



**REPORT #1**

**FEBRUARY 2007 PROJECT STATUS UPDATE FOR 19 CIVIC AVENUE  
AND AUTHORIZATION TO RETAIN ARCHITECTURAL CONSULTANT  
(C10-DV & A19)**

Report Prepared By: Manager of Planning Services

**RECOMMENDATION**

The Project Implementation Committee, in consultation with the Senior Management Team, concurs with the recommendation.

The Chief Administrative Officer recommends:

- 1) **THAT the February 2007 Status Report regarding the restoration/renovation project for 19 Civic Avenue be received as information;**
- 2) **AND THAT the Tender Proposal dated February 7<sup>th</sup>, 2007 from Taylor Hazell Architects Ltd. for Architectural Services for the renovation/rehabilitation of 19 Civic Avenue be accepted;**
- 3) **AND THAT By-law No. 2007-44-CN, being a By-law to authorize the Mayor and Clerk to execute an Agreement for the provision of Architectural Services for the construction and renovation of 19 Civic Avenue with Taylor Hazell Architects Ltd., be enacted.**
- 4) **AND THAT Council amend the Terms of Reference for the Project Implementation Committee and the Fundraising Sub-Committee by adding to the composition of the members of the Committees by one member of Council and two members of Council respectively;**
- 5) **AND THAT Council approve the revised project cost estimate as outlined in this Report. The increased costs reflect adjustments for professional fees and disbursements for project management and architectural services;**
- 6) **AND THAT the funding model for the financing of the capital costs for the project be revised as follows: 50% financed by the Town; approximately 16% from grants from senior levels of government; and, approximately 34% from community fundraising;**



- 7) **AND THAT the balance of the financial commitments for the Municipality's share of the project cost (50% of the estimated capital cost for the renovation / rehabilitation) come from Park Trust and Development Charges reserves;**
- 8) **AND THAT the Voluntary Assistance Agreement (VAA) be utilized to the maximum allowance as outlined in this Report to achieve the final objectives of completing this project.**

## **1.0 PURPOSE**

The purpose of this Report is to:

1. Provide Council with project status update on the renovation / rehabilitation project of the Municipal building located at 19 Civic Avenue;
2. Seek Council approval for the retention of an Architectural Consultant for the 19 Civic Avenue project; and,
3. Request Council's consideration to broaden the membership of the Project Implementation Committee and the Fundraising Sub-Committee to include representation from members of Council.

The Project Implementation Committee and the consulting team would like to provide a brief presentation of the key highlights of the Report for the benefit of Council and members of the Public.

## **2.0 BACKGROUND**

In April 2005 Council directed Staff to examine alternate uses for 19 Civic Avenue for the purposes of revitalization in the Downtown Core. In response to Council's directions, Staff returned to Council on April 18<sup>th</sup>, 2006 with four broad themes as possible activities for 19 Civic Avenue. Arising from the April 18<sup>th</sup> Meeting, Council adopted the "Arts, Culture and Tourism" theme and directed Staff to prepare a preliminary business case plan in support of the venture.

In June 2006, Council adopted a preferred end use of 19 Civic Avenue which would see the building used as flexible programming space for the arts, cultural and entertainment sectors. The refurbishment of 19 Civic Avenue was also to serve as a catalyst in the revitalization of the Downtown Core. The project was entitled



*Nineteen on the Park !* to symbolize its inter-relationship between Memorial Park, 19 Civic Avenue and Civic Square as in important community oriented precinct within Downtown Stouffville.

In August 2006, Council adopted the Terms of Reference for the formation of a Project Implementation Committee (PIC) to guide the timely advancement and construction / renovation of the 19 Civic Avenue project.

In October 2006, Council approved the appointment of Design Connection International Inc. for the provision of project management services which including the retention of Novita Interpares Ltd. for services relating to business planning, governance and operating model, and, a strategy for capital revenue planning. Council also adopted a revised project timeline for the renovation / rehabilitation of 19 Civic Avenue.

In December 2006, Council received the first status report on the project. In order to assist the Public and members of Council, all of the previous reports since April 2006 have been posted to a special page on the Town's web site.

### **3.0 ANALYSIS AND OPTIONS**

#### **3.1 Overview**

Since October 2006 the Project Implementation Committee (PIC) has been diligently testing the original premises for flexible programming space at 19 Civic Avenue. In the subsections which follow, the emerging conclusions of the analysis will be identified which will demonstrate that the original vision for the renovation / rehabilitation of 19 Civic Avenue remain sound and that there is a strong community desire for flexible programming space to serve the requirements of the arts, culture and entertainment sectors.

##### **3.1.1. Structural Assessment**

Under the guidance of the Town's project management consultant, the structural engineering firm of Read Jones Christofferson has completed an initial evaluation of 19 Civic Avenue. The audit has drawn the following conclusions:

- The foundation appears to be in good shape and the building walls have remained straight and true;
- Minor brick work repair and/or replacement will be required on a selected basis where excessive weathering has damaged existing



brick. This is especially evident on the west edge of the wall in the lower sections where salt damage due to piled snow has caused deterioration of the brick façade;

- The uniquely designed roof structure remains in good condition. The wood joists will need to be doubled to meet current Building Code requirements;
- There may be the need to perform some minor repairs where the wood joists meet the masonry walls;
- The existing second floor appears to meet at a minimum the load carrying capacity of 80 pounds per sq.ft. Additional work will be required to reveal the floor joist and their interconnection with the beam and columnar supports. To utilize the second floor as a public assembly space, the Ontario Building Code will require a load carrying capacity of 100 pounds per sq.ft. Options as to how this can be achieved have been identified;
- The second floor is an integral component that is designed to support and stiffen the masonry walls. The removal of the second floor (either fully or partial) will require replacement supports to maintain the structural integrity of the masonry walls. Preliminary structural options have been identified;
- From a cost consideration, it would appear that leaving the second floor in place provides a cost savings from the perspective of building upgrades;
- From a structural perspective, there are no identified significant constraints to the renovation / rehabilitation of the building for the identified end use based upon the level of assessment completed at this time.

Although the building is structurally sound, the Town's insurance underwriters have advised Staff that if renovation / restoration is not commenced on 19 Civic Avenue in the immediate future, they will withdraw insurance coverage on the building. The insurance underwriters focus is on the current state and condition of the building and its utilization by the Public. Until the building is brought into a "state of good repair" (ie: Building and Fire Code), insurance coverage will not be provided.



### **3.1.2 Business Plan (Building Program / Design Statement)**

Under the guidance of the Town's project management consultant, the cultural consultant, Novita Interpares Ltd has initiated community survey / consultation with community stakeholders (including service clubs; affinity groups; arts, culture and heritage groups; business representatives; public institutions and sports associations). The objective of the consultation program was to assess the existing market and latent demand in the Municipality for an event centre that is focused upon the arts, culture and entertainment sectors.

With the information gleaned from the consultation program, a substantive business plan and a design statement have been prepared. In all respects, the conclusions of the work to date continue to support the original vision of Council from June 2006 that this building in its refurbished state should be utilized for the purposes of a venue in support of the arts, cultural and entertainment sectors.

The Business Plan as prepared by Novita is included as Attachment No. 1 to this Report.

The key conclusions have been summarized by Staff as follows:

#### ***Design Statement***

- *Nineteen on the Park I* will be an event centre with a preferred focus in support of programming for the arts, culture and entertainment sectors;
- Initial design options identify that a two storey venue could be possible that would have a design capacity of 120 to 140 persons in the main event space on the second floor. The main event space will be fitted with retractable seating to maximize programming flexibility;
- Complementary programming and meeting room space may be available on the first floor to broaden the attractiveness of this facility as a community based destination;
- The building will be outfitted with presentation systems and equipment (lighting, audio, video and staging) to support both live and electronic performances;



- The second floor “great hall” will be developed as a low noise environment with acoustic features to support both natural and amplified sound sources;
- The appropriate public amenity space (ie: lobbies, washrooms & check room) as well as event support space, including personnel and technical rooms, storage and storage lockers, a service bar and a caterer’s kitchen will also be provided.
- The interior and exterior treatment of the building will maintain and respect the heritage of the property. The architectural objectives will reinforce and support efficient circulation through the building while simultaneously maximizing available space for programming opportunities.

***Forecast of Facility Usage***

- The community consultation has revealed a strong need for a facility in Whitchurch-Stouffville that is:
  - i) centrally located within the Downtown Core;
  - ii) attractive in exterior and interior design;
  - iii) identified as a “signature building”;
  - iv) designed to accommodate indoor events with up-to-date lighting and sound systems;
  - v) flexible to accommodate events that combine indoor and outdoor activities
- As a result of the community consultation program, forecasts reveal a high level of usage. It is estimated that the facility would be booked for 79% of available timeslots (assumes 3 timeslots per day for 282 days per year) in its first year of operation and 91% in its fifth year of operation. The estimates further reveal that utilization of the building will be almost 100% during peak periods (weekends and after 5:00 p.m. during week days);
- The usage forecasts estimates that approximately 73% of the reservations will be for arts related activities.



### ***Operating Cost / Revenue Analysis***

- It was recommended in June 2006 that Council fund through a grant the basic occupancy costs (ie: heat, hydro, insurance, property & building maintenance, etc.) of operating 19 Civic Avenue. In Year 1 of operation, this cost is forecasted to be \$56,978. By Year 5 this cost is projected to be \$62,897.
- The Board of Management (or equivalent) of 19 Civic Avenue is charged with the responsibility of programming the building and covering the expenses of operating the building. In Year 1, revenues are anticipated to be \$97,378 increasing by Year 5 to be \$126,969
- In the June 2006 Report, Staff identified the need for “seed money” to actively promote the building during its construction so as to attract clientele upon its opening, and, to offset training related and staff expenses. It has been estimated that the “seed money” should be in the order of approximately \$65,000 and would represent a one-time payment above and beyond the basic occupancy costs of operating the building. The majority of the \$65,000 allowance would be expended in 2008.

### ***Governance Model***

- June 2006 model adopted by Council as the creation of a Board of Management as the preferred means of operating / programming *Nineteen on the Park !* in lieu of direct oversight through a Town Department;
- In reference to the above item, the Consultant still recommends the Board of Management, as an arms length organization from the Town, as the preferred model. Further discussion of whether the management organization should be incorporated as a “not for profit – charitable” entity needs to be assessed further in the context of eligibility for senior level government funding assistance;
- In the initial stages of the *Nineteen on the Park !* development program (ie: 8 to 10 months prior to opening and for the first year of operation), consideration should be given to the creation of a Start-up Team. This group would be chartered with the responsibility of building start-up and the initial phase of its operation. The efforts are very



focused on getting the building open and the initial formation of its operating structure;

- By contrast, the Board of Management has a longer term focus and is primarily involved in the maintaining the facility and positioning its market opportunities in support of the arts, culture and entertainment disciplines.
- Further analysis on the Governance Model is required and will be published for Council's review / approval as per the project timeline.

### **3.1.3 Fundraising and Capital Revenue Strategy**

Under the guidance of the Town's project management consultant, the capital revenue strategy consultant, Hennessy & Associates, has initiated a preliminary survey / consultation with community stakeholders. The objective of the consultation program was to test potential financial support through a "community based" fundraising program to raise funds to off-set the capital expenditures necessary to renovate / rehabilitate 19 Civic Avenue in support of the arts, culture and entertainment sectors. This report was not intended to finalize potential donors or to seek funds as this would be done at a later date, once a design concept is finalized.

With the information gleaned from the preliminary consultation program, it would appear that there is a strong commitment from the community to financially assist to bring the vision for the redevelopment of 19 Civic Avenue to fruition. The Consultant has identified a potential lag or reduction in funding support from senior levels of Government (ie: the 25% as outlined in the Town's original funding model). As such, there may be a need to revisit the funding model to lower the exposure to senior government assistance.

The Capital Revenue Strategy as prepared by Hennessey & Associates is included as Attachment No. 2 to this Report.

The key conclusions emerging from the Report can be summarized as follows:

- The funding model for the capital investment to renovate / rehabilitate 19 Civic Avenue as approved by Council was 50% by the Municipality and 25% respectively by community fundraising and government grants. As a result of initial sampling and consultation, this funding model is deemed to be reasonable, however, less emphasis should be placed on government grants in support of the initial capital campaign.



- In connection with the aforementioned item, senior level Government assistance may be more readily accessed in later years in support of continued leasehold improvements (ie: technical equipment, etc.) for the arts, culture and entertainment sectors, or, in the form of a phased operating grant to assist in the start up of the building.
- The issue of the governance model for the future management of *Nineteen on the Park !* will dictate to some extent as to the eligibility parameters to access funding assistance from senior levels of government;
- For the community fundraising campaign to be successful, there needs to be full commitment to the project and be marketed as a project that is to be operated independent of the Municipality;
- To gain momentum and credibility, a champion or pace-setting supporter should be secured at the outset. This could be achieved through naming rights given to certain rooms or facilities within the building;
- Leadership and the enthusiasm of the fundraising committee will be critical. The larger vision of the opportunities derived by linking Main Street, Civic Square and Memorial Park with 19 Civic Avenue to create a cultural precinct need to be reinforced. Active and vocal support from Council will assist in giving the project credibility;

#### **3.1.4 Capital Costs for Construction**

Under the guidance of the Town's project management consultant, the cost estimation firm of BTY was retained to complete an initial evaluation of the June 2006 capital costs for the renovation / rehabilitation of 19 Civic Avenue. The audit has drawn the following conclusions:

- The June 2006 estimates that total \$2,016,000 for:
  - i) Capital Construction / Retrofit;
  - ii) Fit-up / Leasehold improvements; and,
  - iii) Site Services / Landscaping / Signage / Fees

remain valid and current. While individual costs centres (ie: installation of an elevator) may vary, the global cost estimate for the capital construction has been confirmed by the consultant.



At the time of the completion of the final 'draft' architectural drawings, a further cost assessment will be completed and the conclusions will be made available to Council prior to the request to initiate the building tender process. Final architectural design and project tender will be needed to more accurately establish final costs.

### **3.2 Request for Proposals – Architectural Services**

The key objectives of the architect will be to:

- i) ensure the efficient movement of people, goods and services through the building;
- ii) to maximize the capacity of the building for programming space in support of the preferred end use, that being arts, culture and entertainment sectors;
- iii) to provide for the appropriate support and technical space / services to complement the programming areas;
- iv) enhance and promote the appropriate utilization of building materials and design details to support the heritage aspects of the building, and, to reinforce the "experience economy" of visiting the building;
- v) promote access and integration with Memorial Park and Civic Square to assist in the vision of the precinct and to link indoor and outdoor activities occurring in this area.

The early conclusions of the structural assessment will provide flexibility to the Architect to examine a series of options / possibilities for the interior design and layout of the building in support of the arts, culture and entertainment uses. To assist the selected consultant, the Project Implementation Committee would draw upon key stakeholders to solicit their opinions and technical expertise on aspects of the building so as to ensure that the final design and layout captures Council's stated objectives for *Nineteen on the Park* !

In December 2006 Staff initiated the process to pre-qualify architectural firms that would be best suited to complete this assignment. Three key requirements considered by Staff during the pre-qualification process included: A small firm where the principals would be extensively involved in all aspects of the project; the consultants had to be members in good standing of the Canadian Association of Professional Heritage Consultants; and, in recognition of the compressed timeframe



for project initiation the consultant had to have the appropriate resources available immediately.

At the conclusion of the pre-qualification process, four consultants were selected and in January 2007 a Request for Proposals was issued by the Municipality.

At the close of the submission deadline (February 7<sup>th</sup>, 2007) four (4) Proposals were received from the following companies:

- E.R.A Architect Inc.;
- George Robb Architect;
- Spencer Higgins, Architect Incorporated; and,
- Taylor Hazell Architects Ltd.

As part of the evaluation of each Proposal, interviews were held by the Project Implementation Committee (PIC) on February 9<sup>th</sup>, 2007 with each firm being provided the opportunity to expand on their written submission and highlight key components of their Proposal.

Following the interview stage, the PIC evaluated each of the four (4) proposals. As part of staff's evaluation, the following thematic areas were assessed:

A. *Experience & Qualifications of the Project Team*

- Project Manager
- Technical Support Staff
- Sub-consultants

B. *Management Qualifications*

- Experience on similar projects
- Availability of key staff
- Stability and reliability of the firm
- Multi-disciplinary / specialty capabilities

C. *Project Implementation*

- Approach & methodology
- Schedule of key activities & resources
- Project quality assurance program



D. *Consultant Fees*

- Cost to complete the project
- Cost to complete "authorized extras" & per diem rates

Listed below is a summary of the cost proposals received from each of the firms:

<u>Consultant</u>	<u>Fee Proposal</u>
Taylor Hazell Architects Ltd.	\$187,876 (plus GST)
E.R.A. Architects Inc.	\$246,998 (plus GST)
George Robb Architect	\$253,875 (plus GST)
Spencer Higgins, Architect Inc.	\$317,330 (plus GST)

It is PIC's opinion, following the conclusion of the interviews, that three of the four architectural firms will be completing this assignment with senior and experienced staff. All four firms have significant experience in working with architecturally significant heritage buildings that are designed to serve as important public destinations.

At the conclusion of the interview and Proposal review process, the PIC rated the submission of Taylor Hazell Architects Ltd. as the preferred consultant.

Key projects undertaken by Taylor Hazell that would be comparable in technical scope and significance for the renovation / rehabilitation of 19 Civic Avenue would include: Humber Institute of Technology and Advanced Learning (redevelopment of the former Lakeshore Psychiatric Hospital); Dundurn Castle Conference Centre; Queen Elizabeth Building at Exhibition Place; and, the Elgin Winter Garden Theatre.

### 3.3 Project Timeline

Included as Attachment No. 3 to this Report is the Project Timeline for the renovation / rehabilitation of 19 Civic Avenue. Council may recall that the Project Timeline which was amended in October 2006 at the time when the project manager was hired by the Municipality.

Staff wish to confirm that the project milestones as set out to Council in October 2006 remain valid. We are presently on target to bring final 'draft' design drawings



with a detailed project cost in the May / June 2007 time period if Council proceeds with the selection of the architect on February 27<sup>th</sup>.

### **3.4 Inter-Relationship with Site Parking and Memorial Park Master Plan**

In various forums since June 2006, two key questions / concerns have arisen with members of the community about how the redevelopment of 19 Civic Avenue will affect:

- i) the provision of off-street parking;
- ii) the proposed renovations / relocation of facilities – uses in Memorial Park

Town Staff have been cognizant of the issue and sensitivity related to the provision of off-street parking for the preferred end use since the original proposal was made to Council in June 2006. A sufficient amount of parking is required on the site to provide the necessary successful ingredients in support of the programming opportunities of the building, and, to minimize potential impacts on adjacent private properties where off-street parking is provided in support their respective commercial / retail ventures.

In the assessment of the northern quadrant of the Memorial Park Master Plan, Staff and the Memorial Park consultants have proposed the creation of seventy-four (74) off-street parking stalls. The two parking courts are situated to the immediate rear of 19 Civic Avenue. The revised configuration and expansion of the parking area represents a net increase in parking stalls over the current inventory by the equivalent of forty-seven (47) spaces. The Town's Zoning By-law requires for places of assembly where there is no fixed seating the provision of 1 parking stall for every 10 sq.metres (107 sq.ft.) of gross floor area that is devoted to public use. While the final design and layout of the interior portion of the building has not been determined at this point of time, it is estimated that between 50 to 55 parking stalls (based upon 500 to 550 sq.metres / 5380 to 55920 sq.ft. of public space) would be required to meet the requirements of the Zoning By-law.

With respect to the Memorial Park Master Plan, in the Terms of Reference for the Study, 19 Civic Avenue and Civic Square were included within the study boundaries. As such, the consultants were required to "have regard to" the activities proposed in these adjoining parcels, and, to ensure the proper integration in terms of both visual and physical linkages. The draft concept plan for Memorial Park which was presented to Council on January 23<sup>rd</sup>, 2007



achieves this objective. The proposed renovation / rehabilitation of 19 Civic Avenue will not interfere with the recommended uses being promoted for Memorial Park in the northern quadrant.

### **3.4 Amendments to the Composition of Project Committees**

In August 2006 Staff submitted to Council for approval Terms of Reference for the Project Implementation Committee, and, the Sub-Committees associated with Building and Fundraising. Staff had recommended to Council that political representation should be incorporated into the membership of both the Project Implementation Committee and the Fundraising Sub-Committee.

Council at the August 2006 Meeting resolved to approve the Committee structure without representation from Members of Council.

Staff are once again requesting that Council consider the appointment of members of Council to the Project Implementation Committee and the Fundraising Sub-Committee. Staff believe that the political oversight and direct involvement in the project will assist in the success of the venture because of transparency in the process and the early / continued presence of Council in the raising of funds across the community.

## **4.0 FINANCIAL IMPLICATIONS**

### **4.1 Adjustments to the Estimated Cost of the Project**

As noted in Section 3.1.4 of this Report, a cost estimation firm was retained to review the June 2006 capital forecasts to complete the renovation / rehabilitation for 19 Civic Avenue as a destination for the arts, culture and entertainment sectors. The cost consultant advises that the original capital forecasts as a global cost remain valid. However, until a final design is approved and the tender process is completed, final project costs cannot be determined.

Staff wish to note that the professional fees for the completion of the project as originally identified in the June 2006 Report are not aligning with the results being experienced through the Request for Proposal process to retain consultants. As an example,

- i) project management and cultural / fundraising consultants were originally forecasted at an expense allowance of \$70,000. The project management consultant was retained (inclusive of the cultural / fundraising consultant) at an estimated cost of approximately



\$118,000. Disbursements for services rendered would be above and beyond this figure;

- ii) architectural services were originally forecasted at \$123,396 and the lowest bidder and the recommended consultant submitted a Proposal for \$187,876

Staff are recommending that the capital budget forecast be amended by adding an additional \$140,000 to account for the professional fees and disbursements. The increase in the professional fees above the June 2006 estimates can be largely attributed to a strong economy in the GTA and a demand for qualified / technical advisors, and, the nature of the building renovation / rehabilitation cannot be assessed solely on the basis of value of construction. Projects similar to 19 Civic Ave require as much technical analysis as larger and more encompassing projects.

The adjustments as proposed would establish a project budget of approximately \$2,640,000

#### **4.2 Inter-Related Capital Projects**

Staff wish to confirm that inter-related projects associated with the renovation / rehabilitation of 19 Civic Avenue are not included in the original project budget of \$2.5 million. These inter-related projects include: the renovation of Civic Square; the expansion of the off-street parking area to the south of the 19 Civic Avenue into the area presently occupied by the tennis courts and the lawn bowling facility; and, the "seed monies" to assist in the ramping up of *Nineteen on the Park!* in terms of staffing; marketing of the facility; and, training.

Staff have costed out these projects separately and they are reflected in the 2007, and where applicable 2008 Capital Forecasts. As a 2007 project, Staff have assigned \$65,000 as the "seed money" to assist in the start-up of the arts, culture and entertainment destination. In the 2008 Capital Forecast, the renovation of Civic Square is estimated at \$350,000 and the 1<sup>st</sup> phase of Memorial Park redevelopment (with off-street parking being part of this phase of work) is estimated at \$500,000.

#### **4.3 Municipal Budget Implications**

The 2006 Capital Budget established an estimate of \$1.5 million for its share to renovate and bring 19 Civic Avenue to a state of "good condition". The budget assigned \$750,000 as a direct expenditure to the Municipality with funding from the Hydro Reserve Account.



As part of the June 2006 Report, Staff identified utilizing the Park Trust and Development Charges reserve accounts to finance the balance of the Town's portion of the project.

To this end, it is recommended by Staff that as part of the 2007 Capital Budget process Council now formalize the funding sources for the balance of the Municipal portion (50% of capital cost – recommended adjustment to approximately \$2.640 million) of the project. The recommended additional Municipal funding sources are as follows:

- i) \$220,000 to be funded from Development Charges; and,
- ii) \$350,000 to be funded from Park Trust.

#### **4.4 Revisions to the Recommended Funding Partnerships**

Arising from the consideration of the June 2006 Report, Council resolved that the funding model to finance the capital costs associated with the project would be 50% from the Town, and, equal 25% shares in the form of fundraising from the community and grants from senior levels of government.

The pro-rated funding model was designed to ensure collaboration and to broaden the financial responsibilities for the renovation / adaptive re-use of 19 Civic Avenue. The funding model not only lowered the exposure of the Town, but what is most important is that if the community organizations, businesses and residents through a co-ordinated fundraising program direct monies into the building, it will lead to a more meaningful use of the building because they have a vested stock in its long term success and utilization.

Through the preliminary work completed by Hennessey & Associates (Section 3.1.3) it has been identified that financial support from senior levels of government will be difficult.

Due in part to the limited grant programs available, and, the early indication of a strong commitment from the public for this project, Staff are recommending that the funding model be revised so that senior level Government funding be reduced to approximately 16% of the project value, and, the fundraising be increased to approximately 34%. Under this revised model, government grants would be equivalent to \$422,400 and fundraising would be \$897,600

Staff have assessed the applicability of the Voluntary Assistance Agreement (VAA) to finance the proposed renovation and rehabilitation of 19 Civic Avenue. It is Staff's



belief that the project qualifies to draw upon the financial contributions that have been lodged with the Municipality to develop a new arts and cultural centre. The VAA allows the Town to draw upon the Developer's contributions of 26% of project costs up to a maximum value of \$1.3 million. On a project cost (as recommended to be revised) of approximately \$2,640,000 the value that can be drawn from the VAA is equivalent to \$686,400. The residual funds not expended as part of the *Nineteen on the Park I* project would be eligible to finance a capital expansion project at the Whitchurch-Stouffville Museum.

Staff would recommend that the VAA revenue be divided approximately as follows:

- i) \$422,500 allocated against the grants from senior levels of government. This interim financing would either backstop the funding if grants are not available, or, assist in bridge financing if there is a delay in the receipt of grants; and,
- ii) \$264,000 applied against the community fundraising initiative. If funds can be reallocated in the future from item i) above, this would lower the broader community based fundraising objectives.

Under the funding model and the revenues streams as set out above, a residual of \$633,600 would have to be raised through community fundraising and all other costs associated with the estimated (revised) \$2,640,000 project have been financed. The Hennessey & Associates Report (summarized in Section 3.1.3) has identified a revenue strategy to raise the necessary funds and has indicated that there is a strong commitment to this project.

If Council advances this project, the 2007 Capital Budget process should identify a contingency allowance that would identify sources of funds that could be drawn upon by the Municipality in the event that fundraising objectives fall short of projected requirements, or, interim / bridge financing is required to complete the project in advance of the receipt of the committed fundraising dollars.

## **5.0 ALIGNMENT WITH THE STRATEGIC PLAN**

The renovation and adaptive reuse of 19 Civic Avenue as a flexible programming space in support of the arts, culture and entertainment sectors is aligned with the Town's Strategic Plan in the following manner:

### *Balanced Growth & Community Sustainability*

- Preserve and enhance community character;



- Economic development and job creation;
- Leisure, tourism & cultural development.

*Fiscal Stewardship & Asset Management*

- Explore partnerships to deliver new infrastructure / services;

## **6.0 CONCLUSION**

Staff are of the opinion, however, that regardless of what direction Council ultimately moves forward with respect to the disposition of 19 Civic Avenue, refurbishment has to be done with the general appearance and condition of the building in the present term. 19 Civic Avenue is starting to show deterioration and the Municipality is on the verge of losing its insurance coverage on the building. Because 19 Civic Avenue is a prominent building, its deteriorating appearance sends the wrong message to existing property landowners and potential investors about the future of the Core Area.

It is Staff's recommendation to Council that a concerted focus on the refurbishment of 19 Civic Avenue should be commenced as part of the 2007 capital works program of the Municipality. 19 Civic Avenue could be elevated and profiled as a community based project and be under construction in 2007 as part of the 130<sup>th</sup> anniversary of the incorporation of the former Village of Stouffville. 19 Civic Avenue and the associated Civic Square have a long legacy in the Downtown as vital public space and buildings symbolically associated with the Town's identity and heritage. 19 Civic Avenue and Civic Square should be the centrepiece of the Downtown and through the restoration process, this precinct could recapture this function.

The business plan and revenue strategy indicate that there is strong support for this project and that there is a demonstrated need in the community for an arts, culture and entertainment centre. *Nineteen on the Park!* can fill that void and represent a centerpiece in the Downtown Core of Stouffville.