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TO:	CHAIR AND MEMBERS COMMUNITY PROTECTIVE SERVICES COMMITTEE MEETING ON
FROM:	SCOTT STAFFORD MANAGING DIRECTOR, PARKS AND RECREATION
SUBJECT:	2020 PARKLAND DEDICATION BY-LAW CP-9 UPDATE

RECOMMENDATION

That, on the recommendation of the Managing Director of Parks and Recreation, the following actions **BE TAKEN**, with respect to the Parkland Dedication Requirements Review:

- (a) the proposed by-law attached hereto as Appendix "A" **BE INTRODUCED** at the Municipal Council meeting on September 15, 2020 to amend to amend By-law CP-9, Parkland Conveyance & Levy By-law, in conformity with the Official Plan to change to the parkland dedication fee rates;
- (b) that staff **BE DIRECTED** to undertake the next bi-annual Parkland Conveyance & Levy By-law CP-9 update for January 1, 2022.

EXECUTIVE SUMMARY

By-law CP-9 is a “made in London” approach to the collection of residential cash-in-lieu (CIL) payments for parkland dedication. In 2010, Municipal Council approved a revised approach that levies standardized CIL rates for various residential housing forms that are collected at the time of building permit and not at the time of registration of the plan of subdivision.

As part of the approved By-law, staff are to undertake an independent bi-annually, every 2 years, city-wide land appraisal of all residential lands to ensure the by-law reflects true market values. The City retained the services of Metrix Realty Group to prepare a land valuation for low, medium and high density residential lands. This report provides an update from the previous approved land valuation presented to Council in 2018.

The reports recommends an update to the current fee schedule as listed in the table below. Due to the recent economic issues associated with the COVID-19 pandemic, staff recommend the revised fee schedule be implemented January 1, 2021.

The London Development Institute (LDI) was circulated the report for review and comment. Through their written comments, they are satisfied with the proposed recommendations.

Residential Category	Lot Frontage	Existing 2018 Cash-in-Lieu Rate	Proposed 2020 Cash-in-Lieu Rate
Single Detached Lots	> 18m	1,900	2,000
	15 to 17.99	1,550	1,650
	12 to 14.99	1,300	1,400
	<11.99	1,000	1,100
Cluster Detached/semi detached/Duplex	n/a	975	1,100
Attached Row house	n/a	950	1,150
Attached Apartment	n/a	550	800

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BACKGROUND

PARKLAND DEDICATION

CURRENT LEGISLATIVE AUTHORITY – PARKLAND DEDICATION

The *Planning Act* provides municipalities with the authority to require the dedication of parkland or cash-in-lieu for recreational purposes at the time of development. Under Sections 51, 53 and 42 of the Act, municipalities can require 2% of the land area or cash equivalent for commercial and industrial developments and 5% of the land area or cash equivalent for all other types of developments.

The City can require, as a condition to the approval of plans of subdivision, plans of condominium, consents; and, the development, infill or redevelopment of land the conveyance of land for park or recreational purposes, cash-in-lieu of parkland and parkland dedication, or a combination of the two or at the building permit stage.

To ensure the land values reflect current market value and re-adjusted if needed, the City retained the services of Metrix Reality Group to undertake an independent review of the current rates applied to the above residential categories in London’s residential market. The consultant provided their 2019 report to Realty Services with their findings and recommendations. The report was circulated to the London Development Institute for their review and comment.

The review considered a number of recent sales for all residential land categories. The recommendations of the review are consistent with the overall market increase of land values over the last several years. LDI concurs with the analysis and the recommended land values.

The report noted an increase in land valuation in all residential land use categories with a notable increase in the value of medium and high density residential land. Specifically, medium density lands increased in value by 75% and high density land increased 36% as noted in the table below.

Land Category	Comparison of Land Value per Acre 2018 - 2020				Percentage of Change
	2018 (ac)	2020 (ac)	2018 (ha)	2020 (ha)	
Low Density	175,000	185,000	432,420	457,145	5.71%
Medium Density	285,000	500,000	704,250	1,235,500	75.44%
High Density	660,000	900,000	1,630,896	2,223,900	36.36%

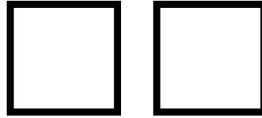
The report and subsequent review from the Realty Services Division provided the following:

Our analysis as outlined above revealed the existing rates charged by the City for all four major density CIL rate categories are insufficient to meet the 5% maximum CIL goal, and we recommend these rates should be adjusted upward. As specified in the By-law, the low density category is further subdivided into four sub-categories based on lot frontage; each sub-category receives a separate rate. Based on the central tendency prices per acre estimated by the appraisal consultant, Realty Services recommends the following rate adjustments:

- *Detached SFR Lots:*
 - *>= 60 ft. \$2,000*
 - *50-59 ft. \$1,650*
 - *40-49 ft. \$1,400*
 - *<= 39 ft. \$1,100*
- *Cluster Detached/ Semi-detached/ Duplex: \$1,100*
- *Attached Rowhousing: \$1,150*
- *Attached Apartments: \$800*

Using the Metrix residential land pricing study as an approximate guide, Realty Services recommends that a new base rate of \$457,145 per hectare be applied to City acquisitions of table lands to be purchased for parkland use.

LAND VALUATION OF OPEN SPACE AND HAZARD LANDS INCLUDED IN DEVELOPMENT APPLICATIONS



Consistent with the previous valuations Reality Services and Metrix reviewed and recommended the fair market value at which the City should purchase table land parkland. Based on the valuation process the City currently purchases tableland for parkland purposes at approximately \$432,420 per hectare, the proposed revised rate is \$457,145 per hectare; a 5.71% increase.

The valuation of open space and hazard lands is a difficult undertaking as there are no open competitive markets for these environmentally constrained lands. Generally, lands such as flood plain, steep ravines, woodlots and wetlands are only purchased by the municipality or the conservation authority. Historically, the City of London has used a rate of \$13,590 per ha as a benchmark for the acquisition of open space or hazard lands. As part of the 2010 “London Approach” constrained land values were assigned to natural hazard lands and natural heritage lands. In conjunction with the constrained land value ratio, natural hazard and natural heritage lands that are to be dedicated to the city are excluded from the overall calculations of parkland dedication for the development.

As the base value of developable low density residential land has increased approximately 5.7%, from \$432,420 per hectare to \$457,145 per hectare, the value of hazard land should reflect the same increase to \$16,928 per hectare.

Open space lands outside of natural hazard lands, such as upland woods and ESA's that are determined to be non-developable are valued at \$27,026 per hectare. These features are currently delineated through required environmental studies for applications of plan of subdivision and are also exempt from the 5% parkland dedication rate. The By-law accepts these lands as a contribution toward the parkland dedication requirement at a constrained rate of 16 to 1 or a cash-value equivalent of \$27,026 per hectare as they may offer some recreational value. As the base value of land has increased from \$432,420 per hectare to \$457,145 per hectare, the value of open space land should reflect the same increase to \$28,570 per hectare.

Land Category	Land Value Comparison in \$ per Hectare		
	2010	2018	2020
Low Density	370,645	432,434	457,145
Medium Density	704,227	704,250	1,235,500
High Density	1,111,937	1,630,841	2,223,900
Hazard Lands	13,590	13,590	16,928
Constrained Open Space lands	22,239	27,026	28,570

LONDON DEVELOPMENT INSTITUE (LDI) COMMENTS

As part of the review process staffed engaged London Development Institute (LDI) for a review of the land valuation prepared by Metrix. LDI was supportive of the document and concurred with the recommended values. To assist their members during the 2020 pandemic, LDI requested a delay in the implementation of the updated by-law.

IMPLEMENTATION

Historically, By-law C-9 and the associated fee schedule was put into force and effect on the date of the passing of the By-law to reflect the current housing market. During the 2020, the Development Community, along with other business sectors were drastically impacted by the Covid-19 pandemic and its economic fallout. To assist in the economic recovery from the pandemic, it is recommended that the fee schedule for the by-law be brought in to force and effect on January 1, 2021 and that the bi-annual review be completed for January 1, 2022.

CONCLUSION

By-law CP-9 was approved by Council in 2010 which provided a revised approach to the calculation and collection of parkland dedication within the City of London. Included with the bylaw is a fee schedule for various residential unit types.

In 2019, an independent city-wide land appraisal was conducted for residential lands in the city. The report recommended updates to the fee schedule to better reflect the true current market land values. These proposed changes were circulated to LDI for their review and comment.

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RECOMMENDED BY:	CONCURED BY:
BRUCE PAGE, SENIOR PLANNER, PARKS PLANNING AND DESIGN	ANDREW MACPHERSON, OALA DIVISION MANAGER, PARKS PLANNING & OPERATIONS
RECOMMENDED BY:	
SCOTT STAFFORD MANAGING DIRECTOR, PARKS AND RECREATION	

August 4, 2020

AM/BP

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Appendix "A"

Bill No. (number to be inserted by Clerk's Office)
(2020)

By-law No. CP - _____

A by-law to amend By-law CP-9 entitled
"A by-law to provide for the conveyance
of land and cash in lieu thereof for park
and other purposes".

WHEREAS the Municipal Council of The Corporation of the City of London enacts as follows:

1. Section 2.1 of Part 2 of By-law CP-9 is repealed and the following new section 2.1 is enacted in its place:

2.1 Land - for park purposes - conveyance - calculation

As a condition of development or redevelopment for residential purposes of any land within the City of London, the Owner of such land shall, at the request of the Corporation, convey to it for use for park or other public recreational purposes as follows:

- 1) In the case of land proposed for residential development the greater of either five (5%) percent of the land within the development application;
- 2) In the case of land proposed for development or redevelopment for commercial purposes, land in the amount of two percent (2%) of the land within the development application to be developed or redeveloped;
- 3) In the case of land proposed for development or redevelopment for Industrial purposes, parkland dedication requirements will be waived;
- 4) In the case of land proposed for development for use other than those referred in 2.1 1) and 2.1 2), land in the amount of five per cent (5%) of the land within the development application to be developed or redeveloped; and
- 5) Where a development or redevelopment application contains defined hazard or environmentally constrained open space lands, these lands will be excluded from the calculation of parkland dedication as set out in Section 2.1 provided the said lands, are in some form, dedicated to the Corporation.

2. Section 2.2 of Part 2 of By-law CP-9 is repealed and the following new section 2.2 is enacted in its place:

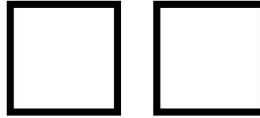
2.2 Cash - in lieu of land - prior to permit

Where the Corporation does not request the Owner to convey land, the Owner shall pay money to the Corporation in lieu of such conveyance to the prevailing value of the land otherwise required to be conveyed under section 2.1 of this by-law before the issuance of the building permit or, if more than one building permit is required for the development or redevelopment, before the issuance of the first permit.

3. Section 2.3 of Part 2 of By-law CP-9 is repealed and the following new section 2.3 is enacted in its place:

2.3 Land – value – per residential dwelling type – Table 1

The prevailing value of land otherwise required to be conveyed under section 2.1 of this by-law for the twelve month period commencing January 1, 2021 and then every twenty-four months thereafter, may be determined by multiplying the value per dwelling unit in Column II of Table 1 for the corresponding type of residential dwelling unit in Column I by the number of that type of dwelling unit proposed on the land, and



then adding all of the values for each type of dwelling unit to arrive at the prevailing land value.

Table 1	
Column I	Column II
Average Value of Land	\$457,145/hectare (\$185,000/acre)
Residential Detached Units	
Up to 11.99m lot frontage	\$ 1100.00
12m -14.99m lot frontage	\$1400.00
15m -17.99m lot frontage	\$1650.00
18m or greater lot frontage	\$2000.00
**Where lot frontage is defined under Zoning By-law Z.-1	
Cluster detached / Semi-detached / duplex	\$ 1100.00
Attached Rowhousing	\$ 1150.00
Attached Apartments	\$ 800.00
Value of Land for Alternative Rate Calculations	
Singles/Semi-detached/Duplex	\$457,145/hectare (\$185,000/acre)
Row Housing (Medium Density)	\$1,235,500/hectare (\$500,000/acre)
Apartments (High Density)	\$2,223,900/hectare (\$900,000/acre)
Value of Parkland	
Hazard land	\$16,928/hectare (\$6,851/acre)
Open space land	\$28,570/hectare (\$11,562/acre)
Ration of hazard Land to table land	27 to 1
Ratio of open space land to table land	16 to 1
Table land to be purchased by the Corporation for parkland use	\$457,145/hectare (\$185,000/acre)

Agenda Item # Page #

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4. This By-law shall come into force and be deemed to come into force in accordance with Section 34 of the *Planning Act, R.S.O. 1990, c. P13*, on January 1, 2021.

PASSED in Open Council on ***, 2020.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First Reading –
Second Reading –
Third Reading –