



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	September 18, 2019
SUBJECT/REPORT NO:	Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168) (Ward 14)
WARD(S) AFFECTED:	Ward 14
PREPARED BY:	Ian Kerr-Wilson (905) 546-2424 Ext. 1747
SUBMITTED BY:	Carrie Brooks-Joiner Director, Tourism and Culture Planning and Economic Development Department
SIGNATURE:	

COUNCIL DIRECTION

Not Applicable

INFORMATION

The purpose of this Information Report is to advise Council of the receipt of an unsolicited proposal for the adaptive reuse of the Balfour House/Chedoke Estate.

The Ontario Heritage Trust (OHT) is the owner of the Balfour House/Chedoke Estate (Balfour/Chedoke). Balfour/Chedoke includes significant heritage features on the exterior of all structures, the interior of the main house, in situ archaeological resources, and landscape.

The City of Hamilton assumed stewardship responsibility and all capital and maintenance costs under a 1979 agreement between the City and the OHT, attached as Appendix "A" to Report PED19168. The agreement continues to 2039.

At the September 18, 2013 General Issues Committee (GIC) meeting, staff was directed to work with the OHT to investigate potential adaptive re-uses for Balfour/Chedoke. Subsequently, at the March 19, 2014 GIC meeting, staff was directed to work with the OHT to adapt the property as a limited tenancy/film location. Work was completed in 2015.

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The annual operating expenses for Balfour/Chedoke are approximately \$20,000. With revenue from commercial filming, the average annual impact on the municipal levy has been \$8,000 since 2015.

As part of the implementation of the current adaptive re-use, the City developed a partnership with the Willowbank School of Restoration Arts and the OHT. Willowbank oversees an intern who lives on site. The City receives the benefit of Willowbank's research and small on-site restoration projects.

Staff have no direction from Council to change the adaptive re-use model. The property is in overall good but undeveloped condition. No conservation or expanded adaptive re-use capital projects are identified for Balfour/Chedoke in the Heritage Resource Management 10-year Capital Plan. Relative to other heritage resource management challenges within Heritage Resource Management Section's portfolio, Balfour/Chedoke is a low priority. The OHT is satisfied with the City's current approach and regularly monitors the condition of the property.

In February 2019, staff from The Cardus Institute (Cardus), a registered Canadian charity (#11892 9207 RR 0001), contacted Planning and Economic Development staff and pitched the idea of an adaptive-reuse project for Balfour/Chedoke and tenancy of the property. This was an unsolicited overture.

Staff have not completed any testing of the market for interest in this property by others, and to date no RFP or Expression of Interest process has been undertaken for this property.

City staff communicated to Cardus staff that: the City of Hamilton is not the owner of the property; Council approval would be required before staff could proceed with any negotiations leading to a formal long-term lease agreement; OHT approval was also needed; and that the concept needed additional elaboration before it could be brought forward for consideration by either Council or the OHT. Between March and July, City staff worked with Cardus staff to clarify and better understand aspects of their concept. Staff also sought direction from OHT as to whether, as the property owner, any alternative leasing arrangement would even be considered by them.

The proposal that was ultimately received from Cardus is attached as Appendix "B" to Report PED19168. Cardus proposes the development and operation of a retreat facility incorporating offices, small meeting spaces and short-term accommodations for visiting scholars. The concept, as presented, respects the protected heritage elements of the site and provides broader public access to the building and grounds. Cardus has not yet developed the financial model.

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On August 1, 2019, staff received the response from the OHT, attached as Appendix “C” to Report PED19168. In summary, the OHT is satisfied with the current condition of Balfour/Chedoke and the City’s stewardship. It is not considering any changes to the ownership or the agreement. In the OHT’s view, should any project proceed towards a tenancy agreement, Cardus must conduct significant additional design work to ensure that both the heritage preservation requirements and Cardus’ programming needs are accommodated. The OHT emphasizes that the Trust and the City must approve any detailed final design. The OHT must also approve any change in the Balfour/Chedoke operation, including a change in tenancy. Further, the OHT requires that, as part of the stewardship responsibilities, City staff provide oversight and project management.

Following receipt of the OHT response in early August, staff had sufficient information to proceed with the development of this Information Report.

Staff also wish to advise Council that on August 28, 2019, subsequent to media reports about Cardus’ interest in Balfour/Chedoke, staff received an email indicating interest in the site from Jeremy Freiburger of Cobalt Connects. The email is attached as Appendix “D” to Report PED19168.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED19168 – 1979 Agreement with Ontario Heritage Trust
Appendix “B” to Report PED19168 – Cardus Proposal
Appendix “C” to Report PED19168 – Response from the Ontario Heritage Trust
Appendix “D” to Report PED19168 – Correspondence from Cobalt Connects

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