



City of
Peterborough

To: Members of the Committee of the Whole

From: Patricia Lester, City Solicitor and Director of Legal Services

Meeting Date: May 30, 2016

Subject: Report OCS16-002
Peterborough Humane Society – City Contribution to New
Animal Care Centre Capital Campaign

Purpose

A report to recommend a City contribution of \$1.5 million to the Peterborough Humane Society's new Animal Care Centre; the payment of development charges and waiving of any cost sharing for the provision of municipal road and services for the facility at 1999 Technology Drive.

Recommendations

That Council approve the recommendations outlined in Report OCS16-002 dated May 30, 2016 of the City Solicitor and Director of Legal Services, as follows:

- a) That the Peterborough Humane Society presentation for a new Peterborough Animal Care Centre, be received;
- b) That the City of Peterborough approve a \$1.5 million capital campaign contribution to the Peterborough Humane Society, to be paid in 5 annual installments over a five-year period from 2017 to 2021, in support of the \$9.5 million Peterborough Animal Care Centre at 1999 Technology Drive;
- c) That the City of Peterborough directly pay the Development Charges for the Peterborough Humane Society Animal Care Centre at 1999 Technology Drive in the amount of approximately \$186,000, and that the payment be made in 2 annual installments of approximately \$93,000 commencing in 2017;

- d) That the agreement with the Peterborough Humane Society for the provision of animal control services be extended from July 1, 2019 to December 31, 2021, at the same annual cost; and
- e) That any cost sharing for the provision of municipal road and services for 1999 Technology Drive, be waived.

Budget and Financial Implications

If Council approves the financial contribution to the Peterborough Humane Society (“PHS”), the following payment schedule is suggested:

<u>Period</u>	<u>Grant</u>	<u>Payment of DC's</u>	<u>Annual Amount</u>
January 2017	\$300,000	\$93,000	\$393,000
January 2018	\$300,000	\$93,000	\$393,000
January 2019	\$300,000	\$0	\$300,000
January 2020	\$300,000	\$0	\$300,000
January 2021	\$300,000	\$0	\$300,000

Council approval of the recommendation, for a total of \$1,686,000. effectively pre-commits for 2017 through 2021 budget years.

At the June 20, 2016 Committee of the Whole meeting, Staff will bring a report on a comprehensive Animal By-law for Council's approval. If Council approves the by-law there may be cost implications for the PHS to provide additional services relating to cats, under our present animal services contract.

Background

Peterborough Humane Society Facility – 385 Lansdowne Street

The PHS has been at their current location at 385 Lansdowne Street East since 1955. The present facilities are outdated, uninviting and do not meet current shelter standards of care. Since 1999 Council has determined it is advantageous to contract for animal services from the PHS, for the following reasons:

- a) “one stop shopping” for users of the service and elimination of potential client confusion with respect to “who does what”;
- b) no other provider in the City can deliver the range and quality of services required for impounding, sheltering, adoption, education and enforcement;

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- c) the costs of Pound keeping services in 1998 was approximately \$300,000 and if the City was to operate its own Pound, there would be a substantial capital cost to construct such a facility, at that time to be estimated at \$500,000; and
 - d) the PHS as an affiliate member of the OSPCA (Ontario Society for the Prevention of Cruelty to Animals) allows the City to benefit from the expertise and training of OSPCA officers who enforce our by-laws and the highest standards of animal care, as set out in the **OSPCA Act**.

This arrangement has worked very well for both parties.

Peterborough Animal Care Centre - 1999 Technology Drive

In 2012, the PHS was in the process of conducting a capital campaign feasibility study and had purchased land at 1999 Technology Drive for a new facility. Today the PHS has partnered with the OSPCA to create a new Peterborough Humane Society Adoption and Education Centre; a regional High-volume Spay Neuter Clinic and a Provincial Dog Rehabilitation Centre. The new Centre will have up to-date facilities; be inviting to the public and it will provide employment growth and increase tourism to Peterborough.

A. Peterborough Humane Society Adoption & Education Centre

This component of the facility will house the City Pound and PHS Shelter for lost, abused, neglected and abandoned animals. Enhanced education programs such as “Meet Your Match” and various school presentations will be provided to the public. Also the PHS has partnered with both Trent University and Fleming College for various student placements.

B. Regional High-Volume Low-Cost Spay Neuter Clinic

The Clinic will service Peterborough and our local animal welfare organizations, such as LAWS, ARK, Operation CatNip, and in addition service an area with a population base of approximately 625,000. The Clinic will perform surgeries for affiliated Humane Societies such as Kawartha Lakes, Durham, Northumberland and Quinte. Statistically it has been proven that Clinics will reduce cat intake up to 50%. The Clinic is designed to break even financially but high volume is the key to lower prices and therefore why the Clinic will service a broad population base.

C. OSPCA Provincial Dog Rehabilitation Centre

The Rehab Centre will be the first of its kind in Canada and will be fully funded by the OSPCA. The Rehab Center will offer a province-wide service to OSPCA branches and affiliates and will be staffed by experts in dog behaviour.

City Contribution to Capital Campaign

The PHS is currently in the quiet phase of its campaign with the public launch scheduled for the Fall of this year. Construction is slated for Spring 2017 and occupancy in early 2018. The OSPCA has committed \$2.0 million towards the capital campaign of \$9.5 million for a 23,000 square foot building on a 20 acre site, designed as an integrated model with shared services for operational efficiencies. The OSPCA has also committed to contributing 26.5% of the Centre's operating costs, for 20 years.

The PHS is seeking a capital campaign contribution from the City in the amount of \$1.5 million.

Development Charges

In addition to the capital campaign contribution, the PHS has asked if the City would consider forgiveness of the prevailing Development Charge ("DC"). Based on 2016 rates applied to the current building program, the applicable DC is approximately \$186,711.00, a sizeable sum for the PHS. Staff is of the opinion that the request is reasonable for the following reasons:

1. An animal care centre is eligible, under Section 110 of the **Municipal Act, 2001** and **Ontario Regulation 603/06** ("Municipal facilities for the protection, regulation and control of animals), to be designated as a Municipal Capital Facility (MCF).

This section of the Act allows a municipality (who elects not to deliver directly animal services) to grant relief from certain fees, charges and property taxes, through a MCF designation. The PHS is a local non-profit, charitable organization, who is the development proponent for the Animal Care Centre that will protect, regulate and control animals.

2. Council has designated numerous other facilities as MCF's and provided relief such as waiving DC's and providing property tax relief. Therefore Council would be consistent in its approach if they chose to designate the Animal Care Centre as a MCF.

When DC's are waived under a MCF designation, the onus rests on the City to make sure the foregone charges are not transferred to new growth and if the burden can't be assigned to growth it must be borne by the City or the "local" share as opposed to the "growth" share.

An alternative that Council may consider is paying the applicable DC on behalf of the PHS. This would honour 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 to the PHS project.

It is recommended that the City's contribution to the DC fund be phased over 2 years at approximately \$93,000 per year, with the first year being 2017.

In addition, since the PHS already receives a grant for realty taxes under the City's contract for animal services it is not necessary to provide this relief through the MCF designation.

1999 Technology Drive Frontage

Presently, the PHS property at 1999 Technology Drive has no frontage and is un-serviced. The City established a one foot reserve approximately 30 years ago, to ensure that anyone who benefits from the road and services should pay for them. The parcel is 20 acres of which only half has any development potential which equates to a developable frontage charge of \$135,000.

The PHS paid the Township of Otonabee South Monaghan for serviced land and it would appear that the Township did not understand the property was not serviced or had never made a contribution to the servicing costs. The Township also made the property more developable by providing extensive fill to the lands, at their cost as a condition of the sale. Both parties sold and purchased the lands in good faith. Given this fact and the passage of time, it is recommended that the cost sharing for road and services provision be waived by Council so that the applicable by-law can be passed at the site plan approval stage. This will allow the PHS legal frontage on Technology Drive and access to services.

Summary

The City and the PHS have enjoyed a very good partnership for a number of years. With Council's financial contribution to the PHS, a new up to-date humane society with a regional spay-neuter clinic and dog rehabilitation centre, will result in greater tourism exposure for Peterborough, provide for increased employment and offer an inviting facility for the public to visit, volunteer and adopt animals.

Submitted by,

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