**CITY OF HAMILTON**

**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
*Economic Development and Real Estate Division*

| TO:        | Chair and Members  
<table>
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<th>Economic Development and Planning Committee</th>
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<tr>
<td>WARD(S) AFFECTED:</td>
<td>CITY WIDE</td>
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<tr>
<td>COMMITTEE DATE:</td>
<td>March 2, 2010</td>
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<tr>
<td>SUBJECT/REPORT NO:</td>
<td>Expansion of the Hamilton LEEDing the Way Community Improvement Plan (PED08169a) (City Wide)</td>
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| SUBMITTED BY: | Tim McCabe  
|              | General Manager  
|              | Planning and Economic Development Department |
| PREPARED BY: | Brian Morris  
|              | 905-546-2424 Ext. 5602 |
| SIGNATURE: | |

**RECOMMENDATION:**

(a) That the Hamilton LEEDing the Way Community Improvement Project Area be expanded as set out in Report PED08169(a), and that the by-law attached to report PED08169(a) to amend the Hamilton LEEDing the Way Community Improvement Project Area as Appendix 'A' be enacted.

(b) That the amendment to the "Hamilton LEEDing the Way Community Improvement Plan" attached as Appendix 'B' to Report PED08169(a) be approved.

(c) That the revised LEED Grant Program as described in Appendix 'C' to report PED08169(a) be approved.

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Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
EXECUTIVE SUMMARY

The purpose of this report is to introduce the expansion of the Hamilton LEEDing the Way Community Improvement Project Area to the full limits of the urban area of the City of Hamilton. It is also to propose that Leadership in Energy and Environmental Design (LEED) certified Mixed-Use and Multi-Unit Residential (as defined in Part 3 (Group C) of the National Building Code) developments/redevelopments be eligible, along with Industrial and Commercial developments/redevelopments, under the LEED Grant Program (LGP). This report is prepared and presented under the requirements of the Planning Act and the comments received during this Public Meeting represent continued public input into this process.

There has been limited activity with respect to inquiries on the Hamilton LEEDing the Way Community Improvement Plan (CIP) and the LEED Grant Program. To date, there has been no formal applications filed to the LEED Grant Program, but there have been preliminary expressions of interest on a number of different developments of which several would be contained within the proposed expanded Hamilton LEEDing the Way Community Improvement Project Area. These are not, however, formal applications.

Consequently, the decision was made to combine the delivery and administration of this program in the Economic Development and Real Estate Division. This will ensure consistency and efficiencies in delivery and complement the existing Brownfield (ERASE) programs currently offered by this division of the Planning and Economic Development Department.

There will be no direct financial implications to the City with the expansion of the Hamilton LEEDing the Way Project Area boundary and the inclusion of Mixed-Use and Multi-Unit Residential developments and redevelopments to the LEED Grant program. The LEED Grant Program is a tax increment based grant program, whereby future tax increase on the property pay for the specific eligible costs of a LEED certified development, there is no upfront cost or budget impact to the City. Opportunity costs (foregone property tax revenue) over a five year period will be calculated as part of the program monitoring measures.

Alternatives for Consideration – See Page 10

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

Financial: Funding for grants under the LEED Grant Program are funded from taxes paid by the property owners due to the increase in municipal realty taxes as a direct result of the development/redevelopment.
Staffing: Administration of the expanded Hamilton LEEDing the Way CIP and the financial incentive program contained within can be accommodated within the Planning and Economic Development Department and the Corporate Services Department.

Legal: Subsection 28 (7) of The Planning Act permits municipality in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Sub-section 106(2) of The Municipal Act, to the registered owners, assessed owners, tenants, or their respective assignees, of lands and buildings within the designated Community Improvement Project Areas.

HISTORICAL BACKGROUND (Chronology of events)

At the Economic Development and Planning Committee meeting dated September 2, 2008, (Council adopted September 10, 2008) the "Hamilton LEEDing the Way" Community Improvement Plan (PED08169) was adopted. Recommendation e) of report PED08169 directed staff of the Economic Development and Real Estate Division to be authorized and directed to amend the ERASE CIP in accordance with the provisions of the Planning Act, to include LEED certification as per the LEED Grant Program to be added as an eligible cost under the ERASE Redevelopment Grant Program.

Prior to making the amendments to the ERASE CIP, staff reviewed the existing CIP and investigated expanding the Hamilton LEEDing the Way Community Improvement Project Area Boundary from the Business Parks and Industrial Areas to mirror that of the ERASE Community Improvement Project Area Boundary (entire urban area), partially due to ease of administration as well as comments and inquiries received by both the Economic Development and Real Estate Division and the Industrial Parks and Airport Development Division. While the Hamilton LEEDing the Way Community Improvement Plan has been well received, the question from private sector businesses, consultants and developers has been why the LEED grant program is not applicable to other areas of the City and to developments other that industrial and commercial.

The Hamilton LEEDing the Way CIP was originally drafted in an effort to stimulate and drive private investment in the City's industrial business parks and industrial areas, and improve the economic, environmental and social conditions throughout the business parks and industrial areas through sustainable building practices. Since the Hamilton LEEDing the Way CIP has been approved, there have been a number of inquiries to the LEED Grant Program (LGP); however, to date, there has been no applications accepted by the Industrial Parks and Airport Development Division. In addition there have been a number of inquiries with regard to the program from interested developers with projects that fall outside of the current project area boundary (i.e. downtown), and with projects that are not strictly industrial or commercial developments (e.g. mixed-use).
What is LEED Certification?

Leadership in Energy and Environmental Design (LEED) certification is a system that takes a sustainable development approach to the design, construction and operation of the built environment. The LEED rating system was developed and is administered by the U.S. Green Building Council (USGBC) and aims to significantly minimize the impact of buildings on the environment and on occupants.

LEED certification verifies that a building project meets high performance standards. It is proof that a building is environmentally responsible, profitable, and a healthy place to live and work (USGBC, 2007). The Canada Green Building Council (CaGBC) has modelled its certification rating system after the USGBC and tailored it specifically to Canadian climates, construction practices and regulations (CaGBC, 2003). The standards for the Canadian structure include:

- Sustainable sites
- Water efficiency
- Energy and atmosphere
- Materials and resources
- Indoor environmental quality
- Innovation and design process

Certification is granted by the CaGBC based on a total point score following a review of detailed documentation submitted by the design and construction team. It assesses how well a building satisfies the above standards. The extent to which the project meets the requirements will determine the level of certification the building attains. There are four levels of certification – certified, silver, gold and platinum making it possible for buildings with a range of constraints and goals to achieve green building status and be LEED certified.

The Hamilton LEEDing the Way Community Improvement Project Area

As noted, the existing Hamilton LEEDing the Way Community Improvement Project Area applies to the City's Industrial Business Parks (Ancaster Business Park, East Hamilton Mountain Business Park, Flamborough Business Park, Stoney Creek Business Park and the West Hamilton Innovation District), and the Bayfront and East Hamilton Industrial Areas. The expanded Hamilton LEEDing the Way Community Improvement Project Area would extend to the limits of the 'urban area' of the City of Hamilton.
LEED Grant Program

The intent of the LEED Grant program is to provide an economic catalyst for sustainable building and sustainable land development practices located within the LEEDING the Way Community Improvement Project Area.

The purpose of the grant program is for the City to share the incremental construction cost, consultation, and energy modelling and certification fees with the applicant to achieve LEED certification. Grants are calculated on the basis of the rating of official certification under the LEED rating system by the Canadian Green Building Council (CaGBC).

The program authorizes for each approved grant application a five (5) year grant, the amount of which is subject to Council approval, in an amount not exceeding the increase in municipal realty taxes as a direct result of the development/redevelopment of land and/or building. The grant which may be approved by Council shall be an amount which does not exceed 75% of the municipal realty tax increase during the term of the grant. For purposes of determining the eligible amount of the increase in municipal realty taxes, special charges shall be excluded from the calculation. The grant would reduce the effect of an increase in municipal (City portion only) realty taxes attributable to the differential between the pre-development assessment and the post-development assessment. The approved grant is assignable. The grant program may be applied for with other incentive programs that the City of Hamilton offers except for other Tax Increment Financing programs.

POLICY IMPLICATIONS

Provincial Policy Statement

This plan is consistent with the Provincial Policy Statement 2005 in that it intends to build strong communities within the City of Hamilton. The plan promotes efficient land use and development patterns that support strong, liveable and healthy communities as well as facilitating economic growth. This plan also encourages and provides assistance for sustainable building practices which include alternative energy, etc.

Growth Plan for the Greater Golden Horseshoe

The Growth Plan envisages increasing intensification of the existing built-up area, with a focus on urban growth centres, intensification corridors, major transit station areas, Brownfield sites and Greyfields. The Hamilton LEEDing the Way Community Improvement Plan could contribute to the increased intensification in the built-up area.
The vision for the Greater Golden Horseshoe is grounded in the following principles that provide the basis for guiding decisions on how land is developed, resources are managed and public dollars invested:

- Build compact, vibrant and complete communities.
- Plan and manage growth to support a strong and competitive economy.
- Protect, conserve, enhance and wisely use the valuable natural resources of land, air and water for current and future generations.
- Optimize the use of existing and new infrastructure to support growth in a compact, efficient form.
- Provide for different approaches to managing growth that recognize the diversity of communities in the GGH.
- Promote collaboration among all sectors – government, private and non-profit and residents to achieve the vision.

Further, providing opportunities for businesses and residences to locate in the GGH is fundamental to using land wisely and ensuring a prosperous economic future. This plan also encourages the private sector to take a non-traditional approach to land development and building. In doing this, the Growth Plan’s “Culture of Conservation” principle is further enhanced. Some of the areas in which conservation may be applied include:

(a) Water Conservation
   (i) water demand management, for the efficient use of water
   (ii) water recycling to maximize the reuse and recycling of water.

(b) Energy conservation
   (i) energy conservation for facilities
   (ii) identification of opportunities for alternative energy generation and distribution
   (iii) energy demand management to reduce energy consumption
   (iv) land-use patterns and urban design standards that encourage and support energy-efficient buildings and opportunities for cogeneration.

(c) Air quality protection, including reduction in emissions from municipal and residential sources

(d) Integrated waste management, including –
(i) enhanced waste reduction, composting, and recycling initiatives and the identification of new opportunities for source reduction, reuse, and diversion where appropriate

(ii) promotion of reuse and recycling of construction materials

Regional Municipality of Hamilton-Wentworth Official Plan

The Official Plan for the former Regional Municipality of Hamilton-Wentworth, “Towards a Sustainable Region” contains the necessary Community Improvement Policies.

Amendment No. 11 to the above noted Official Plan was passed on February 26, 2003. This amendment added a new Section 6A on Community Improvement Policies to Part D – Implementation, Section 6 – Secondary/Neighbourhood Plans of the Official Plan of the former Regional Municipality of Hamilton Wentworth. The primary purpose of this amendment was to add a new policy to the Official Plan to establish city-wide community improvement policies. These policies allow a range of community improvement issues such as environmental issues to be addressed across the entire urban area rather than just in small defined geographic locations. Section 6A.1 clearly permits that the entire Urban Area or any part of the Urban Area may by by-law be designated as a community improvement project area.

Section 6A.2 sets out the characteristics or criteria to be used when designating community improvement project areas. Section 6A.2 requires only that one or more of the following characteristics be present:

a) building stock or property in need of rehabilitation;

b) buildings and structures of heritage or architectural significance;

c) encroachment of incompatible land uses or activities;

d) deteriorated or insufficient physical infrastructure such as, but not limited to, sanitary and storm sewers and water mains, public transit, roads/streets, curbs, sidewalks, street lighting and utilities;

e) deteriorated or insufficient community services such as, but not limited to public indoor/outdoor recreational facilities, public open space and public social facilities;

f) inadequate mix of housing types;

g) known or perceived environmental contamination;

h) deteriorated or insufficient parking facilities;

i) poor overall visual amenity of the area, including, but not limited to streetscapes and urban design;
j) existing Business Improvement Areas or potential for inclusion in a Business Improvement Area designation;
k) inappropriate road access and traffic circulation;
l) shortage of land to accommodate building expansion and/or parking and loading facilities;
m) other barriers to the improvement or redevelopment of under utilized land or buildings; and,
n) any other environmental or community economic development reasons for designation.

A number of properties in the urban area exhibit several of these characteristics, including:
- buildings in need of rehabilitation due to poor energy efficiency etc.
- a shortage of land to accommodate building expansion;
- deteriorated infrastructure; and,
- poor overall visual amenity.

Section 1.0 outlines numerous environmental, economic and social reasons (benefits) for the promotion of sustainable building. The Hamilton LEEDing the Way CIP applies to both new construction as well as redevelopment.

Section 6A.3 of the Official Plan outlines the actions which the City can take through community improvement plans. This includes:

a) provision of grants and loans;
b) acquisition of land or buildings and subsequent clearance, rehabilitation, redevelopment or resale of these properties or other preparation of land or buildings for community improvement; and,
c) other municipal actions, programs or investments for the purpose of strengthening and enhancing neighbourhood stability, stimulating production of a variety of housing types, facilitating local economic growth, improving social or environmental conditions, or promoting cultural development.

RELEVANT CONSULTATION

In preparing the Hamilton LEEDing the Way CIP and accompanying LEED Grant Program, staff consulted with a number of experts in the field including staff from Enermodal Engineering. Staff also met with McCallum Sather Architects to discuss and review the Hamilton LEEDing the Way CIP.
In addition, staff attended a number of Green/Sustainable building and LEED seminars, workshops and conferences across Ontario while developing the proposed amendments to the Hamilton LEEDing the Way Community Improvement Plan.

The following Divisions within the Corporation were consulted on the Plan: Strategic Services and Special Projects – Planning and Economic Development Department; Planning Division – Planning and Economic Development Department; Legal Services – Corporate Services Department; and, Finance (Taxation) – Corporate Services Department. Staff from the Ministry of Municipal Affairs and Housing were also consulted.

A Public Open House outlining the proposed amendments and expansion to the Hamilton LEEDing the Way CIP was held on November 17, 2009 at the Parks Canada Discovery Centre.

Also, the Hamilton Chamber of Commerce was circulated a notice with respect to the Hamilton LEEDing the Way CIP amendments and a presentation was given to the Hamilton Chamber’s Business Development Committee on January 13, 2010. The comments received also contributed to the proposed expansion of the programs.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

The economic, environmental and social benefits of LEED certified buildings are well documented. The LEED certification process is an established method for measuring a building’s "greenness" or sustainability. Building to a LEED standard is increasingly seen as good business and good for the community as a whole.

While there are some incentive programs for green building / LEED certification in Canada, most municipalities are simply in the exploratory stage. The existing LEED Grant program is the only one of its kind in Canada.

As noted above, the existing Hamilton LEEDing the Way Community Improvement Project Area applies to the City’s Industrial Business Parks and the Bayfront and East Hamilton Industrial Areas as identified within the respective Official Plans. The expanded Hamilton LEEDing the Way Community Improvement Project Area would extend to the limits of the ‘urban area’ of the City of Hamilton. The expansion of the Community Improvement Project Area to the full limits of the urban area is consistent with the ERASE Community Improvement Project Area. Furthermore, recommendation e) of report PED08169 directed staff of the Economic Development and Real Estate Division to be authorized and directed to amend the ERASE CIP in accordance with the provisions of the Planning Act, to include LEED certification as per the LEED Grant
Program to be added as an eligible cost under the ERASE Redevelopment Grant Program.

The proposed expansion of the Hamilton LEEDing the Way Community Improvement Project Area to the limits of the urban area emulates and builds on existing incentive programs in Hamilton (ERASE CIP) and in other municipalities that promote LEED certification. The expansion also addresses the concerns of the private sector, as heard through the public process by way of a Public Open House and communications between City staff and the business community, by expanding the project area boundary and also incorporates developments / redevelopments of mixed-use and multi-unit residential (as defined in Part 3 (Group C) of the National Building Code). This expansion also takes the concepts of the original Hamilton LEEDing the Way CIP a step further by improving the economic, environmental and social conditions throughout the entire urban area.

With the Hamilton LEEDing the Way Community Improvement Project Area as the Industrial business parks and industrial areas, the land use designations within these areas are industrial and commercial. Through expansion of the project area to the 'urban area' of the city, other land use designations are contained within the project area.

Expanding the project area to the limits of the urban boundary would allow for other projects to be considered. It is recommended that Mixed-Use and Multi-Unit Residential Buildings (as defined in Part 3 (Group C) of the National Building Code) along with industrial and commercial developments / redevelopments, be eligible for the LEED Grant Program along with the expansion of the CIPA. In essence, these 'significant' projects would make the return on the tax increment incentive more lucrative and would further promote and adhere to the policies as outlined in the policy implications section of this report. It is often times difficult and expensive to achieve LEED certification on mixed-use and multi-unit residential buildings. Including these uses as eligible for financial assistance under the LEED Grant program may also help with intensification target and infill development.

Furthermore, because the LEED Grant Program is a tax increment based grant program, there is no upfront cost or budget impact to the City if the project area is expanded and additional land uses are included. The City can add Mixed-Use and Multi-Unit Residential projects to the Hamilton LEEDing the Way CIP and monitor uptake of the LEED Grant Program over the next several years to determine if the program is being used more by certain types of developments/redevelopments. This will provide staff with information needed to adjust the program as necessary.

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There are several options to consider when expanding the Hamilton LEEDing the Way Community Improvement Project Area to the limits of the urban area.

One option would be to expand the project area but still restrict eligible proponents to the LEED Grant Program to industrial and commercial developments/redevelopments. This option, while good for commercial developments (i.e. office buildings) that fall outside the existing project area boundary, could also provide a disincentive to achieve LEED certification on other types of new and redeveloped buildings in the urban area.

A second option would be to open the program up to all types of developments / redevelopments that would achieve LEED certification in the urban area, including residential. While this option would effectively provide a financial incentive for all types of LEED certified developments, the actual tax increment on a single detached dwelling or a duplex would presumably not be sufficient enough to warrant the administration of program to all types of development.

A Third option would be the do nothing approach and leave the Hamilton LEEDing the Way CIP and the Hamilton LEEDing the Way Community Improvement Project Area as is.

**CORPORATE STRATEGIC PLAN**  (Linkage to Desired End Results)


**Skilled, Innovative & Respectful Organization**
- More innovation, greater teamwork, better client focus

**Financial Sustainability**
- Financially Sustainable City by 2020
- Effective and sustainable Growth Management
- Generate assessment growth/non-tax revenues

**Growing Our Economy**
- Newly created or revitalized employment sites
Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.
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- Competitive business environment
- An improved customer service

**Environmental Stewardship**
- Reduce the impact of Hamilton’s industrial, commercial Private and Public operations on the environment
- Aspiring to the highest environmental standards

**Healthy Community**
- Plan and manage the built environment

**APPENDICES / SCHEDULES**

Appendix “A” to Report PED08169(a) is By-law to amend the Hamilton LEEDing the Way Community Improvement Project Area

Appendix “B” to Report PED08169(a) is the amended Hamilton LEEDing the Way CIP

Appendix “C” to Report PED08169(a) is the revised LEED Grant Program

BM: dt
Attach. (3)
CITY OF HAMILTON

BY-LAW NO. XX-XXX

To amend the Hamilton LEEDing the Way Community Improvement Project Area

WHEREAS Sub-section 28(2) of the Planning Act entitled "Community Improvement" provides in part:

"Where there is an official plan in effect in a local municipality that contains provisions related to community improvement in the municipality, the council may, by by-law, designate the whole or any part of an area covered by such an official plan as a community improvement project area";

AND WHEREAS the Planning Act defines a "community improvement project area" as "an area within a municipality, the community improvement of which in the opinion of council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.";

AND WHEREAS Section 6A of the Hamilton-Wentworth Official Plan contains provisions relating to community improvement;

AND WHEREAS By-law 08-213 identifies various areas of the City of Hamilton, including Flamborough Business Park, West Hamilton Innovation District, Ancaster Business Park, Airport Business Park, Hamilton Mountain Business Park, The North Glanbrook Business Park, Stoney Creek Business Park, East Hamilton Industrial Area and the Bayfront Industrial Area and designates collectively such areas as the "Hamilton LEEDing the Way Community Improvement Project Area";

AND WHEREAS the Council of the City of Hamilton deems it appropriate to expand the Community Improvement Project area to the urban area of the City of Hamilton

AND WHEREAS attached hereto and forming part of this by-law as Schedule "A" is a map of the urban area of the City of Hamilton dated ------;
1. The geographic portion of the City of Hamilton as shown on Appendix A and forming part of this by-law, is hereby designated as the "Hamilton LEEDing the Way Community Improvement Project Area".

2. By-law 08-213 is hereby amended by deleting and replacing Schedule A thereof with Schedule A attached to this By-law.

PASSED and ENACTED this XX day of MONTH, XXXX

__________________________________________  ___________________________________________
Fred Eisenberger                              Kevin C. Christenson
Mayor                                          City Clerk
Schedule A

[Map Image]
City of Hamilton

By-law No. XX-XXX

To Adopt:

Amendment No. 1

to the

Hamilton LEEDing the Way Community Improvement Plan

Whereas By-law 08-213, passed on the 10th day of September 10, 2008, designated the Hamilton LEEDing the Way Community Improvement Project Area;

And whereas Section 28 of the Planning Act entitled Community Improvement states that where a by-law has been passed to designate a community improvement project area, the Council may provide for the preparation of a plan suitable for adoption as a community improvement plan for the community improvement project area;

And whereas By-law 08-214, passed on the 10th day of September, 2008, adopted and approved the Hamilton LEEDing the Way Community Improvement Plan;

And whereas Council by its Economic Development and Planning Committee held a public meeting on March 2, 2010 to discuss and receive public input regarding an amendment to the Hamilton LEEDing the Way Community Improvement Plan, and has taken other steps required to amend the Plan, prior to the enactment of this By-law, as required by the Planning Act;

And whereas the City has prepared an amendment to the Hamilton LEEDing the Way Community Improvement Plan, attached hereto as Schedule 1 and forming part of this By-law;

Now therefore the Council of the City of Hamilton enacts as follows:

1. Amendment No. 1 to the Hamilton LEEDing the Way Community Improvement Plan, consisting of Schedule 1, hereto annexed and forming part of this by-law, is hereby adopted and approved.
2. Schedule 'A' to By-law 08-214 is hereby amended as set out in Schedule 1 to this By-law.

PASSED and ENACTED this XX day of MONTH, XXXX

______________________________   ________________________________
Fred Eisenberger                      Kevin C. Christenson
Mayor                                City Clerk
Amendment No. 1

to the

Hamilton LEEDING the Way
Community Improvement Plan

The following text and Schedules constitutes Amendment No. 1 to the Hamilton LEEDING the Way Community Improvement Plan.

Purpose

The purpose of this amendment is to:

- Expanding the program to include mixed use and multi-unit residential development and redevelopments; and
- To make clerical and administrative changes to the CIP and the associated financial incentive program descriptions and terms.

Actual Changes

That the Hamilton LEEDING the Way Community Improvement Plan be amended as follows:

1. That Section 1.3, Purpose of the CIP, fourth paragraph be deleted and replaced as follows:

"The purpose of the Hamilton LEEDING the Way Community Improvement Plan (CIP) is to provide information and incentives for the improvement and enhancement of existing and future industrial, commercial, mixed use and multi-unit residential (as defined in Part 3 (Group C) of the National Building Code) developments within the urban area of the City of Hamilton. This plan was designed to improve economic, environmental and social conditions across the City."

2. That Section 2.2, Section 28 - Planning Act, second paragraph, second sentence be amended by deleting the words "business parks and industrial areas" and replacing them with the words "entire urban area".

3. That Section 2.3, Regional Municipality of Hamilton-Wentworth Official Plan, fourth paragraph, first sentence, be amended by deleting the words "Some Properties in the Business Parks and on Brownfields exhibit several of these
characteristics, including:" and replacing them with the words "A number of properties in the urban area exhibit several of these characteristics, including:"

4. That Section 2.5, Growth Plan for the Greater Golden Horseshoe, third paragraph, first sentence, by adding the word "and residences following the words "opportunities for businesses".

5. That Section 3.0, LEEDing the Way Community Improvement Project Area be deleted and replaced as follows:

"3.0, LEEDing the Way Community Improvement Project Area

The Hamilton LEEDING the Way Community Improvement Plan (CIP) applies to the lands within the areas identified as the Hamilton LEEDING the Way Community Improvement Project Area (CIPA) as designated by by-law which may be subsequently amended from time to time. The CIPA applies to the City's urban area.

The Hamilton ERASE CIP was approved by City Council in 2001 and subsequently amended in 2005. The ERASE CIPA applies to the entire “Urban Area” of the City of Hamilton. Obviously there is overlap of the two CIPAs as both have the same project area.

The Hamilton ERASE CIP provides financial assistance to registered owners, assessed owners, and tenants to assist with the costs of assessing and remediating brownfield sites throughout the urban area of the City.

The City also has a Downtown Hamilton, Community Downtowns and Business Improvement Area CIP. The area of the CIPA for the Downtown Hamilton, Community Downtowns and Business Improvement Area also overlaps the Hamilton LEEDING the Way CIP."

6. That Section 4.0, Goals of the Hamilton LEEDING the Way CIP be amended by adding subsection i) as follows:
"i) to promote and encourage infill development."

7. That Section 6.8, Municipal Land Disposition be renumbered to "6.3, Municipal Land Disposition" to address an administrative error, and that the subsequent sections be renumbered accordingly.

8. That Section 7.0, Program Monitoring and Adjustment, first paragraph, first sentence be amended by deleting the words "Industrial Parks and Airport Division" and replacing them with "Economic Development and Real Estate Division".
9. That Section 9.0, Conclusion, first paragraph be amended deleting the last word of the paragraph "buildings" and replacing it with ", mixed use and multi-unit residential buildings".

Implementation

The provisions of Section 6A of the former Hamilton-Wentworth Official Plan and Section 28 of the Planning Act give effect to this amendment.

This amendment constitutes Schedule 1 to By-law No. 10-______ passed on the _____day of ________, 2010.
LEED GRANT PROGRAM

PROGRAM DESCRIPTION

The intent of the LEED Grant Program is to provide an economic catalyst for the construction of sustainable industrial, commercial, mixed-use and multi-unit residential (as defined in Part 3 (Group C) of the National Building Code) buildings and land development in the urban area. This program applies to the Hamilton LEEDING the Way Community Improvement Project Area (as such boundaries are presently defined).

The purpose of the grant program is for the City to share (50/50) the incremental construction cost, consultation, energy modeling and certification fees with the applicant to achieve LEED certification. Grants are calculated on the basis of the rating of official certification under the LEED rating system by the Canadian Green Building Council (CaGBC). Please refer to table below.

This program authorizes for each approved grant application, a five year grant, the amount of which is subject to Council approval, in an amount not exceeding the increase in municipal realty taxes as a direct result of the development/redevelopment of the land and/or building. The grant, which may be approved by Council, shall be an amount, which does not exceed 75% of the municipal realty tax increase during the first five (5) years following which the building has been officially certified under the LEED rating system by the Canadian Green Building Council (CaGBC). The base year for determining pre-development taxes will be the year building permit is issued.

The grants may be received by an owner in conjunction with any other available municipal program except for other tax increment financing programs. The approved grants are not assignable by the owner to anyone, except to the initial purchaser of any condominium unit. The total of each property’s five years of approved grants shall not exceed the City’s share of the incremental construction cost.

A limited assignment of the grant under the terms of the Program may be made from a registered or assessed owner of the property to the initial purchaser of each new condominium unit. The assignment of the grant shall not apply to any...
subsequent re-sale of any such unit. The assigned grant shall be restricted to the balance of the five (5) year term following the date of the registration of the condominium and from the date which the building has been officially certified under the LEED rating system by the CaGBC. The first-year grant is payable during the calendar year in which 75% of the condominium units within the project are fully assessed, and is calculated on a rateable per unit basis. A one time administration fee of $340 per unit shall be deducted from the initial grant payment. Fees will be authorized through a by-law passed by City Council. The rate of the fees may be changed from time to time as approved by City Council.

The grant terminates following the five (5) year period (5 grant payments) or when the City’s share of the incremental construction cost has been granted in full (whichever comes first).

For purposes of determining the eligible amount of the increase in municipal realty taxes, special charges shall be excluded from the calculation. The base year for the purposes of calculating the grant is the taxes the day prior to the issuance of a building permit. The grant would reduce the effect of an increase in municipal (City portion only) realty taxes attributable to the differential between the pre-development assessment and the post-development assessment.

Before any grant is provided to the applicant for a property for which a satisfactory grant application has been received and approved, realty taxes are required to have been paid in full each year and, in compliance with the City’s by-laws and policies.

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<td>$1.25/sq.ft</td>
<td>$1.50/sq.ft</td>
</tr>
<tr>
<td>*Return on Investment</td>
<td>Under 3 years</td>
<td>3 – 5 years</td>
<td>5 – 10 years</td>
<td>10+ years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Incremental Construction Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Applicant Share</td>
</tr>
<tr>
<td>City Share</td>
</tr>
</tbody>
</table>

* Please note – Return on Investment includes only annual utility energy savings.

Source: Enermodal Engineering, Kitchener ON
GRANT CRITERIA

Developing, redeveloping or renovating lands and buildings within the Hamilton LEEDING the Way Community Improvement Project area for LEED certified industrial, commercial, mixed-use and multi-unit residential projects, are eligible for grant approval following the owner’s grant application for Council approval. Such application shall be submitted and only received if it is prior to the owners commencement of development of their property and shall include plans, estimates, contracts and other details as may be required to satisfy the City as to the cost of the project and as to the conformity of the project with the objectives of the Hamilton LEEDING the Way Community Improvement Plan.

Such project is also required to be in compliance with the City's other by-laws and policies, including zoning, site plan approval, design guidelines, etc. The compliance of each application with the criteria of this program and the amount and the property’s grants (within the permitted terms of this program) is in the discretion of and subject to Council approval.

The applicant will be required to enter into an Agreement with the City of Hamilton that sets out the conditions of the annual grant.

LEED EXPLAINED

By Enermodal Engineering of Kitchener ON

The LEED™ (Leadership in Energy and Environmental Design) green building rating system was originally developed by the U.S. Green Building Council (USGBC) to provide a recognized standard for the construction industry to assess the environmental sustainability of building designs. Canadian Green Building Council (CaGBC) has since adapted the USGBC LEED™ rating system to the specific concerns and requirements of buildings in Canada.

LEED™ is a point-based rating system; points are earned for building attributes considered environmentally beneficial. LEED™ differs from other rating systems in that it has quantified most of the "green credits". For example, 5% of the building materials must be from salvaged materials to earn a point for the salvaged materials credit.

LEED™ 69 points (70 for LEED™ Canada) covering six topic areas. Each topic area has a statement of associated goals.

Site Development: minimize storm water run-off, encourage car pooling and bicycling, increase urban density and green space
Water Efficiency: eliminate site irrigation, reduce water consumption, minimize or treat wastewater

Energy Efficiency: reduce building energy consumption, use renewable energy, eliminate ozone-depleting chemicals, commission building systems

Material Selection: minimize construction waste, re-use existing building façade, use recycled and salvaged materials, use renewable construction materials and design and build more durable buildings

Indoor Environmental Quality: incorporate day lighting, use low off-emitting materials, provide operable windows and occupant control of work space, improve delivery of ventilation air

Innovation in Design: use a LEED Accredited Professional, greatly exceed the requirements of a credit, incorporate innovative environmental features not covered in other areas.

Designers can pick and choose the credits most appropriate to their project to achieve a rating. LEED™ has four performance ratings:

- 26 to 32 points: Certified
- 39 to 51 points: Gold
- 33 to 38 points: Silver
- 52 or more: Platinum

The LEED™ system can be used in three ways to improve the “green-ness” of a building design:

1. LEED™ can serve as a design guide for the design team. The LEED™ credit system is a systematic way of ensuring that the most important environmental issues are considered during the design of a building.
2. LEED™ reports are a valuable means of showing the client and other interested parties that the design has effectively addressed environmental issues.
3. A building design can be certified by the USGBC or CaGBC.

Certification provides increased market exposure and places the building in elite company among the greenest buildings in North America. LEED™ registration and certification fees are 4 cents U.S. or 7 CDN cents per square foot. In addition, LEED™ requires calculations and documentation to validate each LEED™ credit claimed.

LEED™ is the most recognized green building rating system in North America. There are over 200 buildings that have been registered with the CaGBC (over 2000 are registered with the USGBC to become LEED™ certified). Many developers, particularly those working on federal government and leading-edge
private sector buildings, are requiring that building designs meet LEED™ Silver performance. Given that conventional new buildings would likely score only a few LEED™ points, achievement of any LEED™ level represents a significant reduction in building environmental impact and improvement of indoor environment.

The Canadian version of LEED™ is similar to the U.S. version with the exception that energy efficiency is relative to the Canadian Model Energy Code for Building.

The larger benefit of LEED™ buildings is an improved indoor environment (lower absenteeism, greater productivity, better thermal comfort), lower maintenance costs (commissioned building, more durable materials, smaller or eliminated building systems), higher corporate profile (increased product sales, marketing advantage, improved employee morale), and reduced risk of remedial measures (to deal with sick building syndrome or environmental contaminants).

**EXAMPLE**

**GRANT CALCULATION – FOR A LEED SILVER INDUSTRIAL BUILDING IN STONEY CREEK INDUSTRIAL BUSINESS PARK**

The Grant shall be calculated according to the following formulas:

Grant Level (% of Tax Increment): 75%
Total Construction Cost $1,360,000
Cost increment for LEED Silver $40,800
Total Eligible Costs City’s Share (Maximum): $20,400

Pre-project AV: $48,500.00 Year: 2004

Municipal Levy: $127.55
Education Levy: $35.89
**Pre-project Property Taxes:** $163.44

Post-project AV: $3,185,000.00 Year: 2007

Municipal Tax Increment = Post-project Municipal Taxes (actual) - Pre-project Municipal Taxes

“Grant Payment in Year 1” (first full calendar year after re-valuation of the completed and occupied project by the Municipal Property Assessment Corporation) or the “Initial Grant Payment” = Municipal Tax Increment*100%
Calculation of Grant Payment in Year 1 (Initial Grant)

Pre-project Municipal Taxes = Municipal Levy = $127.55
Post-project Property Taxes = $183,616.94
Post-project Municipal Taxes = $126,724.46
Municipal Tax Increment = $126,724.46 - $127.55 = $126,596.91
Maximum Grant Payment in Year 1 = $126,596.91 x 0.75 = $94,947.68

NOTE: Tax increment exceeds the eligible amount, therefore, only eligible amount is payable

Therefore, Grant Payment Year 1 is $20,400 and the program ends.

Eligible Costs if:

LEED Gold = $34,000
LEED Platinum = $54,400