

**CITY OF HAMILTON**

**CORPORATE SERVICES DEPARTMENT**  
**Financial Planning and Policy Division**

<b>TO:</b> Mayor and Members Committee of the Whole	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> June 25, 2010	
<b>SUBJECT/REPORT NO:</b> 2010 Council Strategic Capital Allocation (FCS10040) (City Wide)	
<b>SUBMITTED BY:</b> Roberto Rossini Corporate Services Finance and Corporate Services	<b>PREPARED BY:</b> Mike Zegarac 546 2424 (2739) Linda Dennison 546 2424 (2567) John Savoia 546 2424 (7298)
<b>SIGNATURE:</b>	

**RECOMMENDATION:**

- (a) That the projects and programs as identified in Appendix "A" of Report FCS10040 be received for consideration; and
- (b) That the original funding source of the Innovation Park property purchase of \$2,156,027 approved by Council on October 20, 2009 be amended by deleting "2009/2010 Strategic Initiative Funds" and replacing it with "Economic Development Initiative Capital Project 3620908900" in lieu thereof.

**EXECUTIVE SUMMARY**

The 2010 Council approved Tax-Supported Capital Budget incorporated an allocation of \$5 million intended to support a series of Council supported strategic initiatives. The Council Strategic Capital Reserve has an available funding balance of \$5.38 million, assuming the previously Council approved funding source, of \$2,156,027 in support of the Innovation Park property purchase, is reconsidered and that the funding is instead

committed from the Economic Development Initiatives capital project (3620908900) (see table under Financial Implications of this report for Council Strategic Projects Reserve forecast). The options contained in report FCS10040 builds upon the outcomes of the January 20, 2010 Special Committee of the Whole meeting pertaining to potential "Strategic Capital" projects.

The aforementioned COW included a facilitated process of weighting a series of strategic projects, as summarized in Appendix "A" of report FCS10040. The 16 project/categories listed in Appendix "A" of FCS10040 are not presented in priority ranking and were brought forward by Committee members for consideration by Committee of the Whole. Each committee member was provided a limited number of votes (supports). Each of the projects/categories identified under Appendix "A" of FCS10040 identifies the level of support through the above described process.

The projects identified through the COW Strategic Capital session have been grouped under two distinct categories: Economic Development or Infrastructure Investments. A total of eight, or half of the total projects brought forward, have the potential to directly or indirectly support economic development activity within the City. A total of the 23 votes (supports) were cast for the six projects that support economic development. Three of the six projects received a total of 16 votes of support (70%), ranging from 5 to 6 votes. A number of potential projects, as per Appendix "A" to report FCS10040, are aligned with the priorities as identified above, and similarly are associated with Council's Priority Plan and Strategic Plan, as identified below.

The Corporate Priority Plan speaks to the need to optimize economic opportunities, in part through the growth of the non-residential assessment base. Similarly, the Corporate Strategic Plan includes "Growing our Economy" through initiatives including increasing the amount of shovel ready land by 2011.

As presented in Appendix "A" of FCS10040, staff have identified some options to improve the industrial assessment base. These options include programs that provide some much needed assistance in the area of financing, which remains relatively restrictive since the past recession. For instance, the Accelerated Shovel-Ready Strategy for Industrial Servicing and Transportation (ASSIST) is intended to be a self-supporting program in the form of a revolving loan fund.

A brief summary in regards to support for the Creative Catalyst Project was presented to Committee at the January 20, 2010 COW. Total funding of approximately \$500,000 was broken down in to two categories: the first focused on development of sponsorship and fundraising tools, marketing and promotional packages; the second focused on initiatives related to next steps and promoting Hamilton as a Creative City.

In addition to the above projects, in November 2009, through Report FCS09111, "Southern Ontario Development Program", staff presented a list of projects to be

submitted for consideration under the Southern Ontario Development Program (SODP). While projects within the City of Hamilton have been successful in securing funding support through this program, the City's request for funding did not receive support. One of the projects submitted was the "West Hamilton Innovation District Expansion". This project would support the West Hamilton Innovation District (WHID) and more specifically, the extension of Frid Street which is the major arterial road connecting the WHID to the McMaster Innovation Park. The estimated community benefits of this redevelopment project are summarized as follows: 500,000 square footage of new construction; \$23 million of new assessment; \$962,000 of new property taxes per year; a projection of 500 jobs with an annualized gross payroll of \$40 million; and the remediation of 16.5 acres of an underutilized Brownfield site which will now generate wealth for the community. This project supports Council's desire to invest in both economic development and brownfield remediation.

Similarly, a Hamilton Waterfront Development Corporation Business Proposal and Financial Feasibility Study was submitted under the SODP program for consideration. In September of 2009, Hamilton City Council endorsed the concept in-principle, of creating a Hamilton Waterfront Development Corporation. Further, as part of the 2010 Capital Levy Budget, Council approved \$2 million in seed money in support of the Waterfront Development Corporation. The Business Proposal and Financial Feasibility Study would focus on development of a sustainable financing and investment model for Hamilton Waterfront Development Corporation. It is envisioned that this project would utilize the advice of external consultants, with solid experience within the private-sector development industry.

Committee also provided some support for the implementation strategy for the Blueprint for Emergency Shelter Services (Blueprint), a three-year plan that will change the emergency shelter service system in Hamilton. It will improve services for people experiencing homelessness by better addressing their needs and help them to secure and maintain long-term housing in the broader community

In addition to the focus on economic development, Committee members similarly strongly supported a number of infrastructure renewal projects. Appendix "A" of Report FCS10040 identifies the level of Committee support towards the projects/programs put forward by Committee members. The focus of discussions centred on roads, sidewalks and traffic signals. In addition to the above categories, a number of votes of support were directed towards parkland acquisition.

As per Appendix "A" of report FCS10040, staff have identified options for investment in the areas of potential roads, sidewalk and curb projects. Based on the Local and Collector Roadway Strategic Asset Preservation methodology, staff have identified an estimated expenditure of \$5.0M to complete both Glenview Neighbourhood (ward 4) and Raleigh Neighbourhood (ward 6) as approved through the guidelines outlined within report PW08101. The project scope would consist of road rehabilitation along with high

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risk concrete repairs. Additionally, \$2.7M for new traffic/pedestrian lights have been identified for 20 intersections across the City.

As part of the 2010 Tax – Support Capital Budget process, Council considered a series of financing options that supported various levels of funding towards parkland acquisition. The Council approved capital levy increase of 0.5 percent provides capital funding support of \$375,000 towards parkland acquisition. To date, staff have not reported back to Council with respect to any recommendations towards the allocation of the above 2010 committed funding.

Appendix “B” of Report FCS10040 identifies projects totalling \$4 million which were not affordable through the 2010 approved 0.5 percent capital levy increase.

The reliance of capital funding grants from higher levels of government in the past, and the current deficit fighting focus of these same governments, will most likely result in lower levels of available funding capacity in the near future. The forecast for discretionary funding for 2011 assumes a decline of \$10 million or 12%, relatively the 2010 approved funding level (see table below for 2011-2013 forecast).

**City of Hamilton  
Budgeted Discretionary Capital (\$000's)**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	Approved	Approved	Approved	Forecast	Forecast	Forecast
Roads	39,800	59,600	40,000	32,920	34,937	36,113
Corporate Facilities	4,929	5,435	6,880	5,350	5,340	5,520
Recreation Facilities	6,950	15,000	2,000	9,050	9,040	9,340
Cultural Facilities	2,000	797	1,500	1,230	1,230	1,270
Downtown Hamilton & Suburban	2,400	2,715	3,250	2,720	2,720	2,800
Parks & Forestry	7,017	9,838	10,160	5,990	5,990	6,100
Housing	500	2,000	500	500	500	500
Social Services / Lodges	899	886	1,083	250	250	250
Public Health	250	500	250	250	250	250
Corporate Projects	131	331	525	100	100	100
Public Art	250	250	250	250	250	250
Bds & Agencies - Library, Police, HCA	5,200	2,859	2,255	2,000	2,000	2,000
Randle Reef	-	3,000	2,000	-	-	-
Economic Development Initiatives	-	5,000	2,500	-	-	-
Council Strategic Capital	8,000	5,000	5,000	3,000	3,000	3,000
Other	2,139	6,557	2,892	7,500	7,500	7,500
<b>Total Discretionary Capital</b>	<b>80,465</b>	<b>119,768</b>	<b>81,045</b>	<b>71,110</b>	<b>73,107</b>	<b>74,993</b>

Two of the projects brought forward during the January 20, 2009 COW are projects that are not fully funded, but were provided financial support through previous City Capital Budget processes. The two projects are: the waterfront skating park and restaurant

(Hamilton Waterfront Trust), the second being the Artists Live/Work redevelopment at 95 King St. East.

In previous years, Council has supported a variety of capital initiatives through previous commitments through the Council Strategic Projects allocation process, as per Appendix "C" of FCS100040. For instance, during the 2008 Tax-Support Capital Budget process, more specifically through the Council Strategic Capital process, Council approved allocating \$3 million towards a \$3.8 million ice rink and restaurant project to be implemented by the Hamilton Waterfront Trust. During the 2010 Tax-Supported Capital Budget process, Council approved a further \$800,000 towards the project, bringing the total commitment to \$3.8 million. The Hamilton Waterfront Trust informed the City that the projected cost of the project has escalated to \$4.2 million as a result of environmental costs related to site development. Committee may chose to similarly support this initiative, given the linkage of this project to waterfront development and the indirect benefit this would contribute to economic development in the West Harbour Front and Downtown, as well as, the fact that past funding requests principally were supported through Council's Strategic Capital funding.

Similarly, in 2010 Council approved capital project 6181041001, "95 King Street East, Proposed Artists Live/Work Development – City Housing Hamilton". The acquisition and redevelopment of the property will fulfil a number of City objectives including downtown revitalization, more residential housing within the core, and the protection of City Hamilton Housing's investment in the adjacent "Gore Building". As the project has a projected overall budget of \$3,490,000, the unfunded balance of the project amounts to approximately \$900,000, as per Appendix "A".

The 2010-2019 capital budget forecast included submission for approval in principle of a Scott Park Arena Refurbishing/New Senior Centre. The project is described as a large centre similar to Sackville to serve the seniors in Lower Hamilton and to refurbish Scott Park Arena. The senior centre will include a gymnasium, activity and program rooms. The project as submitted totals a projected \$12 million, \$1.2 million in 2011 for design costs, and a further \$10.8 million in 2012 to support construction. As the budgeted discretionary capital forecast, as presented on page 4 of this report, identifies that the total forecast Recreation allocation represents an average of \$9 million annually, there is limited capacity to allocate all funding in 2012 to this one project.

The Blueprint for Emergency Shelter Services (the Blueprint), approved by Council on April 29, 2009, is a plan to:

- Develop permanent supports to assist people who are homeless to find and maintain housing,
- Improve basic emergency shelter services and,
- Reduce the size of the men's emergency shelter system

Through Hamilton’s Hostels to Home (H2H) Pilot upon which the Blueprint is designed, investing in housing solutions has proven to be a cost effective and more responsive alternative to lengthy shelter stays. In 2008, H2H contributed to a reduction in 13,000 bed nights in the shelter system with \$529,750 in associated per diem cost savings. Reducing the length of shelter stays and shifting cost savings into support services and housing allowances has assisted those experiencing persistent homelessness to achieve housing stability as well as employment, education and other personal goals.

Although a comprehensive analysis has not yet been done in Hamilton, research from other communities indicates a small group of longer-stay shelter residents come into contact with high-cost services such as hospital, police, ambulance and jails with more frequency (Pomeroy, 2007). Inviting other City partners such as police and emergency services to discuss the benefit of contributing to prevention and permanent solutions as opposed to high cost crisis response will also be imperative.

The Blueprint requires further investment in the following areas:

- Capital improvements to the shelters to accommodate the expansion to 24 hour services,
- Housing allowances necessary for people to access the private rental market; and
- Day programs to reduce social isolation.

*Alternatives for Consideration – Not Applicable*

<b>FINANCIAL / STAFFING / LEGAL IMPLICATIONS</b> (for Recommendation(s) only)
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**Financial:** Council approved \$5 million for Council Strategic Capital Projects through the 2010 Capital Levy Budget. As per Appendix C of Report FCS10040, the Strategic Capital Projects Reserve has a forecast 2010 balance of \$5,384,082, assuming approval of Recommendation (b) of the above mentioned report. The Economic Development Initiative capital project has a funding balance of approximately \$3,228,970, assuming approval of Recommendation (b) of Report FCS10040.

<b>Council Strategic Capital Projects Reserve (forecast)</b>	<u>2009</u>	<u>2010</u>
Opening Balance	4.9	3.8
Add: In-Year Funding	5.2	5.2
Less: Commitments *	(6.3)	(3.6)
Ending Funds	\$ 3.8	\$ 5.4
* Assumes approval of Recommendation “B” Report FCS10040		

**Staffing:** NA

**Legal:** NA

### **HISTORICAL BACKGROUND** (Chronology of events)

Since 2007, Council has supported a series of projects through allocating in excess of \$10 million through the Council Strategic Projects Reserve see Appendix “C” of Report FCS10040. This reserve has provided funding for infrastructure investments, as well as program support. In 2007 and 2008, the Reserve was funded through HUC dividends, but more recently has been supported through the capital levy discretionary funding allocation. During the 2010 Capital Levy Budget process, Council approved a further \$5 million in Capital funding support.

At the January 20, 2010 Committee of the Whole, Committee participated in a facilitated process of weighting a series of strategic projects, as summarized in Appendix “A” of report FCS10040. The 16 projects listed in Appendix “A” of FCS10040 were brought forward by Committee members for consideration by Committee as a Whole. Committee members during the deliberations identified their support for a number of projects. Each of the projects identified under Appendix “A” of report FCS10040 identifies the level of support through the above described process. Staff were directed to take the results of the aforementioned facilitated process and provide costed options for Committee to consider. Report FCS10040 provides a series of costed options for Committee consideration.

With respect to Recommendation (b) of Report FCS10040, Council approved, through Report PED09295, the Innovation Park Property purchase in the amount of \$2,156,027, to be funded through the Council Strategic Projects Reserve 108022. As this project is strongly aligned to the objective of increasing the assessment base, as well as being supportive of the West Hamilton Innovation District Expansion, staff recommend that Committee approved the reconsidered funding source as the Economic Development Initiative capital project 3620908900. This would in turn make more funding available under the Strategic Capital Fund.

### **POLICY IMPLICATIONS**

NA

### **RELEVANT CONSULTATION**

Economic Development and Planning – Economic Development Division, Industrial Parks and Airport Development Division

Public Works – Environment and Sustainable Infrastructure  
Community Services – Recreation  
Hamilton City Housing  
Hamilton Waterfront Trust

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

NA

**ALTERNATIVES FOR CONSIDERATION:**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

NA

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

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability,  
3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development,  
6. Environmental Stewardship, 7. Healthy Community

***Skilled, Innovative & Respectful Organization***

- ◆ More innovation, greater teamwork, better client focus

***Financial Sustainability***

- ◆ Financially Sustainable City by 2020

***Growing Our Economy***

- ◆ Newly created or revitalized employment sites

***Social Development***

- ◆ Hamilton residents are optimally employed earning a living wage

***Environmental Stewardship***

- ◆ Provides the potential for brownfield remediation.

**APPENDICES / SCHEDULES**

Appendix "A" To Report FCS10040

Appendix "B" To Report FCS10040

Appendix "C" To Report FCS10040

Project #	Level of Support by Committee Members	Project	Description	Funding Request	Timing	Strategic Plan	Corporate Priority Plan
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**Economic Development**

1	6	Accelerate Shovel-ready Industrial / Commercial land	<p>1) New incentive program which will address these issues of risk in the front-ending process when servicing industrial land. The program would be called "Accelerate Shovel-ready Strategy for Industrial Servicing and Transportation" (ASSIST)</p> <p>2) West Hamilton Innovation District Expansion (Frid St extension) – installation of infrastructure and Brownfield remediation for knowledge based business park</p>	\$1,500,000 to \$3,000,000	2010	Growing our Economy	Increase number of living wage jobs for Hamilton & Grow the non-residential asset base
2	5	Waterfront Development	<p>1) Waterfront Development Corporation Business Case and Financial Sustainability Strategy (<b>Note: \$2M approved for Waterfront Development Corporation during 2010 Capital Budget Process</b>).</p> <p>2) Ice Rink and Restaurant – additional monies to complete project Committed Funding: approved \$3,000,000 (2008) and \$800,000 (2010)</p>	\$100,000	2010	Growing our Economy	Grow the non-residential asset base

Project #	Level of Support by Committee Members	Project	Description	Funding Request	Timing	Strategic Plan	Corporate Priority Plan
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**Economic Development (con't)**

3	5	Hamilton Creative Catalyst Project (HCCP)	<p>1) Development of sponsorship and fundraising tools, marketing and promotional packages.</p> <p>2) Initiatives related to next steps on the HCCP and promoting Hamilton as a Creative City including but not limited to the creation, branding and promotion of a downtown creative precinct, hiring of consultants for detailed site analysis and engineering, detailed design, etc.</p>	\$200,000 to \$250,000  \$250,000 to \$300,000		Growing our Economy	Increase number of living wage jobs for Hamilton & Grow the non-residential asset base
4	3	Brownfield Parcels	Represents a significant opportunity for non-residential assessment growth and job creation	\$2,000,000		Environmental Stewardship & Growing Our Economy  Social Development	Grow the non-residential asset base
5	2	Shelter Blueprint	The implementation strategy for the Blueprint for Emergency Shelter Services (Blueprint) is a three-year plan that will change the emergency shelter service system in Hamilton. It will improve services for people experiencing homelessness by better addressing their needs and help them to secure and maintain long-term housing in the broader community	\$1,300,000			Manage services delivery costs over the coming year
6		Rapid Transit	A strategic and proactive approach to purchase available properties and land along the B-line and surrounding areas	\$3,860,000		Growing Our Economy	

Project #	Level of Support by Committee Members	Project	Description	Funding Request	Timing	Strategic Plan	Corporate Priority Plan
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**Infrastructure / Community**

7	6	Infrastructure Renewal	Roads - Sidewalks - Raleigh Neighbourhood, Ward 6 - Sidewalks - Glenview East Neighbourhood, Ward 4	\$3,300,000 \$1,700,000	potentially 2010 concrete works only, followed by summer 2011 pavement resurfacing	Healthy Community	Manage Service Delivery Costs over the coming year
8	3 4	Parkland Acquisition	- Pedestrian/Traffic Signals - 20 signals Discussed in camera January 20, 2010 COW - property purchase Stoney Creek	\$2,700,000		Environment Stewardship & Healthy Community	
9	4	95 King Re-development	Proposal is for the conversion, renovation and re-construction of the existing commercial structure to create a "live-work" space for the creative arts industry, a key cluster in Hamilton's Economic Development Strategy	\$900,000		Growing the Economy	Increase number of living wage jobs for Hamilton
10	2	Highlander Games	Request for seed money \$30,000 - <b>Commitment - Tax Stabilization Reserve</b>	-		Healthy Community	

Project #	Level of Support by Committee Members	Project	Description	Funding Request	Timing	Strategic Plan	Corporate Priority Plan
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**Infrastructure / Community (con't)**

11	2	Outdoor Rinks	Staff needs to report on feasibility of any selected site(s)	\$50,000 per site		Healthy Community	
12	2	Central City Seniors Facility	The Scott Park Arena refurbishing / new Senior Centre is budgeted for 2011 Capital Budget with design in 2011 and construction in 2012			Healthy Community	Manage Service Delivery Costs over the coming year
13	1	Rollerblade/Skateboard/BMX Park	- skateboard facilities needs study underway and location(s) is to be determined - Recreation staff to report on June 2010	\$1,200,000 per location excluding land purchase if required	2011	Healthy Community	
14		Lynden Additional Water Supply	To undertake EA and field investigation and implementation for additional groundwater wellhouse within the Lynden Communal	\$2,200,000	2011	Environment Stewardship & Healthy Community	Manage Service Delivery Costs over the coming year
15		Flamborough Trust Fund	<b>Council Meeting – A previous motion supportive of a Flamborough Trust was withdrawn on the April 28, 2010 Council meeting.</b>	\$500,000			
16		Westbound access to 403	- Main street - Golf Links Road				

**CAPITAL PROJECTS WHICH WOULD HAVE BEEN FUNDED THROUGH A 2010 1% LEVY INCREASE**

		2010 Gross Budget \$	2010 Net Budget \$
4031010012	Annual Railway Roadway Crossings Rehabilitation Program	150	150
4031090520	Annual Streetscape Litter Container Replace Program	100	100
4031011015	Central / Orchard / Valleyview – Wilson to north end	650	650
4031051999	Construction Utility Vehicle Purchase	60	60
4030707750	Industrial Zone Air Quality Initiative	250	250
4031011015	Mohawk – McNiven to LINC	490	490
4031011015	Paramount – Winterberry to Mistywood	1,850	1,850
4031011015	Upper Paradise – Mohawk to Sanatorium	350	350
4031019101	Wellington – Barton to Burlington	100	100
		<u>4,000</u>	<u>4,000</u>

## CITY OF HAMILTON STRATEGIC CAPITAL RESERVE FORECAST

Reserve Number:  
Reserve Name:

108022  
Strategic Capital Projects

		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Opening Balance	a	0	3,000,000	4,926,536	3,835,288
<b>Add:</b>					
Investment Income	b	0	126,536	223,982	158,564
HUC Dividends	c	3,000,000	2,000,000		
Capital Contributions	d			5,000,000	5,000,000
Sub-total Available Funding	a+b+c+d	3,000,000	5,126,536	10,150,518	8,993,852
<b>Less:</b>					
Council Capital Priority Projects					
Housing in the Core-used for 95 King	COW-08-020				300,000
Senior Residence\Recreation Centre-Study	COW-08-020				456,030
Hammil House	COW-08-020			43,970	
Gateway-QEW & Fifty Rd - Study	COW-08-020		200,000		
Urban Design-Barton Tiffany Block	COW-09-001			270,000	
Due Diligence investigations-property Acquisitions	COW-09-001			100,000	
Purchase 00 Dicenzo Drive	PED09159			1,903,942	596,058
William Connell Park Development	Council 6/24/09				1,000,000
Waterfront Redevelopment	COW-08-020			1,100,000	1,900,000
Rheem Property Purchase	PED09286			686,291	513,709
95 King St. E. Proposed Artists Live/Work Development	COW-08-020				1,000,000
Christmas Hamper Program	CS09072			55,000	
Innovation Park-(Chatham St.) Property Purchase	PED09295			2,156,027	(2,156,027) *
Sub-total Expenditures/Commitments		0	200,000	6,315,230	3,609,770
Ending Balance		3,000,000	4,926,536	3,835,288	5,384,082

\* Assumes approval of Recommendation (b) of Report FCS10040



CityHousing Hamilton  
 Community Services Department, City of Hamilton  
 55 Hess Street South, 23rd floor  
 Hamilton, ON L8N 4E5  
 ph. 905-546-2424

Mayor and Members of Council,

We respectfully submit for consideration by Council for the remaining funding to develop the former adult entertainment building at 95 King Street East as a live/work apartment building having street level commercial floor serving as an exhibition space for the artists. The total renovation costs have been estimated to be approximately \$3.48 M. Approximately \$2.6 M is already committed and a gap of \$900,000 is required to go forward with this downtown initiative. Development of this project will act as "Creative Catalyst" for this area and complement similar initiatives elsewhere on James Street North.

### **Summary Points:**

#### **95 King Street East – Proposed Artists Live/Work**

*"Conversion of the existing downtown building to include 10 one-bedroom residential units designed specifically for artists and a ground floor devoted to a cultural organization(s) to create and enhance synergies with the artist residents, the surrounding Downtown neighbourhood and the broader artistic community."*

#### Context:

- The building was the former Maxim's and Foxes Den adult entertainment business. Was recognized as a blight in downtown and CHH acquired the property in December 2008 and the City's adult entertainment license then died.
- Preliminary structural analysis confirms that the structure is in good condition. The steel beams that support the upper floor and bearing masonry walls could reasonably sustain a new third floor since the current third floor does not extend for the entire length of the building. All electrical, HVAC and plumbing are obsolete and would need to be gutted.
- CHH has had great success with other downtown development initiatives such as the Gore Building next door to 95 King and the CityViews and CityPlaces developments on King Street East and King William Street.

#### Why an Artists Live/Work?

- At a grassroots level, Hamilton is emerging as desirable destination for new and young artists. The influx of traditional artists and other creative industries such as recording, film and visual arts studios can provide an "animation" to the street and neighbourhoods.
- It will complement the "Creative Catalyst" initiatives that are underway.
- A "Creative Catalyst" is a facility or series of facilities dedicated to the incubation and cultivation of businesses, social enterprises, events and non-profit organizations whose core activity falls into the category of a "creative industry".
- Creative industries include: film and television production, new media production, publishing, the traditional arts (dance, theatre, visual art, craft and music), the creation of intellectual property and the pursuit of education in any of these fields.
- Consistent with the City's "Multi-Year Economic Development Strategy" in two areas: 1) Community Redevelopment; and, 2) Quality-of-Life.



- 2 -

Cost/Funding:

Construction Cost	- \$3,489,500
Committed Funding to Date	
Housing in the Core	- \$1,000,000
Downtown Renewal	- \$200,000
Downtown Housing Initiatives Reserve	- \$383,668
2010 Downtown Capital Block	- \$500,000
2010 Housing Capital Block	- \$500,000
Total Committed	<u>\$2,583,668</u>

**Therefore, \$905,832 required**Consultation with Artists Community:

- CityHousing Hamilton is working very closely with the artist's community and the Culture Division (Anna Bradford and Jennifer Kaye) to solicit feedback and input on the design of the individual units for artists. One consultation session was held already and the artists in attendance were very pleased that the City is taking a leadership role with a definite action.
- Additional consultations with artists on specific design attributes of the residential units are scheduled over the next few months.
- An Expression of Interest will be released shortly seeking interest from a cultural organization(s) to occupy and operate the ground-floor space that will create synergies with the artist residents, the surrounding downtown neighbourhood and the broader artistic community.

Other Information Points:

- Staff have had preliminary discussions with Development Planning Division staff and have advised that Site Plan approval would be required; there are no significant land use planning concerns.
- Approximately 12 months for renovation work to be completed; occupancy no later than Summer 2011.

We appreciate your consideration of this worthwhile project.

A handwritten signature in black ink, appearing to be "B. McHattie", written in a cursive style.

Councillor Brian McHattie  
President, CityHousing Hamilton