

## MEMORANDUM

**To:** Tom Villella, Project Manager, City of Markham  
**From:** Ron Palmer  
**Date:** April 29, 2013  
**Subject:** Markham Parkland Study

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### REVISED GRADUATED APPROACH TO PARKLAND DEDICATION

Further to our meeting last week, please accept this memorandum as further analysis and recommendations with respect to the proposed “graduated approach” to calculating parkland dedication for higher density residential development proposals.

Table 1, below, identifies the statistics generated by the approach suggested in the current DRAFT By-Law. This approach is used as the baseline for the alternate scenarios that follow. It is important to note that there are a number of assumptions that are inherent to this suggested approach that are carried forward in the development of the alternative scenarios, including:

- Site area is 1,000m<sup>2</sup>;
- Lot coverage is 80%, resulting in a floor plate of 800m<sup>2</sup>;
- Dwelling units size is estimated at 120m<sup>2</sup>/unit;
- Household size is calculated at 1.91 persons/unit; and,
- Land cost is estimated at 4,325,000 per hectare.

<b>Table 1</b>	<b>NR</b>	<b>Proposed</b>
0-2.5FSI	480m <sup>2</sup>	480m <sup>2</sup>
2.5-5FSI	480m <sup>2</sup>	360m <sup>2</sup>
5-8FSI	576m <sup>2</sup>	290m <sup>2</sup>
8 FSI and above	192m <sup>2</sup>	50m <sup>2</sup>
<b>Parkland Generated</b>	<b>1,728m<sup>2</sup></b>	<b>1,180m<sup>2</sup></b>
<b>Cash-in-lieu Generated</b>	<b>\$747,360.</b>	<b>\$510,350.</b>
<b>Average Cost/Unit</b>	<b>\$9,965.</b>	<b>\$6,805.</b>
<b>% Overall Reduction</b>		<b>31.7%</b>

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On the basis of the suggested graduated approach in the current DRAFT By-Law, we heard comments from DSC that indicated that the approach should be simplified (fewer categories) and that, potentially, the initial reduction was granted too early in the density hierarchy. From BILD, we heard that the approach was of interest, but the real incentive for intensification came too late in the density hierarchy, applying to only the very highest density categories. It was the suggestion of BILD that the incentive be provided sooner, applying to mid-range density developments, more typical in the City of Markham.

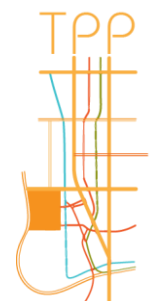
Table 2 represents the most simple approach. There are two density categories – 0 to 3.0 FSI, where no further reduction is applied, and above 3.0 FSI, where a 47.5% reduction applies. The FSI category that is not subject to a dedication reduction increases from 2.5 FSI to 3.0 FSI. This will ensure maximum generation of parkland or cash for those residential developments most typical to Markham within the identified intensification centres and corridors, with the exception of Markham Centre and Langstaff, where densities are planned to exceed 3.0 FSI, and include buildings up to and beyond 9.0 FSI.

It is important to note also that the proposed incentive of a 47.5% reduction applies to developments as soon as they exceed the 3.0 FSI threshold. The average reduction for a building at 9.0 FSI remains as suggested at 31.7%. This is certainly in line with the request of BILD to get into the incentive zones sooner in the density hierarchy, while maintaining the overall incentive impact as in the suggested graduated approach in the current DRAFT By-Law.

<b>Table 2</b>	<b>NR</b>	<b>47.5%</b>
0-3FSI	576m2	576m2
3 FSI and above	1,152m2	605m2
<b>Parkland Generated</b>	<b>1,728m2</b>	<b>1,181m2</b>
<b>Cash-in-lieu Generated</b>	<b>\$747,360.</b>	<b>\$510,782.</b>
<b>Average Cost/Unit</b>	<b>\$9,965.</b>	<b>\$6,810.</b>
<b>% Overall Reduction</b>		<b>31.7%</b>

Table 3 proposes a number of scenarios that establish 3 categories, from 0.0 FSI to 3.0 FSI, where no reduction is proposed, from 3.0 FSI to 6.0 FSI, where a first stage reduction is proposed, and from 6.0 and beyond, where a greater reduction is proposed. For a building that achieves 9.0 FSI, the incentive impact is the same as the scenarios developed in Table 1 and in Table 2. The fundamental difference with these scenarios is the front-ending of the incentivization of development.

The 25/70% scenario is very similar to the suggested scenario in Table 1, except there are 3 categories instead of 4. This scenario does not really resolve the request by BILD that the graduated approach be more front-ended for reduction. Like all of the scenarios, it does achieve, for a building at 9.0 FSI, the same overall reduction.



The 30/65% scenario does address to some degree, BILD's request. It represents about a 5% further reduction for those developments that achieve a density of between 3.0 and 6.0 FSI than was originally proposed as identified in Table 1.

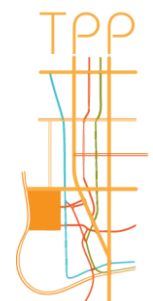
The 35/60% scenario provides a 10% further reduction in parkland dedication requirements, and is in line with the request made by BILD. Again, like all of the scenarios, it does achieve, for a building at 9.0 FSI, the same overall reduction, and includes a greater front-end reduction

<b>Table 3</b>	<b>NR</b>	<b>35/60%</b>	<b>30/65%</b>	<b>25/70%</b>
0-3FSI	576m2	576m2	576m2	576m2
3-6FSI	576m2	374m2	403m2	432m2
6 FSI and above	576m2	230m2	202m2	173m2
<b>Parkland Generated</b>	<b>1,728m2</b>	<b>1,180m2</b>	<b>1,181m2</b>	<b>1,181m2</b>
<b>Cash-in-lieu Generated</b>	<b>\$747,360.</b>	<b>\$510,350.</b>	<b>\$510,782.</b>	<b>\$510,782.</b>
<b>Average Cost/Unit</b>	<b>\$9,965.</b>	<b>\$6,805.</b>	<b>\$6,810.</b>	<b>\$6,810.</b>
<b>% Overall Reduction</b>		<b>31.7%</b>	<b>31.7%</b>	<b>31.7%</b>

Overall, it is my opinion that further refinements to the graduated approach identified in the current DRAFT By-Law is warranted for two reasons:

- Item 1. That the threshold density be raised from 2.5 FSI to 3.0 FSI to ensure that development within the majority of the City's intensification centres and corridors is required to provide parkland dedication at the City's rate of 1.2 hectares per 1,000 people. It is felt that much of the City's development potential in these areas will be within this density range.
- Item 2. That, in accordance with the request of BILD, that the incentive program for higher density development be more favourable earlier in the density hierarchy, rather than later. This is a reasonable request given the implementation of Item 1. Further, there is a rationale to incentivize to a greater extent, those developments that fall within the 3.0 to 6.0 FSI density range, as opposed to substantially increasing the incentive as developments get denser. That approach, as identified in the current DRAFT By-Law, may have the unwanted side effect of promoting higher density projects that are not desired by the City in order to achieve development cost efficiencies, including the maximization of the parkland reduction.

It is my recommendation, subject to further discussion with City Staff, that either the two-tier approach identified in Table 2, or the 35/65% scenario identified in Table 3, best achieve municipal objectives balanced with the requests of the development industry, as represented by BILD.



## ANTICIPATED IMPACT OF REVISED GRADUATED APPROACH

There has been substantial discussion around the actual “impact” the proposed graduated parkland dedication reduction will have on the achievement of the desired parkland system in the City of Markham to the year 2031. The following is an explanation of the anticipated impact:

### *Principles for Residential Development*

1. It is expected that the baseline parkland dedication throughout the City will be 1 hectare per 300 dwelling units or 1.2 hectares per 1000 residents, whichever is less. The “control” or maximum parkland dedication permitted by the Planning Act is 1 hectare per 300 dwelling units.

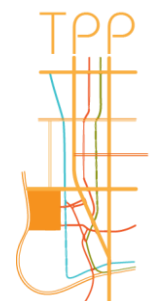
Generally, low to medium density development are to be calculated at 1 hectare per 300 dwelling units, and medium and higher density developments are to be calculated at 1.2 hectares per 1000 people. At an average household size of 2.78 persons per unit, 1 hectare per 300 dwelling units and 1.2 hectares per 1000 people generate the same parkland dedication.

<b>TABLE 1: Parkland Dedication Comparison</b>	<b>1 ha/300 du</b>	<b>1.2 ha/1000 people</b>
<b>Low Density – Household Size 3.36 ppu</b>		
• Parkland/Person	9.9 m2/person	12.0 m2/person
• Parkland/Unit	33.3 m2/unit	40.3 m2/unit
<b>Medium Density – Household Size 2.64 ppu</b>		
• Parkland/Person	12.6 m2/person	12.0 m2/person
• Parkland/Unit	33.3 m2/unit	31.7 m2/unit
<b>High Density – Household Size 1.91 ppu</b>		
• Parkland/Person	17.4 m2/person	12.0 m2/person
• Parkland/Unit	33.3 m2/unit	22.9 m2/unit

2. It is the intent of the City to achieve land dedication within any given development application, and to only accept cash-in-lieu of parkland where land dedication is not practical.

### *Application of those principles*

3. The City, for the purposes of this analysis, can be divided into three primary components (see attached Map):
  - Lower Density and Historic Markham;
  - Urban Centres and Corridors; and,
  - Major Urban Centres (Markham Centre + Langstaff).



4. *Parkland Dedication Strategy for Lower Density and Historic Markham* – For these components of the City, new development is expected to be primarily low to medium density. At the Secondary Plan level, parkland dedication will be calculated at 1 hectare per 300 dwelling units. As such, the City will be achieving the MAXIMUM DEDICATION PERMITTED BY THE PLANNING ACT. In this regard, and given that individual developments are unlikely to exceed an FSI of 3.0, the graduated reduction approach for high density development will HAVE NO IMPACT on parkland dedication calculations.
5. *Urban Centres and Corridors* - For these components of the City, new development is expected to be primarily medium to high density, achieving FSI's of 3.0 or less. In these areas, parkland dedication will be calculated at 1 hectare per 300 dwelling units or 1.2 hectares per 1,000 people, whichever is less. As such, parkland will be dedicated generally at the current level of 1.2 hectares per 1000 persons, and the graduated reduction approach for high density development will HAVE NO IMPACT on parkland dedication calculations.
6. *Major Urban Centres (Markham Centre + Langstaff)* – For these components, the graduated approach will apply. There are a number of key points:
  - It is estimated that most, if not all new development within Markham Centre and in Langstaff will be 3.0 FSI or greater. It is important to note that the first 3.0 FSI will be required to dedicate land at 1.2 hectares per 1000 people. In this regard, for the first 3.0 FSI generated, the graduated reduction approach for high density development will HAVE NO IMPACT on parkland dedication calculations.
  - High density buildings will, depending upon how dense they are, typically generate a parkland dedication that is substantially in excess of the land available on-site to dedicate. This means that virtually all high density buildings within Markham Centre and Langstaff will need to provide cash-in-lieu of parkland for some component of their dedication requirement.
  - The cash-in-lieu generated can be used in any combination of the following three ways:
    1. To acquire land within the Major Urban Centre on sites identified in the Secondary Plan as public parkland. In this instance the land value to cash generated is equal – a 1:1 ratio;
    2. To acquire land outside of the Major Urban Centre, within the Centres + Corridors, or within the existing built up area of Markham. In this instance the land value to cash generated is not expected to be equal but to be between a 1:1 and 1:2 ratio. This means that with the cash-in-lieu derived from development within the Major Urban Centres, the City may purchase up to twice as much land per dollar; or,



3. To acquire land outside of the Urban Boundary for rural recreational use. In this instance the land value to cash generated is expected to be at least at a 1:3 ratio. This means that with the cash-in-lieu derived from development within the Major Urban Centres, the City may purchase three, or even 4 times as much land per dollar.

### **Conclusions**

7. The primary conclusion of this overview analysis is that the City, while providing an extra incentive to the highest density forms of residential development should have no problem acquiring enough land to fulfill overall objectives for public parkland due to the land value differential among different areas within the City.
8. This approach is considered a reasonable one because there is simply not enough land within the Major Urban Centres of Markham Centre and Langstaff to dedicate for public park purposes, and it is the intent of the legislation that permits the acceptance of cash-in-lieu of parkland to acquire lands elsewhere throughout the City, as required.

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