CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO: Chair and Members
Audit, Finance and Administration Committee
WARD(S) AFFECTED: WARD 3

COMMITTEE DATE: October 8, 2013

SUBJECT/REPORT NO:
Robert Land Community Association Request to have Development Charges and Cash-in-Lieu of Parkland Dedication Fees Waived (FCS13071) (Ward 3) (Outstanding Business List Item)

SUBMITTED BY:
Mike Zegarac
Acting General Manager
Finance & Corporate Services

PREPARED BY:
Adam Smith (905)-546-2424 ext. 1434

SIGNATURE:

RECOMMENDATION

(a) That the request by the Robert Land Community Association to have the City Development Charges waived, in the amount of $822,409.15, be approved;

(b) That the request by the Robert Land Community Association to have the Cash-in-Lieu of Parkland Dedication fees waived, in the amount of $40,000.00, be approved;

(c) That the item respecting the request from the Robert Land Community Association to have fees waived be considered complete and removed from the Audit, Finance & Administration Committee’s Outstanding Business List.
EXECUTIVE SUMMARY

On August 9, 2013, the City received a request (refer to Appendix “A” to Report FCS13071) from the Robert Land Community Association (RLCA) to waive the City Development Charges (DC), Education DCs and Cash-in-Lieu of Parkland Dedication (Parkland) fees for their change of use for the former Robert Land School. The RLCA purchased the Robert Land School in 2006 from the Hamilton Wentworth District School Board and turned it into the Eva Rothwell Resource Centre at Robert Land (the “Centre”). The Centre has been in operation since 2007 and is now seeking building permits to upgrade the facility to be fully accessible. The project to upgrade the accessibility for the facility is receiving funding from both the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) and the City of Hamilton (COH). The conditions of the Community Infrastructure Improvement Fund (CIIF) from FedDev Ontario require that the project be substantially completed by March 31, 2014.

The COH requires a change of use permit from a school institution to a community centre before a permit to commence work on the accessibility upgrade work can be issued. This has resulted in a significant DC liability as it changes from an exempt use to a non-exempt use under the DC By-laws. The applicable DCs for this change of use have been calculated as a City DC of $822,409.15 and an Education DC of $12,269.20. In addition, Parkland fees are also applicable to the change of use and have been calculated as $40,000.

The Parkland By-Law (By-Law 09-124) allows Council to waive cash-in-lieu payments for not-for-profit groups and the City has waived City DCs for not-for-profit groups, such as, Habitat for Humanity (Habitat) and Mission Services in the past. Based on this past precedent, staff can support waiving these fees for the RLCA. Education DCs, however, are collected by the City on behalf of the School Board and, consequently, the Hamilton-Wentworth Catholic District School Board (HWCDSB) would have to grant an exemption, otherwise the City would be required to remit the fees to the HWCDSB.

The letter from the RLCA (Appendix “A” to Report FCS13071) notes that they had previously forwarded a submission for change of use permits and were provided with exemptions and had fees waived. However, upon review of City records, the applications made, at that time, were related to a severance of a portion of the land that was used for a Habitat building project. Habitat made a request to Committee on April 21, 2010 to have the DCs for their building project waived and Council granted that request for the COH and GO Transit DCs. Requests, applications and staff reports related to the severance for Habitat and waiving of fees made no mention of the change of use for the Robert Land School and, therefore, there are no existing exemptions or waivers of fees in place.
Alternatives for Consideration – Not Applicable.

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

**Financial:** Foregone DC revenue is calculated to be $822,409.15 if the City DC's are waived. The building is, however, in the City's inventory of buildings with architectural and/or historical interest, and if it were to receive a heritage designation or have a heritage easement registered on title, it would become eligible for the adaptive reuse of a protected heritage property DC exemption. Therefore it is possible that the same result could be achieved through an alternate, but more time consuming, process.

Rate budget related components of the DC exemptions are funded through the rate budget, however, the tax budget related component exemptions remain unfunded. Waiving or exempting DCs can result in growth-related capital projects needing to be deferred or funded, from DC debt.

The COH has already committed $150,000 through the Neighbourhood Strategy Fund (project #2051255204) towards the accessibility upgrades at the Centre. After DCs and parkland are waived, the total contribution from the City towards the Centre would exceed one million dollars ($1,000,000).

**Staffing:** N/A.

**Legal:** N/A.

**HISTORICAL BACKGROUND** (Chronology of events)

Following the RLCA’s purchase of the Robert Land School in 2006, the RLCA began the process of severing a parcel of land to be used for a Habitat building project. After the parcel was severed and transferred to Habitat, a request to have the City DCs waived for the purposes of a Habitat building project was granted in 2010.

While the Centre has been in operation since 2007, it had not required any work covered by building permits, which triggers the change of use permit. In 2012, RLCA made a project submission to improve accessibility at the Robert Land School to the CIIF funding program being administered by FedDev Ontario. The City supported the submission and committed to providing one-third ($150,000) of the funding towards the RLCA project if it were selected for CIIF funding. The submission was selected for funding by FedDev Ontario.
In order to carry out the accessibility upgrades to the Centre, the RLCA will need to obtain various permits which requires that they first receive a change of use permit from school institution to community centre. The change in use from a DC exempt use, to a non-exempt use, results in a significant City DC liability of $822,409.15, as well as, liabilities for Parkland of $40,000 and Education DCs of $12,269.20.

**POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS**

Staff are supportive of waiving the City DCs and Parkland based on the past precedent of DCs having been waived for similar not-for-profit developments, such as, Mission Services, Good Shepherd and Ronald McDonald House.

**RELEVANT CONSULTATION**

The following provided information or were consulted in the development of Report FCS13071:

- Building Services Division, Planning & Economic Development Department
- Economic Development & Real Estate Division, Planning & Economic Development Department
- Robert Land Community Association

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(Include Performance Measurement/Benchmarking Data, if applicable)

While it could be possible for the RLCA to receive an exemption, through the adaptive re-use of a protected heritage property exemption in the DC By-Laws, that would be more time consuming and could potentially threaten the federal funding for the accessibility project which requires that the project be completed by March 31, 2014.

Additional rationale for waiving the City DCs and Parkland include:

- Waiving these fees would be consistent with past practices;
- Enhances the support already provided for the accessibility upgrades to the Centre;
• Fits within Council priorities as the Centre provides services to a priority
neighbourhood.

**ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:**

**Strategic Priority #1**
A Prosperous & Healthy Community

*WE enhance our image, economy and well-being by demonstrating that Hamilton is a
great place to live, work, play and learn.*

**Strategic Objective**
1.5 Support the development and implementation of neighbourhood and City wide
strategies that will improve the health and well-being of residents.
1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

**Strategic Priority #2**
Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost
effective and responsible manner.*

**Strategic Objective**
2.2 Improve the City’s approach to engaging and informing citizens and
stakeholders.

**Strategic Priority #3**
Leadership & Governance

OUR Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.
OUR Mission: WE provide quality public service that contribute to a healthy, safe and prosperous community, in a sustainable manner.
OUR Values: Accountability, Cost Consciousness, Equity, Excellence, Honesty, Innovation, Leadership, Respect and Teamwork
WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective
3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.

APPENDICES / SCHEDULES

Appendix “A” to Report FCS13071 – Letter dated August 9, 2013, requesting DC and Parkland Fees be waived from RLCA.
August 9, 2013

Mayor for the City of Hamilton
Council members
Hamilton, Ontario

Attention: Stephanie Paparella

Re: Robert Land Community Association, Building Permit Application Number 13-109895-00 C3

To: Mayor Bob Bratina and Council Members for the City of Hamilton

Please find the attached information regarding the current status of the Eva Rothwell Resource Centre at Robert Land. The Centre is located in the former Robert Land School in the north central neighbourhood of Hamilton, as established in 2006 by the Robert Land Community Association, a charitable non-profit organization. The Rothwell Centre has been a significant part of the development and support for the Keith neighbourhood, providing and linking various programs and services to the community. The Centre averages over 200 people each day accessing educational, health and wellness, life skills or recreational services and creating jobs. The Organization’s mission is to provide programs and services that engage the community to reach their full potential.

The Rothwell Centre was purchased from the Hamilton Wentworth District School Board in 2006 and has been in operation as a community centre since, with full time staff facilitating the services from March of 2007. With the growing need for support, the oft referred challenges of the neighbourhood and challenges faced by the Robert Land Community Association, the City of Hamilton has been supportive of the Centre over the years in many facets and we appreciate the ongoing support. Through Paul Johnson’s office, the Neighbourhood Action Plan has been a great development in the neighbourhood and will continue to add to the opportunities that are available to the community residents.

We are currently challenged with the Change of Use permit for the various departments of the City, notifying of the change from school institution to community centre. We submitted a Change of Use permit for the various departments of the City, back in 2007 and the land was given the exemption for the change of use and the fees were waived.

As we are working, in partnership with the City, to establish an educational Literacy Centre and to upgrade the facility to be fully accessible, we have encountered numerous challenges with the permits, now at risk of losing the opportunity to install the elevator. These City Development Charges have been assessed as $822,409.15 and the Cash in Lieu of Parkland Dedication of $40,000.00 with the additional Education Development Charges of $12,269.20. It is to these charges that we ask the City to waive these development charges for the Robert Land Community Association, as our major focus has been and will continue to be the support and development of the Keith Community. These charges will not only hamper the opportunities that we are currently working on, including the Literacy Express and the accessible elevator, but will challenge the entire existence of the Eva Rothwell Resource Centre. These fees total more than double the annual budget of the association, and will threaten our ability to financially continue.

In closing, we thank the City of Hamilton for your ongoing support of the Eva Rothwell Resource Centre. We anticipate positive results that will continue to benefit the community.

With warm appreciation,

Don MacVicar
Founding President