



CORPORATE SERVICES *Staff Report*

REPORT NO: COR-2024-50

TO: Council

SUBMITTED BY: Greg Clark, Director of Corporate Services/CFO

PREPARED BY: Harold O’Krafka, MCIP RPP PLE
Greg Clark, Director of Corporate Services/CFO

REVIEWED BY: Greg Clark, Acting Chief Administrative Officer

DATE: September 23, 2024

SUBJECT: Nithview Long-Term Care Home – Grant Request

RECOMMENDATION:

THAT Report COR-2024-50 Nithview Long-term Care Home – Grant Request be received and,

THAT staff include funding in future budgets to provide a grant to Tri-County Mennonite Homes (TCMH) equal to their required annual Development Charge payment related to the current Nithview project and,

THAT staff enter into a formal grant agreement with TCMH for the purposes of supporting the construction of the new Long-term Care (LTC) facility at Nithview.

SUMMARY:

Tri-County Mennonite Homes (TCMH) has applied for a building permit for a new 160 bed long-term care home in New Hamburg at their Nithview campus on Boullee Street. This new facility will provide 160 Long-Term Care (LTC) beds as well as allow for the redevelopment of the existing LTC facility.

The Development Charges Act (DCA) identifies Long-term Care Homes as Institutional development. Based on current rates and a construction footprint of 101,837 sq. ft. the applicable Development Charges (DCs) are:

Region of Waterloo	\$2,043,875.73
Township of Wilmot	\$1,529,597.09

Under the DCA, Institutional developments are entitled to a deferred payment arrangement, the initial payment is due at occupancy instead of at permit issuance, and is then paid in six installments, first payment at occupancy and then on the anniversary date for the next five years. The DCA also allows for the charging of interest from time of permit issuance until full payment is received.

Tri-County Mennonite Homes has reached out to the Township to request relief from the Township DC. This report summarizes the options available to Council to address the request in accordance with the requirements of the Development Charges Act.

BACKGROUND:

Tri-County Mennonite Homes currently operates an existing LTC facility which has reached its end of life. They have been planning and designing a new facility to replace this which will provide for additional beds. They will be applying for the building permit on this new facility shortly.

The Development Charges Act (DCA) identifies Long-term Care Homes as Institutional development, which is reflected in both the Township Development Charges Bylaw and the Region of Waterloo Development Charges Bylaw. As such the proposed LTC facility of TCMH at the Nithview campus in New Hamburg is subject to Institutional Development Charges which are currently \$15.02/ft² payable to the Township of Wilmot and \$20.07/ft² payable to the Region of Waterloo.

Tri-County Mennonite Homes (TCMH) has requested that Council consider waiving or providing relief from the applicable DCs in order to facilitate and ensure the ability of TCMH to move forward with the project.

REPORT:

Tri-County Mennonite Homes currently operates an existing LTC facility which has reached its end of life. They have been planning and designing a new facility to replace this which will provide for additional beds. They will be applying for the building permit on this new facility shortly.

The current facility is one of the Townships largest employers, and the new facility would see the addition of over 100 additional new jobs. As well the current facility is planned to be redeveloped to provide additional supports to seniors within the community.

The building permit fees for this project are close to \$300,000, which makes up a significant portion of the revenue forecast for 2024 for the Townships Building department. The development charges are significant in relation to the Townships forecasted collections, and will provide funding for needed infrastructure to support not only this project but many others.

Wilmot has a significant population of seniors and the Nithview Community is an important and integral part of our residents being able to age in place and remain within Wilmot through the continuum of care provided by Nithveiw. The loss of a LTC facility would dramatically change the demographic profile of the community over time.

TCMH Request

Requests for relief from DCs for large scale projects are not new but this request is challenging due to the limited amount of time available given the need for a building permit to be issued to secure funding before the end of October 2024. Under the Townships current DC Bylaw there is no discretionary exemption for Institutional development.

Options

1. Amend the Township Development Charge Bylaw

Amending the Development Charge requires completion of a Development Charge Background study, the Township is currently in the process of completing this work, however, inclusion of exemptions has not been considered to this time. Additionally, approval of a new or amended DC bylaw requires significant time for public meetings and allow for appeal. The timing of the building permit application for TCMHs Nithview facility does not allow for this.

Including discretionary exemptions within the DC bylaw has the benefit of clearly identifying Councils intents, however, given that all exemptions must be funded from tax and/or rate funding sources, the ability of Council to way the value of the exemption against the costs is taken out of their hands.

2. Define Long-term Care as residential

As TCMH is a non-profit entity, if they were considered to be constructing Residential development they would be exempt from DCs. Some municipalities have defined LTC as residential within their DC bylaw, however, with recent changes to the DCA o.Reg, these are overruled by the definitions within the DCA. The DCA clearly defines Long-Term Care Homes as defined by the *Fixing Long-Term Care Act, 2021* as Institutional.

3. Provide a grant to TCMH equivalent to the DCs payable

Council has the ability to raise funds to provide grants to organizations that provide community services of value within the Township. Council can direct staff to included within future budgets funding to provide a grant equal to the annual DC payments for this project. This would require the Township and TCMH entering into a legal agreement establishing the parameters of the

grant and the obligations of each. As identified above, the payments of the DCs are due starting at occupancy, which is unknown at this time. Staff would report back to Council prior to the payments beginning to finalize details of payments.

4. Provide no financial support

TCMH has stated that due to the significance of this financial impact, the feasibility of the project is in question. If the project did not proceed there would be impact to the existing residents within Nithview as well as future residents.

Financing of Grant

The DC Act provides that institutional development charges may be paid in 6 increments (one at occupancy and then the five following anniversaries of that payment) along with interest.

Occupancy would occur at a minimum 18-24 months from building permit issuance. And then payments would be made over the following five years. Based on current interest rates as established by the DCA, the total amount payable over the next six plus years would be in the range of \$2.0 to \$2.5 million. Of this total, 59 per cent would be funded from the tax rate, 33 per cent from Wastewater rates and 8 per cent from Water rates. Based on this the following would be the estimated annual impact

Source	Low estimate	High estimate
Tax funded	\$198,000	\$247,000
Wastewater funded	\$111,000	\$138,000
Water funded	\$25,000	\$31,000
Total	\$334,000	\$416,000

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

The provision of financial relief to facilitate the progression of this project to construction responds to the Strategic Plan goals of Quality of Life and Economic Prosperity.

Quality of Life is enhanced by providing opportunity for our senior residents to age in place and remain within our community through the continuum of care provided by TCMH and Nithview.

Economic Prosperity is maintained by securing a core piece of community infrastructure that is a foundation for the community both in terms of the services it provides but also the jobs it currently provides and the estimated 100 new jobs that will be created through the expansion.

FINANCIAL CONSIDERATIONS:

The impact of approving this grant request is that future annual operating budget requests would be required to include funding for this grant for a period of six years. The exact amount and impact to tax and user fees would be know only at the time of budget. Based on the

estimate provided above, a tax rate impact of about 1.5 to 2 per cent is anticipated, with equivalent impacts to wastewater and water userfees.

ATTACHMENTS:

Attachment 1 – Letter requesting relief from Tri-County Mennonite Homes.