



Town of Newmarket
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Proposed Lease of Office Space at 395 Mulock to York Region Arts Council: Information Report

Report Number: # 2018 – 17

Department(s): Community Services – Economic Development

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Date: December 20, 2018

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion. Due to the time sensitivity of this item staff would commence lease development in early January with the intention of a lease commencing February 1, 2019. Therefore, staff respectfully requests that if any Member of Council wants to request this Information Report be placed on an upcoming Committee of the Whole meeting that they make the request prior to January 7, 2019.

Purpose

The purpose of this report is to inform Council of the intent to enter into a one year lease with possible renewal for a portion of surplus office space at 395 Mulock to the York Region Arts Council.

Background

The York Region Arts Council (YRAC) is the only York Region-wide non-profit charitable arts service organization focused on capacity building, creative place making and community engagement in support of artists, arts organizations and creative entrepreneurs. It has a number of supporting and funding partners, including the Region of York and the Ontario Trillium Foundation, as well as various community organizations and private sector businesses.

The Arts Council was first incorporated as Arts Link in 2002 and in 2008, the organization became formally known as the York Region Arts Council. YRAC was founded to support coordination and capacity building among various artists and arts organizations, and it has continued to build a strong network, programming and brand identity over the past decade. Some of its leadership initiatives include: the Arts Exposed Conference (2011-2014), ExperienceYorkRegion.com (2010 to present), Artrepreneur Accelerator Program (2015 to present), the York Region Festival Alliance (2015 to present), SpaceFinder York Region (2016 to present). It also hosts professional development and networking forums throughout the year. An excellent overview of its mission, vision and beliefs in supporting York Region's artists' community can be viewed at: <http://www.yorkregionartscouncil.com/home/mandate-and-history>.

YRAC budgets for market-rent leasehold space within its annual operating expenses. It has moved several times since its inception due to host organization space constraints and/or expansion needs, and for the past year it has sublet an office within the York Region Makers Space (NewMakelt) premises on Kerrisdale Boulevard. This has provided tremendous opportunities for cooperation as both organizations support entrepreneurial, creative businesses within their respective mandates; in addition, a Newmarket location is centrally located within York Region, and YRAC staff have found good synergies with the growing arts and culture community within Newmarket.

As Council is aware, the Town has been a strong advocate of, and advisor to, NewMakelt since it launched three years ago. NewMakelt's current lease expires January 31, 2019, and Economic Development and Public Works staff have been actively engaged with the organization since the summer in first finding, and currently retrofitting, suitable premises of approximately 5,000 ft² at the former Timothy Street Operations Centre through a recent tender process. Unfortunately for YRAC, NewMakelt requires the entire facility for its own woodworking, metal shop, and ancillary uses, hence YRAC is seeking a new office location, preferably again in Newmarket. This provides the Town with the current leasehold revenue opportunity that at the same time supports an important community-based organization.

Discussion

The former York Region space at 395 Mulock is currently under renovation and all planned department relocations should be completed in Q1, 2019. The approved plans also made a provision for revenue generating office space of approximately 2,000 ft² that could be leased to complementary organizations or the private sector. We have confirmed that this space can be ready for tenancy by February 1, 2019.

While it would be the intention of staff to issue a Request for Interest (RFI) in 2019 for any remaining space available, we have an immediate opportunity to support a complementary organization for a portion of the space (approximately 500 ft²). Leasing this space to YRAC also aligns with one of the Town's strategic directives to support and nurture a vibrant local arts and culture community while sending a strong signal across York Region that Newmarket remains at the forefront of this sector.

It is staff's intention to enter into a one year lease with YRAC beginning February 1, 2019, renewable on an annual basis subject to the mutual agreement of both parties. YRAC is agreeable to allocating its current \$1,000 month office lease expense towards the use of this space through a "gross" (all-inclusive) lease. Administrative and logistical requirements will not be onerous but we will clearly establish a set of guidelines for the use of the space.

Human Resource Considerations

There are no additional human resource requirements required. A temporary partition wall will need to be constructed that would be coordinated within existing staff resources.

Budget Impact

The Town would receive \$12,000 plus HST in revenues under the suggested scenario. Estimates to "fit-out" the 500 ft² for YRAC would be minimal (e.g. construction of one wall). The \$12,000 plus HST for 500 ft² represents \$24 per ft² which is in line with gross market rental rates for similar space.

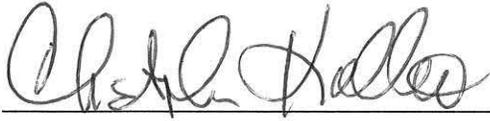
Attachments

None.

Contact

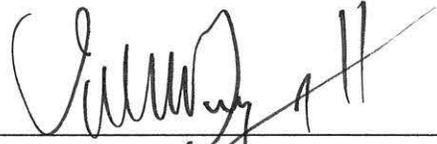
For further information please contact Chris Kallio, Economic Development Officer, ckallio@newmarket.ca, ext. 2442, or Ian McDougall, Commissioner of Community Services at imcdougall@newmarket.ca ext. 2441.

Approval



Chris Kallio

Economic Development Officer



Ian McDougall

Commissioner of Community
Services