

**CITY OF HAMILTON**

**Community Services  
Culture Division**

<b>TO:</b> Chair and Members Emergency & Community Services Committee	<b>WARD(S) AFFECTED:</b> WARD 5
<b>COMMITTEE DATE:</b> April 20, 2011	
<b>SUBJECT/REPORT NO:</b> Assessment of City's Future Plans for the Beach Canal Lighthouse and the Lighthouse Keeper's Cottage (CS11018) (Ward 5) (Outstanding Business List Item)	
<b>SUBMITTED BY:</b> Joe-Anne Priel General Manager Community Services Department	<b>PREPARED BY:</b> Debra Seabrook 905.546.2424 Ext. 4123
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- a) That the report respecting Beach Canal Lighthouse and Lighthouse Keeper's Cottage: Assessment of the City of Hamilton's Future Plans attached as Appendix A to Report CS11018, be received;
- b) That staff be directed to investigate the availability of capital contributions from other levels of government, foundations, and the private sector, for the restoration of the buildings and site, and report back on findings;
- c) That Item "J" part (i) respecting the assessment of the City's future plans for the Beach Canal Lighthouse and the Lighthouse Keeper's Cottage be considered complete and removed from the Emergency and Community Services Outstanding Business List.

**EXECUTIVE SUMMARY**

Located on the edge of the Beach Canal on Hamilton Beach, the Beach Lighthouse site is the only complete surviving Light Station on Lake Ontario. The Beach Lighthouse

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(also known as the Beach Canal Light Station or Burlington Canal Light Station) and Lighthouse Keeper's Cottage are two historically significant structures dating back over 150 years.

At the June 2, 2010 Emergency and Community Services Committee meeting, staff were directed to prepare an assessment of the City's future plans for the Beach Canal Lighthouse and the Lighthouse Keeper's cottage, in the areas of maintenance, capital investments, operations, land use and security, prior to any further negotiations regarding transfer of ownership from the Federal Government to the City of Hamilton.

Capital Investment

A capital investment of \$820,060 is required to restore the Beach Canal Lighthouse and the Lighthouse Keeper's cottage.

Maintenance Costs

After restoration the annual maintenance costs are estimated at \$11,000.

Operations

If the direction is to operate the Beach Canal Lighthouse & Lighthouse Keeper's Cottage as a small-scale historic site the annual operating budget is estimated at \$41,200. The municipal levy contribution would be \$15,000. All other expenses either would be in-kind contributions or earned revenues. (Budget breakdown is listed under Analysis/Rationale Section)

Land Use and Security

Restoration plans include not only the building envelope, but the interior, interpretation and basic development of land surrounding the buildings to facilitate site usage and resolve potential security issues relating to the buildings and the neighbouring Federal Public Works Facility which includes the lift bridge.

Phase 1 (the restoration and stabilization of the building envelopes) is estimated at \$669,250; which includes the Initial Capital investment for Security of \$22,500 and Phase 2 (Interior restoration and interpretation) estimated at \$150,810; which includes the Initial Capital Investment for Land Use of \$2,000.

Future Plans

A staff prepared report is attached as Appendix A to Report CS11018 Beach Canal Lighthouse & Lighthouse Keeper's Cottage: Assessment of the City's Future Plans. This

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assessment outlines the stabilization and restoration of the lighthouse and cottage. In addition, the assessment outlines the proposed operation of the site as a small scale, seasonally operated historic site. Day to day operations would be the responsibility of a third party community group and Culture Division staff would oversee maintenance and third party contract compliance.

Currently, the Beach Canal Lighthouse and Lighthouse Keeper's Cottage are under the ownership of the Federal Government.

***Alternatives for Consideration –Not Applicable***

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:** There are no financial implications associated with the recommendations in Report CS11018.

**Staffing:** There are no staffing implications associated with the recommendations in Report CS11018.

**Legal:** There are no legal implications associated with the recommendations in Report CS11018.

**HISTORICAL BACKGROUND**

Located on the edge of the Beach Canal on Hamilton Beach, the Beach Lighthouse site is the only complete surviving Light Station on Lake Ontario. In 1996, the City of Hamilton designated both the Lighthouse and Lighthouse Keeper's cottage under Part IV of the Ontario Heritage Act.

The Beach Canal Lighthouse Group, a community based organization, sought support from the City of Hamilton to assist in the long term preservation of the site. Funding was secured from the Hamilton Beach Restoration Fund to complete a Business and Operations Plan and Heritage Building Assessment for the Lighthouse. The resulting report, Beach Canal Light Station Operational Study and Heritage Building Assessment (Appendix A to Report CS09068) was received by Emergency & Community Services Committee at the 18 November 2009 meeting.

At the November 18, 2009 meeting, Emergency & Community Services Committee directed staff to investigate the terms to transfer ownership of the Beach Lighthouse and Lighthouse Keeper's Cottage from the Federal Government to the City of Hamilton and report back to Emergency & Community Services Committee.

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**POLICY IMPLICATIONS**

There are no policy implications associated with the recommendations in Report CS11018.

**RELEVANT CONSULTATION**

Not Applicable

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

The Beach Canal Lighthouse and Lighthouse Keeper's Cottage: Assessment of the City of Hamilton's Future Plans attached as Appendix A to Report CS11018 has been prepared to give Council the opportunity to make an informed decision regarding the possible transfer of ownership of the Lighthouse and the Keeper's Cottage from the Federal Government to the City of Hamilton.

Due to the capital expense involved in restoring the lighthouse and the cottage, staff are recommending that an assessment be conducted to determine the availability of capital grants, community and private sector fundraising capacity to complete the restoration project.

Proposed Capital and Operating Budget:

Capital Costs

<b>EXPENSES</b>	
Capital Investments for Restoration	\$795,560
Land Use (Initial Capital Investment)	\$ 2,000
Security (Initial Capital Investment)	\$ 22,500
<b>Total</b>	<b>\$ 820,060.</b>

Operating Costs

<b>EXPENSES</b>	
Maintenance (includes conservation and building maintenance)	\$11,000
Operations (includes wages, curatorial, marketing & communication, acquisitions, displays, gift shop)	\$30,200

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<b>Total</b>	<b>\$ 41,200</b>
<b>REVENUE</b>	
Municipal Levy	\$ 15,000
Municipal In-kind (staff liaison with community group)	\$ 10,000
Donations, Grants, Gift Shop and Programming	\$ 16,200
<b>Total</b>	<b>\$ 41,200</b>

**ALTERNATIVES FOR CONSIDERATION**

**Not applicable.**

**CORPORATE STRATEGIC PLAN**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

***Financial Sustainability***

- ◆ Financially Sustainable City by 2020

***Healthy Community***

- ◆ Plan and manage the built environment

**APPENDICES / SCHEDULES**

Appendix A: "Beach Canal Lighthouse and Lighthouse Keeper's Cottage: Assessment of the City of Hamilton's Future Plans"

## **BEACH CANAL LIGHTHOUSE & LIGHTHOUSE KEEPER'S COTTAGE: Assessment of City's Future Plans**



## Executive Summary

In June of 2010, the Emergency and Community Services Committee, City of Hamilton, directed staff to prepare an assessment of the City's future plans for the Beach Canal Lighthouse and the Lighthouse Keeper's Cottage, specifically in the areas of maintenance, capital investments, operations, land use and security, prior to any further negotiations regarding transfer of ownership from the Federal Government to the City of Hamilton.

The prepared assessment proposes an annual operating budget of approximately \$41,200 based on approximately 5,000 to 6,000 visitors per year. The City of Hamilton's contribution to operations is projected at \$25,000 per year (\$15,000 in direct funding and \$10,000 in in-kind for City facilitation and advisory services); the third party organization would be responsible for the additional \$16,200 in estimated costs for yearly operations. Below is a summary of proposed operational costs.

### Capital Costs

<b>EXPENSES</b>	
Capital Investments for Restoration	\$795,560
Landscaping and signage (Initial Capital Investment)	\$ 2,000
Security (Initial Capital Investment)	\$ 22,500
<b>Total</b>	<b>\$ 820,060.</b>

### Operating Costs

<b>EXPENSES</b>	
Maintenance (includes conservation and building maintenance)	\$11,000
Operations (includes wages, curatorial, marketing & communication, acquisitions, displays, gift shop)	\$30,200
<b>Total</b>	<b>\$ 41,200</b>
<b>REVENUE</b>	
Municipal Levy	\$ 15,000
Municipal In-kind (staff liaison with community group)	\$ 10,000
Donations, Grants, Gift Shop and Programming	\$ 16,200
<b>Total</b>	<b>\$ 41,200</b>

The two buildings would be included in the Culture Division's 10 year capital plan and become part of the working portfolio. In the short term, the Culture Division would seek funding from Council and Provincial, Federal and charitable granting

sources to restore and stabilize the two structures. These costs can be divided into two phases:

- Phase 1: Restoration and Stabilization of Lighthouse and Lighthouse Keeper's Cottage, \$669,250, and
- Phase 2: Interior Restoration and Interpretation of Lighthouse and Lighthouse Keeper's Cottage, \$150,810.

Total projected capital costs for the re-development of the site are estimated at \$820,060.

## Key Assumptions

In order to create a plan for the development, care and interpretation of Beach Canal Lighthouse & the Lighthouse Keeper's Cottage, certain assumptions were required. Each is necessary for any future success.

- That sufficient land would be transferred to facilitate development and interpretation of the site (e.g. adequate parking and public access);
- That the adjacent properties (notably the functioning lift bridge) would be unaffected by the project;
- That the lighthouse & cottage would be transferred;
- That rights of way for public access would be resolved through land use planning and future site development; and,
- That the City of Hamilton would commit to the restoration and preservation but not necessarily operation.



## Background

In 2007, through the Hamilton Beach Restoration Fund, the City of Hamilton provided funding to the Beach Canal Lighthouse Group (BCLG) to prepare a business plan detailing the potential development and interpretation for the Beach Canal Lighthouse and the Lighthouse Keeper's Cottage. BCLG contracted Canadian Cultural Resource Consultants and Goldsmith, Borgal & Co Ltd Architects who produced a report entitled "*Beach Canal Lighthouse Business Plan*", March 23, 2009.

This plan presented a variety of options from a small seasonally run, volunteer based operation to a large multi-faceted organization fully funded and operated by the City. The research conducted for the report and some of the findings have been invaluable to the preparation of this document.



Much of the information presented in this Assessment of the City's Future Plans is directly derived from BCLG report and the plan presented here is based partly on Scenario 1b from the BCLG report.

### Historical Background



In 1823, the Burlington Bay Canal was proposed as one of a series of waterways intended to open Lake Erie to sea traffic from the Atlantic. Local residents accepted this idea, as it would make Burlington Bay a usable harbour linked to the extensive shipping and commerce already developing on nearby Lake Ontario.

Canal work was commenced in 1826 but was not completed until 1832. To act as a navigational beacon and guide for vessels entering the canal, and as a part of Britain's desire to improve navigation and enhance development in her Canadian colonies after the War of 1812, a wooden lighthouse was completed in 1838 on the south side of the canal. Its design was similar to many others constructed in the

early 1800s – many early and mid-19th century lighthouses of similar design remain on the East Coast of Canada as well as in Georgian Bay. A lighthouse keeper was hired to maintain the light and building. The keeper worked in conjunction with the ferryman - their homes were built in close proximity.

On July 18, 1856, the steamship Ranger was passing through the Canal when sparks strayed and caused a major fire that destroyed the lighthouse, a ferry, and two houses. A temporary lighthouse was built and was eventually replaced in 1858 with the current structure.

John Brown, who constructed the six imperial towers on Lake Huron and Georgian Bay in the mid 1850's, was hired to build the 1858 Lighthouse. It was constructed of white dolomite limestone (over five feet thick at chest height) and about 55 feet high. It was almost identical to the lighthouse built by Brown on Christian Island in Georgian Bay, and similar to his recently restored Chantry Island Light in Southampton and the Point Clark Light north of Goderich on Lake Huron.

On completion of the stonework, an interior staircase was installed which was typical of 1850's Lights (earlier lighthouses, such as the one constructed c. 1845 at Presqu'île and the 1818 Thames River Light at Lighthouse Cove, near Windsor, had similar stairs although they usually had straight rather than curved runs). This was followed with the addition of the lantern room at the top. This lighthouse was one of the first to use coal oil, rather than the traditional whale oil.

The Lighthouse was maintained without major repairs until 1958—a time frame not dissimilar to that of the Bonavista Light in Newfoundland, which was in continuous operation from c1845 to 1962.

In 1958, a powerful storm swept through the region and the Lighthouse sustained damage with water penetrating and damaging its structure and lantern. A few months after the storm, timber planks were bedded in concrete to make the foundation of the Lighthouse stronger.

In 1961, during a period when many other vintage lights were replaced with alternative aids to navigation, the Beach Canal Lighthouse was replaced with a modern electric beacon. Visible to approximately 15 miles from the canal, this beacon was located on the new lift-bridge. The light keeper remained in residence, retained to tend this new light and the range lights located at the ends of the canal piers. The Beach Canal Light Station officially ceased operations in 1968, marking the end of manned lighthouses at the Beach Canal, yet the stone Lighthouse was not torn down due to costs of demolition.

In addition to the Lighthouse, the site includes the circa 1850's Keeper's Cottage, which is in a remarkably good state of preservation despite its disuse over a period of several decades. The Keeper's Cottage was relocated in 1896 when the swing bridge for the new electric "radial" railway line was constructed – originally, its front door faced the canal.

### **Recent Background**

The Lighthouse and Keeper's Cottage are the two oldest remaining structures on Hamilton Beach. In the over forty years since the decommissioning of the buildings on this site, there have been many discussions related to their potential preservation. However, their location between a 1950's lift bridge and twinned skyway bridges, along with their unusual ownership situation, have made them a challenge in terms of the potential for their preservation. Despite the on-going neglect, they have survived as a testament to the quality of their original design and construction.

In 1996, the City of Hamilton designated the Beach Canal Light Station site (both structures) under Part IV of the Ontario Heritage Act. Although lower level governments cannot enforce bylaws on structures owned by upper level government, such a designation is typically respected as federal policy.

On June 11, 2004, federal government departments were notified by the Department of Public Works and Government Services Canada (PWGSC) of the availability of the land surrounding the Lighthouse and Keeper's Cottage. Expressions of interest, in response to the notice from Public Works, were to have been received by July 11, 2004. Only The Department of Fisheries and Oceans (DFO) responded to the notice, paving the way for them to acquire the land; combine the land and structures into two parcels; and make them available to be acquired. However the land transfer from PWGSC to DFO was never concluded.

In July 2006, Councillor Chad Collins convened a meeting with the Lighthouse group, federal and municipal staff. In this meeting, federal staff confirmed that the Canadian government was not prepared to transfer ownership of the land to the community group but would consider a transfer to the City of Hamilton. The City could then affect an alliance with BCLG for the operation and restoration of

the structures. However, the City was concerned that the restoration and operation must, in any event, be shown to be revenue neutral to the City before they would consider the matter and that BCLG should present a case to the City Of Hamilton for consideration. Subsequently, in 2007, BCLG received funding from the City of Hamilton to prepare a business plan detailing the potential development and interpretation for Beach Canal Lighthouse and the Lighthouse Keeper's Cottage. BCLG contracted Canadian Cultural Resource Consultants and Goldsmith, Borgal & Co Ltd Architects who produced a report entitled "*Beach Canal Lighthouse Business Plan*", March 23, 2009; a report reference repeatedly in this document.

## **Current Status**

### **De-commissioning of Federal lighthouses**

In 2010 the Department of Fisheries and Oceans Canada (DFO) declared approximately 480 active lighthouses and approximately 490 inactive lighthouses across Canada surplus to its needs. The de-commissioning of lighthouses occurred prior to the new *Heritage Lighthouse Protection Act* coming into force and it is therefore unclear if those properties which were designated prior to de-commissioning retain their designation or if new owners would be required to apply for designation under the new act. In the case of Beach Canal Lighthouse, no designation was awarded prior to being declared surplus and therefore could be submitted should the City Of Hamilton decide to proceed with transfer of ownership.

Under the new *Heritage Lighthouse Protection Act*, which came into effect on May 29, 2010, these properties can be transferred to new owners wishing to take advantage of their heritage designation or tourism potential as long as they are maintained in a manner consistent with established conservation practices.

Individuals, municipalities or non-profit groups may apply to Parks Canada for heritage designation of any federally-owned lighthouse property. For the surplus lighthouses, a written commitment to acquire ownership and protect the lighthouse must be accepted by Fisheries and Oceans Canada in order for it to be designated under the Act. Potential owners must submit a business plan that shows their proposed use of the property will be economically viable over the long term, and that they have the capacity to manage the property.

### **National Historic Significance**

The Beach Canal Lighthouse and Lighthouse Keeper's Cottage date back over 150 years and the site is the only complete surviving Light Station on Lake Ontario.

To be recognized as having National Significance, a potential lighthouse site is assessed against the four guidelines proposed in the Preliminary Assessment of Significance as described in Framework for Evaluating the National Historic Significance of Lighthouses, Agenda Paper 1998-49. Beach Canal Lighthouse meets at least two of the four guidelines and therefore "may be considered of

potential national historic significance". The Agenda Paper also notes, however, that "A lighthouse should not be considered in isolation, as the ensemble of buildings at a light station may collectively have a value greater than the sum of its parts". Placing the weight of consideration for National Significance of the sum of the two buildings, the 1857 Lighthouse keeper's cottage and the Lighthouse, may enhance its eligibility for recognition as a national historic site; given the same reasons it was designated under the Ontario Heritage Act.

Since the site already retains designation under the Ontario Heritage Act, it might not be necessary to proceed with an application for designation of National Significance should the City Of Hamilton proceed with the transfer of land and properties.

## Site Ownership

The following federal departments and agencies have controlling interests in the land upon which the lighthouse and lighthouse keeper's cottage stands (***as seen in the aerial diagram on page 11***):

- Public Works and Government Services Canada (PWGSC), which owns the land on which the buildings are situated and operates and maintains the Lift Bridge;
- Department of Fisheries and Oceans (DFO), which owns the buildings;
- Hamilton Port Authority, which owns adjacent lands and has an ongoing study for redevelopment of the area around the canal, titled the Fisherman's Pier Development Plan;
- Transport Canada which owns adjacent lands;
- Hamilton Conservation Authority which also owns adjacent lands.

Other agencies and organizations which may have an interest in the future of the lighthouse include:

- Bay Area Restoration Council
- Beach Canal Lighthouse Group (BCLG)

In addition, various City of Hamilton departments have an interest in this property. The site's location within the city and its potential to assist in augmenting the city's tourism potential (due to its proximity to a major transportation route) render it of exceptional interest to the municipality. Beach Canal can be easily integrated with the total cultural heritage program within the city; helping to fulfill part of the City Of Hamilton's objectives for Beach Front re-development.

In the past, negotiations between PWGSC and DFO to transfer the land upon which the properties stand have failed. The primary concern on behalf of PWGSC was the intent on the part of DFO to transfer the newly acquired land and buildings to a non public-sector group: at the time the Beach Canal Lighthouse Group. However, there have been recent indications that PWGSC

would enter into negotiations for the transfer of land to a public sector organization, such as the City Of Hamilton.

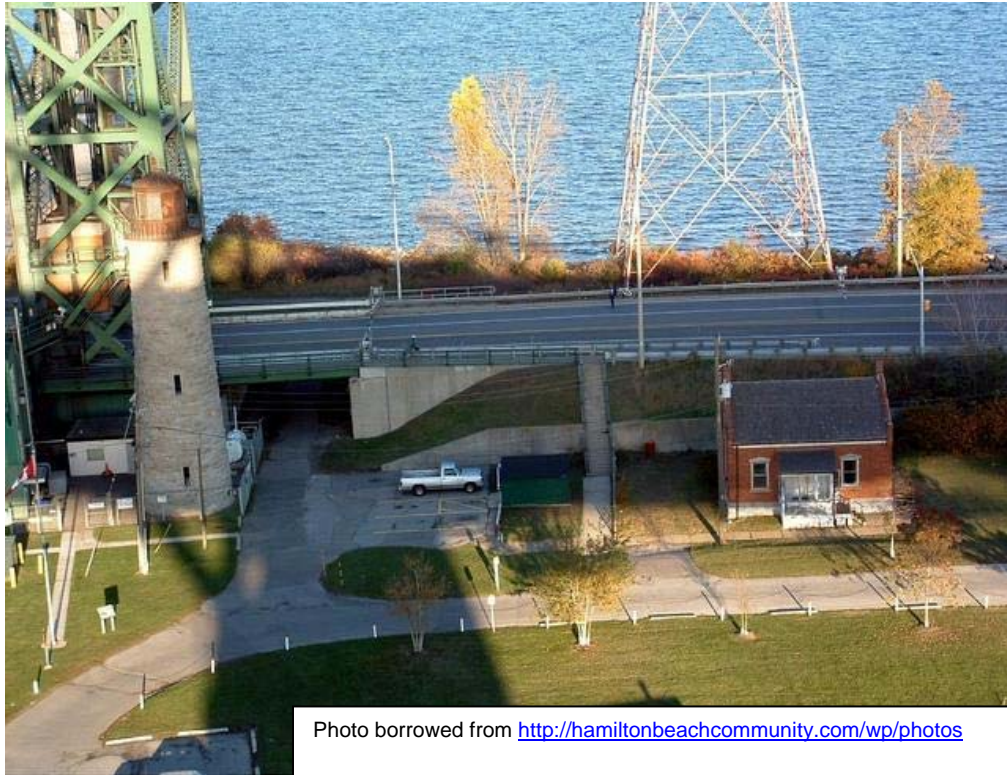


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Photo supplied by the Department of Public Works and Government Services Canada

## The Opportunity

### Operations & Maintenance\*

The Beach Canal Lighthouse Business Plan prepared by Canadian Cultural Resources Consultants and Goldsmith, Borgal & Co. Ltd Architects (2009) recommended that the Lighthouse, Lighthouse Keeper's Cottage and gifted lands, be absorbed into the Heritage portfolio of the City of Hamilton and operate as a small seasonal facility. The City would dedicate capital, security, and maintenance funds required to maintain and preserve the site. Included in the operational contribution would be a technical advisor. This position would be part time (1 FTE @ 10%) and would most likely become part of the work plan for the Curator of the Hamilton Museum of Steam and Technology. The City would enter into an operational agreement or contract with a third party group or organization to run the cultural site. This would require the facility to be staffed largely by volunteers who would maintain the day to day operations. In addition, two paid students could work for a total of 12-14 weeks during the summer months; balanced by federally funded programs. The City advisor would be responsible for monitoring the contract.

The operational season would consist of approximately 5 months of general access, the beginning of June to the end of October, with the potential for off-season bookings and facility rentals. This would be possible because the organization or group contracted by the City would establish full-time occupation of the site. Full-time occupancy benefits the site by reducing the risk to security such as vandalism and degradation due to vacancy and neglect.

The seasonal operation would be open for less than the required 1080 hours per year (over 8 months) needed to qualify as a full time operation under the Ontario Ministry of Culture guidelines for full-time community based museums thus precluding it from some grant opportunities. It would then become the onus of the third party group with advice from the City of Hamilton to research, solicit and secure grants to offset operational costs. It is anticipated that the annual operating budget would be approximately \$41,200 (see table below "Proposed Operational Budget") with visitation in the area of 5,000 to 6,000 per year. The City of Hamilton's contribution to operations is projected at \$25,000 (direct and in-kind contributions) per year; leaving the third party organization with the responsibility to generate the estimated additional \$16,200 required for yearly operations. Included in the projected \$25,000 contribution from the City of Hamilton is the 'in-kind' facilitation and advisory support as well as maintenance costs for site as defined in the table "Proposed Operational Budget" below.

The City of Hamilton would contribute an annual maintenance budget to ensure the buildings and lands are cared for and preserved. Subsequently, both buildings would be included in the 10 year capital plan for the Culture Division and become part of the working portfolio. In the short term, The Culture Division

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\*The scenario presented below is derived, almost entirely, from 1b as presented in the Beach Canal Lighthouse Business Plan prepared by Canadian Cultural Resource Consultants and Goldsmith, Borgal & Co Ltd Architects, 23 March 2009.

will seek funding from City Council and various Provincial, Federal and charitable funding agencies to restore and stabilize the two structures. For detailed Capital Project costs involved in the re-development of the site please refer to the chart on Page 2.

This style of operation can be viewed as minimal in function with programming and interpretation focusing primarily of the two heritage structures on the site and their contribution and impacts on the beach front communities and harbor trade. Besides financial contributions, the site would also benefit from being part of the Culture Division portfolio through access to shared services; museological, administrative, and marketing. The reliance on volunteer labour for special initiatives and in the day-to-day operations of the site will require the support of the Division and a special working relationship with the Hamilton Museum of Steam & Technology. The City of Hamilton's Culture Division is familiar with third party licensing agreements and has working arrangements with volunteer organizations at most of their National Historic Sites. The nurturing and establishment of an additional one for Beach Canal would be a familiar task.

## S.W.O.T. Analysis

During development of the Operational Study and Heritage Assessment a S.W.O.T. analysis was conducted on the proposed operational scenario. Below you will find the results of the analysis and proposed actions, if possible, to remediate the Weaknesses and Threats.

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Paid staff which will guarantee a sense of continuity. This model is based on minimal staffing costs (.25 of a FTE and two summer students)</li> <li>• Optimization of volunteers to interpret the site</li> <li>• Minimal operating contribution and as such easy for the City Of Hamilton to absorb into operational budgets.</li> <li>• Designed to actively interpret both heritage structures</li> </ul>	<ul style="list-style-type: none"> <li>• Site Manager employed on a part-time basis thereby not utilizing full strength of the position</li> <li>• The site would be open for less than the required 1080 hours per year (over 8 months) needed to qualify as a full time operation under the Ontario Ministry of Culture guidelines for full-time community based museums.</li> <li>• This option relies heavily on volunteer labour for any special project initiatives and also calls for the use of volunteers in day-to-day operations of the site.</li> <li>• Minimal function and programming and interpretation would remain primarily of the two heritage structures on the site; which will result in minimal attendance and interest.</li> <li>• Need for site usage plan to mitigate traffic flow and pedestrian usage risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with an outside organization, develop networks.</li> <li>• Opens another heritage facility to the public, provide better interpretation of the City's heritage, and assists the City with meeting goals as outlined in the action plan for 2010.</li> <li>• Joint marketing opportunities with partner organizations.</li> </ul>	<ul style="list-style-type: none"> <li>• 28% of the proposed income is based on core activities and grants and as such there is a huge deficit potential as site develops and becomes established</li> <li>• No capital project funding has been confirmed and no large scale restoration plans to ensure longevity of heritage structures.</li> <li>• Public access would be limited to the Lighthouse at posted times and the main floor of the Keeper's Cottage. It is anticipated that the second floor of the Keeper's Cottage, and perhaps parts of the main floor, would be needed for support functions. Active use as administration offices will increase the threat to the heritage fabric of the buildings.</li> <li>• No security provisions</li> </ul>



Concerns	Identified Solutions
Lack of Full-time direction due to part-time staff compliment	<p>There is no solution to this issue without moving the 1 FTE @25% to a full FTE. To mitigate this, a healthy working relationship will have to be developed between the third party organization and the Curator of the Hamilton Museum of Steam &amp; Technology.</p> <p>The third party organization operating the site should be encourage to function at arms length from Curator, making daily decisions and using Curator as support when required.</p> <p>It will be necessary to have a clearly defined operating contract with organization which identified roles, responsibilities, authorities and governance.</p>
Not Eligible for CMOG	<p>Encourage and assist third party organization to become registered or incorporated as a non-profit, charitable organization which will then be able to fund-raise and solicit grants on behalf of the site.</p> <p>Since site will not be eligible for CMOG, City will initially carry a large amount of annual operating costs until operating organization can become more self-sustaining.</p>
Relies heavily on volunteer labour	No solution to this dilemma and impending risk until operating budgets can be expanded to include site-focused staff
Minimal interpretation and programming	<p>Solicit grants and encourage summer students to expand interpretation and programming. These programs can be taught to volunteers. However, until administration space is located outside of lighthouse and cottage and an interpretive centre in established, this will always be minimal.</p> <p>Long-term planning can help mitigate this issue. If land capacity allows for it, long-range planning can accommodate for the need of more space and interpretive areas.</p>
No planned restoration or capital budget allocation	<p>Must seek funding opportunities provincially and federally.</p> <p>Must be included in long-range capital planning and maintenance portfolio.</p>
Limited public access	Physical access: until administration space is located outside lighthouse and cottage, this will not be mitigated. Site will never be fully accessible as defined by the AODA legislation for those with limited mobility. Time Access: this can not be mitigated until site is opened to general public on a full-time basis.
Security of lift bridge	Limit access to upper level of lighthouse? Security systems to prevent off-hours access and early detection.
Land use	<p>Parking, movement of traffic for both visitors and The Federal Department of Public Works, space to encourage visitor enjoyment (gardens, benches etc).</p> <p>Site usage planning will mitigate traffic, both vehicular and pedestrian, when transfer is complete.</p>
Site layout (lighthouse behind fence, parking lot etc)	Fence will have to be move so that the Department of Public Works is secure yet the lighthouse is accessible. There is the issue of the parking lot that separates the lighthouse from the cottage; this will have to be relocated.

## Marketing Strategy

Any third party organization operating the site would have the benefit of linking into some of the City Of Hamilton's Culture Division marketing initiatives. The City spends close to \$100,000 in marketing for their Museums and Heritage Sites, focusing on all of the major sectors;

- Consumer
- Corporate
- Educational
- Social
- Travel Trade

Westfield Heritage Centre represents a parallel case. Owned by the City of Hamilton but operated under an agreement by the Hamilton Conservation Authority, Westfield is responsible for marketing its programs. Nevertheless, the City does provide some limited opportunities for Westfield in the general lure and school programme brochures.



However, the site would also benefit from being operated by an independent third party organization as it would not be bound by the City of Hamilton's marketing protocols. It would be able to explore the opportunities of Social Media such as Facebook, Youtube, Twitter, Flickr, and LinkedIn. Most of the studies being released today credit Social Media as the future of user interaction and visitor participation in our cyber-savvy world.

Exploration into social media would require additional funding, as would any detailed marketing strategy. The proposed marketing budget in the scenario detailed above is \$800. This budget would accommodate only those initiatives that are City driven and would not cover any aggressive marketing strategy. This approach is not recommended. Although developing an aggressive, independent marketing strategy put the onus on any third party organization operating the site, it is believed to be fundamental in any potential growth and development.

The *Beach Canal Lighthouse Business Plan prepared by Canadian Cultural Resource Consultants and Goldsmith, Borgal & Co Ltd Architects, March 23, 2009* contains a detailed and extensive strategic marketing plan. Although some statistics are now out of date and selected examples are only relevant for operational models not recommended in this proposal, the bulk of the plan is sound and would be a valuable tool for any organization wishing to develop such a plan for the site.

## ***Strategic Marketing\****

A standard definition of ***Strategic Marketing*** is the process of planning and executing the conception, pricing, promotion, and distribution of ideas and services to create exchanges that satisfy individual, public and organizational goals. It must always maintain a balance between the objectives of the facility and changes in market opportunities (including competition).

Marketing should not be an afterthought. Too many cultural and heritage organizations relegate marketing to this status, confusing it with promotion, which is only one of its components. Service launches, special events, and education programs are often completely planned before marketing is even considered. Typically, the issues within the heritage community related to marketing and advertising are typically so far below industry standards that marketing is frequently ineffective with funds spent unwisely. We recommend that appropriate budgets are made available to market the site once the project is implemented.

***Stakeholders should plan ahead, with a long-term approach to marketing the new site.***

The Beach Canal Lighthouse site is in a unique position both culturally and geographically. The history and interpretive opportunities contained within a few thousand square feet are remarkable. The current development of the surrounding waterfront areas is yet another major area of strength for this site. For example, the move to bring residents to the downtown area in the neighbouring City of Burlington through the construction of high-rise condominiums will bring high-density neighbourhoods within close proximity to this site. This increase in the numbers of relatively affluent residents will provide recreational and cultural opportunities for heritage sites such as the Beach Canal Lighthouse and an associated interpretive centre, which could offer the visiting public options of interest.

The Burlington Skyway vehicular traffic volume is now over 330,000 average workday trips...signage would have to be provided on major arterial roads and the highway indicating the direction to the Lighthouse. Signs should be placed in such a manner as to direct the tourist (and the residents of the area) not only from the main highways, but also from within the municipal boundaries of both the Cities of Hamilton and of Burlington.

However, the Lighthouse, although an important site and worthy of preservation and public access on its own, will not have the ability to attract visitors in significant numbers. Diverting...visitors daily in peak tourism season should, however, be considered ... a (goal). The challenge will be how to do this and what "value added" attraction can be provided to extend the visit to something more than a single point of interest. An opportunity exists for this site to act as a "Gateway" to Hamilton in general and its heritage attractions in particular.

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\* From the Beach Canal Lighthouse Business Plan prepared by Canadian Cultural Resource Consultants and Goldsmith, Borgal & Co Ltd Architects, 23 March 2009.

### ***General Marketing Facts and Figures***

The Golden Horseshoe region with a population of approx. 8.1 million (25% of Canada's total) has Hamilton as the 'forward cleat' in the inner ring (total inner ring pop. 6.5). The TAMS estimate of the total heritage tourist population (over 18 yrs.) in Canada is 3 million, with 750,000 (again 25%) within the 2-3 hour drive to the access point of the Lighthouse.

Tourism is currently Ontario's fifth largest export industry and is projected to become the fourth largest in the near future. Of the \$47.3 billion (1998) of tourism spending in Canada, \$11.5 billion was spent in Ontario. Expenditures in the Niagara region and Toronto were about \$2.1 billion and \$2.8 billion respectively.

Forecasted tourism visitations to the Niagara area range from about 22 million to upwards of 40 million, depending upon the investment level made in tourist facilities.

The Niagara Peninsula area acts as an international trade and tourism gateway between the Greater Toronto Area, and south western Ontario and the United States. Some 120 million people and major markets lie within 500 kilometres of the Peninsula.

As indicated in IBI's 2004 Fisherman's Pier Marketing Opportunities Report, the key land uses within Fisherman's Pier South include Piers 24, 25, 26 and 27, the lift bridge on Eastport Drive, the Hamilton Beach neighbourhood that includes residential dwellings and some small commercial/retail establishments, the Bell Cairn Training Centre, Windermere Basin, the Museum of Steam and Technology and a number of industrial operations. This Hamilton Port Authority funded report also includes many tourism driving factors in the area, including navigational usage facilities including the Lift Bridge and the Lighthouse site itself.

### ***Demographic and Destination Characteristics***

Heritage tourists -the largest of the three segments -are almost a microcosm of the Canadian population at large from a demographic perspective. These heritage travellers are evenly divided between men and women, represent all age groups with some concentration in the 45 to 64 year age cohort. They are somewhat more affluent and have more formal education than does the Canadian population at large. This group of travellers is especially apt to be Canadian-born. While they take leisure trips to the USA and other countries, they are particularly likely to travel within Canada and show special interest in the western provinces as a destination.

### ***Some Preliminary Thoughts on Marketing Initiatives***

1. The promotion of public transportation in the form of bus and a new multi-site ferry services to the Lighthouse could provide transportation choice and the means to reduce by-automobile-only access to this important heritage property.

2. Use web-based technology to both inform of project progress and to illustrate the intended look of the final refurbished site and how it relates to -and complements -other facilities in the immediate area.
3. Operate a spring-to-autumn Hamilton-Burlington 'double-decker' Heritage Tour Bus from the core to a number of marine theme sites in the immediate area (e.g., the Canadian Marine Discovery Centre, the new Lighthouse 'Centre', etc.) or extend the route of the existing tourist train
4. Build a Preliminary Business plan with timelines that targets the Total Funding required to refurbish the Lighthouse and Keeper's Cottage. Begin by soliciting public (including harbour-based and other area industries) donations before moving to funding requests from Government sectors. Alert all regional MPs and MPPs of the intended 'go ahead' plan.
5. Notify other lighthouse associations as well as canal groups, of the project intent to help foster interest and support. There are many such groups in North America and other continents.
6. Conduct a site renovation 'donations push' draw for a mini-tour of lighthouses in the region (26 lighthouses exist on the Canadian side of Lake Ontario/ Lake Erie). Offer many secondary prizes such as Ray Jones' book Great Lakes Lighthouses -Ontario to Superior or similar lighthouse theme publications.
7. To increase awareness of the project, remain visibly active in lighthouse preservation groups and enthusiasts nation-wide.
8. Develop a new, separate Interpretive Centre (between the Lighthouse and Keeper's Cottage or some other suitable location within visual connection to the two buildings -See Option 4). Bring the history/story/images to the walls, offer reproduction sections, suitable for framing, of the diary written by the long-time keeper George Thompson for sale, stock the centre with artefacts and rotating exhibits -all focused on the history of the Lighthouse (from the original wooden structure to the existing structure).
9. Write a weekly/monthly column in the Hamilton Spectator about the project, the volunteers' progress, and the funding targets. Get the local schools and the heritage associations signed up for the duration. Develop a 'Beach Canal Lighthouse' website contest, using secondary high school talent.

### ***Museum Brand Development and Marketing***

In the cultural-heritage business, professional branding is essential to success. A brand is a set of expectations instilled in its customers, as well as its employees/volunteers, and others in nearby facilities. It should be an identity concept that is easily distinguishable from others. Equally important, a site brand should enhance communication with all customers – the public included.

For the Beach Canal Lighthouse Group concept, branding success must include the recognition that everything the group does and says must drive confidence and increase value for 'the customer' (citizens, funding sources, distant heritage visitors, etc.). This is rarely an easy task and there are many rational reasons to dedicate both time and funds to branding the site, including:

- Market differentiation (distinctive understanding & advantage)

- Increased cross-promotional opportunities (better overall margins)
- Better awareness and recognition (leadership in a competitive market)
- Private/public investor confidence (fostering new alliances & funding).

Without question, successful branding initiatives can have immense payback and add genuine value to the buy-in process, whether a site is new or well-established. However, the branding success will depend on an implementation strategy that comprises four essential principals. These important elements are:

- It must be a genuine reflection of core strengths-values-management commitments, and also align with heritage customer values;
- The brand must identify a unique position that clearly differentiates market position, going forward;
- It must carry through every aspect of the (Site) & (BCLG) organization requiring articulation of the site's identity into a series of actions, beliefs and tools;
- Finally, and perhaps most important, it must be consistent over time.

In every brand development process, four distinct elements are employed, each weighted equally:

*Value Proposition*; it defines the uniqueness you provide to customers.

*Brand Character Definition and Expression follows*; the character of your brand must make sense to your most important target market. Next,

*Positioning Statements* must express your place in the market to help investors, future visitors and others understand your intent; these concepts often form a mission statement or a by-line tagged to your logo (e.g., 'We're Keeping the Beach Light On'). And lastly,

*Key Messages* must communicate your chosen information; these 4-5 statements must promote the brand intent and be consistently employed by the entire team.

Further along in the process, brand launch must include a continuous monitoring process to measure value over time to ensure maximum impact is being derived. This stage may include press releases, promotional programs, presentation and memorable methods of reaching the marketplace.

### ***Summary***

A professionally developed brand will give the site identity, character, presence in the market and respect. A brand can grow successfully by leaving a lasting mental picture – meaning a positive mark upon everyone inside the new facility and outside in the customer base. As a ROI value factor, professionally developed branding programs would contribute dramatically to the project's success.

## Capital Investment

Capital investment costs supplied in the *Beach Canal Lighthouse Business Plan* prepared by Canadian Cultural Resource Consultants and Goldsmith, Borgal & Co Ltd Architects, March 23, 2009 were reviewed by the Manager of Heritage Facilities & Capital Planning for the City of Hamilton. Several of the figures presented were considered sound to present day costs; however there were some costs that appeared out of line with standard rates and were adjusted in the budget presented below.

The figures presented on the following page represent a realistic cost for the restoration and stabilization of both the Lighthouse and the Lighthouse Keeper's Cottage and are also based on the assumption that both buildings will be restored and stabilized and support the twin functions of administrative and visitor support services.



Photo borrowed from <http://hamiltonbeachcommunity.com/wp/photos>

<b>Lighthouse - Stage 1 Restoration and Stabilization</b>	<b>Budget</b>
Preliminary documents – Since much of the information could be developed under a voluntary basis, a small amount is carried here for expenses only	3,500
Investigation and testing may include mortar tests, tests for hazardous materials, and coring to determine the depth of ground water and condition of the pilings supporting the foundation.	8,000
Scaffolding – for restoration work of this type, a full scaffolding system is recommended as this work is done in a sequence including initial marking of areas to be repaired, cutting out, back pointing and pointing. Once pointed, the masonry must be allowed to cure (or carbonate) for a period of a month and the scaffolding used during this period to support tarps to keep the mortar damp by providing shade.	100,000
100% repointing, 50% deep back pointing and application of lime wash.	250,000
Lantern repairs which will include new caulking, glazing, and painting both inside and outside.	40,000
Window repairs and stairway repairs – as much as possible, the remaining existing stairs should be used with rotted or damaged areas replaced with similar material. Vestibule installation.	20,000
<b>Base cost</b>	<b>421,500</b>
<b>Contingency</b> – a contingency of approximately 15% is usually recommended to deal with issues that may not be reasonably anticipated at the design stage. This may be adjusted as the work progresses.	63,225
<b>Construction budget (Base cost + Contingency)</b> – this amount may be lowered by volunteer labour or donations of materials but a total figure should be used as an indicator of the total value of the project as it may be useful in obtaining grants and donations from various sources.	<b>484,725</b>
<b>Engineering and consulting</b> – we have carried a rate for this work of 10% which is lower than recommended fees. However, the involvement of skilled professionals with the project is an asset. Some of these costs may be lowered with donations of time. A full estimate of cost, as noted above, is useful in terms of donations and grants.	48,500
<b>Total budget for Lighthouse</b>	<b>533,225</b>

<b>Keeper's Cottage – Stage 1 Restoration and Stabilization</b>	<b>Budget</b>
1. Preliminary documents -Since much of the information may be developed under a voluntary basis, a small amount is carried here for expenses only. Restoration plans would be prepared under the consulting budget (below).	3,000
2. Dismantling – sequential dismantling will reveal the original layout and finishes. This must be carefully done and all information keyed to the drawings. Testing (below) for hazardous materials should be done first.	20,000
3. Investigation and testing may include mortar tests, and tests for hazardous materials such as lead paint.	3,000
4. Scaffolding – only a limited amount of scaffolding should be required for this project as it can be relocated as the work progresses.	25,500
5. Shingles and flashing – the roof appears to be in fair to good condition. Installation of shingles to the rear shed and repairs to the main roof are recommended at present.	15,000



6. Pointing and masonry repairs – the exterior walls are in good condition save for some noted cracking and areas, particularly at the foundation, which may require repairs.	25,000
7. Window repairs would include the fabrication of new exterior storm windows and rehabilitation of the original windows. Testing and assessment of original paint layers should be done with all painted elements prior to refinishing to establish and record the original colour schemes.	10,000
8. Landscaping – a modest budget is provided for minor improvements to paths and planting areas. No allowance is made for a site fence, as its size is not known.	2,000
9. Insulation – a modest amount of insulation and upgrading can be installed depending on decisions related to how the site is to be operated. More extensive insulation would reduce the authenticity of the restoration but may provide more usability and vice versa.	4,000
<b>Base cost</b>	<b>107,500</b>
<b>Contingency</b> – for work of this type a contingency of approximately 15% is usually recommended to deal with issues that may not be reasonably anticipated at the design stage. This may be adjusted as the work progresses.	16,125
<b>Construction budget (Base cost + Contingency + Cost of Services Increase)</b> – this amount may be lowered by volunteer labour or donations of materials but a total figure should be used as an indicator of the total value of the project as it may be useful in obtaining grants and donations from various sources.	<b>123,625</b>
<b>Engineering and consulting</b> – we have carried a rate for this work of 10% which is lower than recommended fees. However, the involvement of skilled professionals with the project is an asset for the project; Some of these costs may be lowered with donations of time. A full estimate of cost, as noted above, is useful in terms of donations and grants.	12,400
<b>Total budget</b>	<b>136,025</b>

<b>Total budget for Stage 1 Lighthouse restoration and stabilization</b>	<b>533,225</b>
<b>Total budget for Stage 1 Keeper's Cottage restoration and stabilization</b>	<b>136,025</b>
<b>BASE COST FOR RESTORATION AND STABILIZATION</b>	<b>669,250</b>

<b>Lighthouse – Phase 2: Internal Restoration and Interpretation</b>	<b>Budget</b>
1. Support facilities – to be installed in the Keeper's Cottage. Some preliminary upgrading would be required and a budget allowance is included. If done in sequence, some of the upgrade work to the lighthouse could be included as a part of the upgrade and restoration work to the cottage.	10,000
2. Interior interpretive panels, furnishings, lighting etc.	15,000
<b>Base cost</b>	<b>25,000</b>
<b>Contingency</b> – a contingency of approximately 15% is usually recommended to deal with issues that may not be reasonably anticipated at the design stage. This may be adjusted as the work progresses.	3,750
<b>Construction budget (Base cost + Contingency)</b> – this amount may be lowered by volunteer labour or donations of materials but a total figure should be used as an indicator of the total value of the project as it may be useful in obtaining grants and donations from various sources.	<b>28,750</b>
<b>Engineering and consulting</b> – we have carried a rate for this work of 10% which is lower than recommended fees. However, the involvement of skilled professionals with the project is an asset. Some of these costs may be lowered with donations of time. A full estimate of cost, as noted above, is useful in terms of donations and grants.	2,875

<b>Total budget for Lighthouse</b>	<b>31,625</b>
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<b>Keeper's Cottage – Phase 2: Internal Restoration and Interpretation</b>	<b>Budget</b>
1. Support facilities –to be installed in the Keeper's Cottage. Since the amount is already carried under the Lighthouse budget only minor renovations would be required to complete the area.	2,000
2. Rear wing repairs would include a full restoration of the wing to its original appearance.	20,000
3. Interior plaster repairs and painting – once an assessment of original colours is completed, repairs and painting can be performed to the interior finishes. The degree of restoration should govern the policy – either repair the plaster using original materials, or cover the plaster with ¼” drywall and paint. Options should be carefully assessed at the planning stage.	20,000
4. Interior woodwork repairs and painting.	3,000
5. Interior doors and hardware	3,000
6. Interior trim restoration	5,000
7. New electrical system & security system for both buildings	20,500
8. New heating system – minimum damage to the fabric of the building is advisable so this selection must be made with a view to providing climate control with delivery of heating and/or cooling in as discrete manner as possible.	10,000
9. Interior interpretive panels, furnishings, lighting etc.	15,000
<b>Base cost</b>	<b>98,500</b>
<b>Contingency</b> – for work of this type a contingency of approximately 15% is usually recommended to deal with issues that may not be reasonably anticipated at the design stage. This may be adjusted as the work progresses.	9,850
<b>Construction budget (Base cost + Contingency + Cost of Services Increase)</b> – this amount may be lowered by volunteer labour or donations of materials but a total figure should be used as an indicator of the total value of the project as it may be useful in obtaining grants and donations from various sources.	<b>108,350</b>
<b>Engineering and consulting</b> – we have carried a rate for this work of 10% which is lower than recommended fees. However, the involvement of skilled professionals with the project is an asset for the project; Some of these costs may be lowered with donations of time. A full estimate of cost, as noted above, is useful in terms of donations and grants.	10,835
<b>Total budget</b>	<b>119,185</b>

<b>Total budget for Phase 2: Internal Restoration and Interpretation of Lighthouse</b>	<b>31,625</b>
<b>Total budget for Phase 2: Internal Restoration and Interpretation of Keeper's Cottage</b>	<b>119,185</b>
<b>Base cost for internal restoration and interpretation</b>	<b>150,810</b>

<b>Base cost for restoration and stabilization</b>	<b>669,250</b>
<b>Base cost for internal restoration and interpretation</b>	<b>150,810</b>
<b>Total Base cost for restoration and conversion</b>	<b>820,060</b>

## Next Steps

After the BEACH CANAL LIGHTHOUSE & LIGHTHOUSE KEEPER'S COTTAGE: Assessment of City's Future Plans has been presented and accepted by Committee, Culture Division staff will open discussions with DPWGS.

## Project Participants

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*Philip Hoad*, Manager of Heritage Facilities & Capital Planning, City of Hamilton

*Mac Swackhammer*, Curator, Hamilton Museum of Steam & Technology, City of Hamilton

*George Thomson*, Beach Canal Lighthouse Group

## Resources

*Beach Canal Lighthouse Business Plan*, Canadian Cultural Resource Consultants and Goldsmith, Borgal & Co Ltd Architects, March 23, 2009

<http://www.cbc.ca/canada/nova-scotia/story/2010/06/08/ns-lighthouses-surplus.html>

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