

CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: WARD 2
COMMITTEE DATE: October 11, 2011	
SUBJECT/REPORT NO: The “Gore” Building Improvement Grant Program (PED11167) (Ward 2)	
SUBMITTED BY: Tim McCabe General Manager Planning and Economic Development Development	PREPARED BY: Hazel Milsome 905-546-2424 x 2755
SIGNATURE:	

RECOMMENDATION:

- a) That the Program Description and Terms for the “Gore” Building Improvement Grant Program attached as Appendix ‘A’ to Report PED11167 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 “Gore” Building Improvement Grant Program in the Downtown Hamilton Community Improvement Project Area; and,
- c) That funding required in 2012 for administering the “Gore” Building Improvement Grant Program be funded from the Main Street Reserve in the amount of \$400,000 and the 2012 Downtown Block in the amount of \$125,000 and that this funding be referred to the 2012 Capital Budget deliberations.

EXECUTIVE SUMMARY

The “Gore” Building Improvement Grant Program (GBIGP) is introduced as a three-year program for the purpose of supporting the maintenance, attractiveness, functionality and

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viability of the historic building stock that fronts on King Street East between James Street and Catharine Street, known as the “Gore”. The program is intended to provide financial assistance to bring existing properties to present-day Property Standards and Sign By-law requirements and, to improve upon their accessibility. Applicants will have to provide a business case that identifies how the proposed work will improve the marketability of the property for prospective tenants and/or improve the business vitality and/or utilization of formerly under-utilized upper floors. The program will deter further physical decay of the building stock in the “Gore” and assist in breathing new life into formerly underutilized space.

The GBIGP offers a matching grant to a maximum of \$50,000 per property. Eligible work includes signage, façade improvements, reinforcement of floors, walls, ceilings and foundations, roofing, central air-conditioning, furnaces, fire protection systems and barrier-free accessibility including elevators.

Alternatives for Consideration – See Page 5.

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

Financial: \$525,000 is required to administer the program in 2012. The Main Street Reserve 102048 will fund \$400,000 and, \$125,000 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. Staff of the Urban Renewal Section, Economic Development Division anticipate that take-up of the program over a three-year period will result in grant applications totalling approximately \$1,325,000 based upon familiarity with existing conditions of the interiors of the buildings, plus the number of eligible properties.

Staffing: Applications and grant payments under the GBIGP will be processed by the Urban Renewal Section, Economic Development Division 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 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 GBIGP.

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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 GBPIGP will provide a financial incentive to owners and authorized tenants of properties that front on King Street between James Street and Catharine Street within the Downtown Hamilton Community Improvement Project Area for building improvements that will bring the property to present-day Property Standards and Sign By-law requirements as well as improve their accessibility. The program is part of a multi-faceted approach to making “Gore” a people-place that is energized, safe and aesthetically pleasing, supporting the acceleration of the rejuvenation of the Downtown. The program will also assist in “setting the stage” when the world has its eyes on the Pan Am Games and the Downtown is filled with visitors who are staying in the Downtown hotels during the Games.

POLICY IMPLICATIONS

Report PED11167 relates to the introduction of a financial incentive program to the Downtown and Community Renewal Community Improvement Plan.

The “Gore” is within the Heritage Character Zone identified in Zoning By-law 05-200. Improvements funded under the program must be in accordance with the By-law.

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 PED11167.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

The GBIGP will offer a matching grant to a maximum of \$50,000 for building improvements to owners and authorized tenants of properties that front on King Street between James and Catharine Streets within the Downtown Hamilton Community Improvement Project Area. Applicants will be required to provide a business case with their application that identifies how the improvements will improve the marketability of the property for prospective tenants and/or improve the business vitality and/or utilize formerly under-utilized upper floors.

The grant percentage will be increased to 75% of the cost of specifically installing a sign of a building that is in conformity with the Sign By-law and is replacing a legally non-conforming sign. This will provide an incentive for property owners to remove signage that presently covers a large percentage of a building façade.

A number of properties in the “Gore” are underutilized on the upper floors. These upper floors have the potential to create a critical mass of residential/office space in the downtown. The reuse of upper floors creates an opportunity to provide unique housing and office space adding to the vitality and sustainability of the downtown. Staff will promote the “Gore” program along with other financial incentives geared towards office tenancy and residential development in recognition of the challenges faced with the costs associated with the transformation of vacant space to marketable lofts/offices.

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 proposed work 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 PED11167 or, reducing the amount of the grant would undermine the downtown renewal efforts in general. These alternatives are not recommended.

Financial: Funding in the amount of \$525,000 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 PED11167 – Terms and Conditions of the GBPIGP

HM/dkm



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THE "GORE" BUILDING IMPROVEMENT GRANT PROGRAM

PROGRAM DESCRIPTION

The Gore Building Improvement Grant Program was developed to support the maintenance, attractiveness, functionality and viability of the historic building stock that fronts on King Street East between James Street and Catharine Street, known as the "Gore". The program is intended to provide financial assistance to bring existing properties to present-day Property Standards and Sign By-law requirements and, to improve their accessibility.

The program supports an objective of the Downtown Secondary Plan: conserve and enhance the Gore as the primary landscaped open space and concentration of heritage buildings in Downtown Hamilton.

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

- Property owners/authorized tenants are eligible to apply for a grant under the program. One grant per property. A property to be defined by a property deed.
- 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 Building Inspector will review all estimates provided for the purpose of ensuring competitiveness.

- Applicants will be required to provide a business case that identifies how the improvements will improve the marketability of the property for prospective tenants and/or improve the business vitality and/or utilize formerly under-utilized upper floors.
- Grants will be paid on a matching basis up to a maximum of \$50,000 for eligible work under the Program.
- A building inspector will perform initial inspection relative to the proposed improvements, and subsequent final inspection to assure compliance with Property Standards.
- 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.
- The grant is not transferable upon sale of the property.
- 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 Hamilton Downtown Commercial Façade Property Improvement Grant Program.
- An application fee of \$320 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.
- 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).

ELIGIBILITY REQUIREMENTS

- Property owners and authorized tenants are eligible.
- Property taxes must be paid current.
- The improvements made to buildings shall be in accordance with Property Standards and in compliance with all applicable City by-laws, official plans, zoning regulations, design guidelines and site plan approvals.
- 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.
- Properties must front on King Street between James Street and Catharine Street.
- Existing use must be in conformity with the applicable Zoning By-law regulations (including the Heritage Character Zone), and other relevant planning controls.

ELIGIBLE IMPROVEMENTS

- Signage in conformity with the Sign By-law 06-243 as amended. (Note: the eligible grant amount will be increased to 75% of the cost of installing a sign that is in conformity with the Sign By-law and is replacing a legally non-conforming sign)
- Façade improvements
- Reinforcement of floors, walls, ceilings and foundations
- Required improvements to ventilation systems
- Construction or alteration of stairs, guards, handrails
- Roofing
- Installation or repair of central air-conditioning
- Installation or repair of furnace
- Installation or alteration of required window openings
- Installation or alteration of fire protection systems; fire separations; fire doors, fire shutters and other fire protection devices
- Improvements for barrier-free accessibility including elevators
- Other improvements related to health and safety issues deemed eligible at the sole discretion of the General Manager of Planning and Economic Development