

GUELPH DRILL HALL

MARKET FINDINGS REPORT

City of Guelph



August 2021

Table of Contents

Executive Summary	.....	3
Introduction	.....	10
Market Engagement Process	.....	12
Description of the Property	.....	17
Private Sector Developers	.....	21
Community User Groups	.....	30
Overall Evaluation of Key Findings	.....	55
Next Steps	.....	57
Appendices	.....	59



EXECUTIVE SUMMARY

Executive Summary: Introduction

The Drill Hall is a heavy timber barn built in 1866 located downtown in the City of Guelph (**the City or Guelph**). It is identified as a designated heritage resource due to its age and type of construction, history and context. Over the years it has been occupied for various purposes including as a venue for the Ontario Winter Fair followed by a succession of industries important to the history of Guelph.

The City is interested in understanding whether the Drill Hall should be utilized as a community use space, or whether the private sector would have any interest to acquire the building or enter into a form of public-private partnership with the City. As such, RSM Canada (**RSM**) was retained by the City to undertake a *Market Engagement* to assess interest in the Drill Hall from both the private sector and community user groups. RSM approached this project in three distinct phases, with each phase having clearly defined activities and deliverables:

	P1: Process Initiation	P2: Market Sounding	P3: Analysis and Reporting
ACTIVITIES	<ul style="list-style-type: none"> Meet with the City to confirm scope, objectives, governance, reporting requirements and milestones; Review documents sent by the City; Identify potential developers and community user groups through discussion with City; Determine best approach for the market engagement; Develop a background document; and Develop a reporting framework 	<ul style="list-style-type: none"> Undertake the market engagement for targeted participants; Respond to information requests/clarifications from participants; and Document and compile responses. 	<ul style="list-style-type: none"> Consolidate all market findings into a draft report including recommendations for next steps based on feedback; Update draft report based on feedback received; and Present findings to City staff and/or Council as required
DELIVERABLES	<ul style="list-style-type: none"> ✓ <i>Data request</i> ✓ <i>Finalized stakeholder interview list</i> ✓ <i>Background document</i> ✓ <i>Reporting framework</i> 	<ul style="list-style-type: none"> ✓ <i>Preliminary findings</i> 	<ul style="list-style-type: none"> ✓ <i>Final report and presentation</i>

Note to reader: This report has been prepared by RSM Canada based on data and information provided by the City of Guelph and other third parties. RSM's assessment of the responses received as part of the market engagement process is based on our own view of the information we obtained. In preparing this report, we have strived to be as transparent as possible in terms of the methodology employed, data sources used and any assumptions made. *Information regarding project limitations can be found in Appendix A of this document.*



Executive Summary: Market Engagement Structure

The market engagement had a two-pronged approach, one to examine the interest from private sector developers and the second to consider the potential interest from community user groups (including individual community users*), in repurposing the building as a community space.

The specific approach was developed and undertaken in conjunction with City staff to ensure it encapsulated the City's objectives and requirements. This included consultation with both the Economic Development and Tourism and Facilities and Energy Management teams concerning the context for the market engagement, the history of the Drill Hall, current status of the property – including works underway and potential future work required, and desired outcomes for the market engagement.

Background materials and a background document (refer Appendix B) were compiled to provide private sector developers as well as community user groups with relevant context regarding the Drill Hall and the purpose of the market engagement. In addition, questions were developed, specific to both groups to be used as part of an interview with private sector developers and a public survey with community user groups ([City of Guelph](#) website, refer Appendix C). Subsequently interviews were then conducted with short-listed community user groups based on rated criteria agreed with the City.

RSM facilitated the process and acted as the point of contact on behalf of the City for interviews with the private sector developers as well as community user groups.

Note to reader: *Referred to collectively as community user groups

Executive Summary: Target Participants

Private sector developers: The original list of targeted participants was developed from a list of contacts from RSM's client relationship management database in the real estate and investment community. This list was then augmented and short-listed based on the requirements of the market engagement process, the City's previous market engagement activities, input from City staff based on local interest in the Drill Hall from credible and relevant parties and further desk-top research.

This resulted in a list of 21 private sector developers based both locally and within the broader GTAA. The targeted private sector developers ranged in size from small to large organizations and varied in development focus (i.e.; residential, commercial, heritage specialty, etc.) in order to get a holistic view of perspectives and feedback.

The developers were then contacted through a mix of phone calls and emails from RSM staff. Post contact with targeted participants and subject to agreeing to participate, an interview was scheduled. RSM targeted and undertook a total of 6 interviews which is sufficient for the purposes of the market engagement. The interviews included the provision of the background document to allow for meaningful discussion.

Community user groups: Targeted participants consisted of not-for-profit organizations, community groups, social enterprises, charities and individuals. In order to target these participants, the City created a dedicated website with relevant information on the Drill Hall property. Through its social media channels and website, the City then communicated a link to the survey hosted on Survey Monkey. The community were able to access the survey for a two-week period. Subsequently a short-list of 6 survey participants, selected on the basis of rated criteria developed in conjunction with the City, were contacted to participate as part of a follow-up interview.

Executive Summary: Participants

The table below identifies the private sector developers and community user groups that participated in an interview with RSM.

Private sector developers*	Community user groups
Main & Main	121 Red Arrows Air Cadets
Perimeter Development Corporation	Two Rivers Neighbourhood Group - Guelph Neighbourhood Support Coalition
Tricar Group	10 C Shared Spaces
Tyrcathlen Partners	Guelph Arts Council
Fengate	Fan/Joy Culinary Center
Lammer Development Group	Guelph Tool Library

Note to reader: Some additional written feedback was also received from Fusion Homes.

Executive Summary: Key Findings



Market interest

The market engagement indicated that private sector developers were not interested in the Drill Hall. Their interest was heavily tempered by the need to maintain the existing structure (and the heritage related aspects that this includes), considering that it would make it unviable to develop, particularly given the size of the property. Were there options to consider amending heritage related protections it may change their consideration of the site for future development, as the location of the Drill Hall - in Downtown Guelph, close to transit - was seen by all groups (private sector developers and community user groups) as highly favourable. Alternatively, private sector developers could be interested if the City was provided incentives for its development to offset the costs or consideration of it was included as part of a larger land transaction or development.

From a community-user group standpoint there was strong interest in the Drill Hall, with 50 completed responses to the survey.



Site-use

Notably, the market engagement of both groups indicated, relatively consistently across all survey respondents and interview participants, that the Drill Hall is best suited to community use. This was on the basis of it not being viable for private sector development. The overall preference from community-user groups was for it to be a shared space, with co-location of multiple community-user groups, permitting workshops, classes and initiatives to service the community.



Ownership-structure

Given the perceived encumbrances of the site “as is” the private sector developers did not have interest in developing it. If there was no need to consider the existing structure they would be predominantly interested in outright ownership of the site.

On the basis of the site being used as a community share space, the preference from community-user groups was for there to be a close partnership with the City regardless of the ownership structure – ownership, lease or private public partnership. This partnership would likely take the form of a subsidy, discounted cost or form of financial risk transference. The likely output of this being that the City will be required to provide some form of ongoing funding/capital investment post the stabilization work currently being undertaken.

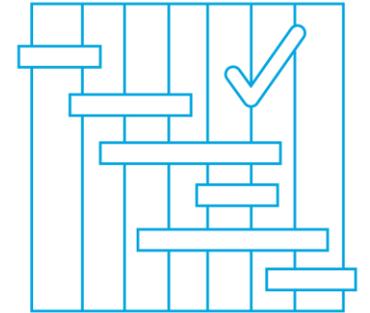
Next steps

The intent of the market engagement process was to assess interest in the Drill Hall from the private sector and community user groups, with this information to be used by the City to inform the future direction of the Drill Hall.

Feedback indicated there was no specific interest from private sector developers in the Drill Hall. Consistent feedback from both developers and community user groups specified that the Drill Hall is best suited to community-use. This was indicated to be in the form of a shared space, with co-location of multiple community-user groups permitting workshops, classes and initiatives to service the community. Feedback also identified that the City will likely need to provide further funding / capital investment post the stabilization work currently being undertaken.

Based on this, it is recommended that the City consider the following actions in relation to the Drill Hall:

- Review option for the City to provide additional budget to fund the Drill Hall post stabilization
- Confirm need for additional community-use spaces
- Identify the Drill Hall to be used as a community space
- Undertake procurement for Drill Hall occupancy, specifically considering proposals for financial viability, community benefit, and alignment with the Downtown Secondary Plan
- Based upon the results of the procurement determine next actions and feasibility of proceeding with utilizing the Drill Hall as a community space





INTRODUCTION

Introduction

The Drill Hall is a heavy timber barn built in 1866 located downtown in the City of Guelph (**the City or Guelph**). It is identified as a designated heritage resource due to its age and type of construction, history and context. Over the years it has been occupied for various purposes including as a venue for the Ontario Winter Fair followed by a succession of industries important to the history of Guelph.

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MARKET ENGAGEMENT PROCESS

Market Engagement Process

PROJECT OBJECTIVES

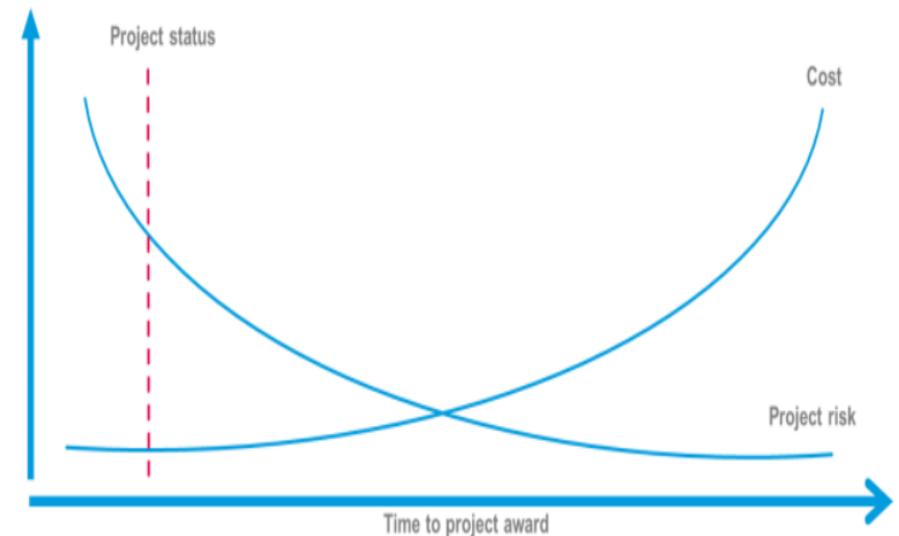
The intent of the market engagement process was to assess interest in the Drill Hall from the private sector and community user groups and specifically achieve the following:

- Assess potential ownership options;
- Assess private sector and community user group interest; and
- Understand potential use;
- Identify recommended next steps for the City.

RATIONALE

The rationale behind a market engagement process is to provide market direction and reduce the risk of insufficient and inadequate responses to subsequent procurement activities. Prior to the market engagement there was insufficient information available to the City to be able to understand potential ownership structures and use of the Drill Hall. This can lead to misalignment between the market drivers and the City's objectives. The market engagement provides valuable information required by the City to make an informed decision on the Drill Hall property and explore options for the future use of the space

The process also attracts the interest of market participants by reducing the cost of investment in the early stages of a development procurement – as shown in the adjacent Figure. The process balances the City's objectives with the cost of investment from development teams to improve market interest and traction.



Market Engagement Process

MARKET ENGAGEMENT STRUCTURE

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RSM facilitated the process and acted as the point of contact on behalf of the City for interviews with the private sector developers as well as community user groups.

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Market Engagement Process

TARGET PARTICIPANTS

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Community user groups: Targeted participants consisted of not-for-profit organizations, community groups, social enterprises, charities and individuals. In order to target these participants, the City created a dedicated website with relevant information on the Drill Hall property. Through its social media channels and website, the City then communicated a link to the survey hosted on Survey Monkey. The community were able to access the survey for a two-week period. Subsequently a short-list of 6 survey participants, selected on the basis of rated criteria developed in conjunction with the City, were contacted to participate as part of a follow-up interview.

Market Engagement Process

KEY ACTIVITIES COMPLETED

List of developers identified; background document finalized; survey developed and community user group survey launched on City of Guelph website June 17th.

Rating criteria developed to short list community user groups, community user group interview questions finalized, survey closed July 2nd.

Project initiated: kick-off meeting completed, background document and reporting framework developed

Engagement with private sector developers from June 24th to July 9th.

Interviews with community user groups from July 13th to July 20th.



DESCRIPTION OF THE PROPERTY

Description of the Property

Location: The Drill Hall is located at 72 Farquhar Street, at the corner of Farquhar Street and Wyndham Street South, on the southeast side of the railway tracks and adjacent to a passenger drop-off lot for City of Guelph's Central Station.

History: The Drill Hall is a heavy timber barn built in 1866 for the use of Guelph's voluntary militia units and for the Wellington County agricultural shows. It was designed by T W Cooper, a local Civil Engineer and Provincial Land Surveyor, and constructed with funds provided by Wellington County Council, Guelph Town Council, and the Wellington County Agricultural Societies. The Drill Hall also functioned as a general community hall and was used for hosting public and private events. Over the years it was occupied for a variety of industrial uses, primarily for textile manufacturing for various end products.

Specifications: The Drill Hall is a two-and-one-half storey timber frame building with horizontal, aluminum board siding. The building has a low-pitched gable roof, and a projecting central frontispiece on the main, south elevation facing Wyndham Street South. Much of the original fabric of the building has been replaced or modified but despite these changes, the overall form and mass of the original building is readily apparent, and its historic function can be interpreted, as a local community hall designed for military drills and agricultural shows. To preserve its historical context, the City designated the Drill Hall as a property of cultural heritage value or interest under Part IV of the Ontario Heritage Act. Refer next slide for detailed specifications.

Work Completed: The building is partially heated and has a newly installed 200A 600V Service. All other services have been removed from the building's interior and capped at exterior wall. Stabilization works are underway to prevent further building deterioration and will address foundation deficiencies, roof leaks, structural element reinforcement, water proofing, asbestos and mould removal, heating and footings. This work is expected to be completed in 2022. Additional costs would be incurred to renovate the stabilized building for use. This would include renovation associated with the windows, entrances, walls, mechanical and electrical infrastructure replacement and sanitary service. The additional restoration is estimated between \$4 to \$5 million.



Description of the Property

Detailed Site Specifications:

Address	72 Farquhar Street
Legal Description	PLAN 8 PT MARKET SQUARE PT MARKET PLACE
Current Owner	The Corporation of the City of Guelph
Current Use	No current use
Current Zoning	D3a: allows for potential uses of the property as an agricultural Produce Market, Retail Establishment, Restaurant, Service Establishment, or transit terminal. Please refer to Appendix B for further zoning details.
Known Limitations	<ul style="list-style-type: none">•Designated Heritage status•Potential zoning limitations•No parking lot (Access to nearby parking is available)
Lot Area	8,969.6 sq. ft. (833.3 sq. m)
Front Setback	3.13 m minimum

Table 1, part a: Detailed site specifications

Site Specifications

Side Setback	0.51 m minimum
Rear Setback	0.40 m minimum
Building Area	6,650 sq. ft. (617.8 sq. m)
Existing G.F.A	12,850 sq. ft. (1,194 sq. m)
Building Height	38.4 ft. (11.7 m); 2.5 storeys (one level in the roof trusses)
Ground Floor Gross Area	6,100 sq. ft. (566.7 sq. m)
Second Floor Gross Area	6,020 sq. ft. (560 sq. m)
Third Floor Gross Area	1,451 sq. ft. (134.8 sq. m)
Basement Gross Area	497 sq. ft. (46.2 sq. m)

Table 1, part b: Detailed site specifications



MARKET ENGAGEMENT: PRIVATE SECTOR DEVELOPERS

Market Engagement: Private Sector Developers

The following section provides information specific to the market engagement undertaken with the private sector developers. This includes: response statistics for the market engagement; an analysis of the number of responses; a description of each of the participants, the questions asked of the participants and the key findings associated with the market engagement.

Market Engagement: Participants

21 developers were identified by the City and RSM. These developers varied in size of company, their primary type of land development, and their location with some being directly headquartered within Guelph. Of the original list of developers, 19 were contacted, and 6 developers agreed to be interviewed. The overall response is considered sufficiently adequate to assess market interest in the Drill Hall. The tables below highlights the response rates.

Description	Number	Percentage (%)
Number of parties contacted	19	
Number of no-response	8	42%
Total number of responses	11	58%
Number of declines	2	11%
Number of interviews	6	32%

Table 2: Private sector developers contacted

Developer Location	Number	Percentage (%)
Developers located in Guelph	3	50%
Developers located outside of Guelph	3	50%

Table 3: Location of private sector developers interviewed

Market Engagement: Participants

The table below identifies the private sector developers that participated in an interview with RSM.

Name	Description of Company
Main & Main	Main & Main is a mixed-use urban developer that has invested in over 70 properties in key Canadian cities.
Perimeter Development Corporation	Headquartered in Kitchener, Perimeter Development Corporation is active in the Tri-City area and develops in office, retail and commercial spaces.
Tricar Group	With a number of active projects in Guelph, Tricar Group specializes in residential development.
Tyrcathlen Partners	Established in 2010 and having completed other projects in Guelph, Tyrcathlen Partners focuses on acquiring, restoring and re-purposing heritage properties.
Fengate	Fengate is a North-American wide real estate investment and development firm located in Toronto that specializes in large scale commercial, industrial and infrastructure developments.
Lammer Development Group	The Lammer Development Group is a local developer based in Guelph with projects throughout Guelph and surrounding area.

Table 4: Description of private sector developers interviewed

Note to reader: Some additional written feedback was also received from Fusion Homes.

Market Engagement: Interview Questions

The following questions listed below were included as part of the Background Document (refer Appendix B) that was provided in advance of interviews with the private sector developers. These questions were targeted at assessing potential interest in the Drill Hall, the type of interest and identifying parameters for this interest. Conversely, in the event of the private sector developer not being interested in the Drill Hall they were also to identify the reasons why the private sector developer was not interested. The questions were asked in an informal interview setting and the majority of questions were open ended to facilitate discussion and provide an opportunity for participants to speak freely and elaborate on their answers. Further follow-up questions were also asked of participants dependent on their answers in order to gather additional detail.

- Are you interested in the Drill Hall in Downtown Guelph? If yes, how would you rank your interest in this property? If no, why not?
- What type of usage do you see as feasible for the Drill Hall (i.e. residential, commercial, retail, institutional)?
- Would the usage of the Drill Hall be of specific interest to your organization? If so, please provide examples of specific use.
- What type of operating structure would you prefer for this development (i.e. private ownership, public-private partnership, leasehold)?
- What assurance or commitment would you need from the City?
- Based on your experience, do you foresee any potential risks to the development of the Drill Hall property?

Market Engagement: Key Findings

The feedback from the participants is categorized according to the following subject areas in alignment with project objectives and market engagement questions: market interest, ownership structure, site-use and heritage considerations*.

Market Interest: Based on the feedback received from the interviews there was a general lack of interest in the Drill Hall property as it currently stands. It was considered that the small property size, and existing heritage limitations impacted the ability to be able to generate an adequate return on investment.

Indications of market interest in the Drill Hall were stronger in the scenario where the existing structure did not have to be maintained. Additionally, some developers indicated potential interest in developing the Drill Hall property “as is” if it could be included as part of a larger transaction packaged with other City land. This would then be used to offset the cost of developing the property “as is” which was not considered viable to generate an adequate return given restrictions.

The below Table 5 provides a breakdown of developer interest in the Drill Hall property on the basis of it either including the existing structure or on the basis of the property alone.

Description	Number of Participants Responding in the Affirmative	Percentage (%)
Interest in the Drill Hall property (including existing structure)	0 of 6 developers	0%
Interest in the Drill Hall property (excluding the existing structure)	4 of 6 developers	66%

Table 5: Private sector interest

Note to Reader: Included as a separate category due to its prevalence for the property being reviewed

Market Engagement: Key Findings

Ownership structure: Where the developers indicated an interest in the property, which was on the basis of excluding the existing structure, their preference was predominately for outright ownership. There were some indications that they would consider alternative structures, in this instance they would be on the basis of financial type incentives to assist in the development.

Site-use: Developers indicated, on the basis of excluding the existing structure, that the best use for the land would be residential or mixed-use with first floor retail. While they indicated no interest in the site including the existing structure, they did indicate that there may be a potential for some sort of community use if the City was to maintain the property "as is".

Heritage considerations: Developers indicated that the heritage protections in general were not a major concern, but when considered in combination with other factors, namely the size of the property, they made the Drill Hall property including the existing structure unattractive to develop.

Market Engagement: Evaluation of Key Findings

The information provided as part of market engagement is from the perspective of each individual party's experience and motivations, which results in, in some cases, a bias consistent with this. For example, a developer more experienced with the market in Guelph and with a better understanding of site opportunities and limitations may have a differing opinion than another developer who does not have this same contextual understanding.

In this instance, across all developers regardless of background and development focus there was a relatively consistent viewpoint, essentially, that the Drill Hall property inclusive of the existing structure was not of interest. The interview participants across most questions expressed similar overlapping viewpoints. This consistency in response provides support for the veracity of the findings and is a notable finding.

Table 6 on the following slide provides our evaluation of the feedback provided and (where relevant) options for the City to improve market participation in the development of the Drill Hall.

Market Engagement: Evaluation of Key Findings

Category of feedback	Evaluation of feedback	Options (where relevant)
Market interest	<p>There is no market interest from private sector developers in the Drill Hall inclusive of the existing structure. As referenced above this was consistent across all developers. This is due to: a combination of size – physical building and surrounding property being too small to add adequate density and concerns with parking configurations, and heritage protections- the inherent risk in heritage building restorations and the cost the existing restoration estimated at between \$4-5M. It was unanimous, in their opinion, that the economics of this project would not be viable. Multiple interviewees highlighted the extreme costs that would need to be charged in order to earn a return on their investment.</p> <p>However, there is interest excluding the existing structure, which speaks to the location of the site, and it's perceived value even though it is a smaller site. All developers interviewed remarked on the Drill Hall's ideal location in Downtown Guelph with close proximity to transit. Although a few of the developers interviewed don't tend to work on projects that are smaller than 20,000 sq., there was clearly interest in the land itself, due to its location. Developers expressed some possible creative solutions to redevelop the land, incorporating consideration of underground parking which would address or remediate some of the disadvantages of site size but would require removal of heritage protections and/or demolition of the existing structure. Alternatively, there may be options to package the Drill Hall as part of a transaction with other City land and make the economics of developing the Drill Hall site with the existing structure more attractive. Lastly, there could be options to provide financial incentives or discount the value of the property to incent development, thereby potentially making it an economically viable development for the private sector.</p>	<ul style="list-style-type: none"> • Consider potential to amend heritage protections • Identify incentives that could be provided to private sector developers to make the site more attractive for development of the site "as is" this could include: making it part of a larger land transaction/development, financial incentives and/or discount of property price
Ownership structure	<p>The predominant view from developers was outright ownership of the site. Though notably this was on the basis of the site being able to be developed exclusive of the existing structure, (with there currently being no interest inclusive of the existing structure from the developers that were engaged). This viewpoint, outright ownership, is likely driven in part by the perceptions of the encumbrance a public-private partnership may have on the development. Notably, 5 out of 6 developers felt that the best-case scenario for the Drill Hall was for the City to renovate the building and provide it to a community-user group(s) for use either making it available to be leased/rented or by selling (\$0 cost) to them.</p>	<ul style="list-style-type: none"> • Consider maintaining ownership of the Drill Hall by the City, renovating and subsequently leasing/renting or selling (\$0 cost) the property to community-user groups.
Site-use	<p>The site use, on the basis of excluding the existing structure, focused on residential and mixed-use with first floor retail/commercial. This is consistent with the development focus of the developers interviewed and also the relevant economic opportunities for development in Downtown Guelph. As referenced above, developers indicated that if the City retained ownership, community-use of the site may be a viable option, given location and the difficulties in developing the site.</p>	<ul style="list-style-type: none"> • Not applicable

Table 6: Evaluation of private sector developer feedback



MARKET ENGAGEMENT: COMMUNITY USER GROUPS

Market Engagement: Community User Groups

The following section provides information specific to the market engagement undertaken with community user groups. This includes: response statistics for the market engagement survey, a description of each community user group chosen for an interview, the questions asked of the participants and the key findings associated with the market engagement.

Market Engagement: Community User Group Survey - Participants

The below response statistics show the response rates to the community-user group survey posted on the City website from June 17th – July 2nd. The survey generated 173 responses in total, 50 of which were completed, it also included a mix of responses from individuals and organizations as well as respondents based both within Guelph and outside of Guelph (though predominately within Guelph).

Description	Number	Percentage (%)
Number of Survey Respondents	173	N/A
Number of Complete Responses	50	N/A

Table 7: Community user group response statistics

Number of Responses	Number	Percentage (%)
Number of Responses from Individuals	30 of 50 responses	60%
Number of Responses from Organizations	20 of 50 responses	40%

Table 8: Community user group response statistics – individual v organization

Community User Group Location	Number	Percentage (%)
Community user groups located in Guelph	47 of 50 responses	94%
Community user groups outside of Guelph	3 of 50 responses	6%

Table 9: Community user group response statistics - location

Market Engagement: Community User Group Survey - Participants

The following statics provide further insight into the type of community user groups that responded to the survey and whether they partner with any organizations.

Survey Question	Options	Result (% of total response)
What type of organization are you?	Not-for-profit	65%
	Corporation	5%
	Charity	20%
	Other (please specify) - Hybrid Corporation (social enterprise) and new NFP forming a charity	5%
	Other (please specify) - Club would be best description	5%
If you partner with any other organizations, please tell us about your partnership(s) below.	Had a Partnership	40%
	No Partnership	60%

Table 10: Community user group response statistics – organization type

Market Engagement: Community User Group Survey - Questions

Survey questions were divided into three categories that included mandatory responses, company information and property use. Further description of the categories and the questions themselves are provided below:

Mandatory responses: Respondents were required to confirm that they had read the information provided about the Drill Hall located on the City website (refer Appendix C). To continue with the survey community user groups were required to reply ‘yes’.

Company information: These questions asked for further detail about the respondent including if they represented an organization, if they were located in Guelph and a general overview of their operations.

Property use: These questions asked for further detail on how respondents would like to use the space and their desired occupancy timelines.

Mandatory Responses
Have you reviewed the information provided?
Company Information
Are you responding as an organization?
Please provide your organization's name.
Please provide an overview of your organization.
What type of organization are you?
Contact Name
Are you located within Guelph?
Website
Phone Number
If you partner with any other organizations, please tell us about your partnership(s) below.
Please provide a description of how you would propose to use the space. How does it benefit the downtown area, community, or city in general?

Table 11, part a: Survey Questions

Market Engagement: Community User Group Survey - Questions

Property Use

- Which of the following options best describe your desired use of the space?
- Are you willing to work within the requirements of protected heritage attributes?
- Do you have a preference in terms of lease, ownership or a public/private partnership with the City for your proposed use of the space?
- What is the minimum area required for your proposed use of the space? Please indicate the square footage required.
- Do you have a budget to contribute to the proposed use of the space?
- In dollars, please define any budget you have to contribute.
- When would you want to start using the space?
- Are you flexible with your occupancy date?

Table 11, part b: Survey Questions



Market Engagement: Community User Group Survey - Results

The below tables provide the results from the Community User Group Survey.

Category	Survey Question	Results (based on general themes of responses)
Company Information	Please provide an overview of your organization.	Shared Use Space/ Innovation Hub/ Accelerator
		Culinary Centre
		Arts Centre / Music / Art Programming
		Library / Tool Library
		Medical Research/ Medical Centre
		Youth Programming/ Youth Learning
		Community Centre / Recreation Centre
		Community Support Centre / Homeless Aid
		Religious Center
		School / Montessori

Table 12, part a: Survey Results

Market Engagement: Community User Group Survey - Results

Category	Survey Question	Results (based on general themes of responses)
Company Information	If you partner with any other organizations, please tell us about your partnership(s) below.	10 C Art Gallery of Guelph City of Guelph Downtown Theatre Project Guelph Black Heritage Society Guelph Business Center Guelph Community Foundation and Children's Foundation Guelph Community Health Centre Guelph Film Festival Guelph Little Theatre Guelph Neighborhood Support Coalition Guelph Spoken Word Guelph Studio Tour Guelph Tool Library Hope House Immigrant Services Guelph-Wellington Innovation Guelph The North End Harvest Market University of Guelph - School of Fine Art and Music University of Waterloo Upper Grand District School Board Victor Davis Memorial Court Wellington County

Table 12, part b: Survey Results

Market Engagement: Community User Group Survey - Results

Category	Survey Question	Options	Result (% of total response)
Property Use	Please provide a description of how you would propose to use the space. How does it benefit the downtown area, community, or city in general?	Heritage	8%*
		Public Art	38%*
		Economic Development	26%*
		Energy	0%*
		Inclusion	34%*
		No Response	36%*
Property Use	Which of the following options best describe your desired use of the space?	Retail and service (including restaurants and personal service)	6%
		Residential (including apartments)	2%
		Live/work	0%
		Office	0%
		Medically related	2%
		Entertainment and commercial recreation	4%
		Community service	16%
		Cultural, educational and institutional	24%
		Accommodation/hotel	0%
		Open text box: Other	4%
No Response	42%		

Table 12, part c: Survey Results

Note to Reader: Respondents may have chosen to select one or more category in their response depending on the question, therefore total percentage may be more than 100%

Market Engagement: Community User Group Survey - Results

Category	Survey Question	Options	Result (% of total response)
Property Use	Which of the following options best describe your desired use of the space?	Retail and service (including restaurants and personal service)	6%
		Residential (including apartments)	2%
		Live/work	0%
		Office	0%
		Medically related	2%
		Entertainment and commercial recreation	4%
		Community service	16%
		Cultural, educational and institutional	24%
		Accommodation/hotel	0%
		Open text box: Other	4%
		No Response	42%
Property Use	Are you willing to work within the requirements of protected heritage attributes?	Yes	58%
		<i>No Response</i>	42%
Property Use	Do you have a preference in terms of lease, ownership or a public/private partnership with the City for your proposed use of the space?	Lease	18%
		Own	2%
		Public Private Partnership	38%
		No Response	42%

Table 12, part d: Survey Results

Market Engagement: Community User Group Survey - Results

Category	Survey Question	Options	Result (% of total response)
Property Use	What is the minimum area required for your proposed use of the space? Please indicate the square footage required.	Entire Space	6%
		5,000 SQ +	12%
		Under 5,000 SQ	22%
		Other: Unsure	18%
		No Response	42%
Property Use	Do you have a budget to contribute to the proposed use of the space? In dollars, please define any budget you have to contribute.	Yes	28%
		No	30%
		No Response	42%
		Budget Range: Rent	\$2,000 - \$5,000
		Budget Range: Capital	\$1.5k - \$3M
Property Use	When would you want to start using the space?	2022 Q3/Q4	30%
		2023 Q1/Q2	6%
		2023 Q3/Q4	6%
		2024 Q1/Q2	4%
		2026 Q3/Q4	2%
		Other: ASAP	2%
		Other: Whenever available	2%
		No Response	48%
Property Use	Are you flexible with your occupancy date?	Flexible with space	52%
		Not Flexible	2%
		No Response	46%

Table 12, part e: Survey Results

Market Engagement: Community User Group Interview – Rated Criteria

Subsequent to the survey RSM held 6 follow-up interviews with community user groups who had responded to the original engagement survey. Participants in the interview were shortlisted based on rated criteria developed in conjunction with the City and applied to certain questions from the survey. Total scoring for the survey was 37, and the 6 shortlisted participants scored the highest with scores ranging between 33 and 35. The intent of this shortlisting was to develop deeper insight into survey responses, (eg., protected heritage attributes, perceived community benefit etc.) with a smaller group of potential participants, not to preclude other participants who are still intended to be part of any future process that may be undertaken. The rated criteria per question are as per the below:

Survey Question		Evaluation Criteria			
Question	Answer Format	Mandatory Response?	Criteria evaluation	Scoring	Comments
Mandatory					
Have you reviewed the information provided?	Check box: - Yes - No	Y	No Evaluation	N/A	No evaluation, if they have not responded "yes" they can not proceed.
Company Information					
Are you located within Guelph?	Open text box	Y	5 = Located in Guelph 1 = Located outside of Guelph	5	

Table 13, part a: Evaluation criteria

Market Engagement: Community User Group Interview – Rated Criteria

Survey Question		Evaluation Criteria			
Question	Answer Format	Mandatory Response?	Criteria evaluation	Scoring	Comments
PROPERTY USE					
Please provide a description of how you would propose to use the space. How does it benefit the downtown area, community, or city in general?	Open text box (max. 250 words)	Y	<p>Ranking:</p> <p>Ranking on a scale of 1 to 5. Responses that reference preferred uses and the themes identified by the City of Guelph are scored higher (i.e., 1 point per theme identified).</p>	5	<p>The preferred uses and themes are identified below:</p> <p>Heritage: maintain and celebrate the heritage character of the building</p> <p>Public art: support opportunities to display or celebrate public art or the arts in general</p> <p>Economic Development: support strategic or collaborative economic development partnerships</p> <p>Energy: identify opportunities for renewable and alternative energy generation</p> <p>Inclusion: identify opportunities to celebrate or support black, indigenous, people of color, people who identify as members of LGBTQ2 community, those who have disabilities and other underrepresented groups.</p>

Table 13, part b: Evaluation criteria

Market Engagement: Community User Group Interview – Rated Criteria

Survey Question		Evaluation Criteria			
Question	Answer Format	Mandatory Response?	Criteria evaluation	Scoring	Comments
PROPERTY USE					
Are you willing to work within the requirements of protected heritage attributes?	Check box: - Yes - No	Y	Ranking: 5 = Yes 1 = No	5	
Do you have a preference in terms of lease, ownership or a public/private partnership with the City for your proposed use of the space?	Check box: - Lease - Own - Public/ Private Partnership	Y	Ranking: 5 = PPP 1= Own 1= Lease	5	
What is the minimum area required for your proposed use of the space? Please indicate the square footage required.	Open text box	Y	Ranking: 5 = If less than 12,000 SF required 1 = If more than 12,000 SF required	5	
Do you have a budget to contribute to the proposed use of the space? In dollars, please define any budget you have to contribute.	Check box: - Yes - No Open text box: If "Yes", define any budget you have to contribute.	Y	Ranking: 2 = If applicant has a budget 1 = If applicant does not have a budget	2	

Table 13, part c: Evaluation criteria

Market Engagement: Community User Group Interview – Rated Criteria

Survey Question		Evaluation Criteria			
Question	Answer Format	Mandatory Response?	Criteria evaluation	Scoring	Comments
PROPERTY USE					
When would you want to start using the space?	Check box: - Half-year increment boxes starting 2022 Q3 until 2025 Q4 - Open text box for "Other" options	Y	Ranking: On a scale 1 to 5. Higher rankings will be allocated to dates closer to the City of Guelph's desired occupancy date (i.e., 2022 Q3/Q4 will receive a score of 5, 2021 Q1/Q2 will receive a score of 4, 2023 Q3/Q4 will receive a score of 3, 2024 Q1/Q2 will receive a score of 2, other dates will receive a score of 1)	5	
Are you flexible with your occupancy date?	Check box: - Yes - No	Y	Ranking: 5 = Yes 1 = No	5	

Table 13, part d: Evaluation criteria

Market Engagement: Community User Group Interview – Participants

The following 6 organizations were contacted to provide further insight regarding desired use of the Drill Hall. Their responses scored the highest based on the selection criteria developed by the City and RSM. Notably all were Guelph-based organizations.

Name	Organization Type	Description
121 Red Arrows Air Cadets	Not-for-Profit	A youth-based organization that provides Air Cadet training and programming that includes aviation studies, effective speaking, outdoor survival, sports, pipes and drums, drill and air rifle marksmanship training.
Two Rivers Neighbourhood Group - Guelph Neighbourhood Support Coalition	Charity	Community group that supports Guelph's food security programs. The group oversees two community gardens and teaches members how to grow and preserve local food, seed saving methods and cooking classes.
10 C Shared Spaces	Not-for-Profit	10C is a not-for-profit organization that provides collaborative work and meeting spaces. The organization aims to enable social change through various programming, a food kitchen and community events.
Guelph Arts Council	Charity	Guelph Arts Council is a registered charity that supports artists and arts groups by providing learning resources and cultural programs.
Fan/Joy Culinary Center	Not-for-Profit forming a Charity	Fan/Joy is a culinary social enterprise that supports communities through cooking courses, youth programming and counselling services.
Guelph Tool Library	Not-for-Profit	The Guelph Tool Library is a not-for-profit organization that loans specialized tools to Guelph's citizens through membership programs.

Table 14: Community user groups interviewed

Market Engagement: Community User Group Interview - Questions

The follow-up questions referenced in tables 15 to 17 were developed in collaboration with the City. The purpose of these questions was to develop further insight into the interested community user groups and how they would like to use to the Drill Hall. The questions were organized across several categories including organizational, vision and occupancy.

The **organizational** questions were used to give further insight into the respondents. The goal was to ensure their core values and overall company objectives were in line with the City's requirements.

1. Can you provide more information about yourself or the organization?
If you are an organization, how large are you? (i.e., headcount)
Tell us more about the community/members that you support.
How long have you been operating?
If you are an organization, how is your organization structured?

Table 15: Community user group interviews: organizational questions

Market Engagement: Community User Group Interview – Questions

The **vision** questions were used to determine what types of needs each respondent filled within the community and how they would use this space to fulfill these needs.

2. Can you further comment on how you would like to use the space?
What gap in the community is being filled by your proposal?
How does this plan benefit the City?
3. Can you please provide more information on how you would lay out your space?
Can you describe your desired layout? (e.g., office spaces, public spaces, sq. Proposed for uses)
Are you willing to co-locate with other organizations outside of your proposal?

Table 16: Community user group interviews: vision questions

Market Engagement: Community User Group Interview – Questions

Occupancy questions were used to confirm information asked in the online survey. This was done to ensure accuracy of survey responses and to provide the city with confirmation of the occupancy plan.

4. How will you preserve/enhance the historical attributes of this building ?
5. Can you confirm when you would like to occupy the building?
6. Can you confirm if you would like to Own, Lease or enter into a form of PPP with the City?
7. Can you provide more details on what you would expect the City to contribute?
Do you need funding?
Do you have other needs?
8. How much are you willing to invest into this space?
Can you provide more information about where your investment is coming from?

Table 17: Community user group interviews: occupancy questions



Market Engagement: Community User Group Interview – Key Findings

The following information reflects responses given during interviews with community user groups. The feedback from the participants is categorized according to the following subject areas in alignment with project objectives and market engagement questions: type of community-use, heritage considerations and occupancy – type, timing and funding.

Community-use: While there was some variation in the type of community-use proposed, based on the organizations that were interviewed, the majority were focused on utilizing it as a shared space to hold workshops, classes and/or community gatherings centred on their particular organizations focus area. With 5 of the 6 groups willing to co-locate.

Description	Number of Participants Responding in the Affirmative	Percentage (%)
Is the community user group willing to co-locate with other organizations?	5 of 6 community user groups	83.3%

Table 18, part a: Community user groups interview statistics

Heritage considerations: Each community user group interviewed was willing to protect and enhance the attributes of the Drill Hall. Notably this was generally on the basis of the City being able to provide funding to support this.

Description	Number of Participants Responding in the Affirmative	Percentage (%)
Is the community user group willing to preserve/enhance the historical attributes of the Drill Hall?	6 of 6 community user groups	100%

Table 18, part b: Community user groups interview statistics

Market Engagement: Community User Group Interview – Key Findings

Occupancy: Timing

Community user groups are open to the occupancy timeline and would like to work with the City to determine the best timeframe. Many groups indicated they would like to occupy the space as soon as it would be available.

Description	Number of Participants Responding in the Affirmative	Percentage (%)
Is this community user group available for building Occupancy from 2022 Q3/Q4?	4 of 6 community user groups	66.6%

Table 18, part c: Community user groups interview statistics

Type

Community user groups were predominantly interested in either entering into a private public partnership or leasing the Drill Hall from the City. While groups did consider the ownership of the building, generally they would prefer a partnership due to the building's heritage aspects.

Description	Number of Participants Responding in the Affirmative	Percentage (%)
Does the community user group want to lease the space?	2 of 6 community user groups	33.3%
Is the community user group interested in a Public Private Partnership with the City?	4 of 6 community user groups	66.6%

Table 18, part d: Community user groups interview statistics

Market Engagement: Community User Group Interview – Key Findings

Occupancy: Funding

While most community user groups indicated that they did have some form of funding/budget available to them, and in some cases this was quite substantial, generally there was a requirement of some type of support from the City whether that be in the form of subsidies, discounted pricing/cost.

Description	Number of Participants Responding in the Affirmative	Percentage (%)
Does the community user group have available funding for the space (rent or purchase)?	4 of 6 community user groups	66.6%

Table 18, part e: Community user groups interview statistics

Note to Reader: Not all 6 community user groups provided detail on their budgets.

Market Engagement: Community User Group - Evaluation of key findings

The types of community user group that responded to the initial survey and the groups that subsequently participated in the follow-up interviews were majority located in Guelph and included a relatively even mix of both individuals and organizations.

Of the organizations that responded the majority were non-profits and approximately 40% participated in partnership with other organizations. They had a wide range of backgrounds including community support/aid, recreational/arts, innovation hubs/shared use spaces, religious centres and schooling.

Table 19 on the following slide provides our evaluation of the feedback across both the survey and interviews and, where relevant, options for the City to consider based on this feedback. The information provided as part of market engagement is from the perspective of each individual party's experience and motivations, which results in, in some cases, a bias consistent with this.

Market Engagement: Community User Group – Evaluation of Key Findings

Category of feedback	Evaluation of feedback	Options (where relevant)
Community-use	<p>The majority of feedback back provided from community user groups identified community service, cultural, educational and institutional uses for the Drill Hall. This was further supported by the follow-up interviews which indicated a desire for a central, community-use space permitting workshops, classes and initiatives to service the community.</p> <p>Community user groups indicated they felt the City is lacking such spaces and that many community user groups had lost their original gathering spaces during the pandemic. It was felt that the Dill Hall would be a great new, central location, served by public transit that could support their programming.</p> <p>Additionally, and not surprisingly given the target audience, there was a strong consensus from both the survey and the groups interviewed that they did not want the site redeveloped into residential units.</p> <p>Community members are looking for a shared gathering space</p> <p>Few of the community user groups who responded indicated a need to utilize the entire space for their proposed activities. Indeed, as part of the follow-up interviews community user groups referenced the desire for a common-use space, that could be a “safe space” for everyone and were willing to share and co-locate with other community user groups.</p>	<ul style="list-style-type: none"> • Consider existing inventory of community-use spaces, in particular current and past utilization (considerate of COVID-19 underutilization) to provide additional data regarding lack of arts spaces • Identify potential opportunities for community user groups to utilize these existing spaces either temporarily or permanently to address perceived shortfall • Consider increased promotion and improve access to community-use spaces to ensure community user groups are aware of existing community-use spaces (where relevant)

Table 19, part a: Evaluation of community user group feedback

Market Engagement: Community User Group – Evaluation of Key Findings

Category of feedback	Evaluation of feedback	Options (where relevant)
Heritage considerations	<p>Supportive of heritage The majority of respondents and interviewees were supportive of and willing to protect and/or enhance the heritage related aspects of the Drill Hall. The main concerns being a need for a clear understanding and direction on what was required and the funding associated with maintaining or improving these aspects of the Drill hall. While some parties did indicate a budget for use of the space (discussed further below), it is highly unlikely this would 100% account for the costs of maintaining the heritage related aspects of the Drill Hall.</p>	<ul style="list-style-type: none"> Review potential for City to provide ongoing funding associated with maintaining or enhancing the heritage related aspects of the Drill Hall
Occupancy	<p>A close partnership and support from the City is a requirement Many of the community user groups are operating as not-for-profits or charities and do not have a large budget to contribute to rent or building ownership. Though there were some exceptions to this, and pending final decisions on the future of Drill Hall further validation of funding by community user groups should be undertaken. Ideally, most community user groups would like to enter into some form of public private partnership with the City or lease the space at a subsidized rent. Some were willing to consider ownership but again would need financial support to enable this.</p> <p>The community user groups <i>interviewed</i> are operating not-for-profits or charities and require affordable spaces that allow them to be sustainable. Interviewees indicated they are looking to work collaboratively with the City and council members to address funding, timing and type of occupancy but would likely need support. Importantly, most community user groups as mentioned above under “community-use” expressed a willingness to consider shared-use of the space, which may assist in defraying potential costs and ensuring maximum usage of the site. The likely output of this would be that the City will be required to provide some form of ongoing funding/capital investment post the stabilization work currently being undertaken.</p>	<ul style="list-style-type: none"> Consider the City’s preferred ownership structures for the Drill Hall should it be confirmed for community-use Understand what funding may be available associated with heritage (as per above) and also with subsidizing the cost of operating the Drill Hall under the various ownership structures Identify the opportunities for shared-use of the space and how this may affect required funding

Table 19, part b: Evaluation of community user group feedback



OVERALL EVALUATION OF KEY FINDINGS

Overall Evaluation of Key Findings



Market interest

The market engagement indicated that private sector developers were not interested in the Drill Hall. Their interest was heavily tempered by the need to maintain the existing structure (and the heritage related aspects that this includes), considering that it would make it unviable to develop, particularly given the size of the property. Were there options to consider amending heritage related protections it may change their consideration of the site for future development, as the location of the Drill Hall - in Downtown Guelph, close to transit - was seen by all groups (private sector developers and community user groups) as highly favourable. Alternatively, private sector developers could be interested if the City was provided incentives for its development to offset the costs or consideration of it was included as part of a larger land transaction or development.

From a community-user group standpoint there was strong interest in the Drill Hall, with 50 completed responses to the survey.



Site-use

Notably, the market engagement of both groups indicated, relatively consistently across all survey respondents and interview participants, that the Drill Hall is best suited to community use. This was on the basis of it not being viable for private sector development. The overall preference from community-user groups was for it to be a shared space, with co-location of multiple community-user groups, permitting workshops, classes and initiatives to service the community.



Ownership-structure

Given the perceived encumbrances of the site “as is” the private sector developers did not have interest in developing it. If there was no need to consider the existing structure they would be predominantly interested in outright ownership of the site.

On the basis of the site being used as a community share space, the preference from community-user groups was for there to be a close partnership with the City regardless of the ownership structure – ownership, lease or private public partnership. This partnership would likely take the form of a subsidy, discounted cost or form of financial risk transference. The likely output of this being that the City will be required to provide some form of ongoing funding/capital investment post the stabilization work currently being undertaken.



NEXT STEPS

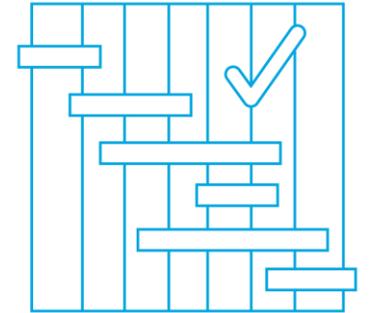
Next steps

The intent of the market engagement process was to assess interest in the Drill Hall from the private sector and community user groups, with this information to be used by the City to inform the future direction of the Drill Hall.

Feedback indicated there was no specific interest from private sector developers in the Drill Hall. Consistent feedback from both developers and community user groups specified that the Drill Hall is best suited to community-use. This was indicated to be in the form of a shared space, with co-location of multiple community-user groups permitting workshops, classes and initiatives to service the community. Feedback also identified that the City will likely need to provide further funding / capital investment post the stabilization work currently being undertaken.

Options have been outlined under the *Evaluation of Key Findings* sections for both the private sector developers and community-user groups indicating potential actions that could be taken to further validate or mitigate these potential findings. Based on this, it is recommended that the City consider the following actions in relation to the Drill Hall:

- Review option for the City to provide additional budget to fund the Drill Hall post stabilization
- Confirm need for additional community-use spaces
- Identify the Drill Hall to be used as a community space
- Undertake procurement for Drill Hall occupancy, specifically considering proposals for financial viability, community benefit, and alignment with the Downtown Secondary Plan
- Based upon the results of the procurement determine next actions and feasibility of proceeding with utilizing the Drill Hall as a community space





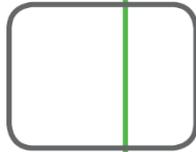
APPENDICES

Appendix A: Project Limitations

- RSM has relied upon the completeness, accuracy and fair presentation of all the information, data and representations obtained from various sources, which were not audited or otherwise verified.
- The findings in this report are conditional upon such completeness, accuracy and fair presentation of the Information, which has not been verified independently by RSM.
- RSM reserves the right at its discretion to withdraw or make revisions to this report should we be made aware of facts existing at the date of the report that were not known to us when we prepared this report. The findings are of the date hereof and RSM is under no obligation to advise any person of any change or matter brought to its attention after such date, which would affect the findings and RSM reserves the right to change or withdraw this report.
- This information has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with the City of Guelph. RSM disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than the City of Guelph.
- Any use that a third party makes of this report or reliance thereon, or any decision made based on it, is the responsibility of such third party. The City of Guelph accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions taken, based on this report.

Appendix B: Background Document





**CITY OF GUELPH:
MARKET ENGAGEMENT
DRILL HALL
BACKGROUND INFORMATION
JUNE 2021**

TABLE OF CONTENTS

Contact information	1
City of Guelph: Drill Hall	2
Background	2
City of Guelph	3
Downtown Guelph	3
Guelph's investment opportunities	3
Description of the Drill Hall property	4
Market Engagement	6
Appendices	7
Appendix A: The Drill Hall historical context	7
Appendix B: Heritage by-law	10
Appendix C: Proposed Site Plans and Elevations	13
Appendix D: Guelph zoning information	14
Appendix E: Detailed Specifications	17

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Disclaimer

This is a non-binding process. Through the services of RSM Canada, the City of Guelph is making inquiries only for project planning purposes. By participating in the process, each Participant expressly agrees that no contract of any kind is formed under, or arises from this Market Engagement and that no legal obligation as between any one or more of the Participants and the City will arise.

CITY OF GUELPH: DRILL HALL

Background

The Drill Hall is located at 72 Farquhar Street, at the corner of Farquhar Street and Wyndham Street South, on the southeast side of the railway tracks.

The property is adjacent to a passenger drop-off lot with the City of Guelph's (**the City** or **Guelph**) Central Station, which is the City's inter-modal transportation terminal (accessed by VIA rail, Go Transit and Guelph Transit). It is within walking of several Guelph historic sites such as City Hall, Market Square, Basilica of Our Lady, River Run Centre, and Guelph Farmer's Market. Figure 1 below provides an aerial photograph of 72 Farquhar Street.

Figure 1 – Aerial photo of the Drill Hall property, Google Maps, 2021

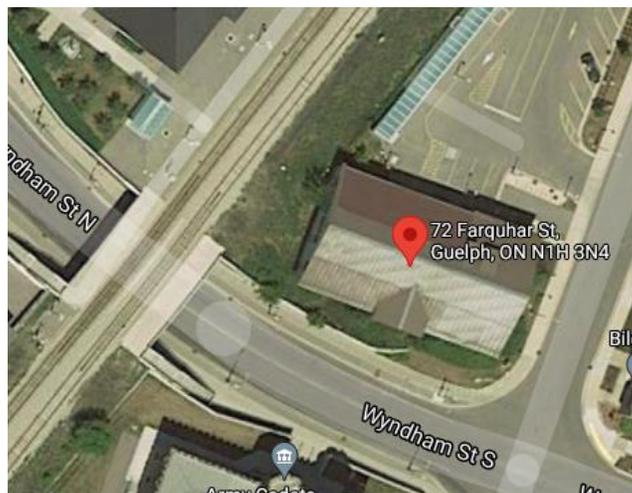


Figure 2 – Drill Hall structure, Google Maps, 2021



RSM Canada LP (**RSM**) has been retained by Guelph to conduct a market engagement to identify and assess potential interest and participation in the use of the Drill Hall. Interested parties hereby have the opportunity to make their interest in the Drill Hall known to the City and provide their perspectives regarding the development of this asset.

CITY OF GUELPH

Guelph is located approximately 28 km east of Kitchener, 100 km west of the City of Toronto and 145 km from the United States border via Buffalo, New York. It is in close proximity to four domestic and international airports (Pearson, Toronto Island, Waterloo and Hamilton), access to shipping ports through Hamilton, Niagara and Toronto and linkages to major transportation routes via rail and Highway 401. As per the 2016 census, Guelph has a population of just over 130,000, with growth target projections estimated in 2051 to be 203,000. Table 1 below provides some general statistics about Guelph.

Statistics	Guelph (CMA)	Guelph (City)
Geographic area	593.5 sq. km	87.2 sq. km
Population (2016)	151,984	131,794
Median age	39.4	38.3
Median household income	\$81,223	\$77,984

Table 1 – Guelph (CMA) and Guelph (City) Census Profile, 2016, Statistics Canada

Downtown Guelph

Downtown Guelph is the heart of the City and its unique vibrancy and feel is due to foundational planning principles put in to place by the City’s founder John Galt in 1827 that still stand true to this day. After several decades of limited economic growth, Downtown Guelph has experienced renewed interest and investment in the last five years. Downtown Guelph is one of several focused, inter-connected planned areas across the city that contributes to a strong economy and an inviting City for visitors and residents from across the globe. Downtown Guelph has been a focal point of several growth initiatives under Guelph’s Official Plan which outlines the frameworks for economic development within the Greater Golden Horseshoe. Some examples of prior investments in the Downtown core include:

- \$8.35M through Investing in Canada Infrastructure Program for two projects that include active transportation and accessibility improvements;
- Planned two way, all day GO Transit service expected to service and grow Guelph’s position on the [Toronto-Waterloo Innovation Corridor](#).
- [\\$177M public investment](#) into the electrification of Guelph’s transit fleet; and
- The [Baker District redevelopment project](#) of existing Baker Street municipal parking lot and adjacent properties into a compact commercial, residential district and public library (investment estimated at \$300 million).

The Drill Hall will be another example of the City’s goal to develop the Downtown Guelph with a vision to restore the historic site and create a space that incorporates the region’s history and future growth potential.

Guelph’s investment opportunities

The City is focused on creating an investment friendly climate that involves working with the business community to create investment opportunity. Guelph offers competitive land and building development and business operating costs partnered with a variety of employment lands and buildings to suit most business needs.

The City’s Economic Development and Tourism department works with organizations to provide services such as: site location analysis; assistance with expansion projects; advice and referrals to government agencies and organizations; as well as managing and marketing City-owned industrial and commercial lands. Guelph is also home to some of the world’s most innovative companies in key growth sectors including agri-innovation, advanced manufacturing, information technology and clean technology.

DESCRIPTION OF THE DRILL HALL PROPERTY

The Drill Hall is a two-and-one-half storey timber frame building with horizontal, aluminum board siding. The design is plain but imposing, with low-pitched gable roof, and a projecting central frontispiece on the main, south elevation facing Wyndham Street South. Much of the original fabric of the building has been replaced or modified but despite these changes, the overall form and mass of the original building is readily apparent, and its historic function can be interpreted, as a local community hall designed for military drills and agricultural shows (Please refer to Appendix A for further details of the Drill Hall's historical context). To preserve its historical context, the City designated the Drill Hall as a property of cultural heritage value or interest under Part IV of the Ontario Heritage Act (Please refer to Appendix B for Heritage by-law).

The building is partially heated and has a newly installed 200A 600V Service. All other services have been removed from the building's interior and capped at exterior wall. Stabilization works are underway to prevent further building deterioration and will address foundation deficiencies, roof leaks, structural element reinforcement, water proofing, asbestos and mould removal, heating, footings. This work is expected to be completed in 2022. Additional costs would be incurred to renovate the stabilized building for use. This would include renovation associated with the windows, entrances, walls, mechanical and electrical infrastructure replacement and sanitary service. The additional restoration is estimated between \$4 to \$5 million

The proposed site plans and elevations can be found in Appendix C. Figure 3 below provides a recent photograph of the building. Additional photographs, a 3D tour of the structure, detailed floor plan and room measurements can be found at this [link](#).

Figure 3 – Current state photograph of the Drill Hall, Guelph, 2021



Table 2 below provides a summary of the specifications.

Address	72 Farquhar Street
Legal Description	PLAN 8 PT MARKET SQUARE PT MARKET PLACE
Current Owner	The Corporation of the City of Guelph
Current Use	No current use
Current Zoning	D3a: allows for potential uses of the property as an agricultural Produce Market, Retail Establishment, Restaurant, Service Establishment, or transit terminal. Please refer to Appendix D for further zoning details.
Known Limitations	<ul style="list-style-type: none"> - Designated Heritage status - Potential zoning limitations - No parking lot (Access to nearby parking is available)
Lot Area	8,969.6 sq. ft. (833.3 sq. m)
Front Setback	3.13 m minimum
Side Setback	0.51 m minimum
Rear Setback	0.40 m minimum
Building Area	6,650 sq. ft. (617.8 sq. m)
Existing G.F.A	12,850 sq. ft. (1,194 sq. m)
Building Height	38.4 ft. (11.7 m); 2.5 storeys (one level in the roof trusses)
Ground Floor Gross Area	6,100 sq. ft. (566.7 sq. m)
Second Floor Gross Area	6,020 sq. ft. (560 sq. m)
Third Floor Gross Area	1,451 sq. ft. (134.8 sq. m)
Basement Gross Area	497 sq. ft. (46.2 sq. m)

Table 2 – Drill Hall specifications

MARKET ENGAGEMENT

The intent behind this process is to compile market feedback on the development of the City-owned Drill Hall property to assess the potential ownership structure for the Drill Hall and understand usage for the site. The information received from this market engagement will assist the City to identify recommended next steps for the City with regards to the Drill Hall.

Participants in the process will be provided with this background document and the questions we are seeking input on prior to a one-on-one discussion. The questions will be asked in an informal interview setting, and as such the majority of the questions will be open ended to facilitate discussion and provide an opportunity for participants to speak freely. Information received will be treated on a confidential, non-attributable basis. Participants are also encouraged to include or consult with other individuals from their organizations on the questions provided who may be able to provide additional information, insight and advice.

Each interview will last approximately 30-minutes and will be conducted via video conference. The interviews will be held between 9 a.m. to 5 p.m. Eastern Standard Time from Monday to Friday.

City preferences

There is a requirement for the Drill Hall use to be consistent with the City's property of cultural heritage value or interest. The City does not have a preference in terms of operating structure at this time. Guelph is open to exploring private ownership by a third-party, public-private partnership or a leasehold agreement.

The City has also considered and would see the following as preferred inclusions or uses, however, they would be open to consideration of any use or specifications (consistent with city bylaws and plans) that the participant would put forward:

- Preferred option for the Drill Hall roof is the original wood shingles but a new standing seam metal roof is acceptable;
- Use of the property as a "collision space" in which business incubation and acceleration supports are brought together within the shared spaces; and
- Use of the property that is aligned to the City's Downtown Secondary Plan.

Questions for participants

1. Would you have interest in the Drill Hall in Downtown Guelph?
 - a. If no, why not?
 - b. If yes, how would you rank your interest in the property?
2. What type of usage do you see as feasible for the Drill Hall (e.g., residential, commercial, retail, institutional)?
3. Would the usage of the Drill Hall be of specific interest to your organization? If so, please provide examples of specific use.
4. What type of operating structure would you prefer for this development (e.g., privately owned, public-private partnership, leasehold)?
5. What assurance or commitment would you need from the City?
6. Based on your experience, do you foresee any potential risks to the development of the Drill Hall property?

APPENDICES

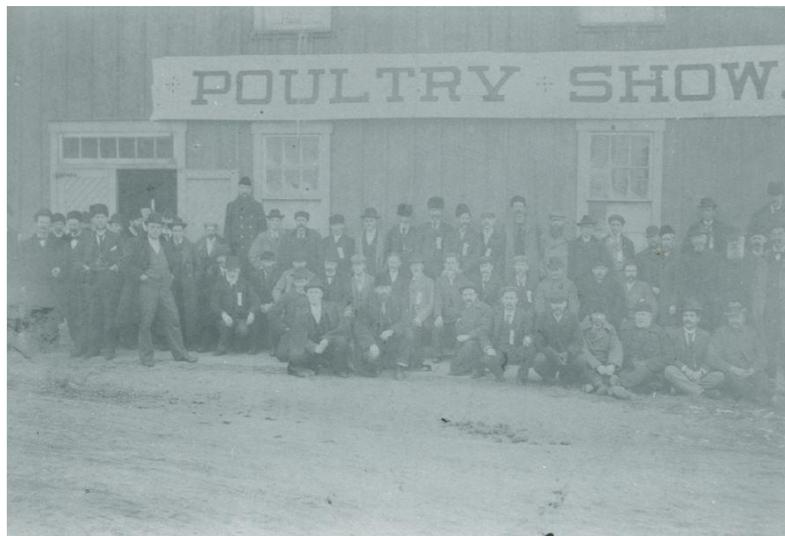
Appendix A: The Drill Hall historical context

The Drill Hall is a heavy timber barn built in 1866 for the use of Guelph's voluntary militia units and for the Wellington County agricultural shows. It was designed by T W Cooper, a local Civil Engineer and Provincial Land Surveyor, and constructed with funds provided by Wellington County Council, Guelph Town Council, and the Wellington County Agricultural Societies. The Drill Hall also functioned as a general community hall and used for hosting public and private events. Over the years it was occupied for a variety of industrial uses, primarily for textile manufacturing for various end products. A brief history of the building's various usage is provided below.

1866 – 1889: Militia Drill Shed and Community Hall

The 30th Wellington Battalion made use of the building as its headquarters, for drills and for storing equipment. It was also used on an occasional basis as an exhibition hall for agricultural shows, dances, and other entertainments.

Figure 4 – Early photograph of the Drill Hall showing board and batten, 1870.



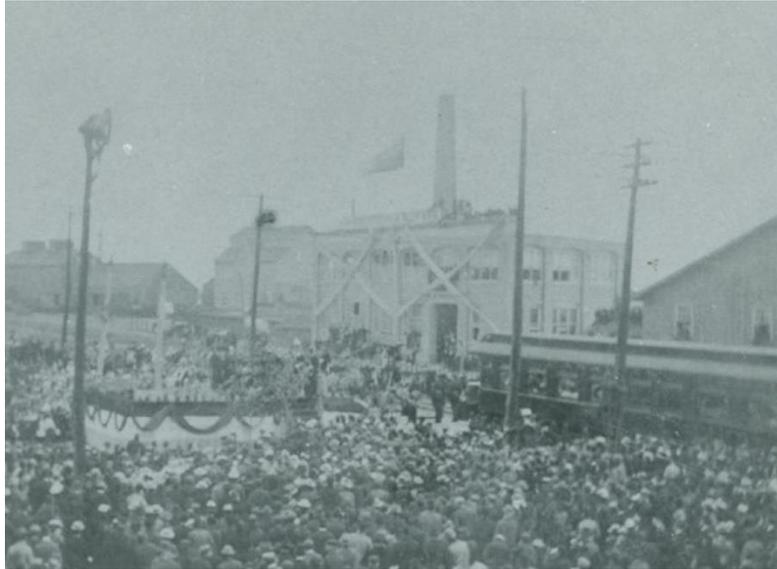
1889 – 1893: Leased to a textile company

The Drill Hall was remodeled for industrial use. A second floor was added in the tall space of the interior and additions were made to the east to connect to ever increasing manufacturing. The Drill Hall was leased to the Williams, Greene and Rome Company for use as a shirt factory.

1894 – 1903: Listed as vacant factory for various use

The building was remodeled again to install electric power. Usage during this period included Wellington Battalion Band for rehearsals, storage for the City, rentals of portions of the building to manufacturers. The photograph in Figure 5 also indicates that the ground floor of the Drill Hall was level with the railway tracks at this time.

Figure 5 – Photographs showing new brick factory adjacent to the Drill Hall, 1901.



1903 – 1923: Leased to a manufacturing company

In this period, the building was leased out to various manufacturing companies for use including Loudon Machinery Company and Aspinwall Manufacturing Company. A number of photographs of Guelph City Hall and railway station from this period show the west façade of the Drill Shed in the background. The upper part of the façade, beneath the gable facing the railway tracks, was painted with advertising signage, as shown in the photographs below.

Figure 6 – Photograph capturing industrial steel sash windows and the signage on the Drill Hall, 1916



1924 – 1945: City Barn

By 1924, the building was listed as the City Barn and was used for storage. A photograph from this time shows the addition of two windows to the lower storey of this façade, west of the projecting centerpiece, and the removal of one window from the lower storey at the east end of this façade. The latter window appears to have been replaced with a doorway. The photograph also shows evidence of stone foundations, board and batten siding, and paired, Italianate brackets supporting the gable of the centerpiece. A small chimney can be seen on the right side of the photograph, above the east gable of the building.

Figure 7 – Photograph of the Drill Hall, 1939



1945 – 2006: Textile manufacturing

By 1945, the Drill Shed was returned to use as a textile factory first by Zephyr Looms and Textiles and then by JP Hammill & Son Ltd. The building underwent a series of major facelifts during this period. The photograph below shows a rare view of the South elevation. The grade was modified to suit train/bridge which heavily exposes the foundation wall. Notice the window treatment – wooden double hung sash windows, 6 panes each. Note that the board and batten wall is covered with inso-brick.

Figure 8 – South elevation view of the Drill Hall, 1953



Figure 9 – Detail of the Drill Hall, 1973



In 1973, the building was covered with dark brown imitation as shown in the figure on the right. New window openings had been introduced to the east end of the main facade, at a lower level than the original window openings; new door and window openings had also been introduced to the west facade, and the central doorway facing the railway had been removed. By 1976, the imitation brick siding had been replaced with pale, horizontal, imitation wood (metal) planks, and the windows were surrounded with dark brown shutters. The decorative Italianate brackets also appear to have been removed from the main south gable around this time.

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2018)-20332

A by-law to designate portions of the building and property municipally known as 72 Farquhar Street and legally described as Part Market Place, Plan 8, Designated as Parts 1 and 4, Reference Plan 61R-21059; Guelph, as being a property of cultural heritage value or interest.

WHEREAS the *Ontario Heritage Act, R.S.O. 1990, Chapter 0.18*, authorizes the Council of a municipality to enact by-laws to designate real property, including all the buildings and structures thereon, or portions thereon, to be of cultural heritage value or interest; and

WHEREAS on 24 April 2018 the Council of the Corporation of the City of Guelph has caused to be served upon the owners of the lands and premises known as 72 Farquhar Street, and upon the Ontario Heritage Trust, notice of intention to designate portions of the aforesaid real property and has caused such notice of intention to be published in a newspaper having general circulation in the municipality;

WHEREAS the cultural heritage value or interest of the property is set out in Schedule "A" hereto; and

WHEREAS no notice of objection to the said property designation was served upon the clerk of the municipality;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF GUELPH, ENACTS AS FOLLOWS:

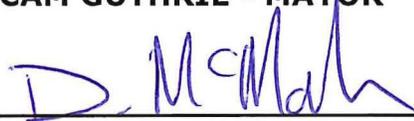
1. Portions of the building and property known as 72 Farquhar Street, as described in Schedule "B" to this By-law, are designated as being of cultural heritage value or interest under Part IV, Sec. 29 of the *Ontario Heritage Act, R.S.O. 1990, Chapter 0.18*.
2. The City Solicitor is hereby authorized to cause a copy of this by-law to be registered against the property described in Schedule "C" to this By-law in the proper Land Registry Office.
3. The City Clerk is hereby authorized to cause a copy of this by-law to be served upon the owners of the aforesaid property and upon the Ontario Heritage Trust and to cause notice of this by-law to be published in a newspaper having general circulation in the City of Guelph.

PASSED this ELEVENTH day of September 2018.





CAM GUTHRIE - MAYOR



DYLAN MCMAHON - DEPUTY CLERK

SCHEDULE A
By-law Number (2018)-20332

STATEMENT OF CULTURAL HERITAGE VALUE OR INTEREST:

72 FARQUHAR STREET, GUELPH

72 Farquhar Street is worthy of designation under Part IV of the Ontario Heritage Act as it meets three of the prescribed criteria for determining cultural heritage value or interest according to Ontario Regulation 9/06 made under the Ontario Heritage Act. The heritage attributes of 72 Farquhar Street display: design or physical value, historical or associative value and contextual value.

The Drill Hall was constructed in 1866 for the use of Guelph's voluntary militia units and for county agricultural shows. It also functioned as a general purpose community hall, hosting various private and public meetings and events. The building's historical value lies in its association with the first active militia units in Guelph and more broadly with development of the Canadian army at the time of Confederation. The Drill Hall is also associated with the development of Guelph as a regional centre for agriculture and stock breeding.

The building was designed by Thomas W. Cooper, a local Civil Engineer and Provincial Land Surveyor. The building's construction was originally initiated by a petition from local ratepayers, with funds provided by Wellington County Council, Guelph Town Council, and the Wellington County Agricultural Societies. Wellington County Council also supported the construction of drill sheds/agricultural halls in the neighbouring communities of Fergus, Elora, and Orangeville in the same period, albeit to different designs.

In the late nineteenth century, the City of Guelph refitted the Drill Hall and lended it to private companies for industrial and commercial uses, thereby supporting the development of Guelph as an important regional centre for manufacturing. The Drill Hall has important historical associations with a number of manufacturers, including: Williams, Greene and Rome Company (1889-1893), Loudon Machinery Co (1903- 1908), Aspinwall Manufacturing Company (1908-1923), Zephyr Looms & Textiles / Textiles Industries Limited (1945-1981), and J. P. Hammill & Son Ltd (1981-2010).

The Drill Hall supports the historic character of Guelph's downtown district, forming part of the core of landmark civic buildings established in the original Market Grounds in the nineteenth and early-twentieth century, including the original City Hall, the Winter Fair building, the Armoury, and the Railway Station. The position and orientation of the Drill Hall is historically linked to the location of Guelph's original Fair Ground, and the 1856 alignment of the Grand Trunk Railway.

The Drill Hall is a rare and representative example of a mid-nineteenth century community hall in Guelph. The design is plain, and much of the original fabric of the building has been replaced or modified; however, the imposing form and mass of the original heavy timber frame building is readily apparent, and its historic function can be interpreted, as a local community hall designed for military drills and agricultural shows.

SCHEDULE B
By-law Number (2018)-20332

DESCRIPTION OF HERITAGE ATTRIBUTES

72 FARQUHAR STREET, GUELPH

The following elements of the property at 72 Farquhar Street should be considered heritage attributes in a designation under Part IV of the Ontario Heritage Act:

- original building form and gable roof of main block and extended centre bay in west elevation;
- original arrangement of window openings on the north, south and west elevations;
- large segmentally arched, 2-light window on second floor of west elevation;
- heavy timber, post and beam construction elements.

It is intended that non-original features may be returned to documented earlier designs or to their documented original without requiring City Council to amend the designation by-law.

Appendix C: Proposed Site Plans and Elevations

Much of the original fabric of the building has been replaced or modified. Door and window openings, once symmetrical, have been substantially modified, resulting in an eclectic mixture of styles and spacing. The frontispiece now has a pair of six over six sash windows on the lower storey, and a large central, segmental arch window on the second storey. The second storey window previously comprised of two sets of 12 panes, but has been simplified to a pair of simple sash windows. Shutters surrounding the windows are a recent addition. A similar arched window previously graced the upper part of the west wall, but was removed before the 1970s. The central gable over the frontispiece was originally decorated with Italianate brackets, but these were removed in the mid-1970s.

After producing a soil report, it was concluded that the existing rubble foundation walls were inadequate for any type of future occupancy. The stabilization work will replace foundations with a new helical pile system. The new foundation will be composed of reinforced concrete pile caps supported by helical piles at exterior columns. Helical piles are extended into the ground to a depth at which soil can resist the required load, as determined by a geotechnical engineer. The pile caps are connected by reinforced concrete grade beams. In order to create space for the new pile caps and grade beams the top approximately three feet of the existing rubble stone foundation is sequentially saw cut and removed during installation of the new foundation. The remaining rubble stone foundation wall remains in-situ.

Work to be completed

Over the next few years, the City intends on replacing the foundation, performing additional structural upgrades, improving drainage around the building and providing new sanitary and water connections. The City has designed the new foundation to ensure there are opportunities for ample entrances/exits to the building, accessible slopes to said doors and a location for a future elevator. The inside of the building will need to be fully renovated to be suitable for a permanent tenant. The required renovation include a new roof, siding, windows, interior finishes, elevator/staircases and a permanent plumbing/HVAC system. This work is expected to be completed in 2022.

Appendix E: Guelph zoning information

20187 6.3 DOWNTOWN (D) ZONES

6.3.1 List of Applicable Zones

The Downtown **Zones** include:

- Downtown 1 (D.1)
- Downtown 2 (D.2)
- Downtown 3 (D.3)
- Downtown 3a (D.3a)

6.3.1.1 Permitted Uses

Uses permitted in the Downtown **Zones** are denoted by the symbol “√” in the column applicable to that **Zone** and corresponding with the Row for a specific permitted **Use** in Table 6.3.1.1, below:

Active **Uses** refers to **Uses** permitted in **Active Frontage Areas** (6.3.2.4).

Table 6.3.1.1	D.1	D.2	D.3	D.3a	Active Uses
Residential Uses					
Accessory Apartment		√ (1)			
Apartment Building	√ (2)	√			
Duplex Dwelling		√			
Group Home	√ (3)	√ (3)			
Home for the Aged	√ (2)	√			
Nursing Home	√ (2)	√			
Home Occupation	√ (4)	√ (4)			
Live-Work Units	√ (5)	√			
Lodging House Type 1	√ (3)	√ (3)			
Mixed-Use Building	√ (5)(6)	√			
Multiple Attached Dwelling	√ (2)	√			
Semi-Detached Dwelling		√			
Single Detached Dwelling		√			
Townhouse	√ (2)	√			
Retail Uses					
Agricultural Produce Market	√	√	√	√	√
Retail Establishment	√	√ (7)	√ (7)	√ (7)	√
Service Uses					
Artisan Studio	√	√	√		
Auction Centre	√				√

Catering Service	√		√		
Commercial Entertainment	√ (8)		√		√
Commercial School	√	√	√		
Day Care Centre	√	√	√		
Financial Establishment	√	√ (7)	√		√
Micro-Brewery or Brew Pub	√ (9)				√
Restaurant	√ (8)	√ (7)	√ (7)	√ (7)	√
Service Establishment	√	√ (7)	√ (7)	√ (7)	√
Tavern	√ (9)				√
Taxi Establishment	√		√		
Tradesperson's Shop	√		√		
Office Uses					
Laboratory	√		√		
Medical Clinic	√	√	√		
Medical Office	√	√	√		
Office	√	√	√		
Research Establishment	√		√		
Community Uses					
Arena	√				
Art Gallery	√	√	√		√
Club	√		√		
Emergency Shelter	√ (10)				
Library	√	√	√		√
Museum	√	√	√		√
Public Hall	√ (8)		√		
Recreation Centre	√		√		√
Religious Establishment	√	√	√		
School	√	√	√		
School, Post Secondary	√	√	√		
Transit Terminal	√		√	√	
Hospitality Uses					
Bed and Breakfast	√ (11)	√ (11)			
Hotel	√		√		√
Tourist Home	√	√			
Other					
Accessory Uses	√	√	√	√	
Occasional Uses	√ (12)	√ (12)	√ (12)	√ (12)	

Additional Regulations for Table 6.3.1.1

1. In accordance with Section 4.15.1.
2. Not permitted in **Active Frontage Area**.
3. In accordance with Section 4.25.
4. In accordance with Section 4.19.
5. In accordance with Section 6.3.2.4.
6. In **Active Frontage Areas, Dwelling Units** are not permitted in the **Cellar, Basement**, or on the main floor level (i.e. in the first **Storey**).
7. Maximum **G.F.A.** 500 m²
8. Where a **Lot Line** abuts a R.1, R.2 or R.3 **Zone**, a **Commercial Entertainment, Restaurant and Public Hall** shall not exceed a maximum 500 m² **G.F.A.**
9. Where a **Lot Line** abuts a R.1, R.2 or R.3 **Zone**, a **Tavern and Micro-Brewery or Brew Pub** shall not be permitted.
10. In accordance with Section 4.29.
11. In accordance with Section 4.27 except 4.27.3.
12. In accordance with Section 4.21.

6.3.2 Regulations

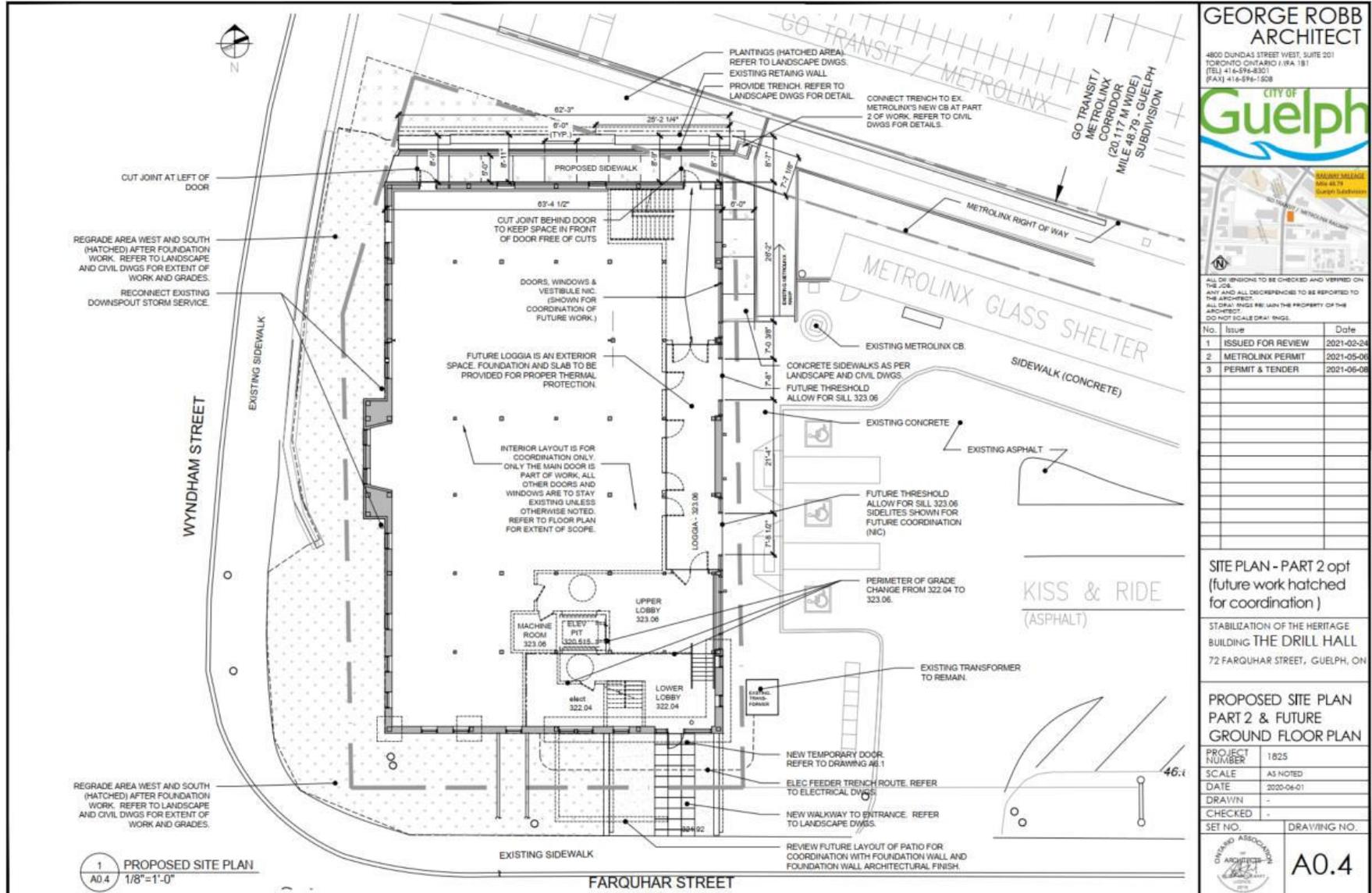
Within the Downtown (D) **Zones**, no land shall be **Used** and no **Building** or **Structure** shall be erected or **Used** except in conformity with the applicable regulations contained in Section 4 – General Provisions, the regulations set out in Table 6.3.2.7, 6.3.2.8 and 6.3.2.9, and the following:

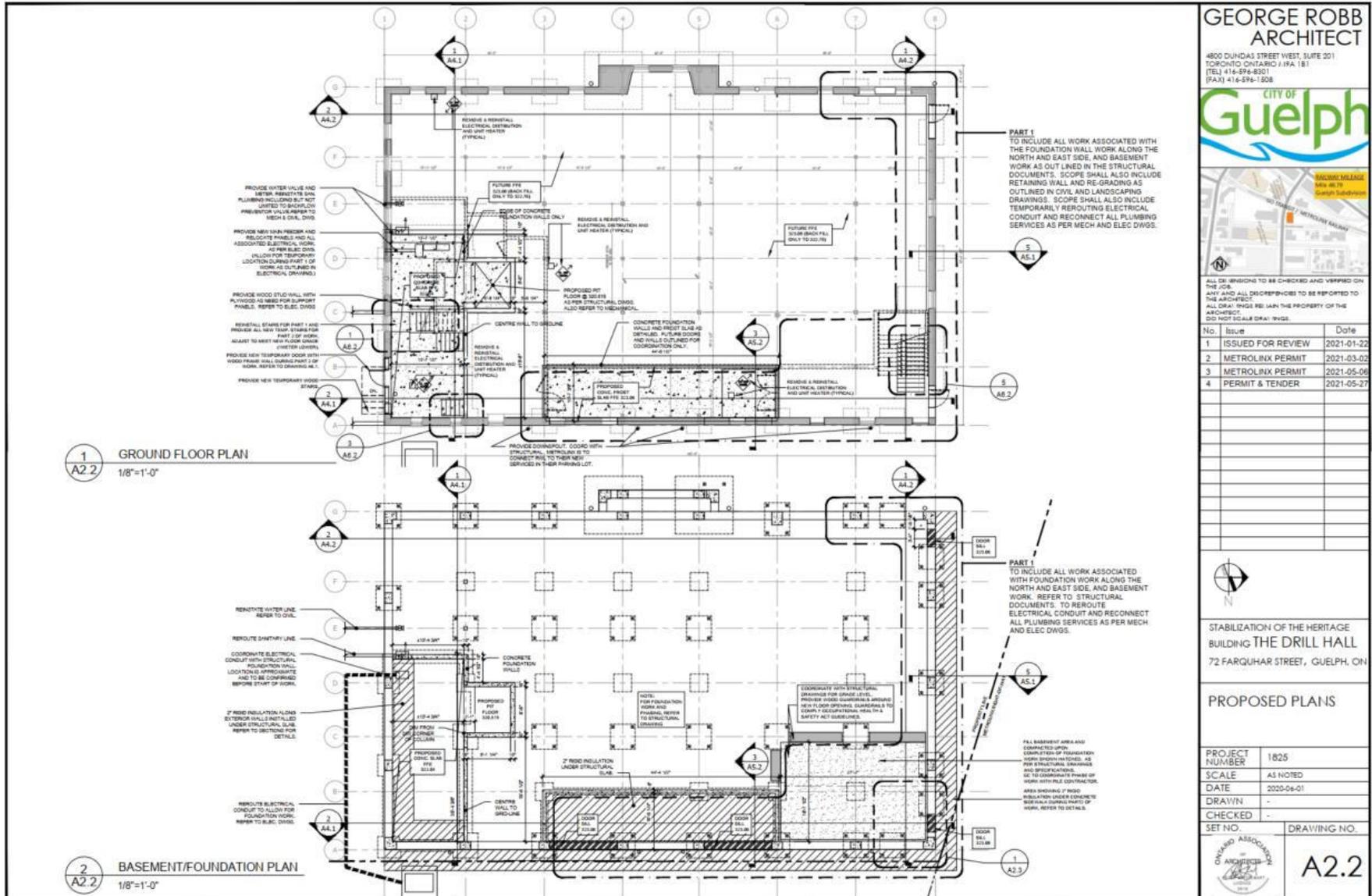
6.3.2.1 Built Form Regulations

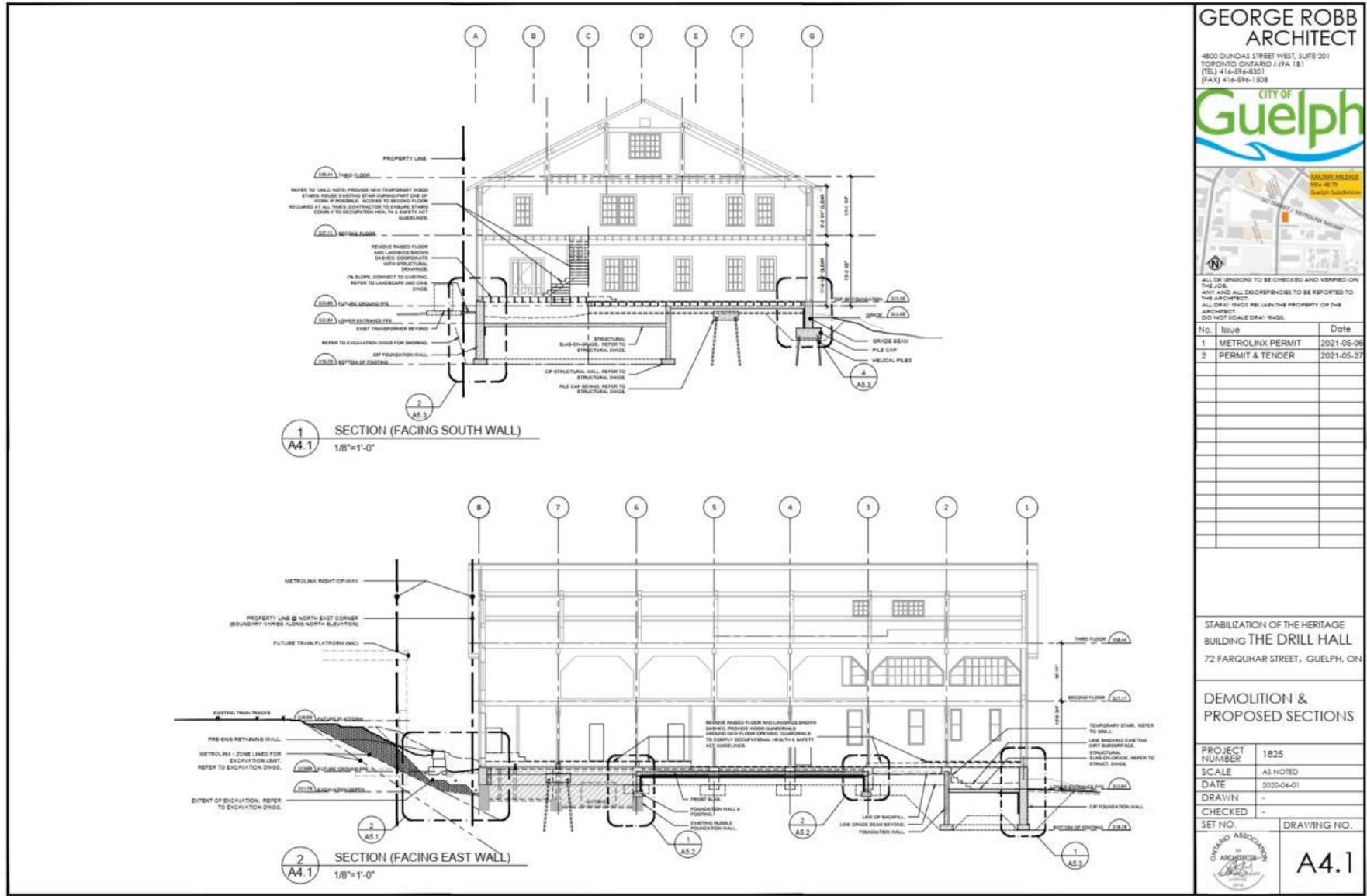
The following Built Form Regulations apply to new **Buildings** and/or additions constructed after the effective date of By-law (2017)-20187 in the Downtown **Zones**.

- 6.3.2.1.1 The maximum **Floorplate** of the 7th and 8th **Storeys** of the **Building** shall not exceed 1,200 square metres.
- 6.3.2.1.2 The maximum **Floorplate** of each **Storey** of the **Building** above the 8th **Storey** shall not exceed 1,000 square metres and shall not exceed a length to width ratio of 1.5:1.
- 6.3.2.1.3 The minimum **Stepback** shall be 3 metres and shall be required for all portions of the **Building** above the 4th **Storey**. **Stepbacks** shall be measured from the **Building** face of the 3rd **Storey** facing a **Street**.

Appendix E: Detailed Specifications







rsmcanada.com

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Appendix C: Guelph Community Survey Website

Exploring community interest in the development and use of downtown Guelph's historic Drill Hall

Repurposing a historic gem

Guelph, Ont., June 17, 2021— If you're part of a community group, non-profit or public organization looking for space in downtown Guelph, or a developer or business interested in revitalizing downtown Guelph's Drill Hall, we want to hear from you.

The City is working with RSM Canada to [identify and assess interest from community organizations](#), developers, investors and businesses for the use and redevelopment of the City-owned Drill Hall at 72 Farquhar Street.

Share your organization's interest through our online survey until July 2

Community groups, non-profits and public organizations are invited to complete our [online survey](#) to share their interest in the Drill Hall and their ideas for future use of the building. After the survey closes on July 2, we'll select up to six organizations, based on the financial viability, community impact and overall feasibility of their concept for the space, to discuss their ideas for the Drill Hall in more detail.

Take a [virtual tour of the Drill Hall and check out the photo gallery](#).

Redevelopment opportunity and market sounding

RSM Canada is also completing a market sounding study with private developers, businesses, investors and builders to gauge their interest in the potential redevelopment of the Drill Hall throughout June and July.

Next steps

Following discussions with community organizations and the development community, City staff make a recommendation about the redevelopment and future use of the Drill Hall, balancing respect for the cultural heritage of the building with community benefit and financial impacts. A staff report with these recommendations will go to Council in October.

About the Drill Hall

The Drill Hall, located at 72 Farquhar Street (corner of Farquhar and Wyndham Street South) is a two-and-one-half storey, heavy timber frame building built in 1866. The Drill Hall has been used as a community hall and a venue for military drills and agricultural shows. To preserve this piece of Guelph's history, the City designated the Drill Hall as a property of cultural heritage value or interest under Part IV of the Ontario Heritage Act. Vacant since 2006, work is currently underway to stabilize the building and explore plans for renovation and use.



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