



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Financial Planning & Policy Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	August 13, 2014
<b>SUBJECT/REPORT NO:</b>	Royal Botanical Gardens Request to Waive Development Charges and Parkland Dedication (FCS14055) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Lindsay Gillies (905) 546-2424 Ext. 2790 Adam Smith (905) 546-2424 Ext. 1434
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager Finance & Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the City Development Charges (DC) amounting to \$102,734 related to the Royal Botanical Gardens (RBG) Rock Garden Rejuvenation Project located at 1145 York Blvd., Hamilton be waived;
- (b) That the Parkland dedication fees, currently calculated at \$3,085, related to the RBG Rock Garden Rejuvenation Project located at 1145 York Blvd., Hamilton be waived;
- (c) That the matter respecting Royal Botanical Garden – Exemption of Fees (DC's, Parkland Dedication and GO Transit DC's) be considered complete and removed from the Audit, Finance, and Administration Committee's Outstanding Business List.

**EXECUTIVE SUMMARY**

Council, at its meeting of June 11, 2014, considered GIC Report 14-012, which included as item 6.1(a) from the General Issues Committee (GIC) meeting of June 4, 2014, correspondence from Mark Runciman (Chief Executive Officer, RBG). RBG is requesting that the City DC's, GO Transit DC's, and Parkland Dedication fees be waived for the RBG Rock Garden Rejuvenation Project located at 1145 York Blvd., Hamilton.

This request has been included as Appendix "A" to Report FCS14055.

**SUBJECT: Royal Botanical Gardens Request to Waive Development Charges and Parkland Dedication (FCS14055) (City Wide) - Page 2 of 7**

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The RBG is a charitable organization that aims to bring people, plants and nature together. It is the largest botanical garden in Canada and a National Historic Site.

The RBG Rock Garden Rejuvenation project is Phase One of a master plan for the Garden. The RBG's goals for this project align with the City's Strategic Objectives in terms of addressing aging infrastructure, improving the health and well-being of our residents, and enhancing the overall sustainability of our economy through educational programs and job creation.

The decision to waive or enforce the City DC's and Parkland fees has a city wide impact since the funds are used to fund projects in all areas of the city.

Staff have reviewed the request along with previous funding requests and are recommending that the City DC's amounting to \$102,734 and Parkland Dedication fees amounting to \$3,085 be waived. In order to allow their permits to be released so that they can work towards Federal and Provincial funding deadlines, RBG has paid their Parkland fees and entered into a DC Deferral Agreement for their City DC's. Should Council approve that both fees be waived, the DC Deferral Agreement would be voided, and the parkland dedication fees would be refunded.

Staff have not prepared a recommendation related to GO Transit DC's as GO Transit DC's are not applicable to this development.

Staff would further like to highlight that there will also be Public and Catholic Education DC's applicable to this project. The City acts as a collection agent for the fees and only the respective school boards can waive them.

***Alternatives for Consideration – See Page 6***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)**

Financial:

**City Development Charges**

The RBG Rock Garden Rejuvenation project involves a commercial building with a gross floor area of 10,107.31 ft<sup>2</sup> (939 m<sup>2</sup>).

Since the building application was accepted by the City's Chief Building Official prior to the new DC By-law coming into effect, the applicable rates are the commercial rates in effect between July 6, 2013 and July 5, 2014.

Table 1 reflects the calculation of the City DC's for this project.

**Table 1: Calculation of City DC's**

<b>New Commercial - Stepped Rates</b>			
	<b>Amount (Sq ft)</b>	<b>Rate (\$/sq ft)</b>	<b>Extended (\$)</b>
1st 5,000 sq ft	5,000.00	8.08	40,400.00
2nd 5,000 sq ft	5,000.00	12.12	60,600.00
10,000 sq ft +	107.31	16.16	1,734.13
<b>TOTAL</b>			<b>102,734.13</b>

The RBG also requested that GO Transit DC's be exempted; GO Transit DC's are not applicable to a Commercial Development. Accordingly, staff have not included a recommendation on whether or not to exempt these fees.

### **Parkland Dedication Fees**

The City's Parkland dedication fees are calculated based on the current market value of the land and, accordingly, the estimate is only valid for 90 days.

At June 20, 2014, the calculated Parkland Dedication fees total \$3,085. This calculation will expire on September 18, 2014. If the Building Permit is issued subsequent to expiry, a new calculation will need to be prepared which may impact the calculated amount.

### **Project budget**

The RBG has communicated a total project budget of \$20 million. Table 2 shows the funding sources already acquired by the RBG to support this project.

**Table 2: RBG Rock Garden Rejuvenation Project Budget**

Total Project Budget	\$ 20,000,000	
Funding Sources:		
Federal Government	7,000,000	35%
Ministry of Tourism, Culture & Sport	7,000,000	35%
Anonymous Donor	2,000,000	10%
City of Hamilton - Future Fund	-	0%
King Luminaire Company Inc.	68,853	0%
Misc. donation under \$1,000	2,531	0%
	16,071,384	80%
NET Unfunded	3,928,616	20%

The RBG requested \$2 million in funding from the Hamilton Future Fund (HFF) stating that a minimum of \$1 million would be required for the RBG Rock Garden Rejuvenation Project to go forward as envisioned. The RBG planned to use the City's contribution to

leverage other donors. The HFF has not approved any level of funding related to this project.

### **Public Works Projects**

Through the RBG's presentation to GIC at its meeting of November 20, 2013, assistance was requested from Public Works related to intersection work and water service work.

With respect to the intersection, Public Works has advised that the RBG has a consultant working on a design at the intersection including road and signal works in order to incorporate a new left turn lane into the RBG from York Blvd. Public Work's role is to review and approve the design, the project costs will be the responsibility of the RBG. The City is not anticipating covering any of the cost. The intersection work is included in the RBG's budgeted costs at a value of \$350,000.

With respect to the water service, Public Work's is re-lining the water main that runs along York Blvd and ends just north of the T.B. McQuesten Bridge. This is not directly related to the RBG project but is supportive of their needs. The work was budgeted in the 2014 Rates supported Capital Budget at an amount of \$1.1 million.

Staffing: N/A

Legal: N/A

### **HISTORICAL BACKGROUND (Chronology of events)**

The RBG Rock Garden Rejuvenation project was presented by Mr. Runciman to the General Issues Committee meeting of November 20, 2013. The project details were provided and assistance related to intersection work and water service enhancements was requested from the City of Hamilton.

This presentation has been included as Appendix "B" to Report FCS14055.

With respect to the intersection, Public Works has advised that the RBG has a consultant working on a design at the intersection including road and signal works in order to incorporate a new left turn lane into the RBG from York Blvd. Public Work's role is to review and approve the design, the project costs will be the responsibility of the RBG. The City is not anticipating covering any of the cost. The intersection work is included in the RBG's budgeted costs at a value of \$350,000.

With respect to the water service enhancement, Public Work's is re-lining the water main that runs along York Blvd and ends just north of the T.B. McQuesten Bridge. This is not directly related to the RBG project but is supportive of their needs. The work was budgeted in the 2014 Rates supported Capital Budget at an amount of \$1.1 million.

At the General Issues Committee meeting of June 4, 2014, Mr. Runciman requested that the City DC's, GO Transit DC's, and Parkland Dedication fees be exempted for the RBG Rock Garden Rejuvenation Project.

This request has been included as Appendix "A" to Report FCS14055.

An application for \$2 million in HFF funding was presented at the June 19, 2014 HFF meeting. The application was reviewed by the board and no funding was approved.

### **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

None – Precedent for waiving fees on "non-profit" developments already exists – Habitat for Humanity (PED13009), Ronald McDonald House (FCS11078), and Mission Services (FCS12008).

### **RELEVANT CONSULTATION**

Staff from the Planning & Economic Development Department provided direction with respect to the request for the parkland dedication fees to be waived.

Staff from the Public Works Department provided background on the intersection works required by the RBG, and the water service project being completed in the vicinity of the Rock Garden (but not directly related to the RBG project).

### **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

#### **(Include Performance Measurement/Benchmarking Data if applicable)**

DC's are collected to recover the growth related costs associated with the capital infrastructure needed to service new development or redevelopment. The RBG is providing intersection improvements and the City has initiated water service work which complements the project.

Parkland Dedication fees are in lieu of actual parkland and are used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes.

The RBG is a charitable organization that aims to bring people, plants and nature together. It is the largest botanical garden in Canada and a National Historic Site.

The RBG Rock Garden Rejuvenation project is Phase One of a master plan for the Garden. The RBG's goals for this project align with the City's Strategic Objectives in terms of addressing aging infrastructure, improving the health and well-being of our residents, and enhancing the overall sustainability of our economy through educational programs and job creation.

The RBG's presentation to GIC at its meeting of November 20, 2013 requested between \$850,000 and \$1.75 million relating to intersection and water service work. Since that time, the City of Hamilton has not provided any direct financial support to the project.

The City has exempted other "non-profit" organizations from City DC's, including Habitat for Humanity (PED13009), Ronald McDonald House (FCS11078), and Mission Services (FCS12008).

Staff are recommending that the City DC's amounting to \$102,734 and the parkland dedication fees amounting to \$3,085 be waived for the RBG Rock Garden Rejuvenation Project located at 1145 York Blvd., Hamilton.

## **ALTERNATIVES FOR CONSIDERATION**

**(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)**

Alternatives to the staff recommendation include:

1. Enforce the full DC and Parkland Dedication fee;
2. Offer the RBG a Deferral Agreement for the City DC's at 0% interest for a term of five years to help alleviate the current financial pressures on the project; or
3. Amend the existing City DC By-law to provide a 100% City DC exemption for "non-profit" organizations.

### **Pros:**

Alternatives 1 and 2 would result in no lost revenues (ignoring time-value of money) to the City.

Alternative 3 would promote the development by "non-profit" organizations.

### **Cons:**

Alternatives 1 and 2 would reduce the ability of the RBG to complete the project as envisioned which could potentially reduce the net positive impact on infrastructure and the educational and economic benefits of the project.

Alternative 3 would result in a significant loss of DC revenues to the City.

Staffing Implications: None

Legal Implications: None

Policy Implications: A change to the existing by-law and would require at least one public meeting according to the DC Act, 1997, S.O. 1997, c. 27. Twenty (20) days public notice would be required for this meeting and all documents would have to be made public at least two weeks prior to the meeting. A forty (40) day appeal period would also exist.

**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**

- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 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).

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report FCS14055 – RBG Request from GIC meeting of June 4, 2014

Appendix "B" to Report FCS14055 – RBG Presentation from GIC meeting of November 20, 2013