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RE: Role of Th'YARC in the Revitalization of Downtown Yarmouth

As discussed in Council yesterday, please find our recommendations on Th'YARC project. This letter was prepared based on our current knowledge of the Yarmouth market, our experience with downtown revitalization throughout the Maritimes and our meetings with representatives of the Yarmouth Arts Regional Council (Y'RAC) and Town of Yarmouth staff.

Th'YARC is a Success. The Yarmouth Arts Regional Council (Y'RAC) was formed in the 1970's from four local art's groups. Since it's inception, live theatre has become a dominant activity of Th'YARC and to date it has been very successful at this activity. By all accounts, the level of ticket sales and performances over the past few years has been impressive, and they have also shown an ability to operate in a fiscally conservative manner (i.e., they generate operating surpluses, albeit with the help of some government funding). What is striking is the level of volunteer activity that is involved in making Th'YARC run. This level of volunteerism is something that is always in short supply, and is a quality that should be rewarded and appreciated. We know many other communities would be happy to have such an organization operating in their town.

Th'YARC Has Very Specific Site Requirements That Limit the Number of Viable Sites.

We have met with Th'YARC's planning committee and they provided us with the design criteria for the new facility. It includes the following:

- Approximately 26,000 SF of space. The bulk of this space (about 14,000 SF) is for the theatre, with another 6,000 SF for a visual and "dirty" arts studio, and the remaining 4,000 SF for administrative offices, washrooms, gift shop, etc.
- The proposed theatre will have a capacity to seats 425 to 450 patrons, this is about a 25% to 30% increase in capacity when compared to their current facility.
- They would like their whole facility on one level in order to facilitate the movement of equipment (e.g., piano's, etc) around the facility. They also feel that this type of configuration will make their facility more accessible to their target audience (an aging population) and will reduce operating costs due to the elimination of an elevator.

The criteria to build the whole facility on one level has a significant impact on the site selection process, as many smaller urban sites (e.g., Brown and Main Street parking lot) cannot accommodate a this facility on one level, and provide any reasonable amount of parking.

While the current design proposal uses the full extent of their existing 2 acre site, a more efficient building design could be accommodated on a slightly smaller site. A more compact design would also be less expensive to build (less exterior surface area) and more cost efficient to operate (more efficient at retaining heat during the winter).

Planning for a The New Facility Has Been On-Going For an Extended Period of Time; a Decision Is Needed Now.

The original feasibility study for Th'YARC was published in 2006. Since that time, volunteers have been working diligently with the Cultural Spaces Program, ACOA and the Municipalities of the District of Argyle and the County of Yarmouth. As a result of these efforts, Th'YARC has funding commitments from all of these partners and the delay in securing a commitment from the Town of Yarmouth is beginning to take momentum away from the project.

While it is well known that the Town and the Th'YARC have been having a disagreement over the proposed location of the facility, Th'YARC planning committee indicated that they would be open to a site near Main Street as long as it met their design criteria, and it did not introduce any additional time delays (or costs) to the project.

They recognize that the Town has mentioned the potential availability of various sites in the past, but indicate they have never received a formal offer from the town with terms and conditions associated with the acquisition of a particular site.

Cultural Facilities Are An Important Part of Downtown Revitalization.

As outlined in our presentation to council this week, the central core of most small towns in North America have suffered as retail trends have shifted to support large format (big box) retail in suburban locations. This new large retailers have drawn consumers to new locations, and have reduce the amount of money spent downtown, thus imperiling smaller retailers. These dynamics are in play in Yarmouth, with new large format retail locating on the Starr's Road, while smaller niche retailers remain in the downtown core.

Based on our experience, communities that have successfully responded to the impacts of this change in retailing dynamics have done a combination of the following:

- *Ensured that major activity generators stay in downtown* (e.g., library, town hall, YMCA, courthouses, etc). For the most part, the majority of existing activity generators are currently in downtown Yarmouth, and we see this as a positive thing, however, the challenge never stops, and municipalities should continue to try and cluster appropriate facilities in the downtown core.
- *Focused on developing arts and cultural facilities that attract residents to the area.* When combined with restaurants and pubs, this can position downtown as an entertainment district, thereby bringing activity during the evening and weekends.
- *Preserve heritage buildings.* Heritage buildings are unique and provide character to a community. The type of generic strip mall development on Starr's Road is no different than that on Robie Street in Truro, Albion Street in Amherst or Sackville Drive in HRM. Preserving

heritage buildings creates a sense of place, and helps downtown compete against the other retail format on Starr's Road.

- *Encourage more residential development downtown.* Residents enjoy living downtown due to access to amenities (waterfront trails, restaurants, bars, theatre, employment, etc).

While downtown Yarmouth has a large number of economic generators during the day time, there is very little activity in the evening to attract residents downtown. Th'YARC can play a key role in creating some of this activity, therefore making the area a more attractive place for residents.

We Have Reviewed Sites for Th'YARC.

Based on our review of the space requirements for Th'YARC it is clear that it will not be possible to re-use existing buildings such as the Municipality's former offices on Main Street. The need for large clear spaces without columns or support walls renders most existing building incapable of supporting such a specialized facility.

As a new site is needed, we surveyed downtown to identify locations that would provide enough space to meet the design requirements of the proposed facility, and that provide some economic spin-offs to support the revitalization efforts of the downtown. There are very few sites that meet the desired criteria. In the end, only the following two were reviewed:

1. The Existing Y'ARC Site
2. The YDC Parking Lot at Collins and Second Street

As indicated previously, we dismissed the potential to redevelopment the former Municipality of the District of Yarmouth's administrative offices into a theatre. As well, the building still has some economic viability for re-use as office space, therefore we did not consider demolishing the building to re-use the site.

We also reviewed several waterfront sites, and although one had some potential, it is not owned by the Town which means it would be very hard to make a quick decision with respect to this site. In addition, waterfront locations are likely to have significant geotechnical issues, and while these can usually be resolved, it would likely make construction in this type of location more expensive. As a result, these sites were dismissed. The following text provides a summary of the two proposed sites.

1. **Existing Y'ARC Site.** The Yarmouth County Arts Council currently owns a 1.97 acre (87,000 SF) property (not including the former Grand Street right of way) near the corner of Parade and Pleasant Street. The site is 750 metres east of Main Street and about an 8 minute walk from the corner of Parade and Main. The neighbourhood around this site includes a mix of residential and institutional buildings, including an Amoury and a Legion Hall on one side, and a complex of schools on the other side of Pleasant Street. The existing building is located in the centre of the property, and in order to allow it to continue to operate, any new building will have to be built behind the existing facility; this has an impact on the layout of a building at this location. The major redeeming features of the site are that it is currently owned by Th'YARC (i.e., it is available) and it is big enough to allow the construction of the new facility. On the other hand, the site is on the fringe of downtown, and there is very little

adjacent to it that would create any synergies with its activities (i.e., there are no other arts facilities like the AGNS, restaurants, bars, accommodation, gift shops, etc).

- 2. YDC Parking Lot.** The Yarmouth Development Corporation (YDC) parking lot bounded by Collins and Second Street appears to be a very good (if not ideal) location for the proposed Th'YARC facility. The YDC has already endorsed the site as a good location for the arts and cultural centre, and have agreed to donate the site to Th'YARC project. It is also reasonable to assume that there is a large amount of potential synergy between the existing Art Gallery of Nova Scotia (AGNS) and the visual arts and studio component of Th'YARC. Although the YDC site is only 1.25 acres (50,000 SF) in size, with a more efficient building layout, the proposed cultural centre should easily fit on the property. There is also a residential property immediately adjacent to the site (7 First Street) that would add another 5,382 SF, and its inclusion in the plan would improve the layout and efficiency of the parking, although acquisition of this property is not essential to the viability of this site. Parking would be cross-utilized for merchants during the day, and Th'YARC during evening and weekend matinee performances, thus making better use of this resource. Additional parking is available within a several block radius of the property, as well as a large amount of on-street parking. The major advantage of this site is the potential to start a cluster of cultural facilities (starting with the AGNS) that offers an excellent opportunity for Th'YARC to improve their business plan (i.e., increase revenue and decrease operating costs). This could be done through cross marketing of facilities (i.e., joint promotions, the AGNS directing visitors to a nearby working studio and gift shop, etc.) and possible sharing of administrative and/or operational costs. This cluster would also likely attract other complimentary businesses over time (e.g., other galleries/gift shops, dessert café's, etc.) which would enhance the visitor experience to the Th'YARC.

The attached concept plan provides one illustration of how the proposed Th'YARC facility could be accommodated on the YDC parking lot. The configuration of this proposed facility is different that the current one being proposed by Th'YARC. This is not the point. The point is that the site can accommodate the proposed facility. The current design for Th'YARC is a product of the site it is located on, and the need to retain the existing facility while the new structure is built (this forces the building to the rear of the property). Clearly, a design for the YDC site will address the site in a different manner, and will response to the opportunities and challenges of this site (all sites have opportunities and challenges). For example, it is possible to use second street to provide dock loading for the facility - this reduces the amount of land needed on the property for an access road (and the cost associated with maintaining an access road). As well, the Alma Street pedestrian mall creates an opportunity to bring activity from Th'YARC outside in a way that is not possible on their current site. In summary, the design for the YDC will be different that the current configuration, but this can create opportunities for the facility. The good news is that the current design and programming work can be easily re-interpreted to this new site with very little lost of time, or design fees (i.e., the existing pre-design has not proceeded to the point where there is a big cost associated with shifting sites).

Cultural Facilities Need Government Support to Operate; To Repay These Contributions, They Should Maximize the Economic Spin-Offs to the Host Community.

The majority (if not all) of all cultural facilities lose money without government support. This is intuitive, as cultural facilities are not private sector ventures, and nor should they be. Although Th'YARC has shown a strong ability to manage its financial affairs, and is currently generating an operating surplus, it only does so through the contribution of funds from various government entities. During the three year operating period from 2006 to 2008, Th'YARC averaged \$66,900 per year in public funding¹. The pro forma business plan anticipate \$57,000 per year of subsidy at stabilized operations (2013), which is 18.5% of total revenue.

Given the current request for capital funding, and the projected need for annual financial contributions from the Town (page 31 of the Th'YARC business plan indicates a need for \$10,000 per year of funding from the Town, increasing to \$12,000 per year in 2013), it makes sense for the Town and funding organizations such as ACOA, to maximize the future economic impact of Th'YARC on the local economy. A site adjacent to existing businesses has the best potential to do this.

The attached map illustrates the two sites, and overlays some information about the location of existing restaurants, bars and hotel/motel rooms. It is likely not an exhaustive list of existing businesses (as it was derived from Google Maps) but the cluster of activity is unmistakable. Clearly the Second Street site has a large amount of existing infrastructure in the immediate vicinity and would benefit the most from the location of the facility on this site.

Our Preferred Recommendation is the YDC Parking Lot at Collins and Second Street. Based on our review, the YDC parking lot is the preferred site for the new Th'YARC for the following reasons:

- It is adjacent to the AGNS and has potential artistic synergies;
- It is surrounded by restaurants and accommodation to maximize economic benefits to community;
- It is immediately available at no cost to Th'YARC;
- It allows Th'YARC to continue to operate at their current location without the adjacent construction disrupting their day to day operations;

The Town Should Show Good Faith, and Move Quickly on This Decision

The lack of an agreement on funding for phase 1 between Th'YARC and the Town of Yarmouth has caused a delay in the preparation of contract documents for the new building. To date, it would appear that all other funding partners are on side with the project, and are prepared to fund their share of the phase 1 project cost (i.e., the contract documents). The concern is that a funding decision never gets better than yes, and decisions can change and/or funding can be eliminated or spent on other projects. Therefore, the Town should make a formal written offer of support to Th'YARC for the YDC parking lot as soon as possible. This offer should address the following issues at a minimum:

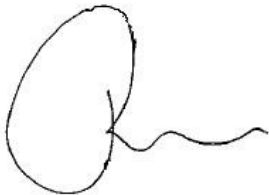
1. An offer to donate the existing YDC parking lot at Collins and Second Street;

¹ Th'YARC Playhouse and Arts Centre Business Plan 2009-2013, page 6

2. A commitment to acquire the adjacent residential house if/when it becomes available. This land would be used for additional parking;
3. A commitment to pay for any studies that are needed to put the YDC site on equal footing with the existing Y'ARC site (i.e., geotechnical and environmental reports).
4. A commitment to cost share the Phase 1 design work for the new Y'ARC facility as well as contribute to the cost of construction (phase 2).

If you have any further question, I can be reached at 442-8702.

**COLLIERS INTERNATIONAL (ATLANTIC)
REALTY ADVISORS**

A handwritten signature in black ink, appearing to read 'Ross Cantwell', with a large, stylized initial 'R' and a trailing flourish.

Ross Cantwell, M.Sc.RE
Principal

Cc: Rob LeBlanc, Ekistics Planning and Design