

October 6, 2015

**JOINT CHIEF ADMINISTRATIVE OFFICER, COMMISSIONER OF DEVELOPMENT AND
INFRASTRUCTURE SERVICES, COMMISSIONER OF COMMUNITY SERVICES AND
COMMISSIONER OF CORPORATE SERVICES REPORT 2015-57**

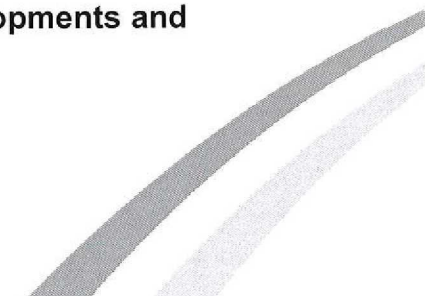
TO: Committee of the Whole

SUBJECT: Hollingsworth Arena – Corridor Development and Community Benefit Opportunity

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 2015-57 dated October 6, 2015, regarding Hollingsworth Arena Corridor Development and Community Benefit Opportunity be received and the following recommendations be adopted:

- 1. THAT Staff finalize negotiations with San Michael Homes Developments according to conditions set out by Council and execute a conditional Letter of Intent with the proponent to the satisfaction of Legal Services, with respect to the 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 Council's satisfaction with the financial terms presented in Closed Session Report 2015-54 on this meeting's agenda;**
 - 3. AND THAT the next steps associated with the replacement of Hollingsworth Arena be determined through consideration of Community Services – Recreation and Culture Report 2015-28;**
 - 4. AND THAT the sale of the Hollingsworth Arena site be conditional on Council's declaration of the property as surplus to municipal needs and staff being directed to follow the Town's land disposition process as summarized in this report;**
 - 5. AND THAT Mr. Sandro Sementilli of San Michael Homes Developments and Pickering College be notified of this action.**
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COMMENTS

The Town was approached by a property development company, San Michael Homes, regarding a potential development that would include its property at 693 Davis Drive, the Town-owned property at 35 Patterson Street presently used for the Hollingsworth Arena, and 713 Davis Drive. Committee of the Whole has received deputations from Mr. Sandro Sementilli of San Michael Homes earlier this year outlining an exciting, unique and fully integrated development concept and opportunity for the three sites in the northeast corner of Davis Drive and Patterson Street. The Joint CAO/Commissioners Report 2015-38 from June 2015 provided further background on directions given to staff to advance negotiations with this proponent under conditions that before the sale of the Town's land, a replacement option is to be found for the arena function in the community and the land is to be declared surplus to municipal needs. Staff has reported the financial details of such negotiations to Committee and Council in closed session.

Staff has retained the professional assistance of Mr. Robert Webb of Webb+Co Limited, along with the firm of N. Barry Lyon Consultants to provide advice on the matter and to undertake negotiations with San Michael Homes on behalf of the Town as directed. The negotiations have resulted in a deal that is considered to be fair for the Town, and that would result in achieving a number of local community benefits and Strategic Priorities for the Town.

Staff has considered the strategic importance of a successful development at this location, and subject to Council's direction, the proposal from San Michael Homes integrating the Hollingsworth Arena site with two other properties fronting onto Davis Drive provides Council with an opportunity to achieve a number of priorities, including:

- Enhancing recreational and community facilities
- Supporting community and neighbourhood projects
- Supporting innovative projects and partnerships
- Providing a vibrant and liveable corridor along Davis Drive
- Creating a sensitive transition and integration between the Davis Drive Corridor and the existing stable residential community to the north and northwest
- Prioritizing economic development in the urban centres through new mixed use projects which will should serve as a catalyst for other redevelopment along Davis Drive
- Supporting major transit service enhancements
- Promoting growth in a broadband priority corridor

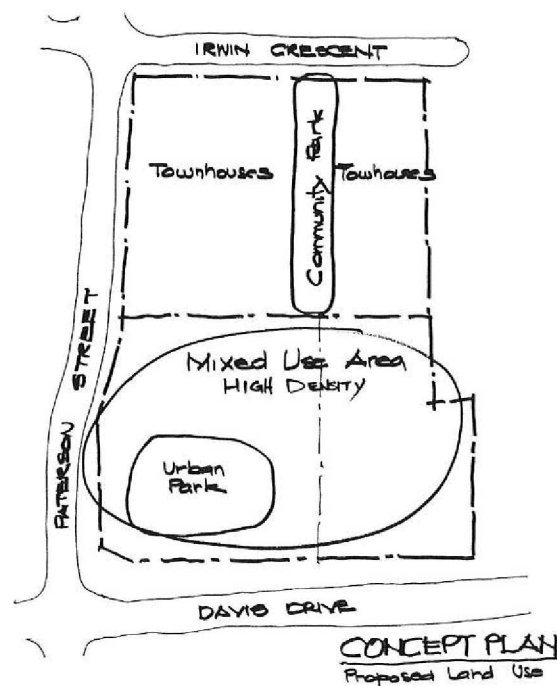
Development Concept

A key feature of the plan is a urban park near the intersection of Davis Drive and Patterson Street, which is then connected through the site to Irwin Crescent to the north via a linear park block.

The “urban park”, is to include public amenity features such as a special events area and a water feature in the summer and skating pad in the winter, not unlike what Riverwalk Commons provides for the downtown area. It is proposed to be open and visible from the Davis Drive/Patterson Street intersection.

The development densities and building heights would generally decrease from south to north – from heights of 12 to 15 storeys in the south to heights of 2 to 3 storeys in the north. On the north portion of the site, townhouses are proposed to facilitate an appropriate interface with the existing stable residential community to the north and northwest.

The above configuration is illustrated conceptually on the following figure.



Once a letter of intent has been executed between San Michael Homes and the Town, an extensive and multidisciplinary planning process for the site will begin. It is through this process that a final site plan will be established. This complex multidisciplinary process will include input from planners, architects, market and construction experts, other professionals and the Town. It will consider building massing, built forms, circulation patterns (vehicular and pedestrian), shadows, sightlines and much more. San Michael Homes has committed to the above design and planning process. It has committed to providing the opportunity for community input at the formative stages of the site planning process. It has also committed to working cooperatively with the Town to developing a plan that conforms to the Town's Urban Centres Secondary Plan and that it will not appeal any Town Council decisions.

Appended to this report are some initial concept plans and inspirational images that San Michael Homes has provided. It is stressed that all of the attachments are provided for general information only, and not for endorsement.

Secondary Plan Conformity

The three properties being considered as part of this integrated development proposal are within the Regional Healthcare Centre Character Area of the Town's recently adopted Urban Centre Secondary Plan. The properties are designated Mixed Use, with strips of land 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.

In terms of future land use for the Hollingsworth Arena site, maintaining the arena in its current form, or using the 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. The height and angular plane impacts are mitigated when the Hollingsworth Arena property is combined with adjacent parcels in an integrated design concept to better support the intensification goals of the Secondary Plan.

Any development concepts that are proposed must demonstrate how the intent of the Secondary Plan is met 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 through the site. In earlier discussions with San Michael Homes, 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 urban park, enhances this connectivity. It also enables another potential year round, programmable, urban park space. The potential for skating to remain on site as an outdoor feature of the urban park in winter months could be a very attractive public space and would pay homage to the ice surface currently found

at Hollingsworth Arena. 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.

Development Application and Approval Process

Once Council has determined that it is prepared to convey the Hollingsworth Arena lands, then the proponent will be in a position to start its required Planning Act process. This development will require a site specific Zoning Bylaw Amendment as well as Site Plan Approval from Council. Before such applications can be submitted, a pre-consultation meeting will be required between the applicant and staff to determine the nature and breadth of background studies and other information that will need to be submitted to support the applications. These include architectural site plan, building elevation, landscaping, site servicing, storm water management and composite utility plans among other requirements.

Necessary background studies can include (amongst others), the following:

- Environmental Site Assessment
- Planning Justification Report
- Viewshed Analysis
- Shadow Study
- Lighting Impact Study
- Wind Study
- Functional Servicing Report
- Traffic Impact Report
- Geotechnical Investigation Report
- Hydrological/Hydrogeological Studies
- Source Water Protection Study
- Noise, Vibration and Air Quality Impact Study
- Tree Survey
- Market Impact Study
- Archaeological Assessment
- Cultural Heritage Impact Assessment

Once all the noted studies, drawings and other work is complete, a formal application can be made, and if it is determined to be complete then it can be processed. The various studies are reviewed by the appropriate agencies or internal departments, or alternatively are peer reviewed by one of the Town's outside peer reviewers.

Staff will prepare a preliminary report for the Committee of the Whole providing a high level analysis of the application and making a recommendation as to whether the application is sufficiently far advanced to warrant referring it to a Statutory Public Meeting. If Council deems

appropriate, a Statutory Public Meeting is scheduled and notice of such meeting is given at least 20 days prior to the meeting. Affected property owners are notified and signs are typically placed on the property advising of the place and time of the meeting along with a brief explanation of the purpose of the application.

The applicant is required to make a full presentation of the nature of the applications at the Public Meeting, and the public is invited to make oral, written comments on the proposal, as well as to pose any questions they may have in respect of the applications. Following the Public Meeting, staff prepare a report for the Committee of the Whole for its consideration (typically a month or more after the Public Meeting) which provides an analysis of the results pertaining to the review of the various reports and studies and peer review work along with a review of the public comments received. That report makes recommendations to Committee of the Whole on the applications, which may include approval, denial or deferral (pending further modification of the Plan).

Committee of the Whole makes its decision and the matter is then referred to Council for ratification. If Council approves the applications, then a bylaw is prepared and is circulated to affected property owners for their information. Council's approval of the bylaw is subject to a 20 day appeal period and within that time period, a member of the public may appeal Council's decision to the Ontario Municipal Board for decision. If the application is not appealed, the bylaw comes into force and effect once the required appeal period is complete.

General Description of the Negotiated Deal

As has been reported previously to Council in Closed Session reports and meetings, and is reported again in a Closed Session report to this Committee of the Whole meeting, a comprehensive arrangement that is attractive to the Town has been negotiated with San Michael Homes. In addition to the site design, planning and public consultation commitments described elsewhere in this report, terms of the arrangement include:

- San Michael Homes providing evidence that it has the right to also develop 713 Davis Drive.
- A reasonably aggressive delivery schedule for the first phase of the overall project that, includes the first high rise tower, townhomes and the urban park.
- A commitment to a minimum number of high rise sales and other financial hurdles that must be satisfied by San Michael Homes.
- Assurance that construction of the first high rise tower will commence prior to the commencement of construction of the town house component of the project and that the first high rise tower and the urban park will be completed within two years of the start of any construction on the site. Financial guarantees and securities will be provided by San Michael Homes in this regard.

Where applicable, the above obligations must be satisfied before the closing of the sale of the Hollingsworth Arena Site to San Michael Homes.

Financial Impacts

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 estimated total of \$3.5 to 4.0 million in Town Development Charges would be collected from the proposed project.

There may be additional programming and events revenue generated by the public spaces in the urban square after project is complete.

Ice Surface Replacement

Replacing Hollingsworth Arena allows for the continuance of the current municipally programmed service level to arena user groups. This direction supports the research and recommendations contained within the Recreation Playbook. Replacing Hollingsworth Arena will enable meeting community ice needs today and projected needs into the future.

At this time, the preferred option to replace the Hollingsworth Arena is through a partnership arrangement with Pickering College for a new arena to be constructed on their lands. This efficient collaboration would share costs and serve user needs for both parties.

The other option to replace the Hollingsworth Arena would be for the Town to construct a third ice pad at Ray Twinney Recreation Complex; however, the capital and ongoing operating costs associated with this option would be more expensive as opposed to a partnership model with Pickering College given in this scenario the capital and operating remain entirely the responsibility of the Town.

Additional information and specific next step recommendations related to the ice surface replacement is contained in Community Services – Recreation and Culture Report # 2015 – 28. This report is to be considered at the October 20, 2015 Committee of the Whole.

Public Consultations

There will be opportunity for public input and comment through the following means:

- Input on rink replacement options
- Input on sale of surplus land
- Input on the development application through the Planning Act approval process and through additional community consultation that San Michael Homes has advised it is willing to undertake

It is recommended that a public process be initiated with area residents, sport user groups and the community as a whole specific to decommissioning Hollingsworth Arena at its current location and its replacement with an arena at Pickering College or other alternative option such as at the Ray Twinney Complex. This would invite appropriate public commentary on the subject proposal and the resultant preferred outcome for an arena replacement. It is recommended that this occur as soon as possible to facilitate the clearance of the conditions associated with the proposed Letter of Intent.

Notwithstanding that public consultation is not a requirement under the Town's Sale of Land Policy, a public process will be initiated with the community respecting the disposition of the Hollingsworth Arena lands. The process will allow input and comment from community members, and this information will be used by staff in assessing and formulating its recommendations respecting the surplus declaration and sale of the subject lands.

As noted earlier in this report, San Michael Homes is prepared to hold public consultation meetings in the community regarding planning and design concepts for the integrated development project. A full public consultation as part of the Planning Act and development application process will also occur once applications are submitted with supporting materials.

Sale of Land Policy

The Sale of Land Policy of the Town of Newmarket requires that the Town obtain an appraisal 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 balancing that factor with the other strategic goals of the corporation.

Pending a successful negotiation with the interested proponent and Council's direction to move forward with a disposition of the Hollingsworth Arena lands, staff will proceed 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;
3. Approval of the method of disposition by Council;
4. Provision of notice of the proposed disposition to the public; and
5. Council approval of the disposition

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

In addition to the Strategic Priorities described earlier, the review and analysis of development concepts has links to the following branches of the Town's Community Vision:

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

Staff from all Commissions were involved in the preparation of this report.

HUMAN RESOURCE CONSIDERATIONS

Not applicable to this report.

BUDGET IMPACT

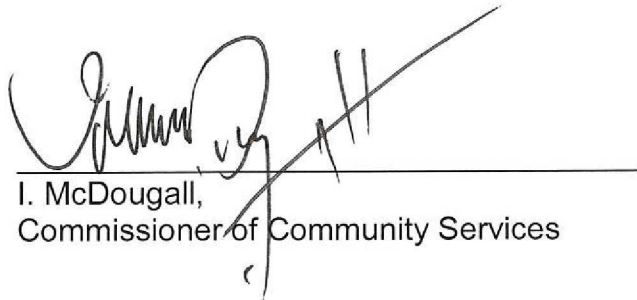
See Financial Impact section listed earlier in this report.

CONTACT

For more information on this report, contact the CAO or one of the Commissioners.



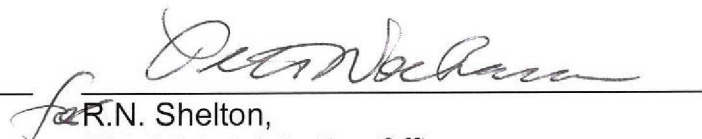
P. Noehammer,
Commissioner of Development &
Infrastructure Services



I. McDougall,
Commissioner of Community Services



A. Moore,
Commissioner of Corporate Services

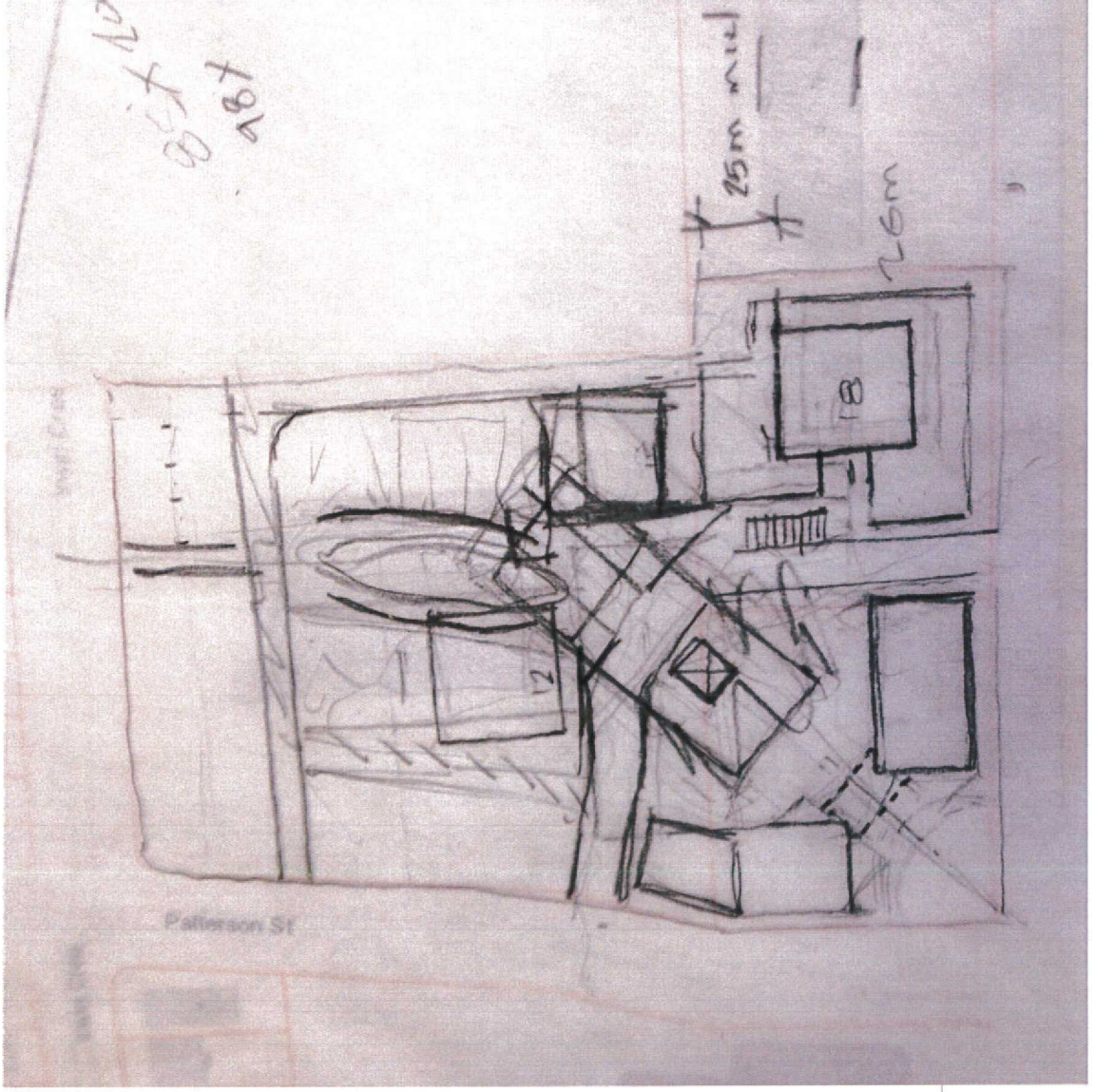


R.N. Shelton,
Chief Administrative Officer

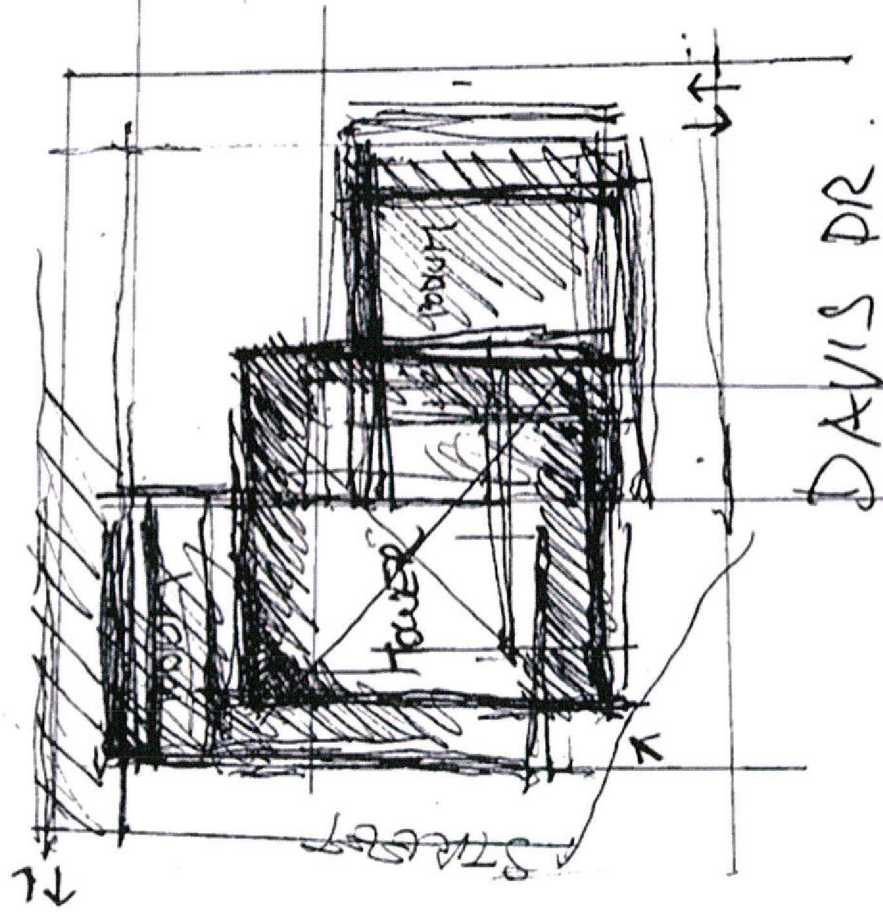
Inspirations



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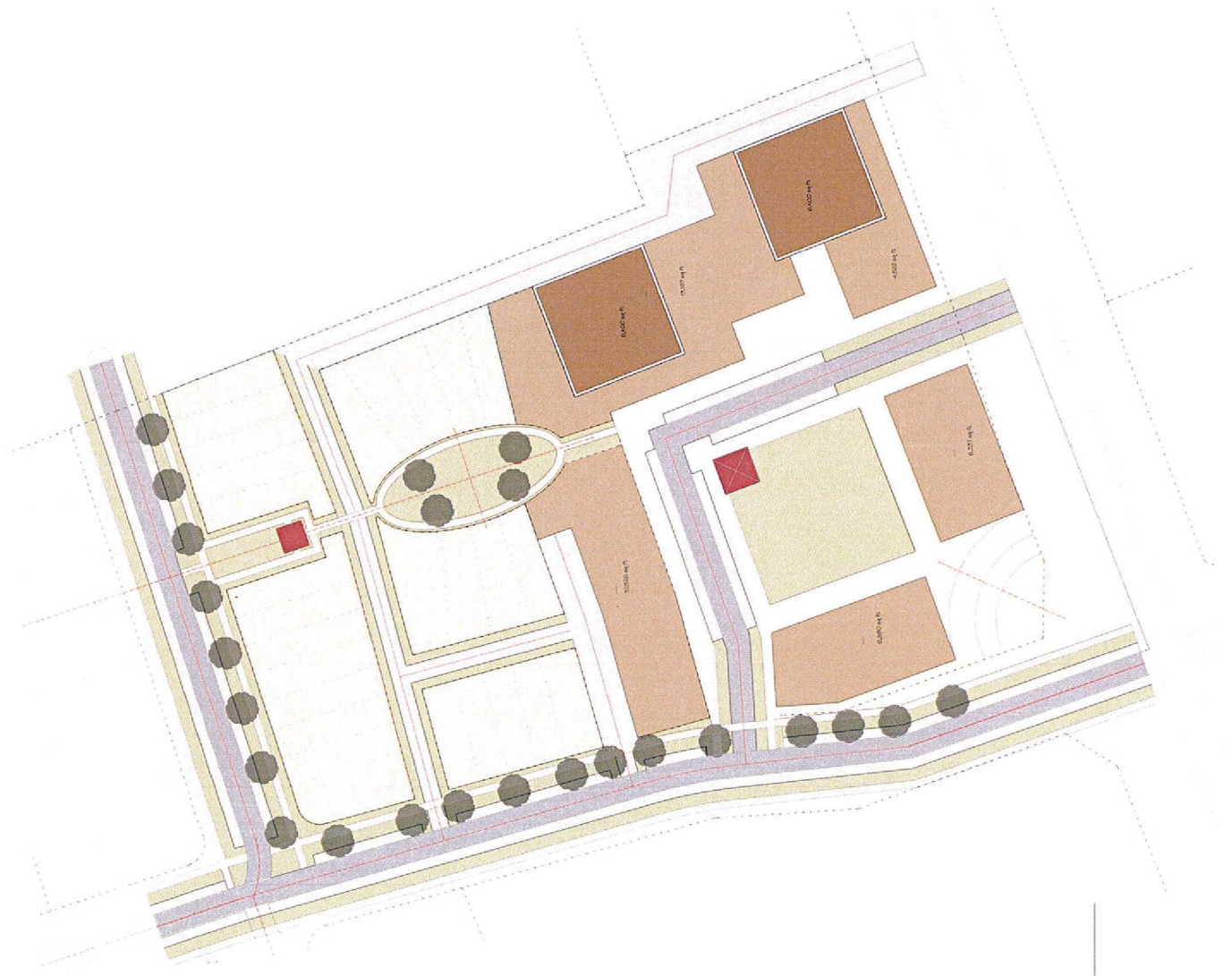


Inspirations



Basin Morning

Site Plan



PATTER.

STREET A

COURTYARD

STREET A

PARK

RETAIL AREA
7,770 s.f.

LANDSCAPING

PLAZA

RETAIL AREA
2,640 s.f.

LOBBY

MAIL

RAMP
DN

RETAIL AREA
3,050 s.f.

LOADING AREA

+1.00

+0.00

665

1850

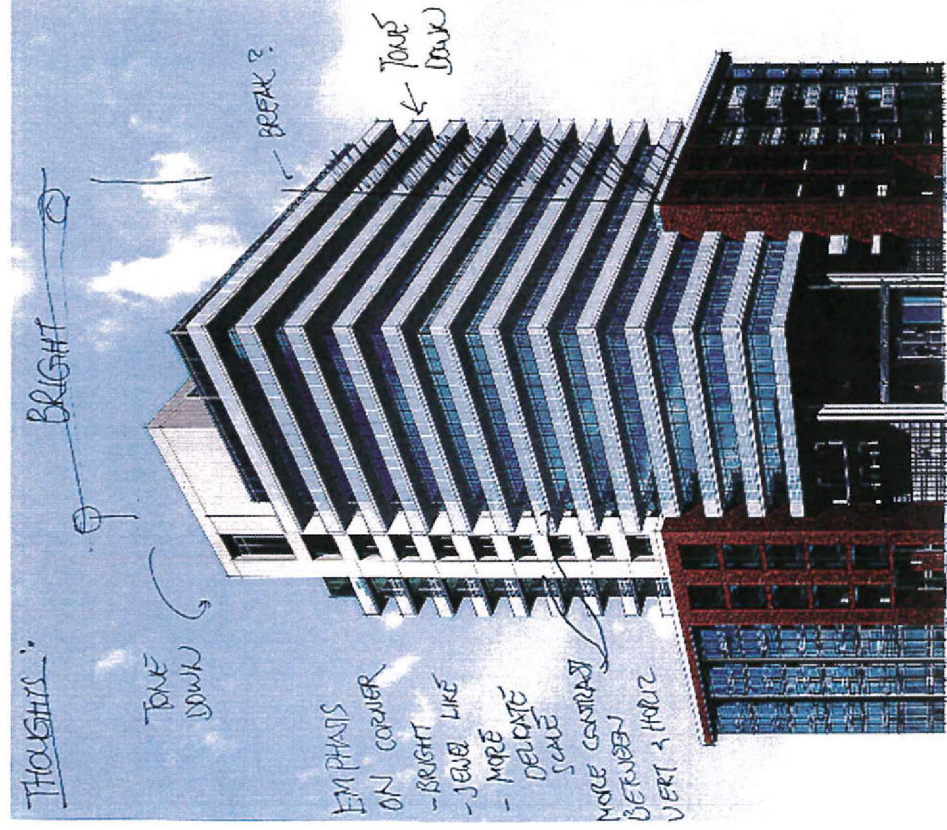
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Inspirations



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