



**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Tourism and Culture Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	February 19, 2020
<b>SUBJECT/REPORT NO:</b>	Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168(a)) (Ward 14) <b>(Outstanding Business List Item)</b>
<b>WARD(S) AFFECTED:</b>	Ward 14
<b>PREPARED BY:</b>	John Summers (905) 546-2424 Ext. 1747
<b>SUBMITTED BY:</b>	Carrie Brooks-Joiner Director, Tourism and Culture Planning and Economic Development Department
<b>SIGNATURE:</b>	

Discussion of Appendix “A” to Report PED19168(a), in Closed Session would be pursuant to Section 8.1, Sub-section (i) of the City's Procedural By-law 18-270, and Section 239(2), Sub-section (i) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

**RECOMMENDATION**

- (a) That the City of Hamilton support, in principle, the use of the Balfour House/Chedoke Estate (Balfour) for office, meeting and retreat use, subject to meeting all necessary planning and building approvals, and conditional upon The Cardus Institute(Cardus) satisfying the Ontario Heritage Trust (OHT) with respect to the intensity of the use and potential impacts on the heritage attributes of the building and site;
- (b) That the City request that the Ontario Heritage Trust and The Cardus Institute work together directly to discuss and resolve the issues raised in the

---

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.

**SUBJECT: Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168(a)) (Ward 14) - Page 2 of 9**

---

correspondence from the Ontario Heritage Trust to the City of Hamilton dated August 1, 2019 and December 19, 2019;

- (c) That, until the Ontario Heritage Trust approves an adaptive reuse project at the Balfour House/Chedoke Estate, the role of City staff be limited to providing any necessary inputs to either The Cardus Institute or the Ontario Heritage Trust to support their discussions;
- (d) That, should the Ontario Heritage Trust approve an adaptive reuse project at Balfour House/Chedoke Estate by The Cardus Institute, staff report back to the General Issues Committee(GIC) and identify the required resources to fulfil an enhanced role as Project Manager as required by the Ontario Heritage Trust;
- (e) That, should The Cardus Institute be successful in obtaining, in writing, the support of the Ontario Heritage Trust for their proposed adaptive reuse of Balfour House/Chedoke Estate, City staff be directed to negotiate a Memorandum of Understanding (MOU) with The Cardus Institute for a sub-leasing agreement, and report back to Council, and that the MOU include terms and conditions that, at minimum, achieve the following:
  - (i) The City will not be responsible for any capital costs;
  - (ii) The sub-lease would generate net positive revenues to the City, inclusive of any City costs associated with administering the sub-lease;
  - (iii) Any uses would not require any amendments to the City's applicable zoning by-law or Official Plan;
  - (iv) All applicable planning and building approvals are met, including a review and approval of any traffic and parking impacts;
  - (v) Frequent opportunities for free public access to Balfour House itself, and ongoing free public access to the grounds.

## **EXECUTIVE SUMMARY**

Balfour House/Chedoke Estate is located at 1 Balfour Drive in Hamilton. The heritage property is owned by the Ontario Heritage Trust and managed by the City of Hamilton. The house and outbuilding are in a state of good repair and the OHT is satisfied with the current oversight provided by the City.

The Cardus Institute has expressed interest in leasing Balfour and modifying the building for its own office, meeting and retreat uses. Cardus has provided the City of Hamilton with a Functional Plan outlining the proposed uses and adaptive reuse of the heritage house. The OHT has provided preliminary comments on the submitted documents. The OHT characterizes the proposed use to be a "significant intensification" and notes that the proposal is missing "fundamental information" and

**SUBJECT: Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168(a)) (Ward 14) - Page 3 of 9**

---

requires additional detail and analysis prior to the OHT “undertaking further review and before approving any sub-lease arrangement between the City and the proponent”.

Staff is seeking Council’s direction on the City’s role with respect to the ongoing review of this proposal and communication with the involved parties.

**Alternatives for Consideration - See Page 8**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** There are no financial implications unless and until the City of Hamilton has approval to negotiate a sub-lease. The annual operating expense for Balfour is approximately \$20 K. With revenue from commercial filming, the average annual net impact on the municipal levy since 2015 has been \$8,000. There are currently no planned capital works for the property within the Division’s capital plan.

The Cardus Institute has provided their consolidated statement of financial position dated December 31, 2018. This confidential document is attached as Appendix “A” to Report PED19168(a).

**Staffing:** Tourism and Culture staff will continue to perform their present role on behalf of the OHT as per the terms of the current agreement. Should any additional staff work be required, staff will report back to the General Issues Committee on the implications of change in role.

**Legal:** At such time as staff report back with the draft terms of an MOU with Cardus for a sub-lease, Legal Services will provide support and advice regarding the terms and conditions and assist in preparation of a sub-lease, if approved.

**HISTORICAL BACKGROUND**

The Ontario Heritage Trust is the owner of Balfour House/Chedoke Estate. The property includes significant heritage buildings, in-situ archaeological resources and a historic picturesque landscape.

The City of Hamilton is responsible for stewardship and all capital and maintenance costs under a 1979 agreement between the City and the OHT. This agreement expires in 2039.

At the September 18, 2013 General Issues Committee meeting, staff was directed to work with the OHT to investigate potential adaptive re-uses for Balfour. At the March

**SUBJECT: Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168(a)) (Ward 14) - Page 4 of 9**

---

19, 2014 GIC meeting, staff was directed to work with the OHT to adapt the property for use as a limited tenancy/film location. This direction has been implemented.

In February 2019, The Cardus Institute, a non-partisan, faith-based think tank and registered charity, contacted staff from the Planning and Economic Development Department to inquire about the possibility of adaptively-reusing Balfour and assuming tenancy of the property. This was an unsolicited proposal. Staff has not previously completed any testing of the market for interest in this property, and to date no Request for Proposal or Expression of Interest has been undertaken for this property.

On March 27, 2019 a preliminary proposal was received by staff from Cardus. In this document, Cardus proposed the development and operation of a facility at Balfour which would include offices, small meeting spaces and short-term accommodations for visiting scholars.

On August 1, 2019, staff received a response to the Cardus proposal from the OHT. The position of the OHT as outlined in their correspondence is that they are satisfied with the current condition of Balfour and the City's stewardship and are not presently contemplating any changes to the property's ownership or the agreement with the City. The OHT's response also identified the following conditions that must be met before a leasing proposal could be considered:

- The City will continue to be the OHT's operating partner and shall retain control of the property for the duration of the agreement;
- Planning, design and construction associated with the adaptive re-use must conform with Parks Canada's Standards and Guidelines for the Conservation of Historic Places in Canada;
- Pursuant to the current operating agreement between the Ontario Heritage Trust and the City, the City must be the Project Manager for any work undertaken, with the OHT as the approval authority;
- The prime consultant for the project must be an architect with demonstrated experience in conservation work at National Historic Sites, managing an interdisciplinary team of sub-consultants having similar experience.

On September 18, 2019, staff presented the Cardus proposal to GIC (PED19168). Note in the following direction, the address of Balfour House/Chedoke Estate is incorrectly listed as 1 Scenic Drive and should read 1 Balfour Drive. Council subsequently directed:

**SUBJECT: Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168(a)) (Ward 14) - Page 5 of 9**

---

- (a) That staff be directed to request, from the Cardus Institute, a detailed proposal to be submitted to the General Manager of the Planning & Economic Development Department within a two-month period, for the adaptive re-use and lease of the Balfour/Chedoke Estate, located at 1 Scenic Drive, Hamilton, with that submission to include the following, and report back to the General Issues Committee:
  - (i) A functional plan including, but not limited to, the types of uses that would be provided on the site, the nature of any physical changes to the site (buildings and land) that would be required to accommodate those uses, and anticipated use capacity and related requirements;
  - (ii) The opportunities for public access to the site; and,
  - (iii) Demonstration of the viability and sustainability of their business model, and their financial capacity to undertake all necessary improvements to the site, with no financial contribution from the City;
- (b) That staff be directed to include in their forthcoming report, respecting the proposal from the Cardus Institute regarding the adaptive re-use and lease of the Balfour/Chedoke Estate, located at 1 Scenic Drive, Hamilton, any proposed uses that would require changes to the in-force-and-effect zoning or Official Plan policies on the site;
- (c) That staff be directed to seek a preliminary opinion from the Ontario Heritage Trust (OHT) on the proposal received for the Adaptive Re-Use and Lease of the Balfour House/Chedoke Estate, located at 1 Scenic Drive, Hamilton in order to identify any preliminary or potential concerns the OHT may have with the proposed use(s), and include this preliminary opinion in the staff report for Committee's information; and,
- (d) That the Cardus Institute (Cardus) be advised that any information it provides, in accordance with Cardus' forthcoming, detailed proposal for the adaptive re-use and lease of the Balfour/Chedoke Estate, is being provided voluntarily as part of its unsolicited proposal, and by requesting and reviewing this information, the City is not making any commitments to pursue or enter into any leasing arrangement for Balfour/Chedoke House.

On November 15, 2019, Cardus submitted the document "Functional Plan: Chedoke House", attached as Appendix "B" to Report PED19168(a), which City staff forwarded to the OHT. On November 27, 2019, City and OHT staff met at Balfour to review the proposal onsite. As a follow-up to the questions raised by OHT at the meeting, staff retained EVOQ Architecture, from C12-06-18: Professional and Consultant Services

**SUBJECT: Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168(a)) (Ward 14) - Page 6 of 9**

---

Roster for 2019-2020, who specialize in heritage conservation work particularly on buildings with Provincial and Federal designations, to undertake a brief peer review of the Cardus proposal. Areas of focus requested were the Building Code, Fire Code and structural implications of the proposal. EVOQ Architecture submitted their peer review on December 23, 2019 attached as Appendix "C" to Report PED19168(a).

On December 16, 2019, a response was received from the OHT, attached as Appendix "D" to Report PED19168(a). The letter noted that, "fundamental information is missing from the Functional Plan related to the Ontario Building Code compliance, including fire safety and accessibility. These are not details that can be addressed at a later date. The Trust (OHT) requires this information and the written concurrence of the Chief Building Official before undertaking further review and before approving any sub-lease arrangement between the City and the proponent."

The OHT response reiterated the requirements in the August 1, 2019 letter and listed additional items:

- Significant architectural/archaeological/natural heritage and cultural landscape features of the property shall be conserved/including the picturesque landscape that depends on the deliberate placement of landscape features, groupings of trees and vegetation/and open lawn;
- Alterations to heritage features must take into consideration the integrated nature of these components and respect and protect their heritage values;
- Opportunities for revenue generation and new operating models will be considered, but not at the expense of the site's heritage value;
- A range of public education and interpretative opportunities that meet the highest standards are inclusive and respect all periods of the site's history should be provided;
- Public access to the property should be encouraged and provided where it is appropriate;
- Indigenous engagement shall be incorporated into any planning and decision-making for the property;
- Collections associated with the property shall be protected and housed on-site with opportunities for interpretation and access;

**SUBJECT: Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168(a)) (Ward 14) - Page 7 of 9**

---

- Decisions regarding use and any changes to the property shall be undertaken in a collaborative and inclusive manner that takes into consideration the objectives and goals of the parties and stakeholders involved.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

With respect to Resolution (b) in the General Issues Committee Minutes 19-017 “That staff be directed to include in their forthcoming report, respecting the proposal from The Cardus Institute regarding the adaptive re-use and lease of the Balfour/Chedoke Estate, located at 1 Scenic Drive, Hamilton, any proposed uses that would require changes to the in-force-and-effect zoning or Official Plan policies on the site,” the Certificate of Zoning Verification and Property Report dated April 30, 2019 is included on page 56 of Appendix “B” to Report PED19168(a) - Functional Plan: Chedoke House and concludes the use is permitted.

**RELEVANT CONSULTATION**

**Internal**

Director, Tourism and Culture Division, Planning and Economic Development Department

Senior Project Manager, Heritage Resource Management, Tourism and Culture Division, Planning and Economic Development Department

Heritage Planner, Development Planning, Heritage and Design, Planning Division, Planning and Economic Development Department

Supervisor of Zoning, Building Engineering and Zoning, Building Division, Planning and Economic Development Department

**External**

CEO, Ontario Heritage Trust

Manager of Operations, Ontario Heritage Trust

Director, EVOQ Architecture

**ANALYSIS AND RATIONALE FOR RECOMMENDATIONS**

The proposed use of the property is for office, meeting and retreat use by Cardus.

There are merits and potential benefits arising from this use, including that it could result in significant capital investment and a financially-sustainable use of the property for the term of the sub-lease. The proposal suggests an increase in public access to the site relative to the current use. The property is currently tax exempt and there are no tax implications from the proposed use.

There are also negative impacts from this use including concern regarding intensity of the proposed use on the heritage site and the required physical changes; adverse traffic and parking impacts in the neighbourhood; and compatibility with the site's significant heritage attributes.

All these points require further consideration. Based on the information submitted by Cardus to date, the subsequent responses from the OHT and the Code and Structural Review by EVOQ Architecture, Cardus will be required to complete significant additional planning work and will incur the associated costs. There is no assurance that approval to proceed with the project will be secured.

Appendix "E" to Report PED19168(a) Summary of Ontario Heritage Trust Feedback provides a comparison of the OHT's requirements and the status of the information provided to date by Cardus.

## **ALTERNATIVES FOR CONSIDERATION**

- (a) That the City not support the proposal by Cardus and that City staff take no further action with respect to Cardus' unsolicited proposal.
- (b) That Recommendations (b) and (c) be modified to direct City staff to take a lead role in facilitating and negotiating an agreement between The Cardus Institute and the Ontario Heritage Trust, and that staff report back to the General Issues Committee and identify the required resources to fulfil a negotiating role for a sub-lease as required by the Ontario Heritage Trust.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

### **Clean and Green**

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.



**Built Environment and Infrastructure**

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

**Culture and Diversity**

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report PED19168(a) - Consolidated Statement of Financial Position

Appendix "B" to Report PED19168(a) - Functional Plan: Chedoke House

Appendix "C" to Report PED19168(a) - EVOQ Architecture Peer Review

Appendix "D" to Report PED19168(a) - Response from the Ontario Heritage Trust

Appendix "E" to Report PED19168(a) - Summary of Ontario Heritage Trust Feedback

JS:ac