

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	November 15 th , 2017
SUBJECT/REPORT NO:	Progress of Land Development Task Force (CM17017) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ryan McHugh (905) 546 2424 ext. 2725
SUBMITTED BY:	John Hertel Director, Strategic Partnerships and Revenue Generation
SIGNATURE:	

Council Direction:

On August 8th 2017 General Issues Committee, Report CM16010 was approved and staff were directed to:

- (a) That the City Manager be directed to establish an internal staff team to lead the Land Development Task Force work plan development and implementation;
- (b) That the internal team be assembled through realigning existing staff work priorities versus adding resources, with the exception that 1 Program Manager be recruited from within the Corporation as a contract position for up to 3 years;
- (c) That the Program Manager position be funded from the current Planning & Economic Development Department budget in 2016, and funded in 2017 and beyond from new revenues generated by the Task Force;
- (d) That any future incremental staff requirements also be funded from new revenues generated by the Task Force;
- (e) That the Task Force also serve as a vehicle for prioritizing future Corporate land development projects to determine if they would be led by a) the Task Force or b) the regular departmental staff;
- (f) That the principles outlined in this report determine the project priorities in the Task Force's work plan;

- (g) Staff be directed to provide an Information Report on the progress and activities of the Task Force be provided to GIC every 6 months;
- (h) That the Terms of Reference for the Land Development Task Force, attached as Appendix “C” to Report CM16010, be approved;
- (i) That the item respecting the Terms of Reference for the Land Development Task Force be considered complete and removed from the GIC outstanding business list; and
- (j) That the matter respecting City Hall Property be considered complete and removed from the GIC outstanding business list.

Information:

The purpose of this Information Report is to comply with item (g) of Report CM16010, directing staff to provide an Information Report on the progress and activities of the Land Development Task Force (LDTF) be provided to GIC every 6 months.

The City of Hamilton owns approximately 2,000 properties representing over 25,000 acres, some of which have the potential to be leveraged for broader community-building initiatives to achieve Council priorities for the City. Importantly, vacant and underutilized City properties may present opportunities for value maximization through strategic repurposing, consolidation, or disposition.

The Mayor, each Councillor, and a number of internal and external sources were consulted in formulating the framework outline in report CM16010, which codifies the Land Development Task Force’s governance model, organization structure, Terms of Reference, a work plan process, and the initial short list of potential projects that were to form the LDTF’s work plan.

The main priorities of the LDTF were identified as:

- 1) Leveraging existing properties to maximize strategic outcomes and revenue generation;
- 2) Identifying opportunities that facilitate the development of affordable housing; and
- 3) Identifying opportunities that promote non-residential tax growth.

Summary of Accomplishments to Date:

Priority 1: Leveraging existing properties to maximize strategic outcomes and revenue generation

Hamilton Technology Centre:

The LDTF lead the negotiations which resulted in an agreement with Clearcable to acquire the Hamilton Technology Centre (HTC) located at 7 Innovation Drive for a purchase price of \$3,250,000. Clearcable is a Hamilton-based, specialized telecommunications technical consulting firm focused on the needs of broadband service providers and rural municipalities. In operation since 2004, they have been tenant at HTC since April 2016. The company is experiencing sizable growth in their operations since moving to the facility and was looking for opportunity to expand in the development and incubation process in the technology sector.

“This acquisition will help us realize our vision of a private technology innovation centre,” said Rob McCann, President and Founder of Clearcable. “As a business operator with close ties to Hamilton, both personally and professionally, I look forward to an opportunity to invest in Hamilton’s success.”

Clearcable Networks is a leader within the technology sector and is active with the Intelligent Communities Forum. McCann was named the Canadian Independent Telephone Association’s 2016 Supplier of the Year.

In addition to the proceeds from the sale, this disposition is expected to provide the City of Hamilton an estimated \$150,000 a year in combined operating and capital savings. The estimated capital savings a result of divesting of the HTC is projected to total \$2.6m over the next 20 years.

Sale of Lands Proceeds Handling:

After extensive consultation with City Staff and members of Council, the LDTF put forward report CM17006, which proposed a set of guidelines for Sale of Lands Proceeds Handling. The LDTF’s recommendations were approved by Council and established a fair and transparent process for allocating the proceeds from any land dispositions moving forward.

These guidelines adopted a “Tiered” approach which ensures that the proceeds of sale, net of transaction costs and a recovery of funds to the original funding source, flow to the Capital Project Fund. This ensures that when appropriate, the proceeds of any land dispositions are allocated to City-wide use(s) to be determined during the annual capital budget process.

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Golf Course Strategies:

LDTF has worked collaboratively with Public Works Staff to assist in formulating a Golf Course Strategy designed to increase the utilization of City owned golf courses, while realizing cost savings. The first phase of this strategy was outlined in report PW15053b and approved in May 2017. This first phase was designed as a means to mitigate financial losses at Chedoke Golf Course, through the outsourcing of the Food and Beverage Services on a pilot basis. Facilities Management would enter into a lease agreement, as a pilot project starting in 2018, at Chedoke Golf Course. This will enable City staff to do a broader review of the full clubhouse opportunities using the Expression of Interest process (EOI), while still realizing a positive budget contribution of \$75,000 in 2018 through the pilot outlined above.

2000 Property Review:

The City of Hamilton owns approximately 2,000 properties representing over 25,000 acres, some of which have the potential to be leveraged for broader community-building initiatives to achieve Council priorities for the City. Importantly, vacant and underutilized City properties may present opportunities for value maximization through strategic repurposing, consolidation, or disposition.

The LDTF has been working closely with Real Estate staff to review and evaluate the potential of each of these 2,000 properties against the three LDTF priorities identified by Council. The LDTF has been conducting a thorough review of the City's land holdings and has added four additional properties to the LDTF work plan to-date. LDTF staff estimated that 5 to 10 additional properties are expected to be added to the work plan before the end of the year.

Priority 2: Identifying opportunities that facilitate the development of affordable housing

191 York Boulevard:

The Land Development Task Force issued a Request for Information (RFI) for the redevelopment 191 York Boulevard with the objective of delivering a high-density, mixed-income and mixed-use development that maximizes both the social benefit of the site and its contribution towards the overall financial and social sustainability of the City of Hamilton. The intent of this project is to bring together innovations in land-use planning, building design, financial structure and community benefit in a transformative development. There is considerable opportunity with this site, as the subject lands redevelopment may provide strong spatial connectivity with built form that engages the public realm. It may embody contemporary design excellence that is sensitive in scale and form. There may be social recreation and wellness spaces built in that contribute to

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the array of existing community amenities, and which facilitate linkages with the neighbourhood as well as within the subject lands themselves.

By including social housing within the site, in addition to the retention of the existing Community Living Hamilton, vulnerable populations will not only be able to remain in the neighbourhood, contributing to the vibrancy of the mixed-income community, but they will also experience improved housing that contributes to a better quality of life. LDTF staff are currently reviewing the RFI submissions and will be putting forward a recommendation on how to best proceed to Council in the coming months.

Priority 3: Identifying opportunities that promote non-residential tax growth

Hamilton Technology Centre:

In addition to generating \$3,250,000 from the proceeds of sale and approximately \$150,000 in combined operating and capital savings annually, the sale of the HTC will result in the City collecting an additional \$60,000 a year in property taxes. This is a result of the HTC being sold to a private entity that would not be able to take advantage of the tax exemptions the City received for municipal uses.

Overview of LDTF projects with reports expected to go to Council in early 2018:

(Note: a report on other projects contained in the originally approved top 10 list will be reported on later in 2018)

Project	Overview	LDTF Priority		
		Revenue Generation	Affordable Housing	Non-Res Tax Growth
191 York BLVD	Staff are currently reviewing the results of the RFI and will be putting forward a recommendation to Council in the coming months.	Y	Y	Y
Wentworth Lodge Surplus Lands Review	Staff are in the process of conducting the community consultation process and will be putting forward a recommendation to Council in the coming months.	Y	Y	Y
Golf Course Strategies	Staff are currently in the process of issuing the RFP to outsource the Food and Beverage operation of Chedoke Golf Course. Staff will be reporting back to Council with the results of this “Phase 1” RFP and a “Phase 2” recommendation in the coming months.	Y	N	Y

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Project	Overview	LDTF Priority		
		Revenue Generation	Affordable Housing	Non-Res Tax Growth
Gateway Arena	LDTF staff have been working with Recreation staff to draft a recommendation relating to an unsolicited proposal the City received to purchase the privately owned Gateway Arena. Staff are currently finalizing their recommendation and will be putting forward a report to Council in 2017.	TBD	N	Y
Data Centres	LDTF staff are working closely with Real Estate, Economic Development and IT staff to determine the feasibility of bringing a data centre(s) to the Hamilton Area. Staff will be reporting back to Council in the coming months to provide an update.	Y	N	Y
Highway 56/Library Lane	LDTF staff are currently looking at the potential of disposing of surplus lands for the purpose of affordable seniors living. Staff are currently conducting a market scan of potential models that could work on this site and will be putting forward a recommendation to Council in the coming months.	Y	Y	Y
2000 Property Review	Staff are actively reviewing the City's Real Estate portfolio and are currently reviewing the first phase of properties identified. Each property is to be reviewed and reported on.	Y	Y	Y

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