



Regional Municipality of Waterloo

Administration and Finance Committee

Minutes

Tuesday, October 27, 2015

9:10 a.m.

Regional Council Chamber

150 Frederick Street, Kitchener

Present were: Chair S. Strickland, L. Armstrong, E. Clarke, D. Craig, S. Foxton, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, J. Mitchell, J. Nowak, K. Redman, K. Seiling, S. Shantz and B. Vrbanovic

Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”

None declared

Delegations

COR-FSD-15-16, Request to Defer Regional Development Charges by GSP Group

- i) Caroline Baker, GSP Group Inc., Re: Request to defer Regional Development Charges

C. Baker provided [a presentation](#) to the Committee; a copy is appended to the original minutes. She noted the members of the team present in the audience. She shared a video featuring the varied aspects of the project, The Hub. She stated that their request is for a deferral of the Regional Development Charges (RDC) for a two-year period or until the first occupancy. She added that the builder is open to exploring alternatives and other options.

In response to Committee questions about the RDC amount, the plans to register the entire project or build in stages, and deferral agreement options, she provided details about the total construction costs and the related development charges. She stated that

the builder would consider providing a Letter of Credit and interest charges on the amount deferred.

The Committee discussed the potential merits and challenges of the request.

In response to a Committee question about a Regional policy on deferral of RDCs, Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer, advised that the Region doesn't have a policy specific to deferral of RDCs payable on for-profit development projects. He stated that there is a provision in the Development Charges Act (DCA) to allow for deferral but he added that the Region has only approved deferrals in three instances. He referred to the information provided in report COR-FSD-15-17 and the rationale for the staff recommendation to deny the request.

S. Strickland added that the three instances were for non-profit organizations and the sums were modest. D. Jaworsky noted that this issue is coming before City of Waterloo Councillors in November.

The Committee inquired about the group's rationale for requesting a RDC deferral and the viability of making repayment on day one of occupancy. Jim Whetstone, Senior Manager, Grant Thornton, provided clarification about the project's financing strategy.

Moved by K. Seiling

Seconded by K. Redman

That the Regional Municipality of Waterloo take no action in regards to the request for the deferral of Regional Development Charges by GSP Group on behalf of Prica Group for the proposed redevelopment at Columbia St. and Albert St. in the City of Waterloo.

Some Committee members expressed their concerns about taking on financial risk for a for-profit development and other Committee members expressed their support for a clear policy on RDC deferrals and for further discussion about this request.

C. Dyer clarified the current RDC policies and noted that Regional Council will have an opportunity to consider a policy and amend the by-law once Bill 73 comes into force, anticipated in 2015 or 2016.

The Committee requested more information about the impact on the Region if deferrals are allowed. The option to involve the Waterloo Region Economic Development Corporation (WREDC) was suggested but Mike Murray, Chief Administrative Officer, noted the potential challenges.

C. Dyer suggested that if Council wishes to impose a consistent policy, this should be built right into the RDC by-law but if Council wishes to do something specifically with this request, this can also be done.

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A motion was moved and seconded to defer a decision on this request for RDC deferral from the GSP Group until December when a staff report will provide additional information on the impacts of a RDC deferral policy.

C. Dyer noted that when Bill 73 is approved, a report will come back with updates about the impacts on the current RDC by-law. He stated that Council will have opportunities at that time to consider options.

The Committee discussed the merits and challenges of deferring a decision on GSP's RDC deferral request.

C. Dyer confirmed the scope of the Committee's request for more information, being a review of the practices of other municipalities and examples; the impact of RDC deferral for the GSP Group on the 2016 and 2017 budgets and the 10 year capital program; options for developing a future policy; and, information about the impact if the Region were to review and revise its policy at this time and prior to passage of Bill 73. A report will be prepared for the December Committee meeting.

A recorded vote was requested.

Moved by B. Vrbanovic

Seconded by G. Lorentz

That the Administration and Finance Committee defer the RDC deferral request from the GSP Group, on behalf of Prica Group, until December 2015, at which time a staff report with additional information will be provided for consideration.

Carried

Yeas: L. Armstrong, S. Foxton, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, S. Shantz and B. Vrbanovic

Nays: E. Clarke, D. Craig, J. Mitchell, J. Nowak, K. Redman, K. Seiling and S. Strickland

Request to Remove Items from Consent Agenda

No items were removed from the Consent Agenda but staff responded to Committee questions about the variances for Grand River Transit (GRT) revenue and Ontario Works (OW) in report COR-TRY-15-101.

Motion to Approve Items or Receive for Information

Moved by S. Foxton

Seconded by G. Lorentz

That the following items be received for information:

- **COR-TRY-15-100**, Quarterly Summary of Tenders/Quotes, Requests for Proposals and Consultant Selections Approved by the Chief Administrative Officer
- **COR-TRY-15-101**, Periodic Financial Report for the Nine Months Ending September 30, 2015 and Year End Projection

Carried

Regular Agenda Resumes

Reports – Corporate Services

5.1 COR-FSD-15-17, Annual Adequacy of Regional Development Charge Collections Review

Cathy Deschamps, Director, Financial Services and Development Financing, provided an overview of the report, noting that RDC collections are lower than anticipated for the first year since the approval of the most recent RDC by-law in August 2014. She stated that a working group has been established to create financing strategies for growth related infrastructure in the Region. A staff report will be provided at the November 18th Budget Committee meeting.

C. Dyer responded to Committee questions about long term strategies to address fluctuating collections and the impact and funding of by-law exemptions.

Received for information

Reports – Planning, Development and Legislative Services

5.2 PDL-CAS-15-05, Appointment of a Municipal Ombudsman

Kris Fletcher, Director, Council and Administrative Services/Regional Clerk responded to Committee questions regarding costs associated with using the provincial ombudsman and a local municipal ombudsman, as well as the merits of appointing a municipal ombudsman.

Moved by K. Seiling

Seconded by D. Jaworsky

That the Regional Municipality of Waterloo endorse the approach as outlined in report PDL-CAS-15-05, to establish a joint municipal ombudsman for the following
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municipalities: Cities of Cambridge, Guelph and Waterloo and the Townships of North Dumfries, Wellesley, Wilmot and Woolwich and the Region of Waterloo;

And That staff be authorized to proceed with a joint procurement process.

Carried

Information/Correspondence

6.1 Council Enquiries and Requests for Information Tracking List was received for information

Next Meeting – November 17, 2015

Motion to go into Closed Session

Moved by K. Redman

Seconded by H. Jowett

That a closed meeting of Planning and Works Committee be held on Tuesday, October 27, 2015 immediately following the Administration and Finance Committee in the Waterloo County Room in accordance with Section 239 of the Municipal Act, 2001, for the purposes of considering the following subject matters:

- a) receiving of advice that is subject to solicitor-client privilege related to an agreement

Carried

Adjourn

Moved by K. Kiefer

Seconded by D. Jaworsky

That the meeting adjourn at 10:30 a.m.

Carried

Committee Chair, S. Strickland

Committee Clerk, S. Natolochny

Administration and Finance Committee

THE HUB

365 Albert Street and 130 Columbia Street, Waterloo



Introductions

- Zeljko Prica, Prica Global
- Robert Mullin, SmithValeriotte LLP
- Hugh Handy and Caroline Baker, GSP Group Inc.

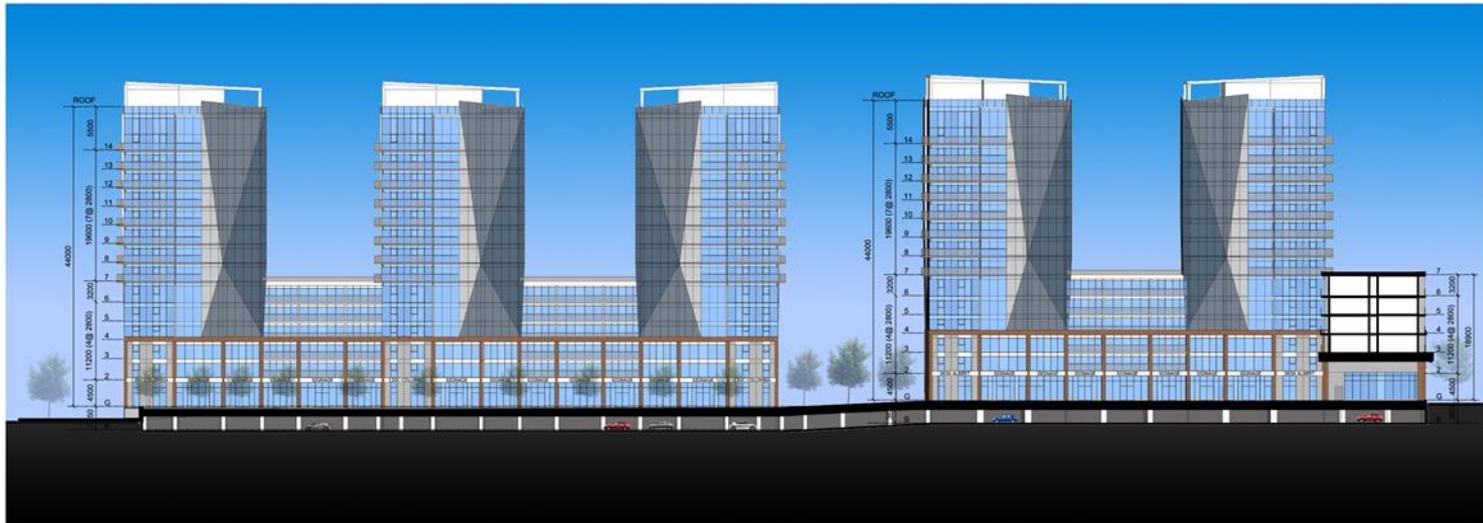
Proposed Development

- Mixed Use Development with central public promenade
- 600 residential units
- 30 commercial units at-grade, with access to the public promenade
- Primarily underground parking



Economic Benefit

- \$150 Million Project
- Generate 1,000 jobs
- \$12 Million in Development Charges
- \$175 to \$200 Million in additional property assessment
- Provide significant support of the University of Waterloo & Research and Technology Park LRT Stations



Request

- Deferral of Development Charge payment for a period of 2 years
- Propose that DC's payable prior to occupancy
- Ensures DC's are paid prior to the use of the development
- Register DC Deferral Agreement on Title
- Allows for the financing of this unique development that has significant investment in architectural and landscape design