



Date: January 6, 2025

To: Mayor and Council

Author: Richard J.H. Wyma, CSLA
Director of Planning and Development

RE: Parkland Dedication and Payment-in-Lieu By-Law

RECOMMENDED ACTION

That Council **adopt** the Parks Plan, and Parkland Dedication By-law (13-2025), which establishes parkland dedication and payment cash-in-lieu rates for residential and non-residential development, in accordance with the *Planning Act*.

KEY POINTS

- The *Planning Act* permits Municipalities to require dedication of parkland, or equivalent payment-in-lieu (for land acquisition or other public recreational purposes), to ensure that park systems are aligned with community growth. In keeping with the Act, Kingsville requires conveyance of park land or equivalent payment-in-lieu at a rate of 5% of the land area for residential purposes and at a rate of 2% of the land area for industrial, commercial, or institutional purposes.
- Bill 23, *More Homes Built Faster Act, 2022* introduced changes to the Planning Act that allows municipalities to evaluate and collect parkland dedication at the time of building permit issuance rather than at the time of lot creation, before lands are serviced. A Parkland Dedication By-Law is required to implement these changes.
- Kingsville, Essex, Lakeshore, LaSalle, Leamington, and Tecumseh engaged Watson & Associates Economists Ltd. to undertake a review of local parkland policies in the context of Bill 23 and recommend Parkland dedication by-laws to ensure application of changes are consistently applied throughout the region.
- In keeping with the *Planning Act*, a joint in-person/virtual public consultation session was held on April 4, 2024. The session was advertised by each participating municipality and circulated to the Windsor Home Builders Association as well as the Heavy Construction Association and local school boards.
- Watson drafted by-laws for each municipalities and undertook appraisals to facilitate the calculation of parkland fees. Given that the new rates represent a change from the way parkland fees are currently collected, Administration from the six participating municipalities are recommending a three-year phase-in for the new rates to allow an adjustment period for the building community.
- Kingsville's 2019 Parks and Recreation Master Plan noted that compared to other municipalities in the county, the Town of Kingsville generally has fewer parks,

recreation and cultural amenities per capita and that they are not necessarily aligned with where people live. Watson has also made recommendations regarding Kingsville's parks system, need for park classifications and inventories which can be considered as part of the Town's Strategic Plan commitment to review and develop a new Parks and Recreation Plan.

BACKGROUND

The dedication of parkland is a requirement under the *Planning Act* that allows municipalities to ensure that the park system is aligned with growth in the community. The *Planning Act* provides municipalities with the authority to impose conditions on development and redevelopment to receive parkland or payment-in-lieu thereof, as established by the following Sections:

- i) Section 42 provides the rules to be imposed at the time of building permit issuance (to be imposed by by-law);
- ii) Section 51.1 provides the rules to be imposed as a condition of approval of a plan of subdivision; and
- iii) Section 53 provides the rules to be imposed as a condition of consent.

Revenue generated from payment-in-lieu of parkland conveyance can be used for the acquisition of parkland or for other public recreational purposes throughout the municipality.

Currently, Kingsville does not have a Parkland Dedication By-law, but instead relies on Sections 51.1 and 53 of the *Planning Act* in requiring parkland dedication and payment-in-lieu of parkland dedication of 5% for residential developments and 2% for non-residential developments which is valued and collected at the time of lot creation for plans of subdivision. The Town also has a policy of requiring a payment-in-lieu rate of \$1,500 per residential lot that is created by way of a consent to sever application which is also collected at the time of lot creation.

In November 2022, changes to the Planning Act via Bill 23, More Homes Built Faster Act, 2022 were introduced which affected parkland dedication and cash-in-lieu of parkland. Accordingly, Watson & Associates Economists Ltd. ("Watson") was retained by the Town (and other area municipalities) to undertake a review and analysis of current parkland policies in the context of Bill 23 and to recommend new Parkland Dedication By-laws. Six of the seven County municipalities also engaged Watson to undertake these tasks, resulting in similar processes and draft By-law terminology.

It is important to note that the collection of park fees at the time of lot creation is based on a lower land valuation, and therefore lower park fee, as compared to that which can be collected under Section 42 which allows for the valuation and collection of park fees at the time of building permit issuance. At this later stage, land values are higher due to the land being fully serviced, resulting in a higher park fee. A Parkland Dedication By-law is required before the provisions of Section 42 can apply.

DISCUSSION

As has been noted, the proposed Parkland Dedication By-law will be an important tool for the municipality to collect adequate parkland and secure the required funds for additional parks identified within the Town's policy documents. The proposed Parkland Dedication By-law establishes how the Town collects these fees and acquires land in a manner that is consistent with Provincial legislation. In the absence of a Parkland Dedication By-law that governs how parkland and cash-in-lieu of parkland is to be collected, the municipality limits its ability to effectively build its park system on pace with new development.

The attached Parks Plan Memorandum prepared by Watson & Associates (March 2024) is in keeping with the new requirements under the Planning Act relating to the adoption of a PDB. Establishing a Parks Plan is identified in the legislation as a prerequisite for the adoption of a PDB. The adoption of a PDB will assist the municipality in the following ways:

1. Establish a clear understanding of parkland dedication requirements relative to the Planning Act application being considered
2. Allow the municipality to require new parkland and/or cash-in-lieu of land as part of the development approval process
3. Become the legal tool necessary to ensure that as the Town of LaSalle grows, the park system grows with it.

Kingsville's 2019 Parks and Recreation Master Plan noted that compared to other municipalities in the county, the Town of Kingsville generally has fewer parks, recreation and cultural amenities per capita. The Plan also noted that the Town's Official Plan (confirm) includes a commitment of 2.5 ha of parkland for every 1,000 persons which is also lower than all other municipalities, which (at the time of the 2018 PRAC Master Plan) identified that the average level of provision in Essex County is 4.7 hectares per 1,000 residents (Lakeshore, at the time, was lowest at 2.9ha/1000 and Tecumseh was the highest at 6.3ha/1000). Through the parkland dedication enabled by the *Planning Act*, municipalities can generally expect to receive parkland below this level, meaning that alternate acquisition tools (e.g., land purchase, etc.) may be required to attain greater rates of provision.

The Attached Parks Plan notes that a review of anticipated parkland needs to 2046 (based on population projections and the 2.5 hectares of parkland per 1,000 residents, which is lower than average) results in a significant deficit of parklands required to support growth in the community. That, at minimum, an additional 50 acres of park lands will be required. PDB revenues can be used for the acquisition of future parkland, in keeping with the Town of Kingsville's Official Plan/Parks Master Plan, or for other public recreational purposes.

Related to this, the parks Plan further recommends that:

- Parkland inventory be allocated to various parkland categories as defined (or refined) in a Parks and Recreation Master Plan and including specific population-based breakdown for each confirmed classification which may have an impact on the hectares of parkland required to support future growth. The Town's Strategic Plan commits to reviewing the current Parks, Recreation, Arts, and Culture Master Plan where this recommendation can be best considered.
- Parkland Dedication utilize the alternative rates for residential development in a future parkland dedication by-law, consider including guidance in the OP on when to use the alternative rate based on density
- The Town consider increasing the Residential Per Lot Payment-in-lieu Fee (currently \$1,500) for consents and that any increase be phased in over time subject to indexing
- The Town consider revising the OP to include consistent policies to collect payment-in-lieu for commercial, industrial and greenhouse development, and all other residential development and re-development in keeping with Planning Act dedication rates; and to include the use of the alternative rate where the alternative rate provides for more payment-in-lieu

These recommendations will be used to inform the Official Plan and/or Secondary Plans, development review, as well as the planned review of the Parks and Recreation Plan.

The adoption of a new Parkland Dedication By-law requires public consultation in accordance with the *Planning Act*. The *Planning Act* (sections 42 and 51.1) requires a municipality to consult with persons and public bodies as the municipality considers appropriate. While a public meeting is not required under the *Planning Act*, in response to legislative changes, most municipalities in the County are currently updating their parkland policies and preparing and approving a PDB. It is for this reason that Watson recommended a joint consultation meeting be held for the six local municipalities that had retained their services to update their Parkland Dedication By-laws. Accordingly, the municipalities of Tecumseh, Essex, Kingsville, Lakeshore, LaSalle and Leamington held a joint in-person/virtual public consultation session on April 4, 2024 (Note that Amherstburg independently updated their own parkland dedication by-law in early 2023 and prior to this joint proposal, as a result, did not need to participate).

The public was also provided with an opportunity to provide written feedback and comments by email until April 15, 2024. This also ensured that there was a united approach to how fees would be charged, especially considering that all local municipalities typically deal with the same developers and builders who would be impacted by the proposals. The session was advertised by each participating municipality and circulated to the Windsor Home Builders Association as well as the Heavy Construction Association and local school boards.

The session included members of the development community, the public and Administration and some Councillors from the participating municipalities. Roughly 20 people attended the session. Daryl Abbs, Managing Partner with Watson made a presentation regarding the project to explain the methodology used when preparing the draft by-laws, followed by a question-and-answer period. The summary table below lists the comments and questions received at the meeting. No additional feedback regarding the proposed by-law has since been received.

Question/Comment	Feedback Provided
Are school boards exempt from having to pay Parkland Dedication Fees?	All by-laws will exempt those school boards with a shared use agreement for recreational services between the municipality and the individual school.
Why are the land values different between the municipalities? Can the municipalities look at a reasonable range among all areas?	Fees are based on land values as per the <i>Planning Act</i> . Land values differ among the municipalities and were estimated using MPAC data.
Can a copy of the PowerPoint Slide Deck be shared?	One was shared with the registered participants.

Following the comment period, it was felt that a set per unit amount (i.e. flat fee) would be the best approach to implement for residential development and provide the most certainty for developers versus requiring appraisals for each proposed development. Appraisals and additional analysis were undertaken for each municipality and feedback integrated into the draft By-law text as proposed for Council consideration.

Schedule A to the Parkland Dedication By-law (below) establishes the per unit rate for parkland dedication when cash-in-lieu is required. These rates were derived based on land values established through an appraisal, which calculated the average current market values for low, medium and high-density residential lands in each municipality. Given that the new rates represent a significant departure from the parkland fees currently collected, Administration from the six participating municipalities are recommending a three-year phase-in for the new rates to allow an adjustment period for the building community.

This phased-in approach for Kingsville would result in the following park fee per unit for residential development, paid at the time of building permit issuance:

Unit Type	Parkland In Lieu Per Unit		
	January 1, 2025 to December 31, 2025	January 1, 2026 to December 31, 2026	January 1, 2027 onwards
Single-detached - Rural	\$2,900	\$4,700	\$6,500
Single-detached - Urban	\$4,000	\$6,550	\$9,100
Semi-Detached and Multiples	\$1,400	\$2,300	\$3,200
Apartments	\$600	\$1,000	\$1,400

The proposed Parkland Dedication By-law establishes that the residential rates shall be indexed by the Statistics Canada New Housing Price Index annually on January 1st of each year, commencing January 1, 2026. To ensure that rates remain reflective of current market conditions, Administration will undertake a review of the By-law and associated land values every five years.

A summary of rates between municipalities in Essex County is provided in Appendix A for information.

It is important to note that generally, most new greenfield development proceeds with dedication of actual parkland to the Town and not by cash-in-lieu of parkland. This allows for the location and size of parkland to be included in development applications which will come into the ownership of the Town at the time of subdivision approval and through agreements. Accordingly, most of the new, greenfield development in the Town will not pay a park fee as the Town will be taking land for park purposes.

The bulk of residential infill development in existing developed areas of the Town has recently been of a more intensive nature, comprising semis, townhomes and apartments. The park fee that is proposed to apply to these units is like those proposed for other municipalities in Essex County. Single-detached units as infill in existing development areas has become much rarer. The By-law establishes that where an existing home is demolished and a new one constructed, there is no payment of a park fee.

As noted, municipalities of Tecumseh (December 10, 2024), Essex (December 16, 2024), Lakeshore (December 10, 2024), LaSalle (January 2025) and Leamington (January 2025) have approved parkland dedication by-laws based on the joint review and consultations hosted by Watson & Associates.

FINANCIAL CONSIDERATIONS

The cost for Watson & Associates to complete the Parkland Dedication memo was included in the Town's previous Development Charges study. Additional costs associated with Watson & Associates' coordinating the Joint stakeholder meetings with all municipalities, school boards, residents and developers, are less than \$1,000.

Increases in the parkland dedication fees will help reduce the future financial tax burden on residents of Kingsville. Land acquisition for park purposes will be negotiated with developers in communities where new parkland is needed. Increases to the parkland fees are charged to individual builders/developers at the building permit stage. Both acquisition and payment in lieu approaches will help reduce the financial burden on the general rate payers of the municipality for land acquisition and development in the future. It is also recommended that financial reviews of parkland development are done on a regular basis to avoid shortfalls in long term funding and financial planning.

As noted, growth in Kingsville will require an additional 50 acres of parkland. Opportunities may exist through the subdivision process to negotiate with landholders to achieve greater parkland supplies, which is often in the best interest of all parties.

The Town's Strategic Plan also directs the updates to the Town's Parks and Recreation, and Programs and Events Plans.

ENVIRONMENTAL CONSIDERATIONS

Kingsville's Official Plan supports the expansion of parks, recreational spaces and facilities, conservation areas and expanded active transportation linkages within the town. Recent dedications of parklands as part of development applications will increase both the supply of parkland, as well as cash-in-lieu which will be used to support parks and recreation in Kingsville.

CONSULTATIONS

As noted above, consultations were held in keeping with the requirements of the *Planning Act*. Sections 42 and 51.1 of the Planning Act require a municipality to consult with persons and public bodies as the municipality considers appropriate. A public meeting is not required under the Planning Act. As detailed above, consultations were carried out in April 2024.

Additional consultation included:

- Finance and Corporate Services
- Senior Management Team
- Watson & Associates Economists Ltd.
- County of Essex Municipalities (Amherstburg, Essex, Lakeshore, LaSalle, Leamington, Tecumseh)

PREPARED BY:

A handwritten signature in black ink, consisting of several overlapping loops and a trailing line that ends in a small dot.

Richard J.H. Wyma CSLA
Director of Planning and Development