

May 16, 2022

Memorandum to: Scott O'Donnell
Town of Halton Hills

From: Daryl Keleher, Senior Director
Altus Group Economic Consulting

Subject: Halton Hills Parkland / CBC
Our File: P-6776

Altus Group Economic Consulting was retained by Southwest Georgetown Landowners Group Inc. to review the various background materials released by the Town of Halton Hills in support of new by-laws for growth-funded tools such as development charges, parkland cash-in-lieu (CIL) and community benefits charges (CBCs). This memorandum provides our comments on the Town's Parkland CIL by-law and CBC.

QUESTIONS RE: PARKLAND DEDICATION AND CASH-IN-LIEU

Use of a Fixed Unit Rate vs. Percentage Cap

- 1) The Parkland CIL study suggests that the Town would impose the **greater** of 20% of land value or the fixed-unit rate of \$13,200.

The Town may wish to consider the option of imposing a cap equal to the greater of the per unit cap or 20% of land value to improve cost recovery from developments with higher-than-average land values and to cap the charge at 20% of land value for higher density developments.

The land value assumption of \$6.6 million per hectare being used as the basis to calculate the fixed-unit rate of \$13,200 per unit ignores that land values increase as approved density increases. The usage of a flat land value assumption ignores that land values vary from site-to-site.

Using a base land value assumption of \$25 per buildable square foot, the \$13,200 per unit rate is, for all ranges of densities, the greater of the two CIL amounts, with the \$13,200 per unit rate equating to 60% of land value in all cases, well above the Town's stated objective for CIL not exceeding 20% of land value.

At an assumed \$25 pbsf land value, the \$6.6 million / ha value is reached at a density of just under 2.5 FSI, and at 2.5 FSI (which is equal to \$6.7 million/ha), the \$13,200 amount generates a CIL payable of \$1,014,883, or 60% of the overall land value, and equivalent to three-times higher than the 20% cap would generate (\$336,372).

The fixed unit rate of \$13,200 is only reached through the 20% cap when land values per buildable square foot are just over \$75 pbsf. Can the Town request that the appraisal value used is expressed on a per buildable square foot basis to ensure that projects of varying densities are treated equally?

Figure 1

Analysis of Town of Halton Hills Parkland CIL Proposal

		25 per buildable SF				20%		\$ 13,200			
Land Value		0.25 ha				Parkland CIL Scenarios				Parkland CIL	
Site Area		875				Percentage Cap				Payable as	
Average Unit Size (gross)						revenues		Fixed Unit Rate		% of Land Value	
Density	Gross Floor Area <i>Square Feet</i>	Units	Land Value <i>Dollars</i>	Land Value per Hectare <i>\$/ Hectare</i>	revenues	per unit	<i>Dollars</i>	Greater Amount	Greater Amount per Unit <i>\$/ Unit</i>	Percent	
1.0	26,910	31	672,744	2,690,978	134,549	4,375	405,953	405,953	13,200	60%	
1.5	40,365	46	1,009,117	4,036,467	201,823	4,375	608,930	608,930	13,200	60%	
2.0	53,820	62	1,345,489	5,381,956	269,098	4,375	811,906	811,906	13,200	60%	
2.5	67,274	77	1,681,861	6,727,444	336,372	4,375	1,014,883	1,014,883	13,200	60%	
3.0	80,729	92	2,018,233	8,072,933	403,647	4,375	1,217,860	1,217,860	13,200	60%	
3.5	94,184	108	2,354,606	9,418,422	470,921	4,375	1,420,836	1,420,836	13,200	60%	
4.0	107,639	123	2,690,978	10,763,911	538,196	4,375	1,623,813	1,623,813	13,200	60%	
4.5	121,094	138	3,027,350	12,109,400	605,470	4,375	1,826,789	1,826,789	13,200	60%	
5.0	134,549	154	3,363,722	13,454,889	672,744	4,375	2,029,766	2,029,766	13,200	60%	
5.5	148,004	169	3,700,094	14,800,378	740,019	4,375	2,232,743	2,232,743	13,200	60%	
6.0	161,459	185	4,036,467	16,145,867	807,293	4,375	2,435,719	2,435,719	13,200	60%	
6.5	174,914	200	4,372,839	17,491,355	874,568	4,375	2,638,696	2,638,696	13,200	60%	
7.0	188,368	215	4,709,211	18,836,844	941,842	4,375	2,841,673	2,841,673	13,200	60%	

Source: Altus Group Economic Consulting

Land Appraisal Report

- 2) The report states that “the potential value of non-local parkland was based on a Town commissioned estimate of a large urban parcel of land at \$3.7 million per ha.”, but the report then uses values of \$6.6 million per hectare for urban areas, and \$5.3 million per hectare for rural areas and hamlets.

By comparison, according to response from the Town to question #5 from our DC review memo, the City’s DC study uses a land value in the LOS inventory of \$3.7 million per hectare, based on the same Antec Appraisal Group appraisal as referenced in the Parks study. The use of this land value, and the 20% cap would equate to a per-unit charge of \$7,580 per unit.

What is the reason why the land values used in the calculation are higher than the supposed benchmark and what is used for land acquisition for recreation land needs in the 2022 DC Study?

Local vs. Non-Local Park Land Values

- 3) Table 4-2 applies values of \$6.6 million per hectare for ‘local parks’, and \$3.7 million per hectare for non-local parks. What is the rationale for the higher land acquisition cost assigned to local parks?

Parkland Reserve

- 4) The Parkland CIL review document does not make any reference to the Town’s existing parkland CIL reserve fund balance. Does the \$66 million shortfall in Parkland CIL revenues (Table 4-5) account for

Halton Hills Parkland, CBC and DC

May 16, 2022

Page 3

the surplus in the Town's Parkland CIL fund (as estimated at \$8.6 million for YE 2021 in the 2022 budget and business plan)?

Parkland Credits - POPs

- 5) What will the Town's policies be for providing credit for Privately-Owned Publicly Accessible Spaces (POPs) within high-density developments? Many municipalities also undertaking Parkland CIL reviews are providing partial or full credit for POPs, as it can save the municipality on-going operating costs for publicly accessible localized space.

Parks within Greenbelt

- 6) Given that the Greenbelt bisects the Town, and runs between the urban areas of Acton and Georgetown, and that the Town has already taken this approach in building out the Trafalgar Sports Park (which is within Protected Countryside Area on Schedule A1 of the Town's OP), has the Town considered utilizing additional Greenbelt lands to provide any additional required parks that may be of a regional nature?

Lands within the Greenbelt Plan have limited opportunities for community building uses due to policy restrictions; however, these lands remain viable on a practical and policy basis for parkland that supports housing and is part of creating a complete community. The limited uses for these lands can also bring the down the costs to the Town of acquiring the land for a large-scale community park. The goals of the Greenbelt Plan promote parkland within each of the Protected Countryside, Urban River Valleys areas:

1.2.2 Protected Countryside Goals

3. Culture, recreation and tourism

b) Provision of a wide range of publicly accessible built and natural settings for recreation, including facilities, parklands, open space areas, trails and water-based/shoreline uses that support hiking, angling and other recreational activities.

...

1.2.3 Urban River Valley Goals

To integrate the Greenbelt into urban areas that were not part of the Greenbelt's initial boundaries, by promoting the following matters within the Urban River Valley designation:

-provision of a range of natural settings on publicly owned lands for recreational, cultural and tourism uses, including parkland, open space land and trails.

¹ <https://www.haltonhills.ca/en/your>

government/resources/Documents/Budget%20and%20Business%20Plans/2022%20Budget%20and%20Business%20Plan/2022%20Budget%20and%20Business%20Plan_Supplementary.pdf

Similarly, Section 3.3 of the Greenbelt Plan states that a “system of parklands, open spaces, water bodies and trails across the Greenbelt is necessary to provide opportunities for recreation, tourism, and appreciation of cultural heritage and natural heritage.”

Policy 3.3.3.2 of the Greenbelt Plan states that:

3.3.3 Municipal parkland, open space and trail strategies

For all lands falling within the Protected Countryside, municipalities should:

2. Develop and incorporate strategies (such as community-specific levels of provision) into official plans to guide the adequate provision of municipal recreation facilities, parklands, open space areas and trails.

Seeking opportunities for parkland on appropriate Greenbelt lands, particularly for large regional-style parks also allows for lands outside of the Greenbelt Plan to be efficiently used for the core uses to achieve growth, including residential, commercial, and institutional uses.

COMMUNITY BENEFITS CHARGES

- 7) Table 4-1 carries over the \$66 million revenue shortfall from the Parkland CIL study, and after making deductions for non-residential development share of costs and non-CBC eligible portions, \$5.89 million of the revenue shortfall for Parkland CIL is included in the \$6.01 million in CBC eligible costs, which means that 98% of the CBC is for parkland acquisition.

Can the Town please confirm that despite the relatively limited scope of the projects and costs listed in the CBC Study it will not necessarily limit the type or amount of in-kind contributions the Town may accept?

FOLLOW-UP QUESTIONS AND COMMENTS – DEVELOPMENT CHARGES

Altus Group submitted a memorandum to the Town with questions on the Town’s proposed DC by-law and associated DC background study. The Town issued a response memorandum, with their consultant’s responses attached, on April 28, 2022.

The below shows follow-up questions we have with the responses received from the Town. In other cases there are no follow-up questions for the Town, however, there are questions and concerns still at-issue that are not covered by the questions below, such as BTE for road projects, park development, etc.

Population and Housing Forecasts – Acton

- 8) Original Question #1: Why does the growth forecast only include 144 residential units in Acton (out of 10,837 across the Town as a whole) over the 2022-2036 period? Assuming these units are within the Acton built boundary, the forecast falls significantly short of the minimum amount of intensification planned for Acton. ...

Response from Town: The forecast growth for Acton was derived from residential and non-residential supply opportunities identified by Town staff and growth projections that were developed as part of the Town’s long-range financial planning process. These

projections were based on a detailed review of development projects that are either in the planning process or in consultation with Town staff. It is important to recognize that the Town's Intensification Opportunities Study Update reflects long-term housing intensification supply opportunities to 2041, while the housing forecast provided as part of the Town's 2022 Development Charges (D.C.) Background Study reflects forecast housing demand over the 2022-2036 planning horizon. The Intensification Opportunities Study Update reflected a range of 769 – 1,286 total units for the Acton Urban Area.

Follow-Up: The DC background study forecasts used to calculate DC rates shouldn't be based on the quantity of projects in the development pipeline, but match the forecasts by area used in the Town and Region's various master plans so that infrastructure plans are coordinated with development plans, whether there are specific development applications in place for an area yet or not.

BTE for Gellert Community Centre

- 9) Original Question #7 - the lack of BTE for the Gellert Community Centre does not reflect the stated need for certain elements of the facility. The Town's Recreation and Parks Strategic Action Plan states that:

*The Town has made investments to make sure that residents have access to high quality facilities while balancing fiscal responsibility. Capacity at aging or underperforming facilities such as arenas, seniors centres, and outdoor pools have been transitioned to new or substantially redeveloped facilities such as the MoldMasters SportsPlex, Acton Arena & Community Centre, **Gellert Community Centre**, and Trafalgar Sports Park. **The Gellert Community Centre and Dufferin Rural Heritage Community Centre were also built to respond to new recreational interests that emerged over the past decade and now provide residents with access to indoor aquatics, group fitness and indoor turf programs.***

The Strategic Action Plan also reported the results of a survey that found that "66% of households would use the Gellert Community Centre more often if it was expanded."

Response from Town: The Gellert Community Centre project was included in the 2012 D.C. Background Study and identified as 100% growth-related with no benefit to existing development identified at that time. Since then, some of the new growth identified in 2012 has now been realized and forms part of the existing development. The Strategic Action Plan prepared in 2020 identifies that some of the existing residents will benefit from the use of the community centre, growth occurring between 2012-2020 would now constitute the existing community. To recognize that some of the growth initially identified in 2012 is now part of the existing development, reserve fund balances are netted against the capital costs. In other words, contributions from the growth that has occurred between 2012 and 2022 have been recognized through the reserve fund adjustment reflective of the benefit to existing.

Follow-Up – as the new facility would provide new amenities to all Town residents, it does not appear that the application of reserve funds to the project is sufficient accounting for BTE as required under the DC Act.

ESTIMATE OF CUMULATIVE IMPACT

The table below shows the cumulative impact of recently adopted or proposed changes to key municipally imposed charges. For a two-bedroom apartment unit, the charges have or are proposed to increase by a combined \$15,300 per unit, owing to increases to the Region's DC, the Town's DC, the Town's Parkland CIL rate and the imposition of a CBC by the Town on eligible development.

Figure 2

Increase in Charges for 2-Bedroom Apartment Units, Town of Halton Hills

	Current / Recent	Proposed / Adopted	Change	Notes:
	<i>Dollars per Unit</i>			
Region DC	15,100	20,901	5,801	current rates as of April 2021
Tow n DCs	9,999	16,542	6,543	current rates in effect as of April 2022
Tow n Parkland CIL	11,000	13,200	2,200	
Tow n CBCs**	-	750	750	
Total	36,099	51,393	15,294	

*CBC estimated on 200-unit building, 0.25-ha site, \$25 per buildable sf land value, 750sf per unit
 Source: Altus Group Economic Consulting