



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	June 20, 2018
SUBJECT/REPORT NO:	18-28 King Street East, Extension of Conditional Approval, Hamilton Heritage Property Grant Program and GORE Building Improvement Grant Program (PED16253(b)) (Ward 2)
WARD(S) AFFECTED:	Ward 2
PREPARED BY:	Carlo Gorni (905) 546-2424 Ext. 2755
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That the deadline for the submission of a separate, completed Hamilton Heritage Property Grant Program (HHPGP) Application for each 18, 20, 22, 24 and 28 King Street East, for the previously approved conditional grant commitment to an upset limit of \$850 K for the Hughson Business Space Corporation (Linda Barnett, David Blanchard, Ronald Quinn and William Rogan) the registered owner, be extended to no later than July 31, 2019, conditional upon the receipt of a Building Permit Application being submitted to the City for the redevelopment of 18-28 King Street East no later than January 31, 2019;
- (b) That the deadline for the submission of a separate, completed GORE Building Improvement Grant Program (GBIGP) Application for each 18, 20, 22, 24 and 28 King Street East, for the previously approved conditional grant commitment to an upset limit of \$250 K under the GORE Building Improvement Grant Program (GBIGP) for Hughson Business Space Corporation (Linda Barnett, David Blanchard, Ronald Quinn and William Rogan), the registered owner, be extended to no later than July 31, 2019, conditional upon the receipt of a Building Permit Application being submitted to the City for the redevelopment of 18-28 King Street East no later than January 31, 2019;

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- (c) That, should the Hughson Business Space Corporation (Linda Barnett, David Blanchard, Ronald Quinn and William Rogan) the registered owner of 18, 20, 22, 24 and 28 King Street East not submit a Building Permit Application for the redevelopment of 18-28 King Street East by January 31, 2019, staff be directed to report back to the General Issues Committee for direction as to whether or not the conditional grant commitments, under the Hamilton Heritage Property Grant Program (HHPGP) and GORE Building Improvement Grant Program (GBIGP), for those properties should continue to be valid.

EXECUTIVE SUMMARY

At its meeting on December 8, 2017, City Council approved the following motion:

- (a) That the deadline for the submission of a separate, completed Hamilton Heritage Property Grant Program (HHPGP) Application for each 18, 20, 22, 24 and 28 King Street East, for the previously approved conditional grant commitment to an upset limit of \$850 K for the Hughson Business Space Corporation (Linda Barnett, David Blanchard, Ronald Quinn and William Rogan) the registered owners, be extended to no later than December 31, 2018, conditional upon the receipt of a Building Permit Application being submitted to the City for the redevelopment of 18-28 King Street East no later than June 1, 2018;
- (b) That the deadline for the submission of a separate, completed GORE Building Improvement Grant Program (GBIGP) Application for each 18, 20, 22, 24 and 28 King Street East, for the previously approved conditional grant commitment to an upset limit of \$250 K under the GBIGP for Hughson Business Space Corporation (Linda Barnett, David Blanchard, Ronald Quinn and William Rogan), the registered owners, be extended to no later than December 31, 2018, conditional upon the receipt of a Building Permit Application being submitted to the City for the redevelopment of 18-28 King Street East no later than June 1, 2018; and,
- (c) That, should the Hughson Business Space Corporation (Linda Barnett, David Blanchard, Ronald Quinn, and William Rogan) the registered owners of 18, 20, 22, 24 and 28 King Street East not submit a Building Permit Application for the redevelopment of 18-28 King Street East by June 1, 2018, staff be directed to report back to the General Issues Committee for direction as to whether or not the conditional grant commitments, under the HHPGP and GBIGP, for those properties should continue to be valid.

This followed a previous Council decision made at its meeting on December 11, 2013 where it approved grant commitments under the HHPGP and the GBIGP in the total amount of \$1,100 M for Hughson Business Space Corporation (Linda Barnett, David Blanchard, Ronald Quinn and William Rogan) the registered owners of 18, 20,

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22, 24 and 28 King Street East subject to complete applications for each property being submitted no later than December 31, 2014.

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*.

Subsequent to that December 11, 2013 meeting, City Council had extended the deadline for submission of completed applications under the HHPGP and GBIGP on an annual basis while negotiations took place with the Applicant on the future development of 18-28 King Street East.

Prior to the aforementioned December 8, 2017 Council meeting, Hughson Business Space Corporation had advised staff that they now plan to restore the five properties at 18, 20, 22, 24 and 28 King Street East and anticipated submitting applications under the HHPGP and GBIGP in Q2/2018. Staff recommended at that time that the grants be subject to a building permit being submitted by June 1, 2018.

While Hughson Business Space Corporation has not submitted a Building Permit Application to meet the June 1, 2018 deadline they submitted a revised Site Plan Amendment Application on May 2, 2018 that includes the preservation of the facades at 18, 20, 22, 24 and 28 King Street East. 30 King Street East, which is currently vacant, is to have a new building that will be integrated into 18-28 King Street East. This development will result in 568.46 sq m of commercial space on the ground floor and 21 residential units on the upper floors.

Staff is recommending that an extension to the current deadlines be granted to Hughson Business Space as outlined above.

Alternatives for Consideration – See Page 7

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. 8201641800; \$850 K has been set-aside in the accounts to cover the grant commitment.

GBIGP: Funding in the amount of \$250 K for the approved grants under the GBIGP has been set-aside in Capital Project ID No. 8201703620.

Staffing: Administration of the HHPGP and GBIGP can be accommodated within the Urban Renewal Section of the Economic Development Division and the Development Planning, Heritage and Design Section of the Planning

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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*.

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.

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 was 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.

Prior to the aforementioned December 8, 2017 Council meeting, Hughson Business Space Corporation met with the Ward Councillor and senior staff and advised them that they now planned to restore all five addresses and anticipated submitting applications under the HHPGP and GBIGP in Q2/2018. Staff recommended at that time that the grants be subject to a building permit being submitted by June 1, 2018.

While a Building Permit Application was not received by the June 1, 2018 deadline, Hughson Business Space Corporation has submitted a revised Site Plan Amendment

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Application for a mixed use commercial/residential redevelopment at 18-30 King Street East. This revised Application includes the preservation of 18, 20, 22, 24 and 28 King Street East. 30 King Street East, which is currently vacant, is to have a new building that will be integrated into 18-28 King Street East. This development will result in 568.46 sq m of commercial space on the ground floor and 21 residential units on the upper floors.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Report PED16253(b) relates to conditional grant commitments that will be processed under the HHPGP and GBIGP which is 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 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 were consulted and concur with the recommendations included in Report PED16253(b).

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The rationale for extending the above noted deadlines remains the same.

As outlined in Report PED16253(a), historically significant properties are important to the urban revitalization and regeneration of our community. Both the HHPGP and GBIGP 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 GBIGP 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 K for restoration/conservation/stability work on a building and \$20 K for heritage

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assessments/reports/studies for a total of \$170 K. The maximum grant under the GBIGP per Municipal address is \$50 K.

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 Street East	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 Street East			
3	PIN	171670112	5	28 King Street East	was South Side
	ROLL	251802015150130			
	ADDRESS	28 King Street East			

Appendix “A” to Report PED16253(b) 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 GBIGP. The five Municipal addresses are: 18, 20, 22, 24 and 28 King East.

In order to be eligible for the full amount of \$150 K per Municipal address under the HHPGP for the restoration/conservation/stability work, the Applicant would have to spend a minimum of \$560 K per Municipal address on eligible items under the Program (\$2.8 M in total for the five Municipal addresses). To be eligible for the additional \$20 K per Municipal address for heritage assessments/reports/studies, the Applicant would have to spend a minimum of \$20 K per Municipal address (\$100 K for the five Municipal addresses).

In order to be eligible for the full amount of \$50 K per Municipal address under the GBIGP the Applicant would have to spend \$100 K per Municipal address or, \$500 K for the five Municipal addresses.

In Report PED16253(a), Council was informed that eligibility for these grants was contingent on the Applicant providing evidence that the continued use of the property

would be five separate entrances at ground level. The proposed use of the property would also have to conform to Zoning By-law 05-200.

The current conditional Site Plan Control approval is for façade retention of 18-22 King Street with a fifth storey addition, demolition of 24 and 28 King Street East and redevelopment of 24-30 King Street East with a five storey building to create a mixed use development consisting in total of 387.5 sq m of commercial space on the ground floor and 14 residential units above. However, staff is currently reviewing a revised Site Plan Application which was submitted on May 2, 2018. The current development proposal is to retain the façades of 18-28 King Street East with a new penthouse addition and a new building integrated at 30 King Street East to create a mixed use development consisting of 21 residential units on the upper floors and 568.46 sq m of commercial space on the ground floor.

Allowing the Applicants further time as recommended to work with staff to satisfy all conditions attached to the site plan application should ultimately lead to a building that is truer to the heritage character of the historic Gore Park area.

ALTERNATIVES FOR CONSIDERATION

Declining the extension of the conditional grant commitment under the HHPGP and the GBIGP 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(b) - Location Map

CG:dt