

**PROPOSAL TO ACQUIRE CITY LANDS TO DEVELOP A DOWNTOWN TECHNOLOGY HUB**  
**TRANSFORMING HAMILTON'S DOWNTOWN**  
WITHOUT PREJUDICE

Before us is the opportunity to seed the creation of a Downtown Technology District, transforming Hamilton's downtown into a leader in what will be the most significant economic sector in the decades to come.

The proposed downtown Tech Hub will create upwards of 6,000+ new jobs downtown while transforming a paved parking lot into a publicly accessible park with critical bike and car parking below ground and badly needed new grocery and shopping facilities to support the Durand neighbourhood. A wellness centre will also be constructed on the site creating a world class facility designed to attract doctors and other practitioners to a part of Hamilton that today suffers from a physician shortage.

We can see incredible levels of condominium development in Hamilton's downtown but virtually no creation of Class A office space that will ensure that our citizens are able to work locally. The proposed LRT and other significant transit investments for the entire city combined with the entertainment and conference investments leave the need for the creation of significant post-covid designed office employment facilities.

If we start TODAY, the earliest that we could be ready would be 2025-2026. It is therefore critical that we move quickly to complete this process that began through a public RFI in 2016.

The City Hall parcel of properties, estimated to be 2.3 Acres, provides the needed critical mass of land that is simply not available elsewhere in the City's downtown and adjacent to the Downtown (Hamilton Centre) GO Station. Furthermore, Metro Partners has made offers to purchase development lands AT THE SELLER's fair market cost. Regrettably most downtown property owners continue to refuse to sell their properties or have opted for residential development. This has not changed during Covid. In the meantime, residential development continues to accelerate downtown and without meaningful office development, new downtown residents will be forced to seek technology-based employment elsewhere leaving our City as more of a bedroom community.

Critically, Metro Partners has engaged US Headquartered CBRE (Coldwell Banker Richard Ellis) **the largest commercial real estate services company in the world**. Together, we have created a post-COVID vision for the City of Hamilton as an HQ2 Destination in which companies will seek to locate a second Headquarters in a facility like Hamilton's proposed Tech Hub. We both agree that Hamilton's time has arrived but that the City lacks the needed Class A office infrastructure seamlessly tied to local and provincial transit. **In a recent CBRE report, CBRE identified the opportunity for Hamilton to be an 'HQ2'**



**location for companies looking to create a second Head Quarter outside of a larger Metro City.** In the report, CBRE outlines how Hamilton is perfectly positioned in the new office space reality to capitalize on the impact that Covid is having on how companies will manage their office space needs in the future.

Meanwhile, the current parking lot behind City Hall which offers approximately 200 parking spaces, is frequently full and significant waiting lists (2 years plus) for staff parking exist today. Like all properties, it requires maintenance and structural updates.



The cost to demolish and build a full underground parking structure ALONE is estimated to be at least \$60,000,000. Projected partial availability of new parking facility would be 2023.

“Despite the pandemic’s terrible economic toll across the economy, there are now nearly 100,000 more jobs in STEM disciplines — science, technology, engineering and math — than there were before COVID-19.

The rest of the economy has lost more than 400,000 jobs, leaving a gaping hole in Canada’s employment market. But not for STEM workers, who include many of our best and brightest.” Toronto Star 12.27.20

The centre would become Hamilton’s signature downtown office towers and would complement Hamilton’s iconic City Hall facility and be directly connected to the Hamilton GO Centre station enabling staff at the new Tech Centre to travel to Toronto’s Union and the PATH system without the need for a coat in the middle of winter. In addition, the plaza retail level would provide the Durand and surrounding neighbourhoods with a mid-sized grocery store with delivery and underground pick up as well as many other premium retailers not currently operating in Hamilton’s downtown. Carbon Net Zero would be the goal with low impact concrete.

“We expect greater resilience in lower-density markets outside Canada’s large urban cores,” Moody’s economist Abhilasha Singh wrote.

“The pandemic has boosted demand for properties offering more space for working from home and fewer shared areas with neighbours. Smaller markets where such properties are more affordable will particularly benefit from this trend.”  
Huffington Post 1.02.21

The plan provides for a 12 story City Hall expansion area or possibly additional office space which would be available for 5 years on a first right of refusal basis. A separate health and wellness centre will offer a single point of care for multiple health and wellness disciplines as well as exercise facilities.

The project was presented to the board of the Durand Neighbourhood Association prior to Covid, and the concept met with strong support. We have worked to height and shadowing requirements anticipated by the City. The current small, designated park land on the South West corner of the proposed site would be replaced by a larger publicly accessible park area on the new site.

"Oakville, Ont.-based Prodigy Education Inc, which had previously raised just \$15-million in institutional capital from CBGF in 2019, said the new funds would fuel a hiring spree, with plans to double in size to 800 people this year.

"We're planning on growing very aggressively with this fundraise ... and pursue our mission of helping every student in the world love learning," co-chief executive officer Rohan Mahimker said in an interview." Globe and Mail 1.12.21

The developer also envisages creating an onsite tourist attraction and destination for local schools.

#### City Hall Tech & Innovation Hub:

The City issued and publicly advertised a request for Information in 2016 and Metro Partners formally submitted this concept with architectural concepts and other research together with other proponents.

Proposal is to acquire the lands at FAIR MARKET VALUE (FMV) as determined by an independent appraisal and has been revised to contemplate in the alternative, a 100-year lease of the lands **THOUGH THIS OPTION WILL GREATLY REDUCE THE ATTRACTIVENESS OF THIS PROJECT TO THE MARKET. COMPARABLE TAX incentives TO THOSE OFFERED TO ATTRACT OTHER COMMERCIAL DEVELOPMENTS LIKE AMAZON and that are today being offered to other large-scale tenancies would be requested.** An extendable period of three years to close would be required to secure the necessary tenants and finalize the architectural and engineering specifications. In the event that the project did not move forward, Metro Partners would provide, at cost, all studies and detailed drawings created to the City for \$1. While an effort was made to publicly communicate the opportunity to redevelop the City Hall lands, the City has established the precedent of divesting of properties and in 2017 when the City sold its technology centre:

"The city-owned Hamilton Technology Centre (HTC) has been sold to a private company called Clearcable, one of the centre's tenants.

City officials confirmed the \$3.25 million sale on Wednesday, calling it a win-win business transaction for both the city and Clearcable, a company that builds broadband for smaller providers of internet and telecommunications services.



"We had an opportunity to sell it and it was a strategic sale," said John Hertel, the city's revenue generation director. "We're selling it to someone who would continue to operate it as a technology incubator."

<https://www.thespec.com/business/2017/09/06/city-sells-its-technology-centre-to-tenant-firm.html>

Office tenants would include but not be limited to corporate and technology and Health care sector operations, incubators, ancillary industries including legal, corporate finance, training and development. Laboratory and physical research would NOT be a part of the planned development and would be best left to the MIP district and others like it. Priority would be given to Canadian owned firms.

"Over a 12-month period ending July 1, 2020, and overlapping with the first wave of the pandemic, the metropolitan area of Toronto saw a net intraprovincial outflow of 50,375 people, according to Statistics Canada figures released Thursday. That means 50,375 more people left the Toronto area for other parts of Ontario than moved in – a record high according to data going back almost two decades." Globe and Mail 1.14.21

1. Technology and associated industries will be the strongest growth areas for advanced economies in the decades ahead. Hamilton is not currently a major contender in this sector despite its close proximity to Toronto, its significant base of technology workers and its new-found, vibrant downtown atmosphere, its significant education and research facilities and being a truly METROPOLITAN city rivalled in the region only by Toronto. Cities like Kitchener Waterloo have created facilities and a tech centre that today is attracting significant tenants like Google and others despite the demise of RIM and despite its substantial geographic distance from Toronto and extremely poor transit connectivity to other regions when compared with Hamilton.
2. Hamilton's downtown must dramatically pivot to being a major technology driven centre with the critical mass of downtown tech tenants or risk becoming more of a bedroom community with condominiums and residential development and its growing tech-worker citizenry commuting to Toronto as is today the case. MIP and other facilities in the airport region are entirely complementary to the effort to create a tech district in Hamilton's downtown.
3. The challenge around creating a downtown tech district remains not one of construction or financing but of securing a critical mass of tenants in the technology sector to relocate to Hamilton's Downtown. Communicating a vision for Hamilton as a tech hub in a city that today does not have a single Class A office tower.

4. A percentage of the net new tech workers will choose to live downtown and, in some cases, require affordable housing as many shift to the City to begin their careers. They will require downtown access to parking, shopping including grocery and seamless access to Toronto by GO Transit from Hamilton's downtown. If the LRT becomes a reality, the intra-city connection will be perfect to connect to MIP, McMaster and residential city wide.

"...the story of the Bay Area's [San Francisco's] latest tech era is ending for a growing crowd of tech workers and their companies. They have suddenly movable jobs and money in the bank — money that will go plenty further somewhere else." New York Times 1.14.21

5. The Impact and Opportunity created by COVID and future global issues:
  - a. The number of incidents like COVID is likely to accelerate in frequency given our global population growth that is breaking down barriers between animal wildlife and humans enabling viruses and other contagions to jump into human populations. Global connectivity through travel and the exchanges of goods adds to the ability of such contagions to spread rapidly.
  - b. Global warming and political and societal unrest have had a significant impact on major tech regions like California which is now seeing a mini exodus to markets like Texas and Canada/Hamilton has the potential to be a destination.
  - c. COVID has dampened the demand for office space in the immediate term BUT expected to resume as in person is realistically the only way to create value and operate a company. Younger staff in particular rely on interpersonal interactions to grow and develop
  - d. Canadians are shifting to the suburbs with lower density, larger homes with property and lower costs of living
  - e. Corporations recognize that employee cost of living impacts compensation and that turnover is reduced when an employee adopts a lifestyle that cannot easily be achieved in a denser, urban settings
    - i. Housing
    - ii. Access to good public and private schools
    - iii. Health Facilities
    - iv. A vibrancy (that Hamilton has already created with its restaurant and art scene)
    - v. Access to 'nature' which Hamilton, as Canada's most biodiverse region, is uniquely suited to provide
  - f. All commercial tenants will look to a prospective facility's post-COVID credentials when siting office locations
    - i. Systems designed to ensure safety for staff

1. HVAC with higher frequency of air replacement and flow designed to minimize droplet spread
  2. Touchless systems for elevators and doors
  3. Increased distancing by increasing square footage per person
  4. Recognition that public transit is the less preferred option for transportation during a health crisis and parking for bikes and other vehicles still relevant
- g. Hamilton's downtown currently does NOT have
- i. Class A office towers with sufficient parking and linkages to transit
  - ii. Sufficient vehicle parking (parking study) and monitored Bike parking that addresses significant theft barrier to riding personal bikes
  - iii. A tech district
    1. Tech firms seek to locate in areas where there is a culture and concentration of like-minded individuals and
    2. A downtown vibrancy driven by others in a similar sector
6. The Board of Advisors will be critical to the success of the project. MetroPartners is led by Hamilton born and raised Paven R. Bratch who draws on 35 years+ in the marketing and technology sector, much of it in the GTA and extends worldwide. Named as Canada's Top 40 Under 40, in 2003 and recently recognized in Hamilton as a developer committed preserving the City's heritage properties. Paven is an innovator who believes that Hamilton's time is now (though he created the Tech Hub proposal in 2016) especially given the recently announced investments in transit. Separately, Metro Partners, through its designate, has entered into a binding agreement to acquire a 2.9 Acre site opposite the West Harbour GO Station to create a live:work development on what are today contaminated lands in Hamilton's North End. The facility will feature a strong commitment to reducing its carbon footprint and to creating workspaces that are designed for safety in a post-covid era.

Advisors:

- a. [John Ruffolo](#), former founder and CEO of OMERS Ventures (invested in Shopify, Hootsuite and more) Vice Chair and co-founder (with Jim Balsillie of the Canadian Council of Innovators, founder of new venture firm Maverix Private Equity with planned \$500M equity raise)
- b. [Peter DeGroot](#), CTO Post Media responsible for 170+ national publications and extensive technology infrastructure
- c. [Anand Sinha](#) Employee #9 RIM and Hamiltonian, Technology visionary
- d. [Jazz Samra](#), formerly GOOGLE Global Nest Emerging Partnerships and former Head of US Channel Sales for GOOGLE – Small and Medium Sized Business (California based)
- e. [Tim Jackson](#), President and CEO, Shad (National STEM programming for post-secondary Students) - Shad is Canada's premier live-in summer enrichment program

for high-potential high school students focused on STEAM and entrepreneurship. Prior to this, **Tim was a former executive with MaRS**, one of the world's largest innovation hubs

- f. [Jake Bullen](#), Partner, [Cassels.com](#) (national law firm)
- g. XXX (TBA), CEO/COO, Former Pension Fund Signing officer and real estate development executive

#### Secondary School Integration building Hamilton:

The Tech Hub would have a formal integration with local secondary and post-secondary institutions. Mr. Cesare Di Donato, head of the Industry-Education Council is prepared to collaborate with the new centre to create programming that will enhance the development of Hamilton's secondary school age students.

Metro Partners Advisor, Tim Jackson who leads Canada's incredible SHAD program (STEAM) and served as an executive with MaRS in Toronto, will be an invaluable resource as well as we create programming for our region's students to create the leaders of tomorrow.

Metro Partners Advisor John Ruffolo, founder and Vice Chairman of the Canadian Council for Innovators is a founding member of incubator OneEleven that is now being re-established and he will also be an incredible resource as we create spaces for young innovators to create the companies of the future.

#### [Industry Education Council of Hamilton](#) relationship + [SHAD](#)

#### 7. Current Professional Advisors

- a. Cassels (leading Toronto based Canadian Law Firm)
- b. CBRE Toronto/Global Real Estate with key contacts in tech and retail sector
- c. Metro Partners team
- d. CBRE Finance and Structure for funding needs
- e. Architecture: Lintack & Associates + Global partners
- f. Project Management – [Gillam Group Inc.](#) (former firm Vanbots)
  - i. <https://www.canadianbusiness.com/lists-and-rankings/profit-500/2017-gillam-group/>

#### 8. Proposed Advisors/Construction Partners

- a. Engineering-Stantec
- b. Construction: EllisDon level partner
- c. Identified Pension Fund/Capital Partners

"Canadian pension funds are seeking to boost their real estate investments, betting the slumping property market will recover as the COVID-19 pandemic recedes..."  
Globe and Mail 1.21.21

Image below NOT confidential – MetroPartners:



NEW DEVELOPMENT:

Technology and Medical Innovation Centre  
**MetroPartners Inc**  
HAMILTON, ON  
SEPT 30, 2019

**LINTACK ARCHITECTS**  
INCORPORATED

104 JAMES STREET SOUTH, HAMILTON, ONTARIO L8N 2B7  
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METRO PARTNERS  
HAMILTON

COVER

DWG. No.  
A1.0

#### Breakdown:

- Parking structure would be 3 levels at 450 parking spaces per level totalling 1350 Spaces (subject to soil analysis)
- Retail plaza – 50-100,000 sq feet with Grocery, Pharma, food court and boutique retailers to compete with Mapleview Mall, Burlington
- Skytop auditorium with ability to link to global conferences and TV Studios
- Two office towers 20 and 24 Stories totalling 572,000 square feet – Key target would be Amazon, Govt of Canada and OneEleven? Plus College or University from Toronto or other, tech focused law firms, finance companies, Pharma head offices.
- Health Centre – Approximately 11,400 Sq Feet – Leased
- Future expansion space for City of Hamilton or other occupant – 12 storeys x10,000-120,000 Sq ft.



#### How we will sell occupancy:

Marketing and PR – Create a national campaign and social media presence of the downtown Tech Hub leveraging a New York City based creative agency and local marketers.

YouTube channel interviewing key influencers on their views of Hamilton/Tech District potential

Work closely with Economic Development team

#### Create Key Sales Offices:

- Toronto Downtown Sales office above Union Station
- Hamilton Sales Office
- California Sales Office
- UK Sales Office

#### Deal (more details):

- FMV (FAIR MARKET VALUE) sale with closing in 3-5 years\* or sooner which generates critical capital for City
- Focus of hub:
  - o Any and all tenants that fit an innovation paradigm and supporting services including legal, financial, education, incubator, government agency that supports technology...e.g. (scenarios)
  - o Professional services/banking
  - o City to remain at arms-length on all operations of property
  - o Green space to be privately managed, publicly accessible
  - o Provision to address corner heritage space
- Office space at City Hall site for sales and hosting OR permission to erect a sales office
- Parking at FMV dedicated to City
- City has first right of refusal on expansion tower estimated to occur in 5 years from commencement of project for construction of 12 story civic building expansion area as tenant
- Carbon Net Zero is goal but may have to be adjusted given geological issues
- Goal is to create SAFE BIKE parking for city core + electric/hydrogen charging
- Partnership with local secondary and post-secondary schools

#### Community Benefit:

- Transform Hamilton from majority public sector employer to tech/innovation employer estimated at 6,000 jobs initially with plus additional retail employment
- Create high value jobs for Hamiltonians and future generations that do not require them to relocate to pursue

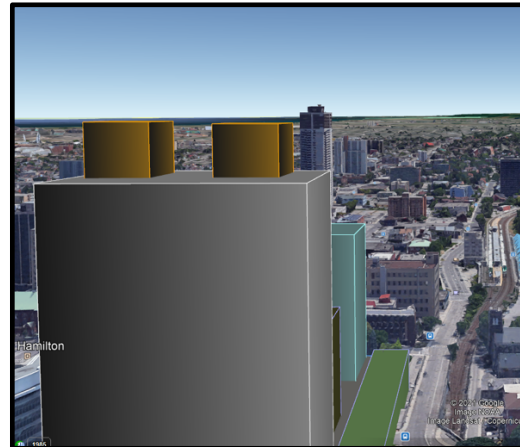
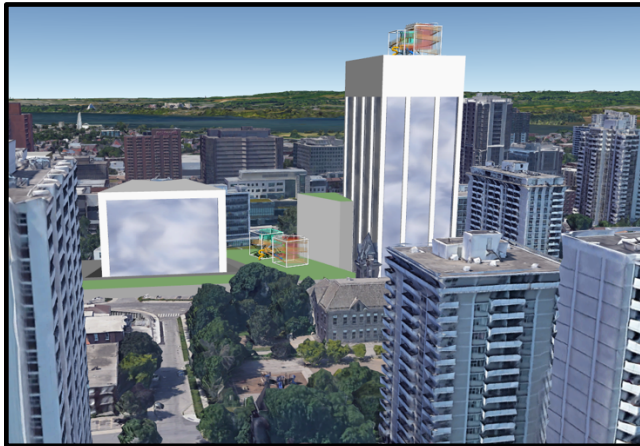
- Create an integrated education platform for secondary and post-secondary students in cooperation with the Hamilton Public and Separate School boards for living lab, internship and mentoring programs as well as 'junior incubators' funded and supported by the private sector
- Improve the commercial tax base for Hamilton providing relief to residential rate payers
- Enable the Hamilton GO Centre station to expand and potentially transform to all day GO with Express service to Union
- Create a Signature building for Hamilton with its first Class-A downtown towers breaking decades of high vacancy office
- Transform a large mass of asphalt and concrete (current parking lot) to a green space with potential tourist destination
  - Tourist attraction all season plus corporate team building
  - Integration with Wellness Centre
- Bring another world class Integrated Health & Wellness Centre to the downtown core focused on whole health healing and exercise
- Provide an expanded range of educational choices for certificate and diploma programs
- Provide a tech centre auditorium and studios for global broadcast events
- Create safe theft proof storage parking for downtown cyclists not currently available to those using network of bike lanes

Alternative is concept to create facility on the roof top that requires less staffing and can combine youth activities with adults with no physical abilities to participate with photos and shared experience. Potential roof top location allows US TO RESET PEOPLE'S PERCEPTION OF HAMILTON FORMED ON SKYWAY BRIDGE. CREATE A SIGNIFICANT SOCIAL MEDIA EVENT THAT CAN HELP CORRECT THE PERCEPTION OF HAMILTON AS PURELY INDUSTRIAL.



CONCEPTS:





#### PHASED APPROACH:

##### Phase 1: Pre-sale (low Millions invested at risk by Metro Partners)

- Purchase /100 YEAR LEASE of lands at FMV
- Secure City Hall property conditional on securing tenants over period of 4 years (extended due to COVID). All drawings and work done revert to City in the event of failure to close
- Financing and tax incentives matching or greater than that offered to Amazon subject to tenants meeting standards of quality of Amazon though preferably Canadian
- City has first right of refusal on rental of City tower (12 stories) for five years
- MP has first right of refusal for purchase of City Hall building, respecting all heritage designations.
- Non-Residential tenancies with focus on Technology, Health Sciences and ancillary services (Legal, Finance, Education)
- Auditorium facilities
- Designated parkette to be transferred or preserved
- Tenants identified for Wellness Centre, Grocery Retail
- City
  - Access to parking at market prices
  - Reserved parking for Councillors and Senior Staff
  - Integration for security/public safety
- Create Living Lab strategy with Local Secondary school boards for internships, mentoring, digital labs and integrate local college and University

## Phase 2: Sales Phase

- Operational
  - Drawings and geological
  - Net Zero planning (GEOTHERMAL) and integration with HCE
  - Planning approvals
  - Secure alternate parking facilities/lands for construction
  - Close construction and ongoing financing through CBRE Finance and in partnership with pension funds
  - Bicycle parking, HSR bus access, EV parking, Hydrogen Refill, TreeTops climbing centre and other relationships to be finalized, downtown bike and EV delivery
  - Integration with
- Sales
  - CBRE
  - Create Technology and Health Sciences sales Team with significant marketing, PR and Digital presence integrated with Government of Ontario, Government of Canada, City of Hamilton-Economic Development and in cooperation with local players such as MIP, Mohawk and more.
  - Ensure cooperation with MIP, Entertainment district and other innovators to make Hamilton successful
  - Create dedicated Technology downtown sales Centre at Union Station, Toronto
  - Finalize retail tenancies
  - Secure global tenancies through CBRE and achieve 50-60% sales of Tower One and or Tower Two to proceed.
  - Local incubators or organizations like DMZ and OneEleven

## Phase 3 Construction and Move-in:

- Execute Financing
  - CBRE Finance and Debt Team leading or other
  - In-house CFO (former signing officer, Pension Funds with Global Fundraising Experience)
  - Cassels Private equity team
- Proposed Construction (likely subject to final detailed bidding overseen by project manager)
  - Rick Lintack, Lintack and Associates
  - Stantec Engineering
  - Bid from Canadian leaders like EllisDon/PCL
  - Cassels – Legal
  - Gillam – Project Management
  - Local engineering firms
  - Alternate City Hall parking to be identified once timelines confirmed



\*All terms subject to adjustment related to uncontrollable market conditions as reasonably established in advance

