

Fundy Quay Progress Update

June 14, 2021



SAINT JOHN

ENVISION
Saint John

**THE
REGIONAL
GROWTH
AGENCY**



Fundy Quay

The Fundy Quay project will leverage the intrinsic value of Saint John's crown-jewel waterfront parcel, developing it into a magnetic mix of retail, residential, commercial and public spaces – and a vibrant catalyst for future growth.

Progress Update

- Seawall Construction Underway
- Public Engagement Phase 1 Complete
- Site Works Concept Design Complete
- Public Space Concept Design well Underway
- Private Development in Pre-Application Phase
- Timeline Extension Confirmed for Federal Funding

Fundy Quay Site History



Coast Guard Base

Historic harbour slips infilled to create a site for Coast Guard Operations in the 1950's.



Saint John
Waterfront
Development

First Proposal

- City began negotiations with Federal Gov't on acquiring the Property
- Call for Proposals 2005
- Hardman Group Selected
- Engineering Due Dilligence
- Project Fell Through in 2011



Second Proposal

- Call for Proposals in 2012
- No Response
- Cushman Wakefield Retained to Identify a Developer
- Halifax Developer Engaged
- Negotiations Cease in 2017



New Brunswick Museum

- Province Identifies Site in late 2017
- 70,000 ft² sold to the Province in 2018
- Province completes engagement & schematic design
- Project cancelled for budgetary reasons late 2018

Fundy Quay Project

2019 - Present

Development of the Fundy Quay

Request for Expressions of Interest

Develop Saint John Inc.



DEVELOP
SAINT JOHN



April 12, 2019

Developer Selection

- Expression of Interest Released in April of 2019
- 2 Proposals Received from Capable Developers
- Proposal Review Committee Established with DevelopSJ Staff, City Staff, DevelopSJ Board Members, & Community Members
- Elias Management Group Selected as the Successful Proponent
- Key determining Factors Included:
 - Phased Construction & Business Model
 - Greater Density of Development Proposed
 - No Requirement for Government Leased Space

Agreement with Fundy Quay Developments Inc.

Option Agreement

- 2020-2022
- Developer has certainty & time to conduct due diligence & planning
- City undertakes construction of public infrastructure
- Developer pays \$250,000 non-refundable deposit
- Developer must meet defined due diligence requirements



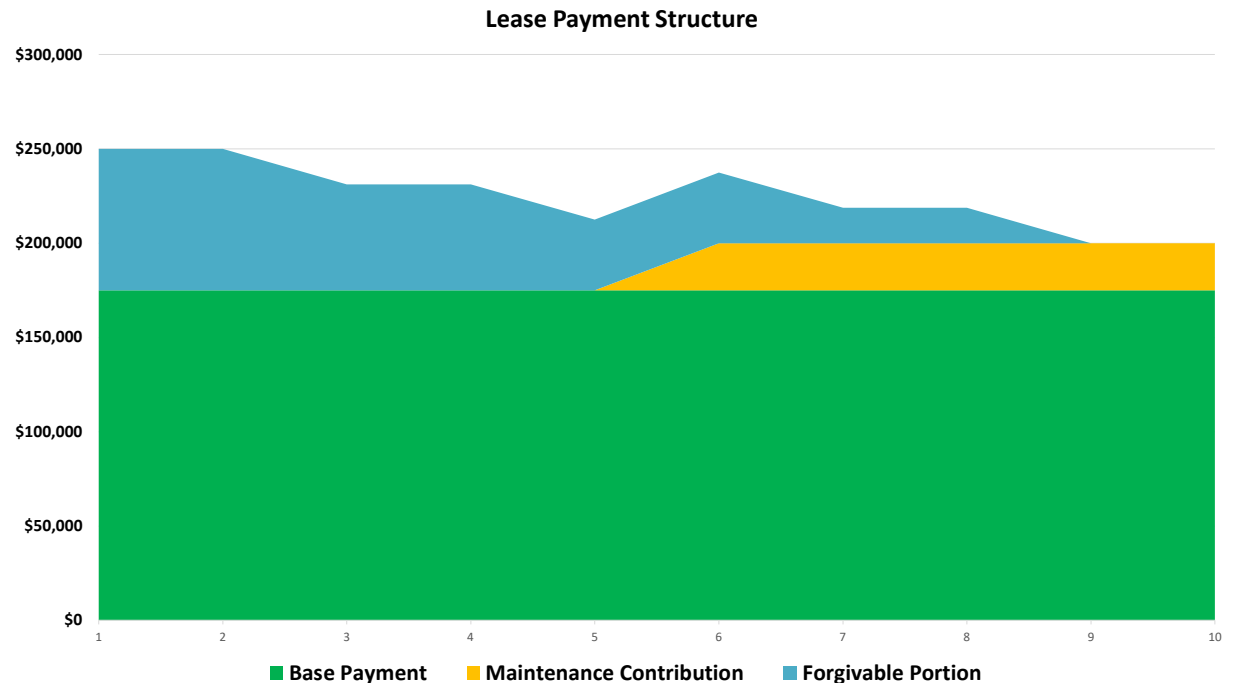
Ground Lease

- Begins 2022 (if sufficient infrastructure work is completed)
- 25 year ground lease, obligation to purchase (but options provided every year)
- Financing Charge of 3.42%
- Incentives built into pricing based on tax base generated
- Maintenance Contributions
- Robust risk protections for the City

Agreement with Fundy Quay Developments Inc.

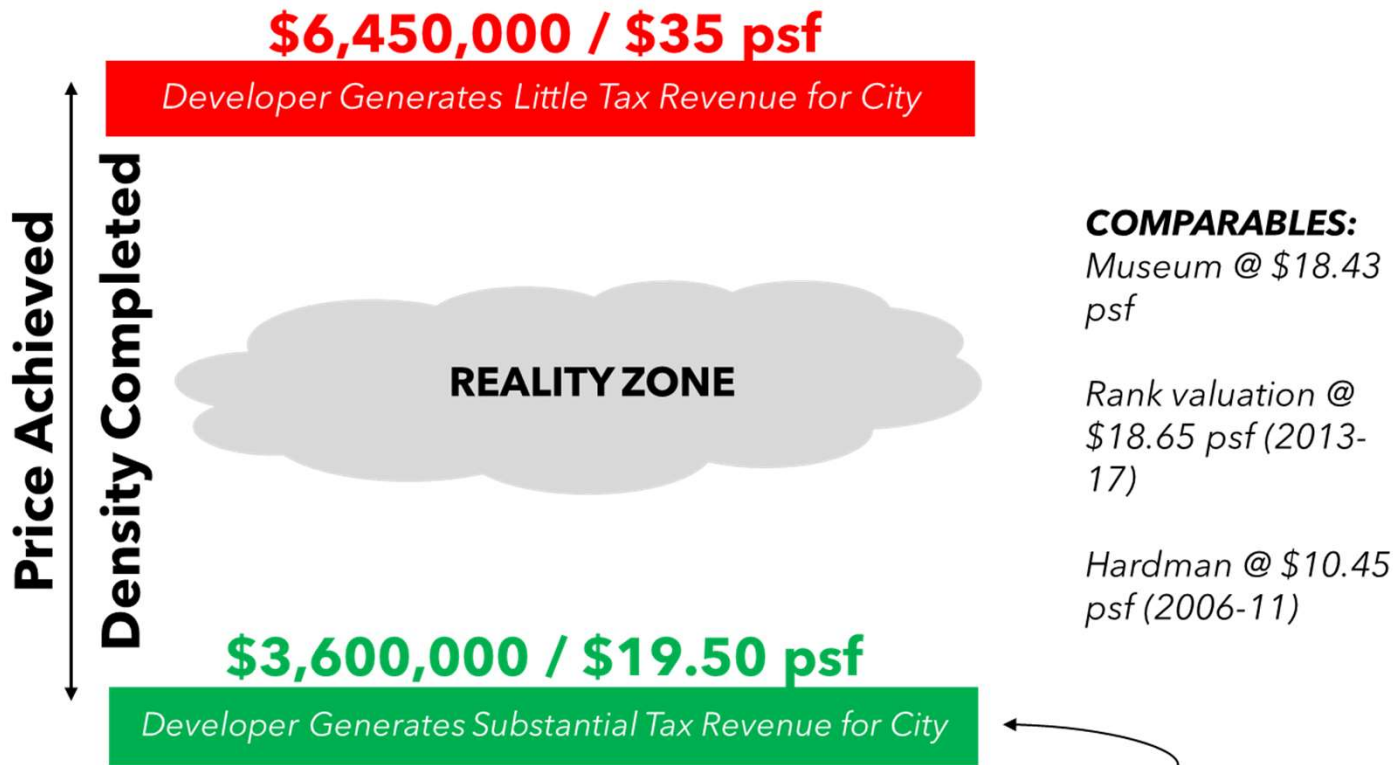
Lease Payment Structure

- **Base Payment:** \$175,000/year
- **Maintenance Contribution:** \$25,000/year begins in year 6
- **Forgivable Payment:** \$75,000/year, forgiven as development reaches minimum investment target of \$100,000,000 in buildings



Agreement with Fundy Quay Developments Inc.

Land Value & Incentives



This is where we want to be.



The Business Case

- Land sale valuation \$6,500,000
- Lease payment of \$250,000 per year
- \$25,000 annual maintenance contribution (Begins in Year 6)
- Annual property tax \$2M - \$3M at full build-out

FUNDY QUAY

This is a preliminary concept for site development and may be subject to design changes in the planning and engineering process. Unless the plan represents the proposed development concept of the City Management Only and does not represent the future design plans for the City of Lunenburg under 2016, which will be undergoing design and public engagement in 2021.

Developer Diligence Requirements

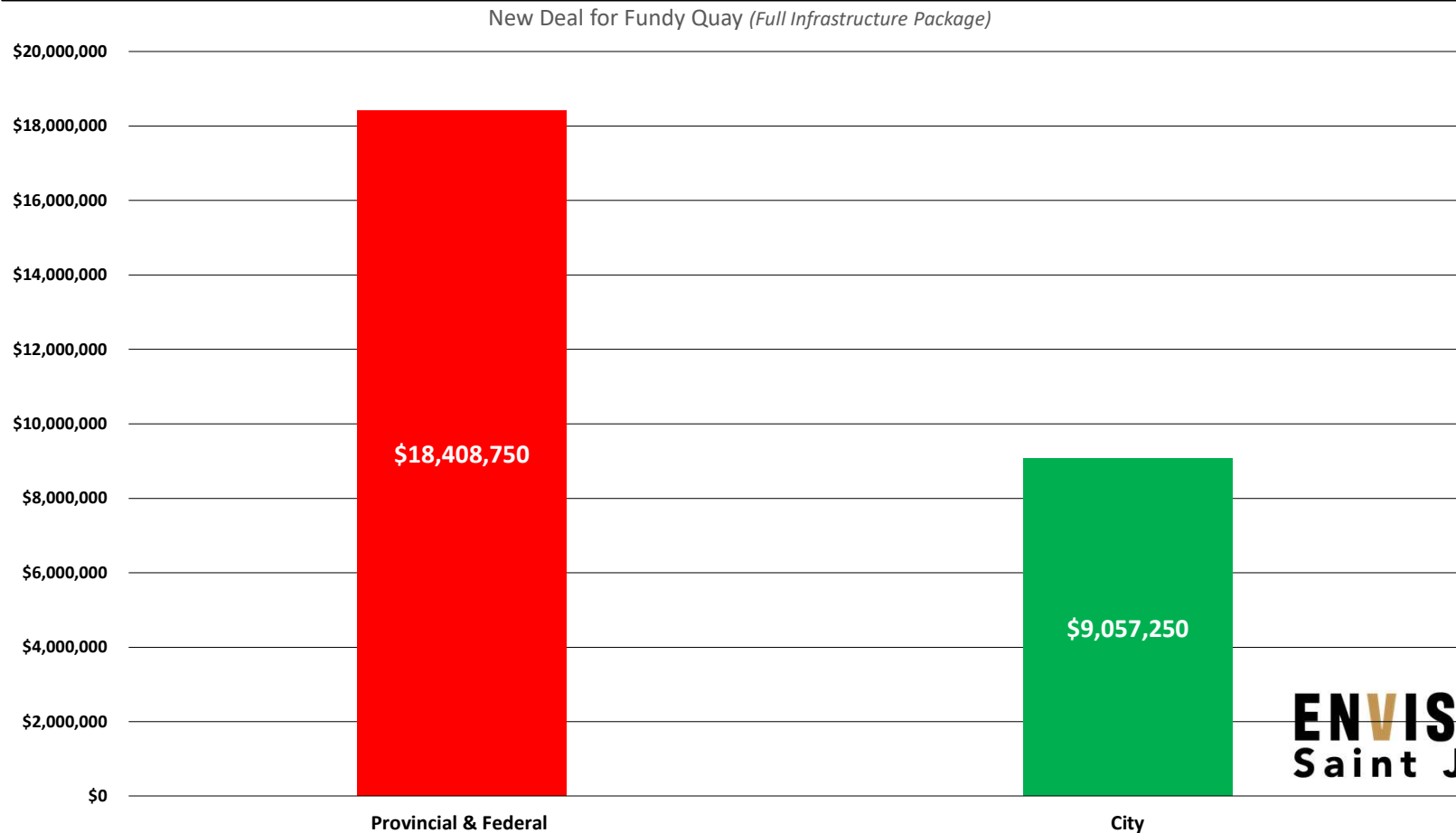
- ✓ \$250,000 Option Fee
- ✓ Purchased the Provincial Property
- ✓ Assembled Project Team
- ✓ Concept Plan & Public Engagement
- ✓ Business & Project Plans Demonstrating Viability & Phasing

Project Infrastructure Funding

| Fundy Quay Infrastructure Construction (Funded by 3 levels of Government) | |
|---|---------------------|
| Soil Remediation | \$4,121,000 |
| Infill | \$2,500,000 |
| Harbour Passage Phase 1, Loyalist Plaza, and Pedway | \$9,995,000 |
| Harbour Passage Extension, Phase 2 | \$2,675,000 |
| Seawall Repair | \$8,175,000 |
| Total | \$27,466,000 |

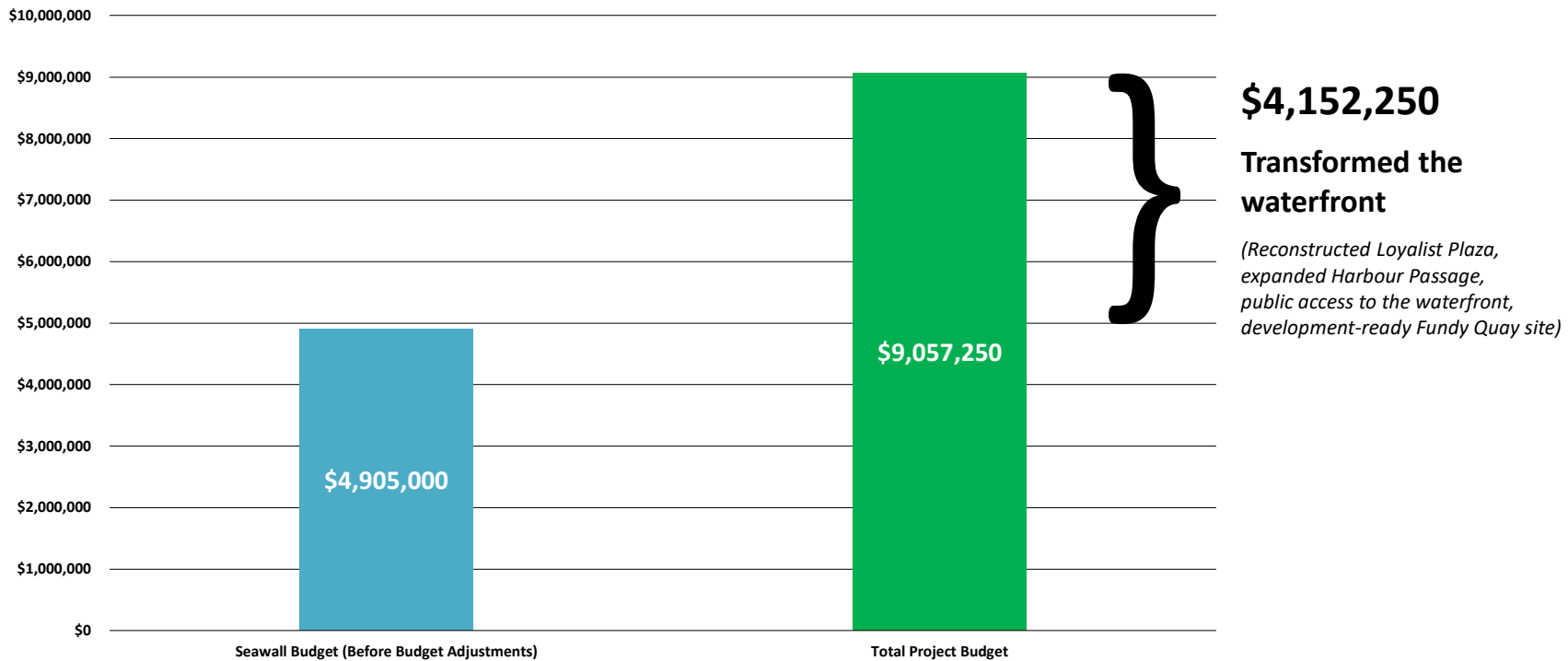
Project Infrastructure Funding

New Deal for Fundy Quay (Full Infrastructure Package)



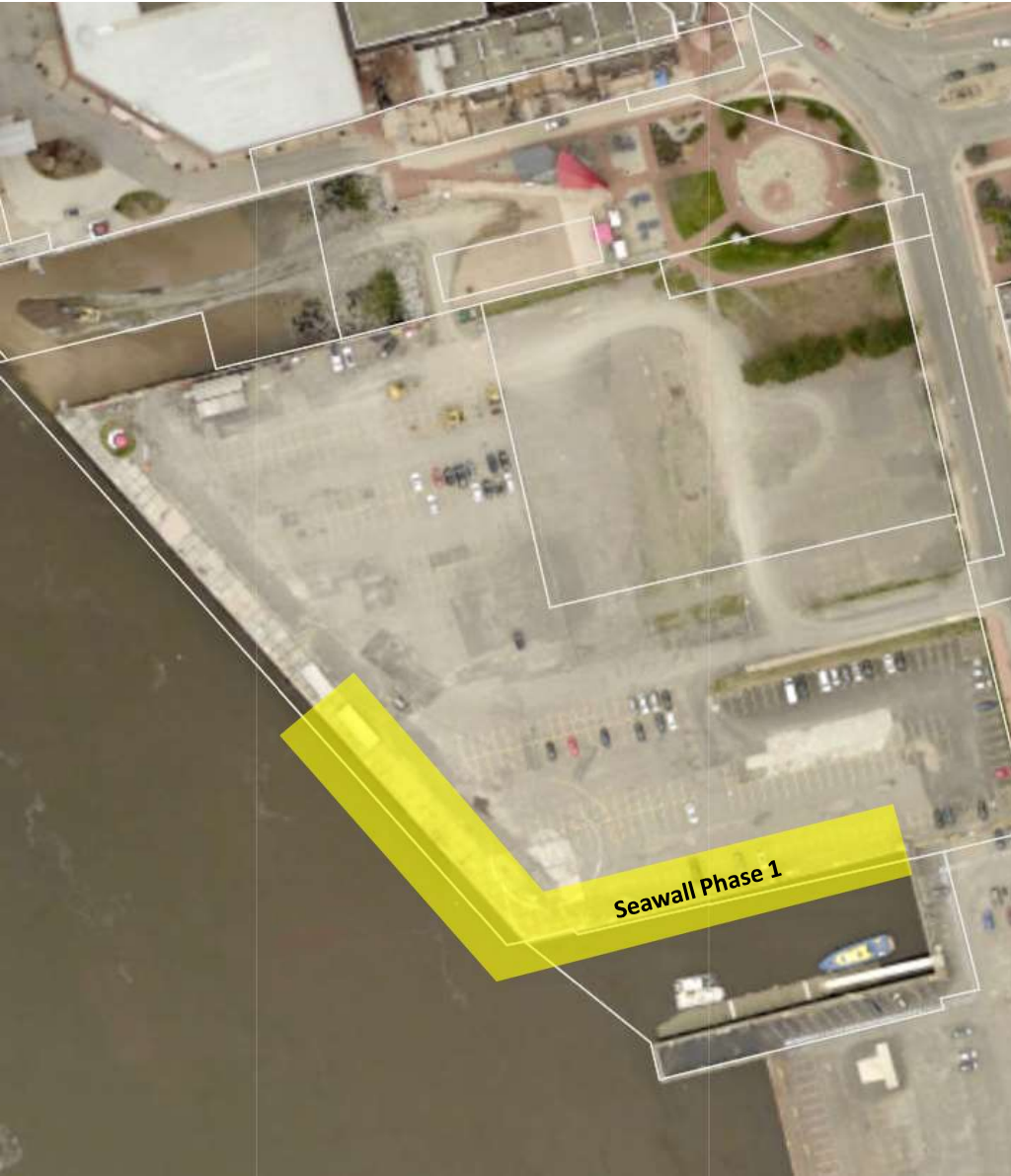
Project Infrastructure Funding

Budget Approved for Fundy Quay in Early 2021



Preliminary Construction Schedule

(timeline is still conceptual and subject to change as design, engineering & costing work progresses)



Summer 2021

Construction of Seawall Phase 1 (Repair & Raised Wall)

Site Works Design (Tender Late Summer)

Loyalist Plaza Design (Demolition & Salvage Tender Anticipated Late Summer)



Fall 2021

Construction of Seawall Phase 2 Begins (Repair Concrete, Replace SSP & Raised Wall)

Site Works Construction Phase 1 Begins (enough to be completed by year end to accommodate developers first building in 2022)

Loyalist Plaza Demolition, Material Salvage & Site Grading Begins (Tender for Plaza Construction Released in the Winter)



Winter - Summer 2022

Construction of Seawall Phase 2 Continues until Fall
(Repair Concrete, Replace SSP & Raised Wall)

First Portion of the Site Turned Over to the
Developer for Building Construction

Site Works Construction Phase 1 Completion of Any
Remaining Work

Loyalist Plaza Construction Begins

Offsite Pedway Construction Begins



Fall 2022

Construction of Seawall Phase 2 Complete

Full Site Works Phase 1 Area Complete & Turned Over to the Developer for Construction

Site Works Construction Phase 2 Begins

Loyalist Plaza Construction Completion



Spring - Fall 2023

Construction of Loyalist Plaza Complete

Full Site Works Phase 2 Area Complete & Turned Over to the Developer for Construction

Construction of Harbour Passage Extension

Installation of Pedway Connection at Market Square

(preliminary and subject to change)

Important Project Considerations

- **Infrastructure Canada Timelines:** Previously identified as a project risk, however a 2-year funding extension has been received.
- **Boardwalk Business Impacts:** Communication with boardwalk business leadership on a weekly basis. Businesses heavily engaged in the design process. Tenders and construction phasing to be drafted in a manner to focus construction in patios to shoulder seasons.
- **Active Transportation:** Harbour passage to be designed to act as a multi-use trail, including modes of transportation such as cycling, skateboarding, and etc.
- **Diversity & Inclusion:** Engagement with first nations communities underway. Exploring opportunities to incorporate educational and/or recognition into the public space. Research being undertaken to help tell the diverse story of Saint John, including the loyalist landing.



QUESTIONS?