

CITY OF HAMILTON PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT Economic Development Division

то:	Mayor and Members General Issues Committee	
COMMITTEE DATE:	March 24, 2021	
SUBJECT/REPORT NO:	Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide)	
WARD(S) AFFECTED:	City Wide	
PREPARED BY:	Phil Caldwell (905) 546-2424 Ext. 2359	
SUBMITTED BY: SIGNATURE:	Norm Schleehahn Director, Economic Development Planning and Economic Development Department MASM	

RECOMMENDATION

- (a) That staff be directed to bring forward to the Planning Committee for a statutory public meeting, in accordance with Section 17(15)(d) of the *Planning Act*, the following respecting proposed changes to the Downtown and Community Renewal Community Improvement Plan and Downtown and Community Renewal Community Improvement Plan and Downtown and Community Renewal Community Improvement Project Area By-laws:
 - Appendix "A" attached to Report PED21035, respecting the Revitalizing Hamilton's Commercial Districts Community Improvement Plan (formerly the Downtown and Community Renewal Community Improvement Plan); and,
 - (ii) Appendix "B" to attached Report PED21035, respecting the Revitalizing Hamilton's Commercial Districts Community Improvement Project Area (formerly the Downtown and Community Renewal Community Improvement Project Area);
- (b) That staff be directed to bring forward to the Planning Committee the following implementing program descriptions for consideration in conjunction with proposed changes to the Downtown and Community Renewal Community

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 2 of 29

Improvement Plan and Downtown and Community Renewal Community Improvement Project Area By-laws:

- Appendix "C" attached to Report PED21035, respecting the Commercial District Housing Opportunities Program (currently the Commercial Corridor Housing Loan and Grant Program);
- (ii) Appendix "D" attached to Report PED21035, respecting the Downtown and Barton/Kenilworth Housing Opportunities Program (currently the Hamilton Downtown, Barton and Kenilworth Multi-Residential Property Investment Program);
- (iii) Appendix "E" attached to Report PED21035, respecting the Revitalizing Hamilton Tax Increment Grant Program (currently the Hamilton Tax Increment Grant Investment Program);
- (iv) Appendix "F" attached to Report PED21035, respecting the Barton/Kenilworth Tax Increment Grant Program;
- Appendix "G" attached to Report PED21035, respecting the Commercial District Revitalization Grant Program (currently the Commercial Property Improvement Grant Program and Business Improvement Area Commercial Property Improvement Grant Program);
- (vi) Appendix "H" attached to Report PED21035, respecting the Barton/Kenilworth Revitalization Grant Program (currently the Barton/Kenilworth Commercial Corridor Building Improvement Grant Program);
- (vii) Appendix "I" attached to Report PED21035, respecting the Gore Building Improvement Grant Program;
- (viii) Appendix "J" attached to Report PED21035, respecting the Start-up and Office Tenant Attraction Program (currently the Office Tenancy Assistance Program); and,
- (ix) Appendix "K" attached to Report PED21035, respecting the Commercial Vacancy Assistance Program;
- (d) That staff be directed to change the names of the following financial budget accounts to reflect proposed program name changes as follows:

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 3 of 29

- (i) "Annual Com Prop Improve Grant BIA" (Project ID 8201703703) to "Annual Commercial District Revitalization Grant Program";
- (ii) "Barton Kenilworth Grant Building" (Project ID 8201703700) to "Barton/Kenilworth Revitalization Grant Program"; and,
- (iii) "Office Tenancy Assistance Program" (Project ID 8201703100) to "Startup and Office Tenant Assistance Program";
- (e) That funds, in an amount not to exceed \$100,000, be transferred, as required to fund future grants under the Commercial Vacancy Assistance Program, from the Gore Building Improvement Grant Program Project ID 8201703620 to the newly established Commercial Vacancy Assistance Program Project; and,
- (f) That funds, in an amount not to exceed \$48,170, be transferred, as required, to fund future loans and/or forgivable loans under the Start-up and Office Tenant Attraction Program, from the Gore Building Improvement Grant Program Project ID 8201703620 to the Office Tenancy Assistance Program Project ID 8201703100.

EXECUTIVE SUMMARY

The Downtown and Community Renewal Community Improvement Plan (DCR CIP) establishes the purpose, goals, rationale and authorization for the provision of financial incentive programs intended to support the revitalization of strategic commercial districts throughout the City. Current programs offered under the DCR CIP provide either grants or low-interest loans which collectively promote and incentivize private sector investment in the form of new developments on under-utilized properties, improving the appearance, functionality, marketability and usability/safety of existing commercial buildings and/or attract tenants from key sectors to locate within specific areas.

As the DCR CIP and its programs had not been comprehensively reviewed since 2016, and in keeping with City practice to review CIPs and programs every five years, staff undertook a review that would serve as a 'check-in' to evaluate the DCR CIP and its programs in terms of addressing their intended goals and to propose adjustments where required. Staff's review included extensive stakeholder and community engagement along with an evaluation of the following: the current state of revitalization efforts in commercial districts that are the subject of the DCR CIP's programs (collectively referred to as the commercial district Community Improvement Project Areas (CIPAs)); the continued relevance and effectiveness of current incentive programs in the CIPAs,

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 4 of 29

the economic competitiveness of current programs compared to those offered in economically competitive Southern Ontario municipalities as well as the identification of new or emerging community/City Council priorities which the DCR CIP and its programs could further support within the commercial district CIPAs.

Staff's findings are that the existing incentive programs have leveraged significant private sector investment over the last five years that has supported the continued revitalization of the commercial district CIPAs. Progress achieved includes a significant increase in the number of new residential and mixed use developments being constructed/proposed, growth in the residential and non-residential assessment in these areas by approximately \$1.3 B (inclusive of growth and reassessment), an increase in the proportion of assessment growth across all commercial district CIPAs attributed to non-residential and mixed use developments as well as having supported nearly 250 physical improvement projects to various commercial and mixed use properties.

Although these accomplishments are significant and not to be under-stated, staff's review identified key issues and concerns raised commonly through stakeholder consultation which highlighted the continued importance and need for incentive programs to sustain revitalization efforts in commercial district CIPAs going forward. Issues/concerns identified include the continued presence of significantly under-utilized buildings/properties across the CIPAs, and the need to continue increasing local residential populations in or near commercial districts to support demand for local commercial businesses and services. In addition, staff also noted the emergence of specific community/City Council priorities not currently supported by existing programs including environmental sustainability and climate change, housing affordability and the potential for rising commercial vacancies as a result of the COVID-19 pandemic; issues that pose both short and long-term risks to sustained revitalization efforts in the commercial district CIPAs.

Staff's findings support the continuation of the existing programs with only minor changes. In response to the emerging community/City Council priorities identified above, staff are recommending modifications to the existing suite of incentive programs in order to provide greater support in terms of:

- a) promoting environmentally sustainable improvements/developments in support of Council's 2019 declaration of a climate emergency and the objectives of the Council endorsed Corporate Climate Change Task Force's Corporate Goals and Areas of Focus for Climate Mitigation and Adaptation;
- b) housing affordability resulting from rising costs for housing within Hamilton; and

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 5 of 29

c) short-term support to mitigate the potential for commercial storefront vacancies within the commercial district CIPAs in response to stakeholder feedback and the Council approved Mayor's Task Force on Economic Recovery Final Report.

The proposed modifications identified in this Report are:

- Modifying the grant amounts provided under the Hamilton Tax Increment Grant Program to provide a greater financial incentive to incorporate housing affordability and/or environmental sustainability and climate change measures into developments;
- Expansion of an existing housing improvement/creation loan program to support the development of laneway housing units in commercial district CIPAs, where permitted;
- Updates to the commercial property improvement grant program to permit environmentally and climate focused exterior building/property improvements; and
- The creation of a temporary two-year grant program in response to the COVID-19 pandemic to assist prospective commercial tenants with permanent interior improvements to a vacant commercial space.

In addition, staff are proposing other modifications arising from the review that are intended to further revitalization including:

- Extending commercial corridor focused incentive programs to include under-utilized, commercially zoned properties on Cannon Street between Emerald Street North and Wentworth Street North;
- Increased flexibility regarding new permanent outdoor patios/decks which can be eligible for assistance under commercial property improvement grant programs;
- Expanding the scope of the Office Tenancy Attraction Program to include additional incentives to attract start-up businesses and start-up/business incubators to Hamilton; and
- Various technical refinements and updates to improve clarity, consistency and administration of all programs.

These changes would not affect the overall existing budget for the CIP incentive programs, and no additional funding would be required to implement the changes recommended in this report.

Alternatives for Consideration – Not Applicable

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 6 of 29

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: At the outset of this review, staff established a first principle that any proposed modifications arising from this review would not require an increase in the current Capital or Operating budget allocation provided to the Economic Development Division for the provision of financial incentive programs. As such, no additional funding is required to implement any of the recommendations in this Report.

Staff note the following financial matters respecting three of the proposals contained in this Report:

- No increase to the levy for the administration or provision of grants under the proposed temporary Commercial Vacancy Assistance (CVA) Program is required as staff are recommending the transfer of recently uncommitted funds from the former pilot Gore Building Improvement Grant Program Project to fund grants under this program. Funds in an amount not to exceed \$100,000.00 are proposed to be transferred from the Gore Building Improvement Grant Program Project ID 8201703620 to the Commercial Vacancy Assistance Program. To enable this transfer, staff are also recommending the creation of a new project for the CVA program.
- Funding for the existing Office Tenancy Assistance Program is contained in the Office Tenancy Assistance Program Project ID 8201703100. The available balance within the project is approximately \$63,000.00. Staff propose transferring uncommitted funds from the former Gore Building Improvement Grant Program Project to support the proposed modifications of the current Office Tenancy Assistance Program, which will be renamed the Start-up and Office Tenant Assistance Program, to allow for the potential forgiveness of all or a portion of loans (to a maximum of \$25,000.00 or such other amount at the discretion of City Council) which may be provided to new start-ups and business incubators establishing a presence in Hamilton. Funds in an amount not to exceed \$48,170.00 are to be transferred from the Gore Building Improvement Grant Program Project ID 8201703620 to the existing Office Tenancy Assistance Program Project ID 8201703100. Approval of the recommendation would not impact the levy.
- Recommended modifications to the current Hamilton Tax Increment Grant Program (HTIGP) contained within this Report and discussed in

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 7 of 29

the 'Analysis and Rationale for Recommendations' section would result in program applicants receiving grants in an amount either less or more then is provided under the current program depending how the subject project addresses specific City priorities. This proposed grant increases/decreases under this program do not require a budget allocation to the Economic Development Division as:

- Grants are provided directly from the increase in municipal tax revenue generated as a result of the improvement/development being undertaken; and
- Annual grants payments do not exceed the increase in municipal taxes generated by the improvement/development in any given year of the grant term.

The City realizes the full benefit of the tax increment generated after the term of the grant has concluded and for the life of the development.

Staffing: The Downtown and Community Renewal Community Improvement Plan (DCR CIP) and associated programs are administered by staff from the Commercial Districts and Small Business (CDSB) Section of the Economic Development Division and supported by staff from various City departments including Building, Taxation/Finance, Legal Services, Housing Services and Planning Divisions.

There are no new staffing requirements as a result of the recommendations of this Report.

Legal: The proposed Community Improvement Plan (CIP) and associated program descriptions contained in Appendices "A" through "K" of this Report have been reviewed by the Legal Services Division.

Subject to City Council's endorsement of this Report, the Legal Services Division will be required to undertake various updates to the applicable legal agreements applicants enter in to with the City to receive grants/loans as a result of staff's proposals. The Legal Services Division will undertake such updates prior to staff bringing forward the implementing By-laws tentatively planned for May 2021 so that agreements are ready to be implemented at such time as the CIP and associated program descriptions would become effective.

OUR Vision: To be the best place to raise a child and age successfully. 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: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 8 of 29

HISTORICAL BACKGROUND

The current DCR CIP is a continuation of revitalization efforts in Hamilton's commercial districts which originated with financial incentive programs dating back to the amalgamation of the Hamilton-Wentworth Region with its local area municipalities in 2001. Early CIPs primarily focused on providing financial incentives to support the revitalization of Downtown Hamilton which had experienced a long and on-going state of decline in the 1990's and early 2000's. The programs provided at this time focused on incentivizing property owners to improve the appearance of their buildings and to generally encourage new developments and investment in Downtown.

Over time, the use of CIP's expanded to provide incentive programs that supported revitalization efforts in commercial districts beyond Downtown Hamilton. By 2007, twelve different CIPs were in existence and were ultimately merged into a single CIP, known today as the DCR CIP. This broadened CIP included programs for Downtown Hamilton, the community downtowns of Dundas, Stoney Creek and Waterdown, as well as Business Improvement Areas (BIA). Programs were later broadened to provide incentives to support revitalization efforts in the Ancaster Village Core, Binbrook Community Core, and the Locke Street BIA. The plan was further amended in subsequent years to extend these incentive programs to various major commercial corridors throughout the City which had faced challenges in terms of attracting new development/investment and building/property upkeep. In 2014, the DCR CIP was amended again to include the Mount Hope/Airport Gateway area in response to the Mount Hope Secondary Plan as a means of supporting the redevelopment of properties along Airport Road west of Upper James Street and Homestead Drive north and south of Airport Road to more commercial-focused land uses.

The last review of the DCR CIP occurred in 2016 in line with City practice to review CIPs on five-year cycles. This update introduced new incentive programs for the Barton Street East and Kenilworth Avenue North commercial corridors which arose from recommendations contained in the Barton/Kenilworth Commercial Corridors study. The 2016 review also included an expansion of existing incentive programs to all properties in the City which were designated under Part IV or Part V of the *Ontario Heritage Act* to further support their preservation, rehabilitation and adaptive reuse.

A Collective Strategy towards Revitalizing Commercial Districts

The DCR CIP and its associated financial incentive programs are part of a broader strategic effort by the City to further the revitalization of strategic commercial districts in the city. These efforts have included capital investments, changes to land use policies, support for BIAs, research and market studies, development charge incentives and leveraging of City real estate assets.

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 9 of 29

The financial incentives provided through the DCR CIP work in concert with these actions to collectively attract new investment and development that will support the long-term success of Hamilton's commercial districts.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Under Section 28 of the *Planning Act*, municipalities with enabling policies in their Official Plans may adopt a CIP for the purposes of providing grants and/or loans to property owners or tenants to support physical improvements within specific geographic areas (CIPAs) that City Council has deemed appropriate. The adoption of a CIP and CIPA allows a municipality to provide financial incentives within identified CIPAs that would otherwise be prohibited under Subsection 106(2) of the *Municipal Act*.

Municipal authorization for the establishment of CIPs are contained in Chapter F, Section 1.15 of the Urban Hamilton Official Plan (UHOP) and discussed in greater detail in Section 3.2 of Appendix A to this Report.

The adoption of a CIP by a municipality must be conducted in accordance with the applicable policies under Sections 17 and 28 of the *Planning Act* as well as the City's Public Participation and Notification Policies contained in Chapter F, Section 1.17 of the UHOP. These policies include requirements for stakeholder engagement, public notice and a statutory public meeting.

Should City Council support the proposed modifications contained in this Report, staff will bring forward the appropriate by-laws required to implement the proposed CIP and CIPA contained in Appendix A and B of this Report respectively. In accordance with the *Planning Act*, these by-laws would be subject to public notice requirements and brought to Planning Committee for a statutory public meeting. At this time, staff would also bring forward the proposed implementing program descriptions for City Council consideration which contain the specific terms, eligibility criteria and administrative processes required to implement the programs described in the CIP. These draft program descriptions are contained in Appendices C through K of this Report. Public notice regarding the statutory meeting for the recommended CIP and CIPA By-laws will be undertaken in accordance with the requirements of the *Planning Act* and Chapter F, Section 1.17 of the UHOP.

CIP and CIPA By-laws and associated implementing program descriptions will come in to effect after the expiration of the required appeal period under the *Planning Act*. At this time, any existing program applications which have not yet been approved by City Council or its designate, will become subject to the new CIP and program descriptions. To limit potential impacts to current program applicants who have submitted complete

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 10 of 29

applications, staff are expediting recommendation reports to City Council or its designate for existing complete applications received as of the date Committee is considering this Report. To provide sufficient time to resolve these existing applications, staff would intend to bring forward the CIP and CIPA By-laws and associated program descriptions to Planning Committee in May 2021.

RELEVANT CONSULTATION

As part of the DCR CIP review, staff undertook extensive public and stakeholder engagement. Engagement activities occurred between September and December 2020 and included the following:

- A virtual public workshop held on October 29, 2020 which was open to the general public and which was communicated via targeted invitations to approximately 120 external stakeholders including the three local chambers of commerce, all 13 Business Improvement Areas, industry associations, development consultants, neighbourhood associations in the vicinity of existing CIPAs and developers/property owners;
- One-on-one interviews with past program applicants and various commercial district developers/property owners;
- Presentations and discussions with the Business Improvement Area Advisory Committee at their November 10, 2020 and January 12, 2021 meetings and the Development Industry Liaison Group at their November 16, 2020 meeting;
- Creation of a project page on Engage Hamilton which included information about the review, background materials, engagement summaries as well as opportunities to fill out a public survey and a forum where questions and ideas could be submitted to staff;
- Inclusion of information about the review and engagement opportunities in economic development and Our Future Hamilton community newsletters;
- Notices on the Invest in Hamilton and City webpages advising of the review and how to learn more; and
- Social media posts providing information about the review and upcoming engagement opportunities on both the Invest in Hamilton and City of Hamilton social media channels including Twitter, Instagram and LinkedIn.

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 11 of 29

In addition, staff engaged with various City departments and divisions to discuss the review and seek feedback. Staff engaged with staff from Building, Taxation/Finance, Legal Services and Planning Divisions.

Staff also undertook additional engagement with subject matter experts as the review progressed. This included seeking feedback during the development of proposals contained in this Report from Housing Services staff with respect to housing affordability matters and the Bay Area Climate Change Council and the Air Quality and Climate Change Team of the Healthy and Safe Communities Department with respect to environmental sustainability and climate change matters.

Common themes which emerged from comments and feedback received included:

- Concern regarding the impact of the COVID-19 pandemic on businesses in commercial areas, particularly within BIAs, and the need for additional incentives that would specifically support commercial tenants and not just property owners;
- A sentiment that programs have been helpful towards revitalizing commercial areas but are generally still needed to support continued investment particularly in light of current and on-going risks to the national, provincial and local economy;
- Continuing to attract new residential development within and/or near commercial districts is vital to continued success of these areas due to the increasing foot traffic and demand for nearby commercial services and amenities increased local populations create;
- Concern that programs do not adequately address priorities around housing affordability, climate change and environmental sustainability and support/protection for existing commercial tenants in changing commercial areas; and
- Concerns regarding the number of permits, cost of application fees, time required to receive approvals and regulatory issues encountered when undertaking improvements to older buildings.

Specific feedback arising from staff's engagement and which influenced staff's proposals are discussed further in the following section.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The City's practice is to comprehensively review CIPs and associated programs on fiveyear cycles. This strategy is intended to serve as a 'check-in' that provides an opportunity for staff, stakeholders, the community and City Council to evaluate the CIP

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 12 of 29

and its programs in terms of addressing their intended goals and to make adjustments where required. In the context of the DCR CIP review, staff identified four overarching questions which were to be the focus of the review:

- 1. Have the purpose and/or goals of the DCR CIP, being to support the revitalization of strategic commercial districts, changed or been met?
- 2. Do the specific incentive programs currently offered remain effective and relevant in terms of furthering the achievement of City revitalization goals?
- 3. In terms of economic competitiveness, how do the City's commercial district revitalization incentive programs compare to those offered by comparable Southern Ontario municipalities?
- 4. Are there new or emerging priorities arising in the community which the DCR CIP and its programs could further support?

Discussion with respect to each of these considerations is provided below and has been informed by staff's experience to date with administration of the current programs, research undertaken by staff as part of the review of the DCR CIP, as well as insights gained through staff's community engagement and stakeholder consultation.

Have the purpose and/or goals of the DCR CIP, being to support the revitalization of strategic commercial districts, changed or been met?

The purpose of the DCR CIP is to provide financial incentives that support the revitalization of strategic commercial areas where, as commercial needs and trends have evolved over time, are in need of financial incentives to reduce barriers to, and stimulate new private sector investment in, the development of under-utilized properties and/or improve the appearance, functionality, marketability usability and/or safety of existing commercial buildings. Specific revitalization goals contained within the DCR CIP include:

- Supporting the infill/intensification of underutilized properties;
- Increase the supply of new/refurbished residential units within commercial district CIPAs to increase local resident populations that will increase local demand for commercial services and amenities;
- Increasing office tenancy in Downtown Hamilton in order to reduce office vacancy rates;

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 13 of 29

- Improving the overall physical appearance of private properties and buildings to improve the appeal of commercial areas in terms of attracting new development and commercial tenants;
- Encourage the undertaking of improvements to buildings that will increase the stock of safe and modern commercial and residential units; and
- Increase assessment and new property tax generation.

To date significant progress has been made in terms of achieving these outcomes. Highlights include:

- Significant increases in residential development activity within the Downtown Hamilton CIPA with over 2,800 new residential units approved or under construction since 2016 along with over 10,000 potential new units currently either proposed or at various stages of the planning review process;
- A significant increase in total assessment across all CIPAs from over \$3.3 B at the end of 2015 to over \$4.6 B (inclusive of growth and reassessment) at the end of 2020 with Locke Street, Westdale Village and Downtown Hamilton experiencing the highest percentage-based assessment increases at 58%, 57% and 45% respectively;
- An increase in the proportion of assessment growth across all CIPAs attributed to non-residential and mixed use developments from 68% at the end of 2015 to 70% at the end of 2020;
- Building permits with a total construction value of \$61.5 M issued since 2016 within the Community Downtown/Village Cores of Ancaster, Binbrook, Dundas, Stoney Creek, Waterdown and the Mount Hope / Airport Gateway area; and
- A decline in Downtown office vacancy rates from 13.8% in 2016 to 11.8% by June 2020. Although this vacancy rate has since increased to 13.1% by the end of 2020 due in large part to the impact of the COVID-19 pandemic, staff continue to be encouraged by the progress that had been made prior to the pandemic and the potential for Hamilton's office market going forward.

Although these successes are significant and not to be understated, they have been tempered by feedback received through staff's engagement and consultation with stakeholders and the community which highlighted a number of on-going factors and considerations that influence the role and need for incentives to sustain revitalization efforts going forward:

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 14 of 29

- While many vacant properties and surface parking lots in Downtown Hamilton are the subject of redevelopment approvals and proposals, there continue to be many significantly under-utilized buildings and properties. A similar condition is noted in many other commercial district CIPAs where planning permissions provided through the UHOP, applicable Secondary Plans, and/or Zoning By-laws, particularly with respect to opportunities for mid-rise intensification and infill of sites fronting on major urban mixed-use commercial corridors, remain under-utilized. These sites have a significant role to play in supporting the sustained revitalization of commercial district CIPAs and contain unrealized opportunities for new housing;
- Investment and development activity experienced to date remains limited in the broader context of the sustained decline in commercial businesses and residents Downtown and the other commercial district CIPAs experienced prior to the introduction of the DCR CIP and its incentive programs; and
- The current COVID-19 pandemic and the unknown lasting impact it will have on revitalization efforts particularly with respect to retail and commercial/office uses.

Overall, staff's findings are that while progress is being made towards the revitalization of the commercial district CIPAs, many of the City's goals remain unchanged today and that the DCR CIP and its programs continue to be an important and influential component of the City's on-going revitalization efforts in the commercial district CIPAs.

Do the specific incentive programs currently offered remain effective and relevant in terms of furthering the achievement of City revitalization goals?

Incentive programs currently provided under the DCR CIP focus on providing grants/loans that will attract new investment/development to under-utilized properties, increase the creation/improvement of housing within commercial districts to increase the demand for local commercial services, improve the appearance/usability/safety of existing buildings, as well as attract key commercial sectors to locate within these areas.

As part of this review, staff evaluated key metrics for existing programs covering the period at the beginning of 2016 up to the end of 2020 with key findings being:

- 644 applications were submitted to the Economic Development Division with an average of 129 applications received each year;
- Approved loan or grant program applications have supported improvement/development projects across all CIPAs with a total construction value of approximately \$254 M;

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 15 of 29

- New municipal property taxes generated from completed developments approved for a tax increment grant totalled over \$28 M (inclusive of growth, reassessment); and
- Commercial property improvement grant programs facilitated 248 property improvement projects across all CIPAs.

In addition, since the inception of the two programs most utilized to facilitate new development projects, the Hamilton Tax Increment Grant Program (HTIGP) and Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment (Loan) Program (HDBKMPIP), staff note that:

- For every dollar of grant money provided across the 41 approved applications under the HTIGP to date, \$26.00 in private sector investment has been leveraged; and
- For every dollar of cost incurred for the provision of low-interest loans across 21 approved applications under the HDBKMPIP, \$46.00 in private sector investment has been leveraged.

These metrics show a consistent and sustained demand for incentives offered through current programs as well as significant private-sector investments being leveraged as a result of the programs offered

Feedback received through staff's engagement with stakeholders, including past program applicants, property owners, commercial tenants and developers consistently echoed the important role that current incentive programs have had, and are continuing to have, in terms of facilitating the improvements/developments that are supporting the revitalization of Hamilton's commercial district CIPAs. In particular, staff have noted the following considerations impacting the continued need and demand for existing programs provided for through the DCR CIP:

 Although development activity has increased, feedback from developers, particularly those from outside Hamilton, continue to highlight that sellable rates on a per square foot basis for new residential developments, as well as existing and commercial/office space, remain comparatively lower than that which can be achieved in many other Southern Ontario municipalities, particularly those in the GTA. As such, financial incentives offered by the City, and in particular the City's partial waiving of Development Charges (DC) in the Downtown CIPA via the DC By-law and tax increment grant based programs, were identified as significant factors supporting Hamilton's ability to attract investment from developers considering projects across multiple municipalities;

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 16 of 29

- For older commercial/mixed use buildings commonplace within the commercial district CIPAs, it was noted by commercial tenants and other stakeholders that improvements/retrofit of commercial spaces in these buildings often involve more significant undertakings/costs in order to meet current *Building Code and Accessibility for Ontarians with Disabilities Act* (AODA) standards relative to newer buildings. This increased cost can serve as a barrier to businesses considering these areas if not for the property/building improvement incentive programs currently offered; and
- Although staff have achieved success at promoting opportunities in Hamilton and attracting new commercial businesses and developments, perceptions and a lack of knowledge about Hamilton amongst commercial/mixed use developers and investors outside of the Hamilton area, particularly in the Greater Toronto Area, remains a barrier. In this respect, incentive programs have, and continue to, serve as an important part of the Economic Development Division's efforts to market Hamilton to potential developers/investors in support of revitalization efforts in the commercial district CIPAs.

Staff's findings support the conclusion that existing incentive programs continue to address a need for property owners, developers and commercial tenants in terms of facilitating on-going revitalization and leveraging private-sector investment across the commercial district CIPAs.

In terms of economic competitiveness, how do the City's commercial district revitalization incentive programs compare to those offered by comparable Southern Ontario municipalities?

Staff undertook a best practice review of currently active downtown and commercial district revitalization focused incentive programs being offered by other comparable municipalities in Southern Ontario. Municipalities reviewed by staff included those in the Greater Toronto Area (GTA), Niagara and Southwestern Ontario and included cities that met one or more characteristics relative to the City of Hamilton for comparison purposes in terms of population size, geographic proximity/economic competitiveness and/or development history. Specific municipalities researched included Guelph, Kitchener, London, Mississauga, Oshawa, St. Catharines, Toronto, Vaughan, Windsor and the Region of York. The following is a summary of staff's findings:

- The breadth and overall number of incentive programs offered by municipalities generally increases the further away a municipality is from Toronto;
- Incentive programs offered by municipalities within the GTA are heavily focused towards attracting office developments and/or affordable/rental housing;

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 17 of 29

- All municipalities offering commercial (façade) improvement incentive programs provide grants on a matching 50-50 basis in the same manner as the City;
- Six of the municipalities currently offer tax increment-based incentive programs similar to Hamilton. Annual grant payments under these programs have a term ranging between five and 10 years with a grant value representing between 45% and 100% of the realized municipal tax increment generated by the improvement/development; and,
- Half of the municipalities have incorporated a scoring/evaluation system for developments within their tax increment-based program to determine how a project addresses specific priorities and ties eligibility and/or the maximum value of a grant that could be received to whether the project addresses those priorities. Priorities identified across the municipalities include whether a property is currently vacant, the value of the investment being proposed; the number of new jobs that will be generated; the location of the project (such as in a Downtown or BIA); the level of Leadership in Energy and Environmental Design (LEED) certification to be achieved; whether the project incorporates affordable housing and/or creating new office space.

Generally, staff found Hamilton's current incentive programs to be well positioned when compared to comparable municipalities programs for downtown/commercial district revitalization. In particular, staff note that the value of financial assistance offered under Hamilton's programs is generally greater than those provided by municipalities within the GTA but generally less than that provided by municipalities located further than Hamilton from the GTA. As such staff's findings indicate that value of financial assistance provided by current programs is generally consistent with the development demand and activity expected given Hamilton's location and proximity to the GTA relative to other regions.

One finding of particular note by staff is the role municipal/community priorities are increasingly factoring in to the eligibility or value of incentives provided by a municipality, particularly with respect to tax increment-based programs. Currently, Hamilton's tax increment grant incentive programs under the DCR CIP focused on facilitating improvements/developments that support the broader revitalization of an area without particular focus towards how the project does or does not address other City priorities. While incentives provided under the DCR CIP should continue to be primarily focused on facilitating the revitalization of the City's commercial districts, staff's review has highlighted potential opportunities existing programs could have in supporting other priorities. Priorities identified through staff's review as well as amendments being proposed by staff to existing programs are discussed further below.

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 18 of 29

Are there new or emerging priorities arising in the community which the DCR CIP and its programs could further support?

Since the last review of the DCR CIP in 2016, staff have noted three key priorities/issues which have been the focus of City Council directions since that time as well as community/stakeholder feedback received during this review:

- Climate change/environmental sustainability which resulted in City Council's declaration of a climate emergency in 2019 and the Council endorsed Corporate Climate Change Task Force's Corporate Goals and Areas of Focus for Climate Mitigation and Adaptation;
- Housing affordability resulting from rising costs for housing within Hamilton; and,
- Potential commercial/office vacancies due to the on-going COVID-19 pandemic.

Although the purpose and intent of the DCR CIP and its incentive programs are not specifically intended to address these matters, staff recognize that these priorities/issues have the potential to impact the continued revitalization of commercial district CIPAs in either the short or long-term. Specifically, with respect to housing affordability, staff further note that a lack of housing which is accessible to people across a broad spectrum of income levels can have an adverse impact on Hamilton's ability to maintain a strong and diverse local workforce that is capable of attracting and supporting new businesses.

As such, staff have identified opportunities for updates to the DCR CIP and specific incentive programs which, while still focusing on supporting the revitalization of commercial district CIPAs, will also enable programs to further support improvements/developments that address these priorities. Specifically, staff have identified the following opportunities:

- The ability to refine eligible/ineligible improvements under the commercial property and building improvement grant programs to better support environmental sustainability objectives;
- Existing programs providing low-interest loans for the improvement/creation of new housing can be expanded to permit as eligible housing being created through detached laneway housing developments on properties within a commercial district CIPA, where permitted;
- The current Hamilton Tax Increment Grant Program can be modified to provide grants in a manner that will further incentivize developers and property owners to

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 19 of 29

incorporate housing affordability and/or environmental sustainability measures within developments; and,

• The creation of a new, temporary program to reduce potential commercial vacancies by providing entrepreneurs and other potential commercial tenants with support for interior improvements to vacant spaces that will support the establishment of a new business/location including pop-up retail ventures.

These and other proposed modifications are discussed in more detail below.

Proposed Modifications

As a result of staff's review, modifications have been developed and are being proposed for the DCR CIP and associated incentive programs and the commercial district CIPAs.

Staff's proposed modifications are summarized below and reflected within the proposed CIP, CIPAs and program descriptions contained in Appendices "A" through "K" of this Report. Note that any program for which a program description is provided in the appendices to this Report but is not discussed below is not the subject of any proposed substantive amendments by staff.

Revitalizing Hamilton's Commercial Districts CIP (formerly the Downtown and Community Renewal CIP) (Appendix "A"):

- A change in the CIP's name as well as language to better communicate and provide clarity regarding the plans overarching focus to support the revitalization of strategic commercial districts.
- Updated references to supporting Provincial and City plans and policies required within the CIP including the Provincial Policy Statement, A Place to Grow, the Economic Development Action Plan and applicable Secondary Plans.
- Updated language regarding the applicability of incentive programs to legally nonconforming uses. Language adds additional transparency by identifying the tests presently used by staff to determine if a legally non-confirming use may be eligible under a program.
- Refined language to clarify that properties not located within a defined CIPA but forming part of a comprehensive development that encompasses properties within a CIPA may be considered as forming part of the same CIPA for the purposes of providing incentives in respect of the proposed improvement/development.

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 20 of 29

Revitalizing Hamilton's Commercial Districts CIPA (formerly the Downtown and Community Renewal CIPA) (Appendix "B"):

- Minor adjustment of the Downtown CIPA boundary to include a portion of lands within the CN Rail property between John Street North and Catharine Street North.
- Inclusion of a new Commercial Corridor CIPA on Cannon Street East between Emerald Street North and Smith Avenue and along the south side of Cannon Street East between Smith Avenue and Wentworth Street North. This area was identified by staff as a contiguous set of under-utilized commercially zoned properties where revitalization could be supported through the provision of existing commercial corridor incentive programs.

The Commercial District Housing Opportunities Program (formerly the Commercial Corridor Housing Loan and Grant Program) (Appendix "C"):

- Expanded program eligibility to permit loans for the creation of new accessory dwelling units located outside of a principal building, such as laneway housing, where permitted. This change would further support the creation of new infill housing that increases local populations increase demand for walkable, local commercial services and amenities and can lead to reduced reliance on single occupancy vehicles and reduce transportation related GHG emissions.
- Removal of the Mount Hope/Airport Gateway CIPA as an eligible area for this
 program. The provision of this program, which is intended to support the creation of
 new/improved residential units, is in conflict with existing policy direction contained
 within the Mount Hope Secondary Plan and further implemented via applicable
 zoning which prohibits Dwelling Unit(s) and Multiple Dwellings within the boundary of
 the CIPA. No applications or approvals under this program have occurred within this
 CIPA.

Revitalizing Hamilton Tax Increment Grant Program (formerly the Hamilton Tax Increment Grant Program) (Appendix "E"):

Introduction of changes to further incentivize improvements/developments that will
address housing affordability and environmental sustainability and climate change
priorities. As part of this proposal, projects would be identified as either a
Revitalization Project or an Enhanced Revitalization Project. Revitalization Projects
would include any project that generates an increase in municipal taxes while
Enhanced Revitalization Projects would include projects that not only generate an
increase in municipal taxes, but which achieve one of the following:

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 21 of 29

- The improvement/development has been approved for financial assistance under a Canada Mortgage and Housing Corporation (CMHC), federal, provincial or City program for the purposes of creating residential rental housing to address housing affordability in the city.
- The improvement/development will receive certification for the achievement of environmental sustainability standards from an eligible organization/program and/or will be connected (or be designed to allow for future connection) to a district energy system

Eligible environmental certifications which would be permitted include: Canadian Home Builders Association (CHBA) Net Zero Home Labelling where Net Zero or Net Zero Ready levels of efficiency are achieved; Passive House Canada; Natural Resources Canada (NRCAN) R2000; Built Green to a Gold or higher standard in the Energy and Envelope category; or LEED to a Gold or higher standard. Where an applicant elects to incorporate building elements to allow for immediate or future connection to a district energy system, the following would be required: providing space for the sole purpose of future equipment/thermal piping; securing an easement between the mechanical room and the property line to allow for thermal piping; and including two-way pipes in the building to carry the thermal energy from the district energy network to the section in the building where the future energy transfer station will be located. These types of highperformance buildings standards directly work to achieve the Council endorsed Corporate Climate Change Task Force's Corporate Goals and Areas of Focus for Climate Mitigation and Adaptation. Specifically Goal #1: To increase the number of new and existing high-performance state-of-the-art buildings that improve energy efficiency and adapt to a changing climate.

Projects which do not achieve a priority would receive a grant at a modest reduction relative to the current program while projects that incorporate one of the above achievements would receive a grant greater then that provided under the current program. Proposed grant amounts as a percentage of the incremental municipal property taxes generated from the improvement/development are provided in Table 1.

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 22 of 29

Year of Grant	Current Program	Proposed Program		
	All Developments	Revitalization Projects	Enhanced Revitalization Projects	
1	100%	100%	100%	
2	80%	75%	100%	
3	60%	50%	100%	
4	40%	25%	100%	
5	20%	-	-	

Table 1 – Maximum Annual Grant as a Percentage of Actual Municipal Property Tax Increment

The impact this change would have on the actual dollar value of the grant an applicant would receive depends on the municipal property tax increment generated as a result of the improvement/development. Table 2 provides an example scenario of the maximum grant an applicant would receive under the existing program compared with that under the proposed program structure for a project with a realized municipal property tax increment of \$100,000.00.

 Table 2 – Example: \$100,000.00 Municipal Property Tax Increment

Year of Grant	Current Program	Proposed Program		
		Revitalization Project	Enhanced Revitalization Project	
1	\$100,000.00	\$100,000.00	\$100,000.00	
2	\$80,000.00	\$75,000.00	\$100,000.00	
3	\$60,000.00	\$50,000.00	\$100,000.00	
4	\$40,000.00	\$25,000.00	\$100,000.00	
5	\$20,000.00	-	-	
Total Grant	\$300,000.00	\$250,000.00	\$400,000.00	

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 23 of 29

The proposed decrease in the total grant for projects that do not address the identified priorities is considered by staff to be modest relative to that provided currently and not likely to serve as a deterrent to those applicants seeking to utilize the program. However, the proposed increase to the maximum grant for projects that do address the identified priorities is considered by staff to be more significant and impactful. The proposed increased grant amount is intended to both provide an increase meaningful enough for a developer/property owner to explore meeting the identified achievements as well as help to off-set increased costs to an applicant that would be incurred in order to achieve that priority.

The specific housing affordability and environmental sustainability achievements required to be met have been vetted through the Housing Services Division and Bay Area Climate Change Council respectively.

Even though staff's proposal could result in some projects receiving a larger grant then that provided currently, this would not require any new budget allocation to the Economic Development Division. Grants under this program are provided directly from the increase in municipal taxes generated as a result of the improvement/development undertaken. This is revenue that would not exist if not for the improvement/development that is being undertaken and which the City fully realizes the benefit going-forward after the grant period has concluded

Commercial District Revitalization Grant Program (formerly the Commercial Property Improvement Grant Program and Business Improvement Area Commercial Property Improvement Grant Program) (Appendix "G"):

- The current Commercial Property Improvement Grant and Business Improvement Area Commercial Property Improvement Grant programs are proposed to be merged in to a single program. These programs are largely identical except for increases to the maximum value of the grant that may be provided when a property is located within an active BIA. Merging the programs will reduce administrative duplication and inconsistent terminology across the programs. There is no proposed change in the maximum grant amount that can be provided for properties whether located within our outside of an active BIA.
- Introducing eligibility for costs associated with exterior environmentally sustainable focused building/property improvements including: depaving of existing hard surfaces where the surface area will be replaced by a porous material; installation of exterior electric vehicle charging stations; installation of sustainable electric power generating equipment such as solar panels and micro turbines; tree plantings, creation of rain gardens and the installation of green walls on street facing facades. Eligible environmental sustainability and climate change related improvements were

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 24 of 29

developed through consultation with the Bay Area Climate Change Council, Air Quality and Climate Change Team of the Healthy and Safe Communities Department and Planning and Economic Development Department's Planning and Building Division staff.

These items are proposed to be permitted to a maximum of 50% of the total maximum grant so that these items can be undertaken in conjunction with other building/property improvements intended to improve the appearance and usability of commercial buildings/spaces by property owners and/or tenants.

As part of the effort to introduce greater opportunities for environmentally sustainable and climate positive building/property improvements, staff are also recommending the removal of currently eligible items that are not considered to be promoting environmental sustainability. These include costs associated with paving of private property, as well as costs for artificial landscaping such as artificial turf/grass.

- Increased requirements for applicants seeking a grant for exterior signage. The aesthetic design of proposed signage will now be the subject of review under all applicable urban design guidelines and continue to be evaluated in terms of compliance with the City's sign by-law. Proposed signage deemed by staff to not be in compliance with applicable design guidelines or sign by-law would not be eligible for a grant.
- Removal of the requirement for permanent patios/decks to be street facing in order to be eligible for assistance under this program. This will provide greater flexibility for businesses seeking to establish new permanent outdoor seating opportunities on a property while still supporting an improvement that contributes towards the vibrancy and appeal of these commercial districts for potential customers.

Start-up and Office Tenant Attraction Program (formerly the Office Tenancy Assistance Program) (Appendix "J"):

 Staff are proposing an additional incentive under this program whereby start-up businesses emerging from local, regional and national incubators, as well as start-up incubators themselves, who choose to locate in Hamilton may have all or a portion of their loan forgiven to a maximum of \$25,000.00 or other amount at the discretion of, and subject to approval by City Council. This proposal is intended to further support Economic Development's efforts to attract new and emerging start-up businesses and incubators to Hamilton. These businesses support entrepreneurship and innovation within the City, create the potential for new and growing job opportunities and represent a significant opportunity to attract uses that support efforts to reduce the downtown and city-wide office vacancies.

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 25 of 29

- Clarification that financial institution retail locations as well as medical clinics are not eligible under the program.
- Introduction of a one application per property limit.

Commercial Vacancy Assistance Program (new program) (Appendix "K"):

 In response to stakeholder feedback as well as in support of the goals and objectives of the Mayor's Task Force on Economic Recovery Final Report, staff are proposing a new temporary grant program for all commercial district CIPAs that would provide a grant to potential commercial tenants who undertake eligible, permanent interior retrofits to presently vacant at or below-grade commercial spaces. The program is intended as a direct response to stakeholder concerns about the potential for increasing commercial vacancies as a result of the COVID-19 pandemic. The grant would assist with reducing potential vacancies by incentivizing entrepreneurs and other business owners to retrofit vacant spaces to establish new businesses including exploring/testing opportunities for new commercial business in the form of 'pop-up' retail ventures. The program would be specifically intended to support new commercial businesses that contribute to pedestrian activity including retail and restaurant uses, but would not be applicable to residential uses, offices, medical clinics, financial institutions or vehicle-oriented commercial uses. The maximum grant provided would be \$5,000.00 for tenants who commit to a lease term of between three and six months less a day, and \$10,000.00 for those with lease commitments of six months or longer. This program would be available to authorized commercial tenants only.

This program is proposed to be provided for a temporary two-year period in order to address potential rises in commercial vacancies resulting in the immediate aftermath of the pandemic. The creation of this program does not require any new funding requirements as program funding would come from existing budget allocations to the Economic Development Division discussed in the Financial Implication section of this Report. The number of applicants which could be approved under the program will vary depending on the utilization of other grant programs in a given year. Approvals under this program are proposed to be delegated to the General Manager of Planning and Economic Development in the same manner as the City's existing commercial property improvement grant programs.

Technical/Administrative Program Updates (Appendices "C" through "K" except I):

• Updated language to program terms, eligibility criteria and administrative processes to improve the consistency and structure of terminology contained within each program description

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 26 of 29

- Refinement of program names to better communicate program objectives and support future marketing to the public.
- Additional language to programs subject to City Council approval which provides greater clarity regarding City Council's ability to refuse applications or provide reduced grants for all or a portion of a development that City Council does not support including those which may have been approved by another authority including the Local Planning Appeal Tribunal (LPAT) or the Minister of Municipal Affairs and Housing.

Staff believe these proposed modifications will allow the DCR CIP to further achieve the City's goals of supporting sustained revitalization of commercial district CIPAs, addressing key community priorities and allow for staff's continued efficient administration of programs.

Other Matters Addressed Through This Review

Potential Residential Tenant Displacement

On October 9, 2019 City Council approved amendments through Report PED19178-HSC19052 to the Commercial Corridor Housing Loan and Grant, Hamilton Tax Increment Grant, Barton/Kenilworth Tax Increment Grant and Barton/Kenilworth Commercial Corridor Building Improvement Grant programs intended to provide greater assurances that improvements/developments being incentivized through these programs would not contribute towards the illegal displacement of existing tenants. Measure that came in to effect on January 1, 2020 included:

- Requiring applicants to disclose which residential units, if any, are occupied at the time an application or pre-application for a financial incentive has been made to the City;
- Providing tenants of units occupied at the time of application to the City with a comprehensive education package regarding their legal rights, Hamilton rental market conditions and available resources should they be required;
- That approvals be subject to new conditions that require non-condominium residential unit(s) which are occupied at the time of application to the City to not be the subject of an approved Above Guideline Increase (AGI) request by the Landlord Tenant Board (LTB), except in certain circumstances, for at least five years; and
- Providing written notice to each occupied unit that discloses the program under which the property has been approved for a financial incentive, the estimated value of that

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 27 of 29

incentive and the improvements the incentive is intended to facilitate for use by the tenant as needed, including as evidence at the LTB.

Since these amendments came in to effect, one application has been the subject of tenant notification measures as a result of the building containing existing tenants at the time the application was submitted.

At this time, staff have no concerns with the revised procedures and will continue to monitor their functionality/impact as more applications are subject to the provisions. All amendments approved through Report PED19178-HSC19052 have been maintained and included in the applicable program descriptions contained in the appendices to this Report.

Hamilton Heritage Property Grant Program

Through this review it has been identified that the Hamilton Heritage Property Grant Program, although included within the existing DCR CIP, is not required to be part of a CIP in order to be provided by the City. *The Ontario Heritage Act's* sub-section 39(1) authorizes the City of Hamilton to pass by-laws to enable the providing of loans or grants to an owner of a property designated under the *Ontario Heritage Act*. The City has enacted such a By-law (No. 07-346) and as a result this program is more appropriately provided in this respect. As a result, this program is proposed to be removed from the scope of this CIP to remove duplicating program authorizations and eliminate confusion. There is no impact to the program as a result of this change.

The Gore Building Improvement Grant Program

The Gore Building Improvement Grant (GBIG) Program was developed to support the maintenance, attractiveness, functionality and viability of the historic building stock that fronts on King Street East between James Street and Catharine Street, known as the "Gore". The program was intended to provide financial assistance in the form of a grant for property owners to bring existing properties to present-day property standards and sign by-law requirements and to improve the accessibility of buildings.

This GBIG program ceased at the end of 2014 save for properties which had been granted an extension to utilize the program by City Council past this date. Currently, the only properties subject to this extension are those municipally known as 18-28 King Street East. In accordance with the *Planning Act*, in order to continue to make this Program available to the subject property's owners, the CBIG Program must be reauthorized as part of this review. It should be noted that Council's reauthorization would apply only to the properties provided an extension at 18-28 King Street East and would not permit any application with respect to any other property in the city.

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 28 of 29

No changes have been made by staff to the program's purpose as outlined in the CIP contained in Appendix "A" nor to the program description contained in Appendix "I" to this Report.

ALTERNATIVES FOR CONSIDERATION

Not applicable.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

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

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" Proposed Revitalizing Hamilton's Commercial Districts Community Improvement Plan (formerly the Downtown and Community Renewal Community Improvement Plan) Appendix "B" Proposed Revitalizing Hamilton's Commercial Districts Community Improvement Project Area (formerly the Downtown and Community Renewal Community Improvement Project Area) Appendix "C" Proposed Program Description: Commercial District Housing Opportunities Program (formerly the Commercial Corridor Housing Loan and Grant Program) Appendix "D" Proposed Program Description: Downtown and Barton/Kenilworth Housing Opportunities Program (formerly the Hamilton Downtown, Barton and Kenilworth Multi-Residential Property Investment Program) Appendix "E" Proposed Program Description: Revitalizing Hamilton Tax Increment Grant Program (formerly the Hamilton Tax Increment Grant Investment Program)

SUBJECT: Five-year Review of the Downtown and Community Renewal Community Improvement Plan and associated Financial Incentive Programs (PED21035) (City Wide) - Page 29 of 29

- Appendix "F" Proposed Program Description: Barton/Kenilworth Tax Increment Grant Program
- Appendix "G" Proposed Program Description: Commercial District Revitalization Grant Program (formerly the Commercial Property Improvement Grant Program and Business Improvement Area Commercial Property Improvement Grant Program)
- Appendix "H" Proposed Program Description: Barton/Kenilworth Revitalization Grant Program (formerly the Barton/Kenilworth Commercial Corridor Building Improvement Grant Program)
- Appendix "I" Proposed Program Description: Gore Building Improvement Grant Program
- Appendix "J" Proposed Program Description: Start-up and Office Tenant Attraction Program (formerly the Office Tenancy Assistance Program)
- Appendix "K" Proposed Program Description: Commercial Vacancy Assistance Program