



Hamilton
Public Works

Waterfront Initiatives Update

West Harbour- Piers 5-8 Servicing Studies

Agenda Item 7.4

General Issues Committee
Wednesday January 22, 2014

Presented By:
Chris Phillips, Senior Advisor

Planning and Economic Development Department

Waterfront Initiatives Update

West Harbour- Piers 5-8 Servicing Studies

Objectives

1. Update GIC on the status of the overall Waterfront Initiatives work plan and accomplishments
2. Report on the findings of the Servicing Studies for the lands located on piers 5-8
3. Identify clear Next Steps and Staff Recommendations

The Overall Waterfront Plan

The “Context” for Today’s Discussion

- 1. Waterfront Development & Re-Development is a “journey” – Benefits are for the Long-Term**
- 2. Planning for the Waterfront Development & Re-Development has been underway for many years**
- 3. Realization that Waterfront Re-Development is a dynamic process**
 - Circumstances can and will change over time
 - Public Interest & Trust need to be balanced with Private Investment & Market Conditions
- 4. Investments made upfront lead to real economic-lift in future years and generations**
- 5. If we do not start now...when will be a better time?**

West Harbour – Piers 5-8

Hamilton's Waterfront – Success over Time – Pier 8



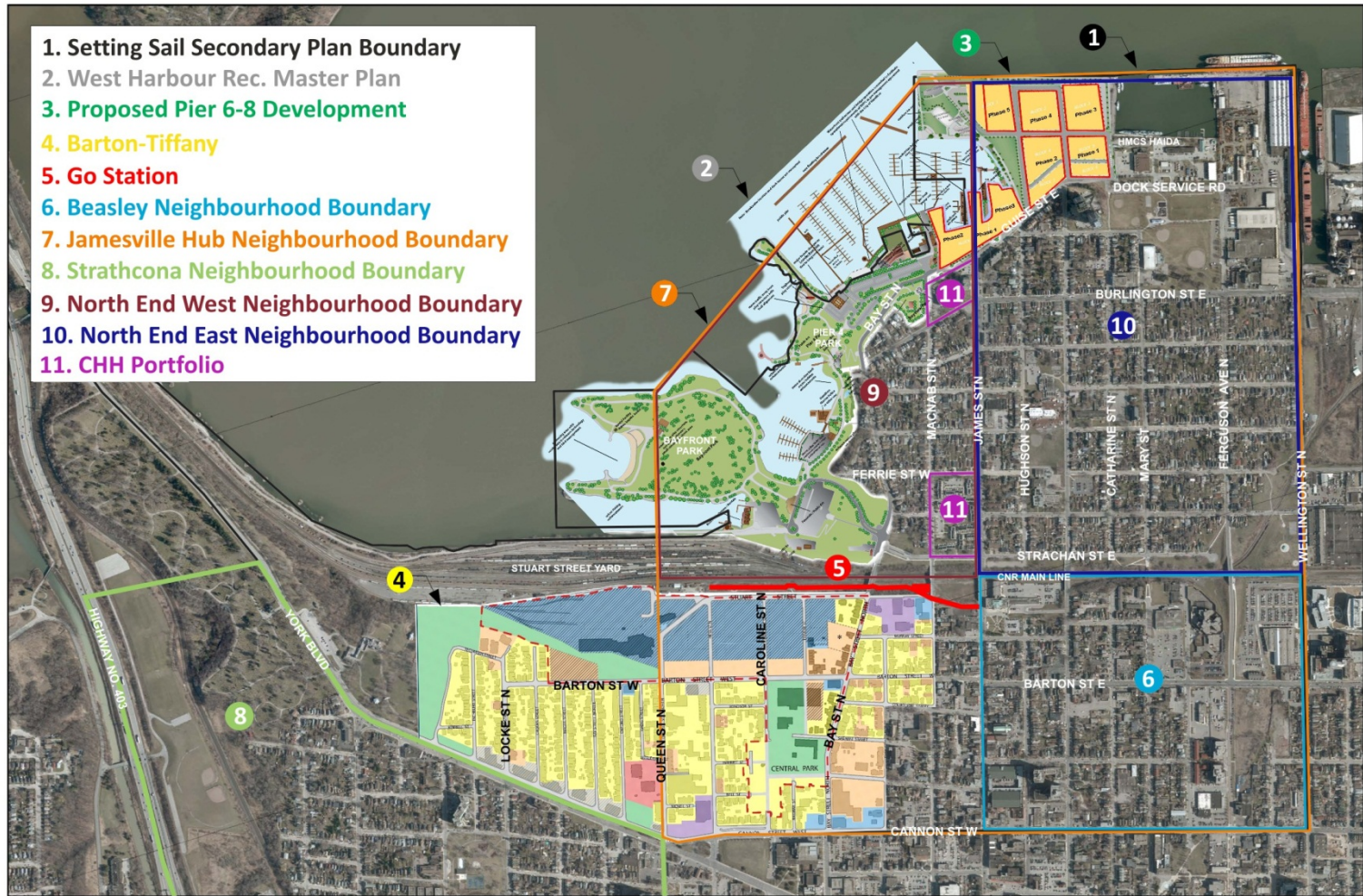
Waterfront Initiatives

Council Direction Strategic Plan 2012 - 2015

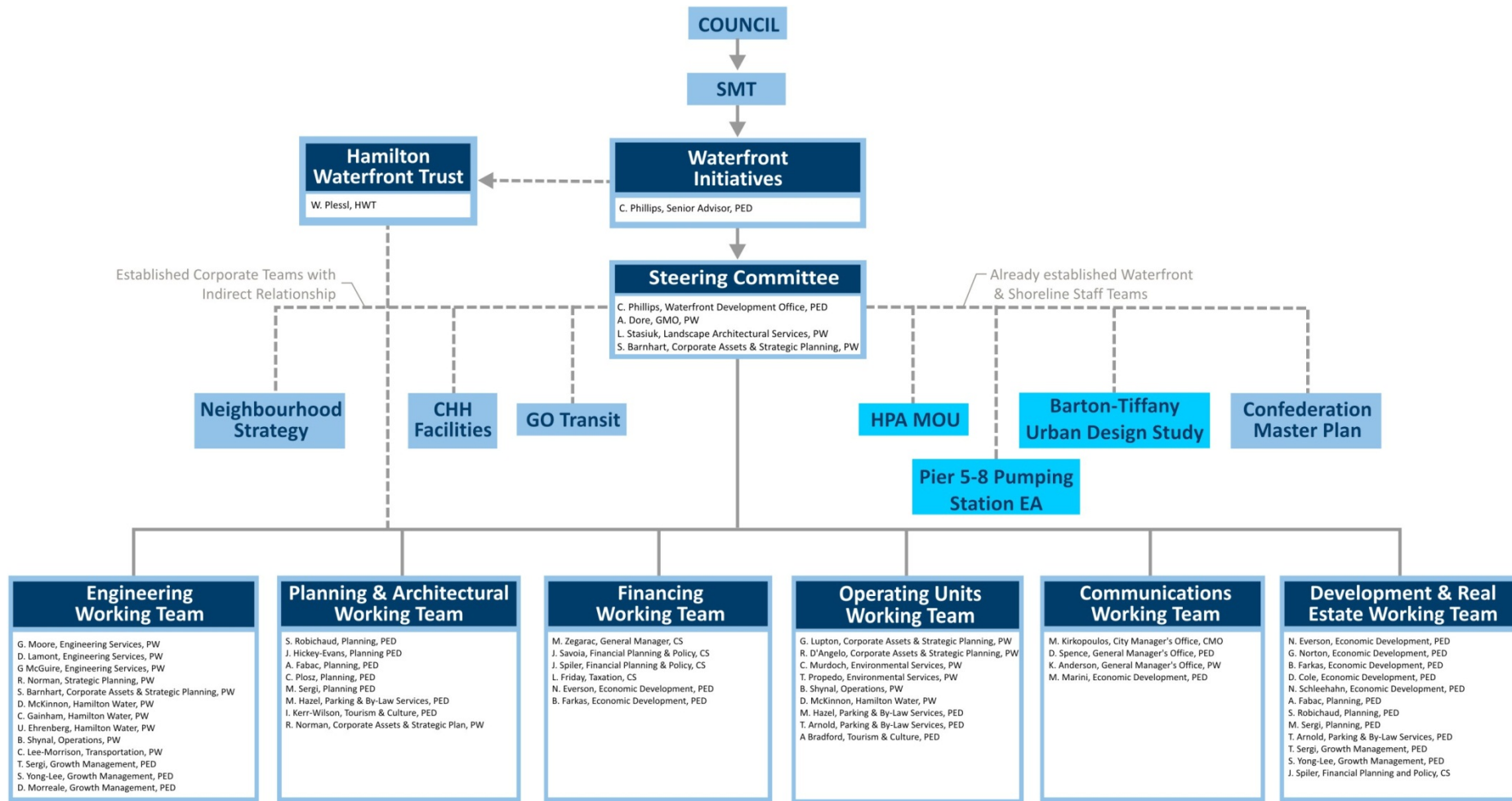
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts;
- ii) **Finalize** a development and **servicing strategy** for the West Harbour lands, with a particular focus on Piers 5,6,7 & 8 and the Barton/Tiffany area. (PED)
 - iii) **Negotiate** the **early termination** of land leases for Piers 7 & 8 with the Hamilton Port Authority. (PED)
 - v) **Completion** of the Waterfront Master Recreation Official Plan Amendment and the implementation of the Zoning By-law and **financing strategy**. (PW/PED)
 - ix) **Initiate development** in the West Harbourfront and Waterfront (this includes the Bayfront Industrial area) and develop a commercial business strategy for Confederation Park. (PED)

The West Harbour

Understanding the “Area of Influence”



Waterfront & Shoreline “Corporate Team” Structure



Waterfront Initiatives

The “Work plan” & The “Accomplishments”

The City’s Waterfront team have put in-place a comprehensive Implementation Plan for the overall West Harbour area

1. Negotiations with the Hamilton Port Authority;

- Long-Term plan for the City-owned Marina & Boat Storage
- Ensures full City control of Piers 7-8 lands in 2014
- Final Approval Expected – February 2014

2. Plan to Repair & Replace “city-owned” Infrastructure – Shoreline / Wavebreak / Marina

- Wavebreak Structure replacement approved in 2013 Capital Budget
- Completed and Approved EA for the proposed Wavebreak
- Shoreline Protection and Replacement work to be phased in 2014-2018
- Replacement & Upgrades to current Marina by 2018

Waterfront Initiatives

The “Work plan” and The “Accomplishments” (con’t)

- 3. Full Development Servicing Studies for the Pier 5-8 lands**
 - Consultant Draft Summary Report – November 2013
 - Report PED14002 – January 2014
- 4. Full Development “pro forma” & Business Plan for the proposed development of the Pier 5-8 lands**
 - Consultant Draft Summary Report – November 2013
 - Report PED14002 – January 2014
- 5. Full 10-year “project-by-project” Implementation Plan**
 - 10-year Phasing Plan for the \$130 million Master Plan including Capital Budget and Cash-Flow Forecast was prepared as part of the 2014 Budget
 - \$7.7million (gross) in approved projects as part of the 2014 Capital Budget
- 6. 10-year Financing Strategy**
 - Report FCS13096 - presented as part of the 2014 Capital Budget process
 - Included a 2014-2018 Cash-Flow forecast to bring the lands to a state of “Development-Ready”
 - Council has approved (2012-2014) \$15.6M (gross) - \$7.6M (net)

Waterfront Initiatives

The “Work plan” and The “Accomplishments” (con’t)

7. Development Industry Focus Group Sessions

- As a “touch-point” during the Business Plan process, City staff coordinated several “focus group” sessions with industry professionals
- Participants covered many categories: developers, builders, rental property owners, land-owners, planners, architects, financial and lending institutions
- Diverse participation was sought ranging from differing size of companies to their geographic base of operation

8. “Barton-Tiffany” Urban Design and Servicing Study

- Led by PED – Planning Division - **Initiated Fall 2013–Completion May 2014**
- this study will guide development in the area, ensure development supports the objectives of “*Setting Sail*” and achieves excellence in design

9. Harbour West Marina Dock Layout & Functional Design

- Project Managed by the HWT, study will determine the dock layout & functional plan for Harbour West Pier 5-7 Marina, including consultation with RHYC & HPA
- **Completion expected by Q.2 2014**

Waterfront Initiatives

The “Work plan” and The “Accomplishments” (con’t)

10. Communications & Public Engagement

- Stakeholder & Public Information Sessions
- Commercial Property Perspective Magazine
- **New Economic Development marketing program – March 2014**

11. Pier 8 Development Concept Plan & Design Study

- From a Planning perspective, this is the Next and Final Step for Pier 8 becoming “development-ready”
- Planned to begin Spring 2014 and Completed by Q.4 2014
- This study will complete a detailed concept development plan for Pier 8, including policies to encourage excellence in design

12. West Harbour Waterfront Recreation Master Plan OPA and Zoning By-law Amendment

- Led by PED-Planning Division, it will allow for the full implementation of the WHWRMP
- **Report expected to Council February 2014**

Waterfront Initiatives

Issues Related to the City's Waterfront Development

❑ **Hamilton Waterfront Trust (HWT) Development Plans**

- Collaboration with the HWT's vision to ensure proposed developments on the Parks Canada lands on Pier 8, are coordinated with the City's plans

❑ **Develop a coordinated Re-Development strategy for all city-owned "assets" within the West Harbour area**

- "Barton-Tiffany" properties assembled as part of "Pan-Am" Games
- PW – EMS – Central Park assets in the "Barton-Tiffany" area
- CityHousing Hamilton

West Harbour- Piers 5-8 Servicing Studies

City of Hamilton ...Moving from “Planning” to “Building”



Harbour West Concept Plan

The Goal...

To enable the City of Hamilton to prepare a functional development “pro-forma” or “Business Plan”, for future development of the lands known as “Piers 5-8” in Hamilton’s West Harbour



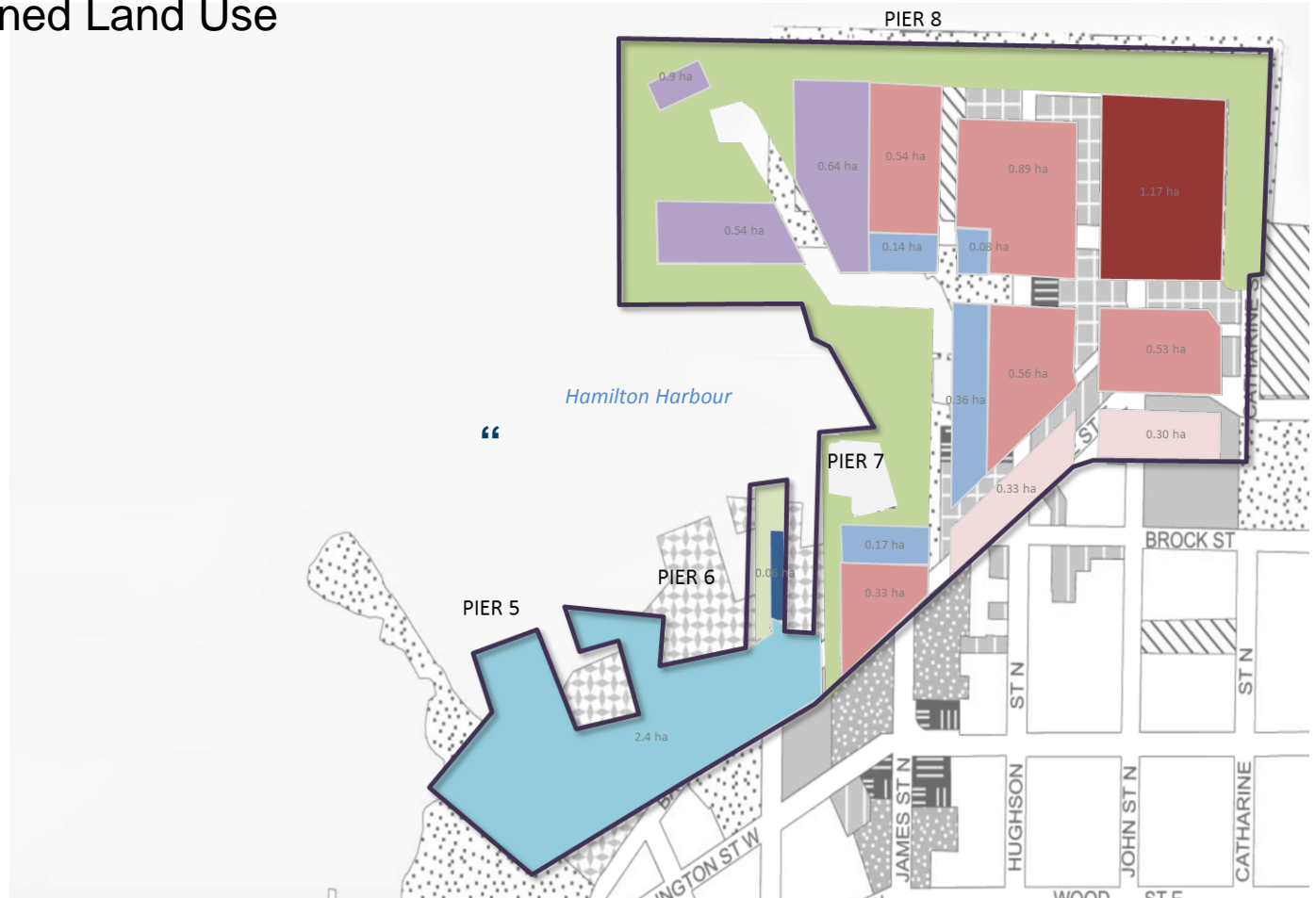
“Setting Sail” Secondary Plan

Identification of Land-Use

Setting Sail Planned Land Use

Land Uses

- Open Space
- Medium Density 1
- Medium Density 2
- Mixed Use
- Prime Retail
- Local Commercial
- Institutional
- Marine Recreational



“Setting Sail” Secondary Plan

Permitted Uses Piers 6-8

Designation	Permitted Uses	Density	Height
Medium Density Residential 2	Multiple Dwellings	150-300 upgh	4-8 storeys
Mixed Use	<ul style="list-style-type: none"> •Institutional Uses of a cultural nature •Apartment buildings and apartment buildings with Institutional on ground floor/lower floors •Public open spaces •Ground floor commercial ancillary to Cultural 		4-6 storeys
Prime Retail	<ul style="list-style-type: none"> •Mixed Use with ground floor commercial •Community Uses •Upper floors Residential, Live/Work and Office 		4-6 storeys
Institutional	Hospitals, Nursing Homes, Schools, Libraries, Museums, etc.		2-4 storeys
Open Space	Parks, squares, trails, indoor/outdoor public recreation facilities, small scale restaurants and cafes		
Marine Recreation	Marinas, Club Houses, small scale Commercial ancillary to Marine Recreation		2 storeys

West Harbour - Piers 5-8 Servicing Studies

Council Direction – April 18, 2012

Council approved Report PED09200(a) with the following direction:

“That the General Manager of the Planning and Economic Development Department, be authorized to draft a “Terms of Reference” for the implementation of the Council approved studies for Piers 5, 6, 7 and 8, as set out in the October 11, 2011 General Issues Committee Report, and that the Hamilton Waterfront Trust be approved as the retained agency to carry out the project management of such studies.”

Purpose of the Study:

To enable the City of Hamilton to prepare a functional development “pro-forma” or “Business Plan”, for future development of the lands known as “Piers 5-8” in Hamilton’s West Harbour.

- To determine the servicing strategies and full development costs to develop Piers 5-8, in a manner that is consistent with both the Setting Sail Secondary Plan (Setting Sail) and the West Harbour Waterfront Recreation Master Plan (WHWRMP); and,
- To determine the marketability in attracting private-sector investment in developing the lands of Piers 5-8.

West Harbour - Piers 5-8 Servicing Studies

Project Scope of Work

- Approved by Council Direction
- Project Manager - Hamilton Waterfront Trust
- Consulting Team – Dillon - Altus

Phase 1: Standard Servicing Studies

- I. Detailed Mapping and Background Research Materials
- II. Functional Plan for the Ultimate Build-Out of Main Basin Marina
- III. Functional Stormwater and Environmental Management Strategies
- IV. Functional Stormwater Management Design Plan
- V. Functional Servicing Reports
- VI. Geo-technical, Soil Compaction and Remediation Investigation Study

Phase 2: Economic and Real Estate Studies

- VII. Functional Development Phasing Plan
- VIII. Real Estate and Development Market and Valuation Study

West Harbour – Piers 5-8 Serving Studies

“Snapshot” of the Preliminary Conclusions

In general, and at a high-level...the following can be concluded:

- 1. Piers 5-8 can be developed & built in a manner that is consistent with both “*Setting Sail*” & the “*WHWRMP*”**
 - Highlights a need to address a few key constraints
 - Peak wet-weather events may affect sanitary capacity
 - Limited GeoTech work to-date - Phase 1&2 Environmental to be completed
 - Site Parking and Traffic circulation needs further study
- 2. The anticipated mixed-use residential development on Pier 8 can generate positive returns for private-sector investment**
 - 1,600 residential units & 20,000 sq.m of commercial/institutional uses
 - Residential units ranging from 600-1,50 sq. ft.
 - Study identifies a few key risk-factors for the Business-Case
 - Any Business-Case is sensitive to the Sales Price per Unit assumptions
 - Estimated Servicing Cost Assumptions (specifically soil contamination & Parking) & above-noted constraints also affect the business-case
 - The model anticipates the City making key investments in servicing infrastructure

West Harbour – Piers 5-8 Servicing Studies

“Snapshot” of the Preliminary Conclusions (con’t)

- 3. The anticipated Piers 6-7 waterfront commercial development, although financially viable, will take longer to realize a return-on-investment**
 - It was difficult to prepare a complete Business-Case for the commercial-village
 - Expected positive return-on-investment but at a longer-term rate than on Pier 8
 - A “partnership” model could expedite development by reducing risk
 - Potential for the Hamilton Waterfront Trust to play a “partnering” role

- 4. There are some municipal servicing infrastructure investments required to bring the lands to a state of “development-ready”**
 - Existing infrastructure on piers 5-8 is aged and limited
 - Business-Case assumes the City invests in servicing infrastructure to the site then the private-sector developer being responsible for on-site costs
 - Estimated \$13.3 million in City investments for sanitary sewer, storm sewer, watermain, road, sidewalk, and street lighting
 - Not included are provisional amounts for constraints, pipeline modifications, system-wide enhancements, or shoreline rehabilitation
 - 2014-2018 Capital Budget Forecast reflects the projects required to get the area to a state of becoming “Development-Ready”

West Harbour – Piers 5-8 Serving Studies

“Snapshot” of the Preliminary Conclusions (con’t)

- 5. There is a an identifiable need to develop a broader development strategy for the entire West Harbour area**
 - The studies have highlighted the fact that the entire West Harbour area is interconnected
 - As such, the City should ensure a coordinated approach in its planning and infrastructure

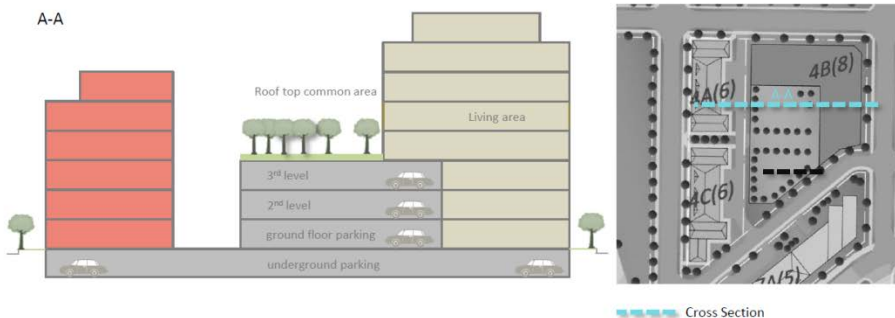
West Harbour

Overview - Pier 8 “private-sector” Development

The overall magnitude of this investment is transformational

- 1,600 residential various sized units ranging from \$247,000 - \$462,000 /unit
- 13,000 sq. m of leasable commercial & Institutional space
- \$470 million(est.) in private-sector investment for development costs
- \$600 million(est.) in private-sector residential and commercial sales revenue
- \$1.3 million per year in additional private-sector commercial rental income
- **\$7.5 million** per year in new Municipal tax revenue – Every Year

Block 4



West Harbour

Economic Benefits - Pier 8 “private-sector” Development



- Per Unit Sales Prices will increase overtime beyond the base-case
- Thousands of construction jobs created during 15-year build-out
- New permanent jobs created with the 13,000 sq. m of commercial space
- Anticipated increase in the overall tax assessment-base within the surrounding West Harbour Area
- Increase in values due to proximity to new James St. Go Transit terminal
- Increase in value of other “city-owned” properties within the West Harbour
- Re-Shaping of the City’s “image” for other private-sector investment

Land Use Scenario 2	Total Number of Residential Units	Gross Leasable Floor Area (Commercial sq.m.)	Gross Leasable Floor Area (Institutional sq.m.)
Block 1	242	680	6,940
Block 2	343	432	0
Block 3	362	4,291	0
Block 4	284	1,444	0
Block 5	184	0	0
Block 6	45	0	0
Block 7	49	0	0
Sub-Total Pier 8	1,509	6,847	6,940
Block 8	44	2,958	0
Block 9	56	5,430	0
Sub-Total Pier 6 and 7	100	8,388	0
TOTAL	1,609	15,235	6,940



CITY OF HAMILTON
PIER 5-8 DEVELOPMENT PLAN

BLOCK NUMBERS
FIGURE 3

- STUDY AREA
- EXISTING BUILDINGS
- LANDSCAPED AREAS
- BLOCK AREAS
- ASPHALT AREAS

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MAP/DRAWING INFORMATION
Mapping from City of Hamilton

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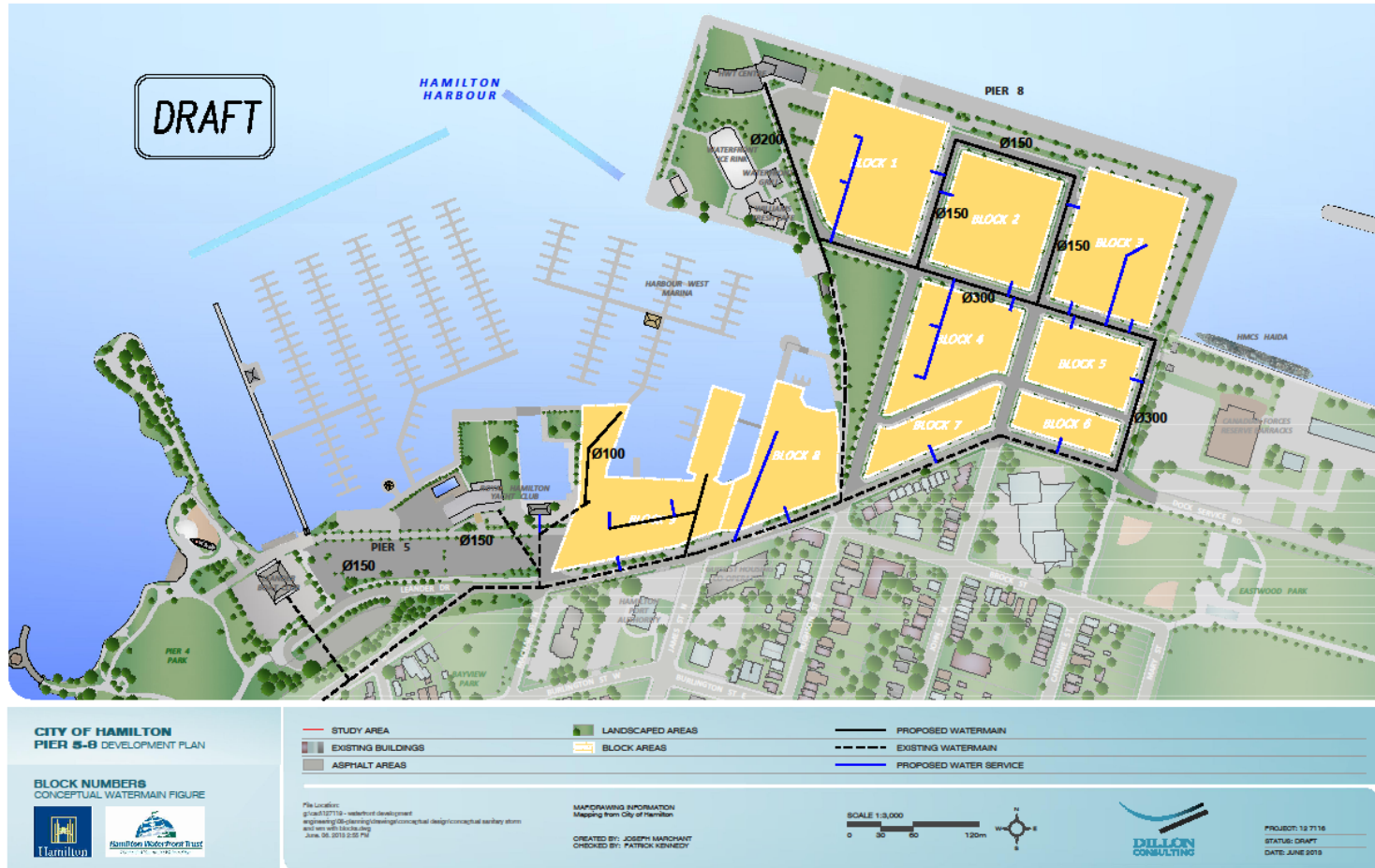


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STATUS: DRAFT
DATE: MAY 8, 2013

Waterfront – West Harbour

Piers 5-8 - Servicing Studies

Conceptual Watermain Plan



Waterfront – West Harbour

Piers 5-8 - Servicing Studies

Conceptual Stormwater Plan



CITY OF HAMILTON
PIER 5-8 DEVELOPMENT PLAN

BLOCK NUMBERS
CONCEPTUAL STORM SEWER FIGURE



- STUDY AREA
- EXISTING BUILDINGS
- ASPHALT AREAS

LANDSCAPED AREAS

BLOCK AREAS

PROPOSED STORM SEWER

EXISTING STORM SEWER

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MAPDRAWING INFORMATION
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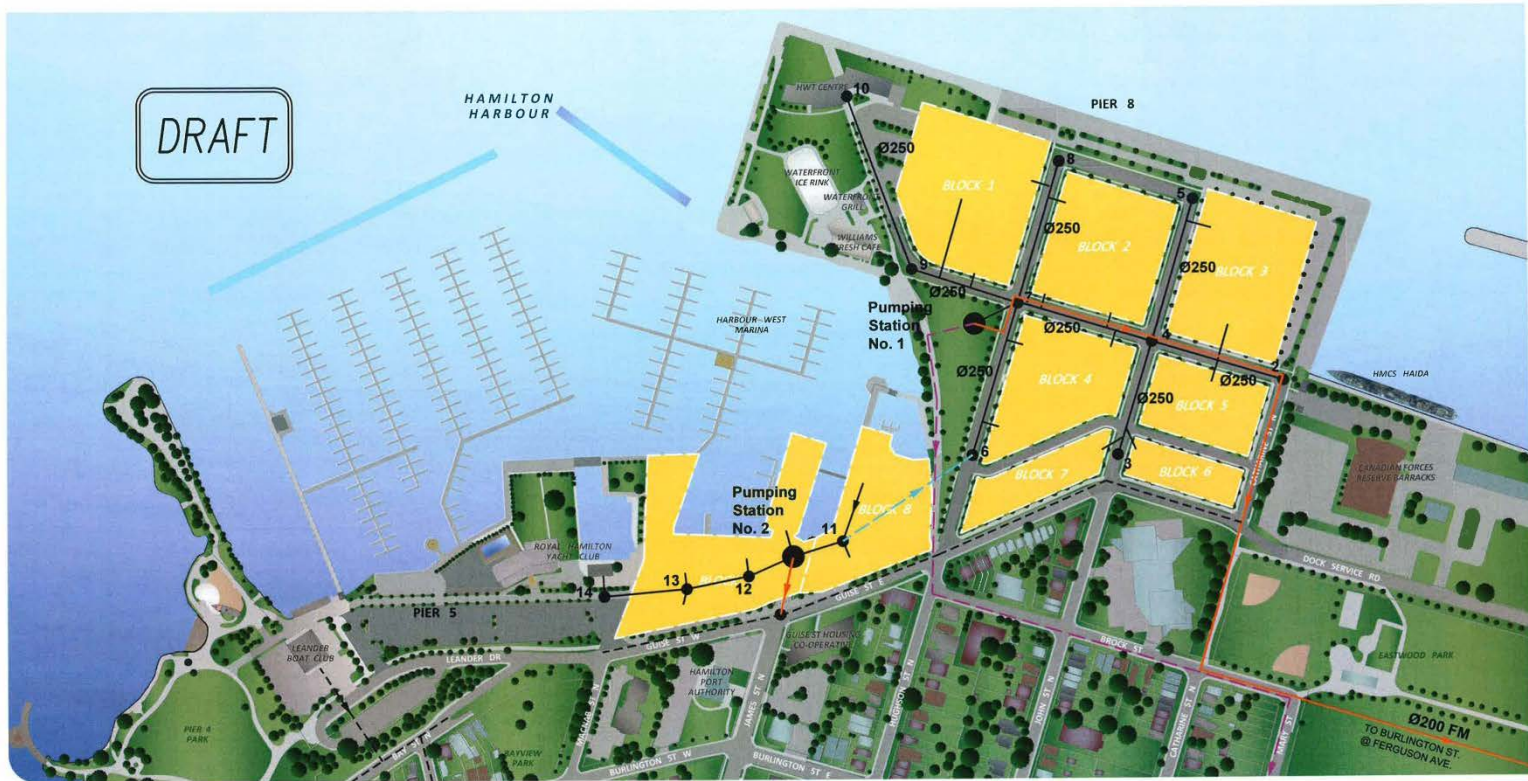


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Waterfront – West Harbour

Piers 5-8 - Servicing Studies

Conceptual Sanitary Plan



CITY OF HAMILTON
PIER 5-8 DEVELOPMENT PLAN

SETTING SAIL BASE CASE
BLOCK NUMBERS
 CONCEPTUAL SANITARY SEWER FIGURE 2

LEGEND:

- STUDY AREA
- EXISTING BUILDINGS
- ASPHALT AREAS
- LANDSCAPED AREAS
- BLOCK AREAS
- PROPOSED SANITARY SEWER
- EXISTING SANITARY SEWER
- PROPOSES SANITARY FORCEMAIN
- ALTERNATE FORCEMAIN ROUTING
- ALTERNATE CONNECTION FOR PIER 6 & 7

MAPPING INFORMATION:
 Mapping from City of Hamilton

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Waterfront - West Harbour

Capital Investment to be “Development Ready”

- Total public-sector cost estimate at full implementation of the WHWRMP & Pier 8 mixed-use development
 - \$123.6 million
 - 10-year Implementation (phased-in - project-by-project)
- Total Cost to become “Development-Ready”
 - 4-year Implementation – 2014 - 2017
 - \$50.87 million (Gross) \$39.17 million (Net) - 2015 - 2017
- Projects that get the City to a point of being “Development Ready”:
 - Replacement of the current “city-owned” Marina assets
 - Restoration & Replacement of the current “city-owned” shoreline
 - Servicing Requirements for the “city-owned” Piers 5-8 lands
 - Park and open-space investments
- **\$7.5 million** per year in new Municipal tax revenue – **Every Year**
- **Bottom-Line:** Investments made upfront lead to real economic-lift in future years and generations

West Harbour

Capital Investment to be “Development Ready”

2014 Capital Budget – Report FCS13096 - Dated: November 28, 2013

Table 3 on Page 8-9 is replicated below

Table 3

West Harbour Waterfront Strategic Initiatives Capital (\$000's)

Forecast Capital			
Approved 2012	\$	850	\$ 850
Approved 2013	\$	7,024	\$ 2,545
Proposed 2014	\$	7,695	\$ 4,237
Subtotal (Excludes HWT Capital)	\$	15,569	\$ 7,632
Proposed 2015	\$	13,505	\$ 11,065
Proposed 2016	\$	17,975	\$ 13,106
Proposed 2017	\$	19,390	\$ 15,003
Subtotal (Excludes HWT Capital)	\$	50,870	\$ 39,174
Total	\$	66,439	\$ 46,806
Assumptions (2015 - 2017)			
1. Net = 25% of average actual annual park dev DC's collected available for funding			\$ 300
2. Net = Rate Budget			

Waterfront - West Harbour

Servicing Study Recommendations & Work Plan

1. Develop a broader real estate development strategy for the study area.
 - ✓ Funding was approved in 2013
 - Develop a disposition strategy and EOI/RFP Process for all city-owned lands:
 - “Barton-Tiffany”
 - Pier 8

2. Harmonize planning regulations and proceed with the urban design study for the West Harbour.
 - ✓ Funding was approved in 2013
 - Expedite the Pier 8 Urban Design Study & Development Concept Plan
 - Align other Planning regulations to achieve the development outcomes

3. Complete Phase 1 and 2 Environmental Site Assessments and Geotechnical Study for Piers 5-8.
 - ✓ Funding was approved in 2012
 - Formed part of the original Terms of Reference for the Servicing Studies

Waterfront - West Harbour

Servicing Study Recommendations & Work Plan

4. Complete a transportation impact study for Piers 5-8
 - ✓ Funding was approved in 2013
 - Conduct study concurrently or as a part of the Pier 8 Concept Plan

5. Complete Pumping Station Class Environmental Assessment (ongoing)
 - ✓ Funding was approved in 2013
 - Expected Completion Q.2-2014

6. Finalize the termination of Hamilton Port Authority, Sun-Canadian and Imperial Oil Pipeline Leases
 - City required to give formal notice of termination
 - Timing of re-location will be determined

7. Coordination of the West Harbour Servicing study with other City infrastructure studies
 - Aligning PED and PW divisions, develop a corporate strategy for servicing the broader West Harbour area

Waterfront - West Harbour

Final thoughts...Next Steps & Constraints

1. It is possible to become “Development-Ready” before 2018
 - Staff can proceed with some projects concurrently
 - Not all infrastructure needs to be completed for some development to occur
 - Existing buildings and services may be utilized earlier
2. Ensure predictable year-over-year funding allocations for 2015-2018, to bring to a state of “Development-Ready”
 - Capital Budget
 - Operating Budget
3. Additional dedicated staffing resources are required
 - The current de-centralized staffing model has its limitations
 - Project Delivery staff are required to fulfil timing expectations & internal discussions are on-going for implementation
 - Complexity of the projects requires certain skill-sets
4. Some key timing constraints remain outside of the City’s control
 - time required to complete a full Phase 1&2 ESA and Geotech Study
 - timing of the physical re-location of the pipelines
 - shoreline restoration work requires a phased approach
 - servicing requirements require a phased approach
 - Required regulatory agency approvals

Report PED14002 – January 17, 2014

Staff Recommendations

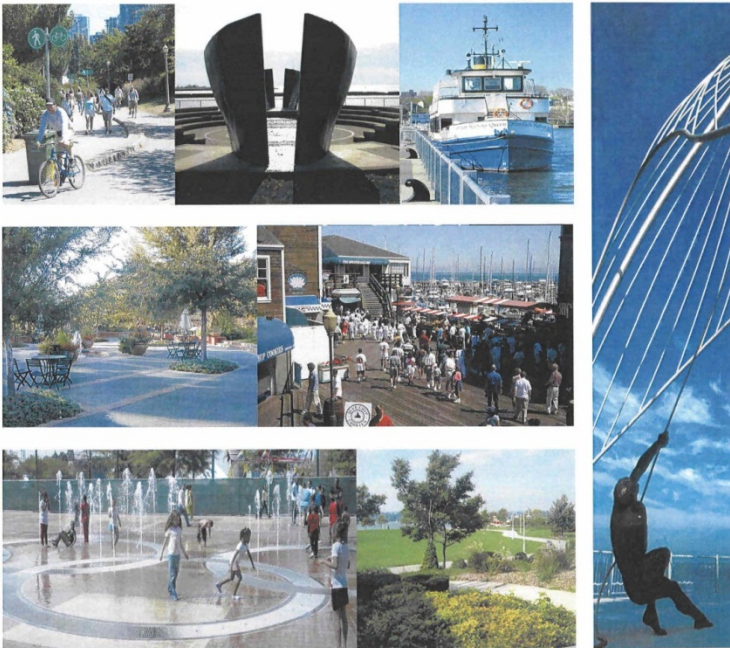
- (a) That the recommendations contained in Appendix “A” to Report PED14002 entitled “West Harbour Piers 5-8 Servicing Studies and Pro Forma Analysis”, be approved;

Appendix “A”:

- 1. Develop a broader real estate development strategy for the study area.*
- 2. Harmonize planning regulations and proceed with the urban design study for the West Harbour.*
- 3. Complete Phase 1 and 2 Environmental Site Assessments and Geotechnical Study for Piers 5-8.*
- 4. Complete a transportation impact study for Piers 5-8.*
- 5. Complete Pumping Station Class Environmental Assessment (ongoing)*
- 6. Finalize the termination of Hamilton Port Authority, Sun-Canadian and Imperial Oil Pipeline Leases.*
- 7. Coordination of the West Harbour Servicing study with other City infrastructure studies.*

- (b) That staff be directed to prepare and report back on a comprehensive implementation plan, including the recommendations above, with the goal being to prepare the Piers 5-8 lands to a state of “development-ready” by the end of 2018.

Thank You



For More Information Contact:
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