

Hamilton Chamber of Commerce

Pre-budget Submission to the Hamilton City Council

**Focus on Creating Sustainable Opportunities for
Employment Growth in Hamilton**

SPEAKING NOTES

(Check against delivery)

February 22, 2007

“The Hamilton Chamber of Commerce, as the voice of ethical enterprise, is committed to making Hamilton a great place to live, work, play, visit and invest by promoting growth and prosperity of individuals, businesses and the community.”

HAMILTON CHAMBER OF COMMERCE

Council Presentation – Feb 22nd 2007

Good Afternoon, My name is Len Falco. As many of you know, I am president of the Hamilton Chamber of Commerce. The Chamber currently has over 1,900 individual members, who represent 1,150 businesses and organizations of all sizes and sectors that collectively employ 75,000 people full time from all parts of the City of Hamilton, plus, indeed many beyond our municipal boundaries. On behalf of our members, I would like to thank the Mayor and Council for allowing us the opportunity to participate in today's pre-budget consultation.

Over the years, the Chamber has had the privilege to participate in similar proceedings and we have seen many positive steps towards the inclusion of our previous suggestions. We have faith that continued good management and collaboration will result in further progress.

In this short time we are allowed to present this afternoon, I will briefly touch on a few key topics of concern to the Chamber of Commerce.

First of all, congratulations on the success of the Business Tax Reduction program. Since 1998, the Business Tax Reduction program has not only reduced business taxes in Hamilton by a total of 100\$ per annum, it has had a very positive impact on other sections of the economy. As shown in charts attached to our presentation, since the

inception of the Business Tax Reduction program, the sale of building permits has increased from over \$377 million to over \$627 million a year. These numbers represent the best results in 25 years, or more.

A significant portion of the referenced \$100 Million to date tax reductions were contributed by the province as Business Education Tax reductions, but we still have a way to go. It has been estimated that the average Business Education Tax differential between a business in Hamilton a similar business in Burlington would be 37%. In short, Hamilton businesses are subsidizing education in Burlington. This constitutes the province de facto bonusing businesses that locate in Halton - a situation that we will always find unacceptable and patently unfair. We ask for the continued cooperation of Council to press the province for a uniform Business Education Tax, which is the only long-term fair and equitable solution.

The Hamilton Chamber of Commerce is also asking Council to encourage further growth, while providing equity and fairness for Hamilton Business, by continuing with the Business Tax Reduction program.

My second point in today's presentation is in regards to one of the Mayor's campaign promises, which was to increase funding to Economic Development. While we are not in a position to recommend a specific amount; it should be substantial to bring Economic Development funding in line with neighbouring jurisdictions.

While we appear to have a certain amount of new economic activity replacing the larger employers of old, Hamilton has become a destination for those seeking social services. Between 1981 and 2001 the population of what is now Hamilton grew net 19%, but private sector job growth grew only 1% (it is not at all a coincidental figure that we are now experiencing a 20% poverty rate in Hamilton). Further, the Provincial "Places to Grow" report forecasts another 20% increase in population over the next couple of decades. This will further exacerbate our poverty problems until we start attracting our fair share of private sector employment growth.

Of critical importance to this potential growth is the lack of inventory of "shovel ready" land adjacent to transportation assets - we are missing many opportunities because of this as employers are "leap frogging" over Hamilton to neighbouring communities to access our assets (i.e. airport) because we don't have sufficient and locally available land to meet their needs. We understand that Kitchener/Waterloo has just rezoned 10K acres of land for employment use around their airport. While we have to respect due process, we also have to stop dragging our heels on this matter or neighbouring jurisdictions will pass us by in growth and prosperity.

In our view it makes little sense to position airport land development against Brownfield(s). The majority of new businesses want prime land, while about 20% of new business enquiries have an interest in Brownfield(s). We need to proceed aggressively on both fronts to use them both to the best of our advantage. Hence it is of

critical importance to at the least re-zone lands around the airport for employment use, coupled with the redevelopment of Brownfield(s).

From a logistical standpoint, it would also make more sense for Economic Development to report directly to the City Manager instead of the Manager of Planning. Let me illustrate this point with the analogy of having a marketing manager report to the production manager, a model that would be inconsistent with standard business practices. In the most successful organizations marketing drives production, not the other way round. We have an excellent award winning Economic Development strategy - we need to fund it and follow it. Economic Development drives the growth of this City; their voice needs to be heard.

Ladies and Gentlemen, to summarize my presentation, the Hamilton Chamber of Commerce is asking Council to focus on creating sustainable opportunities for employment growth in Hamilton. By creating business-friendly policies that encourage organizations to move to Hamilton, or existing companies to grow their business, we would guarantee a strong future for Hamilton.

The City of Hamilton has a long and colourful history of being a leader in the growth of our province and country. **Keep this message going. External ears are listening!!**

Mayor Eisenberger and Council members, on behalf of the Hamilton Chamber of Commerce, I thank you for your time and wish you continued success in shaping Hamilton's economic prosperity in the future.