

# PARKLAND DEDICATION BY-LAW REVIEW

**Committee of Council Meeting**  
**February 29, 2012**



PLANNING, DESIGN &  
DEVELOPMENT  
Community Design, Parks  
Planning & Development



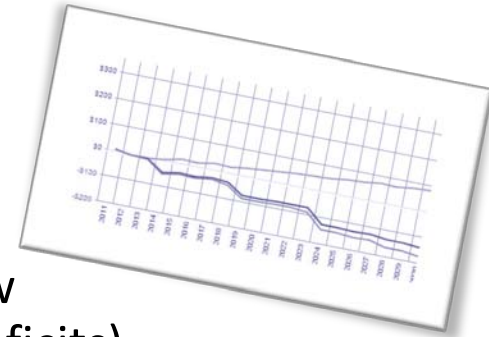
# Purpose of Presentation

- Provide the Committee with an overview of the by-law review
- Explain the recommended changes to the by-law and our collection methodology
- Identify the benefits associated with these changes
- Introduce the next phase of the review



# Background

## Key issues prompting the review...



- Increasing concern with the ability of the current by-law to meet parkland service levels (projected long-term deficits)
- A desire to refresh the by-law and the associated collection methodologies to reflect ‘best practices’
  - CIL rates last reviewed in 1999/2004 and no longer reflect market values
- Providing fair market value for land purchases presents a challenge
- Opportunity to clarify and update the current by-law’s structure and wording, including the deletion of expired clauses

# Study Overview

- Comprehensive overview of the demands for parkland and CIL - focusing on the two distinct geographic areas – Greenfields and Central Area
- Detailed examination of service levels and CIL cash flows
- Extensive consultations and benchmarking with Southern Ontario municipalities
- Consultations with the development industry (principally via BILD)



# Preliminary Development Industry Consultations & Feedback (October – December 2011)

- Consultation through multiple meetings with key developers and working meetings with BILD (Peel Chapter), along with circulation of background material and draft implementation 'Notice'
- Feedback:
  - Appreciation for the desire to amend methodology (parkland service levels and the demands for CIL, outdated CIL rates, etc.)
  - Desire for standardized land valuations for calculation of CIL-payable and applied city-wide, along with an annual updating of land values
    - *The City agreed and commissioned an independent external land valuation study to establish land valuations to calculate CIL-payable for plans of subdivision*

# Land Valuation Exercise

## Metrix Realty Group – January 2012

- The City commissioned an independent external land appraiser to conduct a study to establish land values to calculate CIL-payable for plans of subdivision
- The result was a 110-page report detailing recent land transactions throughout the entire City, and recommended land valuation rates for all land use types



# Land Valuation Exercise

## Metrix Realty Group – January 2012

LAND USE	CURRENT RATE	METRIX'S RECOMMENDED LAND VALUATION (/acre)
Low Density Residential	\$290,000	\$475,000 - \$625,000
Medium Density Residential	\$650,000	\$825,000
High Density Residential	\$400,000	\$1.55M
Commercial	Site specific	\$850,000 - \$1.4M
Industrial	Site specific	\$400,000 - \$750,000
Institutional	Site specific	\$550,000

**Rate  
unchanged  
since 1999**

**Rates  
unchanged  
since 2004**

## Supplementary Development Industry Consultations & Feedback (January – February 2012)

- Concerns around ‘full market value’ land valuation (for CIL calcs) and desire for a transition period (to phase in new values/rates)
  - *Land values (and corresponding rates) adjusted immediately, however, at values less than ‘full market value’*
    - *For the first year/pending further review in Phase 2 (whichever comes first)*
- Concern with residential density interpretations (and the effect on CIL calcs)
  - *Semi’s and Street Townhouses will continue to be charged at a ‘low density’ rate, for this Phase – will be re-examined in Phase 2*

## Supplementary Development Industry Consultations & Feedback (January – February 2012)

- Concern with application of a 2% parkland charge on school sites (current by-law provision)
  - *Recommended by-law amendment to exempt both school boards*
- Concerns with the interpretation of prior agreements (as a result of amended by-law/methodologies)
  - *City will 'grandfather' past parkland agreements and their associated calculation methods*
- Desire to have the option to defer collection of parkland requirements to building permit stage (on industrial plans)
  - *Agreed and facilitated through Conditions of DPA and Subdivision Agreement*

# Land Valuations for Subdivisions

Recommended Values (Transition Period March 2012 - March 2013)

LAND USE	CURRENT RATE	METRIX'S RECOMMENDED LAND VALUATION (/acre)	CITY RECOMMENDED RATE (/acre)
Low Density Residential	\$290,000	\$475,000 - \$625,000	➡ <b>\$450,000</b>
Medium Density Residential	\$650,000	\$825,000	➡ <b>\$750,000</b>
High Density Residential	\$400,000	\$1.55M	➡ <b>\$400,000</b>
Commercial	Site specific	\$850,000 - \$1.4M	➡ <b>\$850,000</b>
Industrial	Site specific	\$400,000 - \$750,000	➡ <b>\$550,000</b>
Institutional	Site specific	\$550,000	➡ <b>\$550,000</b>

# Application of New Values: Residential Densities

## Recommended Values (Transition Period March 2012 - March 2013)

HOUSING TYPE	CURRENT RATE	METRIX'S LAND VALUATION (based on OP definitions)	CITY RECOMMENDED RATE
Single-Detached	<b>Low Density</b> \$290,000	<b>Low Density</b> \$475,000 - \$625,000	<b>Low Density</b> \$450,000
Semi-Detached	<b>Low Density</b> \$290,000	<b>Medium Density</b> \$825,000	<b>Low Density</b> \$450,000
Street Townhouse	<b>Low Density</b> \$290,000	<b>Medium Density</b> \$825,000	<b>Low Density</b> \$450,000
Block Townhouse	<b>Medium Density</b> \$650,000	<b>Medium Density</b> \$825,000	<b>Medium Density</b> \$750,000
Apartment	<b>High Density</b> \$400,000	<b>High Density</b> \$1.55M	<b>High Density</b> \$400,000

# Changes Impacting the Development Industry

- Updated land values used in CIL calculations for LD, MD, Commercial, Industrial and Institutional land uses proposed through a plan of subdivision commencing on the proposed Effective Date - March 19, 2012
- Parkland dedication requirements for all land uses proposed through a plan of subdivision will be collected, prior to plan registration (i.e. no deferrals to BP issuance)\*
- No change to HD Residential values/rates
- No change to Commercial, Industrial or Institutional collection methodology for developments processed via site plan
- No parkland dedication requirements for school blocks

\* *Except for Industrial plans, by way of Draft Plan Condition*

## Benefits to the City

- Updated land values used in CIL calculations improve overall CIL receipts and improve the City's capacity to deliver parks and open space
- Improved receipts allow the City to deal more progressively with vendors where the City wishes to purchase land for park purposes
- Amended collection methodology brings the City's parkland dedication collection practices up to date – reflecting best practices and market research
- Immediate cash flow improvements with a suitable transition period, that provides a foundation for further adjustments that will be examined through Phase 2

## Related Issue - Pending Parkland Acquisitions

- The City is in active negotiations for the purchase of lands that will provide active community parkland in two developing communities
- The ability to purchase these parks is directly dependant on the CIL collected through the development process
- The recommendations presented through this report improve the City's capacity to negotiate these purchases



# Report Recommendations



- That the methodology by which parkland dedication and cash in lieu of parkland (CIL) is calculated and collected as per the appended 'Notice', be endorsed, with an effective date of **March 19, 2012**
- That the methodology and the amended values/rates be in effect for one (1) year, or the completion of Phase 2 (whichever comes first)
- That Council authorize and enact a by-law amendment re: relief for schools, introduction of 5%, removal of outdated provisions
- Commence Phase 2 of the By-law's review – re: further by-law amendments, re-examine density provisions/land values, other considerations

## Conclusions

- Phase 1 amendments reflect a positive step forward
- Further work on refining the by-law is needed, which will be done in 2012 through Phase 2 with further input from BILD and the development community
- Despite amendments to collection methodology, the City will need to continue to monitor its CIL-funded expenditures and cash flows to make informed decisions on expenditures

