

DOWNTOWN WORKSPACES REVITALIZATION AND ATTRACTION GRANT PROGRAM



The Downtown Workspaces Revitalization and Attraction Grant Program is intended to provide Grants to support physical improvements to Workspaces in Downtown Hamilton. Its purpose is to encourage the creation of workspaces or to facilitate the enhancement, appeal, functionality, and marketability of existing Workspaces, including the associated building amenities, to assist in the reduction of vacancy through the retention and attraction of tenants.

A. Program Overview/Description

1. For the purposes of this Program:

- a. **“Approval Authority”** means the approver or denier of a Program application for a Grant;
- b. **“Director”** means the City’s Director of the Economic Development Division;
- c. **“Eligible Costs”** means the costs set out in Section D;
- d. **“Eligible Improvements”** means the improvements set out in Section D;
- e. **“Grant”** shall mean a grant under the Program;
- f. **“Manager”** means the City’s Manager of Commercial Districts and Small Business;
- g. **“Owner”** means the owner registered on title of the property that is the subject of a Program application;
- h. **“Program”** means the Downtown Workspaces Revitalization and Attraction Grant Program;
- i. **“Project Monitor”** means an architect, engineer or quantity cost surveyor acceptable to the Director in their sole, absolute and unfettered discretion;
- j. **“RHCD CIP”** means the Revitalizing Hamilton’s Commercial Districts Community Improvement Plan;
- k. **“RHCD CIPA”** means Revitalizing Hamilton’s Commercial Districts Community

Improvement Project Area;

- i. **"Tenant"** means a tenant of a property who is authorized by the Owner of the property to make an application under the Program and who will be undertaking the Eligible Improvements that are the subject of the Program application to the portion of the property that they lease;
 - m. **"Site"** means all properties/parcels of land associated with the building subject to an application under this Program; and
 - n. **"Workspace"** means space within a building used for employment-generating, non-residential purposes, including but not limited to Office, Commercial School or Communications Establishment uses, as defined in the City of Hamilton Zoning By-law 05-200, and may include, professional services, research and development uses, including laboratory facilities, where such uses are permitted under the applicable Zoning. For greater clarity, Workspaces do not include retail, restaurants, personal services, or other primarily customer-facing commercial uses located at grade.
2. This Program applies to properties within Sub Area 1: Central Business District of the Downtown Hamilton Commercial District Community Improvement Project Area as defined in the RHCD CIPA By-law.
3. Grants provided under this Program shall be provided to the Applicant, who is the Owner, or who is the Tenant. The Tenant shall provide the City with written authorization from the Owner that the Tenant is permitted to undertake the Eligible Improvements identified in the Tenant's Program application.
4. Where the Applicant is a Tenant, the Program application shall be accompanied by an executed lease for the subject Workspace, provided to the satisfaction of the Manager.
5. The maximum Grant is as follows:
 - a. For Eligible Improvements to tenant amenities/common areas, the Grant is the lesser of:
 - i. \$20 per square foot;
 - ii. \$100,000; or,
 - iii. the lowest cost estimate for the Eligible Costs for the Eligible Improvements provided by the Applicant pursuant to this Program; or
 - b. For Eligible Improvement to Workspaces, the maximum Grant is the lesser of:
 - i. \$40 per square foot;
 - ii. \$50,000 for each year of the lease term;

- iii. \$250,000; or
 - iv. the lowest cost estimate for the Eligible Costs for the Eligible Improvements provided by the Applicant pursuant to this Program.
6. Multiple Program applications by different tenants can be made for the same building, however, an Owner and Tenants may not apply for improvements to the same space.
7. Notwithstanding Section A, Paragraph 5, a Tenant may not reapply for Grant funding for the same Workspace during the period associated with their lease term as submitted with their initial Program application regardless of any subsequent termination or alteration to the original executed lease.
8. An Owner cannot receive more than the maximum amount set out in Section A, Paragraph 5 within any rolling five-year period. This five-year limit applies to the total of all Grants issued to that Owner under Section A, Paragraph 5.

For clarity, an Owner may apply for Grants under Paragraph 5.a, Paragraph 5.b, or both. However, the combined total of all Grants approved within any rolling five-year period for a Site may not exceed an overall Program cap of \$250,000, regardless of the number of or type of Eligible Improvements. The rolling five-year period is measured backward from the date of each Approval Authority approval issued under this Program.

B. Program Eligibility and Criteria

9. Applications to this Program must meet the goals of the RHCD CIP.
10. Workspaces shall be:
- a. Permitted under the Zoning By-law No. 05-200;
 - b. Located on a property within Sub Area 1: Central Business District of the Downtown Hamilton Commercial District Community Improvement Project Area as defined through the RHCD CIPA By-law;
 - c. In a building under private ownership (i.e. public-sector owned buildings are not included); and
 - d. Be located above the ground floor and occupy areas of an existing building.
11. Notwithstanding Section A, Paragraph 2, this Program shall not apply to a building:
- a. where a designated heritage building, or any designated part thereof, has been demolished in contravention of the *Ontario Heritage Act* or any applicable City

by-law or Official Plan policy respecting designated heritage buildings, or parts thereof; and,

- b. currently operating as or proposed adult entertainment parlour, body rub establishment, correctional facility, corrections residence, emergency shelter, lodging house or residential care facility as defined in Zoning By-law No. 05-200.

12. A complete Program application shall be submitted to the Economic Development Division prior to:

- a. The commencing of Eligible Improvements; and/or,
- b. The issuance of a Building Permit for Eligible Improvements subject to the application.

13. Eligible Improvements commenced prior to the submission of a Program application are ineligible. Eligible Improvements commenced after submitting a Program application but prior to approval of a Program application may be eligible for funding under the Program with eligibility determined by the Approval Authority approving the Application in their sole, absolute and unfettered discretion. An Applicant shall assume the risk of any costs incurred after a Program application has been submitted but prior to approval under this Program having been received.

14. Eligibility requirements for the Program relating to the work to be funded shall be specifically identified by the Applicant. Two separate cost estimates for the improvement(s) are required to be submitted with the Program application. Grants will be calculated based upon the lowest cost estimate; however, the Applicant will not be required to use the contractor associated with the lowest quote.

A contractor licensed with the City of Hamilton may be required to undertake the work as determined by the City's Building Division. For more information on work that requires a licensed contractor, please refer to the Application Form or contact the Building Division at 905-546-2424 Ext. 2720 or building@hamilton.ca.

15. In the case where the Applicant is the Owner of a contracting company and wishes to utilize their company to undertake the improvements, one cost estimate from an arms-length contractor will also be required. The Owner may present an estimate based on material only.

16. A City Building Inspector will review all cost estimates provided for the purpose of ensuring competitiveness.

Prior to the commencement of any improvements that are the subject of a Program application, a City Building Inspector will conduct an inspection of the portion of the Property where the improvements are proposed. The purpose of this inspection is to assess the existing conditions and to confirm that the proposed improvements appear capable of meeting the requirements of applicable Acts, Regulations, and

City By-laws, including but not limited to the Ontario Building Code, the Property Standards By-law, the Trade Licensing By-law, and the Sign By-law.

Following completion of the Eligible Improvements, a City Building Inspector will perform a final inspection to verify that the completed work complies with all applicable Acts, Regulations, and City By-laws, including the Ontario Building Code, the Property Standards By-law, the Trade Licensing By-law, and the Sign By-law.

17. Costs associated with the Eligible Improvements completed must be consistent with estimates and work proposed and identified within the Program application unless previously discussed and approved by the Manager.
18. Grants are only payable to the Applicant for an approved Program application and cannot be assigned or directed to any other payee, including but not limited to, any subsequent owner of the Site, unless provided for in the Program Administration section herein.
19. Applications and approvals under this Program shall be processed on a first come, first served basis, subject to the availability of funding. Notwithstanding the foregoing, where prioritization is required due to demand for the Program or limitations in available funding, the City may give priority to applications that will result in the greatest number of employees being accommodated in the subject Workspace to the satisfaction of the Director.
20. Eligible Improvements shall be completed within one (1) year of the date of Program application approval by Approval Authority and if not completed within this time period the Grant shall be cancelled. A one-time, extension of up to one (1) year may be granted in a formal request submitted by the Applicant to the Director prior to the lapsing of the above time period and subject to consideration and approval at the sole discretion of the Director.
21. Where the Grant amount is determined based on the lease term, the Applicant shall maintain the lease in good standing for the duration of that term. In the event the lease is terminated prior to the end of the lease term, the City may, at its discretion, require repayment of the Grant on a pro-rated basis.
22. A successful Applicant will enter into an agreement with the City containing (but not limited to) the terms and conditions set out in this Program.
23. Prior to any Program application approval being provided, the following requirements must be met to the satisfaction of the Approval Authority:
 - a. A complete Program application has been submitted prior to the commencement of any Eligible Improvements and prior to the issuance of any required Building Permits;

- b. All municipal property taxes on the subject Site are paid and current at the time of Program application review;
 - c. The subject site is in full compliance with applicable Zoning By-law regulations, including permitted uses and any applicable Site Plan approvals;
 - d. There are no outstanding Property Standards orders, Building Code orders, Fire Code orders, or any other orders or directive issued by judicial, governmental, or regulatory authority relating to the subject Site;
 - e. The Applicant and Owner are in good standing with respect to all other agreements entered into with the City and with respect to any other amounts owed to the City;
 - f. The Applicant has submitted all required cost estimated from the proposed Eligible Improvements, and such estimates have been reviewed for competitiveness by a City Building Inspector; and
 - g. Any additional as may be determined by the Approval Authority in their sole discretion.
24. The Grant payable shall be based on the actual Eligible Costs incurred for the Eligible Improvements, as provided for in the paid invoice and proof of payment satisfactory to the Manager, and shall not exceed the approved maximum Grant amount as provided for in Section A, Paragraph 5.
25. Prior to any Grant payment being provided, the following requirements must be met to the satisfaction of the Manager:
- a. Eligible Improvements shall be completed one (1) year from the date of the Program application approval by the Approval Authority;
 - b. The Applicant has demonstrated that the work completed is consistent with the estimate, and work proposed and identified within the Program application, unless otherwise approved by the Approval Authority;
 - c. All municipal property taxes on the subject site remain paid and current at the time of the Grant payment;
 - d. There are no outstanding Property Standards orders, Building Code orders, Fire Code orders, or any other orders or directive issued by a judicial, governmental, or regulatory authority relating to the subject site;
 - e. A City Building Inspector has conducted a final inspection confirming that the completed work complies with all applicable Acts, Regulations, and City By-laws,

including the Ontario Building Code, the Property Standards By-law, the Trade Licensing By-law, and the Sign By-law;

- f. All Building Permits required for the Eligible Improvements have been issued and closed, to the satisfaction of the Approval Authority in their sole discretion;
- g. The Applicant has provided, to the Manager, copies of paid invoices and proof of payment of Eligible Cost to the satisfaction of the Manager for all Eligible Improvements undertaken for which the Grant(s) is applicable.
- h. The Applicant has demonstrated satisfactory compliance with all Program terms contained herein;
- i. The Applicant has entered into the require lease; and,
- j. The required agreement been executed, as determined by the Approval Authority in their sole discretion.

26.A Project Monitor shall be required, unless waived at the sole, absolute, and unfettered discretion of the Director, for the purpose of confirming that the Eligible Improvements have been completed in accordance with the approved plans and specifications and in compliance with all applicable law. Where a Project Monitor is required, the Applicant shall retain, at the Applicant's expense, a Project Monitor acceptable to the Director. The Project Monitor shall provide proof satisfactory to the Director that the Eligible Improvements have been completed in accordance with the approved plans and specifications and in compliance with all applicable law.

27. Unless waived at the sole, absolute and unfettered discretion of the Director, confirmation of publication of the Certificate of Substantial Performance will be required. Where the requirement for confirmation of publication of the Certificate of Substantial Performance has not been waived by the Director, the Contractors must supply a Declaration of Last Supply. The Grant will be released 60 days following the date of publication of substantial completion or, where the City has waived the requirement for the publication of the Certificate of Substantial Performance, the Grant will be released 60 days following the Declaration of Last Supply from the Contractors and following receipt of a written report to the City, satisfactory to the Director, that will include but not be limited to an updated statement of project costs, confirmation that all of the Workspaces in the project can be occupied, receipt of statutory declaration(s) in a form satisfactory to the Director and sworn to by the Contractor(s) that states: "All accounts for labour, contracts, subcontracts, products, services, machinery and equipment which have been incurred relating to the Eligible Improvements, have been paid in full" and there are no notices of liens and lien rights have expired. Release of the Grant under this Paragraph means the Grant can be paid if all other conditions required for the payment of a Grant under this Program

have been satisfied.

28. Approval and the receiving of the Grant under this Program shall not preclude eligibility, approval and the receiving of financial assistance for the same building and/or Workspaces under any other available municipal program.

However, where the same Eligible Improvements receive financial assistance from the City, the Grant under this Program shall be based on the net Eligible Costs incurred by the Applicant, being the total Eligible Costs less any other financial assistance received or to be received from the City. In no instance shall the combined total of all the Grants and financial assistance provided by the City for the same Eligible Costs exceed 100% of the Eligible Costs up to the maximum Grant permitted under this Program.

C. Approval Authority

29. Applications under this Program are subject to the availability of funds, and the approval or denial by the person identified in the approval authority by-law applicable to the Program (the "Approval Authority").
30. Without limiting the discretion as set out in Section C, Paragraph 29 herein, the Approval Authority, whether or not an Applicant satisfies the requirements of the Program, may, in its sole discretion, reject any application received from an Applicant where, in the opinion of Approval Authority, the commercial relationship between the City and the Applicant has been impaired by, but not limited to, the Applicant being involved in litigation with the City.

For the purposes of this section "Applicants" shall include, but not be limited to, the following, jointly and severally:

- a. the Applicant identified on the application form;
 - b. if the Applicant is a corporation, any person or entity with an interest in the corporation, any shareholder of the corporation, or any officer or director of the corporation, as determined by the Approval Authority in their sole, absolute, and unfettered discretion;
 - c. if the Applicant is a partnership or limited partnership, any partner or limited partner, and if any such partner or limited partner is a corporation, any person or entity with an interest in the corporation, any shareholder of that corporation, or any officer or director of that corporation, as determined by the Approval Authority in their sole, absolute, and unfettered discretion.
31. Without limiting the discretion as set out in Section C, Paragraph 29 herein, the Approval Authority, or its delegate, whether or not an Applicant satisfies the requirements of the Program, may in its sole discretion, reject any application without

further consideration where due diligence undertaken by the City identifies municipal property tax arrears owed on the subject Site, non-compliance with respect to Zoning By-law regulations or there exist outstanding property standards, Building Code or Fire Code orders in respect of the subject property or building or any other judicial, regulatory or governmental order in respect of the subject Site.

32. Without limiting the discretion as set out in Section C, Paragraph 29 herein, the Approval Authority, whether or not an Applicant satisfies the requirements of the Program, may in its sole discretion, reject any application where the Approval Authority determines in their sole discretion that there is a financial risk to the City in terms of the financial capabilities of the Applicant to complete the development subject to the Program application.
33. Without limiting the discretion as set out in Section C, Paragraph 29 herein, the Approval Authority, whether or not an Applicant satisfies the requirements of the Program, may in its sole discretion, reject any application received from an Applicant where there is credible information that the Applicant has been involved recently or repeatedly in illegal activity supporting the conclusion that they will not conduct themselves with honesty and integrity in undertaking the activity, operation or business for which a Grant/Loan under this Program is being sought. For corporate Applicants, the Applicant, for the purposes of this Section C, Paragraph 33, will be considered to be the corporation, the officers and directors of the corporation and the shareholders and this Section C, Paragraph 33 shall apply jointly and severally to each of them.
34. A Program application may be denied by the Approval Authority if the development is not supported by City Council, notwithstanding any approval of Planning Act applications by any other authority, including but not limited to the Ontario Land Tribunal or the Minister of Municipal Affairs and Housing.
35. Approval, part approval, or denial of a Program application shall not fetter City Council's discretion regarding any Planning Act applications regarding the subject Site or any other decisions by City Council regarding the subject Site or building.
36. Approval of a Program application by the Approval Authority may provide for a reduced Grant amount such that no Grant is provided in respect of any portion of the development which City Council does not support notwithstanding any approval of Planning Act applications by any other authority including but not limited to the Ontario Land Tribunal or the Minister of Municipal Affairs and Housing, and that the Approval Authority's decision on the application will not fetter City Council's discretion on Planning Act applications. In such cases, the Applicant shall be required to provide additional supporting documentation, at the Applicant's own expense, to support the providing of financial assistance in accordance with the Approval Authority's approval/direction of the Program application.

D. Eligible/Ineligible Improvements and Costs

37. Eligible Improvements include permanent, physical upgrades to leasable Workspaces or a building's tenant amenities/common areas. These improvements must either support tenant attraction or retention (such as enhancements to common amenities or common areas) or be required by the Tenant as a condition of leasing the Workspace.

38. Eligible Costs include labour and material costs, excluding HST, required to complete Eligible Improvements.

39. Eligible Improvements include the following:

- permanent interior alterations to accommodate a Tenant with an executed lease agreement or an owner-occupied Workspace (including but not limited to meeting spaces, lunchrooms/kitchenettes, improvements to flooring etc.)
- IT infrastructure (including security infrastructure such as an access control system, close-circuit television camera system etc.);
- improved lighting upgrades;
- Accessibility for Ontarians with Disabilities Act improvements; and
- Other permanent improvements deemed eligible at the sole discretion of the Manager.

40. Ineligible Improvements include the following:

- Any improvement to Workspaces that are used for commercially-oriented activities such as, but not limited to retail, restaurant, personal services, commercial entertainment, commercial recreation, hotel, financial establishments or conference or convention centre uses as well as medical clinics;
- Any improvement to common/shared areas of buildings that are not accessible to and entirely dedicated to the tenant of the building's Workspaces;
- General building maintenance work, including routine repairs and upkeep (e.g. HVAC servicing, plumbing and electric repairs, etc.);
- Exterior capital improvements to the building, including but not limited to: roof replacements or structural decking, structural building additions or extensions or non-leasable building additions, exterior masonry or cladding repairs, and exterior site works (e.g., paving, landscaping, or exterior retaining walls etc.);
- Any items that are not permanent to the building or that can be moved or taken out of the Workspace(s) (e.g. mobile partitions, furniture and general workspaces equipment, appliances, pictures/art and carpeting / rugs etc.); and,

- Any other improvement deemed not to meet the intent of this Program at the sole discretion of the Manager.

41. Ineligible Costs include but are not limited to:

- Operational costs (e.g. trash removal, pest control, window washing, cleaning services etc.);
- Building equipment replacement/repair (e.g. boiler systems, elevator systems, sprinkler system etc.);
- Code, safety and compliance requirements (e.g. fire alarm testing and repairs).
- Program application fees;
- Tools;
- Business interruption expenses;
- Business equipment; and,
- Any other cost deemed not to meet the intent of this Program at the sole discretion of the Manager.

E. Program Administration

42. Required documents and information forming a complete application shall be identified within the Program's application form. The application date for the purposes of the Program will be the date on which the Manager has deemed the application complete in their sole discretion.
43. An application fee is payable upon submission of a Program application and forms part of a complete Program application. The fee will be authorized through a user-fee by-law passed by City Council. The rate of the fee may be changed from time to time as approved by City Council and will be identified on the Program's application form.
44. Economic Development Division staff will review Program applications for eligibility in accordance with the RHCD CIP, RHCD CIPA, the Program terms contained herein and in collaboration with other City departments as required. Acceptance of the application by the City in no way implies Program application approval.
45. The subject Site and Applicant will be the subject of due diligence undertaken by the City to confirm compliance with the Program requirements prior to approval and prior to payment. Failure to comply with any of the above will result in an application not being recommended for approval or, if the application has been approved, non-payment of a Grant under this Program.
46. If a Program application is approved, the Applicant will be provided an approval letter that outlines the terms and conditions of the Grant. If a Program application

is denied, the applicant will be notified in writing with rationale for the decision.

47. Where a Program application has been submitted but not yet approved by the Approval Authority and the subject Site is sold/transferred to a new owner, the City may permit the transfer or assignment of the application to the new owner at the sole, absolute and unfettered discretion of the Approval Authority. An assignment or transfer may require the assignee or transferee to submit an application, assignment or transfer agreement and/or such other documents as determined by the Approval Authority in their sole, absolute and unfettered discretion. The new owner shall be subject to all applicable due diligence required under this Program, including, but not limited to, applicable corporate title and litigation searches and financial risk, to the satisfaction of the Approval Authority prior to assignment being considered by the Approval Authority.
48. The City reserves the right to require the submission of any additional documentation or enter into any additional agreements as deemed necessary by the Manager to ensure the goals and purpose of this Program and the RHCD CIP are met.
49. Applications to this Program not yet approved shall be subject to any changes to the terms of this Program approved by City Council prior to the Program application being approved.
50. The Economic Development Division will periodically review the terms and availability of this Program and as a result the Program may be updated from time to time.
51. Where this Program refers to a City staff title, such reference shall be deemed to include any new, amended, replaced, substituted or successor title assigned to the position from time to time.
52. City Council may discontinue this Program at any time. However, Applicants with approved Program applications will still continue to receive the Grant subject to meeting the Program terms contained herein.
53. The City is not responsible for any costs incurred by the Applicant in any way relating to the Program, including without limitation, costs incurred in anticipation of a Program application approval or Grant being provided.