

## Large Projects Update – May 28, 2019

### **1. INTRODUCTION**

The City of Greater Sudbury's "Large Projects" continue to progress. Since the original proposals received from the community were shortlisted by City Council in April 2016, the five selected projects have continued to advance.

- The new Greater Sudbury Main Library, combined at Council's direction with a new Art Gallery of Sudbury, has a conceptual design, functional program, and business plan. As part of Budget 2019, Council approved the financial plan and made a substantial commitment towards it. With the direction resulting from today's report, staff will move forward towards detailed design and construction of this exciting project.
- Place des Arts has leveraged the City's commitment of \$5 million and a piece of downtown property into a fully-funded community centre cultural project with a construction budget of \$30 million. Site preparation is already complete and full construction is planned to start this summer.
- Greater Sudbury's new Event Centre has found a home in a dynamic environment as part of the Kingsway Entertainment District. Partnerships have been established with Gateway Casinos, the landowner and a potential hotel. An integrated site design which features innovative new public spaces has been completed and a design-build RFP is almost ready for release. Site preparation would be underway now except for 3<sup>rd</sup> party zoning appeals.
- The Convention and Performance Centre has a site, business plan, and conceptual design and was part of the financial plan approved by Council recently. This project is the focus of an upcoming process to attract a private sector development hotel partner for our downtown projects and, ideally, a hotel investor for this game changing facility.

This report provides additional detail on the status of these projects and provides a resolution for Council's consideration regarding an alternate site for the Library/Art Gallery.

### **2. THE JUNCTION PROJECTS: LIBRARY/ART GALLERY & CONVENTION/PERFORMANCE CENTRE**

In 2019, work on The Junction projects has been largely focused on responding to direction provided by Council through Resolution CC2019-04 – Private Sector Investment for The Junction, passed on January 15, 2019, and Resolution FA2019-05 – Alternate Site for Library/Art Gallery Project.

In response to the first motion, staff explored initiatives that have been undertaken in other municipalities to better understand the opportunities that may exist and the process that could

be undertaken in Greater Sudbury. In addition, key informant interviews were conducted with consulting firms that specialize in similar real estate and redevelopment initiatives.

For the second motion, staff reopened the site selection analysis that was completed in 2017 and examined existing municipal properties in the South District in order to determine if a suitable alternate site could be recommended for Council's consideration.

Other developments for The Junction since the last overall update provided to Council include the initiation of a geotechnical analysis program on the prospective sites, the development of a Request for Pre-Qualifications which will lead to a short list of design teams for the projects, and an analysis of parking options which could be coordinated with the project.

### **Response to Resolution CC2019-04 – Private Sector Investment for The Junction**

Staff explored initiatives that have been undertaken in other municipalities to better understand the opportunities that may exist and the process that could be undertaken in Greater Sudbury. Particular attention was paid to Baker Street Development in Guelph, as an example of the type of partnership the CGS might consider. In addition, staff conducted key informant interviews with consulting firms that specialize in real estate and redevelopment projects.

Staff research indicates that a key goal of this type of process is to identify private sector partnerships that can bring additional resources and capacity to the development of The Junction and city owned properties in the South District. It is also clear from other examples that before engaging with the private sector, the City of Greater Sudbury needs to define what it is asking for the market to consider, instead of presenting a "blank slate"

In an effort to better understand the opportunities in the South District, staff will engage the services of a consultant to assist in evaluating potential opportunities that the City might pursue for the partnered development of The Junction, as well as City properties within the South District. This initial stage will include an engagement process to assist with getting traction from the private sector and a market assessment of land values associated with the identified properties in the South District.

Based on the results of this initial step staff will consider issuing an Expression of Interest (EOI) that is intended to confirm market interest and feedback on The Junction development opportunities and other downtown south district real estate. The results of this step would identify potential partnership structures and help to identify project scope for further steps including a Request for Pre-Qualification and a Request for Proposal to select a preferred private development partner.

In utilizing this approach, staff believes that we are balancing the risks inherent in 'open-ended' market interests that are difficult to evaluate against the desire to remain flexible to ideas as they emerge through the process. We also understand that there may not be sufficient market interest generated for a variety of reasons and the market preferences for the project development that we receive may not align with the City's visions and objectives.

The process to determine the level of private interest in The Junction and South District will inform the work to attract a hotel partner for the Convention and Performance Centre. As indicated previously, it is important to secure this partner prior to initiating detailed project design.

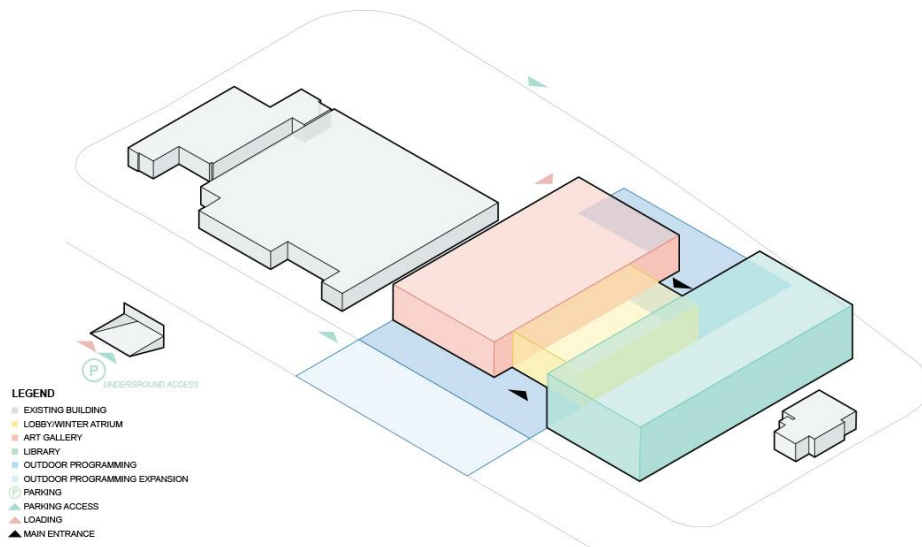
### Response to Resolution FA2019-05 – Alternate Site for Library/Art Gallery Project

As directed by Council, staff investigated alternate sites for the Library / Art Galley project within the downtown South District what would facilitate a project start of 2020. Sites in the area that are already fully or substantially owned by the CGS were considered. An internal technical team convened to evaluate the available sites, referring to the extensive work that was completed in 2017.

Two sites were identified as available and potentially suitable; Shaughnessy East, which is mainly the parking lot next to the Sudbury Theatre Centre, and Minto East, which is the parking lot north of Old Rock. As the proposed Convention and Performance Centre, slated for the Minto East site, is too large for the other site, the technical team focused on determining whether the Shaughnessy East would work for the Library / Art Gallery project.

This site scored the second highest during the site evaluation process that took place in 2017 and consists of the block bounded by Shaughnessy, Van Horne, Paris and Brady. The CGS owns a substantial portion of the block but there are also properties owned by Greater Sudbury Utilities (GSU), the Sudbury Theatre Centre (STC), the Sudbury Multicultural and Folk Arts Association (SMFAA) and a private parking operator.

Centreline Architecture was engaged to ensure that the functional program planned for the Library/Art Gallery would fit on the site, using only property that already belongs to the City. The firm determined that this site could work and completed a massing block diagram showing the project on the site:



While this “test fit” exercise confirms that the project fits on existing CGS-owned property, it is important to note that staff have had positive discussions with both the STC and SMFAA and are exploring opportunities to work with both of these groups to access additional property for the project while partnering in some way to support their goals and continued operations.

The Shaughnessy East site was compared to the existing preferred site for the Library/Art Gallery and the following advantages and disadvantages were identified:

Advantages

- Highly visible location having the potential to act as a gateway to downtown Sudbury
  - o The façade on Paris and the approach from the Bridge of Nations allows for design to make a significant statement
- Can still work with proposed Convention and Performance Centre with a reoriented conceptual design
- Strong collaboration opportunities with STC
- Available immediately
- Shaughnessy Street has lower traffic and may provide more program opportunities than Minto
- Soils potentially more suitable for development of underground parking
- Aligns with the Downtown Master Plan

Disadvantages of the Site

- Change in size will require more creativity to create outdoor program space
- Not as close to Elgin Arts District so may be perceived as being less accessible
- Next to Paris Street which has heavy traffic and is not seen as pedestrian-friendly
- Potential limitations on design as block has immovable constraints
- Creativity required to maintain The Junction vision and connect to Convention & Performance Centre
- Parking inventory loss of 110 spots to downtown supply

Given the results of the analysis undertaken, staff are satisfied that the Shaughnessy East site is the best alternative site for the Library/Art Gallery Project and meets the direction of Council provided in February 2019. A resolution to select this site as the new preferred site for the Library/Art Gallery Project has been prepared for Council’s consideration.

**Other Considerations and Next Steps**

As indicated, staff will issue a Request for Pre-Qualifications to initiate the selection process for a design team for The Junction projects. At the same time, the services of a consultant will be secured to develop the Statement of Requirements needed to inform a Design-Build RFP. These projects are expected to generate significant interest and staff believe that the design-build approach will provide the City with the best combination of cost risk mitigation and process efficiency. A successful design-build requires significant work upfront to ensure that all desired design and technical features are incorporated into the final RFP. Staff anticipate that extensive consultation with future tenants, users and the general public will provide the insights needed

to ensure a design that appropriately reflects the importance of this structure to Greater Sudbury. As with the Event Centre design-build process, an honorarium will be required to support the development of an appropriate proposal at the RFP stage.

Should Council select the Shaughnessy East site for the Library/Art Gallery, staff will continue discussions with the Sudbury Theatre Centre and the Sudbury Multicultural Folk Arts Association in order to firmly establish the lands available for this project prior to initiating the design phase.

Geotechnical work on the sites should be completed by early July and the results will inform building design as well as an evaluation of the potential for underground parking as part of the Library/Art Gallery project.

As described in the report entitled, *Parking Update*, which was presented to CGS Finance and Administration Committee on May 14, 2019, the construction of The Junction projects will put significant pressure on the parking supply in the South District both during construction and post-completion. Staff will include parking development in the work associated with determining private sector partnership interest and, as indicated, will continue to evaluate the potential to include underground parking in the Library/Art Gallery complex. Based on the results of that work and other parking-related initiatives, staff will return to Council with a detailed parking expansion plan as part of a comprehensive project update prior to issuance of the design build RFP.

### **3. PLACE DES ARTS (PdA)**

Work is continuing collaboratively between CGS staff and the PdA project team to prepare for the commencement of the next phase of construction for the PdA facility.

To date, PdA has completed the schematic design and the site preparation. The detailed design was unveiled publicly on March 29, 2019 and work is now ongoing on the plans for the construction laydown and phasing. PdA recently completed the prequalification process for contractors, with the tendering opportunity shared publicly earlier this year and opened officially in mid-April. It is anticipated that PdA will award the construction contract in late May, with start of construction planned for early summer. This capital work will continue over the coming months with the ultimate goal of project completion and start of facility operations in late 2020.

The PdA team is also in contact with the Downtown Sudbury BIA and its stakeholders to develop a collaborative communication strategy to ensure clear information is consistently shared with those potentially impacted by the capital work over the summer. CGS staff will continue to regularly meet with PdA to implement communication strategies along with the downtown stakeholders.

The project has secured several large private-sector donations and continues to approach its community fundraising goal. To date, the City has disbursed \$500,000 of the total contribution of \$5 million in municipal funding, as the project achieved the milestones required for funds to be advanced.

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#### **4. KINGSWAY ENTERTAINMENT DISTRICT (KED)**

##### **Local Planning Appeals Tribunal (LPAT) Status**

The Provincial Government has recently announced changes to the LPAT. The proposed new Act, Bill 108, the More Homes, More Choice Act, 2019, has received first reading in the legislature and is now in a 30 day comment period. It is expected to become law before the end of the current Ontario legislative session in June. Bill 108 amends a number of statutes to create quicker and more varied housing across the province. Two of the statutes amended are the provisions of the LPAT and Planning Acts. The intent is to go back to the old, broader “proper planning” tests the Ontario Municipal Board (OMB) invoked and also remove the process of sending a matter back to a Council after a first LPAT decision, which could result in a second LPAT hearing if the Council did not adopt LPAT’S original findings. Most of the changes are directed toward official plan, zoning and subdivision appeals.

The key issue for the current LPAT appeals concerning the KED, is whether or not any or all of these anticipated changes will be imposed retroactively on the existing appeals, or if the appeals will continue under the LPAT and Planning Act provisions which exist in law today. This question will be answered with the release of the regulations to Bill 108. Staff’s current understanding is that the government intends to release the regulations prior to the end of May.

##### **Zulich Proposal for Conference/Convention Centre**

On April 18, staff received a letter from Dario Zulich which included a proposal to open discussions regarding the development of a conference/convention centre at the KED. The City recently exercised its land option agreement and became owners of the Event Centre property at the KED. This transfer of ownership initiated the liquidated damages clause with the City’s purchase option agreement, which states that the Land Owner is required to make reasonable efforts to develop the remaining lands within five years of the date of exercising the option. Amongst other developments, the Land Owner is to develop a Conference Centre. There is a financial penalty should the Land Owner not make reasonable efforts to further develop the lands.

Mr. Zulich’s proposal letter further states that there is significant savings in both capital and operating costs by developing the conference/convention centre at the KED.

Staff will continue to engage with the Land Owner to better understand the concept, clarify the intent of the development, evaluate any associated business plans, and analyze the implications for the Convention and Performance Centre at The Junction. Recommendations on whether and how the City could consider or advance this proposal will come back to Council in the coming months.

##### **KED Engineering Update**

The engineering for the KED site is ongoing, and is generally composed of the street design, the intersection design, and the storm water management design.

The street design has been reviewed with the City's Development Approvals section. The drawings are being updated to be submitted for detailed review and approval.

The horizontal configurations of the two intersections with the Kingsway have been completed and approved. Detailed design is approximately 33% complete for this work.

The storm water management design has had an interim design brief completed as well as the initial geotechnical work. Preliminary pond layout and options for infiltration are under review and being considered. Following the approval of the layout and infiltration options, detailed design will commence.

### **Design-Build Request for Proposal (RFP)**

Staff is in the process of finalizing the Design-Build RFP. A decision on when the Design-Build RFP will be issued will be made once the following information is known:

- Identification of which rules the Planning Appeals will be considered.
- Identification of a schedule of when the Planning Appeals will be heard and a ruling issued.
- Review of the Design Build RFP by legal and Fairness Monitor.

By waiting for a schedule for Planning Appeals to be defined, the proponents bidding on the Design Build RFP and the City will have increased certainty during the bidding process.

The procurement process for the Design Build RFP is expected to take approximately six months which will be followed by approximately two months of contract negotiations, and the building permit is expected to be issued approximately two to four months after contract award.

To maintain the speed of business, the procurement process will run concurrently with the Planning Appeal resolution process. A cancellation clause will be included within the procurement documents and the contract. The financial risk will be a potential of an additional payment to the highest ranked proponent and the payment of the honorarium due to the other proponents. Should the cancellation occur after contract award, payment for work to date will be required.

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## Resources Cited

1. Members Motion M-3 Alternate Site for Library/Art Gallery Project—CGS Finance and Administration Committee Meeting February 19, 2019  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1400#agendaitem16403>
2. Motion M-4 Private Sector Investment for the Junction--CGS Council Meeting January 15, 2019  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1303#agendaitem15889>
3. Library / Art Gallery and Convention and Performance Centre—CGS Council Meeting July 10, 2018  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1244&itemid=15295>
4. Update on Library/Art Gallery and Convention Centre Projects (Presentation)—CGS Council Meeting April 10, 2018  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1239#agendaitem14917>
5. Greater Sudbury Convention and Performance Centre (formerly Synergy Centre) Library Art Gallery Update—CGS Council Meeting January 9, 2018  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1233&itemid=14273&lang=en>
6. Greater Sudbury Convention and Performance Centre / Library Art Gallery Update – CGS Council Meeting November 22, 2017  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachm ent=20866.pdf>
7. Request for Decision Update on Library/Art Gallery and Synergy Conference Centre Projects—CGS Council Meeting September 12, 2017 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1133&itemid=13767&lang=en>
8. Event Centre Report – CGS Council Meeting June 27, 2017 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1130&itemid=13404>
9. Synergy Centre and Library/Art Gallery Reports – CGS Council Special Meeting of June 28, 2017 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1210>



10. Event Centre Site Evaluation Matrix Report – CGS Council Meeting April 11, 2017 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1125&itemid=13033>
11. Event Centre Development Report – CGS Council Meeting August 22, 2017 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1132&itemid=13757>
12. Large Projects Update – CGS Council Meeting April 11, 2017 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1125&itemid=13017&lang=en>
13. Large Projects Update – CGS Council Meeting March 7, 2017 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1124&itemid=12718&lang=en>
14. Large Projects Update – CGS Council Meeting December 13, 2016 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1034&itemid=12449&lang=en>
15. Large Projects Update – CGS Council Meeting July 12, 2016 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=949&itemid=11754&lang=en>
16. Large Projects – CGS Council Meeting April 12, 2016 -  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=943#agendaitem10989>
17. Parking Update – CGS Finance and Administration Committee May 14, 2019  
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=8&id=1367>
18. City Large Projects Website  
<https://www.greatersudbury.ca/city-hall/current-projects/large-projects1/>
19. Place des Arts Project Website  
<https://maplacedesarts.ca/en/>