TO: Mayor and Members
   General Issues Committee

COMMITTEE DATE: February 5, 2014

SUBJECT/REPORT NO: Request for Extension of Building Covenants from 
   Royal Gulf Development Inc. (Alaa Gaber), Owner of 148, 210 and 856 Beach Boulevard, Hamilton 
   (PED14021) (Ward 5)

WARD(S) AFFECTED: Ward 5

PREPARED BY: Darlene Cole
   (905) 546-2424 Ext. 7910

SUBMITTED BY: Joe-Anne Priel
   Acting General Manager 
   Planning and Economic Development Department

SIGNATURE: 

RECOMMENDATIONS

(a) That a request to extend building covenants imposed by the City upon Royal Gulf 
   Development Inc. (Alaa Gaber), owner of 148, 210 and 856 Beach Boulevard, 
   regarding three building lots described as Part 4, Plan 62R-14771, Part 6, Plan 
   62R-14959 and Part 9, Plan 62R-15601, as shown on Appendix “A” attached to 
   Report PED14021, be approved;

(b) That the dates for commencement and completion of construction be extended as 
   follows:

   (i) 148 Beach Boulevard to commence not later than April 25, 2014 and 
       completion not later than April 25, 2015;

   (ii) 210 Beach Boulevard to commence not later than May 31, 2014 and 
        completion not later than May 31, 2015;
(iii) 856 Beach Boulevard to commence not later than July 17, 2014 and completion not later than July 17, 2015;

(c) That the Mayor and Clerk be authorized and directed to execute all necessary documents in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The subject properties were transferred to Royal Gulf Development Inc. in April and July of 2012, subject to performance covenants whereby construction of three single family residences were to commence within 12 months. Site plan approvals were granted in May of 2013 and the developer has applied for building permits. Royal Gulf is currently preparing for construction of three single family residences in the Spring of 2014.

Alternatives for Consideration – See Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: Staff in Legal Services will prepare a letter of confirmation for execution by the Mayor and Clerk.

HISTORICAL BACKGROUND

The information and recommendations contained in this Report primarily affect Ward 5.

Royal Gulf Development Inc. acquired 148 and 210 Beach Boulevard in April of 2012. The site plan applications for 148 and 210 Beach Boulevard were submitted to the City in October 2012 and approvals were granted in May 2013. As for 856 Beach Boulevard, the site plan application was received in October 2012 and was conditionally approved in November of 2012; final approval will not be granted until MTO has issued its permit to build within the MTO regulated area.

Applications for building permits have been submitted (Nos. 13-109912-00 R9; 13-109922-00 R9; 13-110143-00 R9) and plans are under way for Spring 2014 construction. Approval from Council for extensions of the commencement / completion dates as stated in Recommendation (b) is being sought to secure and complete the permit process.
POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- Real Estate Portfolio Management Strategy Plan
- Growth Related Integrated Development Strategy
- Building a Strong Foundation
- Provincial Policy Statement
- Places to Grow

RELEVANT CONSULTATION

- Development Planning Division, Heritage and Design Section, Planning and Economic Development Department.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

Delayed timing to secure approvals and building permits has led to this request to extend the start / completion dates for these projects. The requested extensions are supported by staff given there are three projects to co-ordinate with seasonal limitations for construction.

ALTERNATIVES FOR CONSIDERATION

Withholding this request for extensions would mean the City could invoke its right to repurchase three parcels, pursuant to the covenant contained in each transfer:

“If the Transferee fails to comply with the conditions within the time required, then the Transferor shall have the option to re-purchase the property and to receive a conveyance of it free and clear of all charges and encumbrances, liens, claims or adverse interests whatsoever, and the Transferor agrees to pay the Transferee the original purchase price for the said lands, less the deposit, less real estate commission, less arrears of realty taxes, penalty and interest (including local improvement charges), less amounts required to discharge any mortgages, liens, charges or other encumbrances against the said lands and less the costs of the Transferor incurred in entering on the land and retaking and reselling the land and without increase or compensation for any improvements, additions, alterations in, on or under the said lands.”

Should the extensions not be granted, the City would be obliged to reimburse the owners the amount of $219,150 for the three lots, less deposits and associated expenses as provided in the foregoing covenant. Following repurchase, the City would again place these properties on the market. This option is not recommended as considerable time, monetary and other resources have been invested by Royal Gulf Development Inc.
Accordingly, staff recommends that the requested extensions be granted, allowing the developer to commence construction in the spring of 2014.

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

1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

Strategic Priority #3
Leadership & Governance

*WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.*

Strategic Objective

3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED14021 – Location Map

DC/sd
Location Map

Hamilton

Planning and Economic Development Department

File Name/Number: 2006-161
Date: December 20, 2013

Appendix "A"

Scale: N.T.S.
Planner/Technician: DC/AL

Subject Property

148, 210 & 856 Beach Boulevard
Owners: Royal Gulf Development Inc.
(Alaa Gaber)

Ward 5 Key Map

N.T.S.