



TO: GENERAL COMMITTEE

SUBJECT: PARKLAND – ALTERNATIVE RATES

WARD: ALL

PREPARED BY AND KEY CONTACT: M. VILLENEUVE, SUPERVISOR OF DEVELOPMENT CHARGES, EXT. 4503
C. GILLESPIE, SENIOR MANAGER OF CORPORATE FINANCE AND INVESTMENTS

SUBMITTED BY: C. MILLAR, CHIEF FINANCIAL OFFICER

CHIEF ADMINISTRATIVE OFFICER APPROVAL: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RECOMMENDED MOTION

1. That Parkland Dedication and Cash-in-Lieu By-law 2017-073 and all amendments thereto be repealed and be replaced with a new by-law maintaining the existing rates and processes as set out in Appendix “D” of Staff Report FIN010-22 Parkland-Alternative Rates.

PURPOSE & BACKGROUND

2. The purpose of this Staff Report is to inform members of Council that under Bill 197, the City’s current Parkland Dedication and Cash-in-Lieu By-law 2017-073 will expire on September 18th, 2022. Should no new by-law be passed before then, the City’s ability to collect cash in-lieu utilizing an alternative rate will be eliminated until a new by-law is passed.
3. In accordance with Council Motion 21-G-270, the City will be updating the Development Charge By-law and bringing forward a new Community Benefit Charge By-law in 2023. Staff will be combining an update to the Parkland Dedication and Cash-in-Lieu by-law into this project to ensure that these three growth funding studies and tools are properly aligned. Staff are recommending an interim by-law be passed at the Council Session on September 12, 2022 that approves the City’s existing alternative rate.

ANALYSIS

History, Benefits and Affordability of the City’s current Parkland Dedication and Cash-in-Lieu by-law

4. The City’s parks are critical infrastructure that are essential to creating complete communities and supporting our residents’ quality of life. Parkland dedication is the main tool that the City has for securing new parkland and falls under Section 42 of the Planning Act. This allows municipalities to require development projects to contribute a portion of their site as public parkland or collect cash-in-lieu (CIL) of parkland. It identifies “generic” parkland dedication rates (two percent of the land area for commercial or industrial developments and five percent for residential development) and authorizes municipalities to pass a by-law permitting an “alternative” dedication rate.
5. While alternative rates are not new, the recent amendments to the Planning Act requires municipalities to pass Official Plan policies to guide the provision of land for parks or other recreation purposes and the use of an alternative rate. The City’s Official Plan meets this

requirement. To adopt such policies, including the alternative rate, the Planning Act requires municipalities to have a “parks plan” that examines the need for parkland. The Parks & Recreation Strategic Master Plan (June, 2010) is the City’s most recent plan.

Benefits: Alternative rate requires no land appraisal, speeds up the process and helps affordability

6. The current alternative rate was established in Barrie in 2017 at an amount of \$5,000 per unit (see Appendix C – Staff Report FIN016-17). While the rate has been indexed annually at the same rates as DCs (Non-Residential Building Index) and is now \$6,390 per unit, the actual cost of land has increased at rates that we believe have significantly outpaced the indexing.
7. The rate had been established to be uniform across different types of properties (in-fill, medium and high density). The uniformed rate was selected using a medium density value (2017 = \$5,000 per unit) which helps with affordability, especially in high density developments (2017 estimated at \$17,400 per unit), however this has the potential negative impact that fewer dollars are being collected than permitted.
8. Another significant advantage to the alternative rate for both the City and the Development community is that in situations where the alternative rate is used, an appraisal is not necessary since the rate has already been established through by-law. Otherwise, each development would require an appraisal adding additional cost, time and administrative burden into the process.

Affordability: City parkland rates currently among the lowest in Ontario according to BILD study

9. It is important to note that the City collects among the lowest amounts of cash-in-lieu of parkland according to a “Study of Parkland Dedication and Cash-in-Lieu Policies in the GTA” (Altus Group, February 22, 2019 – prepared for BILD). The City tied for the 5th lowest out of 29 municipalities reviewed for low rise developments (see Appendix A) and was lower than all but one (Oshawa) of the 11 geographical areas reviewed for high-density (see Appendix B).
10. The recommendation is that Council pass a by-law prior to September 18, 2022 which re-establishes the same terms and principles as the current by-law and related motion 17-G-162.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

11. There are no environmental and/or climate change impact matters related to the recommendation.

ALTERNATIVES

12. The following alternative is available for consideration by General Committee:

Alternative #1

General Committee could let the alternative rate portion of the City’s By-law lapse.

This alternative is not recommended as it would likely result in lower recovery of growth-related capital costs to the City and increase the amount of administrative burden to the City and Development community.



FINANCIAL

13. Passing this by-law would maintain the current amount of parkland and cash-in-lieu of parkland required. Should the by-law lapse without a replacement, the City would potentially receive significantly fewer funds and/or land dedicated for parks.

LINKAGE TO 2018-2022 STRATEGIC PLAN

14. The recommendation included in this Staff Report is related to the goals of supporting tourism industry growth, promoting recreation opportunities for all ages and abilities as well as creating great public spaces as identified in the 2018-2022 Strategic Plan.

Appendix "A"

February 22, 2019

**Estimated Per Unit Cash-in-Lieu Contribution Requirements,
Greater Toronto Area, 2006 & 2018**
Hypothetical Low-Rise Development - 200 units, 11 gross hectares

	Parkland Cash-in-Lieu Contribution		
	2006	2018	% Change
	<i>Dollars per Unit</i>		<i>Percent</i>
Toronto (Suburban)	14,143	60,240	326%
Mississauga	14,400	47,064	227%
Brampton	12,312	11,547	-6%
Caledon	10,910	37,286	242%
Oakville	16,675	50,143	201%
Burlington	11,688	33,216	184%
Milton	11,065	40,519	266%
Halton Hills	5,571	20,401	266%
Aurora	8,486	36,406	329%
East Gwillimbury	8,486	33,429	294%
Georgina	6,171	17,357	181%
King	8,486	34,811	310%
Markham	12,471	43,948	252%
Richmond Hill	14,143	57,857	309%
Vaughan	14,014	52,714	276%
Newmarket	8,486	21,884	158%
Whitchurch-Stouffville	8,486	30,091	255%
Ajax	8,743 ¹	30,857	253%
Brock	3,857	9,108	136%
Clarington	6,300	24,429	288%
Oshawa	3,475	6,200 ²	78%
Pickering	9,514	29,571	211%
Scugog	3,857	9,108	136%
Uxbridge	6,300	24,429	288%
Whitby	8,229	29,571	259%
Barrie	7,481	17,357	132%
Bradford West Gwillimbury	10,286	28,929	181%
Innisfil	6,171	17,357	181%
New Tecumseth	9,558	22,179	132%
Median	8,486	29,571	248%

¹ Cash-in-lieu amount for Ajax in 2006 based on \$2,800 per front foot of residential lots if CIL is used

² City of Oshawa currently imposes a CIL rate of \$6,200 per unit

Source: Altus Group Economic Consulting based on MCAP Lot Value Reports, various municipality parkland by-laws and policies



Appendix "B"

	2018					% Change in Average
	2.0 FSI	3.0 FSI	4.0 FSI	5.0 FSI	Average	
			<i>Dollars per Unit</i>			
Toronto (Downtown)	16,189	16,189	16,189	16,189	16,189	337%
Toronto (Downtown Periphery/Centres)	10,247	10,247	10,247	10,247	10,247	213%
Toronto (Suburban)	7,664	7,664	7,664	7,664	7,664	324%
Halton (Oakville)	10,764	16,146	21,528	26,910	18,837	525%
Halton (Burlington)	10,764	16,146	21,528	26,910	18,837	7%
Peel (Mississauga)	8,870	8,870	8,870	8,870	8,870	-41%
York (Vaughan)	8,500	8,500	8,500	8,500	8,500	-62%
York (Richmond Hill)	10,000	10,000	10,000	10,000	10,000	-56%
York (Markham)	21,528	32,292	43,056	53,820	37,674	67%
Durham (Oshawa)	1,550	1,550	1,550	1,550	1,550	72%
Durham (Ajax)	10,333	15,500	20,667	25,833	18,083	31%

Source: Altus Group