SUBJECT: Downtown Hamilton Heritage Property Grant Program  
68 King Street East, Victoria Hall (PED08165) (Ward 2)

RECOMMENDATION:

a) That a construction grant commitment totalling $150,000.00 for the restoration of the metal façade; replacement/repair of windows; and, structural work required to reinforce the exterior wall at 68 King Street East, be approved in accordance with the terms and conditions of the Downtown Hamilton Heritage Property Grant Program.

b) That a grant commitment, at an upset limit of $20,000.00 for technical and historical studies of heritage properties, including consultant fees for heritage impact assessments, condition assessments, conservation plans and engineering reports related to the restoration of 68 King Street East, be approved in accordance with the terms and conditions of the Downtown Hamilton Heritage Property Grant Program.

c) That staff be authorized and directed to prepare and execute the Letter of Understanding with the applicant with respect to sub-sections (a) and (b) above, with such Letter of Understanding being in a form satisfactory to the City Solicitor.

d) That the total grant with respect to sub-section (a) in the amount of $150,000.00 be charged to Dept. ID 58201-815025 with funding coming from the Main Street Program Reserve (102048).

e) That the total grant with respect to sub-section (b) at an upset limit of $20,000.00 be funded from Capital Project ID 8200803803.

f) That a condition of the construction grant commitment listed in sub-section (a) for the repair of the windows be that the method in which the windows are repaired is acceptable to the Director of Planning or the grant portion for the restoration of the windows will be cancelled by the Director of Downtown and Community Renewal.

g) That a condition of the construction grant commitment listed in sub-section (a) for the restoration of the metal façade be that all building and planning requirements, including a building and a heritage permit be obtained in advance of the work being
undertaken and work be undertaken in full compliance with the permits for the work or the grant will be cancelled by the Director of the Downtown and Community Renewal Division upon the recommendation of the Director of Planning;

h) That a condition of the construction grant commitment listed in sub-section (a) for the necessary structural work be that all building and planning requirements including permits be obtained and work undertaken in full compliance with the permits for the work or the grant will be cancelled by the Director of the Downtown and Community Renewal Division.

i) That the grant commitment in the amount of $20,000.00 previously approved under the Commercial Heritage Improvement and Restoration Program (CHIRP) through Report PED06360 be cancelled.

Tim McCabe
General Manager
Planning and Economic Development Department

**EXECUTIVE SUMMARY:**

This is the first application under the recently approved Hamilton Downtown Heritage Property Grant Program recommended by and administered by the Downtown and Community Renewal Division.

Report PED08165 recommends the approval of a construction grant commitment under the Hamilton Downtown Heritage Property Grant Program totalling $150,000.00 for the restoration of 68 King Street East and, a grant commitment to an upset limit of $20,000.00, for technical and historical studies of heritage properties, including consultant fees for heritage impact assessments, condition assessments, conservation plans and engineering reports that may be required for the restoration of 68 King Street East. The Downtown Hamilton Heritage Property Grant Program is intended to provide financial assistance in the form of a grant based on 25% of total cost of regeneration of a property, to a maximum grant of $150,000.00 for eligible work. The program is offered to owners and authorized tenants for: structural/stability work required to conserve and restore heritage features of properties; and, the conservation and restoration of heritage features of properties that are designated under Parts IV or V of the Ontario Heritage Act. Eligible properties must be located within the Downtown Hamilton Community Improvement Project Area. The heritage assessment/study component of the program offers a maximum grant of $20,000.00 per property.
BACKGROUND:

Sub-Section 39.1 of the Ontario Heritage Act states that a council of a municipality may pass by-laws providing for the making of a grant or loan to the owner of a property designated under Parts IV and V 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 the Council may prescribe. By-law 07-346 approved by City Council at its meeting held December 12, 2007 authorizes the municipality to offer loans and grants to owners of a property designated under the Ontario Heritage Act. The program description of the Hamilton Downtown Heritage Property Grant Program as approved by City Council at its meeting held December 12, 2007 sets out the terms and conditions of the program.

The objective of the Program is to assist in the rehabilitation and re-use of heritage properties. City Council values heritage properties as important to the urban revitalization and regeneration of our Downtown Core. Conservation and restorative initiatives must be consistent with the policies, principles and design themes contained within the Downtown Hamilton Secondary Plan, relevant Urban Design Guidelines, regulations contained within the Zoning By-law as well as any other applicable City Council approved policies/regulations.

The Downtown Hamilton Heritage Property Grant Program is intended to provide financial assistance in the form of a grant based on 25% of total cost of regeneration of the property, to a maximum grant of $150,000.00 for eligible work. The program is offered to owners and authorized tenants for: structural/stability work required to conserve and restore heritage features of properties; and, the conservation and restoration of heritage features of properties that are designated under Parts IV or V of the Ontario Heritage Act. Eligible properties must be located within the Downtown Hamilton Community Improvement Project Area.

Historic buildings bring character and opportunity to the Downtown landscape. Re-using the buildings is one of the strategies that have been driven by the Downtown Secondary Plan. Victoria Hall at 68 King Street East is one of only two remaining buildings with metal facades in Canada and accordingly is designated as a National Historic Site. Once restored, Victoria Hall will house a diverse mix of retail, professional offices and living arrangements. The restoration of this building will preserve a legacy in Downtown Hamilton. Its companion building, Foster McKay, at 66 King Street East is also being preserved and re-invented with mixed-use of retail, professional offices and living accommodations. The setting across from Gore Park makes it a highly desirable location for living, professional offices and retail uses in the Downtown. However, 66 King Street East is not designated under the Ontario Heritage Act and therefore is ineligible for funding under the Heritage Program.

ANALYSIS/RATIONALE:

68 King Street East, known originally as Victoria Hall, was designed and built in 1887-1888 by architect William Stewart. This designated property is located in the Gore Park district, considered to be one of the most important streetscapes in the city.
Victoria Hall has the distinction of being the only known example in the Downtown of an applied metal façade, dating from the 1880’s. The building counts among the last of the robustly decorative, High Victorian commercial blocks that once were prominent on the Gore. Originally, the building had an ornamental parapet across the front that read “1887 Victoria Hall”.

Downtown and Community Renewal staff will work with the applicant of the project through the City’s planning and building approval process including Heritage Permits that will be required.

### Project Recommended for Funding Commitment

<table>
<thead>
<tr>
<th>Property</th>
<th>Grant for Building</th>
<th>Grant for Heritage Assessment</th>
<th>Estimated Cost of the Property’s Redevelopment</th>
</tr>
</thead>
<tbody>
<tr>
<td>68 King Street East</td>
<td>$150,000.00</td>
<td>$20,000.00</td>
<td>$900,000.00</td>
</tr>
</tbody>
</table>

68 King Street East is shown to the left in the photograph above. Appendix ‘A’ to Report PED08165 identifies the location of 68 King Street East.

The owner has applied for funding under the Heritage Program to:

1. Reinforce the structure of the exterior wall.
2. Restore the metal façade.
3. Replace/repair windows.
4. Retain an engineer and heritage consultant.
The total cost to redevelop 66 and 68 King Street East is estimated at $1,800,000.00

City Council at its meeting held March 1, 2006 approved a loan commitment in the amount of $421,800 under the Hamilton Downtown Residential Loan Program for 66 and 68 King Street East. To date 60% of the loan has been advanced under the terms of the program.

City Council at its meeting held February 15, 2007 approved 66 and 68 King Street East as an eligible project under the 10 Year “Enterprise Zone Municipal Realty Tax Incentive Grant Program”. The grant under the EZ program will not flow until the work has been completed and the property reassessed. The 10 year grant amounts will be reported on at a future date.

City Council at its meeting held September 27, 2006 approved a grant commitment in the amount of $20,000.00 under the Commercial Heritage Improvement and Restoration Program (CHIRP) for the restoration of the windows of 68 King Street East. Since that time the owner has worked with staff with respect to obtaining approval of the method in which the windows are to be restored. As recently as last month, Community Planning and Design staff, along with members of the Heritage Sub-committee, met on site with the owner of 68 King Street East for the purpose of reviewing the method of repair. The Heritage Sub-committee subsequently accepted the method in which the windows were repaired.

The owner has since requested that the previously approved CHIRP grant be cancelled in order to be eligible for the new Hamilton Downtown Heritage Property Grant Program. In view of the significance of the historical value of the property, staff supports the processing of the heritage grant for the restoration of the windows and metal façade under the Hamilton Downtown Heritage Property Grant Program notwithstanding that restorative work on the windows has been completed and that the terms of the program dictate that work is not funded retroactively. This can be defended through the timing of the creation and administration of the new heritage program.

**ALTERNATIVES FOR CONSIDERATION:**

Non-acceptance of the recommendations contained with Report PED08165 will result in the inability of the municipality to make financial assistance available under the terms of the program to this nationally recognized heritage property.

There are no alternative options for approval of the grant commitment at this time.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial:** Funding for the construction component of the Hamilton Downtown Heritage Property Grant Program is contained in the Main Street Program Reserve (102048) however, as accounting requirements do not allow payments to be issued directly from a reserve, the payment of the grant will be flow through Dept. ID 58201-815025. Funding for the heritage assessment/study/specification component is contained in Capital Project ID# 8200803803.
Staffing: Administration of the Hamilton Downtown Heritage Property Grant Program can be accommodated within the Downtown and Community Renewal Division and Community Planning and Design Section of the Planning and Economic Development Department as well as the Corporate Services Department.

Legal: Review of all documentation associated with each grant will be appropriately undertaken by the City Solicitor to meet the customer’s needs while protecting the City’s interests. In order to receive funding, projects must comply with any planning and building approvals identified in this report including Heritage Permits where required.

POLICIES AFFECTING PROPOSAL:

The Hamilton Downtown Secondary Plan contains objectives to retain and enhance the historic fabric of Downtown Hamilton. Administering the Downtown Hamilton Heritage Property Grant Program is consistent with that objective and direction of the Hamilton Downtown Secondary Plan.

RELEVANT CONSULTATION:

Staff from the Community Planning and Design Section of the Planning and Economic Development Department, Corporate Services Department and the City Solicitor were consulted and concur with the recommendations included in Report PED08165.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
Partnerships are promoted through the implementation of the Hamilton Downtown Heritage Property Grant Program.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
The initiatives help to improve the quality of life of the residents. The rehabilitation of the building stock and the development of properties in the Downtown make efficient and effective use of City services and protect human health and safety.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Investment in Hamilton is enhanced and supported. Downtown Renewal programs lead to effective partnerships with community stakeholders and the development community. Developers and property owners invest in Downtown properties leading to property assessment increases through the rehabilitation of buildings and properties.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ ☐ Yes ☐ No
Hamilton continues to lead initiatives related to renewal. Such initiatives are professionally rewarding and attract high performing public servants with an interest in improving community life.

HM
Attach. (1)
Appendix ‘A’ to Report PED08165