

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

REQUEST FOR PROPOSAL

2024CDE-03-P

SALE OF PROPERTY FOR DEVELOPMENT – FORMER SAULT AREA HOSPITAL  
WATERFRONT SITE (995 AND 941 QUEEN STREET EAST)

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CLOSING DATE AND TIME REQUIREMENTS:

**Submissions**, will be received delivered to City of Sault Ste. Marie  
no later than 4:00 p.m. local time on November 4<sup>th</sup>, 2024.

October 10, 2024

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## **SECTION 1**

### **1. INFORMATION TO PROPONENTS**

#### **1.1 Introduction**

The Corporation of the City of Sault Ste. Marie (the City) is accepting proposals from interested parties to acquire all or a portion of the former Sault Area Hospital site located at 995 and 941 Queen Street East (legal descriptions provided in Attachment A).

The request is seeking a proponent(s) to provide proposals with development plans for three parcels contained within the former Sault Area Hospital site for residential and/or commercial use.

#### **1.2 Methodology for Submitting Proposals**

Submissions for this Request for Proposal will be accepted in electronic format (preferred) or printed format (addressed as outlined below) until **November 4<sup>th</sup>, 2024 at 4:00 p.m.** local time (Eastern). **Late submissions will not be accepted and may be returned upon request at the Proponent's expense.**

**Electronic submissions** must be sent to the following email address:

[proposals.purchasing@cityssm.on.ca](mailto:proposals.purchasing@cityssm.on.ca)

with this subject line:

[Proposal Electronic Submission–Former SAH Waterfront Site, File #2024CDE-03-P](#)

Electronic submissions must be in pdf format only. Links to drop boxes or other forms of cloud storage are not acceptable. Emails including the Proposal are limited to 10 MB or less for mailing purposes. If submission is larger than 10MB, send in multiple emails marked as 1 of #; 2 of #; etc.

Electronic submissions must be complete in every way meeting the requirements of printed submission; save and except the provision of multiple copies. The date stamp provided by the City's email server will be the official time of receipt. Proponents should recognize that delays may develop during delivery of electronic submissions of a proposal and submit their proposal well in advance of the time and date set for closing. The City accepts no responsibility for these delays.

Proponents agree to submit a printed original version of their electronically submitted Proposal including all attachments **immediately upon request only** by mail, courier or hand delivery.

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**Printed submissions** must be sealed in an envelope or package properly marked as to contents (“**Proposal Submission – Former SAH Waterfront Site**”, File #**2024CDE-03-P**”) and may be delivered by mail, courier, or hand delivery to:

The City of Sault Ste. Marie  
Attn: Manager of Purchasing  
99 Foster Drive – Level 2  
Sault Ste. Marie, Ontario, P6A 5X6

Proposals should be limited to forty (40) pages, single sided including appendices; a Letter of Introduction; **and required completed Form of Proposal (Section 3)**.

For printed submissions, four (4) complete sets of the Proposal documents are to be submitted – one (1) marked as “**Original**” and three (3) sets marked as “**Copy**”.

The Corporation reserves the right to reject any or all Proposals and the highest or any Proposal will not necessarily be accepted.

**The Purchasing Contact Person for this RFP is Karen Marlow, Manager of Purchasing**, email [k.marlow@cityssm.on.ca](mailto:k.marlow@cityssm.on.ca)

It will be the Proponent’s responsibility to clarify any questions before submitting a Proposal. A written addendum issued by the **City of Sault Ste. Marie** is the only means of changing, amending or correcting this RFP. In the process of responding to this RFP, the Proponent should not utilize any information obtained outside this protocol.

### **1.3 Errors, Omissions, Clarifications**

During the period for Proposal preparation, any questions concerning this RFP are to be submitted to **Purchasing** by email at [proposals.purchasing@cityssm.on.ca](mailto:proposals.purchasing@cityssm.on.ca).

### **1.4 Withdrawal/Decline of Proposal**

Proponents may edit or withdraw their Proposal Submission prior to the closing time and date, if such a request is received by the City at [proposals.purchasing@cityssm.on.ca](mailto:proposals.purchasing@cityssm.on.ca) prior to closing. However, the Proponent is solely responsible to ensure the re-submitted proposal is received as instructed no later than the stated closing time and date.

### **1.5 Informal Proposals**

Proposals are to conform to the terms and conditions set out herein. Proposals which are incomplete, conditional, or obscure, or which contain additions not called for, erasures,

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alterations, errors, or irregularities of any kind, may be rejected as informal.

### **1.6 Proposal Evaluation**

The successful proponent will be selected based on evaluation of the proposal utilizing a rating system which considers the requirements mentioned below. A committee composed of City staff will be used in the selection process. The proponent shall outline:

- 1) Development experience of the proponent. Include relevant past experience on similar projects and professional experience;
- 2) Proposed development plan. Include Project understanding of scope, identify major work components with approach/steps to realize development, knowledge and comprehension of challenges and risks associated with the project. number of residential/commercial units to be developed, any additional value-added components.
- 3) Schedule. Include proposed development timeline and phases, critical milestones, requirements and phases of development
- 4) Offer Amount – Amount the proponent is prepared to pay to acquire the parcel(s).

The above list of criteria represents areas which are to be specifically addressed in the proposal. The evaluation process will not necessarily be limited to these areas. Other criteria not specifically listed above may also receive consideration. The order in which the criteria are listed does not indicate the weighting of the evaluation.

In order to be eligible to apply, proponents must be in good standing with the City of Sault Ste. Marie with no tax arrears or history with unresolved building code violations or charges.

The City reserves the right, in its sole and absolute discretion to select a preferred Proponent with which to negotiate a final agreement of purchase and sale, terminate the proposal call or reject any and all proposals. Negotiations will not constitute a legally binding offer to enter into a contract on the part of the City or the proponent. Any agreement of purchase and sale is conditional upon the approval of the Council for the City.

The City will endeavor to complete the evaluation process within a reasonable time frame. The City reserves the right to contact Proponents to seek clarification of the proposals, as submitted, to assist in the evaluation process. Interviews may be required. **Please see Paragraph 1.10 concerning incurred costs associated with attendance at such interviews.**

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**IMPORTANT:** The decision of the City of Sault Ste. Marie with respect to this Request for Proposals is considered final. In submitting a Proposal, Proponents agree that there is no legal recourse to the City of Sault Ste. Marie for its decision.

### **1.7 Site Inspection and Requirements of Work**

Proponents are required to submit their proposals upon the conditions that they shall satisfy themselves of the location of the proposed works, and by such other means, as they may prefer, as to the actual conditions and requirements of the work.

**A site visit is recommended** prior to submitting for this requirement. Proponents will be deemed to have familiarized themselves with the space and location. **Contact:** Larry Girardi to schedule site visit, telephone 705-759-5280, email [l.girardi@cityssm.on.ca](mailto:l.girardi@cityssm.on.ca)

### **1.8 Proposal Left Open**

The Proponent shall keep their Proposal open for acceptance for sixty (60) days after the closing date.

### **1.9 Schedule**

(A) Release of RFP: October 10, 2024

(B) Question Close: October 22, 2024

(C) Submission of Proposal: November 4, 2024 (before 4:00 p.m. local time (Eastern))

(D) Recommendation of Award: November 12, 2024

Proponents are asked to designate one contact person to whom any additional information deemed to be relevant to the proposal may be communicated. Complete Contact Coordinates including email address shall be included in the Proposal.

### **1.10 Incurred Costs**

The City will not be liable for, nor reimburse any Proponent for costs incurred in the preparation of Proposals or any other costs such as preparation for, and attendance at interviews that may be required as part of the evaluation process.

Whenever possible, at the sole determination of the City, additional information and/or clarifications will be obtained by telephone or other electronic means.

### **1.11 Alterations to Documents**

No electronic reproduction or alteration of the original document will be permitted under any circumstance. The Proponent shall not change the wording of the proposal after submission; and no words or comments shall be added to the general conditions or detailed

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specifications unless requested by the City for the purpose of clarification.

### **1.12 Confidentiality & Post-Award Comment**

No Proponent shall have the right to review or receive any information with respect to a proposal, documentation, or information submitted by any other Proponent. The content of the proposal, and all documentation, and information shall be held in confidence by the City subject only to the provision of freedom of information and privacy legislation, including without limitation, the *Municipal Freedom of Information and Protection of Privacy Act*.

Post-Award Comment by the City regarding this Request for Proposal may be limited to written notification to all Proponents of the successful Proponent's name and address only. **In submitting a Proposal, Proponents acknowledge and agree to this provision.**

### **1.13 Municipal Freedom of Information & Protection of Privacy Act**

The Corporation of the City of Sault Ste. Marie is governed by the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*. All documents submitted to the City in response to this Request for Proposal become the property of the City and as such will be subject to the disclosure provisions of the *Act*. The *Act* gives persons a right of access to information held by the municipality. The right of access is subject to exemptions contained in the *Act*.

### **1.14 Indemnification and Insurance**

The successful Proponent will indemnify and save harmless the City against and from all actions, causes of action, interest, claims, demands, costs, damages, expenses or loss which the City may bear, suffer, incur, become liable for, or be put to by reason of any damage to property or injury or death to persons by reason of, arising out of or in consequence of breach, violation of non-performance by the successful Proponent of any provision of the agreement, or by reason of or arising out of the use of the premises or in connection with the work covered by this contract, or by reason of or arising out of any act, neglect or default by the successful Proponent or any of its agents or employees or any other person or persons, in, on, or about the premises.

The rights to indemnity contained in this section shall survive any termination of the agreement, anything in this agreement to the contrary notwithstanding.

### **1.15 Agreement of Purchase and Sale**

The successful Proponent will be required to enter into an agreement of purchase and sale with the City, containing terms that include but are not limited to those terms outlined in the RFP and proposal.

## **SECTION 2**

### **2. TERMS OF REFERENCE**

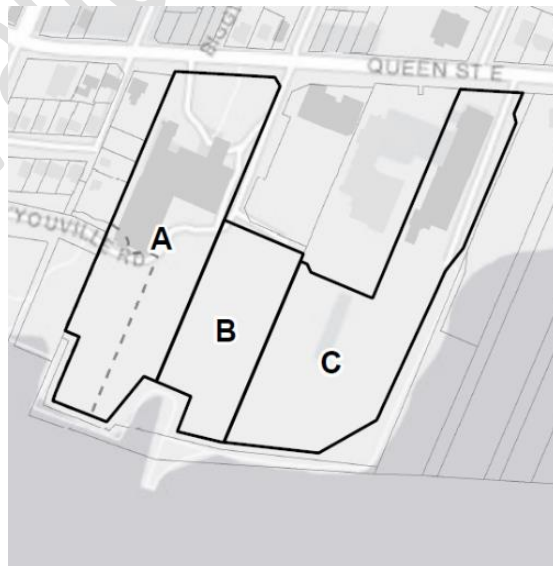
#### **2.1 Introduction**

The Corporation of the City of Sault Ste. Marie (“the City”) is seeking Proposals from qualified Proponents to acquire and develop parcels of land of the former Sault Area Hospital waterfront site. This waterfront property offers tremendous potential for new residential and commercial development.

The City is offering the property in three parcels (details below) and is seeking developers with the financial capacity, track record and desire to undertake near-term development on each parcel. The zoning of the parcels is Riverfront Commercial which allows a combination of commercial and residential uses including multiple attached buildings and apartment buildings. The parcels’ current Land Use designation is commercial which allows commercial and residential development. If the properties are used for housing developments or condominiums, a record of site condition will not be required. Details on the City zoning by-law can be found at [Sault Ste. Marie Zoning By-law 2005-150 \(saultstemarie.ca\)](http://saultstemarie.ca)

Proponents are able to bid on a single parcel (A, B, or C) or multiple parcels.

The diagrams below provide an overview of the property:





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To provide further clarity, the City’s desire for each parcel is as follows:

- Parcel A – Former General Hospital Site

The immediate goal of the City is to have the former General Hospital demolished in the immediate time frame. The goal of the City is to see the former General Hospital demolished within 18 months of the property closing. Proponents with a plan to demolish the building in the near term will receive additional points in the scoring criteria.

Post-demolition, the City is seeking proponents that have a plan to develop the site and submit building permits for construction of new residential/commercial units within a maximum of five years. Proponents with plans to develop new residential/commercial units in the near term will receive additional points in the scoring criteria.

The City may request a financial guarantee (in the form of a bond, letter of credit or similar financial instrument) for the total amount of the demolition. The value of the demolition will be provided by the proponents and such guarantee would need to be provided within ten days.

- Parcel B – Waterfront Lot

This site presents an opportunity for waterfront residential/commercial development. Proponents with plans to develop new residential/commercial units in the near term will receive additional points in the scoring criteria.

- Parcel C – Former Renal Building

The former Renal Building has potential to be re-developed to offer residential/commercial units. The City expectation is that re-development of this building would begin in the immediate term. This parcel also provides a significant portion of land on the waterfront. The City is seeking proponents that have a plan to develop the site and submit building permits for refurbishment of the former Renal Building within 12 months of the property closing. Proponents with plans to develop new residential/commercial units in the near term will receive additional points in the scoring criteria.

**Items to Highlight:**

- 1) The City has interest in seeing the addition of affordable housing units in the community and encourages proponents to consider and outline any affordable units

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that will be constructed within the development.

For the City, “Affordable”, “Affordability” or “Affordable Housing” means:

- a. In the case of ownership housing, a unit would be considered affordable when the purchase price is at or below the lesser of:
    - i. Income-based purchase price: A purchase price that would result in annual accommodation costs equal to 30% of a household’s gross annual income for a household at the 60th percentile of the income distribution for all households in the City of Sault Ste. Marie as set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing; and
    - ii. Market-based purchase price: 90% of the average purchase price of a unit of the same unit type in the City of Sault Ste. Marie as set out in the Affordable Residential Units bulletin.
  - b. In the case of rental housing, a unit would be considered affordable when the rent is at or below the lesser of:
    - i. Income-based rent: Rent that is equal to 30% of gross annual household income for a household at the 60th percentile of the income distribution for renter households in the City of Sault Ste. Marie as set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing; and
    - ii. Market-based rent: Average market rent of a unit of the same unit type in the City of Sault Ste. Marie as set out in the Affordable Residential Units bulletin.
- 2) The City encourages proponents to consider and highlight any steps the development will include related to green building concepts and methodologies.
  - 3) Should a successful proponent not follow their commitment to submit building permits within the specified period of time and advance development, the City reserves the right to take the property back at the amount paid for the property plus any reasonable and documented expenses.
  - 4) The City does not have any development fees for new residential or commercial developments.

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- 5) A Housing Community Improvement Plan with incentives for new residential development has recently been approved by City Council and details can be found on the City [website](#).

### **2.2 Project Scope**

The successful proponent will be responsible for entering into an agreement of purchase and sale with the City for the future development of the parcel(s).

The successful Proponent will operate in accordance with all applicable laws; and undertake development in an appropriate manner. The subject properties are located in an area under the jurisdiction of the Sault Ste. Marie Regional Conservation Authority with regard to the *O. Reg.176/06 Sault Ste. Marie Region Conservation Authority: Regulation of the Development, Interference with Wetlands and Alterations to Shoreline and Watercourses*. A permit is required for any development on any of the subject properties.

The successful proponent will also need to work with the City of Sault Ste. Marie, SSM PUC as well as other utility providers to arrange appropriate utility services, easements or retirement of services as development plans are finalized.

### **2.3 Structure of Agreement**

The successful Proponent will be required to enter into an agreement of purchase and sale with the City. Such agreement will be conditional on it being approved by City Council.

### **2.4 Minimum Qualifications**

**An important evaluation criterion will be demonstrated development experience of the proponent.** Proposals shall include details of the experience of the company and past, successful projects. Proposals which do not demonstrate this level of experience will not be considered.

The City may also examine the Proponent for responsibility. Responsibility shall include such measures as financial stability, references, and other information related to responsibility. Proponents should be prepared to satisfy the City, upon request, that they possess the financial ability to support the development project proposed.

## **SECTION 3**

### **3. SUBMISSION REQUIREMENTS**

Your proposal should consider the following:

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1. Company overview
2. Real estate development experience of the proponent
3. Proposed use of the parcel(s)
4. Project team experience and expertise
5. Number of residential/commercial units to be developed
6. Committed timeline for parcel(s) development
7. Any additional value-added components
8. Form of Proposal

**Company Overview** – Introducing your Company outlining information such as history, description of firm, real estate development experience of the proponent. Consortiums or a partnership of companies are welcome to submit and background information should be supplied for each consortium member.

**Proposal Summary** – Key features of the Proposal. Proponents should outline their vision for the type of development they are proposing. Future tax assessment potential will be assessed by the City and considered within the scoring matrix.

**Project Team Experience and Expertise** – Detail skills, qualifications, and certifications of Proponent (Principals) and Key Staff for their proposed roles in the operation of the space as demonstrated in operations of a similar type, size and complexity. A description of the key members of the project team and relevant expertise.

**Major work components** – State anticipated project phases and approach to be utilized to realize the development vision. Outline knowledge and comprehension of challenges and risks associated with the project.

**Number of Residential/Commercial Units to be Developed** – Outline the number of residential/commercial units that will be committed to and any phases anticipated.

**Committed timeline for parcel(s) development** – Detail the anticipated timeline to realize the development of the parcel(s).

**Additional – Value Add** - Proponents should also include any other information or documentation that they deem to be of assistance to the City during the Evaluation Process.

**Schedule of Prices** – Provide offer amount for each parcel proponent is prepared to acquire.

**Form of Proposal** - Complete and sign as indicated, and return as part of the Proposal submission. Form of Proposal can be found in Section 3 on the following page.

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**SECTION 3**

**3. FORM OF PROPOSAL**

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**Important: This RFP document is provided for review purposes only.**

Proponents interested in submitting a Proposal must register with the City and request an official complete document by email to:

[proposals.purchasing@cityssm.on.ca](mailto:proposals.purchasing@cityssm.on.ca)

Request should include complete company details:

Company Name  
Address including Postal Code  
Phone  
Email

This will ensure interested proponents are registered and will receive further information updates and answers to any questions that are submitted regarding the RFP.

**Please register using the email above to receive the official complete document and the Form of Proposal document required for submission.**

This page has been redacted for review purposes

**SECTION 5**

**5. APPENDICES**

**Plans/Drawings/Attachments**

The following list of documents are provided as attachment(s) and form a part of the RFP document:

**A – Legal Description of Properties**

A) 941 Queen Street East fronting on the south side of Queen Street East in the City of Sault Ste. Marie and legally described as PIN 31539-0151 (LT) PT PARK LT 18 CON 1, PT OF WATER LT IN FRONT OF PARK LT 18 CON 1, LT 19 CON 1 ST. MARY'S BEING PTS 15 & 16 1R10494 EXCEPT PT 18 1R13068; SUBJECT TO AN EASEMENT IN GROSS OVER PT 1 1R12959 AS IN AL143068; CITY OF SAULT STE. MARIE (the "property").

941 Queen Street East Water Lot on the south side of Queen Street East in the City of Sault Ste. Marie and legally described as PIN 31539-0153 (LT) PT WATER LT IN FRONT OF PARK LT 19 CON 1 ST. MARY'S PT 18 1R10494 EXCEPT PT 19 1R13068; CITY OF SAULT STE. MARIE (the "property").

B) 10 Lucy Terrace fronting on the south side of Queen Street East in the City of Sault Ste. Marie and legally described as PIN 31539-0148 (LT) PT LTS 15, 16, 17 & 18 PL 844 ST. MARY'S BEING PT 6 1R10494 EXCEPT PT 17 1R13068; CITY OF SAULT STE. MARIE (the "property").

C) 995 Queen Street East on the south side of Queen Street East in the City of Sault Ste. Marie and legally described as PIN 31539-0158 (LT) PT PK LT 15 CON 1 AND PT OF WATER LOT IN FRONT OF PK LT 15 CON 1 ST. MARY'S, PT PK LT 16 CON 1 AND PT WATER LOT IN FRONT OF PK LT 16 CON 1 ST. MARY'S BEING PTS 3,4,5,6,7,10 AND 11, 1R13068; SUBJECT TO AN EASEMENT OVER PT 6 1R13068 AS IN AL145388; SUBJECT TO AN EASEMENT OVER PTS 3 & 6 1R13068 AS IN AL145388; SUBJECT TO AN EASEMENT OVER PTS 4 & 5 1R13068 AS IN AL145388; S/T AN EASEMENT IN GROSS OVER PT 4 1R13068 AS IN AL145394; T/W AN EASEMENT OVER PT 13 1R13068 AS IN AL145409; T/W AN EASEMENT OVER PT 14 1R13068 AS IN AL145413; CITY OF SAULT STE. MARIE; SUBJECT TO AN EASEMENT OVER PART 1, PLAN 1R13203 IN FAVOUR OF PART PARK LOTS 15 & 16 CON 1 AND PART WATER LOT IN FRONT OF PARK LOTS 15 & 16 CON 1 (ST. MARY'S), PART 1 PLAN 1R13068 AS IN AL164758 (the "property").

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