



Markham Parkland Acquisition Study

Special Development Services Committee Meeting

Parks Plan, Parkland Acquisition Strategy & By-Law

September 6th, 2022



AGENDA

1. **Parks Plan Summary**
2. **Parkland Acquisition Strategy Summary**
3. **Recommended Policy Approach**
4. **Sensitivity Testing**
5. **Additional Considerations**
6. **Parkland Dedication By-law**
7. **Discussion**



Parks Plan Summary



Contents of the Parks Plan

1. Introduction & Purpose
2. Value of Parks
3. Planning Overview

4. Markham's Current Parkland

- Parkland Supply & Distribution
- Parkland Service Districts

5. Markham's Future Parkland – Key Considerations

- Achieving the City's Parkland System Target
- Defining the Parkland System Typologies
- Delivering Parkland in Intensification Areas
- Utilizing Cash-in-Lieu of Parkland
- Ensuring an Equitable Distribution of Parks





Purpose of the Parks Plan

1. Highlight the value of parks and the evolving planning context.
2. Assess existing supply and distribution of parkland and anticipates future need based on growth.
3. Identifies important considerations for future park planning and acquisition.
4. Fulfills a legislative requirement for utilizing alternative parkland dedication rates.

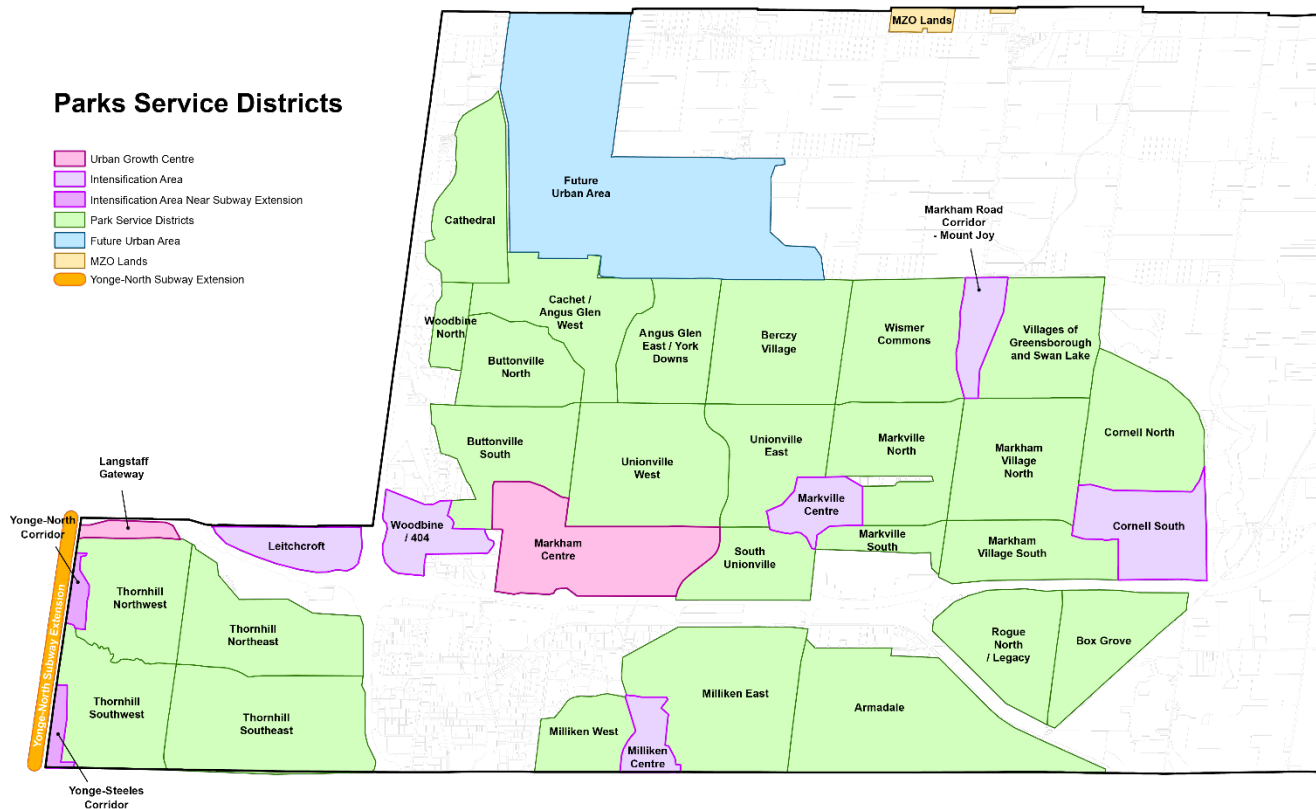


Aaniin Park



Existing Parkland Supply and Distribution

- Approximately **473 hectares** of existing City parkland.
- Provision rate of **1.33 hectares per 1,000 people**.
- City parkland is complemented by larger open spaces such as Rouge Park and Milne Dam.





New Population to 2031
(Net in built up area) **90,000 people**

Parkland Demand
(1.2 ha per 1,000 people) **108 ha**

Future Secured Parkland
(Executed Agreements) **29.6 ha**

Net Parkland Need by 2031
(Yet to be Secured) **78.4 ha**



2019 INTEGRATED LEISURE MASTER PLAN UPDATE

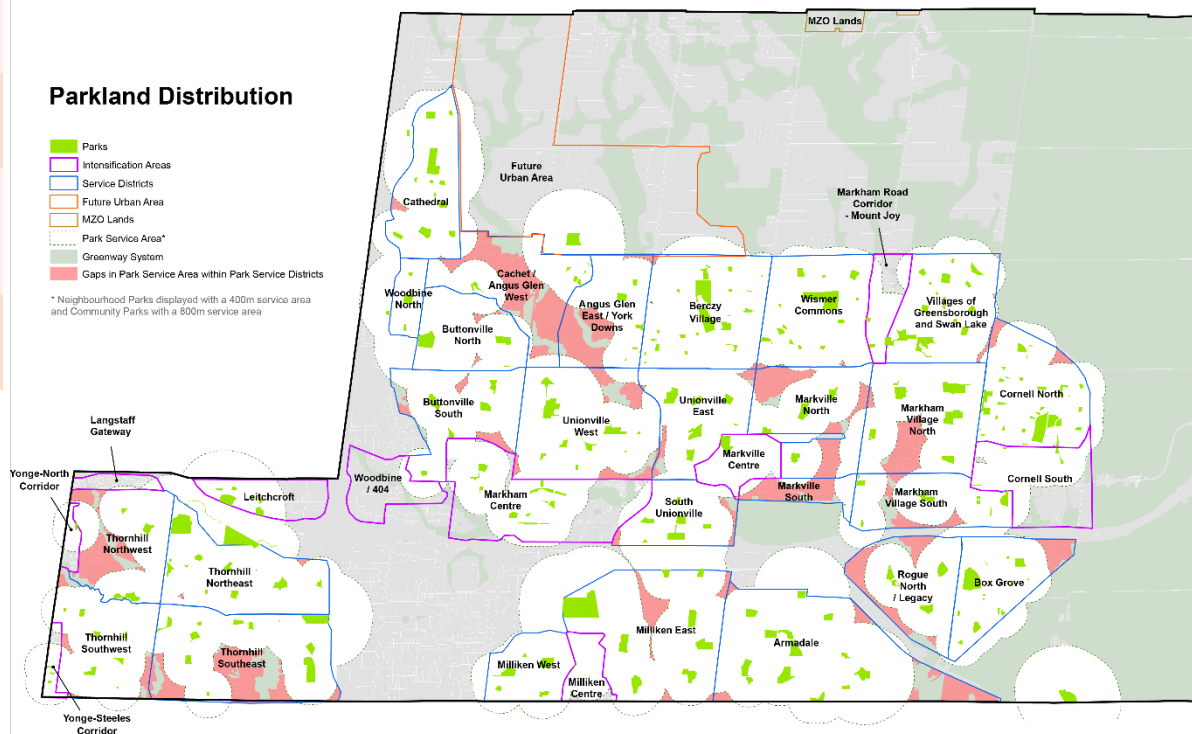
2019 - 2031

Approved by City of Markham Council
November 13, 2019



- Parks
- Intensification Areas
- Service Districts
- Future Urban Area
- MZO Lands
- Park Service Area*
- Greenway System
- Gaps in Park Service Area within Park Service Districts

* Neighbourhood Parks displayed with a 400m service area and Community Parks with a 800m service area





Summary of Key Considerations

- Ensure a Citywide Parkland minimum provision of **1.2 hectares per 1,000 people**.
- Parkland system should be comprised of an array of **functional** park space.
- Majority of the residents are within a maximum **5 minute walk (400 metres)** from a park to serve local residents.
- The City's comprehensive planning and parkland dedication rate will need to support the acquisition of parkland both within and outside of the Intensification Areas to support a consistent level of **service and access to park facilities** for future growth.
- **Land dedication** always be the first priority, and that **Cash-In-Lieu** only be acceptable where no reasonable alternative exists, at the **City's sole discretion**.
- The **underserved** Parkland Service Districts should be **prioritized** for parkland acquisition activity.



Public Consultation

- As per Provincial Legislative requirement, the Parks Plan was posted on Your Voice Markham on July 27, 2022.
- Feedback from stakeholders have been incorporated into the final version.



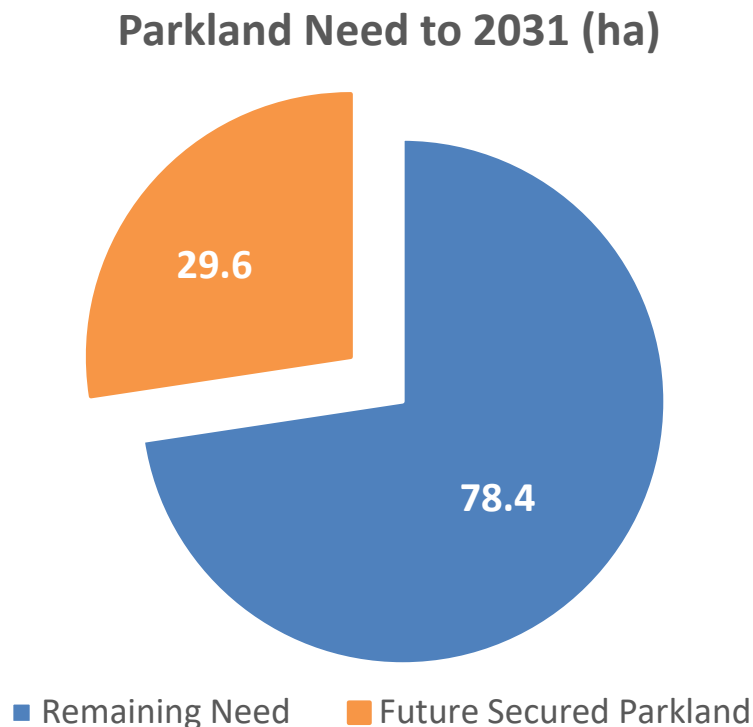


Parkland Acquisition Strategy Summary



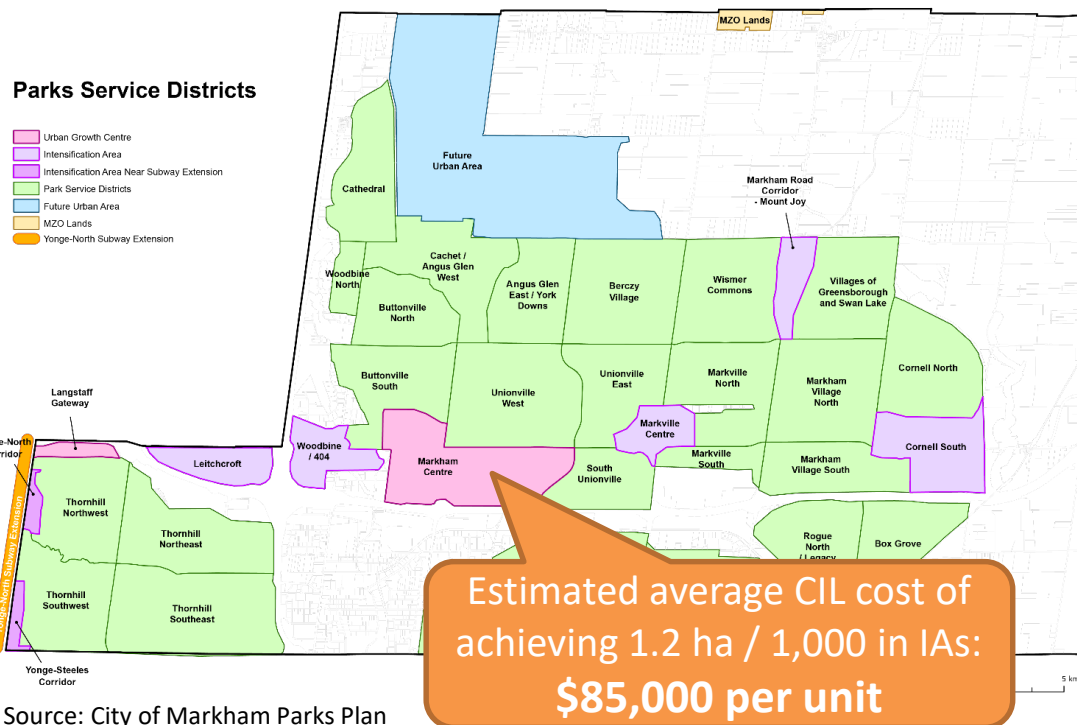
Growth-Based Parkland Need

- 90,000 new Markham residents to 2031
= **parkland need of 108 ha**
- To ensure parkland provision is sustainable to 2031, need is calculated relative to new growth
- Recognizing that Markham will continue to grow beyond 2031 (eg. Langstaff)
- City has already **secured 29.6 ha** of parkland (est. 9,330 units credited)
- Outstanding **78.4 ha** to be achieved from remaining 23,345 units





Achieving Target On-Site/Locally is Not Feasible



From the Parks Plan (2022):

For the very dense and highly urban development anticipated, the approach to parkland dedication needs to be clarified [...]

[...] High land costs and population growth within the Intensification Areas will require that the City acquire some parkland outside of the Intensification Area boundary to makeup for the shortfall."



Financial Modeling Objectives

1. **Achieve 108 ha citywide** to meet growth-based need to 2031
2. **Balance local provision** needs with policy impact through reallocation approach
3. Establish a **reasonable rate** for high-density development and identify its cost implications



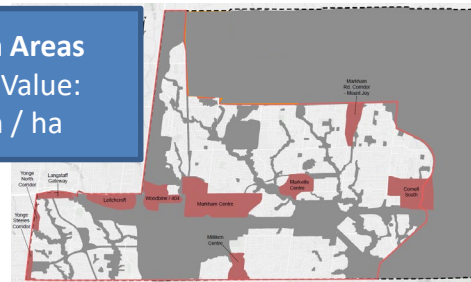


Parkland Allocation

- Increasing disparity in land values and land economics between IAs, neighbourhood areas, and lands on urban periphery
- Land found on urban periphery is more affordable, but less accessible
- Tested scenarios adjust about where acquisitions will be directed. But, ultimately up to City to determine preferred mix of access

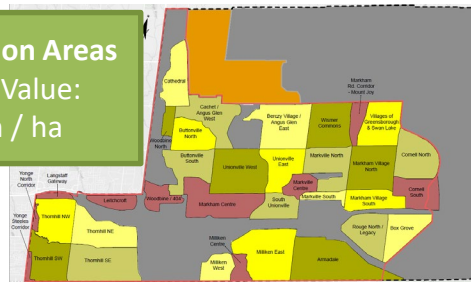
Intensification Areas

Est. Avg. Land Value:
\$32.4 million / ha



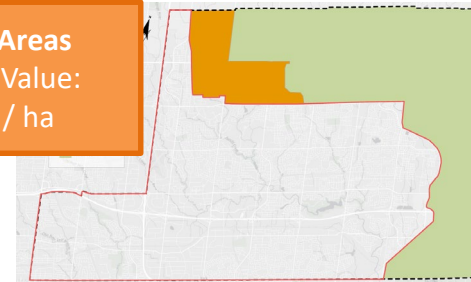
Non-Intensification Areas

Est. Avg. Land Value:
\$10.8 million / ha



Opportunity Areas

Est. Avg. Land Value:
\$1.2 million / ha

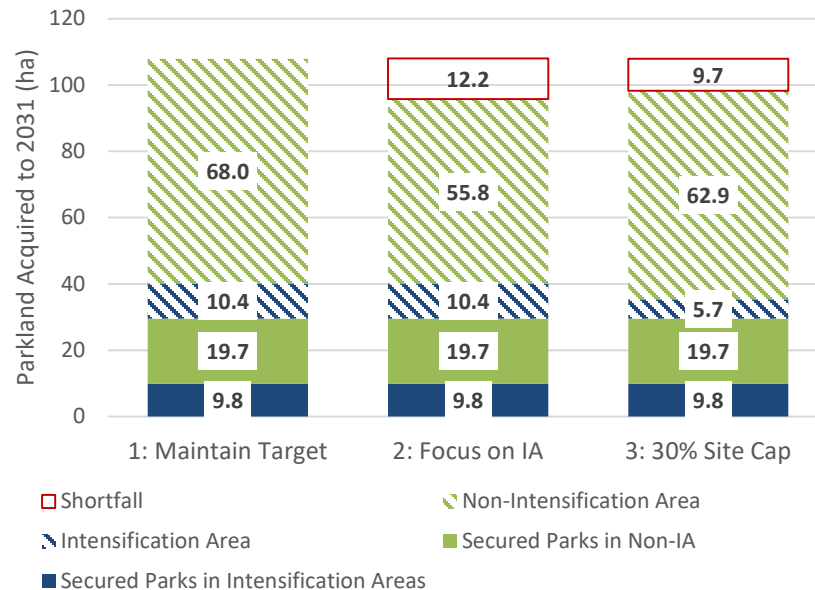




Building on Council Direction from July 15 DSC

- Three options presented
- Option 1 selected as preferred (Maintain Provision Target)
 - Achieves 1.2 ha/1,000 citywide
 - Achieves 0.4 ha/1,000 locally in IAs
- Direction to refine to achieve same objectives while expanding reduced rate to all apartments citywide

Previous Policy Options Considered





Recommended Policy Approach



Refining the Recommended Approach

	Option 1: Maintain Target		Refined Approach
Reduced rate	0.5ha/1,000 people	➡	0.55ha/500 units
Reduced rate applies to...	IAs Units	➡	Apartments Citywide
Reallocation applies to...	IAs Units	➡	IAs Units + Apartments Citywide



Reallocation Approach for Rate Testing

0.55ha/500u
Apartments



0.4ha/500u
Dedication/CIL
Spent In-Area to
Achieve
0.4ha/1,000

0.15ha/500u
Remaining CIL to
Be Redistributed
Citywide to Achieve
0.8ha/1,000



**50% Established
Residential**

50% Urban Periphery

0.4ha/1,000 people

0.8ha/1,000 people

1.2ha/1,000 people Citywide Provision



Recommended Approach: Rate Structure

	Intensification Area	Non-Intensification Area
Apartments (includes stacked towns)	0.55ha/500 units <i>(45% reduction from Status quo)</i>	
Ground-Oriented (singles, semis, rows)	Existing Approach (<i>Planning Act</i> Max) (1ha/300 units Dedication) (1ha/500 units CIL)	

- Apartments citywide are charged a “reduced uncapped rate” equal to 0.55 ha / 500 units of local land, or equivalent CIL
- Ground-oriented units are charged existing rate



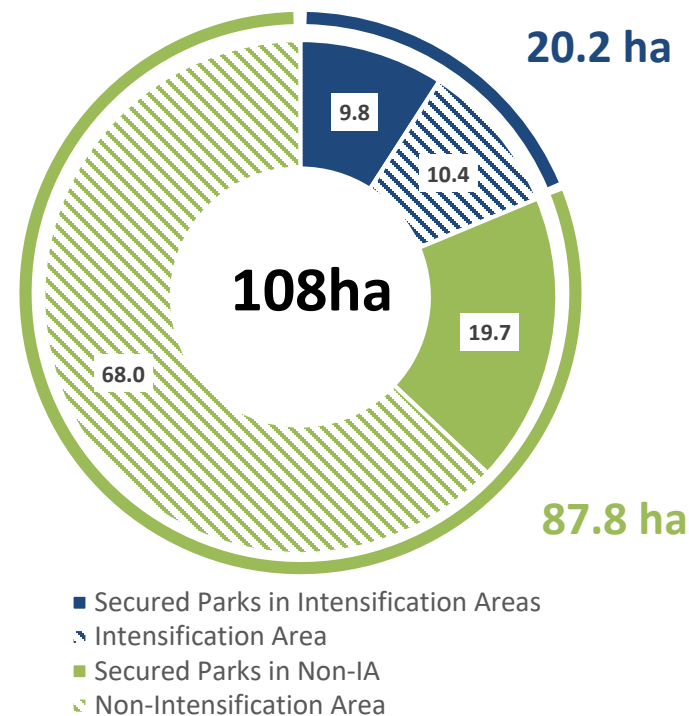
Recommended Approach: Acquisition Allocation

Citywide Provision*	1.20 ha
Intensification Area Provision*	0.40 ha
Citywide 1.2ha/1,000 Shortfall	0.0 ha

Estimated By-law Rate <i>for Apartments</i>	0.55 ha/ 500 units
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* Relative to 1,000 new population

Parkland Acquired 2021-2031



Note: Figures have been rounded and may not sum to total 20



Recommended Approach: Estimated CIL Charge

- CIL estimates are based on average land values in each area
- True costs may be higher or lower on a site-by-site basis (*affected by location, density, unit type, etc.*)

Option 1 (July 15 DSC)	Average Charge per Unit
All Units	\$35,750
Units in IAs	\$36,500
Units outside IAs	\$27,200

Recommended Option	Average Charge per Unit
All Units	\$33,240
Apartments	\$30,460
Ground-Oriented	\$34,980



Recommended Approach: Comparison to Status Quo

Original Policy

\$58,000*

per unit in IAs**

Interim CIL Strategy

\$43,500*

per unit in IAs**

Recommended Option

\$30,460*

per Apartment unit

* Estimated average based on total CIL collected against total unit

** Intensification Areas include some Ground-oriented units



Recommended Approach In Context

- All apartment will be charged 0.55 ha per 500 units (*45% reduction from status quo under Planning Act, 27% less than interim by-law*)
- Markham's dedication requirements will still be comparatively higher than neighbouring municipalities
- Where many municipalities are bringing *up* their parkland dedication charge, Markham will be bringing theirs *down*

	MISSISSAUGA	VAUGHAN	MARKHAM
Proposed Alternative Rate Requirement for Apartments	Up to maximum of \$25,112 per unit (by August 2023)	Up to maximum of \$27,994 per unit (by March 2025)	Estimated average ~\$30,400 per unit (Depending on property values)
Change from Previous	+ 122%	+ 223%	- 45% (from original rate) - 27% (from interim rate)



Sensitivity Testing



Challenges to Implementation

- Calculation of rate represents ideal outcome, assuming rates are applied uniformly across all new development as proposed
- Certain factors within and beyond Markham's control may hinder ability to acquire full amount of land including:
 - **Hard caps and encumbered land requirements imposed on TOCs by Ministerial direction (Bill 109)**
 - **Discretionary rate reductions for affordable and other forms of housing Council is seeking to encourage**



Impact of Sensitivities

- Impacts of Bill 109 are understated in near term, as most new units will be delivered after 2031
- Affordable housing sensitivity assumes 100% exemption for 2.5% to 10% of units citywide
- Combined impact could require \$47 to \$114 million from other sources to achieve target city-wide provision

Caps on TOC Dedications (Bill 109)

Impact to Parkland	-1.4ha
CIL Value of Impact	\$24 million

Affordable Housing Exemptions

Impact to Parkland	-2.0 ha to -7.8ha
CIL Value of Impact	\$23 to 90 million

Combined Impacts

Cumulative Impact	-9.2 ha
Citywide Provision*	1.10ha (-0.10ha)

*Per 1,000 New Residents



Comprehensive Assessment

- Recommended approach ensures growth fairly contributes to parks system
- City-wide provision rate will remain above minimum target of 1.2 ha per 1,000, despite gradual decline

	Provision Rate (inclusive of sensitivities)
Growth Only (2031)	1.10 ha / 1,000
Total Population and Existing Parks (2031)	1.29 ha / 1,000 (-0.04 ha)



Additional Considerations



Additional Considerations: CBF Feedback

1. Increasing Land Value Leading to Significant Parkland Obligation
 - Makes planning for project costs unpredictable
2. Fixed Rate to Increase Development Viability Certainties
 - CBF is looking for a capped rate for certainties and support other planning objectives (following other municipal examples)
3. Parkland Credit for Alternative Parkland
 - CBF suggest strata parks, POPs and encumbered parks contributes to the overall parkland in the City and as such should be credited against parkland requirements.



Additional Considerations – Affordable Housing

1. Current recommendation is to exempt York Housing and other not-for-profit affordable housing projects
 - Likely closer to lower end of estimated impact range (2.5%) based on historic development patterns
2. Recommended rate at 45% reduction is roughly in line with interim CIL 50% reduction for affordable rental, further 10% reduction than interim rate of 35% reduction for purpose built rental
 - Further reductions or exemptions for other types of affordable units may be considered as part of a City-wide policy on affordable housing, but may impact overall parkland provision.



Additional Considerations – Alternative Parks

1. By-law does not identify a formal crediting approach for encumbered or stratified parkland, or POPS, but **can still be accepted** at the City's discretion
 - Some GTA municipalities (Vaughan) are offering formal credits in the by-law while others (Mississauga) do not
 - Uncertain financial, operational and legal risks when accepting as parks (indemnity, maintenance, access, programming, etc.)
 - Upcoming Urban Parks Strategy to develop guidelines and policies for accepting and crediting stratified and encumbered parks



Additional Considerations – Monitoring

1. Acquisition Strategy relies on the City acquiring parkland across different areas of Markham
 - Will require tracking of recent development and parkland acquisition (dedications and purchases) to ensure effective allocation of CIL funds
2. Recommend comprehensive review of by-law and Acquisition Strategy every 5 years
 - Would align with review of Development Charges Background Study and By-law update



Parkland Dedication By-law



Overview of new Parkland Dedication By-law

Land Use	Current Parkland Dedication Rate	New Parkland Dedication Rate
Medium and high-density apartment units	1ha/500 units with 25% Reduction	0.55 ha per 500 units
All other residential units	1ha/300 Dedication 1ha/500 units CIL (Planning Act Max)	greater of 5% of the site area; or 1 hectare per 300 units (1 hectare per 500 units for CIL)
Mixed-Use (non-residential portion)	Not specified (General Practice: 2% of ground floor and surface parking area (outside of IAs) or 1% of site area within IAs)	<u>GFA of non-residential uses</u> GFA of all uses x 2% x land area
Non-residential uses	ICI - Two Percent (2%) of Site Area All other Institution: Five Percent (5%) of Site Area	2% of the site for all non-residential uses (Including Institutional)
Housing York Inc. and Non-Profit Housing	Exemption for affordable units	Exemption for projects where majority of the units are affordable



Questions and Discussion

