

Industry Stakeholder Meeting #1

DC Study, CBC Strategy, Parkland Analysis & By-laws & Market Sensitivity Analysis



CITY OF MISSISSAUGA
Thursday, April 29th 2021



Discussion Topics

- Introductions
- Background and Study processes
- Legislation Update
- Development Forecast
- DC / CBC Policy Issues List
- *5 Minute Break*
- Parks Plan
- Parkland Conveyance By-law Review
- Next Steps
- Contacts
- Discussion

Background

- The City has retained Hemson to complete:

Development Charges (DC)
Background Study + Draft By-law

Community Benefits Charge
(CBC) Strategy + Draft By-law

Parkland Analysis +
Draft By-law



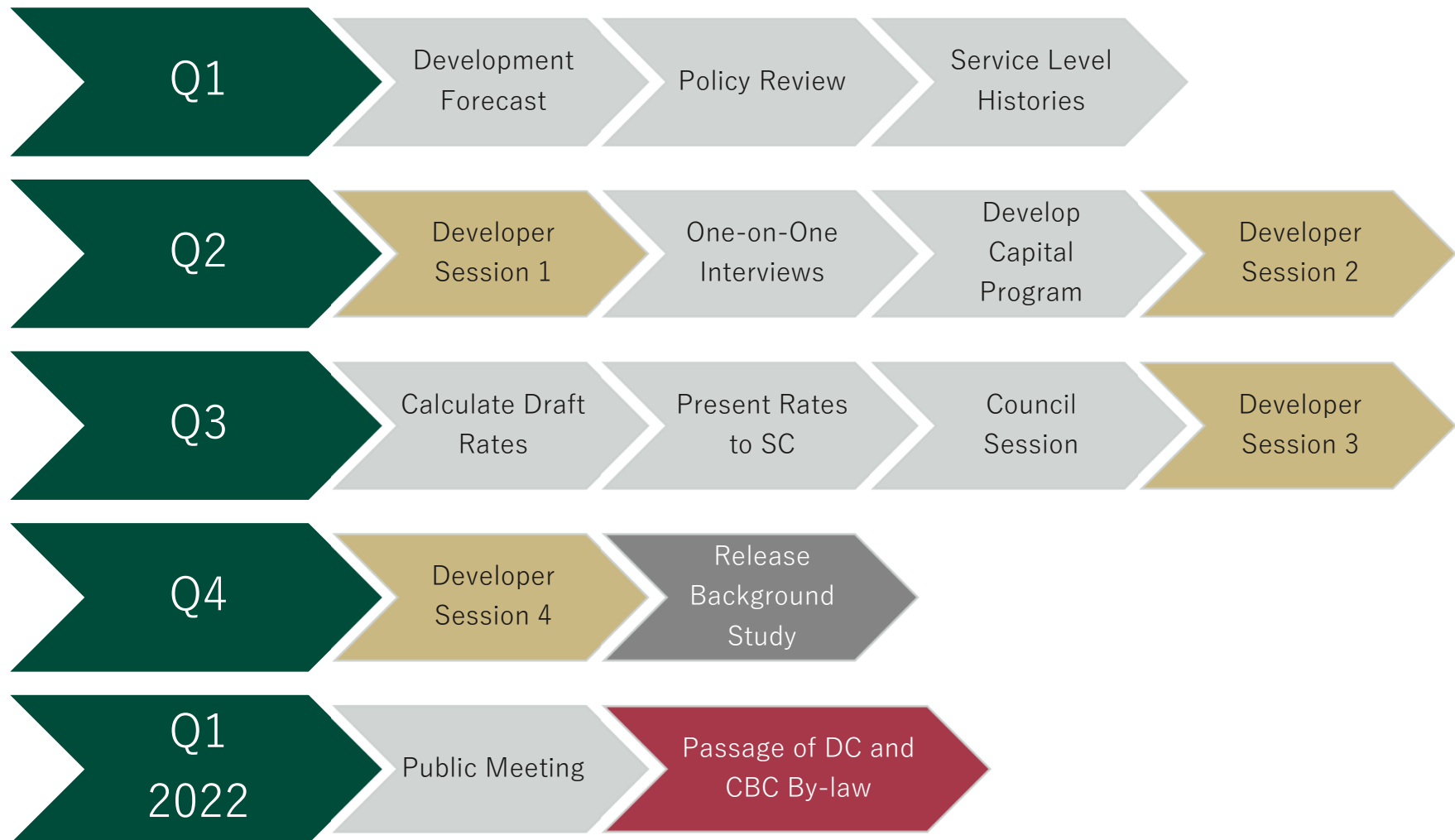
Market Sensitivity Analysis
(NBLC)

Background

- Council passed Development Charges By-law No. 0096-2019 on June 19th, 2019 that imposed rates for the following services:
 - General Government
 - Development-Related Studies
 - Library
 - Fire
 - Recreation and Park Development
 - Transit
 - Public Works
 - **Parking**
 - Living Arts Centre (LAC) Debt
 - Roads and Related
 - Stormwater Management
- By-law No. 0096-2019 will expire on June 19th, 2024.
- Due to legislative changes, the City is looking to update the by-law in advance of expiry.

Note: Service denoted in **red** are no longer eligible for recovery through DCs.

DC/CBC Project Timeline



New Framework for “Growth-Related” Capital



Development Charges Act (DCs)

- Used to fund initial round of capital infrastructure
- Prescribed list of eligible services
- Certain “soft” services removed from list (e.g. parking, cemeteries, airports)
- No eligible services subject to 10% discount



Planning Act: Community Benefits Charges (CBCs)

- Initial round of capital, can overlap with DCs
- In-kind contributions permitted
- Capped at 4% of land value
- Imposed only on development with 5 or more storeys & 10 or more housing units
- Only local municipalities can charge

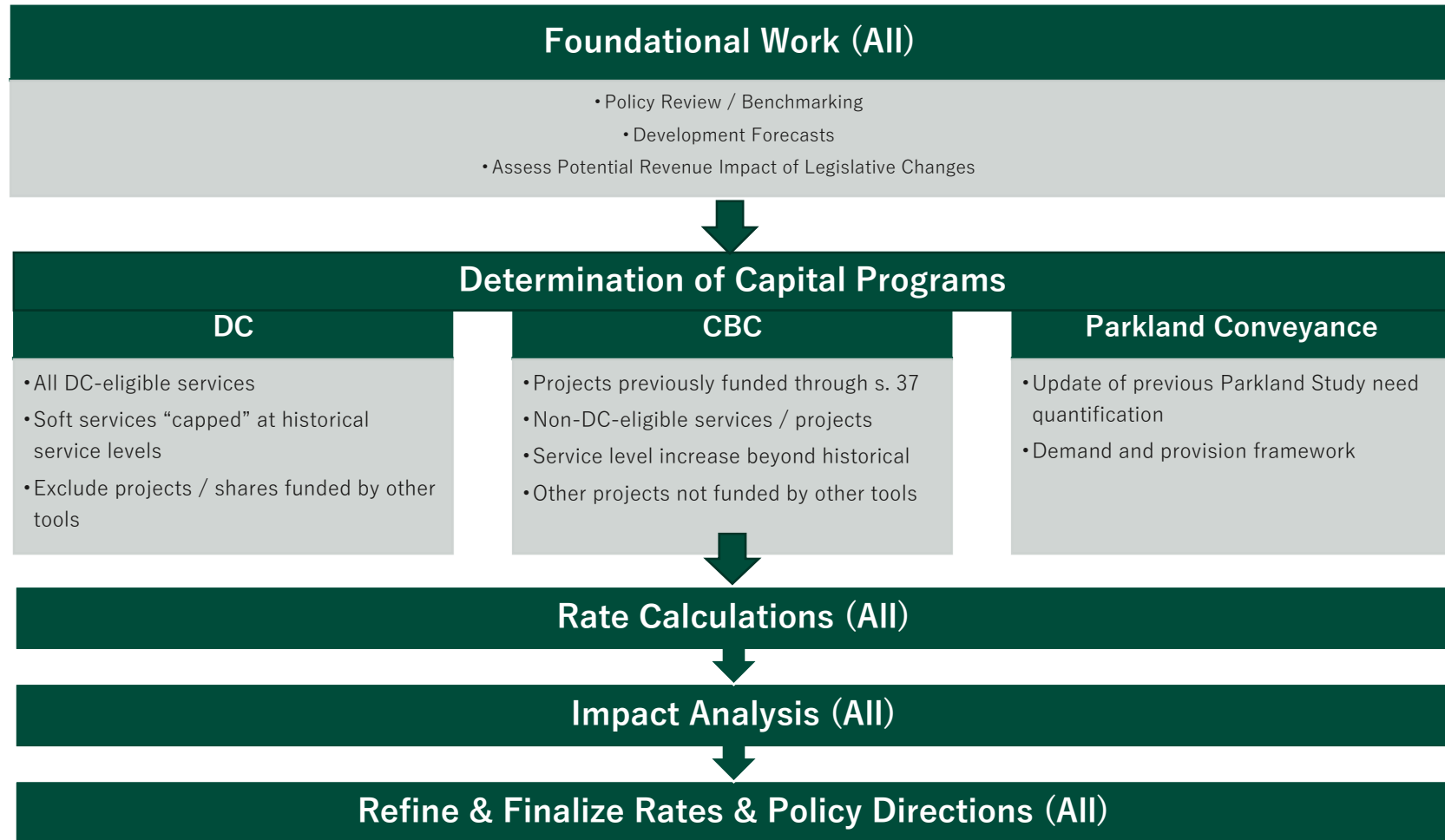


Planning Act: Parkland Acquisition & Cash-in-Lieu

- Parkland acquisition and Cash-in-Lieu (CIL)
- Standard rate:
 - 5% for residential
 - 2% for commercial, industrial, institutional, places of religious assembly
 - 5% for other (office)
- Alternative, higher rate may apply based on units/ha
- Cash-In-Lieu permitted
- Parks Plan

All tools are appealable to LPAT (with conditions)

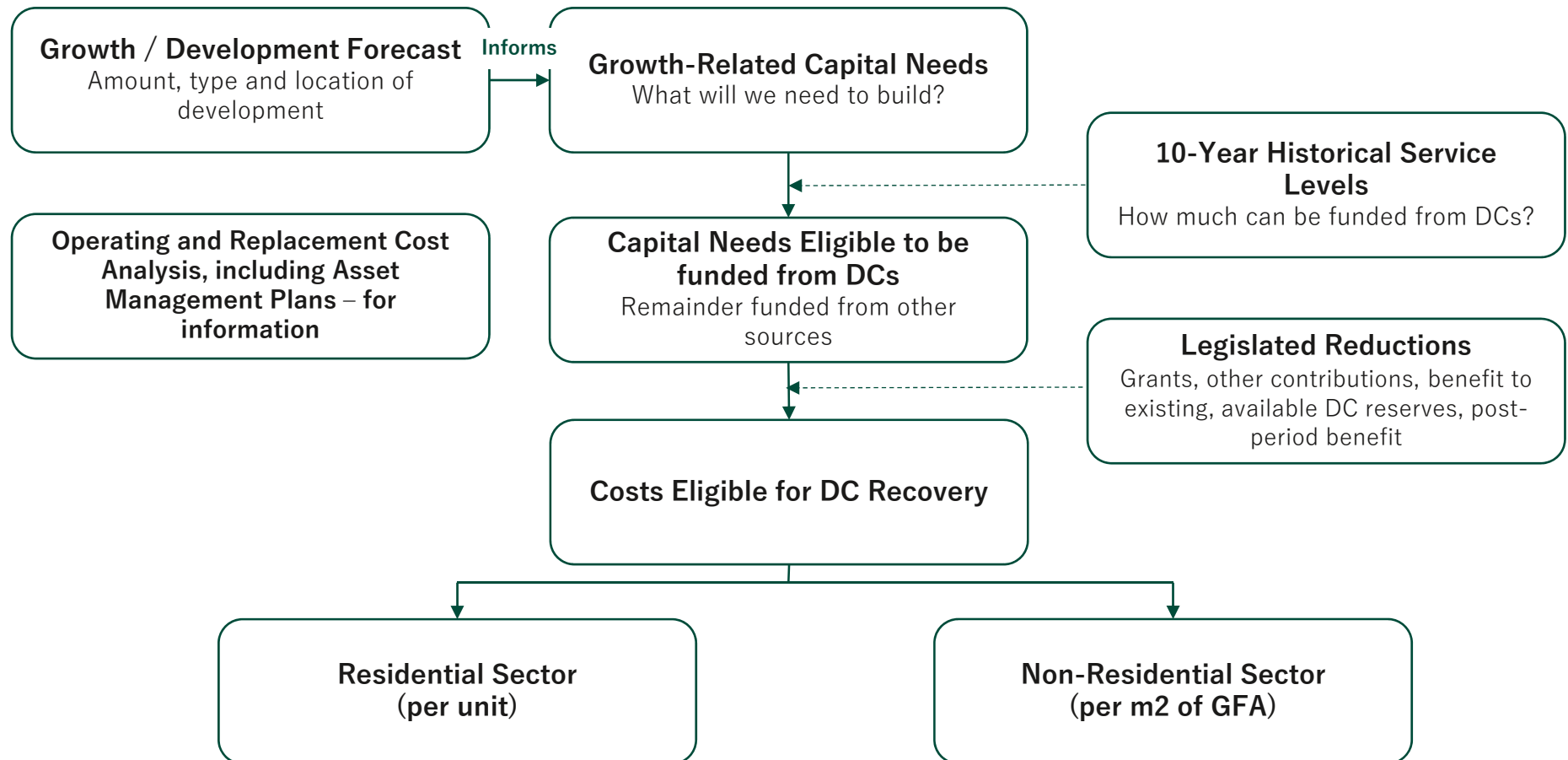
Coordination of 3 Funding Tools



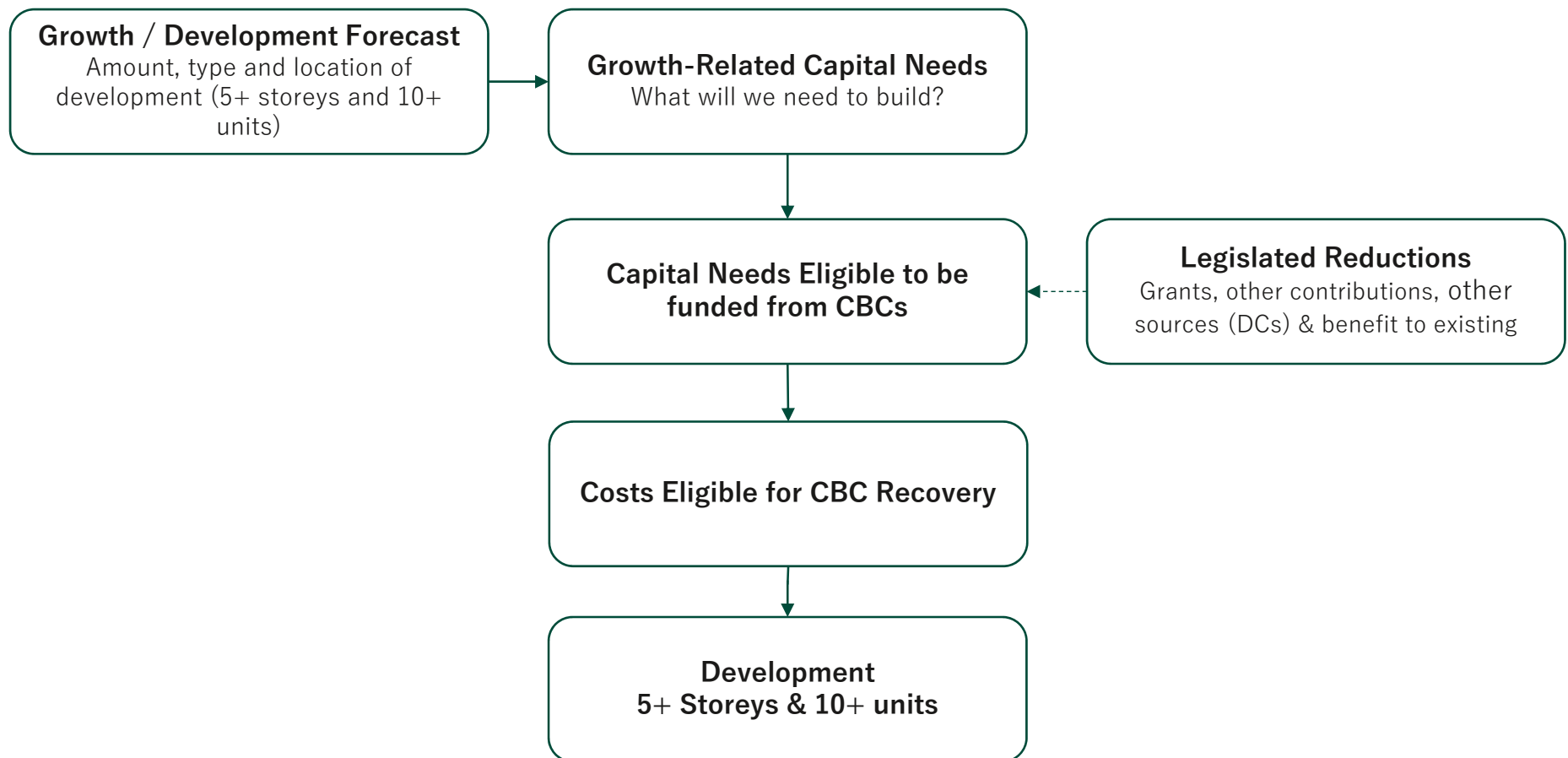
DC Eligible Services (DCA)

- Water Supply Services
- Wastewater Services
- **Storm water Drainage and Control Services**
- **Services related to a highway (roads, public works buildings, and fleet)**
- Policing Services
- **Fire Protection Services**
- Ambulance Services
- **Transit Services**
- Waste Diversion Services
- **Public Libraries (including resources)**
- **Recreation (arena, centres, etc.)**
- **Park Development (excluding parkland acquisition)**
- Long-term Care
- Public Health
- **Provincial Offences Act incl. By-law Enforcement**
- **Emergency Preparedness**
- Child Care
- Housing Services
- **Development-Related Studies**

Development Charges Study Process



CBC Strategy Process



Development Forecast

- Based on new Schedule 3 targets to 2051 as presented to General Committee on March 31

Mississauga	2016	2031	2041	2051
Total Population*	748,000	852,280	920,000	955,000
Employment	477,000	537,590	565,000	590,100
Occupied Households	240,000	277,160	313,600	343,500

* Census population will be used in the DC Study which excludes census undercount

**Place of work employment (which excludes work at home) will be used in the DC Study

- Development forecast planning horizon to align with capital budget
 - 2041 for Transportation services
 - 2031 for all other services (10 year)
- Cushman & Wakefield completing review of Floor Space per Worker (FSW) assumptions external to the DC Study

Planning Act: Community Benefits Charges (CBCs)

- Height/density “bonusing” under s.37 of Planning Act now gone
- Replaced by CBC for growth-related capital—can overlap with DCs
- In-kind contributions permitted (credits given)



CBCs – Legislative Basics

- Imposed by by-law (no term limit)
- Only local municipalities can charge
- Can only be levied against higher density development
 - 5 or more storeys, &
 - 10 or more residential units
- Requires a “strategy”
- Legislation does not prescribe CBC rate structure

Regulation sets cap at **4%** of land value the day before a building permit is issued

What Can CBCs Fund?

- Can recover any “growth related” capital cost
 - No prescribed list of eligible services
 - Initial considerations:
 - Projects currently funded under s.37
 - Parking (no longer DC eligible)
 - Parkland development
 - Active Transportation
 - Eligible DC services (no overlap with DCs)
 - Parkland acquisition (no overlap with s.42)
 - Public Art
 - Other services (Housing etc.)

DC / CBC Policy Review

- Local Service Guidelines
- DC rate structure (residential and non-residential)
- Small unit breakpoint (currently 700sqft)
- Review of cost allocation recovery
- By-law definitions
- Non-statutory exemptions including accommodations for seniors, affordable housing initiatives etc.
- Redevelopment and conversion credit policy
- Transition provisions
- Methods for collection
 - Use of securities for non-residential developments
- FSW being reviewed externally
- Other

DC / CBC Polices – Industry Input?

- Does the industry have other concerns they want to raise?
- Please email Shahada.Khan@mississauga.ca with your submissions by **May 13, 2021**

Break (5 Minutes)

Planning Act: Parkland CIL

- Requirement under s.42 and s.51 of *Planning Act*
- New development required to contribute land for parks or pay Cash-In-Lieu (CIL) equivalent
- Alternative (higher) rate may apply based on ha/units up to prescribed limit
 - 1 ha per 300 units (land)
 - 1 ha per 500 units (CIL)
- Most significant tool available to municipalities with regards to acquiring parkland



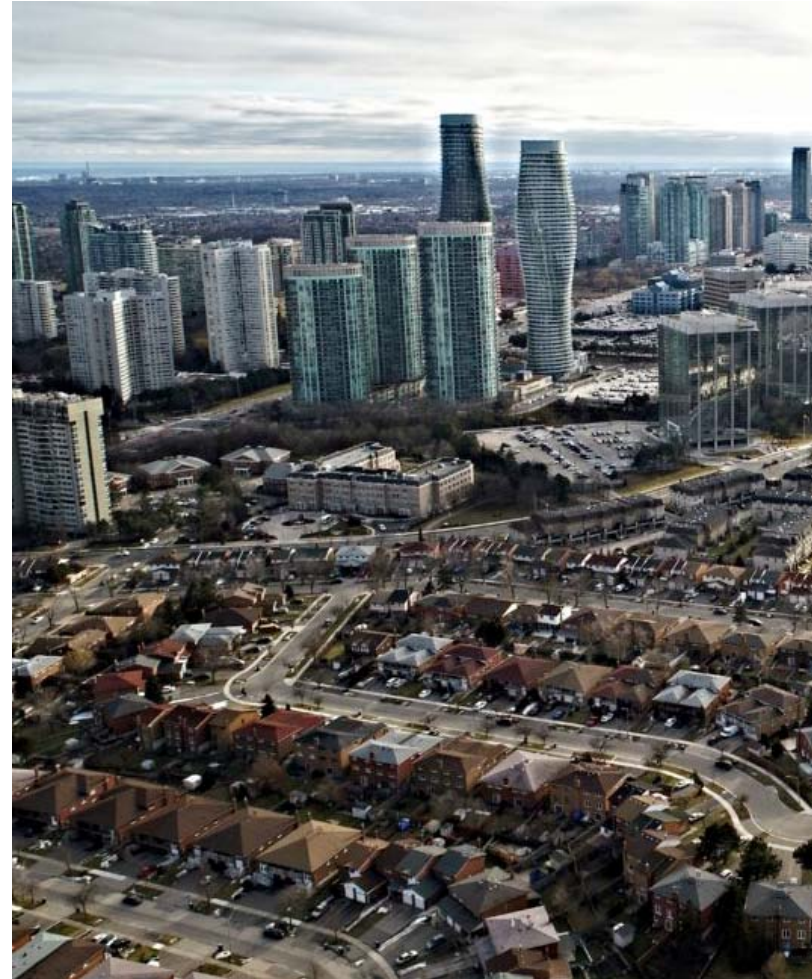
Parks Plan



- Recent changes to *Planning Act* require City to have Parks Plan to levy Alternate Rate
- Plan will identify:
 - Current park provision standards
 - Future parkland demand
 - Where and what type of parkland are needed
- Building on previous work:
 - Downtown Growth Area Parkland Provision Strategy
 - Future Directions for Parks and Forestry
 - Credit River Parks Strategy

Providing Parks in Areas of Need

- As Mississauga reaches build out, growth primarily focused on intensification
- Creates new challenges for ensuring sufficient parkland in high growth and underserved areas



Parkland Conveyance By-Law Update

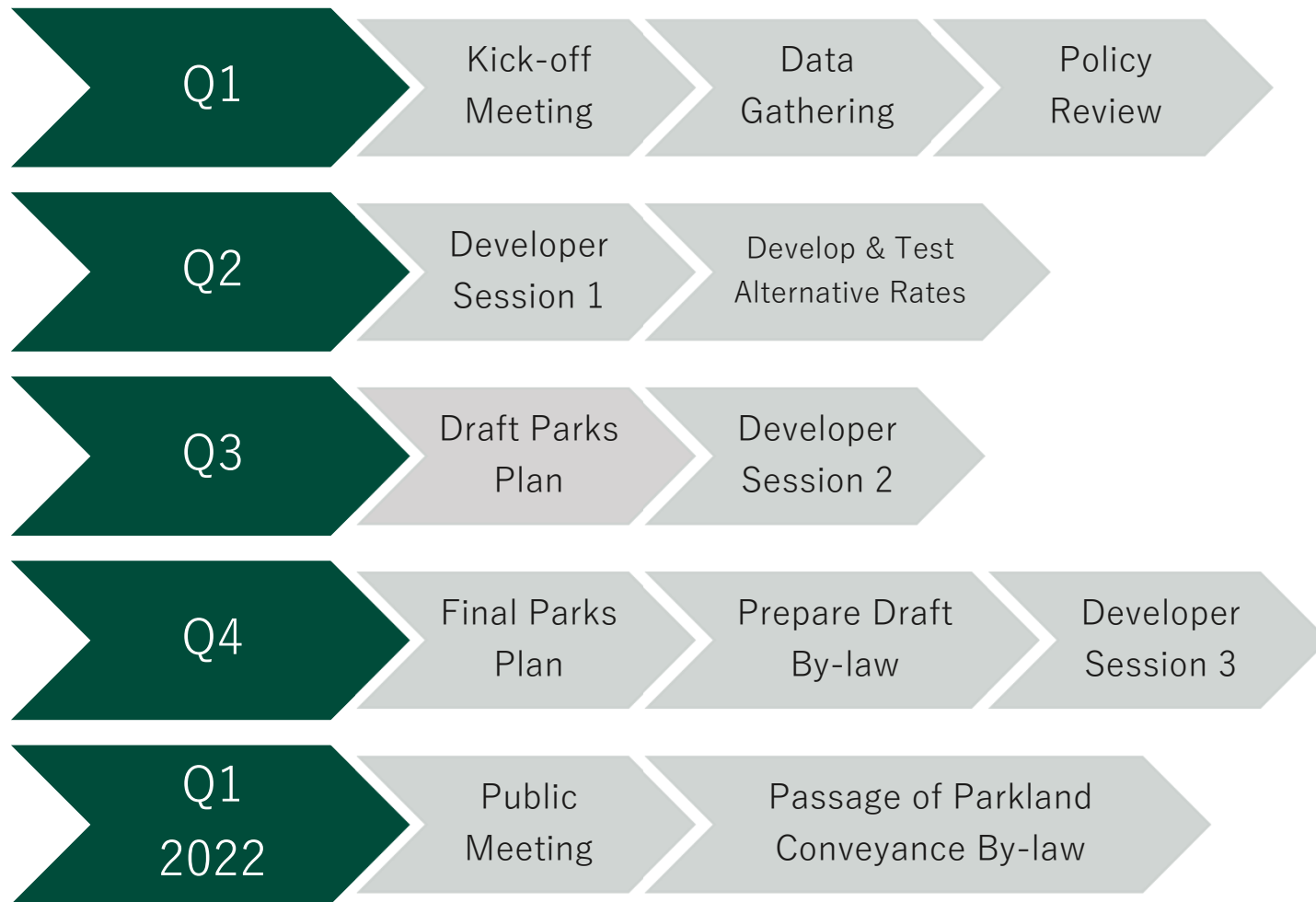


- City's current approach uses fixed unit rate based on average medium density land values
 - Applies to medium- and high-density development
 - Resulting in growing provision gaps
- Reviewing the appropriateness of other approaches, including appraisal based approach
- Will build on previous consultation with BILD
 - Last meeting April 2019 (pre-Bill 108)

Key Deliverables of Parks Work

- Parks Plan for Mississauga that identifies parkland provisions, future forecast need, and prioritization strategy for future acquisitions
 - Consultation with public, school boards, and stakeholders
- Develop and test Alternate Rate policy options to meet needs identified in Parks Plan
 - Benchmarking Mississauga's approach against GTHA
 - Continued consultation with development industry
- New parkland conveyance by-law

Parkland Conveyance Project Timeline



Parkland Policies – Industry Input?

- Reviewing BILD position paper and background research (Altus Report)
- Does the industry have other concerns they want to raise?
- Please email Beata.Palka@mississauga.ca with your submissions by **May 13, 2021**



Market Sensitivity Analysis (NBLC)

- Project led by N. Barry Lyon Consultants
- To cover DC / CBC & Parkland rates
- Review of the impact of rates on developments in the City
- To be completed in Q4 2021

Next Steps

- Publicly release information as it becomes available for comment:
 - Development Forecast
 - Changes as a result of the Policy Review
 - Historical Service Levels
 - Capital Programs
 - Calculated DC Rates
 - Updated Alternative Rate Methodology
 - Parks Plan
- Next Development Industry Meeting:
 - Late June/early July

Contacts

	Name	Role	Email
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Discussion