

Industry Stakeholder Meeting #3

DC Study, CBC Strategy, and Parkland Conveyance By-law and Parks Plan Update



CITY OF MISSISSAUGA

Wednesday, November 10th, 2021



DC, CBC and Parkland Discussion Topics

DC/CBC

- Update on Development Charges Background Study
- Update on CBC Strategy
- Questions/Discussion

Parkland

- Parks Plan Update
- Land Value and Fixed Unit Rate Analysis
- Quantification of Demand and Target for Provision
- Alternative Rate Methodology Update
- Draft Capped Unit Rate

DC/CBC Project Timeline



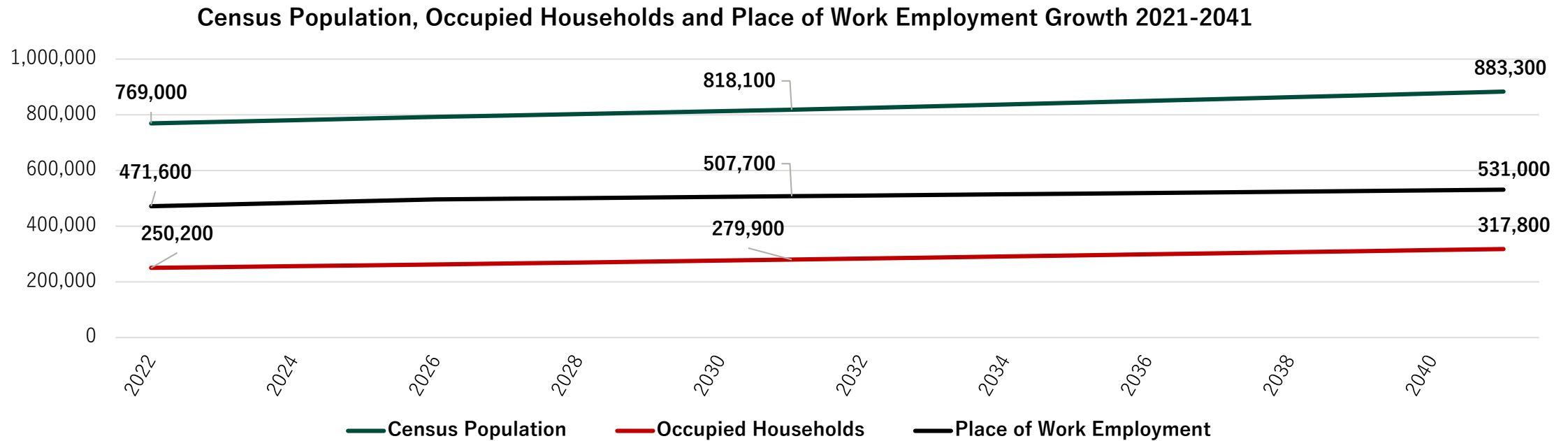
Update on Development Charges Background Study

- This week to be posted (in Draft) on the City's website
 - Development forecast
 - Historical inventories
 - Capital Program

Industry can provide comments in written format and a response will be provided.



DC Development Forecast



- Forecasts are based on the 2051 targets identified in Schedule 3 of the Growth Plan.
- Development forecast planning horizon to align with capital budget
 - 2041 for Transportation services
 - 2031 for all other services (10 year)

DRAFT DC Historical Inventories

Service	2012-2021 Average Service Level	Pop or Pop & Emp Growth	Measure	DRAFT Maximum Allowable Funding Envelope
By-Law Enforcement	\$71.57	96,890	Population & Empl	\$6.93 million
Library Services	\$550.73	54,800	Population	\$30.18 million
Fire Services	\$437.58	96,890	Population & Empl	\$42.40 million
Recreation & Parks Development	\$6,115.46	54,800	Population	\$335.13 million
Public Works Services	\$226.10	96,890	Population & Empl	\$21.91 million
Roads and Related	\$8,223.71	185,370	Population & Empl	\$1,524.43 million

Notes:

- Transit, Dev. Related Studies and LAC debt do not require a Level of Service analysis.

DRAFT DC Capital Program Summary (1/3)

Service	Gross Cost (\$Millions)	In-Period Recoverable (\$Millions)	Max Funding Envelope (\$Millions)	Major Capital Projects
By-law Enforcement	\$3.59	\$3.59	\$6.93	<ul style="list-style-type: none"> Recovery of Negative Reserve Balance - \$3.59M
Development-Related Studies	\$12.15	\$8.22	N/A	<ul style="list-style-type: none"> Special Planning Studies – 2022-2031 - \$4.75M Municipal Growth Management – 2022-2031 - \$3.0M Strategic Waterfront Implementation – 2022-2031 - \$2.9M
Library Services	\$79.83	\$30.18	\$30.18	<ul style="list-style-type: none"> Central Library Redevelopment – 2022 - \$26.5M Construction of Sheridan Library – 2026 - \$15M Design and Construction of Cooksville Library – 2029 - \$14.4M
Fire Services	\$98.23	\$41.73	\$42.28	<ul style="list-style-type: none"> Fire Station 126 – 2026 - \$15M Fire Station 127 – 2026-2030 - \$15M New Fire Truck and Equipment for Station 126 & 127 – 2026 & 2030 - \$2.2M each

DRAFT DC Capital Program Summary (2/3)

Service	Gross Cost (\$Millions)	In-Period Recoverable (\$Millions)	Max Funding Envelope (\$Millions)	Major Capital Projects
Recreation & Parks Development	\$425.12	\$335.13	\$335.13	<ul style="list-style-type: none"> • Park Development - Lakeview Village – 2024 - \$106.0M • South Common CC Renovation – 2022-2026 - \$55.5M • Cooksville Community Centre Design and Construction – 2028-2031 - \$40.0M • Carmen Corbasson CC Expansion – 2022-2025 - \$39.3M • Burnhamthorpe CC Expansion – 2022-2024 - \$25.2M • Northwest Sports Park Phase 2B Park Development – 2022 - \$13.1M
LAC Debt	\$0.68	\$0.68	N/A	<ul style="list-style-type: none"> • Recovery of outstanding debt

DRAFT DC Capital Program Summary (3/3)

Service	Gross Cost (\$Millions)	In-Period Recoverable (\$Millions)	Max Funding Envelope (\$Millions)	Major Capital Projects
Transit	\$455.49	\$138.79	N/A	<ul style="list-style-type: none"> Buses & Non-Bus Vehicles or Equipment - \$57.23M Meadowvale Satellite & LRT Hub – 2023-2028 - \$244.00M Bus shelters and pads – \$153.41M Others
Public Works	\$271.99	\$21.91	\$21.91	<ul style="list-style-type: none"> Loreland Works Yard – 2025 – \$77.0M Mavis Yard Expansion – 2031 - \$190.0M New Vehicles & Equipment + Winter Maint. Vehicles - Various – \$4.99M
Roads	\$1,873.30	\$1,252.23	\$1,524.43	<ul style="list-style-type: none"> Arterial Roads System Major Collector Road System Rail Grade Separations Bicycle Facilities Other Roads and Related Infrastructure

DRAFT Residential DC Rates

Service	Residential Charge By Unit Type (1)				
	Singles & Semis	Rows & Other Multiples	Apartments Units	Small Units	Special Care Unit
By-Law Enforcement	\$150	\$117	\$102	\$56	\$37
Development-Related Studies	\$297	\$231	\$203	\$110	\$74
Library Services	\$1,611	\$1,254	\$1,098	\$598	\$400
Fire Services	\$1,532	\$1,192	\$1,044	\$569	\$381
Recreation & Parks Development	\$17,941	\$13,958	\$12,229	\$6,662	\$4,458
Transit Services	\$4,951	\$3,852	\$3,375	\$1,839	\$1,230
Public Works Services	\$806	\$627	\$550	\$299	\$200
LAC Debt	\$89	\$69	\$61	\$33	\$22
Sub-total General Services	\$27,377	\$21,300	\$18,662	\$10,166	\$6,802
Roads And Related Infrastructure	\$23,353	\$18,168	\$15,917	\$8,671	\$5,802
TOTAL CHARGE PER UNIT	\$50,730	\$39,468	\$34,579	\$18,837	\$12,604
(1) Based on Persons Per Unit Of:	4.02	3.13	2.74	1.49	1.00

Note: Parking services are no longer DC eligible and therefore are excluded.

DRAFT Non-Residential DC Rates

Service	Non-Residential Charge	
	Industrial	Non-Industrial
By-Law Enforcement	\$0.78	\$0.78
Development-Related Studies	\$1.55	\$1.55
Library Services	\$0.00	\$0.00
Fire Services	\$7.99	\$7.99
Recreation & Parks Development	\$0.00	\$0.00
Transit	\$25.92	\$25.92
Public Works	\$4.20	\$4.20
LAC Debt	\$0.00	\$0.00
Sub-total General Services	\$40.44	\$40.44
Roads And Related Infrastructure	\$99.11	\$129.39
TOTAL CHARGE PER SQUARE METRE	\$139.55	\$169.83

Comparison of Current Residential Rate and Draft Calculated Rates

Service	Current Apartment Charge (1)	Calculated Apartment Charge	Difference in Charge	
By-Law Enforcement	\$99	\$102	\$3	3%
Development-Related Studies	\$321	\$203	(\$118)	-37%
Library Services	\$1,144	\$1,098	(\$46)	-4%
Fire Services	\$845	\$1,044	\$199	24%
Recreation & Parks Development	\$11,481	\$12,229	\$748	7%
Transit Services	\$807	\$3,375	\$2,568	318%
Public Works Services	\$604	\$550	(\$54)	-9%
Parking Services (1)	\$283	\$0	(\$283)	-100%
LAC Debt	\$88	\$61	(\$27)	-31%
Sub-total General Services	\$15,672	\$18,662	\$2,990	19%
Roads And Related Infrastructure	\$11,058	\$15,917	\$4,859	44%
TOTAL CHARGE PER UNIT	\$26,730	\$34,579	\$7,849	29%

(1) Rates as of August 1, 2021 based on LPAT Settlement of DC By-law 0096-2019

Note: Parking services are no longer DC eligible and therefore are excluded from calculated.

Comparison of Current Non-Residential Rate and Draft Calculated Rates

Service	Non-Industrial				Industrial			
	Current Non-Industrial Charge (\$/m2)	Calculated Non-Industrial Charge (\$/m2)	Difference in Charge		Current Industrial Charge (\$/m2)	Calculated Industrial Charge (\$/m2)	Difference in Charge	
By-Law Enforcement	\$0.61	\$0.78	\$0.17	28%	\$0.61	\$0.78	\$0.17	28%
Development-Related Studies	\$2.01	\$1.55	(\$0.46)	-23%	\$2.02	\$1.55	(\$0.47)	-23%
Library Services	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$0.00	0%
Fire Services	\$5.33	\$7.99	\$2.66	50%	\$5.33	\$7.99	\$2.66	50%
Recreation & Parks Development	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$0.00	0%
Transit	\$5.22	\$25.92	\$20.70	397%	\$5.21	\$25.92	\$20.71	398%
Public Works	\$3.82	\$4.20	\$0.38	10%	\$3.82	\$4.20	\$0.38	10%
Parking Services (1)	\$1.79	\$0.00	(\$1.79)	-100%	\$1.80	\$0.00	(\$1.80)	-100%
LAC Debt	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$0.00	0%
Sub-total General Services	\$18.78	\$40.44	\$21.66	115%	\$18.79	\$40.44	\$21.65	115%
Roads And Related Infrastructure	\$88.53	\$129.39	\$40.86	46%	\$67.81	\$99.11	\$31.30	46%
TOTAL CHARGE PER M2	\$107.31	\$169.83	\$62.52	58%	\$86.60	\$139.55	\$52.95	61%

Stormwater DC Rate Update

- Stormwater DCs are levied on a land area basis
- Draft calculation shows a decrease from the current rate of \$15,623 to \$6,252 per ha
 - Decrease in capital costs (about \$10M)
 - Slight increase in DC reserves (\$2M)
 - Increase in future development area as a result of remediation works



Update on Community Benefits Charge Strategy

- City proposing a charge levied based on 4% of land value
- Council will be made aware of the capital program and the mechanisms for spending CBC funds
- Strategy will not contain funding priorities but identification of CBC development related capital costs
- CBC Capital Program to be made available to the industry after being presented to Council (or at subsequent industry meeting)



DC/CBC Key Dates

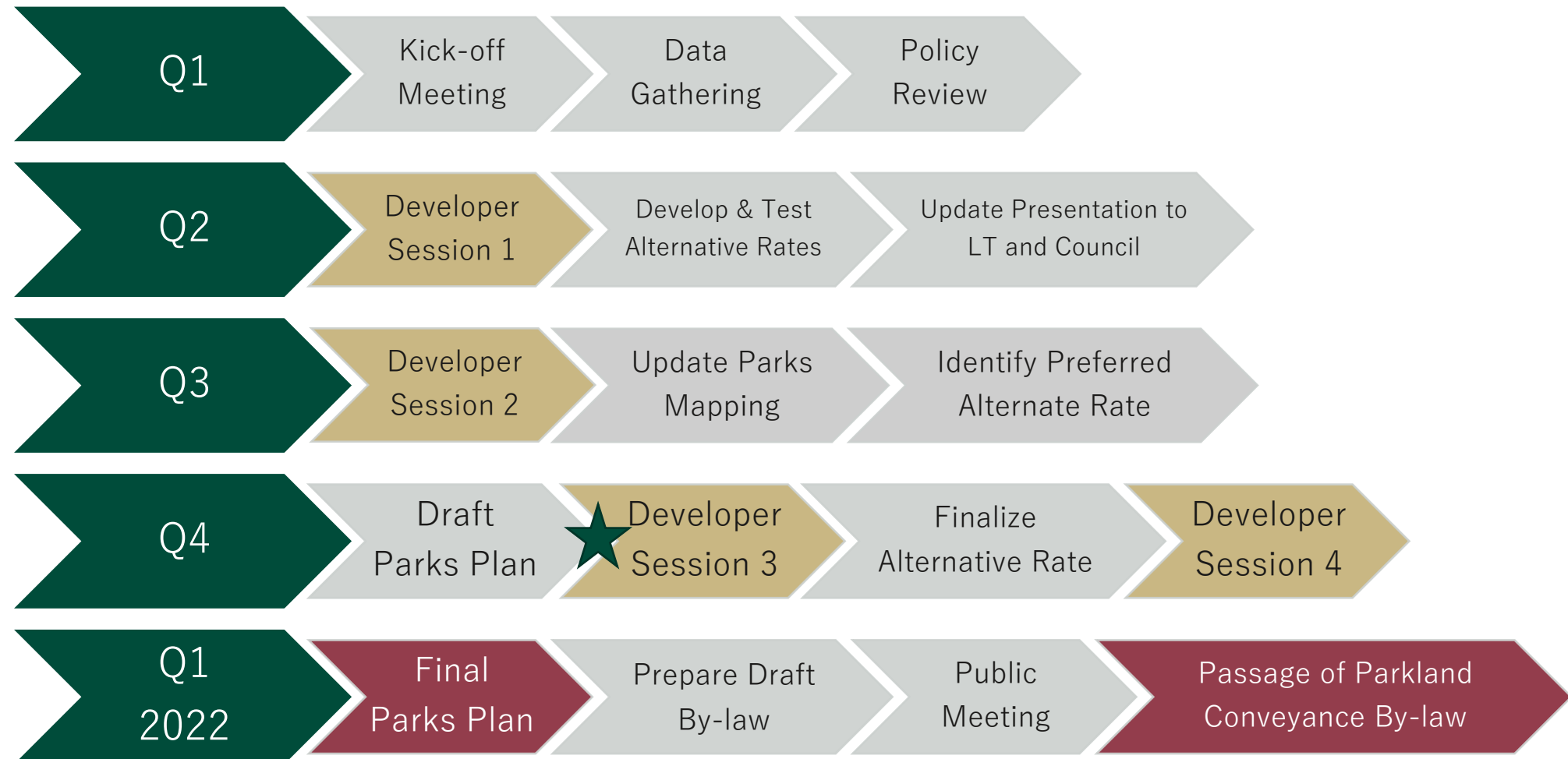
- **November 10, 2021 & December 6, 2021:** Technical Stakeholder Consultation #3 and #4
 - Meetings in 2022 TBD
- **January 2022:** Draft DC Study & CBC Strategy will be released to the public
 - Meeting the statutory deadline to release the background study at least 60 days prior to Council-Approval (DC Act)
- **February 2022:** Draft DC/CBC By-laws will be released to the public
 - Meeting the statutory deadline to release the by-law at least 14 days prior to the public meeting (DC Act)
- **February 2022: Statutory Public Meeting:** Tentatively planned for end of February
- **March 2022: Anticipated Council-Approval of draft DC Background Study/By-law & CBC Strategy/By-law**

DC & CBC Questions / Discussion

Parkland Conveyance By-law and Parks Plan Update



Parkland Conveyance By-law and Parks Plan Timeline



Council Updates will be held throughout process.
Timeline is subject to change.

Parks Plan (2022)

- Informed by City's "Future Directions" Parks and Forestry Master Plan (2019)
- Establishes Parkland Provisions
- Reaffirms targets for quantum of parkland provision
- Draft Parks Plan assesses current and anticipated parkland need across the City
- Provides a base for the parkland conveyance by-law to demonstrate the need to collect land and/or CIL

Parkland Provision Targets:

Downtown & Major Nodes

12% of land area

All Other Residential Character Areas

1.2 ha per 1,000 residents

Revised Quantum Provision Mapping Method

- Refined approach to assessing parkland provision to provide apples-to-apples consideration for conveyance assessment:

Parks in residential character areas included in provision calculation:

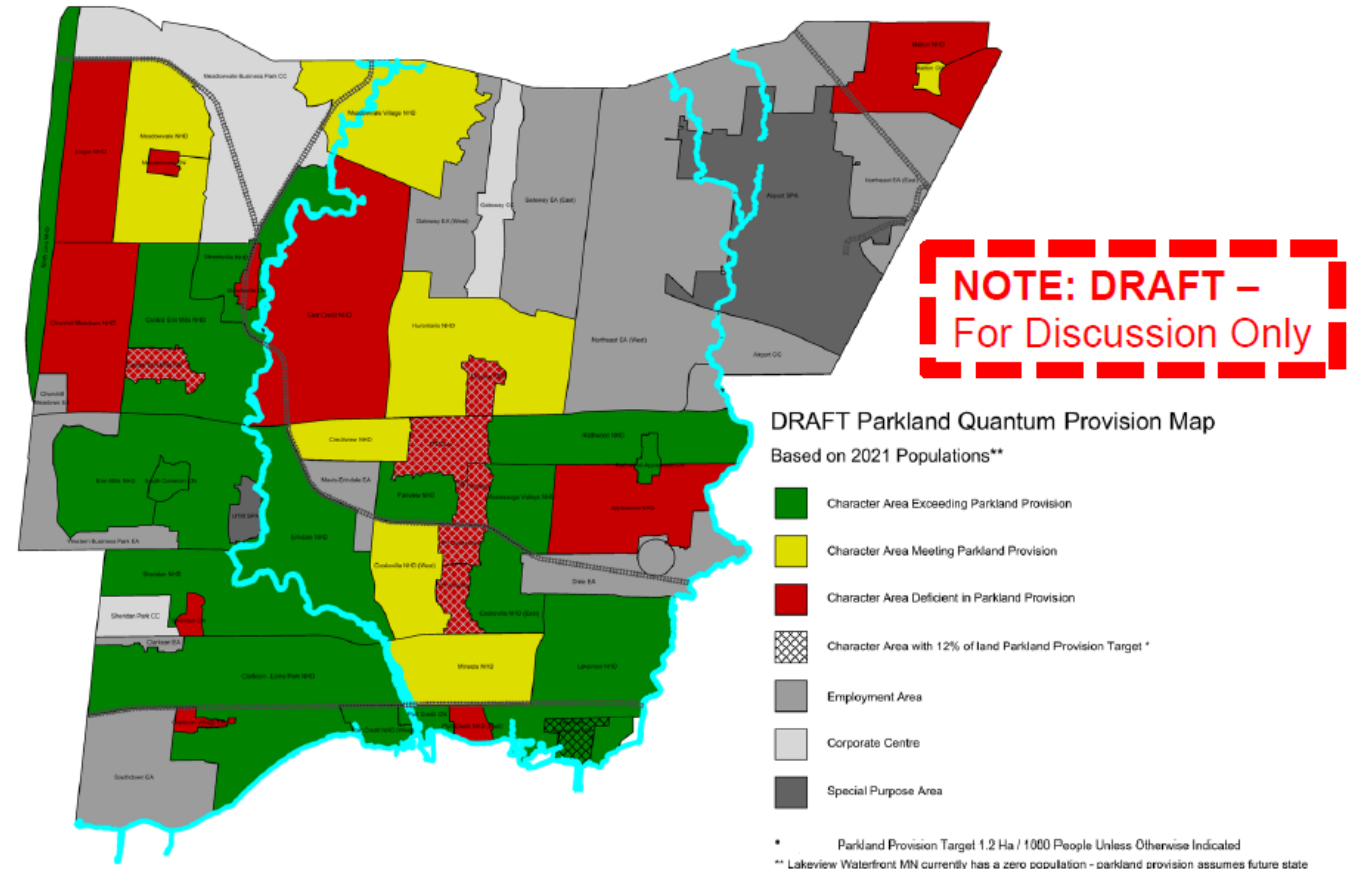
- Destination and Community Parks
- Portions of Greenland Parks with Destination or Community Park facilities

Not included in provision calculation:

- Other Greenland Parks
- Corridor trails
- Golf Courses
- Cemeteries
- Schools
- Privately-owned public spaces (POPS)

Updated Quantum Provision Mapping

- Updated methodology by residential character area
- Currently 16 character areas below target provision level
- Objective is to ensure no additional deficit by 2041 – growth should not contribute to deficits



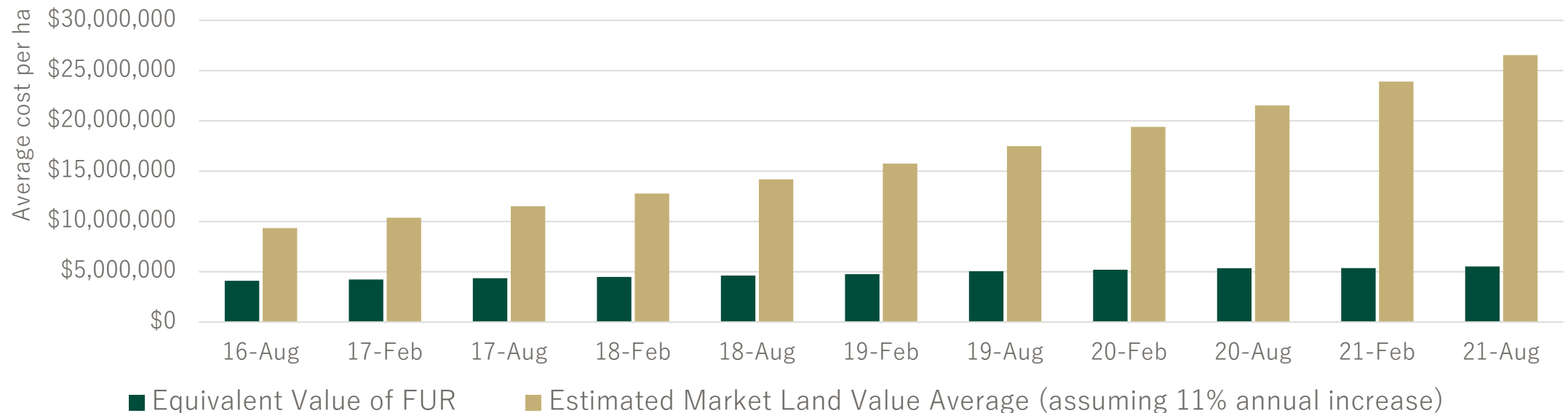
Current Alternative Dedication Rate Review



- The City's preference is for parkland dedications, but Cash-In-Lieu (CIL) is increasingly necessary in infill context
- Mississauga currently collects CIL on medium and high-density residential development using a Fixed Unit Rate (FUR)
- FUR was calculated based on Planning Act maximum permitted CIL rate of 1 ha per 500 dwelling units against citywide average for medium density land in 2012

FUR Not Keeping Pace With Land Values

- Current FUR (\$11,040/unit) is a result of updating the rate based on 3% index twice per year
- Review of medium and high density residential land sales indicates annual appreciation of 10 to 12% per year over the past 5 years
- If recalculated today using current land values, FUR would be over \$53,000 per unit



Proposed New Rate Methodology

- Recent increases in land value would result in significant increases to calculated rate under previous approach
- New approach to be based around revised parkland provision rates identified in Parks Plan to 2041
- New methodology uses Maximum Capped Rate rather than Fixed Unit Rate to recognize that **not all projects will pay full rate**

New Capped Unit Approach:

Each project will provide the lesser of:

Value of 1 ha of land per 500 units
(based on subject site land value)

<OR>

Number of Units x Calculated Maximum Cap
(based on City-wide parkland need)

Parkland Need by 2041

- S42 is intended to address demand created by growth and not existing deficiency
- Based on principle that all new units will provide enough dedication/CIL to meet provision target relative to growth
- Provision for capital improvements beyond DC and CBC also being considered

Parkland Need:

Downtown & Major Nodes

28.4 ha (70.3 ac)

All Other Residential Character Areas

53.2 ha (131.6 ac)

Please note: numbers are draft

Approach to Alternative Rate Calculated Cap

Status Quo Fixed Unit Rate	Legislated Maximum Unit Rate	Proposed Capped Unit Rate
Outdated Land Value per ha / 500 units	Current Land Value per ha / 500 units	Estimated Total Land Cost (Forecast Parkland Need x Average Land Cost)
		Plus Estimated Capital Improvements (not covered by DC/CBC)
		Costs to be Covered by Alternative Rate (Less: Estimated Low Density Residential, Estimated Non-Residential, Current CIL Reserves)
		Forecast Alternative Rate Eligible Units and Adjustment Factor (% of units that would not pay the cap)
\$11,040	~\$53,000	\$29,000 - \$36,000

Preliminary Maximum Capped Rates

- Land value assumptions based on 3-year average of medium and high density residential land sales across the City
- City reviewing capital improvements component to ensure no overlap with DC and CBCs
- Adjustment factor to estimate share of projects that would not pay capped rate *(using site specific 1 ha/500 unit max)*
- Current draft calculations result in maximum capped rates between
\$29,000 per unit to \$36,000 per unit

Rate range varies based on assumptions related to average land value, capital improvements and adjustment factor

Other Draft Rate Changes

- Office parkland dedication rate reduced from 5% to 2%
- Continuing to review if additional exemptions or reductions are appropriate for specific uses



Parkland Conveyance By-Law and Parks Plan – Key Dates

- Internal review of Draft Parks Plan: **Ongoing**
- Written submission of feedback on rate methodology and preliminary calculated cap range: **November 24, 2021**
- Finalization of capped unit rate: **December 2021**
- Industry Consultation Meeting #4: **December 2021**
- Final Parks Plan: **January 2022**
- Draft Parkland Conveyance By-Law and OPA *(if needed)*: **Spring 2022**
- Adoption of Parkland Conveyance By-law: **Late Spring 2022**

Parkland Conveyance By-law and Parks Plan: Questions and Discussion