



The Corporation of the Town of Tecumseh

Development Services

To: Mayor and Members of Council

From: Brian Hillman, Director Development Services

Date to Council: December 10, 2024

Report Number: DS-2024-42

Subject: New Parkland Dedication or Payment-In-Lieu By-law
OUR FILE: C01 PARKLAND

Recommendations

It is recommended:

That Report DS-2024-42, titled “New Parkland Dedication or Payment-In-Lieu By-law”, **be received;**

And that Parkland Dedication or Payment-In-Lieu By-law 2024-108, which establishes parkland dedication or payment cash-in-lieu rates for residential and non-residential development, in accordance with DS-2024-42, **be adopted.**

Background

Current Parkland Dedication Framework for Tecumseh

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, Tecumseh does not have a Town-wide Parkland Dedication or Payment-In-Lieu By-law ("Parkland Dedication By-law") but instead relies on the provisions of Sections 51.1 and 53 of the Planning Act in requiring a 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 \$750 per residential lot that is created by way of a consent to sever application which is also collected at the time of lot creation.

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.

Currently, the Town has only one Parkland Dedication By-law passed in accordance with Section 42 of the *Planning Act*, By-law 2015-68, which exclusively applies to the Manning Road Secondary Plan Area. This By-law establishes that a payment-in-lieu of parkland dedication shall be provided at a value of 2% for commercial and industrial lands and 5% for development of lands in all other zoning classifications and is valued and collected at the time of building permit issuance. The By-law was intended to provide a means of establishing the 10-acre central park identified in the Official Plan for this planning district and ensuring that the landowner upon which the park is to be located is provided fair compensation from the other benefiting developers. Given that the proposed new Parkland Dedication By-law will provide the same outcome, By-law 2015-68 is proposed to be repealed at the time of passage of the new by-law. The proposed new Parkland Dedication By-law would also provide for the option of a different approach that would have some of the plans of subdivision in MRSPA provide parkland dedication and others provide payment-in-lieu of parkland. The result would be the distribution of smaller parks throughout the planning area rather than having one central 10-acre park.

Review of Town's Parkland Dedication Policies

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 to undertake a review and analysis of the Town's current parkland policies in the context of Bill 23 and to recommend a new Parkland Dedication By-law. Six of the seven County municipalities also engaged Watson to undertake these tasks, resulting in similar processes and draft By-law terminology.

Based on the recommendation of Report [DS-2024-01](#), Council passed Motion SCM-07/24 at the January 23, 2024, Regular Council Meeting, which included the following:

"That the Memorandum entitled "Parks Plan – Parkland Dedication and Payment-in- Lieu of Parkland Analysis," dated January 25, 2024, as prepared by Watson & Associates Economists Ltd., **be received**;

And further that Administration **be directed**, with the assistance of Watson & Associates Economists Ltd., to undertake public engagement to review a draft Parkland Dedication By-law to regulate the dedication of parkland or the payment-in-lieu thereof as a condition of development or redevelopment to implement the changes made by Bill 23, as presented at the January 23, 2024 Special Council Meeting and in accordance with DS-2024-01."

Comments

Public/Agency Consultation

The adoption of a new Parkland Dedication By-law requires public consultation in accordance with the *Planning Act*. The *Planning Act* requires a municipality to consult with persons and public bodies as the municipality considers appropriate. 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. 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.

Summary of Consultation

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 session, and after further discussion by all municipal representatives, and as means to ensure accuracy, an appraiser was commissioned to provide updated land value data by municipality.

Proposed Parkland Dedication By-law

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.

Mr. Daryl Abbs of Watson will be attending the December 10, 2024, Regular Council meeting as a delegation and will provide a brief overview of the process, legislation and proposed Parkland Dedication By-law.

Schedule A to the Parkland Dedication By-law 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 Tecumseh would result in the following park fee per unit for residential development, paid at the time of building permit issuance:

Unit Type	PIL per Unit January 1, 2025 to December 31, 2025	PIL per Unit January 1, 2026 to December 31, 2026	PIL per Unit January 1, 2027 onwards
Single-detached Rural	\$2,400	\$4,450	\$6,500
Single-detached Urban	\$5,100	\$9,450	\$13,800
Semi-detached and Multiples	\$1,300	\$2,400	\$3,500
Apartments	\$500	\$950	\$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 comparison of rates between municipalities in Essex County for single detached urban units is provided in Attachment 1. The rates for other unit types are similar between the municipalities and have therefore not been provided.

It is important to note that most of the new greenfield development is currently anticipated to proceed by the dedication of actual parkland to the Town and not by cash-in-lieu of parkland. More specifically, the location and size of parkland has been pre-determined in the draft Tecumseh Hamlet Secondary Plan (which will ultimately be incorporated into the Official Plan) and in the Manning Road Secondary Plan Area

(which currently includes a centrally designated park in the Official Plan). These parks 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.

Administration is recommending that Council adopt the new Parkland Dedication By-law, which will be placed on the December 10, 2024, Regular Council Meeting agenda as By-law 2024-108. If adopted, a notice of by-law adoption will be circulated.

Consultations

Community & Recreation Services
Financial Services
Watson & Associates Economists Ltd.
County of Essex Municipalities

Financial Implications

Funds from cash-in-lieu of parkland dedication will be held in the Town's Parkland Dedication reserve account and used in accordance with the requirements of the *Planning Act*.

The new Parkland Dedication By-law is being proposed to adequately develop the municipal parkland system as planned. If the by-law is not supported, the funds to grow and enhance the parkland system will need to be subsidized by the municipal tax base.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input checked="" type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Enrico DeCecco, BA (Hons), MCIP, RPP
Senior Planner

Reviewed by:

Chad Jeffery, MA, MCIP, RPP
Manager Planning Services & Local Economic Development

Reviewed by:

Beth Gignac, BA Hons
Director Community & Recreation Services

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Development Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Comparison of Park Fees for Single Detached Urban Units in Essex County Municipalities