



DEVELOPMENT AND INFRASTRUCTURE SERVICES – COMMISSIONER
TOWN OF NEWMARKET
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June 9, 2015

**JOINT CHIEF ADMINISTRATIVE OFFICER, COMMISSIONER OF DEVELOPMENT AND
INFRASTRUCTURE SERVICES, COMMISSIONER OF COMMUNITY SERVICES AND
COMMISSIONER OF CORPORATE SERVICES REPORT 2015-38**

TO: Committee of the Whole

SUBJECT: Hollingsworth Arena

ORIGIN: Chief Administrative Officer and Commissioners of Development & Infrastructure
Services, Community Services and Corporate Services

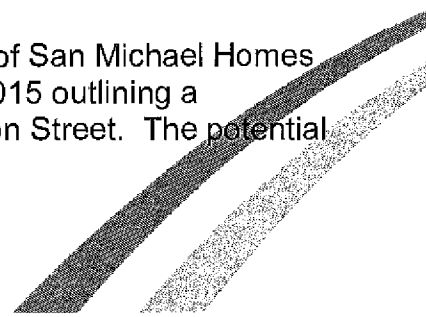
RECOMMENDATIONS

THAT Joint Chief Administrative Officer and Commissioners of Development and Infrastructure Services, Community Services and Corporate Services Report 2015-38 dated June 9, 2015 regarding Hollingsworth Arena be received for information purposes and the following recommendations be adopted:

- 1. THAT Staff report to Committee of the Whole in closed session on the results of negotiations with San Michael Homes Developments with respect to the potential development of the Hollingsworth Arena site at 35 Patterson Street in conjunction with the properties at 693 Davis Drive and 713 Davis Drive on the basis of a sale of the Town property;**
- 2. AND THAT the sale of the Hollingsworth Arena site be subject to satisfactory arrangements being made to maintain 7 (seven) municipally permitted ice surfaces for continuity of service for Town residents;**
- 3. AND THAT the sale of the Hollingsworth Arena site be subject to Council's declaration of the property as surplus to municipal needs and staff being directed to follow the Town's land disposition process;**
- 4. AND THAT Mr. Sandro Sementilli and Pickering College be notified of this action.**

COMMENTS

Committee of the Whole received deputations from Mr. Sandro Sementilli of San Michael Homes Developments (San Michael) on August 26, 2013 and again on May 25, 2015 outlining a development proposal for the northeast corner of Davis Drive and Patterson Street. The potential



development would include their property at 693 Davis Drive, the Town-owned property at 35 Patterson Street presently used for the Hollingsworth Arena, and more recently 713 Davis Drive. In addition, Committee of the Whole received Development and Infrastructure Services Report 2013-35 and Community Services Report 2013-32, as well as a closed session report 2014-41.

At the May 25, 2015 Committee of the Whole meeting, staff received direction to bring forward in open session the recommendations adopted by Council in June 2014 in closed session at the June 16, 2014 Special Committee of the Whole and at the June 23, 2014 Council meeting as contained in report 2014-41 pertaining to Hollingsworth Arena. The Council extract is attached as Appendix 1, and recommendations at that time were:

1. THAT Staff be authorized to negotiate with San Michael Homes Developments with respect to the potential development of the Hollingsworth Area site at 35 Patterson Street in conjunction with the property at 693 Davis Drive on the basis of a sale of the Town property and also alternatively on the basis of a joint venture with San Michael Homes Developments for the Town owned property with the goal of reporting on a preferred option for the approval of Council in the first quarter of 2015;
2. AND THAT approval be granted to negotiate with San Michael Homes Developments on an exclusive basis and such negotiations address among other things the following:
 - a. Terms of purchase or joint venture
 - b. Land use approval processes
 - c. Architectural controls
 - d. Timing and phasing of development
 - e. Financial security for performance on to protect against default
 - f. Phasing for the potential decommissioning of the Hollingsworth Arena to address continuity of service for users of the facility.
3. AND THAT staff be authorized to enter into discussions with Pickering College on an exclusive basis for development of a joint venture for the development of a single pad arena on that site to replace the Hollingsworth Arena with staff to report back to Council with options for an agreement in Q1, 2015.
4. AND THAT staff be authorized to obtain professional advice as necessary and to proceed with all actions necessary to conclude negotiations and to report to Council if for some reason negotiations are suspended or terminated.
5. AND THAT public consultations and public notices regarding the intention to dispose of lands be scheduled upon conclusion of negotiations
6. AND THAT Mr. Sandro Sementilli and Pickering College be notified of this action.

Since that time, San Michael has engaged the owner of the adjoining property to the east at 713 Davis Drive to be included in the development concept, and has prepared a joint development concept now encompassing these two properties as well as the Town's site. The Town has retained assistance through Mr. Robert Webb of Webb+Co Limited and the firm of N. Barry Lyon Consultants to provide advice on the matter and to explore negotiations with San Michael as directed.

A key feature of the plan is a large public square near the intersection of Davis Drive and Patterson Street; this square is then connected through the site to Irwin Crescent to the north via a linear park block. The public square is proposed to be open and visible from the Davis Drive/Patterson Street intersection, and would be surrounded on its other sides by buildings generally ranging in height between 3 to 6 storeys. Two mixed use towers are proposed on the site, both of which may be expected to be between 12 and 15 storeys in accordance with the Secondary Plan. The ground floor of all buildings fronting Davis Drive will include commercial uses, and San Michael has also suggested that there may be an opportunity to include office uses in some of the buildings along with the residential apartments.

The northern portion of the development concept contemplates more ground-related residential development in the form of townhouses in an effort to ensure compatibility with the existing residential development on the north side of Irwin Crescent. The concept also implements the street and lane network shown in the Secondary Plan that is intended to help people move in and through the site.

In terms of municipal property tax revenue, and focusing only on the Town's component, the proposed development is estimated to generate approximately \$750,000 in new annual tax revenue based on an assumed 440,000 ft² mixed use development and typical MPAC Assessment values for this area. This compares to approximately \$11,000 in annual taxes currently generated by the existing uses on the combined development sites (N.B., the current municipal arena site does not generate property tax revenue).

An option to replace the arena function through a partnership arrangement with Pickering College on their lands is also being actively explored by staff as part of the viability of the subject development concept. At this point, staff feel it essential that a replacement ice surface be secured to continue the service level to arena user groups should the municipality decide to dispose of the Hollingsworth Arena property.

In addition, the Town's OPA#10: Newmarket Urban Centres Secondary Plan has now been adopted by Council and the Region of York. It contemplates and emphasizes intensification along the Yonge Street and Davis Drive corridors, and supports the type of development being proposed through San Michael's concept not only from the built form and density perspectives, but also through the provision of parks space and an urban square. The attraction of medium and high density mixed use projects such as the one being proposed within the urban centre corridor is also supported by the vivaNext bus rapidway project nearing completion on Davis Drive.

Staff has considered the strategic importance of a successful development at this location, and subject to Council's direction, the proposal from San Michael incorporating the Hollingsworth Arena site as well as the neighbouring site at 713 Davis Drive provides Council with an opportunity to achieve a number of priorities, including:

- Providing a vibrant and liveable corridor along Davis Drive
- Prioritizing economic development in the urban centres through new mixed use projects
- Supporting major transit service enhancements
- Promoting growth in a broadband priority corridor
- Enhancing recreational and community facilities
- Supporting community and neighbourhood projects
- Supporting innovative projects and partnerships

SECONDARY PLAN CONFORMITY

The following outlines the general provisions of the Secondary Plan as it relates to the San Michael development proposal.

The properties are within the Regional Healthcare Centre Character Area and are proposed to be designated Mixed Use with a strip of land along Patterson Street and along the northern limit of the Hollingsworth Arena property designated as Parks and Open Space. The Mixed Use designation will permit a broad range of residential, commercial, accommodation, institutional, office, and arts and cultural establishments. In addition, within the Regional Healthcare Centre Character Area, major office, post-secondary education facilities and long-term care and related facilities would be permitted. The Davis Drive frontage is also shown as a Priority Commercial Area, which would require the ground floor of any building to be used for street-related commercial uses such as retail stores, restaurants, professional offices, etc.

The Secondary Plan contemplates heights between 4 and 12 storeys and an FSI of between 2.0 - 2.5 generally along the Davis Drive frontage (up to 15 storeys and a maximum 3.0 FSI with bonusing). Redevelopment on the Hollingsworth Arena property would contemplate heights between 2 and 6 storeys and an FSI between 1.5 – 2.0. The Secondary Plan also includes provisions that would allow the Town to consider a higher FSI for a specific application where it can be shown, among other things, that other properties in the same designation are constrained and therefore cannot be expected to achieve the height and density provisions of the Secondary Plan.

A key component of the Secondary Plan is the transportation network necessary to accommodate the anticipated density within the urban centres. As such, the Secondary Plan contemplates a future private road or lane generally along the easterly limit of the Hollingsworth Arena property to assist with traffic circulation in this part of the corridor.

San Michael Proposal

The proposed development concept implements the intent of the Secondary Plan in terms of height, density, future road/lane connections through the site, and parks and open space requirements as noted above. On the matter of parks and open space specifically, the Secondary Plan does not contemplate a full neighbourhood park on the Hollingsworth Arena property; rather, it identifies a parks and open space connection along Patterson Street and then along the northern limit of the property. In early discussions with San Michael, the concept of connectivity through the site and ultimately leading to the open space/floodplain area on the south side of Davis Drive was supported and encouraged by staff. The current proposal, including a public square, enhances this connectivity. It also enables another potential year round, programmable, large urban park space. The potential for skating to remain on site as an outdoor feature of the urban square in winter months could be a very attractive public space. Given the response by the community to Riverwalk Commons, this diversity in park space design/animation is a tremendous benefit to both the local community as well as the community as a whole.

OTHER POTENTIAL USES FOR THE HOLLINGSWORTH ARENA SITE

The Secondary Plan process included extensive public consultation through each phase of its development, resulting in a comprehensive land use plan including neighbourhood parks and other open spaces at appropriate locations such that there is a neighbourhood-scale park planned within a maximum distance of 800 metres of all residents within the urban centres. As such, a neighbourhood-scale park was not deemed to be necessary on the Hollingsworth Arena property.

The analysis of parkland requirements has been based on the projected populations to build-out, together with the parkland standards established through the Parks Policy Development Manual prepared by Monteith & Brown as approved by Council in 2012. This analysis has been further detailed in the Secondary Plan, which identifies the total additional neighbourhood-scale parkland requirements within the urban centres for each quadrant. Within the northeast quadrant (NEQ), which includes the Hollingsworth Arena property, the Regional Healthcare Centre and a portion of the Davis Drive character areas, the total additional neighbourhood parkland required at build-out is 0.8 ha.

This compares with other quadrants as follows:

Total Additional Neighbourhood Parkland Required at Buildout

NWQ (includes Yonge North/Yonge and Davis/Yonge-Civic character areas):	15.4 ha
SWQ (includes Yonge-Civic and Yonge South character areas):	7.0 ha
NEQ (includes Regional Healthcare and Davis Drive character areas):	0.8 ha

In terms of land use, maintaining the arena in its current form, or using the Hollingsworth Arena property as a neighbourhood park, would not implement the vision of the Secondary Plan. Maintaining this parcel as a park may actually impact the ability of the Town to meet its height and density goals for the Davis Drive frontage given the height and angular plane requirements of the

Secondary Plan for lands adjacent to existing or planned parkland. While the development concept shows a public square, the height and angular plane impacts are mitigated when the Hollingsworth Arena property is combined with adjacent parcels in an integrated design concept that can then make use of additional lands to better support the intensification goals of the Secondary Plan.

OPTIONS FOR REPLACEMENT OF HOLLINGSWORTH ARENA

Hollingsworth Arena is one of 7 ice pads currently operated by the Town of Newmarket. It has been in operation since 1973 (42 years). It is the only single pad arena operated by the Town. It consists of a slightly undersized ice surface (185' by 85') compared to current standard dimensions (200' by 85'). In response to seeking operational efficiencies across all municipal arena and aquatic facilities a few years ago, hours of operation were changed at Hollingsworth to reflect it being a prime time facility whereas Magna Centre and to a lesser extent the Ray Twinney Complex are available as a non-prime and prime time facilities. The Hollingsworth Arena season lasts from end of September through end of March/early April annually. The facility operates Monday through Friday from 6:00p.m. to 11:00p.m. and on weekends from 8:00a.m. to 11:00p.m.

When examining existing usage across the entire municipal ice inventory, there is a limited amount of capacity within our facilities. However, Newmarket will continue to experience population growth. The Recreation Asset Gap Analysis study completed as part of the Recreation Playbook, confirmed findings from a 2013 study completed by dmA Planning Consultants, that 7 ice pads will serve the needs of the community now and in the future.

Therefore, it is recommended that should Hollingsworth Arena be sold, an alternative venue be sourced to ensure community needs are met. If the Town of Newmarket were to reduce to 6 ice surfaces, in an effort to maintain hours, local user groups would find themselves in a very precarious programming situation including youth sport groups needing to utilize weekday early morning times and adult groups needing to play much later (i.e., up to 1:00a.m.). These significant changes would likely result in a decline in participation. In the event Council were to consider reducing the current service level from 7 municipal ice pads to 6, it would be recommended that in advance of such a change, there be a comprehensive consultation with community user groups (Please see Figures 1 through 3 for tables associated with participation trends and utilization).

The arena facility at Pickering College is very close to the end of its lifecycle. This presents a unique opportunity to explore a partnership with Pickering College for the development of a new ice pad. Pickering College use of an arena would occur largely during time of day that Hollingsworth Arena has been closed. There appears to be a significant opportunity to develop a mutually beneficial partnership where capital and operating costs could be shared between both organizations without competing interests for time.

In June, 2014 staff were authorized to enter into discussions with Pickering College to explore a potential joint venture for construction of a single pad to replace the existing Pickering College Arena and the Town of Newmarket's Hollingsworth Arena. To date, there is interest on the part of Pickering College to explore such a partnership. Pickering College is in the final planning stages of a considerable campus expansion project that will include a theatre, new residences and other significant enhancements. Given the scope of this pending project, Pickering College has indicated that replacing the aging arena without a partner is not a priority – given the age of the arena, the intent of Pickering College is to decommission the facility post renovations should they not have a partner. It should be noted that should decommissioning of Pickering College occur, it would result in greater demand on Town facilities, further emphasizing the need to maintain the 7 ice surfaces. If a partnership were to be developed to replace the current Hollingsworth Arena and Pickering College Arena, there would also be the opportunity to further fill any available prime time with current clientele utilizing the Pickering College Arena during prime time.

It is unavoidable that Hollingsworth Arena will need to be addressed. While it continues to function, it is an old facility and the Town will reach a point where significant capital costs will need to be incurred to maintain operations. This development proposal has presented a significant opportunity to avoid those capital expenses by exploring options for development of a new facility. While a partnership with Pickering College remains the most fiscally viable option (given that capital and operating expenses could be shared), the Town of Newmarket could choose to add a third pad at Ray Twinney Recreation Complex; however the capital and ongoing operating costs associated with this option would be more expensive and remain entirely the responsibility of the Town.

SALE OF LAND PROCEDURES

The Sale of Land Policy of the Town of Newmarket requires that the Town obtain an appraisal, if applicable under the policy, and give public notice of the intention to sell property. It is the prerogative of Council to determine the method of obtaining the best financial return and balancing that factor with the other strategic goals of the corporation.

Assuming negotiations are successful and Council would like to move forward with a disposition of land, staff will request Council approval to move forward with the requirements set out under the Town's Sale of Land Policy, being:

1. A declaration of the land as surplus by a resolution of Council;
2. Attainment of an appraisal, if applicable;
3. Approval of the method of disposition by Council; and
4. Provision of notice of the proposed disposition to the public.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

The review and analysis of development concepts has links to the following branches of the Town's strategic plan:

Well-balanced: encouraging a sense of community through an appropriate mix of land uses and amenities;

Well-equipped & managed: varied housing types, affordability and densities;

Well-planned & connected: strategic growth by way of a comprehensive Official Plan.

CONSULTATION

Consultation on the change in land use has been conducted in connection with the consideration of the Secondary Plan. Should the Town successfully negotiate a sale or joint venture with San Michael Homes a consultation process would be established with respect to the proposed development. Staff from all Commissions were involved in the preparation of this report.

HUMAN RESOURCE CONSIDERATIONS

Not applicable to this report.

BUDGET IMPACT

Operating Budget (Current and Future)

To be addressed in the report summarizing the final negotiations with both San Michael and Pickering College when appropriate.

Capital Budget

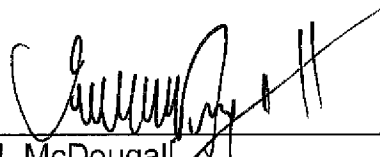
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CONTACT

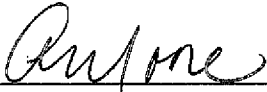
For more information on this report, contact: The Commissioner of Development & Infrastructure or the Commissioner of Community Services.



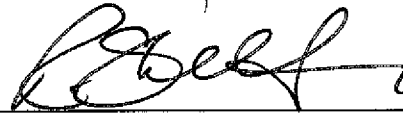
P. Noehammer,
Commissioner of Development &
Infrastructure Services



I. McDougall,
Commissioner of Community Services



A. Moore,
Commissioner of Corporate Services



R.N. Shelton,
Chief Administrative Officer

Appendix 1 – Council Extract; June 23, 2014 (Open and Closed Session)

Figure 1 – Newmarket Community Organization User Group Participation Trends

Figure 2 – Newmarket Prime Time Ice Surface Hours booked for Youth and Adult

Figure 3 – Municipal Ice Surfaces per Capita Comparison

Appendix 1

TOWN OF NEWMARKET COUNCIL - EXTRACT - MONDAY, JUNE 23, 2014					
	REF'D TO	COPY TO		REF'D TO	COPY TO
Mayor Tony Van Bynen			Development & Infrastructure Services, Commissioner of		
Reg. Councillor Taylor			Community Services, Commissioner of		
Councillor Vegh			Corporate Services, Commissioner of		
Councillor Kerwin			Planning & Building Services, Dir. of		
Councillor Twinney			Recreation & Culture, Dir. of		
Councillor Hempen			Human Resources, Dir. of		
Councillor Sponga			Engineering Services Dir. of		
Councillor Di Muccio			Public Works Services, Dir. of		
Councillor Emanuel			Financial Services, Dir. of		
			Legal Services, Dir. of		
CAO			Legislative Services, Dir. of		
OTHER:			Corporate Communications, Dir. of		
			Chief Building Official		
PENDING AGENDAS: QOW			Economic Development Officer		
COUNCIL			Information Technology, Dir. of		
JCC			Fire Chief		
			Purchasing Manager		
Letter: File:			ORIGINAL REPORT IN DEPARTMENT BINDER	√	

14. Joint Chief Administrative Officer, Commissioner of Development and Infrastructure Services and Commissioner of Community Services (Closed Session) Report 2014-41 dated June 12, 2014 regarding a potential disposition of land by the municipality. (Ward 3)

Moved by: Councillor Sponga
 Seconded by: Councillor Vegh

THAT Joint Chief Administrative Officer, Commissioner of Development and Infrastructure Services and Commissioner of Community Services (Closed Session) Report 2014-41 dated June 12, 2014 regarding Hollingsworth Arena be received;

AND THAT staff be directed to proceed as authorized at the June 16, 2014 Special Committee of the Whole (Closed Session) meeting.

In Favour: Mayor Van Bynen, Regional Councillor Taylor, Councillor Vegh, Councillor Kerwin, Councillor Hempen, Councillor Sponga, Councillor Emanuel

Opposed: Councillor Twinney, Councillor Di Muccio
 (7 in favour, 2 opposed)

Carried

TOWN OF NEWMARKET COUNCIL (CLOSED SESSION) EXTRACT - JUNE 23, 2014					
	REF'D TO	COPY TO		REF'D TO	COPY TO
Mayor Tony Van Bynen			Development & Infrastructure Services, Commissioner of		
Reg. Councillor Taylor			Community Services, Commissioner of		
Councillor Vegh			Corporate Services, Commissioner of		
Councillor Kerwin			Planning & Building Services, Dir. of		
Councillor Twinney			Recreation & Culture, Dir. of		
Councillor Hempen			Human Resources, Dir. of		
Councillor Sponga			Engineering Services, Dir. of		
Councillor Di Muccio			Public Works Services, Dir. of		
Councillor Emanuel			Financial Services, Dir. of		
			Legal Services, Dir. of		
CAO			Legislative Services, Dir. of		
OTHER:			Corporate Communications, Dir. of		
			Chief Building Official		
PENDING AGENDAS: COW			Economic Development Officer		
COUNCIL			Information Technology, Dir. of		
JCC			Fire Chief		
			Purchasing Manager		
Letter: File:			ORIGINAL REPORT IN DEPARTMENT BINDER	√	

Joint Chief Administrative Officer, Commissioner of Development and Infrastructure Services and Commissioner of Community Services (Closed Session) Report 2014-41 dated June 12, 2014 regarding Hollingsworth Arena.

Committee discussed the recommendations contained within the report and an alternate motion was presented.

Moved by: Regional Councillor Taylor
 Seconded by: Councillor Emanuel

a) THAT Joint Chief Administrative Officer, Commissioner of Development and Infrastructure Services and Commissioner of Community Services (Closed Session) Report 2014-41 dated June 12, 2014 regarding Hollingsworth Arena be received and the following recommendations, as amended, be adopted:

i) THAT staff be authorized to negotiate with San Michael Homes Developments with respect to the potential development of the Hollingsworth Arena site at 35 Patterson Street in conjunction with the property at 693 Davis Drive on the basis of a sale of the Town property and also alternatively on the basis of a joint venture with San Michael Homes Developments for the Town owned property with the goal of reporting on a preferred option for the approval of Council in the first quarter of 2015;

ii) AND THAT approval be granted to negotiate with San Michael Homes Developments on an exclusive basis and such negotiations address, among other things, the following:

TOWN OF NEWMARKET COUNCIL (CLOSED SESSION) EXTRACT - JUNE 23, 2014					
	REF'D TO	COPY TO		REF'D TO	COPY TO
Mayor Tony Van Bynen			Development & Infrastructure Services, Commissioner of		
Reg. Councillor Taylor			Community Services, Commissioner of		
Councillor Vegh			Corporate Services, Commissioner of		
Councillor Kerwin			Planning & Building Services, Dir. of		
Councillor Twinney			Recreation & Culture, Dir. of		
Councillor Hampen			Human Resources, Dir. of		
Councillor Sponga			Engineering Services Dir. of		
Councillor Di Muccio			Public Works Services, Dir. of		
Councillor Emanuel			Financial Services, Dir. of		
			Legal Services, Dir. of		
CAO			Legislative Services, Dir. of		
OTHER:			Corporate Communications, Dir. of		
			Chief Building Official		
PENDING AGENDAS: COW			Economic Development Officer		
COUNCIL			Information Technology, Dir. of		
JCC			Fire Chief		
			Purchasing Manager		
Letter: File:			ORIGINAL REPORT IN DEPARTMENT BINDER	√	

a) Terms of purchase or joint venture, b) land use approval processes, c) architectural controls, d) Timing and phasing of development, e) Financial security for performance to protect against default, f) Phasing for the potential decommissioning of the Hollingsworth Arena to address continuity of service for users of the facility;

iii) AND THAT staff be authorized to enter into discussions with Pickering College on an exclusive basis for development of a joint venture for the development of a single pad arena on that site to replace the Hollingsworth Arena with staff to report back to Council with options for an agreement in Q1, 2015;

iv) AND THAT staff be authorized to obtain professional advice as necessary;

v) AND THAT public consultations and public notices regarding the intention to dispose of lands be scheduled prior to any final negotiations;

vi) AND THAT Mr. Sandro Sementilli and Pickering College be notified of this action.

Carried

Figures 1, 2 & 3Town of Newmarket
Hollingsworth Arena Information*Figure 1 - This table represent the trending in registration for the major user groups over the last few years:*

Community Organization	2008 - 09	2010 - 11	2014 - 2015
Newmarket Minor Hockey Association	1876	1742	1448
Newmarket Figure Skating Club	1048	1087	1052
Central York Girls Hockey	872	945	986
Newmarket Rays Ringette	138	157	116
Newmarket Jets Speed Skating Club	30	56	54
York Simcoe Express Hockey	156	156	153
TOTAL	4120	4143	3809

Figure 2 - This table shows the breakdown of prime time hours booked and distribution between adult and youth:

	2008 - 09	2010 - 11	2014 - 2015
Total Youth Hours	6701.75	6589	6520.5
Total Adult Hours	1096	887.5	845
Total Hours	7798.5	7476.5	7365.5
% of Prime Time Booked	91%	87%	85%

Figure 3 - This table represents the number of ice surfaces supplied per capita in each of the comparator municipalities:

Municipality	Municipal Supply	Level of Service (Facilities per Population)
Newmarket	7	11,975
Ajax	5	24,000
Aurora	5	11,200
Milton	6	16,000
Whitby	10	13,200
Benchmark Average	7	15,275
Benchmark Median	6	13,200