

Municipality of Lakeshore – Report to Council

Growth & Sustainability

Community Planning



To: Mayor & Members of Council
From: Tammie Ryall, MCIP, RPP Corporate Leader – Growth & Sustainability
Date: November 27, 2023
Subject: Dedication of Parkland By-law Update – Bill 23

Recommendation

Receive the Watson & Associates Economists Ltd. Parkland dedication Memo entitled “Parks Plan - Parkland Dedication and Payment-in-lieu of Parkland Analysis” dated November 20, 2023 (Attachment 1); and

Direct Administration with the assistance of Watson & Associates Economists Ltd. to undertake public engagement to review a draft Parkland Dedication By-law to regulate the dedication of parkland or the payment in lieu thereof as a condition of development or redevelopment to implement the changes made by Bill 23, as presented at the December 12, 2023 Council Meeting.

Background

There are a number of development-related revenue tools that Municipalities can use to help fund the capital requirements of growth. These include Development Charges, (DC), parkland dedication, and the recently created Community Benefit Charge (CBC).

Parkland Dedication By-law revenues can be used for the acquisition of parkland throughout the Municipality that may or may not be associated with growth-related development. In addition, the parkland dedication revenue can be used for other public recreational purposes.

The Planning Act authorizes municipalities to require the conveyance of land or the payment of cash-in-lieu of land conveyance when development is undertaken.

Lakeshore’s previous Parkland Dedication By-law was adopted in 2014. Under the 2014 By-law, it provided for a payment-in-lieu rate of \$600 (per rural residential lot) and \$1200 (per urban residential lot).

Due to provincial changes in legislation, all municipal Parkland Dedication By-laws would expire and need to be replaced by September 2022. The changes to use an alternative rate of parkland dedication required Council to approve the Parkland Dedication By-law within the context of an approved Park Plan. Fortunately, Lakeshore

has a Parks and Recreation Master Plan which was prepared by Bezaire & Associates in 2017 and was endorsed by Council.

As a result, Watson & Associates Economists Ltd. (“Watson”) was engaged in 2022 to assist with the review and preparation of a new Parkland Dedication By-law. Watson recommended at that time an increase in the per residential lot rate from \$600 (per rural lot) and \$1200 (per urban lot) to \$6000 per lot (lot created through the consent process). Also, the Watson memo encouraged Lakeshore to use an appraisal instead of a set fee when requiring cash-in-lieu of parkland for all types of development (residential, commercial, industrial and institutional).

A phased approach to implementing the per lot increase from \$1200 to \$6000 was recommended; however, Council passed a fee of \$2000 per residential lot, with the direction to undertake further review.

The following motions were passed at the September 27, 2022 Regular Council Meeting:

Direct Administration to prepare a draft Parkland Dedication By-law to adjust the parkland dedication fee to \$2,000 per lot for both rural and urban properties.

Direct Administration to consult with the development community and bring further reports to Council as necessary regarding phasing in the parkland dedication fee.

Based on the motions, a new Parkland Dedication By-law 90-2022 was passed at the October 11, 2022 Council Meeting (Attachment 2).

Subsequently Bill 23 was passed in November 2022, which changed the alternative rates for collecting parkland and had the effect of requiring the calculations of appropriate parkland dedication in the Watson Memo to be reviewed. Therefore, Lakeshore continued to retain Watson to do research on the impacts of Bill 23 and provide an updated memo (Parks Plan - Parkland Dedication and Payment-in-lieu of Parkland Analysis Updated Memo dated November 20, 2023- Attachment 1).

A representative of Watson will be present at the December 12, 2023 Council meeting to present their analysis and to answer questions of Council.

Comments

Section 5 of Watson’s memo provides additional recommendations to Lakeshore to provide further consistency and clarity between the Parks and Recreation Master Plan; the Development Charges Study, and the Official Plan to assist with maximizing our parkland recovery costs. Community Planning has initiated the discussion with the County of Essex regarding the minor Official Plan Amendments that will be required to facilitate some of the recommendations.

A major change from the last memo prepared by Watson is that there has been additional land added to the parkland supply. This increase reflects the parkland that

has been acquired since the Parks and Recreation Master Plan in 2017. Based on the analysis, there is no additional parkland requirement based on projected population. However, it is recognized that there could be a need to accept additional parkland accepted in certain areas of the municipality where there may be a need.

From the Watson analysis, even though Lakeshore does not need to acquire land based on current population projections, it is noted that Lakeshore does need to collect parkland dedication (cash in lieu) to more fully develop the existing parks and recreational programming, in keeping with Lakeshore's Parks and Recreation Master Plan (2017) and any parks capital programs going forward.

Watson is recommending that Lakeshore take full advantage of the ability to collect cash-in-lieu of parkland and to be collected through an appraisal of the cost of the land, and not a set amount. This approach will provide a higher amount of financial payment as compared to a set amount. The set amount of \$11,000 is recommended to be collected for consent to sever applications only. The approach to collect cash-in-lieu based on the appraised value of the land is also recommended to be implemented in other municipalities in Essex County, due to the need to review and update their respective Parkland Dedication By-laws.

Introduction of one new exemption is recommended to be included in the proposed By-law. Institutional uses will be subject to 2% land dedication or cash-in-lieu but exempt for school sites if the school board enters into a joint use agreement with the municipality. The draft By-law is included in Attachment 1, Appendix D.

Others Consulted

The municipality shall give written notice of the passing of a by-law within 20 days of passage and identify the last day for appealing the By-law (40 days after passage). Details of the notice requirements are set out in O.Reg. 509/20 and are provided in Appendix A of Watson's memo.

Sections 42 and 51.1 of the *Planning Act* require a municipality to consult with persons and public bodies as the municipality considers appropriate. A public meeting is not required under the *Planning Act*.

Watson is recommending a joint consultation meeting be held with Municipal representatives in Essex County as several of the local municipalities are also updating the Parkland Dedication By-laws. A joint meeting is preferred as each municipality commonly deals with the same developers and builders. In addition, the School Boards can be invited to attend the consultation meeting. Administration is in favour of this approach and is seeking Council's endorsement as set out in Item 2 in the Recommendation section.

Financial Impacts

As part of Watson’s analysis, they completed a review of recent property sales, and based on this it is assumed that the average sales price of urban vacant land is approximately \$2,290,000 per hectare (2023). Based on the total anticipated Municipal population in 2040, the Municipality would not need to receive or purchase additional hectares of parkland.

Parks funding for development or redevelopment of parks has been identified as a significant financial pressure in Lakeshore strategic financial planning 10-year outlook documents. Increases to the parkland fees will help reduce this financial burden on the general rate payers of the municipality in the future. It is also recommended that financial reviews of parkland development are done on a regular basis to avoid shortfalls in long term funding and financial planning.

As part of the 2022 Budget process, Project CP-22-6595 Parkland Dedication By-Law Update, was authorized by Council. To date the full amount of the \$30,000 budget has been spent. The cost of holding the joint consultation meeting will be minimal.

Attachments

Attachment 1 - Parkland Dedication and Payment-in-lieu of Parkland Analysis

Attachment 2 – Current Parkland Dedication By-law 90-2022

Attachment 3 – Presentation slides – December 12, 2023 Council meeting

Report Approval Details

Document Title:	Parkland Dedication By-law - update to reflect Bill 23 changes.docx
Attachments:	- Attachment 1 Lakeshore Parkland Memo -Final November 20, 2023_.pdf - Attachment 2 - By-law 90-2022.pdf - Attachment 3 Parkland Dedication Watson Presentation - Dec 12 2023.pdf
Final Approval Date:	Dec 5, 2023

This report and all of its attachments were approved and signed as outlined below:

Prepared by Tammie Ryall

Approved by Justin Rousseau and Truper McBride