

C4 - CW(ws) March 10/15

Item 3

MACMILLAN FARM BUSINESS PLAN AND PREFERRED OPERATION MODEL

Committee of the Whole

March 10, 2015



In association with:

Taylor Hazel Architects

Final Report
December 2014

Presentation Objective:

- Present recommendations for the MacMillan Farm Business Plan and Operations Model

Presentation Outline:

1. Objectives and Overview
2. Spectrum of Options
3. Groupings and Analysis
4. Governance and Funding
5. Recommendation

Project Objectives:

In connection with the MacMillan Farm:

- Develop a business case & preferred operations model
- Consistent with the City's main objectives for purchasing the property.
 - Acquisition was largely funded through *Cash-in-Lieu of Parkland monies*;
 - With the intent of maintaining urban agriculture & open recreation space opportunities.

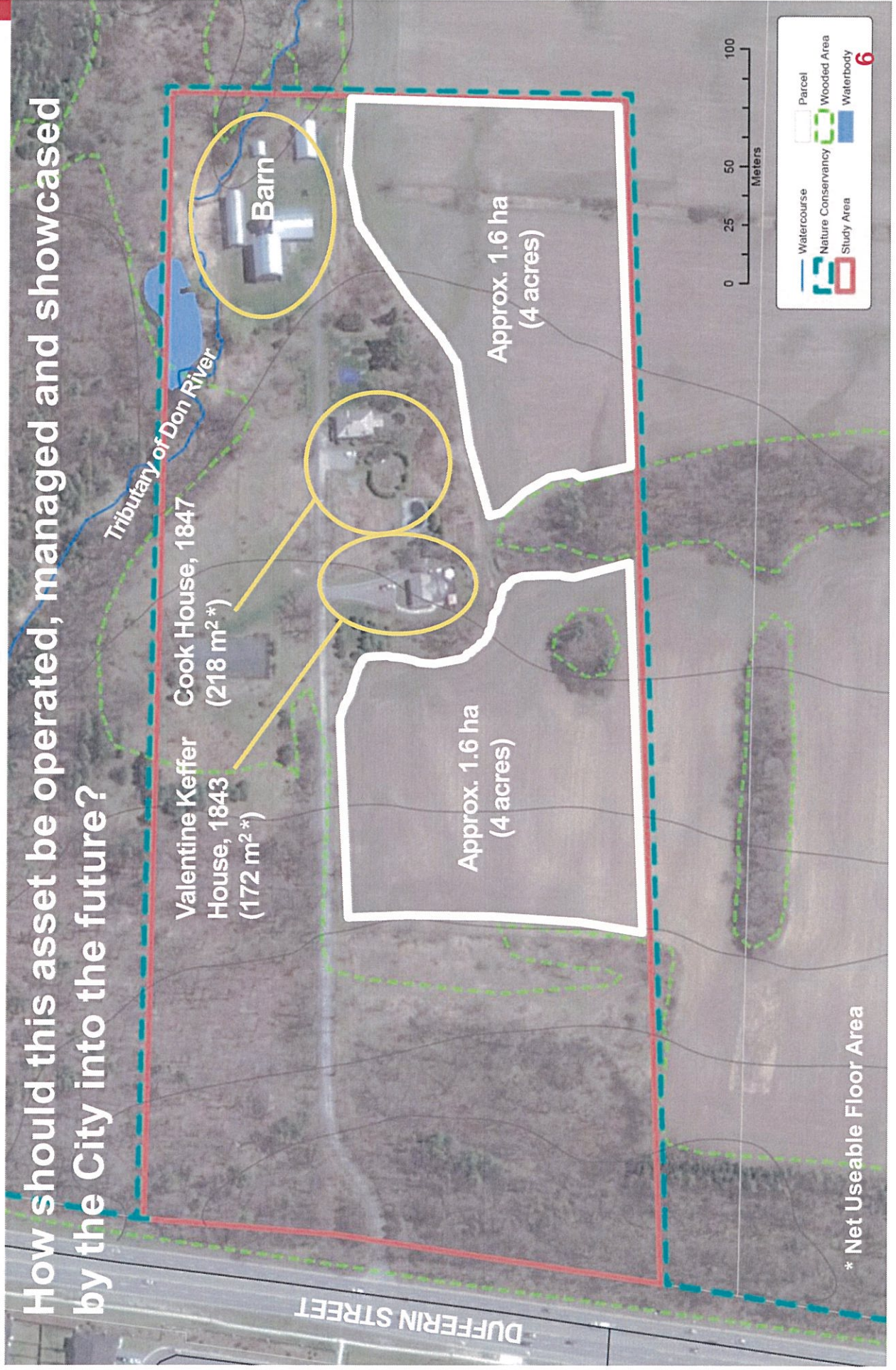
City Involvement:

- 2008: Options Study undertaken by Urban Strategies, for the City of Vaughan, York Region, TRCA, Nature Conservancy of Canada.
- 2011: Property acquired by City of Vaughan (24.71 acre / 10 ha).
- 2013: Steering Committee established to work together with the consultant on the Business Plan & Preferred Operations Model.
- Steering Committee comprised of City of Vaughan Staff from:
- Budgeting & Financial Planning
 - Parks Development
 - Parks & Forestry Operations
 - Policy Planning
 - Recreation & Culture

Property Overview

- Total property area of 24.71 acre / 10 ha
- Two dwellings designated under the *Ontario Heritage Act*, barns & two sheds
- Large open farm fields, a large woodlot area, and a tributary to the Don River
- Of the total property (24.71 acre / 10 ha), approximately **8 acres / 3.2 hectares (+/- 32%)** is open space and may be used for a future use
- Surrounded by a 135 acre (55 ha) **nature reserve**
 - donated by the MacMillan Family to the Nature Conservancy of Canada
 - lands are not included in the scope of this study

How should this asset be operated, managed and showcased by the City into the future?



* Net Useable Floor Area

Project Process

We are here



Research Business Strategy Options

Background
Policy Review
(incl. ATMP, Official
Plan, Zoning, Green
Directions etc.)

Building
Condition

Natural and
Cultural Heritage

Precedent
Review

Committee
Input

Consultation
with Agencies
and
Organizations

Identify
Options

Analyze
Options

Partnerships

Governance
Alternatives

Development
Alternatives

Economic and
Social Analysis

Preferred Alternative

Preferred
Development
Alternative

Financial
Viability and
Marketability

Governance
and
Operating
Model

Partnership
and Grants

Conceptual
Site Plan

Construction
Costs

Business
Plan and
Preferred
Operation
Model

Nine Criteria for Evaluation



Consistency with City Policies, Goals & Objectives



Consistency with intended use of cash-in-lieu of parkland dedication monies



Economic Viability and Sustainability



Operating Viability and Sustainability



Socio-Economic Benefits

Nine Criteria for Evaluation



Site & Structure Feasibility & Constraints



Compatibility with Adjacent Property

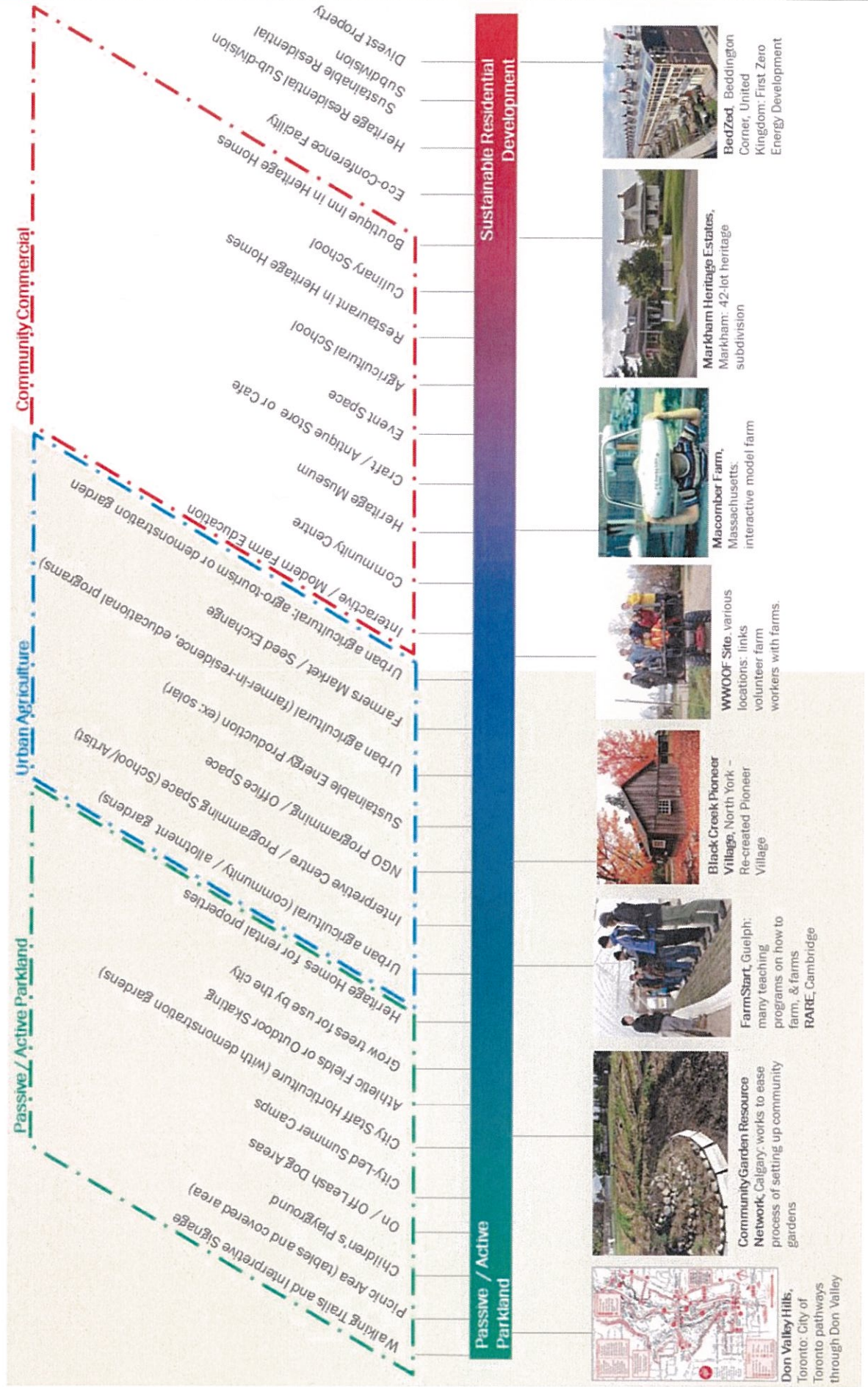


Opportunity for Partnerships/Collaboration



Consistency with Program Review
Framework

Options Evaluated Qualitatively Against Noted Criteria



Designated Residential Structures

- Review by heritage architects from Taylor Hazel Architects:
 - Two designated residential structures;
 - To determine possible future uses & associated upgrades; and
 - Consideration of financial impact of alternative options.
- **Considerations:**
 - More significant upgrades to the houses would be required if use is changed from private residence.
Estimated capital cost: \$1-1.5 million for both houses:
 - Upgrade to meet Ontario Building Code
 - Minor exterior, electrical and mechanical upgrades
 - Accessibility to ground floor of Cook House
 - Life lease exists on one of the houses (Cook House).
 - Houses are currently rented as residential dwellings.

Options for the Property

Following a detailed analysis of the spectrum of options, the following options were assessed:

Option	Uses Proposed
1 Status Quo	- Continue to rent houses - Property maintenance
2 Passive / Active Parkland	- Trails on-site (approx. 1,200 m crushed limestone) - Opportunity for trail connections off-site - Picnic Shelter and Picnic Tables - Benches - Junior and Senior Children's Playground - Site Upgrades (washroom, servicing, roadway, signage, secure barns) - City-led Summer Camp Programs
3 Urban Agriculture	- Establish allotment gardens / farm and associated infrastructure - Site Upgrades (washroom, servicing, roadway, signage, secure barns)
4 Combined	All Option 2 + all Option 3
5 Divest Property	Divest Property at Market Rate

Option 1: Status Quo



Option 2: Passive/Active Parkland



Option 3: Urban Agriculture



Opportunities for
collaboration /
partnership with NCC
lands

Option 4: Combined



Financial Summary, Comparative Data

	Option 1 Status Quo	Option 2 Passive/Active Parkland	Option 3 Urban Agriculture	Option 4 Combined
Total Capital Cost (millions)	Nil	\$ 1-2 million		
Net Annual Income (thousands)	(\$10-\$12)	(\$60-\$65)	(\$30-\$40)	(\$65-\$70)

- Data shown are for business case Year 1 in 2014 dollars for comparison purposes
- Capital costs are one-time expenditure and exclude land costs
- Operating costs are assumed constant
- Operating revenue for Option 3 and Option 4 may increase with additional garden plot rentals
- Option 1 assumes below market rent (i.e., current rates)

Funding Opportunities

Municipal Funding:

- Capital Funding:
 - Taxation Funding
 - City-Wide Development Charges
 - Grants

NOTE: Any capital funding will need to be vetted against other City priorities by departments, Directors Working Group (DWG), Senior Management Team (SMT) and Council through the City's budget process.

Potential Outside Revenue Sources:

- Partnership Opportunities (ex: FarmStart)
- Corporate Sponsorship
- Private Donation / Fundraising

Recommendation

Operations Model and Business Case

Option 4: Combined – Passive/Active Parkland and Urban Agriculture

- Complementary uses & consistent with stated objectives for the site
- Creates opportunity for future partnerships with organizations that promote, manage and operate urban farms
- Sensitive to the natural heritage & character of the existing property and allows for potential integration with the adjacent NCC lands
- Trails can be connected with broader City/Regional Trail system
- Houses can be adaptively reused, or can continue to be rented
- Consistent with the City's Program Review Framework



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THANK YOU



MMM GROUP

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