



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	December 7, 2016
SUBJECT/REPORT NO:	18-28 King Street East, Extension of Conditional Approval, Hamilton Heritage Property Grant Program and GORE Building Improvement Grant Program (PED16253) (Ward 2)
WARD(S) AFFECTED:	Ward 2
PREPARED BY:	Hazel Milsome (905) 546-2424 Ext. 2755
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That the deadline for the previously approved conditional grant commitment to an upset limit of \$850,000 under the Hamilton Heritage Property Grant Program for Hughson Business Space Corporation (Marvin Barnett, David Blanchard, Ronald Quinn, William Rogan) the registered owner of 18, 20, 22, 24 and 28 King Street East, be extended to December 31, 2017;
- (b) That the deadline for the previously approved conditional grant commitment to an upset limit of \$250,000 under the GORE Building Improvement Grant Program for Hughson Business Space Corporation (Marvin Barnett, David Blanchard, Ronald Quinn, William Rogan) the registered owner of 18, 20, 22, 24 and 28 King Street East, be extended to December 31, 2017.

EXECUTIVE SUMMARY

City Council at its meeting held December 11, 2013 approved grant commitments under the Hamilton Heritage Property Improvement Grant Program (HHPGP) and the GORE Building Improvement Grant Program (GORE) in the total amount of \$1,100,000 for Hughson Business Space Corporation (Marvin Barnett, David Blanchard, Ronald Quinn, William Rogan) the registered owners of 18, 20, 22, 24 and 28 King Street East subject to complete applications for each property being submitted no later than December 31, 2014.

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At the same meeting, City Council approved the designation of 18-22 King Street East and 24 and 28 King Street East under Part IV of the *Ontario Heritage Act*.

Subsequently City Council at its meeting held December 17, 2014 extended the deadline for complete applications to be submitted under the HHPGP and GORE to December 31, 2015 and further extended the deadline to December 31, 2016 at its meeting held December 9, 2015.

In light of the cost of restoring 18, 20, 22, 24 and 28 King Street East and due to the recent initiatives as identified in the Historical Background Section of Report PED16253, staff is recommending that the deadline to submit completed applications for these properties be extended to December 31, 2017.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: HHPGP: Funding for approved grants under the HHPGP is contained in the Main Street Program Reserve (102048) and Capital Project ID No. 8201441800; \$850,000 has been set-aside in the accounts to cover the grant commitment.

GORE: Funding in the amount of \$250,000 for the approved grants under the GORE has been set-aside in Capital Project ID No. 8201203620.

Staffing: Administration of the HHPGP and GORE can be accommodated within the Urban Renewal Section of the Economic Development Division and the Development Planning Heritage and Design Section of the Planning Division, Planning and Economic Development Department, as well as the Taxation Division of the Corporate Services Department.

Legal: *The Planning Act* (Section 28) allows municipalities that have provisions in their Official Plan relating to community improvement, such as the City of Hamilton, to designate by by-law a community improvement project area, and then to prepare a Community Improvement Plan for the project area. A municipality may then make grants and loans, in conformity with the approved community improvement plan, that would otherwise be prohibited under the *Municipal Act* (Section 106(1)), to the registered / assessed owners or tenants of land and buildings, or their respective assignees, within the designated project area. An amendment to the Community Improvement Plan requires a statutory public meeting with notice requirements in accordance with the *Planning Act*.

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

The Downtown and Community Renewal Community Improvement Plan includes summaries of the financial incentive programs. The detailed terms and conditions of the programs are appendices to the Plan. The terms and conditions of the GORE dictate that applications under the Program will be accepted until December 31, 2014. An exception to that deadline will be the applications for 18, 20, 22, 24 and 28 King Street East.

HISTORICAL BACKGROUND

The property owner appealed the heritage designation to the Provincial Conservation Review Board (CRB). The CRB hears disputes on matters relating to the protection of properties considered to hold cultural heritage value to a municipality and makes recommendations.

At the General Issues Committee meeting on April 6, 2016, Hughson Business Space Corporation's legal counsel and architect presented a plan on how their client would like to proceed with development of 18-28 King Street East. Their proposal is to retain the façade of 18-22 King Street East with a new penthouse addition, and to demolish 24 and 28 King Street East to accommodate a new five storey mixed-use building. The applicant indicated that they would be prepared to withdraw their objection to the Notices of Intent to Designate 18-22 and 24-28 King Street East once they have obtained their Building Permits to support the concept.

City Council at its meeting held April 13, 2016 referred the aforementioned presentation to staff for review and to report back to the General Issues Committee at its May 18, 2016 meeting on a process for the Committee's consideration.

Staff reported back to the General Issues Committee on a process for consideration at the June 1, 2016 meeting through Report PED16116. Subsequently City Council at its meeting held June 8, 2016 directed staff to request the owners of 18-22 and 24-28 King Street East to provide written confirmation to the City that they concur that the process is appropriate and that they will withdraw their objection to the Notice of Intent to Designate after Building Permits have been issued for the development proposal in order to give effect to the process outlined in Report PED16116. The owners subsequently confirmed in writing that they were satisfied with the proposed process.

Hughson Business Space Corporation submitted an application to Public Works to acquire the alleyway behind 18-28 King Street East between James Street South to the west and Hughson Street South to the east. Public Works staff circulated for comment internal staff, public utilities and all property owners within a 400 foot radius of the alleyway. The deadline for comments was October 31, 2016. Public Works staff will now move forward to a formal consultation and review of the comments and forward a report for consideration to Committee and Council in Q1-17.

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Hughson Business Space Corporation has appealed the property's assessment for 2013, 2014, 2015 and 2016. An Assessment Review Board Hearing to consider the appeal is scheduled November 4, 2016.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Report PED16253 relates to conditional grant commitments that will be processed under the HHPGP and GORE which are contained within the Downtown and Community Renewal Community Improvement Plan.

The Downtown and Community Renewal Community Improvement Plan provides the framework for City Programs and initiatives in a manner that meets the legislative requirements of the *Planning Act* intended to stimulate private sector investment and redevelopment and, to focus municipal action and investment that promotes and enhances Hamilton's various downtowns, commercial districts, mixed use corridors and neighbourhoods targeted for community development.

RELEVANT CONSULTATION

Staff from the Development Planning Heritage and Design Section of the Planning and Economic Development Department and staff from the Corporate Services Department was consulted and concur with the recommendations included in Report PED16253.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Historically significant properties are important to the urban revitalization and regeneration of our community. Both the HHPGP and GORE are intended to encourage and support private investment in the conservation of historically significant properties and help to offset the additional costs associated with specialized materials and skills for conservation projects. They also offer a financial incentive for undertaking basic structural rehabilitation before cosmetic improvements can be addressed particularly for buildings that have fallen into disrepair over a number of years.

Grants under the HHPGP and GORE are based on municipal addresses, identifying multiple and separate units with ground floor street frontages and entranceways. The maximum grant under the HHPGP per municipal address is \$150,000 for restoration / conservation / stability work on a building and \$20,000 for heritage assessments / reports / studies for a total of \$170,000. The maximum grant under the GORE per municipal address is \$50,000.

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Prior to the occupants vacating 18-28 King Street East the properties were identified as follows:

Property			Units/Locations		
1	PIN	171670074	1	18 King Street East	was H&R Block/Cash Money
	ROLL	251802015150070	2	20 King Street East	was Town Convenience
	ADDRESS	18-22 King St. E.	3	22 King Street East	was Mahal Restaurant
2	PIN	171670112	4	24 King Street East	was Steel House Grill
	ROLL	251802015150100			
	ADDRESS	24 King St. E.			
3	PIN	171670112	5	28 King Street East	was South Side
	ROLL	251802015150130			
	ADDRESS	28 King St. E.			

Appendix “A” to Report PED16253 identifies the location of 18-28 King Street East.

Based on the above, the applicant would be eligible to submit five applications under the HHPGP and the GORE. The five municipal addresses are: 18, 20, 22, 24 and 28 King East.

In order to be eligible for the full amount of \$150,000 per municipal address under the HHPGP for the restoration / conservation / stability work, the applicant would have to spend a minimum of \$560,000 per municipal address on eligible items under the Program (\$2,800,000 in total for the five municipal addresses). To be eligible for the additional \$20,000 per municipal address for heritage assessments / reports / studies, the applicant would have to spend a minimum of \$20,000 per municipal address (\$100,000 for the five municipal addresses).

In order to be eligible for the full amount of \$50,000 per municipal address under the GORE the applicant would have to spend \$100,000 per municipal address or, \$500,000 for the five municipal addresses.

The applicant would have to provide evidence that the continued use of the property would be five separate entrances at ground level. This requirement could be met through a copy of the Site Plan / Building Permit Application. The proposed use of the property would have to conform to Zoning By-law 05-200. If the approved plan is to retain the façade of 18-22 King Street East and demolish 24 and 28 King Street East, the number of potential applications under each program would be reduced to three (18,

20 and 22 King Street East) and the total eligible grants would be reduced to \$510,000 under the HHPGP and \$150,000 under the GORE contingent on three separate municipal addresses with ground floor street frontages and entranceways to separate ground floor units.

ALTERNATIVES FOR CONSIDERATION

Decline the Extension of the Conditional Approvals

Declining the extension of the conditional grant commitment under the HHPGP and the GORE is not a recommended alternative as it could jeopardize the restoration of significant properties within the Downtown Core particularly in light of City Council's initiative to designate the properties under the *Ontario Heritage Act*.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

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

Healthy and Safe Communities

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

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED16253 - Location Map

HM/dt