurately shown on the drawing in "Schedule B".

### **Additional History and Select Property Information:**

The former Canada Post building (266 Graham Avenue and 245 Smith Street) was purchased by the City in December of 2009. Renovations commenced in 2011 to convert 245 Smith Street into the WPS HQ.

Major tenants at 266 Graham Avenue (namely Public Works Canada and additional Canada Post operations) have vacated the building upon expiration of associated leases. As such, all floors above the third floor are presently vacant.

The Manitoba Building Code considers 266 Graham Avenue and 245 Smith Street to be a single building.

The WPS occupy 245 Smith Street and both basement levels below 245 Smith Street and 266 Graham Avenue, and a portion of the main floor of 266 Graham Avenue. A portion of the structure connecting 266 Graham Avenue and 245 Smith Street spans floors two (2) through five (5). In total, the WPS occupy approximately 8,500 sq. ft. of 266 Graham Avenue.

## **4.0 DUE DILIGENCE**

266 Graham Avenue is offered in an “as-is” condition, and it is the responsibility of the Proponent to conduct its own due diligence in this regard.

### **4.1. Compliance with all Relevant Laws**

The Proponent must comply with all relevant laws of the Province of Manitoba, Municipal By-Laws, codes and zoning requirements, City of Winnipeg policies including OurWinnipeg; City of Winnipeg’s Universal Design Standards; Environmental Standards; City of Winnipeg’s Green Building Policy; and any requirements of those authorities having jurisdiction associated with any proposed development.

### **4.2. Environmental Assessments**

The Proponent will be responsible to complete any required Environmental Assessments of the subject City property associated with any proposed development.

### **4.3. Building Condition Assessment**

The Proponent will be responsible to complete any required Building Condition Assessment(s) and/or alternate asset analyses the Proponent deems warranted, associated with any proposed development.

### **4.4. Proponent to Assume City Lease Obligations**

The Proponent must comply with any lease or alternate agreements the City has entered into respecting existing third party leases.

## **5.0 INSTRUCTIONS TO PROPONENT**

### **5.1 Information to be Supplied by Proponent**

#### **5.1.1 Proponent Background Information**

- i) The names, address and telephone number(s) of all Principals associated with the EOI Submission;
- ii) A brief description of the organizational structure comprising the Proponent, including an organization chart.

#### **5.1.2 Development Concept**

- i) Concept/description of the Proponent's intended Development following the period of due diligence, namely, development and 3rd party lease; purchase and development; development & lease back to the City; and/or, an alternately proposed development opportunity.
- ii) Concept/description should contain sufficient detail to permit the City to evaluate potential quantitative and qualitative factors impacting the City and specifically the WPS noting that select information will not become available to any Proponent until due diligence has been performed in association with this EOI.

#### **5.1.3. Proponent Financial Capacity**

- i) Provide the amount, in Canadian dollars, of all equity financing the Proponent can contribute. For the purposes of this EOI, equity financing is defined as funding where neither 266 Graham Avenue nor any other assets are required to secure the contributed funding with a third party.
- ii) Provide the amount, in Canadian dollars, of all debt financing the Proponent can contribute. Provide letter(s) of reference from financial institution(s)/lender(s) indicating a willingness to provide all associated debt financing.

#### **5.1.4 Proponent Experience**

- i) Description of key staff/team member roles to be involved in this project, their associated professional qualifications, and prior work experience.
- ii) Description of similar developments or projects for construction and/or facility operation by the Proponent or members representing the Proponent.
- iii) Description of any other information which the Proponent considers pertinent to the EOI.
- iv) Provide reference contact(s) from previously contracted development projects similar in scope or nature.

## **6.0 EOI Submission Instructions**

### **6.1.1 Terms and Conditions**

- i) "Proposed Terms and Conditions for Due Diligence Agreement", attached as Schedule "C";
- ii) Further negotiations in respect of a Due Diligence Agreement are expressly required under the EOI;
- iii) Due Diligence Period will be subject to Council approval of the Proposed Terms and Conditions for Due Diligence Agreement;
- iv) A formal contract will follow prior to any Due Diligence being undertaken.

### **6.1.2 Sealed EOI's**

Sealed EOI's marked EOI #340-2016 - 266 Graham Avenue, should be addressed and delivered to:

Materials Management  
City of Winnipeg  
Main Floor, 185 King Street  
Winnipeg, Manitoba

Sealed EOI's will be received up to the deadline of:

**4:00 p.m., Winnipeg Time, on May 20th, 2016**

Proponent will have an opportunity to inspect the facility prior to issuing their submission by contacting:

**Sandi Caputo – Leasing Officer - (204)986-3320**  
or via email [scaputo@winnipeg.ca](mailto:scaputo@winnipeg.ca)

EOI submissions determined by the Manager of Materials to have been received later than the EOI deadline may not be accepted and returned upon request.

The Contract Administrator or the Manager of Materials may extend the submission deadline by issuing an addendum at any time prior to the submission deadline.

EOI(s) submitted by facsimile transmission (fax) or internet electronic mail (e-mail) will not be accepted.

EOI(s) will not be opened publicly.

The City may at any time prior to the submission deadline, issue addenda correcting errors, discrepancies or omissions in the subject Invitation for Expressions of Interest, or clarifying the meaning or intent of any provisions therein.

Addenda will be available on the Bid Opportunity webpage at the City of Winnipeg, Corporate Finance, Materials Management Division internet site at <http://www.Winnipeg.ca/matmgt/bidopp.asp>

The Proponent is responsible for ensuring that it has received all addenda and is advised to check the Materials Management Division internet site for addenda shortly before the submission deadline.

### **6.1.3 Proposals in Response to this EOI**

The City will only consider EOI Submissions which intend to maximize the value of 266 Graham Avenue.

### **6.1.4 Evaluation**

The City shall evaluate each EOI Submission on its own merit and potential cost to the City alone may not be the sole determining factor that the City considers in the evaluation of the EOI Submission(s).

Critical factors the City will consider in the evaluation process will include:

- Corporate profile, knowledge/experience in the development industry, and history of associated experience in Winnipeg,
- Demonstrated financial and management capability, and capacity to implement the project,
- Project objective concurrence to OurWinnipeg and associated civic policies/directives and,
- Compliance with service delivery/operating requirements of the WPS.

### **6.1.5 Right to Reject**

The City reserves the right to reject all or any EOI Submission as well as the right to negotiate with any/all Proponents responding to the EOI.

### **6.1.6 EOI Evaluation Results**

The City will evaluate all EOI submissions for an Exclusive Right to perform Due Diligence for the purposes of preparation of a Development Proposal for 266 Graham Avenue.

Following conveyance by the City of an Exclusive Right to perform Due Diligence, a period of Due Diligence to be agreed upon by the City and Proponent.

### **6.1.7 No Contract**

The EOI is an inquiry only. By responding to this EOI and participating in the process as outlined in this document, Proponent expressly understand and agree that no contract of any sort is implied or formed under, or arises from this EOI, and that no legal obligations between parties has, or will be, pre-determined.

The City will have no obligation to enter into negotiations or a contract with any Proponent as a result of this EOI.

### **6.1.8 Confidentiality**

Information provided to a Proponent by the City, or by a Proponent to the City, or acquired by any party by way of due diligence, further enquiries or through

investigation, **is strictly confidential**. Such information shall not be used or disclosed in any way without the prior written authorization of the City or of the Proponent.

The Proponent, or the City, shall **not** make any statement of fact or opinion regarding any aspect of the EOI to the media or any member of the public without the prior written authorization of the Director of the Planning, Property and Development Department, or without the authorization of the Proponent.

The Proponent's ability to disclose an EOI submission, successful or otherwise, is at the sole discretion of the Council of the City of Winnipeg, or its' Designated Authority.

Prior to the Proponent conducting any due diligence or other work hereunder, the parties, their contractors, employees, agents or other persons privy to confidential information will enter into a Non-Disclosure and Confidentiality Agreement.

#### **6.1.9 Contact Persons**

Sandi Caputo, CPM® CLO, Leasing Officer

City of Winnipeg  
Planning, Property and Development Department  
Municipal Accommodations Division  
3<sup>rd</sup> Floor, 65 Garry Street  
Winnipeg, Manitoba

Phone (204) 986-3320      Fax: (204) 947-2284

Upon completion of the period for Due Diligence, the City will have the right to purchase any/all building studies performed by/contracted for by the Proponent at a price equivalent to the Proponent's cost thereof. The City reserves the right to reject all or any EOI Submission or subsequent Submission(s) from the successful Proponent and re-issue an EOI or alternate offering document inclusive of any/all building studies performed by/contracted for by the successful Proponent in response to this EOI.

#### **7.0 Proposal(s) Following Due Diligence Period**

Subsequent to Proposal submission, the City will proceed to evaluate and negotiate terms and conditions with the Proponent respecting their Development Proposal.

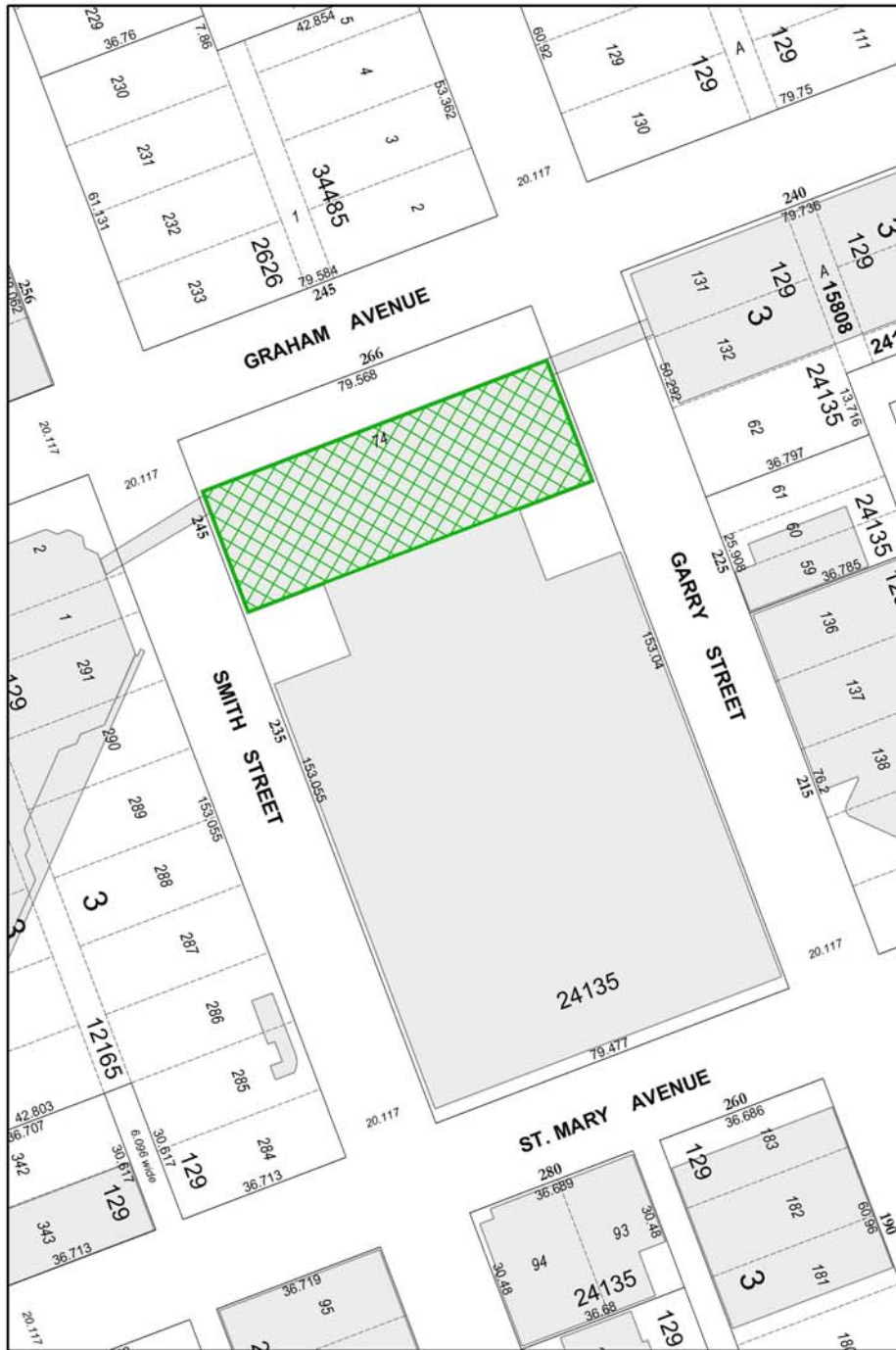
Should the City select the Proponent's Development Proposal, the Proponent will be responsible for the safe removal of any mold, asbestos, and any other hazardous materials associated with their Development Proposal.

The Proponent must comply with all relevant laws of the Province of Manitoba, Municipal By-Laws, codes and zoning requirements, City of Winnipeg policies including OurWinnipeg; City of Winnipeg's Universal Design Standards; Environmental Standards; City of Winnipeg's Green Building Policy; and any requirements of those authorities having jurisdiction associated with any proposed development





Schedule 'A'



**METRIC**

Date: 2016-APR-19  
 District: CC  
 File: Not Available  
 Scale: 1:1000  
 Requested by: SC  
 Drawn by: IP  
 Reference Dwg No.: As Requested



**266 GRAHAM AVENUE**  
 Area: 14,520.7± m<sup>2</sup> (156,300± ft<sup>2</sup>)

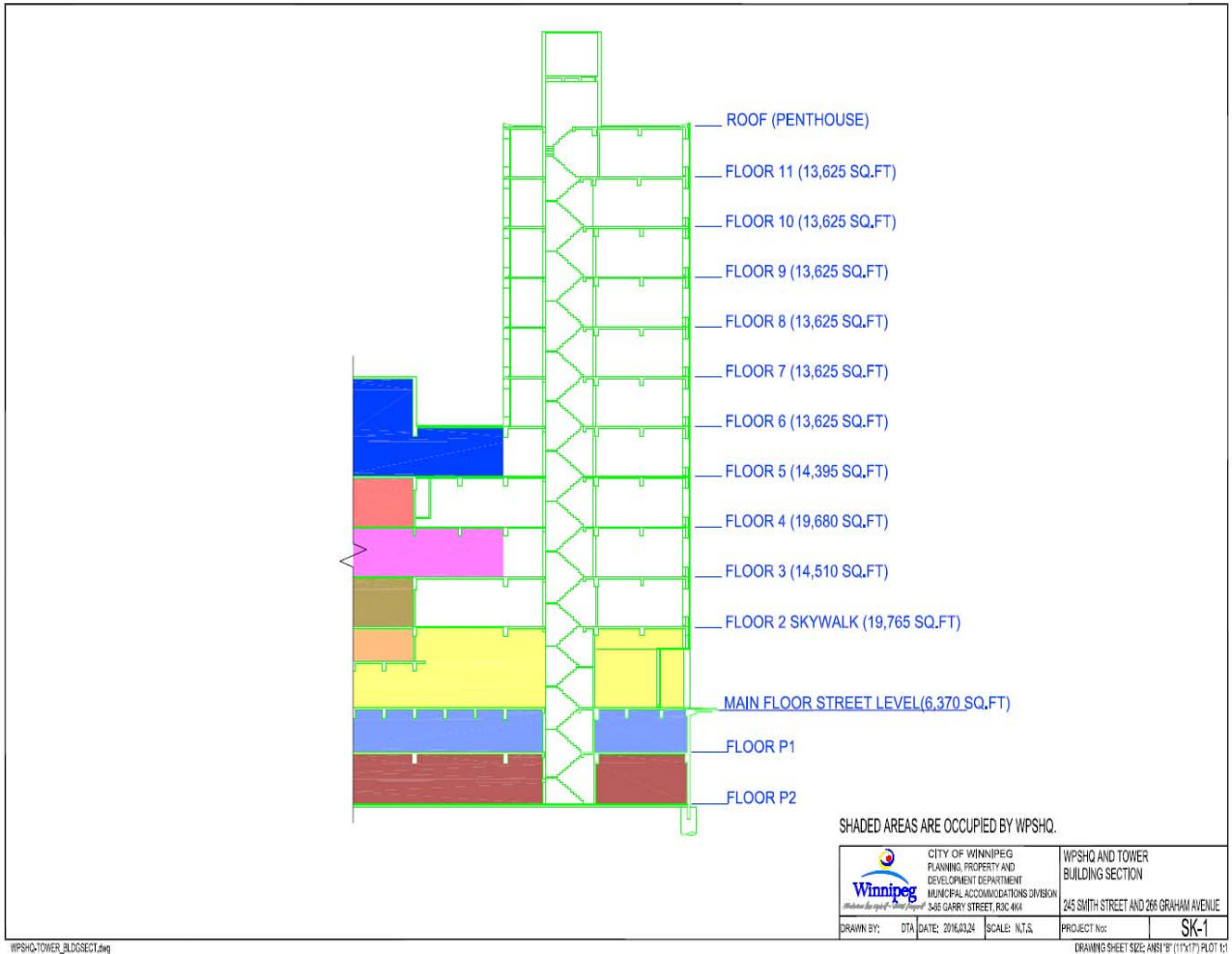


NOTE:  
 Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only. No warranty is expressed or implied regarding the accuracy of such information.

**CITY OF WINNIPEG  
 PLANNING, PROPERTY AND DEVELOPMENT  
 DEPARTMENT  
 LAND INFORMATION SYSTEMS**

**MISC. PLAN NO. 14485/1**

**Schedule "B"**  
**266 Graham Avenue - Floor Plate**



All coloured portions of the above diagram are portions of the WPS HQ – 245 Smith Street.  
 The clear open area reflect the floor plates of 266 Graham Avenue

**SCHEDULE “C”**  
**Proposed Terms and Conditions for Due Diligence Agreement**

Due Diligence Period: To be negotiated;

Access: Proponent will be granted access to 266 Graham Avenue, during the Due Diligence Period for the sole purpose of conducting due diligence;

266 Graham Avenue will be provided to the Proponent on an ‘as is’ basis;

The Proponent will keep and maintain the 266 Graham Avenue in good condition and a standard acceptable to the Director of Planning, Property & Development;

The Proponent will be responsible to comply with all applicable laws and obtain all necessary permits to conduct due diligence, including compliance with environmental regulations.

The Proponent will ensure that any individual involved in the inspection of the building systems has passed a Level 2 Security Clearance as required by the Winnipeg Police Service.

The Proponent will not make any alterations to 266 Graham Avenue;

Upon completion of due diligence, the Proponent will leave 266 Graham Avenue in good repair and equal to the condition that existed prior to the Due Diligence Period;

Costs: The City will pay all costs for the operation of 266 Graham Avenue;

Due Diligence: The Proponent has the right to conduct any due diligence that it requires in order to submit a Development Proposal;

Option to Purchase: The City will have the option to purchase all or part of the Due Diligence information conducted by the Proponent at the same price as the Proponent’s costs to conduct the Due Diligence;

Confidentiality: The Proponent will keep all information obtained from the City, information obtained throughout the Due Diligence Period and the Due Diligence, confidential and will ensure that any of its directors, employees, officers, contractors, consultants, advisors, etc. are bound by the same confidentiality requirements as the Proponent. The City shall have the sole discretion, in accordance with applicable legislation, to determine what information is confidential and what information may be released to the public;

Development Proposal: Within one hundred and eighty (180) days of the completion of the Due Diligence Period, the Proponent will submit a Development Proposal to the City containing: a proposal to maximize the value of the Subject Property; a financial feasibility analysis; compliance with service delivery/operating requirements of the Winnipeg Police Service; compliance with applicable City policies, including: OurWinnipeg; City of Winnipeg's Universal Design Standards; Environment Standards; City of Winnipeg's Green Building Policy.

The City has the right to accept the Development Proposal, reject the Development Proposal or negotiate further with the Proponent;

Insurance: The Proponent will be required to obtain and maintain insurance as may be required by the City's Supervisor of Insurance, Risk Management Division;

Indemnity & Release: The Proponent will release, indemnify and save the City harmless from and against any and all claims for damages or injuries, including death, which may arise from the Proponent's access to 266 Graham Avenue. This provision shall survive any termination, cancellation or expiration of the Due Diligence Agreement;

Formal Agreement: The Proponent will enter into a formal agreement with the City embodying the foregoing terms and conditions in the City's Standard Form Agreement and such other terms and conditions as the City Solicitor/Director of Legal Services deems necessary.

All terms and conditions contained herein, are subject to the approval of Council, or its delegated authority, and are not binding until such time as that approval is obtained.