



## **Staff Report for Budget Committee of the Whole Meeting**

**Date of Meeting:** November 5, 2024

**Report Number:** SRCS.24.17

**Department:** Community Services

**Division:** Recreation and Culture Services

**Subject:** SRCS.24.17 – Cultural Centre

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### **Purpose:**

To advise Council that the 2025 Draft Operating and Capital Budgets include funds for the conversion of the Old Post Office at 10184 Yonge Street to a Cultural Centre, and to describe the programming proposed for this new service.

### **Recommendation:**

That SRCS.24.17, regarding the new Cultural Centre, be received.

### **Contact Persons:**

- Dan DiRuscio, Manager of Cultural Services, extension 5513
- Donald Hearn, Director of Recreation and Culture, extension 2503
- Tracey Steele, Commissioner of Community Services, extension 2476

### **Report Approval:**

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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### Key Messages:

- Establishing a Cultural Centre at the Old Post Office would be consistent with City Strategic Goals, the Economic Development Strategy and recommendations of the City's Recreation and Culture Plan
- The location, size and configuration of the Old Post Office makes it optimally suited for a multi-dimensional cultural hub.
- The Cultural Centre would be located centrally amongst existing cultural facilities in the downtown, augmenting the already strong cultural presence in the area, and helping to establish a Cultural District.
- The Cultural Centre will promote arts and culture in the community and serve as a resource hub for the cultural industry.

### Background:

The building located at 10184 Yonge Street, known as the “Old Post Office,” is centrally located in Richmond Hill's downtown Village Local Centre at the southwest corner of Yonge Street and Centre Street West. The building was constructed in 1936 and operated as the Village of Richmond Hill Post Office until 1960 when a new, larger post office building was constructed on Arnold Street. In 1968, the 10184 Yonge Street site was sold to the Richmond Hill Hydro Electric Commission and became their offices. In 1984, Hydro moved into new offices on Elgin Mills Road East and the Town of Richmond Hill purchased the Old Post Office property for \$25,000. In 2001, the Town designated the Old Post Office under the *Ontario Heritage Act*, as being of historic or architectural value or interest.

Since taking ownership of 10184 Yonge Street, Richmond Hill has leased out the building as commercial office space. In 2008, lease of the building became difficult primarily due to need for significant capital repairs. The Town restored the exterior of the building in 2012. In 2014, Council directed staff to “investigate options for use of 10184 Yonge Street that will help to advance the Town's cultural and economic development priorities” and report back to Council. In 2015, while this investigation was underway an opportunity was identified to pursue a commercial lease which would include arrangements for the tenant to undertake the needed interior renovations. In 2016, a new tenant renovated the entire interior of the building and then leased the building for seven years before vacating it in November 2023. The Old Post Office building is now sitting unused.

The Old Post Office is a two-storey building with approximately 3,800 square feet of above-grade interior space, plus approximately 2,000 square feet of finished space below-grade. The ground floor includes a boardroom, kitchenette, washroom and office space. The second floor includes several offices and a washroom, and the lower level is divided into additional rooms. Outside there are six surface parking spaces at the rear of the building fronting onto Centre Street West.

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### Discussion:

Upon vacancy of the Old Post Office, Staff initiated a process to determine a recommended future municipal use for the building that would best advance the City's strategic goals and provide the most value for the community. All of the City's Division's were engaged to discuss potential needs that could be addressed at the site considering the location, size and configuration of the building. It was determined that a Cultural Centre would be the preferred City use of the building.

### Cultural Centre Vision

The Cultural Centre will promote arts and culture in the community and serve as a resource hub for the cultural industry. Experienced artists, aspiring creatives and members of groups with cultural mandates and goals will be able to attend the Cultural Centre to get information, collaborate with colleagues and peers, or use the space for artistic and cultural expression. The proposed Cultural Centre will also provide additional collaboration opportunities with the City's Centre for Local Innovation and Collaboration ("CLIC") to deliver business services to cultural industries.

The Cultural Centre vision is consistent with goals of the City's Strategic Plan, is supported by the City's Economic Development Strategy and Investment Attraction Strategy and is guided by the following recommendations of the City's Recreation and Culture Plan (the "RCP"):

1. **Establishment of a Cultural District** – The RCP recommends that the City investigate the formation, maintenance and programming of a "Cultural District" and suggests that the City's downtown area, in the vicinity of the Richmond Hill Centre for Performing Arts, would be an appropriate location. A "Cultural District" is an area recognized as featuring a concentration of places, spaces and programs focussed on artists, arts and culture. The anticipated benefits of a Cultural District include enhancement of public spaces, economic development and revitalization through increased attendance and spending at businesses in the district, better exposure for artists, and increased tourism potential.

The Cultural Centre would be located centrally amongst existing cultural facilities in the downtown area augmenting the already strong cultural presence and helping to make a Cultural District vision a reality (see Attachment 1 – Proposed Cultural District and Old Post Office location).

2. **Integration of Cultural Uses** – The majority of City-owned or operated cultural spaces or facilities in Richmond Hill are used for a specific focus (for example, the Richmond Hill Centre for Performing Arts is predominantly a performance venue and the Boynton House and Mill Pond Gallery are specifically art exhibition spaces). This isolates organizations rather than bringing them together to collaborate around shared goals. As a result, the RCP recommends that the City investigate the merits of combining existing cultural uses into multi-purpose buildings as City facilities and park spaces are created, renovated, revitalized or retrofitted.

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The location, size and configuration of the Old Post Office makes it optimally suited for a multi-dimensional cultural hub. The building is segmented into many individual rooms and spaces that could be used as meeting, workshop or exhibition spaces.

- 3. Implementing Tactical Urbanism, Public Art and Pop-up Projects** – In order to animate public spaces the RCP recommends that the City consider implementing tactical urbanism, public arts and pop-up projects, and specifically mentions that vacant storefronts might provide opportunities. “Tactical Urbanism” is an approach to neighbourhood building that uses short-term, low-cost and scalable interventions to catalyze long-term change.

The location of the building on Yonge Street and the exterior amenities and sidewalk presence make the site a viable venue for tactical urbanism, public art and pop-up projects in the downtown core that could catalyze animation of the area.

In addition to aligning with City Strategic goals and master planning recommendations, other factors supporting conversion of the Old Post Office to a Cultural Centre include:

- The Cultural Centre will respond to requests from community groups and residents for a hub to facilitate cultural idea exchange and provide dedicated space for cultural services (for example, space for hosting skill and capacity development workshops, training, mentoring, music recording equipment, video/film production and editing, podcasting, visual art exhibitions/artist residency, and makerspace).
- Other City facilities that could be considered for a Cultural Centre do not provide the opportunities and advantages of the Old Post Office building. For example, the community rooms at the Xpression and Beverly Hills Condos could be an option, but these are smaller, isolated rooms without parking. Historic buildings in the City’s inventory such as the Boynton House, the Eyer Homestead and the Brodie House might also be considered, but these facilities are not located within the proposed Cultural District area. Additionally, the Brodie House requires considerable capital investment to make it usable and the Boynton and Eyer houses are already being used for an art gallery and summer camp respectively.
- Other municipalities in York Region have established Cultural Centres or similar venues with integrated cultural uses. For example, the Aurora Cultural Centre, the King Heritage and Culture Centre, the Georgina Centre for Arts and Culture, and the MacKay Art Centre in Markham. The Aurora Cultural Centre provides a good example of the vision for Richmond Hill’s Cultural Centre offering a range of adult and youth art classes and workshops, an artist residency program, art exhibition space and events for artists.

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### **Options for the Old Post Office**

Recognizing that the preferred City use of the Old Post Office is a Cultural Centre, three options for future use of the Old Post Office building were further considered:

#### **Option 1 – City Use as a Cultural Centre**

As described above and in the Financial Implications Section below.

#### **Option 2 – Market-Rate Lease**

The City could continue to lease the Old Post Office at market value. It is estimated that a market lease of the building would yield approximately \$6,500 to \$9,500 per month, or upwards of approximately \$100,000 per year and that it would take 3 to 9 months from present to find a new tenant.

#### **Option 3 – License Agreement with a Community Organization**

Various City-owned buildings are tenanted by community partner organizations with goals, services, programming or operations that align with those of the City. Often these are long-standing relationships in which the partner organization pays 100% of the operating cost of the building and a portion of the costs associated with capital repair and replacement. Typically, such arrangements are implemented when the location and, or configuration of the building make it of limited opportunity for market lease or municipal use. For example, this type of arrangement currently exists at the Lake Wilcox Boathouse, the Mill Pond Gallery, the Boynton House in Richmond Green, and the Burr House and Guild Hall. The BIA has expressed some interest in using the Old Post Office for their office headquarters.

### **Recommended – Option 1 City Use as a Cultural Centre**

Municipalities are not typically in the business of being landlords. Municipal facilities are generally offered for lease or license only when there is no viable municipal use that is of greater benefit to the community. In this case, staff have identified the proposed Cultural Centre use as a municipal service that is well-suited to the Old Post Office building. Staff believe that the benefits to be gained through a Cultural Centre far outweigh the opportunity costs associated with the loss of market rental, and that a license agreement for this site would not maximize community benefit.

#### **Timeline**

During the first half of 2025 minor improvements to the building, including information technology set up, security, signage and minor interior improvements (painting, purchase of furniture), will be implemented. Discussion with various community and cultural organizations and individual artists to promote the space will be initiated. It is expected that a soft opening of the Cultural Centre will be possible in Q3. Staff are aware of at least two community cultural organizations that would be interested in moving their permitted activities to this site. In Q4 of 2025, the Centre could begin to host workshops and set up of gallery exhibits in the space.

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It is expected that use of the Cultural Centre would grow and evolve in 2026 and future years. Discussions with other groups and individuals active in Richmond Hill’s arts community have indicated interest in use of the site for meeting space and maker space. Additionally, projects to promote the arts and animate the community will be investigated for the exterior of the site.

### Financial Implications:

The proposed 2025 operating and capital budget for the Cultural Centre is outlined in Tables 1 and 2. It is estimated that a soft opening of the Cultural Centre will be possible in Q3 of 2025 and that the 2025 operations would require a net operating budget of \$25,200. Capital improvements required at the Old Post Office include security, equipment and IT hardware and software with an estimated cost of \$197,500.

**Table 1: 2025 Operating Budget**

Description	Cost Estimate
<b>Expenses</b>	
Casual Wages & Benefits	\$44,800
Contracts & Honorariums	\$8,000
Program Supplies	\$2,750
Building Maintenance	\$2,750
Equipment Rental	\$1,000
Promotion	\$3,000
**Total Expenses	\$62,300
<b>Revenue</b>	
Instruction	(\$6,000)
Room/Building Rental	(\$17,900)
Sponsorships/Grants	(\$12,500)
Special Events	(\$700)
Total Revenues	(\$37,100)
<b>Net</b>	<b>\$25,200</b>

\*\*Does not include the opportunity cost of not leasing the building from July to December (\$48,000 in rent + \$3,500 in utilities) or \$7,300 in utility costs which are paid by the City regardless of use.

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**Table 2: 2025 Capital Budget**

<b>Description</b>	<b>Cost</b>
Facility Improvements (including alarm system, painting, exterior signage and staff identification fob access)	\$68,500
Equipment (including furniture/fixtures, office items, retrofitting of spaces)	\$73,600
Information Technology (including networking, telephone and computers)	\$55,400
<b>Total</b>	<b>\$197,500</b>

### **Relationship to Strategic Plan 2024-2027:**

The Cultural Centre relates to Pillar 2, Focusing on People, specifically, Priority 2, supporting Richmond Hill's unique character and sense of community through programs, services and events and fostering connections between the City and residents, as well as among community members themselves.

### **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Attachment 1 – Map of Proposed Cultural District and location of the Old Post Office

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**Report Approval Details**

Document Title:	SRCS.24.17 Cultural Centre.docx
Attachments:	- SRCS.24.17 Attachment 1 Cultural District Map.docx
Final Approval Date:	Oct 30, 2024

This report and all of its attachments were approved and signed as outlined below:

**Donald Hearn - Oct 30, 2024 - 8:13 AM**

**Tracey Steele - Oct 30, 2024 - 8:47 AM**

**Darlene Joslin - Oct 30, 2024 - 10:24 AM**