



## Chapter 3

# The Hamilton Scene: Opportunities and Constraints



### 3.1 Consultation Exercises

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In an attempt to understand the specific opportunities and constraints to residential intensification in Hamilton, consultation exercises were undertaken in the fall of 2004. These consultation exercises included a series of focus groups; and subsequently, another series of key informant interviews was conducted in person and by telephone.

All the consultation exercises used the same discussion guide as a structure. The questions were as follows:

1. How would you describe or characterize the overall potential for and feasibility of residential intensification in Hamilton? What are some of the factors and considerations that are unique to the Hamilton area/market?
  2. What types of residential intensification present the greatest opportunities for Hamilton – which are likely most feasible and desirable?
  3. What types of residential intensification present the weakest opportunities in Hamilton?
  4. What geographic areas within Hamilton present the greatest opportunities for residential intensification?
  5. What geographic areas within Hamilton present the weakest opportunities for residential intensification?
  6. Keeping in mind the policy framework focus of this study, what barriers or challenges will have to be overcome if Hamilton is going to maximize residential intensification in the City?
  7. What's currently working well in the area of residential intensification in Hamilton – any policies, approaches, practices and such that are reasonably effective?
  8. Have you had any experiences in Hamilton with residential intensification – any lessons learned, issues identified, ideas/solutions generated, etc.?
  9. What are the best ways for Hamilton to promote its commitment to and policies in support of residential intensification – how can the City best get the word out to people like you?
  10. From your perspective, what would be the tangible signs that the City is serious about achieving greater residential intensification and that it is committed to working with others to make this happen?
  11. From a planning perspective, what initiatives, policies and so forth will produce the greatest net gain in residential intensification – which will be the most important in terms of delivering substantive and significant results?
- Extra: As far as you know, what towns and cities – in Ontario or elsewhere – are or have been the most successful at achieving high levels of residential intensification? What makes them so successful...what factors, policies, initiatives and so forth are making success possible?
- Extra: What are some of the key developments or trends happening throughout the province or within your industry that Hamilton should be considering as it proceeds with its residential intensification initiative?
- Wrap-up: Is there anything you would like to add about any of the topics we have been discussing today...or are there other comments you would like to pass along about this initiative or other issues?



### 3.1.1 Focus Groups

Organized by profession, five focus groups were held during the fall of 2004 in Hamilton. Approximately ten individuals were invited to participate in each focus group session. The five focus groups were attended by the following:

- Builders - 2 participants
- Developers - 4 participants
- City Staff - 9 participants
- Real Estate Professionals - 5 participants
- Planning Professionals - 5 participants

Each focus group session was approximately 1.5 hours in length and was moderated by a professional facilitator, Glenn Pothier, of GIPi Associates. Comments from the focus groups are summarized and organized by discipline in Appendix E.

### 3.1.2 Key Informant Interviews

The invited individuals who could not attend the focus groups were contacted for key informant interviews. These interviews were held either in person or via telephone and are based on the same the discussion guide above. Seven key informant interviews were conducted in the fall of 2004 after the completion of the focus groups. The results of the interviews are consolidated with those from the focus group and included in this report as Appendix E.



### 3.2 Summary of the Hamilton Scene

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Thus far, the report has discussed the findings and analysis from the background research and case studies on general intensification issues (Phase 1) and the consultation exercises on Hamilton-specific intensification issues (Phase 2). This section provides a summary of lessons learned from the background research, case studies and the most commonly agreed upon areas from the consultation exercises.

#### *Hamilton's Intensification To-Date*

The findings indicate that Hamilton's record to-date on intensification development is better than its peers on a proportional basis. The City currently has an appropriate approach to intensification as shown in the following examples:

- Most notably, the City has incorporated intensification as part of a broader strategy (i.e., GRIDS) and planning policy.
- The City is designing new programs to stimulate the market for intensification development, both from the perspectives of demand and supply.
- The City is increasing its efforts to reach out to the development community and to market the potential of specific neighbourhoods for intensification projects (e.g., Setting Sail, downtown coordination).

#### *Barriers to Further Intensification in Hamilton*

Despite the City's ongoing effort to encourage intensification development, a number of barriers to intensification still exist in Hamilton, including the following:

- It is likely that the overall weakness of housing market is suppressing success for intensification. The economics of intensification development are skewed by the low cost of single detached alternatives. High upfront costs are preventing many intensification projects to proceed to development.
- Hamilton's most desirable neighbourhoods are the historic areas with single-detached (if dense) houses. Without the demand and interest from consumers, relatively few neighbourhoods are likely to attract large-scale investment for intensification. The lack of suitable sites that are also available is limiting the supply of intensification units.
- Employment growth in the City has been weak in generating opportunities for live-work environments downtown. The same weak employment growth also serves as a disincentive to new residents to move to the City. It would be difficult for intensification to grow unless strong employment trends are present to attract new residents to an urban lifestyle from within Hamilton and elsewhere.
- Consumers continue to follow "mainstream" housing patterns - i.e., while students and seniors prefer their high-density developments and neighbourhoods, the general home-buying market remains solely interested in the single-detached houses.
- Community opposition and the lack of political support impede intensification development. These are manifested in slow approval process and staff obstruction when developers approach the City for permits and other administrative requirements for intensification projects.
- Antiquated zoning rules, especially setbacks and off-street parking, weaken the project economics by increasing costs and reducing the amount of space available for saleable units.



### *Market Segments*

The demand for intensification housing in the City is likely to focus on the ground-oriented medium-density type. Empty nesters, students, singles and young childless couples are the growing demographic groups in Hamilton who prefer intensification-type housing forms more than average.

### *Locations - Areas of the City with Potential for Intensification*

#### High Potential

- 2- to 5-acre sites in established neighbourhoods
- Westdale
- Dundurn
- Downtown (some debate about this)
- Shopping centres (greyfields)
- Village centres throughout the city
- The Brow
- Waterfront (Cootes Paradise)
- School sites

#### Low Potential

- Downtown (some debate about this)
- Industrial areas
- Mountain inland from the brow

### *Typologies - Potential Unit Types for Market Segments*

#### High Potential

- Medium-density
- Townhouses
- Brownstones
- Apartments for Student housing
- Ground-oriented infill

#### Low Potential

- High-end condos (small market)
- Small units (unlikely competitive on price with large homes)

### *The City's Role*

Intensification happens because favourable pre-conditions of the market are in place. These pre-conditions could be influenced, though not directly controlled, by the City's decisions and actions. Therefore, the City's intensification strategy must recognize that not all barriers can be removed through policies or programs. The best approach in this case is to lay the groundwork for market conditions that will support the intensification form of development.

A municipality's ability to directly and significantly affect project economics is generally limited except in cases where project economics are marginal (e.g., Edmonton), government incentives may be fairly effective. Clear demonstration of commitment to regeneration by the City would likely make a considerable difference. In Halifax, Edmonton, Waterloo and Toronto, for example, the municipality has been very effective in improving project economics and "kick-starting" regeneration in a particular area by improving urban amenities and hence providing a more attractive development environment. In many examples, such as Seagram's Lofts in Waterloo, public agencies could co-develop in a private project for mutual benefits.

Expedited approval and strong City support can allay some concerns about project risk as shown in the background research and case studies. This has been proven a key project benefit in numerous case studies, particularly for higher density projects. As-of-right development has



been found to be extremely effective for intensification in markets as varied as Barrie and Toronto.

The background research and case studies indicate that community opposition is minimal for projects that will regenerate derelict sites. On the other hand, community opposition is found to be strongest for projects in established low-density neighbourhoods. Thus, careful site selection in the planning process and well-drafted design guidelines to ensure architecture compatibility are tools for easing this barrier to intensification.

Pre-Zoning is another approach that is found to be highly effective for enabling intensification. In the case of Barrie, pre-zoning helped reduce the development risk and was credited with bringing about a considerable number of medium-density infill projects.

***Suggested City Actions necessary to Encourage Intensification***

- District plans - collaborate with developers to re-plan areas of the City
- Take a focused approach targeting small areas - plan block-by-block
- Expand loans program/enterprise zone to other areas
- Facilitate redevelopment of sites in attractive neighbourhoods
- Expedite planning process
- Update zoning
- Hold an open house and presentation of the intensification strategy; get the vision out there, help educate the public and the development community alike
- Pursue Council commitment to intensification - demonstrate political will to support these types of projects

### 3.3 Review of Potential Projects: Workshop

A one-day workshop was held in Stoney Creek during the winter of 2005. The workshop was attended by City staff from the Departments of Housing, Long Range Planning, Community Planning and Economic Development as well as two City Councillors - Bob Bratina (Ward 2) and Brian McHattie (Ward 1).

The purpose of the workshop was to discuss on a specific project level, through collaboration of staff and consultants, to create strategies for two potential intensification redevelopments. Further, the perspectives represented by the cross-section of staff, councillors and consultants provided an opportunity to tackle specific issues surrounding intensification development and share knowledge concerning these issues.

Two sites were examined for the purposes of the workshop:

- Site A - Centre Mall, a 63-acre shopping centre on Barton Street East in east Hamilton
- Site B - Concrete Factory, off Upper Wellington Street in central Hamilton

#### 3.3.1 Site A - Centre Mall

Centre Mall was one of the first regional-scale shopping centres in Canada. For the purposes of the workshop, the site included both the mall and the largely retail properties along the south side of Barton Street, totalling 63 acres (shown in Exhibit 3-1). Centre Mall is a single storey traditional shopping mall, anchored by Sears at the east end and Zellers at the west end. A





large stand-alone Canadian Tire store and a grocery store, as well as several other smaller stand-alone retail uses, are also located on the site.

The site is located on a major arterial in the City (Barton Street), in close proximity to the heavy industrial area to the north. Land use on Barton Street at this site is currently heavily commercial with a mix of traditional main street type building forms and post-1960s commercial structures, generally of mixed to low quality. The site is adjacent to Ottawa Street to the southwest of the site - an area well known and marketed as the textile district.

The farmer's market, Canadian Tire and food store are thriving on this site. However, the mall itself is suffering; having lost its regional-level market position, it now serves generally a local market providing a home for local shops and services for the community. There is also a residential influence on the site from an eight-storey apartment of both market and Rent-Geared-Income (RGI) units situated on the western portion of the site. The residential neighbourhood to the south and east of Centre Mall is well established consisting of modest, post-war homes in a relatively dense urban fabric.

Discussion in the workshop noted the need for convenient bus/public transit service in close proximity to the site, for example, GO Train service. The site is located adjacent to the main line to St. Catherine's and could easily accommodate a station adjacent to the site thereby significantly enhancing development opportunities.

A shortage of park facilities in the area was noted as a weakness. A new park development could be accommodated and incorporated into the development plan for the site. Furthermore, additional residential units should be considered. An assessment of the site indicates that it could accommodate up to 1,200 residential units, with amenities and park space.

This site presents a logical opportunity to put together a partnership to spread the development risk between public and private stakeholders. In this instance, the City could support the development through its brownfields program for new parks, the Federal Government through its Green Municipal Funds for the Federation of Canadian Municipalities, the Provincial Government through addressing the transportation needs of the site and Cadillac Fairview (the owner of the site) through its sales and marketing expertise. This site provides an opportunity to generate a significant number of intensification residential units and if appropriately planned, could support the development of the needed community services and infrastructure and assist in the regeneration efforts of surrounding neighbourhoods.

This site is also a logical case for proactive development on the part of the City since it presents a unique combination of meeting multiple objectives, including the Provincial target for urban regeneration/residential intensification. The City could actively pursue arrangements with GO transit to secure an area station on this site and proceed with development planning for the site.

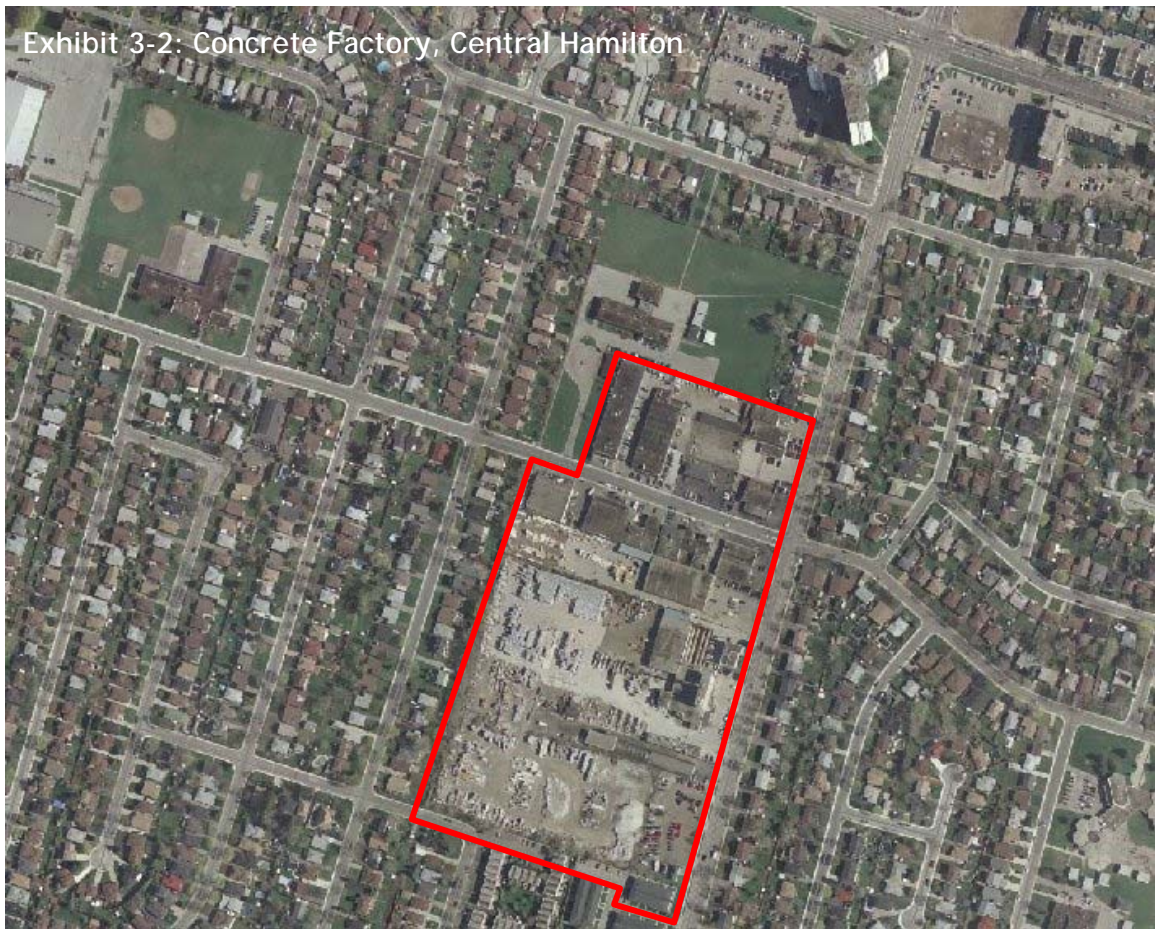
Subsequent to the workshop, Cadillac Fairview announced the sale of the property to a new owner for the purpose of redevelopment to incorporate big-box style of retail uses. Unfortunately, this is a form of development unlikely to produce the neighbourhood uplift envisioned in the workshop.

### **3.3.2 Site B - Concrete Factory**

The second site (as shown in Exhibit 3-2) reviewed at the workshop consists of 24 acres of industrial and commercial uses in the area of Upper Wellington and Hester Streets in central Hamilton. South of Hester Street is a concrete batch plant, which is a single legacy industrial use in the middle of a largely residential area. Housing to the west of the industrial area was constructed in the 1950s; the majority of the housing is single family detached in good

condition, although property values are generally not high. This is a stable and established neighbourhood that has not experienced much change through the years.

On the north side of Hester Street, there is a series of commercial/industrial buildings (e.g., contractor shops, electrical repairs, a variety store, etc.). Further to the south, separated from the site by a townhouse development, is Hamilton Builders Supply. Overall, this site has remained a long-standing industrial and commercial area despite continued residential development surrounding it.



As far as a community is concerned, the area has extensive community facilities, including four schools within short walking distance of the site, plus the Mountain arena ice surfaces and meeting rooms. The typical employment uses in this area are small industrial enterprises. Although the concrete plant in the area appears to be thriving, another major industrial use - a lumber operation - may consider moving from the site it currently occupies. This area appears to be a mature suburban neighbourhood comprising predominately semi-detached houses, townhouse and apartments to the south and semi-detached houses lining Upper Wellington Street to the east of the site. Bus transit is reasonably accessible along Upper Wellington Street.

Considering its characteristics and current uses, the value of the site for residential uses would not exceed that for new industrial land. Therefore, it should be relatively straightforward to assemble appropriate parcels of land for residential intensification buildings. Residential development would likely lead to an improvement in the value of neighbourhood property,



particularly if the emphasis of the site could be shifted from industrial (i.e., concrete operation) to residential. The site is appropriate for development of commercial uses or mixed use - for example, live/work units along Hester Street. It is likely that approximately 10 units per acre could be accommodated on this site.

Intensification projects on this site would need to cater to empty nesters in the area by offering a different housing product. This site offers the opportunity to create housing alternatives for the empty nesters in the neighbourhood in which they already live.