

Date: June 3, 2021	Originator's files:
To: Chair and Members of Budget Committee	
From: Shari Lichterman, CPA, CMA, Commissioner of Community Services	Meeting date: June 21, 2021

Subject

Parkland Conveyance By-law and Parks Plan Update

Recommendation

That the report entitled "Parkland Conveyance By-law and Parks Plan Update" dated June 3, 2021, from the Commissioner of Community Services be received for information.

Executive Summary

- The Parkland Conveyance By-law is being updated as a result of the changing nature of development in Mississauga and recent legislative changes. A Parks Plan is also being drafted to demonstrate Mississauga's city-wide parkland needs in support of the by-law.
- Hemson Consulting Ltd. has been retained to work on the Parkland Conveyance By-law and to provide input on the Parks Plan
- The Parks Plan will be completed prior to the approval of the Parkland Conveyance By-law. Staff aim to present the Parks Plan to Council for consideration and approval in Q4 of 2021.
- The Parkland Conveyance By-law needs to be approved by Council by September 2022. Given 2022 is a municipal election year, staff aim to present the by-law to Council for consideration and approval in Q1 of 2022.

Background

Through the development approvals process, Section 42 and Section 51.1 of the *Planning Act* permit a municipality to require either the dedication of land for park or other public recreational purposes, or a payment of cash-in-lieu (CIL) thereof. Here is a summary of the *Planning Act* categories for parkland dedication and CIL requirements under Section 42 and Section 51:

1. **Commercial or Industrial:** 2% of the land or the cash equivalent thereof.
2. **Other** (e.g. residential development, office development): 5% of the land or the cash equivalent thereof.
3. **Alternative Requirement:** The Planning Act also provides an ‘alternative requirement’ for residential development. The City reserves the right to choose when the ‘alternative requirement’ is applied to residential development. The ‘alternative requirement’ formula is 1 hectare of land for every 300 dwelling units or the cash equivalent of 1 hectare of land for every 500 dwelling units.

The Parkland Conveyance By-law will apply to and must reference requirements under Section 42 of the *Planning Act*.

Current Parkland Dedication By-law

When a dedication of parkland is not required by the City, CIL is collected in accordance with the legislation via the following standards as stipulated in the City’s existing Parkland Dedication By-law:

1. **Commercial, Industrial, Institutional, and Places of Religious Assembly:** 2% of the value of the land.
2. **Other:** the City’s longstanding approach has been to charge CIL for office uses based on 5% of the value of the land on the grounds that the office use falls in the “other” category based on the applicable Parkland Dedication By-law definitions. For low density residential development, the City collects CIL in the amount of 5% of the value of the land.
3. **Alternative Requirement:** For medium and high density residential development, the City utilizes the ‘alternative requirement’ to calculate the CIL payment. The City’s historic practice in calculating the ‘alternative requirement’ is a Fixed Unit Rate (FUR) based on the Parkland Dedication By-law that permits a rate to be charged in medium and high density development, which may be less than market value, in accordance with City policies. The FUR is based upon a time adjusted, city-wide average valuation for medium density land. The current city-wide average valuation for medium density land is \$5.36 million per hectare, resulting in the current FUR of \$10,720. The city-wide average valuation is time adjusted bi-annually by 3% every February 1 and August 1. The FUR formula is:

$$(\text{City-wide average valuation for medium density land}) \div 500 \text{ units} = \text{FUR}$$

Rationale for Alternative Requirement Methodology Update

The majority of CIL revenue in Mississauga is generated by medium and high density residential development. Despite the bi-annual increases, the City's FUR has not kept pace with rising land values. The City is at a point in its development where significant future parkland will be acquired via purchase as opposed to conveyance through the development approvals process.

There is a need for increased parkland supply in certain parts of the City such as the Downtown Growth Area. Parkland acquisition is supported by the Future Directions Master Plan for Parks and Forestry, the Downtown Growth Area Park Provision Strategy, and the Parks Plan currently in progress, that address the downtown deficit and city-wide parkland needs. Parkland acquisition is funded by CIL revenue. The City must collect CIL that is reflective of market value to remain competitive buyers of land.

The Need for a Parks Plan

Section 42 and Section 51.1 of the *Planning Act* require municipalities to prepare and make available to the public a Parks Plan that examines the need for parkland in the municipality prior to adopting Official Plan policies on the alternative requirement. Historically, the Future Directions Parks and Forestry Master Plan has satisfied this legislative requirement.

Recent legislative changes include the ability to appeal the alternative rate to LPAT. The City will have to ensure the new by-law is defensible. The Parks Plan will build on the work completed in the Future Directions Parks and Forestry Master Plan (2019) by refining the parkland provision levels and future parkland need to support the updated methodology.

Work Completed to Date

In 2019, Staff were undertaking a Parkland Dedication By-law comprehensive review, initiated by legislative changes and the changing nature of development in Mississauga. Changes were proposed to the cash-in-lieu of parkland (CIL) collection for medium and high density residential development, as well as office development. The proposed methodology for medium and high density residential developments would require applicants to make a CIL payment based on the lesser of the appraised value of their land, or an average fair market value cap established by the City. For office development, CIL collection was proposed to be reduced from 5% to 2% of the value of the land subject to development. Changes to industrial, commercial, institutional, places of religious assembly, and low density residential development collection methodologies were not proposed.

Legislative Changes

With the introduction of *More Homes, More Choice Act* (Bill 108) and the changes proposed to Section 42 of the *Planning Act*, the comprehensive Parkland Conveyance By-law review was put on hold in Q2 of 2019. Bill 108 initially included cash-in-lieu of parkland as part of the Community Benefits Charge (CBC), removing the alternative requirement and the City's ability

to require parkland dedication. Following a consultation period, the Province changed direction and excluded parkland provisions from the CBC.

On July 8, 2020 introduced *COVID-19 Economic Recovery Act, 2020* (Bill 197), which included a number of changes to S. 42 of the *Planning Act*. The new legislation provides that existing parkland dedication, CIL payments, and the alternative requirement rules be maintained. However, if municipalities want to continue utilizing the alternative requirement, a new parkland conveyance by-law will need to be passed under Section 42 (Conveyance of land for park purposes) of the *Planning Act*. It is also necessary that a Parks Plan be prepared, as well as that applicable policies be included in the Official Plan, before a parkland conveyance by-law be enacted which contains the alternative rate. Public consultation must also be undertaken before the new by-law is passed and the by-law can be appealed to the Local Appeal Planning Tribunal (LPAT) within 40 days of by-law passing. Municipalities have two years from the date of Bill 197 coming into force to pass the new parkland conveyance by-law.

The public consultation requirement and ability to appeal to LPAT means the City will have to ensure the new by-law is defensible by conducting additional study and documenting how the alternative requirement methodology was determined.

Consultant Procurement and Scope of Work

On December 2, 2020 General Committee considered the report “Single Source Procurement with Hemson Consulting Ltd. for the DC Background Study, CBC Strategy and Parkland Conveyance By-law”. Committee endorsed the sole-source procurement for Hemson Consulting Ltd. (Hemson) to undertake the update to the 2019 Development Charges (DC) Background Study, a new Community Benefits Charge (CBC) Strategy and to update the Parkland Conveyance by-law. The three projects will be completed in tandem. The DC and CBC projects will be lead by Finance staff, and the Parkland Conveyance work will be led by Parks Planning staff. Hemson’s scope of work for the Parkland Conveyance By-law includes:

- review and update of the City’s Parkland Conveyance By-law
- confirmation of the City’s proposed alternative rate methodology for medium and high density residential development
- assistance with the Parks Plan, specifically the parkland provision, to ensure the new Parkland Conveyance By-law and alternative rate methodology is defensible
- market analysis and policy evaluation to test the alternative rate methodology
- stakeholder and public consultation at key milestones

Comments

Parks Plan

Hemson is assisting Park Planning staff in finalizing the Parks Plan by Q4 of 2021. The Parks Plan will:

- Determine parkland needs across the City.
- Identify areas of the City that present or will present parkland deficit.
- Satisfy the Parks Plan requirements of the *Planning Act* and provide a base for the land conveyance by-law to demonstrate the need to collect land and/or CIL.
- Support the alternative rate methodology in the event of an appeal.
- Provide the base for Official Plan policies related to City parkland growth.

The Future Directions Parks and Forestry Master Plan (2019) references intensification that is changing the population distribution and characteristics of the Service Areas used to assess parkland provision since the 1990s when Mississauga was more suburban and recognizes that the City should re-evaluate this practice. For city planning purposes, neighbourhood-level units (or Character Areas) are used to allow for closer monitoring of population changes and growth forecasts at a local level. To align with city planning practices and to effectively identify the parkland need at the local level, the Parks Plan refines the parkland provisions to move toward the use of Character Areas for the assessment of park provision levels.

Parkland Conveyance By-law

The Parkland Conveyance By-law requires input from Finance, Legal Services, Realty Services, and Planning and Building. A Steering Committee with directors and a Core Team with staff from those departments have been formed and will be responsible for providing direction and making decisions through the process. Regular meetings have been scheduled with the Steering Committee and Core Team.

Engagement and Consultation

The approach to the Parkland Conveyance By-law and Parks Plan aligns with all legislated requirements, including stakeholder and public consultation. Park Planning is working with Strategic Communications to develop a communication plan for outreach at key milestones. Staff are also consulting internally with Finance, Legal Services, Realty Services, and Planning and Building throughout the development of the Parkland Conveyance By-law and Parks Plan and seeking input on the alternative requirement methodology.

Parkland Conveyance By-law Consultation

In 2017, staff conducted one-on-one Parkland Conveyance By-law education sessions with the Mayor and members of Council highlighting the need to update the by-law and the proposed by-law changes. Staff also presented proposed Parkland Conveyance By-law changes to the Building Industry Liaison Team (BILT). At that time, staff also communicated with Building Industry and Land Development Association (BILD) through a letter advising of the proposed by-law changes. In 2019, staff made a presentation to BILD on the changes proposed to the medium and high density residential CIL collection.

The Parkland Conveyance By-law work with Hemson includes additional consultation with the development industry through the duration of this project. The first stakeholder session was held

on April 29, 2021 to introduce the project, present the project timeline and next steps. The meeting was also an opportunity for the development industry to ask questions and provide preliminary feedback. Future stakeholder sessions will focus on sharing additional details about the alternative rate methodology and gathering feedback on the proposed by-law changes.

Parks Plan Consultation

Per Section 42 of the *Planning Act*, in preparing the Parks Plan the municipality shall consult with every school board that has jurisdiction in the municipality; and may consult with any other persons or public bodies that the municipality considers appropriate. Extensive public and school board consultation was undertaken as part of the Future Directions Parks and Forestry Master Plan (2019). The Parks Plan will build on this consultation by conducting supplementary public engagement and participating in joint stakeholder engagement sessions for the Parkland Conveyance By-law.

Financial Impact

Hemson was retained to undertake the Parkland Conveyance By-law and assist the City in the completion of the Parks Plan. Funding of \$100,000 is available in the capital program (PN #21306 – Parkland Acquisition Studies) for this work.

Any changes to the Parkland Conveyance By-law are expected to increase the City's CIL collection. Staff will report back with additional details on the financial impact once the alternative requirement methodology for medium and high density residential development is refined.

Conclusion

Staff and Hemson are working on the Parkland Conveyance By-law, and the Parks Plan. A timeline with key milestones was developed to complete the Parkland Conveyance By-law in advance of the Provincial deadline and to avoid approvals during the municipal election. Further stakeholder consultation is required prior to Council approval. Staff will be engaging with LT further once the alternative requirement methodology for medium and high density residential development is refined.



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