

Municipality of Lakeshore – Report to Council

Growth & Sustainability

Community Planning



To: Mayor & Members of Council

From: Aaron Hair, MCIP, RPP – Division Leader – Community Planning

Date: August 24, 2022

Subject: Dedication of Parkland By-law Report

Recommendation

Direct the Clerk to read By-law 81-2022, the new Parkland Dedication By-law, to regulate the dedication of parkland or the payment in lieu thereof as a condition of development or redevelopment, as further described in the September 13, 2022 Council Meeting report.

Background

There are a number of development-related revenue tools the Municipality of Lakeshore can use to help fund the capital requirements of growth. These include Development Charges, (DC), parkland dedication, and the newly created Community Benefit Charge (CBC). Lakeshore has recently completed updates to the DC Background Study and By-law, and has now completed the work in order to present a new Parkland Dedication By-law to align to changes to provincial legislation over the past three years.

These capital-related growth revenues are imposed on development applications for:

- Construction of a new building or structure for both residential and non-residential use.
- Addition or alteration to an existing building that increases the number of residential units or increases the non-residential total floor area (with some exceptions).
- Redevelopment that results in a change of use of all or part of a building or structure, including tenant fit-outs (commercial buildings).

DC revenues are used to support growth-related capital investment in services prescribed by the Development Charges Act such as roads, water, and wastewater infrastructure as well as new municipal facilities, amenities and vehicles related to emergency services and transit.

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.

CBC revenues can be used more broadly in combination with both the DC and the parkland dedication revenues to fund capital projects related to intensification.

Legislative Changes

The Province of Ontario undertook legislative changes to the relevant underlying legislation for the above through the following Bills:

- Bill 109 –*More Homes, More Choice Act*.
- Bill 138 –*Plan to Build Ontario Together Act*.
- Bill 197 –*COVID-19 Economic Recovery Act*.
- Bill 213 –*Better for People, Smarter for Business Act*.

During the provincial review of the Bills, including feedback from municipalities and other stakeholders, significant changes were made to the proposed legislation with the final result seeing changes to DCs and the introduction of the CBC to replace the density bonussing sections of the *Planning Act* (section 37)s.

The *Planning Act* still authorizes municipalities to require the conveyance of land or the payment of cash in lieu of land conveyance when development is undertaken. Lakeshore's current by-law was adopted in 2014.

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).

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 \$6000.00 per lot. In Watson's memo titled, *Parkland Dedication and Payment-in-lieu of Parkland Analysis*, dated August 23, 2022 (Attachment 1), also recommends that Lakeshore utilize all the parkland dedication options that are available under the *Planning Act*, depending on the circumstance.

A representative of Watson & Associates Economists Ltd, will be present at the Sept 13, 2022 Council meeting to present their analysis and to answer questions of Council.

Comments

Changes to the provincial legislation require Council to re-approve the current Parkland Dedication By-law within the context of an approved Park Plan. Lakeshore's Parks and Recreation Master Plan was prepared by Bezaire & Associates in 2017.

Administration is proposing that the current Parkland Dedication By-law be replaced to improve the clarity regarding exemptions, application to multi-unit development or redevelopment, and to allow for indexing of the rate.

Section 5 of Watson's memo provides 5 additional recommendations to Lakeshore to provide further consistency and clarity between the Parks and Recreation Master Plan and the DC Study, and to assist with maximizing of our parkland recovery costs. At the time of writing this report, Community Planning has initiated the discussion with the County of Essex regarding the minor Official Plan Amendment, that would be required to facilitate these recommendations.

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

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*.

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.

Based on our current approach it is anticipated that Lakeshore would have a parkland deficit of \$46,835,654.00. The approach that is proposed in the new parkland dedication by-law, would reduce this deficit to \$9,975,316.00.

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.

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

Report Approval Details

Document Title:	Dedication Of Parkland By-law Report.docx
Attachments:	- Attachment 1 - Parkland Dedication and Cash-in-lieu Analysis - Final Report.pdf
Final Approval Date:	Sep 9, 2022

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

Prepared by Aaron Hair

Submitted by Tammie Ryall

Approved by Justin Rousseau