

**FINANCE AND ADMINISTRATION COMMITTEE – JUNE 18, 2012**

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**COMMUNICATIONS**

**Distributed June 15, 2012**

**Item No.**

C1	P. J. Tenuta, Building Industry and Land Development Association, dated June 14, 2012	6
C2	S. Zavaros, Metrontario Group, dated June 15, 2012	6
C3	L. Ognibene, The Remington Group, dated June 14, 2012	6
C4	A. Hershoff, TACC Developments, dated June 14, 2012	6
C5	P. Stellato, Cityzen Urban Lifestyle, dated June 15, 2012	6

**Distributed June 18, 2012**

C6	N. Pileggi, Malone Given Parsons Ltd., dated June 15, 2012	6
C7	M. Rogato, Solmar Developments Corp., dated June 15, 2012	6
C8	Presentation Material from the Director of Legal Services and the Senior Manager of Real Estate	6

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Please note there may be further Communications.



BUILDING A GREATER GTA  
Building Industry and Land  
Development Association

FINANCE & ADMIN. CMTEE  
COMMUNICATION C 1

Date: June 18 / ITEM NO. 6

June 14, 2012

Mayor Maurizio Bevilacqua, and  
Members of the Finance & Administration Committee  
City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, Ontario  
L6A 1T1

Dear Mayor Bevilacqua,

**Re: Cash-in-Lieu of Parkland Dedication, High Density Residential Development  
Finance & Administration Committee meeting of June 18, 2012**

The Building Industry and Land Development is in receipt of the staff report being presented to the Finance & Administration Committee for consideration at its meeting of June 18<sup>th</sup> regarding Cash-in-Lieu of Parkland Dedication High Density Residential Development.

Although BILD was aware that City staff were considering a review of its parkland policies, and despite repeated conversations and requests for BILD, through its York Chapter, to be involved in a stakeholder consultation process on the matter, BILD was only notified by staff on June 6<sup>th</sup> that a report would be proceeding to Committee on June 18<sup>th</sup> with the possibility of a new cash-in-lieu rate being considered by Council and taking effect on June 26<sup>th</sup>.

Staff is proposing that a by-law be enacted which will include a unit rate for high density development of \$8,500 **which more than doubles the current rate** of \$4,100. Considering the extreme importance of this matter, BILD was able to assemble a group of interested and effected members to meet with City staff on June 13<sup>th</sup>. At that time, the group had a preliminary discussion and was able to give only initial feedback on the staff report received only a day and a half before.

Members of the BILD York Chapter have expressed **significant concern regarding the magnitude of the proposed increase**, and its potential impact on housing affordability and choice for future residents of the City of Vaughan. We simply have not had enough time to digest the contents of the staff report and any related background material, and require additional time to understand how staff have arrived at the proposed unit rate.

We therefore **request that Committee consider a deferral of this item** to allow for additional consideration, understanding and required meaningful dialogue in the hopes that BILD York Chapter members and city staff are able to reach a mutually agreeable solution that benefits all parties, including the City's future residents. We trust that you will take this request under serious consideration and looking forward to working with staff on this matter.

Yours truly,

Paula J. Tenuta  
Vice President, Policy & Government Relations

20 Upjohn Rd, Suite 100  
North York, ON M3B 2V9

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www.bildgta.ca



the  
**metrontario**  
group

www.metrontario.com

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Suite 601, One Yorkdale Road  
Toronto, Ontario, Canada M6A 3A1

June 15, 2012.

Mayor Maurizio Bevilacqua, and  
Members of the Finance & Administration Committee  
City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, Ontario. L6A 1T1

Dear Mayor Bevilacqua,

**Re: Cash-in-lieu of Parkland Dedication, High Density Residential Development  
Finance & Administration Committee Meeting of June 18, 2012.**

The Metrontario Group owns 4 acres of high density residential lands that will accommodate approximately 650 units in Vaughan's Town Centre at Bathurst and Centre Street. We have only recently had an opportunity to review the staff report on the Finance and Administration Committee, June 18<sup>th</sup> meeting agenda, regarding cash-in-lieu of parkland dedication for high density residential development. We have significant concern with the proposed fee increase being more than 100% from the current rates.


Through our BILD membership we had only become aware of the report coming forward on June 6<sup>th</sup> and it was not until June 13<sup>th</sup> at the request of BILD, that we together with several other concerned developers, were able to convene a meeting with City staff to acquire some further information and insight into the proposed increase. While we were able to express some of our initial shared industry concerns with staff and although the meeting served as a helpful first step, we do require additional time to fully review the proposed rate and to provide more wholesome and meaningful feedback to the City through BILD.

Given the late notification and consultation with staff on this extremely important issue, we **request that Committee consider a deferral of this matter until such time we have had an opportunity to fully understand the content and implications of the agenda item.** Further communications with staff through BILD, York Chapter in an effort to reach a mutually agreeable conclusion that will address both City and BILD concerns would be very helpful and greatly appreciated. Thank you for considering our request.

Yours very truly,

**THE METRONTARIO GROUP**

Per

  
Scott Zavaros

cc; Paula Tenuta, BILD

**FINANCE & ADMIN. CMTEE  
COMMUNICATION C2**

Date: June 18/12 ITEM NO. 6



THE REMINGTON GROUP INC.

FINANCE & ADMIN. CMTEE  
COMMUNICATION C 3

Date: June 18/12 ITEM NO. 6

June 14, 2012

Mayor Maurizio Bevilaqua and  
Members of the Finance & Administration Committee  
The City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, Ontario  
L6A 1T1

Dear Mayor Bevilaqua:

**RE: Cash-in-Lieu of Parkland Dedication, High Density Residential Development  
Item 6, Finance & Administration Committee Agenda of June 18, 2012**

We recently received a copy of staff's report on the above-referenced matter which is scheduled to go forward at the Finance & Administration Committee's meeting next week.

The Remington Group has a significant stake in high density residential development within the City of Vaughan, both within Carrville Centre and the Vaughan Metropolitan Centre. As such, we would like the opportunity to fully understand and assess staff's background report and recommendations before they are considered by Committee.

We respectfully request Committee defer this item in order to permit further stakeholder consultation prior to making a decision.

Sincerely,

Luch Ognibene, MCIP RPP  
Vice President of Land Development

cc. City Clerk  
Members of Finance Committee

**TACC DEVELOPMENTS**

600 Applewood Cres. Tel: 905.760.7300  
Vaughan, Ontario Fax: 905.669.9600  
L4K 4B4 Email: ahershoff@tacc.com

June 14, 2012

City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, Ontario L6A 1T1

FINANCE & ADMIN. CMTEE  
COMMUNICATION c 4

Date: June 18/12 ITEM NO. 6

Attention: Mayor and Members of Council

Dear Mayor and Members of Council

**RE: Cash in Lieu of Parkland Dedication  
High Density Residential Development  
Item #6: Finance Committee Meeting, June 18, 2012  
Request for Deferral**

I am writing to you on behalf of landowners within projects TACC Developments manages on behalf of various landowners in the City of Vaughan to request that a decision regarding the implementation of an updated cash in lieu of parkland policy for high rise residential be deferred in order to allow additional analysis by the development community and City staff to occur. This request comes out of the meeting referenced in the report that occurred on June 13, 2012 with City staff.

Due to the importance of the issues raised at the meeting and within the report, combined with the lack of consultation before the report was issued, we require additional time to better understand how the City arrived at the proposed value of \$8,500 per unit and the implications this could have on our development plans.

I trust that this request to defer a decision until further discussion and analysis has occurred will be considered and granted.

Yours truly,

**TACC DEVELOPMENTS**

Per:

Aaron Hershoff, M.C.I.P., R.P.P.

cc: Mr. Jeffery Abrams, City Clerk  
Mr. Clayton Harris, City Manager  
Mr. Marlon Kalideen, Commissioner of Community Services  
Ms Barbara Cribett, Commissioner of Finance & City Treasurer  
Ms Janice Atwood-Petkovski, Commissioner of Legal & Administrative Services & City Solicitor  
Mr. John MacKenzie, Commissioner of Planning  
Ms Heather Wilson, Legal Department  
Ms Liana Haughton, Real Estate Department  
Ms Paula Tenuta, BILD  
Mr. Silvio DeGasperis, TACC Developments

City of Vaughan  
Finance & Administration Committee  
2141 Major Mackenzie Drive  
Vaughan ON L6A 1T1

To Mayor Bevilacqua and Members of the Finance and Administration Committee:

**Re: Proposed Cash-in-Lieu of Parkland Dedication for High Density Residential Development**

Thank you for the opportunity to comment on the staff report and proposed changes to the city's proposed policy for Cash-in-Lieu of Parkland Dedication for High Density Residential Development, which will be considered at the June 18 Finance & Administration Committee meeting.

First, I would like to emphasize that 165 Pine Grove Investments Inc. is supportive of policy to provide sufficient and high quality park spaces in the City of Vaughan. We appreciate the critical role parks play in improving the livability of the City, especially in a high-density residential context.

Staff is proposing council adopt a by-law that will increase the rate for Cash-in-Lieu of Parkland Dedication for High Density Residential Development from \$4,100.00 per unit to \$8,500 per unit. This change represents a significant increase that we feel staff have inadequately justified in their report to this committee.

In particular, there are errors and issues not addressed in the staff report that we feel should be examined prior to adoption of this by-law.

The staff report indicates the City of Brampton is reviewing its Cash-in-Lieu policy. Effective March 19, 2012 to March 15, 2013 Brampton council adopted a new by-law that provides a per unit rate for low density residential development (\$3,706/ unit), for medium density development (\$6,177/unit) and for high density residential development (\$3,300/unit). Note the Cash-in-Lieu rate for high-density is not punitive or a deterrent to affordable high density development. The high density rate will increase to \$6,795 after March 15, 2013 to provide time for the market to adjust to the increase.

56 THE ESPLANADE  
SUITE 308, TORONTO  
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FAX. 416.777.0503

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Another issue with the staff report is the characterization of Richmond Hill's flat rate of \$10,000/per unit for Cash-in-Lieu of parkland dedication. This is in fact an interim measure and the subject of an Ontario Municipal Board decision expected very soon. While decisions of the board are not precedent setting, we feel that the outcome of this appeal could have some important insight in to the issue of Cash-in-Lieu for parkland dedication for high density residential development in other York Region municipalities.

York Region has recently provided an update on implementation of the affordable housing targets set out in the Regional Official Plan. It notes that one of the most significant ways to address this issue is to diversify the housing supply, and in particular, increasing the portion of high and medium density development. The York Region Official Plan affordable housing targets are set at 25 per cent of all new housing and 35 per cent of new housing in regional centres and corridors. The staff report to committee today states that the proposed increase in fees will be absorbed by the market, which should theoretically result in reduced land values. In practice, this theory would, in many cases, result in negative land values. As a result, the additional costs will result in higher prices for housing and may impact the ability of the City to implement the Regional Official Plan. We feel that this issue should be further reviewed by staff in the context of affordable housing targets and policies set out in the York Region Official Plan.

We would also like to stress that the development of this proposed by-law was not done in consultation with the development industry. We feel that additional consultation will improve the implementation of any Cash-in-Lieu of parkland dedication policy and ensure that it is consistent with the objectives of the Vaughan and York Region Official Plans.

We feel that these significant issues warrant further study by staff and we are requesting the committee consider a deferral of this item at this time. We appreciate you taking the time to review our concerns.

Yours truly,

Paulo Stellato  
165 Pine Grove Investments Inc.

56 THE ESPLANADE  
SUITE 308, TORONTO  
ONTARIO M5E 1A7

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June 15, 2012

Mayor Maurizio Bevilacqua and  
Members of the Finance & Administration Committee  
Via Rose Magnifico, Clerk  
City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, Ontario, L6A 1T1

MGP File: 12-2106  
Your File:

**FINANCE & ADMIN. CMTEE  
COMMUNICATION** C 6

Date: June 18/12 ITEM NO. 6

VIA Email: rose.magnifico@vaughan.ca

Dear Member of Committee:

**RE: Cash in Lieu of Parkland Dedication, High Density Residential Development  
Finance & Administration Committee meeting, June 18, 2012**

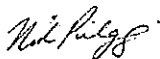
Malone Given Parsons Ltd. are planning consultants for Omega Developments & Contracting, owner of lands in the Vaughan Metropolitan Centre at 7,601 Jane Street (south and east of Jane Street and Highway 7). Our client proposes a high-density mixed use re-development of the lands consistent with the City vision for a 'downtown', transit supportive precinct.

We are concerned with the report to Finance & Administration Committee to consider an increase to the Cash-in-lieu of Parkland Dedication requirement for high-density development. We believe that the proposed increase is significant and warrants additional discussion with affected stakeholders. We have reviewed the correspondence from BILD and agree with their position that the increase may have an impact on housing affordability and choice in the City of Vaughan.

We would be pleased to be part of a constructive discussion regarding cash-in-lieu of parkland dedication with Council, staff, the development industry and stakeholders. For the time being, we ask that this item be deferred so that this discussion can take place, as soon as possible.

Please feel free to contact me at 905.513.0170 ext. 131 if you would like to discuss any aspect of this letter or if you have any further questions regarding my submission.

Yours very truly,  
**MALONE GIVEN PARSONS LTD.**



Nick Pileggi, MCIP, RPP  
Principal  
npileggi@mgp.ca





DELIEVERED VIA EMAIL

June 15, 2012

Mayor Maurizio Bevilacqua, and  
Members of the Finance & Administration Committee  
City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, Ontario  
L6A 1T1

FINANCE & ADMIN. CMTEE  
COMMUNICATION C 7  
Date: June 18/12 ITEM NO. 6

Dear Mayor Bevilacqua,

**RE: Cash-in-Lieu of Parkland Dedication, High Density Residential Development**

Solmar Development Corp. ("Solmar") is an active land owner-community builder operating within the City of Vaughan with a proven track record in the area of High Density Residential Development.

Currently, Solmar is in the process of developing *Bellaria Residence*, a state of the art high density residential community located at the northeast corner of Jane Street and Rutherford Road.

To date, three residential high density towers have been constructed and registered with full occupancy. Such sustainable growth has generated millions in development charge revenue, community benefits including well over \$2,500,000.00 in Parkland Dedication.

A fourth, residential high density tower, has only recently received Site Plan Approval from City Council in May 2012. As part of normal protocol, a Building Permit application has been filed with the City's Building Standards Department during the week of June 4<sup>th</sup>, 2012.

It is our understanding, a significant increase to the Parkland Dedication unit rates, as they would pertain to high density residential development is being considered by Committee and ultimately City Council.

More importantly, it is our understanding a full or partial increase can be implemented as early as **July 1<sup>st</sup>, 2012**.

Although an increase to the Parkland Dedication unit rates have been informally discussed in the past, Solmar has only recently (June 15<sup>th</sup>, 2012) been made aware of the intent to have such a substantial increase brought forward for consideration; in form of a report tabled for the June 18<sup>th</sup> Finance and Administration Committee.

Approval of a partial or fully recommended increase to the Parkland Dedication unit rates for high density residential development, would significantly impact our already approved fourth tower, forming part of *Bellaria Residences*.

**SOLMAR INC.**

Further, such a substantial increase could deter or impact the achievement of the Region of York and City of Vaughan's Official Plan intensification targets, for which the City of Vaughan is anticipated to accommodate a significant share of.

Given the possibility of a deterrence or impact on Vaughan's high density residential development market, further consultation and dialogue with our industry representatives is required and should be deemed necessary.

Therefore, Solmar respectfully supports the request for deferral, as optioned by our industry body BILD and further requests the consideration by Committee Members for permitting the 'grandfathering' of already approved high density residential development projects from a Parkland Dedication increase.

Your consideration and attention regarding this matter is greatly appreciated.

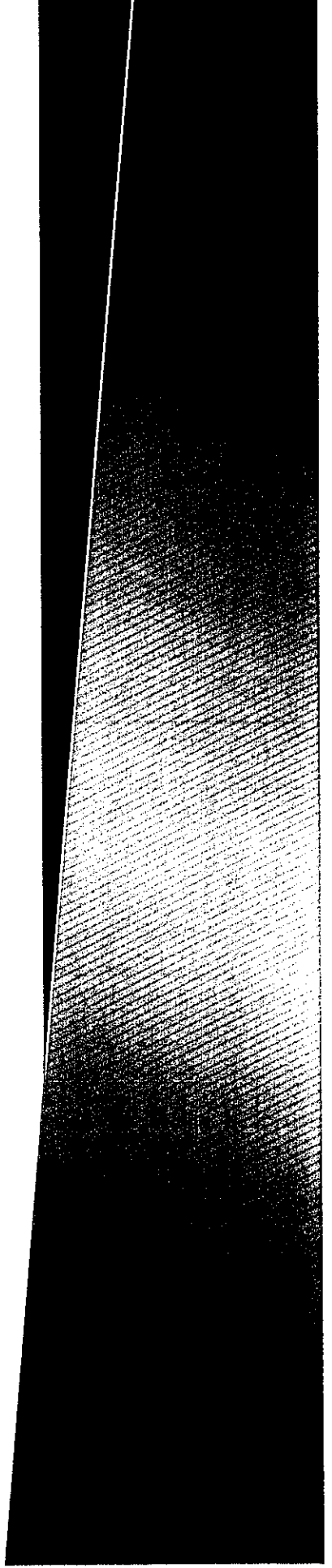
Should you have any questions or require further information, please do not hesitate to contact the undersigned.

Yours truly,  
**SOLMAR INC.**

Maurizio Rogato, B.U.R.PL., M.C.I.P., R.P.P.  
Land Development

# CASH-IN-LIEU OF PARKLAND DEDICATION High Density Residential Rates

Heather A. Wilson - Director of Legal Services  
Liana Haughton - Senior Manager of Real Estate



## **Purpose**

The purpose is to provide information on policies, practices and issues concerning cash-in-lieu of parkland dedication for high density development and to seek approval for increasing the per unit rate and for implementation

## **Legislative Framework Establishes Cash-in-Lieu Requirement**

- City of Vaughan Current OPs and Vaughan's OP 2010 contain provisions pursuant to the Planning Act to implement the parkland objectives and targets of the Active Together Master Plan
- Active Together Master Plan 2008 identifies the City's parkland needs and deficiencies and provides a long term strategy for parks planning

## Cash-in-Lieu is primary source of revenue

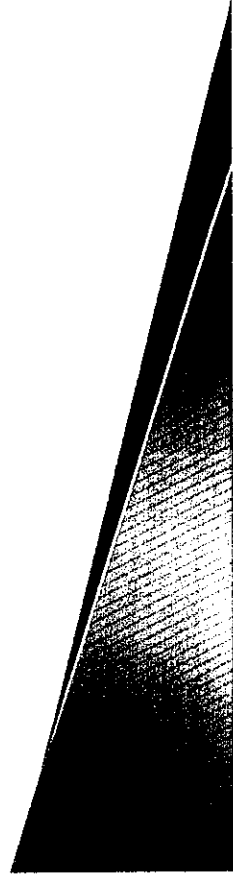
- Provides funds for acquisition of parkland
- Where developer cannot convey sufficient land, then cash-in-lieu is payable
- 5% for low-density or 1 ha/300u for medium and high density
- Payment of CIL, is based on “value of the lands otherwise required to be conveyed”
- In 2005, Council authorized \$4,100/u-based on average low density residential acreage values. This was similar to method and rates of other Municipalities

## **High Density & Residential Intensification Areas**

- Provincial Intensification Targets in place to produce more compact urban form, resulting in higher densities
- Goal - to maximize revenue to ensure the parkland standard meets the needs of projected residential populations while encouraging appropriate development

## **Cash-in-Lieu Increase Must be Balanced to Achieve Intensification Objectives**

- Conveyance of parkland in high density areas creates issues due to increased densities and higher land values
- CIL payments must be realistic to achieve intensification



## Industry Concerns

- Important to establish a reasonable basis for Land Area and Values
  - Land Area – can be excessive ie. 2.28ha site would require 2.04ha of parkland depending on density
  - Values – using high density land values is cost prohibitive given densities, declining PPU (Persons per unit) rates and smaller unit sizes
  - Municipalities recognize issues and so use formulas based on low or medium density values
- Financial Framework for Development Industry
  - Proforma completed 1–2 years prior to construction so significant increases may adversely affect development
  - Implementation options include transition periods
  - Market’s ability to absorb – \$4,100 has been absorbed

## Industry Concerns (Cont'd)

- Credits
  - Developers want credits for parkland applied against CIL payments
  - Vaughan and Richmond Hill use formula: Parkland Area x 300u/ha = number of units to be deducted from the total units
  - Vaughan will continue to provide credits
  - VMC and Yonge/Steeles Secondary Plan Area are the subject of further study – ie. strata parking
- Commercial Component
  - Value incorporated in land component and so no additional 2% is charged
  - It is part of overall land value provided it is a small component of the development



## Comparative Rates

- Vaughan – \$4,100 per unit – based on low density values
- Markham – ppu method – \$4,900 to \$7,800/unit
- Richmond Hill – \$10,000/unit
- Mississauga – \$7,800 per unit based on medium–density values
- Brampton – \$3,300 per unit, under review

## Alternatives

- \$7,300/u – Based on low density land values
- \$10,000/u – Based on high end of medium density land values

### Recommended:

- \$8,500/u – Based on median of medium-density land values

## Recommendations

- Use of current formula of 1 ha/300 units based on median of medium/density values, which equals \$8,500.00/unit
- Continue to use current method of estimating parkland credits being “area x 300u/ha = number of units to be deducted from total units”
- Staff be directed to complete review of appropriate parkland credits within VMC & Yonge/Steeles Secondary Plan Area