

**LIST OF DOCUMENTS FROM CITY OF  
HAMILTON  
AND WHITE STAR  
(1255717 ONT LTD. - MARINO  
RAKOVAC)  
RESPECTING AGREEMENTS  
REGARDING DAMAGES AND LOST  
OPPORTUNITIES DUE TO "IMPAIRED  
RELATIONSHIP"**

**REPORT FCS04113 DETAILING THE CITY'S CHALLENGES WITH THE  
PROPERTY AND THE AGREEMENT BETWEEN THE CITY AND  
WHITE STAR (1255717 ONT LTD. - MARINO RAKOVAC)  
REGARDING 205-215 CANNON STREET**

CITY WIDE  
IMPLICATIONS

**CITY OF HAMILTON**

**CORPORATE SERVICES**  
*Taxation Division*

<b>Report to:</b> Chair and Members Corporate Administration Committee	<b>Submitted by:</b> Joseph L. Rinaldo, General Manager
<b>Date:</b> September 17, 2004	<b>Prepared by:</b> Larry Friday, Ext 2425

**SUBJECT: Sale of 205 & 215 Cannon Street East (FCS04113) (City Wide, Ward 2)**

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**RECOMMENDATION:**

- a) That staff be directed to execute the agreement of purchase and sale in a form satisfactory to Corporate Counsel, for the .78 acre parcel of land known municipally as 205 and 215 Cannon Street East to 1255717 Ontario Ltd. for the purchase price of Fifty Thousand Dollars (\$50,000.00).
- b) That staff be directed to initiate the process to vest the property and that the treasurer be authorized to cancel the outstanding tax arrears of \$767,354.75.
- c) That 205 & 215 Cannon Street East be declared surplus.

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Christine Swenor, Acting General Manager  
Finance and Corporate Services

**EXECUTIVE SUMMARY:**

On July 5, 2004, staff issued a Request for Proposal for property known municipally as 205 and 215 Cannon Street East, in accordance with the policy for failed tax sales as delineated in report (ECO03027/FCS03157). This property was originally advertised for tax sale in November 2003 and no bids were received on it.

On July 5, 2004, the RFP was advertised in the Hamilton Spectator and 7 bids were received on closing, August 9, 2004. Interviews were set up with the top three bidders. The top bidder (a non-profit organization) has advised us that they are unable to secure financing. As such their bid has been rejected and the second highest bidder recommended for council approval.

**EAST**

The property being sold is an abandoned former car dealership which has been an ongoing concern to the fire department, the property standards division, and the neighbourhood. There is also a known environmental problem on the site in the form of buried gas tanks. Recently squatters were evicted from running an illegal auto body repair shop and left the site littered with abandoned cars and car parts. The inside of the building is filled with worthless flea market type items. The roof is in need of major repairs and the upper portion of the front of the building was damaged a number of years ago in a fire set by vandals.

The property is being sold as is, where is, and the purchaser has agreed not to make any claims against the city. The intended use of the building will be as an auto dealership and the new owner is committing to immediate roof repairs, the removal of the gas tanks, stucco facade improvements to the front of the building, siding on the back suitable to the surrounding residential buildings as well as cleaning up the remaining debris left at the site and doing landscaping improvements.

**BACKGROUND:**

The subject property has been in tax arrears since 1990 and is a potentially contaminated site. In 1998 this property was registered for tax sale and has been eligible for tax sale since 1999. Prior to January 1, 2003 the city was reluctant to act on tax sales for such sites as the legislation was such that the site automatically vested with the city on a failed tax sale, putting the city at risk in case of potential contamination. With the new Municipal Act, cities now have one year from a failed tax sale to evaluate and accept offers to purchase such sites, and we have five years protection from any MOE orders once vested in the City's name. It is our intention to vest this property and then to immediately transfer ownership to 1255717 Ontario Ltd, further limiting our liability.

The property was seized by the receiver upon the bankruptcy of the car dealership. The receiver and the mortgage holder both walked away from the building due to the potential liability of the contamination. The taxes owing on this property have been recorded in our allowance for doubtful accounts.

**ANALYSIS OF ALTERNATIVES:**

Leave the property under current ownership and continue to record the past due taxes and current taxes as uncollectible while also having to spend money to secure and clean the site.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Current tax arrears of \$767,354.75 be written off of which \$128,481.81 would be charged back to the school boards. Failure to act will result in the tax arrears growing as well as the allowance for doubtful accounts.

**POLICIES AFFECTING PROPOSAL:**

The Treatment of Potentially Contaminated Properties that Fail Municipal Tax Sale (ECSO03027/FCS03157). Municipal Act, 2001 sections 354 and 379.

**CONSULTATION WITH RELEVANT DEPARTMENTS/AGENCIES:**

Purchasing Department, Legal Department, Economic Development Department and Real Estate have been consulted.

**CITY STRATEGIC COMMITMENT:**

Economic Development of abandoned Brownfield properties.

# TRANSFER/DEED TO 205 CANNON STREET

<span style="font-size: small;">Province of Ontario</span>		<b>Transfer/Deed of Land</b> <small>Form 1 — Land Registration Reform Act</small>		<small>Do Process Software Ltd. • (416) 322-6111</small>		A									
<div style="display: flex; justify-content: space-between;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: x-small;">FOR OFFICE USE ONLY</div> <div style="text-align: center;"> <p style="font-size: 2em; margin: 0;">U M 2 6 2 0 0 6</p> <p style="font-size: 0.8em; margin: 0;">CERTIFICATE OF REGISTRATION CERTIFICAT D'ENREGISTREMENT WENTWORTH (62) HAMILTON</p> </div> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: x-small;">LAND REGISTRAR/REGISTRATEUR</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: x-small;">FOR OFFICE USE ONLY</div> <div style="text-align: center;"> <p style="font-size: 2em; margin: 0;">'04 10 18 16 25</p> <p style="font-size: 0.8em; margin: 0;">Additional: See Schedule <input type="checkbox"/></p> </div> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: x-small;">LAND REGISTRAR/REGISTRATEUR</div> </div>		(1) Registry <input checked="" type="checkbox"/> Land Titles <input type="checkbox"/> (2) Page 1 of 2 pages		(3) Property Identifier(s) Block _____ Property <b>17163 - 0076 (R)</b> Additional: See Schedule <input type="checkbox"/>		(4) Consideration <b>FIFTY THOUSAND</b> ----- Dollars \$ <b>50,000.00</b>									
Executions  Additional: See Schedule <input type="checkbox"/>		(5) Description This is a: Property Division <input type="checkbox"/> Property Consolidation <input type="checkbox"/> <b>Lots 102, 103 &amp; 104, Plan 255; Lot 178, Plan 287; Part Lot 177, Plan 287, Hamilton</b>		(6) This Document Contains (a) Redescription New Easement Plan/Sketch <input type="checkbox"/> (b) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input type="checkbox"/> (7) Interest/Estate Transferred Fee Simple <input type="checkbox"/> <b>Fee Simple</b>		(8) Transferor(s) The transferor hereby transfers the land to the transferee and certifies that the transferor is at least eighteen years old and that  Name(s) _____ Date of Signature Y M D City of Hamilton _____ <b>Tom Jackson</b> 2004 10 15 _____ <b>Tom Jackson</b> Mayor _____ <b>Kevin Robinson</b> City Clerk _____ <b>Rose Caterini</b>									
(9) Spouse(s) of Transferor(s) I hereby consent to this transaction Name(s) _____ Signature(s) _____ Date of Signature Y M D		(10) Transferor(s) Address for Service <b>71 Main Street West, Hamilton, Ontario L8P 4Y5</b>		(11) Transferee(s) _____ Date of Birth Y M D <b>1255717 Ontario Ltd., in trust</b>		(12) Transferee(s) Address for Service <b>205-215 Cannon Street East, Hamilton, Ontario</b>									
(13) Transferor(s) The transferor verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene section 50 of the Planning Act. Date of Signature Y M D _____ Date of Signature Y M D _____ Signature _____ Signature _____ Solicitor for Transferor(s) I have explained the effect of section 50 of the Planning Act to the transferor and I have made inquiries of the transferor to determine that this transfer does not contravene that section and based on the information supplied by the transferor, to the best of my knowledge and belief, this transfer does not contravene that section. I am an Ontario solicitor in good standing. Name and Address of Solicitor _____ Date of Signature Y M D _____		(14) Solicitor for Transferee(s) I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in subclause 50 (22) (c) (i) of the Planning Act and that to the best of my knowledge and belief this transfer does not contravene section 50 of the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing. Name and Address of Solicitor _____ Date of Signature Y M D _____ Signature _____		(15) Assessment Roll Number of Property City: _____ Mun: _____ Map: _____ Sub: _____ Par: _____ <b>Multiple</b>		<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Fees and Tax</th> </tr> </thead> <tbody> <tr> <td style="font-size: x-small;">Registration Fee</td> <td style="width: 50px;"></td> </tr> <tr> <td style="font-size: x-small;">Land Transfer Tax</td> <td></td> </tr> <tr> <td style="font-size: x-small;">Total</td> <td></td> </tr> </tbody> </table>		Fees and Tax		Registration Fee		Land Transfer Tax		Total	
Fees and Tax															
Registration Fee															
Land Transfer Tax															
Total															
(16) Municipal Address of Property <b>205-215 Cannon Street East Hamilton, Ontario</b>		(17) Document Prepared by: <b>John S. Hall Ross &amp; McBride LLP 10th Floor, 1 King Street West P.O. Box 907 Hamilton, Ontario L8N 3P6</b>		<div style="display: flex; justify-content: space-between;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: x-small;">FOR OFFICE USE ONLY</div> <div style="text-align: center;"> <p style="font-size: 2em; margin: 0;">'04 10 18 16 25</p> <p style="font-size: 0.8em; margin: 0;">Additional: See Schedule <input type="checkbox"/></p> </div> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: x-small;">LAND REGISTRAR/REGISTRATEUR</div> </div>											

Document prepared using Form 1, Ware LandForms

EAST

Additional Property Identifier(s) and/or Other Information

Firstly

ALL AND SINGULAR that certain parcel or tract of land and premises, situate, lying and being in the City of Hamilton and being composed of Parts of Lots Numbers One Hundred and Two (102) and One Hundred and Three (103) and all of Lot Number One Hundred and Four (104) according to Peter Ferguson's Survey, the plan thereof registered in the Land Registry Office at Hamilton as Number 255, and being also composed of all Lot Number One Hundred and Seventy-Eight (178) and part of Lot Number One Hundred and Seventy-Seven (177) according to the plan of subdivision prepared for John Ferguson and registered in the aforesaid Office as Number 287, and described as follows:

COMMENCING at the southwestern corner of Lot Number One Hundred and Two, Registered Plan Number 255. THENCE easterly along the southern limit of the aforesaid Lot Number One Hundred and Two, and being also along the northern limit of Cannon Street East, One Hundred and two feet and one-half inch (102' 0.5") more or less to a point where it is intersected by the production southerly of the western face of the western wall of the two storey brick dwelling know as Municipal Number 215 Cannon Street East.

THENCE northerly to and along the western face of the western wall of municipal number 215 Cannon Street East and continuing along the production of the line thereof northerly One Hundred and Twenty-eight feet and six and three-quarter inches (128' 6 3/4") more or less to a point in the northern limit of Lot Number One Hundred and Three.

THENCE easterly along the northern limit of Lot Number One Hundred and Three, Eighteen feet zero inches (18' 0") more or less to the northeastern corner thereof.

THENCE northerly along the eastern limit of Lot Number One Hundred and Four (104) Registered Plan Number 255, and continuing along the eastern limits of Lots Numbers One Hundred and Seventy-Eight and One Hundred and Seventy-Seven as shown on the Registered Plan Number 287, One Hundred and thirty-five feet eight and three-quarter inches (135' 8 3/4") more or less to a point in the eastern limit of Lot Number One Hundred and Seventy-seven which is distant twenty-five feet zero inches (25' 0") measured northerly along the said eastern limit from the southeastern corner thereof.

THENCE westerly parallel with the southern limit of Lot Number One Hundred and Seventy-Seven, Registered Plan Number 287, One Hundred and twenty feet zero inches (120' 0") more or less to a point in the western limit of Lot Number One Hundred and Seventy-Seven.

THENCE southerly along the western limits of Lots Numbers One Hundred and Seventy-seven and One Hundred and Seventy-Eight, Registered Plan Number 287, and continuing along the western limits of Lots Numbers One Hundred and Four, One Hundred and Three and One Hundred and Two, and being also along the eastern limit of Cathcart Street, Two Hundred and Sixty-five feet six inches (265' 6") more or less to the point of commencement. As described in Instrument Number 196150 C.D.

Secondly

ALL AND SINGULAR that certain parcel or tract of land and premises situate, lying and being in the City of Hamilton and being a part of Lot Numbers 102 and 103, Registered Plan No. 255 (Peter Ferguson's Survey), more particularly described as follows:

COMMENCING at a point in the Northern limit of Cannon Street where is it intersected by the production Southerly of the Westerly face of a two storey brick dwelling known as No. 215 Cannon Street East, the said point being distant one hundred and two feet and zero and one-half inches (102' 0.5") measured easterly along the Northern limit of Cannon Street from the Eastern limit of Cathcart Street, being the Southwest corner of the said Lot 102;

THENCE northerly in a straight line to and along the said Westerly face of the said wall and its production Northerly, through the said Lot Numbers 102 and 103, one hundred and twenty-eight feet and six and three quarters inch (128' 6-3/4") to a point in the Northern limit of said Lot Number 103;

THENCE Easterly along the said Northern limit of Lot Number 103, eighteen feet and zero inches (18' 0") to a stake planted in the Northeastern angle of said Lot Number 103;

THENCE Southerly along the Eastern limits of said Lot Numbers 103 and 102 respectively one hundred and twenty-eight feet and six and one-half inches (128' 6.5") to an iron bar marking the Southeast corner of the said Lot Number 102;

THENCE Westerly along the Northern limit of Cannon Street, eighteen feet and eleven and one-half inches (18' 11.5") more or less to the place of beginning.

As described in Instrument Number 299836 C.D.

FOR OFFICE USE ONLY

Property Identifier(s) No. 17163-0076

Land Transfer Tax Affidavit Land Transfer Tax Act

Refer to all instructions on reverse side.

IN THE MATTER OF THE CONVEYANCE OF (insert brief description of land)

Lots 102, 103 & 104, Plan 255; Lot 178, Plan 287; Part Lot 177, Plan 287

City of Hamilton

BY (print names of all transferors in full) City of Hamilton

TO (print names of all transferees in full) 1255717 Ontario Ltd., in trust

I/We have personal knowledge of the facts herein deposed to and MAKE OATH AND SAY THAT:

1. I am/We are (place a clear mark within the square opposite the following paragraph(s) that describe(s) the capacity of the deponents):

- (a) the transferee(s) named in the above-described conveyance;
(b) the authorized agent or solicitor acting in this transaction for the transferee(s);
(c) The President, Vice-President, Secretary, Treasurer, Director or Manager authorized to act for 1255717 Ontario Ltd. (the transferee(s));
(d) a transferee and am making this affidavit on my own behalf and on behalf of (insert name of spouse or same-sex partner) who is my spouse or same-sex partner.
(e) the transferor and I am tendering this document for registration and no tax is payable on registration of this document.

2. THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

Table with 2 columns: Description and Amount. Rows include: (a) Monies paid or to be paid in cash \$50,000.00; (b) Mortgages (i) Assumed (principal and interest) Nil; (ii) Given back to vendor Nil; (c) Property transferred in exchange (detail below in para. 5) Nil; (d) Other consideration subject to tax (detail below) Nil; (e) Fair market value of the lands (see instruction 2) Nil; (f) Value of land, building, fixtures and goodwill subject to Land Transfer Tax (Total of (a) to (e)) \$50,000.00; (g) Value of all chattels - Items of tangible personal property which are taxable under the provisions of the Retail Sales Tax Act Nil; (h) Other consideration for transaction not included in (f) or (g) above Nil; (i) Total Consideration \$50,000.00.

All blanks must be filled in. Insert "Nil" where applicable.

3. To be completed where the value of the consideration for the conveyance exceeds \$400,000.00

I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land conveyed in the above-described conveyance:

- does not contain a single family residence or contains more than two single family residences.
contains at least one and not more than two single family residences.
contains at least one and not more than two single family residences and the lands are used for other than just residential purposes. The transferee has accordingly apportioned the value of consideration on the basis that the consideration for the single family residence is \$ and the remainder of the lands are used for purposes.

Note: Subsection 2(1)(b) imposes an additional tax at the rate of one-half of one percent upon the value of the consideration in excess of \$400,000.00 where the conveyance contains at least one and not more than two single family residences and 2(2) allows an apportionment of the consideration where the lands are used for other than just residential purposes.

4. If consideration is nominal, is the land subject to any encumbrance? Yes No

5. Other remarks and explanations, if necessary. n/a

Sworn before me at the City of Hamilton

in the Province of Ontario

this 18th day of October, 2004

A Commissioner for taking Affidavits, etc. LAUREN ALEXIS CVETKOVIC, a Commissioner, etc., City of Hamilton, for Pelech, Otto & Powell, Barristers and Solicitors.. Expires August 14, 2005.

Signature(s) Marino Rakovac

Property Information Record

- A. Describe nature of instrument: Transfer/Deed of Land
B. (i) Address of property being conveyed (if available) 205-215 Cannon Street East, Hamilton, ON
(ii) Assessment Roll No. (if available) 25 18 020 182 06500 & 25 18 020 182 16440
C. Mailing address(es) for future Notices of Assessment under the Assessment Act for property being conveyed 205-215 Cannon Street East, Hamilton, ON
D. (i) Registration number for last conveyance of property being conveyed (if available) VM241789 & VM241800
(ii) Legal description of property conveyed: Same as in D.(i) above. Yes No Not known
E. Name(s) and address(es) of each transferee's solicitor: ANTHONY J.B. POWELL, PELECH, OTTO & POWELL 149 Main Street East, Suite 200, Hamilton ON, L8N 1G4 [File AJBP/22735]

For Land Registry Office Use Only. Registration No. Registration Date (Year/Month/Day) Land Registry Office No.

School Support (Voluntary Election) (See reverse for explanation)

- (a) Are all individual transferees Roman Catholic? Yes No
(b) If Yes, do all individual transferees wish to be Roman Catholic Separate School Supporters? Yes No
(c) Do all individual transferees have French Language Education Rights? Yes No
(d) If Yes, do all individual transferees wish to support the French Language School Board (where established)? Yes No

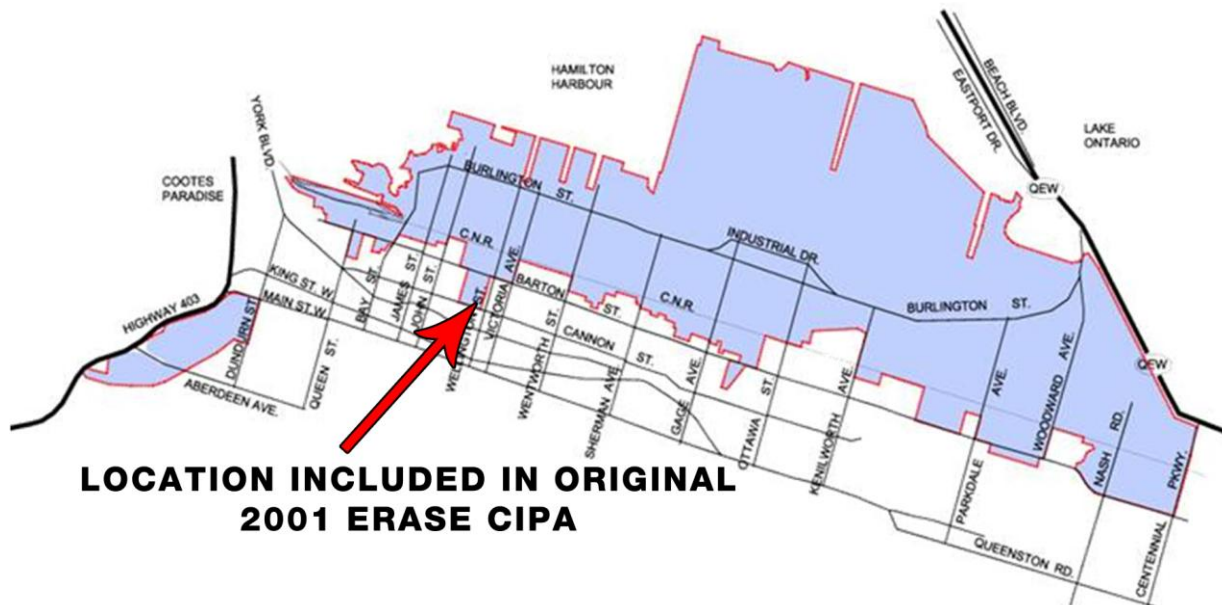
NOTE: As to (c) and (d) the land being transferred will receive French Public School Board Election unless otherwise directed in (a) and (b).

# CORPORATE ADMINISTRATION COMMITTEE REPORT 05-012

0) Failed at Tax Sale - Vested by City with Council Approval required for City Purposes  
1) Renewal of Uncollectible Accounts through Through Negotiations and Council Approval  
2) Renewal of Uncollectible Accounts through Tax Sales then Request for Offers and Council Approval

Property Address	Process	Allowance for Doubtful Accounts	Municipal Tax Write-off	Taxes Recovered	Purchasers Required Actions	Result	New Purchasers / Former owners
1) 100 Depew	1 Negotiation - Council Approval November 13, 2002	\$ 1,423,010.29	\$ 1,129,510.29	\$ 293,500.00	Demolition & renovation of existing buildings, clean up of debris from site, infrastructure upgrades. They also assisted in getting the taxes paid in full on 735 Strathearne where they are a tenant.	Dofasco spent \$3,848,000 in cleanup and upgrades to the property.	<b>Dofasco</b> Former Owner Dominion Castings abandoned site.
2) 735 Strathearne	1 Taxes recovered through negotiations with new owner and with help of Dofasco (a tenant) 9/30/2003	\$ 2,500,000.00	\$ -	\$ 2,500,000.00	Former USARCO properties. Taxes paid in protest re distribution of funds received in lawsuit by city against the receiver. New owner paid balance of arrears under protest.	Three industrial businesses operating on site. Settlement of outstanding arrears late 2003. Taxes paid in full for 2004. Owner dropped his lawsuit against the city re the deal on 675 Strathearne.	<b>Archie Leach</b> Former owner Frank Levy, Part of USARCO properties bankruptcy.
3) 123 Princess Street	2 Failed tax Sale - Sold via RFO - Council approved Jan 20, 2004	\$ 1,216,778.02	\$ 1,166,778.02	\$ 50,000.00	Removal of 100+ tires, barrels & drums, replacement of all windows on 3 storey brick structure, cladding in aluminum, Painting of same structure. Owner assumes all environmental liability.	Removal of property from allowance for doubtful accounts. Recording of property taxes again as revenues \$50,000. Work should lead to increased assessment & tax	<b>Archie Leach</b> Former owner 505088 Ontario Inc (Mike Sullivan) refused to pay taxes and let property go into disrepair.
4) 325 Wellington 5) 350 Ferguson	2 Failed tax sale sold via RFO - Council Approval February 3, 2004.	\$ 2,301,455.89	\$ 2,301,454.89	\$ 1.00	Two properties in tax arrears plus former city asphalt site. All three sites have been tested and will require remediation due to contamination. Sale was originally approved in November 2003 but not approved by HHSC board. Through further negotiations it has now been approved again by council and approved by the HHSC board.	Site to be remediate environmentally and uses for medical offices, parking for the General Hospital and possibly a hotel for families with patients in the cardiac care unit. Part of the property will also be used by the City for the Ferguson street bridge (350 Ferguson). Industrial building site of many fires to be demolished by HHSC.	<b>Hamilton Health Sciences</b> Former owners Cliffwood Investments and City of Hamilton. Property at 325 Wellington is a former industrial building which has been the site of numerous fires.
6) 80 Brant St 7 - 10) 275 / 319 / 371 / 344 Sherman Ave N	1 Negotiation with new owner using Ontario Reg 138/04 to W.O Taxes. Council approval June 16, 2004	\$ 880,793.87	\$ 432,786.46	\$ 448,007.41	City's portion in helping to secure a deal between Delaware Street Capital and Slater Steel to help preserve 300 jobs and Industrial Taxes.	New owners kept operation running securing jobs and our Industrial Tax base. Part of former owners taxes recovered and future taxes to be paid.	<b>Hamilton specialty Bar</b> Former Owner Slater Steel - declared Bankruptcy in 2004
11) 350 Burlington St. E	2 Failed tax Sale - Sold via RFO - Council approved June 16, 2004	\$ 113,661.69	\$ 92,281.69	\$ 21,380.00	No above ground clean-up required. Former gas station operating as a garage. Environmental concerns due to gas tanks & location	New owner to put in two commercial enterprises. Should lead to higher assessment & taxes	<b>Jim Sinclair</b> Former owner John Francis refused to pay taxes in dispute with city over perimeter road.
12 - 13) 205/215 Cannon St. E	2 Failed tax Sale - Sold via RFO - Council approved October 13, 2004	\$ 743,795.20	\$ 693,795.20	\$ 50,000.00	Property standards cleanup on outside of building of all cars, trailers, tires etc. Repairs to building roof and appearance. Neighbors and former ward councillor involved with concerns over squatters.	New commercial enterprise to be established making use of a former abandoned property that had property standards and vandalism issues.	<b>Marino Rakovac</b> Netherlee Investments - Former Volkswagen dealership. Abandoned derelict building
14) 70 Covington Street	2 Failed tax Sale - Sold via RFO - Council approved October 13, 2004	\$ 991,478.19	\$ 776,353.19	\$ 215,125.00	Property standards cleanup of outside of building of all scrap, barrels of contaminants, removal of contaminants in truck bay pit, repairs to roof damaged in tornado. Removal of Contaminants in building	Business from Niagara moving in. New jobs created estimated at 20. Should lead to higher assessment and taxes.	<b>Peter DiBussolo</b> <b>Nick DeFilippis</b> Former owner Aaron Zaitchik refused to pay tax or clean up appearance or fix structure. Was using as storage.
15) 675 Strathearne	1 Negotiation with new owner using Ontario Reg 138/04 to W.O Taxes. Council approval October 27, 2004	\$ 901,707.86	\$ 401,707.86	\$ 500,000.00	Payment proposal to use an abandoned site for a commercial or industrial use. Potential use is as a hydro generating facility. Site to be cleaned of all debris and former buildings. \$10M lawsuit on 735 Strathearne to be dropped.	Abandoned site to be put to use. Should lead to higher assessment and taxes.	<b>Archie Leach</b> Former owner Frank Levy, Part of USARCO properties bankruptcy
16) 790 Rennie Street	1 Negotiation with new owner using Ontario Reg 138/04 to W.O Taxes. Council approval November 24, 2004	\$ 480,145.41	\$ 430,145.41	\$ 50,000.00	Old industrial building in disrepair to be refurbished and put back to use. Grounds to be cleaned up and landscaped. Land suspected of contamination.	Company moving to Hamilton from Mississauga with 14 employees, expected to hire an additional 10 employees locally. Should lead to higher assessment and taxes.	<b>Alex Sivittelli</b> Former Canadian Grinding Wheel. Property abandoned in receivership and in disrepair.

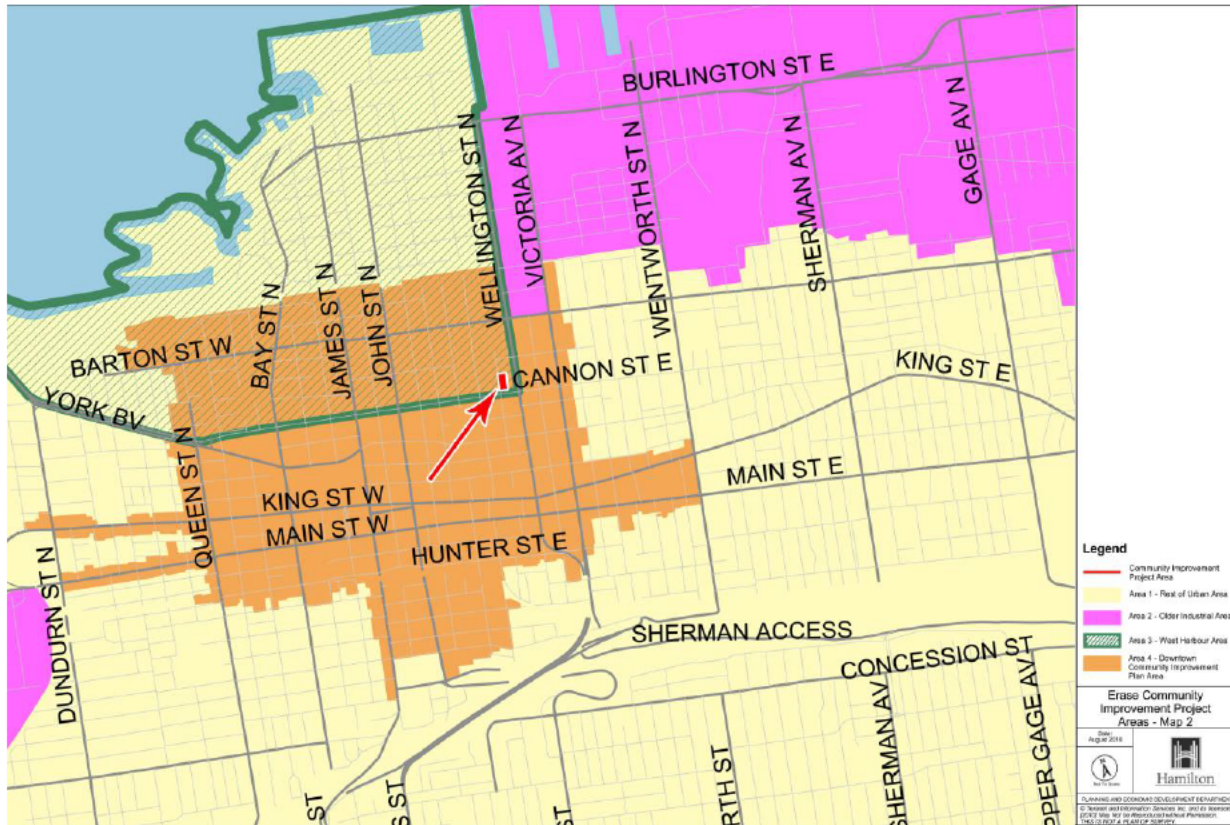
## CONTAMINATION WELL KNOWN TO CITY AND PROPERTY INCLUDED IN ORIGINAL 2001 ERASE CIPA (COMMUNITY IMPROVEMENT PLAN AREA)



**LOCATION INCLUDED IN ORIGINAL 2001 ERASE CIPA**



# LOCATION OF PROPERTY IN EXPANDED ERASE CIPA FALLING WITHIN BOTH THE DOWNTOWN CIPA AND WEST HARBOUR AREA



## 2010 EMAIL FROM BRIAN MORRIS FROM EC.DEV. CONFIRMING SITE IS ELIGIBLE FOR ERASE FINANCIAL INCENTIVES

-----Original Message-----

**From:** Morris, Brian [mailto:[Brian.Morris@hamilton.ca](mailto:Brian.Morris@hamilton.ca)]  
**Sent:** Thursday, June 24, 2010 11:19 AM  
**To:** [REDACTED]  
**Subject:** 205-215 Cannon St. E.  
**Importance:** High

Hello Joseph:

I was circulated on your formal consultation document for your proposed 8-storey apartment building with ground floor commercial uses. Being a former auto service station I wanted to inform you that you are eligible for the City of Hamilton's ERASE financial incentives. This includes the ERASE Study Grant program, whereby the City cost-shares (at 50%) for the cost of a Phase II or Phase III Environmental Site Assessment (to a maximum of \$20,000)

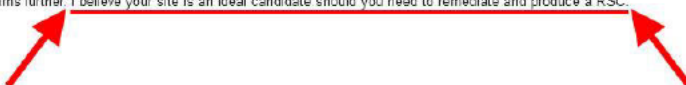
Also, should remediation of the site for residential use be needed (i.e. removal of USTs or dig and dump or in situ treatment of Petroleum Hydrocarbons) then the City has the Downtown Hamilton Remediation Loan program (low interest loan at 75% of the cost to remediate to a maximum of \$100,000) and the ERASE Redevelopment Grant program which offsets the cost of remediation against future taxes payable on the site (in the form of an annual grant).

Please call me should you wish to discuss these programs further. I believe your site is an ideal candidate should you need to remediate and produce a RSC.

Thanks in advance,

**Brian Morris**, Ec. D.  
 Business Development Consultant,  
 City of Hamilton  
 Economic Development & Real Estate Division  
 Planning & Economic Development Department  
 telephone: 905.546.2424 ext. 5602  
 fax: 905.546.4107  
 e-mail: [Brian.Morris@Hamilton.ca](mailto:Brian.Morris@Hamilton.ca)  
 web: [www.investinhamilton.ca](http://www.investinhamilton.ca)

**Our offices are now located at City Hall**  
 71 Main St. W., 7th Flr.,  
 Hamilton, ON L8P 4V5



**2015 RESPONSE FROM JUDY LAM FROM EC.DEV. DENYING  
ACCESS TO ERASE PROGRAM DUE TO LITIGATION**

SONORAK - CITY INCLUDES REFUSAL LETTER June 12 2015

2



**Hamilton**

Planning and Economic Development Department  
Urban Renewal Section  
71 Main Street West, 7<sup>th</sup> 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

## **2015 EMAIL FROM COUNCILLOR FARR STATING THAT ALL PROPERTIES OWNED BY 1255717 AND MARINO RAKOVAC ARE INELIGIBLE DUE TO IMPAIRED COMMERCIAL RELATIONSHIP**

On Fri, Dec 18, 2015 at 2:05 PM, Farr, Jason <[Jason.Farr@hamilton.ca](mailto:Jason.Farr@hamilton.ca)> wrote:

I am just going over this owners latest communication with City of Hamilton and as it relates to his Barton / Tiffany parcel (that we are all anxious to see developed). This factors into any discussion elsewhere and by the same owner. Definitely nothing personal, but I must use discretion and tread gingerly.

In addition, the city is currently reviewing CIPA and should be ready to present to Council soon. I prefer to wait until the review and recommendations come forward. This is in a large part the result of public engagement. Note, however that if we continue the CIPA (Community Improvement Plan Area) providing incentives to meet growth targets, I would suspect that we would also continue to include the provision that there is no eligibility to programs for those with an impaired commercial relationship with the city.

So, for now, I appreciate your patients and hope you will send my very best to Marino for the holidays. I am most interested to hear what you have to say respecting Cannon East. When we do eventually sit down, Paul, I will even make certain all relevant staff are on hand to assist us. Almost like a pre-formal formal consult. That would be free.

Jay

Merry Christmas

Sent from my BlackBerry 10 smartphone on the Bell network.

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### **EXCERPT FROM BY-LAW 10-050 WHICH REFERS TO "IMPAIRED RELATIONSHIPS" AND HIGHLIGHTS COUNCIL'S ROLE IN DETERMING THAT**

Regardless of whether or not an Applicant otherwise satisfies the requirements of the Program, the City **may** reject any application received from an applicant where, **in the opinion of Council**, 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. Applicants are individuals; corporate entities and individuals behind the corporation (Officers/Directors/Shareholders).

## **2017 EMAIL FROM HAZEL MILSOME FROM PLANNING AND EC.DEV. CONFIRMING THAT THE PROPERTY IS ELIGIBLE FOR DEVELOPMENT CHARGE EXEMPTIONS**

From: Milsome, Hazel <Hazel.Milsome@hamilton.ca>

Sent: January 31, 2017 11:40 AM

To: [REDACTED]

Subject: Tall Building Study

Hi Marino. As discussed the link below will take you to our website with information on the Review of the Downtown Secondary Plan. Scroll down the page and you will have access to the draft studies. Also, I am confirming that 205 Cannon Street East is located within the Downtown Hamilton Community Improvement Project Area therefore the 80% Development Charge exemption (City and GO Transit not Provincial) is in effect. Note that the exemption reduces to 75% on July 6, 2017.

<https://www.hamilton.ca/city-planning/planning-community/downtown-hamilton>

**Hazel Milsome**

Co-ordinator of Urban Renewal Incentives  
Planning and Economic Development Department  
Urban Renewal Section  
71 Main Street West  
Hamilton, Ontario  
L8P 4Y5

# 2017 APPLICATION FOR FORMAL CONSULTATION



**Hamilton**

## REQUEST FOR FORMAL CONSULTATION

**Office Use Only**

Date Received <b>RECEIVED</b> <i>AUG 04 2017</i>	Date Circulated	File No.
Fee Paid \$1,085.00 <input checked="" type="checkbox"/>	Hamilton Conservation Authority Conservation Halton (cheque made payable to applicable Authority)	\$550.00 <input type="checkbox"/> \$1,500.00 <input type="checkbox"/>

**PART I CONTACT INFORMATION**

NAME	ADDRESS	TELEPHONE NO.
<i>Registered Owner(s)*</i> 1255717 Ontario Ltd. Officer and President - Merino Rakovac 756 King St. E., Hamilton, ON, L8M 1A5		Home: [REDACTED] Business: ( 905 ) 524-0096 Fax: ( ) E-Mail: m.whitestargroup@gmail.com
<i>Applicant (if different from Owner)</i> Dan Kraszewski - DJK Planning (1 Boreham Circle, Brampton, ON., L6Z 1T2 on behalf of Sonorak Corp.		Home: [REDACTED] Business: ( ) Fax: ( ) E-Mail: [REDACTED]
All correspondence should be sent to (check one):	<input checked="" type="checkbox"/> Owner	<input checked="" type="checkbox"/> Applicant

\* If a numbered company, give name and address of principal owner

**PART II GENERAL PROPERTY DESCRIPTION**

1. Former Area Municipality HAMILTON
2. Address and Legal Description of Property

Municipal Address 205/215 Cannon Street E., Hamilton, ON	Lot/Parcel No.	Concession	Former Township
Registered Plan No. 255 & 287	Lot(s)/Block(s) 102, 103, 104 of Plan 255 - 178 of Plan 287	Reference Plan No.	Part(s) 177 of Plan 287

3. Particulars of Property (in metric units)

Frontage 36.95m	Depth 80.86m	Area 0.2969 ha
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4. What is the current use of the subject lands?

Automotive, Office, Multimedia Studios

**PART II PROPOSAL**

**1. Provide a Brief Description of the proposal.**

Mixed Use - 16 Storey Highrise Residential Tower with Commercial Podium

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**2. Attach a sketch or concept plan to the application.**

**3. Please provide any additional information which may assist staff and other agencies in reviewing this proposal.**

Please see the attached Preliminary Concept Package which includes: Elevations, Concept Site Plan, Artistic Renderings, Shadow Study, Statistical Information, 2010 Preconsultation Responses from City of Hamilton Departments

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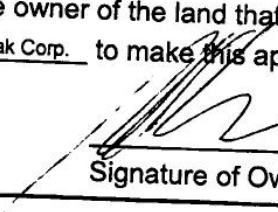
**PART III AUTHORIZATIONS**

If the applicant is not the owner of the land that is the subject of this application, authorization set out below must be completed.

**Authorization of Owner for Applicant to Make the Application**

I, 1255717 Ontario Ltd., am the owner of the land that is the subject of this application and I authorize DJK Planning on behalf of Sonorak Corp. to make this application on my behalf.

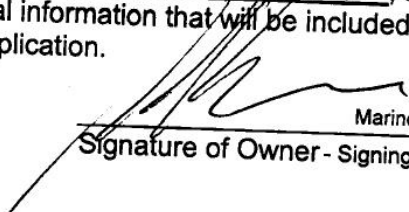
AUG 04 2017  
Date

  
Marfno Rakovac - President  
Signature of Owner - Signing Officer

**Authorization of Owner for Agent  
to Provide Personal Information**

I, 1255717 Ontario Ltd., am the owner of the land that is the subject of this request and for the purposes of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M.56, I authorize DJK Planning on behalf of Sonorak Corp., as my agent for this application, to provide any of my personal information that will be included in this application or collected during the processing of the application.

AVG 04 2017  
Date

  
Marino Rakovac - President  
Signature of Owner - Signing Officer

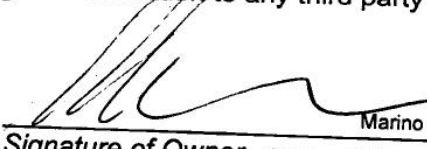


**Consent of Owner to the Disclosure of Application Information and Supporting Documentation**

Application information is collected under the authority of the *Planning Act*, R.S.O. 1990, c. P.13. In accordance with that Act, it is the policy of the City of Hamilton to provide public access to all *Planning Act* applications and supporting documentation submitted to the City.

I, 1255717 Ontario Ltd., the Owner, hereby agree and acknowledge  
(Print name of Owner)  
that the information contained in this application and any documentation, including reports, studies and drawings, provided in support of the application, by myself, my agents, consultants and solicitors, constitutes public information and will become part of the public record. As such, and in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. M.56, I hereby consent to the City of Hamilton making this application and its supporting documentation available to the general public, including copying and disclosing the application and its supporting documentation to any third party upon their request.

AVG 04 2017  
Date

  
Marino Rakovac - President  
Signature of Owner - Signing Officer

**NOTE:** Where owner or applicant is a corporation, the full name of the Corporation with name and title of signing officer must be set out.



The personal information contained on this form is collected under the authority of the *Planning Act*, R.S.O. 1990, c. P.13, and will be used for the purpose of processing the request and application. This information will become part of the public record and will be made available to the general public. Questions about the collection of this information should be directed to the Coordinator of Business Facilitation, Planning and Economic Development Department, City of Hamilton, 71 Main Street West, 1<sup>st</sup> Floor, City Hall., Hamilton, Ontario, Telephone: 905-546-2424, ext.1284.

**CITY SOLICITOR LETTER STATING THAT A REPORT ON ELIGIBILITY  
AND ACCESS TO ERASE PROGRAM WOULD BE PRODUCED. NO REPORT  
WAS EVER RECEIVED BY COUNCIL**

**From:** Brailsford, Grant [mailto:Grant.Brailsford@hamilton.ca]

**Sent:** February-09-18 3:56 PM

**To:** [REDACTED]

**Cc:** Orgera, Maria <Maria.Orgera@hamilton.ca>; Guest, Anita <Anita.Guest@hamilton.ca>

**Subject:** RE: Rakovac v. City of Hamilton - various matters

Mr. Folkes,

In anticipation of your client's application under the Erase program, I have recommended to the program administrators that the application not be immediately rejected simply because it does not comply with the policy against extending grants to parties in litigation with the City. I informed the administrators of my intention to bring a report to Council for its consideration and asked that a final decision regarding eligibility be held in abeyance until Council has had an opportunity to consider the issue.

Thank you for confirming that the OMB proceeding regarding severance will be abandoned. Mr. Kovacevic has informed me that the City's consent is not required for the abandonment of the appeal, and I invite you to file the necessary paperwork to formally abandon the appeal on a without costs basis.

In an earlier email, you indicated that Miller Thomson might provide an opinion regarding the applicability of the *Dell* decision to the present circumstances. Do you anticipate that such an opinion might be available shortly so that it can be referred to in my report?

With respect to the timing of the report, the deadline for submission of the report to the Office of City Clerk for the next non-budget General Issues Committee is February 12<sup>th</sup>. The report cannot be submitted prior to that deadline. The next available GIC is March 21st. I anticipate that the report will be considered at the GIC meeting in March.

I understand that Mr. Rakovac spoke with Glen Norton, Director of Economic Development, in the second week of January at which time Mr. Norton advised Mr. Rakovac that he could and should submit an application for ERASE prior to doing the work, in the event that the lawsuit is settled. It would be useful for me to know, for the purposes of the report, which of the various ERASE programs the joint venture intends to apply for. For ease of reference, I have attached the Hamilton ERASE Community Improvement Plan which lists the programs beginning at page 43.

Sincerely,

Grant Brailsford

Lawyer, Legal Services Division

City of Hamilton

Tel: 905-546-2424 ext. 4642

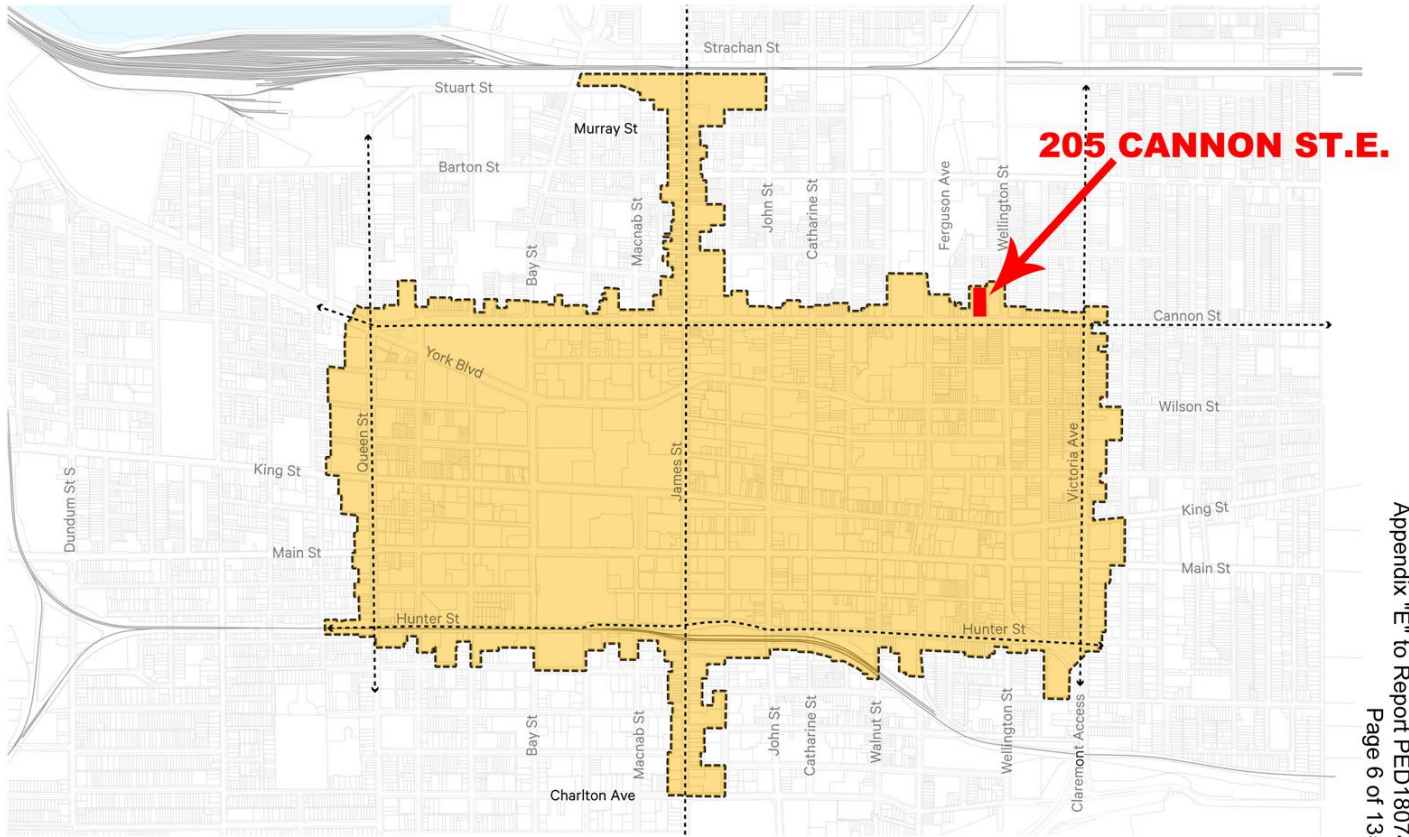
Fax: 905-546-4370



# LOCATION OF PROPERTY WITHIN TALL BUILDING STUDY BOUNDARY



Below: Study area map (in yellow)



# \$500,000 TAX NOTICE ON A PROPERTY THAT STAGNATED DUE TO "IMPAIRED RELATIONSHIP"

CITY OF HAMILTON  
71 MAIN STREET WEST  
PO BOX 2040 STN LCD 1  
HAMILTON, ON L8N 0A3  
PHONE: 905-546-2489

2022 PROPERTY TAX  
REMINDER NOTICE

DATE OF RECORD: Nov. 08/2022  
TRANSACTIONS APPLIED TO: Nov. 08/2022

Roll # 020182065000000	Group Code 00000700
Mortgage Company	Mortgage Account # 19-007
Assessed Owner and Mailing Address	Owner 1255717 ONTARIO LTD C/O RAKOVAC/WHITE/PITCHELLI
1255717 ONTARIO LTD C/O RAKOVAC/WHITE/PITCHELLI 12 WALNUT ST S HAMILTON ON L8N 2K7	018159 Property Address 205 CANNON ST E
	Legal Description PLAN 255 LOTS 102 TO 104 PLAN 287 PT LOT 177 AND LOT

Statement of Account		
Roll # 020182065000000		
	YEAR	AMOUNT PAST DUE (including Penalty and Interest)
	2022	48,024.62
	2021	53,321.83
	2020	61,105.25
	2019+	339,019.56
TOTAL PAST DUE		501,471.26

Please ensure that your payment is received in our office on or before the last business day of the month to avoid additional penalty/interest charges.

**PENALTY AT 1.25% WILL BE CHARGED ON UNPAID TAXES ON THE FIRST DAY OF DEFAULT. IF TAXES REMAIN UNPAID, THEN INTEREST IS CHARGED THE FIRST OF EACH MONTH THEREAFTER TO ALL TAXES PAST DUE, UNTIL THE TAXES ARE PAID. THE CURRENT INTEREST CHARGE IS 1.25% PER MONTH (15% PER ANNUM).**

Should you already have payment arrangements or post-dated cheques on file, this notice is for your information only.

Taxpayers with taxes which are two or more years in arrears, are urged to settle as a minimum those arrears in full, to avoid the potential of a tax lien registered on title to your property. If you are unable to pay this balance in full, please contact the tax section in order to make payment arrangements. A \$3.20 approved user fee has been added to your arrears to cover print, mailing and administrative costs.

**MAKE CHEQUE PAYABLE TO:**  
CITY OF HAMILTON  
71 MAIN STREET WEST  
PO BOX 2040 STN LCD 1  
HAMILTON, ON L8N 0A3

**REGISTERED FOR TAX SALE  
CONTACT TAX OFFICE FOR  
PAYMENT ARRANGEMENTS**

PROPERTY TAX REMINDER NOTICE	
Roll #	020182065000000
Date of Record	Nov. 08/2022
Total Amount Past Due	501,471.26
	Amount Paid

PAYABLE AT MOST CHARTERED BANKS AND FINANCIAL INSTITUTIONS.  
IF PAYING BY CHEQUE PLEASE INCLUDE THE ROLL NUMBER ON THE  
FRONT OF THE CHEQUE. PLEASE ALSO INCLUDE THE STUB WITH YOUR  
CHEQUE.

02018206500 000050147126



⑈00 20 18 206 500⑈ ⑆09930⑈900⑆

**PROPERTY SOLD UNDER DURESS FOR FIRE SALE AMOUNT TO SATISFY  
COMPOUNDED COSTS AND CITY TAXES NOW HAS VERY SIMILAR  
CONCEPT GO TO FORMAL CONSULTATION BY NEW OWNERS  
WHITE STAR CONCEPT 2022**



**NEW OWNER CONCEPT 2023**

