

March 1, 2012

Rose Caterini

City Clerk

City of Hamilton City Hall

71 Main Street West, 1st Floor

Hamilton, On L8P 4Y5

Re: Expansion of Downtown Hamilton Financial Incentives to Downtowns of Former Municipalities

Ms. Caterini:

As a property owner with developable land in the very core of Stoney Creek's downtown, I am very reluctant to pursue my plans for development due to the municipal property tax implications arising from reassessment of redeveloped property. Accordingly, I am asking City Council to create a tax incentive program for the downtowns outside of the City of Hamilton downtown core, a program that would mirror the Enterprise Zone Grant Program originally formulated for the downtown of Hamilton in 2001.

I am asking that a tax incentive program based on the very successful Hamilton Downtown Property Improvement Grant program be implemented, but with a distinction. I request that the incentive cover a 10 year period which I understand, was in place in the city from 2001 until the term was reduced to 5 years. I believe the same consideration as was shown to Downtown Hamilton should be extended to the community downtowns. I propose that upon completion and reassessment of the development, the taxes for years 1 to 5 be based on the taxes on the property for the year previous to the project's initiation. We would propose that in year six, the taxes be increased 20% and each subsequent year a further 20% until in year 11, the total taxes arising from the redevelopment would be due.

This program involves no capital outlay by the city. Indeed, as I am currently going through the site planning process, it is quite obvious all costs incurred by the city are being borne by the applicants. The program would be a powerful incentive to move forward on projects as the degree of financial risk

would be lessened knowing that at least the taxes would not be a consideration while trying to secure the necessary tenants in a very challenging economy.

In closing, even though I am initiating the development approvals process, I can assure members of council that I will only build if this important financial incentive is in place and available. The risks to the city will be minimal, the capital outlay by taxpayers for the program will be non-existent but in the end, the city will gain through significant new property taxes. More importantly, a very visible vacant frontage in downtown Stoney Creek will be extirpated while new jobs and activity result.

Kindly advise me of the decision of council with regard to this request.

Herman Demirci

Cc Councillor Brad Clark