



City of Hamilton Report for Consideration

To: Mayor and Members of Council
General Issues Committee

Date: April 30, 2025

Report No: PED25115

Subject/Title: Revitalizing Hamilton Tax Increment Grant Program
Application – 9075-9089 Airport Road West,
Glanbrook

Ward(s) Affected: Ward 11

Recommendations

- (a) That a Revitalizing Hamilton Tax Increment Grant Program Application submitted by 9075 Airport Hamilton Hospitality Inc. (Jaekel Capital Inc. (Richard Jaekel), 1342132 Ontario Limited (Felice Battista), Micari Consulting Inc.(Nick Simone), Vita Corporation (Tonino Amendola), 14444523 Canada Inc. (Esat Devris Karaaslan and Ashvinkumar Patel), for the property at 9075-9089 Airport Road West, Glanbrook, estimated to total \$511,820.00 over a maximum of four years based on the incremental tax increase attributable to the redevelopment of 9075-9089 Airport Road West, Glanbrook, **BE AUTHORIZED AND APPROVED** in accordance with the terms and conditions of the Revitalizing Hamilton Tax Increment Grant Program;
- (b) That the General Manager of the Planning and Economic Development Department **BE AUTHORIZED AND DIRECTED** to execute a Grant Agreement together with any ancillary documentation required, to give effect to the Revitalizing Hamilton Tax Increment Grant for 9075 Airport Hamilton Hospitality Inc. (Jaekel Capital Inc. (Richard Jaekel), 1342132 Ontario Limited (Felice Battista), Micari Consulting Inc.(Nick Simone), Vita Corporation (Tonino Amendola), 14444523 Canada Inc. (Esat Devris Karaaslan and Ashvinkumar Patel)) for the property at 9075-9089 Airport Road West, Glanbrook, in a form satisfactory to the City Solicitor;

- (c) That the General Manager of the Planning and Economic Development Department **BE AUTHORIZED AND DIRECTED** to administer the Grant and Grant Agreement including, but not limited to, deciding on actions to take in respect of events of default and executing any Grant Amending Agreements, together with any ancillary amending documentation, if required, provided that the terms and conditions of the Revitalizing Hamilton Tax Increment Grant Program, as approved by City Council, are maintained and that any applicable Grant Amending Agreements are undertaken in a form satisfactory to the City Solicitor.

Key Facts

- A Revitalizing Hamilton Tax Increment Grant Program (the Program) Application for the redevelopment of the property at 9075-9089 Airport Road West, Glanbrook (the Property) was submitted by 9075 Airport Hamilton Hospitality Inc. (Jaekel Capital Inc. (Richard Jaekel), 1342132 Ontario Limited (Felice Battista), Micari Consulting Inc. (Nick Simone), Vita Corporation (Tonino Amendola), 14444523 Canada Inc. (Esat Devris Karaaslan and Ashvinkumar Patel)) (the Applicant), the owner of the Property. The Property is located within the Mount Hope Airport Gateway Commercial District Community Improvement Project Area required for eligibility under the Program as established via By-law 21-163;
- The development involves the construction of a four-storey hotel with 94 rooms and 94 surface parking units;
- Prior to redevelopment, the Property currently contains a vacant single-family home;
- Construction costs are estimated at \$15,000,000.00 The assessed value of the Property is estimated to increase from its preconstruction value of \$396,000.00 to \$9,990,000.00;
- This will increase total annual property taxes generated by the property. The municipal share of this property tax increase (municipal tax increment) will be approximately \$204,728.00 of which 100% would be granted to the owner during year one, 75% or approximately \$153,546.00 in year two, 50% or approximately \$102,364.00 in year three and 25% or approximately \$51,182.00 in year four. The estimated total value of the Grant is approximately \$511,820.00. Note that each year's Grant payment is calculated based on the actual tax increment realized annually; and,
- Staff note that the subject site is currently municipally known as 9075-9089 Airport Road West, Glanbrook. Currently, the future address of the property upon completion of the planned development is unknown. Notwithstanding this status, and regardless of any future address assigned to the site, this Report and Staff's Recommendations shall, for clarity, apply to the site area as defined in Appendix A to Report PED25115.

Pre-Construction Photos



Source: Applicant



Source: City of Hamilton Staff

Rendering of Building to be Constructed



Source: Applicant

Financial Considerations

The City will collect full property taxes on the property and, in turn, provide a Grant for four years, declining each year after the first year by 25%, based on the increase in the municipal portion of the taxes, post-redevelopment completion of 9075-9089 Airport Road West, Glanbrook. Following year one of the Grant Payment, the City will start to realize the positive results of the Program from a financial perspective. Based on the projected figures, the estimated tax increment over four years' totals \$818,912.00, of which the Applicant would receive a Grant totalling approximately \$511,820.00 and the City retaining taxes totalling approximately \$307,092.00.

Analysis

Legal Implications

The Program is authorized by the Revitalizing Hamilton's Commercial Districts Community Improvement Plan which was last comprehensively reviewed and approved by City Council on September 29, 2021, via By-law No. 21-164.

The Applicant will be required to enter into a Grant Agreement prior to Grant payment which will specify the obligations of the City and the Applicant and will be prepared in a form satisfactory to the City Solicitor.

As projects move forward, it is sometimes necessary to amend previously approved Grant Agreements and any ancillary documentation. Therefore, staff are recommending that the General Manager of Planning and Economic Development be authorized to amend Grant Agreements and any ancillary documentation, provided that the terms and conditions of the Program are maintained.

Staffing Considerations

Applications and Grant payments under the Program are administered by staff from the Economic Development Division, Planning and Economic Development Department and the Financial Planning, Administration and Policy Section of the Corporate Services Department. There are no additional staffing requirements arising from this Report's recommendations.

Relevant Consultation

Staff from Financial Services, Taxation and Legal Services Divisions of the Corporate Services Department were consulted, and the advice received incorporated in this Report.

Policy Implications and Legislated Requirements

Urban Hamilton Official Plan

The subject lands are identified as "Neighbourhoods" on Schedule "E" – Urban Structure and designated as "District Commercial" on Schedule "E-1" – Urban Land Use Designations of the Urban Hamilton Official Plan. The subject lands are also located in the Mount Hope Secondary Plan and designated "District Commercial". The District Commercial designation in the Secondary Plan is intended to serve the existing and future residents of the area but also the Hamilton Airport and the Airport Industrial-Business Park, therefore the policies support a number of commercial uses including the proposed hotel.

Zoning By-law No. 05-200

The subject lands are zoned "District Commercial (C6, 580)" within the City of Hamilton's Zoning By-law 05-200. The site-specific exception 580 allows for additional use permissions of some non-commercial related uses. The C6 Zone, however, is intended to be predominantly made up of commercial uses and includes permissions for a range of retail and service commercial uses including a hotel.

The planned use of the site is permitted.

Site Plan Control

The Site is subject to Site Plan Control. The development has received Draft Site Plan approval (DA-23--075).

Calculation of Grant

The following is an overview of pre and post development Property assessments and associated taxes which have informed the estimated Grant contained in this Report:

Grant Level:	100%	
Total Eligible Costs (Maximum)	\$15,000,000.00	
Total Pre-Project CVA:		
CT Residential	<u>\$396,000.00</u>	Year: 2024
Pre-Project Property Taxes:		
Municipal Levy	\$4,182.00	
Education Levy	<u>\$605.00</u>	
Pre-Project Property Taxes	\$4,787.00	
Estimated Post-Project CVA:		
CT Commercial	\$9,990,000.00	Year: To be determined
Estimated Year 1 Municipal Levy	\$208,910.00	
Estimated Education Levy	<u>\$87,912.00</u>	
Estimated Total Post-Project Property Taxes	\$296,822.00	

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;
- 2) As per Program requirement, the increase in realty taxes is based on the year in which Building Permit that initiated the above grade construction of the development was issued;
- 3) 2024 tax rates have been used for calculation of the estimated post-development property taxes;
- 4) Annual taxes exclude any Local Charges; and,
- 5) All dollar figures rounded.

Estimated Grant Payments

The estimated Grant Payments under the terms of the Program are provided below and based on the following municipal property tax increment calculation:

Pre-project Municipal Taxes = Municipal Levy = \$4,182.00

Estimated Post Project Municipal Taxes = Municipal Levy = \$208,910.00

Municipal Tax Increment = \$208,910.00 - \$4,182.00 = \$204,728.00

Year	Grant Factor	Tax Increment	Grant
1	100%	\$204,728.00	\$204,728.00
2	75%	\$204,728.00	\$153,546.00
3	50%	\$204,728.00	\$102,364.00
4	25%	\$204,728.00	\$51,182.00
Total		\$818,912.00	\$511,820.00

The Grant Agreement required to execute the Grant payments will contain provisions respecting the timing of payments and criteria for calculating the Grant payment in each year to ensure Grant payments reflect the Property's actual assessed value and actual municipal taxes levied each year. The Applicant will be required to accept the terms and conditions of the Grant Agreement prior to any Grant payments being made.

Alternatives

The Application meets the eligibility criteria and requirements of the Program. Declining a Grant and/or approving a reduced amount would undermine the principles of the Program and urban regeneration efforts in general. This alternative is not recommended.

In the event the project is not considered for the Program, the Application should be referred to staff for further information on possible financial and/or legal implications.

Relationship to Council Strategic Priorities

Staff's recommendations are intended to enforce/improve City priorities as follows:

1. Sustainable Economic & Ecological Development
 - 1.1 Reduce the burden on residential taxpayers

Previous Reports Submitted

Not Applicable.

Consultation

- Irwin Sampat, Tax Assessment and Appeals Advisor, Corporate Services Department;
- Lana Papp, Law Clerk, Corporate Services Department;
- Maja Walters, Manager-Finance and Administration, Corporate Services Department; and,
- Martin Simone, 9075 Airport Hamilton Hospitality Inc.

Appendices and Schedules Attached

Appendix A: Location Map

Prepared by:

Carlo Gorni, Coordinator-Urban Renewal Incentives
Planning and Economic Development Department
Economic Development Division, Commercial District and
Small Business Section

Submitted and recommended by:

Norm Schleeahn, Director Economic Development Division
Planning and Economic Development Department