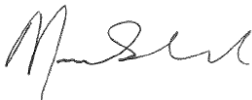




**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b>	Chair and Members West Harbour Development Sub-Committee
<b>COMMITTEE DATE:</b>	July 19, 2022
<b>SUBJECT/REPORT NO:</b>	Discovery Centre Strategy Framework: Strategy Development Process Update and Next Steps (Opportunity Study) (PED21090(c)) (Ward 2)
<b>WARD(S) AFFECTED:</b>	Ward 2
<b>PREPARED BY:</b>	Andrea Smith (905) 546-2424 Ext. 6256
<b>SUBMITTED BY:</b>	Norm Schleeahn Director, Economic Development Planning & Economic Development
<b>SIGNATURE:</b>	

## RECOMMENDATION

- (a) That as part of the continuation of Step 2 “Conduct Opportunity Study” of the Discovery Centre Strategic Framework approved by Council in February 2022, staff be directed to undertake the following:
- (i) Initiation of the community and stakeholder consultation process;
  - (ii) Consultation with the Hamilton Public Library (HPL) as well as heritage stakeholders regarding potential partnership opportunities for co-locating civic uses and providing heritage-based visitor experiences within the Discovery Centre Opportunity Study Site;
  - (iii) Consultation with the urban Indigenous community regarding how the utilization of the Discovery Centre Opportunity Study Site can contribute to the advancement of the Actions of the 2019 Hamilton Urban Indigenous Strategy themes of “Land”, “Spirit” and “People”;
  - (iv) Assessment of the capital and operational costs for the Discovery Centre building, and the impact to the Energy, Fleet and Facilities Division portfolio; and

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- (v) Preparation of a general market assessment to evaluate the potential interest, viability, and financial market valuation, for a variety of commercial uses on the Subject Site, to be funded from West Harbour Capital Project Account No. 4411606004, up to a maximum limit of \$100 K; and
- (b) That in accordance with Step 3 “Confirm Vision” of the Discovery Centre Strategic Framework approved by Council in February 2022, that staff report back to the West Harbour Development Sub-Committee by no later than Q1 2023 with a summary of the stakeholder and community consultation, including HPL consultation; findings of the general market assessment; findings of the capital and operational cost analysis; and an assessment of alternatives for the future vision of the Site.

## **EXECUTIVE SUMMARY**

Through approval of Report PED21090(b) on February 9, 2022, Council approved the process to develop a long-term strategy for the Discovery Centre Opportunity Study Site, thereby initiating Step 2 “Conduct Opportunity Study” of the process (for reference, the Discovery Centre Strategy Framework approved in February 2022 is attached as Appendix “A” to Report PED21090(c)).

The purpose of this Report is to:

1. Provide an update on the Discovery Centre Opportunity Study process and next steps;
2. Provide a summary of the results of the internal scan with internal City stakeholders;
3. Seek Council direction to proceed with public consultation; consultation with the Hamilton Public Library (HPL) regarding potential partnership opportunities for uses at the site; consultation with the local heritage community; and engagement with the urban Indigenous community;
4. Seek Council direction to assess the capital and operational costs for the Discovery Centre building and assess the impact to the Energy, Fleet and Facilities Division budget; and,

5. Seek Council direction to commence a market assessment to evaluate the potential interest, viability, and financial market valuation for a variety of commercial uses on the Site.

Future staff reports will provide a summary of the stakeholder and community consultation, including HPL consultation; findings of the general market assessment; findings of the capital and operational cost analysis; and an assessment of alternatives for the future vision of the Site.

### **Alternatives for Consideration – Not applicable**

### **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Recommendation (a)(v) to Report PED21090(c) seeks Council direction to commence a market assessment as an input to the Opportunity Study. Subject to Council approval of this Recommendation, external consulting services would be retained, up to a limit of \$100 K, and funded from existing West Harbour Capital Account No. 4411606004.

The other recommendations in Report PED21090(c) will be undertaken by existing staff resources with no financial impact.

Staffing: Not Applicable

Legal: Not Applicable

### **HISTORICAL BACKGROUND**

The Site, generally comprised of the Discovery Centre building, Williams Fresh Café and adjacent park area, is a prime City-owned waterfront asset (Refer to Appendix “B” to Report PED21090(c) - Subject Lands). Notwithstanding the desirable attributes of these lands, the Site, and specifically the Discovery Centre property, is currently underutilized and constrained by existing land use restrictions and uncertainty about its future role.

Through approval of Report PED21090 on April 28, 2021, Council directed staff to prepare a long-term strategy for the Discovery Centre, as well as to promote the availability of the building for a short-term lease of up to five years.

In response to Council's direction of April 28, 2021, staff presented two reports to the West Harbour Development Sub-Committee on January 17, 2022: PED21090(a) and

PED21090(b). On February 9, 2022, Council approved Staff Report PED21090(a) which recommended that staff be directed to negotiate and finalize a short term (up to 5-years) lease agreement with Waterfront Shores for temporary use of a portion of the Discovery Centre as a sales centre . Also, Council approved Staff Report PED21090(b) which recommended a Discovery Centre Strategy Framework outlining a phased decision-making process to develop the long-term strategy for the Subject Lands (refer to Appendix “A” to Report PED21090(c) - Council-Approved Discovery Centre Strategy Framework). The outcome of the first phase of the Discovery Centre Strategy Framework will be to define a new vision for the Site, as well as a set of actions required to implement the vision. The focus of Phase 2 of the process will be to implement the approved Strategy.

## **RELEVANT CONSULTATION**

As part of Step 2 “Conduct Opportunity Study” of the Discovery Centre Strategy Framework, staff undertook an internal scan with internal stakeholders to scan for issues and opportunities with a focus on identifying municipal interests in the Site. The following departments were consulted for input:

- Planning and Economic Development Department
  - Economic Development Division (Municipal Land Development Office; Corporate Real Estate Office (CREO); Commercial Districts and Small Business);
  - Planning Division (Sustainable Communities; Urban Design and Heritage);
  - Tourism and Culture Division (Heritage Resource Management; Tourism and Events; Placemaking Public Art and Projects); and,
  - Transportation Planning and Parking (Parking Operations; Transportation Planning Services).
- Healthy and Safe Communities Department
  - Recreation Division (Business Support);
  - Housing Services (Housing and Neighbourhood Development); and,
  - Children’s Services and Neighbourhood Development (Indigenous Relations).
- Public Works Department

- Environmental Services (Parks and Cemeteries; Landscape Architectural Services);
- Engineering Services (Waterfront Development Office);
- Energy Fleet and Facilities Management (Facility Planning & Business Solutions); and,
- Transit (Transit Planning and Infrastructure).

In addition, the following additional Committees and stakeholders were consulted:

- Planning and Economic Development Department Technical Advisory Committee (TAC);
- Corporate Real Estate Office (CREO) - Portfolio Management Committee (PMC);
- City of Hamilton Indigenous Advisory Committee (IAC);
- Hamilton Public Library;
- Hamilton Waterfront Trust; and,
- Members of the WHD S-C.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

### **1) Internal Stakeholder Scan**

As part of assessing municipal interests in the Site, staff consulted with several key departments to identify potential opportunities. In addition, the Corporate Real Estate Office (CREO) initiated a Property Circulation to identify municipal interests and to collect comments related to all information and/or limitations relevant to the Subject Lands.

In response to the circulation, the Hamilton Public Library (HPL) expressed interest in being a component of the Opportunity Study, noting that the scope of work remains to be defined (e.g. building, site and financial analysis). The HPL noted that the Site may provide an opportunity to align with the City and partners to better

serve the community and be a complementary asset to the West Harbour redevelopment plan.

Also identified through the internal scan was the opportunity for potential alignment of service objectives of the Heritage Resource Management section of the Tourism and Culture Division, with those of the HPL. A potential was identified to deliver historical and heritage programming, through cost-effective, flexible programming and exhibit space that can be used by multiple stakeholders as part of providing heritage-based visitor experiences.

The internal scan also identified an opportunity to advance the relevant Actions of the 2019 Hamilton Urban Indigenous Strategy through the themes of “Land”, “Spirit” and “People” as part of the Discovery Centre Opportunity Study and decision-making process.

No other specific municipal uses were identified for the Site through the internal scan; however, a number of themes were identified, that should be further explored through the community consultation, including:

- maximize public accessibility to the Site;
- recognize that the Site has dual status as a neighbourhood asset and City-wide asset;
- provide adaptable spaces to meet the needs of an evolving community and changing climate;
- permit commercial uses on the Site, such as restaurants and small-scale service commercial and retail commercial uses;
- invite appropriate temporary uses and facility room rentals to the Site;
- strengthen cohesion of the Site through comprehensive and coordinated animation and placemaking;
- establish a unifying theme between the buildings and open space of the Site;
- invite innovation and partnership with community partners and/or third-party providers;
- address and enhance a range of functional site design elements such as public restrooms, parking, storage shelters/buildings for park maintenance operations,

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transit facilities to support access to/from the site, micro-climate features that enhance user comfort, and electrical conduits to support temporary uses and programming;

- utilize existing capacity of existing and planned City facilities within Hamilton and adjacent neighbourhoods, rather than adding new civic run/public facilities to the Site;
- coordination of programming/animation efforts within Pier 8 and broader West Harbour is integral to the successful function of the Site; and,
- facilitate an enhanced relationship with the water.

## **2) Assessment of Capital and Operating Costs of the Discovery Centre**

Previous reports, including Report PED21090(a), indicated a need for staff to examine and determine both the existing and long-term implications of both capital and on-going operational requirements for the facility.

Staff from the MLDO, CREO and Energy, Fleet and Facilities Management, have begun to undertake this analysis.

### **Capital Costs**

The estimated five-year and ten-year capital maintenance (architectural, mechanical, electrical and site) costs of the Site are \$295 K and \$1.2 M, respectively.

### **Operating Costs**

The recent operating costs of the Discovery Centre building have been approximately \$160 K/year and are the result of the building not being fully tenanted or booked to capacity. Operating costs are expected to increase to approximately \$230 K as the building receives an additional tenant, Waterfront Shores, additional bookings, and to cover associated utility consumption. Notwithstanding that the future vision and use of the building remains to be determined, the increasing operating costs will require a shift in how the site is managed and funded in the interim.

Recommendation (a)(iv) to Report PED21090(c) directs staff to assess the capital and operational costs for the Discovery Centre building, and the impact to the Energy, Fleet and Facilities Division portfolio.

### **3) Commercial Market Assessment**

The strategy development process to date has focused on scanning for municipal interests in the Site and has identified the opportunity to explore partnership opportunities with the HPL. As a complement to conducting a scan for municipal interests in the Site, there is also merit in conducting a market scan. This Report recommends that a market analysis be conducted to assess the viability of commercial uses on the Site and as a means of determining the Site's 'opportunity value. The findings of this analysis will be informative context as part of the strategy development process.

### **ALTERNATIVES FOR CONSIDERATION**

Not applicable.

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

#### **Community Engagement and Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

#### **Economic Prosperity and Growth**

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

#### **Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

#### **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**



**SUBJECT: Discovery Centre Strategy Framework: Strategy Development  
Process Update and Next Steps (Opportunity Study) (PED21090(c))  
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Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

**Our People and Performance**

Hamiltonians have a high level of trust and confidence in their City government.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report PED21090(c) - Council-Approved Discovery Centre Strategy  
Framework

Appendix “B” to Report PED21090(c) - Subject Lands