Staff Report for Committee of the Whole Meeting

Date of Meeting: January 21, 2019
Report Number: SRPRS.19.022

Department: Planning and Regulatory Services
Division: Policy Planning

Subject: SRPRS.19.022 – Response to Member Motion on Cash-in-Lieu of Parkland Dedication

Purpose:
The purpose of this staff report is to provide Council with information in relation to the Member Motion recommending the establishment of a fixed cash-in-lieu of parkland dedication rate of $10,000 per dwelling unit for all residential units.

Recommendation(s):

a) That SRPRS.19.022 be received for information.

Contact Person:
Michelle Dobbie, Manager of Park and Natural Heritage Planning, phone number 905-771-2467 and/or
Patrick Lee, Director of Policy, phone number 905-771-2420 and/or
Gigi Li, Manager of Capital and Development Financing, phone number 905-747-6435

Report Approval:
Submitted by: Kelvin Kwan, Commissioner of Planning and Regulatory Services
Approved by: Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.
Background:

Over the past three decades, Richmond Hill has been successful in acquiring an exceptional park system well suited to the suburban neighbourhoods that currently dominate the Town’s landscape. However, Richmond Hill is now nearly built out to its urban boundary. The Town’s Official Plan (OP) – Building a New Kind of Urban responds to this fact by setting out a land-use planning framework for accommodating future growth and development through compact, higher-density, pedestrian-oriented, mixed-use built forms along a series of Centres and Corridors.

When Council adopted the OP in July 2010, parkland dedication policies that mirrored the permissions provided in the Planning Act at the time were established. The parkland policies were subsequently appealed to the Ontario Municipal Board. In 2011, in response to the appeals, Town Council enacted By-law 70-11, which amended the Town’s Parkland Dedication By-law to cap cash-in-lieu of parkland at $10,000.00 per unit for “high-density” residential units for a period of two years.

At the time of By-law 70-11, the Town did not have a Parks Plan and had not studied the amount of parkland it needed to keep pace with the intensification growth anticipated in the OP. In June 2011, the Town initiated the preparation of a Parks Plan and a Recreation Plan. The Parks Plan was approved by Council in 2013, outlining the Town’s parkland needs to keep pace with the growth anticipated in the OP to 2031. The Parks Plan provides a clear sense of how the Town’s park system will need to evolve in the face of the new form of growth anticipated in the OP, recognizing parks as a critical piece of Richmond Hill’s evolution to a “new kind of urban” community. Upon the approval of the Parks Plan in 2013, Town Council enacted the current Parkland Dedication By-law (58-13), which collects cash-in-lieu of parkland at rates required to implement the Parks Plan.

As an integral part of the public realm, municipal parks are vital components of complete communities that enhance the quality of life in Richmond Hill. Parks provide enjoyable spaces that support healthy lifestyles, offer opportunities to connect and socialize, enhance the economic value of surrounding properties, help to create vibrant neighbourhoods, and contribute to environmental protection, sustainability, and the Town’s evolving climate change mandate. Parks also serve as principal sites for sports fields, sports courts, playgrounds, splash pads, and numerous other types of recreational facilities, which enable participation in organized outdoor sports, and provide opportunities for less formal, unstructured physical activity. Through the development of both the Parks Plan and the Recreation Plan, Richmond Hill residents praised the Town’s park system and showed a desire to see the breadth and quality of the park system to be maintained or enhanced.
Town of Richmond Hill Parks Plan 2013
The Town’s Parks Plan includes direction on the following matters:

- The provision of land for a variety of park types ranging from urban and linear parks, to neighbourhood parks, community parks, and destination parks;
- The provision of parkland within walking distance of residents to assist in the development of complete communities;
- The provision of parkland in relation to the population of the Town;
- The provision of parkland to meet a variety of sport and recreation uses including soccer, baseball, tennis, basketball, splash pads, outdoor fitness and community gardening.

The Parks Plan along with the Town’s Official Plan identifies what is defined as parkland as opposed to passive open space such as valley lands and the Province-owned Oak Ridges Corridor Conservation Reserve. Both Plans acknowledge the contribution of passive open space but also recognize the limitations in providing for active and organized uses that are in proximity to growing populations. As an example, active sports fields cannot be developed in valley lands due to flooding and other environmental considerations. The Parks Plan identifies a need to provide parkland in the Town’s intensification areas as the community continues its transformation from a suburban to an urban context. The Plan also identifies needs in terms of parkland acquisition and cash-in-lieu of parkland to purchase land and provide a needed source of capital for park revitalization, park repair and replacement (R&R), and new park projects.

The Parks Plan provides direction for the planning and development of Richmond Hill’s municipal park system to 2031. The planning horizon for the implementation of the Parks Plan is approximately 20 years, coinciding with that of the Town’s OP. The next review of the Parks Plan will be initiated in 2020, aligning with the review of the Town’s OP and the allocation of population projections to 2041 from York Region. A comprehensive update to the Parkland Dedication By-law will be undertaken as part of that review.

Impact of Growth on the Existing Park System
The Town currently has a relatively even geographic distribution of parks, as shown on Attachment 1, owing greatly to a lengthy era of low density suburban (or “greenfield”) development which saw similar population densities spread relatively equally across the Town’s neighbourhoods.

Given that the Town is urbanizing, the Parks Plan recognizes that the nature of the Town’s future growth will impact parkland service levels. New higher intensity forms of development will not generate the same amount of parkland per capita that greenfield development did. As the Town’s growth shifts to intensification along the Centres and Corridors and development sites get smaller, it will become more difficult for the Town to secure parkland at no cost as part of a development application. With high-density
intensification and infill development, the buildings and parking garages generally take up the majority of the site, leaving little opportunity to acquire land for park purposes. This means that in the future, the Town will have no choice but to accept cash-in-lieu of parkland dedication more frequently, with the hopes of purchasing land for park purposes close to the intensification occurring along the Centres and Corridors (i.e. primarily along Yonge Street and Highway 7).

Under recent changes to the Planning Act, a municipality does not collect the same amount of cash-in-lieu of parkland as it would if it were able to secure land for park purposes through a development application. The Planning Act allows a municipality to collect 1 hectare per 300 units if it decides to secure land for park purposes through a development application, while only allowing a municipality to collect 1 hectare per 500 units if it decides to accept cash-in-lieu of parkland.

Given the nature of the Town’s future growth and the legislative tools the Town has at its disposal, the Parks Plan establishes key principles aimed at minimizing the decline in the Town’s parkland service level, directing that park planning should be done on a per capita basis. This direction recognizes that the amount of parkland needed in a community is directly related to its population. The Parks Plan recognizes that the Town’s per capita parkland provision levels will fall given the nature of future growth, and that as a result, the demands on existing and future parks will become more intense. When a greater number of people are using less park space per capita, there is more rapid wear and tear on park facilities, and needs associated with park maintenance, revitalization, and repair and replacement (R&R) increase. As such, the Parks Plan directs that planning for tomorrow’s park system in Richmond Hill must maximize all opportunities to provide a healthy outdoor recreation experience for the residents of today and tomorrow.

Impact of Growth on Per Capita Parkland Provision

Attachment 2 shows the 2011 parkland per capita provided within each of the Town’s concession blocks and Town-wide. The Parks Plan notes that as of 2011, Richmond Hill had an overall population-based parkland provision level of 1.64 hectares of parkland for every 1,000 people in the Town.

Using more recent Census data from 2016 and projected population data for 2018 year-end (see Attachment 3), the following trend has emerged:

- In 2016, Richmond Hill had an overall population-based parkland provision level of 1.60 hectares of parkland for every 1,000 people; and
- In 2018, Richmond Hill had an overall population-based parkland provision level of 1.51 hectares of parkland for every 1,000 people.

If the Town were to acquire no new parkland than that projected in the remaining greenfield areas (North Leslie, West Gormley, Oak Ridges North) and continue to grow at the rate anticipated in the OP to 2031, the parkland per capita rate would drop further
to 1.41 hectares of parkland for every 1,000 people in the Town, as shown in the graph below.

**Impact of Population Growth on the Existing Park System**

Parks Plan Land Needs to 2031
The Parks Plan directs the Town to minimize the decline in its parkland per capita rate as Richmond Hill grows by securing approximately 64 hectares of land for park purposes to 2031 (note: this number reflects the correction of a small error in the Parks Plan). The Town has fallen slightly behind in securing the amount of land needed for park purposes to keep pace with growth, with the following parkland needs remaining:

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>2011 Total Parkland:</strong></td>
<td>305 ha.</td>
</tr>
<tr>
<td><strong>Total Parkland needed to 2031 (per Parks Plan):</strong></td>
<td>369 ha.</td>
</tr>
<tr>
<td><strong>Total Parkland anticipated to be secured through development to 2031:</strong></td>
<td>351 ha.</td>
</tr>
<tr>
<td><strong>Parkland anticipated to be purchased to 2031:</strong></td>
<td>18 ha.</td>
</tr>
</tbody>
</table>

Of the 64 hectares of parkland required to meet the Parks Plan target, staff estimate that up to 46 hectares can be acquired through the development approval process. Much of the 46 hectares is anticipated to be acquired in greenfield areas such as North Leslie and West Gormley as well as other infill areas in the Town. Given the challenges of acquiring parkland in the Centres and Corridors (as noted above), staff anticipates that much of the parkland that will have to be purchased will be located in these areas. Should the Town be able to purchase 18 hectares by 2031, the Town’s parkland per
capita rate would fall from its 2011 rate of 1.64 hectares of parkland per 1,000 people to a slightly lower 2031 rate of 1.52 hectares of parkland per 1,000 people.

To meet the goals of the Parks Plan, the Town will likely need to purchase approximately 1.5 hectares of land for park purposes per year over the next 12 years to 2031, targeting a total acquisition of approximately 18 hectares to meet the targets set out in the Parks Plan.

The needs contained in the Parks Plan are approved by Council. Should Council wish to revisit the standards and requirements, this can be done through a review of the Parks Plan or the Official Plan itself. Should Council elect to establish a cap, the cap could be implemented until such time as the requirements are reviewed by Council.

Recent Collection and Use of Cash-in-Lieu Monies

The Town generally collects cash-in-lieu of parkland through the development approval process in the following instances:

- The taking of land would inhibit reasonable development of the site;
- A practical size and configuration of a park is not possible in the near term;
- An existing park is in close proximity to the development site;
- Sufficient parkland exists in the broader area to serve the development.

It is generally preferable for the Town to take actual land as it provides an immediate opportunity to create a park at a fixed and known price in a determined location. Using cash-in-lieu to purchase parkland is more challenging as the opportunities to purchase land in an appropriate location are often limited and full market value must be paid at the time land is eventually purchased. The opportunity to purchase land may come many years after the cash-in-lieu was taken and through inflation, monies taken at the time of the development approval might not be sufficient to purchase intended amounts of land for park purposes.

The overall amount of cash-in-lieu that the Town collects within a given period of time is dependent upon how much development occurs during that time period and whether it was possible to acquire land for park purposes through a development application or not. At any point in time, balances in the Town’s cash-in-lieu of parkland reserve fund are a function of cash coming through the development approval process and monies being spent to either purchase land for new parks or to pay for a portion of park revitalization, park repair and replacement (R&R), and new park projects. It should be noted that any existing cash-in-lieu balances are intended to be utilized to make up for not taking actual land through previous development approvals.

Between 2014 and 2018, the Town collected approximately $36.8 million in cash-in-lieu of parkland. During this same five year period, the Town spent $49.6 million on park revitalization, park R&R, new park projects, and parkland acquisition. Parkland acquisition costs included the purchase of 8 properties at a total cost of approximately
$25.9 million and a total land area of approximately 2.1 hectares. As of year-end 2018, the Town’s cash-in-lieu of parkland reserve fund had a total balance of approximately $30.2 million.

**Analysis:**
The following section provides an analysis of how a change in the Town’s cash-in-lieu of parkland dedication rate may impact the Town in meeting identified parkland needs. Two analyses are provided illustrating:

1. The impact of the 2016 Provincial changes to the Planning Act; and
2. The impact of a fixed cash-in-lieu of parkland dedication rate on the Town’s long-term park planning needs, as outlined in the Parks Plan.

### 2016 Provincial Changes to the Parkland Cash-in-Lieu (CIL) Rate
In 2016, the Provincial government amended the *Planning Act* through Bill 73 for a number of matters, one of which was the parkland cash-in-lieu rate. Prior to 2016, including the timeframe between 2011-2013 when Town Council previously enacted a fixed rate for cash-in-lieu of parkland of $10,000 per unit for multi-residential units, cash-in-lieu of parkland was collected at a rate of 1 hectare per 300 units. In 2016, the Province reviewed the cash-in-lieu of parkland rate, and determined that it should be amended to a lower rate, enacting a cash-in-lieu of parkland rate of 1 hectare per 500 units. **Table 1** below shows the impact of this relatively new cash-in-lieu of parkland rate on the Town’s collection of cash-in-lieu of parkland between July 2016 and year-end 2017:

<table>
<thead>
<tr>
<th>Unit type</th>
<th>Total Residential units (July 2016-2017)</th>
<th>Amount Town collected using 2016 CIL of parkland rate (1 ha/500 units) between July 2016-2017(1)</th>
<th>Approximate amount Town would have collected had the CIL of parkland rate remained per By-law 58-13 between July 2016-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartments</td>
<td>542</td>
<td>$10,942,900</td>
<td>$18,272,300</td>
</tr>
<tr>
<td>Townhouses</td>
<td>174</td>
<td>$2,241,000</td>
<td>$3,800,400</td>
</tr>
<tr>
<td>Total</td>
<td>716</td>
<td>$13,183,900</td>
<td>$22,072,700</td>
</tr>
</tbody>
</table>

Source: (1) Town of Richmond Hill Capital and Development Financing Section

As shown in the above chart, the Town’s ability to collect cash-in-lieu of parkland has been impacted by the recent changes to the *Planning Act*. The recent changes amount to a reduction of approximately 40% when compared to the pre-2016 *Planning Act* cash-in-lieu of parkland rates utilized in By-law 58-13. This reduction means the Town is less able to purchase the parkland that the Parks Plan directs is needed, particularly in the intensification areas along the Centres and Corridors where land values are highest.
Impact of a Fixed Cash-in-Lieu of Parkland Dedication Rate on the Town’s Long-term Park Planning Needs

On December 11, 2018, a Member Motion was tabled at Town Council proposing the establishment of a fixed cash-in-lieu of parkland rate of $10,000 per unit within a multi-residential building. Table 2 below outlines the Town’s parkland needs to 2031 in two key categories for which cash-in-lieu of parkland is a key funding source:

A. **Parkland acquisition** – cash-in-lieu is used to fund 100% of parkland acquisition costs; and

B. **Park Revitalization, Park Repair and Replacement (R&R), and new Park Projects** – cash-in-lieu is used to fund between 20-30% of park revitalization and R&R costs, and 10% of new park project costs.

Given that the majority of the Town’s existing park system was built during Richmond Hill’s suburban expansion years (1985-2005), many of the facilities in the Town’s existing park system are nearing the end of their useful lifespan, which is generally approximately 30 years.

Attachment 4 shows that approximately 25 parks are nearing the end of their useful lifespan. While some of these parks have had repair and replacement (R&R) funding for specific facilities, they have not undergone a full park revitalization process, which will need to be prioritized as part of the Town’s Park Revitalization Capital Delivery Program through the yearly Capital Budget process. Three of the Town’s major Destination Parks are slated for parks master planning exercises over the next few years and implementation of the David Dunlap Observatory Park is underway. All of these endeavours will require considerable capital input which will need to utilize the Town’s cash-in-lieu parkland fund.
### Table 2 – Town’s Projected Parkland Acquisition, Park Revitalization, Park Repair and Replacement (R&R), and new Park Projects Costs that require Cash-in-Lieu (CIL) of Parkland Dedication Funding to 2031

<table>
<thead>
<tr>
<th></th>
<th>Approximate Funding Need per year</th>
<th>Approximate Funding Need to 2031 (assuming 2% inflation yearly over 12 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Parkland Acquisition:</td>
<td>$21.4 million /year (1.5 ha/year (1))</td>
<td>$286.7 million</td>
</tr>
<tr>
<td>B. Park Revitalization, Park Repair and Replacement (R&amp;R), and new Park Projects:</td>
<td>$6 million / year (2)</td>
<td>$80.5 million</td>
</tr>
<tr>
<td><strong>Total Funds Needed:</strong></td>
<td>$27.4 million</td>
<td><strong>$367.2 million</strong></td>
</tr>
</tbody>
</table>

**Notes:**

(1) The 1.5 ha of parkland needed per year is distributed per the growth targets, namely 90% or 1.35 ha at a high-density conservative land value of $15 million/ha, 7% or 0.1 ha at a medium-density conservative land values of $8.9 million/ha, and 3% or 0.05 ha at a low-density conservative land values of $4.9 million/ha.

(2) Town of Richmond Hill Capital and Development Financing Section – average projected parkland funding needs per year from the CIL reserve fund to pay for parks projects to 2031.

As is shown in Table 2 above, the Town needs to collect approximately $367.2 million dollars over the next 12 years to fund its parkland acquisition, park revitalization, park R&R, and new park projects.
Sensitivity Analysis

As illustrated in Table 2, the Town has a funding need of approximately $367.2 million dollars over the next 12 years to fund its parkland acquisition, park revitalization, park R&R, and new park projects. The below sensitivity analysis compares the amounts the Town would collect with no cash-in-lieu reduction (i.e. at the current 1 ha/500 units), and with a fixed $10,000 per residential unit cash-in-lieu rate.

The Parks Plan directs for the provision of parkland across the Town to keep pace with growth. Attachment 5 illustrates the areas that will be extremely difficult for the Town to secure land for park purposes at no cost as part of a development application.

The below analysis is based on a projected additional population of 33,058 people to 2031 (i.e. aligning with the OP target). This population is then converted to projected units to 2031, assuming a breakdown of 45% high-density (14,876 people), 30% medium-density (9,917 people), and 25% low-density (8,265 people). These numbers are then converted to units using the Parkland Dedication By-law persons per unit (PPU) values for high-density, medium-density, and low-density units (1.92, 2.83, and 2.88 PPU respectively), equating to:

- 7,748 high-density units,
- 3,504 medium-density units, and
- 2,870 low-density units.

The total units anticipated in North Leslie and West Gormley to 2031, namely 2,600 low-density units and 2,860 medium density units are then subtracted given that these areas will provide actual land for park purposes through the development approval process. The total units that will most likely pay cash-in-lieu to 2031 are as follows:

- 7,748 high-density units,
- 644 medium-density units, and
- 270 low-density units.

It should be noted that the full build out of North Leslie and West Gormley equates to approximately 7,800 units. For the purpose of this analysis, 70% of full build out is assumed to 2031, which equates to 5,460 units. The resulting unit numbers, which are based on a series of assumptions subject to change based on market conditions outside of the Town’s control, are outlined in Table 3 below:
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Table 3 – Sensitivity Analysis: 2019-2031

<table>
<thead>
<tr>
<th></th>
<th>Units likely to pay CIL to 2031</th>
<th>Scenario 1 CIL collected (1 ha/500 units) 2019-2031 (assumes 2% inflation)</th>
<th>Scenario 2 CIL collected ($10,000/unit for all residential units) 2019-2031 (assumes 2% inflation)</th>
</tr>
</thead>
</table>
| **Projected high-density units to 2031**  
(assuming a conservative land value of $15 million/ha given Yonge St. sites) | 7,748                           | $259.9 million                                                              | $86.6 million                                                                                    |
| **Projected medium-density units to 2031**  
(assuming a conservative land value of $8.9 million/ha) | 644                             | $12.9 million                                                               | $7.2 million                                                                                    |
| **Projected low-density units to 2031**  
(assuming a conservative land value of $4.7 million/ha) | 270                             | $2.9 million                                                                | $3.0 million                                                                                    |
| **Total collected:** |                                 | $275.7 million (75% of total need)                                          | $96.8 million (26.4% of total need)                                                              |

As was shown in Table 2, the Town needs to collect approximately $367.2 million dollars over the next 12 years to fund its parkland acquisition, park revitalization, park R&R, and new park projects. The sensitivity analysis in Table 3 shows that should the Town continue to collect parkland dedication at a rate of 1 hectare per 500 units, it will be able to fund approximately 75% of its parkland needs. Should Town Council decide to establish a fixed per unit rate of $10,000 per unit to collect cash-in-lieu of parkland through to 2031 as is illustrated in Table 3 above, the Town will only be able to fund 26.4% of its parkland needs.

The Motion before Council recommends reducing the cash-in-lieu of parkland to $10,000 per unit for a period of 2 years. Although it is difficult to determine how many units might develop over a 2 year period, Scenario 3 shown in Table 4 illustrates what
the Town would collect at this rate per year assuming one twelfth of the units projected to 2031 (i.e. an even temporal distribution):

Table 4 – Sensitivity Analysis: Annual Average

<table>
<thead>
<tr>
<th></th>
<th>Units likely to pay CIL (1/12th of units projected to pay CIL to 2031)</th>
<th>Scenario 3 Average annual CIL @ $10,000 per unit (includes 2% inflation)</th>
<th>Scenario 4 Average annual CIL @ 1 ha/500 units (includes 2% inflation)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projected high-density units</strong> (assuming a conservative land value of $15 million/ha given Yonge St. sites)</td>
<td>646</td>
<td>$6.4 million</td>
<td>$19.3 million</td>
</tr>
<tr>
<td><strong>Projected medium-density units</strong> (assuming a conservative land value of $8.9 million/ha)</td>
<td>54</td>
<td>$536,666</td>
<td>$955,266</td>
</tr>
<tr>
<td><strong>Projected low-density units</strong> (assuming a conservative land value of $4.7 million/ha)</td>
<td>23</td>
<td>$225,000</td>
<td>$211,500</td>
</tr>
<tr>
<td><strong>Total collected:</strong></td>
<td></td>
<td>$7.2 million (26.2% of annual need)</td>
<td>$20.5 million (75% of annual need)</td>
</tr>
</tbody>
</table>

If $10,000 per unit was charged for a 2 year period, the Town would collect $14.4 million rather than $41 million, allowing it to fund just 26.2% of its 2 year period parkland needs. Notwithstanding the foregoing, at present there are a total of 3,759 high density units that have Official Plan and Zoning approval that would be in a position to move toward building permit stage over the next 2 years if the owners chose to do so.

Staff note that establishing a fixed rate for only a 2 year period may have a number of challenges in terms of realizing development given market fluctuations and the length of the planning process. It is difficult to know whether a low fixed rate will have any effect
on the timing of proposed developments moving to the building permit process. If the fixed rate period was longer, there may be a greater opportunity to understand whether such an incentive attracts new development to move forward. However, for each year that a fixed rate is in place, the Town would forego approximately $13.3 million dollars based on average annual amounts of development as shown in Table 4.

Municipal Benchmarking of Parkland Dedication Policies and By-laws and Parkland Per Capita Rates

Attachment 6 outlines research compiled by Town staff, primarily from municipal websites, on parkland policies in municipal Official Plans and Parkland Dedication By-laws across York Region and the wider GTA, along with parkland per capita rates of four comparator municipalities (Vaughan, Burlington, Brampton, Mississauga) that have established fixed per unit cash-in-lieu of parkland rates for high-density development. One of these municipalities, Mississauga, was an intervener in the Town’s court processes regarding parkland dedication.

It is difficult to draw any meaningful conclusions from this research given the differences in land values, park planning strategies, historic levels of service, and desires/need to provide incentives to attract high density development within a municipality.

Challenges with Establishing a Fixed Cash-in-Lieu of Parkland Rate

When a municipality takes cash-in-lieu of parkland, Section 42 (6) of the Planning Act indicates that:

“…the Council may require a payment in lieu, to the value of the land otherwise required to be conveyed.”

Section 42 (6.4) indicates that:

“…the value of the land shall be determined as of the day before the day the first building permit is issued in respect of the development or redevelopment of the land…”

Accordingly, the value of the cash-in-lieu should be based on the value of the land in question the day before the first building permit is issued.

If a fixed rate of cash-in-lieu per unit were to be required by the Town’s Park Dedication By-law, it is not possible to account for differences in land value between one area of Town and another. Further, changes in land value (either upward or downward) that may occur on a property between when the By-law was passed and the time of issuance of a building permit are not captured.

In light of the foregoing, where there is cash-in-lieu of parkland being taken in areas of lower land value (such as Oak Ridges), these developments would in effect be
subsidizing developments occurring in areas of higher value (such as Richmond Hill Centre) if a fixed cash-in-lieu of parkland rate is utilized across the Town.

**Alternative Park Dedication Methodology**

To ensure that the direction of the Planning Act is maintained regarding the calculation of cash-in-lieu of parkland and that low land value areas do not subsidize higher land value areas, the establishment of a cash-in-lieu of parkland dedication rate less than 1 hectare per 500 units could be explored.

Staff could investigate the amounts of parkland and cash that would be generated by a variety of rates that are less than 1 hectare per 500 units and report back to Council on the impacts of those rates on meeting the needs of the Town. If Council were amenable to such an approach, it could enable a stable and predictable rate that provides a balance between incentivizing development and meeting the Town’s parkland needs.

Alternatives can also include a blend of per unit cap and fixed cap where the 1:500 standard is applied to a maximum fixed cap. For example, the cap could be 1 ha per 500 units to a maximum of $20,000 per unit. This approach could address a measure of the equity issue between the north and south ends of the corridor and also provide the certainty that is desired by the development community. It should be noted that in 2014, the OMB questioned the validity of such an approach in Richmond Hill.

**Financial/Staffing/Other Implications:**

There are no financial, staffing or other implications associated with the recommendation of this report.

**Relationship to the Strategic Plan:**

The Town of Richmond Hill’s vision of the future, “Richmond Hill, where people come together to build our community” refers to a connected, vibrant, diverse and wisely managed parks system to support existing and future residents. Preparing information on the Town’s long-term parkland needs in response to the direction of Council meets all four goals of the Strategic Plan as follows:

- Providing stronger connections in Richmond Hill by enabling on-going discussion of issues facing the community and enabling a shared understanding of the issues;
- Enabling better choice by outlining the impacts of decisions on the community’s vision for the municipal parkland system as outlined in the Parks Plan;
- Providing for a more vibrant Richmond Hill by looking to the future and initiating change through the exchange of ideas; and
- Fostering the wise management of the Town’s resources by outlining the impacts of decisions on the Town’s cash-in-lieu of parkland rate on the larger municipal parkland system planned to support this generation and those to follow.
Conclusion:
The Town’s legislative authority related to cash-in-lieu of parkland has changed significantly due to the 2016 Provincial changes to the Planning Act, which enacted a 40% lower cash-in-lieu of parkland rate of 1 hectare per 500 units. As indicated in Table 3, the amount of cash-in-lieu of parkland dedication anticipated to be paid at this rate will only fund approximately 75% of the Town’s parkland acquisition, park revitalization, park R&R, and new park projects needs. This would leave the Town short by 25% over the 2031 planning horizon.

If Council were to enact a $10,000 per door rate for just two years, the Town would only be able to fund 26.4% of its parkland acquisition, park revitalization, park R&R, and new park projects needs. Based on an average amount of development, the Town would collect $14.4 million dollars over 2 years, rather than the $41 million dollars it would collect over 2 years if the current parkland dedication rates were to remain.

Any shortfalls in the Town’s collection of cash-in-lieu of parkland will result in either less parkland than required (largely in high-density areas along the Centres and Corridors) or less funding to provide for park revitalization, park repair and replacement (R&R), and new park projects. If the Town wishes to provide the planned level of service in terms of parkland acquisition, park revitalization, park repair and replacement (R&R), and new park projects, alternative funding sources would be required.

Attachments:
The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call the contact person listed in this document.

- Attachment 1 - Map of Existing Park System
- Attachment 2 – Map of 2011 Parkland Per Capita within Each of the Town’s Concession Blocks and Town-wide
- Attachment 3 – Richmond Hill Parkland Per Capita
- Attachment 4 – Map of Aging Parks in the Town’s Existing Park System
- Attachment 5 - Map of Areas with Parkland Acquisition Need
- Attachment 6 – Comparison of Municipal Parkland OP Policies, Parkland Dedication By-laws, and Per Capita Parkland
### Report Approval Details

<table>
<thead>
<tr>
<th>Document Title:</th>
<th>SRPRS.19.022-Response to Member Motion on CIL of Parkland Dedication.docx</th>
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| Attachments:   | - SRPRS19022_Attachment 1.pdf  
- SRPRS19022_Attachment 2.pdf  
- SRPRS19022_Attachment 3.docx  
- SRPRS19022_Attachment 4.pdf  
- SRPRS19022_Attachment 5.pdf  
- SRPRS19022_Attachment 6.docx |
| Final Approval Date: | Jan 17, 2019 |

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

**Kelvin Kwan** - Jan 17, 2019 - 2:45 PM

**Neil Garbe** - Jan 17, 2019 - 2:59 PM