

# Request for Proposals – Operator of Incubator at 390-440 Dufferin Street

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## 1. Executive Summary

The City of Toronto's Economic Development and Culture (EDC) Division is seeking a qualified not-for-profit partner or academic institution to implement and operate an Incubator site at 390-440 Dufferin Street. The incubator will be focused on fostering the growth of Toronto-based start-ups.

The City of Toronto will sublease 1,350 Sq. M (14,750 Sq. Ft.) of space to the Operator for up to 20 years at below-market rates ("Subject Area"). There is also an additional 4,200 Sq. M. (45,500 Sq. Ft.) of contiguous commercial space available for lease through the developer.

The purpose of this document is to solicit proposals for qualified partners to:

- Sub-lease the 1,350 Sq. M (14,750 Sq. Ft.) of space for up to 20 years from the City of Toronto;
- Implement and operate the Incubator and,
- Provide business incubation services and programming.

## 2. Background

Toronto has moved past the stage of trying to kick start its innovation economy; it's now vying for a place in the top tier of startup cities. However, its companies are still under-capitalized in comparison with those in the U.S. and they grow more slowly as a result. And for all its growing clout, Toronto has yet to produce the kind of iconic unicorn that cements a city's status as an innovation heavyweight. Make no mistake, Toronto is up against global cities like Boston, New York and London in a race for talent, capital and ideas. They, too, are investing heavily in their innovation infrastructures and opening new centres to spur entrepreneurship and economic recovery in the wake of the pandemic. To compete with these deep-pocketed rivals, Toronto will have to be smart and nimble in supporting its startups.

The past year has clearly highlighted the integral role governments play in fostering and sustaining core parts of our society. While innovation obviously cannot happen without innovators themselves, the infrastructure within which they work can make an enormous difference.<sup>1</sup>

Today, established companies are looking outside their organization for innovative ideas and new ways to solve challenges. Increasingly, they are looking to startups for inspiration. Startups can show traditional manufacturing how to disrupt traditional design, prototyping and manufacturing processes by harnessing innovative technologies.

This aligns with the City of Toronto's Economic Development and Culture Division's strategic plan, which places an emphasis on equity and diversity while providing access to affordable space for entrepreneurs looking to build businesses in Toronto.<sup>2</sup>

The City is looking for an operator to activate approximately 14,500 square feet of commercial space as an incubator space. The City is looking to use an Industry Agnostic approach, where the space will not be limited to a particular industry. This includes but is not limited to;

- Creative Arts
- Film, Television & Digital Media
- Technology
- Makerspace
- Light Manufacturing
- Music
- Social innovation Sustainability
- Engineering
- Clean Tech

### 3. Incubator – Operator Requirements & Responsibilities

Space responsibility

14,753 sq.ft of space

- 4,286 sq.ft on the ground floor
- 9,505 sq.ft on the 2<sup>nd</sup> floor

See Section 10 for space plan of the premises

Financial Feasibility

The successful respondent will be responsible for all the operating costs and subsidized rental costs associated with the space and all the tenant improvements required for the space to suit their needs.

Operating Costs

- Year 1 costs will be approximately \$36.74/sq.ft with annual increase
  - See section 11 of estimated rent roll

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<sup>1</sup> [City of Entrepreneurs: Building a supply chain of innovation \(toronto.ca\)](https://www.toronto.ca/wp-content/uploads/2020/01/8e45-2019-EDC-Divisional-Strategy.pdf)

<sup>2</sup> <https://www.toronto.ca/wp-content/uploads/2020/01/8e45-2019-EDC-Divisional-Strategy.pdf>

- This is estimated to be approximately \$533,869.00 per annum

## 4. City of Toronto Support

To support the development and launch of the Incubator Space, the City of Toronto will provide the following assistance to the Successful Respondent:

- Location Support
  - Below-Market Lease Rate – lease rates for the 1,350 Sq. M (14,500 Sq. Ft.) set-aside for the Incubator will be provided at \$6.50 below market rent per square foot<sup>1</sup>. This space will be finished to a base condition that includes concrete floors, electrical, HVAC, plumbing and fire services entering the space, plus a finished washroom, but otherwise no partitioning or dry-wall.
  - Assistance in negotiating favourable terms for the lease or sale of the remaining 4,200 Sq. M. (45,208 Sq. Ft.) from the developer if included the proposal.
- Creative Co-location Facility Property Subclass Designation (if operator meets eligibility criteria)
  - Through an application process, operators can seek a 50% property tax reduction for uses that meet the detailed eligibility criteria for creative co-location facilities.
- Partnership Assistance
  - The City will work with the Successful Respondent to engage potential corporate sponsors and other levels of government to secure additional funding resources for the startup and ongoing operation of the Incubator Space.

## 5. Timelines

The following are the timelines associated with the Incubator space:

Activity	Date
Request for Proposals Release	February 14, 2022
Site Visits & Information Meetings	February 23, 2022
Proposal Due Date	March 14, 2022 at 4 p.m. EST
Proposal Review & Respondent Interviews	March & April 2022
Respondent Selection	April 14, 2022
Respondent Agreement Negotiation	May 14, 2022
Incubator Development Planning	Between June 2022 and August 2022
Incubator Site Assumption	September 1, 2022 (Estimated)

The dates identified are subject to change based on development timelines and at the discretion of the City.

## 6. Proposal Requirements

Respondents are required to submit a completed proposal online at

A proposal is considered completed when it includes the following:

- Executive Summary – a summary of the key features of the proposal.

- Respondent Profile – a summary of the organization or partnership's corporate history, including:
  - Corporate History:
    - Date incorporated
    - Products and/or service provided
    - Total number of employees
    - Business partners
  - Proof of Not-For-Profit or Post-Secondary Institution status
  - Financial Statements
    - Two-years of audited financial statements
  - Overview of Partnership – if the proposal is prepared for or by a partnership of organizations, an overview of each organization is required, along with an overview of each organization's role in the proposed Incubator.
- Experience and Qualifications – an overview of the Respondent's knowledge of, and experience in, supporting commercial or social innovators, entrepreneurs and / or start-ups. In particular, they should demonstrate the following:
  - Relevant experience with similar projects
  - Skills, experience and expertise necessary to implement the Incubator's design and delivery.
  - A minimum of five (5) references for the purpose of evaluating the Respondent's experience and track record of supporting startups and entrepreneurs
- Proposed Team and Resources
  - A list of key staff currently attached to the Respondent's organization, including their professional qualifications, related project experience, and description of their duties and responsibilities on this particular project.
  - Resumes for the proposed team members are to be included as an Appendix to the Proposal.
  - Provide a statement of any conflict of interest, if applicable.
- Proposed Programming
  - Provide an overview of the goals and objectives of the Incubator.
  - Include a detailed description of how the Respondent intends to achieve the goals and of the objectives of the Incubator, including:
    - Business Incubation Support – an overview detailing how your organization plans to provide programming to support businesses as detailed in the requirements under Section 2.
    - Shared-Production and Co-Working Space – an overview of how the organization intends to use the shared-production and co-working space as detailed in the requirements under Section 2.
    - Community Building – an overview of approaches the organization plans to take to help build the startup community as detailed in the requirements under Section 2.
    - Space Options – an overview of the Respondent's intended use of the dedicated Incubator space of 1,350 Sq. M. (14,000 Sq. Ft.) and (optionally) the remaining 4,200 Sq. M. (45,208 Sq. Ft.) of available office space. This should include a proposed lay-out of the facility and the fit-out plan for the space, including proposed equipment.

- Business Plan – a high-level business plan that includes a 5-year forecast of startup and operating costs. The business plan should also contain:
  - Concept Overview
  - Proposed Timeline
  - Marketing Plan
  - Projected impact in relation to the number and type of businesses served and employment rates.
- City Involvement and Support – a list detailing the Respondent’s assumptions and, without prejudice, the types of support (beyond access to this space) it would hope to receive from the City to support the development and operation of the Incubator.

## 7. Proposal Evaluation & Selection Process

### Selection Criteria and Process

A Selection Committee will score the Proposals using the following evaluation criteria. If the submission fails any of the mandatory requirements, the Proposal will be rejected.

The Proposal that achieves the highest total score will be ranked first. In the event of a tie total score, the Respondent achieving the highest score for meeting the objectives of the RFP will be ranked first overall.

CRITERIA	POINTS AVAILABLE	POINTS AWARDED
Respondent(s) are a Registered Not-For-Profit and/or Post-Secondary Institution	PASS/FAIL	
Proposal includes all mandatory submission requirements.	PASS/FAIL	
Respondent Profile - Corporate History - 2 Years of Audited Financial Statements - Financial Capacity to Develop, Launch and Operate the Incubator - Strong Partnership for Delivery	10	
Experience and Qualifications - Experience with similar projects supporting businesses and creative entrepreneurship - Quality of references - Track record of success working with innovators, entrepreneurs, and startups	5	
Proposed Team and Resources - Identification of proposed team - Staff has necessary experience to realize the goals of the Incubator	5	

Business Incubation Support - Depth of proposed support for entrepreneurs looking to build businesses, including quality of proposed programming and community building initiatives.	20	
Production and Co-Working Space - Quality of proposed space usage to support businesses through shared resources.	15	
Space Utilization - Use of dedicated Incubator's space of 1,350 Sq. M. (14,000 Sq. Ft.).	15	
Business Plan - Business plan is complete. - Business plan includes 5-years of projected revenues and expenses, including required startup costs. - Business plan includes other possible funding partners, both confirmed and potential. - Business plan identifies future corporate structure and not-for-profit structure.	20	
City Involvement - Proposal includes a clear identification of the support it seeks from the City w.r.t developing, launching and managing the Incubator	5	
<b>TOTAL SCORE</b>	95	

Clarifications

As part of the evaluation process, the Selection Committee may make requests for further information with respect to the content of any Proposal in order to clarify its understanding of the Respondent’s response. The clarification process shall not be used to promote a particular Respondent or to obtain required information that was not submitted at time of closing. The Selection Committee may request additional information from one or more Respondents and not from others.

Mandatory Requirements

Respondents will have 48 hours from notification to rectify any missing mandatory requirements identified in their submitted Proposals.

Interviews or Demonstrations

The Respondent’s representatives Respondent must attend any interview scheduled as part of this evaluation process where they are so designated and requested unless the City agrees otherwise in writing, and at its sole discretion.

Refusal of a Respondent to participate in an interview/demonstration requested by the City may, in the City's sole discretion, be considered a failure of the Respondent to comply with a Mandatory Requirement of the RFP and thus be subject to disqualification.

#### Evaluation Results

Proposal evaluation results shall be the property of the City and are subject to MFIPPA. Evaluation results may be subject to public release pursuant to MFIPPA.

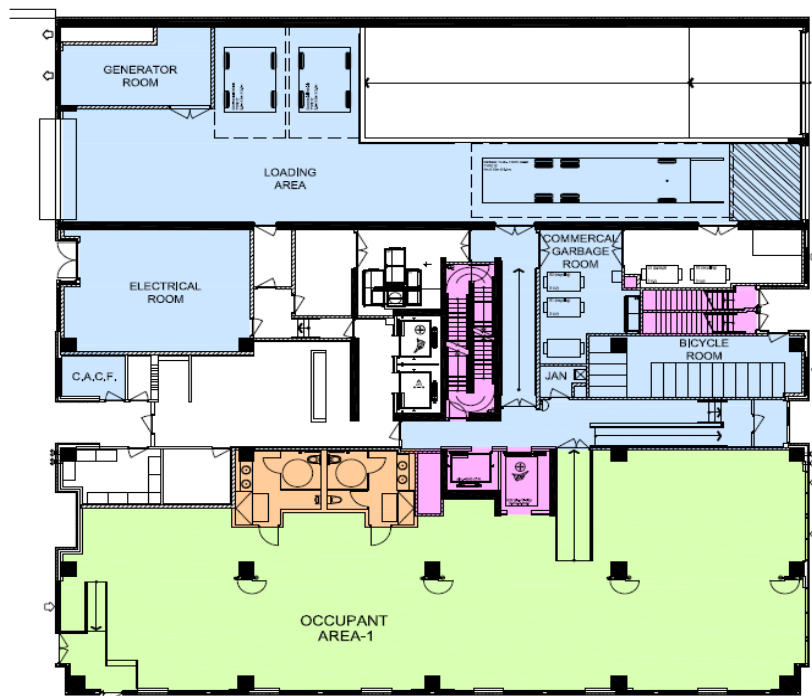
#### Negotiations and Agreement

The award of any agreement will be at the absolute discretion of the City. The selection of a recommended Respondent will not oblige the City to negotiate or execute an Agreement with that recommended Respondent.

## 8. References

[City of Entrepreneurs: Building a supply chain of innovation \(toronto.ca\)](#)

## 9. Space Plan



- OCCUPANT AREA
- VERTICAL PENETRATIONS
- BUILDING SERVICE AREA
- FLOOR SERVICE AREA

**NOTE**  
 This Building has not been site verified by Space Database Inc.  
 Drawings were provided to us by Fitzrovia.  
 Please report any drawing discrepancies or errors to a Space Database  
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 Fax 416-516-0316  
 Email [support@spacedatabase.com](mailto:support@spacedatabase.com)  
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**AREA SUMMARY**

SUITE No.	OCCUPANT AREA	RENTABLE AREA
1	4,286 S.F.	5,039 S.F.

LOAD FACTOR = 1.17579  
 ABOVE INFORMATION ESTABLISHED ACCORDING  
 TO ANSI / BOMA Z65.1 2010 - Method A



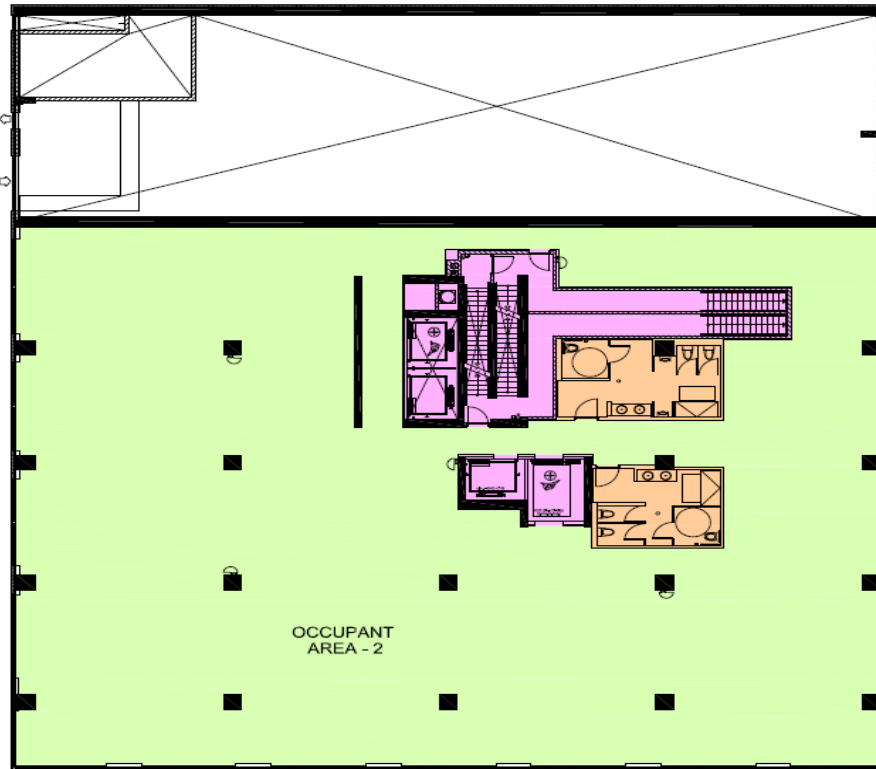
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390 Dufferin St - Tower C, Office Portion  
 Toronto, ON  
 Ground Floor - Area Summary

May 7, 2019 - 390DufferinSt F01\_Record © 2019 Space Database Inc. All Rights Reserved





- OCCUPANT AREA
- VERTICAL PENETRATIONS
- FLOOR SERVICE AREA
- DEMISING WALL

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 Email support@spacedatabase.com  
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0 10 50 FT

**AREA SUMMARY**

SUITE No.	OCCUPANT AREA	RENTABLE AREA
2	9,505 S.F.	10,920 S.F.

LOAD FACTOR = 1.14881  
 ABOVE INFORMATION ESTABLISHED ACCORDING  
 TO ANSI / BOMA Z65.1 2010 - Method A

## VERSION 1 - 1 TENANT



390 Dufferin St - Tower C, Office Portion  
 Toronto, ON  
 Second Floor - Area Summary

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10. Estimated Rent Roll

<b>Lease Year</b>	<b>Base rent</b>	<b>CAM</b>	<b>TOTAL</b>
1	\$ 312,416.50	\$ 221,452.44	\$ 533,868.94
2	\$ 326,947.50	\$ 221,452.44	\$ 548,399.94
3	\$ 341,478.50	\$ 221,452.44	\$ 562,930.94
4	\$ 356,009.50	\$ 221,452.44	\$ 577,461.94
5	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
6	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
7	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
8	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
9	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
10	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
11	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
12	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
13	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
14	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
15	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
16	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
17	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
18	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
19	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
20	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
21	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
22	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
23	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
24	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
25	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
26	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
27	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
28	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
29	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
30	\$ 370,540.50	\$ 221,452.44	\$ 591,992.94
<b>Total</b>	<b>\$10,970,905.00</b>	<b>\$6,643,573.20</b>	<b>\$17,614,478.20</b>