

CITY OF HAMILTON

MOTION

Audit, Finance and Administration Committee: December 9, 2021

MOVED BY COUNCILLOR A. VANDERBEEK.....

SECONDED BY COUNCILLOR.....

Write Off of Penalties, Interest and Related Fees for Property Taxes and Interest Free Loan Agreement on Compassionate Grounds for the YFC/Youth Unlimited Waterdown, 273 Parkside Drive, Waterdown (Roll No. 2518.303.410.28600.0000)

WHEREAS, YFC Southwestern Ontario, also known as Youth for Christ (YFC) Youth Unlimited Waterdown, is a Registered Charity;

WHEREAS, the YFC/Youth Unlimited Waterdown provides programming for youth aged 10 to 19 years of age;

WHEREAS, YFC/Youth Unlimited Waterdown purchased the property located at 273 Parkside Dr, Waterdown in 2012, demolishing the existing residential structure to make room for the newly built youth centre which was completed in 2014;

WHEREAS, the property taxes at 273 Parkside Drive, Waterdown, once the former residential structure was demolished equated to, on average, approximately \$2,500 per year and continued as such even after the construction of the new facility;

WHEREAS, the Municipal Property Assessment Corporation (MPAC) did not add the value of the new facility to the roll until November 2020, thus triggering the City of Hamilton to issue tax bills for the omitted assessment for taxation years 2018 to 2020, the maximum allowable under the *Municipal Act*;

WHEREAS, the tax bills for omitted assessment for taxation years 2018 to 2020 totalling approximately \$48K, combined with the 2021 taxes of approximately \$17K per year, has put YFC/Youth Unlimited Waterdown in a difficult financial situation; and

WHEREAS, YFC/Youth Unlimited Waterdown successfully challenged their assessment increase, resulting in a slight reduction to the assessed value, however still resulting in total outstanding taxes of \$64,884.85 inclusive of penalty, interest and related fees and \$58,467.21 excluding penalty, interest and related fee as on November 22, 2021;

THEREFORE, BE IT RESOLVED:

- (a) That the General Manager, Finance and Corporate Services, be authorized to write off penalties, interest and related fees for property taxes for YFC/Youth Unlimited Waterdown due up to the date of the loan execution estimated at \$7,148.48 to operating Dept ID 252013;

- (b) That the General Manager, Finance and Corporate Services, be authorized and directed to enter into an interest free loan agreement with the YFC/Youth Unlimited Waterdown on compassionate grounds not to exceed \$58,467.12 to be repaid within 5 years at \$11,693.14 annually, together with a General Security Agreement, both in a form satisfactory to the City Solicitor and General Manager, Finance and Corporate Services; and
- (c) That should property taxes levied to YFC/Youth Unlimited for the property located at 273 Parkside Drive, Waterdown (Roll No. 2518.303.410.28600.0000) during the loan period for 2022 to 2026 not remain current, then the loan will be cancelled and the outstanding balance of this loan will be transferred to the property tax roll.