



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 23, 2016
SUBJECT/REPORT NO:	Declaration of Surplus and Sale of 286 Victoria Avenue North, Hamilton (PED16066) (Ward 3)
WARD(S) AFFECTED:	Ward 3
PREPARED BY:	John Hamilton (905) 546-2424 Ext. 7045
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

Discussion of Confidential Appendix “B” to this Report in closed session is subject to the following requirement(s) of the City of Hamilton’s Procedural By-law and the *Ontario Municipal Act, 2001*:

- ◆ A proposed or pending acquisition or disposition of land for City purposes.

RECOMMENDATIONS

- (a) That the lands municipally known as 286 Victoria Avenue North, described as all of Part 3, Registered Plan 33, in the City of Hamilton, more fully shown and described in Appendix “A” attached to Report PED16066, be declared surplus to the requirements of the City of Hamilton in accordance with the “Procedural By-law for the Sale of Land”, being By-law No. 14-204;
- (b) That an Offer to Purchase, executed on February 3, 2016, and scheduled to close on or before May 13, 2016, for the City to sell the land described in Recommendation (a) to Report PED16066, be approved and completed on terms and conditions outlined in Appendix “B” attached to Report PED16066.
- (c) That Appendix “B” to Report PED16066 remains confidential and not be released as a public document until the final completion of the real estate transaction;
- (d) That as a condition of sale, a Heritage Conservation Easement Agreement be registered on title of 286 Victoria Avenue North, as identified in Appendix “A” attached to Report PED16066, to conserve the cultural heritage value and heritage attributes of the property;

- (e) That the Mayor and City Clerk be authorized to execute any necessary documents in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

This Report seeks Council approval to declare the subject property surplus to the requirements of the City and of the sale of the property, in accordance with City policy. The property is to be sold with a Heritage Conservation Easement.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: On January 20, 2016 (Report 16-002) Council approved the following motion regarding the funding source for the development of the former Dominion Glass Park site; “Staff was directed to report back to the GIC with a funding plan for the Council approved development of the former Dom Glass Park development including, but not limited to both city-wide and area rating reserve options for consideration during the 2017 Capital Budget process”. The proceeds from this sale form part of the proposed funding plan contained in the above motion. The proceeds of the sale become additional funds for Capital Account 4401456401 (Parkland – Stadium Precinct) and all associated legal costs, appraisal fees, and accrued property maintenance costs related to the subject property be funded from the above mentioned Capital Project .

Any applicable HST will be collected by the City and credited to Account No. 22828-00900 (HST Payable).

Staffing: There are no staffing implications related to this recommendation. Drafting and execution of the Heritage Conservation Easement Agreement can be accommodated by existing staff in the Planning Division and Legal Services.

Legal: Legal Services Division will be required to assist in the preparation of the necessary closing documents.

Under Sub-section 37(1) of the *Ontario Heritage Act*, Council may pass By-laws providing for the entering into of easements or covenants with owners of real property for the conservation of property of cultural heritage value or interest. The City of Hamilton does not have a By-law in place that delegates authority to staff to enter into Easement Agreements. Heritage Conservation Easement Agreements are regularly entered into under other Council authorized actions, such as the disposition of property

HISTORICAL BACKGROUND

The subject property, comprising of 0.18 acres and zoned “D” – Residential, lies directly across from the Hamilton General Hospital. Located on the east side of Victoria Avenue North, just north of Barton Street East, the property is improved with a two storey brick office building approximately 5,000 square feet in size. Built in 1924 for the Babies’ Dispensary Guild, it was later absorbed by the City of Hamilton’s Public Health Department; dissolution of the Guild is an example of the government’s gradual procurement of welfare activities from volunteer groups.

286 Victoria Avenue North later housed the Hamilton Medical Society (founded in 1899) when it moved its head office and medical library into the building in 1935. This organization was subsequently incorporated as the Hamilton Academy of Medicine Foundation which continued to operate the medical library. Early in the twenty-first century Hamilton Health Sciences established an education-based medical services facility together with a general medical library in the building until 2014, when the lease expired and Hamilton Health Sciences no longer wanted to remain.

In late 2014, staff circulated details of the property to City Departments and stakeholders in accordance with procedures and no interest was expressed. As per the Protocol for Disposal of Heritage Properties outlined in Appendix A of the City of Hamilton’s Real Estate Management Plan, Cultural Heritage Planning staff conducted a preliminary screening of the property and determined that it was of sufficient cultural heritage value or interest to warrant further assessment for potential protection under the provisions of the *Ontario Heritage Act* prior to disposition and sale.

In January 2016, Cultural Heritage Planning staff prepared a Cultural Heritage Assessment Report in accordance with Ontario Regulation 9/06 and the City of Hamilton’s Framework for Cultural Heritage Evaluation, which concludes that the subject property warrants protection under the *Ontario Heritage Act*, as per the Description of Property, Statement of Cultural Heritage Value or Interest and Description of Heritage Attributes. The Hamilton Municipal Heritage Committee have advised that the City of Hamilton should negotiate a Heritage Conservation Easement Agreement as a condition of sale of the subject property to protect the cultural heritage value and heritage attributes of the property under the *Ontario Heritage Act*.

Accordingly, the sale of this property will be subject to a Heritage Conservation Easement Agreement and in this instance; the purchaser will have 30 days from acceptance to agree with the terms of the easement.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Provincial Policy Statement (2014):

Section 2.6 of the Provincial Policy Statement pertains to Cultural Heritage and Archaeology. Sub-section 2.6.1 states that “significant built heritage resources and significant cultural heritage landscapes shall be conserved”. The recommendations of this Report are consistent with this policy.

Urban Hamilton Official Plan:

Volume 1, Section B.3.4 - Cultural Heritage Resources Policies of the Urban Hamilton Official Plan (UHOP) states that the City shall “protect and conserve the tangible cultural heritage resources of the City, including archaeological resources, built heritage resources, and cultural heritage landscapes for present and future generations” (B.3.4.2.1(a)), and “identify cultural heritage resources through a continuing process of inventory, survey, and evaluation, as a basis for the wise management of these resources” (B.3.4.2.1(b)). The recommendations of this Report are consistent with these policies.

Portfolio Management Strategy – Real Estate Management Plan:

City Council, at its meeting of November 24, 2004, adopted the City’s Portfolio Real Estate Strategy Plan, which established a formalized process to be consistently applied across all areas of the City to guide the management of the City’s real property owned, leased, to be sold and acquired. Section 4.6 of the Plan states that, as part of the City’s standard Disposal Process and due diligence, Heritage Planning staff should review properties proposed for sale to identify appropriate protection measures where a heritage interest is identified.

Principle 2(a) identified in Section 4.9 – *Procedures for Dealing with Heritage Properties*, indicates that the City is “a key public authority charged with protecting and conserving local cultural heritage properties. The City will act accordingly to safeguard its recognized heritage buildings, structures and places, on behalf of the community in accordance with the powers delegated to it by the *Ontario Heritage Act*, the *Planning Act*, the *Environmental Assessment Act* and the *Municipal Act*. In Ontario, it is primarily the local municipal government that is empowered to provide legal protection for all heritage properties, whether in public or private ownership. It is, therefore, incumbent on the City to provide a good example by being a responsible custodian of its own heritage buildings.”

Further, Policy Objective 3(d) states that “given that all buildings, structures and places owned by the new City of Hamilton have not as yet been assessed in terms of their heritage value, the policies and protocol for the disposition of municipally-owned properties will include first a referral of all properties declared surplus to the Heritage

Planning staff for heritage evaluation and, where appropriate, to the Municipal Heritage Committee. An appropriate schedule will be built into the disposition process to allow sufficient time for the heritage review and, if approved by Council, for designation.”

The recommendations of this Report are consistent with these policies.

In accordance with the City’s Portfolio Management Strategy, By-law 14-202, property no longer required for municipal programs is declared surplus by Council and disposed of.

RELEVANT CONSULTATION

- Legal Services Division, City Manager’s Office;
- Development Planning, Heritage and Design Section, Planning Division, Planning and Economic Development Department;
- Ward Councillor.

Under the *Ontario Heritage Act*, Council must consult with its Municipal Heritage Committee prior to entering into Heritage Conservation Easements. On January 21, 2016, the Hamilton Municipal Heritage Committee considered the draft Cultural Heritage Assessment Report for 286 Victoria Avenue North, Hamilton (former Babies’ Dispensary Guild), prepared by Cultural Heritage Planning staff and passed the following motion (HMHC Report 16-001, Item (d)):

- “(i) That there is sufficient evidence in the draft Cultural Heritage Assessment Report for 286 Victoria Avenue North, Hamilton (former Babies’ Dispensary Guild), prepared by staff, to warrant protection of the property under the *Ontario Heritage Act*.
- (ii) That the City of Hamilton should negotiate a heritage conservation easement agreement as a condition of sale of 286 Victoria Avenue North, Hamilton (former Babies’ Dispensary Guild) to protect the cultural heritage value and heritage attributes of the property under the *Ontario Heritage Act*.”

The recommendations of this Report are consistent with the advice of the Hamilton Municipal Heritage Committee.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Circulation of the property confirmed no long-term municipal need for the property.

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The property was advertised and put on the open market for any potential purchase to submit an offer. Numerous offers were received and the recommended purchaser had the best offer.

Sale of the property will provide a financial benefit to the City and the property will also begin to generate property tax revenue.

The intended use of the property is office space for medical professionals associated with Hamilton General Hospital.

Real Estate staff considers the terms and conditions of this sale to be fair, reasonable and at market value. The Ward Councillor is aware of the proposed sale.

ALTERNATIVES FOR CONSIDERATION

Should Council decide not to declare the lands surplus, the parcel will remain in City ownership for an unknown period of time and continue as a liability and an unproductive asset for the City of Hamilton.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.1 Continue to grow the non-residential tax base.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED16066 – Location Map

Appendix "B" to Report PED16066 - Terms and Conditions (Confidential)

JH/AG/sd