# BROCCOLINI

May 1, 2024

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

Dear Chair and Members of the Committee:

**Re:     City of Hamilton Development Charges Review
Final Report (FCS23103(b))**

While Broccolini appreciates the staff recommendation to phase out the industrial discount, we along with the Hamilton Employment Landowners Group do not believe that this will mitigate the drastic impact the increase in development charges will have on economic investment and the future development of employment lands in Hamilton. If it were to be eliminated altogether it would lead to a grinding halt on any employment development applications in Hamilton that are non-manufacturing related.

Hamilton has long been an attractive market for economic growth and investment within the GTHA due to a strong labor pool and relative cost competitiveness compared to municipalities in the GTA. A large amount of recent economic investment and internal growth in Hamilton is not from speculative development (build it and they will come), but rather from companies making long-term investments in Hamilton with design-build projects (custom builds). These end users for design-build projects are typically seeking to own their facilities and not rent them. Their decision to locate and invest in Hamilton is almost always driven by economics first and foremost, with qualitative elements being secondary to cost. Broccolini and the Hamilton Employment Landowners Group are still concerned about the impact the proposed phase-out will have on the development of employment lands in Hamilton.

Note that without the proposed phase-out, Hamilton's employment DCs would be the second highest in Ontario, significantly reducing the impact of the City's competitiveness to attract employment development, and the feasibility of many types of industrial development, not just in the manufacturing sector.

We greatly appreciate your consideration.

Toni Wodzicki
Director, Real Estate Development