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| Subject: | Parkland Dedication and Cash in Lieu of Parkland Review |
| To: | Committee of the Whole – Planning & Economic Development |
| From: | Planning and Development Department |

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|---------------------------|-------------------|
| Report Number: | PD-44-23 |
| Wards Affected: | All |
| Date to Committee: | December 4, 2023 |
| Date to Council: | December 13, 2023 |

Recommendation:

Receive and file for information Report PD-44-23 regarding Parkland Dedication and Cash in Lieu of Parkland Review; and

Direct Staff to prepare a recommendation report once all comments have been received and any identified issues have been addressed.

Purpose:

The purpose of this report is to provide background information to Committee and the general public for the public meeting being held on Dec. 4, 2023, regarding the proposed amendments to the parks and open space policies in the Official Plan and the draft Parkland Dedication and Cash in Lieu of Parkland By-law. The amendment to the Official Plan, and the proposed By-law are required to implement the legislative changes to the parkland dedication and cash in lieu of parkland dedication provisions in the *Planning Act* resulting from the approval of Bill 23, *More Homes Built Faster Act, 2022*. Prior to adoption of the Official Plan Amendment, the *Planning Act* requires the Town to hold a statutory public meeting. Prior to adoption of the Parkland Dedication and Cash in Lieu of Parkland By-law, the *Planning Act* requires the Town to consult with such persons and public bodies that the municipality considers appropriate.

Background:

Bill 23

On Oct. 25, 2022, the Province introduced Bill 23, *More Homes Built Faster Act, 2022* which included changes to the land use approvals system in the province, with the goal of facilitating the construction of 1.5 million new homes by 2031. Bill 23 received Royal

Assent by the Province on Nov. 28, 2022. Bill 23 included amendments to ten different statutes including changes to the *Planning Act*. The full scope of the legislative changes included in Bill 23 were the subject of a Report AD-17-22 which was received by Council on Dec. 5, 2022.

Bill 23 is a follow up to previous plans to address housing policy. In May 2019, the Province released its document entitled: *More Homes, More Choice: Ontario's Housing Supply Action Plan* which focused on speeding up the development approvals process, addressing the costs of building new homes, making it easier to build a wider array of housing stock, making it easier to build rental housing and encouraging new housing innovation. That Plan was followed up by the *More Homes, More Choice Act, 2019* and the *COVID 19 Economic Recovery Act 2020*, which amended the *Planning Act* and the *Development Charges Act (DCA)*.

On Dec. 6, 2021, the Province established the Ontario Housing Affordability Task Force whose mandate was to identify ways to increase the supply of market rental and ownership housing, increase housing supply and reduce the timeframe for development approvals. On Feb. 8, 2022, the Task Force released their report which included 55 recommendations. On Mar. 30, 2022, the Province released its *More Homes for Everyone Plan which included Bill 109*, an Act to amend various statutes with respect to housing, development and various other matters. Although Bill 109, which was given Royal Assent on Apr. 14, 2022, included several legislative changes, it did not include the full scope of recommendations that were included in the report by Ontario Housing Affordability Task Force. On Apr. 25, 2022 Staff presented Report AD-09-22 which provided a summary of the More Homes for Everyone Plan, and Bill 109. AD-09-22 was received by Council on May 2, 2022.

On Sept. 28, 2023 the Province released Bill 134, *Affordable Homes and Good Jobs Act, 2023*. Bill 134 received second reading on Oct. 4, 2023 and it proposes new definitions in the *Development Charges Act, 1997* for affordable housing units as follows:

- *Affordable Owned Unit (lesser of):* cost is less than 30% of the 60th percentile of income for households in the municipality; or 90% of the average purchase price as defined in a new Bulletin; and
- *Affordable Rental Unit (lesser of):* rent is less than 30% of the 60th percentile of income for rental households; or average market rent as set out in a new Bulletin.

Report:

Bill 23 included amendments to Sections 42, 51.1 and 53 of the *Planning Act* as it pertains to parkland dedication and cash in lieu of parkland dedication. Parkland dedication is a tool used by municipalities to acquire land for parks and/or provide funding for new parks and recreational facilities as the Town continues to grow. Parks are critical to support a healthy community. As the Town continues to grow, there is a corresponding increase in the need for parks, amenity space and/or open space. The continued enhancement and

expansion of the Town park/open space network is therefore necessary to support the increased growth anticipated in the community.

This report provides a synopsis of the changes to Sections 42, 51.1 and 53, as well as a summary of the Town policies that are proposed to be amended and the new policies that will need to be enacted to implement the changes of those sections of the *Planning Act*.

The Town has retained Watson & Associates Economists Ltd. (Watson) to provide professional financial advice, legislation interpretation, guidance and support for the amendments to the Official Plan policies, review of the Parks, Recreation and Culture Master Plan (PRCMP) and the proposed Parkland Dedication and Cash in Lieu of Parkland By-law.

Sections 42, 51.1 and 53 of the Planning Act

Section 42 of the *Planning Act* directs municipalities with respect to the conveyance of land for parks or other public recreational purposes as part of the approval of a development application. The contribution can be in the form of a land conveyance to the Town for the development of a park and/or the payment of cash in lieu of land to be used to acquire land for parks and other recreational facilities.

Recent amendments to Section 42 of the *Planning Act* now provide an exemption from parkland dedication and/or the payment of cash in lieu of parkland dedication for some types of residential redevelopment. Section 42 (1.1) which will come into effect upon proclamation by the Lieutenant Governor, exempts affordable residential units and attainable residential units within a development (as defined in subsection 4.4 (1) of the *Development Charges Act, 1997* or residential units described in subsection 4.3 (2) of that Act) from the requirement to dedicate lands and/or the payment of cash in lieu of parkland dedication. Section 42 (1.2) exempts non-profit housing development as defined in subsection 4.2 (1) of the *Development Charges Act, 1997*. The list of the type of residential development that is exempt, and the effective date of the exemption is detailed in Table 1.

**Table 1
Exemptions from Parkland Dedication and Cash in Lieu Payments**

| Type of Development | In Force Date |
|---|---------------|
| <ul style="list-style-type: none"> • <i>Additional residential units</i> in a single detached, semi-detached or rowhouse dwelling and/or on lands containing a single detached, semi-detached or rowhouse dwelling • Includes up to 2 additional residential units per lot (up to 1 additional unit in the main building and 1 additional unit in an accessory building or up to 2 additional units in the main building) | Nov. 28, 2022 |
| <ul style="list-style-type: none"> • <i>Affordable and attainable housing units</i> within the development | TBD |

| Type of Development | In Force Date |
|--|---------------|
| <ul style="list-style-type: none"> • 'Affordable' is generally defined as being priced at no greater than 80% of the average price/rent. Revised definitions for affordable are proposed by Bill 134 • 'Attainable' housing category excludes affordable and rental units • Information bulletins have yet to be provided by the Province to determine the threshold for affordable rental, affordable ownership, and attainable housing units • Affordable ownership and rental units to be maintained as affordable for a minimum of 25 years via an agreement with the municipality • Attainable housing to be sold to the first purchaser (at arm's length) at an attainable purchase price. Attainable housing to be maintained as attainable for a minimum of 25 years via an agreement with the municipality | |
| <ul style="list-style-type: none"> • <u>Inclusionary zoning units</u> (not applicable within the Town) • Total number of units required to be affordable is limited to 5% of a development for a maximum period of 25 years, as part of inclusionary zoning | TBD |
| <ul style="list-style-type: none"> • <u>Non-profit housing</u> • The definition of non-profit housing development includes non-profit housing co-operatives | Nov. 28, 2022 |

In addition to the exemptions listed in Table 1, Bill 23 included amendments to Section 42 including the following:

- Reductions to the alternate parkland dedication rate in Section 42 (3) from 1 ha/300 residential units to 1 ha/600 new residential units. The residential unit types listed in Table 1 are excluded from the total number of units;
- Reduction to the cash in lieu of parkland rate from 1 ha/500 units to 1ha/1,000 units;
- Under Section 42 (3.3) parkland dedication and cash in lieu of parkland is now capped as follows:
 - If the land is 5 ha or less in area, a maximum of 10% of the land or the value of the land; and
 - If the land is greater than 5 ha in area, 15% of the land or the value of the land;
- The parkland dedication rates are frozen as of the date that a zoning by-law amendment or site plan application is filed, in effect for 2 years following the date of the approval of an application;
- Parkland dedication is only to be applied to new units created;
- Parkland could include, part of an abutting parcel, lands subject to an easement, lands which are encumbered by below grade infrastructure, or privately owned public space (POPS). Any decision to refuse to accept these types of land is

subject to an appeal to the Ontario Land Tribunal (OLT). This change will come into effect upon proclamation by the Lieutenant Governor;

- Municipalities are required to allocate at least 60% of their parkland reserve balance at the start of each year; and
- A parks plan, such as the Town's Parks, Recreation and Culture Master Plan (PRCMP), is required before Council approves a parkland dedication by-law.

Section 42 (1) of the *Planning Act* provides that as a condition of development or redevelopment of land, a municipality may, by by-law require that land in an amount not exceeding, in the case of land proposed for development or redevelopment for commercial or industrial purposes, 2% and in all other cases 5% of the land to be conveyed to the municipality for park or other public recreational purposes.

Section 42 sets out provisions for the use of alternate parkland dedication rates. Before passing any by-law which includes the alternate parkland dedication rates under Section 42 (3), the Town is still required to:

- Consult with such persons and public bodies that the municipality considers appropriate;
- Include policies in its Official Plan that contain specific policies dealing with the provisions of lands for parks or other public recreational purposes and the use of the alternate requirement; and
- Prepare and make available to the public a parks plan (PRCMP) that examines the need for parkland in the municipality. This process was undertaken as part of the Town's Parks, Recreation and Culture Master Plan (PRCMP), approved in 2019. Watson has been retained to review the PRCMP and advises that since the Town has the alternative requirement included in its Official Plan (which requires updating), it would appear that a new parkland plan is not required.

Where any by-law contains alternate parkland dedication requirements, the municipality must provide notice of its passing and the approval by Council is appealable to OLT.

Section 42 (4.31) (not yet in effect), provides that an owner of land proposing development or redevelopment, may at any time before a building permit is issued for the development, identify land for conveyance to the municipality for parks and recreational purposes that is:

- Part of an abutting parcel; or
- Subject to an easement or other restriction (encumbered land); or
- Encumbered by below grade infrastructure; or
- Other interest in land which is sufficient to allow the land to be used for parks or other public recreational purposes.

Should the municipality accept the conveyance of an interest in the lands in Section 42 (4.31), the municipality may require the developer to enter into an agreement with the municipality that provides for the use of the land for park or other public recreational purposes. The agreement may be registered on the title of the lands. Where the municipality refuses to accept land in accordance with Section 42 (4.31) the municipal decision is subject to appeal to the OLT.

Where the municipality accepts cash in lieu of parkland dedication, Section 42 (6) still requires the payment to be based on the value of the land required to be conveyed. The cash in lieu payment is two percent in the case of land proposed for development or redevelopment for commercial or industrial purposes, and in all other cases five percent of the value of the land be conveyed to the municipality for park or other public recreational purposes.

Where the municipality enacts a by-law under Section 42 (3) which includes the alternate parkland dedication rates, the cash in lieu payment is based on a rate of 1 ha/1,000 net residential units.

Section 42 (2.1) stipulates that the amount of the cash in lieu payment is to be based on the value of the land at the time of the approval of the site plan application or the approval of an amendment to the Zoning By-law, instead of the value at the day before the building permit is issued. Section 42 (7) stipulates that if land is obtained through a plan of subdivision under Section 51.1 or consent under Section 53, no additional conveyance or payment may be required by the municipality unless the density is increased, or land originally proposed for commercial or industrial purposes is now proposed to be redeveloped for other purposes. This means that parkland dedication or cash in lieu for residential purposes can only be required once, not for each type of planning application, and it may only be increased if the density of the development is increased. For commercial and industrial where initially the 2% rate is applied and the lands are converted to a residential use, the increase or difference in the parkland rate can be applied.

Section 42 (10) still provides that in the event that the owner does not agree with the value of the cash in lieu payment, the owner may file an appeal with the OLT.

Section 42 (15) requires that all funds collected for cash in lieu of parkland dedication must still be put into a special fund and may only be used for the acquisition of lands for park or other public recreational purposes, including the construction, improvement and repair of buildings and the acquisition of machinery for park or other recreational purposes. Beginning in 2023 and each year after, Section 42 (16.1) requires that the municipality spend or allocate at least 60% of the funds in the cash in lieu fund. As an example, the allocation of funds can be set out in a ten-year capital budget. Section 42 (17) requires that the municipality provide the prescribed reports and information regarding the cash in lieu fund.

Official Plan Policies

The parks and open space policies in the 2016 Official Plan contains policies regarding the dedication of land and the acceptance of cash in lieu for parks and other public recreational purposes. Those policies reflect the provisions of the *Planning Act* that were in effect at the time the Official Plan was adopted.

Section 3.6.4 (e) through (f) sets out the following policies for the dedication of land or the acceptance of cash in lieu of parkland and it sets out criteria for the acceptance of parkland.

- (e) *The dedication of land or the acceptance of cash-in-lieu of land dedication for park purposes or other public recreation purposes required in the case of development or redevelopment shall be in accordance with the following requirements:*
 - (i) *For commercial and industrial purposes:*
 - (a) *The conveyance of 2% of the land being developed or redeveloped, pursuant to Section 42(1) of the Planning Act, as amended, or any successor thereto;*
 - (b) *The payment of money equal to the value of the land required to be conveyed in Section 3.6.4(e)(i)(a). The value of the land shall be determined as of the day before the day the building permit is issued in respect of the development or redevelopment or, where more than one building permit is required for the development or redevelopment, as of the day before the day the first permit is issued, pursuant to Section 42(6) of the Planning Act, as amended, or any successor thereto.*
 - (ii) *For all other purposes:*
 - (a) *The conveyance of 5% of the land being developed or redeveloped, pursuant to Section 42(1) of the Planning Act, as amended, or any successor thereto;*
 - (b) *The conveyance of land at a rate of one (1) hectare for each three hundred (300) dwelling units proposed, pursuant to Section 42(3) of the Planning Act, as amended, or any successor thereto; or*
 - (c) *The payment of money equal to the value of land required to be conveyed in Section 3.6.4(e)(ii)(a) or 3.6.4(e)(ii)(b). The value of the lands shall be determined as of the day before the day the building permit is issued in respect of the development or redevelopment or, where more than one building permit is required for the development or redevelopment, as of the day before the day the first permit is issued, pursuant to Section 42(6) of the Planning Act, as amended, or any successor thereto.*
- (f) *To ensure that parkland dedications are of an acceptable quality, all sites dedicated as parkland must be accepted by the Town and satisfy the following:*

- (i) *Be relatively level and not required for drainage purposes, nor contain lands susceptible to flooding, have steep valley slopes or other physical features which are unsuitable for open space/park development;*
- (ii) *Have good drainage characteristics;*
- (iii) *Be centrally located within a neighbourhood or community context to provide convenient vehicular and pedestrian access;*
- (iv) *Provide a reasonable park configuration to accommodate the dimensions and shape of large playing fields;*
- (v) *Be visually prominent within the development;*
- (vi) *Be provided with basic service requirements;*
- (vii) *Be developed in accordance with the Town parkland standards;*
- (viii) *Lands not satisfying all of these criteria may be deemed acceptable if they are important for achieving an identified trail connection. Dedication credits may be adjusted based on the relative value of the lands assessed according to the above criteria; and*
- (ix) *Lands within any natural heritage designation and/or which have been identified as hazard lands shall not be considered as part of the required minimum dedication of parkland pursuant to this section of the Plan.*

The changes to Sections 42, 51.1 and 53 will require an amendment to the Official Plan. Although the Official Plan does contain alternate requirements for the dedication of land, they do not align with the current provisions in the *Planning Act*. The Official Plan sets out criteria for the acceptance of land for parks purposes, but it does not address the current provisions of Section 42 which require the consideration of lands that include part of an abutting parcel, lands subject to an easement, lands which are encumbered by below grade infrastructure, or privately owned public space (POPS). Although it is not yet in effect, the changes to the Official Plan parks and open space policies should include conditions for the acceptance of these other types of land for the Town to determine the appropriateness of accepting them, since any refusal by the Town to accept those lands can be appealed to the OLT. This will ensure that when those changes come into effect, that the Town has the appropriate policies in its Official Plan.

A draft of the proposed Official Plan Amendment is included as Appendix A to this report. The draft amendment updates the existing policies of Section 3.6.4 to align with the provisions of the *Planning Act*. Section 3.6.4(e)(ii)(f) of the draft amendment includes exemptions for affordable and attainable housing, which are subject to proclamation by the Province. Section 3.6.4(g) and (h) of the draft amendment includes the acceptance of other types of lands as a contribution towards parkland dedication requirements, and are also subject to proclamation by the Province.

Existing Parkland By-law and Policy

The Town's Parkland and Cash in Lieu of Parkland By-law No. 96-81 requires the dedication of land for parks purposes or a cash in lieu of parkland payment as a condition of the development or redevelopment of lands for residential and non-residential

purposes. By-law No. 96-81 was approved by Council on Aug. 16, 1996. The implementing Parkland Dedication/Acquisition and Cash in Lieu of the Dedication of Lands for Parks Policy (administrative policy) which sets out the process for determining parkland dedication and/or cash in lieu was updated in 2016 to address minor administrative changes. However, there has not been a comprehensive review of either the 1996 by-law or the 2016 policy.

Recent amendments to the *Planning Act* require that all municipalities with parkland dedication by-laws update their by-laws to comply with the current legislation as well as to use the alternate parkland dedication and cash in lieu of parkland dedication provisions of the *Planning Act*.

Staff have prepared a draft of the Parkland Dedication and Cash in Lieu of Parkland By-law which will replace the antiquated 1996 By-law. The by-law includes provisions for the alternate parkland dedication and cash in lieu of parkland dedication provisions in Section 3.0 to align with the *Planning Act* and it will implement the proposed amendments to the Official Plan.

The by-law will apply to all lands within the Town and includes definitions in Section 1.0. A number of the definitions reference definitions in the *Development Charges Act* or definitions in the Zoning By-law so that if those definitions are updated in those documents, it is not necessary to amend this by-law. This is to optimize administrative efficiency, moving forward. The by-law outlines provisions for redevelopment or conversion in Section 4.0, provides a list of uses that are exempt from the dedication of land and the payment of cash in lieu of parkland payments in Section 5.0, outlines the requirements and timing of parkland dedication in Section 6.0, and outlines the timing of and the requirements for appraisals for cash in lieu of parkland provisions in Section 7.0. Although not yet in effect, Section 8.0 of the by-law includes the requirements for the acceptance of other types of land as parkland dedication as required by the *Planning Act*. Section 9.0 outlines the type of applications where parkland dedication and/or cash in lieu of parkland payments will be imposed. Section 11 provides that the provisions of the by-law which implement *Bill 23, More Homes Built Faster Act, 2022* and which have not been proclaimed in force at the time of the approval of the by-law, will not come into effect until those provisions are proclaimed by the Province. A copy of the draft by-law is included as Appendix B.

Parks, Recreation and Culture Master Plan

Section 5.0 of the 2019 PRCMP sets out a classification system for the Town's parks and open spaces. Table 3 of the PRCMP provides the target size and the amount of parkland for each park classification. Section 5.1.3 notes that parkland is critical to ensure a high quality of life for the Town's residents.

Section 5.1.3 recommends that parkland and open space be secured to:

- Meet growth-related needs and ensure accessibility;

- Enhance access to the waterfront;
- Protect natural habitat and culture significance where the Town has a primary responsibility;
- Establish linear/trail connections vital to creating an active transportation network; and
- Expand existing parks where necessary, to install additional amenities based on needs and where neighbourhoods have lower income levels.

The PRCMP recommended a minimum target of 2.2 ha of parkland/1,000 residents (excluding open space), in order to provide optimum parkland across the Town. The Town’s population is anticipated to grow from 26,169 residents in 2023 to 38,650 residents in 2043 (excluding census undercount). To address the needs of the residents, the Town will require additional parkland to meet the target of 2.2 ha of parkland/1,000 residents.

Following the approval of the PRCMP, in 2019, the Town acquired additional parklands. Those include the parkland within the Cherry Heights subdivision and the final section of Prokich Park within the Vista Ridge subdivision. The current inventory of municipally owned parkland (as of Dec. 31, 2022) is shown in Table 2. No additional parklands have been acquired to date in 2023, although there are several smaller pockets of park space that are in varying levels of planning approvals as further noted below. In addition to the acquisition of additional parkland, the Town has also developed and/or made improvements to a number of existing parks since the 2019 approval of the PRCMP.

**Table 2
2022 Inventory of Town Owned Parks**

| Park Classification | Area (ha) 2022 | Area (ac) 2022 |
|----------------------------|-----------------------|-----------------------|
| Destination Park | 11.52 | 28.46 |
| Sports Park | 24.16 | 59.70 |
| Community Park | 7.80 | 19.27 |
| Neighbourhood Park | 6.15 | 15.19 |
| Total Parks | 49.63 | 122.62 |

In addition to parklands, the PRCMP included an inventory of the municipally owned natural areas and open space linkages. Although open spaces and natural areas are excluded from the target of 2.2 ha of parkland/1,000 residents in the PRCMP, these lands provide for passive recreational uses as well as linkages which support active transportation.

Following the approval of the PRCMP, additional trails or trail sections were developed within the Cherry Heights subdivision, to the south of the Vista Ridge subdivision within a Town road allowance and along Konkle Creek north of Meadowood Park. The current inventory of natural areas and open spaces (as of Dec. 31, 2022) is shown in Table 3. No additional natural areas or open space lands have been acquired to date in 2023.

Table 3
2022 Inventory of Town Owned Natural and Open Space Linkages

| Open Space Classification | Area (ha) 2022 | Area (ac) 2022 |
|---|----------------|----------------|
| Natural Area | 31.54 | 77.94 |
| Open Space Linkages | 16.50 | 40.77 |
| Total Natural Area and Open Space Linkages | 48.04 | 118.71 |

In addition to the municipally owned natural areas and open spaces listed in Table 3, the public has access to other trails, open spaces and natural areas within the Town. They include trails owned and/or managed by the Bruce Trail Association and conservation areas owned by the Niagara Peninsula Conservation Authority.

Both the Official Plan and the PRCMP support the acquisition of additional parklands/open spaces to accommodate growth. Within existing draft approved plans and approved zoning applications, it is anticipated that the following additional parklands will be provided in the short-term:

- 5.54 ha of open space along the lakefront and 1.18 ha of parkland within the Prudhommes draft plan;
- 0.09 ha of parkland within the former Vineland Growers site in Jordan Station; and
- 1.12 ha of parkland and open space within the Gavora Creek Landing draft plan of subdivision in Campden.

The Official Plan identifies the acquisition of additional parklands in the future. Those parcels include lands to the northeast of Ashby Park in Beamsville and lands within Campden. There is also the opportunity for additional parklands to be acquired, albeit smaller in size, as a result of the redevelopment of existing parcels of land. Should the Beamsville District Secondary School (BDSS) site be redeveloped, there is the opportunity to enlarge adjacent parks and/or create a new park on part of the lands. In some instances, land that is being redeveloped is too small to acquire parklands. In those situations, the use of cash in lieu of parkland dedication is appropriate, so that the funds are obtained to improve existing parks and to acquire other lands for parks and recreational purposes.

The use of privately owned public space (POPS) is a new trend and staff anticipate that it will become more common in the future as parcels are redeveloped for mixed-use purposes. To date, the Town has approved the following POPS spaces:

- 0.17 ha of private open space (publicly accessible) in the mixed-use development at the northeast corner of Ontario Street and Greenlane Road in Beamsville; and
- 0.6 ha of private open space (publicly accessible) in the mixed-use development at 5103 Greenlane Road in Beamsville.

As outlined in this report, a parks plan is required before Council approves a parkland dedication by-law. The Town has an approved PRCMP. Watson has reviewed the PRCMP and has provided an updated analysis of the Town’s future parkland needs based on recent population forecasts for the Town.

Watson Analysis

As outlined in this report, Watson was retained to provide professional financial advice, legislation interpretation, guidance and support for the amendment to the Official Plan policies, review of the Parks, Recreation and Culture Master Plan and the proposed new Parkland Dedication and Cash in Lieu of Parkland By-law. A detailed summary of their findings is included in their memo dated Nov. 16, 2023 which is included as Appendix C to this report. The following information provides a short summary of their findings.

Future Parkland Needs

Over the next 20 years the Town’s population is anticipated to grow from 26,169 residents in 2023 to 38,650 residents in 2043 (excluding census undercount). Based on the service level of 2.2 hectares of parkland per 1,000 people in the PRCMP, the Town will require an additional 35.41 hectares (87.49 acres) of parkland as shown in Table 4, to service the 2043 population. These parkland figures do not include the 48.04 hectares of municipally owned open space lands. It also does not include the additional 7.93 hectares of parks and open space lands and 0.77 hectares of POPS lands that will be provided in the short-term as part of approved developments.

**Table 4
Parkland Required by 2043**

| Parkland Requirement Calculations | Current Parkland Inventory | Required Based on 2043 Population | Additional Parkland Needed |
|--|----------------------------|-----------------------------------|----------------------------|
| Projected Population | | 38,650 | |
| Total Parkland Required in Hectares | 49.62 | 85.03 | 35.41 |

Parkland and Cash in Lieu of Parkland Analysis

Over the next 20 years it is anticipated that approximately 6,870 additional units will be created based on the Region’s forecasted growth for Lincoln. This is anticipated to consist of 933 singles, 1,193 townhouses and 4,744 apartments.

Watson analyzed the amount of both parkland dedication and cash in lieu of parkland dedication that could be obtained using the current 2 percent for commercial and industrial development and 5 percent for all other types of development vs. the use of the alternate requirement for residential use as provided for in the *Planning Act*. Watson also reviewed the residential development density level required to determine the threshold for using the 5 percent vs. the alternative requirement. The purpose of this exercise is

so that the Town has clear direction that optimizes when the Town is recommended to use the 2 and 5 percentage base rates vs. the alternate rates to maximize parkland dedication and cash in lieu.

Where parkland is dedicated, Watson is recommending that the Town use the alternate requirement of 1 hectare per 600 residential units where the residential density of a given development exceeds a density of 30 units per hectare (12 units per acre). This would apply to high density development and in some cases, medium density development. They recommend that the Town review the density of each low density and medium density development on a case-by-case basis and use the alternative requirement where the density exceeds 30 units per hectare.

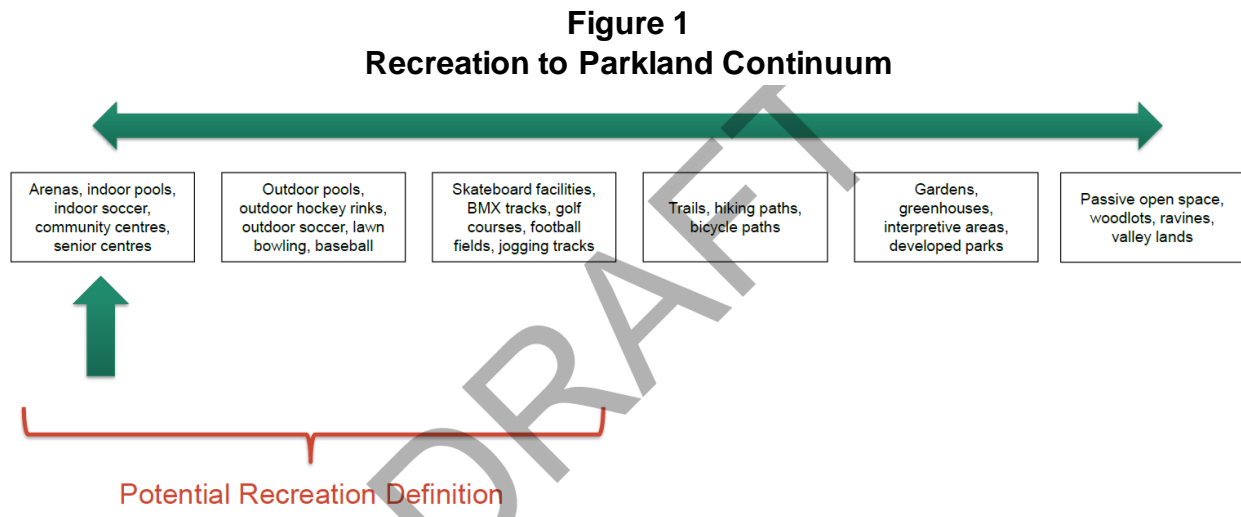
Watson has determined that for cash in lieu of parkland dedication, the residential density of a given development would have to exceed a density of 50 units per hectare (20 units per acre) for the Town to receive a higher cash in lieu payment using the alternate requirement. They are recommending that where cash in lieu of parkland is to be paid, that the Town use the alternate requirement of 1 hectare per 1,000 residential units where the development exceeds 50 units per hectare.

Definition of Parks vs. Recreation

Watson advises that there is an anticipated shortfall in the Town's parkland supply to 2043 based on the Town's service standard of 2.2 hectares per 1,000 population. As such, Watson has recommended that it is important to maximize parkland dedication and cash in lieu of parkland dedication through the use of alternate dedication policies allowed in the *Planning Act*. Based on maximizing the use of the alternate requirement and the anticipated residential development to 2043, the Town can potentially acquire 1.71 hectares more parkland dedication through development compared to using the 5% standard parkland dedication alone. Watson has determined that the Town can potentially acquire approximately \$12,000,000 more cash in lieu funds (2023 land values) through residential development with the use of the alternate requirement compared to using the 5% standard cash in lieu only. The increased parkland and a higher value of cash in lieu payments that can be obtained therefore justifies the use of the alternative dedication and cash in lieu provisions. It is recognized that some developments will provide parkland dedication, and some will pay cash in lieu, and as a result, the use of a mixture of both approaches is anticipated.

It is important to maximize funding for parks and recreation through both the provisions of the *Planning Act*, and the *Development Charges Act* (DCA). The DCA allows for the recovery of growth-related capital costs, including parks and recreation services. Land for parks that have enclosed structures (indoor sports fields for example) that allow the use year round, including associated parking and access to the structure are eligible for inclusion in a Development Charges Background Study and By-law. Basically land for parks is not eligible for inclusion in a Development Charges By-law, however land for recreation is eligible. Watson is recommending that the definition of recreation be

included and/or expanded in all of the Town’s policies (Official Plan and Development Charges By-law) to include outdoor recreation uses such as pools, outdoor hockey rinks, outdoor soccer, lawn bowling, baseball diamonds, skateboard facilities, BMX tracks, golf courses, football fields and jogging tracks to recover the cost of the land for these facilities through development charges. The more passive uses and the land for those passive uses would still be funded through the cash in lieu of parkland fund. This allows the Town to maximize recovery of costs and is shown in Figure 1 below. The Town is in the process of preparing a new Development Charges By-law and the change to the definition in Figure 1 will be included in the new Development Charges By-law.



Summary of Recommendations

Watson’s recommendations as a result of their review are summarized as follows:

- Use the alternate requirement where the rate provides for a high dedication and/or cash in lieu payment;
- Consider including in the Official Plan guidance on when to use the alternate rate to always achieve a maximum amount of parkland or cash in lieu;
- For cash in lieu, that the Town require the submission of an appraisal at the time of submission of the planning application (zoning by-law amendment and site plan approval applications) to determine the value of the land at the time of the submission of those applications; and
- To maximize recovery of costs and to work towards addressing the gap between potential dedication and the identified service level goal, the Town include a definition of recreation in its policy documents.

Financial, Legal, Staff Considerations:

Financial:

In accordance with Section 42 of the Planning Act, the parkland reserve may only be used for the acquisition of lands for park or other public recreational purposes, including the construction, improvement and repair of buildings and the acquisition of machinery for park or other recreational purposes. Where the Town needs to purchase land for parks and/or develop parks and/or make improvements to parks, it is important to ensure that the Town has a healthy reserve to fund acquisitions and improvements. As outlined in this report there is a gap in achieving 2.2 ha of parkland/1,000 people by 2043. To maximize funding Watson is recommending the use of the alternate requirement for both parkland and cash in lieu where it will maximize land dedication and/or cash in lieu payments. Watson is also recommending changes to the definition of recreation in the Town's policy documents so that the cost of land for recreation can be included in the Town's Development Charge Background Study and By-law (currently in process) to provide additional funding for recreation.

Staffing:

N/A

Legal:

The draft Official Plan Amendment and the draft Parkland Dedication and Cash in Lieu of Parkland Dedication By-law have been reviewed by the Town's legal counsel and appropriate changes have been made to both documents.

Public Engagement Matters:**Public Circulation:**

Notice of the public meeting for the draft Official Plan Amendment and the draft Parkland Dedication and Cash in Lieu of Parkland By-law was placed in the newspaper and on the Speak Up Lincoln website page. Notice of the public meeting was also provided to the development community and stakeholder groups. Supporting materials including the draft amendment and draft by-law were posted on the Speak Up Lincoln website page.

At the time of the preparation of this report, no comments were received.

Agency Comments:

The draft Official Plan Amendment and the draft Parkland Dedication and Cash in Lieu of Parkland By-law were circulated to agencies for review and comment. At the time of the preparation of this report, no comments were received.

Conclusion:

A review and update of the parkland dedication and cash in lieu of parkland dedication policies and by-law are required at this time to ensure that the Town's policies and by-laws are updated to conform with the new provisions in the Planning Act resulting from the approval of Bill 23 and other legislation updates as required. New policies and a new by-law will also ensure that parkland is provided and/or that cash in lieu of parkland

payments are collected as result of developments to address growth in the community and to ensure financial sustainability over the long-term.

This report provides a description of the proposed amendment to the Official Plan and the draft Parkland Dedication and Cash in Lieu of Parkland By-law. A subsequent report will provide summary of comments submitted following the public meeting and will provide a recommendation on the proposed amendment and by-law.

The review and update of the parkland dedication and cash in lieu of parkland policies and by-law aligns with Council's strategic objectives of being a welcoming & connected community. The specific strategic objectives include the following:

- Increase community engagement and inclusivity by promoting a diversity and inclusions through public spaces that are universally accessible to citizens;
- Investing in social infrastructure to optimize the existing parks network to ensure residents have access to nature, promoting healthy and active lifestyles;
- Investing in social infrastructure by exploring and developing strategies for creating multi-purpose community gathering places and hubs through public-private partnerships; and
- Increase connectivity through transportation network including implementing active transportation to increase non-motorized options to get around, including walkability, cycling and trails.

Respectfully submitted,

Melissa Shih, MCIP, RPP
Manager, Prudhommes & Special Projects
905-563-2799 Ext. 250

Appendices:

Appendix A Draft Amendment to the Official Plan
Appendix B Draft Parkland Dedication and Cash in Lieu of Parkland By-law
Appendix C Watson Memo dated Nov. 16, 2023

Notification:

Upon adoption, notice of the amendment and by-law will be in accordance with the requirements of the Planning Act and the Development Charges Act.

Report Approval:

The report has been reviewed and/or approved by the Director of Planning and Development, the Treasurer and the Director of Community Services. Final approval is by the Chief Administrative Officer.