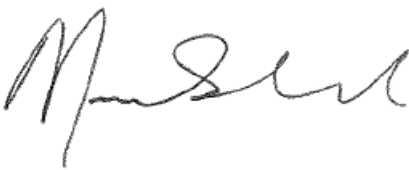




INFORMATION REPORT

TO:	Mayor and Members Committee of the Whole
COMMITTEE DATE:	May 20, 2020
SUBJECT/REPORT NO:	Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Carlo Gorni (905) 546-2424 Ext. 2755 Lisa Browett (905) 546-2424 Ext. 7519 Phil Caldwell (905) 546-2424 Ext. 2359
SUBMITTED BY:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

COUNCIL DIRECTION

City Council, at its meeting held November 28, 2012, approved increasing loan commitments under the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program (HDBKMRPIP), formerly known as the Hamilton Downtown Multi-Residential Property Investment Program, from \$26 M to \$45 M, provided that the total loan monies loaned under the Program at one time does not exceed \$35 M. City Council also directed staff to review the terms and conditions of the HDBKMRPIP on an annual basis and report back to the General Issues Committee during the first quarter of each year on the outcome of the review.

INFORMATION

Report PED20085 provides an update on the status of the HDBKMRPIP, as well as other Urban Renewal Programs and Initiatives.

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 2 of 28

Hamilton Downtown Barton/Kenilworth Multi-Residential Property Investment Program

The City has loaned, as at December 31, 2019, approximately \$44 M under the HDBKMRPIP supporting the creation/renovation of 1,484 dwelling units at an interest cost to the City of approximately \$4.2 M (\$2,855 /dwelling unit). The public cost of the Program has levered approximately \$250.9 M of private construction value at a ratio of 1:47. As of December 31, 2019, there were 19 loans that had been repaid in full, one loan being repaid, and one loan had been written-off.

Appendix “A” to Report PED20085 identifies the location of 21 projects within the Downtown Hamilton Community Improvement Project Area (DHCIPA) that have received funding or are under construction and will receive funding under the HDBKMRPIP.

Hamilton Downtown, Barton and Kenilworth Multi-Residential Property Investment Program - 2019 Year End Status

Units Built/Under Construction	1,484
Number of Projects	21
Construction Value	\$250,942,395
Loans Advanced	\$43,996,189
Loans Paid Back	\$38,685,152
Written-off (One Loan)	\$1,101,207
Loans Outstanding	\$4,209,830
Interest Paid	\$4,236,872
Ratio of Interest Paid to Construction Value	1:59
Cost (Interest Plus Default)	\$5,338,079
Ratio of Cost to Construction Value	1:47



220 Cannon Street East, Hamilton

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 3 of 28

As of December 31, 2019, \$4,209,830 was outstanding and being repaid. Therefore, based on a maximum of \$35 M in loans being outstanding, there is an additional \$30,790,170 in future loan commitments that can be approved by City Council and advanced.

The terms and conditions of the HDBKMRPIP were reviewed by staff as part of the Five-Year Review of the Downtown and Community Renewal Community Improvement Plan. The review culminated in Report PED16050 which was approved by City Council at its meeting held on May 11, 2016. Amendments to the HDBKMRPIP included, but were not limited to:

- Expanding the Program to the Barton and Kenilworth commercial corridors;
- Reducing the maximum loan per project to \$4 M; and,
- Reducing the maximum loan per developer or related group to \$10 M.

Staff also would like to take this opportunity to update Committee and Council on the following Urban Renewal Programs and initiatives:

Hamilton Tax Increment Grant Program

In 2019, \$948,314 was due to be issued to 22 reassessed projects through the Hamilton Tax Increment Grant Program (HTIGP). Since grants were first issued in 2004, \$9.6 M has been granted through the Program to 39 reassessed projects that had a combined construction value of \$271,234,370 which accounts for a 1:25 ratio of public grant leveraging private investment.

Hamilton Tax Increment Grant Program

2019 Year End Status of Reassessed Projects

Grants Due in 2019 (to 22 Projects)	\$948,314
Grants Issued 2004-2019 (to 39 projects)	\$9,560,640
Estimated Total Grants (for all 39 projects including all prior and future payments)	\$10,760,435
Construction Value	\$271,234,370
Ratio of Total Grants to Construction Value	1:25

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 4 of 28



1005 King Street West, Hamilton



31-39 King William Street, Hamilton

The Map, attached as Appendix “B” to Report PED20085, identifies the location of 34 properties within the DHCIPA that have received grants under the HTIGP. Note that the map does not include four projects; one located in Ancaster, one in Westdale Village, and two in Stoney Creek that have received grants.

Increase in Taxes

The following chart lists projects in Downtown Hamilton and in the Ancaster, Westdale Village, Stoney Creek, Waterdown, and Barton/Kenilworth Community Improvement Project Areas (CIPA) that have been approved, for loans/grants under the HDBKMRPIP and/or the HTIGP and/or the Barton/Kenilworth Tax Increment Grant Program and compares their pre-development Municipal taxes to their post-development Municipal taxes. The increase in total Municipal taxes (inclusive of growth, reassessment and budget) equates to approximately \$5.6 M. This increase will be realized annually. Note that the figures with an asterisk are estimates of the increase in Municipal taxes as the

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 5 of 28

projects have been completed but not reassessed by the Municipal Property Assessment Corporation (MPAC), are under construction, or construction has not commenced to date.

Property Address	Base Year	Difference between base year taxes and post development taxes	HDBKMRPIP	HTIGP	BKTIG
135 James Street South	2003	+\$446,300	✓		
11 Rebecca Street	2004	+\$79,700	✓	✓	
155 James Street South	2003	+\$84,300	✓		
118 Market Street	2003	+\$144,800	✓	✓	
91 Wellington Street North	2003	+\$15,800	✓		
4, 8, 12 Forest Avenue	2005	+\$27,300	✓	✓	
47 Caroline Street North	2007	+\$133,000	✓	✓	
80 King William Street	2003	+\$151,200	✓		
267/271 King Street East	2007	+\$3,300	✓		
260-280 King Street East	2005	+\$105,400	✓	✓	
170-176 Jackson Street West	2007	+\$8,000	✓	✓	
289 Hunter Street East	2007	+\$700	✓		
68 George Street	2010	+\$226,200	✓	✓	
275 King Street West	2011	+\$40,200	✓	✓	
40 Bay Street South	2012	+\$314,700	✓	✓	
150 Main Street West	2013	+\$506,700	✓	✓	
137-149 Main Street West	2013	+\$110,400	✓	✓	
33 Main Street East	2002	+\$18,400		✓	
135 Hunter Street	2002	+\$61,900		✓	
100-110 James Street South	2004	+\$24,000		✓	
1 Main Street West	2004	+\$67,900		✓	
66 Bay Street South	2004	+\$265,600		✓	
1 Hunter Street East	2006	+\$63,300		✓	
210 Main Street East	2007	+\$54,600		✓	
87-89 King Street East	2006	+\$16,200		✓	
232 Cannon Street East	2009	+\$51,000		✓	
52 Cannon Street West	2008	+\$30,100		✓	
193-197 James Street North	2009	+\$10,100		✓	
130-134 Wellington Street North	2011	+\$10,900		✓	
162 Ferguson Avenue North	2012	+\$17,100		✓	

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 6 of 28

Property Address	Base Year	Difference between base year taxes and 2019 taxes	HDBKMRPIP	HTIGP	BKTIG
121-123 James Street North	2012	+\$81,500		✓	
69 Hughson Street North	2013	+\$11,800		✓	
50 Murray Street	2012	+\$105,700		✓	
147-159 Walnut Street South	2013	+\$17,700		✓	
180-188 Wilson Street	2014	+\$16,400		✓	
179-191 James Street North	2014	+\$282,900	✓	*✓	
125 Wellington Street North	2014	+\$59,200		*✓	
140 Main Street West	2014	+\$317,700		*✓	
290 Barton Street West	2015	+\$103,700		✓	
112 King Street East	2015	+\$334,200		✓	
245 James Street North	2015	+\$4,200		*✓	
193 King Street East	2015	+\$5,100		✓	
31-39 King William Street	2015	+\$49,200		✓	
127 Market Street	2016	+\$5,200		*✓	
220 Cannon Street East	2016	+\$184,200	✓	*✓	
232 Cannon Street East	2016	+\$9,900		✓	
20-22 George Street	2017	+\$629,100		*✓	
73 King Street East	2017	+\$2,000		✓	
27 Bold Street	2017	\$103,300		*✓	
Ancaster CIPA					
407 Wilson Street East	2013	+\$6,600		✓	
Westdale Village CIPA					
1005 King Street West	2016	+\$7,000		✓	
Stoney Creek CIPA					
22 Jones Street	2014	+\$6,800		✓	
7 King Street	2014	+\$5,000		✓	
Waterdown CIPA					
244 Dundas Street East	2018	+\$1,600		*✓	
Barton/Kenilworth Tax Increment Grant Program					
657-659 Barton Street East	2017	+\$6,300			*✓
431-435 Barton Street East	2017	+\$13,500			*✓
286 Sanford Avenue North	2018	+\$133,500			*✓
301-303 Barton Street East	2018	+\$5,000			*✓
302 James/6 Barton St. E.	2018	+\$700			*✓
Total		\$5,598,100			

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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.

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 7 of 28

Financial Incentive Programs Administered by Urban Renewal

Urban Renewal administers various financial incentives. The chart below identifies the number of applications received from 2011-2019:

Financial Incentive Program	2011	2012	2013	2014	2015	2016	2017	2018	2019
BIA Commercial Property Improvement Grant Programs	34	38	53	62	55	59	46	34	22
Commercial Corridor Housing Loan and Grant Program (pre-application)	14	21	17	22	18	21	17	21	23
Commercial Corridor Housing Loan and Grant Program (final application)	2	3	2	6	3	5	5	7	3
Hamilton Heritage Property Improvement Grant Program	2	2	8	4	8	2	13	9	3
Hamilton Office Tenancy Assistance Program	1	1	1	2	5	1	5	3	0
Hamilton Downtown Barton and Kenilworth Multi-Residential Property Investment Program	2	4	2	1	3	0	2	1	1
Hamilton Tax Increment Grant Program	2	8	8	10	9	4	4	10	11
Commercial Property Improvement Grant Program (formerly the Hamilton Commercial Façade Property Improvement Grant Program)		17	31	54	4	16	28	52	26
GORE Building Improvement Grant Program		5	8	15	0	0	0	0	0
Hamilton Community Heritage Fund Loan Program			2	1	1	1	1	2	0
Hamilton Heritage Conservation Grant Program				18	7	9	9	7	7
Barton/Kenilworth Commercial Corridor Building Improvement Grant Program						4	13	9	13
Barton/Kenilworth Tax Increment Grant Program						3	4	4	6
Barton/Kenilworth Planning and Building Fee Rebates						1	4	3	1

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 8 of 28

Financial Incentive Program	2011	2012	2013	2014	2015	2016	2017	2018	2019
ERASE Study Grant	14	14	15	17	12	21	23	18	26
ERASE Redevelopment Grant	3	4	3	4	7	2	4	8	7
Hamilton Downtown/West Harbourfront Remediation Loan Program (RLP)	0	2	0	1	0	0	0	0	0
TOTALS	74	119	150	217	132	149	178	188	149

In addition to increasing the assessment and resulting property taxes of the specific property that directly receives funding, the redeveloped properties also help increase the value and desirability of surrounding properties that are no longer next to a vacant, derelict or contaminated property. Surrounding properties might also benefit from new residents, employees, and customers in nearby redevelopment properties.

Although the Business Improvement Area Commercial Property Improvement Grant Program, the Commercial Property Improvement Grant Program, the Gore Building Improvement Grant Program and the Hamilton Heritage Conservation Grant Program are 50/50 matching grants, the true value of the work leveraged by the City grant is more than 50%. Funds under the Programs are advanced only when the work has been completed. The charts below provide an overview of the grants.

Business Improvement Area Commercial Property Improvement Grant Program

The Business Improvement Area Commercial Property Improvement Grant Program (BIACPIG) is offered within Hamilton’s active Business Improvement Areas (BIAs) and provides a matching grant to a maximum of \$20 K (\$25 K for corner properties) for façade improvements and limited interior improvements. The grant amount is dependent upon the linear foot of frontage of the building.

Business Improvement Area Commercial Property Improvement Grant Program 2002 - December 31, 2019				
Time Period	Number of Projects Paid	Construction Value	Grant Paid	Grant as a percentage of Construction
2019	32	\$1,670,328	\$454,622	27%
2002-2019	506	\$14,503,059	\$5,444,560	38%



584 Concession Street, Hamilton

137 King Street East, Hamilton

Commercial Property Improvement Grant Program

The Commercial Property Improvement Grant (CPIG) offers a matching grant for façade improvements and limited interior improvements to a maximum of \$10 K per application (\$12.5 K for corner properties). The Program is offered to property owners and authorized tenants who are not eligible for the BIACPIG and located within Downtown Hamilton, Community Downtowns, the Mount Hope/Airport Gateway and the commercial corridors as identified in the Downtown and Community Renewal Community Improvement Project Area.

Commercial Property Improvement Grant Program 2012 – December 31, 2019				
Time Period	Number of Projects Paid	Construction Value	Grant Paid	Grant as a Percentage of Construction
2019	18	\$520,097	\$168,795	32%
2012-2019	97	\$2,454,951	\$892,140	36%



976 Main Street East, Hamilton

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Commercial Corridor Housing Loan and Grant Program

The Commercial Corridor Housing Loan and Grant Program (CCHLGP) offers financial assistance for the construction of new residential units and renovation of existing residential units within Downtown Hamilton, Community Downtowns, the Mount Hope/Airport Gateway, Business Improvement Areas, the commercial corridors as identified in the Downtown and Community Renewal CIPA By-law and properties within the City boundary designated under the *Ontario Heritage Act*. The loan is calculated on the basis of \$20 K per dwelling unit, to a maximum of \$600 K per property. The grant provides up to a \$5 K grant per property for professional fees and some City of Hamilton fees paid.

Commercial Corridor Housing Loan and Grant Program Inception 2007 - December 31, 2019				
Time Period	Number of Projects Approved	Loan Amount Advanced	Loans Repaid	Grant Paid Out
2007-2019	11	\$1,029,450	\$552,125	\$47,931



1000-1016 King Street East, Hamilton

GORE Building Improvement Grant Program

The GORE Building Improvement Grant Program (GBIGP) offered a matching grant for building improvements to a maximum of \$50 K per application for properties fronting on King Street between James Street and Catharine Street. It was offered for a three-year period with applications being accepted until December 31, 2014.

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 11 of 28

Note that City Council at its meeting held January 22, 2020, decided that:

- The deadline for the submission of a separate, completed 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 maintained at July 31, 2020, 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 July 31, 2020; and,
- 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 July 31, 2020, 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 and GBIGP, for those properties should continue to be valid.

Gore Building Improvement Grant Program 2012 - December 31, 2019 (Three-Year Program Only)				
Time Period	Number of Projects Paid	Construction Value	Grant Paid	Grant as a percentage of Construction
2012-2019	19	\$2,438,229	\$804,511	33%



11 King Street East, Hamilton (before and after)

Hamilton Heritage Conservation Grant Program

The Hamilton Heritage Conservation Grant Program (HHCGP) is offered to owners/authorized tenants of properties designated under Parts IV or V of the *Ontario Heritage Act* that are not eligible for the Hamilton Heritage Property Grant Program. The maximum matching grant is \$5 K for the conservation/preservation of heritage features.

Hamilton Heritage Conservation Grant Program Since Inception 2014 – December 31, 2019	
Number of Grant Commitments	47
Total Grant Commitments	\$204,765
Grants Advanced	\$183,550
Conservation Value of Projects	\$806,701
Grants as a Percentage of Construction	25%



493 Dundas Street East, Waterdown

Hamilton Heritage Property Grant Program

The Hamilton Heritage Property Grant Program (HHPGP) is offered to owners/authorized tenants of properties designated under Parts IV or V of the *Ontario Heritage Act* and located within Downtown Hamilton, a Community Downtown, an active Business Improvement Area, or, located within the lower City between Highway 403 and the Red Hill Valley Parkway and used for commercial, institutional or multi-residential purposes. The Program offers grants to a maximum of \$150 K (50% for the first \$40 K of work and 25% of costs over and above the \$40 K) for conservation or structural/stability work plus an additional \$20 K grant for heritage assessments/reports.

Note that City Council at its meeting held January 22, 2020, decided that:

- The deadline for the submission of a separate, completed 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

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 13 of 28

Business Space Corporation (Linda Barnett, David Blanchard, Ronald Quinn and William Rogan), the registered owners, be maintained July 31, 2020, 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 July 31, 2020; and,

- 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 July 31, 2020, 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 GORE Building Improvement Grant Program, for those properties should continue to be valid.

Hamilton Heritage Property Grant Program Since Inception 2008 – December 31, 2019	
Number of Grant Commitments	49
Total Grant Commitments	\$2,536,454
Total Conditional Grant Commitments (for 18-28 King Street East)	\$850,000
Grants Advanced	\$2,100,967
Grants Approved to be Advanced (not including 18-28 King Street East)	\$435,486
Conservation Value of Projects (not including 18-28 King Street East)	\$14,366,066
Grants as a Percentage of Construction (not including 18-28 King Street East)	15%



171 Forest Avenue, Hamilton

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 14 of 28

Office Tenancy Assistance Program

The Office Tenancy Assistance Program (OTAP) offers a zero percent interest loan for leasehold improvements for office use within Downtown Hamilton, Community Downtowns, Business Improvement Areas and the commercial corridors along Barton Street, east of the Barton Village BIA, and along Kenilworth Avenue North, as identified in the Downtown and Community Renewal Community Improvement Project Area By-law.

Office Tenancy Assistance Program Since Inception 2010–December 31, 2019	
Number of Loan Commitments	10
Total Loan Commitments	\$1,489,982
Square Feet of New/Expanded Office Space	99,329
Loans Advanced	\$1,239,982
Loan Amount Paid Back	\$463,367
Loan amount forgiven	\$38,505
Loans to be Advanced	\$250,000
Construction Value of Approved Projects	\$7,778,244



286 Sanford Avenue North, Hamilton

Hamilton Community Heritage Loan Fund

The Hamilton Community Heritage Loan Fund (HCHLF) offers a zero percent interest loan to a maximum of \$50 K for work that conserves or restores the heritage attributes of a property designated under Part IV or Part V of the *Ontario Heritage Act* within the City of Hamilton.

Hamilton Community Heritage Loan Fund January 1, 2009 – December 31, 2019	
Number of Loan Commitments	19
Total Loan Commitments	\$710,852
Loans Advanced	\$544,075
Loans Paid Back	\$428,988
Loans Outstanding	\$115,087
Loans to be Advanced	\$166,777
Interest Paid	\$54,596



31-33 Melville Street, Dundas

Barton/Kenilworth Commercial Corridor Building Improvement Grant Program

The Barton/Kenilworth Commercial Corridor Building Improvement Grant Program (BKCCBIGP) was introduced in June of 2016 for properties located within the boundaries of the Barton Village BIA, the Barton and Kenilworth commercial corridors and the properties that front on Barton Street between James Street North and Victoria Avenue North as identified in the DHCIPA. The Program offers a matching grant to a maximum of \$50 K per deeded property towards the redevelopment of property.

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 16 of 28

Barton/Kenilworth Commercial Corridor Building Improvement Grant Program June 2016 – December 31, 2019	
Number of Grant Commitments	22
Total Actual Payments and Grant Commitments	\$839,941
Grant Paid	\$449,717
Grants Approved to be Advanced	\$392,873
Construction Value of Projects	\$1,962,774
Grants as a Percentage of Construction	43%



304-314 Barton Street East, Hamilton

Barton/Kenilworth Tax Increment Grant Program

The Barton/Kenilworth Tax Increment Grant Program (BKTIGP) provides for a nine-year grant based on the increase in the Municipal portion of the realty taxes attributed to the redevelopment of residential or commercial lands and buildings located within the boundaries of the Barton Village BIA, the Barton Street East and Kenilworth Avenue North commercial corridors, and the properties that front on Barton Street between James Street North and Victoria Avenue North as identified in the DHCIPA. The grant is at 100% of the Municipal realty tax increase during the first five years, 80% in year six, 60% in year seven, 40% in year eight and 20% in year nine.

Barton/Kenilworth Tax Increment Grant Program Inception 2016 - December 31, 2019	
Number of Approved Grants*	5
Total Estimated Value of Approved Grants	\$1,113,426
Total Construction Value of Approved Grants	\$11,727,000
Ratio of Total Approved Grants to Total Construction Value	1:11

**Number of Approved Grants does not include 2 applications where the approval had expired.*

Barton/Kenilworth Commercial Corridors Rebate of Application Fees

The Barton/Kenilworth Commercial Corridors Rebate of Application fees Program provides a rebate of some Planning and Building application fees for properties within the boundaries of the Barton Village BIA, the Barton Street East and Kenilworth Avenue North commercial corridors, and properties that front on Barton Street East between James Street North and Victoria Avenue North, as identified in the DHCIPA. Building Permit fees are rebated upon final inspection and building permit completion. Fees for Committee of Adjustment (COA) minor variances that support the revitalization of the corridors supported by Planning staff are rebated upon approval of the variance, as long as there were no appeals to the Ontario Municipal Board (OMB). If appeals are filed with the OMB and the OMB upholds the COA's decision, the rebate of the fee would be issued. If there are appeals and the OMB overturns a COA decision, a rebate is not issued. Site Plan application fees are rebated after issuance of a Building Permit.

Applications

One Application was received in 2016 for a Demolition Permit fee and Building Permit fee totalling \$1,951. The rebate for the Demolition Permit fee in the amount of \$228 was approved and paid in July of 2017. The rebate for the Building Permit fee will be issued in accordance with the terms of the Program. Four additional applications were received in 2017. Three applications were received in 2018. Two of the applications received in 2018 were approved and paid out. A total of \$926 in rebates were paid out in 2018. One application was received in 2019. Rebates will be paid in accordance with the terms of the Program.

ERASE Study Grant Program

The purpose of the ERASE Study Grant (ESG) Program is to promote the undertaking of investigative environmental studies to enable property owners or prospective purchasers to obtain a better understanding of a property's environmental condition in terms of the type and extent of contamination. These studies are intended to further facilitate and promote the goal of properties ultimately being remediated and redeveloped.

The ESG program provides a matching grant of 50% of the cost of a Phase Two Environmental Site Assessment (ESA) up to a maximum of \$20 K per site/project. A maximum of two applications per property/project may be submitted with the combined value of both grants not to exceed \$35 K.

ESG Program 2019 Year End Status

In 2019, staff received a total of 26 applications to the ESG program of which 24 have been approved. The combined value of financial incentives for these applications is

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 18 of 28

anticipated to be \$289,620.00. Approved applications will result in over 12 hectares of land and associated buildings being studied through 24 different Phase Two Environmental Site Assessments (ESA).

Metric	2019 Applications	2001-2019 Applications
Number of grant applications approved	24	198
Total grant value of approved applications	\$ 289,620.00	\$ 2,041,067.67
Average grant per approved application	\$ 11,258.56	\$ 10,734.77
Total land area studied through approved applications	12.23 ha. (30.23 ac.)	206.60 ha. (510.53 ac.)

**Approved applications include applications which have been approved but not yet paid as well as those applications which were approved and have been completed/paid.*

ERASE Redevelopment Grant Program

The purpose of the ERASE Redevelopment Grant (ERG) Program is to provide financial relief to property owners who undertake and complete the remediation and redevelopment of a brownfield site located within the City's urban boundary. Grants are based on the increase in assessed value and property taxes (the increment) realized on a property as a result of remediation and redevelopment.

Grants are provided annually at a rate of 80% of the increase in the municipal portion of property taxes for up to ten years or until the eligible remediation costs are recovered, whichever comes first. Grant payments commence after remediation and redevelopment are completed, the property has been reassessed by MPAC and one full calendar year of municipal taxes have been paid at the newly assessed rate. Approved applicants under the ERG program also have the ability to utilize the ERASE Development Charge Reduction (DCR) option which permits the use of approved eligible costs under the ERG program to be applied against development charges payable for that proposed development (after any demolition charge credits are applied). If the applicant chooses to exercise this option, the approved eligible costs applied against development charges will be deducted from eligible costs under the ERASE ERG and any subsequent annual grant payments.

ERG Program 2019 Year End Status

In 2019, staff received a total of seven applications to the ERG program. Staff also made recommendations to Council for three application approvals (note: applications may be submitted well in advance of being brought to Council for consideration, and as a result, approved applications in 2019 may not necessarily have been received in 2019).

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 19 of 28

In 2019 annual grant payments totalling \$312,178.08 for five remediated, redeveloped and reassessed projects will be made under the ERG program. To-date these five projects have received grants and/or Development Charge reductions totalling \$2,400,330.15.

ERG applications received (2019)		7				
ERG applications approved by Council (2019)		3				
ERG applications approved by Council (2001-2019)		51				
Value of grant payments to be made in 2020		\$312,178.08				
Projects Receiving Grant Payments in 2020						
Address	Base Tax Year/ Reassessed Tax Year	2019 Annual Grant Payment (80% of Tax Increment)	Cumulative Annual Grant Payments (as of 2019)	DC Reduction Applied/ Planned	Maximum Potential Grant	Year of Grant Payment
186 Ferguson Ave. N.; 190-200 Barton St. E.	2008/2016	\$11,614.00	\$46,456.00	n/a	\$1,908,381.04	4 of 10
685 Queenston Rd.	2011/2019	\$79,976.46	\$537,573.87	\$172,573.59	\$962,250.00	7 of 10
420 Glover Rd.	2011/2014	\$96,188.26	\$581,228.81	\$378,164.31	\$1,280,129.11	6 of 10
275 James St. N.	2012/2014	\$12,925.89	\$76,985.66	n/a	\$416,900.00	6 of 10
1587 & 1599 Upper James St..	2014/2017	\$111,473.47	\$341,629.03	\$265,718.88	\$1,372,725.00	3 of 10



101 Locke Street South, Hamilton

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SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 20 of 28

Downtown Hamilton/West Harbourfront Remediation Loan Program

The purpose of the Downtown Hamilton/West Harbourfront Remediation Loan Program (RLP) is to provide financial assistance in the form of a low interest loan to help remove financial impediments to the remediation of brownfield properties which are to be redeveloped for a residential or residential/commercial use within the defined areas of Downtown Hamilton and the West Harbourfront.

The RLP provides financial assistance through a low interest loan equal to 80% of the cost of remediating a property within the defined areas to a maximum of \$400 K per property/project. The loan is to be a 'bridge' until such time as the property owner receives their ERASE Redevelopment Grant or the Hamilton Tax Increment Grant.

RLP Program 2019 Year End Status

In 2019, staff did not receive an application under the RLP program. At the end of 2019 remediation loans totalling \$733,520.00 for two projects had been issued with a balance of \$552,045.02 outstanding.

RLP applications received (2019)		0		
RLP applications approved by Council (2010-2019)		3		
Value of Council approved loan commitments (2010-2019)		\$1,133,530.00		
Value of loans issued (2010-2019)		\$733,520.00		
Value of outstanding loans (2010-2019)		\$552,045.02		
Projects Approved under the Remediation Loan Program				
Address	Approved Loan Amount	Loan Amount Issued (to end of 2019)	Loan Status (to end of 2019)	Outstanding Balance (to end of 2019)
134 Cannon St. E.	\$400,000.00 (maximum)	\$0.00	Approval expired	n/a
275 James St. N.	\$333,520.00	\$333,520.00	In year 5 of repayment	\$152,045.02
179-191 James St. N.	\$400,000.00 (maximum)	\$400,000.00	To be repaid through ERG	\$400,000.00



179-191 James Street North, Hamilton

2019 Downtown Hamilton Building Activity

Development in the Downtown Hamilton Urban Growth Centre (UGC) continued in 2019, with a total of 192 building permits being issued, representing \$110,775,031 in building permit construction value.¹ The UGC area includes properties within and abutting the block bounded by Hunter Street, Queen Street, Cannon Street and Victoria Avenue, and also includes properties abutting James Street North to the West Harbour GO Train Station and southerly to Charlton Avenue (St. Joseph’s Hospital). The construction values from 2002 to 2019 are illustrated in Figure 1.

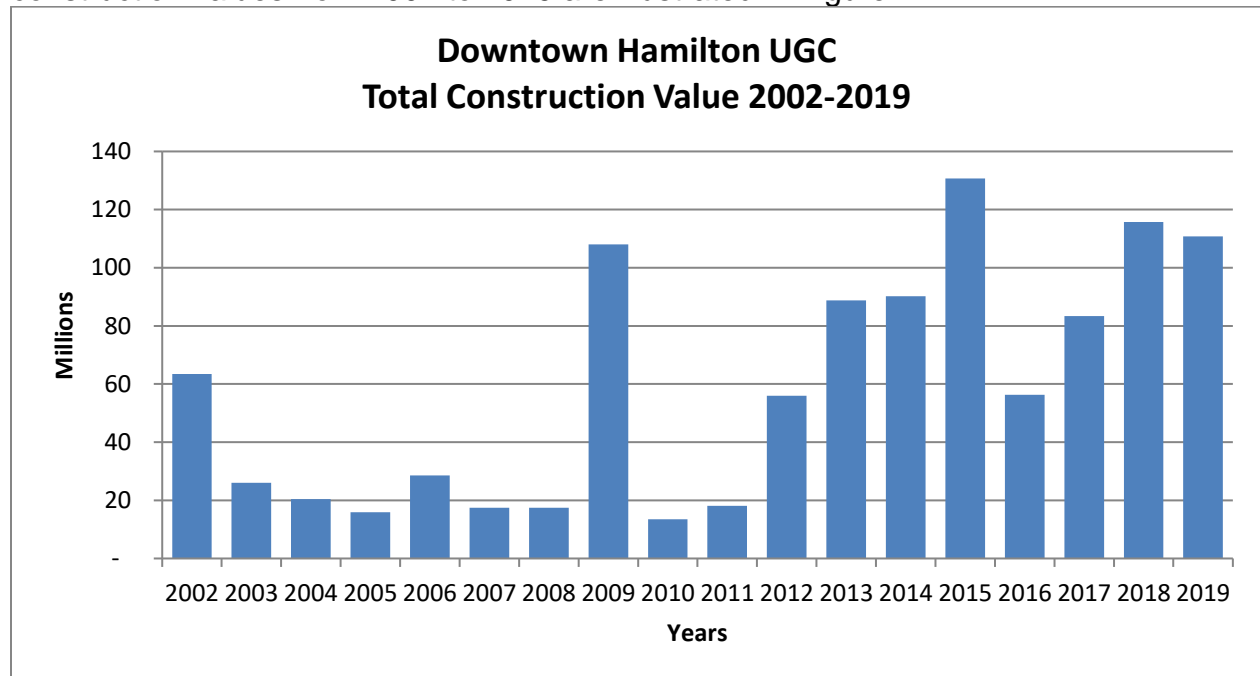


Figure 1

¹Permits issued for demolition, signs and events are excluded from the reported totals for Downtown Hamilton and the Community Downtowns.

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 22 of 28

Those developments and improvements valued at \$500 K or greater, and listed below, account for approximately 87% of the total building permit construction value.

Developments in the DHCIPA, which includes the Downtown Hamilton UGC, are outlined below and total approximately \$127,592,759 in construction value, totalling 296 building permits. Examples of projects which contributed to the building permit construction value reported for 2019 include the following residential and non-residential developments:

- 60 King William Street - Excavation and installation of shoring for the future development of two 30-storey residential towers with four levels of underground parking;
- 46 King Street East - To construct a sprinklered 4769.7 m², 5-storey office building (with one basement level);
- 15 Queen Street South - To construct foundations only for a future 24-storey mixed use building;
- 121 King Street East - To renovate existing ground floor retail area and 2nd to 4th floor residential. Addition of 4th floor area and full new 5th and 6th floors. Proposed building will have 3 commercial units and 40 residential (30 one-bedrooms, 10 two-bedrooms) in total;
- 154 Main Street East - To construct the structural shell only of a 25-storey, 34,448.4 m², hotel with commercial, building;
- 11 Cannon Street West - To construct superstructure for a 7-storey 3,319m² residential building (40 units) with one commercial unit on the ground floor;
- 119 King Street West – To repair exterior masonry, replace windows and canopies in same size and location and add new canopy at the rear (south) elevation of the existing multi-storey commercial office building;
- 147 Mary Street - Alterations to the existing 3-storey warehouse building (including basement) to create 35 new affordable housing units;
- 28 James Street North - To construct a sprinklered 6-storey, 1953 m² office and restaurant building, "Lister Annex";
- 354 King Street West - To construct foundations only (two storey parking below grade) for a future 6-storey residential building, a 10-storey hotel building and eight 2-storey apartment units;
- 165 Barton Street East - Alteration to the existing plumbing building system and existing kitchen;
- 98 James Street South - To construct foundation only for future multi-storey residential tower addition;
- 18 West Avenue South - To construct the superstructure of a 3-storey, 1527 m², 23-units apartment building;
- 154 Main Street East - To construct foundations only for a future 25-storey residential building;
- 45 Main Street East - Alteration to the existing building for structural repairs for exterior perimeter parapet walls;

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SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 23 of 28

- 53 King Street East - Interior alterations to the 4-storey, sprinklered building known as 53 King St E and 61-63 King St E;
- 100 King Street West - Alteration to the existing building to create an office space at floor 16 and floor 18, "Canada Life";
- 354 King Street West - Excavation and installation of shoring for the future development of a 6 storey Apartment building and a 10-storey hotel with 2 levels of underground parking;
- 151 Queen Street North - Alteration to the existing building for domestic water riser replacement;
- 21 John Street South - Alterations to the existing building for structural remediation work and to remove and replace the existing stair shaft in the same location;
- 45 Wellington Street North - Alterations to existing 3-storey building to create a Café at first floor, office space at second floor and 2 dwelling units at 3ed floor;
- 40 Oxford Street - Alteration within the existing apartment building to replace the existing domestic water risers and distribution piping;
- 350 King Street East - Alterations to expand and renovate office space for Hamilton Housing Services on the ground floor of the existing building;
- 150 Charlton Avenue East - To restore exterior cladding serving existing apartment building;
- 10 James Street North - Alteration to the ground floor and basement of the existing commercial building for Union Chicken;
- 206 King Street East - Alteration to the existing 3-storey commercial building to create two retail shell units on the ground floor and office tenant units on the second and third floors;
- 99 Ferguson Avenue North - Alteration to the existing building to change three kindergarten classrooms to childcare facility and renovate two classrooms to be kindergarten classroom;
- 161 Wellington Street North - Alteration to existing Tavern/Bar on ground floor to increase occupant load to a total of 264 persons. Also upgrade the FRR between 1st floor "A2" and 2nd floor apartment to 2hr. Rebuild two stairs (No. 3 and No.5), delete stair No. 1, install new fire separation;
- 98 James Street South - Excavation and installation of shoring to permit the development of a new building on this site;
- 95 Hess Street South - Alterations to the existing residential building to replace existing boilers and domestic hot water tanks;
- 21 King Street West - Interior alteration for 12th floor of existing building; new partitions, new doors, new lunchroom and new finishes;
- 46 King Street East - Excavation and installation of shoring for the future development of a 6-storey office building with one level of underground parking; and,
- 20 George Street - To install a sprinkler system and a standpipe system to serve the entire building.

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SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 24 of 28

Building permits were issued for the construction of 117 new residential units in 2019 in the DHCIPA (106 within the UGC), including:

- 40 units at 11 Cannon Street West;
- 25 units at 121 King Street East; and,
- 23 units at 18 West Avenue South.

From 2002 – 2019, building permits have been issued for a total of 3,144 dwelling units in the UGC, providing an average growth of 175 units per year.

Residential vs. Non-Residential Construction

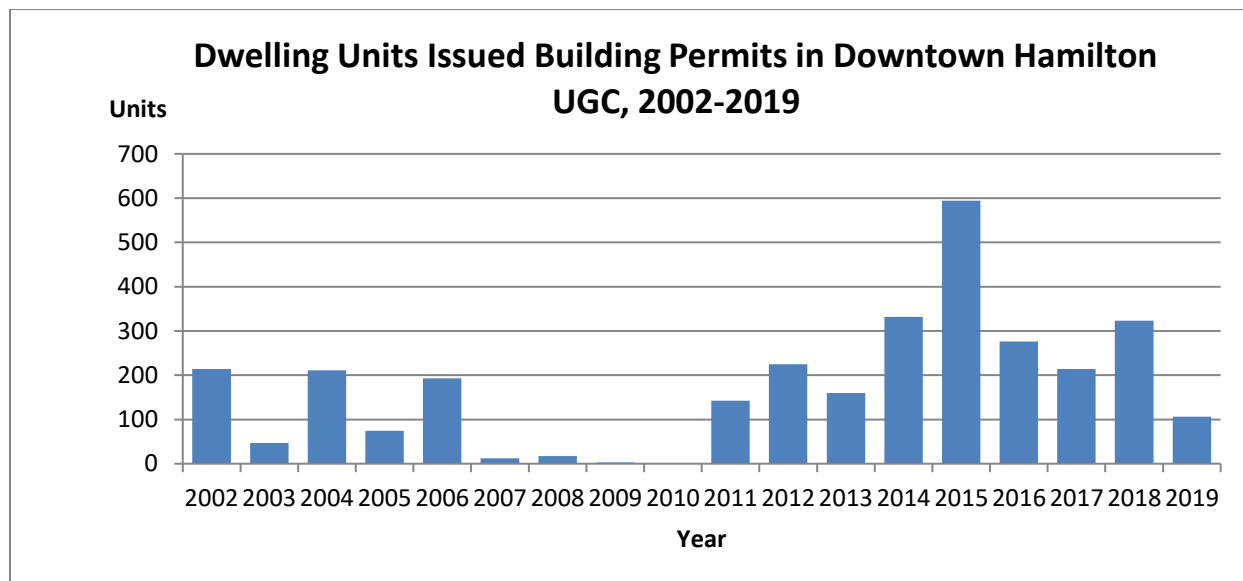
In 2019, non-residential development values surpassed residential development in the Downtown:

UGC Non-residential: 145 permits = \$60,908,461 construction value

UGC residential: 47 permits = \$49,866,570 construction value

Downtown CIPA Non-residential: 174 permits = \$66,277,913 construction value

Downtown CIPA residential: 122 permits = \$61,314,846 construction value



Notes:

- Dwelling units as per the year a building permit was issued;
- 2004 includes 108 units in the former Staybridge Suites Hotel, which converted to a retirement residence in 2010;

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 25 of 28

- 2011 includes 127 units in the new Staybridge Suites Hotel;
- 2012 includes 182 units in the new Hilton Homewood Suites Hotel; and,
- Dwelling units at 14 Mary Street are not included since the project did not proceed even though a building permit was issued in 2001 (62 units) and 2009 (59 units).

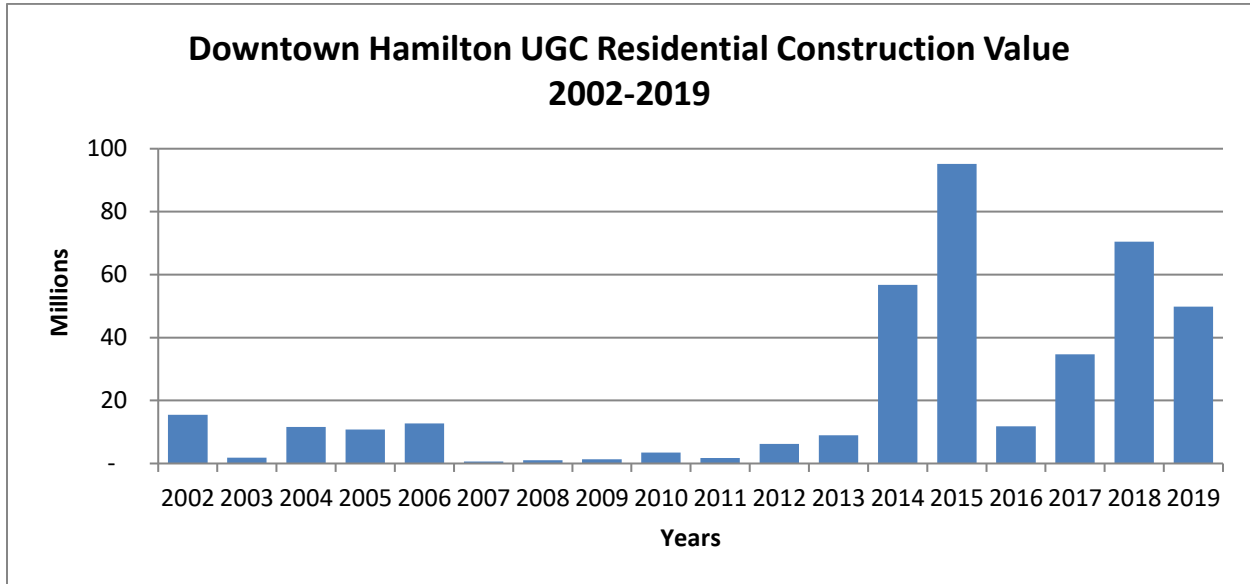


Figure 2

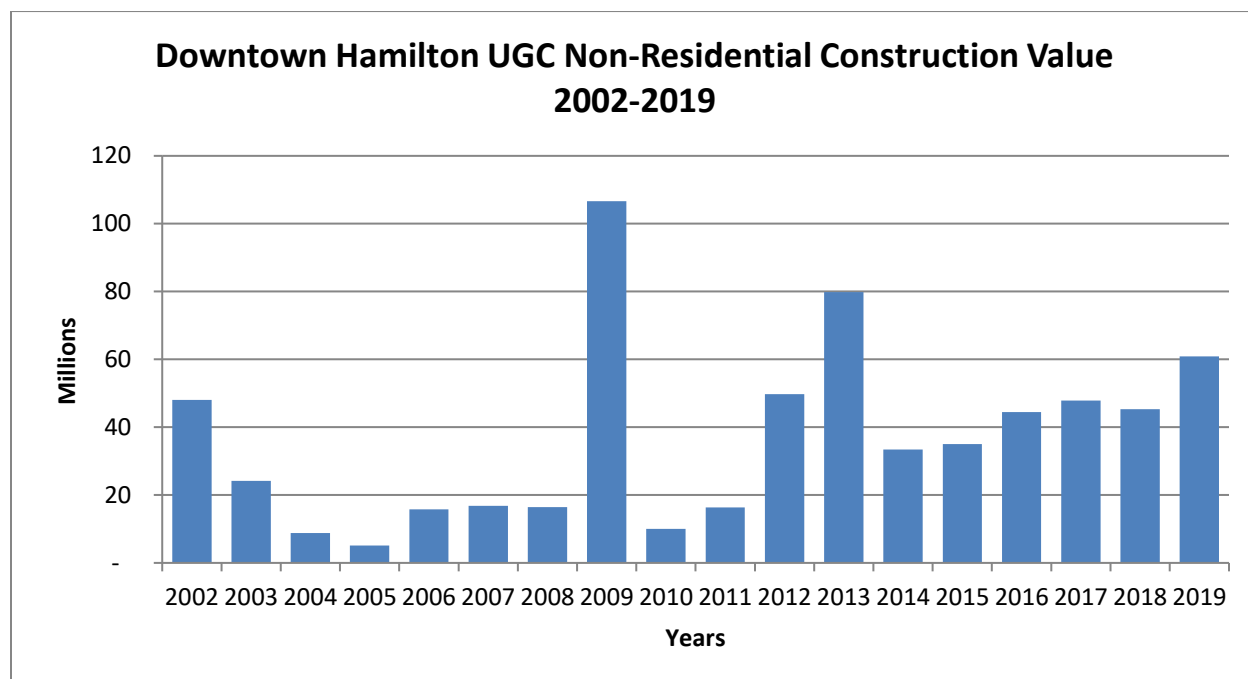


Figure 3

There were an additional 47 building permits issued in 2019 within the boundary of the DHCIPA. They account for an approximately additional \$893 K in building permit construction value in the entire Downtown Hamilton CIPA. Projects in this additional area include construction values which did not generate an increase in overall dwelling unit yield.

2019 Community Downtown Building Activity

Community Downtowns, including Ancaster, Binbrook, Dundas, Stoney Creek, Waterdown and Mount Hope, collectively, had a total of 55 building permits issued in 2019 within their respective community improvement project areas, representing a building permit construction value of approximately \$5.3 M. Growth in these communities was comprised of 30% residential and 70% non-residential. Waterdown had the largest growth out of all the Community Downtowns in 2019 totalling approximately 45% of the total construction values (see Figure 5).

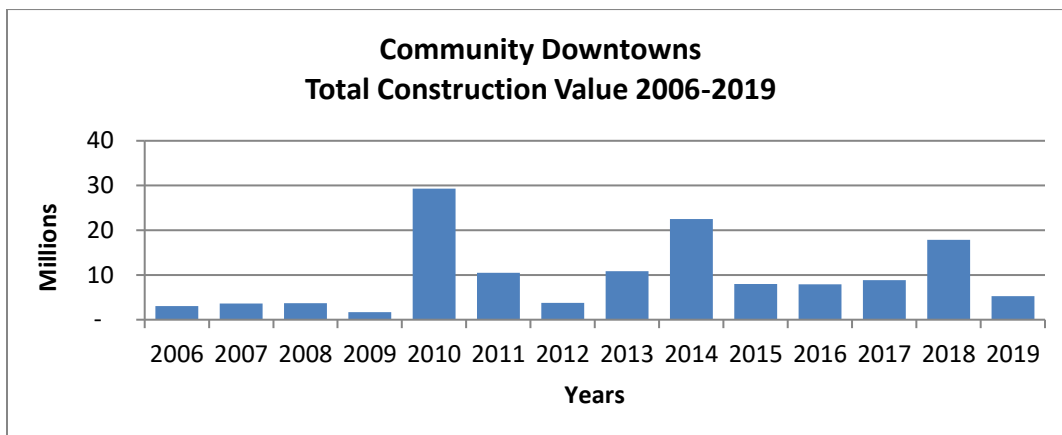


Figure 4

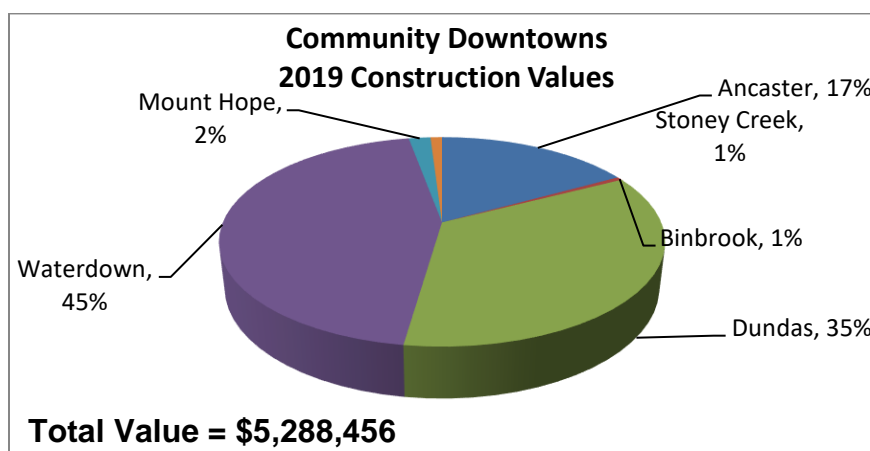


Figure 5

What follows are some examples of investments made in 2019 in the Community Downtowns (\$ construction value):

- \$700 K to construct a two-storey 433 m², mixed use building with office at the ground floor and one residential unit in Ancaster;
- \$25 K for interior alterations to existing one-storey building to create new pharmacy in Binbrook;
- \$1.1 M to repair the concrete parking garage of the apartment building in Dundas;

SUBJECT: Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Urban Renewal Initiatives (PED20085) (City Wide) - Page 28 of 28

- \$100 K for alterations to the existing one-storey repair garage to construct an open mezzanine and to reconfigure the office area on the ground floor in Mount Hope Park;
- \$40 K to construct two car detached garage at existing single-family home in Stoney Creek; and,
- \$900 K to construct a two-storey 435.76 m² mixed use commercial/residential building with a retail unit on the ground floor and two dwelling units on the second floor in Waterdown.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A"-Location Map

Appendix "B"-Location Map

CG/LB/PC:dt