

Memo: Clarification on Redeemer's request for an amendment to the development charges by-law change proposal

To: Audit, Finance and Administration Committee, City of Hamilton

From: David Zietsma, Vice President External Relations and Enrolment at Redeemer University College

Date: April 30, 2019

As a result of the questions being asked in the public session, Redeemer would like to provide some clarifications on the amount of development charges we are requesting to be exempt from and on the 'heads and beds' levy.

1. Redeemer is not requesting to be exempt from all development charges. Redeemer's request is that spaces built for teaching, learning and research use (TLR use) be exempt from development charges. We expect that spaces used for anything other than TLR purposes would not be exempt from DCs on a percentage basis. **In Redeemer's case, an amendment to the proposed by-law change exempting TLR use and grandfathering the exemption for new residences begun by 2021, would mean that Redeemer would still pay \$4,792,750** in development charges (see Schedule A attached).

2. We understand the 'heads and beds' levy to be a flow through amount from provincial operating grants. As a non-publicly assisted institution, Redeemer does not receive provincial operating grants and therefore Redeemer is not included in the payments in lieu of taxes, as stated in the Municipal Act, 2001.

Redeemer respectfully requests that an amendment be made to the proposed by-law changes such that post-secondary institutions receive a 100% exemption for spaces (or for the percentage of spaces) used for teaching, learning and research and that new student residences begun in or before 2021 be grandfathered in.

Example: Redeemer builds an innovation facility in partnership with a commercial entity. 25% of the space will be classroom space, learning use, and faculty research use. 75% of space usage would be utilized by the commercial partner. The facility receives a 25% exemption under Redeemer's requested amendment.

Schedule A: Development Charges Scenarios				
Facility	Year	Size (ft²)	New development charges under current By-law change proposal*	Development charges paid if committee accepts RUC's requests on TLR use and grandfathering
Student residence 1	2021	80,000	\$850,800	\$850,800
Academic building	2022	100,000 (100% TLR use)	\$2,127,000	\$0
Athletics facility	2022	60,000 (50% TLR use)	\$1,276,200	\$638,100
Health innovation facility	2023	150,000 (50% TLR use)	\$3,190,500	\$1,595,250
Student residence 2	2024	80,000	\$850,800	\$1,701,600
Total		470,000	\$8,295,300	\$4,792,750
*At current rate of \$21.27/ft²				