



Chair and Members,  
Audit, Finance, and Administration Committee,  
City of Hamilton

18 April 2019

RE: **Request to Continue the Development Charge Exemption for Non-Profit Schools**  
2019 Development Charges Background Study and By-law Update (FCS19036)

Dear Councillor Chad Collins, Chair, and Committee Members,

We're writing today with respect to the proposed changes to the City of Hamilton's Development Charges (DCs) By-law, with a single request:

**To continue the Development Charge exemption  
for non-profit elementary and secondary schools.**

We acknowledge that the City desires to move toward a full cost recovery model for DCs for new developments as a matter of equity for municipal tax payers, and that the proposed changes would achieve approximately 90% cost recovery. As municipal taxpayers, we affirm this move and are grateful for the initiative in principle.

However, the aspect pertaining to the *removal* of the current exemption for non-profit educational institutions, several factors warrant reconsideration to *continue* the exemption for non-profit educational institutions.

1. **Publicly-funded schools will remain exempt from DCs.** This is the first basis of our request, and will result in furthering the funding disparity between publicly funded and non-profit schools.
2. **Independent, non-profit schools in Ontario perform a public service with no public funding** (\$0 operating, \$0 capital). Non-profit schools are 100% self-financed, through tax-paying parents paying substantial tuition fees and the generosity of tax-paying donors, all of whom are simultaneously paying taxes to the public and/or separate school boards. Therefore:

3. **Independent schools save taxpayers money.** The 2013 Auditor General's Report noted that ["private schools in effect either save the taxpayers \\$1 billion annually or enable the \(Education\) Ministry to allocate this money to other education priorities"](#) (page 180).
4. **Middle-class families:** every family attending Oak Hill Academy, as well as the faculty, is making sacrifices. Parents choose an independent school for a variety of reasons, most often looking for school with shared vision and values that they find absent in the publicly funded offerings.
5. **Low-income families:** there is a common desire amongst non-profit schools to removing financial barriers for families. We are developing a bursary system to enable any family who wants an Oak Hill education to receive one, regardless of ability to pay.
6. **Non-profit schools: an insignificant source of DC revenue, but significant tuition and fundraising implications.** The proposed changes to the DC By-law we understand will result in approximately an additional \$8.5 million annually. However, DCs from non-profit schools in Hamilton are very unlikely to result in an annual cashflow to the City. If Oak Hill Academy were ever to build, the resulting DCs would add approximately 10% to our construction costs.<sup>1</sup> All capital costs would be fundraised separate of tuition. Ultimately, then, ***every \$1 spent on DCs by non-profit schools is \$1 less to service children and support bursary systems for low-income families.*** If we were a publicly funded school, we would remain exempt.

Thank you for your time, and thank you for serving this City that we love. We are grateful for your consideration *to continue the Development Charge exemption for non-profit elementary and secondary schools.*

**About Oak Hill Academy.** We opened in September 2018 with a vision to provide a rich, rigorous, restful, and affordable education to like-minded families. We currently serve 12 families and 23 children largely across the JK-2 grades. All (100%) of our current families are taxpayers residing in the amalgamated City of Hamilton. We currently rent the facilities of a church located at 557 Garner Road West, Ancaster, and are quickly outgrowing the space and looking for a solution. Our families love Oak Hill because of our shared vision for a rich, rigorous, integrated, and restful Christian education. For next year, we currently have 16 families and 31 children enrolled from JK-5. Our plan is to provide an integrated K-12 school for Hamilton families.

On behalf of the students, families, and our Board of Directors,



**Jesse Newton**

Principal

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<sup>1</sup> Based on current construction cost estimates for schools at an estimated at \$190/ft<sup>2</sup>, and the current non-industrial/ institutional charge of \$20.54/ft<sup>2</sup>.