



DEVELOPMENT AND INFRASTRUCTURE SERVICES – PLANNING DIVISION
TOWN OF NEWMARKET
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905.895.5193

May 14, 2015

**DEVELOPMENT AND INFRASTRUCTURE SERVICES
PLANNING AND BUILDING SERVICES - PLANNING REPORT 2015-20**

TO: Committee of the Whole

SUBJECT: Request to Waive Fees and Charges for the Proposed Hospice
Southlake Regional Health Centre Foundation
653 Queen Street
Planning File No.: D11-NP1313

ORIGIN: Request Submitted to the Town

RECOMMENDATIONS

- a) **THAT Development and Infrastructure Services, Planning & Building Services Report 2015-20 dated May 14, 2015 regarding a request to waive fees and charges associated with Site Plan Approval be received and the following recommendations be adopted:**
- i. **THAT the request from the Southlake Regional Health Centre Foundation for waived fees be received;**
 - ii. **AND THAT Council deny the request to waive the Security (performance guarantee) of \$65,000 and the Tree Security of \$12,020;**
 - iii. **AND THAT Council waive the requirement for a cash-in-lieu of parkland contribution;**
 - iv. **AND THAT Council deny the request to waive the following fees:**
 - a) **Tree Compensation of \$9,450**
 - b) **Engineering Review fees of \$37,309.80**
 - c) **Finance Administration fee of \$3,250**
 - d) **Town's Consulting Arborist peer review fees of 1,040**

- v. **AND THAT Paul Clarry, Vice President, Clinical Support and Facilities, Southlake Regional Health Centre Foundation, 596 Davis Drive, Newmarket, L3Y 2P9, be notified of this action.**

BACKGROUND

Southlake Regional Health Centre (SRHC) submitted applications for Official Plan and Zoning By-law Amendments and Site Plan Approval for a proposed one-storey, 10 bed residential hospice with storage, offices and common rooms. It is proposed on the 0.272 hectare parcel of land of 649, 653, and 657 Queen Street. The Official Plan and Zoning By-law Amendments were approved in 2010. The Site Plan Approval process is almost complete except for the signing of the agreement. A Building Permit application has not yet been made.

In 2014, SRHC submitted a letter requesting the refunding of their fees paid to date (planning application fees and demolition fees). In addition they requested the waiving of the Building Permit fees and Sign Permit fees. This request was granted by Council through Resolution 26 on September 8, 2014:

26. THAT Joint Planning and Building Services, Financial Services, and Legislative Services Report 2014-38 dated August 14, 2014 regarding a Development Charges Exemption and a request to waive Building Permit and Sign Permit fees and refund planning application fees be received and the following recommendations be adopted:
- i) THAT staff be provided with confirmation that the Hospice qualifies for the new Development Charges exemptions by By-law 2014-42, once it is in full force and effect;
 - ii) AND THAT Southlake Regional Health Centre Foundation be refunded the requested fees to be funded from the Rate Stabilization Fund;
 - iii) AND THAT staff be directed to undertake a review of the impacts of creating a policy to reduce fees for charitable foundations, community organizations, public agencies and other similar uses;
 - iv) AND THAT Dora Boylen-Pabst, Vice President, Philanthropy and Engagement, Southlake Regional Health Centre Foundation 102-581 Davis Drive Newmarket, L3Y 2P6 be notified of this action.

Request

The Southlake Regional Health Centre Foundation submitted a second letter to the Town dated April 23, 2015 (see attachment) requesting that fees and charges associated with the Site Plan Approval be waived. The request is for the specific review and administrative fees arising from the

site plan agreement, not the Site Plan application fees. From their letter, Southlake understood that all fees and charges had been waived with a previous Council resolution from September 2014.

It is staff's understanding that the September 2014 resolution only dealt with the request from their previous letter which were:

1. That the Building Permit fees for the Hospice be waived;
2. That fees paid to date be refunded (specifically the Official Plan and Zoning By-law Amendment, the Site Plan Approval, and the Demolition Permit application fees); and
3. That the Sign Permit application fee related to two ground signs for the Hospice be waived.

Staff have started the process to refund the requested fees noted above as per Council's direction, \$50,835.12 will be returned. Staff have confirmed that the Hospice is exempt from Development Charges under the new Development Charges By-law.

The refund of the Building Permit and Sign Permit applications fees will be dealt with at the time of their application.

Southlake has now requested that the following fees and charges also be waived and refunded:

- Tree Compensation of \$9,450
- Cash-in-lieu of parkland contribution of \$6,624
- Security, performance guarantee, of \$65,000
- Engineering Review fees of \$37,309.80
- Finance Administration fee of \$3,250
- Tree Security of \$12,020
- Town's Consulting Arborist peer review fees of \$1,040.60

Total: \$134,693.86

If these additional requests are approved, the total amount of fees returned and/or waived to date would be \$185,528.92. This does not include the Building Permit fee or the Sign Permit fee as they have not yet been paid. There may be additional peer review fees from the Town's Consulting Arborist.

COMMENTS

Engineering Review fees, Finance Administration fee, and Arborist Peer Review fees

At this time, staff do not support the waiving of the above noted fees as they represent cost recovery of staff time spent processing and reviewing the application as well as administration of the site plan agreement and security after it's execution.

Engineering Services collects a 6% engineering fee through the site plan review process, as approved in the Town's 'Fees and Charges Bylaw'. The fee is calculated based on the total estimated cost of external works, exterior of the building (i.e. grading, servicing, landscaping, etc.) and is collected as part of the Site Plan Agreement. The fee collected goes towards staff time to provide detailed engineering comments on technical submissions (conforms to Town standards, best practices, etc.), site plan agreement (establish security deposits, contributions, other requirements, etc.), field monitoring/inspections of the site and final inspections for the release of security upon completion of all required works.

The Finance Department collects a finance administration fee of 5% of the performance security to cover their costs of administering the security.

The Town employs a Consulting Arborist to peer review tree work submitted in support of development applications. These costs are initially covered by the Planning Department and then invoiced back to the applicant so that development is paid for by the developer and not the taxpayer.

Tree Compensation

Tree compensation is collected as per the Town's Tree Preservation, Enhancement, Protection and Replacement Policy. The money is collected when trees have to be removed in support of development and replacement trees cannot be planted on the property. The money collected is used to plant trees in Town to maintain and enhance the Town's urban forest. Staff do not support the waiving or refunding of this compensation money as it is important to continue to develop the Town's urban forest and the green canopy. Trees offer many benefits to all Town residents including improved air quality, reduced heat island effect, etc.

Performance Guarantee and Tree Securities

At this time, staff do not support a waiving of the securities required to be posted with the Site Plan Agreement. These securities act to mitigate risk to the corporation. The performance guarantee security provides the Town with funds in the event that the Hospice project is not completed and the site is left in an unsafe state. The Town can use these funds to either complete the project or return it to a safe condition.

The tree security provides the same risk mitigation but specifically for the trees which are to be retained on the property. If any of the trees are damaged during construction the Town will have the funds to replace the trees. This security protects some trees directly on the Hospice property as well as some trees on abutting properties.

When the site works have been completed in conformity with the approved site plan drawings, the performance guarantee is returned to the applicant. This can happen shortly after the project is completed. The tree security is typically held for three years after the completion of the site works to ensure the health of the trees. Damage to a tree can take several years to become known. However, it is ultimately also returned to the applicant.

Prior to this formal request from the Hospice, staff were asked to reconsider the amount collected for the performance guarantee security. The original security amount requested was \$113,000.00, based on 20% of their engineering estimate of exterior works (\$565,300.00). The engineering estimate appeared to be high for a site of this size, especially the landscaping component. As such, Engineering Services advised that the security could be reduced to \$65,000.00, which is based on 10% of the cost estimate for the landscaping works and the typical 20% for site grading and servicing.

Cash-in-lieu of parkland dedication

Public and not for profit facilities are often exempt from parkland dedication. Planning Report 2015-11, which recommends a Town-wide Parkland Dedication By-law, is to be considered at the Committee of the Whole meeting of May 25, 2015 and recommends that "development or redevelopment of land, buildings or structures owned by and use for the purposes of Southlake Regional Health Centre" and "not for profit palliative care facilities" be exempt from providing parkland dedication.

To be consistent with this approach, staff recommends that this application be exempt from parkland dedication.

COMMUNITY CONSULTATION POLICY

If Council wishes to make any changes to the Fees and Charges By-law, public consultation will be required.

HUMAN RESOURCE CONSIDERATION

Not applicable to this report.

BUDGET IMPACT (CURRENT AND FUTURE)

The following summarizes the requested fees which could be reduced, waived or refunded, a total of approximately **\$134,693.86**.

Tree Compensation	\$9,450
Cash-in-lieu of parkland contribution	\$6,624
Security, performance guarantee	\$65,000
Engineering Review fees	\$37,309.80
Finance Administration fee	\$3,250
Tree Security	\$12,020
Town's Consulting Arborist peer review fees	\$1,040.06
Total	\$134,693.86

In September 2014, Council authorized a refund of fees paid to date of \$50,835.12. Should this second request be approved, the total amount of fees returned and/or waived to date would be **\$185,528.92** (this does not include the Building Permit fee or the Sign Permit fee as they have not yet been paid).

Reducing or waiving fees could be problematic. The most straightforward manner in which to deal with this issue, should Council decide to provide some relief, would be to refund fees through a grant. This would maintain the cost and pricing integrity of the departments involved and would be the easiest option to implement. Council could direct staff to refund all or a portion of the fees with funding from a reserve. As there is no directly related reserve, the Rate Stabilization Fund would be the recommended source. This was the direction provided by Council for the previous request by Southlake. There would be no immediate budget impact, but there would be fewer monies available for future uses.

CONCLUSION

It is recommended that the requested waiving of fees with respect to the site plan agreement be denied as the fees represent cost recovery for staff's time spent processing the applications and the securities posted represent risk mitigation for the Town.

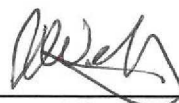
Staff are recommending the cash-in-lieu of parkland contribution be waived in accordance with the proposed Parkland Dedication By-law from Planning Report 2015-11.

CONTACT

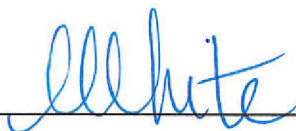
For more information on this report, contact: Meghan White, Planner, at 905-953-5321, ext 2458; mwhite@newmarket.ca.



Commissioner, Development and Infrastructure
Services



Director, Planning & Building Services



Planner



SOUTHLAKE
REGIONAL HEALTH CENTRE

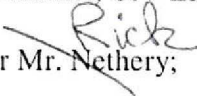
596 Davis Drive
Newmarket, Ontario
L3Y 2P9

T: 905-895-4521
F: 905-853-2220
Website: www.southlakeregional.org

Attachment 1

April 24, 2015

Richard Nethery, B.E.S., M.C.I.P., R.P.P.
Director, Planning and Building Services
Town of Newmarket
395 Mulock Drive
PO Box 328 - Station Main
Newmarket, ON L3Y 4X7


Dear Mr. Nethery;

RE: Site Plan Agreement, 653 Queen Street, Newmarket
York Region Residential Hospice at Southlake

We have received the March 9th, 2015 Site Plan Agreement for the Hospice. At the September 3, 2014 Council Meeting the motion to authorize the refunding of all permit fees paid-to-date related to the development and construction of the Residential Hospice on Southlake property was approved. As you know, this project will result in a much needed expansion of palliative care services to residents of York Region. The leadership of Newmarket Council to help make this a reality is gratefully acknowledged.

The minutes from the September 3rd, 2014 Council meeting include the following item number 26

THAT Joint Planning and Building Services, Financial Services, and Legislative Services Report 2014-38 dated August 14, 2014 regarding a Development Charges Exemption and a request to waive Building Permit and Sign Permit fees and refund planning application fees be received and the following recommendations be adopted:

- i) THAT staff be provided with confirmation that the Hospice qualifies for the new Development Charges exemptions by By-law 2014-42, once it is in full force and effect;*
- ii) AND THAT Southlake Regional Health Centre Foundation be refunded the requested fees to be funded from the Rate Stabilization Fund;*
- iii) AND THAT staff be directed to undertake a review of the impacts of creating a policy to reduce fees for charitable foundations, community organizations, public agencies and other similar uses;*
- iv) AND THAT Dora Boylen-Pabst, Vice President, Philanthropy and Engagement, Southlake Regional Health Centre Foundation 102-581 Davis Drive Newmarket, L3Y 2P6 be notified of this action.*

We appreciate the work that the Town's Planning team has completed on the current Site Plan Agreement including the reduction of some fees. It was our understanding from the September 2014 Council meeting that all fees would be waived or refunded. We would ask

that you review the fees currently included in the March 9th, 2015 version of the SPA documentation. In particular, the waiving of the following fees and security deposits:

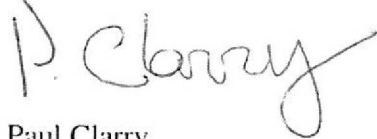
- 14.5 Tree Removal \$9,450.00
- 22.1 Parkland Contribution \$6,624.00
- 23.0 Engineering Fees \$37,309.80
- 24.0 Finance Administration Fee \$3,250.00
- 6.1 Security: Performance Guarantee \$65,000.00 – Letter of Credit
- 14.1 Landscape Security \$12,020.00 – Letter of Credit

In addition, we would ask for your assistance in the processing of the refunds related to the previous fees on the Hospice and waiving of the recent arborist invoice number 19740. We have summarized the previous fees that have been paid and recent fees requested by the Town:

Description	Invoice	Amount
Costs To Date		
Official Plan and Zoning Fees		\$ 33,198.73
Site Plan Fee		\$ 10,880.76
Site Plan - Town Arborist review fee	Invoice 17431	\$ 486.81
Site Plan - Town Arborist review fee	Invoice 18772	\$ 486.81
Sub-total - paid to date		\$45,053.11 plus HST
Received but not yet paid by Southlake		
Site Plan - Town Arborist review fee	Invoice 19740	\$ 66.38
Total Fees Paid or to be Paid		\$45,119.49 Plus HST

Thank you for your consideration. Should you have any questions or concerns please feel free to contact me.

Yours Truly,
SOUTHLAKE REGIONAL HEALTH CENTRE



Paul Clarry
Vice President, Clinical Support & Facilities

Cc: Robert Shelton Town of Newmarket
Meghan White Town of Newmarket
Angela Scriberras MSH
Peter Green Southlake