

Request for Decision

Development Charges Deferral - Society of Saint Vincent de Paul

Presented To:	City Council
Presented:	Tuesday, Mar 22, 2016
Report Date	Wednesday, Feb 24, 2016
Type:	Managers' Reports

Resolution

THAT the City of Greater Sudbury selects Option _____ in relation to the development charge deferral agreement for The Society of Saint Vincent de Paul ("Society") building located at 2506 Highway 69 North:

Option 1 – City of Greater Sudbury does not authorize the deferral agreement.

Option 2 – City of Greater Sudbury authorizes the deferral agreement.

AND THAT, if Option 2 is approved, the City of Greater Sudbury approves the Condition _____ for the deferral agreement:

Condition A –

The deferral agreement will provide for the Society of Saint Vincent de Paul to pay the deferred development charges on any transfer of the property municipally known as 2506 Highway 69 North. The agreement shall provide that interest is not payable until such time as the due date for payment of the development charges has passed and shall not require the Society to provide security requested for payment. Staff are directed to not register any notice or restriction on transfer on title to give notice of the outstanding Development Charges.

Condition B –

The deferral agreement will provide for The Society of Saint Vincent de Paul to pay the deferred development charges on any transfer of the building at 2506 Highway 69 North and to consent to the registration on title to the property of a restriction on transfer to be released upon payment of the development charges. The registration will incur cost of approximately \$430 to register and another \$430 to de-register based on current year estimated costs and user fees. The agreement shall provide that interest is not payable until such time as the due date for payment of the development charges has passed and shall not require the Society to provide security requested for payment.

Finance Implications

Collection of development charges would occur at a later time and will not be available to be used towards

Signed By

Report Prepared By

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Feb 24, 16

Recommended by the Department

Ed Stankiewicz
Acting Chief Financial Officer/City
Treasurer
Digitally Signed Feb 24, 16

Recommended by the C.A.O.

Kevin Fowke
Acting Chief Administrative Officer
Digitally Signed Mar 9, 16

growth portion of related capital projects until collected.

Background

The Deferral Request:

The Society of Saint Vincent de Paul ("Society") is subject to Development Charges of \$5,594.54, payable upon issuance of a building permit for an attached canopy, proposed to be added to the building it owns located at 2506 Highway 69 North. The Society has requested that Council consider its request for deferral of payment of the development charges. The request submitted by the Society, attached as Appendix A, sets out the proposed deferral and explains why the Society feels it should be granted a deferral.

Statutory Rights:

As Council is aware, Section 27 of the Development Charges Act, sets out the municipality's rights to defer payment of development charges as follows:

27. (1) A municipality may enter into an agreement with a person who is required to pay a development charge providing for all or any part of a development charge to be paid before or after it would otherwise be payable. 1997, c. 27, s. 27 (1).

(2) The total amount of a development charge payable under an agreement under this section is the amount of the development charge that would be determined under the by-law on the day specified in the agreement or, if no such day is specified, at the earlier of,

(a) the time the development charge or any part of it is payable under the agreement;

(b) the time the development charge would have been payable in the absence of the agreement. 1997, c. 27, s. 27 (2).

(3) An agreement under this section may allow the municipality to charge interest, at a rate stipulated in the agreement, on that part of the development charge paid after it would otherwise be payable. 1997, c. 27, s. 27 (3).

These provisions have also been incorporated under Section 16 of the City's Development Charges By-Law 2014-151.

Councillor Support:

As set out in the memo attached as Appendix B, the Ward Councillor supports the proposal to defer payment of the development charges as set out by the Society. Although the Development Charges Act provides for interest to be payable on the development charges, the Ward Councillor has proposed that it is appropriate in the circumstances to waive all claim to interest prior to the deferred payment date. Additionally, the Ward Councillor has proposed that no security be sought for payment. Both of these proposals are consistent with Council's policy for DC deferrals for certain residential construction.

Considerations:

The request refers to deferral until the Society sells the property. There is no certainty as to when the property may be sold. As a corporation has perpetual existence, the property may not be sold and the development charges not collected or may not be collected in the six month deferral period authorized under the residential deferral program.

If Council supports the principle, Council may prefer to refer to any transfer of the property, such as a transfer by gift and transfers not initiated by the Society. Council may also wish to provide for a change in use to trigger payment.

In the absence of registration on title of a restriction on transfer, the City will not have notice that the property is being sold, in order to collect the development charges payable. A purchaser of the property may not be aware of the unpaid development charges which can be added to the tax roll for the property, should the Society not pay the development charges on sale or transfer.

Conclusion:

Options have been provided for Council's consideration and approval for the request of development charges deferral agreement for The Society of Saint Vincent de Paul.



The Society of Saint Vincent de Paul
St. Kevin's Conference
Sister Frederica Harvest House
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Sudbury City Council
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200 Brady St.
Sudbury, ON Canada
P3A 5P3

Dear Sirs:

Re: Request for deferral of Development charges for Building permit

We are a charitable organization that is dedicated to providing financial, emotional and spiritual support to the vulnerable members of our community. We achieve this by operating a second hand thrift store that is totally reliant upon donations from the public. This reduces the impact on the city's landfill site and also provides goods to the public at very affordable prices. The surplus from our sales is used to fund our food bank, soup kitchen, Christmas hampers and assist our friends with their financial needs, whatever they may be. We have assisted by paying arrears for water, gas, hydro, rent, moving expenses and tuition.

We have donation bins along the side of our building. This area has been a long standing health and safety issue for our staff as access to the bins is open to the elements. In addition, these bins are often overflowing. The majority of these donations are open to the elements and are often damaged by the weather. This results in items ending up in the landfill instead of our store for resale.

To address this problem we elected to build an awning (66 feet long and 10 feet wide). The estimated cost is \$10,000.00.

We were shocked to learn that in order to obtain the building permit, we would have to pay an additional charge of \$5,494.00 for development fees. We feel that this is excessive given that the cost is more than half of the project. Our awning will have no impact on the city's infrastructure. We are not receiving any benefit from the charge.

The development charges will significantly reduce our ability to assist our friends in need.

Since there is no provision in the bylaw to exempt a charitable organization from the fee, we request that this amount be deferred until such time as we sell the building.

Respectfully

Erv Mantler, President

ROBERT KIRWAN

City Councillor for Ward 5

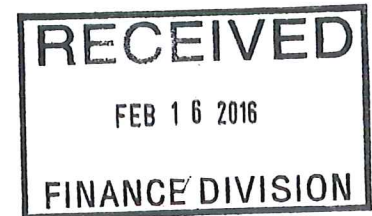
Robert Kirwan, M.A.(Ed), OCT
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Date: February 8, 2016

From: Robert Kirwan
City Councillor for Ward 5

To: Mr Ed Stankiewicz
Chief Financial Officer

Re: St. Vincent de Paul request for deferral of development charges



I have met with officials from the St. Vincent de Paul Society and would ask that you grant the request that has been made from Erv Mantler, the President, for a deferral of the development charges which would be applicable to the minor renovations they would like to make to the building in Val Caron.

My understanding is that the fees in this case could be deferred under Article 16 (4) of By-Law 2014-151 which states in part: "Notwithstanding subsection 16(1) upon request of the CFO, Council may, in its sole discretion, authorize an agreement with the Owner in accordance with Section 27 of the Act to permit on such terms as Council may require, the payment of the Development Charge before or after it is otherwise payable."

I would ask that the development charge be deferred until such time as the current Owner, St. Vincent de Paul, should decide to sell the property. I would also ask that no interest be charged and that no security be required other than a letter of commitment from St. Vincent de Paul.

The Society of St. Vincent de Paul contributes so much to the quality of life of many residents in need in Valley East. What they are attempting to do is prevent damage to otherwise perfectly good donations which are being left by the community for distribution to families and individuals who are disadvantaged. The extension of the roof they would like to build will help prevent items being exposed to the weather as they were during the Christmas holidays in the photo below.

