

Addendum #1

This solicitation addendum is issued to:

1. Provide the following questions and answers from the Site Visit (SV) held on February 11, 2020:

- SV.Q.1. In regards to the Emily Carr building – what is happening with Arts Umbrella and in effect what will happen with the existing Arts Umbrella building?
- SV.A.1. Arts Umbrella is currently renovating the Emily Carr South building for occupancy in 2021 – after they have moved in – their existing building will become available for development.
- SV.Q.2. What percentage of Market Rates are existing Arts rates?
- SV.A.2. Arts rates are approximately 30% of Market rates. There are some fluctuations due to area, building type, and there are some that have been grandfathered in at lower rates. Additional rent rates can also fluctuate due to use, area, building type, etc.
- SV.Q.3. Is property tax applied?
- SV.A.3. Yes, these amounts are separately assessed.
- SV.Q.4. In the past, what Term was given to Head Lease tenants?
- SV.A.4. Typically 40 years, however, CMHC is open to consideration regarding Head Lease tenant terms.
- SV.Q.5. Is future development guided by the reference document?
- SV.A.5. Proponents are recommended to reference the Granville Island 2040 Report, available here: <https://granvilleisland2040.ca/> as a guide for future development.
- SV.Q.6. What involvement does CMHC have with the Marinas on Granville Island perimeter? Are the Marinas included in the Services covered by the RFP?
- SV.A.6. The water lots are a mix of provincial and federal land and are managed by CMHC. The Marinas are included in the Services covered by the RFP.
- SV.Q.7. In the RFP it asks for experience/ client lists – how far do we have to go back?
- SV.A.7. As detailed in Section 4.5 Qualifications, Item (c) *“A list of references... the Proponent currently holds or has held over the past 36 months...”*

SV.Q.8. In Section 3.3.2, Items 13 and 14 are for Development Services and Property Appraisals and Valuation Services, although there is no pricing option for these services, does CMHC anticipate the services to be included within the existing pricing structure for Commission Rate/Annual Fee?

SV.A.8. Proponents are requested to provide hourly rates for the as-requested services outlined in Items 13 and 14 referencing the following table:

Hourly Rates for as-requested Services			
Resource Role	Year One	Year Two	Year Three
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

Should the Proponent have any rates or titles not listed in the Pricing Proposal or in the table above, and which they intend to charge out, these must be included in their submission.

The Proponent must provide a response relative to the pricing of its proposed solution.

SV.Q.9. What is the timeline for the Expression of Interest (EOI) application leasing process on Granville Island?

SV.A.9. The average EOI process, from start to finish can take three to six months. The EOI process is not generally required for office or retail spaces.

SV.Q.10. What process changes does CMHC foresee by hiring a firm for the services covered by the RFP?

SV.A.10. CMHC is anticipating the successful proponent will significantly change the process with the initial outreach and negotiations with potential tenants.

- SV.Q.11. Will a lease be approved at a local level?
- SV.A.11. Leases with a term of ten years or less are approved at a local level. Leases beyond ten years would be provided to the Granville Island Council for input and recommendation before being sent to CMHC's National Office for approval.
- SV.Q.12. Do development requests need to go through the City of Vancouver?
- SV.A.12. Yes, all permitting requests go through the City of Vancouver.
- SV.Q.13. Will CMHC offer funding for construction/ development? Or is this expected of the tenant?
- SV.A.13. Each opportunity will be reviewed decided upon independently. At this time, CMHC anticipates a land lease where the Tenant will be responsible for construction/new builds.
- SV.Q.14. Is building information available (for example as-built drawings)?
- SV.A.14. The quantity and quality of information available can vary significantly by building.

2. Provide the following questions and answers:

- Q.1. Can CMHC provide a list of current tenants to help Proponents understand the current tenant mix.
- A.1. A tenant directory can be accessed here: <https://granvilleisland.com/directory>
- Q.2. The additional rents or operating costs and property taxes for 2020 and what is included and excluded.
- A.2. Property Tax is determined by the City of Vancouver and varies by use of premises. Additional rents have a wide variance and are based on many different factors, as such an average cannot be given.
- Q.3. The current cost of monthly parking and how parking is allocated.
- A.3. Monthly parking rates for tenants are currently \$153/month per vehicle. Monthly parking passes allow parking in three lots across Granville Island – private/ reserved parking stalls are not offered.

- Q.4. What are the rentable areas on the vacancies for the existing premises to be taken to market?
- A.4. At this time, the rentable areas on the vacancies for the existing premises to be taken to market has not been determined.
- Q.5. A timeline on the new building projects and where are you currently at in the permit process
- A.5. Currently no permitting is underway, CMHC anticipates permitting to commence once tenants have been secured.
- Q.6. Will the successful candidate handle the lease renewals? If so, how would the remuneration work?
- A.6. The successful proponent will handle lease renewals on a case-by-case basis in conjunction with CMHC, the extent of which would be discussed and agreed upon with the successful proponent.
- Q.7. What is the average approximate time allotment per month expected of the successful candidate?
- A.7. As this is a new Service for Granville Island the monthly time allotment is unknown and is anticipated to fluctuate based on the varying size and scope of the work.
- Q.8. Is there a demolition clause in the standard form of lease?
- A.8. There is no demolition clause in the standard for lease, however there is a relocation clause.
- Q.9. Are there any restrictions on construction?
- A.9. Building height cannot exceed four (4) stories depending on location. There may be some restrictions in place during peak season.
- Q.10. Do tenants have access to Fiber connectivity? Who are the current telecom providers and do all site have access to these services?
- A.10. This is not a service managed by CMHC, however the tenant can bring this service in individually. The majority of the Island receives telecomm services through Telus but other providers are present as well.

Q.11. Are you planning to lease the office buildings “as is”? Is there any money available for a prospective tenant?

A.11. At this time, CMHC does not offer TI allowance, although fixturing and free rent periods may be offered on a case-by-case basis.

Q.12. Could you please provide us the current average rental rates for office, industrial, retail (restaurants and market)?

A.12. Current base rent pricing averages/ ranges are as follows: Office - \$15/sf/yr to \$30/sf/yr; Light Industrial - \$14/sf/yr to \$20/sf/yr; Retail - \$40/sf/yr to \$60/sf/yr

Q.13. Can CMHC advise if a monthly retainer will be available to the successful candidate?

A.13. If a Proponent is proposing a monthly retainer, the monthly retainer structure should be detailed in their proposal. The availability of a retainer will be agreed upon with the Lead Proponent.

Q.14. Further clarity on the marina lease – is the entire marina under lease to the hotel and the marina management company? When does that Lease expire? Does CMHC have a potential termination clause?

A.14. Lease details and terms will not be shared at this time.

Q.15. What are the necessary approvals for a land lease longer than 40 years?

A.15. Internal local review followed by final approval by CMHC Senior Management in Ottawa.

Q.16. Regarding the office space on page 14 of the RFP 000108 they show 23,505 sqft of office, can we get a sense if this is vacant, when are the tenants renewing if occupied. – is building 55 retail or office? Design tech etc. or retail

A.16. This figure includes all office space across the Island all of which is occupied currently with the exception of one 1,500 sf unit. Building 55 is currently vacant - use is to be determined as we look to redevelop the building.

Q.17. Can we get a floor plan of existing office tenants on Granville Island?

A.17. There are multiple buildings with office tenants - majority of which are within head lease buildings that are not leased directly by CMHC. This information will be shared with the successful proponent.

Q.18. Can we obtain a copy of the standard form of lease used on Granville Island?

A.18. CMHC's standard form of leases will only be shared with the successful proponent.

Q.19. Has Granville Island performed a feasibility analysis to add additional parking? If feasible, is additional parking something CMHC would entertain?

A.19. There is potential for future parking opportunities.

Q.20. For the new arts umbrella renovation, was there a requirement to do anything regarding seismic upgrades, sprinklering, or any other building development requirements that affected costs?

A.20. Details regarding specific tenants will not be shared at this time.

Proponents should anticipate these types of requirements for future redevelopments.

Q.21. Does the Emily Carr building have to be renovated, or would CMHC consider a demolish and renovation situation?

A.21. CMHC is open to exploring options in regards to the redevelopment of this building.

Q.22. What is the definition Granville Island follows relating to franchises and chains?

A.22. All national/provincial/regional chains and any type of franchise would not be considered for tenancy.

Q.23. What is the current fee structure being offered to external brokers for deals completed on Granville Island?

A.23. As this is a new Service for Granville Island there is no current fee structure being offered to external brokers.

Q.24. What are the high-level goals of Granville Island in the next 3 to 5 years specifically rooted around Redevelopment or capitalization repairs have any building or buildings?

A.24. Proponents are encouraged to review Section 3 Statement of Work of the Request For Proposal (RFP), granvilleisland.com, and granvilleisland2040.ca for additional details. Further details of this matter will be shared with the successful proponent.

- Q.25. The staff mentioned a hundred million dollars Capital requirement currently needed to repair an upgrade buildings. Is this the coming from lease proceeds and new expansion under the terms of the 20/40 vision plan?
- A.25. Revenue for these requirements is currently being generated solely from rent and parking revenues. Future funding options are currently being discussed with the newly formed Granville Island Council.
- Q.26. Has GI considered shuttle transfer to Vancouver, Skytrain Station, for improving access?
- A.26. Granville Island is not considering a shuttle transfer at this time.
- Q.27. What is the electricity cost per kWh? The high speed internet bandwidth? Multiple fiber optics pipes?
- A.27. Electricity cost per kWh is not currently available and fibre and high speed internet is available on Granville Island, but not managed by CMHC.
- Q.28. Has GI approached other educational institutions to occupy Emily Carr building? If so, which institutions?
- A.28. Details will not be shared at this time.
- Q.29. Can we take aerial drone shots/videos of GI? (if we think it's valuable)
- A.29. Yes, however there are multiple restrictions in place. The Proponent is responsible to meet all requirements prior to using a drone on Granville Island.
- Q.30. What are the uses that GI want to avoid (apart from brands, chains franchises, etc)
- A.30. CMHC's focus is offering unique, high quality and locally based products that contribute to the animation of Granville Island and that bring visitors to Granville Island who are looking for these types of products. Therefore, uses would need to meet these requirements.
- Q.31. Have any schools been contact after Emily Carr and what has been the result?
- A.31. Yes, educational institutions have been in contact since Emily Carr moved however CMHC is in the planning/visioning stages for these buildings and not at the leasing stage.
- 3. Provide a revised APPENDIX D – Map of Granville Island map (included as a separate attachement)**

All other terms and conditions remain unchanged.