



Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	May 19, 2021
SUBJECT/REPORT NO:	Status of the Hamilton Downtown, Barton/Kenilworth Multi-Residential Property Investment Program and Other Commercial Districts and Small Business Section Initiatives (PED21095) (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
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 PED21095 provides an update on the status of the HDBKMRPIP, as well as other Commercial Districts and Small Business programs and initiatives.

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Hamilton Downtown Barton/Kenilworth Multi-Residential Property Investment Program

The City has loaned, as at December 31, 2020, approximately \$44 M under the HDBKMRPIP supporting the creation/renovation of 1,484 dwelling units at an interest cost to the City of approximately \$4.3 M (\$2,918/dwelling unit). The public cost of the Program has levered approximately \$259 M of private construction value at a ratio of 1: 48. As of December 31, 2020, 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 PED21095 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	
2020	
Applications received in 2020	0
Additional loan commitment in 2020	\$0
Payments in 2020 on Loans prior to 2020	\$481,116
Interest paid in 2020 relating to Loans prior to 2020	\$93,161

Hamilton Downtown, Barton and Kenilworth Multi-Residential Property Investment Program	
Inception to December 31, 2020	
Units Built/Under Construction	1,484
Number of Projects	21
Construction Value	\$259,006,811
Loans Advanced	\$43,996,189
Loans Paid Back	\$39,166,268
Written-off (One Loan)	\$1,101,207
Loans Outstanding	\$3,728,714
Interest Paid	\$4,330,033
Ratio of Interest Paid to Construction Value	1:60
Cost (Interest Plus Default)	\$5,431,240
Ratio of Cost to Construction Value	1:48



220 Cannon Street East, Hamilton (Source: CDSB Staff)

As of December 31, 2020, \$3,728,714 was outstanding and being repaid. Therefore, based on a maximum of \$35 M in loans being outstanding, there is an additional \$31,271,286 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 Commercial Districts and Small Business programs and initiatives:

Hamilton Tax Increment Grant Program

In 2020, \$1,293,164 was due to be issued to 17 reassessed projects through the Hamilton Tax Increment Grant Program (HTIGP). Since grants were first issued in 2004, \$10.9 M has been granted through the Program to 41 reassessed projects that had a combined construction value of \$328,269,377 which accounts for a 1:26 ratio of public grant leveraging private investment.

2020 Year End Status of Reassessed Projects

Grants Due in 2020 (to 17 Projects)	\$1,293,164
Grants Issued 2004-2020 (to 41 Projects)	\$10,909,117
Estimated Total Grants (for all 41 prior and future payments)	\$12,453,528
Construction Value	\$328,269,377
Ratio of Total Grants to Construction Value	1:26



15 Queen Street South, Hamilton (Source: Applicant)



493 Dundas Street East, Waterdown (Source: Applicant)

The Map, attached as Appendix “B” to Report PED21095, identifies the location of 36 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 Municipal 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 \$6.1M. This increase will be realized annually. Note that the figures with an asterisk (*) are estimates of the increase in Municipal taxes as the projects have been completed but not reassessed by the Municipal Property Assessment Corporation (MPAC), are under construction, or construction has not commenced to date.

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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	+\$188,000	✓	✓	
91 Wellington Street North	2003	+\$15,800	✓		
4, 8, 12 Forest Avenue	2005	+\$35,100	✓	✓	
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	+\$7,000	✓	✓	
289 Hunter Street East	2007	+\$700	✓		
68 George Street	2010	+\$228,800	✓	✓	
275 King Street West	2011	+\$101,100	✓	✓	
40 Bay Street South	2012	+\$307,300	✓	✓	
150 Main Street West	2013	+\$487,600	✓	✓	
137-149 Main Street West	2013	+\$111,100	✓	✓	
33 Main Street East	2002	+\$16,700		✓	
135 Hunter Street	2002	+\$63,100		✓	
100-110 James Street South	2004	+\$24,000		✓	

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Property Address	Base Year	Difference between base year taxes and post development taxes	HDBKMRPIP	HTIGP	BKTIG
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	+\$70,300		✓	
87-89 King Street East	2006	+\$15,600		✓	
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	+\$16,300		✓	
121-123 James Street North	2012	+\$79,400		✓	
69 Hughson Street North	2013	+\$17,900		✓	
50 Murray Street	2012	+\$105,700		✓	
147-159 Walnut Street South	2013	+\$18,800		✓	
180-188 Wilson Street	2014	+\$17,300		✓	
179-191 James Street North	2017	+\$287,700	✓	✓	
125 Wellington Street North	2014	+\$59,200		*✓	
140 Main Street West	2014	+\$280,200		*✓	
290 Barton Street West	2015	+\$108,400		✓	

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Property Address	Base Year	Difference between base year taxes and post development taxes	HDBKMRPIP	HTIGP	BKTIG
112 King Street East	2015	+\$373,300		✓	
245 James Street North	2015	+\$2,400		*✓	
193 King Street East	2015	+\$17,600		✓	
31-39 King William Street	2015	+\$69,500		✓	
127 Market Street	2016	+\$5,200		*✓	
220 Cannon Street East	2015	+\$176,600	✓	✓	
232 Cannon Street East	2016	+\$8,000		✓	
20-22 George Street	2017	+\$629,100		*✓	
73 King Street East	2017	+\$2,000		✓	
27 Bold Street	2018	+\$103,300		*✓	
11 & 15 Cannon Street West	2019	+\$89,000		*✓	
121-125 King Street East	2019	+\$91,800		*✓	
15 Queen Street South	2019	+\$608,300		*✓	
144 Wellington Street North	2018	+\$11,500		*✓	
Ancaster CIPA					
407 Wilson Street East	2013	+\$6,800		✓	
Westdale Village CIPA					
1005 King Street West	2016	+\$10,200		✓	
Stoney Creek CIPA					

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22 Jones Street	2014	+\$6,700		✓	
Property Address	Base Year	Difference between base year taxes and post development taxes	HDBKMRPIP	HTIGP	BKTIG
Waterdown CIPA					
244 Dundas Street East	2018	+\$1,600		*✓	
493 Dundas Street East	2018	+\$32,600		*✓	
Dundas CIPA					
33 King Street West	2017	+\$27,900		*✓	
Barton/Kenilworth Tax Increment Grant Program					
657-659 Barton Street East	2017	+\$4,700			✓
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			*✓
635 Barton Street East	2019	+27,900			*✓
Total		\$6,103,400			

Financial Incentive Programs Administered by Commercial District and Small Business

Commercial Districts and Small Business administers various financial incentives. The chart below identifies the number of applications received from 2011-2020:

Financial Incentive Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
BIA Commercial Property Improvement Grant Program	34	38	53	62	55	59	46	34	22	27
Commercial Property Improvement Grant Program (formerly the Hamilton Commercial Façade Property Improvement Grant Program)		17	31	54	4	16	28	52	26	17
Commercial Corridor Housing Loan and Grant Program (pre-application)	14	21	17	22	18	21	17	21	23	5
Commercial Corridor Housing Loan and Grant Program (final application)	2	3	2	6	3	5	5	7	3	5

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Hamilton Downtown Barton and Kenilworth Multi-Residential Property Investment Program	2	4	2	1	3	0	2	1	1	0
Financial Incentive Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Hamilton Tax Increment Grant Program	2	8	8	10	9	4	4	10	11	4
Barton/Kenilworth Tax Increment Grant Program						3	4	4	6	2
Barton/Kenilworth Commercial Corridor Building Improvement Grant Program						4	13	9	13	5
Barton/Kenilworth Planning and Building Fee Rebates						1	4	3	1	1
Hamilton Office Tenancy Assistance Program	1	1	1	2	5	1	5	3	0	1
GORE Building Improvement Grant Program		5	8	15	0	0	0	0	0	5
Hamilton Community Heritage Fund Loan Program			2	1	1	1	1	2	0	0
Hamilton Heritage Conservation Grant Program				18	7	9	9	7	7	5

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Hamilton Heritage Property Improvement Grant	2	2	8	4	8	2	13	9	3	12
ERASE Study Grant	14	14	15	17	12	21	23	18	26	23
Financial Incentive Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
ERASE Redevelopment Grant	3	4	3	4	7	2	4	8	7	9
Hamilton Downtown/West Harbourfront Remediation Loan Program	0	2	0	1	0	0	0	0	0	0
TOTAL	74	119	150	217	132	149	178	188	149	121

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, 2020				
Time Period	Number of Projects Paid	Construction Value	Grant Paid	Grant as a percentage of Construction
2020	13	\$677,246	\$170,489	25%
2002-2020	519	\$15,180,305	\$5,615,049	37%



925 King Street West, Hamilton

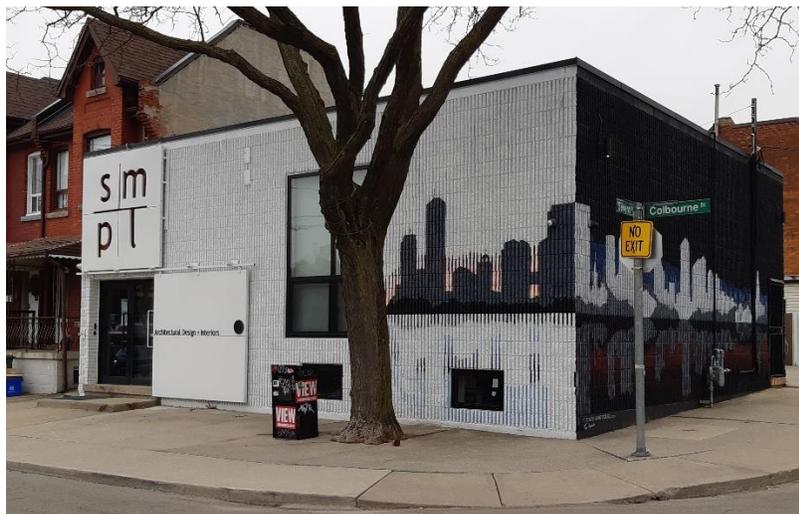


590 Concession Street, Hamilton

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, 2020				
Time Period	Number of Projects Paid	Construction Value	Grant Paid	Grant as a Percentage of Construction
2020	13	\$342,660.69	\$123,378.95	36%
2012-2020	110	\$2,797,611.37	\$1,015,519.25	36%



15 Colbourne Street, Hamilton (Source: CDSB staff)

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, 2020				
Time Period	Number of Projects Approved	Loan Amount Advanced	Loans Repaid	Grant Paid Out
2020	1	\$28,800	\$110,000	\$0
2007-2020	12	\$1,058,250	\$662,125	\$47,931



144 Wellington Street North, Hamilton (Source: Applicant)

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.

This GBIGP 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, Hamilton.

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Gore Building Improvement Grant Program 2012 - December 31, 2020 (Three-Year Program Only)				
Time Period	Number of Projects Paid	Construction Value	Grant Paid	Grant as a percentage of Construction
2020	0	0	0	0
2012-2020	19	\$2,438,229	\$804,511	33%



11 King Street East, Hamilton (before and after)

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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, 2020					
Time Period	Number of Grant Commitments	Total Grant Commitments	Grants Advanced	Conservation Value of Projects	Grant as a Percentage of Construction
2020	8	\$35,057	\$20,057	\$113,929	31%
2012-2020	55	\$239,822	\$203,607	\$920,630	26%



31 Sydenham Street, Dundas (Front Vestibule Restoration) (Source: City of Hamilton Building Division)

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.

Hamilton Heritage Property Grant Program		
Since Inception 2008 – December 31, 2020		
	2020	2008-2020
Number of Grant Commitments	4	53
Total Grant Commitments	\$214,995	\$2,751,449
Total Conditional Grant Commitments (for 18-28 King Street East)	\$0	\$850,000
Grants Advanced	\$106,127	\$2,207,094
Grants Approved to be Advanced (not including 18-28 King Street East)	\$108,869	\$544,355
Conservation Value of Projects (not including 18-28 King Street East)	\$982,636	\$15,348,702
Grants as a Percentage of Construction (not including 18-28 King Street East)	22%	18%



13-15 Inglewood Drive, Hamilton (Source: City of Hamilton Building Division)

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	
2020	
Applications received in 2020	0
Applications approved in 2020	0
Additional loan commitment in 2020	\$0
Payments in 2020 on Loans prior to 2020	\$79,481

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Office Tenancy Assistance Program	
Since Inception 2010–December 31, 2020	
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	\$542,848
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.

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Hamilton Community Heritage Fund Loan Program	
2020	
Applications received in 2020	0
Applications approved in 2020	0
Additional loan commitment in 2020	\$0
Payments in 2020 on Loans prior to 2020	\$27,683
Interest paid in 2020 relating to Loans prior to 2020	\$2,424

Hamilton Community Heritage Fund Loan Program	
2009 - December 31, 2020	
Number of Loan Commitments	17
Total Loan Commitments	\$641,474
Loans Advanced	\$544,075
Loans Paid Back	\$456,671
Loans Outstanding	\$87,403
Loans to be Advanced	\$97,400
Interest Paid	\$57,020



31-33 Melville Street, Dundas (Source: CDSB Section)

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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.

Barton/Kenilworth Commercial Corridor Building Improvement Grant Program		
June 2016 – December 31, 2020		
	2020	2016-2020
Number of Grant Commitments	4	26
Total Actual Payments and Grant Commitments	\$176,649	\$1,016,590
Grant Paid	\$132,601	\$582,318
Grants Approved to be Advanced	\$41,400	\$434,273
Construction Value of Projects	\$446,604	\$2,409,378
Grants as a Percentage of Construction	40%	42%



579-581 Barton Street East, Hamilton (Source: CDSB Section)

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, 2020		
	2020	2016-2020
Number of Approved Grants*	0	5
Total Estimated Value of Approved Grants	\$0	\$1,101,994
Total Construction Value of Approved Grants	\$0	\$11,727,000
Ratio of Total Approved Grants to Total Construction Value	0:00	1:11

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



486 Barton Street East, Hamilton (Source: Applicant)

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. One application was received in 2020

and two grants for a total of \$1,620 were paid out. Rebates will be paid in accordance with the terms of the Program.

Environmental Remediation and Site Enhancement (ERASE) Program Applications Received 2012-2020

Financial Incentive Program	2012	2013	2014	2015	2016	2017	2018	2019	2020
ERASE Study Grant	14	15	17	12	21	23	18	26	23
ERASE Redevelopment Grant	4	3	4	7	2	4	8	7	9
Hamilton Downtown/West Harbourfront Remediation Loan Program (RLP)	2	0	1	0	0	0	0	0	0

ERASE Study Grant (ESG) Program

The purpose of the 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 \$20,000 per site/project. A maximum of two applications per property/project may be submitted with the combined value of both grants not to exceed \$35,000.

ESG Program 2020 Year End Status

In 2020, staff received a total of 23 applications to the ESG program of which 21 were approved at the time of writing this report. The combined actual and estimated value of financial incentives for which applications were approved in 2020 is \$244,515. with an additional \$34,917.50 pending decision. Approved applications will result in over 16 hectares of land and associated buildings being studied through environmental studies including Phase Two Environmental Site Assessments (ESA), Designated Substances Surveys (DSS) and Risk Assessments (RA).

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ERASE Applications	2020 Applications	2001-2020 Applications
Number of grant applications received	23	238
Number of grant applications approved *	21	219
Total actual and estimated grant value of approved applications	\$ 244,515.00	\$ 2,285,972.67
Average grant per approved application	\$ 11,556.75	\$ 10,783.10
Total land area studied through approved applications	16.62 ha. (41.08 ac.)	223.23 ha. (551.61 ac.)

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

ERASE Redevelopment Grant (ERG) Program

The purpose of the 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 10 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 the Municipal Property Assessment Corporation (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 2020 Year End Status

In 2020, staff received a total of nine applications to the ERG program. Staff also made recommendations to Council for four application approvals (note: applications may be submitted well in advance of being brought to Council for consideration, and as a result, approved applications in 2020 may not necessarily have been received in 2020).

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In 2020 annual grant payments totalling \$533,222.25 for six remediated, redeveloped and reassessed projects were made under the ERG program. To-date these six projects have received grants and/or Development Charge off-sets totalling \$2,325,437.58.

ERG applications received (2020)							9
ERG applications approved by Council (2020)							3
Council approved grant increases to an existing ERG approval							1
Developments which have received an ERG approval by Council (2001-2020)							54
Value of grant payments provided for 2020							\$ 533,222.25
Projects Receiving Grant Payments for 2020							
Address	Base Tax Year/ Reassessed Tax Year	2020 Grant Payment (80% of Tax Increment)	Cumulative Annual Grant Payments (incl 2020)	DC Off-set Applied/ Planned	Maximum Grant (incl DC Off-set)	Year of Grant Paymt	
685 Queenston Rd.	2011/2019	\$81,927.17	\$619,501.04	\$172,573.59	\$962,250.00	8 of 10	
420 Glover Rd.	2011/2014	\$96,188.26	\$677,785.69	\$378,164.31	\$1,280,129.11	7 of 10	
275 James St. N.	2012/2014	\$12,925.89	\$89,911.54	n/a	\$416,900.00	7 of 10	
186 Ferguson Ave. N.; 190-200 Barton St. E.	2008/2016	\$11,614.00	\$58,070.00	n/a	\$1,908,381.04	5 of 10	
1587 & 1599 Upper James St.	2014/2017	\$110,457.84	\$452,086.87	\$265,718.88	\$1,372,725.00	4 of 10	
20 Rebecca St.	2016/2018	\$220,109.09	\$428,082.44	n/a	\$2,029,752.00	2 of 10	

Downtown Hamilton/West Harbourfront Remediation Loan Program (RLP)

The purpose of the 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 \$400,000 per property/project. The loan is to be a 'bridge' until such time as the property owner receives their ERASE Redevelopment Grant or Hamilton Tax Increment Grant.

RLP Program 2020 Year End Status

In 2020, staff did not receive an application under the RLP program. At the end of 2020 remediation loans totalling \$733,520 for two projects had been issued with a balance of \$498,546.36 outstanding.

RLP applications received (2020)	0			
RLP applications approved by Council (2010-2020)	3			
Value of Council approved loan commitments (2010-2020)	\$ 1,133,520.			
Council approved loan commitments not acted upon and since expired (2010-2020)	\$ 400,000.			
Value of loans issued (2010-2020)	\$ 733,520.			
Value of outstanding loans (2010-2020)	\$ 498,546.36			
Loans Issued under the Remediation Loan Program				
Address	Approved Loan Amount	Loan Amount Issued To-date	Loan Status (to end of 2020)	Outstanding Balance (to end of 2020)
275 James St. N.	\$333,520.	\$333,520.	In year 6 of repayment	\$98,546.36
179-191 James St. N.	\$400,000. (maximum)	\$400,000.	To be repaid via HTIGP	\$400,000.

2020 Downtown Hamilton Building Activity

Development in the Downtown Hamilton Urban Growth Centre (UGC) continued in 2020, with a total of 154 building permits being issued, representing \$175,002,597 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 2020 are illustrated in Figure 1.

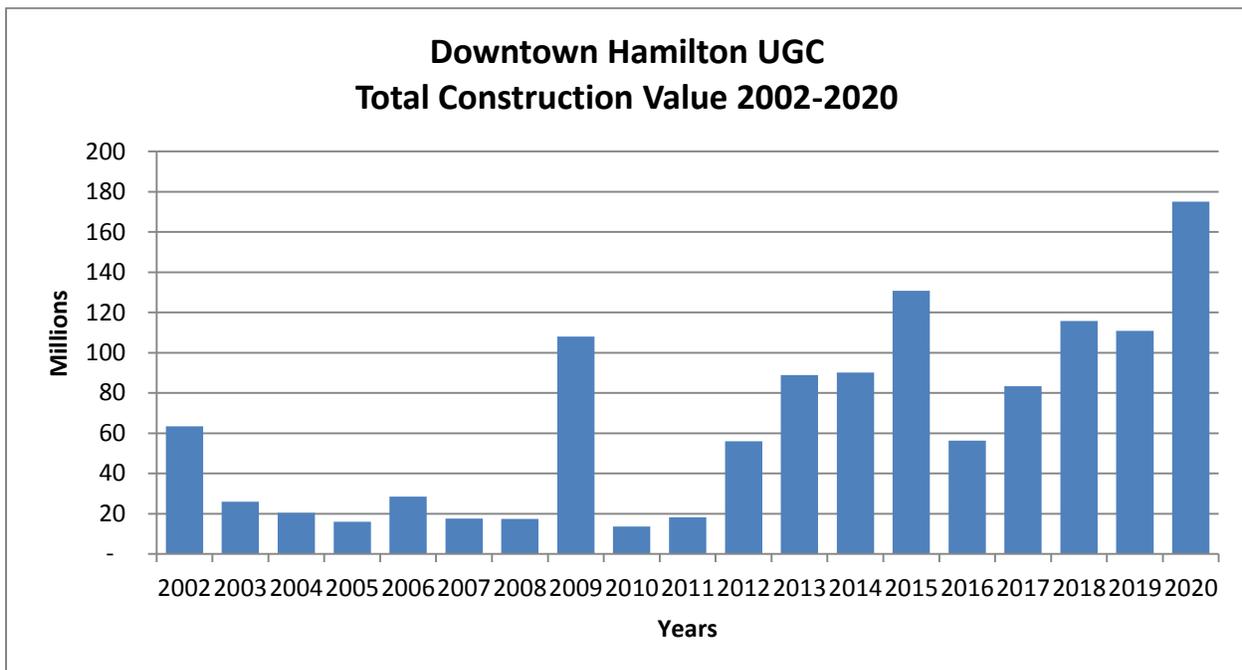


Figure 1

Those developments and improvements valued at \$500 K or greater, and listed below, account for approximately 94.51% of the total building permit construction value in the DHCIPA.

Developments in the DHCIPA, which includes the Downtown Hamilton UGC, are outlined below and total approximately \$222,173,644 in construction value, totalling 260 building permits. Examples of projects which contributed to the building permit

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

Construction value reported for 2020 include the following residential and non-residential developments:

- 154 Main Street East - To construct the superstructure of a 25-storey hotel with commercial ground floor and 7-storey parking garage;
- 15 Queen Street South - To construct the superstructure of a 24-storey apartment building with basement, including a church and stores on the first floor;
- 7 Queen Street North - To construct a sprinklered 10-storey hotel building
- 34 King Street West - To construct shell only of a 6-storey student residence building;
- 43 King Street East - To construct foundation only for a future 30 storey residential building plus 4 levels below grade;
- 100 King Street West - Alterations to existing building for the tenant office fit out of floors 2,3,9, 10 and 14;
- 21 King Street West - Alterations to renovate existing office unit on the first floor;
- 62 King Street East - Alterations to 62 and 64 King Street East and addition of mechanical penthouse on the roof;
- 82 Ferguson Avenue North - To construct a new one storey place of worship;
- 29 Severn Street - To construct a 5-storey mixed use commercial/residential building;
- 212 King William Street - Shoring and excavation for a future 14 storey apartment building with 1 storey underground garage;
- 43 Forest Avenue - Alterations to repair concrete balconies and install waterproofing on existing high- rise residential building;
- 225 East Avenue North - To construct foundations only for a future residential building with a parking garage;
- 38 West Avenue South - Alterations to the existing 3 storey apartment building to renovate the unit layouts, to rebuild exterior balconies and fire escapes and for structural and mechanical upgrades;
- 50 Young Street - Localized balcony repairs including concrete repair and installation of new waterproofing system;
- 57 Forest Avenue - Alterations to balconies, guards and waterproofing system;
- 81 Charlton Avenue East - Alterations to the residential building for underground parking garage restoration;
- 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 units;
- 151 Hughson Street South - To perform localized balcony repairs to existing multi-storey residential apartment building including repairs to concrete and waterproofing system;
- 165 Barton Street East - Alterations at Hamilton Wentworth Detention Centre

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- 134 Catherine Street North - To install new water meters, water service and sanitary/storm combined building sewer;
- 20 George Street - To install a sprinkler system and a standpipe system to serve the entire building;
- 229 King Street East - Alterations to the ground floor and second floor of the existing 3 storey mixed use building to create a medical office; and
- 120 King Street West - Alterations to the 5th and 6th floor of existing multi-level office building to create offices.

Building permits were issued for the construction of 580 new residential units in 2020 in the DHCIPA (576 within the UGC), including:

- 266 units at 212 King William Street; and
- 292 units at 15 Queen Street South.

From 2002 – 2020, building permits have been issued for a total of 3,720 dwelling units in the UGC, providing an average growth of 196 units per year.

Residential vs. Non-Residential Construction

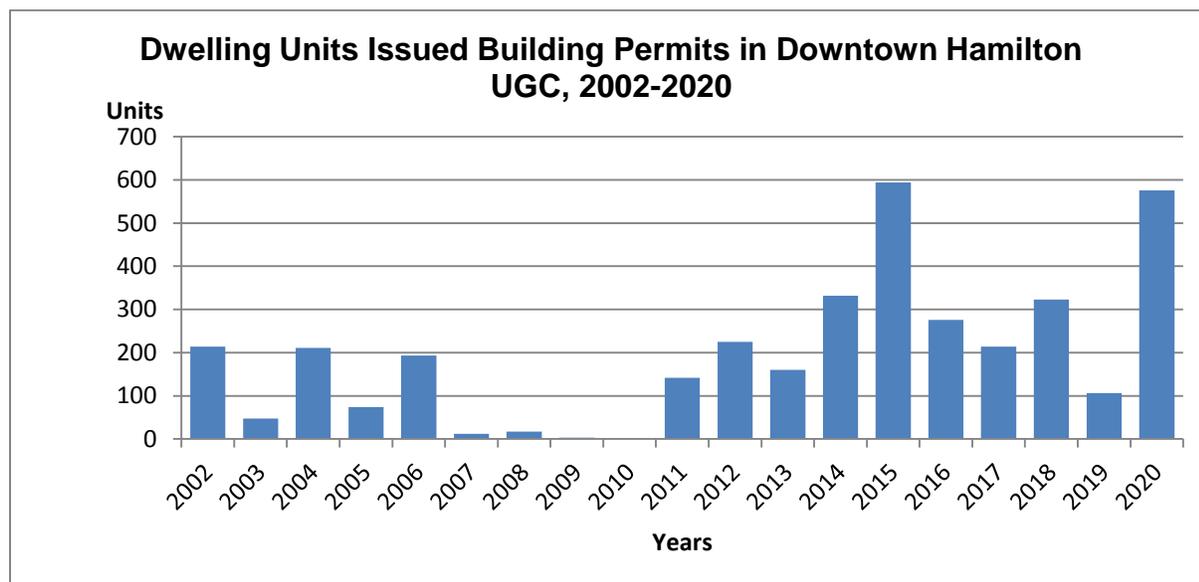
In 2020, residential development values surpassed non-residential development in the Downtown:

UGC Non-residential: 98 permits = \$71,088,354 construction value

UGC residential: 50 permits = \$103,863,443 construction value

Downtown CIPA Non-residential: 130 permits = \$75,945,159 construction value

Downtown CIPA residential: 117 permits = \$146,155,285 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;
- 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).

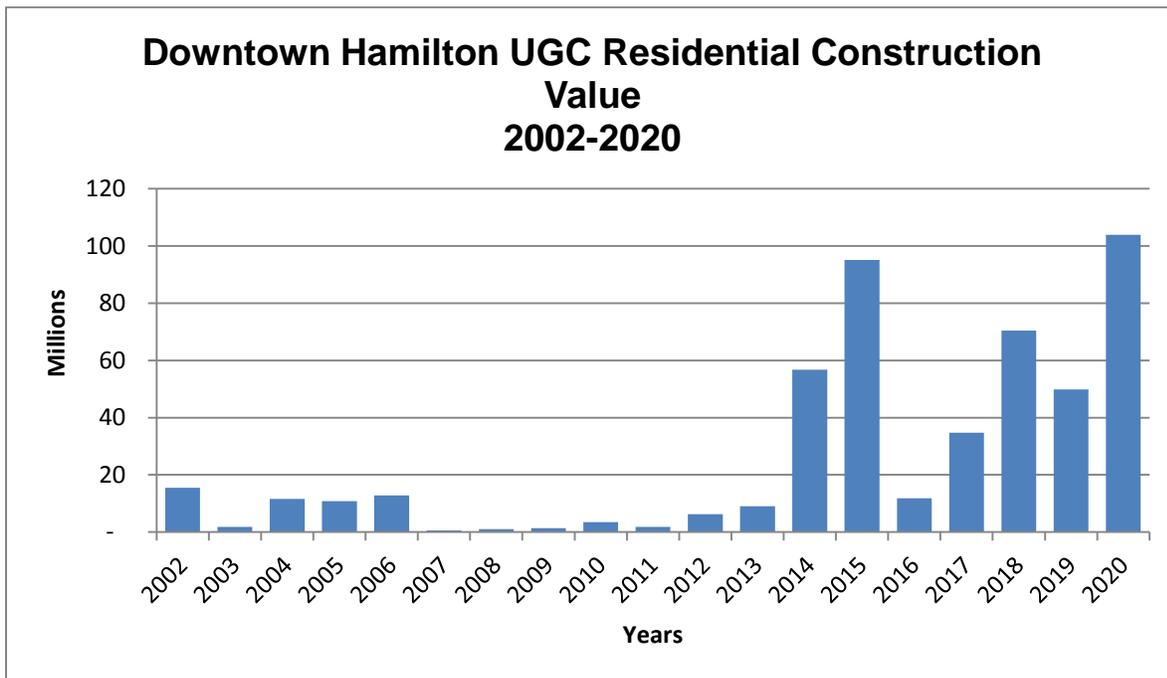


Figure 2

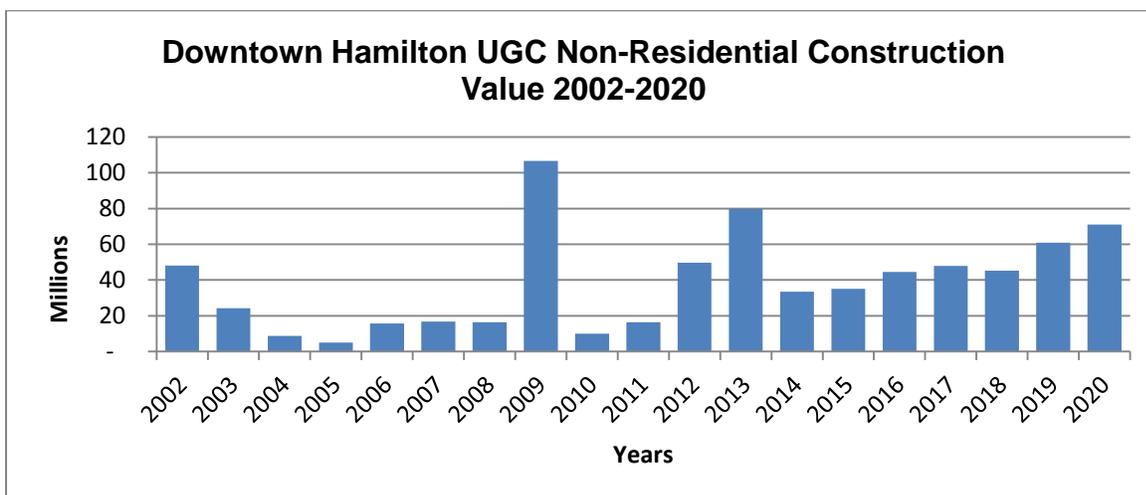


Figure 3

There were an additional 13 building permits issued in 2020 within the boundary of the DHCIPA. They account for an approximately additional \$73 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.

2020 Community Downtown Building Activity

Community Downtowns, including Ancaster, Binbrook, Dundas, Stoney Creek, Waterdown and Mount Hope, collectively, had a total of 105 building permits issued in 2020 within their respective community improvement project areas, representing a building permit construction value of approximately \$21.6 M. Growth in these communities was comprised of 74.19% residential and 25.81% non-residential. Binbrook had the largest growth out of all the Community Downtowns in 2020 totalling approximately 71.84% of the total construction values (see Figure 5).



Figure 4

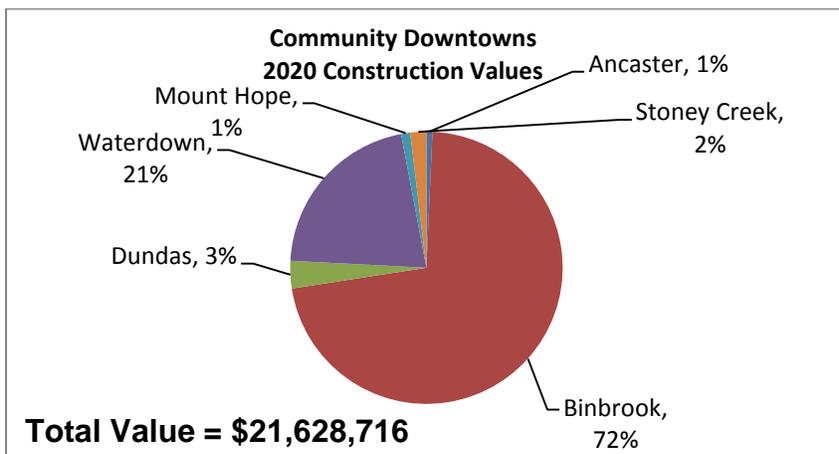


Figure 5

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What follows are some examples of investments made in 2020 in the Community Downtowns (\$ construction value):

- \$120 K for alteration to the existing building for interior fit-up for spa in Ancaster;
- \$15.3 M for construction of a new 3 storey 99-unit rental apartment building in Binbrook;
- \$450 K for alterations to second floor of existing mixed use building to create six dwelling units in Dundas;
- \$150 K for alterations to existing farm building to change use to commercial garden centre in Mount Hope;
- \$128 K for alteration to the ground floor unit of commercial building for interior tenant renovations in Stoney Creek; and,
- \$4 M to construct a building addition of the existing one storey commercial building and the installation of all site services in Waterdown.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A"- Location Map

Appendix "B"- Location Map

CG/LB/PC: jrb