

Municipality of Lakeshore – Report to Council

Growth & Sustainability

Community Planning



To: Mayor & Members of Council
From: Tammie Ryall, Corporate Leader, Growth & Sustainability
Date: September 19, 2022
Subject: Dedication of Parkland By-law Update

Recommendation

Direct the Clerk to read By-law 89-2022, adopting the parkland dedication rates that were in force prior to September 18, 2022; and

Direct Administration to prepare a draft Parkland Dedication By-law incorporating Option 1, the 2 year phased in approach for alternative rates, all as further described in the report presented at the September 27, 2022 Council Meeting.

Background

A Parkland Dedication By-law and Report, along with a presentation by Watson & Associates was considered by Council at the September 13, 2022 Council meeting. Administration was directed to bring back the Parkland Dedication By-law with options to implement the new cash-in-lieu of parkland rate over time.

The following resolution was passed:

Defer the draft Parkland Dedication By-law Report to the next meeting of Council with a recommendation for a phased approach to achieve the payment in lieu options.

Two, 3-, 4-, and 5-year phase-in options are being presented to Council for consideration, and are summarized in Attachment 1. The draft by-law also includes an indexing clause, that will ensure that the rates can be updated to deal with fluctuations in land values.

In Lakeshore, the current by-law provides for a payment-in-lieu rate of \$600.00 (per rural residential lot) and \$1200.00 (per urban residential lot). The previous report to Council, dated August 24, 2022 is Attachment 2.

Watson & Associates Economists Ltd. was engaged in 2022 to assist with the review and preparation of a new Parkland Dedication By-law, and are recommending an increase in our per residential lot rate from \$600.00 (per rural lot) and \$1200.00 (per urban lot) to \$6,000.00 per lot. In Watson's memo titled, Parkland Dedication and Payment-in-lieu of

Parkland Analysis, dated August 23, 2022 (Attachment 3), also recommends that Lakeshore utilize all the parkland dedication options that are available under the Planning Act, depending on the circumstance.

Comments

Legislative changes cause the existing Parkland Dedication By-law to no longer be in effect as of September 18, 2022. In order to continue to require parkland dedication, Administration recommends adopting the parkland dedication rates that were in force prior to September 18, 2022 for a short period of time, as per the Recommendation Section of this report.

Further, Administration recommends that Council direct Administration to prepare a Parkland Dedication By-law with Council's preferred phase-in approach.

Administration recommends that there be no phase in of the per-lot cash-in-lieu of parkland dedication fee of \$6,000 per lot. However, alternative rates are presented below, as per Council direction. Should Council direct that a phase-in occur, Administration recommends Option 1, that the phase-in be implemented within two years in order to provide notice to those considering consent applications, and to maximize the collection of the new rate.

Alternative Options (Attachment 1)

Option 1 – The \$6,000 rate to be phased in over 2 years.

\$2,000 for the remainder of 2022;

\$4,000 for 2023 and

\$6,000 for 2023, and every year thereafter.

Option 2 - The \$6,000 rate to be phased in over 3 years.

\$2,000 for the remainder of 2022;

\$3,300 for 2023,

\$4,600 for 2024 and

\$6,000 for 2025, and every year thereafter.

Option 3 – The \$6,000 rate to be phased in over 4 years.

\$2,000 for the remainder of 2022;

\$3,000 for 2023;

\$4,000 for 2024;

\$5,000 for 2025; and

\$6,000 for 2026, and every year thereafter.

Option 4 – The \$6,000 rate to be phased in over 5 years.

\$2,000 for the remainder of 2022;

\$2,800 for 2023;

\$3,600 for 2024;

\$4,400 for 2025;

\$5,200 for 2026; and

\$6,000 for 2027, and every year thereafter.

It should be noted that even if the full rate was implemented immediately, there will still be a parkland funding deficit, and the longer the implementation phase in, the larger the financial gap.

For comparison purposes, assuming that 10 lots would be created for the remainder of 2022 and 20 lots per year ongoing to the year 2027, the following amounts would be collected with phase-in rates noted above.

	2022	2023	2024	2025	2026	2027	Total	Loss in Parks Funding
No phase-in	\$60,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$660,000	
Option 1 – 2 year	\$20,000	\$80,000	\$120,000	\$120,000	\$120,000	\$120,000	\$580,000	\$(80,000)
Option 2 – 3 year	\$20,000	\$66,000	\$92,000	\$120,000	\$120,000	\$120,000	\$538,000	\$(122,000)
Option 3 – 4 year	\$20,000	\$60,000	\$80,000	\$100,000	\$120,000	\$120,000	\$500,000	\$(160,000)

Option 4 – 5 year.	\$20,000	\$56,000	\$72,000	\$88,000	\$104,000	\$120,000	\$460,000	\$(200,000)
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Based on the above chart, it is recommended that the full \$6,000 be phased in over a two-year period (Option 1).

Others Consulted

The municipality shall give written notice of the passing of the 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. However, local developers and builders were invited to a stakeholder meeting to take place on September 23. The feedback from this meeting is not available, as of the writing of this Report.

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 \$1,900,000 per hectare, as of May 10, 2022. Based on the total anticipated Municipal population in 2040, the Municipality would require 27.48 hectares of parkland. At a land value of \$1,900,000 per hectare, the total revenue required would be approximately \$52.2 million.

Parks funding 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 more regular basis to avoid shortfalls in long term funding and financial planning.

The Options to phase in the parkland dedication fee will add additional pressure on the general taxation rate to fund Lakeshores park plans between \$80,000 to \$200,000 depending on the option chosen by council.

As part of the 2022 Budget process, Project CP-22-6595 Parkland Dedication By-Law Update, was authorized by Council. To date \$11,123.28 of the \$30,000.00 budget has been spent, and the project is anticipated to be completed under budget.

Attachments

Attachment 1 - Phase in Options

Attachment 2 – Previous Report to Council dated August 24, 2002

Attachment 3 - Parkland Dedication and Payment-in-lieu of Parkland Analysis – Watson & Associates

Report Approval Details

Document Title:	Dedication Of Parkland By-law Update.docx
Attachments:	- Attachment 1 – Phase in Options.pdf - Attachment 2 Dedication Of Parkland By-law Report (Dated Aug 24, 2022).pdf - Attachment 3 - Parkland Dedication and Payment-in-lieu of Parkland Analysis, Watson and Associates.pdf
Final Approval Date:	Sep 22, 2022

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