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2/21/2024

**Via E-mail to: [Tamara.Bates@Hamilton.ca](mailto: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

Empire Communities is based in the Greater Toronto and Hamilton Area and has been developing communities for over 30 years. Developments range from low-rise master planned communities to high-rise developments. High-rise and mid-rise projects under development in the City of Toronto include Maverick (King Street), Maven (Avenue Road), and Phoenix (Manitoba Avenue). Empire has also developed a number of low-rise communities in suburban Hamilton over the last 20 years and is hoping to build its first high-rise project in the City of Hamilton at 84 York Boulevard together with our partner Hamilton Coliseum Place. 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. These incentives have allowed for the continued development of residential units in the City's Downtown.

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.

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,

Daniel Guizzetti  
Chief Executive Officer