



Hamilton

**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> WARD 13
<b>COMMITTEE DATE:</b> July 8, 2013	
<b>SUBJECT/REPORT NO:</b> Hamilton LEEDing the Way, Leadership in Energy and Environmental Design (LEED) Grant Program Application (LGP-13-01) – Wingbury Holdings Ltd., 55 Head Street, Dundas (PED13112) (Ward 13)	
<b>SUBMITTED BY:</b> Tim McCabe General Manager Planning and Economic Development Department	<b>PREPARED BY:</b> Brian Morris (905) 546-2424 Ext. 5602 Hazel Milsome (905) 546-2424 Ext. 2755
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That Hamilton LEEDing the Way, Leadership in Energy and Environmental Design (LEED) Grant Program Application LGP-13-01, submitted by Wingbury Holdings Ltd. (Arie Koppelaar, Walter Koppelaar), for the property at 55 Head Street, Dundas, for a LEED Grant not to exceed \$87,859.30 payable to Wingbury Holdings Ltd. over a maximum of five years, be authorized and approved in accordance with the terms and conditions of the LEED Grant Program Agreement;
- (b) That the Mayor and Clerk be authorized and directed to execute, on behalf of the City, the Leadership in Energy and Environmental Design (LEED) Grant Agreement with Wingbury Holdings Ltd., referred to in subsection (a) with respect to the development of 55 Head Street, Dundas, and all necessary associated documents, all in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

A Leadership in Energy and Environmental Design (LEED) Grant Program (LGP) application was submitted by Wingbury Holdings Ltd. (Arie Koppelaar, Walter Koppelaar) for development of the property at 55 Head Street, Dundas (Appendix “A” of Report PED13112 identifies the location of the property). The application for a LEED Grant is a result of the proposed construction of a 3,914 square metre, four storey building. 3,000 square metres of the building will be utilized for office use with the remaining 914 square metres being utilized for a use permitted by the M6 Zone. The applicant wishes to attain LEED certification on the facility at the Silver Level. The LEED building is one of two buildings proposed to be developed on the property, with the second industrial building having interconnectedness with the office building.

The grant application is for \$87,859.30 in eligible incremental construction costs (to a maximum), consultation, certification and energy modelling fees. Estimated project construction costs are \$3,875,120. It is estimated that the proposed development will increase the current value assessment (CVA) on the site from its current \$381,250 to approximately \$4,800,000. This will increase total annual property taxes generated by this property by approximately \$150,927.26. The municipal share of this property tax increase (municipal tax increment) will be approximately \$94,115.45 of which 75%, or approximately \$70,586.58, would be paid to the owner in the form of an annual grant for approximately two years up to an amount not to exceed total costs eligible for the LEED Grant of \$87,859.30.

This application meets the grant criteria specified in the 2010 Hamilton LEEDing the Way Community Improvement Plan (CIP). This development will result in the physical enhancement and sustainability of this vacant site and will result in a significant long-term increase in assessment and property tax revenues to the City. The City, under the terms of the LEED Grant Program will need to enter into a LEED Grant Agreement with the owner, as specified in the Hamilton LEEDing the Way CIP.

***Alternatives for Consideration – See Page 5***

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

**Financial:** The City will collect full property taxes on the property and, in turn, provide a grant equivalent to 75% of the increase in municipal taxes up to the total eligible cost figure of \$87,859.30 or over a five year period, whichever comes first, after the property has attained official LEED certification from the Canadian Green Building Council. At that time, the City will retain the full municipal portion of the tax increment. Following year two of the grant payment, the City will start to realize the positive results of the

**SUBJECT: Hamilton LEEDing the Way, Leadership in Energy and Environmental Design (LEED) Grant Program Application (LGP-13-01) – Wingbury Holdings Ltd., 55 Head Street, Dundas (PED13112) (Ward 13) - Page 3 of 6**

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Program from a financial perspective. Based on the projected increase in taxes for 55 Head Street and the estimated total grant amount to the applicant, the City will retain an additional \$76,842,73 in taxes in the second year and in the third year, the City will retain the full municipal portion of the tax increment.

**Staffing:** N/A

**Legal:** The provision of the LEED Grant Program is authorized in the Hamilton LEEDing the Way CIP which was adopted and approved in 2008, and the expansion to the original plan in 2010, under Section 28 of the Planning Act. The LEED Grant Program Agreement will specify the obligations of the City and the applicant. The Agreement will be prepared in a form satisfactory to the City Solicitor.

**HISTORICAL BACKGROUND** (Chronology of events)

Wingbury Holdings Ltd. submitted the LEED Grant Program application on April 30, 2013. Wingbury Holdings Ltd. is developing a speculative commercial/office building as prospective tenants have not entered into leases to date. Coinciding with the office building will be a second speculative industrial/flex space building that will not be seeking LEED certification. The commercial/industrial complex is intended to act something like a business incubator. The ownership group has recognized the need for this type of product in the marketplace as a result of the lack of similar space in the area. More specifically, companies that are in a growth mode, such as those that have graduated from the Hamilton Technology Centre (HTC) in the Flamborough Business Park, still may have a need for short-to-mid-term lease space to meet their needs. The speculative building at 55 Head Street intends to fill such a void in the marketplace. The facilities will be privately held and managed.

Wingbury Holdings Ltd. closed on the subject property in June of 2011. Previously, the property operated as an industrial site.

The property is currently classed as Vacant Industrial Land (IX). Property taxes are paid in full. Taxes in 2013 on this property are \$12,984.94 and are broken down as follows:

Municipal Levy =	\$ 9,316.75
Education Levy =	\$ 3,668.19
Tax Cap Adjustment =	\$ <u>0</u>
Total =	\$12,984.94

**POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS**

Report PED13112 relates to the processing of an application under the LEED Grant Program, which is contained within the Council approved Hamilton LEEDing the Way Community Improvement Plan (CIP).

The property is designated “Employment Area” in the Town of Dundas Official Plan. It is designated “Industrial Land” in the Urban Hamilton Official Plan, within the “Employment Area” element of the Urban Structure. The applicable Light Industrial (M6) Zone of Zoning By-law 05-200 permits “office” use to a maximum of 3,000 square metres within an individual building; therefore, the balance of the proposed 3,914 square metre LEED building must contain other uses permitted in the M6 Zone. The LEED building is one of two buildings to be developed on the property. A minor variance has been granted to reduce the number of required parking spaces on site to 130, in accordance with a site plan that will guide the layout of the buildings, parking area and landscaping.

**RELEVANT CONSULTATION**

Staff from the Taxation Division, Corporate Services Department, and the Legal Services Division, City Manager’s Office, were consulted and the advice received is incorporated into Report PED13112.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

The LEED Grant Program is a component of the Council approved Hamilton LEEDing the Way CIP. This application meets the criteria for approval. The new office building will incorporate many innovative and environmentally responsible features under the six LEED categories in order to qualify for LEED certification at the Silver Level. These include, but are not limited to, the following:

*Site Development:* site selection, alternative transportation: bicycle storage, alternative transportation: parking capacity, site development, stormwater design: quantity control, heat island effect: roof, and light pollution reduction.

*Water Efficiency:* water efficient landscaping and water use reduction.

*Energy Efficiency:* optimize energy performance and enhanced refrigerant management.

**SUBJECT: Hamilton LEEDing the Way, Leadership in Energy and Environmental Design (LEED) Grant Program Application (LGP-13-01) – Wingbury Holdings Ltd., 55 Head Street, Dundas (PED13112) (Ward 13) - Page 5 of 6**

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*Material Selection:* construction waste management program, recycled content, and regional materials.

*Indoor Environmental Quality:* Construction IAQ Plan, low-emitting materials and, indoor chemical and pollutant source control.

*Innovation in Design:* To be determined.

Current 2013 CVA on the property is \$381,250 classed as Vacant Industrial Land (IX). Current 2013 property taxes are \$12,984.94 broken down as follows:

Municipal Levy	=	\$ 9,316.75
Education Levy	=	\$ 3,668.19
Tax Cap Adjustment	=	\$ <u>0</u>
Total	=	\$12,984.94

Property taxes are current

Based on site plan drawings and information submitted in support of the LEED Grant Application, staff has estimated that once the project is complete, the property, including the office building, will have an estimated CVA of approximately \$4,800,000, classed as Commercial, New Construction (XT). This new CVA is estimated to increase total annual property taxes by \$150,927.26. The additional municipal taxes levied on this property will be approximately \$94,115.45.

Processing of this LEED Grant application also supports City Council's performance measurements as follows:

- *Taxable assessment growth to exceed 1.5% by 2012.* This measure again specifically relates to a primary goal of the LEED Grant Program. The LEED Grant Program aims to increase taxable assessment once the development/redevelopment of the applicable properties is complete.

**ALTERNATIVES FOR CONSIDERATION**

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

The grant application meets the eligibility criteria and requirements of the program. In the event the project is not considered for the program, the application should be referred back to staff for further information on any possible financial or legal implications.

**ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:**

**Strategic Priority #1**

A Prosperous & Healthy Community

*WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.*

**Strategic Objective**

- 1.1 Continue to grow the non-residential tax base.
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

**Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

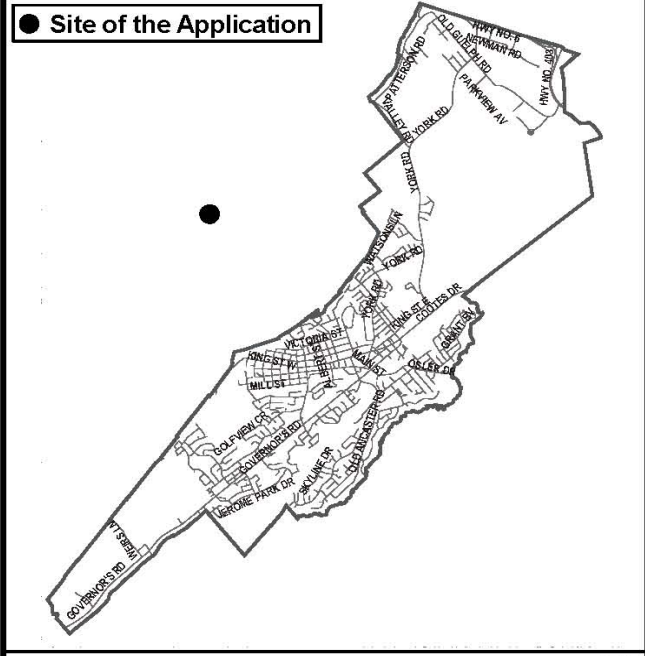
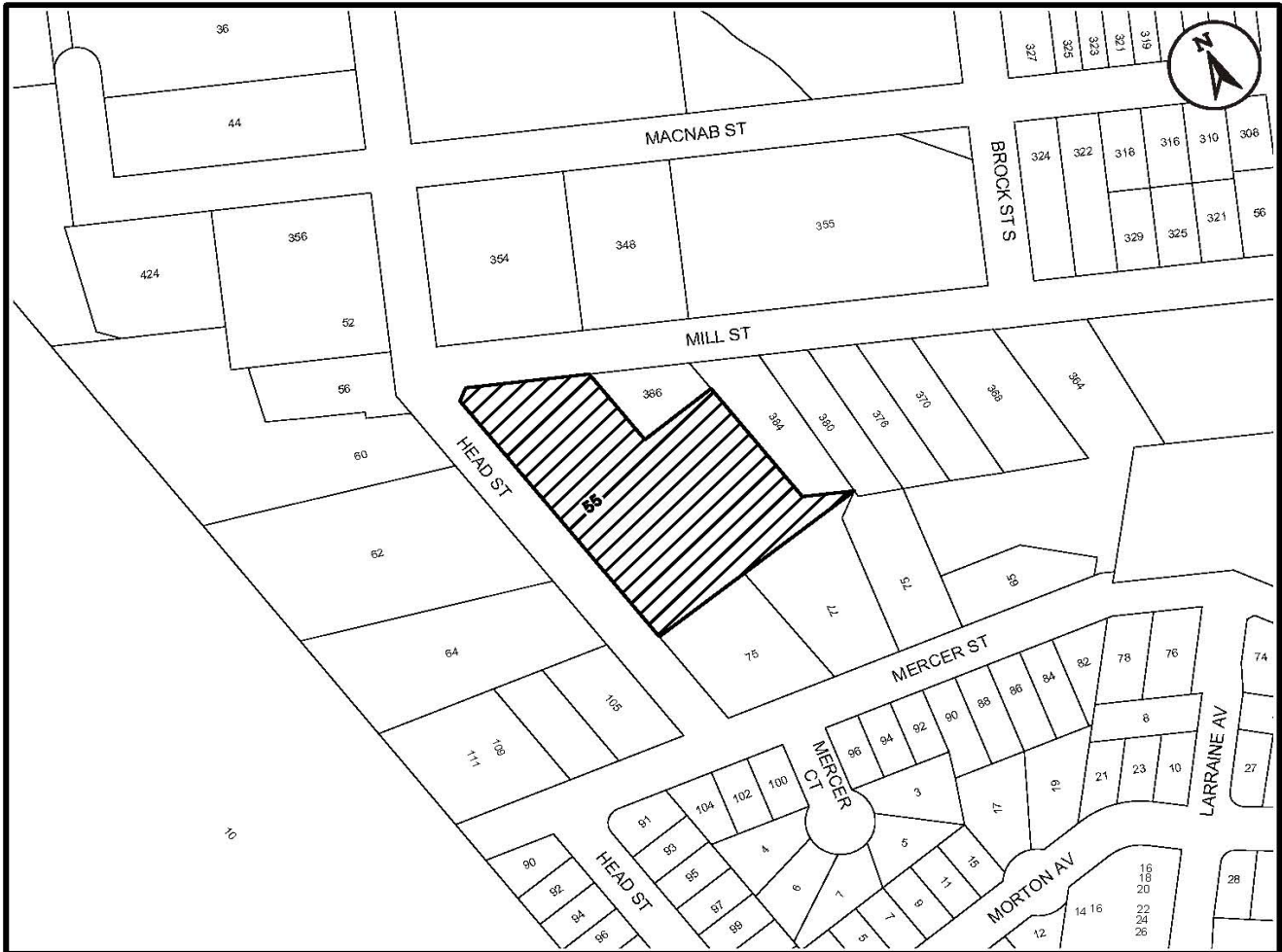
- 2.3 Enhance customer service satisfaction.

**APPENDICES / SCHEDULES**

Appendix “A” to Report PED13112 – Location Map

HM/dkm

Appendix "A" to Report PED13112



Ward 13 Key Map N.T.S.

## Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

**File Name/Number:**  
55 Head St

**Date:**  
May 14, 2013

**Appendix "A"**

**Scale:**  
N.T.S.

**Planner/Technician:**  
HM/AL

**Subject Property**

55 Head Street