



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

FSI Category	No Reduction	Proposed Reduction
0-2.5 FSI	480m2	480m2
2.5-5 FSI	480m2	360m2 (25%)
5-8 FSI	576m2	290m2 (50%)
8 FSI and above	192m2	50m2 (75%)
Parkland Generated	1,728m2	1,180m2
Cash-in-lieu Generated	\$747,360	\$510,350
Average Cost/Unit	\$9,965	\$6,805
% Overall Reduction		31.7%

Difference between 1.2ha/1,000 persons standard vs. initially proposed graduated approach

Total Cost (@9.0 FSI)	\$747,360.00	vs	\$510,350.00
Cost/Unit	\$9,965.00	vs	\$6,805.00

- 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. Simpler Approach

- Two density categories:
 - 0 to 3.0 FSI – no reduction applies
 - Above 3.0 FSI – 47.5% reduction applies

2. More Complex Approach

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

Summary of implications of simpler approach (2 categories)

Simpler Approach

FSI Category	No Reduction	Proposed Reduction 47.5%
0-3 FSI	576m2	576m2
3 FSI and above	1152m2	605m2
Parkland Generated	1,728m2	1,181m2
Cash-in-lieu Generated	\$747,360	\$510,782
Average Cost/Unit	\$9,965	\$6,810
% Overall Reduction		31.7%

Summary of implications of more complex approach (3 categories)

More Complex Approach

FSI Category	No Reduction	35/60%	30/65%	25/70%
0-3 FSI	576m2	576m2	576m2	576m2
3-6 FSI	576m2	374m2	403m2	432m2
6 FSI and above	576m2	230m2	202m2	173m2
Parkland Generated	1,728m2	1,180m2	1,181m2	1,181m2
Cash-in-lieu Generated	\$747,360	\$510,350	\$510,782	\$510,782
Average Cost/Unit	\$9,965	\$6,805	\$6,810	\$6,810
% Overall Reduction		31.7%	31.7%	31.7%

Markham staff and consultant recommending to adopt more complex approach utilizing 30/65% scenario

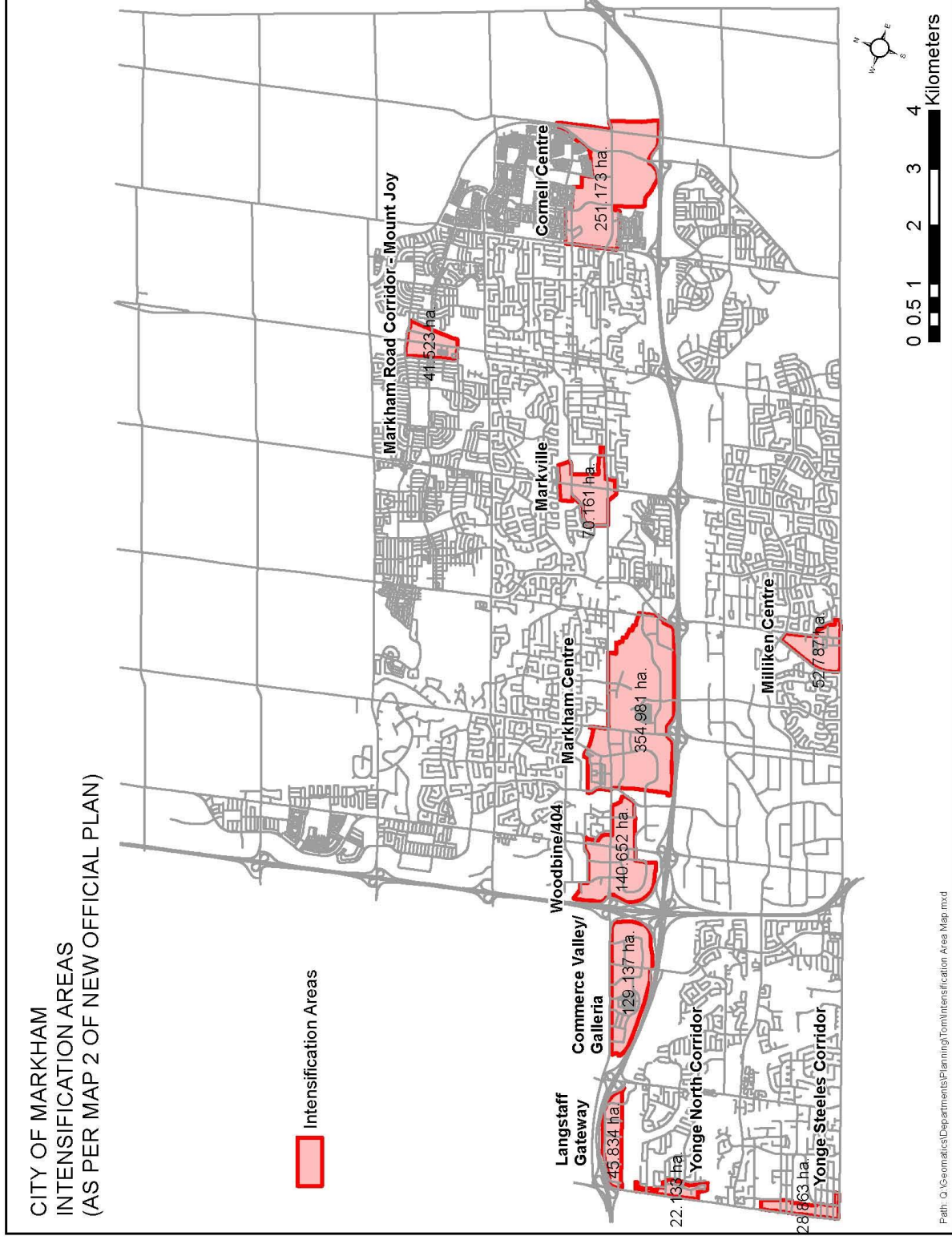
More Complex Approach (30/65%)

FSI Category	Reduction Proposed	Resulting Dedication
0.0 – 3.0 FSI	No reduction	1.2ha/1000 persons
3.0 – 6.0 FSI	30% reduction for that portion only	0.84ha/1000 persons
6.0 FSI and above	65% reduction for that portion only	0.42ha/1000 persons

Recommend adoption of revised approach scenario on following basis:

- Increases threshold for reduction from 2.5 to 3.0 FSI
- No reduction for development under 3.0 FSI
- Most development potential in Markham in 0 to 3.0 FSI range
- Ensures maximum generation of parkland/cash-in-lieu for residential development most typical to Markham (>3.0 FSI)
- Majority of development will provide parkland at 1.2 ha/1000 persons
- Incentive for higher density more favourable if provided earlier in density range
- Greater rationale to incentivize developments in the 3.0 to 6.0 FSI range

Intensification Areas Map (New Official Plan)



Difference between 1.2ha/1,000 persons standard vs. proposed revised graduated approach (30/65%)

	<u>No Reduction</u>	<u>Reduction *</u>
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	1730 m2	vs	1180 m2
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Total Land
Generated
(@9.0 FSI)

Total Cash-in-lieu	\$747,360	vs	\$510,782
Average Cost/Unit	\$9,965	vs	\$6,810

* Note: Most reductions will be in the 5 to 10% range.

Additional considerations related to reductions for high density

- 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 Provincial Policies

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.