



PRINCE EDWARD ISLAND
BUSINESS DEVELOPMENT

expression of interest



Malpeque Bay Area Development

January 11, 2006

TABLE OF CONTENTS**1.0 INTRODUCTION**

1.1	Background and Purpose of Expression of Interest (EOI)	4
1.2	Government Objectives	4
1.3	Property for Development	5
1.4	Investment Opportunity	5

2.0 INSTRUCTIONS TO PROPONENTS

2.1	Content of EOI	5
2.2	Delivery of EOI	5
2.3	EOI Deposit	6
2.4	EOI Review	6
2.5	Notification to Successful Proponents	6
2.6	Acceptance of Proposal	6
2.7	Amendment to EOI	6
2.8	Conditions Applying to Successful Proponent	6
2.9	Schedule of Development	7
2.10	GeoLinc Maps	7
2.11	Representation in this Document	7
2.12	Withdrawal of EOI	7
2.13	The Companies Act	7
2.14	Zoning and Permits	7
2.15	Insurances	7

3.0 REQUIREMENT OF THE EOI

3.1	Land available for development	8
3.2	Business Plan	8

4.0 SELECTION OF THE SUCCESSFUL PROPONENT

4.1	Evaluation	9
4.2	Project Assessment Process	9
4.3	Time Lines	10

APPENDICES

Appendix A

GeoLinc Map of Acreages

Appendix B

Summary of PIDs

1.0 INTRODUCTION

1.1 Background and Purpose

This EOI has been developed to receive and review submissions which may lead to the selection of a preferred proponent (developer / operator) with whom the Department of Development and Technology through its Crown Corporation, Prince Edward Island Business Development Inc. (PEIBDI) will negotiate a mutually acceptable agreement to develop a portion of the lands at Malpeque Bay area in Eastern Prince County as a multifaceted project with a combination of recreation and accommodation facilities.

Prince Edward Island Business Development Inc. works in conjunction with economic partners to facilitate the economic development of all areas of Prince Edward Island. PEIBDI accomplishes this through the management and delivery of programs and services in support of business, entrepreneurship, craft development and community economic development.

1.2 PEIBDI Objectives

This EOI provides private sector developers with the opportunity to propose an investment in the tourism industry of PEI and to:

- expand upon the current investment in land and the further development of the Cabot Beach Provincial Park area in Eastern Prince County; and
- to enhance employment opportunities and economic growth in the area.

The investment by the developer must be consistent with the following:

- the development must be of high quality;
- the development may be part of a phased approach;
- accommodation facilities, if applicable, will be operated by a recognized operator;
- the design of the accommodations and other proposed related facilities must complement the oceanside setting;
- site planning should show the relationship and intended integration with parcels of property retained by the Province including existing campground facilities.
- plans to meet environmental requirements must be outlined.

1.3 Property for Development

The Cabot Beach Provincial Park in Eastern Prince County is currently comprised of approximately 120 acres of land. Part of this property in addition to adjacent lands held by the Province in the Malpeque Bay area combine to offer prime development property as outlined in the appendices. The purpose of this EOI is to enable potential comprehensive development of the area. This project can be completed in phases. Areas as outlined in the Appendices for public use and beach access will be retained by the Province.

As noted, Parcel #85167 is the site of the lagoon presently utilized by the day use park and campground. The proponent will be required to upgrade this facility to meet their anticipated needs and the requirements of the Department of Environment. PEIBDI will negotiate with the developer to provide long term waste treatment for the properties retained.

1.4 Investment Opportunities

The Province of Prince Edward Island has made a considerable investment in the Cabot Beach Provincial Park and adjacent acreages. This EOI is to review submissions which may lead to the selection of a private sector operator / developer to make further investment in the adjacent properties.

There will be no infrastructure supplied or funded by the Province for the development of the property.

2.0 INSTRUCTIONS TO PROPONENTS**2.1 Content of EOI**

All proponents must submit in their EOI the minimum specified information requested in this EOI call. Any additional material which the proponent wishes to submit must be attached to the proposal and clearly labelled.

2.2 Delivery of Proposals

Four (4) copies of the proposal clearly marked Malpeque Bay Area Development shall be submitted in a sealed package to PEIBDI, 94 Euston Street, Charlottetown, P.E.I..

Attention: Doug McNeil, Director Asset Management Division, no later than:

12:00 noon Local Time (March 1, 2006) at the offices of PEI Business Development, 94 Euston Street, Charlottetown, PEI.

Late EOI's will not be considered.

2.3 EOI Deposit

All proponents are required to submit with their EOI a \$50,000.00 deposit. This deposit shall be submitted as a certified cheque made payable to Prince Edward Island Business Development Inc. No interest will be paid on the deposit during the period in which it is held.

2.4 EOI Review

The EOI's submitted will be reviewed by an assessment committee. Additional materials may be required from the proponent to assist in the review. Interviews may be requested with the principals.

2.5 Notification to Successful Proponents

After the proposals are received and reviewed, PEIBDI will notify the successful proponent in writing when the selection has been made. If the proponent withdraws its EOI during the evaluation period, the EOI deposit will be forfeited. All unsuccessful proponents will have their deposit returned no later than 30 days after the decision has been reached. The successful proponent will have the EOI deposit returned upon execution of the Development Agreement.

2.6 Acceptance of Proposal

PEIBDI reserves the right to refuse any EOI not considered in the best interest of the Province.

2.7 Amendment to EOI

Up until **ten (10) business days prior to the scheduled date of receipt of the EOI**, amendments may be issued by PEIBDI where there are changes required. These amendments will be sent by fax or e-mail and mail to the holders of the EOI. The Province reserves the right to change any or all of the terms described in this document during the period of the proposal call. The proponents shall indicate that the amendments were considered in their proposal should amendments occur.

2.8 Conditions Applying to Successful Proponent

Should the EOI assessment indicate a superior development plan, PEIBDI and the proponent shall forthwith enter into good faith negotiations toward the completion of a Purchase and Sales Agreement and other development documents as may be required for the transfer of the land and other conditions generally described in this document. Should the negotiations with the successful proponent not lead to an agreement, PEIBDI reserves the right to enter into discussions with other proponents. The successful proponent will not gain the right to the parcel or parcels described herein by being selected as the developer, nor does the selection involve the approval of all aspects of the EOI. The Development Agreement must first be executed by the developer. The developer shall execute the documents within 30 days from the date of notification of the selection of the developer.

2.9 Schedule of Development

The proponent must submit a schedule which describes the phases of development per the requirements in Section 4 below. This should include, for each phase of development, estimated dates for design, construction and project completion.

2.10 Legal Description of Land

The land which will be made available is described herein as shown in Appendix "A". The Province has agreed to arrange to sell the land as described, and if the development is in stages, sale of the land applicable to each parcel will be contingent upon the completion of the previous stage of development.

2.11 Representation in this Document

While the Province has used its best efforts to assure an accurate representation of information in this package, the Province accepts no legal liability for interpretation and utilization of the content of this document.

2.12 Withdrawal of EOI

Should proposals be submitted early, proponents may withdraw proposals at any time prior to the time fixed for proposal call deadline. This request must be received in writing and signed by the proponent or agent. The deposit will be refunded in full upon meeting these conditions.

2.13 The Companies Act

All parties submitting proposals should be eligible for registration under the Companies Act, the Partnership Act, or the Licencing Act of the Province of P.E.I. or be incorporated under the Act.

2.14 Zoning and Permits

If a proponent is selected, the successful proponent shall be responsible for paying all costs for legal fees, surveys and permits required for the development. The proponent will be responsible for compliance with all municipal, provincial and federal legislation including environmental requirements.

2.15 Insurances

A successful proponent will be required to provide evidence of liability insurance in the amount of not less than two million dollars.

3.0 REQUIREMENT OF THE EOI

PEIBDI will work with the successful proponent and other levels of government to help to facilitate the proponents completion of the entire project in a timely manner.

The proponent shall:

- describe, in as much detail as possible, the essential elements of the development;
- demonstrate experiences and capabilities relative to the design, construction and operation of the proposed project;
- provide preliminary cost estimates relating to the construction of the proposed project;
- provide a business plan as described in 3.2 below; and
- submit a plan including conceptual drawings of their proposal.

The facilities shall be designed by an architect licensed to practice in Prince Edward Island.

The proponent shall be responsible for designing and constructing all the facilities in accordance with the most current edition of the National Building Code of Canada as well as all applicable local and Provincial regulations including the Barrier Free Design Regulations.

3.1 Land Available for Development

Land made available by PEIBDI for development is outlined in the appendices. The proponent will plan development of the entire property. This may be a phased-in approach.

3.2 Business Plan

Each proponent is required to submit a business plan for the development. The plan is to be complete and must respond to a minimum of the following requirements:

- an executive summary;
- Detailed financial plan including financial projections, capital cost, ownership details including shareholder identification, hospitality and other relevant business experience;
- Detailed marketing plan including sales projections;
- Financial projections including a minimum five years income statement and cash flow estimates;
- Detailed information respecting management skills, experience and company structure;
- Provision of a minimum of 25% equity in the project.

4.0 SELECTION OF THE SUCCESSFUL PROPONENT

4.1 Evaluation

Proposals which maintain camping facilities which are available to the general public and which enhance public access to the beach as well as show sensitivity to the environment will be given preference. The best proposals will then be evaluated using the following criteria:

• Price Offered for the Property	40%
• Quality of the Project / Scheduling	25%
• Economic Impact	15%
• Business Plan	10%
• Proponents Related Experience	10%

4.2 Project Assessment Process

Depending on the results of the evaluation process, PEIBDI may decide:

- 4.2.1 to begin negotiations with the preferred proponent that has clearly submitted the superior development plan and has scored highest; or

4.2.2 to proceed to a Request for Proposal process in the event that there are several submissions that have received similar evaluations; or

4.2.3 not proceed with negotiations

4.3 Time Lines

The tentative time line for this project is as follows:

- Call for Expression of Interest January 11, 2006
- Submission of EOI March 1, 2006
- Evaluation of Submissions April 12, 2006
- Detailed Request for Proposals (if required) May 2, 2006
- Submission of final proposals (if required) June 3, 2006



Appendix "B"

Land to be retained by the Province, as outlined in Red

<u>PID</u>	<u>Approximate Acreage</u>	<u>Description</u>
513051	7.17	Park entrance
526384	9.5	Remote shore frontage
85001	8	Farmland
85019	22.6	Farmland

and portions of:

<u>PID</u>	<u>Acres</u>	<u>Description</u>
85266	110	Beach and portion of campground
85191	<u>2.27</u>	Portion of campground
	160	

Land subject to this Expression of Interest, as outlined in Green

The residual of:

<u>PID</u>	<u>Acres</u>	<u>Description</u>
85266	10	Shore frontage and campground
85191	118.8	Campground and farmland

and all of:

<u>PID</u>	<u>Acres</u>	<u>Description</u>
85183	2.3	Shore frontage
85167	58.27	Farmland and lagoon
85175	2.5	Farmland and shore frontage
85076	35.52	Farmland and shore frontage
584508	46.97	Farmland and shore frontage
838086	8.17	Farmland
692251	40	Farmland

and	85092	<u>87.5</u>	Farmland
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Total	<u>410 Acres</u>
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