



NATIONAL EXECUTIVE FORUM ON PUBLIC PROPERTY

2015 NATIONAL SYMPOSIUM

Partnerships - The New Frontier

Traditional and Innovative Models of Collaboration in use today by Government



Photo: Courtesy of the City of Calgary



NATIONAL EXECUTIVE FORUM ON PUBLIC PROPERTY

Thursday, May 21st and Friday, May 22nd, 2015
Delta Bow Valley Hotel, Calgary, Alberta

2015 NATIONAL SYMPOSIUM

Partnerships - The New Frontier

Traditional and Innovative Models of Collaboration in use today by Government

Symposium Sponsors:

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The story is often told that the origin of P3s and the many other forms of partnership and collaboration that we now see in the marketplace were originally set up and packaged as a way to rebrand moves toward privatization. There were instances when the taxpayer was uncomfortable with the privatization of real property and other assets, and so partnership and collaborative models were used to get the story “off the front page”. It was originally, for some, more of a language game than anything else, and was also more of a contracting mechanism than a true partnership.

This Symposium will look at what constitutes partnership, and the value of different partnership models. We now have some empirical evidence and experience with P3s in a number of countries including Canada, the UK and Australia. The evidence points to both positive and negative features of the P3 model that may warrant more caution in the near future as the robustness of the model gets tested in the operational phase...some have been critical of this model, describing it as a “buy now pay later” arrangement that encumbers future generations with a cost but no future voice in what they receive. Others have made P3s work extremely well within their jurisdictions, and find this approach to be sustainable. Absolutely no-one is questioning, however, the need for, and the desire to, pursue partnership and collaborative arrangements going forward. Governments are not likely to move away from this concept as it has increasing appeal to private investors. What is emerging, however, are both refined and entirely new ways to link the public and private sectors to work more closely together. Governments will continue to seek out both traditional and innovative new forms of partnership, with a goal to finding novel ways to achieve solutions that have mutual benefits.

At the heart of this issue is still the fundamental question of risk transfer: what risks were transferred to the private/public partners (or public/public partners), respectively; how each was rewarded accordingly; who paid for what and how; what were the binding legal agreements; and what was the governing structure.

It is hard to be a successful leader in the new partnership arena without having a good understanding of what is out there, what lessons we have learned from the first phase of these partnerships, and the financial, governance and policy issues that make or break a contractual collaboration. It is especially important to include representatives from the private sector in any partnership discussions, as one cannot possibly have a successful discussion about such partnerships based on one side and not the other.

This is a “must-attend” event for senior Canadian public asset and/or portfolio managers so that they can strategically move forward with an understanding of what will and will not work within their jurisdiction, and why.



Wednesday, May 20th, 2015

ALL MEMBERS' DINNER (Members, Associates and Advisors)

Sponsored by: CBRE Limited

CBRE



Devonian Gardens (stock photo)

Location: **Devonian Gardens**, The Terrace, 317 7th Ave SW, Calgary

Time : 7:30 to 9:30 pm

Presenter: **Kyle Ripley**, Manager, Parks Department, City of Calgary

This unique park demonstrates what is possible when thinking differently on how to provide great gathering places in highly urban settings. Creative thinking provided an out of the ordinary partnership with a major commercial development to provide downtown Calgarians and visitors with an oasis high up in the center of the downtown.

Thursday, May 21st, 2015

7:00 to 8:30 **Registration & Breakfast** (Ballroom Lobby, Delta Bow Valley Hotel)

Sponsored by: **Altus Group Limited**


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8:30 to 8:40 **Symposium Opening:** Chair, **Robin Souchen**, City of Ottawa

NEFPP Executive Director, **Gordon McIvor**

8:40 to 9:00 **Welcome – His Worship Naheed Nenshi**, Mayor, City of Calgary

Greetings to the delegates of the 18th Annual National Symposium of the NEFPP from one of the world's most popular mayors.



9:00 to 10:30 **Defining Partnerships and the Forms they can take - the Governance Model**

Moderated by: **Matti Siemiatycki**, Assistant Professor, Department of Geography and
Program in Planning, University of Toronto

Public-private partnerships have become increasingly popular to deliver large government infrastructure projects and property assets. Yet the term means different things to different people, and the results of public-private partnerships to date have been mixed. Furthermore, P3s are only one model of collaboration, and there are other new models being used or being proposed for the future. This session will identify the wide diversity of public-private partnership and other collaborative approaches that are being used across Canada and the United States, and highlight factors that contribute to their success as well as pitfalls that can lead to their failure.

Presenters:

David Amborski, Professor and Director, Centre for Urban Research and Land
Development, Ryerson University

Using Land Leases to build Partnerships: the Massport example in
Massachusetts. Following the Big Dig in Boston, land became available for
development along the waterfront. Innovative new partnerships were formed
which provide some clues as to what is behind successful partnerships.

Paul Polson, Senior Vice President, Business Development & Community Engagement,
Stuart Olson Inc.

Successful Partnerships: Successful Partnerships begin with trusting relationships
between the Owner, Design Team and Construction Manager – 3 strong legs of a
3 legged stool. More and more owners are steering away from traditional hard
bid/stipulated sum delivery models and looking for relationship focused
alternative models to deliver their projects. Partnerships trump all, and we will
explore some successfully delivered projects using this model.

Joel Armitage, Director, Office of Land Servicing and Housing, City of Calgary

The Office of Land Servicing and Housing at the City of Calgary has developed
and sold industrial land for 50 years to support the growth and diversification of
the local economy. The traditional commodity-based approach has evolved to a
more collaborative approach: to use the land development role to help achieve
broader policy objectives of The City of Calgary; and to work with the “right
businesses” to position City land assets to deliver greater overall public benefit.

10:30 to 11:00 **Break** Sponsored by:



**CUSHMAN &
WAKEFIELD** Valuation & Advisory

11:00 to 12:30 **The Financial Structure of the Partnership Agreement: Good Accounts Make for
Good Friends**

While the main objective for setting up a partnership from the government
perspective should remain innovation and prudent fiscal management and not
profit, the financial structure of the collaboration is at the heart of every success
story. How is a successful partnership set up from the capital structure



perspective? How are debt and equity structured in a successful collaboration, and who takes responsibility for what?

Moderated by: **Judith Amoils**, Managing Director, CBRE Ltd.

Where does the money actually come from in real property partnership transactions? What sources of financing are best?

Does the public really understand the concept of “privately financed but publicly funded?” Does the “user pay” model work well in partnership situations?

Does social infrastructure differ from other types of infrastructure from a financing perspective? How does financing a lease or sale-leaseback transaction differ from a P3 for a real estate deal? How do long-term service contracts impact the value of a P3? Do long-term service contracts impact the composition of the private sector consortium? To what extent does the financial and contract ownership structure impact how services are delivered? Does it limit flexibility?

Presenters:

Damian Joy, President, MHPM Development Solutions

How can public authorities shape projects which encourage vibrant competition and attract private sector capital? Damian Joy, a former P3 developer and investor turned public sector advisor discusses lessons from the last ten years of the Canadian P3 market: how to align projects with objectives, how to engage successfully with the investment community, what financial structures work and how to avoid some classic deal killers.

Divya Shah, Vice President, Transaction Finance, Infrastructure Ontario

Infrastructure Ontario (IO) is a Crown corporation owned by the Province of Ontario that provides a wide range of services to support the Ontario government’s initiatives to modernize and maximize the value of public infrastructure and realty. Using the Alternative Financing and Procurement delivery approach, the Province enters into long or short term contracts with the Private Sector on infrastructure projects. Acting as the lead procurement agent and manager during construction for most of the infrastructure projects, IO’s role from a financial perspective is to ensure that the structure and provisions contained in the Requests for Proposals and Project Agreements allow for maximum risk transfer to the Private Sector while creating value for the Province and by ensuring the transactions are biddable and bankable within the private financing community. This presentation will address some of the complexities of these contracts from a financial perspective as well as what makes a good and successful collaboration with the Private Sector.

Toby Greenbaum , Director General, Client Consultancy & Real Property Solutions,
Public Works & Government Services Canada

Mark Campbell, Director General, Alternate Forms of Delivery Sector (via telephone)
Public Works & Government Services Canada

PWGSC has successfully outsourced property and facility management services for more than 15 years. Much has been learned over that time to support the newest outsourcing vehicle that will provide services for over 6M m2 of space



across Canada. This presentation will focus on how these lessons learned have driven changes to performance measurement framework and its connected financial payment regime.

12:30 to 1:30 **Lunch: At the hotel** Sponsored by: VFA Corporation *An Accruent Company*

During the dessert (at the end of the lunch break) the Forum's new website will be revealed to the delegates.



1:30 to 2:30 **Using Partnerships to Build Special Purpose Facilities: Edmonton, Ottawa and Detroit - A Tale of Three Cities and Three Stadia**

Moderated by: **Judith Grant- Long**, Associate Professor of Sports Management, University of Michigan

Building a new major league sports facility often requires thinking outside traditional models of public-private partnerships. Large-scale stadium and arena deals bring multiple levels of government to the negotiating table, as well as high-profile team owners and other private partners, alongside widespread public interest in these highly visible projects. Alongside this expansive set of partners, the mix of financing and delivery roles varies widely from case to case, with no standard recipe revealed across the more than one hundred new facilities built in Canada and the US over the past 25 years. With this panel, we will explore trends in public-private partnerships for major league sports facilities, with speakers drawing on recent experiences in Edmonton, Ottawa and Detroit.

Presenters:

Rick Daviss, Executive Director, Downtown Arena Project, City of Edmonton

Bob Black, Executive Vice President, the Katz Group

The arena project in Edmonton reflects the evolution of what was initially a very controversial and often confrontational partnership into what is today a very strong and cohesive partnership between the City of Edmonton and the Katz Group. What happened to turn this around? Hear from both partners in this deal and learn how to avoid the pitfalls of conflict and discord that are everyone's greatest fear when entering into these kinds of relationships.

Robin Souchen, Manager, Realty Services, Real Estate Partnerships and Development Office, City of Ottawa

The new CFL Stadium at Lansdowne Park in Ottawa got off to a rocky start with a number of partnership issues that needed to be worked out. Hear firsthand how these problems were approached, and the solutions that were put in place to eventually give way to a successful collaboration. This presentation will also touch on the P4 concept which has been increasingly in use at the City of Ottawa.

2:30 to 3:00 **Break**



3:00 to 4:30

Special Extended Interactive Workshop:

What Canadian Jurisdictions can learn from International Models of Collaboration

Moderated by: **Susan Anson**, Managing Director, Canada / UK,

VFA Corporation *An Accruent Company*

Presenter:

James McKellar, Professor; Director, Program in Real Estate and Infrastructure;

Executive Director, External Relations, Schulich School of Business,

York University

Partnerships: a key component to building and sustaining the future great cities of the world

The challenges of urban growth are a global phenomena and partnerships are an essential part of the solution. No matter how you describe what is about to occur with cities globally, the magnitude of the challenges facing an increasingly urbanized world are formidable. One estimate, to give a sense of scale, is that we will need to build one city of 1 million inhabitants each week for the next 10 years just to accommodate what will happen in Asia. This raises issue of food, water, energy, mobility and shelter. What we already know is that these inhabitants want what we now have and that wealth breeds sprawl. The current trend is toward a planet of suburbs, more than a planet of cities, with urban densities rapidly declining in both the developed and the developing world. Along with consuming more things, people everywhere are consuming more land, more space, and more cars. To date, the western world has not shown much in terms of new thinking, creative approaches, and advance technologies to address the needs of these emerging cities. We are stuck with a silo mentality that prevents integrative approaches and much of our infrastructure reflects 18th and 19th century technologies and control by public monopolies. A pervasive combination of false premises and ideological driven solutions encumbers progress. However, there are examples of thinking that breaks the mold and gives hope. The integration of land use and transportation in Curitiba, Brazil; social integration through a cable car system in Medellin, Columbia; the Copenhagen Wheel in Denmark; the congestion charge in Stockholm, Sweden; or Crossrail in London. What all of these exemplify is a redefinition of what the public and the private sectors can bring to the table, new financing and partnerships arrangements, and the ability to serving a broad range of social economic and environmental goals all at the same time. It is time that our contribution moves beyond the development of new things, the search to establish so-called innovation districts, and the call for more funding. Western cities have a window of opportunity that unfortunately is rapidly closing, to make the city itself a laboratory for innovation.

Now is the time for some transformative thinking about our own cities. We need to establish ourselves as among the leaders in the culture of urbanism, combining new ideas, innovations, social enterprises, and technologies to address challenges that will attract the attention of other cities, particularly from Asia. We need new partnership models to engage the public and the private sectors as they did in Medellin; encourage new industries focused on improving the quality of life for urban residents with products and services that address pressing infrastructure needs such as the Copenhagen Wheel; and capture the restless energy among an up-and-coming, well-educated generation to make us competitive in a world where innovations from emerging economies threaten to leapfrog laggards in the western world. We need to use this window of opportunity to our own cities start-ups for new ideas.



Evening Sessions:



5:30 to 9:30 Sponsored by: **Calgary Municipal Land Corporation**

Assemble at the Hotel lobby at 5:30pm. The group will then proceed to the future Library site, and on to the Experience Centre

6:00 to 7:00 **Reception at the Experience Centre, East Village, 553 Riverfront Ave. SE**

Speaker: **Michael Brown**, President and CEO, Calgary Municipal Land Corporation

East Village is the most significant brownfield redevelopment in Calgary's recent future. At 49 acres, the community is being reimagined by Calgary Municipal Land Corporation as a master planned urban village in which 6.8 million square feet of development will unfold by 2027. The community will be home to 11,000 residents, a National Music Centre, a new central library, and approximately 450,000 SF of retail. CMLC's investment in public infrastructure sits at \$357 Million and this investment has attracted nearly \$3 Billion of planned investment.

7:00 to 7:15 A sidewalk level view of the city during our walk to:

7:30 to 9:30 **Dinner at the Belvedere Restaurant, 107 Eighth Ave, Calgary**

"For this event only, seating has been pre-arranged "

Speaker: **Ken Tanenbaum**, Vice Chairman, Kilmer Van Nostrand Co. Limited ("KVN")

KVN has been involved in the delivery of infrastructure and land development for three generations, and has been a leader in alternative methods of procurement since the introduction of the concept in Canada in the early 1990's.

Ken has played a leadership role in the procurement of such projects as; Outsourced Highway Maintenance in three Provinces, Highway 407 ETR, Toronto's Union Station, Prince Rupert Customs Examination Facility for Canada Border Services, the ONroute Highway Service Centre portfolio, and the Pan Am Athletes' Village. With some success and some failure, Ken will endeavor to share perspectives from the private sector and lessons learned along the way.

In 2006, Ken launched Canada's first private equity fund dedicated to the remediation and repositioning of contaminated land. The Kilmer Brownfield Equity Fund has completed projects in Toronto, Montreal, and Guelph, and has worked closely with government in aligning stakeholder interests to bring impacted land back in to productive use. He will also speak to the partnering potential with government as it relates to such sites.



Friday, May 22nd, 2015

7:00 to 8:30 **Registration & Breakfast** (Ballroom Lobby, Delta Bow Valley Hotel)

Sponsored by **PwC Canada**



8:30 to 9:30 **Real Property Development Partnerships with Educational Facilities
and Not-for-Profits**

Moderated by: **Nancy Pollock-Elwand**, Professor; Dean, Faculty of Environmental
Design, University of Calgary

Presenters:

James Robertson, President and CEO, West Campus Development Corporation,
University of Calgary

The West Campus Development Trust (WCDDT) project sets the groundwork for a bold plan to transform 180 acres of University of Calgary land west of main campus into a 24/7 destination place for the whole city. Created through extensive collaboration with stakeholders including the municipality and the University, the Plan incorporates nearly 9 million square feet of residential, retail and office spaces that will build on the character and strengths of surrounding neighbourhoods. The Plan is environmentally sound, socially responsive, and financially solid over the long term, with all net revenue from development going to support future University initiatives. As the inaugural President & CEO of developer West Campus Development Trust, James Robertson, RCIP, MPlan, inherited a lofty vision that strives to strengthen the contribution that the University makes to the larger Calgary community. The approved Plan reflects a long-term and ongoing commitment to listen, be transparent, and act on the ideas from neighbours and partners.

Isabelle Lussier, Chef de la section des stratégies immobilières, Ville de Montréal
“Le Quartier de L’Innovation” is an interesting partnership between the École de technologie supérieure (ÉTS), a part of the Université du Québec network, and McGill University. The city of Montréal also contributed to this partnership by providing the old “Dow” Planetarium, dating back to Expo 67, to the Quartier de l’Innovation after the construction of the new building. The former Planetarium is to be used as a communications and conference center. So what can we learn from this collaboration?

Joe Casali, Director, Real Estate Services, City of Toronto

An examination of “Eva’s Phoenix”, a partnership project on Richmond Street in Toronto with a not-for-profit that works with street kids. This project, done in collaboration with Build Toronto, has created new housing for homeless children and raised over \$6 million through an innovative series of partnerships. There are challenges, however, when engaging with not-for-profits, but the benefits for all parties can be considerable if the partnerships are set up properly.



9:30 to 9:40 Break Sponsored by: **Praeneste Technologies Inc.**



9:40 to 10:50 **SPECIAL PRESENTATION**

A Canadian success story: The newest partnership between First Nations and the Government of Canada through its Crown Corporation, Canada Lands Company

One of the most important recent partnership successes within the federal government was achieved through landmark joint venture agreements between Canada Lands Company, the federal government's disposal agent for strategic surplus property, and three First Nations having their traditional territories in the Lower Mainland of British Columbia, Musqueam Indian Band, Squamish Nation and Tsleil-Waututh Nation. These agreements govern the redevelopment of three Metro Vancouver properties as partners. A high level look at federal partnerships with First Nations across Canada followed by an examination of the complex negotiations leading to the joint venture agreements that required understanding, respect and trust as well as a strong determination by all parties to make it happen.

Presenters:

John McBain, President and CEO, Canada Lands Company

Robert Howald, Executive Vice President, Real Estate, Canada Lands Company

Chief Ian Campbell, Cultural Liaison & Negotiator/Official Spokesperson,
Squamish Nation

Councillor Howard E. Grant, Musqueam Indian Band

Matthew Thomas, Economic Development Officer, Tsleil-Waututh Nation

10:50 to 11:20

Power of Partnerships: A Final Word

What we learned from this conference on partnerships and models of collaboration

Zero-sum games do not generate sustainable business relationships - partnerships are business solutions founded on win-win philosophies. How do you sustain a partnership through the life of a contract? How do you keep long-term contractually based relationships refreshed in the face of evolving service needs?

Two senior practitioners, one from Government and one from the private sector, offer a summation of what they learned about partnerships over the course of the 2015 National Symposium, and the lessons they will be taking back to the office.

Introduction: **Olga Kaganova**, PhD, CRE, FRICS, Independent Consultant

Presenters: **Ron Bidulka**, Managing Director, Consulting & Deals,
PricewaterhouseCoopers LLP

George Green, Vice President, Heritage Conservation and
Commemoration Directorate, Canada Parks Agency

11:20 to 11:30 **Mot de la fin: Robin Souchen**, City of Ottawa and Chair, National Executive Forum on Public Property



11:30 to 12:00 Check out from Hotel

12:00 to 5:00 **Lunch and Afternoon Site Inspections for Delegates**

Site visits are sponsored by: Ernst & Young LLP



Breakdown of Afternoon Events:

A bus/van will depart from the hotel for the lunch and afternoon site visit venues at 12:00 noon

12:15 to 1:30 **Lunch at the Calgary Stampede Grounds** and trolley tour of the grounds

A must-see revitalization project which has breathed new life into a Calgary institution, and created several compelling new partnerships and models of collaboration.

Special luncheon speaker: **Warren Connell**, President & CEO, Calgary Exhibition and Stampede

The bus/van departs the Calgary Stampede Grounds for Currie Barracks at 1:30pm

2:00 to 3:00 **Currie Barracks- From Military Housing to a vibrant new Neighbourhood**

Tour guide: **Doug Cassidy**, Vice President, Western Canada, and

Chris Elkey, Senior Director, Western Canada, Canada Lands Company

The Currie Barracks property transitioned from a busy military barracks to a beautiful new neighbourhood, brought to life through extensive consultation, vision, and a series of dynamic partnerships. The Forum has visited this site before when the project was still under construction. Here is a unique chance to see the completed project and to get a behind-the-scenes look at what Reader's Digest magazine called "one of the coolest places to live in Canada".

The bus/van departs Currie Barracks for the Emergency Operations Centre at 3:00pm

3:30 to 4:30 **Tour of the Emergency Operations Centre**

Tom Sampson, Director, Calgary Emergency Management Agency

Glenn Chanut, Coordinator, Building Infrastructure, Corporate Properties & Buildings

Calgary's uniquely designed Emergency Operations Centre opened only months before the major flood of 2013. You will have the opportunity to view the facility that was home to the most important of partnerships, those within the organization and with key partners that provide emergency response for the safety of citizens! Hear how the facility supported and performed during the critical days of emergency response.

The bus/van departs the Emergency Operations Centre for the Hotel at 4:30pm


End of 2015 National Symposium.



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