



Town of Newmarket  
395 Mulock Drive P.O. Box 328,  
Newmarket, Ontario, L3Y 4X7

Email: [info@newmarket.ca](mailto:info@newmarket.ca) | Website: [newmarket.ca](http://newmarket.ca) | Phone: 905-895-5193

## **Mulock Property Implementation Budget Update Staff Report to Council**

Report Number: 2022-19

Department(s): Financial Services, Engineering Services

Author(s): Bill White, Project Management Leader – Mulock Property; Mike Mayes, Director, Financial Services & Treasurer

Meeting Date: March 21, 2022

### **Recommendations**

1. That the report entitled Mulock Property Implementation Budget Update be received; and,
2. That a Capital Spending Authority of \$2,800,000 be established for consulting, design services, and construction works to maintain the Mulock House State of Good Repair; and,
3. That a Capital Spending Authority of \$500,000 be established for consulting design services associated with the Mulock House Adaptive Re-Use; and,
4. That a Capital Spending Authority in the amount of \$200,000 be established for consulting design services associated with Hydro Corridor Parking; and,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **Executive Summary**

The Mulock Property program was described in the Mulock Park Master Plan, as presented to Council in reports 2020-36 and 2021-29, which outlined Phases 1 and 2 of the project, respectively. The required work consists of four main projects: Mulock Park, Mulock House State of Good Repair, Mulock House Adaptive Re-Use, and Hydro Corridor Parking Projects.

Spending authority has been provided previously for the Mulock Park Project. Staff recommend that design and construction works for the Mulock House State of Good Repair Project be completed in 2022. Additionally, staff recommend commencement of

design and engineering services for the Mulock House Adaptive Re-use Project and Hydro Corridor Parking Projects in 2022. Design works for the House Adaptive Re-Use Project and Hydro Corridor Parking will continue into 2023.

To commence these previously planned works, total value of the requested Capital Spending Authority is \$3.5 million. Requested Capital Spending Authority includes \$2.8 million design and construction of the State of Good Repair works, \$0.5 million to commence architectural and engineering services for the Mulock House Adaptive Re-Use, and \$0.2 million to commence engineering services for the Hydro Corridor Parking.

Dedicated funding is already available for the requested Capital Spending Authority. Future Capital Spending Authority will be requested based on the design work being undertaken and as the project and financial plans develop.

## **Purpose**

This report provides a financial framework for projects associated with implementation of the full program proposed in the Mulock Property Master Plan. In order to advance planning for next steps, the report also seeks to establish spending authority to retain necessary consultants so that design work on the Mulock House and for the Hydro Corridor Parking may commence in 2022 and proceed through 2023. Recognizing the need for ongoing maintenance of the Mulock House, the report also seeks spending authority to retain one or more Contractors to complete ongoing State of Good Repair work for the Mulock House in 2022. Dedicated funding is already available. This report seeks Council consent to spend those funds by granting Capital Spending Authority.

## **Background**

### **Required Projects to Implement Mulock Property Master Plan**

The Town of Newmarket acquired the Mulock Property at 17680 Yonge Street in 2017. Through broad consultation, a Master Plan was developed by PLANT Architect Inc. (PLANT) and Town staff. Phase 1 of the Mulock Property Master Plan was presented in Staff Report 2020-36, and Phase 2 was approved by Council in Staff Report 2021-29. The Mulock Park Master Plan identifies a capital program to be completed including:

1. Concepts for development of the existing estate grounds and gardens into a public park, including integration of the existing Jim Bond Park into the new, larger green space.
2. Preliminary planning for renovation of the historic Mulock House (“adaptive re-use”), as a cultural or innovation space, with specific use to be determined.
3. Providing supplementary parking on the existing utility corridor to the north, which is owned by Hydro One Systems Inc. (Hydro One). As part of developing this parking lot, a pathway link would be provided through lands owned by Criterion

Investments Inc. This link would connect to the parking as well as existing and proposed multi-use pathways. A licensing agreement will be required with Hydro One to secure the required parking site.

Work to implement the Master Plan has been allocated into multiple projects based on location and required schedule, as shown in Figure 1:

1. **Mulock Park Project:** Design and construction of the park (Parcel A in Figure 1), including the Mulock Property and Jim Bond Park. Key features include indoor four-season greenspace at the conservatory, artist studio, skate pavilion and trail, restoration and development of the estate grounds including trails and lighting, maintenance building and other required support facilities.
2. **Mulock House State of Good Repair Project:** design and construction works which must be completed to the Mulock House (Parcel B) to protect the house for future renovation into a cultural or innovation space.
3. **Mulock House Adaptive Re-Use Project:** design and construction works to renovate the Mulock House (Parcel B) and make it ready for occupancy.
4. **Hydro Corridor Parking Project:** phased design and investigation to secure a licensing agreement with Hydro One, followed by detailed design and construction of the required parking in the Hydro Corridor (Parcel C) to support the Mulock Property while preserving greenspace.



Figure 1: Mulock Property and environs, showing Mulock Property & Jim Bond Park (Parcel A), Mulock House (Parcel B), and Hydro Corridor (Parcel C).

By-Law 2003-168 designates the Mulock Property at 17680 Yonge Street as being of Architectural or Historical Value or Interest. Works on the Mulock Property will therefore be subject to review and require a Heritage Permit under the *Ontario Heritage Act, 1990* as it potentially impacts the architectural and historical character of the property.

## **Mulock Park Project Update**

Design for the Mulock Park project is progressing. At completion of the Schematic Design phase in January 2022, the Class C interim construction estimate was within the approved \$30,000,000 construction budget. A Class C estimate represents an accuracy level of plus or minus 20%. Current schedule projections estimate completion of design in late 2022, with tender and construction commencing in early 2023. Construction completion is expected no later than 2025. No budget or spending authority changes are proposed at this time with respect to the Mulock Park Project.

## **Mulock House State of Good Repair Project**

Prior to purchase of the Mulock Property, the Town retained consultants who undertook a condition assessment of the existing house and property during the due diligence period.

A report by R. J. Burnside & Associates, Limited (R. J. Burnside) dated September 29, 2017 identified selected repair work. Among other items, these repairs included work to the roof and verandah. Town staff identified the existing rubble foundation as a significant condition risk. A supplementary report which was prepared by R. J. Burnside and dated October 31, 2017, identified proposed remedial solutions with recommended actions.

In the period after purchase of the Mulock Property, Staff completed targeted temporary measures so that the recommended works could be deferred and completed in coordination with development of the Mulock Park Master Plan and its implementation.

Staff have continued to monitor the condition of the Mulock House on a frequent basis. Monitoring has identified that the timing is now appropriate to complete repairs for selected elements including the roof, verandah, and rubble foundation. These repairs are necessary to prevent further deterioration of the House and should be carried out now, prior to commencing the full renovation of the house.

## **Mulock House Adaptive Re-Use Project**

The Master Plan recommends renovation of the Mulock House to suit a wide range of uses, including as examples: a university innovation space; or a satellite site to an existing, high-profile art gallery. These renovations will require substantial interior and exterior restoration and modifications, while respecting the historical and architectural character of this property designated under the *Heritage Act*.

It is preferable for the Mulock House to be ready for occupancy at the same time that the Park opens for public use. As architectural and heritage consulting design services

have not yet been procured for this project, it is important to establish a budget for this work so that design may commence in mid-2022.

## Hydro Corridor Parking Project

Based on the Master Plan and consultation with Hydro One, approximately 200-225 parking spaces can be provided on the Hydro One right-of-way (Hydro Corridor) located approximately 50 metres north of the Mulock Property. This off-site but nearby parking option is important to minimize unplanned on-street and off-street parking in adjacent areas. Locating the parking on the Hydro Corridor also preserves greenspace within the Mulock Property and Jim Bond Park. The Hydro Corridor Parking Project will also secure lands to provide a needed link in the multi-use pathway system between the Mulock Park and the Ray Twinney Recreation Complex.

Preliminary discussion between Town staff and Hydro One indicates that Hydro One is amenable to the proposed use. Hydro One have advised staff that additional engineering design is required to advance discussion and secure a licensing agreement.

## Discussion

### Spending Authority is Required

Budget for the Mulock Park Implementation was approved with Staff Report 2021-30, at the conclusion of the Mulock Property Master Plan process. The previously approved budget expressly excludes work on the Mulock House and offsite parking. Separate budgets will be required for the Mulock House State of Good Repair, Mulock House Adaptive Re-Use, and Hydro Corridor Parking Projects.

Engineering Services staff and Financial Services staff have consulted, and identified that funding is available for the spending authorities requested in this report.

Table 1 summarizes the estimated expenditures for spending authority being requested at this time for each element identified. Funding sources are discussed in the following sections.

**Table 1: Requested Spending Authorities**

Project Task	EXPENDITURE (\$ million)		
	2022	2023	Total
Mulock House State of Good Repair – Design	0.3		0.3
Mulock House State of Good Repair – Construction	2.5		2.5
Mulock House Adaptive Re-Use – Design	0.2	0.3	0.5
Hydro Corridor Parking - Design	0.1	0.1	0.2
<b>Total</b>	<b>3.1</b>	<b>0.4</b>	<b>3.5</b>

## **Mulock House State of Good Repair: Design & Repair Spending Authority**

*Spending authority is requested for an estimated cost of investigation, design, and repair work of \$2.8 million including contingency. To maintain the condition of the Mulock House, it is expected that all funds would be expended in 2022.*

The State of Good Repair Work identified in Attachment 1 was reviewed by staff in consultation with R. J. Burnside. Work to be completed under this project is limited to items which:

1. Pose an imminent danger to health and safety;
2. May be at risk of failure if not corrected in the next 2-3 years;
3. Would lead to deterioration of the Mulock House if not implemented; or
4. Are required to permit construction of the House to support the Mulock Park project.

State of Good Repair work completed in advance of final renovation would be permanent, and therefore reduces future expenditure for the Adaptive Re-Use Project. Attachment 1 shows R. J. Burnside's original capital estimates for this work, adjusted for inflation to 2022.

## **Mulock House Adaptive Re-Use Project: Consulting Spending Authority**

*Spending authority is requested for architectural and engineering services cost of \$0.5 million to be expended in 2022 and 2023.*

Architectural and engineering services for Adaptive Re-Use of the Mulock House will progress from the baseline provided by the Master Plan. Services will include design, permitting, construction general review and contract administration for the historic Mulock House, to permit full renovation of the interior and exterior.

Preliminary spending authority is requested for 2022 and 2023 to commence design consulting services. Spending authority for additional architectural and engineering services and construction will be requested separately as part of future years' budget approvals, as project scope is refined through the design process.

## **Hydro Corridor Parking Project: Consulting Spending Authority**

*Spending authority is requested for an engineering services cost of \$0.2 million to be expended in 2022 and 2023.*

Staff recommend that preliminary engineering services be provided for the purpose of securing a licensing agreement with Hydro One. Commencement of remaining engineering services would be conditional on successful negotiation of a licensing agreement.

Spending authority for construction will be requested separately as part of future years' budget approvals. Preliminary spending authority is requested for 2022 and 2023, to commence design services required to secure a licensing agreement and prepare designs for tender. Spending authority for additional inspection services and construction will be requested separately as part of future years' budget approvals, as project scope is refined through the design process.

## Funding for Capital Spending being Requested

In consultation with Financial Services staff, Engineering staff have identified funding sources as summarized in Table 2, below:

**Table 2: Funding for Capital Spending Request**

Funding Source	EXPENDITURE (\$ million)		
	2022	2023	Total
Mulock Farm Reserve	2.7	0.0	2.7
Federal Gas Tax	0.3	0.3	0.6
Development Charges	0.1	0.1	0.2
<b>Total</b>	<b>3.1</b>	<b>0.4</b>	<b>3.5</b>

Funding for this work has been previously allocated, including:

- Unspent Mulock Farm Reserve funds allocated in 2017 for due diligence consulting and repairs, and savings on debt servicing;
- Development Charge collected for parking lots; and
- Federal Gas Tax Funds, which were received in addition to our standard annual allocation.

**This approach would ensure that there is no impact on tax rates.**

## Conclusion

Based on the magnitude of this project, it is important that staff provide annual updates on the funding of the project as part of the annual budget process. Flexibility has been built into the funding to allow for realignment with other financial initiatives.

## Next Steps:

1. Update the 2022 approved Capital Budget, and forecasts for future Capital Budgets.
2. Retain Consultants for the Mulock House State of Good Repair, Mulock House Adaptive Re-Use, and Hydro Corridor Parking projects.
3. Factor architectural and engineering costs into future Capital Budgets.

## **Business Plan and Strategic Plan Linkages**

Providing budget and spending authority furthers Council's Strategic Priority of Extraordinary Places and Spaces, by authorizing funding and spending authority for interim stages necessary for implementation of the Mulock Property Master Plan.

This plan furthers Council's Strategic Priority of Long-Term Financial Sustainability by working towards multi-year capital budgets.

## **Consultation**

The content of this report has been developed in collaboration with Financial Services, Human Resources Services, Public Works Services and Engineering Services.

## **Human Resource Considerations**

It is anticipated that two additional Contract staff resources will be required to execute the proposed design and construction program for the Mulock Property. Allowance for additional staff is included in the expenditures.

## **Budget Impact**

### **Operating Budget**

The Mulock Park can be built with no additional tax impact, and the operating budget required to support the park is being phased in annually by a planned allotment of \$250,000 of assessment growth each year for 5 years. Operating costs will be verified at completion of the Design Development phase in mid-2022.

This estimate does not include programming costs. At this time, it is assumed that these costs will be offset by user fees and assessment growth. These could be dealt with in future budgets starting in 2024.

### **Capital Costs**

Design of the Mulock House State of Good Repair and Adaptive Re-Use Projects, completion of the State of Good Repair construction, and design of the Hydro Corridor Parking will require an increase in Capital Spending Authority of \$3.5 million, \$3.1 million of which applies to 2022, and the remaining \$0.4 million to 2023.

Dedicated funding is already available, and this report is seeking Council consent to spend those funds by granting Capital Spending Authority.

Any future capital construction and consulting costs required in future years will be based on the design work being undertaken and as the project and financial plans develop. The specific funding would be determined and will be requested in future years' budgets.



## **Attachments**

Attachment 1 – House State of Good Repair – Urgent Costs

## **Approval**

Mike Mayes, Director, Financial Services/Treasurer

Rachel Prudhomme, Director, Engineering Services

Peter Noehammer, Commissioner, Development & Infrastructure Services

Esther Armchuk, Commissioner, Corporate Services

Ian MacDougall, Chief Administrative Officer

## **Contact**

For more information on this report, contact Peter Noehammer at 905-953-5300, ext. 2201, [pnoehammer@newmarket.ca](mailto:pnoehammer@newmarket.ca)