



City of Winnipeg
Planning, Property and Development Department

Invitation for Expressions of Interest for the Purchase
of City Owned Property at Winnipeg Square
Winnipeg, Manitoba

(EOI # 145 – 2009)

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1. INTRODUCTION

- 1.1 The City of Winnipeg is the capital of the Province of Manitoba and has a population of approximately 650,000 residents. The immediate trading area includes an additional 50,000 residents. Winnipeg is well situated with respect to regional transportation facilities. It has an international airport with 24 hour access; the main lines for both CN Rail and CP Rail extend through the City with excellent rail and highway connections to the markets within the United States of America. The economy of Winnipeg is very diverse, including farm implement, furniture, building material and bus manufacturing, a diverse aerospace industry, three universities and a full range of financial services. Several of Canada's major trucking firms have their head offices in Winnipeg. Winnipeg also has a rich ethnic and cultural history and a wealth of cultural institutions and facilities. Winnipeg continues to experience an active market expansion in the commercial and industrial sectors of the economy.

2. DIRECTION AND INTENT

- 2.1 On March 2, 2009, the Downtown Standing Policy Committee recommended that the Winnipeg Public Service undertake an Expression of Interest for marketing the Winnipeg Square Parkade (at the southwest corner of Portage Avenue and Main Street) and report back to the Committee.
- 2.2 The City of Winnipeg invites Expressions of Interest (EOI) from proponents for proposals related to the purchase of City owned property commonly known as Winnipeg Square.
- 2.3 This information package provides a brief overview of the property.

3. SITE DESCRIPTION

- 3.1 The subject site is situated at the renowned intersection of Portage and Main, the hub of Winnipeg's Downtown. The site consists of land beneath the majority of the city block bounded by Portage Avenue to the north, Main Street to the east, Graham Avenue to the south and Fort Street to the west. The northeast and northwest corners of the city block are excluded from the site, respectively representing the Scotiabank Tower and the Royal Bank Building.
- 3.2 The character of the site is rectangular in nature with a frontage of approximately 552 feet along Main Street, approximately 548 feet on Fort Street, and approximately 261 feet on Graham Avenue.

PLEASE REFER TO THE ATTACHED DRAWING – EXHIBIT “A”

4. SITE IMPROVEMENTS

- 4.1 The subject property consists of the freehold interest and the 932 stall heated parking garage. The property is improved with a high-rise office building and supporting commercial mall building constructed in the mid 1970's. The main floor area (commercial mall level) is connected to the balance of the downtown by way of a series of above ground and overhead walkway systems. The subject property connects to the underground concourse area at Portage and Main that encompasses all four corners of this important downtown intersection and connects to all of the improvements located on these corners.
- 4.2 There is a 31 storey reinforced concrete high rise building situated above the underground parking garage, commonly known as the Commodity Exchange Building. This building has a floor plate of 19,155 square feet per floor and is the subject of a leasehold interest.

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5. POTENTIAL BUILDING EXPANSION

- 5.1 Any potential expansion of the existing structure will require proper due diligence with respect to existing foundation supports and existing agreements related to the property.

6. PROPERTIES ADJACENT

- 6.1 Several office towers in excess of 2.2 million square feet are directly linked through the underground walkway systems to 2300 parking stalls at Portage and Main; including the Winnipeg Square Concourse (retail/service complex), the CanWest Tower, the Richardson Building and The Bank of Montreal.

7. SERVICES

- 7.1 All services are available to the site such as sewer, water, hydro, telephone, television, cablevision, natural gas, police and fire protection, garbage and snow removal.

8. ZONING

- 8.1 Under the City of Winnipeg Downtown Zoning By-law 100/2004 the property is zoned "M" Multiple Use Sector.
- 8.2 The intent of the "M" Multiple-Use Sector is to encourage the range of uses, sites, activities, and buildings typical to a diverse and vibrant central business district. This sector demonstrates a diversity of uses, including: office, retail, services, restaurants, entertainment opportunities, public institutions, multiple-family residential and off-street parking facilities. The built form is also diverse, ranging from high-rise towers at Portage and Main to more intimately-scaled buildings along Graham Avenue. Urban design review in the Multiple-Use Sector is intended to enhance pedestrian comfort and encourage high-quality built form.

9. ASSESSMENT

- 9.1 The 2008 assessment for the City's interests in the Winnipeg Square Complex is \$9,026,000.00.

10. PROPERTY TAXES

- 10.1 The 2008 property taxes would have been \$407,250.00 based upon ownership by a party other than the City.

11. LEASE AGREEMENTS/AIR RIGHTS

- 11.1 Provisions of the Lease Agreement between the City and the Lessee provide that the Air Rights over the City land and the parking structure, for the purpose of constructing and maintaining a building or buildings, remain with the Lessee for the term of ninety-nine years commencing on April 1, 1980.

12. REVENUE

- 12.1 Net income generated by the Winnipeg Square Parkade was \$1,503,262.00 in 2008.
- 12.2 Income generated by the lease of the Commodity Tower in 2008 was \$326,000.00 which includes air rights income and structural support income.
- 12.3 It should be noted that Agreements related to the lease of the air rights provide that the rent shall be reviewed by the parties on the fortieth, sixty-fifth and ninetieth anniversaries of the commencement of the existing lease. The fortieth anniversary occurs in 2020. The Agreement provides for an adjustment of the rent on these dates. Therefore, rental rates may be adjusted in the future to reflect current market conditions.

PERTINENT DOCUMENTS

13. LEASE AGREEMENTS AND LEASE ASSIGNMENT AGREEMENTS

- a) Memorandum of Understanding – 1972
- b) Council Directive – 1974
- c) Lease Agreement applicable to the Winnipeg Square and the Commodity Exchange Tower Air Rights –January 16th, 1974.
- d) Assignment of Lease Agreement applicable to the Winnipeg Square and the Commodity Exchange Tower Air Rights – April 25th, 1979.
- e) Amending Agreement to the Lease Agreement dated January 16th, 1974, including additional lands dated June 3rd, 1981.
- f) Agreement with Lessee providing for “a reasonable amount of parking stalls” throughout the term of the lease to tenants of the Winnipeg Square and the Commodity Exchange Tower for up to 345 parking stalls dated December 16th, 1983.
- g) Lease Amendment Agreement providing for pedestrian access enhancement from Graham Avenue Skybridge to the Shops of Winnipeg Square dated February 5th, 1992.
- h) Assignment of Lease Agreement applicable to the Winnipeg Square and the Commodity Exchange Tower dated August 29th, 2007.
- i) Assignment of Encroachment Agreement applicable to the Winnipeg Square and the Commodity Exchange Tower dated August 29th, 2007.
- j) Assignment of Walkway Agreement applicable to the Winnipeg Square and the Commodity Exchange Tower dated August 29th, 2007.

14. CERTIFICATE OF TITLE

- 14.1 The subject lands are captured within certificate of title number 1192227 dated February 20th, 1991.

15. CAVEATS/CHARGES AFFECTING CERTIFICATE OF TITLE

- 15.1 Approximately 90 Caveats and/or charges are filed against the above noted certificate of title. The majority of these caveats pertain to the leases within the Winnipeg Square Complex.

16. ACCESS TO PERTINENT DOCUMENTATION

- 16.1 Pertinent documents identified above can be viewed/examined at the Materials Management Division of Corporate Finance, located on the Main Floor at 185 King Street.
- 16.2 Appointments to view the documentation can be arranged by contacting 204-986-2423.
- 16.3 The City also invites proponents to inspect and assess the physical condition of the parkade. The proponents may contact Mr. Ray Klassen, Manager of Real Estate, at 986-5016 (rayklassen@winnipeg.ca) in order to arrange for said inspection.

17. SUBMISSION REQUIREMENTS

- 17.1 The City invites Expressions of Interest for the purchase of the subject City owned property including **purchase price, proposed timing, and any other relevant terms or assumptions.**

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17.2 EOI Submissions should also include:

17.2.1 Background

- a) The names of all Principals associated with the Proponent;
- b) A list of the properties owned an/or operated by the Proponent, if any;
- c) financial information about the Proponent;
- d) Any other information which the Proponent considers pertinent.

17.2.2 Details of Proposed Improvements to the Site

- a) Submission of a detailed proposal for any proposed improvements to the site;

17.2.3 Financing

- a) Each Proponent should demonstrate the means by which the purchase is to be financed. A full explanation of funding is to be provided.

17.2.4 Economic Benefits

- a) Each Proponent should identify and outline any economic benefits that would accrue to the City, which will be derived from the Proponent's proposal.

18. SUBMISSION PROCESS

18.1 Interested parties should submit their responses in a sealed envelope clearly marked "EOI 145-2009 – Winnipeg Square" and the Proponent's name and address to:

Materials Management
City of Winnipeg
Main Floor, 185 King Street
Winnipeg, MB R3B 1J1

18.2 The deadline for EOI Submissions is **4:00 pm, Winnipeg Time, April 27, 2009.**

18.3 EOI Submissions received later than the EOI Deadline may not be accepted and will be returned upon request.

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

18.5 EOI Submissions will not be opened publicly.

19. ADDENDA

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

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

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

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20. EVALUATION

- 20.1 The City shall evaluate EOI Submissions on the basis of their own merits and the related benefits to the City and, therefore, price alone may not be the sole determining factor that the City considers in the evaluation of each EOI Submission.
- 20.2 Consideration will be given to any EOI that proposes any modification that contributes to an increased tax base for the City of Winnipeg.

21. EOI EVALUATION

- 21.1 The proponents are advised to present their best proposal. The City will only negotiate with a short list of the proponents submitting, in the City's opinion, the most advantageous proposals.
- 21.2 The City will review, and clarify as required, all EOI Submissions. All EOI Submissions submitted in response to this invitation will be reviewed on the basis of broad financial, operational and strategic merit to the City.
- 21.3 If the City deems that none of the EOI Submissions are acceptable, proponents will be so notified and no further discussions will be held.
- 21.4 After completion of the evaluation of all EOI Submissions, the City will short list those that are of the most interest to the City.
- 21.5 The City will then contact short listed proponents and enter into negotiations with proponents having EOI Submissions that are considered to have the most merit and benefits for the City.
- 21.6 If the parties cannot agree to a final resolution, the City shall have no obligation to come to a final agreement with a proponent.

22. RIGHT TO REJECT

- 22.1 **The City reserves the right to reject all or any EOI Submission(s).**

GENERAL CONDITIONS

23. CAVEAT EMPTOR

- 23.1 The City makes no representations or warranty with respect to the quality, condition or sufficiency of the subject property.

24. PROPONENT'S COSTS AND EXPENSES

- 24.1 Proponents are solely responsible for their own costs and expenses in preparing and submitting a Qualification Submission and participating in the RFQ, including the provision of any additional information or attendance at meetings.

25. NO CONTRACT

- 25.1 The EOI is an inquiry only. By submitting an EOI Submission and participating in the process as outlined in this document, proponents expressly acknowledge and agree that no contract of any kind is implied or formed hereunder, or arises from this EOI and that no legal obligations will arise between the parties.

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25.2 The City has no obligation to enter into negotiations or a contract with any proponent as a result of this EOI.

26. CONFIDENTIALITY

26.1 Information provided to a Proponent by the City, or by a Proponent to the City, or acquired by any party by way of 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.

26.2 Proponents shall not make any statement of fact or opinion regarding any aspect of this EOI to the media or to any member of the public without the prior written authorization of the City. Participants in this process shall comply with all applicable privacy legislation, including but not limited to the Personal Information Protection and Electronic Documents Act (Canada).

26.3 Further, the City is subject to The Freedom of Information and Protection of Privacy Act (Manitoba). To the extent permitted, the City will treat all submissions to this EOI as confidential, however Proponents are advised that any information contained in any submission will be released if required by City policy or procedures, by The Freedom of Information and Protection of Privacy Act (Manitoba), by other authorities having jurisdiction, or by law. The City will have the right to make copies of the EOI Submissions for its internal review processes and to provide copies to its staff and external advisors.

26.4 Disclosure of a successful submission by a proponent is the sole responsibility of the Council of the City of Winnipeg, or its Designated Authority. The City may be obligated to disclose the final purchase price after closing date of the sale of the Subject City property.

27. GOOD FAITH DECLARATION

27.1 The Proponent declares that, in submitting its EOI Submission, it does so in good faith and that to the best of its knowledge no member of Council or any officer or employee of the City would have any pecuniary interest, direct or indirect, should the Proponent enter into an agreement with the City for the Property.

28. NO LOBBYING

28.1 Any form of political or other lobbying whatsoever in relation to the Project or with a view to influencing the outcome of this EOI process is strictly prohibited. Failure to comply with this provision may result in disqualification from the EOI process or, if the City becomes aware of your breach of this provision during evaluation, disqualification from the evaluation process.

29. CONTACT PERSONS

29.1 The City of Winnipeg contact for the purposes of this EOI is:

Mr. Ray Klassen, Manager of Real Estate
City of Winnipeg
Planning, Property and Development Department
2nd Floor – 65 Garry Street
Winnipeg, MB R3C 4K4

Phone: (204) 986-5016 Fax: (204) 944-8476
Email: rayklassen@winnipeg.ca

