

CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: WARDS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15
COMMITTEE DATE: April 4, 2012	
SUBJECT/REPORT NO: Financial Incentive Programs Administered through the Urban Renewal Section - Due Diligence and Expansion of Delegated Authority (PED12035) (WARDS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 15)	
SUBMITTED BY: Tim McCabe General Manager Planning and Economic Development Department	PREPARED BY: Hazel Milsome (905) 546-2424 Ext. 2755
SIGNATURE: 	

RECOMMENDATIONS:

- (a) That the Protocol for Outstanding Taxes on Other Properties in the City of Hamilton owned by Applicants of Financial Incentive Programs offered through the Downtown and Community Renewal Community Improvement Plan and Administered by the Urban Renewal Section, attached as Appendix 'A' to Report PED12035 be approved;
- (b) That the General Manager of Planning and Economic Development be authorized to approve loans to a maximum of \$450,000 per loan, to applicants under the following financial incentive programs administered by the Urban Renewal Section:
 - (i) Hamilton Community Heritage Fund
 - (ii) Hamilton Downtown West Harbourfront Remediation Loan Program
 - (iii) Hamilton Downtown Office Tenancy Assistance Program

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- (c) That subject to the approval of recommendation (b), By-law 10-052 as amended, which delegates authority of certain loans and grants to the General Manager, Planning and Economic Development be repealed and replaced with the By-law attached as Appendix 'B' to Report PED12035;
- (d) That the General Manager of Planning and Economic Development be authorized on a temporary basis, to approve loans/grants under the following financial incentive programs administered by the Urban Renewal Section, during municipal elections and when the General Issues Committee meets once a month:
 - (i) Hamilton Downtown Multi-Residential Property Investment Program
 - (ii) Hamilton Downtown Property Improvement Grant Program
 - (iii) ERASE Redevelopment Grant Program
 - (iv) ERASE Tax Assistance Program
 - (v) ERASE Municipal Acquisition and Partnership Program
 - (vi) LEED Grant Program;
- (e) That subject to the approval of recommendation (d), staff from the Urban Renewal Section be directed to report back to the General Issues Committee on the details of loans/grants approved by the General Manager of Planning and Economic Development;
- (f) That staff be directed to report back on the availability of funding under the Hamilton Downtown Multi-Residential Property Investment Program in light of the number of future applications anticipated under the Program.

EXECUTIVE SUMMARY

Due diligence undertaken when processing an application under one of the financial incentive programs offered through the Downtown and Community Renewal Community Improvement Plan and administered by the Urban Renewal Section, includes determining whether there are outstanding taxes on the property to be developed/improved. When there are outstanding taxes, the amount is identified in the staff report recommending approval of a loan/grant to Committee and Council. In cases where the General Manager of Planning and Economic Development has delegated authority to approve the loans/grants, the taxes outstanding are included in documentation forwarded to the General Manager.

City Council at its meeting held November 16, 2011 approved a number of amendments to the financial incentive programs offered through the Downtown and Community Renewal Community Improvement Plan. One amendment provides the City the

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absolute discretion to reject applications when an applicant has outstanding taxes on other properties owned within the City of Hamilton. Appendix 'A' to Report PED12035 provides a protocol for processing applications when there are outstanding taxes on other properties owned by an applicant.

The General Manager of Planning and Economic Development has delegated authority to approve loans and grants under the Commercial Property Improvement Grant Program, the Hamilton Heritage Property Grant Program, the Commercial Corridor Housing Loan and Grant Program, the Hamilton Downtown Commercial Façade Improvement Grant Program and, the Gore Building Improvement Grant Program. The maximum amount of loan/grant under the aforementioned programs is \$205,000.

In 2011, the Urban Renewal Section took over the administration of the ERASE financial incentive programs as well as the Hamilton Community Heritage Fund in order to provide a "one-stop" for financial incentive programs offered by the Planning and Economic Development Department. Based on the success of the delegated authority to the General Manager of Planning and Economic Development, staff is recommending that the delegated authority be expanded to include the Hamilton Community Heritage Fund, the Hamilton Downtown West Harbourfront Remediation Loan Program and, the Hamilton Downtown Office Tenancy Assistance Program. Delegated authority shortens the turnaround time to process an application thereby allowing property/business owners to address any urgency in the implementation of improvements to their properties as well as address time sensitivity for banking commitments. The maximum loan under the programs is \$450,000.

In order to ensure that investment in property development/remediation is not interrupted subsequent to final meetings of the General Issues Committee and inaugural meetings of newly elected Councils, staff are recommending that the General Manager of Planning and Economic Development be temporarily delegated the authority to approve loans and grants under the Hamilton Downtown Multi-Residential Property Investment Program, the Hamilton Downtown Property Improvement Grant Program and, the ERASE Programs during election years. Staff is also recommending that to shorten the turnaround time to process an application and to address time sensitivity for banking commitments, the General Manager of Planning and Economic Development be given temporary delegated authority during the Summer months and March Break when the General Issues Committee meets once a month. Staff will immediately report back to Committee through an Information Report on any loans/grants approved under the temporary delegated authority.

City Council at its meeting held November 16, 2011 expanded the Downtown Hamilton Community Improvement Project Area thereby broadening the area in which Downtown financial incentive programs are offered. Interest in investing in the Downtown Core has also increased significantly and, in anticipation of future activity under the Hamilton

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Downtown Multi-Residential Property Investment Program, staff of the Urban Renewal Section will examine current and projected cash flow for the Program and report back to Committee and Council with their findings in order that Council is fully aware of any potential budgetary constraints.

Alternatives for Consideration – See Page 14.

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

Financial:

Hamilton Downtown Multi-Residential Property Investment Program (HDMPPIP)

City Council, at its meeting held March 1, 2006, authorized an increase in loan commitments under the HDMRPIP to \$26 million provided that the total loan monies lent under the Program did not exceed \$20 million at one time. To date, \$18,699,840 has been approved for all current and past loans. As of December 31, 2011, \$9,453,470 has been repaid, \$1,101,207 has been written-off, \$5,614,908 is outstanding in loans that are in various stages of repayment or redevelopment, \$2,431,462 is committed but has not been advanced to date and, \$98,793 was not required to be advanced (this was the balance of the loan that has not been advanced to the project where the loan was written-off). Therefore, based on a maximum of \$20 million in loans being out at one time, there is the potential of an additional \$11,953,630 in future loans being approved by City Council and advanced. Additionally, based on a limit of \$26 million in loan commitments, there is the potential of \$17,953,630 in loan commitments being approved by City Council.

The cost to fund the HDMRPIP is the interest lost to the City which is funded through the Urban Renewal Section's operating budget contained in Account Number 52901-815010.

Hamilton Downtown Property Improvement Grant Program (HDPIGP)

The City collects full property taxes on the properties under the Program and in turn provides a grant for five (5) years declining each year after the first (1st) year by twenty percent (20%) based on the increase in the municipal portion of the taxes post-development completion. Following year one (1) of the grant payment, the City starts to realize the positive results of the Program from a financial perspective.

Commercial Property Improvement Grant Program (CPIG)

The Urban Renewal Section submits an annual capital budget request in the amount of \$400,000 through the Downtown Block for the purpose of funding grants under the

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CPIG Program. Monies for 2012 grants are contained in Capital Account Number 8201203610 in the amount of \$280,000 with an additional \$120,000 being funded from CPIG Reserve Number 112229.

Commercial Corridor Housing Loan and Grant Program (CCHLGP)

The cost to fund the CCHLGP is the interest lost to the City which is funded through the Urban Renewal Section's operating budget contained in Account Number 52901-815025. The grant portion of the CCHLGP is contained in Account Number 58201-815025.

Hamilton Heritage Property Grant Program (HHPGP)

Funding for grants under the HHPGP is contained in the Main Street Reserve Number 102048 as approved by City Council at its meeting held August 8, 2007. There is \$848,000 uncommitted in the Reserve for future grants under the HHPGP.

Hamilton Downtown Office Tenancy Assistance Program (HDOTAP)

Loans provided through the HDOTAP are funded by creating a receivable on the City's balance sheet. As loan repayments are made, the receivable is reduced. Funding provided through the Urban Renewal Section's program budget is used to subsidize the interest rate charged on the loans which is the difference between the five (5) year borrowing rate for the City as indicated by RBC Capital Markets plus 25 basis points (which is currently about three percent (3%) plus 25 basis points) and the current cost of money for the City which is about five percent (5%) plus 25 basis points. Funding to subsidize the interest rate charged on the loan is funded from Capital Project ID Numbers 8201003001 and 82011031000. There is \$431,000 contained in Capital Project ID Number 8201203201 to be utilized when Council uses its discretion to provide a grant or forgivable loan for a not-for-profit publicly-funded educational establishment.

The "Gore" Building Improvement Grant Program (GBIGP)

Funding required in 2012 for administering the GBIGP is contained in the Main Street Reserve Number 102048 in the amount of \$400,000, and Capital Account Number 8201203620 in the amount of \$125,000.

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Hamilton Downtown Commercial Façade Property Improvement Grant Program (HDCFPIGP)

Funding required in 2012 for administering the HDCFPIGP is contained in Capital Account Number 8201203501 in the amount of \$120,000 and \$280,000 from the Main Street Reserve Number 102048.

Hamilton Community Trust Fund (HCTF)

The former City of Hamilton established the Hamilton Community Heritage Fund (HCHF) in 1985 (By-law No. 85-120) as part of the Province of Ontario's *Building Rehabilitation and Improvement Campaign*, commonly referred to as the "BRIC" Program. The Grant Agreement entered into between the Province of Ontario and the former City of Hamilton established a fund comprising \$441,666.67 (\$250,000.00 from the Province and \$191,666.67 from the former City of Hamilton).

After municipal amalgamation, Council agreed to maintain the HCHF Program as a permanent reserve fund to provide loan assistance to all designate heritage properties within all of the former municipalities (Report PED00151(a), Item (f)). Currently, each loan is advanced from the City of Hamilton's line-of-credit, with the foregone interest being charged to Account Number 52901-812040. Any costs incurred for the HCHF Loan Program are funded from the HCHF Reserve Number 102049, which has a balance, as of December 31, 2011, of approximately \$843,134.42.

ERASE Study Grant Program

Funding required in 2012 to fund the ERASE Study Grant Program is contained in the Brownfield-Environmental Study Capital Account Number 3620155101 in the amount of \$47,000.

ERASE Redevelopment Grant Program

The City collects full property taxes on the properties under the Program and, in turn, provides a grant for up to the maximum eligible costs, or over a ten (10) year period at 80% of the increase in the municipal portion of the taxes post-development completion. Following this period of the grant, the City starts to realize the positive results of the program from a financial perspective.

Development Charge Reduction Option

An exemption through the Development Charge By-law is given for brownfield properties. Development charge credits are available for the redevelopment of a brownfield property that has been approved for an ERASE Redevelopment Grant and is

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subject to environmental remediation costs. The amount of the credit is equal to the cost of environmental remediation incurred by the owner and can be used to offset development charges owing.

ERASE Tax Assistance Program

Sections 365.1(2) and (3) of the Municipal Act allows municipalities to pass a by-law providing tax assistance to an eligible property for eligible expenses in the form of a freeze or cancellation of part or all of the taxes levied on that property for municipal and school purposes during the rehabilitation period (maximum 18 months from the date that tax assistance begins) and the development period of the property. Matching assistance from the education property tax is subject to approval by the Ministry of Finance. After this period of time, the City will start to realize the positive results of the program from a financial perspective.

Development Charge Reduction Option

An exemption through the Development Charge By-law is given for brownfield properties. Development charge credits are available for the redevelopment of a brownfield property that has been approved for an ERASE Redevelopment Grant and is subject to environmental remediation costs. The amount of the credit is equal to the cost of environmental remediation incurred by the owner and can be used to offset development charges owing.

ERASE Municipal Acquisition and Partnership Program

Funding required in 2012 to fund the ERASE Municipal Acquisition and Partnership Program is contained in the Brownfield Pilot Project Capital Account Number 3620155102 in the amount of \$239,826.11.

LEED Grant Program

The City collects full property taxes on the properties under the Program and, in turn, provides a grant for up to the maximum eligible cost, or over a five (5) year period at 75% of the increase in the municipal portion of the taxes post-development completion. Following this period of the grant, the City starts to realize the positive results of the program from a financial perspective.

Hamilton Downtown/West Harbourfront Remediation Loan Program

Loans provided through the Hamilton Downtown/West Harbourfront Remediation Loan Pilot Program are funded by creating a receivable on the City's balance sheet. As loan repayments are made, the receivable is reduced. Funding provided through the Urban

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Renewal Section's budget is used to subsidize the interest rate charged on the loans. Funding to subsidize the interest rate charged on the loan is funded from Project ID Number 8200903900.

Staffing: Applications under the financial incentive programs are processed by the Urban Renewal Section, Finance and Administration 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.

HISTORICAL BACKGROUND (Chronology of events)

In 2011, the Urban Renewal Section took over the administration of the ERASE financial incentive programs as well as the Hamilton Community Heritage Fund in order to provide a "one-stop" for financial incentive programs offered by the Planning and Economic Development Department. The Urban Renewal Section now administers the following programs:

Hamilton Downtown Multi-Residential Property Investment Program

Development projects in Downtown Hamilton that convert existing commercial space into residential units, renovate existing residential units, or create new residential units, may be eligible for this Program. It provides an interest free loan calculated on the basis of 25% of the cost to construct budget, including uses accessory to the residential development. City funds are advanced in three stages, upon completion of 60%, 80% and substantial completion of the project. The loan is interest-free for the first five (5) years of a maximum term of five (5) years and six (6) months from the date of the final advance. Repayments commence one year following the final advance. Council also has the discretion to extend the maximum loan term up to 15 years from five (5) years for significant heritage buildings and loans \$5 million or over. Interest will be charged for the extended period at the five (5) year borrowing rate for the City plus 1% (interest to be re-established every five (5) years). This change will facilitate project financing for large and/or historically significant projects.

Hamilton Downtown Property Improvement Grant Program

The program provides a tax increment equivalent grant to projects that develop or renovate residential and/or commercial land and buildings in Downtown Hamilton. Based on pre-development and post-development assessments, the five (5) year grant is equivalent to 100% of the municipal realty tax increase during the first year, 80% in

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year two (2), 60% in year three (3), 40% in year four (4), and 20% in year five (5). Grants are not assignable by the property owner to anyone except for purchasers of new condominium units. The grant may also be applied to the repayment of a City loan issued under the Hamilton Downtown/West Harbourfront Remediation Loan Program.

Commercial Property Improvement Grant Program

Offered to property owners and authorized tenants of commercial properties located within Hamilton's Business Improvement Areas, this Program offers *matching* grants for external improvements to commercial properties. For properties that have a street-frontage greater than 25 feet, the grant is based on \$400 per linear foot of frontage to a maximum of \$20,000. The maximum matching grant for properties with a street frontage of 25 feet or less is \$10,000. Corner properties or properties with at least one side exposed may be eligible for an additional matching grant of \$5,000. Artfully designed façade improvements or art pieces placed on private property that can be viewed by the public, may be eligible for an additional \$10,000 matching grant.

Commercial Corridor Housing Loan and Grant Program

This Program offers financial assistance for the construction of new residential units, renovation of residential units or, conversion of existing commercial space into residential units. Eligible properties must be located within Downtown Hamilton; the Community Downtowns of Ancaster, Binbrook, Dundas, Stoney Creek or Waterdown; a Business Improvement Area; or, a "main street" corridor as identified in the Downtown and Community Renewal Community Improvement Project Area By-law. The loan is calculated on the basis of \$10,000 per dwelling unit, to a maximum of \$200,000 per property. The grant provides up to \$5,000 per property for professional fees paid. A minimum of 50% of the loan per unit must be spent on the dwelling unit while the remaining 50% can cover the cost of common elements of the property such as roofing, fire escapes, furnaces and entranceways.

Hamilton Heritage Property Grant Program

This program offers grants up to \$150,000 for the conservation and restoration of heritage features of properties designated under Parts IV or V of the Ontario Heritage Act. Works required to restore heritage buildings to structural soundness are also eligible for funding. Properties must be located in the Downtown Hamilton Community Improvement Project Area, 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 also offers a \$20,000 grant for heritage studies.

Hamilton Downtown Office Tenancy Assistance Program

This Program provides a low interest loan to property owners or authorized tenants to support eligible leasehold improvements to office buildings located in the Downtown Hamilton Community Improvement Project Area. The amount of the loan depends on

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the square foot area and term of the lease or, owner-occupied status of the office space, to a maximum of \$450,000 per application. The maximum loan term is the term of the lease up to five (5) years from the date of the final advance. City Council has the discretion to provide a grant or forgivable loan versus a loan when an applicant is a not-for-profit publicly-funded educational establishment establishing its presence in Downtown Hamilton.

The Gore Building Improvement Grant Program

Offered to property owners or authorized tenants of properties that front on King Street between James and Catharine Streets in Downtown Hamilton, this Program offers a maximum *matching* grant of \$50,000 to support the maintenance, attractiveness, functionality, viability and accessibility of a property. As a further incentive, the grant will cover 75% of the cost of replacing a legally non-conforming sign with a sign that conforms to Sign By-law 06-243. Applications under the Program will be accepted to the end of December 2014.

Hamilton Downtown Commercial Façade Property Improvement Grant Program

Offered to property owners and authorized tenants of commercial properties located within the Downtown Hamilton Community Improvement Project Area, this Program offers *matching* grants for facade improvements to commercial properties. The maximum grant is \$10,000 and for corner properties, the matching grant will increase to \$12,500. Applications under the Program will be accepted to the end of December 2014.

Hamilton Community Heritage Trust Fund

Offered to owners of properties within the City of Hamilton that are designated under Parts IV or V of the Ontario Heritage Act, this program offers a 0% interest loan to a maximum of \$50,000 for the restoration and conservation of heritage features of designated properties. Repayment of the loan is repayable monthly up to a maximum of ten (10) years or, repayable commencing one (1) year after final completion of the works, in annual amounts of 10% of the loan for four (4) years at the end of which the balance will be paid by a balloon payment.

ERASE Study Grant Program

Matching grants are available from the City to pay for up to one-half the cost of a Phase II and/or a Phase II Environmental Site Assessment (Remedial Action Plan). The maximum City contribution per study is \$20,000 to a maximum of two (2) studies and \$25,000 per property. Property owners or potential purchasers of commercial or industrial properties within the project area are eligible to apply. *Note that senior staff from the Planning and Economic Development Department approve grants under this Program.*

ERASE Redevelopment Grant Program (RGP)

The purpose of this Program is to remove a serious financial impediment to brownfield redevelopment efforts, namely the large tax increase that can result when a brownfield property is redeveloped. The intent of the RGP is to encourage environmental remediation, rehabilitation, redevelopment and adaptive re-use of brownfield sites. The Program will provide a financial incentive in the form of a grant to help offset the cost of environmental remediation and rehabilitation of brownfield properties where redevelopment results in a re-valuation and tax increase on these properties. The grant is calculated at 80% of the increase in the municipal portion of property taxes and is paid on an annual basis for up to ten (10) years, commencing once the redevelopment is complete.

Development Charge Reduction Option

Once an application has been approved under the ERASE RGP, the applicant has the option of applying the costs of environmental remediation on that property against development charges payable for that property (after any demolition charge credits are applied). If the applicant chooses to exercise this option, the cost of environmental remediation applied against development charges payable, will be deducted from eligible costs under the ERASE RGP. The Development Charge Reduction Option is not an actual program contained within the ERASE CIP; rather it is administered through the Development Charge By-law.

ERASE Tax Assistance Program

Similar to the ERASE Redevelopment Grant Program, the Tax Assistance Program will provide a financial incentive in the form of a freeze or cancellation of part of the educational tax portion on a brownfield property whose redevelopment results in the re-valuation and tax increase on the eligible property. Under the Program, the Province of Ontario may match the municipal tax treatment for the education portion of the property tax that results from remediation and rehabilitation of the property and is paid on an annual basis for up to three (3) years, commencing once the redevelopment is complete.

ERASE Municipal Acquisition and Partnership Program

The ERASE Municipal Acquisition and Partnership Program is a program of City property acquisition, investment and involvement in pilot projects with the private sector to clean up and redevelop brownfield sites. Pilot projects can showcase the use of innovative tools such as new environmental remediation technologies. The City of Hamilton intends to be a leader in all areas of brownfield redevelopment, to provide stewardship in the administration of these programs and to be proactive in addressing opportunities associated with City-owned properties.

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LEED Grant Program

The purpose of the Grant Program is for the City to share (50/50) the incremental construction cost (to a maximum), consultation, energy modelling and certification fees with the applicant to achieve LEED certification. Grants are calculated on the basis of the rating of official certification under the LEED rating system by the Canadian Green Building Council (CaGBC). The program authorizes for each approved grant application a five year grant, the amount of which is subject to Council approval, in an amount not exceeding the increase in municipal realty taxes as a direct result of the development/redevelopment of land and/or building. The grant which may be approved by Council shall be an amount which does not exceed 75% of the municipal realty tax increase during the term of the grant.

Hamilton Downtown/West Harbourfront Remediation Loan Program

The Program offers a loan for the remediation of properties being developed/redeveloped for residential or residential/commercial use within the Downtown Hamilton CIPA or the West Harbourfront. The Program provides financial assistance through a low interest loan equal to 80% of the cost of remediating a property to a maximum of \$400,000 per property/project. The loan is a 'bridge' until such time as the property owner receives their ERASE Redevelopment Grant or Hamilton Downtown Property Improvement Grant.

By-law 10-52 as amended delegates the authority to the General Manager of Planning and Economic Development to approve loans and grants to a maximum of \$200,000 under the Commercial Property Improvement Grant Program, the Commercial Corridor Housing Loan and Grant Program, the Hamilton Heritage Property Grant Program, the Hamilton Downtown Façade Property Improvement Grant Program, the Gore Building Improvement Grant Program. Therefore approval of loan/grants under the aforementioned financial incentive programs would not be interrupted during a municipal election period or when only one (1) monthly meeting of the General Issues Committee is scheduled.

City Council at its meeting held November 16, 2011 approved a number of amendments to the financial incentive programs offered through the Downtown and Community Renewal Community Improvement Plan. One amendment provides the City the absolute discretion to reject applications when an applicant has outstanding taxes on other properties owned within the City of Hamilton. Appendix 'A' to Report PED12035 provides a protocol for processing applications when there are outstanding taxes on other properties owned by an applicant.

City Council at its meeting held November 16, 2011 expanded the Downtown Hamilton Community Improvement Project Area thereby broadening the area in which downtown financial incentive programs are offered. Interest in investing in the Downtown Core has also increased significantly and, in anticipation of future activity under the Hamilton

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Downtown Multi-Residential Property Investment Program, staff of the Urban Renewal Section will examine current and projected cash flow for the program and report back to Committee and Council with their findings in order that Council is fully aware of any potential budgetary constraints.

POLICY IMPLICATIONS

The Downtown and Community Renewal Community Improvement Plan and ERASE Community Improvement Plan provide the framework for City programs and initiatives in a manner that meets the legislative requirements of the Planning Act.

The financial incentive programs are meant to encourage development activities that implement the vision and policies including the Provincial Policy Statement (2005), the Growth Plan for the Greater Golden Horseshoe (Places to Grow), VISION 2020, the Official Plan, Economic Development Strategy, Corporate Strategic Plan and transit-related initiatives.

RELEVANT CONSULTATION

Staff from the Taxation Division, Corporate Services Department and Legal Services Division, City Manager's Office, were consulted and the advice received is incorporated into Report PED12035.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

The financial incentive programs are geared to developing and improving property throughout the City of Hamilton. It is prudent to ensure that if there are outstanding taxes on other properties owned by an applicant, a procedure is in place wherein the General Manager of Finance and Corporate Services determines whether a loan or grant should be recommended for approval.

Expanding the delegated authority to the General Manager of Planning and Economic Development for approving loans/grants to a maximum of \$450,000 to applicants under the Hamilton Community Heritage Fund, the Hamilton West Harbourfront Remediation Loan Program and the Hamilton Downtown Office Tenancy Assistance Program, will shorten the length of time between an applicant submitting an application and receiving final approval. The change in the approval process is anticipated to increase customer satisfaction as well as the number of applications received. Staff will report back on a quarterly basis through an Information Update to Council on the loans and grants approved by the General Manager of Planning and Economic Development.

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In order that there are no interruptions in the delivery of loan and grant approvals under the financial incentive programs during the municipal election campaigns and during months when the General Issues Committee meets once a month, temporary delegated authority to the General Manager of Planning and Economic Development will be required. Delaying loan or grant approvals for development projects could cause significant uncertainty in a project's feasibility and overall costs.

Staff will continue to undertake due diligence on each application received including: a financial risk analysis, confirmation of compliance with zoning, determination of outstanding Work Orders, Fire Code Orders and Property Standards Infractions, status of taxes etc. Upon confirmation that all terms and conditions have been met, staff will recommend approval of the loan/grant to the General Manager. Staff will report back immediately to Council through an Information Report on loans/grants approved under the temporary delegated authority.

In anticipation of future activity under the Hamilton Downtown Multi-Residential Property Investment Program, staff of the Urban Renewal Section will examine current and projected cash flow for the program and provide an analysis to Committee and Council under a separate report.

ALTERNATIVES FOR CONSIDERATION:

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

An alternative is not to expand or provide temporary delegated authority to the General Manager of Planning and Economic Development. Therefore, applications will continue to be forwarded to Committee and Council for approval. In order to improve the administration process and increase customer satisfaction and provide a seamless service, this alternative is not recommended.

Financial: Not applicable.

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

Financial Sustainability

- ◆ Effective and sustainable Growth Management
- ◆ Generate assessment growth/non-tax revenues

Growing Our Economy

- ◆ Investment in Hamilton is enhanced and supported
- ◆ Property owners invest in their properties leading to property assessment increases
- ◆ Newly created or revitalized employment sites
- ◆ Competitive business environment

Environmental Stewardship

- ◆ Financial incentive programs support residential intensification and the reuse of existing building stock and infrastructure
- ◆ Reduce the impact of Hamilton's industrial, commercial Private and Public operations on the environment
- ◆ Aspiring to the highest environmental standards

Healthy Community

- ◆ Partnerships are promoted
- ◆ Plan and manage the built environment

APPENDICES / SCHEDULES

Appendix "A" to Report PED12035, protocol for outstanding taxes of other properties in the City of Hamilton owned by an applicant of a financial incentive program offered through the Urban Renewal Section

Appendix "B" to Report PED12035, implementing by-law to amend By-law 10-052 as amended, delegating authority for approving certain loans and grants to the General Manager, Planning and Economic Development.

HM/dw

PROTOCOL FOR OUTSTANDING TAXES OF OTHER PROPERTIES IN THE CITY OF HAMILTON OWNED BY APPLICANTS OF FINANCIAL INCENTIVE PROGRAMS OFFERED THROUGH THE DOWNTOWN AND COMMUNITY RENEWAL COMMUNITY IMPROVEMENT PLAN AND ADMINISTERED BY THE URBAN RENEWAL SECTION

Applications received under the financial incentive programs offered through the Downtown and Community Renewal Community Improvement Plan and administered by the Urban Renewal Section will be subject to the following:

1. Applicants will provide addresses of other properties the applicant owns within the City of Hamilton. An applicant is an individual, a corporation, a partnership or any other legally organized entity who has identified themselves as the applicant on the application form.
2. Taxation Division staff will confirm the tax status on the properties detailed in (1) above.
3. Urban Renewal Staff will forward a memorandum to the Treasurer c/o the Director of Taxation, Corporate Services Department, identifying details of the application and the amount of outstanding taxes on other properties owned by the applicant. The General Manager of Finance and Corporate Services and the Treasurer will be requested to confirm whether or not they consent to recommending approval of a loan and grant notwithstanding other properties owned in the City of Hamilton by the applicant have outstanding taxes.

The General Manager of Finance and Corporate Services and the Treasurer will take the following into account when reviewing the aforementioned information:

- a) Any property three or more years in arrears will have to be paid up in full.
 - b) Any property where the arrears exceed 20% of its value will have to be paid in full.
4. Urban Renewal Staff will send a report to Committee and Council (or the General Manager of Planning and Economic Development for applications under the financial incentive programs he has delegated authority to approve) either recommending approval or denial of applications based upon (3) above. In the case where the recommendation is to deny the application, appropriate information on the outstanding taxes on other properties owned by the applicant will be included in the report.

Authority: Item , Committee (include name)
 Report (Staff report number)
 CM: Date

SHADED AREA IS COMPLETED BY CLERKS

Bill No.

CITY OF HAMILTON

BY-LAW NO. _____

To enact a by-law to delegate authority to the General Manager, Planning and Economic Development for certain grants and loans under the Downtown and Community Renewal Community Improvement Plan, the Environmental Remediation & Site Enhancement Community Improvement Plan, and the *Ontario Heritage Act*.

WHEREAS subsection 28(2) of the *Planning Act* provides that Council may, by by-law designate the whole or any part of an area covered by an Official Plan as a community improvement project area;

AND WHEREAS By-law 07-061 identifies various areas of the City of Hamilton, including the Downtown Hamilton Community Improvement Project Area, Downtown Dundas Community Improvement Project Area, Downtown Stoney Creek Community Improvement Project Area, Waterdown Community Improvement Project Area, Binbrook Community Improvement Project Area, Ancaster Village Core Community Improvement Project Area, Barton Village Community Improvement Project Area, Concession Street Community Improvement Project Area, Locke Street Community Improvement Project Area, Main Street Esplanade Community Improvement Project Area, Ottawa Street Community Improvement Project Area, Westdale Village Community Improvement Project Area and the Main Street Corridors Community Improvement Project Area, and designates collectively said areas as the "Downtown and Community Renewal Community Improvement Project Area";

AND WHEREAS By-law 05-086 identifies the urban area of the City of Hamilton, including Area 1 – Rest of Urban Area, Area 2 – Older Industrial Area and Area 3 – West Harbour Area, and designates collectively such areas as the "Environmental Remediation and Site Enhancement Project Area";

AND WHEREAS section 28 of the *Planning Act* states that where a by-law has been passed to designate a community improvement project area, the Council may provide for the preparation of a plan suitable for adoption as a community improvement plan for the community improvement project area;

To Repeal, Amend, Adopt, Regulate Etc.

AND WHEREAS By-law 07-062 adopted the Downtown and Community Renewal Community Improvement Plan as the Community Improvement Plan for the Downtown and Community Renewal Community Improvement Project Area;

AND WHEREAS By-law 05-087 adopted the Environmental Remediation and Site Enhancement Community Improvement Plan for the Environmental Remediation and Site Enhancement Community Improvement Project Area;

AND WHEREAS under subsection 28(7) of the *Planning Act*, R.S.O. 1990, c. P.13, Council may make grants or loans, in conformity with the Community Improvement Plan, to registered owners, assessed owners and tenants of lands and buildings within the Downtown and Community Renewal Community Improvement Project Area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan;

AND WHEREAS under subsection 39(1) of the *Ontario Heritage Act*, R.S.O. 1990, c. O.18, Council enacted City of Hamilton By-law No. 07-346 to make grants or loans to owners of a property designated under Part IV of the *Ontario Heritage Act* for the purpose of paying for the whole or any part of the cost of alteration of such designated property on such terms and conditions as Council may prescribe;

AND WHEREAS under sections 9 and 10 of the *Municipal Act, 2001*, S.O. 2001, c. 25, in accordance with section 23.1 of the *Municipal Act, 2001*, the powers of a municipality under that or any other Act may be delegated to a person or body subject to the restrictions set in sections 23.2 to 23.5, inclusive of the *Municipal Act, 2001*;

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. In this By-law:

“Council” means the Council of the City of Hamilton; and

“General Manager” means the General Manager of Planning and Economic Development, and in the case of a change of name of the title of this position, this shall apply to any successor title change.

2. Subject to section 3, Council delegates to the General Manager power to approve grants or loans, which was given to Council under:

(1) subsection 28(7) of the *Planning Act*, for the following financial incentive programs created under the Downtown and Community Renewal Community Improvement Plan:

- (a) Commercial Property Improvement Grant Program;
- (b) Commercial Corridor Housing Loan and Grant Program;
- (c) Hamilton Heritage Property Grant Program;
- (d) Gore Building Improvement Grant Program;

To Repeal, Amend, Adopt, Regulate Etc.

- (e) Hamilton Downtown Commercial Façade Property Improvement Grant Program; and
 - (f) Hamilton Downtown Office Tenancy Assistance Program;
 - (2) subsection 28(7) of the *Planning Act*, for the financial incentive program created under the Environmental Remediation & Site Enhancement Community Improvement Plan known as the Hamilton West Harbourfront Remediation Loan Program; and
 - (3) subsection 39(1) of the *Ontario Heritage Act*, for the financial incentive programs known as the Hamilton Community Heritage Fund.
3. For the purposes of section 2, the power of the General Manager to approve grants or loans shall be limited to a maximum of \$450,000 per loan or grant.
 4. The General Manager is authorized to undertake all acts necessary to carry out the delegated power under Section 2, including the authority to sign any required documents.
 5. This By-law may be cited as "A By-law to delegate authority to the General Manager of Planning and Economic Development for financial incentive programs".
 6. All approvals under City of Hamilton By-law 10-052 that are in effect at the time of that By-law's repeal are deemed to continue under this By-law.
 7. City of Hamilton By-law 10-052, as amended, is repealed as of the date this By-law comes into force.
 8. This By-law comes into force on the date of its passing.

PASSED this day of 2012.

R. Bratina

Mayor

R. Caterini

City Clerk