



Land Sales Information Package

Capstone

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I. Invitation

Experienced developers are invited to submit a proposal for a residential and/or mixed-use development project in Red Deer's downtown redevelopment community, Capstone. This community offers an extraordinarily rare opportunity for new development in a downtown riverfront master planned community.

We are currently looking for projects ranging from high density townhomes to medium density condo or apartment style residential and mixed-use projects. Interested developers are invited to review the information provided and to contact our team to start discussions for the first phase of development in Capstone.

II. The Capstone Project

Vision

The Capstone redevelopment project will create a unique and vibrant mixed-use urban district in Red Deer's greater downtown. Bordered by the Red Deer River and positioned to be the urban interface of the river valley and an extensive trail system, this community connects an urban lifestyle to the natural beauty the city has to offer. Capstone will feature medium to high density housing, complimentary commercial opportunities, beautiful riverfront gathering areas, pedestrian-friendly trail connections, public art and unique green spaces. At full build-out, Capstone will be home to 5,000 residents in some 2,000 residences, with new commercial and office developments covering 500,000 to 2 million square feet. To fulfil our vision of Capstone, we are now seeking a variety of developers.



Artist Rendering

Context

The catalyst for redevelopment was the relocation of The City's civic yards in 2009, as it left a large amount of prime riverfront real estate vacant in the greater downtown area. Today, Capstone is a diverse, mixed-use community with over 120 businesses and about 300 residents living in the area. A grass roots revitalization effort has echoed The City's investments, as existing businesses have upgraded their buildings, and new, decidedly urban businesses have moved into the neighbourhood, developing a natural, authentic community identity.

Capstone is well-poised to offer commercial spaces that harmonize with the nearby Red Deer Regional Hospital and its complimentary medical services sector. Additionally, with its downtown location, abundant opportunity exists to create new, urban living spaces for the large number of daily workers in the area.

Lastly, Capstone is well connected and highly visible along Taylor Drive, a major arterial roadway, and to pedestrians with the river valley trail system and recreational hot spots like Bower Ponds, Great Chief Park and Setters Place just across the river. The map shown in Figure 1 below provides visual context.

FIGURE 1



The vision for Capstone starts with the recognition that The City of Red Deer owns an outstanding piece of real estate within this area and has a once in a lifetime opportunity to lead the development of a

master planned downtown riverfront community. The City owns approximately 25 of the 91 acres in the northwest section of the district, see Figure 2 below. As a mixed-use project combining residential, commercial, cultural spaces and outdoor amenities, several developers are needed to complete this community.

FIGURE 2



Public Investment

To date, The City has invested \$42M in infrastructure improvements in order to prepare the Capstone area for development. Since 2014, The City of Red Deer has invested in a number of community improvements to make Capstone development-ready. The work completed over the past 7 years includes the development of the Riverwalk pathway and Green Spine, significant road improvements (including a new intersection at Taylor Drive and Alexander Way); improved landscaping and parking; site servicing, utility connections, remediation and other work. In addition, new public gathering areas such as Canada 150 Square were also constructed as part of the revitalized area.

Land Use & Development Priorities

In December of 2016, Council approved the new community vision for Capstone, which is described in the 2016 Riverlands Area Redevelopment Plan (ARP) and Part Ten of The City's Land Use Bylaw (LUB). These documents are available on our Publications page at www.LiveInCapstone.ca/publications/ and we strongly encourage any interested developers to review these documents.

To highlight some of the key features of the land use requirements, we have created a Land Use Bylaw Fact Sheet, also available on the Publications page.

Why Red Deer?

Red Deer is one of the largest cities in Red Deer, with a population density of nearly 1,000 people/km². In 2017, the median family income for Red Deer was \$95,630, well above the national median of \$87,988).

With over 43,000 private dwellings at an average value of \$370,299, an occupancy rate of 95%, and 65.7% of those dwellings owned, Capstone has the opportunity to capitalize on both sales and rentals. Red Deer's residential rental vacancy rate was 8.5% as of 2018, and vacancy rates have been trending downward, with a 4.6% decrease over the course of just one year.

Red Deer is perfectly located 90 minutes between Calgary and Edmonton along one of the busiest highways in Alberta. We are currently home to 101,002 residents (2019 Census), with an average age of 39.5.

Red Deer offers a competitive business environment, including no business tax, no capital tax, no machinery & equipment tax, and no payroll tax. The general Alberta corporate income tax rate recently dropped to 8%, with a small business income tax rate of 2%.

There are already over 120 businesses in the Capstone area, with a wide variety of services, retail and entertainment. This includes hobby stores, fitness options such as kickboxing and yoga, health care and paramedical services, restaurants, retail stores, beauty shops, a cinema, financial services and childcare centres – giving visitors and residents plenty of reason to love the area!

III. Interested? Get in touch:

A) First step: Contact us!

Get in touch with us either by calling 403-342-8106 or emailing at Capstone@reddeer.ca. This contact information is also available on the website. If you've already been in touch with someone from our team, feel free to continue your discussions with them.

Our initial discussion could include:

- Roles, how the Capstone team can help you through the entire process
- Development type, size, location
- Timelines
- Relevant background information
- Site visit
- Any other questions you might have

B) Put a Proposal together

Gather all of your exciting ideas and channel them into a presentable format. This will be the point of reference for the development project moving forward and will be a starting point for negotiations on a

land sale. We have more information in the section below to help make sure you consider some key elements when you are preparing your proposal.

C) Submit your Proposal

Hard copies can be mailed to:
Box 5008
4914 48 Avenue,
Red Deer, AB T4N 3T4

Or delivered to our new offices at:
Land and Economic Development
#1, 5000 51 Avenue
Red Deer, AB T4N 4H5

Attention: Land & Economic Development, Capstone Project Team
Digital PDF copies can be emailed to Capstone@reddeer.ca

V. To consider for your Proposal:

A) General Information:

- Remember to include a preliminary site concept, site layout plan, and any preliminary design drawings and/or renderings that you may have.
- Feel free to include additional information to tell us about who you are and what you can accomplish, such as awards, accolades or certifications.

B) Explain your development idea: write us a letter to briefly and generally explain what you have planned.

- A brief summary of your proposed project.
- Type of development, general size and/or number of units, location, size of parcel.
- Discuss high level timelines, such as when you would break ground or hit the market.
- Provide contact information – including name, address, email address and telephone number(s) of designated point person for all notices and correspondence pertaining to the proposal.

C) Tell us about you and your organization:

- Company profile including headquarters location and description of core business strengths.
- Tell us about your expertise and experience with residential and mixed-use developments
- Provide organizational chart for the development team, who is going to be involved and their roles.
- Talk about any strategic partnerships which you might draw on to maximize this project.
- Present some of your past projects that you can draw on for learnings to help make this project a success. Highlight elements such as:
 - Form (type and style of development);
 - Scale (height, density, floor area ratio, square footage by type);
 - Key features;
 - Location and market information;
 - Sustainability features (photo voltaic, green roofs, vertical gardens, low impact development, energy efficiency, etc.);
 - Social and Cultural features (artistic elements or displays, event space, public space, etc.); and
 - Economic benefits (employment opportunities, economic diversification, ability to attract additional investment, etc.);

D) Details of the Development Plan:

- Size and scale of project, including development timelines and phasing.
- Outline your typical marketing plan for this type of project, incorporating ideas for joint marketing partnership with The City.
- Identify the target end consumer market.
- Identify infrastructure requirements to support the proposed development.
- Any requirements for due diligence or any other conditions precedent the Respondent intends to incorporate into a Land Sale Agreement.

E) Tell us how you can help us with Environmental Sustainability goals for the project:

- Provide information and a description of sustainable features and initiatives proposed, considering:
- Water and Air (ex. Low Impact Development, reduced water usage, reduced GHG emissions, etc.);
- Site design (ex. Landscaping, natural features, xeriscaping, green roofs, photo voltaics, etc.);
- Integration of adjacent green spaces, plazas, and public realm;
- Green Building design and construction (LEED or other demonstrated equivalent);
- Other creative features that promotes sustainability.

F) Consider the Social and Cultural Features:

- Public art, amenities and spaces;
- Architectural features;
- Quality of edge zone development;
- Providing key connections;
- Promoting active transportation.

G) Financial and Economic Considerations:

- Describe process securing financing to plan, market and construct the concept;
- Describe the commitment of the organization to sustain and operate the project (personal equity, traditional financing, JV interests and other);
- Corporate statements, audited financials, other;
- Estimated total value of the project;
- Business diversification, employment opportunities, ability to attract new investment;
- Upon execution of an agreement, The City will require a deposit in the amount of 5% of total purchase price.

H) Alignment with Capstone Vision:

- Narrative demonstrating the understanding and implementation of the Vision.
- Let us know if there are any aspects of the Area Redevelopment Plan that you can support through your proposed development project.
- Details on elements, form and scale, features and functionality, options & add-ons, etc.
- Illustration or examples of proposed elements such as edge zones, landscape treatments or other significant features that will form part of the proposed development.

We're excited to hear from you! Feel free to reach out anytime while you are planning or preparing your proposal.

Thank you for your interest, from the entire Capstone project Team!