



Land Acquisition Strategy

Project Background



- ▶ The City's current population is approximately 325,000 and rapid growth is forecasted, with an expected population growth to 497,400 by 2041.¹
- ▶ Through council directive, the need for a Land Acquisition Strategy to support forecasted growth and intensification for the City was identified.

¹Source: Ontario Ministry of Finance 2017 Population Projections

Land Acquisition Strategy

Project Goals



- ▶ Prepare the City for growth and development to year 2041.
- ▶ Review all current municipal land holdings.
- ▶ Identify potential future requirements for population growth and development.
- ▶ Provide framework to guide and evaluate timely and cost-effective land acquisition.
- ▶ Development of a framework for managing third-party real estate requests.
- ▶ Conduct cost benefit analysis of various acquisition tools and options.
- ▶ Provide a financial strategy which supports fiscal sustainability.
- ▶ Consider alternatives to full acquisition for all municipal property.

Land Acquisition Strategy

Steering Committee Formed in 2018



- ▶ The Terms of Reference developed by the Steering Committee contemplates all City property requirements; Recreational Centres, Libraries, Parkland, Fire Stations, Operations Centres, Trails and Natural Heritage Land.

- ▶ Steering Committee includes the following City departments:
 - Parks Development
 - Development Planning
 - Recreation Services
 - Vaughan Public Libraries
 - Fire and Rescue Services
 - Infrastructure Delivery
 - Legal Services
 - Development Engineering
 - Policy Planning and Environmental Sustainability
 - Transportation Services, Parks and Forestry Operations
 - Environmental Services
 - Infrastructure Planning and Corporate Asset Management
 - Financial Planning and Development Finance
 - Real Estate

- ▶ RFP issued in Spring 2018 with Ernst and Young LLP and MHBC Planning selected in August 2018 through a competitive procurement process which included a presentation to steering committee.

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Project Status



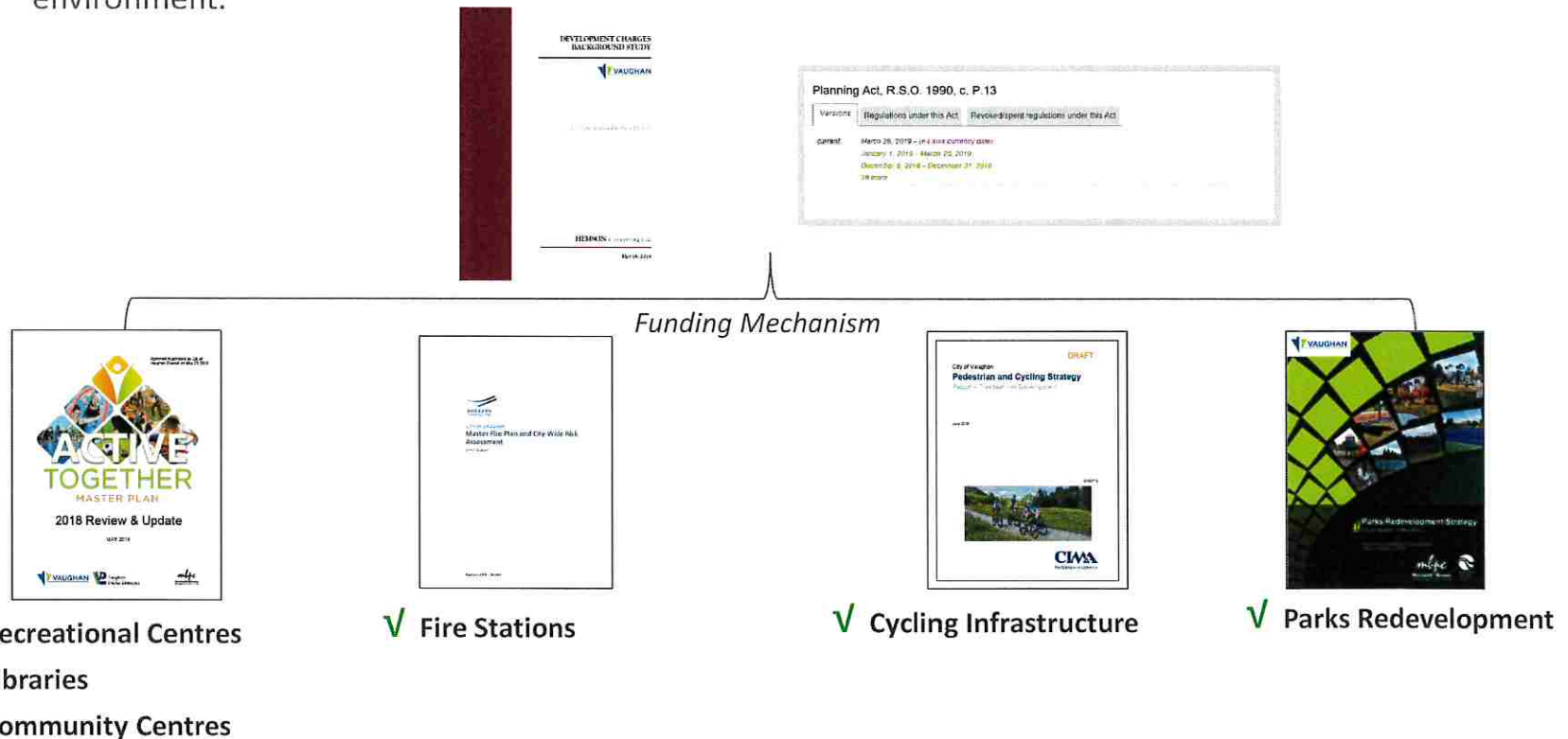
- ✓ Steering Committee consultation to review project goals confirm direction.
- ✓ Desktop review of master planning documents, regional and provincial planning policies, enabling legislation, and other municipal Land Acquisition Strategies.
- ✓ Municipal land demand forecast prepared and shared with Steering Committee.
- ✓ One-on-one meetings were held with Steering Committee to confirm land requirements, potential gaps, and related policies/legislation.
- ✓ Draft analysis of the guiding themes prepared which will drive the development of final recommendations.

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Current Approach



- ▶ Land requirements for many municipal asset classes are well-documented and funded through Development Charges (DC's) and parkland provisions within the *Planning Act*.
- ▶ Recently proposed provincial changes (Bill 108) to DC, Section 37 and parkland conveyance funding mechanism are unknown. Further Council update in Q4 2019.
- ▶ The City's 2018 citizen's survey results demonstrate exceptional municipal provision standards in today's environment.



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Bill 108



- ▶ In May 2019, the provincial government introduced Bill 108, which addresses the shortage of affordable housing by finding faster ways of getting a greater mix of housing supply.
- ▶ As part of this housing initiative, Bill 108 significantly alters the financial tools for development and redevelopment which have been available to municipalities.
- ▶ Funding for soft services (e.g. libraries, recreation, and parks) would be blended into a new Community Benefits Charge (“CBC”) from the existing system of DCs and parkland dedication.
- ▶ Changes to the Development Charges Act for soft services would allow municipalities to collect CBCs up to a percentage of the appraised value of land to pay for costs of facilities, services, and matters required because of development or redevelopment.
- ▶ Under the proposed amendment, a municipal CBC strategy would need to identify the capital needs that would otherwise be funded out of Section 37, parkland dedication and DCs for soft services.

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Challenges and Opportunities



- 1) Community service level targets provision standards, revenue tools, and funding gaps.
- 2) Municipal asset value maximization.
- 3) Maturity of City policies in today's growth environment.

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Funding Gap



- ▶ A requirement of the Planning Process for new residential development, municipalities have control over how developers may provide or secure for land dedication and or securement.
- ▶ Within intensification areas, the development community will likely be more inclined to provide cash-in-lieu for parkland over land dedication where land values exceed cash-in-lieu collection.
- ▶ Bill 108 recently proposed changes to the *Development Charges Act* (DC funding of soft services), and the *Planning Act* (parkland dedication, Section 37 community benefits).
 - These proposed changes may impact funding mechanisms currently available to municipalities for the delivery of community centres, libraries, parks, and open space trails.

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Emerging Themes: Policy Framework



- ▶ In consultation with stakeholders, investigate:

A balanced policy framework that contemplates alternative site dedication using pre-determined evaluation criteria.

- ✓ *Good physical accessibility to the area.*
- ✓ *Alignment to Official Plan.*
- ✓ *Achieve City requirements.*



Recreational uses in open space



Stratified Title Dedication



Trails Investment

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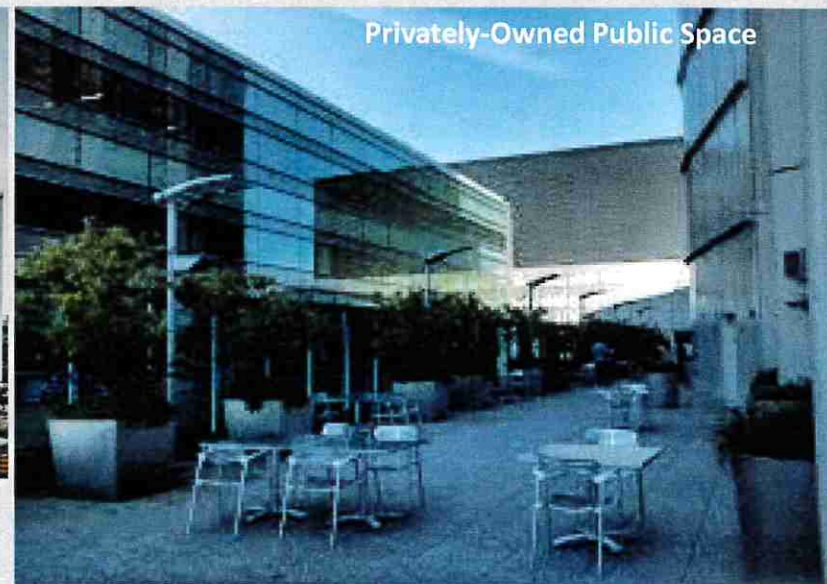
Emerging Themes: Funding



- ▶ In consultation with stakeholders, investigate:

Revise funding to reflect costs to acquire land and meet targets.

Providing greater clarity of desired community outcomes for Section 37¹ negotiations.
(e.g. parkland/public realm investment, privately-owned public spaces)



¹ Proposed changes as part of Bill 108 may impact both CIL and Section 37.

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Emerging Themes: Fee Simple Alternatives



- ▶ Easements
- ▶ Co-location relationships/partnerships
- ▶ Stratified Title
- ▶ Leasing
- ▶ Section 37 Opportunities (POPS)



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Emerging Themes: Asset Maximization



- ▶ The increasing cost of land may impact future land acquisition opportunities.
- ▶ To respond, the City should maximize use for owned sites in strategic locations where intensification is imminent such as the VMC or Vaughan Mills.
- ▶ As the City explores municipal use intensification, surplus property may be identified.
- ▶ The City should explore the creation of a Land Acquisition Reserve Fund (LARF) to fund future land acquisition from the sale of surplus municipal.
 - Parkland Acquisition is currently funded through a dedicated Cash-in-Lieu funding mechanism.

1980 Municipal Land Acquisition (e.g. Fire Station)



Flow of Land
Acquisition Funds
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Future Municipal Land Acquisition (e.g. Mixed-Municipal Use)



Historical DC funding used to acquire municipal land in which is then sold as surplus property should be re-purposed for future municipal land acquisition to ensure the preservation and recycling of historical DC land acquisition funds.

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Emerging Themes: Policy Maturity



- ▶ To stimulate industrial development, in 1992 the City adopted and implemented a cash-in-lieu (CIL) waiver policy.
- ▶ Given the current limited vacant land inventory of industrial property in Vaughan, this incentive may no longer be required and the CIL policy for industrial land should be revisited.



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Emerging Themes: Unsolicited Proposals



- ▶ To better position the City to respond to unsolicited proposals for real estate assistance, a study of best practices across other jurisdictions (e.g. Infrastructure Ontario, municipal) has been undertaken.

- ▶ A solution for Vaughan is being developed which includes clear processes for how the City undertakes any disposition and/or leasing of assets, clear guidelines how proposals would be evaluated, and communications tools with the general public.

- ▶ The following guiding principles would be at the heart of any policy developed:
 - Fair and transparent process.
 - City requirements shall always remain the highest priority outcome.
 - Maximize value to the City.
 - Responsive approach to supporting community and/or economic benefits.
 - Minimize City risk and abide by relevant legislation.

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Emerging Themes: Unsolicited Proposals



The City should update its Real Property Disposition By-Law to provide clarity to the public on City processes and guidelines in managing real property requests.



Use checklist-style criteria to communicate how the City would explore unsolicited requests.



To strengthen public communication create a communications tool such as a Real Property Disposal & Leasing landing page on the City's webpage.

¹ Assumes City is asked to act as intermediary and use priority in public-sector circulation to then sell direct to third-party.

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Next Steps



- 1)** Take back any comments/questions received from Committee of the Whole, Working Session, prepare draft report.
- 2)** Review report with Steering Committee and finalize.
- 3)** Finalize report, and present final recommendations to Council in Q4 2019.



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