SUBJECT: Amendment to the ERASE CIP and the Development of An Implementation Plan to Recognize the West Hamilton Innovation District as a Distinctive Area (PED06411) (Wards 1)

a) That staff consult land owners and stakeholders within the West Hamilton Innovation District as well as the general public to determine what additional municipal incentives/actions may be required to facilitate development within the district to fulfil the City’s vision for the district.

b) That staff be directed to develop draft financial incentive programs for the West Hamilton Innovation District to complement the existing ERASE CIP programs.

c) That staff be authorized and directed to prepare and process the necessary amendments to the ERASE CIP and hold the necessary Public Meetings under the Planning Act as a result of the consultation process. These amendments will be brought forward in concert with the new Official Plan policies, Secondary Plan and Zoning By-law for the West Hamilton Innovation District.

d) That staff be directed to develop an Implementation plan for capital projects and operational initiatives relating to the West Hamilton Innovation District.

Lee Ann Coveyduck
General Manager
Planning and Economic Development Department
EXECUTIVE SUMMARY:

Report PED06411 seeks Committee’s authorization to develop financial incentive programs for the West Hamilton Innovation District in an effort to attract innovative R&D and related companies to this area and to encourage existing property owners to transition their buildings to this innovation environment. These programs will be implemented through an amendment to the ERASE CIP and will work in concert with existing ERASE CIP financial incentive programs. In order to amend the ERASE CIP public consultation and a formal public meeting as per the Planning Act are required. In addition to the amendment, staff also proposes the development of an Implementation plan which will outline municipal capital projects and timelines as well as operational improvements for such items as public transit in order to achieve the vision for the West Hamilton Innovation District.

BACKGROUND:

In June of 1999, City Council directed that a Community Improvement Plan (CIP) to promote the redevelopment of industrial and commercial properties in the City of Hamilton be prepared. The Plan was called the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP) and was adopted by City Council in April of 2001 and approved by the Minister of Municipal Affairs and Housing in August of 2001.

Subsequently, the ERASE CIP was amended in April of 2005 and the project area was expanded to include the “Urban Area” of the City of Hamilton. However, the project area now identifies three separate sub-areas. These areas are known as Area 1 (Rest of Urban Area), Area 2 (older Industrial Area) and Area 3 (West Harbour Area). These areas were delineated to recognize different municipal goals and objectives unique to each area as well as to target financial incentive programs.

With its existing nucleus of industrial users and 80-90% of its land in industrial use, most of Area 2 (Older Industrial Area) will realistically remain zoned and used primarily for heavy industry and manufacturing. Suitably sized land parcels zoned for such purposes are becoming increasingly difficult to locate in Ontario because most municipalities are no longer zoning land for heavy or even limited heavy industrial uses. Yet, there continues to be a demand for heavy industrial and manufacturing type land in the Hamilton area. This demand is best met in the older industrial areas due to the current existence of these types of uses in these areas and restrictive zoning in greenfield industrial areas.

However, there are opportunities in areas of transition within the older industrial area to convert heavy industrial lands to other productive uses such as light industrial/manufacturing, research, commercial, institutional, and open space uses.

The West Hamilton Innovation District is located within Area 2 (Older Industrial Area) and is also an area in transition similar to Area 3 (West Harbour Area). The opportunity for redevelopment in this area is exceptional considering McMaster’s plans to establish...
the McMaster Innovation Park and the City’s commitment and upper levels of government’s commitment to the area.

The West Hamilton Innovation District is envisioned to be a regional technology node that will function as a centre of innovation for corporate, academic and government research in science and technology and will be recognized as a major entry point in to the City. The development of knowledge-based activities will allow for the eventual production of goods and materials enabling companies to remain and grow within the Innovation District. The research community will be supported and enhanced by a range of complementary commercial uses within multi-storey buildings which will encourage pedestrian activity. The creation of new linkages will accommodate pedestrians, cyclists and public transit to improve accessibility both within the area and to adjacent neighbourhoods.

**ANALYSIS/RATIONALE:**

**Amendments to the ERASE CIP**

As the vision for the district is one of innovation and research, staff believe that taking a proactive approach to shaping the built form with the use of financial incentives is warranted. Staff has commenced research into new technologies in building design from a green building/energy efficiency perspective and reduced reliance on municipal infrastructure. Although these technological advances cost more than conventional building, the long term benefits far outweigh the upfront increased costs. In an effort to promote such design considerations as LEED certified buildings, green roof technology, water harvesting systems, grey water recycling etc. staff will research and propose financial incentives programs to encourage such building design elements. The benefits of such technologies not only rest with building owners in reduced operating costs but with municipalities as well in reduced reliance on municipal infrastructure such as storm water management.

The proposed financial incentive programs will be implemented through an amendment to the ERASE CIP. The ERASE CIP contains programs relating to environmental remediation. The proposed programs will be in addition to, and work in concert with, the existing ERASE CIP programs. This approach is recommended by staff for reasons of administrative efficiency. It is staff’s goal to have the ERASE CIP amendment and implementation plan prepared for Committee’s consideration in Quarter 1 of 2007.

**West Hamilton Innovation District Implementation Plan**

Resulting from the work of staff relating to the new proposed Official Plan policies and Zoning By-law regulations it will be necessary to develop an implementation plan. In order for the vision for the district to be achieved a number of municipal capital projects and activities/initiatives must occur. The present initiatives (OP and Zoning) will set the stage and guide future public and private investment. The proposed CIP amendment noted above is also an implementing feature but deals solely with the City’s ability to provide financial incentive to private landowners. The City therefore needs to develop
an implementation plan which outlines necessary capital improvement projects and timelines for projects such as streetscape improvements and the Frid Street extension as well as operational improvements for initiatives such as the provision of public transit internal to the district. Therefore as noted in recommendation d) to Report PED06411 the timing is appropriate to develop such a plan.

**ALTERNATIVES FOR CONSIDERATION:**

1. **Status Quo** - Staff would monitor the uptake of the present ERASE CIP programs that are in effect. As well staff would propose capital projects and operational improvements as they became necessary. In choosing this alternative staff believes that the opportunity to shape and influence development within the district would not be as significant. Furthermore, in the absence of an Implementation plan the ability to co-ordinate projects effectively would become more difficult. Therefore, staff is not recommending this approach and believe in the proactive recommendations of Report PED06411.

2. **Creation of a new, standalone West Hamilton Innovation District Community Improvement Plan** – Staff considered developing a separate Community Improvement Plan for the District. This alternative is not recommended as staff believes that the recommended direction of amending the ERASE CIP will be more efficient from an administrative perspective, allow for a more timely approval from the Minister of Municipal Affairs and Housing, and, will allow any new programs to be funded from the present ERASE CIP without the need for increased funding.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial** – There are no immediate direct financial costs to the municipality resulting from the recommendations. The costs of financial incentives and capital programs for the West Hamilton Innovation District will be brought back to Council at a future date for consideration.

**Staffing** – The application of the recommendations would be handled through the Economic Development Division of the Planning and Economic Development Department in consultation with other Divisions (Development and Real Estate, Legal, Finance etc.).

**Legal** – Amendments to the ERASE CIP require public consultation, a public meeting as per the Planning Act, as well as approval of the Minister of Municipal Affairs and Housing. This report has been vetted through the City Solicitor.

**POLICIES AFFECTING PROPOSAL:**

The ERASE CIP as well as the proposed Official Plan policies of the West Hamilton Innovation District are relevant considerations in the preparation of this report.
RELEVANT CONSULTATION:

This report has been reviewed by Development and Real Estate Division staff as well as the City Solicitor.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, 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
Brownfield sites are being remediated. This contributes to the health and vitality of the neighbourhoods within which they are located.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
The remediation and redevelopment of brownfield properties makes efficient and effective use of City services as well as protecting human health and safety.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Brownfield redevelopment programs lead to effective partnerships with community stakeholders and the development community. Developers and property owners invest in brownfield properties leading to property assessment increases through the rehabilitation and redevelopment 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 brownfield redevelopment. Such initiatives are professionally stimulating and result in Hamilton being a choice for employment to those interested in bettering community life.

:JEG
Attach. (1)