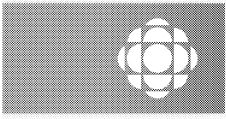


MONTREAL MRC DEVELOPMENT PROJECT

| | |
|-----------------|-------------------------------------------------------------------------------------------------------|
| TO: | Infrastructure Committee and Board of Directors |
| MEETING: | August 21, 2014 |
| FROM: | Maryse Bertrand, Ad. E. Vice-President Real Estate Services, Legal Services and General Counsel |
| DECISION | Authorization to proceed with the launch of an amended Request |
| SOUGHT: | for proposal (RFP) for the Montreal MRC Development Project |
| NEXT | Launch of amended Request for Proposal (RFP) |
| STEPS: | |
| DATE: | August 18, 2014 |



A1. CONTEXT

- In April 2013, the Infrastructure Committee and the Board of Directors approved the issuance of a Request for Proposal (RFP) for the development of the Maison de Radio-Canada (MRC) site including the construction of a new building for CBC/Radio-Canada.
- The discussions with the 2 consortia, the recent budgetary constraints and the new strategic framework *A space for us all* have provided an opportunity to review some key project parameters:
 - RFP process and schedule extended (from 2017 to 2019)

s.18(a)

s.18(b)

s.21(1)(b)

s.21(1)(c)

■

■

■



A1. CONTEXT

- City will issue construction permit for a new MRC building only after it has approved a Master Plan for the entire site.
-
- It is impractical and inappropriate for City to be involved in discussions involving two competing Master Plans.
- Negotiation of Master Plan with the City and attendant changes to procurement process are estimated to add 18-24 months to schedule.
-

s.18(a)

s.18(b)

s.21(1)(b)

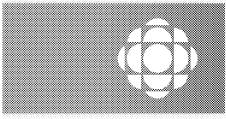
s.21(1)(c)



A2. KEY DECISION ELEMENTS

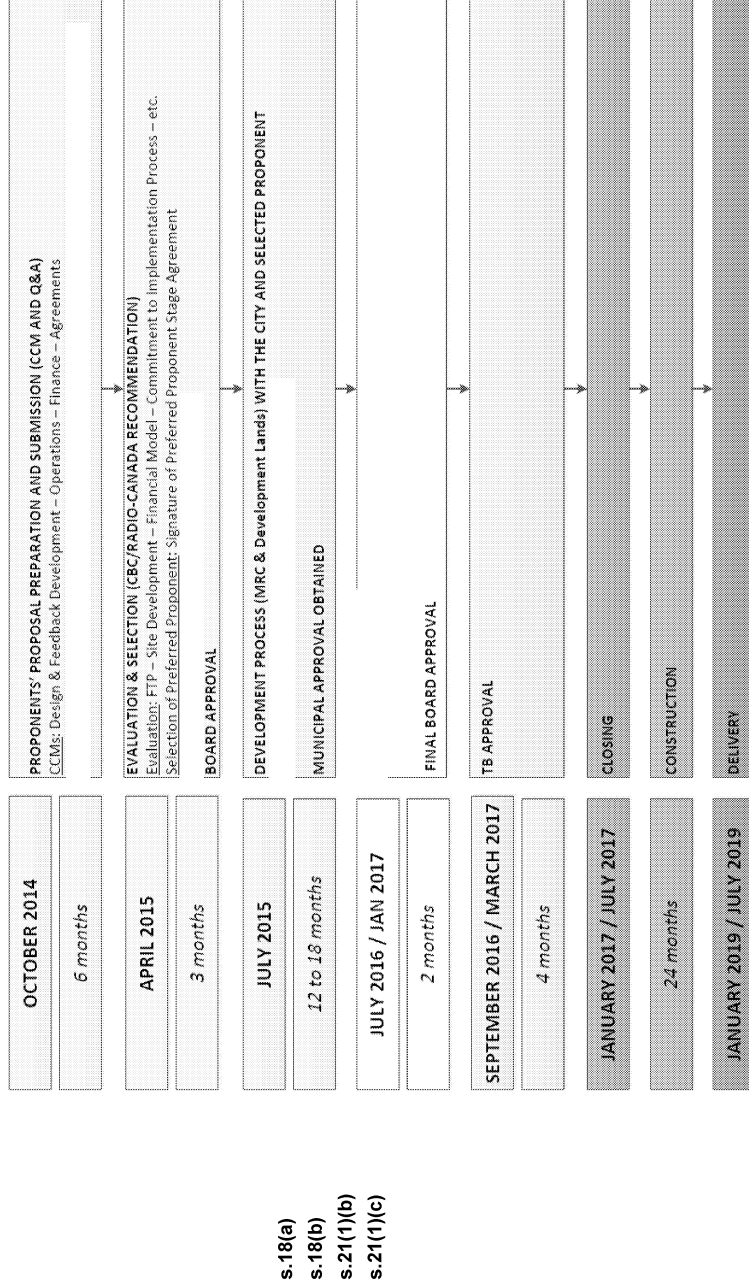
RFP Process and Schedule

- Consequently, existing RFP process should be amended in order to:
 -
 -
 - s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c) Extend schedule for closing and occupancy from 2017 to 2019 to allow for City approval process to take place;
 -
 -
 -

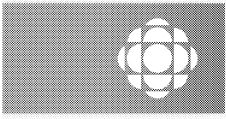


A2. KEY DECISION ELEMENTS

RFP Process and Schedule as amended

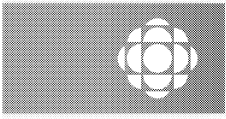


s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



A2. KEY DECISION ELEMENTS

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



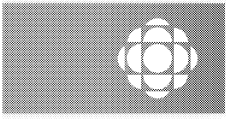
A2. KEY DECISION ELEMENTS

Scope

- The project scope has been further reduced to reflect the new strategic plan *A place for us all* and production requirements planned for August 2019.

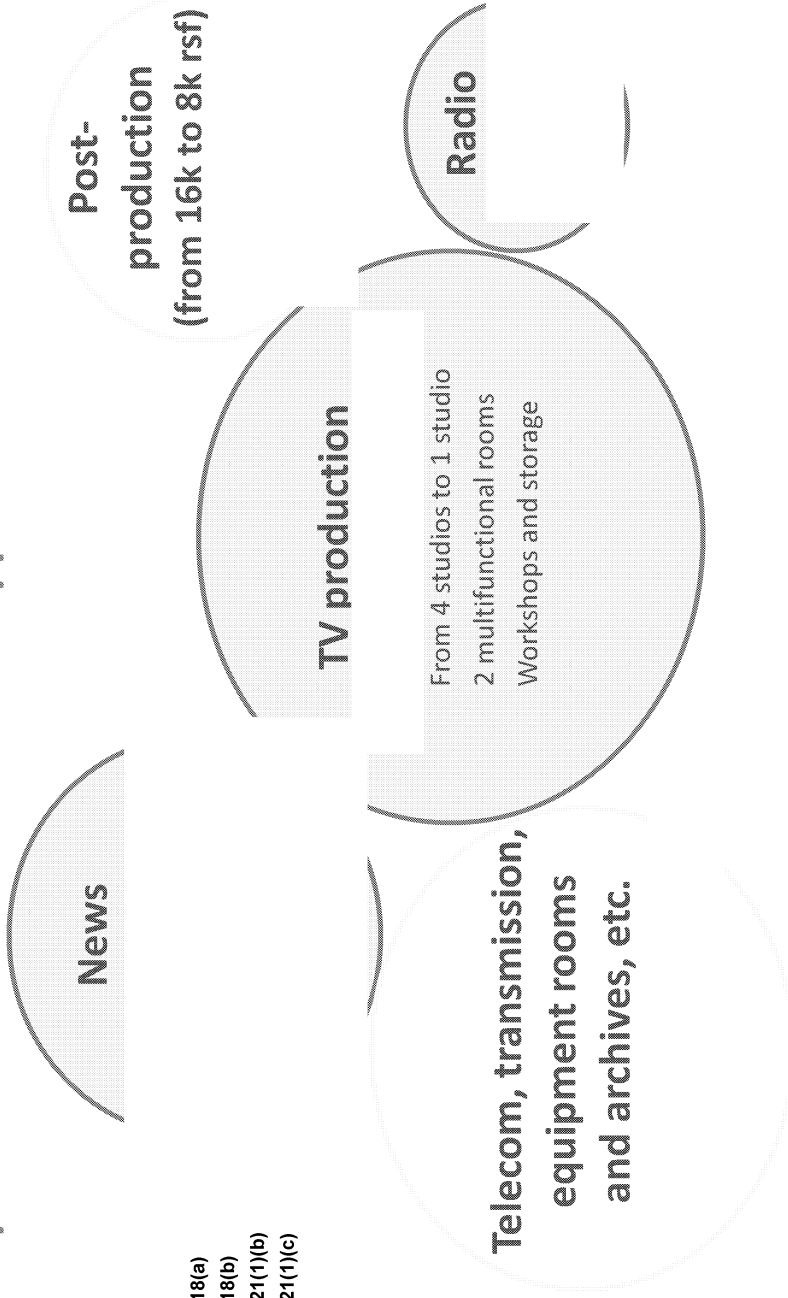
s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

| Space Usage | Actual | | FTP for 2017 as of April 2013 | | FTP for 2019 as of August 2014 | |
|-------------------|------------------|--------------------|----------------------------------|--------------------|-----------------------------------|--------------------|
| | rsf | % of total area | rsf | % of total area | rsf | % of total area |
| Administrative | 657 100 | 50% | | | | |
| Technical Support | 262 800 | 20% | | | | |
| Technical | 394 200 | 30% | | | | |
| Total | 1 314 100 | 100% | | | | |



A2. KEY DECISION ELEMENTS

Scope – Technical and Technical Support



- s.18(a)
- s.18(b)
- s.21(1)(b)
- s.21(1)(c)

A2. KEY DECISION ELEMENTS



s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



A2. KEY DECISION ELEMENTS



- s.18(a)
- s.18(b)
- s.21(1)(b)
- s.21(1)(c)

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

New Build (Lease)



A2. KEY DECISION ELEMENTS

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

- Notes on the preceding table:

| |
|--|
| |
|--|



A3. KEY BENEFITS, IMPACTS & RISKS

- Key benefits of the RFP include:
 - Alignment with Corporate strategy *A space for us all* and Radio-Canada's vision:
 - Audiences – Innovation and creativity – Financial issues – Quality programming
 - s.18(a)
 - s.18(b)
 - s.21(1)(b)
 - s.21(1)(c)

- Major step in achieving the Real Estate Strategic Plan:
 - Footprint reduction – Maintenance deficit reduction – Avoidance of cost increase – Transfer of ownership risk



A3. KEY BENEFITS, IMPACTS & RISKS

■ Key benefits of the RFP include:

-
-

s.18(a)

s.18(b)

s.21(1)(b)

s.21(1)(c)



A3. KEY BENEFITS, IMPACTS & RISKS

- Key impacts of the amended RFP for:
 - CBC/Radio-Canada
 - Significant step and commitment towards new production strategy
 - s.18(a)
 - s.18(b)
 - s.21(1)(b)
 - s.21(1)(c)
 - Maintenance of strategic level of in-house TV production capabilities; and
 - Increased reliance on independent productions.
 - Employees
 - Important change management process related to anticipated production changes and workspace strategy; and
 -



A3. KEY BENEFITS, IMPACTS & RISKS

- Key impacts of the amended RFP for:
 - Equipment

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



A3. KEY BENEFITS, IMPACTS & RISKS

- Key risks include:

Mitigation factors

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



A3. KEY BENEFITS, IMPACTS & RISKS

- Key risks include:

Mitigation factors

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



A3. KEY BENEFITS, IMPACTS & RISKS

- Key risks include:

Mitigation factors

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



A3. KEY BENEFITS, IMPACTS & RISKS

- Key risks include:

| | Mitigation factors |
|------------------------------------------------|--------------------|
| s.18(a) s.18(b) s.21(1)(b) s.21(1)(c) | |



A3. KEY BENEFITS, IMPACTS & RISKS

- Key risks include:

| | |
|--|--------------------|
| | Mitigation factors |
|--|--------------------|

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

(1) Refer to Appendix B1 for details



A3. KEY BENEFITS, IMPACTS & RISKS

- Key risks include:

Mitigation factors

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



A3. KEY BENEFITS, IMPACTS & RISKS

- Key risks include:

Mitigation factors

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



A3. KEY BENEFITS, IMPACTS & RISKS

- Key risks include:

Mitigation factors

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



A3. KEY BENEFITS, IMPACTS & RISKS

- Key risks include:

Mitigation factors

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)




A4. OTHER

- s.18(a)
- s.18(b)
- s.21(1)(b)
- s.21(1)(c)

OPTIONS CONSIDERED*

Financial analysis

Fully leased
 Option 4
 New Build
 On-Site

 Recommended
 Option



A4. OTHER

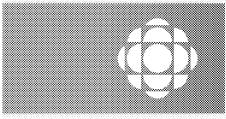
- s.18(a)
- s.18(b)
- s.21(1)(b)
- s.21(1)(c)

OPTIONS CONSIDERED*

Financial analysis

Fully leased
 Option 4
 New Build
 On-Site

 Recommended
 Option



A4. OTHER

OPTIONS CONSIDERED

| | |
|---|------------------------------------------------|
| ■ | |
| ■ | s.18(a) s.18(b) s.21(1)(b) s.21(1)(c) |
| ■ | |



A5. SUCCESS MEASURES

- Select a proposal that will:
 - Support CBC/Radio-Canada strategic vision;
 - Fulfill Radio-Canada functional and technical requirements for its Montreal facility;
 - Provide a solution which reduces total occupancy cost;
 - Transfer ownership risk adequately; and
 - Maximize asset value.

- Under current timetable, the Infrastructure Committee and the Board of Directors will be presented with the results of the RFP and a final recommendation in summer 2015.



A6. RESOLUTION

- That the Infrastructure Committee recommend that the Board of Directors approve amending the Request for Proposal (“RFP”) process regarding the Development of La Maison de Radio-Canada (“MRC”) in Montreal (“the Project”) with the following characteristics:
 - a) the sale of the land and buildings located on the current site of the MRC;
 - b) the construction of a new facility to be situated on part of the land sold (the “New Facilities”);
 - c) a lease of up to 400k square feet for the New Facilities for an initial term of years;
 - d) s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)
 - e)
 - f)
 - g)

the whole substantially as presented to the Board of Directors.



B. APPENDICES

- 1.
- 2.

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



B1.

Methodology (1)

- s.18(a)
- s.18(b)
- s.21(1)(b)
- s.21(1)(c)

(1)



B1.

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)



B1.

s.18(a)
s.18(b)
s.21(1)(b)
s.21(1)(c)

