



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	June 21, 2017
SUBJECT/REPORT NO:	Barton / Kenilworth Commercial Corridor Building Improvement Grant Program, Business Improvement Area Commercial Property Improvement Grant Program – 423-429 Barton Street East, Hamilton (PED17097) (Ward 3)
WARD(S) AFFECTED:	Ward 3
PREPARED BY:	Hazel Milsome (905) 546-2424 Ext. 2755
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That staff be authorized and directed to advance the \$50,000 grant approved under the Barton / Kenilworth Commercial Corridor Building Improvement Grant for the Society of St. Vincent de Paul, Hamilton West Particular Council, for improvements completed at 423-429 Barton Street East, Hamilton in accordance with the terms and conditions of the Barton / Kenilworth Commercial Building Improvement Grant Program notwithstanding the \$3,969.29 in outstanding taxes on the property;
- (b) That the General Manager of the Planning and Economic Development Department be authorized to approve the pending application to be submitted under the Business Improvement Area Commercial Property Improvement Grant Program submitted by the Society of St. Vincent de Paul, Hamilton West Particular Council for proposed façade improvements to 423-429 Barton Street East, in accordance with the terms and conditions of the Business Improvement Area Commercial Property Improvement Grant Program notwithstanding the \$3,969.29 in outstanding taxes on the property.

EXECUTIVE SUMMARY

The program descriptors for the Barton / Kenilworth Commercial Corridor Building Improvement Grant Program and the Business Improvement Area (BIA) Commercial

Property Improvement Grant Program approved by City Council at its meeting held May 11, 2016 dictate that property taxes for properties being improved with funding from the financial incentives must be paid current. The status of property taxes for each application is checked prior to recommending approval of a grant and prior to all advances. Any deviation from the condition that taxes are paid current requires a Council resolution.

The Society of St. Vincent de Paul, Hamilton West Particular Council took ownership of 423-429 Barton Street East, Hamilton on December 23, 2016 and has since appealed their taxes requesting that the property be exempt from taxes due to their non-profit status. The Municipal Property Assessment Corporation (MPAC) typically processes appeals within a six-month period. The assessment appeal was submitted to MPAC on March 17, 2017 therefore a final decision is not expected until approximately September 2017. The Society plans to make improvements to the property and once improved operate a thrift store from the premises.

Finance staff has advised that historically non-profit organizations that operate thrift stores are not exempt from taxes however are taxed at the residential tax rate (the property is currently taxed at the commercial tax rate). The Society of St. Vincent de Paul, Hamilton West Particular Council has paid taxes for the property based on the residential tax rate which leaves an outstanding balance of unpaid taxes of \$3,969.29. The outstanding amount will be removed from the property taxes upon MPAC making a final decision if their decision is to tax the property at the residential rate. Until then the account is considered to be in tax arrears.

The Society of St. Vincent de Paul, Hamilton West Particular Council has advised that they will be submitting a BIA Commercial Property Improvement Grant Program in the near future as the property requires substantial investment prior to the Society being able to operate a business from the premises.

The General Manager of Planning and Economic Development has delegated authority through By-law 10-052 as amended to approve grants under the Barton / Kenilworth Commercial Corridor Building Improvement Grant Program and the BIA Commercial Property Improvement Grant Program in accordance with the terms and conditions of the Program Descriptors.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: City Council has approved \$850,000 in total for the Barton / Kenilworth Commercial Corridor Building Improvement Grant Program (Project #s

8201603100 and 8201703700). To date \$200,000 has been committed to matching grants (including the \$50,000 grant for 423-429 Barton Street East) with an additional \$87,500 in grants pending approval. The \$50,000 grant for the Society of St. Vincent de Paul, Hamilton West Particular Council will be funded from Project # 8201603100.

City Council approved \$470,000 for the 2017 BIA Commercial Property Improvement Grant Program (Project # 8201703703). To date \$153,786.62 has been committed to matching grants leaving a balance for future grants under the Program of \$316,213.38. The grant application to be submitted by the Society of St. Vincent de Paul, Hamilton West Particular Council will be funded from the aforementioned account.

Staffing: Applicants and subsequent grant payments under the Barton / Kenilworth Commercial Corridor Property Improvement Grant Program and the BIA Commercial Property Improvement Grant Program are processed by the Urban Renewal Section. There are no additional staffing requirements.

Legal: Section 28 of the *Planning Act* permits a municipality, in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Section 106(2) of the *Municipal Act*, to registered / assessed owners and tenants of lands and buildings. A Community Improvement Plan can only be adopted and come into effect within a designated Community Improvement Project Area. Changes to a Community Improvement Plan or Community Improvement Project Area require formal amendments as dictated by the *Planning Act*.

Council has adopted by resolution detailed implementation measures to allow for the efficient administration of each financial incentive program. These administration procedures are contained in the various program descriptors and terms provided in the appendices to the Downtown and Community Renewal Community Improvement Plan. Therefore any deviation from the terms requires a City Council resolution.

HISTORICAL BACKGROUND

City Council at its meeting held May 11, 2016 approved amendments to the Downtown and Community Renewal Community Improvement Plan (DCRCIP). The amendments included introducing the Barton / Kenilworth Commercial Corridor Property Improvement Grant Program, a Program that offers a matching \$50,000 grant for property redevelopment within the boundaries of the Barton Village BIA, the Barton Street East and Kenilworth Avenue North commercial corridors, and properties that front on Barton

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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.

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Street between James Street North and Victoria Avenue North, as identified in the Downtown and Community Renewal CIPA By-law.

The amendments to the DCRCIP also included introducing limited interior improvements as eligible items under the BIA Commercial Property Improvement Grant Program. The Program offers a matching grant for façade improvements and limited interior improvements to property owners and authorized tenants of commercial properties located within Hamilton's BIAs. The matching grant is dependent upon the width of a building to a maximum of \$20,000 or \$25,000 for corner properties.

The Society of St. Vincent de Paul, Hamilton West Particular Council applied for the Barton / Kenilworth Commercial Corridor Building Improvement Grant Program for a new roof at 423-429 Barton Street East on January 4, 2017. The roof was a priority to the Society as it was leaking badly damaging the interior of the property. Due diligence was undertaken on the application including confirmation that taxes were paid current. The General Manager of Planning and Economic Development approved the \$50,000 grant for 423-429 Barton Street East on January 24, 2017. An application under the BIA Commercial Property Improvement Grant Program is anticipated to be submitted in the near future once the Society obtains an additional quote for the proposed façade improvements.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Urban Hamilton Official Plan

The subject lands are municipally known as 423-429 Barton Street East, Hamilton and are designated as "Neighbourhoods" in Schedule "E" – Urban Structure and as "Mixed Use Medium Density" on Schedule "E-1" – Urban Land Use Designation which permits commercial uses. The subject lands are also identified as pedestrian predominant.

Hamilton Zoning By-law No. 6593

The subject property is zoned "H" Community Shopping and Commercial District. The commercial use of a second-hand goods shop is permitted.

Site Plan Control Application

The subject lands are subject to Site Plan Control.

RELEVANT CONSULTATION

Staff from the Finance and Administration Division, Corporate Services Department was consulted, and the advice received is incorporated into Report PED17097.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

City Council at its meeting held September 10, 2014, received the final recommendations of the Barton-Kenilworth Commercial Corridors Study developed to facilitate positive change along the Barton and Kenilworth corridors. The financial incentives for the Barton / Kenilworth commercial corridors are one of the implementation tools created to assist in achieving the re-build and regeneration of the Barton and Kenilworth commercial corridors.

The photograph below shows the existing condition of 423-429 Barton Street East, a property that sat vacant for a while prior to the Society of St. Vincent de Paul, Hamilton West Particular Council taking ownership and working towards breathing new life into the former derelict building.

The optimum time to carry out improvements to the exterior of property is during the summer months and the Society wants to take advantage of the season. Therefore based on the knowledge that historically non-profit organizations that operate thrift stores are taxed at the residential tax rate and that the Society of St. Vincent de Paul, Hamilton West Particular Council has paid their taxes based on the residential tax rate, staff is recommending that the \$50,000 grant be advanced under the Barton / Kenilworth Commercial Corridor Building Improvement Grant Program and that the General Manager of Planning and Economic Development approve the application under the BIA Commercial Property Improvement Grant Program in accordance with the terms and conditions of the grants with the exception that the tax system identifies \$3,969.29 as outstanding on the property.



Existing conditions 423-429 Barton Street East, Hamilton

Appendix “A” to Report PED17097 identifies the location of 423-429 Barton Street East, Hamilton.

ALTERNATIVES FOR CONSIDERATION

Advance the grant under the Barton / Kenilworth Commercial Corridor Building Improvement Grant Program and approve the grant under the BIA Commercial Property Improvement Grant Program once MPAC has made a final decision on the property assessment appeal which could result in improvements of the property not being completed until 2018 delaying occupancy of the property. This alternative is not recommended.

Financial: The \$50,000 grant under the Barton / Kenilworth Commercial Corridor Building Improvement Grant Program would be advanced in Q4/17. The grant under the BIA Commercial Property Improvement Grant Program would not be approved until Q4 / 17.

Staffing: N / A

Legal: N / A

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 PED17097 – Location Map

HM:dt