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Town of Aurora
Council Closed Session Report
No. PDS25-062

Subject: Property Matter – 89 Mosley Street (Update)

Prepared by: Andrew Poray, Manager, Economic Development

Department: Planning and Development Services

Date: June 10, 2025

This report is being considered by Council in Closed Session as the subject matter involves:

- a proposed or pending acquisition or disposition of land by the municipality or local board as per Section 239(2)(c) of the Municipal Act, 2001.
- a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board as per Section 239(2)(k) of the Municipal Act, 2001.

Closed Session Recommendation

1. That Council Closed Session Report No. PDS25-062 be received; and
2. That staff be authorized to negotiate with s. 14 and enter into a lease and operational agreement with the Slabtown group for the operation of 89 Mosley Street, as set out in this report, subject to the approval of the Director of Planning and Development Services and the CAO.

Open Session Recommendation

1. That Council Closed Session Report No. PDS25-062 be received; and,
2. That the confidential direction to staff be confirmed.

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Executive Summary

The Town issued a request for expression of interest (REOI) in accordance with the Town's Procurement process, seeking proposals to lease the space at 89 Mosley St., the Armoury (the "Armoury").

This report seeks Council's authority to negotiate and enter into a lease agreement with the recommended proponent as described herein.

- The Armoury is a unique heritage asset in the heart of Town that can be leveraged for community connection and tourism attraction.
- The objective of the REOI was to solicit interest in leasing the Armoury to generate an economically sustainable model for its operation.
- Six REOI responses were evaluated, and Council selected two top proponents, directing staff to clarify their offerings and provide a side-by-side comparison.
- Market value lease rate for the property is in the range of \$20/sq. ft. - \$25/sq. ft. excluding Taxes, Maintenance, and Insurance (TMI).
- Following the evaluation process for the operation of the Armoury, staff identified a preferred proponent.

Background

The Armoury is a unique heritage asset in the heart of Town that can be leveraged for community connection and tourism attraction.

The Aurora Armoury, a designated heritage building located in the heart of Aurora's Downtown and Town Park. Originally built in 1874 by Walter Moberly as a drill shed for the York Rangers, the Armoury holds deep historical significance, having served as the longest-active armoury in Canada until its 2012 closure and as the site of Edward Blake's pivotal "Aurora Speech." Traditionally a hub for political, cultural, and community events, the Town has invested in its transformation into a modern event venue through a partnership with Niagara College. Featuring a chef's kitchen and space for up to 200 guests, the Armoury has become a key asset in Aurora's downtown revitalization efforts, helping to draw residents and new visitors to the area. The Town's

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recent REOI sought a long-term partner to steward this historic site in a way that celebrates its heritage while enhancing community vibrancy and tourism.

Analysis

The objective of the REOI was to solicit interest in leasing the Armoury to generate an economically sustainable model for its operation

The Request for Expression of Interest (REOI) focused on securing a partner with a business model that demonstrates clear community benefits.

The REOI made it clear that respondents are responsible for utilities and daily maintenance, while the Town retains responsibility for capital asset upkeep.

REOI proposals were based on a three-year lease term (with extension options) and were to account for leasehold improvements, maintenance costs, and potential tax changes when determining lease rates.

Council selected two top proponents, directing staff to clarify the offerings and provide a side-by-side comparison.

A Request for Expressions of Interest was facilitated through the Town's procurement process. The REOI was posted on Bids and Tenders, the Town's website, and was sent directly to any known party of interest by email.

Six submissions were received for the Armoury opportunity with five proponents fulfilling the requirements of the REOI to enable further consideration.

The Five respondents were asked for a presentation to further detail their vision.

A summary of the presentations was reported to Council in a closed session meeting on May 13th along with a preferred proponent for consideration.

Council selected two top proponents and directed staff to further clarify the offerings and report back providing a side-by-side comparison.

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Respondents Overview:

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Market value lease rate for the property is in the range of \$20/sq. ft. - \$25/sq. ft. excluding Taxes, Maintenance, and Insurance (TMI).

Staff are proposing that the tenant be responsible for all utilities and maintenance, while the Town would only be responsible for capital asset management rehabilitation and no day-to-day maintenance or services.

Any additional costs incurred by the Town, including expenses related to leasehold improvements, negotiated maintenance, or changes in tax classification, will be incorporated into the lease rate and TMI calculations.

Following the evaluation process for the operation of the Armoury, staff identified a preferred proponent.

During the evaluation of the two shortlisted proponents, staff identified several discrepancies in the proposals submitted by s. 10 . Ultimately, s. 10 final proposal proved weaker than their original bid due to lower lease rates, a sublet partnership structure, and an increased requirement for dedicated parking spaces.

While both proposals demonstrated thoughtful concepts and strong presentations, staff recommend Slabtown Cider Co. as the preferred operator for the Aurora Armoury. Slabtown Cider Co. submitted the most compelling bid, distinguished by the following key factors:

- Clear and streamlined organizational structure: The proposal features a straightforward ownership model with a single owner who is also the sole tenant, simplifying lease management and accountability.
- A desire to embrace the heritage of the Armoury: Slabtown will retain the existing décor and historical wall murals.
- Rental framework: Slabtown proposed a rental structure aligned with current market rates, offering the strongest potential return for the Town over the term of the lease.

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- Accelerated activation timeline: Slabtown Co. is prepared to fully activate the space within 60 days of occupancy and has expressed a commitment to providing limited services in support of Town Park activities as early as July.
- Well-developed and consistent proposal: The submission from Slabtown Co. demonstrated a cohesive vision with clear operational planning, alignment with Town priorities, and the capacity to deliver on its commitments effectively.

Advisory Committee Review

None

Legal Considerations

Authority of staff with respect to dealing with lease agreements is limited to short-term occupation. Therefore, Council direction is required to enter into any long-term lease agreement. If the proposed staff recommendation is approved, staff will be authorized to negotiate and enter into a new lease and operational agreement for the operation of the Armoury, as described in this report and subject to the approval of the Director of Planning and Development Services and the CAO.

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[REDACTED]. The corporate structure for the operator of the Armoury will be further considered by the parties and reviewed by Town staff, and the agreement entered into with the appropriate business entity. By using a corporate entity, it will shield the proponent from personal liability, with any risk and liabilities to be borne by the corporation that enters into the agreement with the Town. In case of bankruptcy, the Town's remedies would be limited to dealing with the business entity, which may have limited assets to pursue.

Financial Implications

To enable this potential lease agreement opportunity, no investment will be required from the Town.

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Communications Considerations

Staff can collaborate with new operator to support marketing initiatives that promote the new Operations.

Climate Change Considerations

None

Link to Strategic Plan

Enabling a Creative, Diverse and Resilient Economy - actively promote and support the plan to revitalize the downtown.

Supporting small business and encouraging a more sustainable business environment - Work with community partners to promote local employment practices/opportunities for local businesses and residents.

Promoting service accountability, excellence, and innovation - Continue to pursue partnerships/initiatives to drive efficiency and potential cost savings.

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Alternative(s) to the Recommendation

1. That Council provide direction.

Conclusions

Slabtown Co. presented a compelling, community-driven, and economically sustainable proposal for the Aurora Armoury. It presented an innovative partnership model, well-defined organizational structure, readiness to activate the space in a timely manner, and a lease framework that offers a predictable market rate revenue stream. The Slabtown proposal indicates the ability to support area events for the 2025 summer season. Therefore, it is recommended that Slabtown Co. be approved as the successful proponent of the REOI for the Armoury, and that staff be authorized to negotiate and enter into a lease agreement as set out in this report.

Attachments

None

Previous Reports

PDS25-056, Property Matter – 89 Mosley Street, May 13, 2025

Pre-submission Review

Closed Session report reviewed by Director of Planning and Development, Legal, Finance, Communications, and the Chief Administrative Officer.

Approvals

Approved by Marco Ramunno, Director, Planning and Development Services

Approved by Doug Nadorozny, Chief Administrative Officer