



Municipality of North Grenville

To: **Council**

Meeting Date: April 29, 2025

Subject: Development Fees Consideration for Comfort Inn Hotel

Report No: PD-2025-026

Prepared by: Amy Martin, Director of Planning and Development

Recommendation(s)

THAT Council reduces the development charges for the Comfort Inn Hotel from \$426,718.50 to \$100,000 and directs that \$326,718.50 be transferred from the general working reserve to the development charges reserve; and

THAT Council reduces the building permit fee from \$213,436.00 to \$50,000 and directs that \$163,386 be transferred from the general working reserves to building permit fee revenues.

Executive Summary

Purpose

- To consider a request to reduce development charges and building permit fees applicable to the Comfort Inn Hotel project.

Key Findings

- The Municipality received a request to reduce development charges and building permit fees for the proposed Comfort Inn Hotel.
- The hotel has been in the approvals process since 2019. The Site Plan Agreement remains outstanding with pedestrian connectivity being the remaining item to address.
- The developer is requesting a reduction of development charges from \$426,718.50 to \$100,000. This would be a reduction of \$326,718.50.
- The developer is further requesting a reduction in building permit fees from \$213,436.00 to \$50,000. This is a reduction of \$163,386.00.

- Staff recommend transferring the difference in fees from the general working reserves to ensure that the development charges reserve fund and building permit fee revenues are not impacted.
- Staff recommend that Council consider maintaining a minimum development charge of \$249,466.20 which represents the water and wastewater component of the development charges. This is based on the significant water and wastewater infrastructure projects currently underway within the Municipality.

Financial Implications

- Should Council support the reduction in development fees, a total of \$490,104.50 would be covered by the municipality's general working reserves. \$326,718.50 would be transferred to the development charges reserve and \$163,386 would be transferred to the building permit fee revenue account.

Background/Analysis

The Municipality has been working with the Comfort Inn since 2019 to develop a hotel at 320 Ryan's Well within the Colonnade Mall. The Municipality has received a request from the developer to reduce the development fees for the Development Charges and Building Permit Fees.

The Development Charges for the proposed hotel comes out to \$426,718.50. The developer is seeking to reduce the amount to \$100,000. This would equate to a difference of \$326,718.50. Deferral of development charges could be an option that Council considers to offset the immediate cost for developing the hotel. This would be entrenched within the site plan agreement subject to direction from Council.

The Building Permit Fee based on the number of units and square footage of common space comes out to \$213,436.00. The developer is seeking a reduction of \$163,386.00 to \$50,000. Building permit fees cannot be deferred and are required at permit issuance.

The difference in fees need to be restored. Staff are recommending that transfers from the general working reserves in the amounts of \$326,718.50 be made to the development charges reserve and \$163,386 be transferred to the building permit fee revenues account.

Water and Wastewater Development Charge Component

Staff are recommending that the request to reduce Development Charges be reduced to only requiring the water and wastewater component only. This would maintain a development charge fee of \$249,466.20. The developer is requesting to reduce the fee to \$100,000. Given the significant cost to expand the water pollution control plant, Staff recommend maintaining this component of the development charges. The delta between the developer's request and staff's recommendation is \$149,566.20.

Relevance to Strategic Priorities

Strategic Pillar	Pillar #3 - Diverse and Resilient Economic Development
Goal	Goal #3.4 - Improve Business Attraction, Expansion and Retention
Key Action	Action #3.4.2 - Identify existing gaps and barriers to attracting new businesses, and develop mitigating strategies to support attraction (e.g., older building, limitations to redevelopment, use of brownfield development policies)

Options and Discussion

1. Approve the recommendation - **RECOMMENDED**
2. Do not approve the recommendation – **NOT RECOMMENDED**

Financial Impact

This item has been identified in the current budget: Yes ☐ No ☐ N/A

This item is within the budgeted amount: Yes ☐ No ☐ N/A

There would be an impact to the general working reserve in the amount of \$326,718.50 to recover the reduced cost should Council support the full amount being requested by the developer.

Restoring the development charges reserves ensures that infrastructure projects attributed from growth can be reasonably sustained.

Restoring the building permit revenue account ensures the sustainability of the building department, as building fees sustain the operations and recover the cost of staff time to process and deliver building services.

Internal/External Consultation

Consultation occurred with Public Works related to maintaining the water and wastewater component of the development charges fee given significant infrastructure investment within our water and wastewater systems.

Communications

Communication of Councils decision will be carried out by staff to the developer.

Attachments

- None