

# Report to Council



**Date:** July 26, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** 350 Doyle Avenue: Summary of Long-Term Lease & Redevelopment Opportunity  
**Department:** Real Estate

---

## **Recommendation:**

THAT Council receives, for information, the report from Real Estate department dated July 26, 2022, with respect to a summary of the long-term lease and redevelopment opportunity associated with 350 Doyle Avenue;

AND THAT, in the event Council approves DP21-0136 and DVP21-0137, Council authorizes Staff to amend any legal agreements associated with the long-term lease of 350 Doyle Avenue as required to issue the permits associated with DP21-0136 and DVP21-0137.











## **Purpose:**

To provide Council with background information on the long-term lease and redevelopment opportunity associated with 350 Doyle Avenue, and to seek Council approval to make any necessary changes to legal agreements associated with the long-term lease of 350 Doyle Avenue should Council approve DP21-0136 and DVP21-0137.

## **Background:**

In September 2018, Council endorsed the long-term lease and redevelopment process for the former RCMP detachment, a 0.87-acre site located at 350 Doyle Avenue. As the property is located within the Civic Precinct, the Civic Precinct Plan, which identifies municipal objectives to increase vibrancy and establish a foundation of amenities in the downtown core while protecting for the future expansion of cultural facilities, guided the development vision for the site.

Beginning in the fall of 2018, the property was widely marketed through a third party commercial real estate brokerage seeking development consistent with the site-specific guidelines established in the Civic Precinct Plan. The nationally marketed, public sales process generated multiple proposals for the redevelopment of the site, which were evaluated by Staff and Council. The strongest proposal was submitted by Rise Properties Limited (now operating as Appelt Properties). A summary of the pre-established disposition terms and Appelt Properties' commitment to the same, is provided below:

|   | Pre-established<br>Redevelopment Requirement                       | Appelt Properties'<br>Submission   |
|---|--|--|
|    | Long-term land lease   | 80-year term<br>(with 20 year renewal option)  |
|    | Prepaid (lump-sum) lease   | \$7,000,000<br>(\$500,000 above list price)  |
|    | Repurchase option<br>(to ensure timely redevelopment)              | Included in proposal   |
|    | Activated / animated<br>ground floor plane                         | Highly attractive pedestrian realm along<br>Doyle Avenue and Artwalk extension                   |
|    | Height requirement:<br>between 10 to 13 stories                    | 13 stories   |
|   | Project to include 6,000 square feet<br>of community amenity space | 6,000 square foot community amenity<br>space spread over two floors<br>(valued at \$2.5 million) |
|  | Construction of Artwalk<br>and Civic Plaza                         | Included in proposal<br>(valued at \$1.8 million)  |
|  | Residential focused<br>development                                 | Included in proposal, with additional<br>commitment to rental-only product                       |
|  | LEED certified<br>standard development                             | Included in proposal   |
|  | Form and character<br>development covenant                         | Commitment to high quality materials<br>and use of reputable architecture firm                   |

As shown above, the proposal as submitted by Appelt Properties not only met, but exceeded, the long-term lease and redevelopment expectations established by the City, as it advances a range of objectives for urban design, increased vibrancy and public space improvements, in addition to delivering on important community amenities within the Cultural District.

The ground lease and covenant formalizing Appelt Properties' commitments with respect to the site was finalized in February 2021, at which time care and control of the property was transferred to the

proponent. Since that time, Appelt Properties has been working with the City's planning department to bring forward an application for development of the property.

### Post-Proposal Development Process

Appelt Properties submitted an initial application for staff consideration based on the parameters of the development requirements established (and formalized) through the disposition process. The submission – which consisted of a large mid-rise building form within the 13-storey height restriction - was reviewed by Staff and then opened to the community for engagement and feedback. Appelt Properties' revised submission, as described in DP21-0136 and DVP21-0137, is a direct result of the extensive community engagement process associated with this development. Further commentary is provided in the Development Planning Department Report to Council.

### **Conclusion**

Centrally located within the Civic Precinct area, the subject site is a key strategic asset of the community, and redevelopment of the property in a manner that aligns with and optimizes community interests is of critical importance to the City. Accordingly, Staff engaged in a rigorous and transparent disposition process via a long-term land lease, evaluating respondents based on their ability to deliver on a range of pre-determined outcomes such as animation of the pedestrian realm, infrastructure delivery (in the form of the Artwalk, Civic Plaza and the community amenity space), excellence in form and character, and delivering much-needed rental housing. Appelt Properties' submission was selected by Staff as it met – and in many cases exceeded – these criteria.

While Appelt Properties' initial submission met all of the requirements associated with the development covenant, a significant and extensive community feedback process suggested that reconsideration of the 13-storey height limit is merited. Accordingly, should Council approve of Appelt Properties' revised submission (as per DP21-0136 and DVP21-0137) an amendment to the legal agreements will be made in accordance with the approved form.

### **Internal Circulation:**

Partnerships & Investments  
Development Planning  
Office of the City Clerk

### **Considerations not applicable to this report:**

Communications Comments:  
Legal/Statutory Authority:  
Legal/Statutory Procedural Requirements:  
Existing Policy:  
External Agency/Public Comments:

**Submitted by:** J. Säufferer, Real Estate Department Manager

Attachments: Schedule A – PowerPoint Presentation

cc: G. Hood, Manager, Strategic Land Development  
T. Barton, Department Manager, Development Planning  
R. Smith, Divisional Director, Planning & Development Services