

Tuesday May 7, 2024

Dear Mayor and Councillors,

The City's **2024 Development Charge Policy and By-law** will be coming before Council for a final vote this Wednesday, May 8th. The setting of the new development charges will significantly define the strategic direction of growth in our city.

The City of Hamilton has historically used this important policy tool to strategically enhance our city's competitiveness and to encourage investment. The 2024 Development Policy and By-law coming before you will phase out and remove the incentives that have stimulated new investment in Hamilton, diversified our economy, created employment and built housing in the downtown.

I can't stress enough our concern during this period of stagnant economic growth that this change will negatively impact Hamilton's future competitiveness and livability. Hamilton's business community has identified the ability to keep and attract talent as their main concern. This is why it is critical that we continue to use every instrument in the toolbox to encourage the building of more housing across the spectrum. At a time when Council has declared a housing crisis and Hamilton needs to be building more homes, making the use of existing infrastructure and services through intensification remains the most efficient and cost-effective form of urban development.

The second concerning recommendation in the proposed DC By-law is ending the strategic use of the industrial rate reduction program that has encouraged and attracted significant industrial development and grown our industrial property base. While we applaud the effort to target businesses that will maximize the benefits to our community, the extremely narrow definition of manufacturing contained in the DC By-Law will negatively limit the employment opportunities in our community. We urge Council to carefully review this section before finalizing the by-law.

The other consequence of narrowing the definition of industrial development is the impact it will have on our ability to attract new investment and jobs in the strategic logistics and goods movement sector. In today's click economy, logistics and distribution centers play a pivotal role in enabling global commerce. Our two international ports of entry, the airport and port, not to mention the development opportunity at Steelpoint are major opportunities to create jobs and drive economic activity.

There has been some discussion at committee to replace development charge exemptions with more targeted grants, administered through community improvement plans. While industrial CIP grant programs are an emerging trend worth exploring, there are also large economic drawbacks on how they will impact future development opportunities. Before moving to a CIP grant program, Council should be provided with an analysis of how Hamilton's competitiveness will be maintained.

On Wednesday, we urge Council to align the 2024 Development Charges Policy and By-Laws to the long-term prosperity and well-being of our city. Ensuring that Hamilton remains an attractive destination for developers and investors while also facilitating sustainable development that benefits both current and future generations of Hamiltonians.

Thank you for your consideration,

Sincerely,

A handwritten signature in black ink, appearing to read 'G.D.', with a stylized flourish extending from the end.

Greg Dunnett
President & CEO
Hamilton Chamber of Commerce