



# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	January 16, 2019
<b>SUBJECT/REPORT NO:</b>	Auchmar Estate (PED12193(d)) (Ward 8)
<b>WARD(S) AFFECTED:</b>	Ward 8
<b>PREPARED BY:</b>	David McCullagh (905) 546-2424 Ext. 1647 Raymond Kessler (905) 546-2424 Ext. 7019 Anna Bradford (905) 546-2424 Ext. 3967 Ian Kerr-Wilson (905) 546-2424 Ext. 1747
<b>SUBMITTED BY:</b>	Glen Norton Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

## Council Direction:

In accordance with Item 5(g) of the General Issues Committee (GIC) Report 16-016, as amended on June 22, 2016, Council directed staff as follows:

- “(a) That the Auchmar Estate Operations Plan, attached as Appendix “A” to Report PED16016, be received;
- (b) That Tourism and Culture Division staff be directed to continue with stabilization work obligated under the terms of the Heritage Conservation Easement administered by the Ontario Heritage Trust and to maintain the heritage resource in a stable condition with annual Capital Block funding;
- (c) That the Auchmar Estate and grounds remain in Public Ownership of the City of Hamilton;
- (d) That City staff in the Real Estate Section, Planning and Economic Development Department, be authorized and directed to explore a long-term lease or operating and management agreement, which is to include that capital repairs and maintenance be the financial responsibility of the lessee or the operator, with any interested not-for-profit private parties; such as the Royal Hamilton Light Infantry XIIIth Regiment Auchmar Trust or other not-for-profit organizations, and report

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*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

back to the General Issues Committee on the progress toward that end in six months;

- (e) That any long-term lease or operating and management agreement and use provide for reasonable public access to the buildings and grounds;
- (f) That Ontario Heritage Trust be consulted on any proposed use to confirm the use's alignment with the provisions in the Heritage Conservation Easement; and,
- (g) That, in the event no lessee or management and operations interest, can be secured after a period of one year, Planning and Economic Development Department staff be directed to report to the General Issues Committee with a work plan for the adaptive reuse of the Auchmar Estate”.

On June, 14, 2017, in consideration of a delegation by the members of the XIII<sup>th</sup> Battalion Auchmar Trust (“The Trust”) to the June 7, 2017 GIC respecting Item 8.2, Report PED12193(b), Council approved Item 3 of the GIC Report 17-013 being “that the members of the Royal Hamilton Light Infantry XIII<sup>th</sup> Battalion Auchmar Heritage Trust be provided with a nine (9) month extension to prepare a Business Plan for a long term lease for the Operation and Maintenance of the Auchmar Estate, to be presented at the March 21, 2018 General Issues Committee”.

On March 21, 2018 (GIC, Item 6.11), a delegation from the Trust provided an update on the progress of the Trust respecting the business plan (the “Business Plan”) for a potential long-term lease of the Auchmar Estate. The presentation was received as outlined in GIC Report 18-007 Consent Item 5 (v).

At the Council meeting of March 28, 2018, GIC Report 18-007, Item 2, respecting Item 5.4 Auchmar Estate Report PED12193(c), was received.

The GIC directed staff to review the Business Plan submitted by the Trust and to report to Committee, with options for loans, grants or any other funding sources that may be available through the City of Hamilton to assist the Trust.

**Information:**

The purpose of this Information Report is to provide Council with an update on the progress made by staff in its review of the Trust’s Business Plan.

Following an initial review, staff required additional clarification and information to provide Council with appropriate recommendations. Staff provided the Trust with a written list of questions for clarification. The Trust and staff agreed that the information would be forthcoming in early October, giving them approximately eight months to respond. To date, no further information has been received.

Staff from both the Real Estate Section and Tourism and Culture Division, Planning and Economic Development Department, attended a meeting with a member of the Trust on November 16, 2018. The Trust member confirmed that the Trust did not have any further information to submit at that time.

Also, at this meeting, the Trust member indicated a desire to change direction from their original Business Plan. The contemplated changes included, in addition to funding assistance, that the City provides upgrades and installation of the necessary water and sewer services to the building.

The Trust member additionally noted that the Board of the Trust has changed with the resignation of two board members due to health reasons.

In summary, the Trust has not further refined the existing Business Plan or gathered additional momentum in their fundraising efforts.

**Status:**

Operationally, the City expends minimal annual operating costs for this heritage site of approximately \$25 K to \$27 K per annum towards heat, hydro, water, snow clearing, grass cutting, and cleaning. These expenses are somewhat offset by revenues from commercial filming. Also, there are capital expenditures made towards repairs and restoration which in 2017 were approximately \$666,812 (plus matching funds from the Canada150 Infrastructure Fund). At this time, no capital funding is identified that would support the City's participation through the upgrade and installation of water and sewer services to the building.

Given the evident tentativeness of the Trust's Business Plan, as reviewed, staff are unable to proceed with the direction to report to GIC with a review of the Trust's Plan or provide options for loans, grants or other funding forms. Further, given the significant amount of time that has been allowed for the Trust to develop its plan, staff do not believe that any further time will achieve a different result.

Given the above, and given that the period outlined in recommendation "(d)" of GIC Report 16-016, a further extension provided by Council on two occasions has lapsed concerning work with the Trust. At this time, staff intends to report back on a work plan based on the Council Direction received respecting an Auchmar Operational Plan under recommendation "(g)" above.

DM/sd