



COMMUNITY SERVICES – ECONOMIC DEVELOPMENT
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December 17, 2015

JOINT REPORT # 2016 - 01

**COMMUNITY SERVICES REPORT – ECONOMIC DEVELOPMENT
DEVELOPMENT AND INFRASTRUCTURE SERVICES – PLANNING
CORPORATE SERVICES - FINANCE**

TO: Mayor Van Bynen
Members of Council

SUBJECT: Targeted Marketing Program to Advance Re-development of Davis Drive Properties

ORIGIN: Community Services – Economic Development
Development and Infrastructure Services – Planning
Corporate Services - Finance

RECOMMENDATIONS

THAT Community Services – Economic Development, Development and Infrastructure Services – Planning, and Corporate Services - Finance Joint Report # 2016 – 01 dated December 17, 2015 regarding the Targeted Marketing Program to Advance Re-development of Davis Drive Properties be received and the following recommendation(s) be adopted:

1. **THAT an exploratory engagement process and utilization of existing incentives and associated budgets be initiated immediately with a ‘to be identified’ list of developers/land owners related to specific properties along Davis Drive;**
2. **AND THAT while this exploratory engagement process is ongoing, staff engage outside consulting expertise to address development approval processes, associated timelines/communication practices, and incentive funding mechanisms/approaches and report back within 120 days;**
3. **AND THAT NEDAC be consulted throughout this process;**
4. **AND THAT the development of Davis Drive be the subject of a future Economic Development Congress within 2016 where a cross section of stakeholders can come together to share ideas specific to advancing the implementation of the Secondary Plan and in keeping with the NEDAC Economic Development strategy re-refresh currently in development;**
5. **AND THAT the staffing related to fulfilling economic development initiatives continue at their current levels as indicated in the report with longer term staffing to be monitored and reviewed against specific needs related to the realization of Council’s Strategic Priorities, implementation associated with the re-development of Davis Drive and to support NEDAC’s economic development re-refresh; with a detailed staffing report to come to Committee of the Whole no later than Q3, 2016.**

COMMENTS

The purpose of this report is to advance the following outstanding items:

1. *THAT staff provide a report within 90 days outlining the required resources, related costs and sources of funding available to implement a targeted marketing program to advance the redevelopment of Davis Drive properties for implementation by Q4, 2015 (note: to be addressed through Recommendations 1 – 4);*
2. *AND THAT the report includes how this can be accomplished without impacting the current and proposed economic development plans and initiatives (note: to be addressed through Recommendations 1 – 4);*
3. *AND THAT staff provide a report within 120 days on the use of funds budgeted for the business Development Officer (note: to be addressed through Recommendation 5);*
4. *AND THAT staff advise of the recommended approach for realignment of the added resource and provide goals, timelines, implementation and projected outcomes for each of the next five years (note: to be addressed through Recommendation 5).*

Background

With the VivaNext rapid transit corridor now open it is timely to consider ways the Town can further encourage the ongoing transformation of this vital economic corridor. Extensive redevelopment is anticipated with the Town's Urban Centres Secondary Plan (the Secondary Plan) identifying a community of 33,000 residents and 32,000 jobs within a longer term planning horizon. The overall goal is to transform Davis Drive and eventually Yonge Street into key economic corridors through mixed use commercial and higher density residential development.

Action taken leading up to the development and circulation of Community Services – Economic Development Information Report # 2015 - 29 included:

- A brainstorming session conducted with representatives from all departments. In attendance at this meeting were key staff from the following commissions/departments:
 - CAO's office - Corp. Communications, Human Resources
 - Community Services - Economic Development, IT Innovation
 - Corporate Services - Legislative Services
 - Development & Infrastructure Services - Building, Engineering, Planning, Public Works
- Following that session, a smaller working group was established to further assess/develop the ideas and suggestions identified. The working group completed a preliminary analysis of the existing processes, potential challenges and the goals for growth and have identified a series of recommendations intended to facilitate the development of this corridor.

- As a starting point, the following project goals were identified:
 1. Build excitement and support for the intensification of Davis Drive by increasing awareness of development opportunities. Determine how to further leverage and augment current communication tools and tactics related to the corridor development as well as identify new approaches;
 2. Increase/alternative public engagement in the planning processes for new developments;
 3. Demonstrate to developers that we are development ready;
 4. Ensure organizational readiness is aligned with growth opportunities;
 5. Work with Council to incorporate these changes into their strategic priorities.

- The working group further recognized the presence of several different stakeholder groups in the community, each requiring slightly different marketing plans/approaches.

In the time since the distribution of Community Services – Economic Development Information Report #2015 – 29, a brief recap of action taken leading up to this COW report includes:

- **Council Workshop**

In order to develop a more fulsome plan to address these requirements with defined tasks, outcomes and measures, a Council Workshop was held on October 26th that consisted of a presentation and discussion with N. Barry Lyon Consultants. N. Barry Lyon Consultants is a multi-disciplinary real estate consulting firm which specializes in tracking emerging economic, demographic and market trends, changes in government policy, the pulse of the land development industry, land use planning and development trends. The firm has provided market analysis and project feasibility services on behalf of the development industry within numerous GTA communities, including those in York Region.

Following the presentation, Council and staff discussed next steps with respect to project timing/potential phases and explored what has currently been identified as the potential scope of work and how best to achieve the outcomes. It was helpful to learn from N. Barry Lyon Consultants the importance of considering key variables such as proximity to transit, access to trails/parks, proximity to vibrant downtown, proximity to health care, proximity to shopping, etc., when targeting high-priority areas along the corridors.

➤ **Internal Staff Planning Meeting to recap Council Workshop and identify next steps**

A staff team met following the workshop. Specifically discussed was how to advance what was summarized as: Developer Specific Initiatives (both targeted and broader development community/investor/land owner messaging), Community engagement, and Aligning People and Processes to support development (organizational readiness).

➤ **Internal staff discussion on intensification, incentive programs (current), etc**

A staff team met to review report draft recommendations as well as to explore the current situation regarding incentives, Community Improvement Plan (CIP) program specifics/enhancements, etc.

➤ **Ongoing meetings with landowners and developers as they arise**

Specific developers/landowners along Davis Drive are showing increasing development interest and conversations with staff have occurred. These discussions inevitably include clarification on municipal support to enhance economic viability and reduce risk, and include items ranging from administrative processes through to potential incentives.

➤ **COW report (today)**

This report recommends specific action steps intended to advance the re-development of Davis Drive properties.

Analysis

A marketing plan for the development industry needs to focus on market opportunities in an effort to “accelerate development” along the Davis Drive corridor.

Specifically, the plan should include opportunities to increase:

- Awareness of Newmarket as a desirable business location;
- Retention of existing businesses;
- Interest in Davis Drive as a business opportunity;
- Market confidence;
- Belief that Newmarket will offer a ROI;
- Developer familiarity with Newmarket with an expectation of predictable approval processes.

Throughout this process it will remain important to engage the community and leverage local expertise. The Chamber of Commerce, NEDAC and the Community Collaborative Ecosystem (CCE or Innovation Team), York Region, Southlake Regional Health Centre, etc., will all provide valuable insight and partnerships for advancing a plan to encourage redevelopment along the Davis Drive corridor.

York Region Corridor Marketing Study

It should be noted that York Region is also undertaking an Office Attraction Marketing and Communications Plan for the four main Regional Centres: Vaughan, Markham, Richmond Hill and Newmarket, in addition to the Regional corridors connecting these centres. This strategy is expected to be completed by Q1 2016, and will include a twelve month detailed plan of execution to increase awareness of office market potential. It will be necessary to dovetail Regional marketing efforts with the Town's to maximize impact and ensure consistency of messaging.

Town of Newmarket Existing Community Improvement Plan (CIP) Designated Area

The Town of Newmarket's only CIP is the "Newmarket Historic Downtown Community Improvement Plan". This CIP's primary focus, and majority of funding activity, is centred on the revitalization of existing buildings within the historic Lower Main Street area, however a portion of the Plan's designated area encompasses parts of Davis Drive (Attachment B). A suite of nine financial incentive programs are available to eligible property owners and tenants, however five "big-ticket" programs more applicable to large-scale redevelopment projects have never been utilized. These include:

- Redevelopment and Rehabilitation Tax Incentive Program
- Development Charges Rebate/Credit Program
- Planning and Building Fees Rebate/Credit Program (some minor exceptions)
- Parking Requirement Program
- Parkland Dedication Exemption Program

These tools are presently available for Council's consideration in supporting Davis Drive development projects where they exist along the portions of Davis Drive that lie within the CIP area. Council can also look at either the potential expansion of the CIP area versus the establishment of another CIP area(s) to support strategic investments on the Davis Drive and/or Yonge Street corridors. Staff is currently researching these two options.

Ultra – High Speed Broadband Initiative

An important piece of community infrastructure to entice and support commercial and residential growth along the Davis Drive corridor is the ability to provide affordable, ultra-high speed symmetrical broadband connectivity. This project is directly supported by the Secondary Plan policies which require developments to be designed to provide for the implementation of leading edge communication technologies, including but not limited to broadband fibre optics. This project is advancing to the point where a detailed report/update to Council expected in Q1 2016.

Newmarket Economic Development Advisory Committee (NEDAC) Economic Development Strategy Re-Fresh

NEDAC is in the process of reviewing its role in positively influencing the economic growth and development of the community. Specific attention is being paid to aligning initiatives with Town priorities and documents as NEDAC goes through this strategic process. Specifically, the Secondary Plan and Council's Strategic Priorities will strongly influence the proposed direction for NEDAC. A joint NEDAC / Council session is scheduled in January, 2016 to advance this re-fresh process. Once a unified position is reached, it will be taken to the community for input through a NEDAC Community Congress.

Newmarket Economic Development Advisory Committee (NEDAC) Community Congress

Near the end of the last term of Council, NEDAC and Council reviewed the role and structure of NEDAC. Outcomes included a shift in composition size, meeting frequency changes, and the introduction of NEDAC Community Congresses to spark a larger community conversation on specific economic development items. Relevant groups and individuals will be invited that can represent the broader community perspective and/or provide specific input based on associated service offerings each group provides (e.g. Chamber of Commerce, ventureLab, York Region, etc). The inaugural Congress is intended to focus on the planning work currently ongoing between NEDAC and Council.

Advance Re-development of Davis Drive Properties Linkage with Economic Development Staffing

Staffing within Economic Development consists of one full-time Economic Development Officer (EDO) and one half time equivalent time of an Administrative Assistant. In addition, the Commissioner of Community Services also invests a minimum of 25% of his time working on economic development initiatives. Over the past year or so, to support the numerous projects that so closely align with the strategic and operational directions of the Town, in addition to the 1.5 FTE indicated above, the following additional supports have been in place:

- ❖ Secondment (1 FTE): Director of IT Innovations has been supporting the Community Collaborative Ecosystem (CCE) or also known as the Innovation Team; and serving as a lead in the advancement of the ultra-high speed broadband initiative. In addition, efforts are ongoing to further build an organizational culture rooted in creativity and innovation by all Town employees.
- ❖ Project Support (Approximately +/- .25 FTE): The Corporate Project Consultant served as the project coordinator on the development of the first ever dedicated economic development website for the Town. In addition, it is anticipated that this individual will transition (on an interim basis) to take on the coordination of the downtown grants program and liaison with the Newmarket Downtown Development Committee (NDCC) to be administered through a service level agreement. In addition, the Marketing and Sponsorship unit within Community Services has been engaged to a larger extent than in the past to support specific opportunities (e.g. economic development video for website; EDCO award video; promotional materials; initial discussion regarding the creation of a Secondary Plan webpage directed towards the development industry; etc).

The intention of the current approach to staffing is to augment resources for project-specific projects while enabling the EDO to have additional time to focus on strategic and emerging economic development initiatives. While this provides short-term relief to economic development resourcing issues, the go forward intent is to monitor and then customize a more stable staffing complement to match with specific needs that will evolve out of the development of the corridors exercise and supporting the economic development re-refresh results. This report recommends that go forward staffing of economic development will be the subject of a report no later than Q3 2016.

Planning Initiatives

The following Planning initiatives are being undertaken in order to create a policy/zoning framework that encourages the redevelopment of the corridor:

- ❖ **Mobility Hub Study:** A Mobility Hub Study will be undertaken which will more closely analyze and determine land uses / densities within the area of the Newmarket GO Train Station along Davis Drive. An element of this Study will also provide recommendations on how to better integrate the GO Train Station with the Rapidway, GO bus service and terminal, YRT bus service, active transportation on surrounding trails and pedestrian connectivity in order to create a transit hub on the site.
- ❖ **Zoning By-law Update:** Once the Secondary Plan is approved, the Town will have three years in which to update the corresponding zoning (i.e. all lands within the Secondary Plan area). Staff are exploring the possibility of non-conventional zoning (i.e. Development Permit System, or Form-Based Zoning) as an alternative to conventional zoning as a means to encourage redevelopment along the corridor.
- ❖ **Parkland Dedication By-law:** Barry Lyon Consultants was retained to undertake a peer review of the Town's draft proposed Parkland Dedication By-law. Staff are preparing a Parkland Dedication By-law outlining the land dedication and payment in lieu requirements, in accordance with the recommendations of the peer review and the requirements of the recently approved Bill 73. This By-law will acknowledge the economic landscape of Newmarket and will potentially include incentive-based parkland dedication requirements as a means to spur higher levels of investment.
- ❖ **Municipal Energy Plan:** A Municipal Energy Plan is currently being undertaken by the staff and the Town's consultants. This Plan will include recommendations regarding programs to increase energy efficiency in both residential and industrial sectors. This Plan will research the feasibility of a District Energy system for key areas of the Town, including the Davis Drive corridor. A District Energy system along Davis Drive would have significant economic development benefits including increased energy reliance and stable energy costs.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links with several of Newmarket's Council strategic priorities including:

Economic Development – creating a strategy for vibrant and livable corridors along Davis Drive and Yonge Street

Community Engagement – aligning ourselves with communications best practices.

The recommendations in this report also support the links to the Town's Strategic Plan:

Well-Equipped and Managed by implementation processes that reflect innovative and accountable governance in achieving service excellence.

Well-Planned and Connected goal of ensuring the revitalization of neighbourhoods and improved interaction with the community.

CONSULTATION

Consultation to date has occurred internally and through the Council Workshop that was open to the public and was well attended by NEDAC members. Following circulation of this report to Members of Council, it will be circulated for information to NEDAC members. A key component of the recommendations is to conduct extensive consultation with the various stakeholder groups within the community.

HUMAN RESOURCE CONSIDERATIONS

Staffing levels are not impacted as a result of the recommendations in this report, although immediate work plans may be adjusted to accommodate this program.

BUDGET IMPACT

The March extract included, "*AND THAT the report includes how this can be accomplished without impacting the current and proposed economic development plans and initiatives*". Achieving this work plan will be funded through development charges less the Town portion (10%) which would be funded through Economic Development.

Any go forward budget implications that exceed delegated authority linked with the implementation of the second recommendation contained in this report would be subject to a future report and approval by Council.

CONTACT

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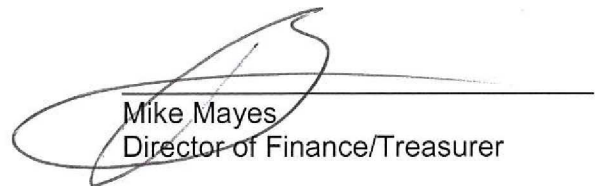
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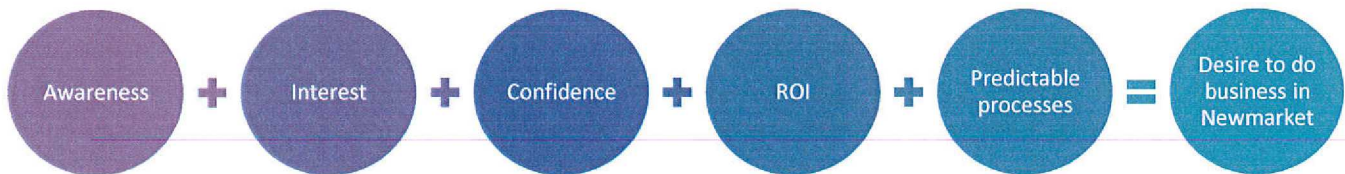
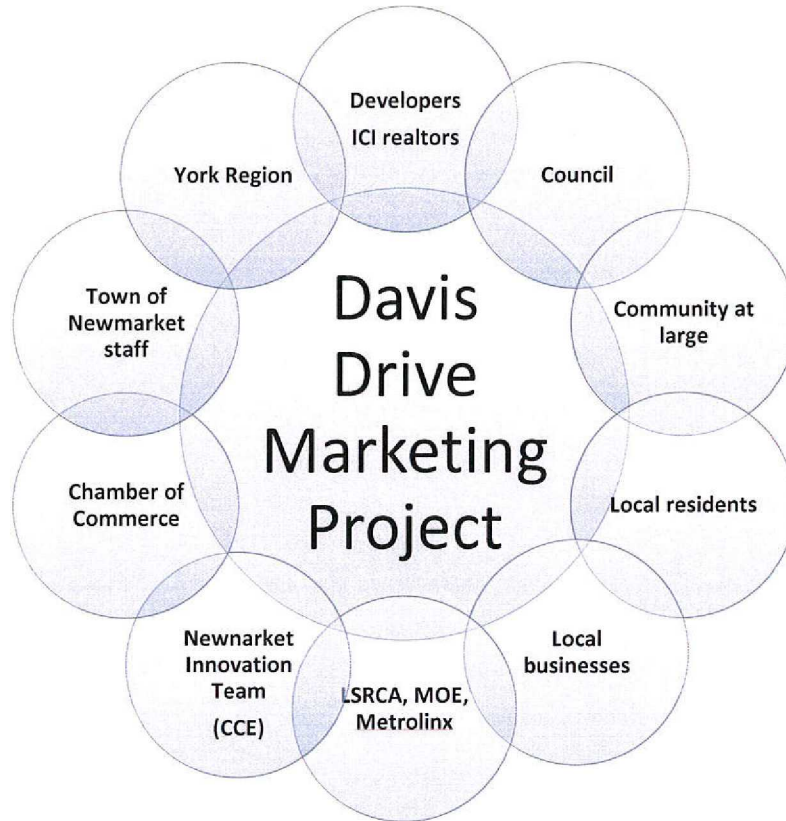


Mike Mayes
Director of Finance/Treasurer

Attachments: A & B

Attachment A

Preliminary List of Stakeholders



Attachment B
 Limits of the Newmarket Historic Downtown Community Improvement Plan (CIP)

