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J. Papazian

A.M. Heisey Q.C.
A.B. Forrest
J.S. Quigley
M. Krygier-Baum

A. Milliken Heisey, Q.C.
Direct: 416 601 2702
Assistant: 416 601 2002
heisey@phmlaw.com

March 7, 2017

DELIVERED
WITHOUT PREJUDICE

His Worship Mayor and Members of Council
C/O City Solicitor City of Hamilton
Nicole Auty
Hamilton City Hall
2nd floor - 71 Main Street West
Hamilton, Ontario
L8P 4Y5

Your Worship and Members of Council:

Re: 257, 259, 267, 271, 279 Bay Street, 32-34 Tiffany Street and 107 Stuart Street

Please be advised that I act for Marino Rakovac and the White Star Group the owners of 257-279 Bay Street North, 32-34 Tiffany St. and 107 Stuart Street.

A residential condominium development proposed by our client is now ready to proceed with a 200 unit apartment building on the Bay Street properties. A retail and commercial development is proposed for the 32-34 Tiffany St and at 107 Stuart Street.

To that end our client has submitted a site plan application to the City to advance the residential development and will be filing applications with the City shortly to lift the Holding Zone affecting these lands.

The single largest impediment to this development proceeding is the advice our client has received from the City that it will be a condition of site plan approval that a Record of Site Condition acceptable to the Ministry of the Environment must be filed.

In order to achieve that our client needs access to the City's various grants under, inter alia, the ERASE incentive program and relief from development charges to be able to achieve a residential Record of Site Condition that will allow the development to proceed.

Our client applied for an ERASE Redevelopment Grant in 2015, copy of letter enclosed, and was advised that the City will not process the Grant application due to ongoing litigation between the White Star Group and the City.

We understand the City has a policy that does not permit City grants to landowners under the ERASE Redevelopment Grant program if the landowner has ongoing litigation with the City of Hamilton.

We are writing to request that City Council waive its policy and direct staff to do the following:

(a) Process the ERASE Redevelopment Grant Application notwithstanding the outstanding litigation

Standard Life Centre, Suite 510, 121 King St. W., P.O. Box 105, Toronto, ON M5H 3T9

T: 416 601 1800
F: 416 601 1818

between the City and White Star Group.

(b) Process a loan in the maximum amount to facilitate the redevelopment under the Hamilton Downtown Multi-Residential Property Investment Program in priority.

(c) Provide 100% reduction from the City and GO Transit Development Charges due to the abeyance status of the White Star development plans applications since 2000.

(d) Process an application for the Downtown Hamilton/West Harbourfront Remediation Loan Program

We are requesting City Council take this position and direct staff in this manner for the following reasons:

1. The policy is a City policy, not a statutory policy like the Provincial Policy Statement 2014, and Council has the authority to deviate from its policies in appropriate cases for good reason.

2. Although real estate prices in the City of Hamilton have risen significantly in the last several years significant redevelopment or new residential development has not materialized. The development of a residential condominium project on 271 Bay Street North will serve as a catalyst for other residential development near the GO Train Station, the West Harbour and downtown.

3. The City as a landowner of lands within the vicinity of 257-279 Bay Street North and 32-34 Tiffany St. will materially and directly benefit from the increase in property values that will be occasioned in this area once the White Star Group condo development proceeds.

4. Property taxes for these properties currently total under $50,000 a year. Post development the property taxes for the properties may be in excess of 20 times that amount.

5. There is a long standing Council compensation resolution to be settled and a subsequent civil suit by White Star against the City in connection with the City's actions concerning this property and White Star's former salvage business over the past decade and beyond. The City received notice on February 22, 2017 from another solicitor retained by our client advising of White Star Group's intention to bring proceedings against the City under the Expropriation Act for compensation. Expropriation proceedings are a statutory proceeding and applying City policy to prevent a landowner from advancing a statutory right would be improper and unfair.

I would request the opportunity to appear in front of Council to depute concerning this matter.

Yours very truly,

A. Milliken Heisey, Q.C.

cc: White Star Group
Ron E. Folkes, Folkes Law

Hamilton

Planning and Economic Development Department
Urban Renewal Section
71 Main Street West, 7th Floor, Hamilton ON L8P 4Y5
Phone: 905-546-2424, Ext. 4178 Fax: 905-546-2693

June 12, 2015

Sonorak Corp.
756 King Street East
Hamilton, ON
L8M 1A5

Attention: Ms. Raquel Rakovac

Dear Raquel:

Re: 257, 259, 263, 269, 271, 275 and 279 Bay Street North (the "Property")

I wish to acknowledge the receipt of your application, certified cheque in the amount of $700.00, and the Site Remediation Proposal from Soil-Mat Engineers & Consultants Ltd for the ERASE Redevelopment Grant last week. The application was submitted by Sonorak Corp., as agent on behalf of the registered property owners who are 1255717 Ontario Ltd 1290976 Ontario Ltd., and 1255705 Ontario Ltd.

As discussed in a recent meeting with you, your father Marino Rakovac, and Hazel Milsome from our office, part of the due diligence for all applications is a corporate search as well as a litigation search. The due diligence has been completed and I have been advised that the property owners (1255717 Ontario Ltd, 1290976 Ontario Ltd., and 1255705 Ontario Ltd.) and Marino Rakovac (the sole shareholder of those three companies), are presently in litigation with the City of Hamilton. Therefore, we cannot process the application due to the ongoing litigation and we are returning your application and documentation as well as the certified cheque.

Yours truly,

Judy Lam, CPA, CMA, MBA
Senior Business Development Consultant

Attachments

416 601-1818