
HALDIMAND COUNTY

Memorandum CDP-M02-2019 Additional Information to Report CDP-02-2019 CPP Dunnville Thompson Creek Park Project Update



For Consideration by Council on April 1, 2019

To: Mayor Hewitt and Members of Council
From: Katrina Schmitz, Community Partnership Liaison

Through report CDP-02-2019 Community Partnership Program – Dunnville Thompson Creek Park Rehabilitation Project Update, Council supported Haldimand County amending an existing Lease Agreement with Ducks Unlimited Canada for management of the entire Thompson Creek Park—both grassland and wetland—to care for only the wetland and entering into a five-year Habitat Conservation Agreement with the City of London to support remediation of the grassland portion of the Park.

The opportunity to partner with the City of London to rehabilitate the grassland portion of the Park relates to an obligation on the part of the City of London—in compliance with Ministry of Natural Resources and Forestry legislation—to replant an area of grassland bird habitat in the Carolinian Forest. This type of agreement is required when protected habitat has to be removed for infrastructure work and requires that a replacement habitat be created. The original infrastructure work occurred in the City of London. Unfortunately, no property meeting the criteria was found within the city's municipal borders; however, in researching potential areas within southwestern Ontario, the City identified Thompson Creek Park's grassland area as an ideal location for the required remediation given its size and habitat.

In circumstances where the County enters into contractual arrangements with organizations to provide services that the County would otherwise provide to the public (such as parks or trails), it is common practice to deem these facilities as a "Municipal Capital Facility". A Municipal Capital Facility, as defined within the Municipal Act (the Act), may include land and any equipment, machinery or infrastructure placed on the land. Haldimand County has historically used these provisions in conjunction with contractual arrangements with various organizations to provide various services to the public (parks/trails, parking and housing) both on lands owned by the County and on privately-owned lands.

By deeming these facilities as a Municipal Capital Facility there are specific provisions, within the Act, which allow municipalities to make available support to these organizations in recognition of the services they are providing to residents on behalf of the County. The County has used these provisions to offer various forms of relief, as allowed within the Act, including:

- Lease of land at less than fair market value;
- Exemption from property taxation for municipal and school purposes;
- Lending of money;
- Loan guarantees; and,
- Grants for provision of services or infrastructure development.

The type and amount of support has always been reviewed in relation to the type of service provided and the specifics of the lease arrangement.

Given the proposed amendments to the Ducks Unlimited Canada (DUC) Lease Agreement, and new Agreement with the City of London to manage certain lands owned by Haldimand County, the opportunity exists to review the ability to utilize the provisions related to a Municipal Capital Facility

within the Act. In similar circumstances/arrangements, the County has typically deemed the lands/facilities as a Municipal Capital Facility and provided a lease of the land at less than fair market value and an exemption from property taxation for municipal and school purposes.

Given the existing agreement with DUC and the proposed City of London agreement include nominal lease values of \$1, a Municipal Capital Facility by-law should be enacted to provide for lease payments at less than fair market value; in the event these arrangements were ever considered at less than fair market value.

Land owned by the County is typically exempt from property taxes unless it is used for commercial operations or it is leased to a third party. The current lease with DUC, in the absence of a Municipal Capital Facility by-law, is considered taxable under the Assessment Act and, as such, is subject to property taxes at the residential tax rate. The County currently covers the annual taxes, which total approximately \$800. As MPAC is responsible for determining the assessed value and property tax class for property tax billing, it is unknown if the revisions to the existing lease and/or the new lease arrangement will impact the annual taxes. As such, consistent with other similar arrangements, a Municipal Capital Facility by-law should be enacted to provide that, for the lands covered under these lease arrangements, they be exempt from property taxation for municipal and school purposes.

Enacting these provision recognizes the value of these arrangements in providing a significant service to the residents of Haldimand County and the public at large.

The following additional Recommendations are presented for Council consideration:

ADDITIONAL RECOMMENDATIONS:

AND THAT the lands covered by the Lease Agreement with Ducks Unlimited Canada and the Habitat Conservation Agreement with the City of London be considered a Municipal Capital Facility for the purposes outlined in the agreements, as contemplated under Section 110 of the Municipal Act;

AND THAT a by-law be passed to designate the lands denoted in Attachments 2 and 4 to report CDP-02-2019 as a Municipal Capital Facility to provide for the following:

- An annual lease rate of \$1.00 (one dollar) per year; and,
- The lands be considered exempt from all property taxation for municipal and school purposes.