

CITY OF HAMILTON

**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Downtown Renewal**

Report to: Chair and Members Economic Development & Planning Committee	Submitted by: Lee Ann Coveyduck General Manager Planning and Economic Development Department
Date: March 02, 2007	Prepared by: Gord Moodie (905) 546-3934 Hazel Milsome (905) 546-2424 Ext. 2755

**SUBJECT: Commercial Property Improvement Grant Program (C.P.I.G.)
Applications (PED07103) (Wards 1, 2, 3, 4, 9,15)**

RECOMMENDATION:

- a) That the applications recommended for approval and identified within Appendix 'A' to Report PED07103 be approved for funding according to the terms and conditions of the Commercial Property Improvement Grant Program (C.P.I.G.).
- b) That the application submitted for 324 Dundas Street East in Waterdown be denied as the property is historically designated therefore not eligible under the terms of the program.
- c) That applicants of properties with outstanding taxes be notified that a condition of the grant is that their property taxes must be paid in full prior to any grant monies being advanced for completed work, and that no grant funds will be paid out until the condition is met and, if the property taxes are not paid in full within one (1) year of the date of the Letter of Understanding entered into between the City of Hamilton and the applicant, that the grant will be considered void.
- d) That unallocated grant monies resulting from taxes not being paid or applicants not proceeding with renovation of their properties, be utilized for future loan and grant programs administered by the Downtown Renewal Division for Hamilton's Business Improvement Areas.
- e) That the grant portion in the total amount of \$163,690 be funded by Capital Project 8200603610.

**SUBJECT: Commercial Property Improvement Grant Program (C.P.I.G.)
Applications (PED07103) (Wards 1, 2, 3, 4, 9, 15) - Page 2 of 7**

- f) That the Director of Downtown 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 sub-section (e) above is not exceeded and said grant is in accordance with the program rules.
- g) That the Director of Downtown 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.
- h) That staff be authorized and directed to prepare and execute Letters of Understanding with Council-approved applicants, with such Letter of Understanding being in a form satisfactory to the City Solicitor.

Lee Ann Coveyduck
General Manager
Planning and Economic Development Department

EXECUTIVE SUMMARY:

Report PED07103 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 to a maximum of \$7,500 to commercial property owners and authorized tenants within Hamilton's twelve (12) B.I.A.s for façade improvements.

BACKGROUND:

The Commercial Property Improvement Grant Program (C.P.I.G.) was approved by Council at its meeting held October 16, 2001. C.P.I.G. is intended to provide financial assistance for commercial property owners and authorized tenants within the existing twelve (12) City-wide Business Improvement Areas (B.I.A.s) as identified within the relevant Community Improvement Project Areas and Community Improvement Plans. It is understood that the smaller scale commercial activities contribute greatly to the economic vitality and health of the commercial sector within the City of Hamilton. The program seeks to build upon these successes, resulting in long-lasting physical improvements to the assets of commercial property owners and authorized tenants. The program is also intended to bring about aesthetic improvements to the commercial areas as defined by the B.I.A.s and to improve commerce within the entire City.

**SUBJECT: Commercial Property Improvement Grant Program (C.P.I.G.)
Applications (PED07103) (Wards 1, 2, 3, 4, 9, 15) - Page 3 of 7**

While the program offers a maximum of 50% of the total cost of façade improvements to a maximum of \$7,500, it is important to note that the monies leveraged in improvement costs is greater than 50% as reflected in the following chart:

Year	No. of Applications	Total Cost of Construction	Total Grant	Grant as a Percentage of Construction
2001	24	\$443,379	\$187,832	42.4%
2002	42	\$783,335	\$333,365	42.6%
2003	37	\$570,807	\$207,700	36.4%
2004	34	\$618,353	\$187,722	30.4%
2005 (Spring)	14	\$212,744	\$86,108	40.5%
2005 (Fall)	19	\$254,575	\$97,252	39.6%
2006 (Spring)	14	\$209,512	\$78,063	37.3%
2006 (Fall)	26	\$408,606	\$163,690	40.0%
TOTAL TO DATE	210	\$3,501,311	\$1,341,732	38.3%

When C.P.I.G. was introduced, the maximum grant per property was \$15,000. In 2003 the maximum grant per property was reduced from \$15,000 to \$7,500 in an effort to sustain the program given the financial constraints of the City of Hamilton and, at the same time, addressing the high demand of the program. The reduction in the maximum grant was recommended by staff, approved by the Hamilton Association of Business Improvement Areas (H.A.B.I.A.) and, ultimately approved by City Council. Staff further improved the program in 2005 by extending an invitation for applications to twice a year versus once a year. Increasing the frequency of accepting applications within a calendar year has greatly enhanced the service delivered to the public as witnessed through the positive feedback received from the individual B.I.A.s and H.A.B.I.A.

As recently as February 28, 2007, City Council approved the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Project Area and Community Improvement Plan. The Plan includes amendments to the Commercial Property Improvement Grant Program that changes the maximum matching grant of \$7,500 per property, to a maximum matching grant of \$400 per linear foot with a maximum of \$20,000 per property or, \$25,000 for corner properties. The Community Improvement Plan clearly states that, applications accepted under the Program prior to Council approving the amendments to the Program, are to be grandfathered under the former rules of the Program. Therefore the applications being recommended in Appendix 'A' are based on a maximum matching grant of \$7,500. Future applications will be processed applying the recently adopted rules.

The Fall 2006 Program was announced in June 2006 with an application deadline of November 2, 2006. The Fall deadline was announced at H.A.B.I.A. in June 2006. Each B.I.A. is responsible for notifying their membership of the Program and the deadline for applications. In the past, the Downtown Renewal Division has hosted Public Information Sessions on the Program, however, due to the lack of attendance at the Public Information Sessions, it was agreed that they were no longer a viable communications tool.

**SUBJECT: Commercial Property Improvement Grant Program (C.P.I.G.)
Applications (PED07103) (Wards 1, 2, 3, 4, 9, 15) - Page 4 of 7**

Applications for Funding:

Appendix 'A' to Report PED07103 is a summary of the applications received and provides details relative to the name of the applicant; property address; work proposed; total value of work proposed; and, the total City grant. The maps contained in Appendix 'B' to Report PED07103 identify where the properties proposed for restoration are located.

The owner of 324 Dundas Street East in Waterdown has been advised that her application is not eligible as the property is historically designated. However, the owner has been referred to the Community Planning and Design Section of the Planning and Economic Development Department for the purpose of applying under the Commercial Heritage Properties Incentive Program, a program that offers grants for the restoration of heritage properties.

All proposed work under the terms of the program recommended by the City of Hamilton for funding will comply with the appropriate regulations of the City's Zoning By-law(s). Any required variances or amendments to ensure conformity with the appropriate by-law(s) will be made a condition of approval of the grant and will be included as part of the Letter of Understanding in a form satisfactory to the City Solicitor. Building and Licensing Division staff will prepare detailed zoning reports and a record of site inspection to address issues of by-law conformity or Ontario Building Code issues requiring attention. These reports will form the basis of any conditions that are to be referenced within the Letter of Understanding between the City and the applicant.

Program Effects:

The total City portion of work for the twenty-six (26) recommended applications is \$163,690. The total dollar value of improvements within the B.I.A.s is \$408,606. The City's grant represents 40.0% of the total construction cost. The Program provides a grant of 50% of the total cost of façade renovations to a maximum of \$7,500.

The majority of contractors are from Hamilton and in excess of \$408,606 in new contracts, spread over some twenty-seven (27) 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.

Feedback from the B.I.A.s, property and business owners on the Program has been extremely positive to date. The Downtown Renewal Division sent out 33 questionnaires to the applicants of the 2005 Program and received fifteen (15) responses, a 45.5% response rate. Of the fifteen (15) respondents fourteen (14) were "extremely satisfied" with the Program and its administration. The one (1) respondent was "somewhat satisfied" citing that the contractor had to be paid for works completed before the grant money is received and, that the work completed has to meet the satisfaction of a Building Inspector. In reviewing the response, staff is not recommending any changes from the existing process. Grants will continue to be paid only upon a satisfactory final inspection report from a City Building Inspector and once the owner has provided a copy

**SUBJECT: Commercial Property Improvement Grant Program (C.P.I.G.)
Applications (PED07103) (Wards 1, 2, 3, 4, 9, 15) - Page 5 of 7**

of the paid invoice. These terms are included in the Letter of Understanding that the applicant signs once the grant is approved by Council.



226 Ottawa Street North – Before



226 Ottawa Street North – After



669 Barton Street East – Before



669 Barton Street East – After

ANALYSIS/RATIONALE:

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.

ALTERNATIVES FOR CONSIDERATION:

Non-acceptance of the recommendations contained with Report PED07103 would result in the inability of the municipality to make financial assistance available under the terms of the program.

There are no alternative options for approval of the grants at this time.

**SUBJECT: Commercial Property Improvement Grant Program (C.P.I.G.)
Applications (PED07103) (Wards 1, 2, 3, 4, 9, 15) - Page 6 of 7**

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial – Funding is provided under the terms of C.P.I.G. 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. City Council approved funding for C.P.I.G. in 2006 in the total amount of \$250,000 contained in Capital Budget Number 8200603610. The total amount of grants under the Spring 2006 program was \$78,063. The total amount of grants under the Fall 2006 program is \$163,690 therefore there are sufficient funds for the recommended applications.

Staffing – Administration of C.P.I.G. can be accommodated within the Planning and Economic Development Department and Corporate Services Department.

Legal – Letters of Understanding between the City of Hamilton and applicants are to be executed.

POLICIES AFFECTING PROPOSAL:

The Planning Act, Section 28, Subsection (7) 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 owners or assessed owners of lands and buildings within the designated Community Improvement Project Areas.

RELEVANT CONSULTATION:

The Finance Department was consulted with respect to the financing required for approving the C.P.I.G. grants.

CITY STRATEGIC COMMITMENT:

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. Yes No
Partnerships are promoted.

Environmental Well-Being is enhanced. Yes No
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.

**SUBJECT: Commercial Property Improvement Grant Program (C.P.I.G.)
Applications (PED07103) (Wards 1, 2, 3, 4, 9, 15) - Page 7 of 7**

Economic Well-Being is enhanced. Yes No

Investment in Hamilton is enhanced and supported. Property owners invest in B.I.A. properties leading to property assessment increases through the rehabilitation of buildings.

Does the option you are recommending create value across all three bottom lines?

Yes No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?

Yes No

Hamilton continues to lead initiatives related to renewal.

RMM:HM:jcs

Attachs. (2)