



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE MINUTES 19-003

**9:30 a.m.
February 21, 2019
Council Chambers
Hamilton City Hall**

Present: Councillors C. Collins (Chair), M. Wilson (Vice-Chair), B. Johnson, M. Pearson, L. Ferguson, J. Partridge, A. VanderBeek, and B. Clark

THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. Development Charges Stakeholders Sub-Committee Report 19-002 (Item 10.1)

(Clark/Pearson)

(a) Development Charges By-law Policy – 2019 Development Charges Agriculture / Farm Land Comparators (FCS18062(b)) (City Wide) (Item 7.1)

- (i) That Report FCS18062(b) respecting Development Charges By-law Policy – 2019 Development Charges Agriculture / Farm Land Comparators, be received; and,
- (ii) That the Agricultural / Farm Land Development Charge remain at 100% exempt.

(b) 2019 Development Charges By-law Policy (FCS18062(a)) (City Wide) (Item 10.1)

- 1. That staff be directed to include the policy, as outlined below, in the draft DC By-law to be included in the 2019 Development Charges (DC) Background Study:
 - (i) Parking Structures

That the 2019 Development Charges By-law not provide an exemption for commercial parking.

(ii) Covered Sports Field

That the 2019 Development Charges By-law not provide an exemption for covered sports fields.

(iii) Small Industrial Rate

That the 2019 Development Charges By-law not provide a lower rate for small industrial developments.

(iv) Academic – Post Secondary / Not-for-Profit
Elementary/Secondary

(a) That the 2019 Development Charges By-law not provide an Academic Space exemption; and,

(b) That the 2019 Development Charges By-law require documentation from developers to support the mandatory exemption as a Crown agent.

(v) Affordable Housing

That the 2019 Development Charges By-law not provide an exemption for affordable housing.

(vi) Places of Worship

That the 2019 Development Charges By-law provide an exemption for Places of Worship, with clarification that revenue generating space is not exempt.

(vii) Public Hospitals

That the 2019 Development Charges By-law not provide exemptions for public hospitals.

(viii) Downtown Public Art Reserve Voluntary Contributions

That the 2019 Development Charges By-law maintain the current exemption for Downtown Public Art Reserve Voluntary Contributions, with an annual limit of \$250,000 on the contributions that will be accepted by the City under this program.

(ix) Heritage Buildings

That the 2019 Development Charges By-law maintain the current exemption within the existing building envelope except for sections that are not covered by the Heritage designation.

(x) Redevelopment for Residential Facility

That the 2019 Development Charges By-law maintain the exemption for Redevelopment for Residential Facility.

(xi) Industrial Rate

That the 2019 Development Charges By-law maintain the current exemption, and continue with a 39% reduction, by charging 100% of the water and wastewater charges, and adjusting the percentage charged for services related to a highway component to achieve a combined reduction of 39%.

(xii) Expansion of an Existing Industrial Development

That the 2019 Development Charges By-law maintain the 50% Industrial expansion exemption as written in the 2014 Development Charges By-law, as amended.

(xiii) Transition Policy

That the 2019 Development Charges By-law maintain the Transition Policy tied to building permit applications.

(xiv) Student Residences

That the exemption for Student Residences be maintained in the 2019 Development Charges By-law until June 30, 2020.

(xv) Agriculture

During discussion of Item 7.1, the Committee passed a Motion "That the Agricultural / Farm Land Development Charge remain at 100% exempt", which relates to paragraph 3 of the staff recommendation.

That the 2019 Development Charges By-law redefine the agriculture definition to exclude cannabis growing and processing, and charge the industrial Development Charge rate.

- (a) That the 2019 Development Charges By-law not provide an exemption for farm help houses; and,
- (b) That the 2019 Development Charges By-law require proof of a farm business registration number to receive the agriculture Development Charge exemption.

(xvi) New Non-Industrial (Commercial/Institutional) Stepped Rates

That the 2019 Development Charges By-law continue stepped rates for office, excluding medical office; continue stepped rates within the City's CIPA (Community Improvement Plan Areas) and BIA's (Business Improvement Areas); and, remove stepped rates for all other development.

(xvii) Expansion of Existing Non-Industrial (Commercial/Institutional)

That the 2019 Development Charges By-law only provide a 5,000 square feet exemption for office, excluding medical office; and, remove the exemption for all other non-industrial development.

(xviii) Downtown Hamilton CIPA

(a) That the 2019 Development Charges By-law continue to provide a 70% CIPA exemption for major office developments (Class A – greater than 20,000 square feet gross floor area), whether or not the development is a standalone office;

(b) That for other development within the Downtown Hamilton CIPA:

July 6, 2019 – July 5, 2020 exemption	60%
July 6, 2020 – July 5, 2021 exemption	50%
July 6, 2021 – July 5, 2022 exemption	40%
July 6, 2022 – July 5, 2023 exemption	40%
July 6, 2023 – July 5, 2024 exemption	40%

(c) That the 2019 Development Charges By-law maintain the same height limits on exemption use; and,

(d) That the 2019 Development Charges By-law add clarity that the Downtown Hamilton CIPA exemption cannot be combined/stacked with other Development Charge exemptions and that the Downtown Hamilton CIPA exemption will not be applied if other exemptions result in a lower amount payable.

(xix) Laneway Housing

That the 2019 Development Charges By-law exempt laneway housing.

(xx) Non-industrial Uses Charged Industrial Rate

(a) That the 2019 Development Charges By-law not provide the industrial rate for self storage facilities or hotels; and,

(b) That the 2019 Development Charges By-law provide the industrial rate for film, production and artists' studios.

(xxi) Other Development Charges Policies

(a) That the 2019 Development Charges By-law maintain the ability to offset Development Charges with an ERASE (Environmental Remediation and Site Enhancement Redevelopment Program) grant, and require security through a Development Charge Deferral Agreement; and,

(b) That the 2019 Development Charges By-law, respecting Deferral Agreements, maintain the existing policy and add:

(i) That staff be authorized to negotiate extensions of Development Charges Deferral Agreements of up to two years;

(ii) That staff be authorized to enter into Development Charges Deferral Agreements related to Podium Developments to delay timing and applicable rate of Development Charge payment to the issuance of each structure permit (no time limit); and,

(iii) That staff be authorized to enter into zero interest Development Charge Deferral Agreements where a developer is applying their ERASE grant to offset the Development Charges (no time limit).

2. That the anticipated cost of providing the exemption policy be supported through the Rate and Tax Capital Budgets as well as through allocations from the City's annual operating budget surplus;

3. That staff be directed to prepare the necessary reports and draft by-laws to amend the City's GO Transit By-law 11-174 to be consistent with the policy as outlined in sub-section (a);
4. That the "Meeting with downtown developers regarding the proposed Downtown Community Improvement Project Area Development Charge Exemption" be considered complete and removed from the Outstanding Business List;
5. That "Laneway Housing DC Policy" be considered complete and removed from the Outstanding Business List;
6. That "Review of Downtown and Community Renewal Improvement Program" be considered complete and removed from the Outstanding Business List;
7. That "Including Affordable Housing in the Development Charges Policy Review" be considered complete and removed from the Development Charges Stakeholders Subcommittee Outstanding Business List; and,
8. That "Revise Agriculture Definition in the City's DC By-law" be considered complete and removed from the Outstanding Business List.

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

2. Grants Sub-Committee Report (Added Item 10.3)

(Johnson/Pearson)

(a) Appointment of Chair and Vice Chair (Item A)

- (i) That Councillor B. Johnson, be appointed as Chair of the Grants Sub-Committee for the 2018-2022 term of Council; and,
- (ii) That Councillor N. Nann, be appointed as Vice Chair of the Grants Sub-Committee for the 2018-2022 term of Council.

(b) 2018 City Enrichment Fund Update (GRA19001) (City Wide) (Item 6.1)

That the overall 2018 City Enrichment Fund surplus (attached as Appendix "A" to Report 19-001), in the amount of \$82,778 be transferred to the City Enrichment Fund Reserve # 112230.

Result: Motion CARRIED by a vote of 8 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised of the following change to the agenda:

1. DISCUSSION ITEMS - WITHDRAWN

10.2 Governance Review Sub-Committee Report 19-001

This item has been withdrawn from the agenda.

2. DISCUSSION ITEMS

10.3 Grants Sub-Committee Report 19-001

(VanderBeek/Pearson)

That the agenda for the February 21, 2019 Audit, Finance and Administration Committee meeting be approved, as amended.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark
NOT PRESENT - Councillor Lloyd Ferguson

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) February 7, 2019 (Item 4.1)

(Pearson/Johnson)

That the Minutes of the February 7, 2019 meeting of the Audit, Finance and Administration Committee be approved, as presented.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark
NOT PRESENT - Councillor Lloyd Ferguson

(d) DELEGATION REQUESTS (Item 6)

(i) Michael Woloch, respecting hiring practices for Professional Engineers at the City of Hamilton (For a future meeting) (Item 6.1)

(Partridge/VanderBeek)

That the delegation request from Michael Woloch, respecting hiring practices for Professional Engineers at the City of Hamilton, be approved for a future meeting.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark
NOT PRESENT - Councillor Lloyd Ferguson

(e) PUBLIC HEARINGS / DELEGATIONS (Item 8)

(i) Voislav Bjelajac, respecting a Vacancy Rebate for 2016 (Approved February 7, 2019) (Item 8.1)

Voislav Bjelajac and James Hartl, addressed the Committee respecting a vacancy rebate for 2016, with the aid of a speaking notes. A copy of the speaking notes has been included in the official record.

(Pearson/VanderBeek)

That the delegation from Voislav Bjelajac and James Hartl, respecting a vacancy rebate for 2016, be received.

CARRIED

A copy of the speaking notes are available on the City's website or through the Office of the City Clerk.

(Ferguson/Johnson)

That Voislav Bjelajac and James Hartl be permitted to address the Committee again, in order to address staff comments.

CARRIED

(Pearson/VanderBeek)

That the subsequent delegation from Voislav Bjelajac and James Hartl, respecting a vacancy rebate for 2016, be received.

CARRIED

(Clark/Pearson)

That staff be directed to contact the Municipal Property Assessment Corporation (MPAC) to determine what documents were submitted to MPAC from Voislav Bjelajac and James Hartl regarding the property, and report back to the Audit, Finance and Administration Committee.

Result: Motion CARRIED by a vote of 7 to 1, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
NO - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES – Councillor Lloyd Ferguson
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark

(f) PRIVATE & CONFIDENTIAL (Item 14)

(i) Closed Session Minutes – February 7, 2019 (Item 14.1)

(Partridge/VanderBeek)

- (a) That the Closed Session Minutes of the February 7, 2019 Audit, Finance and Administration meeting, be approved as presented; and,
- (b) That the Closed Session Minutes of the February 7, 2019 Audit, Finance and Administration meeting, remain confidential.

Result: Motion CARRIED by a vote of 7 to 0, as follows:

YES - Councillor Maureen Wilson
YES - Chair Chad Collins
YES - Councillor Judi Partridge
YES - Councillor Arlene VanderBeek
YES - Councillor Brenda Johnson
YES - Councillor Maria Pearson
YES - Councillor Brad Clark
NOT PRESENT - Councillor Lloyd Ferguson

(g) ADJOURNMENT (Item 15)

(Wilson/Partridge)

That, there being no further business, the Audit, Finance and Administration Committee, be adjourned at 10:14 a.m.

CARRIED

Respectfully submitted,

Councillor Collins, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk