

Mark McMaster  
168 West Avenue N  
Hamilton, ON L8L 5C6

11-Jul-2012

Mayor and Councillors

Re: Request for Relief from Development Charges Liability at 168 West Avenue N

On 1-Apr-2011 I purchased the above property which is a former church (built c. 1910) that, at the time of purchase, bordered the former "Downtown Community Improvement Plan" (DCIP) area and is now within its recently expanded borders. I have previously sought relief from the development charges (DCs) in a presentation to the AFA Committee on 13-Feb-2012 (where my request was received and no further action taken) and through meetings and phone conversations with my Councillor and various members of City staff going back over one year. I was prepared to pay 10% of the DC liability under the new regime for the downtown (\$2,714.20) until I was recently made aware of DCs that were not subject to the 90% exemption (education, cash in lieu of parkland – an additional \$4,014.00). I would have made another delegation request to appear before the AFA Committee again, but they are not meeting until September.

I am redeveloping a downtown property that had decayed for decades due to neglect and converting it to a less intense use that is a good fit with the existing residential neighbourhood. I have chosen to redevelop in the downtown because of its vibrant communities and cultural life, despite the fact that the completed development will be worth far less than my financial investment. I have no means of absorbing DCs by profit and, unlike suburban residential developers subject to DCs, no future buyer to pass them on to.

Since my purchase, MPAC has changed the status of the property to residential and increased the assessment by 60%. I will pay residential taxes for all of 2012 despite not yet receiving the building permit that will make the conversion official. Throughout my ordeal I have followed the proper procedures and virtually every interaction with the City has resulted in increased costs, delays, and frustration in some combination. I believe that this explains why so many developments occur without a permit and why the City misses out on long-term tax revenue through increased assessment by imposing so many barriers to redevelopment.

I am aware that the "change of use" from "place of worship" to "single-family dwelling" gives the City the legal right to impose DCs and to assume that my redevelopment will increase the need for services. That said, Council has the authority to waive DCs in the interest of good planning as is the case here and as they have done recently with much larger amounts. I respectfully request that at its meeting of 12-July-2012, Council relieve my property of its DC liability. Further, and in the interest of quality development and long-term financial benefit, I request that Council reconsider the practice of imposing DC liabilities on all properties initially developed before The Development Charges Act was made effective.

Sincerely

Mark McMaster