



**CITY OF HAMILTON**

**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b> Mayor and Members General Issues Committee	<b>WARD(S) AFFECTED:</b> WARDS 1, 2 & 3
<b>COMMITTEE DATE:</b> October 11, 2011	
<b>SUBJECT/REPORT NO:</b> Hamilton Downtown Commercial Façade Property Improvement Grant Program (PED11168) (Wards 1, 2 & 3)	
<b>SUBMITTED BY:</b> Tim McCabe General Manager Planning and Economic Development Department	<b>PREPARED BY:</b> Hazel Milsome 905-546-2424 x 2755
<b>SIGNATURE:</b>	

**RECOMMENDATION:**

- a) That the Program Description and Terms for the Hamilton Downtown Commercial Façade Property Improvement Grant Program attached as Appendix 'A' to Report PED11168 be approved;
- b) That staff be authorized to prepare and process the necessary amendments to the respective Community Improvement Plans and hold Public Meetings at Planning Committee as required under the Planning Act to implement the Hamilton Downtown Commercial Façade Property Improvement Grant Program in the Downtown Hamilton Community Improvement Project Area; and,
- c) That funding required in 2012 for administering the Hamilton Downtown Commercial Façade Property Improvement Grant Program be funded from the Main Street Reserve in the amount of \$280,000 and the 2012 Downtown Block in the amount of \$120,000 and that this funding be referred to the 2012 Capital Budget deliberations.

**EXECUTIVE SUMMARY**

The Hamilton Downtown Commercial Property Improvement Grant Program (HDCPIGP) is introduced as a three-year program for the purpose of improving upon the physical appearance of commercial properties within the Downtown Hamilton Community Improvement Project Area. Spurring the preservation, revitalization and reinvestment of commercial properties within the Downtown will assist in creating a welcoming environment for people to live, work, play and learn. The program will deter further physical decay of older building stock as well as complement the financial incentives available in the Downtown for residential development. Creating incremental physical changes will assist in transforming areas within the Downtown and ultimately increase property assessment and tax revenues. The principals of the program are based upon the existing grant program available to owners and tenants of commercial properties within Hamilton's Business Improvement Areas, a hugely successful program that has been an ingredient of regeneration in those areas over the last ten years.

The HDCPIGP offers a matching grant to a maximum of \$10,000 per property for façade improvements and, as a further incentive for corner properties the maximum grant amount is increased to \$12,500. These amounts are 50% of the grants available within the Business Improvement Areas. Eligible work includes windows, doors, signage, lighting and entranceways.

**Alternatives for Consideration – See Page 4.**

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)**

**Financial:** \$400,000 is required to administer the program in 2012. The Main Street Reserve 102048 will fund \$280,000 and, \$120,000 is recommended to be funded from the 2012 Downtown Block. Downtown Block funding will be considered for ongoing funding for the program in 2013 and 2014 and will be submitted for consideration during the 2013 and 2014 Capital Budget deliberations.

**Staffing:** Applications and grant payments under the HDCFPIGP will be processed by the Urban Renewal Section and Taxation Division. There are no additional staffing requirements.

**Legal:** Section 28 of the Planning Act permits a municipality, in accordance with a Community Improvement Plan to make loans and grants which would otherwise be prohibited under Section 106(2) of the Municipal Act, to registered/assessed owners and tenants of lands and buildings. A Community Improvement Plan can only be adopted and come into effect within a designated Community Improvement Project Area. Changes to a Community Improvement Plan or Community Improvement Project

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Area require formal amendments as dictated by the Planning Act. An amendment to the Community Improvement Plan will be required for the purposes of administering the HDCPIGP.

The applicant will be required to execute a letter of understanding prior to the work commencing that identifies the terms and conditions of the grant. Documentation will be developed in consultation with Legal Services.

**HISTORICAL BACKGROUND** (Chronology of events)

The Downtown and Community Renewal Division's 2010 Annual Report approved by City Council at its meeting held April 13, 2011, acknowledged that a comprehensive five-year review of the Downtown and Community Renewal Community Improvement Plan and its component financial incentive programs would be undertaken in 2011. The purpose of the review is to update and realign, as necessary, the Plan's goals and objectives with current City policies including the Corporate Strategic Plan and the new Urban Hamilton Official Plan. Amendments to the Community Improvement Plan, Project Areas and programs are intended to increase the use and effectiveness of the programs for community improvement.

The HDCPIGP will provide a financial incentive for owners and authorized tenants of commercial properties within the Downtown Hamilton Community Improvement Project Area for improvements to the facades of their buildings. The program will assist in "setting the stage" when the world has its eyes on the City through the Pan Am Games and the Downtown is filled with visitors who are staying in the Downtown hotels during the Games. A financial incentive for improvements to the physical building stock in the downtown is one of the tools in the toolbox towards regenerating the core. The results of the program will build upon the synergy of both public and private investment that has been, and will continue to be made, on improvements to public spaces, creation of residential units, and the retention and attraction of new businesses. The combination of the aforementioned initiatives add up to more than the sum of their parts in revitalizing the downtown and creating an appealing environment for people to live, work, play and learn.

**POLICY IMPLICATIONS**

Report PED11168 relates to the introduction of a financial incentive program to the Downtown and Community Renewal Community Improvement Plan.

**RELEVANT CONSULTATION**

Staff from the Finance and Administration Division and the Legal Services Division, City Manager's Office, were consulted and the advice received is incorporated into Report PED11168.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

The HDCPIGP will offer a matching grant to a maximum of \$10,000 for façade improvements to owners and authorized tenants of commercial property within the Downtown Hamilton Community Improvement Project Area. The maximum grant will increase to \$12,500 for corner properties.

Applicants will be required to submit two estimates for the proposed work as well as the application fee with their application. Improvements commenced prior to submitting an application are ineligible. Applicants that commence improvements after submitting an application but prior to their application approval do so at their own risk. A Building Inspector will perform an initial inspection of the property relative to the façade which is intended to be improved as well as a final inspection to confirm that the work has been completed satisfactorily.

Upon Urban Renewal staff receiving the Building Inspector's report confirming that the work has been completed in a satisfactory manner and that all permits required for the work have been issued, further due diligence will be undertaken by staff including confirming that taxes are paid in full on the property and that there are no Building Code, Fire Code or Property Standard violations outstanding on the property. Once the aforementioned has been satisfied and the applicant has provided copies of paid invoices the grant will be advanced.

The General Manager of Planning and Economic Development will approve grants under the program requiring an amendment to By-law 10-052, which delegates authority of certain loans and grants to the General Manager, Planning and Economic Development. The amendment will be forwarded for consideration by Council in a separate report.

**ALTERNATIVES FOR CONSIDERATION:**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Non-acceptance of the recommendations contained in Report PED11168, or reducing the amount of the grant would undermine the downtown renewal efforts in general. These alternatives are not recommended.

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**Financial:** Funding in the amount of \$400,000 in 2012 to administer the program would not be required.

**Staffing:** Not applicable

**Legal:** Not applicable

**CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

***Growing Our Economy***

- Investment in Hamilton is enhanced and supported. Property owners invest in their properties leading to property assessment increases.

***Environmental Stewardship***

- Financial incentive programs support the reuse of existing building stock and infrastructure.

***Healthy Community***

- Partnerships are promoted.

**APPENDICES / SCHEDULES**

Appendix "A" to Report PED11168 – Terms and Conditions of the HDCPIGP

HM/dkm



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## **HAMILTON DOWNTOWN COMMERCIAL FAÇADE PROPERTY IMPROVEMENT GRANT PROGRAM**

### **PROGRAM DESCRIPTION**

The Hamilton Downtown Commercial Façade Property Improvement Grant Program is intended to provide financial assistance for commercial property owners/authorized tenants within the Downtown Hamilton Community Improvement Project Area. The Program aims to improve upon the physical appearance of properties within the Downtown, achieve quality façade improvements and, encourage investment in the area. Spurring the preservation, revitalization and reinvestment of commercial properties within the Downtown will assist in creating a welcoming environment for people to live, work, play and learn.

Applications under the Program will be accepted to the end of December 2014 (subject to the availability of funding). Improvements funded under the Program must be completed no later than August 1, 2015.

### **PROGRAM TERMS**

- Commercial property owners/authorized tenants are eligible to apply for a grant under the Program once each calendar year.
- Commercial properties are to be identified by municipal address to identify multiple and separate commercial units with ground floor street frontages.
- Commercial uses must be in conformity with relevant policy documents of the City and the provisions of the Zoning By-law.
- Performance measures are to be applied to the payment of grants.
- Eligibility requirements for the Program relating to the work to be funded will be specifically identified. Two (2) separate cost estimates of the work to be provided by a licensed contractor other than the owner. Owner may present an estimate but is required to have at least two prepared by contractors. The grant will be calculated based upon lowest cost estimate, and is not to address cost increases or over runs. In the case where the applicant is the owner of a contracting company and wishes to utilize the company to undertake the improvements, one (1) cost estimate will be required. A

## Appendix 'A' to Report PED1168

- Building Inspector will review all estimates provided for the purpose of ensuring competitiveness.
- Maximum grant amount will be paid on a matching basis (50%-50%) to a maximum of \$10,000 per property for eligible work under the Program. As a further incentive for corner properties, the City will increase the maximum grant amount to \$12,500 on a similar matching basis for eligible work under the Program to recognize the importance of flankage facades.
- Restoration/conservation of heritage features on commercial properties designated under the Ontario Heritage Act are not eligible under this grant program however, improvements other than those on heritage features are eligible subject to the approval of a City heritage permit. Urban Renewal staff will work closely with Community Planning and Design staff on all applications received that are designated under the Ontario Heritage Act.
- A building inspector will perform initial inspection relative to the façade which is intended to be improved, and subsequent final inspection to assure compliance with the Ontario Building Code.
- Approval of the grant is at the sole discretion of the General Manager of the Planning and Economic Development Department and subject to the availability of funds.
- Proposed improvements to be completed within one year to be eligible for payment. A one year extension can be authorized by the Manager of Urban Renewal.
- Work completed must be consistent with estimates, and work proposed and identified within the application unless previously discussed and approved by the Urban Renewal Section.
- The Applicant shall provide to the City's Urban Renewal Section copies of paid invoices for all work undertaken on the property for which the grant is applicable. This documentation is to be provided prior to the final inspection.
- A City Building Inspector's final inspection report confirming all works have been carried out satisfactorily will be provided prior to release of any grant monies.
- At the sole discretion of the Manager of Urban Renewal, partial payments for works completed can be processed consistent with the payment process described above.
- At the sole discretion of the Manager of Urban Renewal, the grant cheque can be made jointly payable to the applicant and the contractor if such a request has been received from the applicant.
- An application fee of \$200 is payable upon submission of application. The fee will be authorized through a by-law passed by City Council. The rate of the fee may be changed from time to time as approved by City Council.
- The grant may also be received by an owner in conjunction with any other available City program in support of the redevelopment/development of the

property with the exception of the Commercial Property Improvement Grant Program available within Business Improvement Areas.

- Whether or not an Applicant satisfies the requirements of the Program, the City may reject any application received from an applicant where, in the opinion of Council, the commercial relationship between the City and the Applicant has been impaired by, but not limited to, the applicant being involved in litigation with the City. Applicants are individuals; corporate entities and individuals behind the corporation (Officers/Directors/Shareholders).
- Improvements commenced prior to submitting an application are ineligible. Improvements commenced after submitting an application but prior to application approval do so at the applicant's risk.

### **ELIGIBILITY REQUIREMENTS**

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- Property owners and authorized tenants are eligible.
- Property taxes must be paid current.
- The proposed to be pre-inspected by the City Building Inspector.
- Commercial properties must be located within the Downtown Hamilton Community Improvement Project Area.
- Existing use must be in conformity with the applicable Zoning By-law regulations, and other relevant planning controls.

### **ELIGIBLE IMPROVEMENTS**

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- Replacement or repairing of storefronts only.
- Improvements and or upgrades to windows, doors, cornices and parapets.
- Addition of new lighting and upgrading of existing fixtures, on exterior of the façade.
- Awning replacements and/or additions.
- Brick repairs and/or pointing.
- Painting and façade treatments.
- Installation or improvement of signage.
- Architectural, engineering or design fees may be eligible up to \$750 as part of the total grant awarded for completed construction.

#### **In-Eligible:**

- Trees, shrubbery, perennials, annuals, soil, mulch, grass.
- Roofing (apart from mansard roofs above the eligible frontage).
- Sandblasting.
- Paving of parking lots.
- Outdoor furniture.



**Appendix 'A' to Report PED1168**

- Permanent landscape features such as flagstone and natural stones/rocks, statuary, irrigation, containers.
  - Fencing.
  - Front-yard decks/patios or side-yard decks/patios that abut a street.
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