



TELUS Commits to Victoria, Plans Office and Innovation Centre in Downtown

Date: Tuesday, June 2, 2020

For Immediate Release

VICTORIA, BC — TELUS Communications Inc. intends to bring the TELUS Ocean project to Victoria, as part of an acquisition of the “Apex” site, a parcel of City-owned land at 749-767 Douglas Street, on the corner of Douglas and Humboldt Streets.

The proposed commercial office and retail building will become TELUS’s regional headquarters for approximately 250 employees and home to an innovation hub that will showcase advanced communications and information technology. As a leading international employer, the ability to secure TELUS’s regional headquarters and innovation centre in the downtown core will also help support the growth of family sustaining jobs in Victoria.

TELUS brings past experience in the successful implementation of their commercial office projects across the country. Examples of TELUS office developments in other key Canadian cities, including Vancouver’s TELUS Garden, showcase the architecturally-advanced and environmentally-sustainable building design that will characterize this new project.

TELUS’s operations will occupy a significant portion of the building, with the remainder of the space proposed for commercial office, retail and restaurants, as well as programmed events and gatherings.

TELUS is working with Victoria-based Aryze Developments as a community development partner. The Aryze project team will lead the project architect and consultant teams, and ensure the initiative progresses in alignment with the shared goals of the community and TELUS, as well as the City of Victoria’s goals reflected in its competitive proposal process.

Together, TELUS and Aryze are seeking to bring forward an architecturally-significant project; one that will create an opportunity for Victoria to be at the forefront of new technology and contribute to the social and entrepreneurial fabric of the city. To ensure this, the TELUS/Aryze project team is proposing to employ a multi-channel consultation approach to communications and engagement to reach a broad range of participants, including surrounding businesses, residents, potential future occupants and other key stakeholders. It is anticipated that this community engagement process will begin in late June 2020.

This agreement completes a competitive proposal process for the Apex site launched by the City of Victoria in early 2017. Of the six submissions received, the TELUS Ocean proposal scored highest.

The City's main goal was a major commercial development that would anchor the southern end of Douglas Street and advance one or more of the City's key economic engines, such as technology and innovation, create high-value jobs and diversify the economy. High-quality architectural and sustainable design appropriate for this prominent location and surrounding neighbourhood were among other goals sought.

In addition to enhancing and animating the adjoining public plaza, the development is anticipated to create new opportunities for the Victoria Conference Centre and surrounding downtown businesses.

TELUS has agreed to purchase the property from the City of Victoria for a price of \$8.1 million, plus up to an additional \$1.1 million purchase price adjustment depending on the final proposal submitted and approved as part of the rezoning process. Telus and the City of Victoria will share in the environmental and geotechnical costs to remediate the site, with the City contributing \$2.37 million towards its portion of these costs. In exchange for the City's contribution, TELUS will assume all liability and responsibility for the environmental remediation of the site.

The proceeds from the sale will be held in the City's Tax Sale Lands Reserve and will be used to fund actions in Victoria's Strategic Plan, including acquiring land for affordable housing. In addition, this all-commercial development will provide significant annual property tax revenue to the City to help fund City programs and services including, among other things, improvements to the downtown public realm allocated through the City's annual budget process.

The sale of the property is subject to TELUS applying for rezoning within 18 months of executing the agreement, and TELUS then successfully bringing the TELUS Ocean project through the City's formal land use approval process and advancing it to the permitting stage within specific periods of time.

Located on the southeast corner of Douglas and Humboldt Streets, the City's Apex site is a 27,790 square-foot triangular vacant parcel that was created as part of the original infilling of James Bay in the early 1900's. The site was home to a furniture manufacturer for a number of years and then a large-scale laundry plant, before the buildings were removed and the site paved. Two car rental companies currently operate on the property.

Quotes:

Victoria Mayor Lisa Helps:

"This significant investment by TELUS is a next generation project that helps bring the City's recovery, reinvention and resilience plan, *Victoria 3.0* to life. TELUS Ocean will help us to build a stronger, more resilient economy. It is another example of the confidence leading companies are showing in moving to Victoria or expanding their operations here. This major new business and innovation centre will create significant long-term economic and community benefits, pump added vitality and diversity into the heart of our downtown commercial district and support hundreds of new family-sustaining jobs. Additionally, the project is intended create a retail interface and tie into the shared public plaza space with the neighbouring Crystal Gardens, using high quality urban design principles to activate the portion of the plaza on the site creating a welcoming and vibrant area.

TELUS Communications Inc.
Darren Entwistle, President and CEO of TELUS:

“The TELUS team is tremendously proud of our longstanding history in British Columbia and we are thrilled to announce the development of TELUS Ocean, which will stand as a lasting symbol of our passionate commitment to the Victoria community, our customers and our team members. Exemplifying leading-edge design, our development will contribute significantly to Victoria’s economic strength, culture and social vitality. Notably, TELUS Ocean will inject millions of dollars into the community and create local, family-supporting jobs while showcasing TELUS’ advanced communications technologies and environmental innovation in a way never seen before in Victoria. Moreover, TELUS Ocean will enrich Victoria’s unique historical core with stunning, world-class architecture, and enhanced public spaces that create a truly welcoming destination for our team members, the community and indeed all British Columbians.”

For more information visit: victoria.ca or telusocean.com

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BACKGROUND:

TELUS Ocean Project Winning Proposal to Bring Office and Innovation Centre to Victoria

Project Timeline

- In April 2017, the City initiated a public competitive procurement process to evaluate proposals for the sale and development of the City-owned property at 749 to 767 Douglas Street (known as the Apex site), through a Request for Expressions of Interest (RFEI).
- The RFEI contained a number of development objectives approved by Council, reflecting the City’s goals in developing the property, and against which submissions were evaluated:
 1. The use should remain primarily commercial and should be a commercial anchor for Douglas Street South.
 2. The proposal should advance at least one, and preferably more, of the following engines in the City’s economic action plan namely:
 - Technology

- Advanced Education and Research and Development
 - Entrepreneurship, Start-Ups and social enterprise, as well as Arts and Culture
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 - Ocean Marine Sector
 - Experiential Tourism
3. The project should seamlessly tie into the public space between the site and the Crystal Garden to turn this under-utilized area into a high-quality, welcoming, and vibrant space using placemaking and high-quality urban design principles.
 4. The project should be a sustainability and green building showcase.
 5. The project should realize a land value for the site at or near that defined as its highest and best use.
 6. Offers a high-quality pedestrian experience.
 7. Proposes uses that are compatible with adjacent residential buildings.
- The City received six responses to the RFEI that were evaluated against the Council-approved development objectives. The TELUS Ocean Project was selected by the City because it best aligned with the development objectives and scored the highest.
 - Following the selection of the TELUS Ocean Project, the parties undertook due diligence, site studies and comprehensive contract negotiations through 2018 and 2019.
 - Negotiations were completed with TELUS and terms of the final agreement was approved by the City on March 26, 2020.

TELUS Ocean Project Proposal

- The TELUS Ocean Project proposes a leading-edge commercial office and retail building that will become TELUS's regional headquarters for approximately 250 employees and home to an innovation hub that will showcase advanced communications and information technology.
- TELUS's operations will occupy a significant portion of the building, with the remainder of the space proposed for commercial office, retail and restaurants, as well as programmed events and gatherings.
- In addition to enhancing and animating the adjoining public plaza, the development is anticipated to create new opportunities and economic spinoffs for the Victoria Conference Centre and surrounding downtown businesses with TELUS anticipating that hundreds of will be anchored in the downtown core once the project is completed.

Purchase Agreement

- Under terms of the agreement, TELUS is required to submit its land use application to the City's land use application process within 18 months of execution of the agreement.
- The agreement is conditional upon TELUS obtaining all necessary municipal land use approvals to proceed with the project within 32 months of execution of agreement.

- Should TELUS not receive the land use approvals necessary for their project, TELUS or the City have the option to terminate the sale. If the project does not proceed within agreed timelines, the City has the option to terminate the sale.

Next Steps

- TELUS and its local community development partner, Aryze Development, plan to initiate a community engagement and consultation program related to the TELUS Ocean Project at the end of June 2020.
- TELUS plans to submit a land use application to the City's planning process within the next few months after conducting initial public engagement.