


TO: GENERAL COMMITTEE

SUBJECT: COLLIER CENTRE (MADY) – EXTENSION TO CONSTRUCTION
SCHEDULE AND BUILDING OCCUPANCY, 90 COLLIER STREET AND
55 MULCASTER STREET

WARD: WARD 2

PREPARED BY AND KEY CONTACT: J. FOSTER, BAA, M.C.I.P., R.P.P.
CITY CENTRE REVITALIZATION COORDINATOR 

SUBMITTED BY: C. LADD, CHIEF ADMINISTRATIVE OFFICER 

CHIEF ADMINISTRATIVE OFFICER APPROVAL: C. LADD, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That the timeline be extended from June 30, 2014 to November 30, 2014 for the Mady Development Corporation (Mady) to:
 - a) Deliver 1,359m² (14,628SF) of leased office space to the City, and
 - b) Provide 90 public parking spaces.
2. That the Mayor and City Clerk be authorized to execute all documents necessary to give effect to such extension.

PURPOSE & BACKGROUND

Report Overview

3. The purpose of this staff report is to seek authorization to execute amending documents, including the Purchase and Sale Agreement and the Option to Lease between Mady and the City, for the extension to the timeline for the delivery of leased office space and public parking spaces in the new Collier Centre, from June 30, 2014 to November 30, 2014.
4. On August 30, 2010, City Council adopted Motion 10-G-332 regarding the award of the Request for Proposal (RFP) to Mady for the redevelopment of 90 Collier Street and 55 Mulcaster Street.
5. The City and Mady executed documents which identified that Mady would provide leased office space to the City and the provision of 90 public parking spaces by June 30, 2014.

ANALYSIS

6. On September 10, 2013, Mady requested an extension to the timelines for delivery of office space and public parking in the Collier Centre, currently under construction. The request was for an extension from June 30, 2014 to November 30, 2014, due to unforeseen design revisions which incurred delays to the overall construction schedule.
7. The Purchase and Sale Agreement included a default provision for not delivering office space and public parking spaces by June 2014. The default provision is that Mady would be required to financially compensate the City for the equivalent value of the lease rate discount over a 15 year term and the construction costs associated with the structured public parking spaces in the new development. Staff are not recommending optioning the default provision as the City requires the office space and the need for 90 public parking spaces in the new development. If the default provision was optioned, Mady would have no further obligation to provide the City with leased office space at a discounted rate, or provide 90 public parking spaces.
8. Facilities staff has confirmed that the revised schedule to November 30, 2014, for the provision of leasable office space to the City later in 2014 is satisfactory, can be accommodated, and can be reflected in the 2014 Business Plan. In addition, maintaining the 90 public parking spaces in the new development was a requirement of the RFP. The City requires the replacement of public parking on-site. The arrangement was that Mady would own, operate, maintain and receive revenue for the public parking; however, Mady is obligated to supply 90 public parking spaces, on-site, for a 99 year term.
9. Recently, the City has received public complaints regarding the availability of public parking spaces in the vicinity. Primarily the shortage of on-street parking was a result of construction workers parking on Collier Street during business hours, Monday to Friday. Mady and City staff have implemented measures which have resulted in public parking availability, as construction workers are parking elsewhere. In addition, the construction schedule will allow on-site parking for construction workers within 4 months, thereby freeing up the on-street public parking spaces on Collier Street and in the vicinity for short and long term parking.
10. A shuttle service to the south end Sobeys was implemented at the time the Foodland grocery store closed. The shuttle service is available on Monday and Thursday mornings. Agreements have been entered into where the shuttle service shall remain available until such time as the on-site Sobeys grocery store is open.
11. Staff are recommending that the required documents be amended such that the delivery date for office space and public parking on-site be revised from June 30, 2014 to November 30, 2014, a 5 month delay.

ENVIRONMENTAL MATTERS

12. There are no environmental matters related to the recommendation.

ALTERNATIVES

13. The following alternative is available for consideration by General Committee:

Alternative #1

General Committee could choose not to authorize revision to documents, altering the timelines for the delivery of office and parking spaces and therefore option the default provision for financial compensation for failure to deliver on time.

This alternative is not recommended as it is in the public interest to provide the 90 public parking spaces on-site, thereby maintaining public parking availability in the vicinity for the long term. The City will be receiving a reduced lease rate for office space over a period of 15 years. The office space and reduced lease rate would not begin until occupancy. In addition, the City's need for office space in the new development is desired; the altered timeframe can be accommodated and will be reflected in the 2014 Business Plan. If the default provision was optioned, Mady would have no further obligation to provide the City with leased office space for a 15 year term at a discounted rate, or provide 90 public parking spaces.

FINANCIAL

14. There is no revenue loss to the City associated with the delay in the supply of public parking spaces. As per our agreement, Mady is obligated to supply 90 structured spaces for public parking for 99 years. Mady will own, operate, maintain and receive revenues.
15. There is no cost to the City associated with the shuttle service to the south end Sobeys. The shuttle service is supplied by Sobeys and provides them the opportunity of maintaining their clientele until the new on-site Sobeys is open.
16. The lease savings in 2014 associated with the extended timeframe totals \$66,435.50 for the 5 month extension plus additional rent for operating expenses and maintenance, which have not yet been finalized. The 2014 Business Plan will be adjusted to reflect these savings.

LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN

17. The recommendation included in this Staff Report supports the following goals identified in the 2010-2014 City Council Strategic Plan:
- Direct and Manage Economic Development
 - Create a Vibrant and Healthy City Centre
18. The Collier Centre will facilitate implementation of revitalization plans for the Downtown. It will maintain the provision of 90 public parking spaces, a grocery store component and provide the City with leasable office floor space at a reduced rate in close proximity to City Hall. The redevelopment of the site will provide for a Market Square commercial development that is in keeping with the Downtown Commercial Master Plan vision, and redevelop one of the City's land assets providing additional employment opportunities, bringing more people to the Downtown area.