



Report to: Economic Development Committee

Meeting Date: November 22, 2021

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**SUBJECT:** Markham Innovation District (MiX) Next Steps  
**PREPARED BY:** Christina Kakaflikas, Acting Director Economic Growth,  
Culture and Entrepreneurship x.6590

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**RECOMMENDATION:**

1. THAT the Report dated November 22, 2021 entitled “The Markham Innovation District (MiX) Next Steps” be received; and,
2. THAT Council approve the terms of reference for the Consultant work necessary to initiate the development of the MiX; and
3. THAT the award of the contract for the Lead Consultant be awarded to Urban Strategies Inc. in the amount of \$136,000.00 inclusive of HST impact; and
4. THAT the tendering process for the Lead Consultant be waived in accordance with the City’s Purchasing By-law # 2017-8, Part II, Section 11.1(c), Non Competitive Procurement which states, “when the extension of an existing Contract would prove more cost-effective or beneficial”; and
5. THAT Staff undertake a formal procurement process for the various sub-consultants (Development Model, Servicing Study, and Market Guidance Study) as per the Purchasing Bylaw # 2017-8 with the awards not to exceed \$285,000.00;
6. THAT the cost for the Lead Consultant and Sub-Consultant in the amount of \$421,000.00 (\$136,000.00 + \$285,000.00) be funded from the Markham Innovation Exchange budget account 610-101-5699-20290 with a budget available of \$460,000.000;
7. THAT the remaining balance in the amount of \$39,000.00 (\$460,000.00 - \$421,000.00) remain in the account until completion of the project; and
8. THAT Staff be directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to obtain Council approval to retain consultants to advance the next steps of the MiX as outlined in the presentation entitled “MiX Innovation District: Where Innovation is Realized” delivered at and endorsed in principle by Development Services Committee on July 13, 2021.

The consultant work is necessary to inform the subsequent development of a Request for Interest (RFI)/Call for Interest to potential qualified partners to develop and fulfil the strategic vision of the MiX. The consultant work is also necessary to address key issues

and give clarity and certainty to development potential already in this area and to inform ongoing planning work including the preparation of a secondary plan.

### **BACKGROUND:**

In April 2019, as part of the Collision Tech Conference in Toronto, the City of Markham announced plans to establish “a distinctive new urban Innovation District of regional and national significance that will be home to a 21st Century employment cluster containing an innovative and exciting diversity of knowledge-based employment and industrial activity”.

Proposed land uses were described as including a “distinct employment-first, amenity-rich urban area featuring a convergence of technologies, innovation, learning, and wellness businesses and institutions.”

At the November 25, 2019 DSC meeting, staff were authorized to engage in an RFP process for the advisory/consulting work necessary to advance the MiX project and \$510,000 was pre-approved from the 2020 Capital Budget for advisory/consulting work to prepare for the Call for Investor Interest.

In April 2021, staff retained consultants Urban Strategies Inc. to review and confirm the vision for the MiX in light of the economic impacts of the pandemic in order to determine whether the initial vision remained relevant with stakeholders or was in need of updating to address new potential opportunities related to the emergence of global supply chain gaps and changing industry trends.

After interviewing more than 30 government, investment and industry stakeholders, the consultants confirmed interest in the MiX remains strong and that a refreshed vision for the MiX was needed to align with opportunities and trends identified through the stakeholder interviews and research.

## **The MiX Vision**

- The site that attracts, connects, and grows diverse and synergistic industries and users
  - A logical place in GTHA for tech, energy, auto, and creative industries to intersect and innovate
- The district that strengthens domestic supply chains
- The hub that connects research, training and industry
- The living laboratory to develop Canadian IP and build physical products
- The place where sustainability is the foundation

**Ontario's first  
innovation cluster  
that connects  
knowledge +  
production sectors**

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**MiX** *will be the place in the region where innovation happens at scale and with critical mass – an innovation ecosystem where IP is developed and high value products are manufactured.*

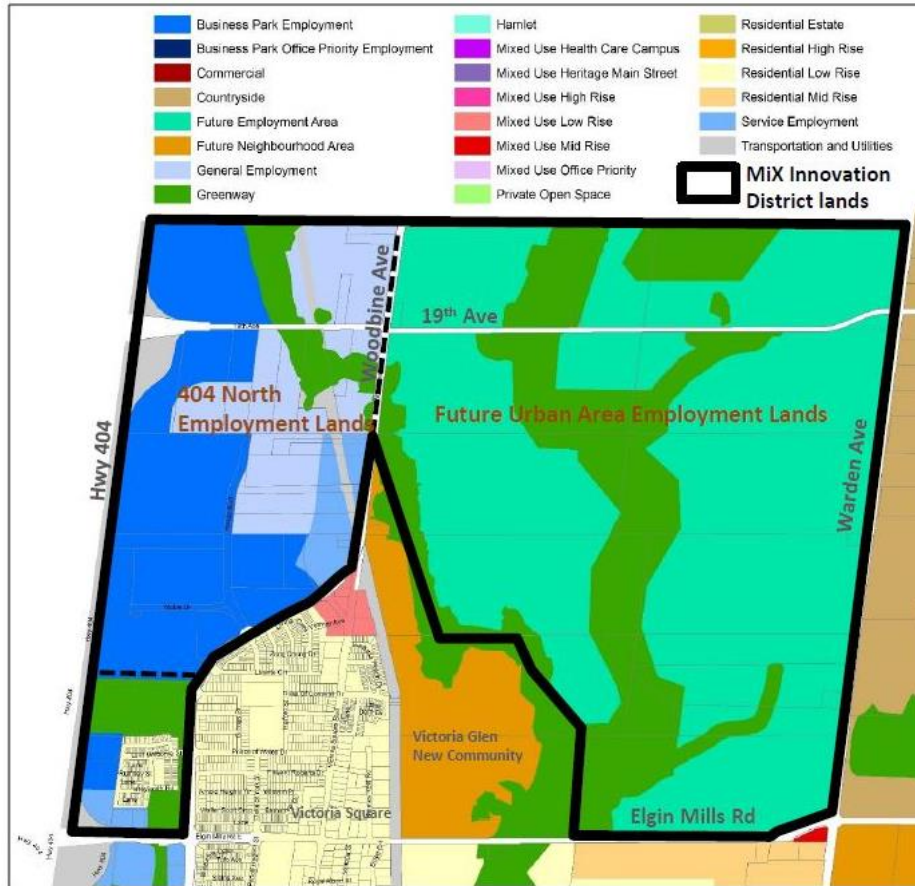
**The MiX Employment Lands:**

The employment lands located between Highway 404 to the west, Warden Avenue to the east, the northern boundary of the City of Markham (just north of 19th Avenue) and Elgin Mills to the south comprise one of the largest remaining undeveloped employment land areas in Markham and the Greater Toronto Area. Comprising 777 hectares (1,920 acres), the MiX is strategically located at the northern gateway to Markham with excellent frontage, visibility and access to the Highway 404/Don Valley Parkway office/commercial corridor.

The City has acquired properties within the employment district, including approximately 162 hectares (400 acres) in the core of the area and therefore has the potential to define and determine the aspirations and potential for the area. The MiX is unique in the GTA in that there is no other similar employment area of this size with substantial public ownership.

The City regards these lands as having strategic merit for development as a new, future-oriented innovation district, with all scales of manufacturing and knowledge sectors in the same place. The MiX builds upon Markham's long-standing reputation as a supportive and competitive business location with strong foundations in innovation and technology. Markham is home to one of Canada's largest clusters of technology firms, a large and growing technology talent pool, the new York University Campus slated to open in 2023, and growing collaborations with outstanding colleges, universities and centres of entrepreneurship and innovation including ventureLAB and YSpace.

## The MiX Site



With an updated vision for the MiX in-hand, easing COVID 19 public health restrictions and with economic recovery slowly underway, it is now time to move forward with next steps for the MiX.

### OPTIONS/ DISCUSSION:

The next step in advancing the MiX involves two streams of work: the planning component which includes the Secondary Plan and Master Environmental Servicing Plan (MESP) and secondly, the Economic Development component including governance structure, market-readiness and a strategy to bring the lands online.

#### Secondary Plan/MESP Studies

Funding for a Secondary Plan and MESP for the MiX Employment Lands is being sought through the 2022 Capital Budget. The Secondary Plan/MESP studies will provide the planning and servicing framework for the development of the District, confirming among other things, the Greenway System, appropriate employment land uses, and the collector road and servicing network.

The MESP would be initiated concurrently with the Secondary Plan work and will build on the Subwatershed Study and the Transportation, Water and Wastewater Master Plan completed during the development of the Conceptual Master Plan for the Future Urban

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Area endorsed by Council in 2017. The MESP will be undertaken in a coordinated and integrated manner, and be used to inform the development of a land use plan and policies for the Secondary Plan.

The Secondary Plan studies will also consider the addition of certain employment lands on the east side of Warden Avenue which are being considered for inclusion in the urban area to accommodate employment growth to 2051 through the ongoing York Region municipal comprehensive review.

**Economic Development Component- Project Deliverables:**

Ultimately, in order to fulfil the vision for the MiX, the City of Markham will need to secure a development partner(s) that is experienced, civically responsible, has substantial financial resources, and is knowledgeable. This will require an RFI process to attract the right partner. Before the RFI process can begin, the work outlined below is required to ensure the optimal success of the RFI in attracting the appropriate investment response.

The proposed scope of work is based on the USI recommendations as outlined in the presentation to Development Services Committee on July 12, 2021 and summarized below and subsequent conversations with the MiX interdepartmental staff team.

To advance the MiX, the Consultants recommended the following steps be taken:

1. Set a Cohesive Vision
  - Investors must see a long-term innovation commitment at the MiX
2. Make it Clear the MiX is Market-Ready
  - Develop a clear and concise opportunity book and meet with leading employment land real estate experts; prioritize employment land uses
3. Develop a Strategy to Bring Land Online
  - Make sure servicing is brought up to property line; determine protocols for negotiating with developers or tenants; explore governance models
4. Consult with Landowners on Shared Ambition
  - Share the vision and identify collective objectives, opportunities, marketing and development strategies; consider creating official land owners entity/framework
5. Take Early Steps to Signal Innovation
  - Attract visible, early/interim uses that set the tone with low investment

It is recommended that the City retain consultants to undertake the scopes of work outlined below beginning with Scope 1 followed by Scopes 2-4 which would be undertaken concurrently.

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Scope 1: Lead Consultant to be Sole Sourced (Budget \$120,000; Timeframe: 6 months)  
The lead consultant would be responsible for managing the consultant team and providing continuity regarding the MiX Vision. Specific responsibilities would include:

- Drafting scopes of work (for Scopes 2-4 below) for sub consultants engagement through an RFP process and assisting the City with proposal review/evaluation
- Managing the consultant team; providing quality control; and liaising with/reporting to the City
- Providing continuity of project vision/objectives
- Ensuring coordination between streams of work
- Synthesizing key consultant findings and guiding the City on next steps for advancing development

Staff recommend the tendering process be waived for the Lead Consultant (Scope 1) and that Urban Strategies Inc. (USI) be retained via sole source. The remaining scopes of work below (Scopes 2-4) are to be tendered through the City's competitive procurement process. USI has has a proven track record with the City in terms of pricing, quality and service. USI also has acquired expertise and knowledge of innovation districts around the world and has been engaged in an advisory capacity on the MiX project. Having most recently worked on the updated vision for the MiX, USI is uniquely positioned to build on the momentum developed through their broad-based stakeholder consultations and to provide continuity to advance the MiX in a timely manner.

Scope 2: Servicing Implementation Strategy (Budget: \$100,000; Timeframe: 6 months)  
The servicing guidance consultant would be responsible for developing a servicing implementation strategy to make the MiX lands service-ready. This strategy will identify a preferred approach to delivering services, including water, sewer, roads, electricity and broadband to the MiX lands, and will need to take into consideration the following:

- different approaches (including phasing) to deliver services (transportation, water, servicing and other engineering services) to the MiX lands and their respective advantages and disadvantages;
- detailed breakdown of timing to extend servicing;
- development of a funding model to extend servicing including mechanisms to recover those funds; and,
- constraints of existing services.

Scope 3: Development Model Guidance (Budget: \$75,000; Timeframe: 3 months)  
This consultant would advise the City on the most beneficial long-term development model for the MiX lands. This would include comparing the costs and benefits of: a) establishing a municipal development corporation; b) partnering with an established private sector developers/investors (such as a pension fund); and, c) proceeding with City-led development.

Scope 4: Market Guidance (Budget: \$75,000; Timeframe: 4 months)  
The market guidance consultant would provide the City with a more detailed understanding of the potential value of the MiX lands with respect to employment development, describe the likely degree of interest within the targeted development sector; highlight key priorities or pre-requisite conditions for private sector development;

and provide high-level insight on ideal phasing of site marketing/development. This consultant would coordinate and undertake interviews with institutional or other large-scale developers with employment land experience, and draw on their own experience in employment land brokerage.

**Project Delivery and Timing**

Staff envisage the process of securing the lead consultant (via sole source) by mid-December, issuing RFPs for the sub-consulting work, securing consultants and finishing the studies and reporting to Council by August 2022.

The final sequence and details of tasks will be determined in consultation with the consultants. The consultants will identify the number and subject matter of meetings that she/he will conduct over the course of this work. For any meetings, the consultants will be responsible for the preparation of agendas, meeting/presentation materials, and meeting minutes/notes.

**Initial meeting with Lead Consultant to confirm work program and timing:** 2 weeks following approval at Nov 22 DSC meeting.

**Sub-consultants Engagement Phase:** Drafting Scopes of Work for sub-consultants and proposal review, evaluation, and selection (Months 1-2)

**Consultant Research phase:** to conduct research, develop analyses, and present findings (Months 3-8)

**Deliver final report:** present and deliver final report (Month 9)

**FINANCIAL CONSIDERATIONS**

The Consultant work to prepare for the MiX will be led by a qualified and experienced lead consultant who will project-manage sub-consultants to be selected through a competitive Request for Proposal (RFP) process. The lead consultant cost will be funded from within the approved Markham Innovation Exchange budget account 610-101-5699-20290 at a maximum cost of \$136,000 inclusive of HST impact. The sub-consultants will be funded from the above account and at a maximum cost of \$285,000 inclusive of HST impact.

**HUMAN RESOURCES CONSIDERATIONS**

Not applicable.

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

The advancement of the development of an Innovation District is a key priority project within Council's approved strategic plan "Building Markham's Future Together 2020-2023".

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Development Services Commission: Engineering, Planning and Design.

Corporate Services Commission: Finance

Chief Administrative Office: Legal Services

**RECOMMENDED BY:**

Christina Kakaflikas  
Acting Director,  
Economic Growth, Culture and  
Entrepreneurship

Arvin Prasad  
Commissioner  
Development Services

**ATTACHMENTS:**

“MiX Innovation District: Where Innovation is Realized” Report to DSC, July 12