To:        Chair and Members  
           Economic Development and Planning Committee  
           PED08186

From:     Tim McCabe  
           General Manager  
           Planning and Economic  
           Development Department  

Telephone:                905 546-4339  
Facsimile:                905 546-4364  
E-mail:                   Tim.McCabe@Hamilton.ca

Date:      July 16, 2008

Re:        Hamilton Downtown Residential Loan Program – 80 King William Street  
           (RL03/05) (PED08186) (Ward 2)

City Council at its meeting held June 11, 2003 approved a loan under the Hamilton Downtown  
Residential Loan Program (H.D.R.L.P.) for 80 King William Street, the former Spectator building,  
in the amount of $1,200,000 for the conversion of the property into fifty (50) condominium apartments.

The loan under the H.D.R.L.P. starts to flow at 60% project completion. To date there have been six (6) advances in the total amount of $1,101,207. Note that an administration fee of $20,000 was deducted from the total advances therefore the owner has received a total of $1,081,207.

The terms of the H.D.R.L.P. dictate that the minimum equity requirement of the owner in the property is 25%. In May 2008, the owner approached the Downtown and Community Renewal Division advising that they proposed to increase the amount of their first mortgage and requested approval as per the terms of the Program. The proposed increase in the first mortgage at that time did not meet the 25% equity requirement based on the 2006 property appraisal in the applicant's file. The owners subsequently agreed to pay for the cost of an independent appraisal of the property co-ordinated through the Real Estate Section. The results of the July 2008 appraisal and the proposed increase in the owner's first mortgage meets the 25% equity requirement of the Program. Therefore the General Manager of the Planning and Economic Development Department will approve the increase in the first mortgage based on the fact that the terms and conditions of the H.D.R.L.P. continue to be maintained taking into account the amount of the first mortgage, the total amount of the City’s loan placed on title as a second mortgage and, the value of the property. The General Manager of the Planning and Economic Development Department has delegated authority to approve the increase as per Council’s resolution of March 1, 2006.

Tim McCabe  
General Manager  
Planning and Economic Development Department  

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