



City of  
**Peterborough**

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**To: Members of the Committee of the Whole**

**From: Malcolm Hunt, Director, Planning and Development Services**

**Meeting Date: April 18, 2016**

**Subject: Report PLPD16-034  
Hospice Peterborough – Development Charge Relief and Budget  
Pre-Commitment**

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## **Purpose**

A report to recommend Development Charge relief and a 2017/2018 budget pre-commitment for the new Hospice Peterborough project at 325 London Street.

## **Recommendation**

That Council approve the recommendation outlined in Report PLPD16-034 dated April 18, 2016, of the Director, Planning and Development Services, as follows:

That the City of Peterborough directly pay the Development Charges for the Hospice Peterborough project at 325 London Street in the amount of approximately \$150,000.00, and that the payment be made in 2 annual installments of approximately \$75,000 commencing in 2017.

## **Budget and Financial Implications**

The projected payment of \$147,593 is an unbudgeted expense and would be in addition to the \$1.5 million Capital Campaign contribution already approved by Council. Approval of the recommendation effectively pre-commits \$75,000 in each of the 2017 and 2018 budgets.

## Background

At the Planning Committee Meeting held on April 11, 2016, Planning Committee endorsed the recommendation of staff (PLPD16-033) to remove the Holding Symbol from the Zoning of Hospice Peterborough's property at 325 London Street. With the removal of the holding provision and the granting of Site Plan Approval Hospice Peterborough is now in a position to commence the construction of a 10-bed hospice and new administrative and program space in the restored Langton House.

With the approval of the 2016 Budget, Council also agreed to provide a City contribution to Hospice's capital campaign. Commencing in 2016, for 3 consecutive years, Council has approved \$500,000 annual instalments for a total contribution of \$1.5 million.

### Development Charge Relief:

In addition to the Capital Campaign contribution of \$1.5 million, Hospice has asked if the City would consider forgiveness of the prevailing Development Charge. Based on 2016 rates applied to the current building program the applicable Development Charge is \$147,593.00, a sizeable sum for Hospice. In the opinion of staff the request is reasonable for the following reasons:

1. Development Charges are intended to capture a proportionate contribution from a development activity towards its impact on growth-related expenditures, such as additional road or recreation facility capacity. The unique place of Hospice in the spectrum of health and social support care is not contributing directly to growth and therefore it can reasonably be argued that Development Charges should not apply.
2. A Hospice is eligible, under Section 110 of the **Municipal Act**, to be considered a Municipal Capital Facility (MCF). This section of the Act allows a municipality to seek the provision of municipal facilities through unique procurement strategies but to also grant the provider of the facility with all of the benefits that would be available if directly delivered by the municipality. The City does not pay Development Charges. The City does not pay taxes on City-owned properties. Hospice Peterborough, a local charitable organization, is the development proponent for the hospice. By making a hospice eligible as a MCF, the Act anticipates that a municipality may elect to directly deliver a hospice and therefore a hospice provided by a third party should also be eligible for relief from certain municipal fees and charges.
3. Hospice Peterborough is a non-profit hospice providing end of life care and is already exempt from the payment of taxes under Section A.31 of the **Assessment Act** and so relief from Development Charges is an extension of this unique status.

If Council agrees that Development Charges should not be collected for the Hospice Peterborough project what remains to be determined is the appropriate vehicle for that relief. Council could designate the property as a Municipal Capital Facility and exempt the property. Council has done this for numerous affordable housing projects, however in the case of affordable housing, the Province has often made the designation as a MCF a prerequisite for provincial funding, the quantum of the charge is large, and there are typically many areas of relief applicable, including Development Charges, tax relief, planning fees and parks levies. For Hospice, the relief is only for Development Charges.

When Development Charges are waived under the MCF designation the onus rests on the municipality to make sure the foregone charges are not transferred to new growth. If the burden of the waiver can not be assigned to growth it must be borne by the City or the “local” share as opposed to the “growth” share.

An alternative is simply for the municipality to pay the applicable Development Charge on behalf of Hospice. This honours the principle that “growth” cannot bear the financial burden of waived fees and it is a very transparent method of accounting for the real one-time municipal investment being made in the Hospice project. As Council has already agreed to flow capital funding to Hospice over 3 years it is recommended that the City’s contribution to the Development Charge fund be phased over the remaining 2 years at approximately \$75,000 per year, with the first year being 2017.

#### **Temporary Relief from Part-Lot Control:**

Hospice Peterborough acquired the Langton House property from Peterborough Housing Corporation (PHC) via the City of Peterborough. At the time of acquisition mutual easements were exchanged between Hospice and PHC so that a shared parking lot could be built. The easements were tied to the development concept hospice envisioned for its property at that time.

During the past 2 years the Hospice Peterborough project has evolved from a concept drawing to detailed working drawings and the concept for the shared parking lot has also changed. The registered easements no longer make sense.

Council has, pursuant to By-law 11-082, delegated authority to exempt lands from part lot control to the Director of Planning and Development Services. Part lot control does not allow land to be subdivided (including the granting of easements) without the involvement of a consent-granting authority. The lifting of part lot control overcomes this. The lifting of part lot control will be time limited and serve only the purpose of redefining the easements. A by-law will be included on the Council agenda of April 25, 2016 to temporarily exempt the Hospice and PHC properties from part lot control under the delegated authority.

Submitted by,

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