



REVISED GRADUATED APPROACH TO PARKLAND DEDICATION FOR HIGHER DENSITY DEVELOPMENTS

Impetus for revised graduated approach to calculating parkland dedication for higher density residential developments

- We heard from DSC, the public, and the development industry that:
 - Approach should be simplified
 - Should be fewer categories for reductions
 - Incentives for higher density development should be granted earlier in the overall density range by applying to mid-range density development

Difference between 1.2ha/1,000 persons standard vs. initially proposed graduated approach (at 9.0 FSI)

FSI Category	No Reduction	Proposed Reduction
Less than-2.5 FSI	480m ²	480m ²
2.5-5.0 FSI	480m ²	360m ² (25%)
5.0-8.0 FSI	576m ²	290m ² (50%)
8.0 FSI and above	192m ²	50m ² (75%)
Parkland Generated	1,728m ²	1,180m ²
Cash-in-lieu Generated	\$747,360	\$510,350
Average Cost/Unit	\$9,965	\$6,805
% Overall Reduction		31.7%

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- Difference is approximately **31.7% reduction** overall and cost/unit reduction
- Average Price of Standard Condominium Apartment in Markham is \$325,000*
 - * Royal LePage House Price Survey Q4 2012
- Parkland dedication amount represents about 3% of the cost of a Condominium in Markham

Overview of proposed revised graduated approach

Two Proposals

1. 2-category Approach

- Two density categories:
 - Less than 3.0 FSI – no reduction applies
 - Above 3.0 FSI – 47.5% reduction applies

2. 3-category Approach

- Three density categories:
 - Less than 3.0 FSI - no reduction applies
 - 3.0 to 6.0 FSI – first stage reduction (25% or 35%)
 - 6.0 FSI and above – second stage reduction (60% or 70%)

Summary of implications of 2-category approach

2-category approach(at 9.0 FSI)

FSI Category	Amount of Parkland Dedicated with No Reduction	Amount of Parkland Dedicated with Proposed Reduction 47.5%
Component with Less than 3.0 FSI	576m ²	576m ²
Component with 3.0 FSI and above	1152m ²	605m ²
Total Parkland Generated	1,728m ²	1,181m ²
Total Cash-in-lieu Generated	\$747,360	\$510,782
Average Cash-in-lieu Generated/Unit	\$9,965	\$6,810
% Overall Reduction		31.7%

Summary of implications of 3-category approach

3-category Approach at 9.0 FSI

FSI Category	No Reduction	30%/65%
Component with Less than 3.0 FSI	576m ²	576m ²
Component with 3.0-6.0 FSI	576m ²	403m ² (30% Reduction)
Component with 6.0 FSI and above	576m ²	202m ² (65% Reduction)
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Markham staff and consultant recommending to adopt 3-category approach utilizing 30/65% scenario

3-category Approach (30%/65% reduction at 9.0 FSI)

FSI Category	Reduction Proposed	Resulting Dedication
Component with Less than 3.0 FSI	No reduction	1.2ha/1000 persons
Component with 3.0 – 6.0 FSI	30% reduction for that portion only	0.84ha/1000 persons
Component with 6.0 FSI and above	65% reduction for that portion only	0.42ha/1000 persons

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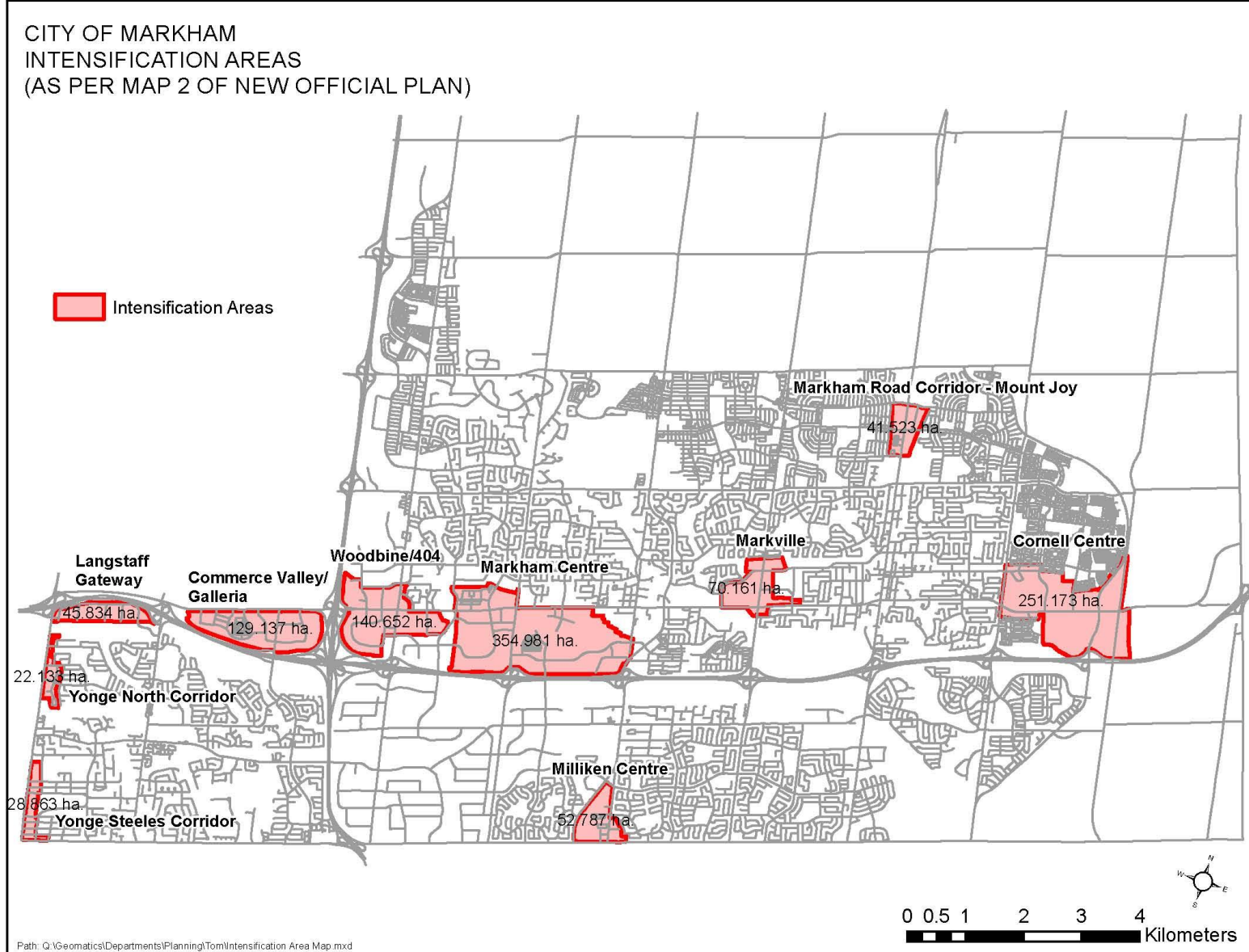
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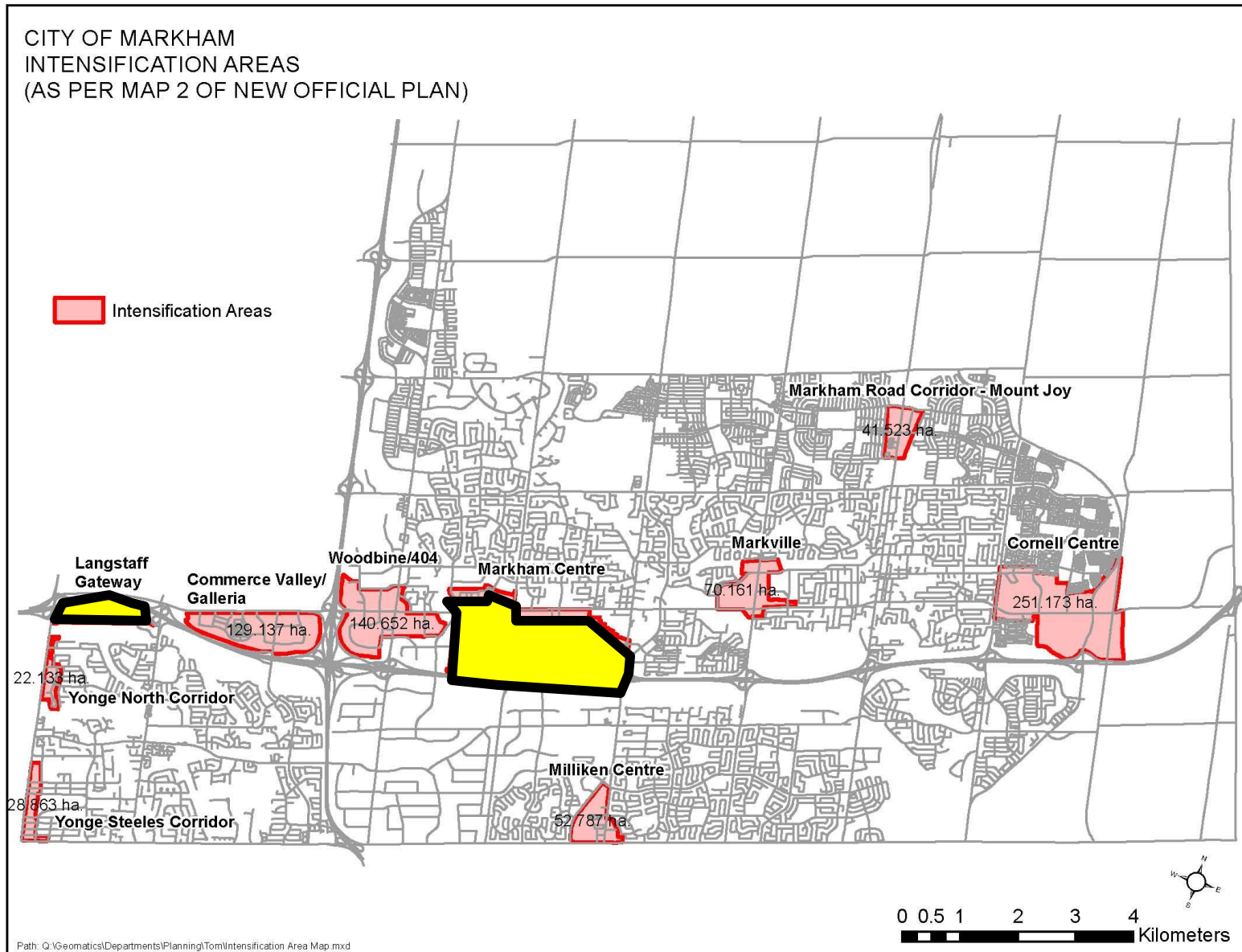
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- Greater rationale to incentivize developments in the 3.0 to 6.0 FSI range

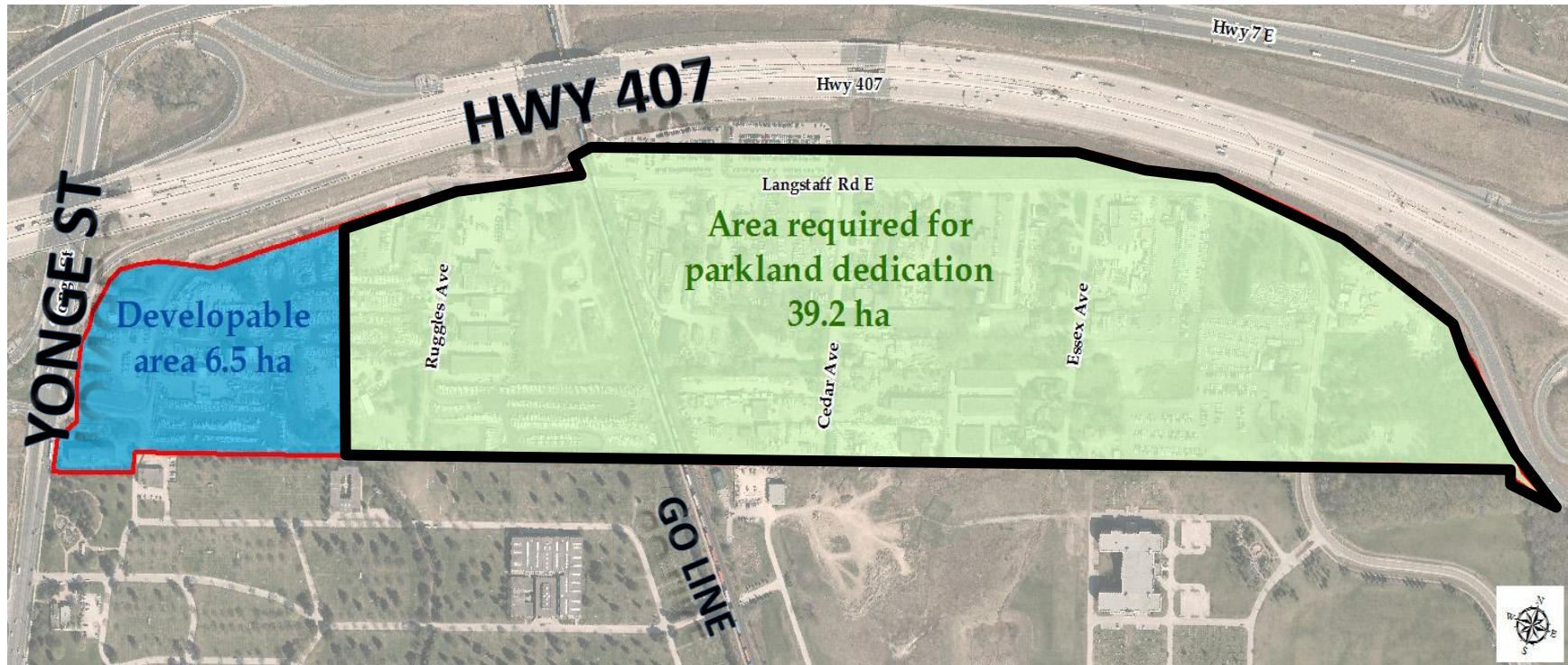
Intensification Areas Map (New Official Plan)



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How much parkland dedication would be required for Langstaff, if it were all taken as “land” instead of “cash-in-lieu”?



Based on the projected population of 32,000 persons, and the anticipated commercial and office space, a total of 39.2 hectares of parkland would be required, or 83% of the site

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- Use of a graduated approach for high density development only within Intensification Areas
- To qualify for reductions, development shall be consistent with built form, height and massing guidelines and policies of the Official Plan and Secondary Plans
- Reductions provide an incentive for establishing higher density development and allows the City to achieve the planned urban structure and to be consistent with Municipal and Provincial Policies

Comparison of cash-in-lieu generated per unit in various GTA municipalities

Municipality	3.0 FSI	6.0 FSI	9.0 FSI
Markham (Graduated approach, average cost unit)	\$9,965/unit (no reduction below 3.0 FSI)	\$8,470/unit (30% reduction above 3.0 FSI)	\$6,810/unit (65% reduction above 6.0 FSI)
Richmond Hill (Flat rate)	\$10,000/unit	\$10,000/unit	\$10,000/unit
Vaughan (Flat rate)	\$4,100/unit	\$4,100/unit	\$4,100/unit
Toronto *(Cap based on lot size)	\$1,730/unit	\$865/unit	\$577/unit

* Based on Markham Urban Land Value

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Parkland purchase opportunities

- Variations in land values exist across Markham
- Ability to purchase/acquire more land for parks outside Urban Centres with “Urban Centre cash-in-lieu” money
 - Could acquire lands outside Urban Centres at ratio of up to 3:1 (area of land/cost) as compared to land within Urban Centres
 - Could acquire lands outside Urban Boundary for rural recreational uses at ratio of up to 10:1 as compared to land within Urban Centres

Conclusions

- The consultant has concluded that Markham's proposed alternative standard is considered to be the most equitable and consistent approach in comparison to other jurisdictions and approaches.
- Markham's approach responds to the impacts of density, and is the only standard that also deals with the impact of household size. When household size is not factored into the equation an overstating of parkland requirements can result.



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