



City of Richmond

Report to Council

To: Richmond City Council
From: Phyllis L. Carlyle
General Manager, Law & Community Safety

Date: November 18, 2008
File: 06-2290-20-029/Vol 01

W. Glenn McLaughlin
Manager, Purchasing & Risk

Re: Oval Riverfront Land sale - Update

Staff Recommendation

That the Oval Riverfront Land sale – Update report, dated November 13, 2008, from the General Manager, Law and Community Safety and the Manager, Purchasing and Risk be received for information.

DOB LOU, Acting GM for
Phyllis L. Carlyle
General Manager, Law & Community Safety
(604-276-4104)

[Signature]
W. Glenn McLaughlin
Manager, Purchasing & Risk
(604-276-4136)

| FOR ORIGINATING DEPARTMENT USE ONLY | | | |
|-------------------------------------|---|-----------------------------|---|
| ROUTED TO: | CONCURRENCE | | |
| Communications | Y <input checked="" type="checkbox"/> | N <input type="checkbox"/> | |
| Clerks | Y <input checked="" type="checkbox"/> | N <input type="checkbox"/> | |
| Law | Y <input checked="" type="checkbox"/> | N <input type="checkbox"/> | |
| REVIEWED BY TAG | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | REVIEWED BY CAO |
| | | | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |

Staff Report

Origin

In March 2007, Council approved the selection of ASPAC Developments Ltd. as the preferred proponent for the sale and lease of the 18.6 acres (seven parcels) of City owned "River Road" property for the purchase and prepaid lease price of \$141,000,000. (*Attachment 1*)

When Council approved the sale to ASPAC, and in order to protect the City's interest as well as the confidential business information of each proponent, details of proposals could not be publicly released at that time. The City is now in a position to provide an update on the status of the lands. This report supplements the earlier March 2007 report and provides to the public an overview of the relevant information on the final submissions received for the River Road property.

Background

Strategy:

There are four primary elements on which the strategy was based to guide the marketing and sale of the River Road property (Brighthouse Estates):

- Value Added – add value by reducing uncertainty – Master Plan provided proponents with a clearer understanding of development potential and options;
- Flexibility – ensure the sale process would offer sufficient flexibility in scope to attract a broad and diverse range of proponents and offered the City the opportunity to negotiate higher values in the RFP proposals received;
- Risk Containment – Risk Formula – first objective is to transfer maximum/all risk from City to developer. Ensure that concerning any element of the transaction where the City would carry risk, the risk be clearly defined and limited exclusively to risks the City already held as land owner;
- Timing – expedite the process to ensure the transaction can be concluded during the current market peak.

In the fall of 2005 and in early 2006, Council, through a series of detailed public reports, approved an official plan amendment, rezoning for the area, a detailed concept plan and a parks and open space plan for both the City's waterfront property and the River Road property. Council's vision for the development of the areas was incorporated into a Request for Proposal (RFP) issued by the City in February 2006.

A total of 39 copies of the RFP documents were issued to the marketplace. Maximum flexibility for responses by the development industry was provided for in the RFP, while still retaining Council's vision.

On the strength of the financial terms of the proposals received and the number of proposals received from the RFP process, it became apparent that the City's optimal position would be to only entertain those proposals that contemplated a no risk "all cash" transaction whereby all the parcels would be sold or leased, with full payment due on a pre-determined closing date. In this manner, the City would be able to meet its financial objectives to fund the Oval Project construction and secure the resources to create a vibrant area surrounding the Oval site while having various degrees of risk without exposure to potentially off-setting liabilities. As such, proposals that did not have the potential to purchase or lease all of the parcels were not considered further.

The following initial proposals, which contemplated the purchase of all freehold parcels, were subjected to a thorough analysis:

| Proponent | Parcels Desired / Type | Initial Amounts Offered |
|----------------------------|--|--|
| Concord Pacific Group Inc. | Parcel's 1,2,3,4,7A- Freehold Residential / Commercial | \$89,750,000, plus a profit sharing agreement |
| Fairchild Developments Ltd | Parcel's 1,2,3,4,5,6,7A Freehold Residential / Commercial and Commercial Lease (#5 & #6) | \$75,000,000, plus a profit sharing agreement |
| ASPAC Developments Ltd. | Parcel's 1,2,3,4,5,6,7A Freehold Residential / Commercial and Commercial Lease (#5 & #6) | \$126,000,000, which included a parking precinct contribution of \$6.5 million |

Following consultation with Council's appointed independent subcommittee (the Oval Land Development sub committee), only the proposals submitted by ASPAC and Concord Pacific which complied with the specified vision for the future of the area were advanced for further consideration. ASPAC and Concord Pacific were advised of this decision and simultaneous negotiations commenced with both proponents.

Further unsolicited offers from Fairchild were received increasing their proposed purchase price to \$100,000,000. plus a 15% profit participation. These proposals did not comply with the specified vision for the future of the area and contained risk elements associated to the percentage profit sharing arrangement, and as such, discussions were ended.

In concluding negotiations with both ASPAC and Concord Pacific, staff negotiated utilizing the initial RFP proposals as a starting point. The two proponents were then requested to submit their "best and final offer" (BAFO) at which time both proponents increased the value of their proposal - ASPAC by \$15 million to \$141 million and Concord Pacific by \$85 million to \$175 million for all properties. The ASPAC offer was designated as the preferred offer because the final value to the City was clear and firm and it did not include any element of risk to the City after closing. As indicated below, the Concord Pacific proposal was uncertain in terms of the total or final value and also transferred significant risk to the City through elements such as a profit-sharing arrangement and a second mortgage to be held by the City.

Staff's assessment concluded that entering into a profit sharing arrangement would place the City in the role of partner/developer and expose Richmond to risks such as the volatility of housing market conditions. Staff also concluded that the risks to the City outweighed the potential reward, and

accordingly recommended against this proposal. This decision was reviewed by the Oval Land Development sub committee (panel of professional developers) who confirmed the prudence of the City's strategy. In addition, the requirement that the City take on a second mortgage on the property was considered too risky because in the event of a downturn of sales and market values the first mortgage holder's security could compromise the City's position for collecting the proceeds of sale and the City would have given up ownership of the Land.

Evaluation

Following is a summary of the BAFO from the two proponents for the acquisition and development of the River Road property.

BAFO Summary

| | ASPAC [successful proponent] | CONCORD PACIFIC |
|----------------------------|---|--|
| Development Concept | Consistent with City plans and guidelines | Consistent with City plans and guidelines however proposed to increase the available parking on site by extending a proposed parkade into the City owned lands beneath public open space south of the dyke and potentially under the public roads. The City never contemplated this during the RFP process. |
| Purchase Price | <p>\$141,000,000, cash on closing for fee simple title to parcels 1, 2, 3, 4, 7A and a commercial lease for parcels 5 and 6</p> <p>Closing to occur prior to Oct. 1, 2007</p> | <p>\$175,000,000, payable over time as detailed below for fee simple title to parcels 1, 2, 7A in 2007 and parcels 3, 4, 5, 6 and parking easement in 2010:</p> <p>\$83,000,000 was to be paid on the 1st Closing Date which was scheduled to be no later than Sept. 24, 2007. However the proponent proposed that Development Cost Charges (DCC's) to be paid at the time of development would be notionally fixed at the January 2007 rate thus requiring the purchase price to be adjusted accordingly. This term reduced the value of this portion of their proposal by \$7.14 million.</p> <p>\$92,000,000 to be paid on April 15, 2010 and also requiring that DCC's that are to be paid at the time of development be notionally fixed at the January 2007 rate thus requiring the purchase price to be adjusted accordingly. This term reduced the value of this portion of their proposal by \$6.86 million based on 2007 DCC rates.</p> |

| | ASPAC [successful proponent] | CONCORD PACIFIC |
|----------------------------------|---|--|
| Deposits | \$100 million, non-refundable | \$17.5 million, to be forfeited to the City if the purchaser does not close on the first closing date |
| Key Business Terms | Final offer based on documentation negotiated with the City | Final offer based on a business structure that was not discussed with the City. If their offer were accepted, then the City would be required to negotiate with the proponent after other bidders had been advised that their proposals had not been accepted. |
| Mortgage Financing | None | Payment for the second closing amount of \$92,000,000 was to be secured by a mortgage in favour of the City. The City's mortgage would be subordinated to any mortgage arranged by the proponent to finance the first closing. If the project was not able to meet its financial obligations, the City could be at risk for collecting their proceeds from the sale. The terms of the mortgage were to be negotiated and finalized <u>after</u> bid acceptance date. |
| Mutual subject conditions | Subdivision Rezoning | Subdivision Rezoning Settlement of the terms of the Mortgage, Ground Lease, Parking Easement, allocation of the Purchase Price and Closing Unit Prices were all to take place after the bid acceptance date. Another proposed term was that the City was also required to complete construction of the Richmond Oval and of all facilities which the purchaser is entitled to use pursuant to the parking easement prior to the second closing date (April 15, 2010). |

The certainty of the transactions and the level of risk between each of the proponent's respective offers were crucial decision criteria. With ASPAC, the City had a known agreement with full payment upfront and minimal risk, while the uncertainty of finalizing a comparable agreement with Concord Pacific was significant.

Notwithstanding Concord Pacific's proposed underground parking on public lands that were never contemplated in the City's original RFP, the City's associated risk with a parking structure under a road; and with other elements in Concord Pacific's proposal, the financial value of their offer was analyzed to evaluate the risks, the freezing of DCC rates and the timing of payments to the City.

ASPAC's development concept exceeded the City's planning requirements and provided the City with the opportunity to increase public open spaces even more than originally contemplated while providing

the greatest value with minimal risk for the sale and lease of the lands. Staff recommended that the City execute the Sale and Purchase Agreement with ASPAC in the amount of \$141,000,000.

The deal with ASPAC closed on July 10, 2007 and the City is in receipt of all of the required funds.

The following is a financial analysis of the two offers:

Summary Financial Analysis

| | <i>Concord Pacific</i> | | <i>ASPAC</i> |
|---|------------------------|----------------------------------|----------------------|
| | <i>Offer</i> | <i>Present Value¹</i> | |
| <i>Total Offer</i> | \$175,000,000 | | \$141,000,000 |
| <i>Payable at closing</i> | \$83,000,000 | \$83,000,000 | \$141,000,000 |
| <i>Less value of DCC increase after close</i> | - \$ 7,139,841 | -\$ 7,139,841 | |
| <i>Sub total</i> | \$75,860,159 | \$75,860,159 | \$141,000,000 |
| <i>Second Close on April 15, 2010</i> | \$92,000,000 | \$67,815,854 | |
| <i>Less value of DCC increase after close (2007 rate)</i> | - \$ 6,861,506 | - \$ 6,861,506 | |
| <i>Sub total</i> | \$85,138,494 | \$60,954,348 | |
| Total | \$160,998,653 | \$136,814,507 | \$141,000,000 |

The lands were sold and leased on an "as is" condition such that the purchaser accepted the conditions of the property at the time of the sale. However, the City had committed minimal funds, (\$75,000) for site clean up activities which are now not expected to occur. In addition, the City transferred all risks associated to development associated shoreline stabilization and infrastructure construction costs to the property purchaser.

Current Status

Since the conclusion of the land transaction, ASPAC has diligently pursued the requisite Development and Building Permits to carry out their development commitments:

5111 Hollybridge Way

ASPAC is currently constructing an approximate 16,158 sq. ft. (1,502 m²) two-storey commercial building over one level of parking. The proposed scheme successfully meets all of the requirements of the RFP for the sale and lease of the River Road lands.


¹ Discount rate of 10% and a term of 3.2 years.

The building has high architectural merits and incorporates quality material. It is of note that when it became apparent that a redesign was necessary to accommodate construction schedule and costs, the developer voluntarily chose to reduce the floor area rather than compromise the design integrity or quality of the proposed building in recognition of its relationship to the Richmond Oval Building and prominent waterfront location.

6031 River Rd

In July 2008, ASPAC applied for a Development Permit to develop four multi-family, high-rise buildings containing approximately 442 units and 11 townhouses with a total square footage of 704,908 ft². Preliminary review of the proposed design scheme indicates that the development will incorporate extensive sustainability features and amenities that meet, and in some cases, exceed the intent of all the applicable regulations and design guidelines.

ASPAC has also purchased properties east of Hollybridge Way and is in the process of master planning this site prior to submitting a Rezoning Application to the City. This acquisition of land in addition to the approximately 19 acres east of Hollybridge Way demonstrates ASPAC's confidence in, and long term commitment to Richmond.



W. Glenn McLaughlin
Manager, Purchasing & Risk
(604-276-4136)

Attachment 1



City of Richmond

Report to Council

To: Richmond City Council

Date: March 23, 2007

From: George Duncan
Chief Administrative Officer

File: 06-2290-20-029/Vol.01

Re: Olympic Oval Riverfront Lands Development RFP and Sale Process Results

Staff Recommendation

That the report (dated March 23rd, 2007, from the Manager, Purchasing & Risk), regarding the Olympic Oval Riverfront Lands Development RFP and Sale Process Results, be received for information.

George Duncan
Chief Administrative Officer

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|-------------------------------------|---|-----------------------------|
| REVIEWED BY TAG | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| REVIEWED BY CAO | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |

Staff Report

Origin

The River Road property was purchased as part of the Brighthouse Estates in 1962 for which the City paid approximately \$1.45 million for the full estate of approximately 548 acres. The River Road property which is approximately 17 acres is the last parcel of land from the Brighthouse Estates. In 1995 and 1996 a study was conducted by Moody Consultants of potential sale and/or development opportunities for the River Road site. The River Road site was also identified through this exercise as a possible location and/or funding source to cover the cost of replacing Richmond City Hall. This option was rejected; however, Council directed staff to explore other opportunities for the future use or sale and development of the River Road property that would provide a community legacy in recognition of the fact that this site is the last of the legacy lands that the Brighthouse Estates had become since its purchase in 1962.

In the Spring of 2004, VANOC approached the City of Richmond to explore the possibility of relocating the 2010 Games speed skating oval to Richmond. A number of sites were considered; however, once a vision for the post-Games oval that would transform the Olympic venue into the ultimate community wellness, recreation, and sport facility had been articulated, it became apparent that the natural choice of a site is the River Road Brighthouse Estates legacy property.

After careful analysis of the options, it was concluded that the River Road Brighthouse Estates legacy property would be an excellent choice because in addition to satisfying all of the technical requirements that VANOC had stipulated, it also had the potential to be a choice location for both the signature venue of the 2010 Winter Olympic and Paralympic Games, and the City's premier community facility, plus it would also provide the last important piece of the financial means through which the City would pay for its share of the cost of the oval.

Council approved the choice of the site and instructed staff to complete the other remaining components of the due diligence exercise.

In December 2005, Council approved the master plan for the River Road oval site, an Official Community Plan amendment, rezoning for the area, a detailed concept plan, parks and open space plan and the Request for Proposal (RFP) for the sale and lease of the adjacent oval site development lands to sell for mixed commercial/residential development.

This Staff Report responds to direction received from Council to provide details of the RFP process and sale / lease of the River Road property.

Analysis

Oval construction costs and funding were reported as follows:

| <i>Oval Project Budget:</i> | <i>Original Budget</i> | <i>Current Budget</i> | <i>Realized Budget (to date)</i> |
|-----------------------------|------------------------|-----------------------------|----------------------------------|
| | \$155,000,000. | \$178,000,000. ¹ | \$178,000,000. ² |

Oval Project Optional Funding Sources

| <i>Funding Source</i> | <i>Original Forecast</i> | <i>Received / Committed to Date</i> |
|---|------------------------------|---|
| VANOC - Federal Contribution | \$30,000,000. | \$4,500,000. Received Balance Committed |
| VANOC - Provincial contribution | \$30,000,000. | \$30,000,000. |
| Casino Revenue (\$5 million year/10 years) | \$50,000,000. | \$15,000,000. Balance Committed |
| Development Cost Charges (\$3 million year / 4 years) | \$12,000,000. | \$9,000,000. Balance Committed |
| Sale / Lease of River Road Lands | \$43,000,000. | \$141,000,000. |
| Parking Precinct (included in Land Sale) | \$6,500,000. | \$0 |
| Additional Lands Assets | \$6,500,000. | \$6,500,000. |
| Naming Rights, Sponsorship and Other ³ | \$22 - \$32 million | \$2 million + W.I.P. |
| TOTAL | \$200 - \$210 million | \$271 million received & committed |

Please note that the initial Report through which the Oval Proposal was approved identified numerous funding sources as outlined above for which the total value exceeds the funding required to cover the cost of the Oval Project. Therefore, Council has considerable flexibility in the choice of funding sources and the amount to be allocated. This is illustrated in the example of the line item for naming rights, sponsorship, and other at \$22 million to \$32 million. The Oval proposal contemplated that Council would have the option to consider, but would not require funding from sources such as naming rights and sponsorships, as well as "other" sources which could not be identified due to the requirement for ongoing negotiations. The extent to which these funding sources will be utilized remains at Council's total discretion as this funding was always in excess of the total funding required.

¹ Budget increased due to change of scope to add precinct parking structure.

² Note: At 91% complete on tenders - project is under budget.

³ Includes \$10 million from Hotel Tax if Trade & Exhibition Centre included in facility.

This funding approach, and specifically the sale of the riverfront lands, was taken to ensure that the construction (capital costs) of the Speed Skating Oval would not result in a tax increase to Richmond residents.

The subject lands that were subsequently offered for sale and lease include the remaining undeveloped 17 acres of the Brighthouse Estate purchased by the City of Richmond in 1962 for \$1.45 million. In addition, a 1.6-acre parcel on the west side of Number 2 Road was included for sale. This 1.6-acre parcel was carved out from a 2.1-acre parcel with the remaining portion made available for an affordable housing development. In total, 7 parcels have been offered to the marketplace with 5 parcels as freehold purchase and 2 parcels leased for a 60-year term.

(Attachment 1 – RFP Lot Layout)

Council adopted four Oval Master Guiding Principles: Build a Legacy, Complete Community, Green and Financial Viability to guide the site planning of the Oval neighbourhood and formed the basis of the RFP for the disposition of the properties. These principles received an overwhelming 87% support of approval from the public and produced *“An Integrated Planning Framework - Olympic Gateway”*

Site planning and urban design elements were incorporated to support the Council adopted planning framework to create a high amenity and unique Riverfront development opportunity not previously available in the City:

Consolidating the sites

Several properties were consolidated to create one site to allow for maximum flexibility to develop a site master plan and a “signature” project.

Highest and best use

A maximum 3.0 Floor Area Ratio was achievable while ensuring a high quality urban design without compromise of significant public open space and view protection.

Rezoning the site

The zoning of the site offered for sale/lease was very broad in nature to allow for maximum flexibility. Following RFP receipt, Council approved a text amendment to the existing “Comprehensive Development District (CD/157)” that strengthened the zoning regulations to ensure that the intent of the Oval Neighbourhood Master Plan will be adhered to when the sites are developed.

Public Open Space Concept

The Oval Site West Public Open Space Concept incorporates a combination of publicly owned land and publicly accessible privately owned open space maximizing public access while maintaining the maximum amount of developable land. In addition, the permitted building heights and their locations have been carefully considered to maximize sun access to the open space.

Urban Design Elements

- Stagger and terraced towers to maximize views to and from the site
- Minimize building height along the dyke to avoid shadowing foreshore habitat.

- Creation of north-south and east-west corridors to provide a walkable neighbourhood that ties into the existing trail and open space network.
- Closing the old River Road and building up the dyke created the opportunity to construct site parking below grade allowing ground oriented residential open space and also enabled the creation of a 400-car parkade below the Richmond Oval of which portions of are included in the long-term lease for the leased properties.

Environmental Sustainability

The City wants to ensure that this site achieves a high level of environmental sustainability. As such, all buildings on this site will be required to achieve a Leadership in Energy and Environment Design (LEED) Silver designation at the minimum and stormwater management measures have been incorporated into the open space design. In addition, Council have authorized staff to negotiate a Geothermal Utility to provide heating and cooling service to this site.

Affordable Housing

Council has retained a 0.5-acre site on Parcel 7 west of the No. 2 Road Bridge for affordable housing. Staff are actively pursuing partners to develop the affordable housing.

These elements combined to offer a unique Riverfront development opportunity that excited the market place and helped to generate a higher than estimated financial return from the lands.

Request for Proposal to Develop the Oval Lands

A staff team and consultant prepared a comprehensive RFP document that expressed Council's vision for the lands and prescribed the manner and restrictions associated to the sale and lease of the subject lands. The RFP issued by the City in February 2006 was to provide Council with options for the overall development of the Lands based on high quality development and to maximize the value of the lands. Select parcels of the lands will be licensed back to the City until after 2010 for Oval construction staging and VANOC use during the games.

The RFP was extensively advertised and in conjunction with the site's high visibility, Olympic related profile and generated market interest, resulted in 39 proposal documents being distributed to the marketplace.

Evaluation Terms

The City's rights under the RFP process include:

- Reserves the right *not to* accept the highest price or land rent for any or all parcels
- To select any proposal
- Waive defects
- Consider non-conforming proposals
- To modify terms of the proposal prior to entering into an agreement
- To negotiate any terms of a proposal
- To allow simultaneous negotiation with multiple proponents

The evaluation criteria detailed in the RFP is:

1. Financial capability and experience of the Proponent

2. The proposed development Concept
3. Proponents understanding of, and compliance with
 - a. Open space guidelines
 - b. Architectural and landscape guidelines
 - c. Green Building Criteria
4. Fit with four fundamental principles for the Olympic Gateway
 - a. Build a legacy
 - b. Build a complete community
 - c. Build green
 - d. Build financial viability
5. Business Terms of the proposal
 - a. Purchase Price
 - b. Lease rates

An excellent response for the seven parcels of land were received on May 11, 2006 from:

| Proponent | Parcels Desired / Type |
|-----------------------------|--|
| Intergulf Development Group | #1 – Freehold Residential |
| Pinnacle International | #2 – Freehold Residential |
| Concord Pacific Group Inc | #2 – Freehold Residential |
| Concord Pacific Group Inc | Parcel's 1,2,3,4,7A – Freehold Residential / Commercial |
| Fairchild Developments Ltd | Parcel's 1,2,3,4,5,6,7A Freehold Residential / Commercial and Commercial Lease (#5 & #6) |
| ASPAC Developments Ltd. | Parcel's 1,2,3,4,5,6,7A Freehold Residential / Commercial and Commercial Lease (#5 & #6) |

On the strength of the financial terms of the proposals received, and the number of proposals received, it became apparent that the City's optimal position would be to entertain only those proposals that contemplated the purchase of all of the parcels, as opposed to offers to purchase only individual parcels. Later in the process, the City adopted a preference for a no risk "all cash" transaction whereby all the parcels would be sold or leased (as the case may be), with full payment due at a pre-determined closing date. As such, only the proposals that could meet this objective and complied with Council's vision for the area were considered further.

Staff were involved in detailed discussions with multiple proponents toward achieving this objective resulting in two comparably based proposals being advanced for further consideration. Senior City staff determined that the proposals submitted by Concord and ASPAC best met the City's objectives and a decision was made to give further consideration to these two proponents only. ASPAC and Concord were advised of this decision.

Subsequent to receiving the initial offers in response to the RFP and during the course of negotiations/discussions, the City received three separate supplemental offers in total which significantly increased the total value of the proposals from each of the proponents.

Staff's evaluation of the RFP proposals was supported by a Council appoint independent subcommittee, (the Oval Land Development Sub-Community) who addressed:

- the RFP valuation criteria.
- the financial considerations and the structure for discounting future streams of payments to present value.
- Build out and construction costs; marketplace influences, and that
- regulatory concessions should not be provided.

The strategic decision to have competing offers generated the maximum value from the two proponents vying to purchase the properties, which might not have been otherwise realised. The proposals were also assessed with some emphasis placed on risk aversion.

The award of this RFP and the subsequent development of the Oval Land will create significant value to the City. The successful bid of the Oval Land reflects the continuing upward trend of the healthy development market in the region; however, the final value attained for the site is also partly attributable to the City's investment at the front end of the process in master planning and rezoning which provided greater certainty on the options available to the proponents. The subsequent development projects are anticipated to satisfy and exceed the established urban design and environmental sustainability guidelines established in the RFP. When completed, this vibrant and high amenity Riverfront community will contribute positively to animate and activate the Riverfront and become a catalyst for further revitalization along the Middle Arm.

Staff evaluated the terms of the proposals and found that in consideration of all the factors ASPAC's offer to purchase the subject lands and prepaid lease for the total amount of \$141,000,000. (one hundred and forty one million dollars) is the preferred offer.

About ASPAC

ASPAC is a private wholly owned subsidiary of Mecca Holdings, a company incorporated in the British Virgin Islands. ASPAC proposes to advance the Riverfront development in partnership with Coal Harbour Trust. ASPAC is a recognized developer of high end, high quality waterfront developments such as Coal Harbour in Vancouver. The Oval neighbourhood will be their first foray into Richmond.

ASPAC design team lead by James Cheng Architects has a lengthy track record of high quality developments, both locally and internationally, notably the local properties include:

- Fairmont Hotel & Residence
- Vancouver Shangri-la Hotel & Residence
- Vancouver One Harbour Green
- Vancouver Two Harbour Green
- Port Moody City Hall/Library/Theatre Complex.

Proposed Design Concept

The ASPAC design demonstrates a thorough understanding of the intent of the RFP Master Plan and has improved key elements of the original RFP Master Plan (see attachments). The ASPAC proposal provides a thoughtful design scheme that contributes further to the urban fabric and important pedestrian connections of this premier Riverfront location. In addition, ASPAC's

clear phasing strategy on how to develop the Oval Site (other than the Oval building) would facilitate activation of the waterfront plaza and provide desirable animation to the public realm.

Their proposed concept:

- prioritizes pedestrians and open space by providing a new mid-block internal greenway/road to provide a neighbourhood link to the Oval,
- incorporates generous pedestrian amenities including expansion of publicly accessible open spaces on their land,
- considers incorporation of additional public amenities features (e.g. community garden)
- acknowledges the importance of the site's interface with the Oval buildings public art;
- sites the buildings and open spaces to preserve the view of the Fraser River and North Shore mountains for the sites to the south.

The ASPAC proposal includes all the sites (Parcels 1-7A) offered in the RFP allowing the proposed phasing of development with the sequencing of the Oval opening. The early development of Parcel 6 would enable the completion of the "Stroll", a public walkway which includes a waterfront plaza and the landscaping at the foot of Hollybridge Canal to be fully realized for the opening of the Oval. This would help to animate the waterfront by providing destinations along the waterfront trail system and meaningful gathering places for the community.

In addition to meeting the requirements of the RFP this design provides:

1. Ensuring that there is no net loss of publicly owned open space (along the dyke), while extending the waterfront through "green fingers" from the dyke to the new River Road.
2. Increasing the publicly-accessible-privately-owned open spaces beyond the RFP Master Plan concept by introducing a combined east-west road/greenway in lieu of the pedestrian only greenway in the RFP Master Plan. This approach will break up the deep blocks (between the new River Road and the dyke) and provide opportunities for improved site access, street animation and a better pedestrian network through creating smaller blocks.
3. Improving and maximizing views to the River within the site and through the site to future development sites beyond by creating view slots (via the green fingers) and reducing the heights of the podium portion of the buildings along the new River Road.
4. Creating pedestrian friendly commercial activities along the entire west side of the Oval site on Road C, while further animating the pedestrian realm by creating and maintaining the pedestrian connections around the oval and to the west dyke.
5. Committing to achieve LEED Silver certification to ensure environmental sustainability.

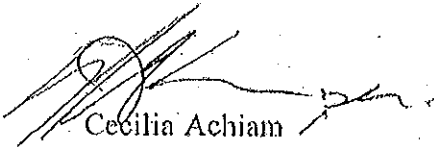
Conclusion

The City's RFP has obtained maximum realizable value for the lands from the marketplace that exceeds the financial funding goal for the Oval construction project. The residual funds invested for the future will finance multiple Council initiatives and projects that will contribute to the long-term quality of life in our community.

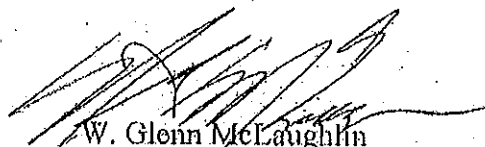
ASPAC is a high-end developer with the intent to focus on this project with their renowned architectural team and will commence immediately on developing the waterfront Parcel 6 adjoining the Oval. Their Development concept exceeds expectations and provides opportunity to increase public open spaces. Staff will continue to work with this developer to ensure the realization of Council vision for the area.

The development of the Oval Riverfront Lands in conjunction with the construction of the Oval will transform this area to the vision endorsed by Council in the "An Integrated Planning Framework - Olympic Gateway" report as:

"a unique, dynamic, and high-amenity community that redefines Richmond's downtown as a "World class" urban centre that embraces its waterfront" and "an International destination and meeting place, celebrating the region's gateway to Richmond and Richmond's gateway to the World."

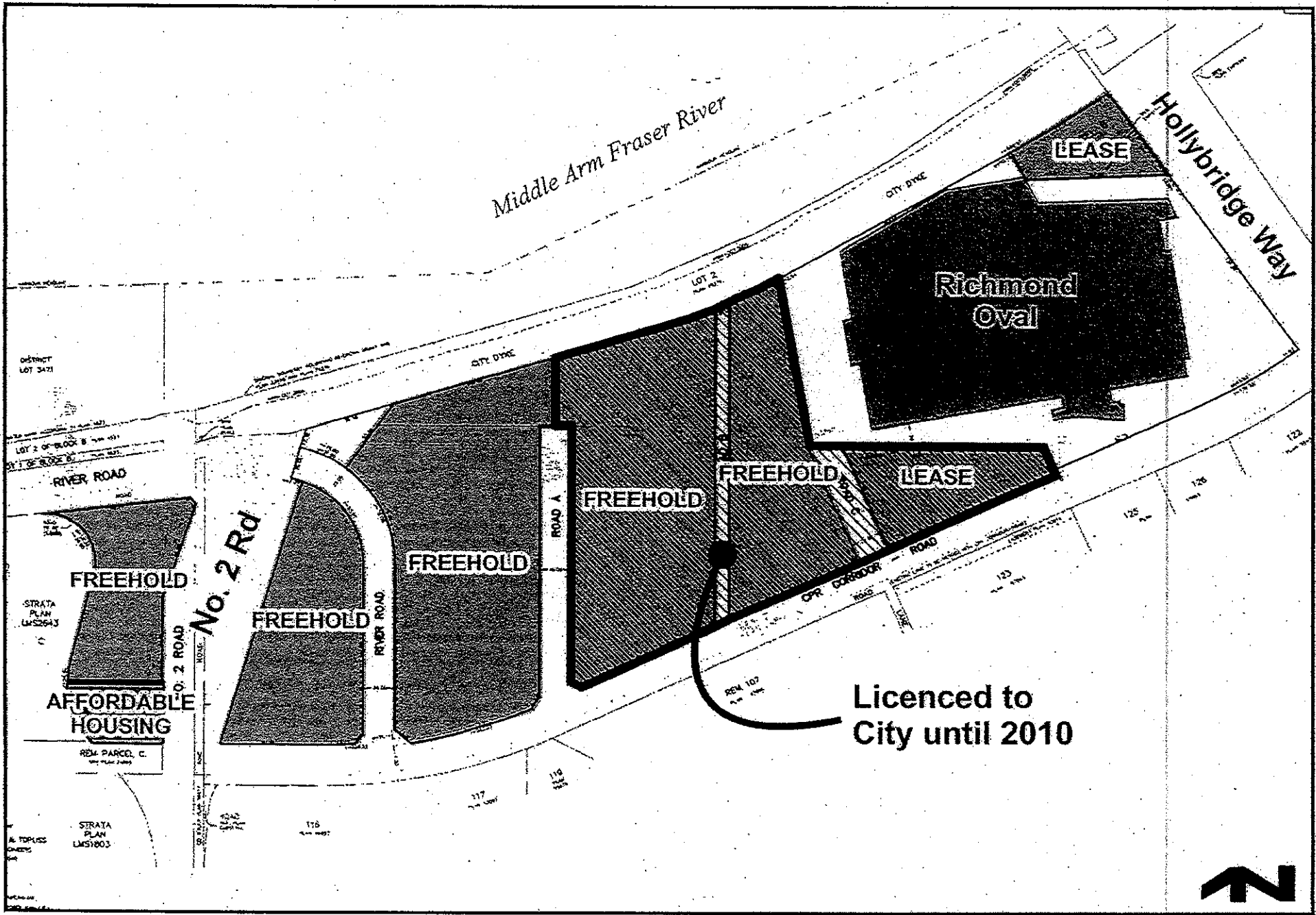


Cecilia Achiam
Senior Coordinator, Major Projects
& Development Applications
(4122)



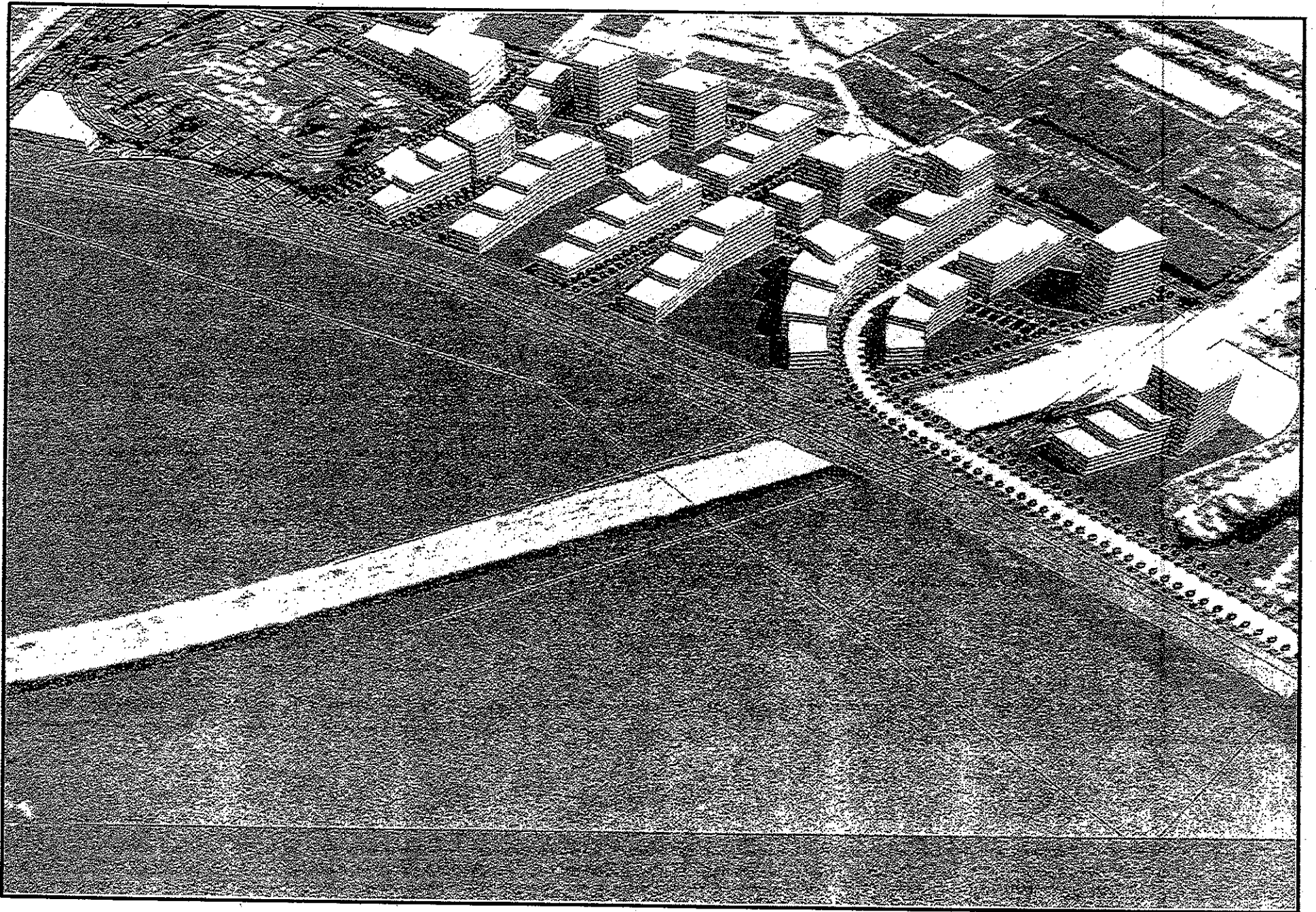
W. Glenn McLaughlin
Manager, Purchasing & Risk
(4136)

Att: RFP Lot layout
ASPAC Proposed Development
ASPAC Concept Drawings (5)

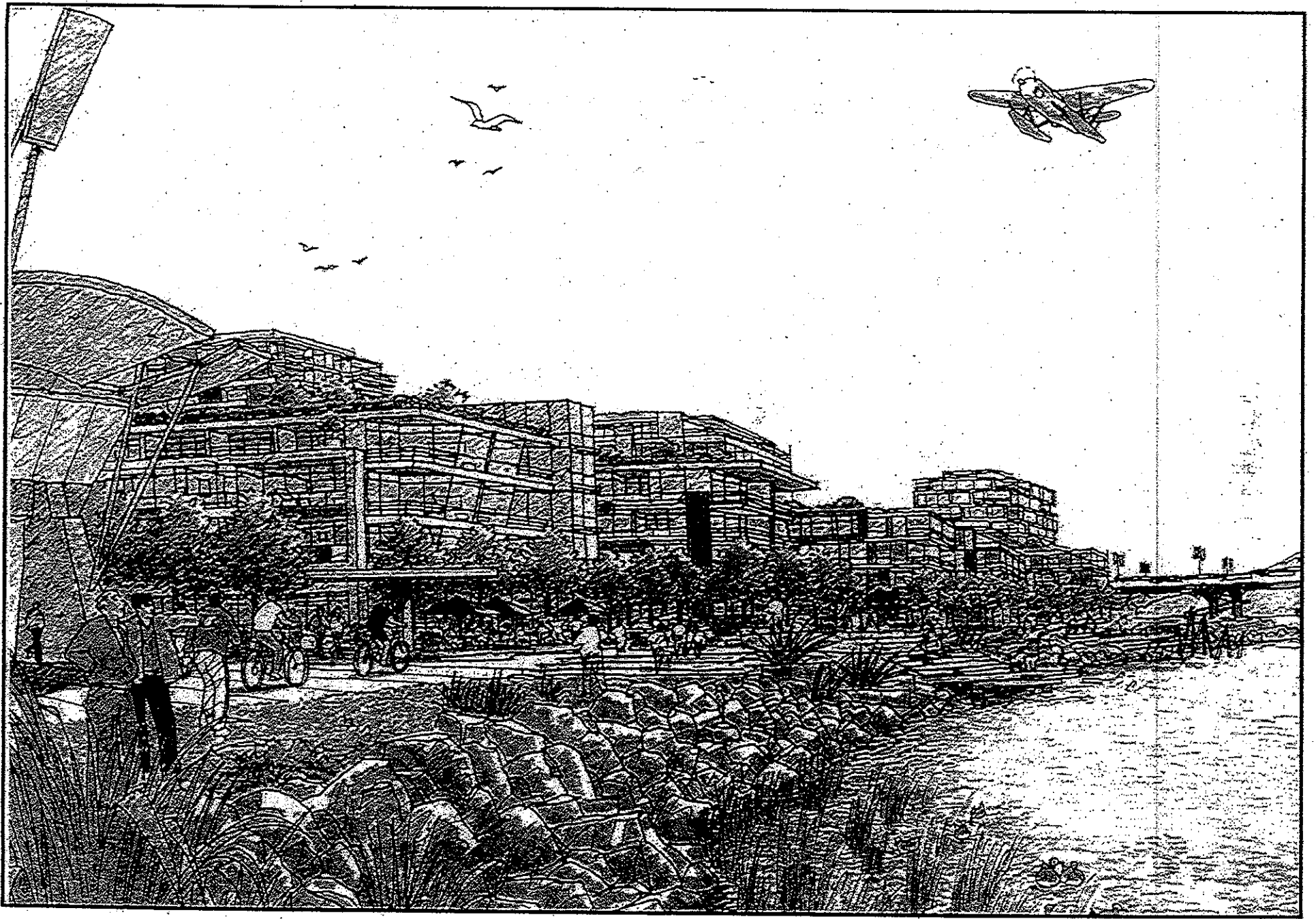


Licensed to City until 2010

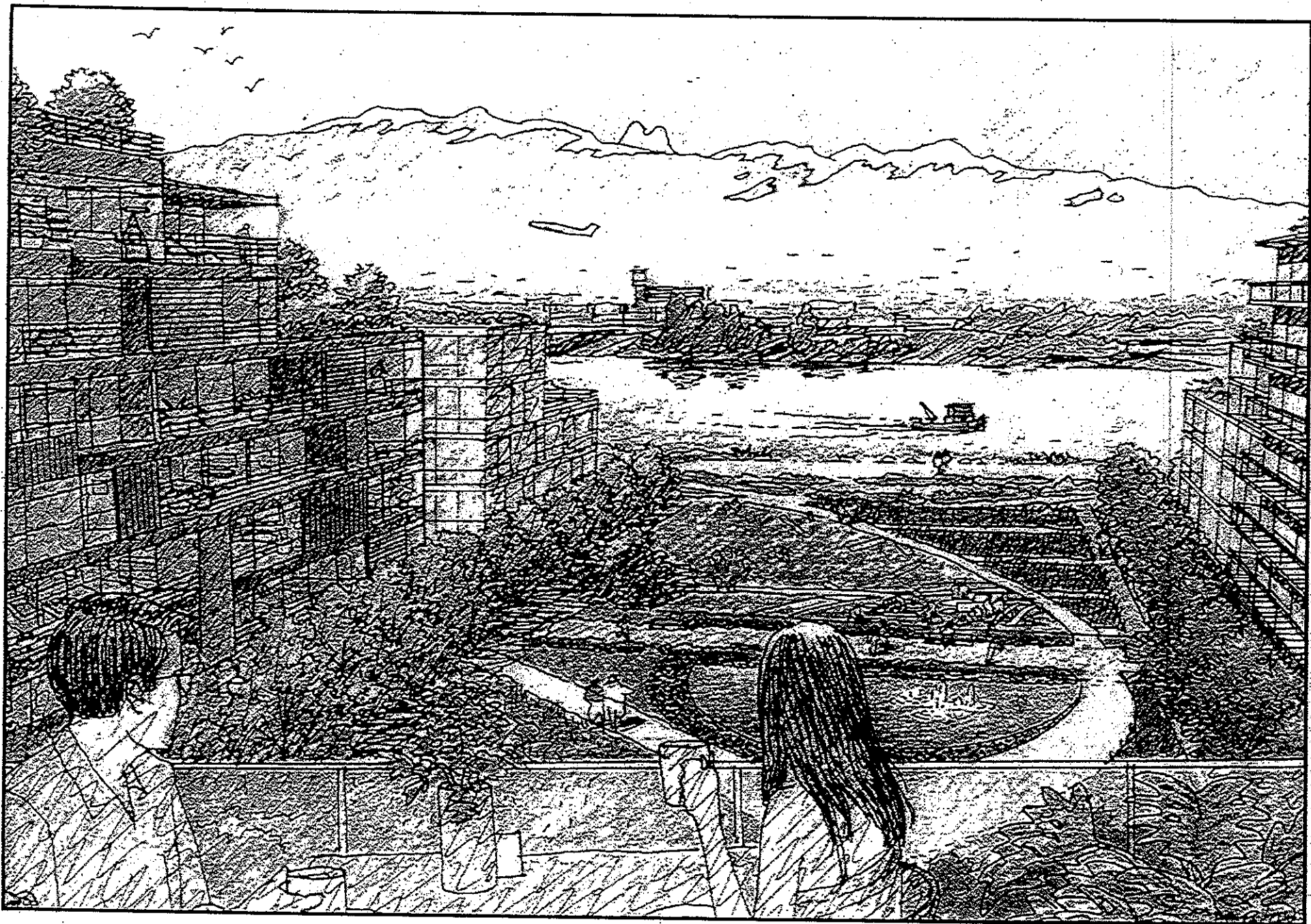
RFP Lot Layout



ASPAC Proposed Development

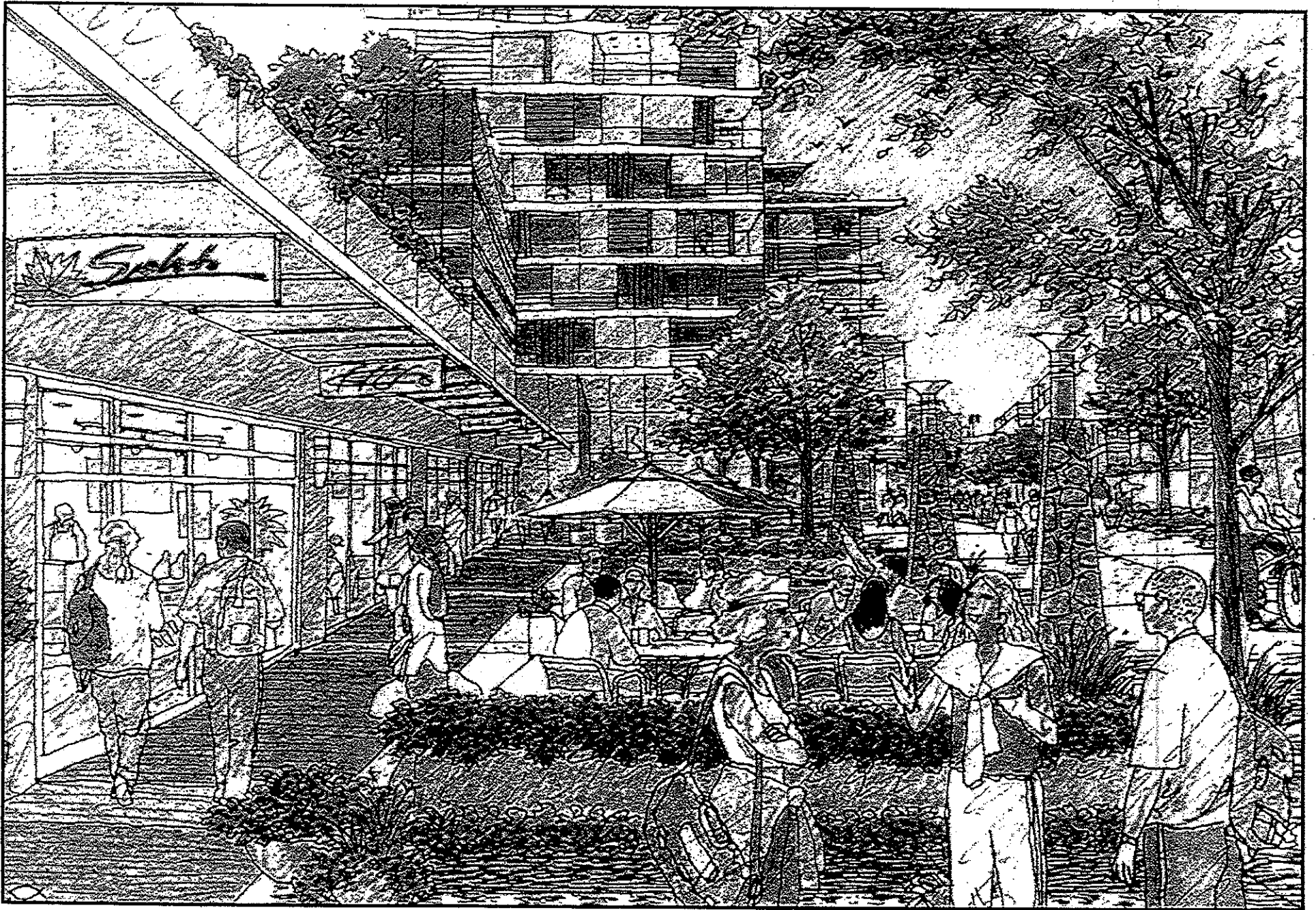


Dyke Walkway From Oval

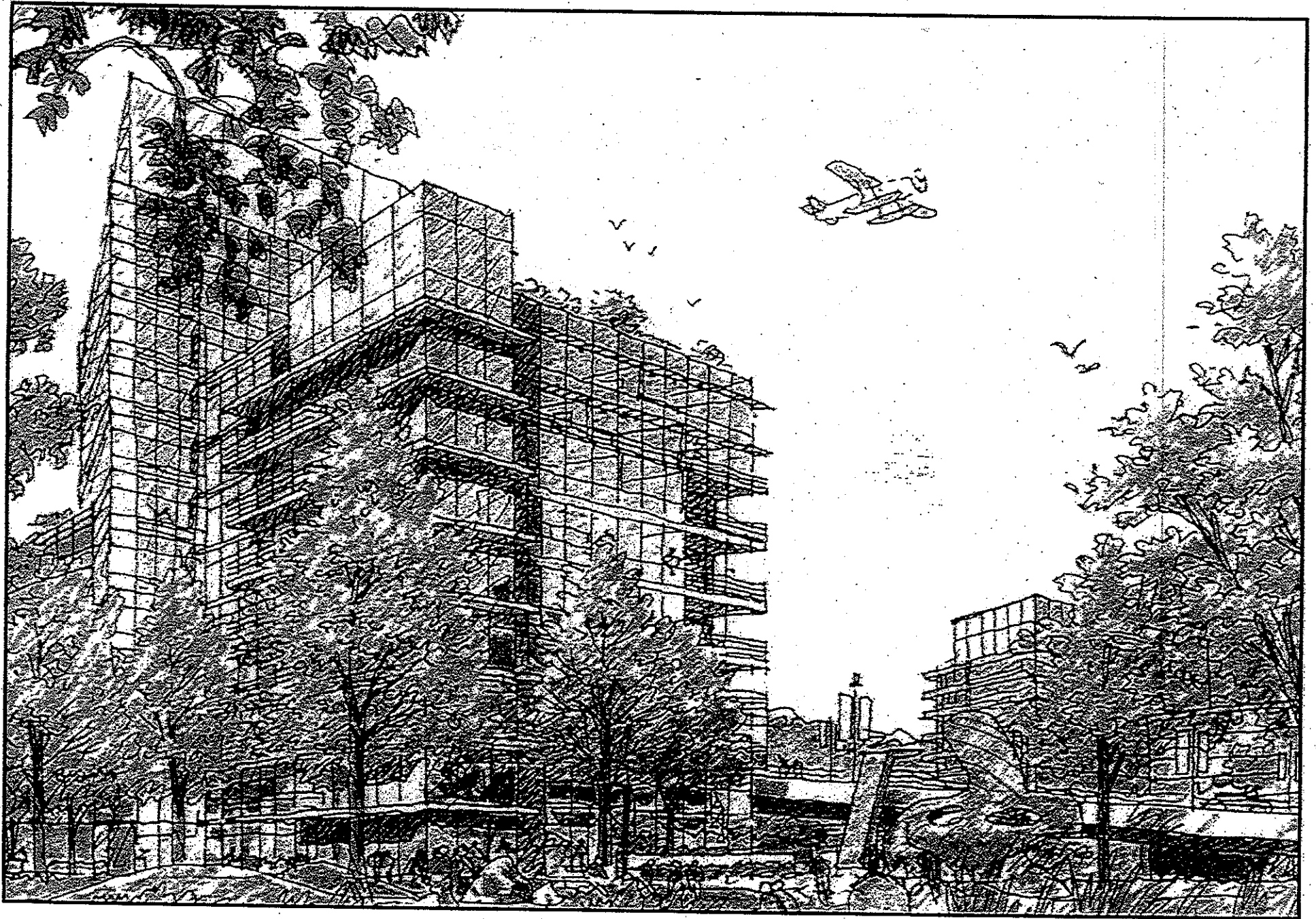


301

Open Space Court Yard

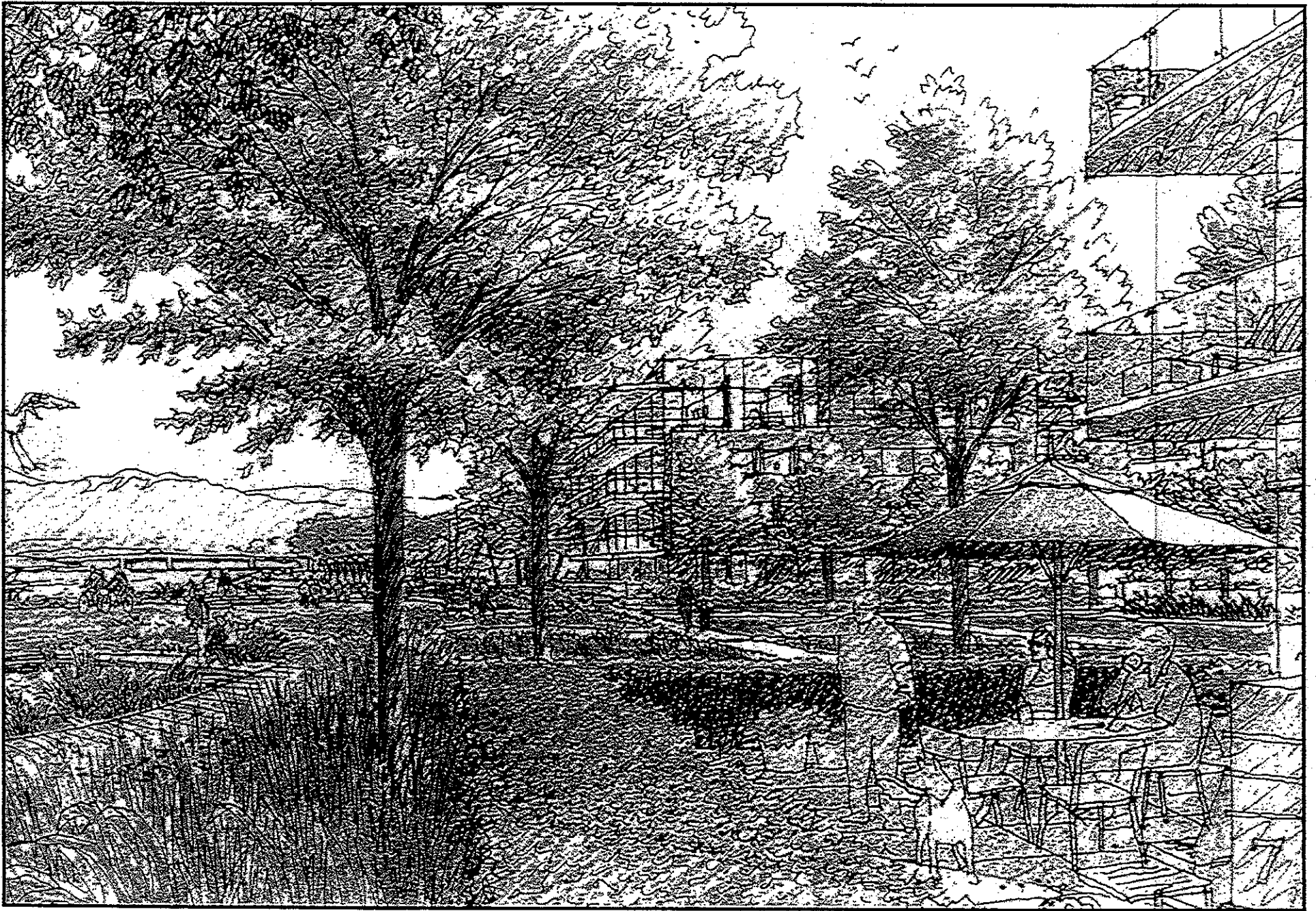


Mixed Use Commercial Area



303

No. 2 Rd Bridge Gateway



Terrace View at Dyke Walkway