

Town of Whitby

Staff Report

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Report Title: James Rowe House - Food and Beverage RFP

Report to: Council

Date of meeting: November 27, 2023

Report Number: CMS 09-23

Department(s) Responsible:

Community Services Department

Submitted by:

John Romano, Commissioner,
Community Services

**Acknowledged by M. Gaskell,
Chief Administrative Officer**

For additional information, contact:

John Romano, Commissioner,
Community Services

1. Recommendation:

1. That staff be directed to issue a Request for Proposal (RFP) that would lead to the leasing of the Rowe House as a food and beverage space;
2. That staff enter negotiations with the respondents to the RFP and report back to Council with the results of those negotiations for approval by Council; and,
3. That a 2023 capital project for “Rowe House Repairs” be established, in the amount of \$400,000, funded from the Asset Management Reserve Fund to complete works outlined in Staff Report CMS 09-23.

2. Highlights:

- On March 31, 2023, the Town assumed ownership of the James Rowe House from the Whitby Heritage Community Association.
- Staff are recommending that an RFP be issued to solicit bidders interested in establishing a destination full-service licensed restaurant.
- If directed by Council, the lease could be established prior to the 2024 summer recess.

3. Background:

The James Rowe House, was home of Whitby's first mayor, originally located on the southwest corner of Victoria and Charles Streets. James Rowe (1799–1869) was one of the most influential persons in the early development of Whitby and the establishment of Ontario County. By 1849, James Rowe had formed a partnership with John Welsh and John Watson called the James Rowe and Company, which became the largest grain shipping company at Port Whitby. He became the first mayor of the Town of Whitby in 1855 and was involved in many community projects.

The house was moved to its current location at 301 Front Street West in 1999 and is designated under Part IV the Ontario Heritage Act by Town of Whitby By-law #4532-00. The Rowe House was leased to the Whitby Heritage Community Association for a term of 25 years that began on September 1, 2003, and will end on August 31, 2028. The lease provides an option for the tenant to renew the lease subject to terms and conditions. The lease permitted the tenant to use the James Rowe House as a public historic attraction for a rental rate of one dollar per year.

In 2021, representatives approached staff to discuss the Town assuming care and control of the building. As a part of the 2022 budget process, Council approved a decision item to approve the assumption of the building. On March 31, 2023, the Town assumed ownership of the building and retained a consultant to complete a Building Condition Assessment Report ("**BCA**") and Designated Substances Survey Report ("**DSS**") completed for the building.

4. Discussion:

The Community Strategic Plan identified the priority of investment to enhance the waterfront. The first-year success of the Town Brewery pop-up at the Pump House, demonstrates the community's strong desire and support for food and beverage destinations along the waterfront. The James Rowe House could create another destination dining location and generate additional revenue that would offset capital and operating expenses related to the maintenance of the building. Staff have received inquiries from the community about the opportunity to utilize the building as a restaurant. This opportunity would further enhance culinary tourism which is one of the tourism sectors identified in Whitby's Tourism Strategy.

If directed by Council, an RFP could be issued early in 2024 with a goal of having a lease in place by June. The RFP would identify that the Town wishes to create a lease which would establish a full-service licensed restaurant at the historic James Rowe House. The bidders would be evaluated based on pre-determined criteria that may include their qualifications and experience; the business plan and food service concept; and the financial proposal.

Since the BCA and DSS identified that work was required to maintain the building in good condition and to help ensure that a future tenant could occupy the building in a timely manner, staff are requesting in-year/2023 budget approval to complete work identified.

Based on the BCA and DSS reports, the major work identified is remediation of the wood siding which contains lead paint. In addition to the remediation, there are several other building issues that require attention including window replacement, exterior railing and decking, roofing, and some minor interior work. Staff would only undertake

work that is required immediately and that is complimentary of converting the building to a restaurant. Other potential work such as parking lot repair, site lighting and fire suppression would be reviewed and considered as a part of the lease negotiations and potential leasehold improvements.

5. Financial Considerations:

The assumption of the James Rowe House by the Town was approved as part of the 2022 Budget process. Based on experience with similar buildings, an annual operating cost of \$15,000 was budgeted in 2023 to cover utilities. Costs related to any other on-going operating costs (e.g., staffing, programming, minor maintenance), and capital costs (e.g., renovations and rehabilitation) of the James Rowe House are currently not included in the Town’s approved budget.

Subject to Council approval of this report:

- the future use would be commercial restaurant space;
- the Town would incur one-time costs to complete capital works to the building in accordance with BCA and DSS reports; and
- the Town would start the process of finding a tenant for the Rowe House via a public procurement process and is anticipating annual lease revenues from the property.

It is recommended that a 2023 capital project for “Rowe House Repairs” be established, in the amount of \$400,000, funded from the Asset Management Reserve Fund. The purpose of the capital project is to complete the work identified through the BCA and the DSS reports to ensure that the building is brought to a good condition.

6. Communication and Public Engagement:

If approved the RFP would be promoted publicly to ensure awareness and secure responses from qualified businesses and community members.

7. Input from Departments/Sources:

Staff from Financial Services and Strategic Initiatives would assist Community Services staff in the evaluation of the bids and negotiation of the potential lease.

8. Strategic Priorities:

The establishment of a leased destination restaurant at the James Rowe House, supports Community Strategic Pillar 2.3 - Invest in Infrastructure and assets by supporting Action Item 2.3.3 - Enhancing existing facilities and services and investing structural upgrades at the waterfront and 2.3.6 - Invest in upgrades at the Marina. This initiative would also support Strategic Pillar 4 through action 4.1.2 - Strengthening existing and build new partnerships as well as 4.4.1 - Delivering services that respond to community needs while balancing the impact to taxpayers.

9. Attachments:

N/A