TO: Chair and Members
   Economic Development and Planning Committee
WARD(S) AFFECTED: WARD 1, 2, 3, 4, 7, 12

COMMITTEE DATE: March 2, 2010

SUBJECT/REPORT NO: Commercial Property Improvement Grant Program (C.P.I.G.) Fall Applications (PED10038)

SUBMITTED BY: Tim McCabe
   General Manager
   Planning and Economic Development Department

PREPARED BY: Lisa Browett 905-546-2424 ext 7519

RECOMMENDATION:

a) That the applications recommended for approval and identified within Appendix ‘A’ to Report PED10038 be approved for funding according to the terms and conditions of the Commercial Property Improvement Grant Program (C.P.I.G.).

b) That applications relating to properties with outstanding taxes be approved, subject to the condition that no grant monies will be advanced until such time as all outstanding property taxes, including any applicable penalties and interest, have been paid in full, failing which the grant approval shall be cancelled.

c) That the grant portion to fund the applications identified in Appendix ‘A’ to Report PED10038 in the total amount of $202,017 be funded as follows: $107,905 from Commercial Property Improvement Grant (C.P.I.G.) Project ID# 8200903610 and $94,112 be funded from the Commercial Property Improvement Grant Reserve 112229.
d) That unallocated grant monies identified in recommendation (c) above that result from taxes not being paid or applicants not proceeding with renovation of their properties, be transferred to the Commercial Property Improvement Grant (C.P.I.G) Reserve to be utilized for future loan and grant programs administered by the Downtown and Community Renewal Division for Hamilton’s Business Improvement Areas.

e) That the Director of Downtown and Community Renewal, Planning and Economic Development Department, be authorized and directed to approve increases/decreases to the individual grant amounts approved as long as the overall grant portion referenced in recommendation (c) above is not exceeded and said grant is in accordance with the program rules.

f) That the Director of Downtown and Community Renewal, Planning and Economic Development Department, be authorized to approve a maximum extension period of one (1) year to applicants for the completion of works, over and above the one (1) year period applicants are given that commences the date Council approves their grant.

g) That staff be authorized and directed to prepare and execute Letters of Understanding with Council-approved applicants, with such Letters of Understanding being in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

Report PED10038 recommends the approval of applications submitted under the terms of the Commercial Property Improvement Grant Program (C.P.I.G.). The C.P.I.G. Program provides matching grants based on $400.00 per linear foot of façade to a maximum of $20,000.00 per property or $25,000.00 for corner properties. Grants are available to property owners and authorized tenants within Hamilton’s B.I.A.s for façade improvements.

All properties must be in conformity with relevant policy documents of the City and the provisions of the Zoning By-law. Building Inspections of the proposed work and Evaluation/Summary Reports of the inspection are completed prior to the commencement as well as upon completion of the work. The initial Inspection reports form the basis of any conditions that are to be referenced within the Letter of Understanding between the City of Hamilton and the applicant. The status of property tax payments is checked upon application submission and prior to advancement of any grant monies. Included in the Letter of Understanding is a condition that all Property taxes must be paid in full prior to any grant monies being advanced for completed work.
Twenty (20) applications received for the Fall 2009 Program are being recommended for funding. The total dollar value of the proposed improvements is $404,035. The City portion of that work is $202,017. The City’s grant represents 50% of the total construction cost.

Alternatives for Consideration – See Page 5

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

**Financial:** Funding is provided under the terms of the Commercial Property Improvement Grant Program. Projects will be funded once proposed renovations are completed to the satisfaction of a City of Hamilton Building Inspector, and paid receipts totalling double the amount of the City’s grant are provided. The total amount of grants under the Fall 2009 Program is $202,017 which will be funded as follows: $107,905 from Commercial Property Improvement Grant (C.P.I.G.) Project ID# 8200903610 and $94,112 be funded from the Commercial Property Improvement Grant Reserve 112229.

Grant terms and conditions are documented in the Letter of Understanding between the City of Hamilton and the Applicant. In keeping with the policies of the Loan and Grant Programs, a condition of the grant is that property taxes must be paid in full prior to any grant monies being advanced for completed work.

At the time of application submission, there were six properties with taxes in arrears which have been recommended for approval subject to the condition that no grant monies be advanced until such time as all outstanding property taxes, including any applicable penalties and interest, have been paid in full, and, if the property taxes are not paid in full within one (1) year of the date of the Letter of Understanding, the grant approval shall be cancelled.

**Staffing:** Administration of C.P.I.G. can be accommodated within the Downtown and Community Renewal Division of the Planning and Economic Development Department as well as the Corporate Services Department.

**Legal:** A review of applicant and/or owner information associated with the grant is undertaken by Legal Services to protect the City’s interest. Letters of Understanding between the City of Hamilton and applicants are to be executed.

**HISTORICAL BACKGROUND** (Chronology of events)

Subsection 28 (7) of The Planning Act permits a municipality, in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be
prohibited under Section 106, Subsection (2) of The Municipal Act, to the registered/assessed owners and tenants of lands and buildings within the designated Community Improvement Project Areas. These grants are permitted as they are in accordance with the Downtown and Community Renewal Community Improvement Plan.

The Commercial Property Improvement Grant Program (C.P.I.G.) approved by Council at its meeting held October 16, 2001, has undergone several changes since its inception to enhance the service. The maximum grant available has varied from $15,000 per property when the program was first introduced to $7,500 in 2003 - a time of fiscal constraint. The maximum available grant changed again February 28, 2007 to 50% of the total cost of façade improvements based on $400.00 per linear foot of façade to a maximum of $20,000.00 or $25,000.00 for corner properties. The frequency with which the program is offered has also changed - from once per year in 2001 to twice per year in 2005.

The Downtown and Community Renewal Division continually strives to improve the delivery of the C.P.I.G. based upon feedback from applicants and issues faced during its administration. Recent amendments to C.P.I.G. include: delegating the approval of the grants to the General Manager, Planning and Economic Development; accepting applications year-round versus accepting applications twice a year; limiting applicants to applying for the Program to once per calendar year versus twice per year; modifying the maximum grant for buildings that have a street frontage of twenty-five feet (25’) or less thereby offering a matching grant of up to $10,000 per property and $12,500 for corner properties and properties where at least one side of the property is exposed to a public street; and, allowing an applicant who has a property that is designated under the Ontario Heritage Act to apply for funding under C.P.I.G. for improvements to their property, other than those on heritage features, subject to a heritage permit being obtained for the work.

The aforementioned modifications will shorten the time required to process an application by six (6) weeks and lead to improved customer satisfaction. The amendments form part of the Community Improvement Plan amendments that will be considered at a public meeting of the Economic Development and Planning Committee at its meeting scheduled March 2, 2010.

POLICY IMPLICATIONS

The Council approved Urban Official Plan, the City of Hamilton’s Zoning By-laws, the Commercial Property Improvement Grant Program, and the Downtown and Community Renewal Community Improvement Plan affect the proposal outlined in this report. These grants are permitted as they are in accordance with the Downtown and

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.
Values: Honest, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
Community Renewal Community Improvement Plan and the properties have the required Commercial Zoning.

RELEVANT CONSULTATION

The Corporate Services Department was consulted and concurs with the recommendations included in Report PED10038.

ANALYSIS / RATIONALE FOR RECOMMENDATION
(include Performance Measurement/Benchmarking Data, if applicable)

The intent of C.P.I.G. is to improve the appearance of commercial properties throughout the City of Hamilton’s B.I.A.s recognizing that smaller scale commercial activities contribute greatly to the economic vitality and health of the commercial sector of the City of Hamilton.

The total dollar value of improvements within the B.I.A.s for the twenty (20) recommended applications is $404,035. The City’s contribution of $202,017 represents 50% of the total construction cost.

The majority of contractors are from Hamilton and the $404,035 in new contracts, spread over thirty-two (32) contractors will be realized within the twelve (12) month completion process.

It is staff’s opinion that the ancillary improvements in these areas will be significant.

ALTERNATIVES FOR CONSIDERATION:
(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Non-acceptance of the recommendation contained in Report PED10038 would result in the inability of the municipality to make financial assistance available under the terms of the Program. This alternative is not recommended.

Financial: If the recommendations are not accepted, there will be consequent short term savings of capital dollars. However, there could be further costs to the City in later years due to loss of taxes and blight brought about by vacant properties.

Staffing: Not applicable.

Legal: Not applicable
**Policy Implications:** Through the Community Improvement Plan, Council has created public policy to support the City’s Business Improvement Areas, specifically the Commercial Property Improvement Grant Program. By not approving the recommendations of this report, the public policy will be undermined.

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


**Growing Our Economy**
- Investment in Hamilton is enhanced and supported. Property owners invest in their properties leading to property assessment increases.

**Environmental Stewardship**
- 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 B.I.A.s make efficient and effective use of City services as well as protecting human health and safety.

**Healthy Community**
- Partnerships are promoted.

**APPENDICES / SCHEDULES**

Appendix ‘A’ to Report PED10038 is a summary of the applications recommended for funding and provides details relative to the name of the applicant, property address, work proposed, total value of work proposed, measurement of the façade, and, total City grant. Appendix ‘B’ to Report PED10038 lists the number of applications, total cost of construction, total grant and grant as a percentage of cost of construction for each year since the inception of the program. The maps contained in Appendix ‘C’ to Report PED10038 identify where the properties proposed for restoration are located.

LB:vk
<table>
<thead>
<tr>
<th>FILE NO.</th>
<th>BUSINESS</th>
<th>ADDRESS</th>
<th>PROPOSED IMPROVEMENTS</th>
<th>TOTAL VALUE OF PROPOSED WORK</th>
<th>LINEAR FEET OF FAÇADE</th>
<th>GRANT AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANC 02/09</td>
<td>259 Wilson Street Inc.</td>
<td>259 Wilson Street East</td>
<td>Windows, entrance walkway</td>
<td>$19,769.81</td>
<td>Corner - 147'</td>
<td>$9,884.91</td>
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<tr>
<td>ANC 03/09</td>
<td>Ancaster Financial Centre</td>
<td>335 A Wilson Street East</td>
<td>Signage, Awnings</td>
<td>$17,228.40</td>
<td>Corner - 100'</td>
<td>$8,614.20</td>
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<tr>
<td>ANC 04/09</td>
<td>Wilkins &amp; Walker</td>
<td>425 Wilson Street East</td>
<td>Remove stucco, Repoint</td>
<td>$16,170.00</td>
<td>Corner - 102'</td>
<td>$8,085.00</td>
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<tr>
<td>ANC 05/09</td>
<td>Zoo's The Original Pasta Houses Ltd.</td>
<td>380-386 Wilson Street East, Ancaster</td>
<td>Windows</td>
<td>$30,444.75</td>
<td>Corner - 173'</td>
<td>$15,222.38</td>
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<td>ANC 06/09</td>
<td>Duffs Corner Commercial</td>
<td>370 Wilson Street East, Ancaster</td>
<td>Windows</td>
<td>$44,100.00</td>
<td>Corner - 124'</td>
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<td>BAR03/09</td>
<td>Maggie Abril and Teresa Levis</td>
<td>663 Barton Street</td>
<td>Signage, Windows, Entranceway, Repair Brick, Stucco</td>
<td>$14,054.25</td>
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<td>$7,027.13</td>
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<td>BAR 04/09</td>
<td>McMaster Savings and Credit Union Ltd</td>
<td>854 Barton Street East</td>
<td>Stucco</td>
<td>$29,190.00</td>
<td>Corner - 108'</td>
<td>$14,595.00</td>
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<td>BAR 05/09</td>
<td>Pocmic Realty Inc</td>
<td>657, 659, 661 Barton Street East</td>
<td>Awnings, Windows</td>
<td>$25,451.70</td>
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<td>$12,725.85</td>
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<td>CON01/09</td>
<td>Cynthia Pitts</td>
<td>618 Concession Street</td>
<td>Door, Mural</td>
<td>$10,466.84</td>
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<td>$5,233.42</td>
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<td>DT 03/09</td>
<td>Tim Yee</td>
<td>103 King Street East</td>
<td>Windows, façade</td>
<td>$16,879.57</td>
<td>24'</td>
<td>$8,439.79</td>
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<td>DT 04/09</td>
<td>Allegra Print &amp; Imaging</td>
<td>11 Hughson Street South</td>
<td>Awnings, Signage</td>
<td>$2,901.39</td>
<td>30'</td>
<td>$1,450.70</td>
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<tr>
<td>IV 02/09</td>
<td>T.J. Kelly (Tiger-Cats)</td>
<td>1 Jarvis Street</td>
<td>Signage, Windows, Storefront improvements</td>
<td>$4,727.92</td>
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<td>LOC 01/09</td>
<td>Stefan Witt</td>
<td>220-222 Locke Street South</td>
<td>Window, Awning, Sign</td>
<td>$10,934.12</td>
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<tr>
<td>OTT 10/09</td>
<td>Saleem Main</td>
<td>270 Ottawa Street North</td>
<td>Eaves, Facia, Storefront</td>
<td>$5,019.00</td>
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<td>OTT 11/09</td>
<td>Firas Radhi</td>
<td>251 Ottawa Street North</td>
<td>Windows, door, Stucco &amp; Brick Façade</td>
<td>$41,448.75</td>
<td>Corner - 145'</td>
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<td>OTT 13/09</td>
<td>Zorro Dry Cleaners</td>
<td>246 Ottawa Street North</td>
<td>Sign, Storefront</td>
<td>$5,733.00</td>
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<td>$2,866.50</td>
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<td>OTT 14/09</td>
<td>Danny Salamon</td>
<td>321 Ottawa Street North</td>
<td>Windows and Door</td>
<td>$33,075.00</td>
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<td>OTT 15/09</td>
<td>Uri Salamon</td>
<td>337 Ottawa Street North</td>
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<td>WES 03/09</td>
<td>Shoppers Drug Mart</td>
<td>991 King Street West</td>
<td>Awning, lamps</td>
<td>$12,810.00</td>
<td>82'</td>
<td>$6,405.00</td>
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<td>WES 04/09</td>
<td>McMaster Savings and Credit Union Ltd</td>
<td>1005 King Street West</td>
<td>Stucco</td>
<td>$39,690.00</td>
<td>Corner - 102.5'</td>
<td>$19,845.00</td>
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<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$404,034.50</strong></td>
<td></td>
<td><strong>$202,017.26</strong></td>
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### COMMERCIAL PROPERTY IMPROVEMENT PROGRAM
FOR THE PERIOD 2001 TO 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Applications</th>
<th>Total Cost of Construction</th>
<th>Total Grant</th>
<th>Grant as a Percentage of Construction</th>
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<td>2001</td>
<td>24</td>
<td>$443,379.00</td>
<td>$187,832.00</td>
<td>42.40%</td>
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<td>2002</td>
<td>42</td>
<td>$783,335.00</td>
<td>$333,365.00</td>
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<td>2003</td>
<td>37</td>
<td>$570,807.00</td>
<td>$207,700.00</td>
<td>36.40%</td>
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<td>2004</td>
<td>34</td>
<td>$618,353.00</td>
<td>$187,722.00</td>
<td>30.40%</td>
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<td>2005</td>
<td>14</td>
<td>$212,744.00</td>
<td>$86,108.00</td>
<td>40.50%</td>
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<td>(Spring)</td>
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<tr>
<td>2005</td>
<td>19</td>
<td>$254,575.00</td>
<td>$97,252.00</td>
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<td>(Fall)</td>
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<td>(Spring)</td>
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<td>26</td>
<td>$408,606.00</td>
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<td>(Fall)</td>
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<td>22</td>
<td>$911,348.00</td>
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<td>(Spring)</td>
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<td>28</td>
<td>$805,556.00</td>
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<td>(Spring)</td>
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<tr>
<td>2008</td>
<td>20</td>
<td>$573,529.00</td>
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<td>36.90%</td>
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<tr>
<td>(Fall)</td>
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<td>2009</td>
<td>19</td>
<td>$763,035.00</td>
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<td>2009</td>
<td>21</td>
<td>$404,035.00</td>
<td>$202,017.00</td>
<td>50.00%</td>
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<td>(Fall)</td>
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<td>TOTAL</td>
<td>341</td>
<td>$8,036,264.00</td>
<td>$2,668,752.00</td>
<td>33.21%</td>
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Location Map

File Name/Number: 654 Barton St E
Date: January 22, 2009
Appendix "A"
Scale: N.T.S.
Planner/Technician: LB/AL

Subject Property

654 Barton Street East

Ward 3 Key Map
N.T.S.
Location Map

File Name/Number: 618 Concession St
Date: January 21, 2009

Appendix "A"

Subject Property

618 Concession Street

Ward 7 Key Map

N.T.S.
Location Map

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number: 270 Ottawa St N
Date: Jan. 21, 2010

Appendix "A"

Subject Property

270 Ottawa Street North, Hamilton

Ward 4 Key Map

N.T.S.
Appendix 'C' to Report PED10038

Location Map

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number: 251 Ottawa St N
Date: Jan. 21, 2010

Appendix "A"
Scale: N.T.S. Planner/Technician: LB/NB

Subject Property

- 251 Ottawa Street North, Hamilton

Ward 3 Key Map N.T.S.
Location Map

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
321 Ottawa St N

Date:
Jan. 21, 2010

Appendix "A"
Scale: N.T.S.
Planner/Technician: LB/NB

Subject Property

321 Ottawa Street North, Hamilton

Ward 3 Key Map
N.T.S.
Location Map

File Name/Number:
1005 King St W

Date:
Jan. 21, 2010

Appendix "A"

Scale: N.T.S.

Planner/Technician:
LB/NB

Subject Property

1005 King Street West, Hamilton

Ward 1 Key Map

N.T.S.