



February 20th, 2024

City of Hamilton
71 Main Street West
Hamilton, ON L8P 4Y5

Attn: Ms. Carolyn Paton, Mr. Kirk Weaver, Ms. Lindsay Gillies

Re: Proposed Removal of CIPA Exemption

Dear Chair and Members of the Audit, Finance and Administration Committee,

On behalf of Coletara Development, I am writing to address our deep concerns regarding the proposed elimination of the 40% Development Charge Exemption within the Downtown Community Improvement Area.

As one of the initial developers to build a high-rise community in Downtown Hamilton, Coletara has made substantial investments in the City's Downtown, delivering approximately 300 new homes with an additional 1,200 new units in development. These 1,500 units will equate to an approximate annual tax revenue of \$4,500,000. Coletara's investments into Downtown Hamilton have in part been the result of the cooperative nature of the City of Hamilton and associated programs targeted at Downtown improvements. The provision of new housing in various forms is vital for the City of Hamilton to achieve its ambitious housing and intensification goals, and support Hamilton's growing labour force, while also enhancing the tax productivity of land.

While we understand the inflationary pressures on the municipal budget, being that new home sales are at a decade low, the proposed exemption removal would have a material effect on the feasibility of projects and ultimately increase prices on the magnitude of over 5% to new home owners, and the future potential tenants of these spaces as well.

Escalating construction and borrowing costs, coupled with diminished feasibility and success rates in the high-density intensification market, pose significant challenges for the development industry. Despite these hurdles, our company remains committed to investing in housing for Hamiltonians and newcomers who are looking to build their lives in Hamilton. We strongly urge the City to reconsider the removal of this critical incentive, as it could have far-reaching negative consequences for Hamilton's future.

We are deeply concerned that the removal of this program, or any reductions to it, may lead to delays of numerous projects in the next several years. The failure to initiate or proceed with projects now will result in a significant gap in the market, severely impacting housing supply for years to come. Furthermore, without this incentive, Hamilton may fail to meet its Housing Accelerator Fund unit commitments and lose out on essential federal funding. With recent

legislation limiting urban boundary expansion, there is a further emphasis on encouraging development within existing urban areas such as the Downtown area to meet these targets.

We sincerely appreciate your consideration of our concerns. It is our sincere hope the removal of the 40% DC Exemption for the Downtown CIPA be reconsidered, to ensure that Hamilton's growth remains strong well into the future.

Thank you for your attention to this matter.

Yours truly,

Coletara Development



Michael Krasic
Vice President of Development
966 Pantera Drive, Suite 22
Mississauga, Ontario L4W 2S1

Tel: 905-624-4100 [REDACTED]

Carolyn.Paton@hamilton.ca
Kirk.Weaver@hamilton.ca
Lindsay.Gillies@hamilton.ca