



Town of Newmarket
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Adaptive Re-Use of the Former Operations Centre, 623-625 Timothy Street Staff Report to Council

Report Number: 2023-06

Department(s): Economic Development

Author(s): Chris Kallio

Meeting Date: January 30, 2023

Recommendations

1. That the report entitled Adaptive Re-Use of the Former Operations Centre, 623-625 Timothy Street dated January 30, 2023 be received; and,
2. That Council approve the issuance of a Request for Proposal that includes:
 - Phase One that results in a detailed redevelopment concept plan of the Old Operation Centre site that meets economic and community development goals of the Town and is based on an extensive community engagement process; and,
 - Subject to Council's authorization, Phase Two for the completion of a comprehensive business plan that includes capital costs to redevelop the site in accordance with the concept plan, sources of financing, and an Operations and Management plan that ensures long term economic sustainability; and,
3. That subject to a supportable redevelopment concept and business plan, staff be directed to work with the successful proponent to redevelop and operationalize the site via a lease agreement.

Purpose

The purpose of this report is to seek Council support for the potential redevelopment of the Old Operations site now that it has been vacated by Central York Fire Services (CYFS). This will be achieved via a two-stage Request for Proposal process. Phase One will result in a development vision for the site and detailed concept plan that meets Town economic and community development goals, and which is based on extensive community engagement. This will be followed by the completion of a business plan, including capital requirements, financing sources, and an operations and management plan in Phase Two. This Phase is intended to demonstrate the likelihood of long term economic sustainability of the proposed redevelopment concept.

The Town seeks one proponent, or strategic partners where warranted, with the expertise and resources to undertake both Phase One and Phase Two. In addition, and subject to a successful outcome at the conclusion of Phase two, the Town will only consider proposals where the proponent(s) has the ability to complete the physical redevelopment of the site and assume ongoing operation of the project. This will be achieved via a negotiated lease agreement with the Town.

The Town will review the outcomes of each Phase with the proponent only proceeding to a subsequent stage upon the Town's authorization.

Background

Newmarket has a strong track record supporting the adaptive reuse of Town-owned properties to support community place making as well as economic and social goals. Two recent projects in proximity to this location include NewMakeIT, York Region's premiere maker space (located in 5,000 ft² on site at 623 Timothy Street), and the transformation of the former 1952 fire hall in Newmarket's historic Main Street district into a craft beer and entertainment venue. Others include the building currently leased by Cachet restaurant at Main and Water Streets, the Chamber of Commerce-leased historic train station on Davis Drive, the Newmarket African Caribbean Canadian Association (NACCA) lease of the former Habitat for Humanity building located at 449 Eagle Street, and the currently under construction Denison daycare project at the Stickwood-Walker farmhouse site.

With the recent relocation of CYFS to its new location in Aurora, this provides an additional opportunity to repurpose another Town-owned facility while meeting strategic community goals.

Discussion

Goals

The 2021-2024 Economic Development Strategy is premised on three strategies:

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1. business investment and talent attraction;
2. building an entrepreneurial ecosystem, and;
3. supporting community “vibe-rancy.”

Dovetailing nicely with these strategies, one of the goals of this project is to support the growth of entrepreneurship, innovation, and creativity within a community hub concept. This builds on recent community-supported initiatives such as the Treefrog Accelerator and the November, 2022 inaugural ARC Summit, which for the first time connected local entrepreneurs within the ICT, creative and digital transformation space in recognition of their growing importance to the future economic growth of Newmarket.

This project will also identify the potential of this site as an “Arts” focal point within Newmarket. The Town has an established, burgeoning arts scene that with further nurturing, can be a strong community differentiator within the GTA. This can directly influence the attraction of businesses and residents to Newmarket.

For example, the Ontario Arts Council (OAC) indicates that 88% of Ontarians agree that arts and cultural activities are important to a community’s well-being. From a business perspective, 2/3 of Ontario’s business leaders say that a thriving arts and culture scene is something that would attract top talent to their community, with a similar percentage of skilled workers agreeing that a vibrant arts scene is something they would consider when relocating to a new community.

The arts also helps to drives tourism, with visitors seeking these experiences spending twice as much per trip as a typical tourist while staying one night longer.

These “snapshot” statistics, corroborated by other available research on the arts sector, reinforce the notion that the arts will enhance Newmarket’s identity, or “brand” within the GTA, while bringing significant economic benefits to the Town.

The recent 5 year renewable partnership announcement with the Art Gallery of Ontario that will feature works of art loaned from the AGO’s Indigenous and Canadian Art collections for display within the Mulock House is an excellent example of Newmarket’s growing arts profile. This will be complemented by the installation of various forms of public art on the grounds, providing visitors with unique and memorable experiences.

In addition, the owners of the Postmark Hotel have a strong tradition of supporting the arts community within their two Toronto-based historic boutique hotel properties; in fact, art is embedded in the public spaces and individual rooms of these properties. The Postmark Hotel will continue this trend, and already a major proposal has been issued for a significant art installation within the public space of the hotel.

A synergistic goal of this project that potentially builds on the above involves seeking innovative ways to connect historic downtown Newmarket to 623-625 Timothy Street through complementary activities and activations that create strong economic and social synergies.

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By achieving these three complementary goals, it is anticipated that 623-625 Timothy Street becomes a highly animated, “must visit” destination that attracts residents and visitors, while functioning as an important focal point for entrepreneurship and the creative economy.

Scope of Work

In Phase One the successful proponent, either on its own or through strategic partnerships that strengthen its proposal, will undertake a comprehensive community engagement process, conduct research, and apply its experience with similar projects to identify a highest and best use scenario for the site’s existing buildings and public spaces. Enhancing visitor experiences through innovative programming focused on the arts, combined with a welcoming, inclusive site design, will ultimately ensure that the concept of **placemaking** is at the forefront of the design concept recommended.

Upon Council’s approval of the vision/concept plan and authorization to proceed, the proponent will investigate and recommend initiatives to advance the site as a hub of creative energy, arts, and entrepreneurship in Phase Two. This will include the identification of revenue generating opportunities such as (but not limited to) tenant leases, events, rentals, workshops, ancillary retail market opportunities, etc.

Phase Two should demonstrate how this focus on placemaking and support for the arts/creative industries and entrepreneurship can create the synergies to drive an economically sustainable business model. Therefore, we will require financial analysis that shows required capital expenditures including sources of financing (federal, provincial, municipal, and private sector) to undertake the adaptive re-use of the buildings and site, an operations and management plan, as well as ongoing revenue and expense projections as the project moves from concept reality to business operations.

Three overarching principles will guide the completion of Phase 2:

- Minimal Town contribution towards redevelopment capital costs, with potential future capital funding to fit within the upcoming 10 year capital plan;
- No impact on current operating budgets;
- A flexible lease provision, including the possibility of a zero dollar lease, to support economic break-even/sustainability.

Subject to a successful Phase Two, and upon Council authorization, the Town would be prepared to enter into a negotiated lease agreement with the proponent(s) who will be responsible for the design and construction/renovation of the site and buildings and eventual assumption of business operations.

Conclusion

The former Operations Centre site is an underutilized Town asset with good potential for an adaptive re-use that supports community objectives. This initiative starts the process of extensive community engagement leading to a concept design for the property, followed by a detailed business plan and ultimate redevelopment of the site as a community hub that supports the arts, placemaking, entrepreneurship, and expansion of creative industries within Newmarket.

Business Plan and Strategic Plan Linkages

This project, once successfully implemented, advances two strategic priorities of Council: Extraordinary Places and Spaces, and Economic Leadership and Job Creation. Additionally, it supports the specific objective of identifying uses for vacant Town-owned properties.

Consultation

SLT and OLT, as well as staff from numerous departments, have been engaged in this process. It is expected that a multi-disciplinary staff team will be constituted to oversee the project for its duration.

Human Resource Considerations

None.

Budget Impact

Phase One funding for community engagement, vision, and concept design is expected to be in the order of \$125,000. Reserve/operational funds will be allocated in consultation with the Treasurer to offset these costs. Phase Two costs will be identified once Phase One is completed and the concept endorsed by Council. Future capital funding in support of project implementation, if required, will also be determined within Phase Two.

Attachments

None.

Approval

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