

## CITY OF ORILLIA

**TO:** Special Council – May 19, 2021  
**FROM:** Waterfront Development Team  
**DATE:** May 17, 2021  
**REPORT NO:** WWG-21-02  
**SUBJECT:** **Waterfront Redevelopment Project**

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### **Recommended Motion**

**THAT Report WWG-21-02 be received as information.**

### **Purpose**

The purpose of this report is to provide a public overview of the Waterfront Redevelopment Project. It is recommended that Council review this report alongside Closed Session Report WWG-21-01 and the Confidential Briefing Note dated May 17, 2021.

### **Background & Key Facts**

- The Triangle Lands that form part of Metro's lease were acquired as a Road Widening Dedication in 1978.
- The former Coop Feeds property was acquired by the City in 1983, and the former rail bed lands were acquired by the City in 1988 (CPR rail bed) and 2003 (CNR rail bed).
- In 2012, the Downtown Tomorrow Plan was developed and the lands located at 70 Front Street North were identified as a strategic parcel connecting the waterfront to the downtown.
- In 2016, the City of Orillia purchased the property located at 70 Front Street North for \$9.3 million, in order to facilitate the extension of Coldwater Street to Centennial Drive and to facilitate redevelopment of the property.
- Following this purchase, Council established the Waterfront Working Group (WWG), consisting of Mayor Clarke, and Councillors Cipolla, Emond and Lauer, to oversee the redevelopment of this strategic parcel of land.
- The WWG is supported by the Waterfront Development Team (WDT) which consists of staff from various municipal departments.
- In February of 2017, the WWG presented a report to Council outlining opportunities to reprioritize various infrastructure improvements in the waterfront area to better position the newly acquired lands for development.

- In March of 2017 Council authorized the retention of Leith Moore of Waverley Projects Inc. to undertake a review of the development potential of the site.
- Moore developed a preferred development scenario which identified how the lands could be redeveloped taking into account environmental factors, permitted uses and market absorption rates. The preferred development scenario demonstrated that the lands could be redeveloped and provided an order of magnitude that City staff could rely upon in order to develop an implementation plan. Although this concept was named “preferred development concept” this concept was used as a framework only and ultimately the City encouraged proponents to put forward their own development concepts.
- At the Special Council Meeting held on December 1, 2017, the WWG brought forward report [WWG-17-03](#) regarding the Development Analysis of 70 Front Street North.
- A further report, [Report WWG-18-01](#) was brought forward on February 21, 2018, which outlined an implementation process.
- On July 16, 2018, confidential reports WWG-18-02 and WWG-18-03 were brought forward to provide an update on the due diligence process and legal opinion respectively.
- On August 13, 2018, the Waterfront Development Team brought forward [Report WWG-18-04](#). This report included a comprehensive Waterfront Development Implementation Plan.
- In 2018 the Development Services and Engineering Department initiated a process to amend the City’s Zoning By-law and Official Plan in order to prepare the lands for redevelopment.
- In late 2018/early 2019 Deloitte was retained to assist the City through a two-phase disposition process which includes a Request for Qualifications (RFQ) and Request for Proposals (RFP).
- In order to guide the strategic sale and redevelopment of the Waterfront Redevelopment lands, the WWG developed 12 Development Principles:
  1. Support the City’s Downtown Tomorrow Plan and vision
  2. Optimize financial return
  3. Demonstrate a sustainable “green” approach
  4. Enhance the resident and visitor experience
  5. Respond to surrounding built form
  6. Integrate within Orillia’s downtown and waterfront area
  7. Consider downtown food and grocery needs
  8. Consist of simple and timeless design
  9. Consist of a high-quality public realm
  10. Promote a safe, comfortable and inviting pedestrian environment
  11. Integration of parking
  12. Integration of servicing

- In spring of 2019 an RFQ was released with the objective of narrowing down a list of proponents who demonstrated that they were qualified to undertake a redevelopment of this nature. Three proponents were pre-qualified through this process: Amico Properties Inc. (Amico), Fram Building Group/Fram + Slokker (Fram) and TPI Acquisitions (Tribal).
- In 2019 a Downtown Waterfront Parkland Design Study was initiated to evaluate how the City's adjacent waterfront parks could support increased user demands in this area.
- On January 14, 2019, staff brought forward confidential Report WWG-19-01, which detailed next steps required to prepare the municipal waterfront lands for sale. Council subsequently authorized staff to proceed with the expropriation of lease rights as it pertains to the southern portion of the plaza on 70 Front Street North, and allocated consultant and legal fees related to this process.
- At its meeting held on April 1, 2019, Council passed a resolution authorizing the commencement of the expropriation of lease rights process and authorizing a by-law associated with the expropriation process.
- Robert Wood of Borden Ladner Gervais was also engaged to provide legal expertise pertaining the expropriation of lease rights and sale of the property.
- In October 2020, the [Downtown Waterfront Parkland Design Study](#) was brought forward to Council for consideration.
- In December 2020, the RFP was released to pre-qualified proponents, and in March 2021, two proposals were submitted by Fram and Tribal respectively.
- Throughout this process, the City concurrently worked through several legal matters related to securing the rights to develop the site.
- On May 6, 2021, the City of Orillia received confirmation that the Court of Appeal for Ontario (the Court) made decisions as follows:
  - The Court allowed the City's appeal of a previous decision regarding Metro's lease term and decided that Metro's lease term ends in 2029 and dismissed Metro's cross-appeal; and
  - The Court awarded the costs of application and appeal for a total award to Orillia (by Metro) of \$60,000; and
  - The Court concluded that the roof repair is Metro's obligation and will therefore be required to pay the City for the recent repair works (approximately \$620,000).
- The [Waterfront Redevelopment Project webpage](#) has been established for the community and includes staff reports, presentations, frequently asked questions, an email subscription link and project updates.
- Significant public consultation has been incorporated into this process, including consultation as follows:

- Downtown Tomorrow Plan (4 days charettes, 2 open houses, video presentation, stakeholder group)
- Downtown Tomorrow CIP (3 consultation sessions, stakeholder group)
- Front Street Reconstruction (2 Public Information Centres)
- Centennial Drive Reconstruction (3 Public Information Centres)
- Port of Orillia Area Public Realm
- Waterfront ZBA & OPA Meetings (public input)
- Waterfront Redevelopment Project (public survey)

## **Options & Analysis**

### **Evaluation Process**

- At the advice of Deloitte, the City followed a two-phase disposition process (RFQ followed by RFP). Throughout the RFQ and RFP process, the integrity of the procurement process was kept top of mind, and was guided by the expertise from Deloitte, Robert Wood and staff.

The evaluation for the RFP proposals consisted of the following steps:

1. Independent review and scoring by evaluation team members
2. Consideration of public input
3. Evaluation team meeting and discussion
4. Consensus scoring process
5. Presentation to the WWG for consideration and comment
6. Presentation to Council

In order to ensure that the proponents had a clear understanding of the site context as well as the objectives of the City, all proponents took part in a mandatory site visit at the start of the procurement process. This was followed by interviews of all proponents who submitted RFQ responses. Pre-qualified proponents took part in a virtual site visit which featured a video “walk through” of the site and surrounding areas and both group and one-on-one discussions with staff from various municipal departments. Proponents were invited to request clarification through the Bids and Tenders platform, and a total of seven addenda were issued to provide clarification.

### **Option 1 – Recommended**

**THAT Report WWG-21-02 be received as information.**

The purpose of this report is to provide an overview of the waterfront project to date. After completion of the technical and financial evaluation staff have identified several options for Council’s consideration which have been disclosed in Closed Session Report WWG-21-01. Identification of a preferred proponent, where applicable, will remain confidential until completion of negotiations and pending the outcome of Council’s direction, as is standard in municipal procurement processes.

## **Financial Impact**

There are no financial impacts associated with this report.

## **Consultation**

### **Waterfront Working Group**

The WWG has been consulted throughout the Waterfront Redevelopment project.

- **Public Feedback**

In addition to the extensive public engagement over the past 10 years which led to the redevelopment of this site, staff also implemented a public feedback process related to the proposed development concepts as submitted by the proponents. To summarize:

- Online public open house and survey held from April 9-18, 2021.
- A total of 175 survey responses were submitted, in addition to a number of written submissions outside the formal survey process.
- Promotion of the public consultation resulted in more than:
  - 90,000 social media impressions
  - 7,600 interactions
  - 33,334 impressions on OrilliaMatters

Qualitative feedback focused on various aspects of how the proposals met the 12 development principles.

- Feedback submitted helped inform the evaluation process and assisted the evaluation team in understanding preferences related to the 12 Development Principles.

As required by the RFP, both proponents outlined their commitment to undertaking further public engagement activities on the redevelopment if selected as the preferred proponent.

## **Economic Development Impact**

The revitalization of the City's waterfront land is anticipated to be catalytic and spur the redevelopment of not only 70 Front Street North, but also the surrounding lands, and lands in the downtown core.

A redevelopment of the site would facilitate the easterly extension of Coldwater Street and its future connection to the realigned Centennial Drive. This extension will further some of the strategic initiatives cited in the Downtown Tomorrow Plan and will enhance the linkages between the City's downtown and its waterfront.

The redevelopment is anticipated to increase the municipal tax base, introduce new year-round residential units to the downtown waterfront area, and present new opportunities for employment.

The Waterfront Redevelopment Project has resulted in significant developer interest in the Orillia area. Approximately 20 representatives of the development community attended the initial site visit for this project and of the more than 400 subscriptions to the Waterfront Redevelopment mailing list (as of May 3, 2021), more than 80 (20%) are developers, builders or investors. A further 54 (14%) are individuals who wish to live or work on the site. Council's commitment to this redevelopment will instill investor confidence and solidify Orillia's reputation as a growing and progressive community.

### **Communications Plan**

Disclosure of the preferred proponent, where applicable, will not be shared until confidential negotiations are complete and a property sale is firm (in accordance with the standard municipal sale and acquisition process).

Staff have developed a comprehensive Waterfront Redevelopment Project webpage [orillia.ca/waterfront](http://orillia.ca/waterfront) which includes information such as reports, project timelines and flow charts, frequently asked questions, news and updates. This webpage will be updated to reflect Council's decision on this matter.

### **Relation to Formal Plans, City of Orillia Policy Manual and/or Guiding Legislation**

The recommendation included in this report is related to the following formal plans, City policies and/or guiding legislation:

- The recommendation included in this report supports several initiatives within the Downtown Tomorrow Plan:
  - Initiative #1: Facilitate waterfront development
  - Initiative #17: Extend the retail experience to the waterfront
  - Initiative #21: Build new streets to the waterfront
  - Initiative #28: Develop small gathering spaces and neighbourhood parks
- The recommendation also supports the City of Orillia Strategic Plan:
  - Vibrant Waterfronts – 3.1. Increase and promote access to engaging, exciting, four-season, waterfronts.
  - Sustainable Growth – 4.1. Manage growth to accommodate 41,000 residents and 21,000 employment opportunities. 4.4. Promote economic development to create employment investment opportunities.
  - Heritage Core - 5.1. Promote a revitalized, vibrant, unique, heritage-oriented, pedestrian-friendly core area that is connected to the City's waterfront.
- The recommendation also supports the objectives of the Real Property Policy 1.7.1.1.

### **Conclusion**

Council strategically acquired 70 Front Street North to enable revitalization of the waterfront area. To proceed with this revitalization, staff have set forth several options for next steps for Council through Closed Session Report WWG-21-01.

Concurrently to the sales process, staff would continue with resolution of outstanding legal matters pertaining to this site. It is anticipated that staff will bring forward budget consideration for development of the civic square, wayfinding signage and public art through the 2022 budget process this fall. Demolition of the southern portion of the plaza is anticipated to take place this fall.

### **Schedules**

- Schedule “A” – Waterfront Redevelopment Lands Reference Plan and Legal Description

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Approved by: The Waterfront Redevelopment Team

*Gayle Jackson, CAO/Clerk*

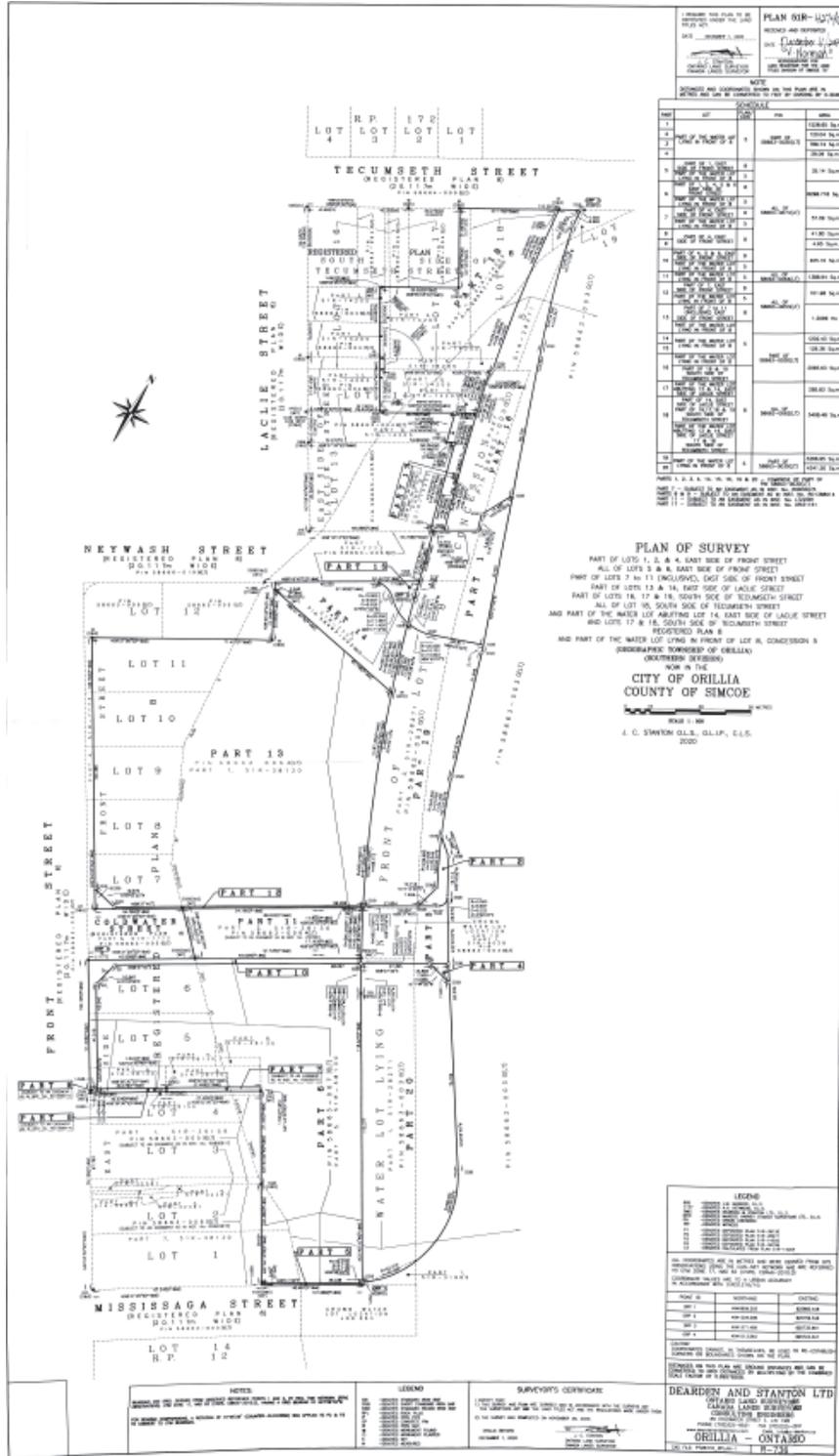
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## Schedule "A" Waterfront Redevelopment Lands Reference Plan



**Schedule "A"**  
**Waterfront Redevelopment Lands**  
**Legal Description**

**Described as:**

- i. **70 Front Street North, Orillia, ON:** PT LTS 7, 8, 9, 10 & 11 E/S FRONT ST (FORMERLY WATER ST OR GERALD ALLEY) PL 8 ORILLIA; PT WATER LT IN FRONT OF LOT 8 CON 5 SOUTH ORILLIA BEING PT 1 PL 51R38130 THE CITY OF ORILLIA
  
- ii. **139 Tecumseth Street, Orillia, ON:** PCL 13-E LACLIE-1 SEC 51-8; PT LT 13 E/S LACLIE ST PL 8 ORILLIA; PT LT 14 E/S LACLIE ST PL 8 ORILLIA; WATER LOT ABUTTING LOTS 13 & 14 E/S OF LACLIE ST PLAN 8 ORILLIA; PT LT 16 S/S TECUMSETH PL 8 ORILLIA; PT LT 17 S/S TECUMSETH PL 8 ORILLIA; PT LT 18 S/S TECUMSETH PL 8 ORILLIA; PT LT 19 S/S TECUMSETH PL 8 ORILLIA; WATER LOT ABUTTING LT 17 S/S TECUMSETH ST PL 8 ORILLIA; WATER LOT ABUTTING LT 18 S/S TECUMSETH ST PL 8 ORILLIA PARTS 1 TO 11, 51R14205 S/T PARTS 8 & 9, 51R14205 AS IN ORI31161; ORILLIA

**More particularly described as:**

- PARTS 6, 7, 8, 12, 23, 14, 16, 17, 18, 19, and 20, Plan 51R-42746.