

McHUGH WHITMORE LLP
LAW FIRM

February 22, 2024

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

Attn: Carolyn Paton, Kirk Weaver and Lindsay Gillies

Dear Carolyn, Kirk and Lindsay:

Re: Development Charge Exemption within the Downtown Community Improvement Area

I am writing to you as a local land development lawyer, and more importantly, a lifelong member of the Hamilton community, to express my concern with the proposed removal of the 40% Development Charge Exemption within the Downtown Community Improvement Area.

New housing supply of all types helps the City of Hamilton deliver on its ambitious housing and intensification targets and increase the City's tax productivity of land. In 2023, redevelopment delivered an increased assessment value of 1.9% to the City's overall budget. Importantly, this revenue is generated by the City for the lifespan of the new building.

While I understand the pressures on the residential tax levy, it should be emphasized that, contrary to the previous 5 years, the residential intensification market is not strong. Construction costs have escalated, borrowing costs have escalated and the high-density intensification market's probability of success and feasibility for the return needed to build has significantly decreased. **In speaking with many of my clients – small, medium and large developers – I've been advised that the removal of the Development Charge Exemption within the Downtown Community Improvement Area will make development therein not feasible. Many of my clients are already looking to move their development outside of Hamilton due feasibility concerns and this would be a further push.**

Professional concerns aside, I am concerned that downtown Hamilton is losing the momentum and vibrancy it experienced in the 2010s. When I first moved to King William Street in the mid-2010s, there was much more excitement and activity than there is now. Sadly, the deterioration of the downtown core in recent years caused me to move out of downtown Hamilton last year. Removing the Development Charge Exemption will only

further discourage investment and redevelopment in the downtown. **To be frank, Hamilton is not Toronto – the continued success of and interest in Hamilton’s downtown is not guaranteed and development should be encouraged rather than stifled.**

I urge the City to reconsider removal of this important city building incentive as it will have significant long term negative impacts for Hamilton’s future.

Thank you,

McHugh Whitmore LLP

A handwritten signature in black ink, appearing to read 'David Ionico', written over a light gray rectangular background.

David Ionico
Partner