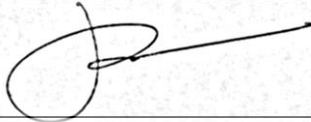
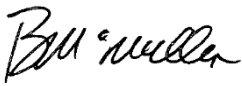




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division
and
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	June 15, 2022
SUBJECT/REPORT NO:	Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Application, 405 James Street North, Hamilton (Jamesville) ERG-19-06 (PED22107 / FCS22035) (Ward 2)
WARD(S) AFFECTED:	Ward 2
PREPARED BY:	Chris Phillips (905) 546-2424 Ext. 5304 Phil Caldwell (905) 546-2424 Ext. 2359 Kirk Weaver (905) 546-2424 Ext. 2878
SUBMITTED BY: SIGNATURE:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department  Jennifer Patterson Acting Director
SUBMITTED BY: SIGNATURE:	Brian McMullen Director, Financial Planning Administration and Policy Corporate Services Department 

RECOMMENDATION(S)

- (a) That the terms for the Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant Program, being Appendix "B" to the ERASE Community Improvement Plan, be amended as outlined and highlighted in yellow in Appendix "A" to Report PED22107 / FCS22035;

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- (b) That Environmental Remediation and Site Enhancement (ERASE) Redevelopment Grant (ERG) Program application ERG-19-06, submitted by CityHousing Hamilton Corporation (CHH), owner of the property at 405 James Street North, Hamilton (the site), for a Grant not to exceed \$1,744,445, for estimated eligible building demolition costs, provided over a maximum of ten (10) years, be authorized and approved in accordance with the terms and conditions of the ERASE Redevelopment Agreement and the following additional conditions:
 - (i) that approval of the Grant application be transferred from CityHousing Hamilton Corporation to Jamesville Redevelopment Limited Partnership (JRLP) if/when JRLP becomes the registered owner of the site;
 - (ii) that approval of the Grant shall not prejudice or fetter City Council's discretion with respect to any current or future *Planning Act* application(s) regarding the site, including, but not limited to, Official Plan and / or Zoning By-law amendment applications;
- (c) That, subject to approval of Recommendation (b) of Report PED22107 / FCS22035, the General Manager of Planning and Economic Development Department be authorized and directed to execute, on behalf of the City, the Environmental Remediation and Site Enhancement (ERASE) Redevelopment Agreement together with any ancillary documentation required to give effect to the approval of Program application ERG-19-06 and the ERASE Redevelopment Grant to CityHousing Hamilton Corporation, owner of the property at 405 James Street North, Hamilton and / or the intended subsequent property owner being Jamesville Redevelopment Limited Partnership, at such time, as the proposed development has received, at minimum, conditional Site Plan approval and that such agreements and ancillary documentation be in a form satisfactory to the City Solicitor;
- (d) That, subject to approval of Recommendations (b) and (c) of Report PED22107 / FCS22035, the General Manager of the Planning and Economic Development Department be authorized and directed to administer the ERASE Redevelopment Grant and the ERASE Redevelopment Agreement including, but not limited to, implementing any appropriate actions in respect of events of default and executing any appropriate amending agreements and ancillary documentation, all in accordance with the terms and conditions of the ERG Program, as approved by City Council and all in a form satisfactory to the City Solicitor;

- (e) That, subject to approval of Recommendations (b) through (d) of Report PED22107 / FCS22035, the General Manager, Finance and Corporate Services, be authorized to execute, on behalf of the City, the City's ERASE Development Charge Deferral Agreement augmented by the additional terms and conditions outlined in Appendix "B" to Report PED22107 / FCS22035 in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

On October 27, 2020, CHH's Board of Directors approved the authorization to enter into a Master Development Agreement (MDA) with Jamesville Redevelopment Limited Partnership (JRLP) to redevelop and intensify the Jamesville property known as 405 James Street North, as well as, City-owned lands at 38 Strachan Street West and 344 Bay Street North. JRLP, a private development consortium, was selected as the Preferred Proponent through a competitive Request for Proposals (RFP) process (City of Hamilton RFP C18-07-19) which was issued in April 2019 and closed in June 2019. The MDA was formally executed with JRLP on December 10, 2021.

The proposed redevelopment of the site, as presented to staff by CHH and JRLP and for which necessary Planning approvals, including Urban Hamilton Official Plan (UHOP) and Zoning By-law amendments have not been obtained, is planned to consist of a 46-unit CHH building and up to 120 affordable rental housing units owned by Indwell Community Homes which are to be integrated within 287 market-priced stacked townhouses. Total construction costs are estimated at \$100,000,000.

On August 19, 2019 and March 3, 2020, separate ERASE Redevelopment Grant (ERG) Program applications were submitted by CHH for the two non-contiguous sites forming part of the overall Jamesville redevelopment: ERG-19-06 respecting 405 James Street North and ERG-20-01 respecting 38 Strachan Street West and 344 Bay Street North. The applications anticipate costs for the abatement / removal of designated substances and hazardous materials from and demolition of the existing vacant 91 townhouses on 405 James Street North, as well as, remediation costs related to soil / groundwater contamination at 405 James Street North and also potentially 38 Strachan Street West and 344 Bay Street North.

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At the time of writing Report PED22107 / FCS22035, only estimated eligible costs respecting the removal / abatement of designated substances and hazardous materials and building demolition for the existing townhouses located on 405 James Street North (application ERG-19-06) are known and are estimated at \$1,744,445. Work is on-going by JRLP, as the future intended owner of these properties, to investigate soil / groundwater contamination, develop a remediation plan and identify additional estimated remediation costs that will be required prior to redevelopment of the sites. Once these estimated costs are known, staff anticipate future supplementary recommendation reports regarding the potential eligibility of these additional costs will be brought forward for Council consideration for ERG Program applications ERG-19-06 and potentially ERG-20-01.

On March 30, 2022, City Council approved a Motion that, among other things, directed staff to prepare and bring forward a report to General Issues Committee and Council for the consideration of the applicable ERG application (ERG-19-06), along with any necessary program amendments to the ERASE Redevelopment Grant Program required to facilitate site remediation for the Jamesville affordable housing Development.

Amendments proposed via Recommendation (a) and Appendix “A” to Report PED22107 / FCS22035 would allow for assignment of ERG Program applications after Council approval, at Council’s discretion, to a future intended owner where the assignment will provide the necessary financial security needed for that future intended owner to undertake remediation or other ERG Program eligible costs prior to becoming the registered property owner. Incorporating these amendments into the ERG Program terms will provide flexibility and predictability to consider similar arrangements for future City-owned lands subject to disposition where there is a desire to expedite, and transfer costs / liability for, necessary remediation works eligible under the ERG Program to a future intended owner.

Recommendation (e) to Report PED22107 / FCS22035 proposes that several additional terms and conditions specific only to the Jamesville redevelopment be added to the City’s standard ERASE Development Charge Deferral Agreement which would apply to application ERG-19-06 (the subject to Report PED22107 / FCS22035) and also application ERG-20-01 should Council approve these applications. These terms are detailed in Appendix “B” to Report PED22107 / FCS22035 and are intended to facilitate the redevelopment process from a financial perspective for JRLP, while limiting the additional financial risk to the City.

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At this time, it is estimated that the proposed development, if approved and built as proposed, would increase the property assessment from the pre-development value of \$8,314,000 (EN - Exempt) to approximately \$98,425,000 (RT – Residential, NT – Multi Residential and XT - Commercial). This would increase total annual property taxes generated by this site from \$0 to \$1,200,488. The municipal portion of this increase would be \$1,045,376 of which 80%, representing the maximum potential annual Grant permitted under the ERG Program, would be approximately \$836,301. With a maximum Grant not exceeding \$1,744,445, it's estimated that the Grant will be provided over three (3) annual payments. The above estimates may be subject to change in accordance with the outcome of any and all future Planning approvals obtained for the site.

The existing condition of the site, as well as, renderings of the proposed development are provided below.



Existing Conditions – 405 James Street North, Hamilton viewed looking north east from Strachan Street West (Source: maps.google.ca)



Proposed Development – 405 James Street North aerial view looking northwest
(Source: Jamesville Redevelopment Limited Partnership)

Alternatives for Consideration – See Page 16

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As per the ERG Program, the City will provide the Applicant with a Grant equivalent to 80% of the increase in municipal taxes up to the total eligible cost figure of \$1,744,445. Based on an estimated maximum potential annual Grant amount of \$836,301, the annual Grant payments will conclude in year three with the City realizing the full municipal tax thereafter for life of the development.

Under the terms of the ERASE Development Charge Deferral Agreement recommended in Recommendation (e) of Report PED22107 / FCS22035 and detailed in Appendix “B” to Report PED22107 / FCS22035, the ERG will be used to fund the Development Charges payable on this development over the life of the Grant.

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The City will retain the remaining 20% of the annual municipal tax increment estimated at \$209,075, to a maximum of 20% of the total Grant to be provided, estimated to total \$348,889 over two years, will be deposited into the Brownfield Pilot Project Account No. 3621755102 to be used by the City for its Municipal Acquisition and Partnership Program. This Program, as approved in the ERASE Community Improvement Plan (CIP), enables the City to acquire strategic brownfield sites, remediate and redevelop property it already owns, or participate in public / private partnerships to redevelop brownfield properties.

Staffing: Applications and Grant payments under the ERG Program are administered by staff from the Commercial Districts and Small Business Section, Economic Development Division and Taxation Section of the Financial Services and Administration Division. Administration of ERASE Development Charge Deferrals are administered by the Financial Planning, Administration and Policy Division of the Corporate Services Department.

There are no additional staffing requirements arising from the recommendations of Report PED22107 / FCS22035.

Legal: The ERG Program is authorized by the ERASE CIP which was adopted and approved in 2001 and subsequently comprehensively updated in 2005, 2010 and 2018 under Section 28 of the *Planning Act*. The ERASE Redevelopment Agreement will specify the obligations of the City and the Applicant and will be prepared in a form satisfactory to the City Solicitor.

HISTORICAL BACKGROUND

Project Background:

On April 8, 2019, on behalf of CHH, the City initiated a Request for Proposals (RFP) process (City of Hamilton RFP C18-07-19) which closed on June 6, 2019. Four Proposals were received and evaluations were conducted between June 7, 2019 and concluded on July 18, 2019. Through this open and competitive process, JRLP was selected as the Preferred Proponent. JRLP is a private development consortium consisting of the firms Fram + Slokker, Melrose Investments Inc., Marz Developments Inc. and Homes by DeSantis, as well as, Indwell Community Homes.

Subsequently, on October 27, 2020, CHH's Board of Directors approved the authorization to enter into a Master Development Agreement (MDA) with JRLP to redevelop and intensify the Jamesville site (405 James Street North), as well as, the City-owned lands at 38 Strachan Street West and 344 Bay Street North which Council has approved by Motion to be conveyed to CHH as a phase of this development. The MDA was formally executed on December 10, 2021.

The redevelopment of Jamesville will transform the 91-townhouse site into a mixed-income community that includes a 46-unit CHH building, up to 120 affordable rental housing units owned by Indwell Community Homes integrated within a 287-unit private market residential development.

As per the MDA, JRLP has agreed to take financial and operating responsibility for the full site demolition, as well as, the environmental remediation and planning approvals process for the entire site.

A detailed summary of the CHH's timeline of direction, approvals and milestones for the Jamesville redevelopment are as follows:

- On September 20, 2016, the CHH Board approved Report #16034, authorizing the redevelopment of the West Harbour properties of 500 MacNab, Jamesville and 10 Brock;
- On March 21, 2017, City Council approved a motion to convey the land at 38 Strachan Street West / 344 Bay Street North to CHH for use as part of the Jamesville development;
- On July 18, 2017, the CHH Board approved Report #17021(a) outlining the replacement impacts and financial modelling of the five new CHH developments including Jamesville and the Bay-Cannon site; and,
- On December 20, 2018, the CHH Board approved Report #17007(b) authorizing staff to commence the RFP, the Evaluation Criteria and Scoring Framework.

ERG Program Application and Environmental Background:

On August 19, 2019 and March 3, 2020, separate ERG Program applications were submitted by CHH for the two non-contiguous sites forming part of the overall Jamesville redevelopment for which JRLP has been identified as the Preferred Proponent and intended future owner: ERG-19-06 respecting 405 James Street North; and ERG-20-01 respecting 38 Strachan Street West and 344 Bay Street North, respectively.

At the time of writing Report PED22107 / FCS22035, only the estimated eligible costs respecting the removal / abatement of designated substances and hazardous materials and building demolition for the existing vacant 91 townhouses located on 405 James Street North (the site) are known. This site is approximately 2.18 ha (5.39 ac) in size and consists of the entire area bounded by Ferrie Street West to the north, James Street North to the east, Strachan Street West to the south and MacNab Street North to the west in the North End neighbourhood of central Hamilton. The immediate area is primarily characterized by low-rise residential to the north, east and west and open space and the Canadian National Railway (CNR) rail line to the south.

As part of the investigation of the environmental condition of the subject site's existing buildings and soil / groundwater conditions, a Phase One ESA, Phase Two ESA and Designated Substances Survey (DSS) were completed by Peto MacCallum Ltd. for CHH in November 2018, January 2019 and September 2018, respectively. A supplemental Phase Two ESA was also completed Peto MacCallum Ltd. for JRLP in March 2021.

The DSS study completed for the site has identified the presence of asbestos in several building materials from a sampling of units existing on the site. The conclusions of the environmental consultants are that the samplings are representative of all units currently located on the site and that asbestos abatement / removal and demolition be carried out accordingly for all units on the site. The identification of designated substances / hazardous materials is undertaken in accordance with Ontario Regulation 490/09 with the abatement / removal of any Asbestos Containing Materials (ACM) found required to be undertaken in accordance with Ontario Regulation 278/05.

The outcome of the ESA studies confirmed the presence of contaminants in the soil / groundwater that will require remediation of the site as part of any future redevelopment involving residential uses. At the time of writing Report PED22107 / FCS22035, work is on-going to develop a remediation plan and cost estimate for this work, details of which will be the subject of a future supplementary report for Council's consideration regarding the eligibility of such costs and any required updates to the approved maximum Grant amount.

Investigation and assessment of the soil / groundwater conditions of the properties subject to the second Jamesville redevelopment ERG application (ERG-20-01) respecting 38 Strachan Street West and 344 Bay Street North are on-going. At such time as any remediation work and related cost estimates are identified as being required for these properties, staff will bring forward a separate recommendation report for application ERG-20-01. However, staff note that Recommendation (e) and the associated Appendix "B" to Report PED22107 / FCS22035 regarding modifications to the ERASE Development Charge Deferral Agreement are intended to apply to both application ERG-19-06 that is the subject of Report PED22107 / FCS22035, as well as, to application ERG-20-01 should a subsequent ERG Program recommendation on application ERG-20-01 be brought forward for Council consideration. Proposed modifications to ERASE Development Charge Deferral Agreement for these two applications are further discussed in the "Analysis and Rational for Recommendation(s)" section of Report PED22107 / FCS22035.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Proposed ERG Program Amendment:

Recommendation (a) of Report PED22107 / FCS22035 consists of an update to the program terms of the ERG program. These terms are implemented as Appendix "B" to Report PED22107 / FCS22035 to the authorizing ERASE CIP. As the ERASE CIP appendices do not form part of the approval of the ERASE CIP or its implementing By-Law (No. 18-076) and as the recommended amendments do not alter the intent of the authorizing CIP, an amendment under Section 28 of the *Planning Act* to implement Recommendation (a) of Report PED22107 / FCS22035 is not required.

ERG Application ERG-19-06 for 405 James Street North:

Details of the proposed redevelopment of the site have been provided to staff by CHH and JRLP. The proposed redevelopment is anticipated to require an UHOP and Zoning By-law amendment based on the existing Planning permissions applicable to the site. At the time of Report PED22107 / FCS22035, these approvals have not been obtained.

Information provided in Report PED22107 / FCS22035 regarding the proposed redevelopment, including estimated municipal tax increments potentially generated by the proposal for the purposes of a potential Grant, may be subject to change in accordance with current or future Planning permissions, policies and regulations applicable to the site.

Staff's recommendation to approve an ERG Program application for the site is not an approval or endorsement of the proposed redevelopment as provided to staff by CHH/JRLP.

RELEVANT CONSULTATION

Staff from the Corporate Services Department – Taxation Section, Financial Services and Taxation Division and the Legal and Risk Management Services Division – were consulted and the advice received incorporated in Report PED22107 / FCS22035.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Proposed ERG Program Amendment:

On March 30, 2022, City Council approved the following Motion regarding the site:

- a) That the Chief Building Official be authorized to issue demolition permits for the 13 townhouse dwellings located at 405 James Street North, Hamilton, also known as, 2-8 Strachan Street West, 10-22 Strachan Street West, 24-38 Strachan Street West, 405-411 James Street North, 413-425 James Street North, 427-441 James Street North, 443-457 James Street North, 459-471 James Street North, 15-29 Ferrie Street West, 312-322 MacNab Street North, 324-338 MacNab Street North, 340-354 MacNab Street North and 356-372 MacNab Street North, in accordance with By-law 09-208, as amended by Bylaw 13-185, pursuant to Section 33 of *The Planning Act*, as amended, without having to comply with conditions 6(a), (b), and (c) of the Demolition Control By-law 09-208; and
- b) That Staff be directed to prepare and bring forward a report to General Issues Committee and Council for the consideration of the applicable ERG application (ERG-19-06), along with any necessary program amendments to the ERASE Redevelopment Grant Program required to facilitate site remediation for the Jamesville affordable housing Development.

As per the current Council-approved ERG Program terms, applications to the ERG Program may only be submitted by and approved by Council for the current property owner of a site. Transfers / assignments of Council approvals to third-parties, including any future owner of the property, are prohibited. This prohibition is intended to ensure financial assistance is being provided to the owner who is taking the initial risk of remediating and redeveloping the contaminated property, is incurring the financial cost of remediating the property and who will be subject to obligations with respect to the proper remediation of site.

However, the redevelopment of this site is unique with CHH being the current owner but not the party who will undertake building demolition and site remediation. These works, and the associated financial risk and costs for such works, will be borne by the Preferred Proponent and intended future property owner chosen by CHH, JRLP.

In order to provide JRLP with the security of approval under the ERG Program necessary to facilitate their undertaking of significant building demolition and remediation costs required prior to their taking ownership of the site, the ERG Program terms require an amendment to permit the future assignment of any approval Council may provide to CHH under the ERG Program to JRLP.

As such, staff are proposing the addition of new terms under the ERG Program to permit such a transfer, at Council's discretion. These new terms, which have been incorporated into the ERG Program Terms contained in Appendix "A" to Report PED22107 / FCS22035 are as follows:

"Notwithstanding any other term or condition of this program, where an application has been approved by City Council, the application and the associated approval, including the assignment of any eligible costs incurred by the Council approved applicant since the date of application submission, may be assigned to a future intended owner of the subject site(s) only in such instance where the registered owner of the site(s) at the time of Council approval was the City of Hamilton, CityHousing Hamilton Corporation or any other entity wholly owned by the City of Hamilton and where the assignment will further facilitate the remediation and redevelopment of a site and/or support the achievement of strategic City priorities / objectives. It is understood that one effect of such an assignment shall be that the future intended site owner will assume all requirements and obligations required under the program and become the recipient of any future grant payments which may be eligible under the Program at such time as they become the registered site owner.

A request to assign the application shall be submitted, in writing, to the City by the existing site owner and the Council approved applicant with accompanying rationale and be subject to approval by City Council in its sole discretion. The future intended site owner shall be subject to all applicable due diligence required under this program, including, but not limited to, applicable corporate title and litigation searches, to the satisfaction of the City prior to the assignment being considered by City Council. An assignment or transfer may require that the assignee or transferee submit an application, assignment or transfer agreement and/or such other documents as determined by the GM of Planning and Economic Development in their sole, absolute and unfettered discretion.”

It should be noted that incorporating these amendments into the ERG Program terms will provide flexibility and predictability to consider similar arrangements for future City-owned lands subject to disposition where there is a desire to expedite and transfer costs / liability for necessary remediation works eligible under the ERG Program to a future intended owner.

ERG Application for 405 James Street North:

Recommendation (b) of Report PED22107 / FCS22035, with respect to a maximum Grant amount, is currently limited to estimated designated substances and hazardous materials abatement / removal and building demolition costs known at this time totalling \$1,744,445 and comprised of the following:

- \$1,032,000 in costs for the abatement / removal of designated substances and hazardous materials including asbestos;
- \$663,500 in costs for building demolition and associated activities; and
- \$48,945 in costs for the undertaking of the Designated Substances Survey.

These costs are eligible under the ERG Program based on the site’s location within Area 3 – West Harbour of the ERASE CIPA and because the costs will be incurred in association with planned soil / groundwater remediation and site redevelopment activities.

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Staff anticipate that at such time as a remediation plan for soil / groundwater contamination on the site is completed and an estimated cost for eligible works in accordance with the ERG program have been prepared and submitted to staff for review, staff will bring forward a supplementary report outlining the details of the soil / groundwater contamination works in more detail and provide recommendations for Council consideration with respect to the eligibility of such costs and any recommend changes to the approved maximum Grant amount, as required.

Invoices and supporting documentation for the above-noted costs shall be required to be submitted to staff and will be the subject of an audit to ensure compliance with the Council-approved parameters of the ERG Program, as well as, to determine the final actual costs subject to a Grant. Auditing of invoices and supporting documentation will be undertaken by staff and may be subject to a third-party review at staff's discretion. Where such third-party review is required, the cost will be at the approved applicant's expense but subject to eligibility under the ERG program for the purposes of the Grant.

The following is an overview of pre and post development property assessments and associated taxes which have informed the estimated maximum potential Grant and Grant payment period contained in Report PED22107 / FCS22035:

Grant Level:	80%
Total Estimated Eligible Costs (Maximum):	\$ 1,744,445
Total Estimated Grant (Maximum):	\$ 1,744,445
Pre-project CVA (EN - Exempt):	\$ 8,314,000 Year: 2021
Municipal Levy:	\$ 0
Education Levy:	\$ 0
Pre-project Property Taxes	\$ 0
Estimated Post-project CVA (RT – Residential, NT – Multi Residential and XT - Commercial):	\$ 98,425,000 Year: TBD
Estimated Municipal Levy:	\$ 1,045,376
Estimated Education Levy:	\$ 155,112
Estimated Post-project Property Taxes:	\$ 1,200,488

Provisions for Calculations:

- 1) The actual roll number(s) assessed value(s), tax classification(s) and value partitioning (where applicable) are to be determined by the Municipal Property Assessment Corporation (MPAC) upon completion of the development;
- 2) As per Program requirement, the increase in realty taxes is based on the year in which the tax estimate was requested;
- 3) 2021 tax rates have been used for calculation of the estimated post-development property taxes;
- 4) Annual Taxes exclude any Local Charges;
- 5) Post development assessment estimate provided by MPAC; and
- 6) All dollar figures rounded to the nearest dollar.

ERASE Development Charge Deferral Agreement for 405 James Street North:

Under the ERG program, applicants may elect to utilize a Development Charge Reduction (DCR) option which allows applicants to apply the value of their actual Grant towards payable Development Charges (DCs). The ERASE DCR option is treated as an ERASE specific deferral of payable DCs at 0% interest. Approved ERASE applicants enter into a deferral agreement which is registered on title of the property. The deferral can last for the period that the applicant would have otherwise received annual grant payments.

Normally, a condition within the deferral agreement requires deferred DCs be paid when ownership changes (such as in condo projects). This condition is needed because DCs are tied to a property, not an organization and the agreement is registered on the property. However, the requirement to pay DCs at time of sale can result in concerns related to cash flow for the developer.

Staff do not recommend removing the condition in its entirety as it poses a risk whereby should the estimated assessment / tax uplift (and resulting total grant payment) not materialize as needed to fully offset the DC deferral, the City would have limited means to recoup the outstanding amount as the applicant is no longer the owner. Risk exists because the actual tax uplift may not be known until MPAC has reassessed the project which will occur after the developer has transferred units in most cases.

Under the terms of the ERASE Development Charge Deferral Agreement recommended in Recommendation (e) of Report PED22107 / FCS22035 and detailed in Appendix “B” to Report PED22107 / FCS22035, the ERG will be used to fund the Development Charges payable on this development over the life of the Grant. The Deferral agreement requires the developer to provide security in the form of either a collateral mortgage registered on title or a Letter of Credit with a value equivalent to 25% of the deferred development charges. This security helps to mitigate the risk to the City of the value of the ERASE Grant not being sufficient to cover the amount of Development Charges due, while not requiring the developer to provide security on the full amount of DCs payable limiting the financial capacity of the developer.

As noted in the “Historical Background” section of Report PED22107 / FCS22035, in addition to applying to ERG application ERG-19-06, the same modified terms contained in Appendix “B” to Report PED22107 / FCS22035 would also apply to any future Council approval of ERG application ERG-20-01 for 38 Strachan Street West and 344 Bay Street North.

ALTERNATIVES FOR CONSIDERATION

In the event the site / project is not considered for the program, the application should be referred back to staff for further information on possible financial or legal implications, as well as, impacts to the MDA entered into with JRLP.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

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

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Our People and Performance

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

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED22107 / FCS22035 – Appendix B 8.2 to the ERASE Community Improvement Plan – ERASE Redevelopment Grant Program (ERG).

Appendix “B” to Report PED22107 / FCS22035 – Terms and Conditions to be Included in ERASE Development Charge Deferral Agreement at 405 James Street North (Jamesville) ERG-19-06

Appendix “C” to Report PED22107 / FCS22035 – Site Location Map