



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning & Policy Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	October 13, 2015
SUBJECT/REPORT NO:	Refund of Development Charges to St. Leonard's Society of Hamilton – 22 & 24 Emerald St South (FCS15067) (Outstanding Business List) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Marcin Zukowski 905-546-2424 Ext. 2790
SUBMITTED BY:	Larry Friday Acting General Manager Finance & Corporate Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That the City's net Development Charges (DC) liability amounting to \$4,404.50 related to the to St. Leonard's Society of Hamilton located at 22 & 24 Emerald St. South, Hamilton be refunded; and
- (b) That "Request to Refund Development Charges to St. Leonard's Society of Hamilton – 22 & 24 Emerald St. South" be considered complete and removed from the Audit, Finance, and Administration Committee Outstanding Business List.

EXECUTIVE SUMMARY

A letter from John T Clinton, Executive Director of St. Leonard's Society of Hamilton requesting that the City DC's fees be refunded for the St. Leonard's Society of Hamilton development located at 22 & 24 Emerald St was received by Council on August 14, 2015. Council directed staff to report back to Audit, Finance & Administration Committee. The letter has been included as Appendix "A" to Report FCS15067.

St. Leonard's Society is a not-for-profit organization which provides programs that help male offenders released from correction facilities to integrate back into society.

The St. Leonard's Society of Hamilton was originally incorporated in 1972 under the name "The Astra Society of Hamilton and District".

In 1982 the society affiliated with the St. Leonard's Society of Canada and officially changed its name to the St. Leonard's Society of Hamilton.

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The proposed development includes two buildings that are joined by a common entrance and reception area. In order to bring the two buildings in compliance with modern building standards and to be fully accessible, \$3 million in renovations are required. The project is self-funded using a combination of cash reserves and mortgage, no subsidies have been received for the renovations.

Precedent for waiving fees on non-profit developments already exists – YFC/Youth Unlimited (FCS15037), Royal Botanical Gardens (FCS14055), Habitat for Humanity (PED15027, PED13009), Ronald McDonald House (FCS11078), and Mission Services (FCS12008).

Staff have reviewed the request and are recommending that the net City DC's amounting to \$4,404.50 be refunded.

The City is responsible for collecting Education DC's on behalf of the School Boards, but does not have the authority to exempt from Education DC's. As indicated in Appendix "A", St. Leonard's Society of Hamilton will pursue the EDC's refund from both Public and Catholic Education Boards separately from this request.

Alternatives for Consideration – See Page 4

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

Financial:

City Development Charges

The St. Leonard's Society of Hamilton project involved converting double occupancy rooms into single occupancy rooms in a residential facility dwelling. Table 1 reflects the calculation of the City DC's which were paid in June 2015 including 90% exemption as the facility is located in the Downtown Hamilton Community Improvement Project Area (CIPA).

Table 1: Development Charges paid for 22 & 24 Emerald St. South

<u>Items</u>	<u># of units / Sq ft</u>	<u>Rate \$</u>	<u>Total \$</u>
Residential Facility	6 bedrooms	8,809.00	52,854.00
Intensification credit	1 bedroom	(8,809.00)	(8,809.00)
Subtotal			44,045.00
Exemption – CIPA		90%	(39,640.50)
Total City's DC's paid in June 2015			4,404.50

Staffing: N/A
Legal: N/A

HISTORICAL BACKGROUND (Chronology of events)

June 2015 The St. Leonard's Society of Hamilton paid the DC's for 22 & 24 Emerald St. South.

August 2015 The St. Leonard's Society of Hamilton requests that the City DC's be refunded.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

No Policy Implications and legislative requirements – Precedent for waiving fees on non-profit developments already exists – YFC/Youth Unlimited (FCS15037), Royal Botanical Gardens (FCS14055), Habitat for Humanity (PED15027, PED13009), Ronald McDonald House (FCS11078), and Mission Services (FCS12008).

RELEVANT CONSULTATION

N/A

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.

St. Leonard's Society of Hamilton is a not-for-profit organization. Their vision statement indicates that "We aspire to a community where all people have value and the capacity to change".

St. Leonard's Society of Hamilton has been providing support programs that help male offenders released from correctional facilities to integrate back into the society since 1972. The \$3 million construction costs will be funded from the organization's cash reserves as well as a mortgage. The project involves converting double occupancy rooms into single rooms, as a result, number of occupants will not increase.

St. Leonard's Society of Hamilton goals for this centre align with the City's Strategic Objectives in terms of improving the health and well-being of our residents.

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For these reasons staff are recommending that the net City DC's amounting to \$4,404.50 be refunded to the St. Leonard's Society of Hamilton development located at 22 & 24 Emerald St. South, Hamilton.

ALTERNATIVES FOR CONSIDERATION

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

As an alternative to the staff recommendation, Council could decide to enforce the full City DC.

Pro: This would result in no lost revenues (ignoring time-value of money) to the City.

Con: This would reduce the ability of St. Leonard's Society of Hamilton to focus on obtaining funding for their operational activities which could potentially reduce the net positive impact of the project.

Staffing Implications: None

Legal Implications: None

Policy Implications:

Any changes to current DC policies will require amendments to be made to the DC By-law.

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

- 1.1 Continue to grow the non-residential tax base.
- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 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

- 2.3 Enhance customer service satisfaction.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS15067 – Request for Exemption of Development Fees from St. Leonard's Society of Hamilton – 22 & 24 Emerald St South (August 14, 2015 Council)