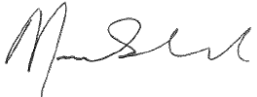




INFORMATION REPORT

TO:	Chair and Members West Harbour Development Sub Committee
COMMITTEE DATE:	December 2, 2020
SUBJECT/REPORT NO:	West Harbour Waterfront Re-Development Plan - Implementation Status Update (PED17181(b)) (Ward 2)
WARD(S) AFFECTED:	Ward 2c
PREPARED BY:	Chris Phillips (905) 546-2424 Ext. 5304 Ed English (905) 546-2424 Ext. 5461 Gord McGuire (905) 546-2424 Ext. 2439
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

COUNCIL DIRECTION - Not Applicable

INFORMATION

The West Harbour Development Sub-Committee (WHDS-C) periodically reviews the status of the West Harbour Re-Development Plan (the Plan), which consists of capital infrastructure and construction projects, as well as complementary projects necessary to facilitate private-sector and public-space development.

The Plan is led and managed by an inter-departmental team of senior staff within the Planning & Economic Development (PED) and Public Works (PW) departments, with significant and on-going support from Corporate Services department, including Finance, Legal Services, and others.

Previous status reports during this term of Council include:

- February 26, 2019, Report PED17181(a) entitled “West Harbour Re-Development Plan Implementation - Status Update;

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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.

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- February 26, 2019, Report PW17075(b) entitled “Status of West Harbour Implementation”;
- September 9, 2019, Report PW17075c entitled “Status of West Harbour Implementation”; and
- October 22, 2019, Report PW19090 entitled “West Harbour Strategic Initiatives Piers 5-7 Public Realm Capital Works”.

This report emphasizes the progress from Q4 2019 to Q3 2020, including impacts of the COVID-19 pandemic.

Land Development Projects – Municipal Land Development Office (Ec. Dev. PED):

Piers 6 and 7 and Pier 8: - Planning Approvals - LPAT Settlement

On May 24, 2017, Council approved Planning Committee Report 17-009 (Report PED17074), Applications to Amend City of Hamilton Zoning By-law No. 05-200, Approval of a Draft Plan of Subdivision and Temporary Use By-law for Lands Located at Pier 8, 65 Guise Street East, which approved the zoning and Draft Plan of Subdivision, to facilitate the mixed-use residential, commercial, institutional and park uses on the Pier 8 lands. This decision was subsequently appealed to the Local Planning Appeal Tribunal (LPAT, formerly the OMB), characterized as Phase 1 issues concerning local residential neighbourhood impacts, and Phase 2, the impacts to existing industrial users.

On July 13, 2018, City Council approved Waterfront Shores Corporation (WSC) as the Preferred Proponent to develop the Pier 8 lands, who were granted full Party status through the LPAT process.

With the involvement of WSC, through negotiation and both private and tribunal-led mediation sessions, City staff achieved settlements with the appellants and obtained Council approvals.

On December 10, 2019, the LPAT issued the following Orders:

- Case number PL170742, approving the Minutes of Settlement with the local neighbourhood appellants, and the subsequent Draft Plan and Zoning By-law for the Pier 8 lands; and
- Case PL140314, approving OPA 233 and Zoning By-Law 14-042, that was revised to require that parking generated by the uses on Piers 6&7 be provided north of Guise Street and Bay Street North.

On September 22, 2020, the LPAT issued the following Order:

- Case PL170742, approving the Minutes of Settlement with the industrial appellants, and Zoning By-law No. 05-200 respecting the Pier 8 lands.

The result, the planning instruments for both the Piers 6 and 7 and Pier 8 lands are approved, allowing for the development application processes to proceed for both the commercial village concept on Piers 6 and 7, as well as the residential/commercial/mixed-use development on Pier 8.

In preparation of the Site Plan approval process, City staff are undertaking clearing the necessary conditions which include reviewing noise and dust studies, overseeing the commissioning of the sanitary pumping station, and the completion of the Record of Site Condition (RSC) and Certificate of Property-Use (CPU) process with the Ministry of the Environment, Conservation and Parks (MECP). It is anticipated that waterfront staff will apply to release the “Hold” provision on the zoning by the end of Q4 2020.

Pier 8 LPAT Settlement – Re-designation of Land-Use for Block-16

There were several components of the residential Phase 1 LPAT Settlement, including the following key items:

- The total density allowed within the 9 development-blocks of Pier 8 remains unchanged at 1,645 units;
- 15% of the units developed on Pier 8 must be “family-sized”, defined as being two or more bedrooms in size;
- The Parties agree that the City shall direct staff to bring forward for Planning Committee and Council’s consideration and approval, in its sole and unfettered legislative discretion, an amendment to Setting Sail (OPA) that would redesignate the existing Institutional block (“Block 16”) to permit residential or mixed use in a mid-rise or high-rise form, as well as an implementing zoning bylaw (the “Block 16 ZBL”); and,
- If an OPA is approved with additional density of Block-16 by Council, additional family-sized units would be required based on the number of additional storeys approved for Block-16.

City Staff have undertaken a 2-staged process to comply with the commitment to bring forward for consideration the OPA/ZBA process for Block-16 as outlined below.

Phase 1 – Block-16 Opportunity Study - Urban Design Study and Guidelines (UDS)

Led by Community Planning Staff, Phase 1 will involve a review of the existing Pier 7+8 Urban Design Study (2016) in order to assess the opportunity and parameters required to accommodate a mid-rise or high-rise building on Block 16 and to develop associated urban design guidelines. These guidelines will be brought forward for Council approval and will assist Staff and Council when evaluating an application for increased height for this property.

Phase 2 – Block-16 OPA Application Process

This will involve the preparation of an OPA and ZBA for Block 16, based on the recommendations and urban design guidelines established and approved by Council in Phase 1. Consistent with the previous practice, West Harbour staff have retained an external planning consultant to prepare and formally submit the applications to the Planning Division for review. The development applications will be prepared and bring forward for consideration through the statutory planning application process under the *Planning Act*, including a statutory public meeting of the Planning Committee to consider any changes to the Setting Sail Secondary Plan and the associated Zoning By-law applicable to Block-16.

Planning staff have retained the consulting firm Brook-McIlroy, the original authors of the Piers 7+8 Urban Design Study (2016), to conduct the Phase 1 work. Although the COVID-19 pandemic delayed the timing of the study, Staff have embarked on public consultation through the City's online Engage Hamilton tools at <https://engage.hamilton.ca/piers7and8> as well as a virtual information meeting that took place on November 5, 2020. Public comments were accepted until November 15, 2020, with comments being posted on-line in December. Staff expect to bring a report to Planning Committee for consideration of the Phase 1 Urban Design Study in early 2021.

Development Agreement (DA) - City of Hamilton & Waterfront Shores Corporation

As noted above, Council approved Waterfront Shores Corporation (WSC) as the Preferred Proponent for the Pier 8 Development. Subsequently, on September 11, 2019, Council approved Confidential Report PED14002(i), entitled Pier 8 Development Agreement between the City of Hamilton and Waterfront Shores Corporation, identifying the framework to be used within the negotiated DA.

Since that time, City staff and WSC have been engaged in a series of constructive negotiations. Although the timing is longer than anticipated, both parties agreed to the importance of a successful LPAT resolution, and decided to prioritize the LPAT process, with the DA to follow. As of the writing of this report, both parties have agreed to all business terms, the agreement is consistent with approved Council direction, and the DA is being reviewed by respective legal counsel. Staff expect the DA to be executed by January 2021.

Piers 6 and 7 Land Sale

On January 22, 2020, Council approved GIC Report 19-004 including Report PED19191(b) entitled Piers 6 and 7 Land Disposition Plan. This report directed Corporate Real Estate staff to sell four (4) specified development blocks on the city-owned Piers 6&7 lands, for private sector development.

City staff expected to begin to market the properties within Q1 or Q2 2020; however, as the COVID-19 pandemic began, it was decided to delay the sales process until the Q3 2020. Staff prepared marketing materials and the properties were listed for sale on August 12, 2020, with formal offers being reviewed after October 31, 2020.

Led by Corporate Real Estate, with support from the West Harbour office and Economic Development, the marketing plan included using the City's website, proactive marketing to key development and real estate industry professionals, a targeted paid and earned media promotional campaign throughout the GTHA, social media through the City's Linked-In channels, as well as targeted e-mail distribution.

Real estate staff are preparing to review offers and will begin negotiations if necessary. Staff expect to report back on the progress by the end of 2020 or January 2021.

Piers 6 and 7 Temporary Programming & Animation Plan

On November 27, 2019, Council approved GIC Report 19-024 containing Report PED19191(a) entitled Pier 6 and 7 Land Disposition and Interim Activation Plan. This report approved capital funding of up to \$40,000 and directed staff to retain an external entity to plan and operate a temporary animation program located on the Piers 5 to 8 lands, during the 2020 season (spring-fall).

Although staff from the Tourism and Culture Division were preparing to enact the direction, the COVID-19 pandemic restricted the ability to execute the envisioned plan, and no further action was taken. It is anticipated that this plan may be re-evaluated for the 2021 season.

Capital Projects – Waterfront Development Office (WDO-PW):

The West Harbour capital plan includes projects for the rehabilitation and re-construction of aging shoreline and marina infrastructure, the creation of new public-space and parks, and the construction of new municipal service infrastructure. To date, Council has approved over \$100 million of an original \$140 million capital plan to enhance the existing uses and enable the planned new uses within the Piers 6 and 7 and 8 area. Completed projects include the following:

- Re-construction of the Pier 7 shorewall and creation of the new public waterfront boardwalk and temporary boat slips;
- Breakwater structure and City-owned Marina dock and boat slip renewal;
- Pier 8 shorewall rehabilitation;
- Relocation of the HPS Marine Unit building;
- Decommissioning of the former Marina (Macdonald Marine) site; and

- Parking and Parking Structure Location Studies

Notwithstanding the COVID-19 pandemic, the on-going design and construction projects continued to progress throughout 2020, with significant results. The following is an update on the projects that are on-going.

Pier 8 - Underground water & Sanitary Services and Above-ground roads & sidewalks

The Pier 8 servicing project consisted of 2-phases of work; Phase 1 focused on the lands east of the existing Discovery Drive, and Phase 2 involved the re-construction of Discovery Drive and the internal roads adjacent to the Williams Café, The Hamilton Waterfront Trust (HWT), and the HWT (former Discovery) Centre building.

Phase 1 began in September 2019, was completed and opened to public access in July 2020, with Phase 2 beginning in August 2020. Staff recognize that timing and location of the Phase 2 work has impacted and disrupted the normal operations of the HWT, Williams Café, and the HWT Centre building. To ensure public safety and employ safe labour standards, the area bounded by Discovery Drive and the existing parking lots adjacent to Williams Café have been fenced, temporarily eliminating adjacent vehicular access, parking, modifying pedestrian mobility.

The projects continue to progress both on-time and on-budget, with completion expected in November 2020, at which time full access to the site will be restored.

A significant component of the servicing is the construction and commissioning of a new sanitary pumping station. Located just east of the HWT Centre building and south of the new Copsps Pier (Pier 8 Promenade Park), this project consists of both underground sanitary services and holding tank, as well as sanitary pumping infrastructure located in a newly constructed building. The project began in May 2019 and is substantially complete. It will be fully commissioned by the end of 2020.

Copsps Pier (Pier 8 Promenade Park) Construction

The Pier 8 Promenade Park, approved by Council as part of the “Setting Sail” Secondary Plan and the Piers 7+8 Urban Design Study, will be the focal point of the Pier 8 re-development. In partnership with the Patrick J. McNally Charitable Foundation, the City commissioned an international competition to determine the design of this new 1.41-hectare park. Forrec Ltd.’s “Hammer City” design was awarded the contract for the 30-metre wide linear park that will wrap around the north and east sides of Pier 8. In 2018, Council also approved the formal naming of the new park as Copsps Pier.

The park construction was tendered in March 2020, was awarded in July, and initial material staging, mobilization, survey work, as well as the finalization of construction drawings and permits took place between August and October 2020. From a visual perspective, the area is defined by a blue construction fence, which delineates the park construction from the other construction happening on Pier 8.

Construction will proceed in 2 phases; Phase 1 has started and will include heavy civil engineering work including underground services. Phase 2 is set to start in March 2021, and will include the above-ground landscaping, trail construction, and other amenities. It is anticipated the new park will be open to the public in July 2021.

Piers 6 and 7–Shore wall, Boardwalk, Public-Space & “Commercial Village” Construction

In January 2015, the City and the Hamilton Waterfront Trust (HWT) entered into a Project Management Agreement (PMA) where the Trust would manage select City projects within the West Harbour waterfront. The HWT played an important role in forming stakeholder and public consensus with the West Harbour Waterfront Recreation Master Plan (WHWRMP) in 2010. Council’s approval of the plan facilitated the decision for the HWT to project manage the capital projects within the Piers 5 to 7 area. When complete, these projects will transform an old asphalt parking lot and boat storage and maintenance facility into a new 4 hectare pedestrianized public-space, stretching from the foot of James Street North to the water’s edge, and will include both public and commercial uses.

On November 27, 2019 Council approved GIC Report 19-024 including Report PW19090 entitled West Harbour Strategic Initiatives Piers 5 to 7 Public Realm Capital Works, which authorized budget enhancements to complete these projects as envisioned and tender the Phase 1 works including the Piers 5 to 7 Marina Shoreline Rehabilitation and the Piers 5 to 7 Boardwalk.

The project is divided into two (2) phases; Phase 1 includes the shoreline rehabilitation, construction of 950 meters of new water’s edge boardwalk, the rehabilitation of the water’s edge around the Royal Hamilton Yacht Club (RHYC) building and the marina services area, as well as the demolition of the existing aging structures on the site. This project was delayed due to the COVID-19 pandemic, was tendered in September 2020 and scheduled to close in November 2020, with construction commencing in December 2020, and completion expected by fall 2021.

Phase 2 will include the above-ground surface areas, a new gateway and public art feature at the foot of James Street North, the construction of the waterfront trail link, as well as other landscaping features. Construction is scheduled to begin in Q2-Q3 2021, with completion by fall 2022.

Emerging Issues – 2021-2022:

To date, the West Harbour Re-Development Plan has focused on planning policy, real estate disposition, and capital project work, with significant progress being made as the planning policy work will be complete in 2021 and capital projects by 2022.

It is time for a coordinated approach to both the short-term and long-term operation of the newly constructed areas. In particular, co-ordination is required as the City integrates the existing uses with the newly developed areas, as well as identifying the inter-dependencies as they are phased-in over time. The following list highlights some of these emerging issues that staff will be reporting back to the Sub Committee throughout the 2021 and 2022 time horizon.

1. Short-Term and Long-Term uses for the HWT (Discovery) Centre Building

The HWT Centre building is a city-owned facility, that has been primarily vacant for the past few years. Initially built and operated as the Parks Canada Marine Discovery Centre, the building footprint is zoned for institutional use, but has most recently been used as a full-service restaurant with waterfront patio and an informal event and meeting facility. Upon closure, the internal and patio restaurant furnishings and fixtures were removed, leaving the former restaurant primarily vacant open interior space. Parks Canada still occupies the north-east portion of the building as office-space, with the remainder consisting of an entrance lobby, two small meeting rooms with waterfront patio access, a 50-seat theatre, washroom facilities, and direct access to the north portion of the waterfront trail.

Since taking ownership, the City's facilities group has taken management of the building and the HWT was retained to operate and maintain the building on a day-to-day basis, as well as managing the programming and rental bookings. With no immediate long-term plan for the building, combined with the timing of the capital project work taking place on the adjacent Pier 8 lands, rental programming has been limited to short-term bookings, based on a 6 month calendar, with limited success. In 2020, the pandemic restrictions led to the cancellation of all activities and the building remains closed as a City facility.

The long-term future of the building has been a topic of discussion at Council and within the community. Opinions vary on the future-state, but generally they can be categorized into the following broad categories:

- i. Remain a City-owned facility with primarily public-uses (e.g. library, museum, community space);

- ii. Remain a City-owned facility with a combination of private and public uses (e.g. restaurant, convention facility, other commercial uses); or
- iii. Sell the building outright, either with or without restrictions.

On January 24, 2018, Council approved GIC Report 18-002, which included direction to investigate the feasibility of incorporating the former Parks Canada lands/building, into the Pier 8 Request for Proposals (RFP) process and to report back with a recommendation that best maximizes the disposition value, does not adversely affect the value the City can expect to receive from the Pier 8 lands, and best ties into the vision of Setting Sail and the successful developer. Staff informed the RFP Proponents of the Council direction and the general public on March 29, 2018 during a comprehensive Community Conversation Meeting. Although the future of the building was discussed during the DA negotiations, the building was not incorporated into the final agreement.

Over time, several private and non-profit entities have approached staff with an interest in pursuing the building for various uses, and generally the public would like to see activity within the facility.

Although not a condition of the DA, WSC has explicitly expressed an interest in obtaining a short-term lease for the building, with a commitment to incorporate a variety of indoor and outdoor uses including food and beverage, the continuation of meeting/event space, as well as office and marketing space for their on-site operations.

To be clear, staff is not seeking a decision on the future of the site through this report and Council remains in full control over the decision-making process. Staff believe however, the short-term and long-term future of this site is an outstanding issue worth consideration and will continue to explore and assess possible options and report back to the Sub-Committee.

2. Long-Term Parking for West Harbour Area

Addressing long-term parking needs in the waterfront area remains an outstanding issue. At present, parking is serviced by shared surface lots with marina and boating users, commercial tenants and customers, as well as the general public collectively utilizing the existing spaces. Although acceptable at present, it is expected there may be a long-term parking shortage of approximately 500-600 spaces for the entire West Harbour project area, mainly as a result of the elimination 300-400 existing surface parking spaces as these lots are re-developed over time.

On January 22, 2020, Council approved GIC Report 19-004, including Information Report PW17076(a) entitled Piers 6-8 Interim Parking, which advised Council about the preferred interim parking plan throughout the construction period. The report also

highlights that the parking pressures will evolve and increase over time as the new parks and public-spaces become operational, as well as when the private-sector developments are constructed on Piers 6 and 7 and Pier 8 simultaneously.

This pressure has also been noted within the capital budget forecast. Report FCS19091 entitled City of Hamilton 2020 Tax Supported Capital Budget 2021 – 2029 Tax Supported Capital Forecast, noted that a long-term parking solution is integral to the viability of the area over time. The report states:

“As part of the overall re-development plan, existing free public parking located on Piers 6-8, as well as the parking for the marina facilities, will be eliminated over time as development progresses. West Harbour Staff has identified a long-term need to replace approximately 500-600 parking spaces. Although the WHWRMP identified the future need for a parking structure to address this concern, both the specific site and the funding options for this have not been finalized, and as such Staff would seek possible funding options that mitigate the impact on the City’s capital budget.”

The capital budget forecast notes the new public parking garage is estimated at \$33.2M, broken down into the functional planning, pre-engineering, and design work forecasted in 2023 at \$4.9 Million (\$3.675M net of DCs) and construction costs of \$28.3M in 2025 (\$21.225M net of DCs).

As a result of the LPAT Settlement for OPA 233, it has been determined that any parking required to support the waterfront would need to be located north of Guise Street. Options could include existing lands, or integration with the Pier 8 development.

WSC has expressed an interest in partnering with the City to build additional public parking as part their development, with an opportunity to address the issue as part of the Block-16 OPA process.

There is no immediate decision being sought on the long-term parking plan and Council is in full control of the decision-making process. Staff continue to explore and assess possible options and will report back to the Sub Committee.

3. Pier 8 Greenway – Public Right-of-Way

In line with the Pier 7+8 Urban Design Guidelines, the approved Draft Plan of Subdivision establishes a public right-of-way referred to as the “Greenway”, which is envisioned to serve as part of the storm water management infrastructure and a public pedestrian corridor. Consistent with the DA, the developer (WSC) will design and build this project, with the City having full approval over the specifications, design, and

budget. Upon completion it will be owned and maintained by the City as a public right-of-way.

Consistent with the timing of development on Pier 8, on November 27, 2019 Council approved GIC Report 19-024 including Report PW19090 entitled West Harbour Strategic Initiatives Piers 5-7 Public Realm Capital Works, which included direction to defer the project to the 2023 capital budget year and refine the scope of the stormwater infrastructure component within the public right-of-way.

As WSC begins to finalize their phasing plans for Pier 8, they have requested staff to begin the process of establishing the specifications, budget, and timing of this project. Staff continue to explore and assess possible options and will report back to the Sub Committee.

4. Proposed new Public “artisan” Market & Open-air Buildings on Piers 6&7

As part of the WHWRMP, the new commercial village public open-space envisions replacing the existing structures on Pier 6 and 7 with two (2) new buildings; the first being an “open-air” structure to replace the existing small “varnish-shed”, and the second being an “artisan market” building to replace the large marina building. As construction begins on the public-space elements and the four (4) development-blocks are being listed for sale, it will be necessary to further define the visions for these new facilities, and any associated financial and operational impacts. As part of their existing work plan, the HWT will be conducting a design study for these proposed structures, and the construction funding is identified within the City’s capital budget forecast. This analysis should also involve coordinating the existing and proposed new uses throughout the West Harbour, to ensure they work cohesively over time. Staff will report back to the Sub Committee at the appropriate time.

5. Short-term & Long-Term Operating – Programming & Animation

On September 9, 2019, the WHD-SC received Report PED19191 entitled Pier 6 and 7 Commercial Village Activation Plan. In part, this report presented the findings of the retail and commercial uses study and public-space animation and place-making study. They focused on how institutional, residential, commercial, and recreational uses, both proposed and existing, can work to support the vibrant new private and public spaces. Staff recognize that in general terms, the WHWRMP has been a successful plan for capital investments, but the next stage should involve a plan guiding the operations within the area and identify the roles for the following:

- i. City departments and divisions;
- ii. Private-sector development partners (WSC & future Piers 6 and 7 developers);

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- iii. External Agencies (HWT, existing marinas/clubs, other non-profit/community groups)
- iv. External private-sector Sector (commercial operators such as food & beverage, arts, events, retail, recreational etc.)

Staff will report back to the Sub Committee at the appropriate time.

APPENDICES AND SCHEDULES ATTACHED – N/A