



February 21, 2024

Via E-mail to: Tamara.Bates@Hamilton.ca

Chair and Members
Audit, Finance and Administration Committee
City of Hamilton
71 Main Street West
Hamilton, ON L8P 4Y5

Dear Chair and Members,

Re: Item 10.1 2024 Development Charges Background Study and By-law Update

Movengo is a developer with land holdings in Downtown Hamilton. We have developed and have current development projects in the City's Downtown including Televisions City, 31 John Street, 84 Jackson Street East, 73 Hughson Street North, and 89 Park Street North. We are writing to identify our serious concerns with the DRAFT Development Charges By-law and its proposed reduction and phasing out of the Downtown CIPA exemption.

Staff Report FCS23103(a) summarizes the key comments Staff has received regarding the recommended reduction and phasing out of the Downtown CIPA exemption, including:

"Residential Downtown CIPA DC Exemption

- *High interest rates which translate to high financing costs are impacting development;*
- *Increases in construction costs are resulting in higher unit prices;*
- *Lower demand is resulting in slow housing sales;*
- *A reduction in exemptions will further negatively impact desire for development in the downtown;"*

We agree with these concerns and will add that the DC exemptions in the Downtown have been a significant driver for the development that has occurred in the past several years, including the projects we have developed. These incentives have allowed for the continued development of residential units in the City's Downtown. Any reduction in these incentives will result in delays and/or cancellations of projects in the Downtown, including several projects that we have in the planning stage.

www.movengocorp.com

Any slow down of development in the Downtown will have a negative impact across the City and especially in the Downtown. There continues to be a significant need for an increase in the permanent population in the Downtown. The recent development and increase in the Downtown population has occurred as a result of the DC exemptions. If this momentum is reduced and/or stopped, it will result in negative impacts on the Downtown including impacts to:

- Downtown businesses and commercial amenities;
- Ridership in public transit, including HSR and GO;
- Office vacancy;
- The ability to secure funds for much needed public service facilities;
- Tax base as a result of a lack of development; and,
- Construction jobs related to development.

In addition, impacts to development in the Downtown will put pressures on other parts of the City to accommodate the planned population growth for Hamilton. The rate and intensity of development in the other parts of the City will need to increase in order to accommodate any reduction in growth in the City's Downtown. This will have negative impacts related to additional investments in infrastructure and public service facilities and inefficient development in suburban areas of the City, which can be costly.

The Staff Report acknowledges that the Downtown CIPA exemption is a discretionary one and City Council has the ability to maintain it. The development of the City's Downtown is too important to not maintain the momentum of growth and development that it has experienced in these past several years. We urge you to maintain this exemption and focus development on the Downtown so we can increase the permanent population and allow for it to flower into what we envision it to be – the best place in the City to live, work and play!

For all these reasons and more, we respectfully request that the Committee and Council direct Staff to maintain the Downtown CIPA exemption in the DC By-law update.

Thank you,


Aaron Collina