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REYFIELD REDEVELOPMENT

CASE STUDIES

Built Project Initiatives

THE NEW KITCHENER MARKET

Kitchener

PROJECT SUMMARY

A former City parking lot and surrounding commercial land will be redeveloped into the New Kitchener Market. A collaboration between the City and a private developer, the mixed-use project will consist of five elements: a market building, public square, commercial space, an underground parking garage, and Le Marché Residential—a 68-unit condominium development. In addition to contributing to the revitalization of the downtown, the New Kitchener Market will act as the eastern entrance to Kitchener's central business district.

AREA CONTEXT

A growing municipality, Kitchener's population increased by 6.7 per cent between 1996 and 2001 to approximately 190,500. With easy access to Highway 401 (and Highway 7 to Guelph), Kitchener is 115 kilometres from Toronto. Downtown Kitchener is a centre of employment, government and administration for the Region of Waterloo. Kitchener's downtown is also a regional transportation hub, having a train station, bus terminal and proposed Light Rail Transit station in close proximity.

The original Kitchener Market was housed in a historical building adjoining City Hall, and had a strong presence in the downtown Market District. In 1973, the old market and City Hall were demolished so that the Market Square Mall could be built. The Kitchener Market was housed in a portion of the mall for 30 years under a lease arrangement. However, the City and residents felt that Kitchener needed a permanent, more visible market. After extensive studies, the City decided to relocate the Kitchener Market to a site in the Market District that was previously occupied by a City-owned parking lot and commercial



Figure 1: Map of the New Kitchener Market vicinity

area. The development of the mixed-use, New Kitchener Market will reinforce the role of the Market District as a hub of culture, shopping, commerce, and tourism.

The market is renowned for its local produce, specialty food shops, and traditional atmosphere. Over the years, as a result of the market's influence, the Market District has evolved into an eclectic neighbourhood, featuring a diversity of businesses and restaurants; the neighbourhood is very multicultural and has a large Vietnamese and Chinese population.

The site of the New Kitchener Market fronts King Street and is bounded by Eby, Duke, and Cedar Streets. The site has frequent public transit service. In addition, a transit service for people with impaired mobility will also serve the project and its vicinity.

The site is surrounded by a mixture of land uses, including residential, retail, restaurants, and office uses. The residential areas in the vicinity of the project vary in density. The neighbourhoods immediately north, west, and south of the site consist primarily of detached houses (15 to 20 dwelling units per hectare). Mixed-use development (commercial on ground floor and residential on the upper floors) and condominiums have been built to the south of the site. At approximately 206 dwelling units per hectare, the density of the residential portion of the project will be much higher than most surrounding residential areas.

In addition to restaurants and retail uses, theatres and a fitness facility are also within walking distance from the site. A high-rise office building is located one block away.

SITE HISTORY

After carrying out extensive research in the 1990s, including market and financial analyses, the City selected the eastern downtown location as the ideal site for the New Kitchener Market. Half of the site was a City-owned surface parking lot, a fact that provided the City with added control over the site. Commercial, retail, and a small amount of housing (about 10 second-floor apartments over commercial storefronts) were located on the other half of the site. Businesses on the site and its immediate surroundings were declining and social problems were developing in the area. Studies determined that a new market could act as a catalyst for the economic and social revitalization of the area. The City purchased or expropriated the buildings on the site, all of which were demolished to make way for the new market.

PROJECT CHRONOLOGY



Figure 2: Before photograph showing small businesses on King Street

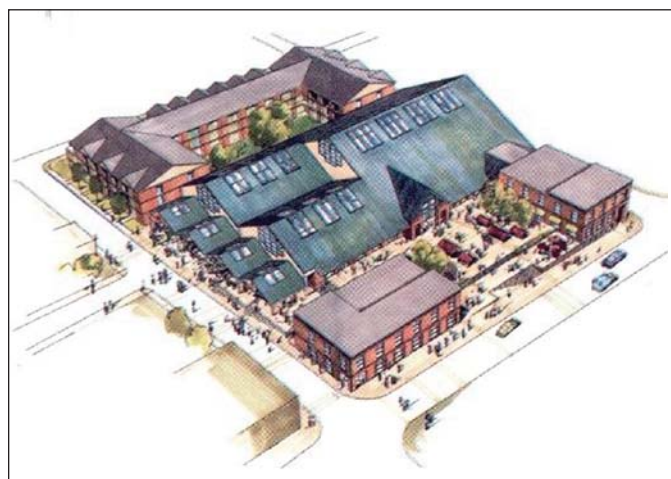


Figure 3: After: Layout of the New Kitchener Market

The previous uses (that is, surface parking lot and commercial uses) of the site were gradually discontinued in the late 1990s. In 2000, the City purchased the commercial properties and housing on the site. In September 2001, the City approached private sector partners to take part in the project. Site plans submitted by the developer were approved in 2001 and the negotiation of the agreement between the City and the developer was completed in March 2002. The businesses were purchased in 2001, and one establishment was expropriated. Buildings on the site were demolished in May 2002. Full excavation for minor remediation and underground parking commenced the next month. Construction began in the summer of 2002. The market building and underground parking have been completed, and were opened to the public in May 2004. The retail component was still under construction at the time of writing. The residential component is scheduled to begin construction in 2005. The entire New Kitchener Market project will be completed by the end of 2006.

PHYSICAL DESCRIPTION



Figure 4: Front facade of Le Marché Residential

Occupying an entire city block, the one-hectare project has five components: an urban market, a three-storey residential building (Le Marché Residential), two two-storey retail and office buildings, a public square and an underground parking garage.

Located directly behind the market building on Duke Street, Le Marché Residential will occupy approximately one third or 0.33 hectares of the site. The brick finished building will be comprised of 68 condominium units, measuring between 83.6 and 148.64 square metres. One-two-and three-bedroom units will be built.

Each unit will have a private balcony, and a shared courtyard will be at the back of the building. In addition, Le Marché Residential will have a multi-purpose room for hosting private parties and company meetings. Green features include high efficiency common-area lighting, energy conserving glazing on windows, natural air circulation to all common areas, and natural gas-powered hot water heaters. A transit stop will be located just outside the doorstep of Le Marché Residential.

The market building is a 5,575-square metre modern brick and glass structure. The building features 15-metre high ceilings with skylights and large windows, allowing the space to take advantage of natural light. The massing of the building is sensitive to the surrounding residential and public land uses. As no neighbours wanted to be facing a “back wall”, all four sides of the market building are designed to resemble building fronts. Commercial traffic generated by the market is internalized; an interior driveway traversing the middle of the site keeps the heavy trucks servicing the market off surrounding streets.

The market building has two storeys; the first floor will be occupied by a two-day-a-week farmer’s market, and the top floor will house Market Shops, which feature a diversity of full-time vendors. During warm weather, vendors will also be located outdoors in the public square and along Eby Street.



Figure 5: Courtyard of Le Marché Residential

A public square will front the market building and act as a social meeting place and a public space for special events. Two two-storey retail and office buildings will flank each side of the public square and complement the activities in the market and the adjacent businesses located in the Market District.

A 300-space underground parking lot will be incorporated into the project. The parking structure is City-owned, and the developer will lease parking spaces from the City for the residential component of the project. The project uses City standards to determine the number of parking spaces required. 1.5 parking spaces per residential unit and four parking spaces per 93 square metres of commercial floor space will be provided.

Special engineering work was necessary due to the grading of the site and associated drainage issues. 50,000 cubic metres of earth were removed from the site in order to make the surface more even. Despite this grading work, the market and condominium buildings had to be specially designed to take into account grading issues. A sophisticated drainage system was required because the water table is close to the surface of the site. A system of sump pumps was installed to capture ground water and pump it away from the structures in order to avoid basement flooding.

PROJECT PARTNERS

The project is being realized through a partnership between the City of Kitchener and the developer, the Barrel Works Group, Ltd. The City assembled the site before selling approximately half of the parcel to the developer. The market building, public square, and underground parking are owned and will be managed by the City, while the developer—after making payment to the City—will manage the retail, office, and residential components of the project.

PLANNING PROCESS

Kitchener has no policies that specifically address greyfield redevelopment. The downtown, however, has been identified as a focal area in the City's Community Improvement Plan (CIP). Developers in areas identified in the CIP are able to apply for incentives, such as waiving development fees and postponing property tax increases due to the redevelopment. The developer received these incentives for both the residential and commercial components of the project.

The New Kitchener Market project will help meet many of the objectives of Kitchener's Downtown Strategic Plan. The overarching objective of the plan is to make the core area an economically and culturally vibrant "people place". With its commercial activities, residential component, public space, and role as a special events venue, the project will attract a wide range of people to the downtown. Le Marché Residential will intensify residential land use, another objective of the plan, and add to the economic vitality of the downtown area. The new market will spur local economic development by providing a venue for niche retail and services in the area.



Figure 6: Entry to the market building

The direct involvement of the City in the project as a land assembler and part owner has facilitated the planning approvals process. The project required zoning changes, and site and reference plans were needed. Reference plans are necessary due to the combined public and private ownership of one parcel of land. Reference plans determine the responsibilities (e.g., upkeep and insurance), interaction (who owns exactly which part of the site) of the two property owners, the City and the developer. The approvals processes for all five components of the project were carried out concurrently.

The planning department and City Council were very supportive of the mixed-use project being built in the downtown because it meets the objectives of the City's downtown Strategic Plan as discussed above. There was little opposition from local residents, as the community at large wanted to see the new market built, despite the higher density. Changes to the site plan, such as reducing the massing of the market building and the inclusion of an internal laneway for market deliveries, were made as a result of the public consultation process. There was some tension with the owners of the small business that was expropriated.

MARKETING

The developer is marketing Le Marché Residential towards the wide variety of existing residents in the central area, including families and seniors. The project offers them an opportunity to live in a vibrant area of the city, close to a diversity of services, amenities, and employment and recreation opportunities. Because the developer does not plan to market the project to "niche markets", it will attract a wide clientele. This will result in a mixed-age and income development, which will enhance the sense of community for future residents.

Prices will range from \$139,000 to the low \$200,000s, which is mid-range for housing in Kitchener. The average condominium price in Kitchener is \$200,686. All units will be condominium ownership.

FINANCIAL ASPECTS

The total development costs for the New Kitchener Market project will be approximately \$33.5 million. The City is responsible for \$18.5 million (for the parking structure, market building, and the public square). The developer will contribute the remaining \$15 million for construction of the retail (\$3 million) and residential (\$12 million) components. Increased tax revenues are estimated to be \$3,116,460 once the project is built out.

EVALUATION

The City, developer, and community at large believe that the location of the New Kitchener Market will revitalize the downtown's Market District, and serve as the eastern gateway to the central area. The mixed-use project will enhance the "urbanization potential" of the downtown, where numerous other residential and mixed-use projects have recently been built. Because mixed-use projects such as the New Kitchener Market attract users throughout the day, they can help enliven neighbourhoods surrounding the site. And, by offering families convenient and relatively affordable residential opportunities in the downtown, the project will benefit surrounding businesses, help stem growth outside Kitchener, contribute to the City's tax base, and make efficient use of existing infrastructure.

The New Kitchener Market meets several of the objectives outlined in the City's Downtown Strategic Plan: increasing "people activity", intensifying residential land use, and fostering local economic development. These objectives are key to realizing the City's main aim of drawing people back to the core area and making the downtown a place for people to live, work and be entertained. In addition, the project is compatible with the Region of Waterloo's OP policies that direct new growth to existing urban areas.

The incentives offered in the CIP were successful in encouraging and securing the participation of the developer for the commercial and residential components of the project. Projects like the New Kitchener Market are more challenging for developers than greenfield projects. In addition to the more complex site design and consultation processes, projects like the New Kitchener Market have less financial return than greenfield development. In order to secure the involvement of private developers on such sites, the municipality must play a role in helping to manage these issues and "levelling the playing field" by offering financial incentives.

Both the City and developer report that the collaboration on this project has been positive. Each party brought its individual strengths to the table. The City for example expropriated one former business on the site, facilitated the development approvals process, and provided financial incentives to the developer. Having built several successful infill projects in the downtowns of medium size cities, the developer was in a good position to contribute building and management expertise.

FURTHER INFORMATION

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http://www.city.kitchener.on.ca/market/market_main.html
http://www.city.kitchener.on.ca/market/pdf/new_market_insert.pdf
<http://www.city.kitchener.on.ca/news/Media.asp>

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