

## ADMINISTRATIVE REPORT

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| <b>TO:</b> Shane Bourke, City Manager  | <b>DATE:</b> May 27, 2025                      |
| <b>FROM:</b> Brian Glavin, Chief Operating Officer                               | <b>MEETING:</b> Operational Services Committee |
| <b>REPORT WRITER:</b> Alison Downing, Manager, Planning & Development Permitting |  |
| <b>SUBJECT:</b> Request for Waiver of Fees – Ken Sargent House                   |  |

### RECOMMENDATIONS

That the Operational Services Committee approve the request to waive the fees and securities only, with levies remaining applicable, for the Ken Sargent House under Policy 607.

### PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

On March 14, 2005 Council adopted Policy 607.

### BACKGROUND

The City has received a request to waive fees, securities, and levies totalling \$171,474.20 for the Ken Sargent House project. Policy 607 – *Waiver of Fees, Levies, and Securities*, adopted in March 2005, provides a consistent framework for considering such requests. The policy outlines the types of charges eligible for waivers and establishes criteria that applicants must meet.

The policy allows waivers for:

- Global housing projects
- City-related projects
- Affordable housing projects
- Other projects deemed deserving by a Council Standing Committee

The proposed Ken Sargent House will be a 16,216 sq. ft., two-story non-profit facility designed to support patients and families accessing medical care at the Grande Prairie Regional Hospital. The main floor will feature shared kitchen, dining, and living spaces to create a home-like environment for guests. The upper floor will include 21 fully furnished suites, offering affordable accommodations for patients, caregivers, and families travelling for treatment.

Based on the purpose of the Ken Sargent House, the project could be considered under the category of a project deemed deserving of assistance, subject to Committee's approval.

A detailed breakdown of these fees and securities is provided below:

| Type                                     | Description                     | Amount              |
|--|---------------------------------|---------------------|
| <b>Fees</b>                              | Subdivision Fee                 | \$850.00            |
|  | Servicing Agreement Fee         | \$5,000.00          |
|  | Development Permit              | \$6,755.00          |
|  | Building Permit                 | \$70,802.50         |
|  | Lot Grading Permit              | \$220.00            |
|  | Engineering Permit              | \$500.00            |
|  | <b>Total Fees</b>               | <b>\$84,127.50</b>  |
| <b>Securities</b>                        | Landscaping Securities          | \$5,327.00          |
|  | Off-Site Improvement Securities | \$50,000.00         |
|  | Driveway Security               | \$2,000.00          |
|  | <b>Total Securities</b>         | <b>\$57,327.00</b>  |
| <b>Levies</b>                            | Transportation Off-Site Levy    | \$29,459.70         |
|  | Safety Code Levy                | \$560.00            |
|  | <b>Total Levies</b>             | <b>\$30,019.70</b>  |
| <b>Total Fees and Securities</b>         |                                 | <b>\$141,454.50</b> |
| <b>Total Fees, Securities and Levies</b> |                                 | <b>\$171,474.20</b> |

## ANALYSIS

Administration has reviewed the request in relation to the conditions of Policy 607 and provides the following analysis.

Under Policy 607, application fees, permit fees, and other similar charges are eligible for waiver by the Operational Services Committee. Administration supports waiving these fees to help reduce project costs for a non-profit development that supports access to regional healthcare services.

Securities are held to ensure that construction and landscaping requirements are completed to the City's standards. While waiving securities increases the risk of non-compliance to City standards, Administration considers the risk to be low for this project. The Ken Sargent House is being developed by a long-standing local non-profit organization with a strong track record of completing projects, and the work will still be subject to regular inspections and compliance with City standards before occupancy is granted. As a result, the risk of incomplete or non-compliant work is minimal.

Levies, such as off-site levies, are collected to fund City infrastructure and must be paid unless another funding source is identified to cover the cost. The Safety Codes Levy, a mandatory provincial fee collected on building permits, must also be paid and cannot be waived. If either levy were waived, the City would need to fund the amount from another budget or reserve. For these reasons, Administration recommends that all levies remain payable by the applicant.

It is noted that the fees and securities listed in this report are based on current estimates, and the final waiver amount will reflect the actual charges incurred as the project progresses.

## **Relationship to City Council's Areas of Focus / Strategic Priorities**

The proposal aligns with *Inclusive Caring Community – Fostering deep and sincere inclusiveness throughout all social and economic dimensions of the community.*

## **Environmental Impact**

There are no environmental impacts associated with this request.

## **Economic Impact**

By offering low-cost accommodations adjacent to the Grande Prairie Regional Hospital, the Ken Sargent House supports the local economy by encouraging longer stays in the community, increasing spending on goods, services, and hospitality while reducing barriers to accessing healthcare.

## **Social Impact**

The Ken Sargent House primarily serves families and patients travelling from outside the City, helping to strengthen Grande Prairie's role as a regional centre for healthcare.

## **Relevant Statutes / Master Plans / City Documents**

### **Policy 607, Waiver of Fees, Levies and Securities**

Policy 607 is for the waiver of any or all the permit fees, levies or securities for global housing projects, City-related projects, affordable housing projects and any other projects identified by the Operational Services Committee as deserving of assistance.

The conditions that must be met for this development under Policy 607 are:

- a) The applicant is a non-profit entity. Proof of non-profit status must be provided upon the submission of the request, and;
- b) The property is non-taxable, pursuant to the Municipal Government Act.

Assessment and Taxation cannot confirm if the project will be exempt from property tax until they have discussions and an application from the applicant. At this time, the applicant has had no contact with the Assessment and Taxation Department.

The Operational Services Committee is not obligated by the policy conditions and has the discretion to grant a waiver. Committee may evaluate each request based on its merits and how well it aligns with the policy's intent.

## **Risk**

Administration has identified risks associated with this request. Waiving fees creates a general financial impact to the City. Waiving securities carries a low risk that construction or landscaping may not meet City standards or may not being completed. Waiving levies would create a direct financial impact, as they would need to be covered from another budget.

## **Alternatives (Optional)**

In consideration of the application the Operational Services Committee may:

- a) Waive 100% of the Fees, Securities and Levies
- b) Waive a portion of the Fees Securities and Levies; or
- c) Deny the request to waive the Fees, Securities and Levies

## **STAKEHOLDER ENGAGEMENT**

There is no stakeholder engagement associated with this request.

## **BUDGET / FINANCIAL IMPLICATIONS**

Approval of the waiver of fees for the various applications would result in a reduction of revenue for the City.

## **SUMMARY / CONCLUSION**

The City has received an application under Policy 607 to waive development charges for the Ken Sargent House. Administration has reviewed the request and determined that the project falls within the scope of the policy as one that the Operational Services Committee may deem deserving of assistance.

Administration recommends that application fees and securities be waived; however, levies should remain payable, as any waiver would require the City to offset the cost from another funding source.

## **ATTACHMENTS**

Policy 607 - Waiver of Fees, Levies and Securities