

Staff Report



Development Services Department

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REPORT TO: Finance and Corporate Services Committee

DATE OF MEETING: June 13, 2024

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WARD(S) INVOLVED: Ward 9

DATE OF REPORT: June 3, 2024

REPORT NO.: DSD-2024-240

SUBJECT: Bramm Yards Master Plan

RECOMMENDATION:

That the revised vision and development principles for the Bramm Yards Master Plan be approved as outlined in DSD-2024-240; and,

That up to \$400,000 from the Environmental Remediation Reserve be allocated to support the completion of necessary pre-design reports for the redevelopment of Bramm Yards (55 Bramm Street and 130 Park Street); and further,

That City staff be directed to undertake a market assessment to determine the appropriate timing to proceed with the disposition of the Bramm Yards, and to identify any potential development limitations, in order to maximize the likelihood of a successful redevelopment process, for Council consideration; and further,

That Procurement Services and Realty Services be authorized to implement a competitive land disposition process, based on the vision and development principles approved as part of report DSD-2024-240, through the issuance of a public request for proposals (RFP) seeking a Master Developer who would acquire the Bramm Yards and lead a multi-phased redevelopment of the property.

REPORT HIGHLIGHTS:

- The purpose of this report is to present the findings of the Bramm Yards Community Engagement Project (CEP), acquire Council approval of key elements of the proposed Bramm Yards Master Plan and initiate the land disposition process for the multi-use site.
- The key findings of this report are the redevelopment of the Bramm Yards will generate significant innovation employment and housing, bolster business growth in the

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Innovation District (Downtown Kitchener) and facilitate future growth of municipal tax assessment in the City of Kitchener.

- The financial implications of this report include the commitment of up to \$400,000 from the Environmental Remediation account for the completion of necessary pre-design reports for the redevelopment of Bramm Yards.
- This report supports: **Cultivating a Green City Together: Focuses a sustainable path to a greener, healthier city; enhancing & protecting parks & natural environment while transitioning to a low-carbon future; supporting businesses & residents to make climate-positive choices.**

Building a Connected City Together: Focuses on neighbourhoods; housing and ensuring secure, affordable homes; getting around easily, sustainably, and safely to the places and spaces that matter.

Creating an Economically-Thriving City Together: Focuses on growing an agile, diverse local economy powered by talented entrepreneurs, workers & artists; creating opportunities for everyone and a resilient future that propels our city forward.

BACKGROUND:

The City of Kitchener's 2019-2022 Strategic Plan identified the need to develop a master plan for the Bramm Yards development site (55 Bramm Street and 130 Park Street). 'Health Innovation' and 'Affordable & Attainable Housing' are two key priorities of The City's economic development strategy, Make It Kitchener 2.0. This strategy identifies the City's ambition to "develop leading facilities for entrepreneurs to advance health and med-tech innovations that create opportunities for clinical, academic and entrepreneurial collaboration, centred around a new urban business park. The Bramm Yards is part of the City's Innovation District and adjacent to the UW Health Sciences Campus.

Since the early 2000s, the City and Regional Councils have made critical investments which have set the stage for Bramm Yards to be redeveloped as an ambitious, best-in-class development focused primarily on health innovation employment:

- City of Kitchener invested \$30 million in the UW School of Pharmacy.
- Regional Municipality of Waterloo (RMOW) invested in the McMaster School of Medicine.
- City of Kitchener invested in the Communitech Hub and the delivery of onsite support programming for start-up and scale-up technology businesses.
- City of Kitchener invested in wet labs at UW Velocity in the Tannery.
- Regional Municipality of Waterloo (RMOW) developed and constructed the ION rapid transit line, identifying King & Victoria as the future central transit hub.
- City of Kitchener invested \$8.5 million in the UW Innovation Arena; and,
- City of Kitchener invested \$450,000 in City-operated Collaboration Space in the UW Innovation Arena (through the Waterloo Region Small Business Centre).

REPORT:

The Bramm Yards is one of the most significant City-owned land holdings comprising 3.2 hectares (equivalent to 8 acres). The lands are central to a rapidly densifying Innovation District with fourteen (14) new residential towers recently built, currently under construction or in the planning-phases. It is directly adjacent to the new UW Innovation Arena (which is

expected to be home to as many as 200 startup companies each year) and the Communitech Hub (which serves more than 400+ startup companies each year). Many of these companies are expected to be focused on health-innovation based businesses.

In 2023, the City developed a proposed initial vision and set of guiding principles identifying an ambition to develop the Bramm Yards into a leading-edge multi-use urban business park, centred around significant health-innovation focused employment space with sustainable development practices. The proposed vision and principles were shared with the community for feedback and input as part of a Community Engagement Project (CEP) on the future of the Bramm Yards. Through the CEP, 388 survey responses were completed with feedback provided directly to staff through an open house, community meetings and advisory committee meetings. The following over-arching themes emerged:

- 1) Importance of maximizing employment on site.
- 2) Support for the integration of sustainable development practices.
- 3) Need to include a central, community gathering place for the growing Innovation District; and,
- 4) Inclusion of affordable housing.

Proposed Revisions to the Bramm Yards Vision and Development Principles

The comparison chart below details the original proposed vision and development principles presented to the community in 2023, and the revised vision and development principles based on the input received through the CEP:

| PROPOSED (Original) | REVISED | RATIONALE FOR REVISION |
|---|--|---|
| <p>VISION FOR BRAMM YARDS MASTER PLAN</p> <p>To develop a leading-edge, mixed-use urban business park that would include health-innovation focused employment, new housing, a vibrant streetscape with high-quality public spaces, built using leading sustainability practices.</p> | <p>VISION FOR BRAMM YARDS MASTER PLAN</p> <p>To develop a leading-edge, mixed use urban business park that becomes the central gathering point of the growing Innovation District and surrounding neighbourhoods. The business park would include significant health-innovation focused employment with new and affordable housing, centred around vibrant streetscapes and high-quality public spaces. All built using leading sustainability practices.</p> | <ul style="list-style-type: none"> • Retention of the urban business park as the primary objective. • A key finding of the Bramm Yards’ engagement meetings is the need to provide community space within the development to allow for the congregation of community members to participate in a variety of activities and support the concept that the Bramm Yards will become the centre of the local neighbourhood. <p>Situated within the boundaries of the Inclusionary zoning by-law, Bramm Yards is required to include affordable housing units (up to 5%) in all new residential developments.</p> |

| PROPOSED (Original) | REVISED | RATIONALE FOR REVISION |
|--|--|--|
| <p>#1 DEVELOPMENT PRINCIPLE: Integrate a Mix of Uses</p> <p>Develop a minimum of 750,000 square feet of employment space with ‘Health Innovation’ and ‘Medical Technology’ employment as the primary use.</p> <p>Maximize the integration of residential development where possible; and, Include ground floor commercial uses (ex: retail, restaurant, service).</p> | <p>#1 DEVELOPMENT PRINCIPLE: Integrate a Mix of Uses</p> <p>Develop a minimum of 750,000 square feet of employment space with ‘Health Innovation’ and ‘Medical Technology’ employment as the primary use.</p> <p>Maximize the integration of residential development where possible, including affordable housing; and,</p> <p>Include ground floor commercial uses (ex: retail, restaurant, service).</p> | <ul style="list-style-type: none"> • 66.93% of survey respondents stated that maximizing the amount of employment was very important and somewhat important in the development of the Bramm Yards Site. • Survey respondents identified the inclusion of affordable housing on the Bramm Yards site as the number (1) change to the #1 Development Principle (survey question #6). |
| <p>#2 DEVELOPMENT PRINCIPLE: Integrate Leading Sustainable Development Practices</p> <p>Strive for the integration of geothermal heating and cooling, including the potential for a district energy plant on site; and Strive for emerging industry standards such as net-zero carbon emissions.</p> | <p>#2 DEVELOPMENT PRINCIPLE: Integrate Leading Sustainable Development Practices</p> <p>Strive for the integration of geothermal heating and cooling, including the potential for a district energy plant on site; and Strive for emerging industry standards and other sustainable development practices such as net-zero carbon emissions.</p> | <ul style="list-style-type: none"> • 85.93% of survey respondents stated that leading sustainable practices were very important and somewhat important in the development of the Bramm Yards site (survey question #7) • Survey respondents identified the inclusion of other sustainable development practises on the Bramm Yards site as the number (1) change to the #2 Development Principle (survey question #8). |

| PROPOSED (Original) | REVISED | RATIONALE FOR REVISION |
|--|--|--|
| <p>#3 DEVELOPMENT PRINCIPLE: Integrate Community Space</p> <p>Develop a vibrant streetscape. Provide high quality, outdoor public spaces. Include community space to be retained by the City; and Introduce all ages and abilities to active transportation connections through the site.</p> | <p>#3 DEVELOPMENT PRINCIPLE: Focal Community Spaces</p> <p>Organize developments around central community spaces.</p> <p>Develop a vibrant streetscape. Provide high quality, outdoor public spaces, including usable green space.</p> <p>Include community space to be retained by the City; and Introduce all ages and abilities to active transportation connections through the site.</p> | <ul style="list-style-type: none"> • A key finding of Bramm Yards' engagement meetings was that community space should allow for the congregation of community members to participate in a variety of activities and support the concept that the Bramm Yards as the centre of the local neighbourhood. • Community space was identified as the number one (1) ranked change to the Proposed Vision (survey question #2 at 25.36% of respondents), and Development Principle #3 (survey question #10 at 45.37% of respondents). • Victoria Park Neighborhood Association proposed a target of 30% of the site dedicated to publicly accessible space. |
| <p>#4 DEVELOPMENT PRINCIPLE: Design Expectations</p> <p>Leading-edge, high-quality architecture and finishes. A well-designed public realm High quality landscaping. Integration of active transportation, including secure bicycle parking spaces and reduced automobile parking/visibility of automobile parking.</p> | <p>#4 DEVELOPMENT PRINCIPLE: Design Expectations</p> <p>Leading-edge, high-quality architecture and finishes. A well-designed public realm High quality landscaping. Integration of active transportation, including bike lanes, secure bicycle parking spaces and reduced automobile parking/visibility of automobile parking.</p> | <ul style="list-style-type: none"> • With the approval of Kitchener's Growing Together Zoning By-law, the redevelopment of Bramm Yards does not have a parking minimum. • Survey respondents identified the inclusion of active transportation connections on the Bramm Yards site as the number (1) change to the #4 Development Principle (survey question #12 at 40.65% of respondents). |

The proposed revisions to the Bramm Yards' vision and development principles are aligned with Council's long term strategic directions and previous commitments. The revisions outlined above respond to the feedback received through the CEP.

Land Disposition Process

Considering the proposed vision and principles, and utilizing standard floorplates for mixed-use buildings, staff anticipate the Bramm Yards could accommodate up to five (5) major buildings. A development of this scale would either require a subdivision of land or a comprehensive master plan by one Master Developer. The subdivision of lands would be challenging for four (4) reasons:

- i) Site constraints – the site contains a significant grade change from Joseph Street to Park Street. Transitions between different developments would be challenging to manage/engineer and may be easier to overcome through interconnected buildings. It is also possible that structured parking could take advantage of the grade change by developing above ground parking which, from the surface, would appear to be below grade.
- ii) Urban context – unlike suburban subdivisions and business parks, the Bramm Yard's are expected to accommodate large mixed-use buildings. These often require careful integration of services (utilities, parking, retaining walls, etc.) which are best accomplished through one master builder.
- iii) Environmental Conditions – in the event the site requires environmental remediation, such measures are best managed comprehensively, through a single Record of Site Condition; and,
- iv) Coordinated public space – given the community's desire to see central gathering places incorporated into the site, this can be best achieved through one comprehensive development, as opposed to achieving separate amenity spaces on subdivided parcels.

Based on the foregoing, staff recommend utilizing a 'Master Developer' approach to the disposition of the Bramm Yards. Given the scale and mixed-use form of development, proponents could be a consortium of developers (including non-residential and residential developers) or a singular, well capitalized developer with a proven record of constructing different building types and large scale multi phased developments.

To select a 'Master Developer,' staff recommend the use of a competitive public request for proposals method. As per the competitive land disposition process as defined in DSD-2024-044 City Owned Land Disposition Framework, City staff will follow the general process as prescribed below:

1. Development and execution of a procurement process by Procurement Services in collaboration with Realty Services and Economic Development. This would include staff determining the final evaluation criteria based on the approved vision and principles.
2. Evaluation of proposals by City staff.
3. Presentation of evaluation results to Council, seeking direction on proposals and terms of the purchase and sale.
4. Negotiations with proponent by City staff; and,
5. Final approval by Council, with authorization for the Mayor and Clerk to execute the purchase and sale agreement.

Given the significant size, scale and importance of the Bramm Yards, staff would consider integrating opportunities for community engagement throughout the process where possible and appropriate.

Market Sounding Analysis

Presently, there is a degree of unpredictability in land development in Waterloo Region. Not unique to our region, this uncertainty is driven by high interest rates, inflation costs including construction inflation, and hybrid office-work environments. As such, it is recommended that staff perform a market assessment to determine the likelihood of the City receiving bids from prospective developers. This assessment may include, but not limited to the following: interest rate forecasts, office/health innovation space demand, residential demand including buyers or renters, market values, competing developments, etc. City staff will also assess the cost implications of the various design elements within the proposed vision and principles, to understand their potential impacts on a bid price.

The intent of this analysis is to ensure that the City of Kitchener maximizes the likelihood of receiving strong bids which maximize community impact (ex: best-in-class mixed-use development, highest sale value, etc.). If the market demand to redevelop Bramm Yards is determined to be insufficient at the moment, consideration may be required to defer the land disposition process to a later date when market demand is stronger.

Pre-Design Reports: Environmental, Geotechnical & Code

To effectively market Bramm Yards to potential Master Developers, the City of Kitchener will need to perform a series of pre-design environmental and geotechnical reports. The pre-design reports will provide a transparent understanding of the site conditions on Bramm Yards, allowing potential Master Developers to build a comprehensive business case for the redevelopment of the site and submit market rate competitive bids to purchase the property.

Pre-design reports necessary for the redevelopment of Bramm Yards are:

- Phase One (1) Environmental Site Assessment (ESA),
- Phase Two (2) Environmental Site Assessment (ESA),
- Hydrogeological Assessment with limited geotechnical study,
- Environmental Assessment and/or Remediation, including Record of Site Conditions.
- Analysis of the various codes based on the revised vision (ex: Building Code); and,
- Understanding of design and setback requirements from the rail line.

The estimate of costs (up to \$400,000) for the pre-design reports was acquired through the submission of quotations by qualified environmental engineering firms. Estimated time for completing the pre-design reports for Bramm Yards is up to ninety-six (96) weeks.

If site remediation is required, the purchaser can apply to the City of Kitchener and Region of Waterloo respective Brownfield Remediation Programs.

As the primary focus of the mixed-use urban business park is intended to be for health innovation employment, such uses often include complex technical facilities (ex laboratories, etc.). These require a specialized technical knowledge to ensure code compliance (ex: Building Code, National Fire Prevention Act, etc.). Staff recommend a preliminary exploration to understand any implications the code requirements may have on the design

of the site. Where possible, staff would fund this work either through existing budgets or through the Economic Development Reserve.

STRATEGIC PLAN ALIGNMENT:

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FINANCIAL IMPLICATIONS:

Capital Budget – The competitive land disposition process for the Bramm Yards would generate significant revenues for the City of Kitchener. This land disposition would be the largest contribution to the Economic Development Investment Fund 2.0 (EDIF 2.0), where \$80 million is expected to be raised through the sale of City-owned lands. These funds would be invested in key priority areas of Make It Kitchener 2.0, such as ‘Affordable & Attainable Housing’, ‘Creative Industries’, etc. As such, maximizing the financial return the City would achieve through the sale of the Bramm Yards would, in turn, maximize the City’s ability to invest in key community priorities.

Staff anticipate up to \$400,000 would be required to complete various environmental, geotechnical reports. These would be funded through the Environmental Remediation Reserve. Additional reports to analyze various code requirements (ex: Building Code) would be funded through existing budgets or through the Economic Development Reserve.

Operating Budget – The recommendation has no current impact on the Operating Budget.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

CONSULT – Implemented over a twenty-week period (August 2023 to January 2024), the Bramm Yards Community Engagement Project (CEP) utilized the following tools to gather input from residents and stakeholders on the proposed vision and development principles for the multi-use site:

1. Engage Kitchener (Online Platform)

The Bramm Yards CEP included a project page (inform) and an online survey (consult) to allow residents to provide input while eliminating time and location barriers. The online platform generated the following engagement results:

- Over eight thousand four hundred (8,400) project page views,
- Four thousand one hundred and sixty-five (4,165) page visits,
- Three hundred and eighty-eight (388) survey completions from eleven (11) different postal codes. 61.84% of survey respondents were located within the three (3) postal codes in Downtown Kitchener (N2M, N2G, N2H).

2. Open House Meeting

Hosted at the Victoria Park Pavilion, the open house meeting welcomed over thirty (30) residents to provide feedback and ask questions directly to Staff on the Bramm Yards development site.

3. Focus Group & Community Meetings

One (1) focus group meeting was held with thirteen (13) health innovation sector stakeholders (post secondary representatives, hospital CEO's, incubators including Velocity, Communitech and MIX), two (2) community group meetings were held with three (3) local neighbourhood associations (Victoria Park, Cherry Park & Old Berlin) and the Board of Directors for the Downtown Kitchener BIA.

4. Advisory Committee Meetings

The following four (4) advisory committees of the City of Kitchener were consulted:

- Economic Development Advisory Committee (EDAC).
- Downtown Action & Advisory Committee (DAAC).
- Active Transportation and Trail Advisory Committee (ATTAC); and,
- Arts and Culture Advisory Committee (ACAC).

PREVIOUS REPORTS/AUTHORITIES:

- DSD-2024-005 Growing Together – Protected Major Transit Station Area Land Use and Zoning Framework
- DSD-2024-029 Official Plan Amendment OPA23/015/K/TD and Zoning Bylaw Amendment ZBA23/027/K/TD – Inclusionary Zoning
- DSD-2024-044 City-Owned Land Disposition Framework
- *Municipal Act, 2001*
- *Planning Act*

APPROVED BY: Dan Chapman CAO

ATTACHMENTS:

Attachment A – Bramm Yards Community Engagement Project: Summary Report
Attachment B – Bramm Yards Development - Site Map, January 12, 2012