



INNOVATION CENTRE BACKGROUNDER

Why An Innovation Centre?

A key part of Waterfront Toronto's vision has been to revitalize the waterfront in an innovative way. From smart infrastructure to high-performance green buildings, we are building mixed-use communities that are leading-edge and future-ready. The development of a privately funded Innovation Centre on the waterfront creates approximately 350,000 square feet of commercial space for a facility committed to supporting innovation and collaboration in strategic technology sectors. It also leverages the significant private sector investment in waterfront infrastructure made to date, particularly Canada's first open-access, ultra-high-speed broadband network.

The Innovation Centre represents the next evolution in commercial office space. It is a purpose-built space that will help to reinvent how specialized technology companies working in data-intensive industries work and the kinds of products they will be able to produce. As IT and creative sectors continue to merge, employees working in advanced visualization, gaming, interactive digital media, film and TV production will thrive through their interaction with each other and their broadband connectivity. They will also benefit from collaborating with the strong anchor tenants already located on Toronto's waterfront, including Corus Entertainment, Pinewood Studios and George Brown College.

Why East Bayfront?

An Innovation Centre is also delivering on Waterfront Toronto's mandate to generate high-value employment on the waterfront, particularly focused in East Bayfront. The East Bayfront Precinct Plan, endorsed by Toronto City Council in December 2005, established a vision for a mixed-use community with up to 6,000 homes and employment space to accommodate 8,000 jobs. The Precinct Plan identified the foot of Lower Jarvis Street as a key site for potential employment uses.

The implementation strategy for the East Bayfront Precinct Plan is premised on the understanding that in order to support Toronto's economic competitiveness, commercial development in the waterfront must accommodate shifts in the economy. In particular, commercial development should respond to the need of knowledge-based companies and workers. The Innovation Centre will bring approximately 2,000 employees to this new mixed-use community and will act as a catalyst for additional growth in Toronto's rapidly evolving creative and technology sectors.

Waterfront Toronto's Development Process

Much of the land being revitalized along Toronto's waterfront is publicly owned. Waterfront Toronto stewards how the lands contributed by our government partners are developed. To facilitate

revitalization, Waterfront Toronto works with public and private sector partners who buy or lease the land for development. These partners must also meet Waterfront Toronto's standards for design, sustainability, and other waterfront revitalization objectives – a key part of our mandate. The revenue from land sales is then reinvested into funding and building public infrastructure on the waterfront.

Waterfront Toronto has successfully concluded several private sector development agreements with Urban Capital for the River City Project (West Don Lands), Great Gulf for the Monde development (East Bayfront), Hines for the Bayside development (East Bayfront), George Brown College Health Sciences Campus (East Bayfront) and has facilitated the development agreement for the Pan Am Athletes' Village (West Don Lands). These development projects represent an investment value of over \$2.4 billion.

The Innovation Centre site is located on Queens Quay just east of Lower Jarvis Street and neighbours Canada's Sugar Beach, and totals 1.14 acres with 350,000 square feet of commercial space. The land is owned by the City of Toronto and Waterfront Toronto is responsible for the development strategy.

Innovation Centre Development Selection Process

To select a private-sector development partner for the Innovation Centre, Waterfront Toronto followed a competitive two stage RFQ/RFP selection process. During the selection process, our objective was to identify a partner who would deliver the project to the high standards set for the waterfront. We were looking for teams with the vision and expertise to implement sustainable urban development that is not simply a new part of the city but part of a full-time, mixed-use place of living, employment, recreation, entertainment and public/cultural activity, vibrant public spaces and exceptional architecture.

Given the ambitious nature of the Innovation Centre project, the selection process was structured to respond to the specific economic development objectives for the site. To that end, the RFQ and RFP focused on selection of a developer that demonstrated a strong vision and the best ability to deliver a project that achieves the overall objectives for the Innovation Centre. Each proposal was judged on the strength of its vision and project implementation plan, including a financial plan.

Request for Qualifications Stage

Waterfront Toronto publically launched the Innovation Centre RFQ on October 22, 2013. The RFQ closed on December 2, 2013. The proponents were evaluated against the following criteria:

- Financial strength/ability to deliver the project
- Quality and plausibility of the vision for the innovation centre
- Experience in successful development and operation of creative, tenant-focused commercial development projects
- Proponent's team experience
- Precedent analysis

Three shortlisted proponents responded to the RFP.

Request for Proposals Stage

The RFP was issued on March 31, 2014 with submissions due on September 23, 2014. In October, 2014, the proponents took part in an interview with the Steering Committee. During the interview, each team was given an opportunity to introduce their team and present their vision for the Innovation Centre site. Following the presentation, the team was then required to answer a set of pre-established questions that were the same for all proponents.

A proposal score was established for each team based on the following set of criteria and weighting stemming from Waterfront Toronto's long term policy objectives and overall vision for East Bayfront. The proponents were evaluated against the following criteria:

- Technical criteria (including vision, design and development concept, sustainability plan, implementation and marketing plan, business structure and project management)
- Financial criteria (including understanding and ability to address project risks, financing plan and robust and realistic cost and revenue projections)

Selecting the Developer

The RFQ/RFP process was overseen by a Steering Committee which included Waterfront Toronto senior management and one board member, City of Toronto staff and external subject matter experts in both real estate development and intelligent communities. The Steering Committee selected Menkes as Waterfront Toronto's preferred development partner.

Menkes is currently meeting with potential tenants. Once a critical mass of tenant interest is achieved, Menkes will prepare a final project/financial proposal (within 18 months). This proposal will be evaluated by Waterfront Toronto who will then submit its recommendation to Toronto City Council for approval.

Process Oversight

For all of our development RFQ/RFP processes, Waterfront Toronto engages a Fairness Advisor. The Fairness Advisor for the Innovation Centre RFQ/RFP process was the Honourable Justice Coulter A. Osborne, former Ontario Supreme Court Justice and Integrity Commissioner of Ontario.

Intelligent Community

In 2014, the City of Toronto was recognized as Intelligent Community of the Year by the Intelligent Community Forum (ICF) in New York. Toronto was honoured for employing best practices and strategies that support high-speed broadband Internet access, policies that encourage digital inclusion and that support the development of the city's knowledge workforce by fostering innovation in the business, technology and education sectors. Waterfront Toronto's catalytic intelligent community efforts were a key factor in this recognition.

Toronto's new waterfront communities will use technology to enhance quality of life and create economic opportunity for the citizens of Toronto, helping to keep the city competitive with major urban centres around the world for business, jobs and talent.

A key component of the Intelligent Communities initiative is the waterfront-wide ultra-high-speed broadband network that is delivering Internet connection speeds exponentially faster than the North American average. The network – which is being built and operated by Beanfield Metroconnect – is guaranteed to be maintained among the best in the world for at least 10 years. Network access is provided for a capped fee that delivers unlimited access starting at 500Mbps symmetrical Internet service (scalable to 1GB for residential and 10GB for commercial users). The network also provides IPTV, VoIP and advanced safety and energy management systems. This means Waterfront residents and businesses will have among the highest performance Internet services in Canada, guaranteed “among the best in the world” network services for more than a decade.