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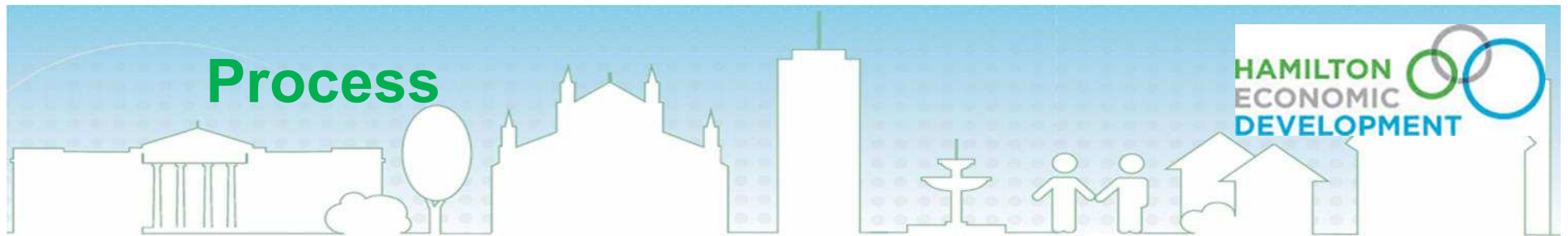
Hamilton

**Downtown and Community Renewal
Community Improvement Plan (CIP) and Community
Improvement Project Area (CIPA) Review
General Issues Committee, March 23, 2016
PED16050**

Strategic Objectives



- Aligns with the 2012-2015 Corporate Strategic Plan Objective 1.3 ***“Promote economic opportunities with a focus on Hamilton’s downtown core, all downtown areas and waterfront***
- Aligns with the Community Development component of the 2010-2015 Economic Development Strategy “....government must “step up” and assume a leadership role in creating an “environment” through the application of innovative planning practices, investment in physical infrastructure ***and establishing special purpose programs/policies that together will encourage redevelopment***



General Issues Committee – March 23, 2016

City Council Direction to Proceed to Planning Committee –
March 30, 2016

Public Meeting Notice issued (17 days)

Planning Committee – May 3, 2016

City Council Approval – May 11, 2016

Appeal Period following Notice of Decision

Launch amended and new programs

Impact of Review



Changes are evolutionary, not revolutionary

Address future financial sustainability, while increasing the number of businesses served

Bring focus to the Barton / Kenilworth commercial corridors

Additional support for heritage buildings, city-wide

AODA compliance cost assistance for small businesses

Encouragement of affordable housing options

What is a Community Improvement Plan and Project Area?



Governed by Provincial legislation - Planning Act, Section 28

Community Improvement Plans (CIP) are aimed at rehabilitating and revitalizing land and buildings in targeted areas

Targeted areas for community improvement designated through municipal by-law (CIPA)

Provides a legal framework for programs and initiatives that complement and implement City policies, including financial incentives

Public Input and Engagement



- Business Improvement Areas (7)
 - Business Advisory Committee (All BIA's)
 - Neighbourhood Groups (SPRC and Associations)
 - City Staff (Senior levels)
 - Bike Tour (10 riders)
 - Technical Advisory Committee (City Departments)
 - One-on-one with Developers (5)
 - Public/Resident and Developers Workshop – September 15, 2015 (100 persons)
 - Community Couch – October 9, 2015 (open house)
 - Neighbourhood Associations Workshop – November 4, 2015 (30 persons)
- Created Website www.hamilton.ca/cip

What we heard:



Some of the frequent themes through most of our engagement:

CIP is having a positive impact;

Incentives are vital to support urban renewal;

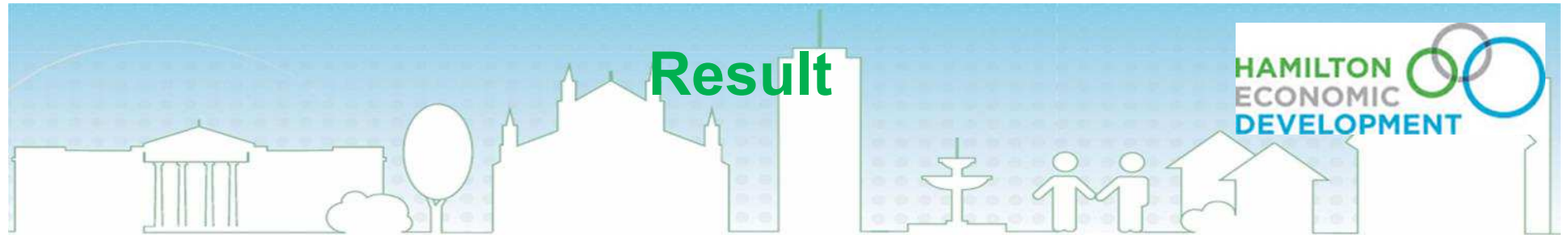
Majority of programs are effective;

Support for maintaining and enhancing most programs;

Maintain boundaries of Downtown CIPA;

Focus on areas outside the Downtown (Barton-Kenilworth); and

New incentives warranted for creating affordable housing.



The Review has resulted in:

An updated Community Improvement Plan;

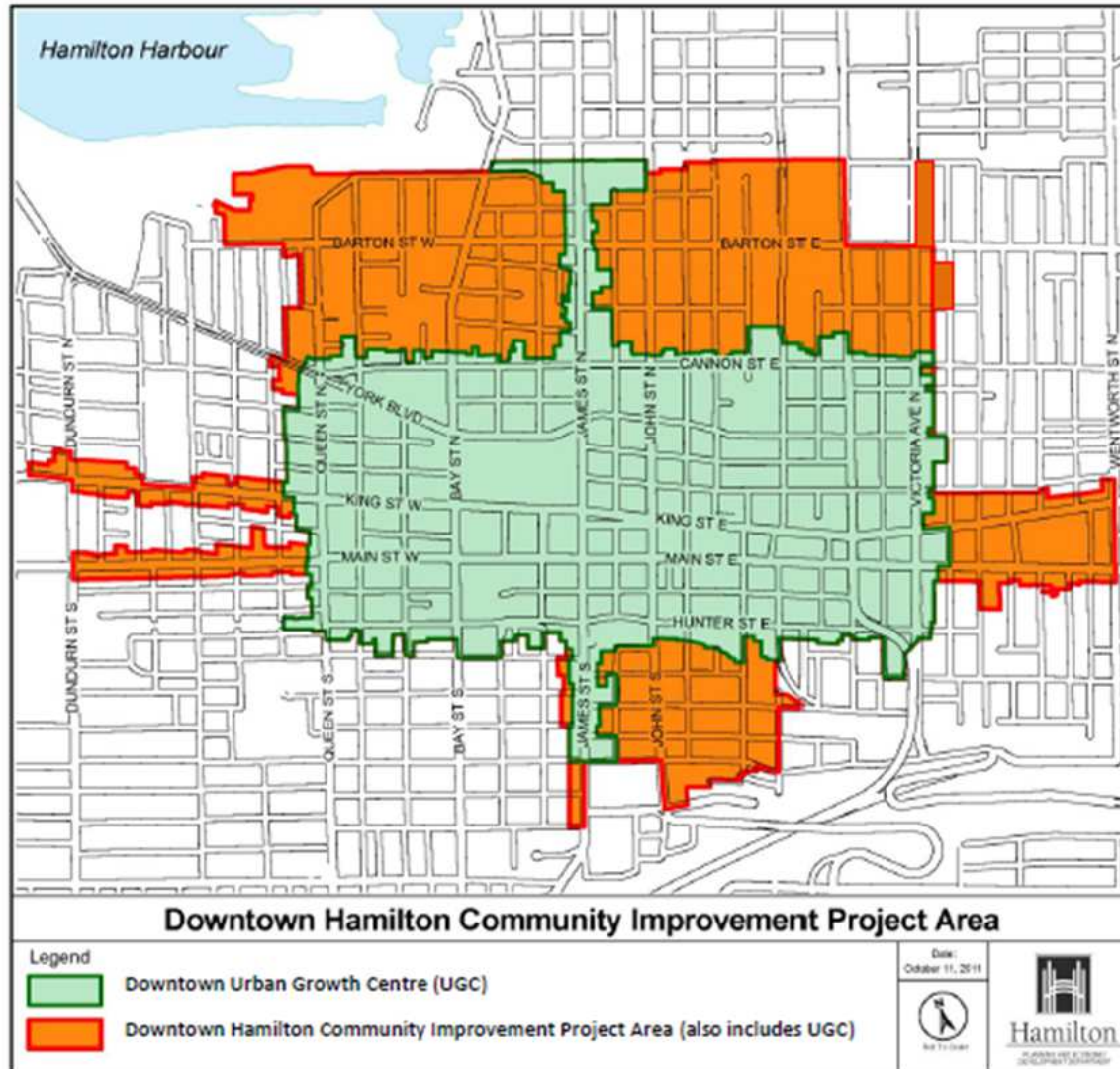
Minor expansion to some of the Community Improvement Project Areas;

Amendments to the 7 existing financial incentive programs

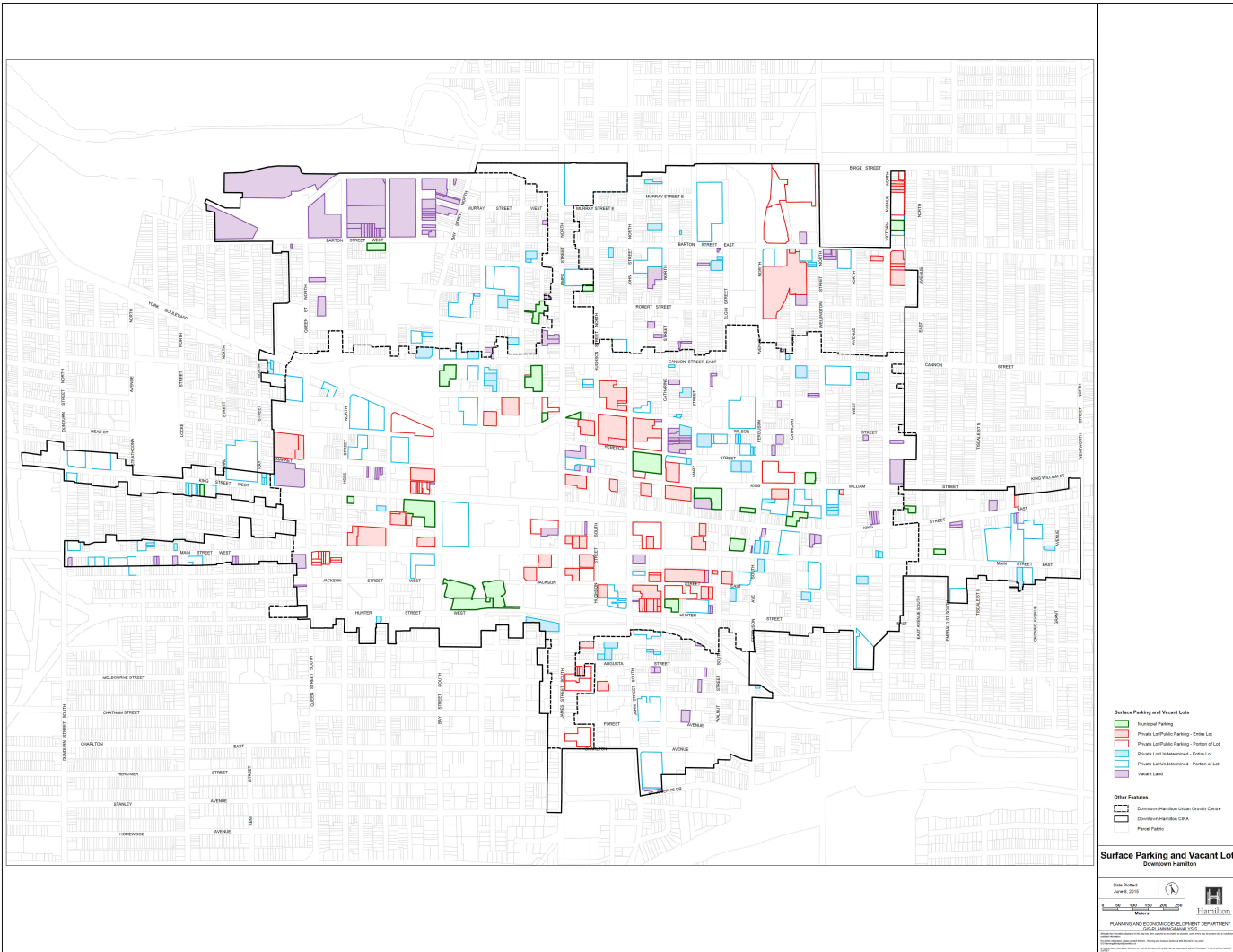
Introduction of 2 new financial incentive programs

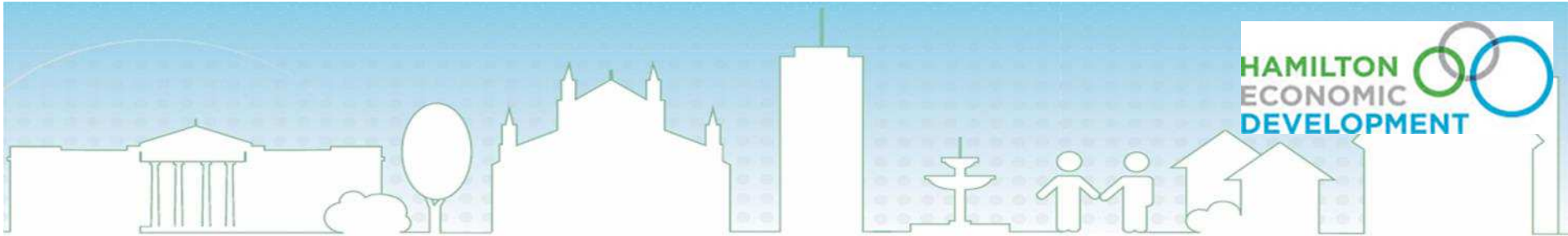
Introduction of planning and building fee rebate program (Barton-Kenilworth)

Downtown CIPA and the Urban Growth Centre (UGC)



Downtown CIPA and the Urban Growth Centre (UGC)





Proposed Boundary Expansion – Upper James Street



Hamilton

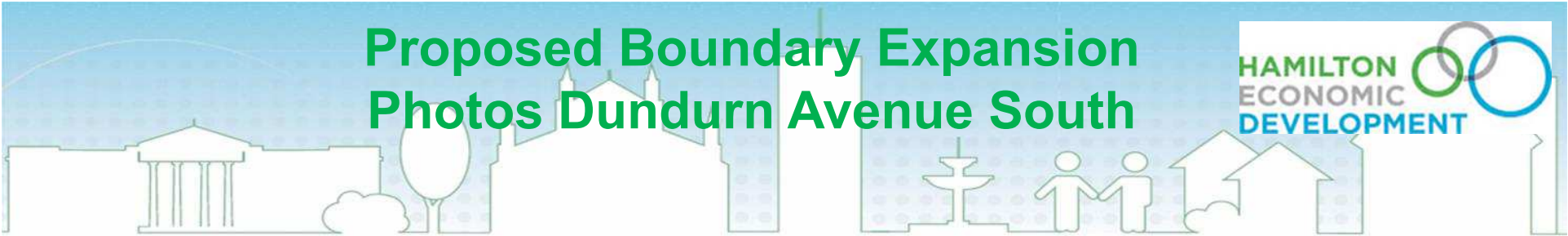
Proposed Boundary Expansion – Upper James Photos



Proposed Boundary Expansion Dundurn Avenue South



Proposed Boundary Expansion Photos Dundurn Avenue South



Proposed Boundary Expansion Barton and King Streets

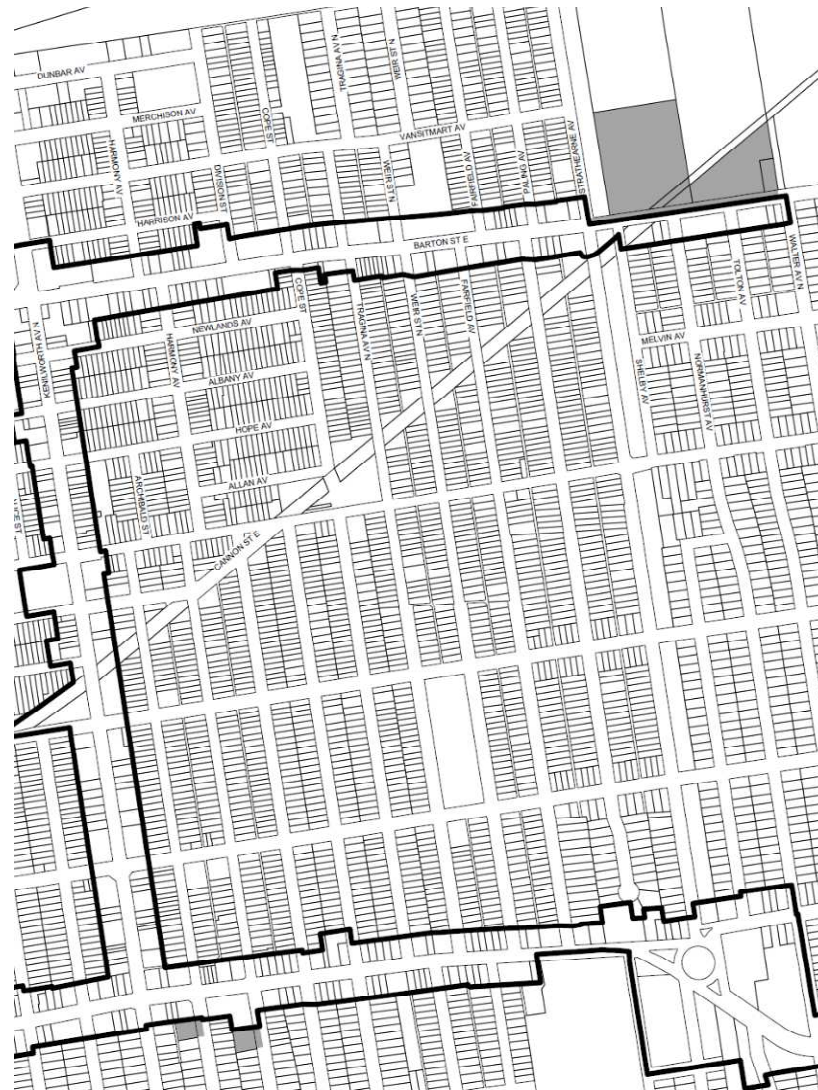


Hamilton

Proposed Boundary Expansion Photos Barton and King Streets



Proposed Boundary Expansion Barton Street East



Proposed Boundary Expansion Photos Barton Street East



Financial Incentives at Work



The public cost of the HDMRPIP has levered \$205 M of private construction value at a ratio of 1:50

24 reassessed projects under the HTIG had a combined construction value of over \$145 M with a ratio of 1:23 (*public grant leveraging private investment*)

Projects approved under HDMRPIP and HTIG represent an estimated \$5.3 M in increased annual municipal taxes

Hamilton Downtown Multi-Residential Property Investment Program



Downtown Hamilton CIPA



Provides financial assistance for projects that result in predominantly residential development, including uses accessory to the residential development

Interest free loan

Require 25% equity

5-year repayment term

25% of sale price per unit when condominium project



137-149 Main Street West

Proposed Amendments



Expand the Program to Barton and Kenilworth Commercial Corridors

Incorporate an affordable housing component

All-suite hotels no longer eligible

Limit the maximum loan to \$4 M from current \$5 M per development

Limit the maximum loan per developer or related group to \$10 M from \$18 M

Remove option of extending the maximum loan term to 15 years

Strengthen the wording for when a property is sold



Hamilton

Hamilton Tax Increment Grant Program



Downtown Hamilton, Community Downtowns, Mount Hope/Airport Gateway, BIAs and commercial corridors of Barton and Kenilworth

5 year grant based on increase in municipal portion of taxes attributable to redevelopment



40 Bay Street South

Grant 100% of municipal portion of increase in taxes year one declining 20% each year for next 4 years



Proposed Amendments



Expand the Program to properties designated under the *Ontario Heritage Act* located anywhere in the City

If assessment is appealed, grant is not advanced until final settlement

First-year grant commences the first full-year of reassessment

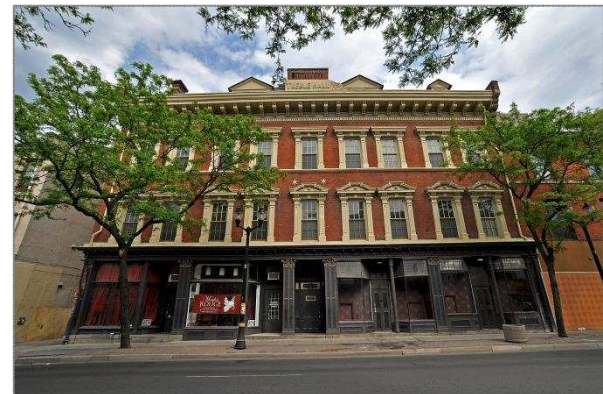
Strengthen the wording for when a property is sold

BIA Commercial Property Improvement Grant Program



Hamilton's active Business Improvement Areas

Matching grant for façade improvements



39 King Street East, Stoney Creek

407 Wilson Street East, Ancaster

25 Treble Hall, Hamilton

Proposed Amendments



Introduce barrier-free improvements and other limited interior improvements as eligible items

Restrict maximum grant from one application per calendar year to applications during a five year period not to exceed the maximum grant per property

Introduce a 100% grant to a maximum of \$3 K per application towards professional fees and some City of Hamilton fees as part of the grant awarded under the program

Commercial Corridor Housing Loan and Grant Program



Downtown Hamilton, Community Downtowns, Mount Hope/Airport Gateway, BIAs and commercial corridors of Barton and Kenilworth

Loans to create housing, renovate existing

0% interest; \$15,000/unit; maximum \$600,000 per property

Maximum \$5,000 grant for professional fees



130-134 Wellington
Street North



Proposed Amendments



Expand the program to properties designated under the *Ontario Heritage Act* located anywhere in the City

Introduce an affordable housing component

Increase the maximum loan per unit to \$20 K from \$15 K with maximum loan per property continuing at \$600 K

Expand the eligible fees under the \$5 K grant component for professional fees to include some City of Hamilton fees

Accessory units eligible (*zoning permits*)

Hamilton Heritage Property Grant Program



Downtown Hamilton, Community Downtowns, Mount Hope/Airport Gateway, active BIAs, or located within the lower city between Highway 403 and the Red Hill Valley Parkway and used for commercial, institutional or multi-residential purposes

Grant for the conservation and restoration of heritage features and structural/stability work for designated properties

Maximum grant \$150,000 based on 50% for the first \$40,000 and then 25% of the cost of works; an additional \$20,000 for heritage assessments / studies /reports at 100%



The Right House



The Pigott Building



29 Carnegie Gallery

Proposed Amendments



Expanding the program to all of the commercial corridors as identified in the DHCIPA



33-37 King Street West, Dundas



Office Tenancy Assistance Program



Downtown Hamilton, Community Downtowns, Mount Hope/Airport Gateway, BIAs and commercial corridors of Barton and Kenilworth

Loan for leasehold improvements to office buildings; maximum loan: \$450,000 at 1% below prime rate



23 Griffin Street, Waterdown



Proposed Amendments



- Offer zero interest loan
- Define educational establishment for purposes of the program as “a publicly funded university or college for academic instruction and shall include a hospital or institution, including the associated offices of such uses”.



366-368 King Street West, Hamilton



Commercial Façade Property Improvement Grant Program



Community Downtowns, Mount Hope/Airport Gateway, and commercial corridors of Barton and Kenilworth

Matching grant to maximum of \$10,000

Matching grant to maximum of \$12,500 for corner properties

Eligible items include: windows, signage, doors, painting, brick pointing



2666 Regional Road No. 56, Binbrook

Proposed Amendments



Expand the program to all commercial corridors as identified in the Downtown and Community Renewal CIPA

Reintroduce the program to the Downtown Hamilton CIPA

Introduce barrier-free improvements and other limited interior improvements as eligible items

Restrict maximum grant from one application per calendar year to applications during a five year period not to exceed the maximum grant per property

Introduce a 100% grant to a maximum of \$3 K per application towards professional fees and some City of Hamilton fees as part of the grant awarded under the program



Introducing the Barton / Kenilworth Tax Increment Grant Program



Barton Village BIA, Barton and Kenilworth commercial corridors and the properties that front on Barton Street East between James Street North and Victoria Avenue North as identified in the Downtown and Community Renewal CIPA

9 year grant based on increase in municipal portion of taxes attributable to redevelopment

Grant 100% of municipal portion of increase in taxes attributable to the redevelopment of property in years one - five declining 20% each year for next 4 years

Introducing the Barton / Kenilworth Tax Increment Grant Program



Barton Village BIA, Barton and Kenilworth commercial corridors and the properties that front on Barton Street East between James Street North and Victoria Avenue North as identified in the Downtown and Community Renewal CIPA

A matching grant to a maximum of \$50,000 per deeded property towards development/redevelopment of property



Planning and Building Fee Rebate Program



Barton / Kenilworth Planning and Building Fee Rebate Program

Planning Fees:

- Committee of Adjustment Minor Variance Approval (Complex or Routine)
- Site Plan Control Application (major or minor) only after issuance of Building Permit

Building Fees:

- Minimum Permit Fee
- Assembly Occupancies
- Residential Occupancies (excluding hotels, motels)
- Business and Person Services
- Mercantile (Retail – Finished only)
- Industrial (excluding parking garages and gas stations)
- Mechanical Systems (commercial cooking exhaust system)
- Signs



Buildings that front on King Street East between James Street and Catharine Street, known as “the Gore”

A matching grant to a maximum of \$50,000 per municipal address towards development/redevelopment of property

Program no longer offered however conditional grant commitment for 18-28 King Street East to December 31, 2016

Testimonials



“As a Hamilton Company we are proud to see the changes the City is going through. There are many factors, from both public and private organization and industries that have made contributions over the years to push the yardstick down the field. However, a major stimulus to the downtown’s renaissance can be directly attributed to the incentive programs offered through the City of Hamilton.

Many of our projects are outside the norm and carry more risk. The DC exceptions, incremental tax and facade grants have helped us mitigate those risks. If not for these programs most projects would not have the same quality and in some cases would not have been feasible. The Witton Lofts, The Empire Times, and The Templar Flats have all benefited from City initiatives and in turn have made a significant impact on the Core.

Although catch phrases like “on the cusp” or “tipping point” are no longer in our vocabulary, the development industry in this City is incredibly fragile. We will continue to do what we do because we care for this City and want to see it prosper. For the core to flourish we not only need to foster existing relationships, but attract new ones. The incentive programs are critical for this desired growth.

Now is not the time to slow growth, we need to support the leadership of all the individuals in the Economic Development department. Lets continue to work together to make Hamilton the best place to raise a child in this country. “

Steve Kulakowsky, Core Urban Inc.

Testimonials



We would like to thank you for inviting us to the Stakeholders C.I.P. meeting last fall.

As you know, Vrancor Developments constructed and developed several properties in the C.I.P. Downtown Boundaries including the Federal Building, Homewood Suites, Bella Towers, Staybridge Suites as well as our Head Office.

The availability of the programs was a major factor in our decision making process to proceed with these developments and was the main reason we moved forward at such an aggressive pace.

We would encourage the further enhancement of these programs to keep the momentum going in development of the Downtown area.

That seemed to be the consensus coming from the feed back of your meeting during the discussions we were involved in.

We would like to thank Council and Staff for their progressive policies as it relates to the development of the community over all.

Darko Vranich, Vrancor Hospitality

Testimonials



My decision to purchase and develop Treble Hall at 6-12 John St. N., and the Pagoda Building 85 King S. E. back in November 2010 was influenced, in part, by the Commercial Property Improvement Grants that were being offered by the Economic Development Department with the City of Hamilton.

Treble Hall was a building that was neglected for 60 years, boarded up and a general blight on our Downtown area. With the help of CPIG Grants in 2011 and 2012 the third floor windows of the Pagoda Building were replaced, and the restoration of the front façade and replacement of all the windows in Treble Hall occurred. Treble Hall's transformation has been a catalyst to inspire other property owners to reinvest in their properties, and to spur on other developers to buy neglected properties and transform them in the downtown area.

Without the grants offered by the City, the exterior transformation of both Treble Hall and the Pagoda Building would have taken much longer to achieve, and would not have had the positive influence and publicity garnered to influence other restoration efforts in the area. Subsequently, the restoration efforts on Treble Hall have garnered The City of Hamilton Property of Excellence Award in 2013, and in November 2013 the Architectural Conservancy of Ontario Paul Oberman Award for Adaptive Re-Use. A once neglected building is now an "architectural gem" of the Downtown.

Treble Hall was also the first building to be part of the Downtown Public Art Grant program. The mural "In the Garden of Eden" was installed on the building in the alleyway in the summer of 2012, and serves to enhance the area and to dissuade graffiti which plagues many other areas of our downtown core.

The small investments that the City has made by creating these grants have paid off in large ways by helping developers and property owners make Hamilton beautiful, one building at a time. I look forward to investing in another property in the Downtown core in the future, and will utilize the City's Financial Incentive Programs if possible.

*Jeff Feswick, President
The Historia Group Canada Inc.*

Testimonials



I would sincerely like to thank the City for your partnership with GS Maher Property Holdings Ltd and RBC Commercial Banking Hamilton to facilitate the urban design and development of the Corktowns and the Beasley Park Towns in our downtown core over the past few years.

The Hamilton landscape offers unique opportunities along with some seriously challenging conditions in the development of urban infill in our downtown core especially.

GS Maher was pleased to have the opportunity on both the Corktowns and the Beasley Park Towns to take advantage of the City programs and without them in place we would not have been able to complete the project to the success that was achieved to date.

I was able to use the downtown loan program on both projects to secure RBC Hamilton Commercial Banking for the first Mortgage construction financing and the tax program to help keep the project make final sense to the lender.

The developed areas in both locations had MLS prices well below the average and after the new development in both neighborhoods we have seen an inflow of new sales and an increased tax base for the city and new homeowners who are now excited to renovate and move into the city core.

Beasley is especially now going through a change with most of the surrounding homes on the development block getting renovated after the public see the new projects get built.

The cost to do new roads sewers, sidewalks and all new services with city fees, parkland dedication land cost and demolition to facilitate only 7 units and to get the project built would not have been feasible without the program as the newly developed areas are not proven when we go in to the older challenged markets.

We also don't have the economies of scale to spread out the cost over many units like urban sprawling subdivisions or condo projects and we are at a financial disadvantage straight out of the gate working off very tight margins.

Beasley is just now starting to see the improvement and it is a slow process but it is definitely a process that works in favor of the neighborhood and surrounding areas.

I know the partnership with the City is something that is important to spur growth and definitely without the support I would doubt the project would have been able to move from concept to completion and be built.

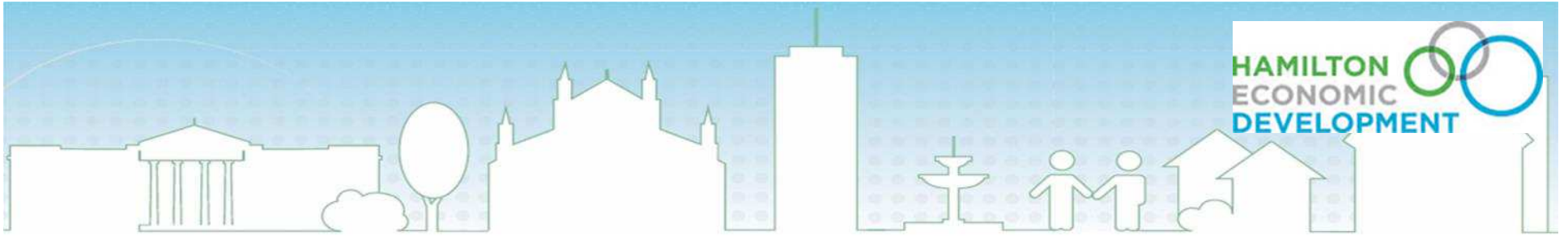
Summary of Recommendations



Recommendation (a) requests that report PED16050 respecting the Community Improvement Plan and the Project Areas be received;

Recommendation (b) recommends that the proposed Community Improvement Plan and the Project Areas, including the terms of the financial incentives, be forwarded to the Planning Committee for a statutory public meeting;

Recommendation (c) requests that Corporate Services staff be directed review DC treatment for Barton-Kenilworth



Thank you – Questions?