



September 6, 2022

Mayor Frank Scarpitti and Members of Council
City of Markham
Markham Civic Centre
101 Town Centre Boulevard
Markham, Ontario
L3R 9W3

Sent via email to clerkspublic@markham.ca

RE: September 6th Special Development Services Committee
Item 5.1 - Parkland Acquisition Study – Parks Plan, Parkland Acquisition Strategy and Parkland Dedication By-law.

On behalf of our York Chapter members, BILD is in receipt of Item 5.1 - ***Parkland Acquisition Study – Parks Plan, Parkland Acquisition Strategy and Parkland Dedication By-law*** that is presented on the September 6th Special Development Services Committee (DSC) agenda.

To begin, BILD would be remiss if we didn't acknowledge the City's transparent consultation processes throughout this review. Meetings with the City and BILD began in November 2021 and continued until August 2022. From the City Builders Forum, staff to staff meetings and Council meeting updates BILD has remained committed alongside the City to implement a successful By-law.

BILD and our members recognize that parkland is an essential component of good planning, in building complete communities and in the quality of life for Markham residents and businesses. BILD members also accept their share of responsibility for providing parkland with new development.

On behalf of our members, BILD retained Altus Group and Kagan Shastri LLP for the review of this work. Attached for your reference below are the correspondences made by BILD and our consultants to City staff that outline a majority of BILD's concerns and recommendations throughout this review. As outlined in today's staff report, BILD does acknowledge the few considerations made by staff based on our recommendations but remain disappointed that staff have not gone far enough to address the remainder of our concerns, as outlined below.

THE PROPOSED PARKLAND RATE

While BILD acknowledges and appreciates that staff are not recommending the maximum alternative rate be used for Residential High Density development, the proposed rates (both for land dedication and cash-in-lieu) could, if uncapped, have a negative impact on intensification and housing affordability. Even the proposed rate could result in too much of a development site (or too great a portion of its land value) being required for parkland dedication. Accordingly, BILD continues to recommend that the by-law include a percentage cap on land dedication and cash-in-lieu. Other GTA municipalities have employed such caps and they are generally in the range of 10%-25%. The province employs a cap of 10%-15% in the case of Transit Oriented Communities.

THE PROPOSED DEFINITION OF RESIDENTIAL HIGH DENSITY

BILD recommends that section 1(m)(i) of the draft by-law be revised as follows: “connected by an interior corridor and/or have a common entrance;”

CREDITS

The credit provisions of the draft by-law are not sufficient. Sections 9 & 10 only deal with stratified title and do not provide the certainty that credits will be provided, nor do they provide an adequate level of credits. BILD recommends, instead, that the City provide the same credit structure as was recently adopted by the City of Vaughan in its parkland dedication by-law (168-2022). That by-law, enacted June 28, 2022, provided full parkland credit for:

- Strata parks
- Dual-use facilities (parks above SWM tanks, both of which are City owned)
- Parks in the greenbelt
- Passive parks on otherwise undevelopable land
- POPS (Privately Owned Public Space)
- Off-site parks
- Pocket parks, sliver parks and urban squares

EXEMPTION FOR AFFORDABLE HOUSING

BILD commends the City for proposing that affordable housing be exempt from parkland dedication. Section 6 of the by-law, however, leaves doubt as to whether such exemption will apply to all affordable housing projects. BILD recommend that section 6 be revised to replace “may” with “shall”.

We thank you for the opportunity to provide these comments and hope that City Council will revise the draft by-law accordingly prior to enacting it.

Kind regards,

A handwritten signature in black ink, appearing to read "Victoria Mortelliti".

Victoria Mortelliti
Manager of Policy & Advocacy

CC/TO: BILD Review Team
Mike McLean, York Chapter Co-Chair
Gabe DiMartino, York Chapter Co-Chair
Paula Tenuta, SVP, BILD
Arvin Prasad, City of Markham
Parvathi Nampoothiri, City of Markham
Members of the BILD York Chapter

The Building Industry and Land Development Association is an advocacy and educational group representing the building, land development and professional renovation industry in the Greater Toronto Area. BILD is the largest home builders' association in Canada, and is affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association. It's 1,500 member companies consists not only of direct industry participants but also of

supporting companies such as financial and professional service organizations, trade contractors, as well as manufacturers and suppliers of home-related products.



Cross-jurisdictional BILD Position: Parkland Dedication

February 2021





Backgrounder: Timeline of Recent Parkland Dedication Activities

Timeline:

February 2019:
**BILD's Parkland Dedication
and Cash-in-lieu Report**

June 2019:
**Bill 108 passed, announcing
changes to allowances/
approach to parkland**

July 2020:
**Bill 197 passed, reverting
many of the parkland
changes announced in 2019**

**September 2020 –
September 2022:**
**New municipal by-laws
needed to continue to
charge the alternative
parkland rates**

December 9, 2020:
**BILD members take part in
a facilitated session to
formulate a cross-
jurisdictional BILD Policy
Position**

Background:

- To support the industry's understanding of parkland dedication and cash-in-lieu policies, in February 2019, BILD undertook a study of Parkland Dedication and Cash-in-Lieu (CIL) Policies in the GTA. The report, prepared by Altus Group Economic Consulting, presented estimates of parkland dedication and CIL dedication contributions for hypothetical low-rise and high-rise developments in municipalities across the GTA.
- The report found that for low-rise development the median CIL contribution for a 200-unit low-rise subdivision has increased from \$1.7 million (or \$8,486 per unit) in 2006 to \$6.0 million (\$29,600 per unit) in 2018. For high-rise development, these CIL contributions were also significant, ranging upwards of \$20,000 to \$30,000 per unit or more, depending on the density of the building being constructed.
- Since the release of the BILD study in February 2019, there have been significant shifts in the Provincial direction for parkland, including Bill 108 and Bill 197 Legislation.
- Bill 197 ultimately reverted back to the existing Planning Act allowance where a condition is placed on development that land in an amount not exceeding 5% of the residential land to be developed be conveyed to the municipality for park or other public recreational purposes.
- Alternatively, land may be conveyed at a rate not exceeding 1 hectare per 300 dwelling units. Municipalities may authorize payment in lieu (also known as "cash-in-lieu" or "CIL") of provision of parkland, often based on the value of the land that would have otherwise been dedicated. If CIL is provided, the amount is calculated based on the new provincial maximum rate of 1 hectare per 500 dwelling units.
- Bill 197 also meant that municipalities have a 2-year window to pass a new parkland by-law in order to continue charging alternative parkland rates (September 2020 – September 2022).
- To provide a consistent BILD position for these upcoming municipal reviews, on December 9, 2020, BILD invited its Chapter members to attend an internal consultation for Parkland Dedication in the GTA and Simcoe. The discussion was organized around three themes: scope, process, and financials. 80 members took part in this discussion and the result is the formulation of a BILD Parkland Policy Position, as follows.



Aligning Goals

- There could be opportunities to standardize core aspects of parkland processes and requirements across levels of government, which would also improve predictability. One example is expanded definitions of active and passive parkland, especially when an applicant provides public recreational opportunities, which is part of the definition of conveyance in the *Planning Act*.
- Municipal parkland dedication policies should implement Provincial, Regional, and Municipal objectives, specifically those found in the Growth Plan, Provincial Policy Statement and upper/lower tier Official Plans. As noted in the Provincial text examples below, parkland policies should not act as a barrier to increasing the supply of homes that are more affordable, or to creating opportunities for a mix of unit sizes/types, or lastly, impede the ability to achieve Provincial intensification targets.

Growth Plan Sec 1.2 - "(...) Ontario government's initiative to plan for growth and development in a way that supports economic prosperity, protects the environment, and helps communities achieve a high quality of life. The Places to Grow Act, 2005, enables the development of regional growth plans that guide government investments and land use planning policies.

Growth Plan Sec 1.2.1 - "The policies of this Plan regarding how land is developed, (...) are based on the following principles: (...) Support a range and mix of housing options, including additional residential units and affordable housing, to serve all sizes, incomes, and ages of households.

PPS 1.1.1.b. - "accommodating an appropriate affordable and market-based range and mix of residential types (including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons) (...)"

PPS Sec 1.1.1.e. - "promoting the integration of land use planning, growth management, transit-supportive development, intensification and infrastructure planning to achieve cost-effective development patterns (...), and standards to minimize land consumption and servicing costs;"

PPS Sec 1.1.1.f. "establishing development standards for residential intensification, redevelopment and new residential development which minimize the cost of housing and facilitate compact form, while maintaining appropriate levels of public health and safety."

[NTD: We had discussed including official plan policies for York and Vaughan but after further consideration we did not include these because this is a cross jurisdiction position, so we would have to add all the policies in the GTA and Simcoe. Which would be a lot to reference. The theme of related OPs is referenced above.]



Creating a Plan

- In preparing a *Parks Plan* for municipal parkland, consider your municipality's existing parkland inventory and what new acquisitions can be reasonably maintained by the municipality. This will ensure that municipalities are not requesting more parkland than they can appropriately manage or need.
- As a part of the *Parks Plan* and a municipal *Official Plan* stage (when development areas are being approved), consider early and large land acquisitions. This would ensure that municipalities are not purchasing land at a late point in time with the highest land cost. This would also allow municipalities to demonstrate how the funds that are collected will be spent, thereby improving transparency.
- To meet the parkland needs of future residents, especially in an urban infill context, all municipalities should accept off-site parkland dedication. We recognize this is already permitted in some municipalities (i.e. the Vaughan Metropolitan Centre). This ability to provide off-site parkland dedication should not be encumbered by overly complex criteria.



Defining Parkland

- Municipalities should not restrict parkland dedication to unencumbered land and accept new forms of parkland dedication. This could be established by creating a broader definition of parkland that includes both active and passive parkland. The definition of Parkland should be expanded to include:

Active Parkland, should include:

- Urban forms of parkland should be treated as active space (including urban squares, plazas, pedestrian mews, pocket parks, POPs etc.). These spaces must be designed to be accessible and inviting to the public.
- Strata parks which permit parking below grade with public ownership of the at-grade park, should be permitted and full parkland credit should be provided for these areas. Should maintenance be required that impacts the integrity of the park, the owner would be responsible for any replacement costs.
- Trails (including multi-use trails), woodlots, and valley land.
- Parks within the greenbelt for rural settings should be recognized for parkland credit, especially when they provide public recreational opportunities.

Passive Parkland should include:

- Land which will not otherwise be developable is nevertheless capable of providing public recreational purposes for matters such as, but not limited to, trails and nature walks.
- Some consideration could also be made for amenity spaces in condominiums that have a similar function to public parkland. Examples of typical amenities include: rooftop terraces, pools, libraries, landscaped sitting areas, playgrounds and barbeque facilities, all of which significantly reduce the requirements for public off-site facilities for these residents and decrease a municipality's land needs assessment.



An Efficient Use of Land

- Conservation authorities have been strong advocates for the implementation of Low Impact Development techniques (LIDs) for some time now and municipalities have also been actively working on green development standards. As an efficient use of land, LIDs and other municipal green standards should be permitted within areas where a park is proposed. Some of these methods could include bioretention swales, underground greywater storage tanks, infiltration chambers or dry detention ponds. In fact, some of these methods were used in parks in the late 70's and 80's before the use of stormwater management ponds became widespread and did not detract from the quality of the open space. As an example, dry detention ponds can still be used for a soccer field or a baseball diamond – except in cases of a major storm event, which would prevent people from using these facilities at that time anyway.



Methodology

- Municipalities should adopt predictable methods of parkland dedication costing such as fixed rates or percentage caps. For predictability purposes, these rates should apply for a minimum 5-year term. This would help to manage the growing costs of parkland on project delivery. Consider standardizing land value rates to provide certainty for the applicant and municipal staff.
- In the application of an alternative rate, parkland dedication rates should be multi-dimensional (i.e. a sliding scale whereby the greater the density the lower the rate) to account for the variability of development types and densities (a) size: high-rise, mid-rise, low-rise (b) location/geography: infill, urban, greenfield. This multi-dimensional approach should be predictable and fair. There should also be a cap on the maximum amount of parkland which is well below the statutory maximum.

- All municipalities should incorporate the Province’s Building Blocks for Sustainable Planning – 9 in a series of 12, where it states that “Municipalities can authorize a reduction in the amount of cash-in-lieu of parkland payments if sustainability features are included in redevelopment proposals”. We understand that some municipalities have already incorporated this reduction (i.e. the Town of Orangeville). We encourage all municipalities to exercise this option and include this in their Official Plans and Parkland Policies. See Appendix A for complete details.
- Municipalities should publicize their fee schedules and any related formulas so they can be factored into the early planning stages of the development planning process.
- Municipalities should be transparent about how they plan to use parkland reserve funds in a 5-year term in a public report.
- Municipalities should not impose parkland dedication requirements for adaptive re-use/renovation projects. This should be made clear in municipal policies.



Dialogue and Decision-making

- Municipal parkland dedication processes should allow for more opportunities to have dialogue and collaborate with applicants. These open lines of communication and discussion will give applicants an opportunity to discuss key aspects of their parkland dedication such as placement, land value and alternative use opportunities – before a decision has been made.
- Once parkland decisions have been made regarding an application, BILD recommends that decision-makers and staff be very transparent about the rationale for these decisions. Municipalities should have built-in opportunities for those decisions to be openly discussed to avoid appeals.
- When the decision has been made to collect land over cash-in-lieu (CIL), municipalities should not prejudice (or discount) the collection of certain types of land over others, since the variability of land (with its topographies, micro-climates and natural diversity) is inevitable. There should also be no criteria as to what is and is not acceptable unencumbered land that is being dedicated for parkland purposes as long as it is accessible and inviting.



Collecting Parkland

- Some municipalities may choose to adopt a “land-first” approach to parkland dedication requirements. While the dedication of land may be easily feasible in a greenfield context, it can be very challenging in an urban or infill context. To achieve this objective, it is best when our members are made aware of the municipality’s needs upfront, through municipal reporting and through any pre-consultation discussions. This will allow our members to plan sites appropriately.
- Where a “land-first” approach cannot be achieved, municipalities should accept cash-in-lieu and/or off-site dedications. Members should have the ability to discuss with the municipality what options are available and what decision is mutually beneficial.



Timing of Collection

- Where a plan of subdivision or condominium is being approved, the municipality should take land or CIL as a condition of approval, and not delay it to the building permit stage. This will help to lower land costs for municipal parkland acquisitions. This will also help to ensure that that parkland is provided early as a best management practice.

REDUCTION IN PARKLAND DEDICATION PAYMENTS

(s. 42 (6.2) and (6.3))

For More Information

Ministry of Municipal Affairs and Housing Website:
ontario.ca/mah
ontario.ca/e-laws
 or contact your nearest Municipal Services Office (MSO):

Central MSO

777 Bay Street, 2nd Floor
 Toronto ON M5G 2E5
 General Inquiry:
 416-585-6226
 Toll Free: 800-668-0230

Eastern MSO

8 Estate Lane, Rockwood House
 Kingston ON K7M 9A8
 General Inquiry:
 613-545-2100
 Toll Free: 800-267-9438

Northeastern MSO

159 Cedar Street, Suite 401
 Sudbury ON P3E 6A5
 General Inquiry:
 705-564-0120
 Toll Free: 800-461-1193

Northwestern MSO

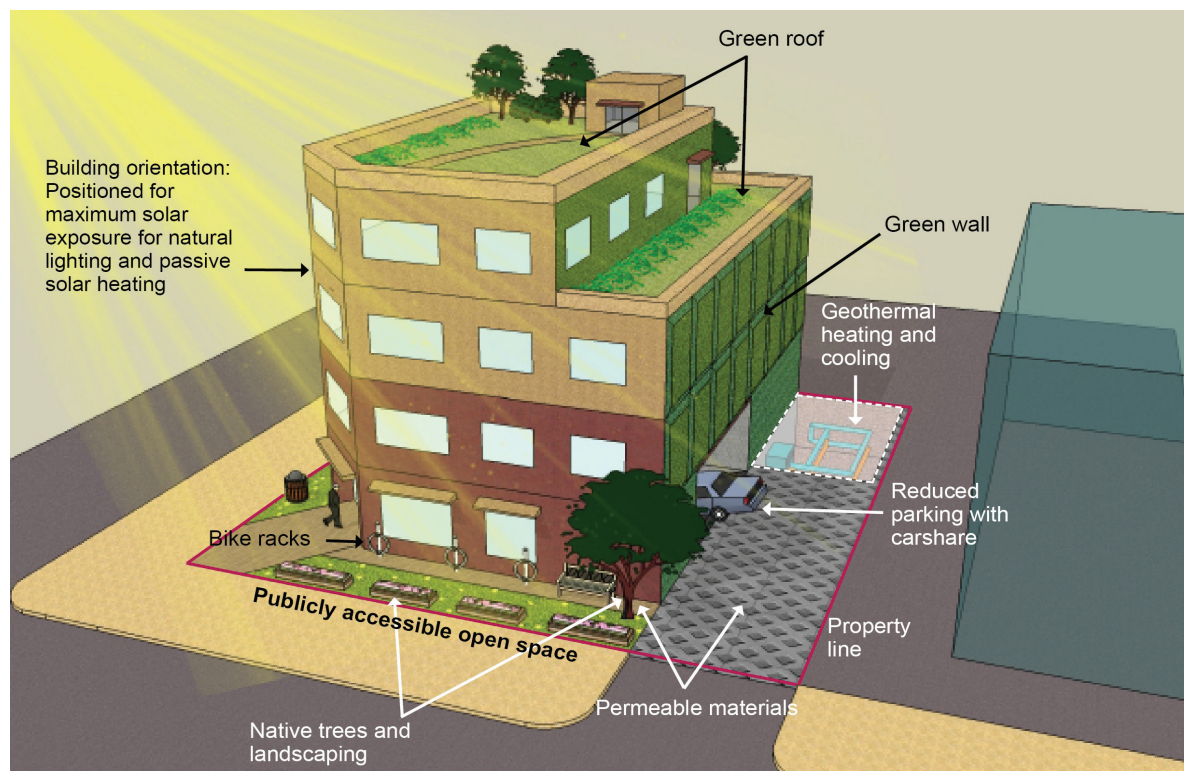
435 James Street South, Suite 223
 Thunder Bay ON P7E 6S7
 General Inquiry:
 807-475-1651
 Toll Free: 800-465-5027

Western MSO

659 Exeter Road, 2nd Floor
 London ON N6E 1L3
 General Inquiry:
 519-873-4020
 Toll Free: 800-265-4736

DISCLAIMER

This sheet deals in summarized and conceptualized fashion with complex matters that reflect legislation, policies and practices that are subject to change. All illustrations represent hypothetical scenarios of the application of various tools. For these reasons, this fact sheet should not be relied upon as a substitute for the relevant legislation, regulations and policy documents, or for specialized legal or professional advice when making land-use planning decisions.



Description of Tool

- Municipalities can authorize a reduction in the amount of cash-in-lieu of parkland payment if sustainability features are included in redevelopment proposals
- Optional tool, requires official plan (OP) policies
- Only applies where on-site parkland cannot be dedicated in redevelopment proposals

Implementation

- Municipalities must adopt OP policies and by-laws for the conveyance of land for park purposes and for cash-in-lieu payments
- Additional OP policies and by-laws are required to permit the reduction of cash-in-lieu payments for specified sustainability criteria, including:
 - Where this can be applied
 - Sustainable elements that will be credited
 - Exact cash value equivalent for each sustainable design element

Benefits

- May be a financial incentive to improve the sustainability of a redevelopment proposal
- Can support water conservation, air quality improvements and management of stormwater runoff
- Can promote energy conservation and efficiency of a redevelopment proposal

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October 8, 2021

Memorandum to: Victoria Mortelliti
BILD

From: Daryl Keleher, Senior Director
Altus Group Economic Consulting

Subject: Markham – Parkland CIL Overview
Our File: P-6734

Altus Group Economic Consulting was retained by BILD to review the City of Markham's upcoming parkland dedication by-law, and associated cash-in-lieu (CIL) policies. This memorandum provides an overview of the City of Markham's parkland CIL reserve funds, current parkland costs for a typical development, and how the interim policy to reduce parkland CIL amounts payable by 25% affects the overall costs imposed by the City.

CURRENT PARKLAND CIL COSTS

Approaches to CIL and Caps

GTA municipalities take several different approaches to imposing parkland dedication or cash-in-lieu requirements on high-density development:

- Fixed per unit / per hectare rate: municipalities such as Vaughan and Mississauga impose a fixed per unit rate for CIL
- Capped percentage: municipalities such as the City of Toronto limits CIL to 10%, 15% or 20%, depending on the size of the site;
- Combination of Fixed Per Unit Rate & Capped Percentage: the City of Brampton imposes a fixed per unit rate of \$4,288 per high-density unit, capped at 10% of the value of land;
- Uncapped: the City of Markham is among the municipalities that do not have a cap on parkland CIL

Parkland CIL Costs – Typical High-Rise Development Scenario

Taking four versions of a hypothetical high-rise development scenario, with a fixed unit count and GFA for each scenario, but with different densities requiring smaller sites to achieve the fixed unit count, the City's current approach yields increasing CIL per unit as the density of the 200-unit project increases. A 2.0 FSI project has a CIL payable of \$21,500 per unit, while a 3.0 FSI project sees CIL payable increase to \$32,300 per unit.

While the project's density results in increased land values on the subject site, it does not necessarily result in increased acquisition costs for prospective parkland parcels elsewhere in the Town. And, as each scenario has the same number of housing units, and therefore the same number of residents, the parkland need stemming from the project does not change.

Figure 1

Estimates of Parkland CIL Payable, Typical Residential Apartment Development at Varying Densities, City of Markham

Assumptions							
Residential Units	200	units					
Gross GFA per Unit	800	sf / unit					
Building GFA	160,000	sf					
Land Value per Buildable SF	50	\$ / sf					

	Density	Site Area	Land Value	Land Value per Hectare	Parkland Dedication (1ha/500)	CIL Payable	CIL Payable per Unit
		Hectares	Dollars	Dollars / Ha.	Hectares	Dollars	\$ / Unit
Scenario 1	2.0	0.74	8,000,000	10,764,000	0.40	4,305,600	21,500
Scenario 2	3.0	0.50	8,000,000	16,146,000	0.40	6,458,400	32,300
Scenario 3	4.0	0.37	8,000,000	21,528,000	0.40	8,611,200	43,100
Scenario 4	5.0	0.30	8,000,000	26,910,000	0.40	10,764,000	53,800

	City - Uncapped		City - 25% Interim Approach	
	CIL Payable	Ratio of CIL Payable to Land Value	25% Reduction	Ratio of CIL Payable to Land Value
	\$ / Unit	Percent	\$ / Unit	Percent
Scenario 1	21,500	54%	16,125	40%
Scenario 2	32,300	81%	24,225	61%
Scenario 3	43,100	108%	32,325	81%
Scenario 4	53,800	135%	40,350	101%

Source: Altus Group Economic Consulting

The calculated CIL payable from each of the four scenarios were analysed for the impact of the City's interim CIL policy to reduce CIL payments by 25%. While the interim policy does reduce CIL costs, the main problem with the City's uncapped approach remains, and makes the CIL payable for the 3.0 FSI scenario more akin to that of the 2.0 FSI scenario, that of the 4.0 FSI scenario similar to that of the original 3.0 FSI scenario.

Comparison with Other Municipalities

Whether under the City's original uncapped approach, or the interim 'reduced uncapped' approach, the City's CIL payable still remains among the highest of major GTA municipalities by a significant margin. Even under the City's interim policy, the amount payable under the scenario presented in the figure below is over 3-times higher than the next-highest, which is the City of Mississauga, where a fixed per unit rate of \$9,800 per high-density unit is imposed.

Figure 2

Comparison of Parkland CIL Payable, High-Rise Development Scenario, City of Markham with Other Major GTA Municipalities

Assumptions			
Residential Units	200	units	
Gross GFA per Unit	800	sf / unit	
Building GFA	160,000	sf	
Land Value per Buildable SF	50	\$ / sf	
Density (FSI)	4.0		
Site Size	0.37	ha	
Land Value (parcel)	8,000,000		
	CIL Payable	CIL Payable per Unit	
	<i>Dollars</i>	<i>\$ / Unit</i>	
Markham - Original Policy	8,611,200	43,100	
Markham - Interim Policy	6,465,000	32,325	
Brampton	863,000	4,315	Greater of 10% of value of land or \$4,315 per unit
Mississauga	1,960,000	9,800	Fixed per unit rate
Vaughan	1,700,000	8,500	Fixed per unit rate
Toronto	800,000	4,000	0.4 ha/ 300 units or 10% (based on site size)

Source: Altus Group Economic Consulting

STATUS OF CITY OF MARKHAM PARKLAND CIL RESERVE FUNDS

Average Annual Revenues & Expenditures

Over the past five years, the City of Markham has received an annual average of \$15.08 million per year in Parkland CIL revenues, but has spent just \$3.47 million per year, or just 23% of annual revenues.

By comparison, the ratio of expenditures to CIL revenues in other large GTA municipalities has been much higher, with Markham the lowest such ratio.

Figure 3

Annual Average Parkland CIL Revenues and Expenditures, GTA Municipalities, 2015-2019

	Annual Revenues	Annual Expenditures	Expenditures as % of Revenues
Vaughan	13,635,039	11,347,971	83%
Toronto	120,677,996	69,121,842	57%
Mississauga	17,519,366	9,208,096	53%
Brampton	12,524,482	3,944,184	31%
Markham	15,081,060	3,468,770	23%

Source: Altus Group Economic Consulting based on annual Financial Information Return data

Parkland Cash-in-Lieu Reserve Fund Balances

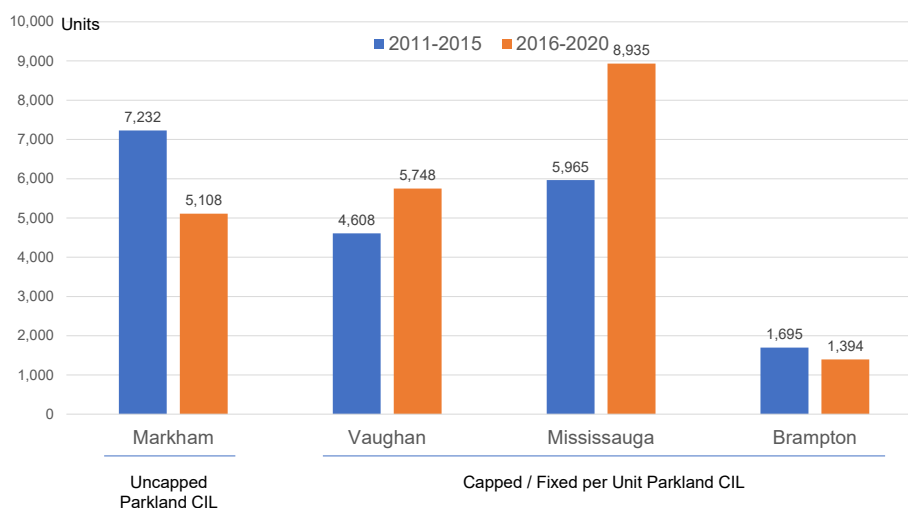
The City of Markham, over the 2009-2020 period, has seen a **400% increase in its parkland CIL reserve fund balance**, increasing from \$10.9 million in 2009 to \$54.8 million in 2020.

Apartment Housing Starts in Markham

While Markham has seen significant amounts of housing development activity, the amount of apartment housing starts in the City over the 2016-2020 period was 29% lower than in the previous five-year period (2011-2015).

Figure 4

Apartment Unit Housing Starts, by Municipality, 2011-2020



Source: Altus Group Economic Consulting based on CMHC data

Meanwhile, in the other major GTA municipalities with capped parkland CIL rates, the amount of apartment unit starts increased in two of the three cases (Vaughan +25%, Mississauga +50%), and decreased moderately in the third (Brampton -18%).

CONCLUSIONS

By virtue of not using any form of 'cap' against parkland CIL costs, the City of Markham has the highest parkland CIL costs among major municipalities in the GTA. At the same time, while the City has been raising significant CIL revenues, it has spent less than one-quarter of the revenues raised over the past five years, the lowest such ratio among the studied municipalities.

The City has also seen a 29% decline in apartment housing starts in the most recent 5-year period compared to the prior period. The City's policy, by resulting in increasing per unit CIL costs as the density of development projects increases, does not create an incentive to add density to a prospective development project.



March 1, 2022

Mr. Marty Chan
Senior Planner
City of Markham
101 Town Centre Boulevard
Markham, Ontario
L3R 9W3

Sent via email for mchan@markham.ca.

Dear Mr. Chan,

RE: [PARKLAND REVIEW | FEBRUARY 17TH INDUSTRY MEETING FOLLOW-UP](#)

The Building Industry and Land Development Association (BILD) acknowledges and thanks City staff and its external consultants for meeting with BILD representatives, most recently on February 17, 2022. BILD believes that constructive dialogue with the industry is essential to offer the greatest chance of success for consensus on this important matter. That is why BILD brings a full team to participate with City staff and the external consultants during the consultation process.

Following our meeting on February 17th our consultants from Kagan Shastri LLP and Altus Group sent us the following comments to submit to the City. With this, we thank you for the opportunity to submit this correspondence for your consideration as the City continues along this review.

BILD recognizes that parkland is an essential component of good planning, in building complete communities and in the quality of life for Markham residents and businesses. BILD members also accept their share of responsibility for providing parkland with new development. BILD members are proud to have delivered high quality parkland to communities throughout Markham.

It is critical to note, however, that parkland dedication can, if left unchecked and not properly calibrated, represent a very significant increase in the price of housing, which burden is ultimately paid by the purchasers. Often these purchasers are first-time homebuyers who are least positioned to carry such a large burden. The current housing affordability crisis only further magnifies this issue. It is, therefore, incumbent upon Markham to ensure that it does everything within its authority to mitigate the price of housing while ensuring that future residents have access to adequate parkland.

The City's ultimate parkland dedication by-law must be consistent with the Provincial Policy Statement and must conform with the Growth Plan. Central to both of those provincial documents are the principles of intensification within urban areas (and especially the built boundary), and affordability. Accordingly, the City's goal to achieve parkland through the development approval process must be tested against impacts on planned intensification and required affordability.

It is also critical that parkland dedication rules (including cash-in-lieu) not be used to supplement existing parkland deficiencies for existing residents. Doing otherwise would unfairly place an additional burden on new homeowners for an existing deficiency that they

had no hand in. Doing so would also not be respecting the principle that growth pays for growth.

We all, collectively, need to explore new, innovative, more efficient, and more cost-effective ways to deliver parkland through development. Below are some suggestions.

Parkland Dedication Rate

As City staff and the external consultants are aware, applying the maximum parkland dedication (be it land or cash-in-lieu) to higher density development can have a devastating impact on intensification and housing affordability. Left unchecked the parkland dedication can sometimes exceed the entire development site (or the cash equivalent thereof). Even where a reasonable quantum of land dedication is required, it should never be used as a tool to effectively kill a development project. The City should not, for example, require parkland dedication which is so large, or which is so located as to makes the development (or any reasonable development) impossible. The size and location of parkland should always be evaluated by using good planning principles which seek to balance the need for parkland with promoting intensification and improving housing affordability. BILD recommends that the City's parkland dedication requirement be moderated by incorporating a percentage cap. A survey of municipalities which have now (or have historically) used a percentage cap, reveals a typical range of 10%-25% of the site area. Additionally, BILD recommends that the City's parkland dedication requirement include a sliding scale whereby the parkland dedication rate decreases as the density of development increases.

Which Land Should Qualify for Parkland Credit

Parkland is far more than just baseball diamonds, soccer pitches and splash pads. More and more people desire trails for walking, running and cycling and sometimes the best of these is not located on flat, open areas, developable lands but are instead located in woodlands, valleys and otherwise undeveloped (or undevelopable) areas. Historically, however, municipalities have not recognized such lands as being eligible for parkland dedication even though accepting them as parkland would promote intensification and lessen the burden on affordability. This historical thinking must change and such that all land which could serve a park or public recreational purpose be recognized as parkland and be eligible for parkland dedication credit.

Historically, municipalities have been reluctant or unwilling to provide parkland dedication for land beyond developable table land because they expected those lands to be dedicated to them (or another public authority) at no cost anyway. They reasoned that providing a parkland dedication for lands they were going to get anyway was bad business or bad planning. Not so. Municipalities should no longer assume that they will get these lands for free. Moreover, if the land is capable of providing a public open space or recreational purpose, then it should receive a parkland credit.

Parks in the Greenbelt and Regional Official Plan Amendment #7

Parks are not only permitted, but encouraged, in the provincial greenbelt through multiple greenbelt policies, subject of course to adhering to rules respecting Key Natural Heritage Features. Recently York Region adopted ROPA 7 which awaits ministerial approval. BILD encourages the City to provide a parkland credit for lands within the provincial greenbelt which conform to the greenbelt and which provide an open space and/or public recreational purpose.

Off-Site Parkland

Off-site parkland is parkland, should be recognized as such and credited appropriately. Planned properly, off-site parkland has an important role to play. It allows, for example, parkland to be provided outside of key intensification areas but close enough such that new residents who live in the intensification areas can utilize it. Such off-site parkland means that more efficient use can be made of lands within the intensification area by accommodating more people in areas with higher order transit services. To encourage and achieve off-site parkland, the amount of the credit must be fair and reasonable.

Strata Parks and POPS (Privately Owned Public Space)

There was a time when municipalities would only consider 'fee simple ownership' as acceptable parkland dedication. While fee simple ownership will remain an important parkland dedication element, it cannot be the only acceptable alternative. Strata parks result in City ownership of the surface (with appropriate depth for plantings and services). The developer or condominium corporation owns below grade which is typically used for required underground parking. Keeping the parking below grade is a well-established urban design principle and should be encouraged. The surface park delivers the recreational or open space required for the development. The public who use the park is often unaware (or do not care) that there is parking beneath the park. POPS should likewise be accepted for parkland credit and to do otherwise is, respectfully, short-sighted. In some ways POPS offer the best of both worlds for the City. They are subject to public easements which means they provide important public open space without taxpayer dollars having to build or maintain them. Of course, to be eligible for a parkland credit the POPS should meet reasonable and relevant criteria in terms of location, accessibility and design. The POPS should be accessible from the public realm and inviting to members of the public to use.

Dual Use Parkland and SWM Facilities

A dwindling land supply and increased intensification force us all to think differently and to make more efficient use of land. Storm water management facilities need not be limited to surface ponds. Rather, they can be buried underground, in engineered tanks. This is a proven technology. Like strata parks, the surface of such dual use lands can be effective open space while the area beneath is used for storm water management. Just as condominiums house people vertically, the dual use facility (SWM/Parks) accommodates municipal facilities vertically. If the engineering proves the viability of these dual use facilities, and the surface provides active or passive open space for residents of new development, then there is no compelling reason to disqualify it from a parkland dedication credit. In this case, both elements of the dual use facility will be owned by the City.

Sustainability Measures Under the Planning Act

At a time when climate change demands much attention, the City may be missing an opportunity to do something concrete about it, as contemplated by the Planning Act. Section 42(6.2 & 6.3) provide as follows:

Redevelopment, reduction of payment

(6.2) If land in a local municipality is proposed for redevelopment, a part of the land meets sustainability criteria set out in the official plan and the conditions set out in subsection (6.3) are met, the council shall reduce the amount of any payment required under subsection (6) or (6.0.1) by the value of that part. 2006, c. 23, s. 17 (1); 2015, c. 26, s. 28 (6). Same

(6.3) The conditions mentioned in subsection (6.2) are:

1. The official plan contains policies relating to the reduction of payments required under subsection (6) or (6.0.1).
2. No land is available to be conveyed for park or other public recreational purposes under this section. 2006, c. 23, s. 17 (1); 2015, c. 26, s. 28 (7).

BILD strongly encourages the City to study this possibility.

Acquisition Strategy

We encourage the City to match the current sample metric with your acquisition strategy. As an example, should the City purchase low density or employment lands to service high density projects, high density land costs shouldn't be assumed. As well, the City should be matching the assumptions to the type of park it would be looking to buy (i.e. larger parks are cheaper on a per hectare bases than smaller parks but if the City's sample for land cost assumptions is full of small parks there is a risk it will be overstating costs).

As your community building partner we thank you for considering this submission. We look forward to our continued conversations and would also appreciate a response in writing to this correspondence.

Thank you,

A handwritten signature in black ink, appearing to read "Paula J. Tenuta".

Paula J. Tenuta, MCIP, RPP
SVP, Policy & Advocacy

A handwritten signature in black ink, appearing to read "Victoria Mortelliti".

Victoria Mortelliti
Manager, Policy & Advocacy

CC: BILD REVIEW TEAM
BILD YORK CHAPTER

The Building Industry and Land Development Association is an advocacy and educational group representing the building, land development and professional renovation industry in the Greater Toronto Area. BILD is the largest home builders' association in Canada, and is affiliated with the Ontario Home Builders' Association and the Canadian Home Builders' Association. It's 1,500 member companies consists not only of direct industry participants but also of supporting companies such as financial and professional service organizations, trade contractors, as well as manufacturers and suppliers of home-related products.

June 20, 2022

Memorandum to: Victoria Mortelliti
BILD

From: Daryl Keleher, Senior Director
Altus Group Economic Consulting

Subject: Markham Parkland Review
Our File: P-6734

Altus Group Economic Consulting was retained by BILD to review the City of Markham's proposed parkland dedication by-law, and associated cash-in-lieu (CIL) policies. This memorandum provides our questions and comments from review of the City's Parks Plan and parkland by-law, and the City's May 10, 2022 presentation slide deck.

Questions from Review of May 10, 2022 Presentation Deck

- 1) Will the City be preparing a full Parkland Study, and if so, will it be made available enough in advance of the proposed date of adoption to allow for review and comment?
If not, we would like to request details behind the modelling summarized in the presentation, including:
 - a. Growth forecasts by unit type broken down by IAs and the rest of the City
 - b. Assumed Land values in IAs and rest of the City
 - c. Parkland needs by type and size of park (community parks, destination parks, neighbourhood parks) – presumably used to drive the "\$1.4B cash value from developers" on slide 11, from 31.1ha needed in IAs and 47.3ha needed in other areas of the City.
- 2) The presentation notes that financial modelling is only based on parkland provision scenarios to the year 2031.
 - a. To what extent could some of the need for parkland by new development be met through available capacity in existing City-wide parks in existing neighbourhoods that may see continued population decline to 2031, but also beyond 2031? A longer horizon would enable a proper analysis of how much capacity could be freed up.
- 3) The presentation appears based on a need of 108 hectares of parkland City-wide, based on the growth to 2031 and their needs, but existing parkland supply does not appear to have been factored into establishing the net need for additional parkland.
 - a. Can the City provide details regarding the City-wide parkland provision, and whether existing neighbourhoods may have surplus parkland (relative to City standards) that

could be used as excess capacity, particularly where the amenities within a park have a City-wide benefit, to reduce the costs imposed on new development?

- 4) Of the three options presented, only one option considers a cap. The other two options are severely flawed - Option 1 would, by imposing CIL on high density development in Intensification Areas (IAs) and purchasing land in lower land value areas produce a significant windfall in revenue for the municipality, unless the need for CIL funds is specifically based on the land that is to be acquired, not the value of lands to be developed.

Neither Option 1 nor Option 2 allows the City to leverage any existing parkland surpluses in non-IAs, particularly for those with City-wide amenities that residents will travel to (ball diamonds, soccer pitches, tennis courts, splash pads, etc.)

- 5) The presentation of Option 3 as a 30% site size cap equating to an 'average charge per unit' of \$19,000 would equate to a per unit land value of \$63,333 (using 800sf/unit), or a would mean that using rough assumptions regarding unit size (800 sf per unit), land values are approximately \$80 per buildable square foot.

- a. Can the City provide the back-up for the land value assumptions used to test the financial impacts of each scenario?

It is noted that using these same assumptions, Option 1 would represent a 57.6% Parkland CIL charge, while Option 2 would represent a 47% share of land value. Both of these would be higher than any other urban GTA municipality that utilizes a percentage cap.

- 6) On the surface, it is noted that the parkland provision by 2031 under Option 3 (1.09ha/1000) is greater than Option 2 (1.06ha/1000), despite Option 3 proposing a 30% cap. This difference on its own, would suggest that Option 2 should be eliminated entirely as it produces less parkland for the City at a higher cost to the development community and by extension, home buyers.
- 7) The calculation of revenue to be collected should match the value of the lands sought to be acquired, not based on the value of the development parcels to be charged CIL.
- a. For example, do the costs under Option 1, where funds generated within IAs would be used elsewhere in the City (via 'reallocation'), account for the lower costs of acquisition for parcels acquired outside of IAs?
- 8) The City's May 10 presentation makes no mention of Parkland CIL reserves. How has the City accounted for existing reserves (\$58.5 million as of YE2020)¹, and whether these funds can be used to address any existing shortfalls in parkland provision within IAs (where those funds were presumably largely generated from).

¹ Based on line 5650 from City's 2020 Financial Information Return submitted to MMAH