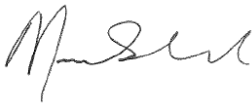




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	December 8, 2021
SUBJECT/REPORT NO:	Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate (PED19168(b)) (Ward 14)
WARD(S) AFFECTED:	Ward 14
PREPARED BY:	David McCullagh (905) 546-2424 Ext. 1647 Carrie Brooks-Joiner (905) 546-2424 Ext. 3967
SUBMITTED BY:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That a Memorandum of Understanding (MOU) be finalized and entered into with The Cardus Institute towards negotiating an Occupancy Agreement for the adaptive reuse of the Balfour House/Chedoke Estate as depicted in Appendix "A" to Report PED19168(b), based substantially on the Criteria and Business Framework, outlined in Appendix "B" to Report PED19168(b), and such other terms and conditions that are deemed appropriate by the General Manager of Planning and Economic Development Department;
- (b) That staff, pursuant the Memorandum of Understanding (MOU) to be entered into as outlined in Recommendation (a) to Report PED19168(b), negotiate, subject to final Council approval, the contemplated real estate Occupancy Agreement(s) with The Cardus Institute for the adaptive reuse of the Balfour House/Chedoke Estate incorporating the Criteria and Business Framework, as outlined in Appendix "B" to Report PED19168(b), and such other terms and conditions deemed appropriate by the General Manager of the Planning and Economic Development Department;

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- (c) That staff report back to General Issues Committee for approval of the negotiated Occupancy Agreement(s) necessary to the fulfilment of Recommendation (b) to Report PED19168(b);
- (d) That the General Manager, Planning and Economic Development Department or their designate, acting on behalf of the City, be authorized to provide any consents, approvals and notices related to the Memorandum of Understanding (MOU) of Recommendation (a) to Report PED19168(b);
- (e) That the City Solicitor be authorized and directed to complete the Memorandum of Understanding (MOU) and any other requisite documents on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions on such terms as considered reasonable;
- (f) That the Mayor and Clerk be authorized and directed to execute a Memorandum of Understanding (MOU) and any other requisite documents herein, in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

Following direction given City staff to negotiate a Memorandum of Understanding (MOU) with The Cardus Institute towards completing an Occupancy Agreement for the adaptive reuse of the Balfour House/Chedoke Estate and report back to General Issues Committee, this Report seeks approval of a Memorandum of Understanding as negotiated by staff and executed by The Cardus Institute for their proposed adaptive reuse of the Balfour House/Chedoke Estate and that is consistent with the framework and direction given staff and approved by Council.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There are no financial implications arising from these recommendations.

Staffing: There are no staffing implications arising from these recommendations.

Legal: Legal Services has been engaged in the preparation of the Memorandum of Understanding and will work with Real Estate in the preparation of the necessary Occupancy Agreement(s) required to complete the contemplated transaction.

HISTORICAL BACKGROUND

The Ontario Heritage Trust (OHT) is the owner of Balfour House/Chedoke Estate (Balfour 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 (GIC) meeting, staff was directed to work with the OHT to investigate potential adaptive re-uses for the Balfour Estate. At the March 19, 2014 GIC meeting, staff was directed to work with the OHT to adapt the property for use as a limited tenancy/film location.

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 Estate and assuming tenancy of the property. This was an unsolicited proposal. Staff had not previously completed any testing of the market for interest in this property.

On March 27, 2019 a preliminary proposal was received by staff from The Cardus Institute. In this document, The Cardus Institute proposed the adaptive reuse of the facilities at Balfour Estate which would include offices, small meeting spaces and accommodations for visiting scholars.

On September 18, 2019, staff presented the Cardus proposal to GIC (PED19168) (Ward 14). Council directed that:

Staff request from Cardus a detailed proposal to be submitted to the General Manager of Planning and Economic Development, within two months, which would include the following:

- A functional plan including the types of uses that would be provided on the site, the nature of any physical changes to the site (both buildings and land) that would be required to accommodate the anticipated uses;
- The opportunities for public access to the site;
- Demonstration of the viability and sustainability of the business model and Cardus' financial capacity to undertake all necessary improvements to the site without financial from the City;
- Staff be directed to include in their forthcoming report any proposed uses that would require changes to the Zoning or Official Plan policies on the site; and,

- Staff be directed to seek a preliminary opinion from the Ontario Heritage Trust (OHT) on the proposal received to identify any potential concerns the OHT may have with the proposed use and include this preliminary opinion in the staff report for Committee's information.

Council on February 26, 2020, in approving General Issues Committee Report 20-007 item 10.1, approved Report PED19168(a) - Proposal for the Adaptive Re-Use of Balfour House/Chedoke Estate, providing that, should Cardus be successful in obtaining, in writing, the support of the Ontario Heritage Trust for their proposed adaptive reuse of the Balfour Estate, City staff was directed to negotiate a Memorandum of Understanding with The Cardus Institute towards completing an Occupancy Agreement for the adaptive reuse of the Balfour Estate and report back to General Issues Committee.

Following receipt of support from Ontario Heritage Trust, as outlined in a letter dated June 8 2021 attached as Appendix "C" to Report PED19168(b), the OHT has provided limited approval in principle for the project to allow ongoing planning and the execution of an MOU. Final approval of the adaptive reuse project plan by the OHT is required prior to the City entering into an Occupancy Agreement.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Portfolio Management Strategy – Real Estate Management Plan

City Council, at its meeting of November 24, 2004, adopted the City's Portfolio Management Strategy Plan, which established a formalized process to be consistently applied across all areas of the City to guide the management of the City's real property.

RELEVANT CONSULTATION

- Planning and Economic Development Department, Tourism and Culture Division and Economic Development Division;
- Corporate Services Department, Legal and Risk Management Services Division; and,
- Ontario Heritage Trust.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The proposed use of the Balfour Estate property by The Cardus Institute is for office, meeting, retreat spaces and to include provisions to provide on-going public access to the Balfour Estate

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Subject to the approval of both the City and OHT, The Cardus Institute agrees that it will provide the City and OHT an acceptable comprehensive Adaptive Reuse, Conservation and Operating Plan outlining its management and sustainability for the Balfour Estate which will also clearly outline and present The Cardus Institute's long-term Financial Sustainability, Capital Investment, Conservation and on-going Public Access Plans for the Balfour Estate for the term of an Occupancy Agreement(s) which are to be detailed in any Occupancy Agreement(s) going forward.

As included in the MOU to be entered into and contained in Appendix "B" to Report PED19168(b), it is intended:

- a) That the City and OHT will not be responsible for any capital costs;
- b) That the contemplated Occupancy Agreement(s) will generate net positive revenues to the City, inclusive of any City costs associated with administering the contemplated Occupancy Agreement(s) to be entered into by the parties;
- c) That any contemplated adaptive reuse will not require any amendments to the City's applicable Zoning By-law or Official Plan;
- d) That all applicable municipal planning and building approvals will be met, including a review and approval of any traffic and parking impacts with respect to the contemplated adaptive reuse; and,
- e) That in entering into the contemplated Occupancy Agreement, The Cardus Institute will agree to provide frequent opportunities for on-going free public access to tour the Balfour Estate and to be detailed in such Occupancy Agreement(s).

At this point and to be further detailed in any Occupancy Agreement(s), the level of public access The Cardus Institute has presented is free public access to the Balfour Estate a minimum of four weekends a year.

Termination is included in the MOU, providing in the event that:

- a) The MOU does not receive the final approval by relative City authorities, as recommended in Report PED19168(b); or,
- b) The MOU is cancelled, by either party having given 60 days written notice to the other party; or,

- c) By mutual consent, the parties discontinue their participation in the activities arising from the MOU,

then the City shall then have, without further obligation to The Cardus Institute, the unfettered ability to seek, receive and engage with other interested interests on other adaptive reuse proposals for Balfour Estate.

ALTERNATIVES FOR CONSIDERATION

That, should the recommendations of Report PED19168(b) not be approved to proceed with an MOU and negotiations towards an Occupancy Agreement(s) with The Cardus Institute towards their adaptive reuse of the Balfour Estate, or if that the OHT wishes to terminate further negotiations, City staff will take no further action with respect to The Cardus Institute's unsolicited proposal.

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.

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(b) – Location and Key Map

Appendix "B" to Report PED19168(b) – Criteria and Business Framework

Appendix "C" to Report PED19168(b) – OHT June 8, 2021 Letter

DM/CJB:jrb