

CITY OF VAUGHAN
REPORT NO. 43 OF THE
COMMITTEE OF THE WHOLE
(CLOSED SESSION)

*For consideration by the Council
of the City of Vaughan
on June 27, 2005*

The Committee of the Whole (Closed Session) met at 7:30 p.m. on June 20, 2005.

Present: Mayor Michael Di Biase, Chair
Regional Councillor Mario F. Ferri (7:40 p.m.)
Regional Councillor Joyce Frustaglio
Regional Councillor Linda Jackson
Councillor Tony Carella
Councillor Bernie Di Vona
Councillor Peter Meffe
Councillor Sandra Yeung Racco
Councillor Alan Shefman

The Committee of the Whole (Closed Session) recessed at 7:55 p.m. and reconvened at 9:25 p.m. with the following members present:

Regional Councillor Mario F. Ferri. Chair
Mayor Michael Di Biase
Regional Councillor Joyce Frustaglio
Regional Councillor Linda D. Jackson (9:28 p.m.)
Councillor Tony Carella
Councillor Bernie Di Vona
Councillor Peter Meffe
Councillor Sandra Yeung Racco (9:27 p.m.)
Councillor Alan Shefman

Councillor Di Vona declared an interest with respect to Item 12, VAUGHAN CITIZEN NEWSPAPER ARTICLE, and left the room when the matter was under consideration.

The following items were dealt with:

1 **NOISE ATTENUATION WALL REPAIR**
AT NEW WESTMINSTER DRIVE AND COULTER'S MILL GATE

The Committee of the Whole (Closed Session) recommends that the confidential recommendation of the Committee of the Whole (Closed Session) be approved.

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DUFFERIN STREET PROPERTIES

The Committee of the Whole (Closed Session) recommends:

- 1) That staff be directed to commence expropriation proceedings for the acquisition of three properties municipally known as 8066, 8090 and 8118 Dufferin Street to implement the expansion of Works Yard;
- 2) That a By-law be enacted to authorize the Mayor and Clerk to execute the Application for Approval to Expropriate Land and the Notice of Application for Approval to Expropriate land situated in the City of Vaughan, in the Regional Municipality of York for 3 properties municipally known as 8066, 8090 and 8118 Dufferin Street;
- 3) That the confidential recommendation of the Committee of the Whole (Closed Session) be approved; and
- 4) That the confidential report of the Director of Legal Services and the Manager of Real Estate, dated June 20, 2005, be received.

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CASH-IN-LIEU OF PARKLAND

The Committee of the Whole (Closed Session) recommends:

- 1) That, for the purpose of estimating the market value of the land that would be required to be conveyed on the basis of one hectare for each 300 dwelling units, a fixed unit rate of \$4,100.00 or 5% of the unit value whichever is higher shall be used to calculate the cash-in-lieu of parkland to be paid;
- 2) That staff report back to Council with an update on trends in other municipalities regarding medium density; and
- 3) That the following report of the Manager of Real Estate, dated June 20, 2005, be received.

Recommendation

The Manager of Real Estate in consultation with the Director of Legal Services recommends;

- 1) That this report be received for information purposes respecting the calculation of valuation of land for cash-in-lieu purposes for high density land.
- 2) And that for the purpose of estimating the market value of the land that would be required to be conveyed on the basis of one hectare for each 300 dwelling units, a fixed unit rate of \$4,100.00 or 5% of the unit value whichever is higher shall be used to calculate the cash-in-lieu of parkland to be paid.
- 3) That staff report back to Council with an update on trends in other municipalities regarding medium density

Economic Impact

Increasing the cash-in-lieu payable will increase revenues to the City's cash-in-lieu account.

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Purpose

The purpose of this report is to obtain approval for increasing the cash-in-lieu of parkland per unit rate applicable for high-density land.

Background - Analysis and Options

In determining the cash-in-lieu payments for high-density developments, the City's existing policy is "That for the purpose of estimating the market value of the land that would be required to be conveyed on the basis of 1 ha/300 units, a fixed rate or 5% of the unit value whichever is higher shall be used to calculate the cash-in-lieu of parkland to be paid.

The existing rate of \$2,200/unit was established in 1994 and is based on an "average" raw residential land acreage value. The main objective of a cash-in-lieu policy is to ensure there are sufficient revenues collected to acquire the parklands necessary to meet City standards. The existing rate represents a value for raw residential land at about \$265,000/acre.

The Planning Act provides that as a resolution in the approval of a plan of Subdivision or development that, in the case of residential uses, 5% of the land in the plan be conveyed to the municipality for park purposes. The Act provides that a municipality may in lieu of such conveyance required, land included in the plan be conveyed at a rate of one hectare of each 300 dwelling units proposed or at such lesser rate as may be determined by the municipality. Section 42 of the Act further provides that where a condition or resolution of approval requires land to be conveyed, the municipality may, in lieu of accepting such conveyance, require the payment of money to the value of the land otherwise required to be conveyed. Section 42 in simple terms means a value representing the "retail" value of the lots as if ready to build on.

A recent OMB decision determined that the cash-in-lieu estimate should be subtracted from the "retail" value. The City of Mississauga also subtracts the Development Charges which are about \$20,000/unit for Region, Education and City. While the City of Vaughan did not subtract the Development Charges levy in the past, staff are reviewing the implications of the Board decision.

There are a number of high-density proposals throughout the City coming forward i.e. Jane Street and Rutherford Road, Woodbridge Core and other anticipated proposals, and with the significant increase in the market value of land, it is timely to revise the rate.

An appraisal report completed by Bosley Farr and Associates estimated a median per acre rate for single family lots at \$495,000. per acre. The report analyzes raw land sales in 2004 and 2005 ready for almost immediate development. Small parcels with prime location and high efficiency are selling for \$450,000 to \$550,000/acre.

In addition a notional subdivision approach to value of residential acreage was included. A range of value at \$3,700/ff to \$4,300/ff was used for a typical 40 foot lot. Deductions were made for timing and installation of services, levies, engineering, overhead costs etc. The net value per front foot was converted to a 40 foot lot. To convert this per lot price to acreage price, the appraiser used a density of 7 lots per acre. Typically 35 to 40 foot lots have a density of 6.0 to 6.5 per net acre excluding roads.

This subdivision analysis resulted in median land value of \$495,000/ac represents a sale price of \$4,000/ff based on an average 40 foot lot. In order to calculate the rate which should be used for high density the following calculation was made.

Price Per Acre	\$495,000.	x	2.475/ha	=	\$1,223,000 (Rounded)
No of Units/ha for Parkland Dedication				=	300/unit
Average Park Levy per unit				=	\$ 4,017/unit
			Rounded to		<u>\$ 4,100/unit</u>

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The above value assumes that the City would be acquiring unserviced land and not a serviced block within a plan. In developed areas the value could fluctuate according to area value and would be dictated by the highest and best use of the specific site. The “average” rate is only a guideline.

To use high density land values in the calculation would result in a cash-in-lieu payment so excessive that it could strain a project’s financial feasibility and act as a major disincentive to high density development.

Staff contacted Mississauga’s real estate department to compare rates and provide the following:

- The median per acre rate used in the formula is \$480,000/acre without Development Charges and cash-in-lieu payment.
- The per unit rate of \$4,000/unit or 5% whichever is greater is being used in the calculation.
- The 5% tends to be higher for street townhouses (freehold, individual access) whereas the \$4,100/unit is being applied for condo townhouses and apartment.
- Values are now higher for medium-density and a review is underway with a report going to Council either in July or the fall. It was noted that high-density sites are more valuable but the same rate is applied to encourage high-rise development.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion

The \$4,100/unit is similar to Mississauga’s unit rate. Richmond Hill uses an escalating/density calculation. Brampton is at \$3,300/per unit. Vaughan is applying the 5% calculation to medium density and the unit rate to high density for cash-in-lieu payment. To date, we have only deducted the cash-in-lieu levy from the retail value whereas Mississauga also deducts the development charges levy;

Staff will be reviewing these issues and other practices used by surrounding municipalities and exploring options to increase revenue for cash-in-lieu of parkland and report back to Council in the fall.

Staff recommend increasing the cash-in-lieu per unit rate for high-density development to \$4,100/unit or 5% whichever is higher. Applicants can pay cash-in-lieu under protest and apply to OMB for determination of value. The \$4,100/per unit is a defensible amount, even though there may be individual properties which may have a slightly higher value.

Attachments

None

Report prepared by:

Liana Haughton

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9 **ACCESS VAUGHAN/BUDGET TRANSFERS/MAYOR AND MEMBERS OF COUNCIL**
(Deferred from Committee of the Whole (Closed Session) of June 8, 2005)

The Committee of the Whole (Closed Session) recommends that the confidential recommendation of the Committee of the Whole (Closed Session) be approved.

10 **JANE RUTH LEGAL BILL ASSESSMENT**

The Committee of the Whole (Closed Session) recommends that the confidential recommendation of the Committee of the Whole (Closed Session) be approved.

The foregoing matter was brought to the attention of the Committee of the Whole (Closed Session) by the Commissioner of Legal and Administrative Services.

11 **VAUGHAN HELP**

The Committee of the Whole (Closed Session) recommends that the confidential recommendation of the Committee of the Whole (Closed Session) be approved.

The foregoing matter was brought to the attention of the Committee of the Whole (Closed Session) by Mayor Di Biase.

12 **VAUGHAN CITIZEN NEWSPAPER ARTICLE**
(Referred from Committee of the Whole of June 20, 2005)

The Committee of the Whole (Closed Session) recommends that the confidential recommendation of the Committee of the Whole (Closed Session) be approved.

The foregoing matter was brought to the attention of the Committee of the Whole (Closed Session) by Mayor Di Biase.

Councillor Di Vona declared an interest with respect to the foregoing matter and left the room when the matter was under consideration.

Please also refer to Item 88, Committee of the Whole Report No. 42.

The meeting adjourned at 10:57 p.m.

Respectfully submitted,

Mayor Di Biase, Chair