




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Chair and Members West Harbour Development Sub Committee
COMMITTEE DATE:	April 13, 2021
SUBJECT/REPORT NO:	Pier 8 Animation Program and HWT (Discovery) Centre - Status Update (PED21090) (Ward 2) (Outstanding Business List Item)
WARD(S) AFFECTED:	Ward 2
PREPARED BY:	Chris Phillips (905) 546-2424 Ext. 5304 Ray Kessler (905) 546-2424 Ext. 7019
SUBMITTED BY:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That staff prepare a long-term strategy including an assessment of the existing conditions of the HWT (former Discovery) Centre building including the cost of existing operations, future capital requirements, planning approvals, parking requirements, real estate evaluations, market soundings, and other relevant due diligence, and report back to the West Harbour Development Sub Committee identifying options for future uses of the property, as well as various ownership and/or operating models;
- (b) That staff promote the availability of the HWT (former Discovery) Centre property for lease, on the following conditions, and report back to the Sub Committee:
 - i) Any currently unoccupied and available space within and outside of the building;
 - ii) Suitable uses being restricted to permitted zoning/land use regulations, with a preference for outdoor year-round programming/animation, and a desire for variety, including some food and beverage;
 - iii) Minimum Term of 1-year and a Maximum Term of 5 years, with potential for options;

- iv) Structured on a Fully Net and Carefree basis;
- v) A portion of the space be available for some public meetings or events.

EXECUTIVE SUMMARY

On December 16, 2020, Council approved GIC Report 20-023, which included the West Harbour Development Sub-Committee Report 20-001 dated December 2, 2020 including the following Motion:

West Harbour Waterfront Re-Development Plan – Implementation Status Update (PED17181(b))

- (i) *Animation of Piers 5-8 Lands*
 - (1) *That staff from the Tourism and Culture Division be directed to prepare and execute an agreement with an external entity to a maximum value of \$40,000 for the implementation of operating and programming temporary animation of the Piers 5 to 8 lands, inclusive of the Waterfront Trust Centre (formerly the Discovery Centre), with nominal cost for leasing of the lands, for the 2021-2022 seasons, to be funded through Project 4411606003 (West Harbour Community Engagement) in a manner and on conditions deemed appropriate by the General Manager of the Planning and Economic Development Department, and in a form acceptable to the City Solicitor; and,*
 - (2) *That staff be directed to report back to the West Harbour Development Sub-Committee, by the end of the first quarter of 2021, with interim and long-term strategies for the use of the Waterfront Trust Centre (formerly the Discovery Centre), including animation of the surrounding outdoor area; and*
- ii) *That Report PED17181(b), respecting West Harbour Waterfront Re-Development Plan – Implementation Status Update, be received.*

This Report PED21090 provides a status update on both items identified.

Piers 6 and 7 Temporary Programming & Animation Plan

Staff have executed a Letter of Agreement with Whitney McMeekin for the operation and programming of temporary animation of the Pier 8 lands, in compliance with the Council direction and existing City policies. The agreement is for the geographic area directly adjacent to the HWT (former Discovery) Centre building and covers the timeframe from mid-spring 2021 to the end of summer 2021. The agreement ensures the programming will take many forms including festivals and temporary public art to community gatherings, will engage a minimum of four (4) community partners in diverse

arts / cultural programming, and will preserve accessibility for all citizens by not charging an entry fee to the Program area. It should be noted that all activations will comply with provincial and local City of Hamilton COVID-19 guidelines and all other applicable regulations in effect at the time.

As identified in Report PED17181(b), the City's facilities group is responsible for the management of the building and the Hamilton Waterfront Trust (HWT) continues to be retained to operate and maintain the building on a day-to-day basis, as well as managing the programming and rental bookings. Staff expect this relationship to continue throughout 2021, in compliance with all applicable guidelines and regulations.

Developing a Long-term Strategy for the HWT (former Discovery) Centre Building

Report PED17181(b) identified the short-term and long-term future of the HWT Centre building as an important emerging issue over the 2021-2022 timeframe. The report highlighted some of the complexities of the site, its past uses, the community interest in the building's future, and the direct and indirect relationship with the adjacent Pier 8 development.

Report PED21090 seeks approval for staff to prepare an assessment of the existing conditions of the HWT Centre including the cost of existing operations, future capital requirements, planning approvals, parking requirements, real estate evaluations, market soundings, and other relevant due diligence, and report back to the West Harbour Development Sub Committee identifying options for future uses for the property, as well as various ownership and/or operating models.

Report PED17181(b) also indicated that several private and non-profit entities, including the City's Successful Proponent of the Pier 8 Development Opportunity, the Waterfront Shores Corporation (WSC), have approached staff with an interest in pursuing the building for various uses.

Staff are proposing a framework for pursuing the lease-up of the property and for any future lease negotiations of the building and will report back to the West Harbour Development Sub Committee on any proposed agreements.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

On December 16, 2020, Council approved GIC Report 20-023, which included the West Harbour Development Sub-Committee Report 20-001 dated December 2, 2020 including report PED17181(b) entitled West Harbour Waterfront Re-Development Plan – Implementation Status Update.

Prior to this, 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.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

No formal consultation has taken place on the recommendations outside of West Harbour and Real Estate staff.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

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.

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) Dispose of the property (long-term lease or sale), 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 Development Agreement (DA) negotiations with the City's Successful Proponent developer, 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.

The staff recommendations are intended as initial steps in developing a decision-making framework for the future of the site. Staff have identified the need to collate a variety of pertinent background information such as the costs of existing operations, any planned or forecasted capital requirements, existing planning approvals and/or limitations, necessary parking requirements, real estate evaluations, market soundings, and other relevant due diligence information. Staff will review, analyse, and report back to the West Harbour Development Sub Committee, identifying options for future uses for the property, as well as various ownership and/or operating models.

In the interim, staff are also proposing to lease out the building on a short-term basis to maximize use of the property. Taking into consideration the site's prime location, its public ownership, and the desire to create public animation, especially during the initial stages of the Pier 8 construction, Corporate Real Estate staff will conduct a limited market offering and allow for offers over an approximate period of 60 days based on the following:

- i) Any currently unoccupied and available space within and outside of the building;

- ii) Suitable uses being restricted to permitted zoning/land use regulations, with a preference for outdoor year-round programming/animation, and a desire for variety, including some food and beverage;
- iii) Minimum Term of 1-year and a Maximum Term of 5 years, with potential for options;
- iv) Structured on a Fully Net and Carefree basis;
- v) A portion of the space be available for some public meetings or events.

This framework is consistent with the City's real estate policies and procedures. Staff will report back to the Sub-Committee with proposed tenancies for approval of lease terms and conditions.

ALTERNATIVES FOR CONSIDERATION

On December 16, 2020, Council approved GIC Report 20-023, including the direction that staff report back to the West Harbour Development Sub-Committee, by the end of the first quarter of 2021, with interim and long-term strategies for the use of the HWT Centre, including animation of the surrounding outdoor area. The staff recommendations of Report PED21090 expand the previous direction by providing further specificity to the previous direction.

Alternative #1 – Do not Approve

If the staff recommendations are not approved, staff will proceed to execute the December 16, 2020 direction, and will report back to the Sub-Committee with interim and long-term strategies for the use of the Waterfront Trust Centre (formerly the Discovery Centre), including animation of the surrounding outdoor area.

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.

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

N/A