



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

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| TO: | Mayor and Members General Issues Committee |
| COMMITTEE DATE: | May 7, 2014 |
| SUBJECT/REPORT NO: | Request for Extension of Building Covenants from 1820587 Ontario Inc. (Wei Zhang), 536 Beach Boulevard, Hamilton (PED14093) (Ward 5) |
| WARD(S) AFFECTED: | Ward 5 |
| PREPARED BY: | Darlene Cole (905) 546-2424 Ext. 7910 |
| SUBMITTED BY: | Neil Everson Acting General Manager Planning and Economic Development Department |
| SIGNATURE: | |

RECOMMENDATIONS

- (a) That a request to extend building covenants imposed by the City upon 1820587 Ontario Inc. (Wei Zhang), owner of 536 Beach Boulevard, regarding his building lot described as Part 1, Plan 62R-19041, as shown on Appendix "A" attached to Report PED14093, be approved;
- (b) That the dates for commencement and completion of construction be extended as follows: commencement of construction by October 31, 2014 and completion of construction by October 31, 2015;
- (c) That the Mayor and Clerk be authorized and directed to execute all necessary documents in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

1820587 Ontario Inc. purchased 536 Beach Boulevard from the City in November, 2011, subject to performance / building covenants. Following the submission of plans for a convenience store, discussions between City staff and the owner continued until site plan approval was granted in November 2013. A building permit was issued on January 20, 2014. To facilitate the time required to complete this project, the dates for

commencement and completion of construction as prescribed in the transfer from the City in 2011 need to be extended.

Alternatives for Consideration – See Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: Staff in Legal Services will prepare a letter of confirmation for execution by the Mayor and Clerk.

HISTORICAL BACKGROUND

The information and recommendations contained in this Report primarily affect Ward 5.

Mr. Zhang is the proprietor of a neighbourhood convenience store at 721 Beach Boulevard, in a lease arrangement which will expire in August of 2015. The existing space is very small with limited parking, and is situated toward the westerly half of the beach neighbourhood, somewhat removed from the central area.

Upon considering his future prospects for the business and its establishment within the community, Mr. Zhang acquired 536 Beach Boulevard from the City and is planning to build new premises to which the convenience store will be relocated. The site plan approval / building permit are in place and the search for a builder is in progress, after which construction will begin.

The planning of this project has been extensive; hence the timing for commencement of construction as prescribed by the covenants contained in the 2011 agreement between the owner and the City has passed (November 2012). Accordingly, approval from Council is being sought to formally extend the commencement / completion dates of construction as set out in Recommendation (b) of Report PED14093.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- Real Estate Portfolio Management Strategy Plan;
- Growth Related Integrated Development Strategy;
- Building a Strong Foundation;
- Provincial Policy Statement; and,
- Places to Grow.

RELEVANT CONSULTATION

- Development Planning, Heritage and Design, Planning and Economic Development Department

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Delayed timing to secure approvals has led to this request to extend the start / completion dates for this project. The requested extension is supported by staff given the lengthy approval process and seasonal limitations for construction.

ALTERNATIVES FOR CONSIDERATION

Withholding this request for extension would mean the City could invoke its right to repurchase this parcel, pursuant to the covenant contained in each transfer:

"If the Transferee fails to comply with the conditions within the time required, then the Transferor shall have the option to repurchase the property and to receive a conveyance of it free and clear of all charges and encumbrances, liens, claims or adverse interests whatsoever, and the Transferor agrees to pay the Transferee the original purchase price for the said lands, less the deposit, less real estate commission, less arrears of realty taxes, penalty and interest (including local improvement charges), less amounts required to discharge any mortgages, liens, charges or other encumbrances against the said lands and less the costs of the Transferor incurred in entering on the land and retaking and reselling the land and without increase or compensation for any improvements, additions, alterations in, on or under the said lands."

Should the extension not be granted, the City would be obliged to reimburse the owner the amount of \$45,000 for the property, less the deposit and associated expenses, as provided in the foregoing covenant. Following repurchase, the City would again place this property on the market. This option is not recommended as considerable time, and other resources have been invested in this project by the owner and by City planners.

Accordingly, staff recommends that the requested extension be granted, allowing the owner to commence construction by the summer of 2014.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED14093 – Location Map

DC/sd