

<b>To:</b>	Warden Halliday and Members of Grey County Council
<b>Committee Date:</b>	April 26, 2018
<b>Subject / Report No:</b>	CAOR-CW-06-18
<b>Title:</b>	Community Hub Business Case & Property Acquisition
<b>Prepared by:</b>	Savanna Myers, Manager of Economic Development
<b>Reviewed by:</b>	Kim Wingrove, Chief Administrative Officer
<b>Lower Tier(s) Affected:</b>	All Grey County
<b>Status:</b>	Recommendation adopted as presented by Committee of the Whole per Resolution CW118-18; Endorsed by County Council on May 10, 2018.

## Recommendation

1. That Committee Report CAOR-CW-06-18 titled **Community Hub Business Case and Property Acquisition** be received; and
2. That the staff be directed to submit an **Expression of Interest and Offer to Purchase or Lease for Sydenham Community School to Bluewater District School Board.**

## Executive Summary

The next step in the development of the Regional Skills Training, Trades & Innovation Centre is securing the Sydenham School property as the base of operations. This report and business case present options to secure the property.

## Background and Discussion

Following report CAOR-CW-23-17, Grey County, in partnership with Georgian College, Bluewater District School Board, Bruce Grey Catholic District School Board and the City of Owen Sound, submitted an application to the Ministry of Infrastructure for the development of a Community Hub through the Surplus Property Transition Initiative at the former Sydenham Community School, a 45,070 sq. ft. facility built in 1987 with additions in 1990 and 2010 located beside Georgian College, 1130 8<sup>th</sup> Street East, Owen Sound.

On January 30, 2018 the Ministry of Infrastructure announced Grey County had been successful in its application to the Surplus Property Transition Initiative and this project one of four

initiatives in the Province to be accepted into the Community Hub Program.

On February 20, 2018 Bluewater District School Board declared Sydenham Community School surplus to their requirements as per the terms of partnership under the Community Hub program. In accordance with Ontario Regulation 444/98, BWDSB circulated a letter dated February 21, 2018 offering the property 1130 8<sup>th</sup> Street East, Part Lot 3, Range 4 EGR, City of Owen Sound, County of Grey (Sydenham Community School) for sale to 18 entities, including Grey County.

### **Strategic Fit**

In an effort to deliver to goal one of the corporate strategic plan: Grow the Grey County Economy, an initiative known as the Regional Skills Training, Trades & Innovation Centre (STTIC) has been developed through consultation with over 100 stakeholders from the public and private sectors. The STTIC will focus on skills training and include an innovation center, incubator opportunities and entrepreneurship programs to support local small, medium, large business and industry. The STTIC will be linked to regional secondary schools and provide pathway opportunities for students. It will support the goals of Employment Ontario, Ontario Works and regional partners such as Hanover's LaunchPad, Owen Sound North Grey Library and provide local Maker Spaces. It is being founded on the premise of the Premier's Highly Skilled Workforce Expert Panel, 'Building the Workforce of Tomorrow'.

The long term goal of the Centre is to introduce the local community to a broader mix of technology, engineering and skilled trades' training opportunities and use expanded Georgian College programs to train the workforce for tomorrow. Program areas include but are not limited to: skilled trades (welding, carpentry, millwright, electrical, etc.), energy (green and nuclear), software (computer programming & network technicians), nursing, hairstyling and culinary arts.

Anticipated outcomes include the following:

- Support regional economic development by ensuring skills training is offered locally (introduction, upgrades and certification), of local residents;
- Develop numerous training pathways that lead to regional employment;
- Strong employer support through leadership, local expertise, equipment, co-op, pre-apprenticeships, apprenticeships and post-secondary placements; and
- Barriers to employment reduced by providing necessary child care services, access to transportations as the facility is positioned at a regional bus stop and access to local training options.

### **Options Appraisal**

Several options have been considered for the operation of the STTIC. Grey County led the development of the proposal with core partners: Georgian College, Bluewater District School Board, Bruce Grey Catholic District School Board and the City of Owen Sound. Additional partners engaged in development include members of the private sector represented through the Bluewater Angels, 24/7 Group and Owen Sound Chamber of Commerce.

Grey County has remained the best option to lead the initiative through start-up, given the County's broad mandate and economic development's strategic direction to 'Grow the Grey County Economy'. Furthermore, staff can facilitate partnerships and seed opportunity based on

expertise and neutrality for business and community success by bringing together post-secondary, business innovation and child care services under one roof.

Georgian College is a key player in this initiative but is not in a position to take the lead. The acquisition of real property by a college in Ontario is governed by the Minister’s Binding Policy Directives, and Operating Procedures. As such they must follow certain procedures and meet a variety of criteria including risk assessment in order for any acquisition to be considered by the Province. Given the short timeframes in the Community Hub program, uncertainty regarding potential changes to the funding model for Ontario colleges and other environmental factors, Georgian cannot acquire the space at this time. However, Georgian’s current and forecast future demand for service mean more classroom space is required if they are to fulfill their potential. With Grey County taking the lead where the college can’t, this project offers a sustainable model that would allow both the College and region to prosper, completing a major campus expansion to secure their footprint and future in Grey County.

In terms of property acquisition by Grey County, there are two possible scenarios to secure the property. The first is to purchase the property and the second to lease the property from Bluewater District School Board. The two options for consideration are discussed in detail in the draft business plan which will be provided to Council in camera so as to protect the confidentiality of any negotiations.

**Capital Asset Assessment**

Sydenham Community School is currently assessed at \$3,491,000. The property is zoned institutional, which according to the City of Owen Sound by-law allows the following permitted uses:

Clinics	Library
Commercial School	Long Term Care Facility
Community Centre	Museums/Galleries
Community Lifestyle Facility	Place of Worship
Crisis Residence	Public Park
Day Nursery	Public Use
Group Home	Schools
Group Residence	Studio
Hospital	Student Residence

The building could be used for other uses beyond this list however would require a rezoning.

Five year capital requirements of five million were included in the accommodation review package for Sydenham Community School. The estimates listed in the business plan are based on school board standards and may differ based on proposed use of the Centre. A building condition assessment will provide current, actual costs associated with renovations and ongoing capital requirements. At this time, a preliminary site visit with the architect responsible for the

2010 renovations of the property has occurred.

The most comparable property recently sold was the Meaford Community School, which is approximately 40,000 sq. ft. on 5.5 acres, zoned Urban Institutional. The property sold for \$505,000 plus HST to a private developer during public bids as no expressions of interest were received during O.Reg. 444/98 circulation.

O.Reg 444/98 requires BWDSB to obtain fair market value for the property. The process as outlined in the regulation provides the opportunity for the top bidder to negotiate with the Board following the submission of an offer based on circumstances such as the future use of the building (Community Hub partnership), capital requirements, renovations, zoning and comparables.

### **Affordability & Achievability**

Following report CAOR-CW-02-18, the business plan, including potential land acquisition information has been drafted and will be provided to County Council for discussion in closed session. It outlines the operational model and estimated capital requirements. Based on the proposed structure of anchor tenants, the operations of the Centre will be self-sustaining beginning in year one. Lease agreements will account for inflation to maintain sustainability through rising utility and staffing costs, etc. The capital requirements differ based on purchase or lease options and have been presented with best estimates based on all information currently available.

## **Legal and Legislated Requirements**

A formal agreement between Bluewater District School Board has been executed with the Province for the Surplus Property Transition Initiative. A formal Memorandum of Understanding between the Province, Bluewater District School Board and Grey County has also been executed as per the requirements of the program.

*As noted in report CAOR-CW-02-18: "It is important to note that existing rules and regulations pertaining to the circulation of surplus public property continue to apply, including O. Reg. 444/98 under the Education Act, which sets out requirements related to the disposition of surplus school property, and the Province's realty directives and policies. For properties not yet declared surplus or that have not completed circulation, the Ministry of Infrastructure may work with partners to ensure that transition to community use is feasible within or at the end of an 18 month period."*

In accordance with the amended Regulation 444/98, school boards and listed entities receiving notification of surplus property disposition will have 90 days to submit an expression of interest following which those school boards and entities that submit an EOI will have an additional 90 days to submit an offer. Expression of interest must be in writing and will be prioritized based on the listed entity that received the notification.

It is unknown if there are other bidders among the 18 entities circulated. As a Consolidated Municipal Services Manager, Grey County is prioritized in sixth position of the eighteen entities, following school boards and section 23 agencies (see attached circulation letter).

The Business Committee of the Whole for the Bluewater District School Board will be meeting May 1, 2018 and June 5, 2018. In an effort to continue the Community Hub process, staff are recommending that following Council approval, an expression of interest be submitted prior to

the May 1, 2018 Committee meeting, and a formal offer to purchase be submitted prior to the June 5, 2018 Committee meeting. As the school board does not meet over the summer months, it is hoped that the offer can be accepted in June to grant access to the property for renovations prior to a September soft opening.

## Financial and Resource Implications

There are no financial implications associated with the submission of an expression of interest. Financial implications associated with the acquisition of property, either through the purchase or lease have been outlined in the business plan for consideration. Staff will do everything possible to access additional funding/grants where available to reduce the resource requirements for the County.

## Relevant Consultation

- Internal – Chief Administrative Officer, Director of Corporate Services, Director of Planning, Manager of Children’s Services, Planning Data Analysis Coordinator.
- External – Ministry of Infrastructure, Bluewater District School Board, Georgian College, Bluewater Angels, 24/7 Group.

## Appendices and Attachments

[Bluewater District School Board Surplus Circulation Letter](#)

Regional Skills Training, Trades & Innovation Centre Business Plan – **CONFIDENTIAL (for discussion in closed session)**