

# Memorandum

<b>To</b>	Matt Bruder, Director of Planning and Development
<b>From</b>	Gary Scandlan and Byron Tan
<b>Date</b>	November 16, 2023
<b>Re:</b>	Parks Plan - Parkland Dedication and Payment-in-lieu of Parkland Analysis

Fax Courier Mail Email 

This Parks Plan memorandum is being provided to summarize Watson & Associates Economists Ltd. (Watson)'s review and analysis of the Town of Lincoln's parkland dedication and payment-in-lieu of parkland policies.

## 1. Introduction

The Town of Lincoln (Town) retained Watson to undertake a review and analysis of the Town's current policies with respect to parkland dedication and payment-in-lieu of parkland. This memo outlines the relevant legislation, the Town's current policies, analysis of alternative policies, and next steps/considerations for Town staff. Summary information is provided in the appendices. This analysis incorporates the recent changes to the *Planning Act* via *Bill 23, More Homes Built Faster Act, 2022*.

## 2. Legislative Overview

The *Planning Act* provides municipalities with the authority to impose conditions on development and redevelopment to receive parkland or payment-in-lieu of parkland. Section 42 of the *Planning Act* provides for the rules with respect to conveyance of land for park purposes (to be imposed by by-law), Section 51.1 provides the rules for the conveyance of parkland imposed as a condition of approval of a plan of subdivision, and Section 53 provides the rules for conveyance of parkland required for consent. The following outlines the relevant paragraphs of Section 42. Note: the rules under Section 51.1 and 53 are similar except for the date of determination of value for payment-in-lieu of parkland, which is noted below. Additionally, a by-law is not required to impose the base dedication provisions under Section 51.1 or 53.



## Parkland Dedication

Section 42 (1) provides that a municipality may require land be conveyed in the amount of 2 per cent for industrial and commercial development and 5 per cent for all other development (i.e., residential, and institutional):

*“42 (1) As a condition of development or redevelopment of land, the council of a local municipality may, by by-law applicable to the whole municipality or to any defined area or areas thereof, require that land in an amount not exceeding, in the case of land proposed for development or redevelopment for commercial or industrial purposes, 2 per cent and in all other cases 5 per cent of the land be conveyed to the municipality for park or other public recreational purposes.*

*(2) A by-law passed under this section comes into force on the day it is passed, or the day specified in the by-law, whichever is later.”*

### New from Bill 23:

Section 42 (1.1) is proposed to be added upon proclamation by the Lieutenant Governor. This section provides for a reduction in the parkland dedication requirements for affordable residential units. Once enacted, where there are affordable residential units (as defined in the *Development Charges Act*), the dedication requirements shall not exceed 5% multiplied by the ratio of non-affordable residential units vs. the total number of residential units. For example:

- Number of affordable residential units: 10
- Number of non-affordable residential units: 90
- Total units: 100
- 5% multiplied by (90 divided by 100) equals 90% of 5% or 4.5%.

Section 42 (1.2) has been added to provide for an exemption for non-profit housing developments (as defined in the *Development Charges Act*).

Section 42 (1.3) has been added to provide for a similar residential intensification exemption as the *Development Charges Act*:

*(1.3) A by-law passed under this section does not apply to the erection or location of,*

- (a) a second residential unit in a detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit;*
- (b) a third residential unit in a detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other*



*than ancillary residential use, is permitted, if no building or structure ancillary to the detached house, semi-detached house or rowhouse contains any residential units; or*

- (c) *one residential unit in a building or structure ancillary to a detached house, semi-detached house or rowhouse on a parcel of urban residential land, if the detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the detached house, semi-detached house or rowhouse contains any residential units.*

### **Alternative Parkland Dedication Rate**

For residential development or redevelopment, a municipality may also impose an alternative requirement to the 5 per cent dedication based on a rate of one (1) hectare for each 600 net residential units<sup>1</sup>, as follows:

*“(3) Subject to subsection (4), as an alternative to requiring the conveyance provided for in subsection (1), in the case of land proposed for development or redevelopment for residential purposes, the by-law may require that land be conveyed to the municipality for park or other public recreational purposes at a rate of one hectare for each 600 net residential units proposed or at such lesser rate as may be specified in the by-law. R.S.O. 1990, c. P.13, s. 42 (3).”*

### **New From Bill 23**

Section 42(3.0.2) has been added to identify that the number of units included in the calculation is the net new residential units after the development or redevelopment. This provides for a credit for the existing units.

Section 42(3.0.3) is proposed to be added to note that affordable residential units and attainable residential units (as defined in the *Development Charges Act*), shall be excluded from the net residential unit’s calculation.

Section 42(3.3) has been added to provide caps on the maximum dedication/payment-in-lieu required. This section is provided as follows:

- (3.3) *A by-law that provides for the alternative requirement authorized by subsection (3) shall not require a conveyance or payment in lieu that is greater than,*
- (a) *in the case of land proposed for development or redevelopment that is five hectares or less in area, 10 per cent of the land or the value of the land, as the case may be; and*

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<sup>1</sup> New for Bill 23. Previous amount was one hectare for each 300 dwelling units.



- (b) *in the case of land proposed for development or redevelopment that is greater than five hectares in area, 15 per cent of the land or the value of the land, as the case may be.”*

### **Requirement for a Parkland Dedication By-law – Alternative Residential Rate**

To use the residential alternative requirement of one (1) hectare for each 600 net residential units, a municipality must have the policy in their Official Plan document and pass a by-law which outlines parkland dedication (and payment-in-lieu of parkland) requirements. As of the passage of Bill 73 (Smart Growth for our Communities Act) in 2015, Section 42 of the *Planning Act* was amended to include a requirement to complete a Parks Plan prior to including the use of the alternative rate provisions in an Official Plan. Now, as per Bill 23, a Parks Plan is required to be undertaken prior to passing a by-law, which includes the alternative residential rate.

Sections 42 (4.1) and (4.2) denote the requirement for a Parks Plan and the need for consultation with school boards and other persons as the municipality considers appropriate. There is no prescription as to the contents of the Parks Plan.

To impose the alternative rate under Section 42 or 51.1 of the *Planning Act*, the municipality must pass a by-law. Section 42 (3.1) and (4.4) to (4.24) provide for the rules/requirements to pass a by-law with the inclusion of the alternative rate. A summary of the subsections are as follows:

- **Consultation:** the municipality shall consult with persons and public bodies as the municipality considers appropriate (note that in the preparation of a Parks Plan, the Municipality shall consult with every school board that has jurisdiction and may consult with any other persons or public bodies the municipality considers appropriate);
- **Notice of Passage:** 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;
- **Appeal of By-law to the Ontario Land Tribunal:** A by-law may be appealed. The Clerk has certain duties on appeal which are listed in subsection 4.10. The Tribunal has various powers to dismiss the appeal or direct the municipality to amend the by-law.

Although a by-law is required to impose any parkland dedication under Section 42 of the *Planning Act*, the notice and consultation requirements do not appear to apply if the by-law does not include provision for the alternative rate.



## Payment-in-lieu of Parkland

The Town may receive payment-in-lieu of parkland based on the value of the land otherwise to be conveyed. Further, if the Town has authorized the use of the alternative rate for parkland dedication, payment-in-lieu may be received instead, at a rate of one (1) hectare for each 1,000<sup>1</sup> net residential units.

*“(6) If a rate authorized by subsection (1) applies, the council may require a payment in lieu, to the value of the land otherwise required to be conveyed.”*

*“(6.0.1) If a rate authorized by subsection (3) applies, the council may require a payment in lieu, calculated by using a rate of one hectare for each 1,000 net residential units proposed or such lesser rate as may be specified in the by-law.”*

## Determination of Value of Parkland

The value of the land for payment-in-lieu of parkland purposes shall be determined as of the day before the building permit is issued.

*“(6.4) For the purposes of subsections (4.19), (6), (6.0.1) and (6.2), 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, if more than one building permit is required for the development or redevelopment, as of the day before the day the first permit is issued.”*

Note, for parkland conveyed as a condition of a plan of subdivision, the value shall be determined as of the day before the approval of the draft plan of subdivision. Section 51.1 (4) provides for the following:

*“(4) For the purpose of determining the amount of any payment required under subsection (3) or (3.1), the value of the land shall be determined as of the day before the day of the approval of the draft plan of subdivision.”*

Note, for parkland conveyed under consent, the value shall be determined as of the day before the provisional consent was given. Section 53 (13) provides for the following:

*“(13) If, on the giving of a provisional consent, land is required to be conveyed to a municipality for park or other public recreational purposes and the council of the municipality requires a payment in lieu, for the purpose of determining the amount of the payment, the value of the land shall be determined as of the day before the day the provisional consent was given.”*

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<sup>1</sup> New for Bill 23. Previous amount was one hectare for each 500 dwelling units.



### New From Bill 23

Sections 42(2.1), (2.2), (2.3), and (2.4) have been added to provide for a rate freeze similar to what is included in the *Development Charges Act*. This is provided as follows:

- (2.1) *The amount of land or payment in lieu required to be provided under this section is the amount of land or payment in lieu that would be determined under the by-law on,*
- (a) *the day an application for an approval of development in a site plan control area under subsection 41 (4) of this Act or subsection 114 (5) of the City of Toronto Act, 2006 was made in respect of the development or redevelopment;*
- (b) *if clause (a) does not apply, the day an application for an amendment to a by-law passed under section 34 of this Act was made in respect of the development or redevelopment; or*
- (c) *if neither clause (a) nor clause (b) applies, the day a building permit was issued in respect of the development or redevelopment or, if more than one building permit is required for the development or redevelopment, the day the first permit was issued.*
- (2.2) *Subsection (2.1) applies regardless of whether the by-law under which the amount of land or payment in lieu would be determined is no longer in effect on the date the land is conveyed, the payment in lieu is made or arrangements for the payment in lieu that are satisfactory to the council are made, as the case may be.*
- (2.3) *If a development was the subject of more than one application referred to in clause (2.1) (a) or (b), the later one is deemed to be the applicable application for the purposes of subsection (2.1).*
- (2.4) *Clauses (2.1) (a) and (b) do not apply if, on the date the first building permit is issued for the development, more than two years have elapsed since the application referred to in clause (2.1) (a) or (b) was approved.”*

### **Special Account and Reporting Requirements**

All money received by the Town for the purposes of payment-in-lieu shall be paid into a special account and spent only for the following purposes (as per Subsection 42(15)):

- acquisition of land to be used for park or other public recreational purposes;
- erection, improvement, or repair of buildings; and
- acquisition of machinery for park or other public recreational purposes.





Subsection 42(17) of the *Planning Act* provides that a council that passes a by-law under Section 42 shall provide the reports and information as prescribed in the regulation. Ontario Regulation 509/20, Section 7 identifies the information that shall be provided to the public each year (for the previous year):

1. Statements of the opening and closing balances of the special account and of the transactions relating to the account.
2. In respect of the special account referred to above, statements identifying,
  - a. land and machinery acquired during the year with funds from the special account,
  - b. buildings erected, improved, or repaired during the year with funds from the special account,
  - c. details of the amounts spent, and
  - d. for each asset mentioned in subparagraphs I and ii, the manner in which any capital cost not funded from the special account was or will be funded.
3. The amount of money borrowed from the special account and the purpose for which it was borrowed.
4. The amount of interest accrued on any money borrowed from the special account.

### New From Bill 23

Section 42(16.1) has been added to require that: “in each calendar year beginning in 2023, a municipality shall spend or allocate at least 60 per cent of the monies that are in the special account at the beginning of the year.” It is noted that this provision requires, at a minimum, expression of the potential use of 60% of the funds but does not require that any funds actually be spent in the current year or be transferred to a capital account. This section is perceived as providing transparency on the potential use of the funds but not a requirement for an actual land purchase to occur.

## 3. Current Practice and Analysis

### 3.1 Overview of Guiding Documents

This section outlines the various documents that were reviewed as part of this analysis to better understand the Town’s current policies and practices.

Lincoln’s Official Plan (O.P.), Section 3.6.4: “Policies” sets out policies with respect to parkland dedication. This section discusses parkland standards, requirements for parks, and parkland dedication guidelines. Section 3.6.4, notes that parkland dedication may be required at the rates of 2% for commercial and industrial development and 5% for “all other purposes” other than commercial or industrial developments (residential



and institutional). An alternative residential rate of one (1) hectare for each 300<sup>1</sup> dwelling units may also be used under the Town's discretion. The O.P. also notes that the Town may accept payment-in-lieu of parkland dedication.

In 2019, the Town undertook a detailed Parks, Recreation, and Culture Master Plan. This plan undertook a review of Town policies with respect to parks and recreation, identified the current inventory of parks, and identified the potential need for future parks. Recommendations were provided with respect to parkland dedication.

Additionally, the Town's parkland dedication by-law (96-81) directs that payment in lieu shall be provided for parkland dedication at a value of 2% for commercial and industrial lands, and 5% for development of lands in all other zoning classifications.

Finally, information from the Town's D.C. study (currently being undertaken) is being included into the analysis. The study also sets out the growth-related capital needs for parks and recreation services (except purchase of parkland) that are to be recovered through D.C.s.

## **3.2 Current Parkland Dedication and Payment-in-Lieu Policies**

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The O.P. provides the overarching policies with respect to parkland dedication and payment-in-lieu of parkland. Further, there is currently a parkland dedication by-law (96-81) in place.

### **3.2.1 Parkland Dedication**

#### **Overview**

For residential development and redevelopment (including any other types of development other than commercial and industrial), the O.P. provides that parkland be dedicated at a rate of 5% of the land or one (1) hectare of land for each 300<sup>1</sup> dwelling units; there are no parameters on when the alternative rate should be applied. For commercial and industrial development or redevelopment, parkland dedication is required at a rate of 2% of the lands.

The alternative residential rate is not currently in place within the parkland dedication by-law (96-81) due to recent Bill 23 legislative updates.

#### **Alternative Rate Requirement for Parkland Dedication**

As provided in the O.P., for residential development, the Town may require parkland be dedicated at the alternative rate. Although there is no specific guidance provided in the O.P. as to when this alternative rate should be used, the Town may consider using the alternative rate when it provides for a greater amount of dedication relative to the 5%

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<sup>1</sup> Note, as per Bill 23, this has changed to one hectare for each 600 net residential units.





rate. This can be calculated by analyzing the density of development at the breakeven point (i.e., where both rates provide the same land dedication).

To calculate the breakeven point of density, if we assume there is a 20-hectare development, the parkland dedicated at the 5% rate would yield a dedication of one (1) hectare. If we utilize the alternative rate of one (1) hectare for 600 net residential units, this will imply that to get the same amount of land dedication, there will need to be a density of 600 units on the 20 hectares of development. This equates to a density of 30 units per hectare or 12 units per acre. If density exceeds this breakeven point, the Town will receive more land by using the alternative rate.

## **Analysis**

A potential revision to the current practice may assist the Town's ability to optimize the acquisition of dedicated parkland. This involves with amending the O.P. and incorporating into a parkland dedication by-law, clear directives regarding the utilization of the alternative rate requirement. This provision would come into play when a development exceeds a density of 30 units per hectare or 12 units per acre. As a result, the Town may consider utilizing the alternative rate for all high-density developments and reviewing density of each low-density and medium-density development on a case-by-case basis.

### **3.2.2 *Payment-in-Lieu of Parkland***

#### **Overview**

With respect to policies regarding payment-in-lieu of parkland, the O.P. (Section 3.6.4) states that the Town may accept payment-in-lieu of parkland dedication if it is determined that following is not satisfied and accepted by the Town:

- 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;
- Have good drainage characteristics;
- Be centrally located within a neighbourhood or community context to provide convenient vehicular and pedestrian access;
- Provide a reasonable park configuration to accommodate the dimensions and shape of large playing fields;
- Be visually prominent within the development;
- Be provided with basic service requirements;
- Be developed in accordance with the Town parkland standards;
- 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



- 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.

In addition to the above, the Town also outlines parkland requirements as part of their Local Service Policy. These guidelines will also need to be followed.

The *Planning Act* allows a municipality to require payment-in-lieu of 5% for residential and institutional lands and 2% for commercial and industrial lands.

### **Alternative Rate Requirement for Parkland Dedication**

The *Planning Act* allows for use of the alternative rate for payment-in-lieu of dedication, however, the rate at which the value is determined is based on one (1) hectare for each 1,000 net residential units. Similar to dedication of parkland, if the Town chooses to impose the alternative residential rate, the Town should clearly define when it is appropriate to use the alternative rate relative to the 5% rate. This can be estimated by analyzing the density of development at the breakeven point (i.e., where both rates provide the same payment-in-lieu of dedication).

To calculate the breakeven point of density, if we assume there is a 20-hectare development, the payment-in-lieu would be based on the equivalent value of dedication of 5% of the lands dedication and would yield a value equivalent to the dedication of one (1) hectare. If we utilize the alternative rate of one (1) hectare for 1,000 net residential units, this will imply that to get the same amount of equivalent land dedication, there will need to be a density of 1,000 units on the 20 hectares of development. This equates to a density of 50 units per hectare or 20 units per acre. If density exceeds this breakeven point, the Town will receive more payment-in-lieu by using the alternative rate.

### **Analysis**

A potential revision to the current practice that may assist the Town in maximizing receipt of payment-in-lieu of parkland is to include in a parkland dedication by-law, guidance on the use of the alternative rate requirement (i.e., when development equals or exceeds a density of 50 units per hectare or 20 units per acre).

- As a result, the Town may consider utilizing the alternative rate for all high-density developments and reviewing the density of each low-density and medium-density development on a case-by-case basis.



### 3.3 Current Recoveries from Development Charges

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#### 3.3.1 Overview of Parks vs. Recreation

The *Development Charges Act* (D.C.A.) allows for the recovery of growth-related capital costs. Section 2(4) of the D.C.A. lists the services for which recovery of capital costs are eligible; this includes parks and recreation services. There is an exception however, with respect to land for parks which is outlined in Section 2.1 of Ontario Regulation 82/98. Ineligible parkland includes land for woodlots and land that is acquired because it is environmentally sensitive. Land for an enclosed structure used throughout the year for public recreation and land that is necessary for the structure to be used for that purpose, including parking and access to the structure is eligible for inclusion in a D.C. background study and by-law.

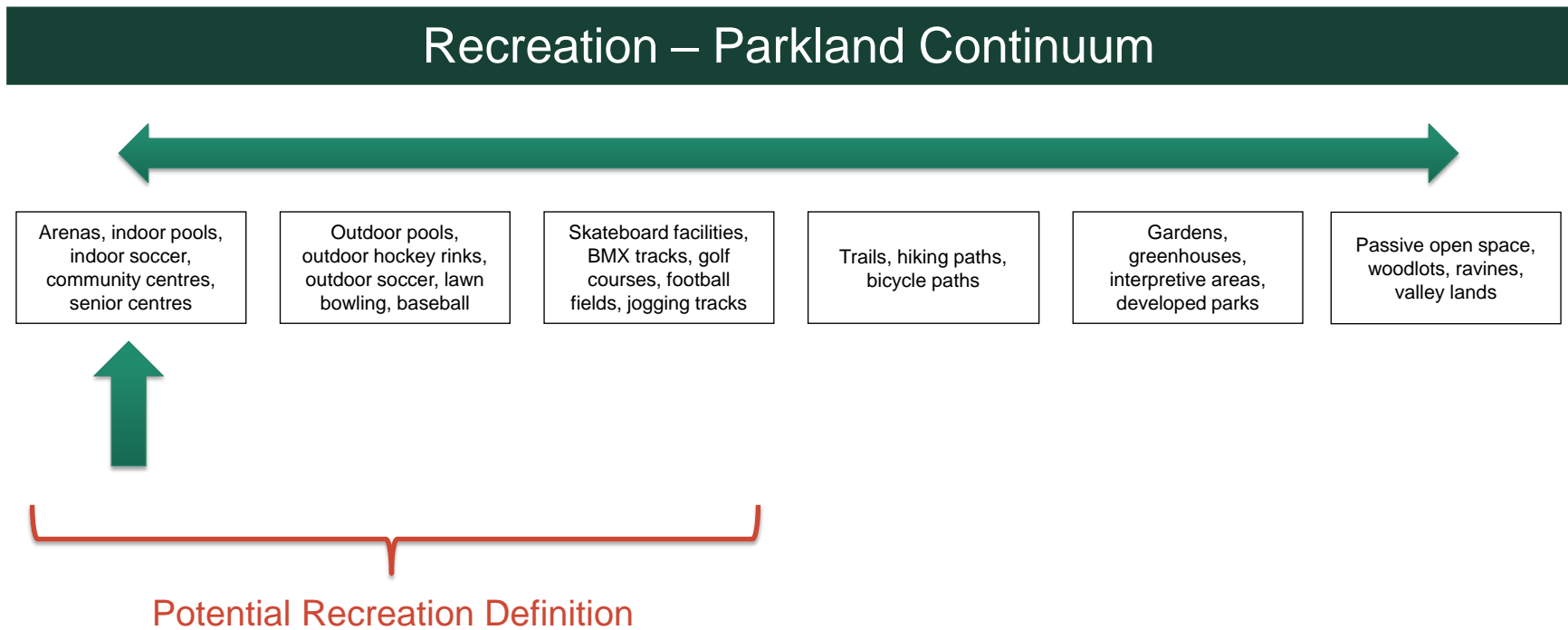
In summary, land for park purposes is not eligible for inclusion in a D.C., however, land for recreation is eligible. The distinction between parkland and land for recreation purposes is important in determining which lands may be recovered from new development through D.C.s as this will help maximize the recovery of costs.

Historically, the Town has paid for land for indoor recreation facilities (e.g., arenas, community centres, etc.) through D.C.s and all other parkland has been acquired through dedication or paid with funds collected from payment-in-lieu of parkland. However, a consideration of “recreation” may be undertaken. For example, an indoor soccer field built inside of an air supported structure would be considered an indoor facility and the land for the facility may be funded with D.C.s. If the soccer field was constructed outside, the land would be funded from the parkland reserve. In both cases, the use of the “facility” is the same, however, the funding is different. If soccer facilities (both indoor and outdoor) were defined as “recreation” in all of the Town’s policies (e.g., O.P., parks and recreation master plans, zoning by-law, etc.) there is the potential for the Town to recover the cost of the land from D.C.s.

Figure 3-1 provides for a continuum of parks and recreation uses. These range from indoor facilities such as arenas to open space parkland. The green arrow on the left denotes the current definition of recreation utilized by the Town (i.e., for which land is included in the D.C. study). There is a potential for the recreation definition to be expanded 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.



Figure 3-1  
Town of Lincoln  
Recreation to Parkland Continuum





### **3.3.2 Current Definitions in Town of Lincoln Documents**

To assess and confirm the Town's current definitions of parks and recreation, Watson undertook a review of the following documents:

- Town of Lincoln Official Plan (2018);
- Town of Lincoln Parks, Recreation, and Culture Master Plan (2019); and
- Town of Lincoln Parkland Dedication By-law 96-81 (1996).

Through a review of these documents, it was observed that references to parks and/or recreation were present, and an effort was made to understand the Town's presumed definition of each term. The O.P. employs these terms in diverse contexts, leading to a lack of clarity in distinguishing between parkland and recreation land. For example, in Section 3.1.15.2.8.3: "Parks and Open Space Designation", this section mentions that the permitted use of the land is for both active and passive recreational activities, encompassing both public and private parks. This implies that parks are considered a form of recreational land.

To enhance clarity, it is recommended to establish a distinct and consistent differentiation between parkland and recreation land throughout the documents. This will contribute to a more precise and coherent understanding of the Town's intentions regarding these terms.

### **3.3.3 Opportunities for Maximizing Recoveries**

The Town may seek to maximize recovery of costs for recreation land by utilizing recovery through D.C.s as much as possible. To achieve this, the Town must first update their existing policy documents to clearly define parks versus recreation. These refined definitions should be consistent between all policy documents. Should the Town wish to proceed with this approach, sample definitions can be provided for the Town's consideration.

## **4. Impacts of Current Practice vs. Alternative Approaches**

### **4.1 Approach to Analysis**

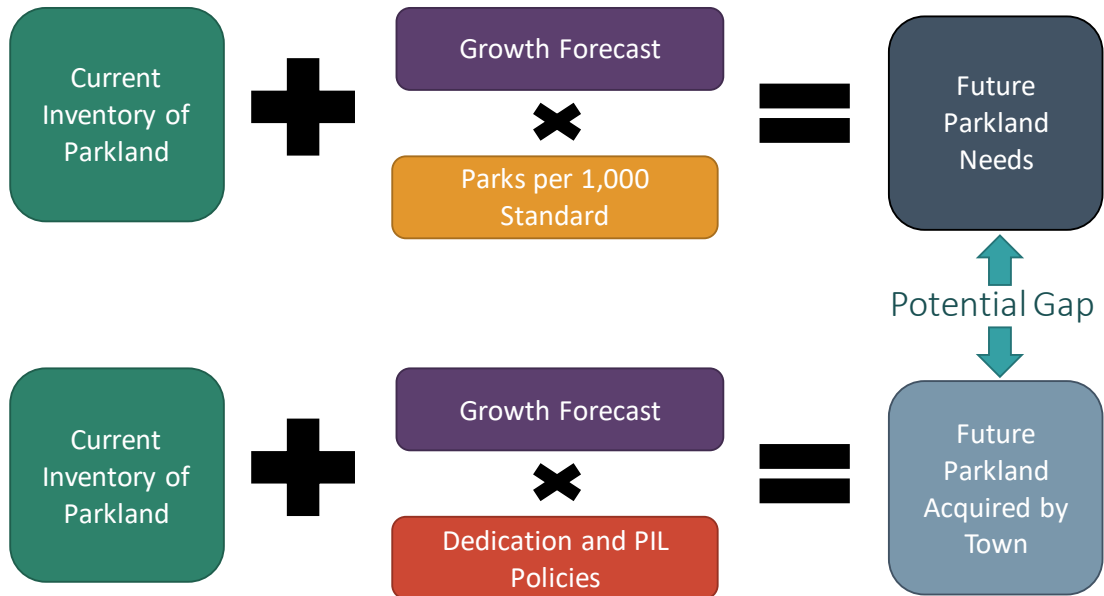
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To quantify the impacts of the various approaches on the Town's ability to receive and purchase parkland, the following section provides for the anticipated parkland dedication and payment-in-lieu of dedication. This is calculated by using the growth forecast currently being undertaken for the D.C. background study, and the various rates described above.

Figure 4-1 provides an overview of the analysis. To estimate the future parkland needs, the current parkland inventory is added to the parkland needs arising from new development. This analysis is presented in Section 4.2. To estimate the potential future

parkland received and/or payment-in-lieu of parkland received, various dedication and payment-in-lieu policies are applied to the anticipated growth and added to the current inventory of parkland. Once the anticipated parkland/ payments received analysis is complete, the potential gap in parkland/funding may be identified.

Figure 4-1  
Town of Lincoln  
Parkland Needs Analysis



## 4.2 Current Inventory of Parkland and Future Need

### 4.2.1 Summary of Current Inventory

The current level of inventory was provided and reviewed by Town staff. Table 4-1 provides for a summary of the 2023 inventory:



Table 4-1  
Town of Lincoln  
Inventory of Parkland (2023)

Inventory of Parkland	Total Hectares	Total Acres
<b>Total</b>	<b>49.62</b>	<b>122.62</b>

A review of the anticipated parkland needs to 2043 was undertaken based on the anticipated population and the service level of 2.2 hectares of parkland per 1,000 residents for parks. The calculations provide that the Town would require 85.03 hectares (or 210.11 acres) of parkland, implying that by 2043, the Town would need to receive (or purchase) an additional 35.41 hectares (or 87.49 acres) of parkland on a Town-wide basis. This information is summarized in Table 4-2:

Table 4-2  
Town of Lincoln  
Required Parkland by 2043 as per Recommended Service Level and Anticipated Growth

Parkland Requirement Calculations	Current Parkland Inventory	Hectares Required in 2043 Based on a Population of 38,650	Additional Parkland Needed
Projected Population		38,650	
<b>Total Parkland Required (Ha)</b>	<b>49.62</b>	<b>85.03</b>	<b>35.41</b>

## 4.2.2 Analysis

### Parkland Inventory

The Town's O.P. does not identify the Town's park classifications. The Town's Parks, Recreation, and Culture Master Plan provides a hierarchy of parkland with defined categories such as, destination park, sport park, community parks, neighbourhood parks, urban park, and open space.

## 4.3 Parkland Dedication

### 4.3.1 Current Approach / Base Provisions of the Planning Act (5% Residential and Institutional, 2% Commercial and Industrial)

The *Planning Act* allows municipalities to require parkland dedication at a rate of 2% of land for commercial and industrial development and 5% for all other development (i.e., residential, and institutional). With respect to parkland dedication, currently the Town imposes the base provisions.

The current inventory was measured as of 2023. As a result, the growth forecast period utilized for this analysis is 2023 to 2043. Table 4-3 provides for a summary of the anticipated residential units to be constructed over this time period. With assumed average densities of 22, 40, and 196 units per hectare for low, medium, and high-density development, respectively, the total hectares of residential development lands equal 96.44 hectares (or 238.30 acres). At a parkland dedication rate of 5%, the total parkland to be dedicated would be 4.82 hectares (or 11.92 acres).

Table 4-3  
Town of Lincoln  
Residential Parkland Dedication at 5%

Unit Type	Anticipated Units (2023 to 2043)	Density Assumption (units/hectare)	Total Hectares	Total Hectares Dedicated at 5%
Singles	933	22	42.41	2.12
Towns	1,193	40	29.83	1.49
Apartments	4,744	196	24.20	1.21
<b>Total</b>	<b>6,870</b>		<b>96.44</b>	<b>4.82</b>

Table 4-4 provides for a summary of the anticipated non-residential development to be constructed over the 2023-to-2043-time horizon. Based on the D.C. growth forecast, it is anticipated that there will be an additional 1,405 employees in the Town by 2043. Utilizing the sq.m per employee assumptions from the D.C. study, the anticipated floor space totals approximately 79,636 sq.m. Assuming the industrial buildings have a lot coverage of 20%, and institutional/commercial buildings have a lot coverage of 30%, the total land area for non-residential development is approximately 287,192 sq.m. This equates to a total land area of 28.72 hectares (or 70.97 acres). Based on a 2% dedication rate applied to industrial and commercial properties and 5% rate applied to institutional properties, this would provide the Town with 0.84 hectares (or 2.06 acres) over the forecast period.

Table 4-4  
Town of Lincoln  
Non-residential Parkland Dedication; 5% Institutional, Commercial, and Industrial at 2%

Type	Anticipated Employment (2023 to 2043)	Square Metres (Sq. m) per Employee	Anticipated Sq. m (2023 to 2043)	Assumed Lot Coverage	Total Sq. m of Land Area	Total Hectares of Land Area	Total Hectares Dedicated at 2% (5% for institutional)
Industrial	117	111	13,043	20%	65,217	6.52	0.13
Commercial	872	46	40,505	30%	135,018	13.50	0.27
Institutional	416	63	26,087	30%	86,957	8.70	0.43
<b>Total</b>	<b>1,405</b>		<b>79,636</b>		<b>287,192</b>	<b>28.72</b>	<b>0.84</b>

In total, the 5%/2% approach for residential and non-residential developments would yield the Town with approximately 5.66 hectares (or 13.98 acres) of parkland if every property provided parkland dedication.

### 4.3.2 Alternative Residential Rate and 5% Institutional Rate

With respect to use of the alternative rate for parkland dedication of one (1) hectare for every 600 net residential units, the Town would receive approximately 5.96 hectares (or 14.74 acres) of parkland. Table 4-5 provides for the anticipated hectares of parkland dedication based on the residential growth forecast from the D.C. study and use of the alternative rate.

Table 4-5  
Town of Lincoln  
Residential Parkland Dedication at One Hectare for Each 600 Net Residential Units

Unit Type	Anticipated Units (2023 to 2043)	One Hectare for 600 Net Residential Units (ha)	Hectares Dedicated at 10% Maximum*
Singles	933	1.56	1.56
Towns	1,193	1.99	1.99
Apartments	4,744	7.91	2.42
<b>Total</b>	<b>6,870</b>	<b>11.45</b>	<b>5.96</b>

*\*As per Bill 23 (nows42(3.3) of the Planning Act), properties 5 hectares or less are limited to 10% of the land area. Parkland dedication for apartments would exceed this limitation, therefore the 10% dedication cap assumption was used*

With respect to non-residential dedication, the calculations from Table 4-4 would still apply (i.e., 0.84 hectares) as only the base provisions are applicable. In total, this approach would provide for 6.80 hectares (or 16.80 acres) of parkland dedication over the forecast period.

### 4.3.3 Summary of Analysis

Table 4-6 provides for a comparison of the approaches to parkland dedication for residential development (5% for residential vs. one hectare for 600 net residential units) and non-residential development (2% for industrial/commercial and 5% for institutional). Based on the Town's standards of 2.2 hectares per 1,000 population and the dedication policies allowed in the Planning Act, the Town will not be able to achieve the standard through parkland dedication alone. The optimal utilization of parkland for residential developments can be achieved by leveraging the standard provisions for low-density (single-family) residential developments, while employing the alternative rate for medium-density (townhouse) and high-density (apartment) residential developments. In the context of non-residential developments, the maximum potential contribution can be realized by adhering to the base provisions of 2% for commercial and industrial developments, and 5% for institutional developments. Note, these optimal figures are for illustrative purposes based on the analysis herein and will need to be assessed by staff on a case-by-case basis.

Table 4-6  
Town of Lincoln  
Summary Comparison of Current vs. Alternative Rate Approach to Parkland Dedication

Summary	5% for Residential and Institutional 2% for Commercial and Industrial	1 Hectare for 600 Net Residential Units, 2% for Commercial and Industrial, and 5% for Institutional	Potential Maximum Contribution
<b>Residential (Ha)</b>			
Singles	2.12	1.56	2.12
Towns	1.49	1.99	1.99
Apartments	1.21	2.42	2.42
<b>Total Residential (Ha)</b>	<b>4.82</b>	<b>5.96</b>	<b>6.53</b>
<b>Non-residential (Ha)</b>			
Industrial	0.13	0.13	0.13
Commercial	0.27	0.27	0.27
Institutional	0.43	0.43	0.43
<b>Total Non-residential (Ha)</b>	<b>0.84</b>	<b>0.84</b>	<b>0.84</b>
<b>Total Residential and Non-residential (Ha)</b>	<b>5.66</b>	<b>6.80</b>	<b>7.36</b>
<b>Hectares Required by 2043</b>	<b>35.41</b>	<b>35.41</b>	<b>35.41</b>
<b>Deficit / (Surplus) (Ha)</b>	<b>29.75</b>	<b>28.61</b>	<b>28.04</b>

#### 4.4 Payment-in-Lieu of Parkland

With respect to Payment-in-Lieu of Parkland, there are two (2) approaches to imposing these fees on development and redevelopment in the Town:

1. **Current Policy (5%/2% Rates):** impose the equivalent value of 5% of the land area for residential and institutional development and the equivalent value of 2% of the land area for commercial, and industrial development; and
2. **Alternative Rate:** impose the equivalent value of one (1) hectare of land for each 1,000 net residential units for residential development.

Similar to the analysis with respect to parkland dedication, the D.C. growth forecast was used to estimate the amount of development in the Town from 2023 to 2043. For estimated land values, a survey of recent vacant land sales throughout the Town were analyzed. Based on the properties analysed, the average sales price of residential vacant land is approximately \$3,700,000 per hectare<sup>1</sup> for single detached homes, \$4,900,000 per hectare for townhomes, and \$9,900,000 for apartments, as well as the average sales price of non-residential properties is approximately \$2,470,000 per

<sup>1</sup> The value utilized in the calculations is based on values in the urban area (i.e., properties serviced with water and wastewater).

hectare for industrial, \$4,940,000 per hectare for commercial, and \$3,710,000 per hectare for institutional developments.

Note, generally parkland is located in residential areas. As a result, the analysis herein assumes that the Town would purchase parkland at the value of residential land the day before building permit. This analysis allows for comparison of the approaches; however, the Town may purchase land at a lower value depending on local circumstances.

#### 4.4.1 Current Policy – 5%/ 2% Rates

The *Planning Act* allows municipalities to require payment-in-lieu of parkland dedication at a rate of 2% for commercial and industrial development and 5% for all other development (i.e., residential, and institutional).

Under the current policy, the Town imposes the equivalent value of 5% of the land area for residential and institutional development, as well as the equivalent value of 2% of the land area for commercial and industrial development.

As noted in Table 4-3, there is a total of 6,870 residential units (consisting of low, medium, and high-density) anticipated to be constructed over the 2023 to 2043 forecast period. Table 4-7 provides for a summary of the anticipated residential units to be constructed to 2043. With assumed average densities of 22, 40, and 196 units per hectare for low, medium, and high-density development, respectively, the total hectares of residential development lands equal 96.44 hectares (or 238.30 acres). With the value of land ranging from \$3.7 to \$9.9 million per hectare, the total value of the developable lands would be approximately \$542.68 million. At a rate of 5% of the land value, the Town would receive approximately \$27.13 million.

Table 4-7  
Town of Lincoln  
Anticipated Payment-in-Lieu of Parkland Dedication Revenues for Residential

Unit Type	Anticipated Units (2023 to 2043)	Density Assumption (units/hectares)	Total Hectares	Total Land Value per Hectare	Total Value of Developable Lands	5% of the Total Value
Singles	933	22	42.41	3,700,000	156,913,636	7,845,682
Towns	1,193	40	29.83	4,900,000	146,142,500	7,307,125
Apartments	4,744	196	24.20	9,900,000	239,620,408	11,981,020
<b>Total</b>	<b>6,870</b>		<b>96.44</b>		<b>\$ 542,676,545</b>	<b>\$ 27,133,827</b>

Table 4-8 provides for a summary of the anticipated non-residential development to be constructed over the 2023 to 2043 time-period. Based on the D.C. growth forecast, there is approximately 1,405 employees that will be added. Utilizing the sq.m per employee assumptions from the D.C. study, the anticipated floor space totals approximately 79,636 sq.m. Assuming the industrial buildings have a lot coverage of 20% and institutional/commercial buildings have a lot coverage of 30%, the total land area for non-residential development is approximately 287,192 sq.m. This equates to a total land area of 28.72 hectares (or 70.97 acres). At a value of \$2,470,000 per hectare for industrial, \$4,940,000 for commercial, and \$3,710,000 for institutional developments,

the total value of the developable lands would be approximately \$115.07 million. At a rate of 2% of the land value for commercial, and industrial, and 5% for institutional, the Town would receive approximately \$3.27 million.

Table 4-8  
Town of Lincoln  
Anticipated Payment-in-Lieu of Parkland Dedication Revenues  
2% for Commercial and Industrial, 5% for Institutional

Type	Anticipated Employment (2023 to 2043)	Square Metres (Sq. m) per Employee	Anticipated Sq. m (2023 to 2043)	Assumed Lot Coverage	Total Sq. m of Land Area
Industrial	117	111	13,043	20%	65,217
Commercial	872	46	40,505	30%	135,018
Institutional	416	63	26,087	30%	86,957
<b>Total</b>	<b>1,405</b>		<b>79,636</b>		<b>287,192</b>

Type	Total Sq. m of Land Area	Total Hectares of Land Area	Total Value per Hectare	Total Value of Developable Lands	2% of the Total Value (5% for institutional)
Industrial	65,217	6.52	2,470,000	16,108,696	322,174
Commercial	135,018	13.50	4,940,000	66,698,873	1,333,977
Institutional	86,957	8.70	3,710,000	32,260,870	1,613,043
<b>Total</b>	<b>287,192</b>	<b>28.72</b>		<b>\$ 115,068,438</b>	<b>\$ 3,269,195</b>

In total, this approach would provide the Town with approximately \$30.40 million in payment in lieu of parkland dedication revenues for both residential and non-residential developments over the forecast period.

#### 4.4.2 Alternative Residential Rate

Regarding receipt of payment-in-lieu of dedication the *Planning Act* also allows the use of an alternative rate of the value of one (1) hectare of land for each 1,000 net residential units.

With respect to use of the alternative rate, the non-residential payment-in-lieu would remain the same at approximately \$3.27 million. However, if the Town were to utilize the alternative rate for residential developments, the Town would receive approximately \$33.26 million. Therefore, the total residential and non-residential amount is \$36.53 million. Table 4-9 provides for the anticipated payment-in-lieu of parkland based on the residential growth forecast from the D.C. study and the use of the alternative rate.



Table 4-9  
Town of Lincoln  
Residential Payment-in-Lieu of Dedication at One Hectare for Each 1,000 Net Residential Units

Unit Type	Anticipated Units (2023 to 2043)	1 Ha for 1000 Net Residential Units (Hectares)	Value of Land per Hectare	Total Value of Cash in Lieu	Hectares at 10% Maximum*	Total Value of Cash-in-Lieu at 10% Maximum
Singles	933	0.93	\$ 3,700,000	\$ 3,452,100	0.93	\$ 3,452,100
Towns	1,193	1.19	\$ 4,900,000	\$ 5,845,700	1.19	\$ 5,845,700
Apartments	4,744	4.74	\$ 9,900,000	\$ 46,965,600	2.42	\$ 23,962,041
<b>Total</b>	<b>6,870</b>	<b>6.87</b>		<b>56,263,400</b>	<b>4.55</b>	<b>\$ 33,259,841</b>
<b>Total Acres</b>		<b>16.98</b>			<b>11.23</b>	

\*As per Bill 23 (now s42(3.3) of the Planning Act), properties 5 hectares or less are limited to 10% of the land area. Parkland dedication for apartments would exceed this limitation, therefore the 10% dedication cap assumption was used

#### 4.4.3 Summary of Analysis

Table 4-10 provides for a comparison of the approaches to payment-in-lieu of parkland for residential development (5% vs. one hectare for 1,000 net residential units) and non-residential development (2% for industrial/commercial and 5% for institutional). In all scenarios, the Town will not be able to achieve their desired service level with payment-in-lieu of parkland dedication alone. The Town will need to review and monitor their parkland acquisition strategy in order to achieve their projected parkland targets.

Table 4-10  
Town of Lincoln  
Summary Comparison of Current vs. Alternative Rate Approaches

Summary	5% for Residential and Institutional 2% for Commercial and Industrial	1 Hectare for 1,000 Net Residential Units, 2% for Commercial and Industrial, and 5% for Institutional	Potential Maximum Contribution
<b>Residential (Ha)</b>			
Singles	7,845,682	3,452,100	7,845,682
Towns	7,307,125	5,845,700	7,307,125
Apartments	11,981,020	23,962,041	23,962,041
<b>Total Residential (Ha)</b>	<b>27,133,827</b>	<b>33,259,841</b>	<b>39,114,848</b>
<b>Non-residential (Ha)</b>			
Industrial	322,174	322,174	322,174
Commercial	1,333,977	1,333,977	1,333,977
Institutional	1,613,043	1,613,043	1,613,043
<b>Total Non-residential (Ha)</b>	<b>3,269,195</b>	<b>3,269,195</b>	<b>3,269,195</b>
<b>Total Residential and Non-residential (Ha)</b>	<b>30,403,022</b>	<b>36,529,036</b>	<b>42,384,042</b>
<b>Value of Hectares Required by 2043</b>	<b>\$ 201,224,999</b>	<b>\$ 201,224,999</b>	<b>\$ 201,224,999</b>
<b>Deficit/(Surplus)</b>	<b>\$ 170,821,977</b>	<b>\$ 164,695,963</b>	<b>\$ 158,840,957</b>

## 5. Observations and Comments

The following provides a summary of our observations and potential recommendations for the Town's consideration.

1. **Parkland Dedication:** The Town's current policy for imposing parkland dedication is to impose the 5% dedication requirement on residential development and 2% on industrial and commercial development. The Town should consider imposing the following:
  - a. Utilize the alternative rate for residential development (where the alternative rate provides for more dedication);
  - b. Consider including in the O.P., guidance on when to use the alternative rate (e.g., when density is greater than 12 units per acre);
2. **Payment-in-Lieu:** The Town imposes the equivalent value of 5% for residential development and the equivalent value of 2% of the land area for commercial, and industrial developments. The following provides a summary of recommendations with respect to payment-in-lieu:
  - a. **Site Plan and Zoning By-law Amendment Applications:** Development and redevelopment that proceeds through these applications will have their payment-in-lieu rate frozen at the time of submission of the application. As a result, it is recommended that the Town require an appraisal be submitted with the application to ensure the appropriate value of land is being dedicated.
  - b. **All Other Residential Development and Redevelopment:** The Town may consider including in a parkland dedication by-law, use of the alternative rate (the value is one (1) hectare of land for each 1,000 net residential units) where the alternative rate provides for more payment-in-lieu than the 5% rate.
3. **Parkland vs. Recreation Land:** To maximize recovery of costs for parkland and recreation land, the Town may consider refining definitions in the Official Plan, and other policy documents to clearly delineate parkland vs. recreation land. This will allow for more land to be recovered through D.C.s, freeing up the dedication and payment-in-lieu funds to be used for parkland.

## 6. Next Steps

With respect to next steps, Town staff may consider the observations provided in the above section. The Town may incorporate these observations into a parkland dedication and payment-in-lieu of parkland by-law.

We trust that the information provided in this memo is useful and we would be pleased to discuss further.



# Appendix A

## Parkland Dedication By-law Passage Notice Requirements



# APPENDIX A: PARKLAND DEDICATION BY-LAW PASSAGE NOTICE REQUIREMENTS

Section 4(2) of O.Reg. 509/20 provides the following notice requirements:

- 2) Notice shall be given,
  - a) by personal service, fax, mail, or email to,
    - i) as determined in accordance with subsection (3), every owner of land in the area to which the by-law applies,
    - ii) every person and organization that has given the clerk of the municipality a written request for notice of the passing of the by-law and has provided a return address,
    - iii) in the case of a by-law passed by the council of a lower-tier municipality, the clerk of the upper-tier municipality that the lower-tier municipality is in, and
    - iv) the secretary of every school board having jurisdiction within the area to which the by-law applies; or
  - b) by publication in a newspaper that is, in the clerk's opinion, of sufficiently general circulation in the area to which the by-law applies to give the public reasonable notice of the passing of the by-law.
- 3) For the purposes of subclause (2) (a) (i), an owner is any person who is identified as an as owner on the last revised assessment roll, subject to any written notice of a change of ownership of land the clerk of the municipality may have received.
- 4) A notice given by mail to an owner shall be mailed to the address shown on the last revised assessment roll or, if applicable, to the address shown on the notice of a change of ownership of land received by the clerk.
- 5) Notice shall contain the following information:
  - (1) A statement that the council of the municipality has passed a community benefits charge by-law or a by-law under section 42 of the Act, as the case may be, and the statement shall set out the number of the by-law and the date on which the by-law passed.
  - (2) A statement that any person or organization may appeal the by-law to the Local Planning Appeal Tribunal under subsection 37 (17) or 42 (4.9) of the Act, as applicable, by filing with the clerk of the municipality a notice of appeal setting out the objection to the by-law and the reasons supporting the objection.
  - (3) The last day on which the by-law may be appealed.



- (4) In the case of a notice of the passing of a community benefits charge by-law, an explanation of the community benefits charges imposed by the by-law.
  - (5) In the case of a notice of the passing of a by-law under section 42 of the Act, an explanation of the parkland and payment in lieu requirements imposed by the by-law.
  - (6) A description of the lands to which the by-law applies, a key map showing the lands to which the by-law applies, or an explanation why no description or key map is provided.
  - (7) The location and times during which persons may examine a copy of the by-law.
- 6) For the purposes of subsection 37 (16) and 42 (4.8) of the Act, the prescribed day is,
- a) if the notice is by publication in a newspaper, the first day on which the publication is circulated;
  - b) if the notice is given by fax, the day that the notice is faxed;
  - c) if the notice is given by mail, the day that the notice is mailed; or
  - d) if the notice is given by email, the day that the notice is emailed.