

Vaughan GSP

Task 5 | Financial Analysis

March 2025



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INTRODUCTION

The Greenspace Strategic Plan (GSP) provides an overall framework to help guide decision-making for the planning, acquisition, development and implementation of greenspaces in the City of Vaughan. As Vaughan expands and transitions to more high-density developments, the imperative to secure, construct, maintain, and enhance greenspaces becomes even more pronounced to accommodate a growing population which is estimated to reach 575,900 by 2051.¹

The acquisition, construction and maintenance of parks and greenspace in Vaughan is a shared responsibility between City departments. The Development and Parks Planning Department is primarily responsible for developing long range plans and policies and managing parkland dedication or payment-in-lieu of parkland dedication through the development process. Facilities and Parks Delivery Department is primarily responsible for guiding acquisition and delivering parks and greenspace. The VMC program team is responsible for the planning and development of parks and open space within the VMC area. Parks, Forestry and Horticulture Operations are responsible for operating and maintaining parks to established levels of service. Recreation Services are responsible for programming, permitting and managing user groups booking park facilities.

Task 5 report focuses on a financial analysis of the City's parkland acquisition challenges and opportunities and the development of a financial strategy that can achieve the implementation of the GSP.

¹ 2022 York Region Official Plan

EXISTING FUNDING

Capital funding for parks development is heavily reliant on development charges collected during the development process from developers. Capital funding for parks acquisition is reliant on the Payment-in-lieu (PIL) reserve fund that developers contribute to in lieu of parkland dedication. Although both development and acquisition of new parks is primarily funded by developers, there generally more alternative funding sources available for the development of parks rather than the acquisition of parks.

Development charges have comprised an average of 75% of the capital funding over the last four years for projects managed by the Facilities and Parks Delivery Department (FPD). Infrastructure reserves and the Canada Community-Building Fund are two other funding components primarily used to make up the difference. In some years, grants, property taxes and debentures are used as a capital funding source. Each of these funding sources are combined to plan parks, and build parks. Figure 1 illustrates the capital funding sources for the 2025 parks and open space capital budget under the Facilities and Parks Delivery Department.

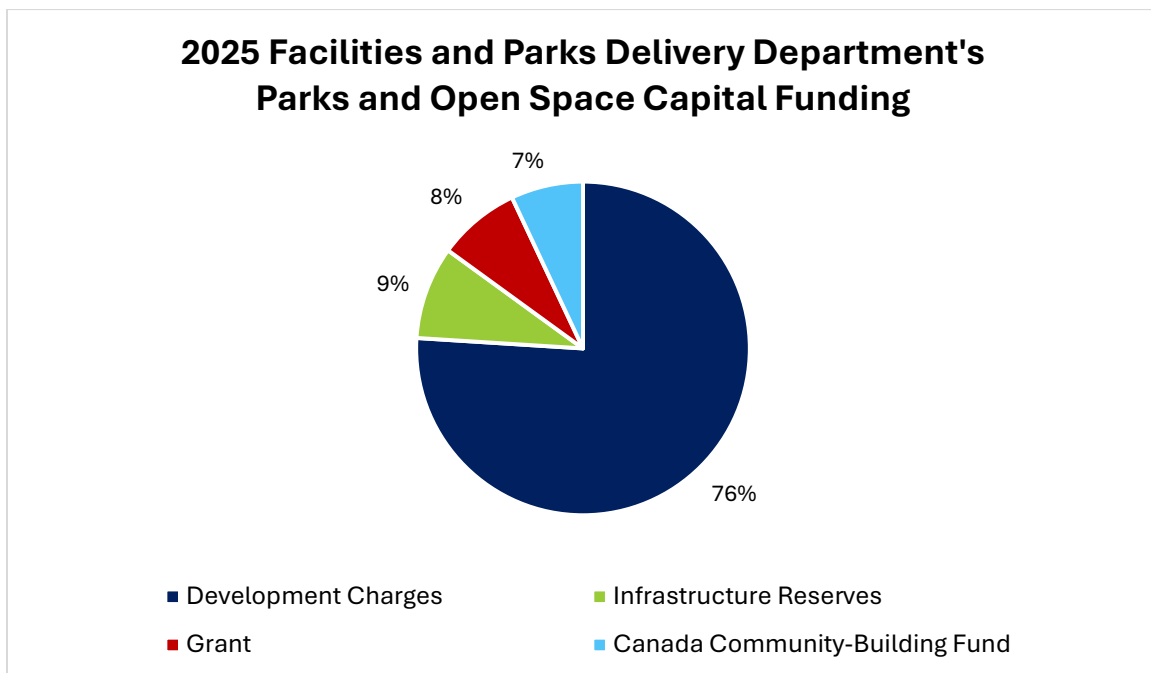


Figure 1: 2025 Facilities and Parks Delivery Department's parks and open space capital funding.

Between 2020 and 2025, the Facilities and Parks Delivery Department has maintained an annual capital budget in the range of \$30-\$45 million to complete notable capital projects including:

- Butterfly Heights Park
- Off-leash dog area at Sugarbush Heritage Park
- Early development phases of North Maple Regional Park

- Advancing the Vaughan Super Trail
- Completing various park amenities,
- And numerous park, trail and amenities studies.

A budget of approximately \$46 million is established for capital projects in 2025 with approximately \$21 million identified for projects in the 2026 capital plan.

Operating funding for greenspaces is overwhelmingly funded by property taxes. The funding sources for the 2025 operating budget for Parks, Forestry and Horticulture Operations is presented in Figure 2.

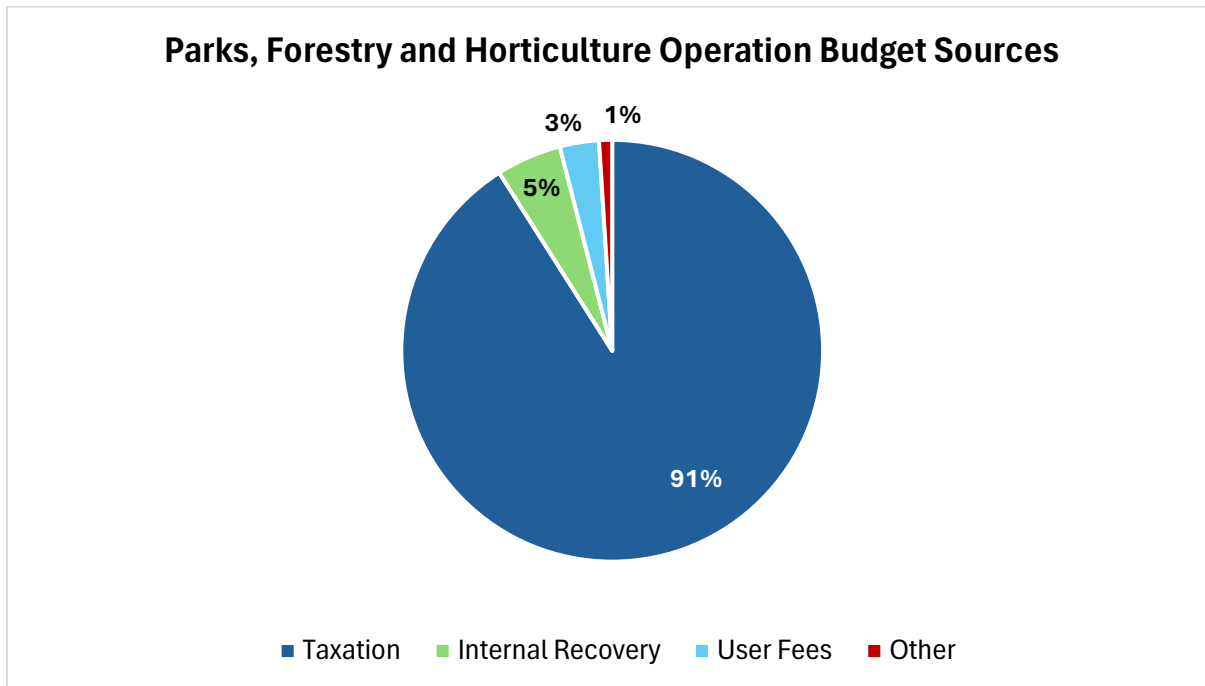


Figure 2: 2025 Parks, Forestry and Horticulture operation budget sources.

DEVELOPMENT CHARGES

The City maintains several development charge reserve funds separated by service type (engineering, community serves, fire, libraries, etc.) and various area specific development charge reserves to deposit development charges collected from various developments across the City. Parks development charges are included within the Community Services development charge reserve. In Q3 of 2024, the closing balance of the city-wide Development Charge Reserve Fund was \$571.3 million to fund growth related infrastructure projects and studies. The Community Services Development Charge Reserve, which partly funds parks development, contains \$107.4 million as of Q4 2024, which comprises 22.75% of the total development charge rate. In the current Development Charge By-Law 109-2022, development charges are based on expending approximately \$220 million on eligible parkland, amenity and trail development and improvements to 2031.

The revenues and expenditures of the Development Charge Reserve Fund for the last 11 years are shown in Figure 3. Provincial legislative changes over the last four years have affected how development charges are applied to developments, how development charge bylaw rates are implemented, and the amount of development charges collected by the City. The City found that as a result of these legislative changes, development charge collections were lower by approximately \$6.5 million.²

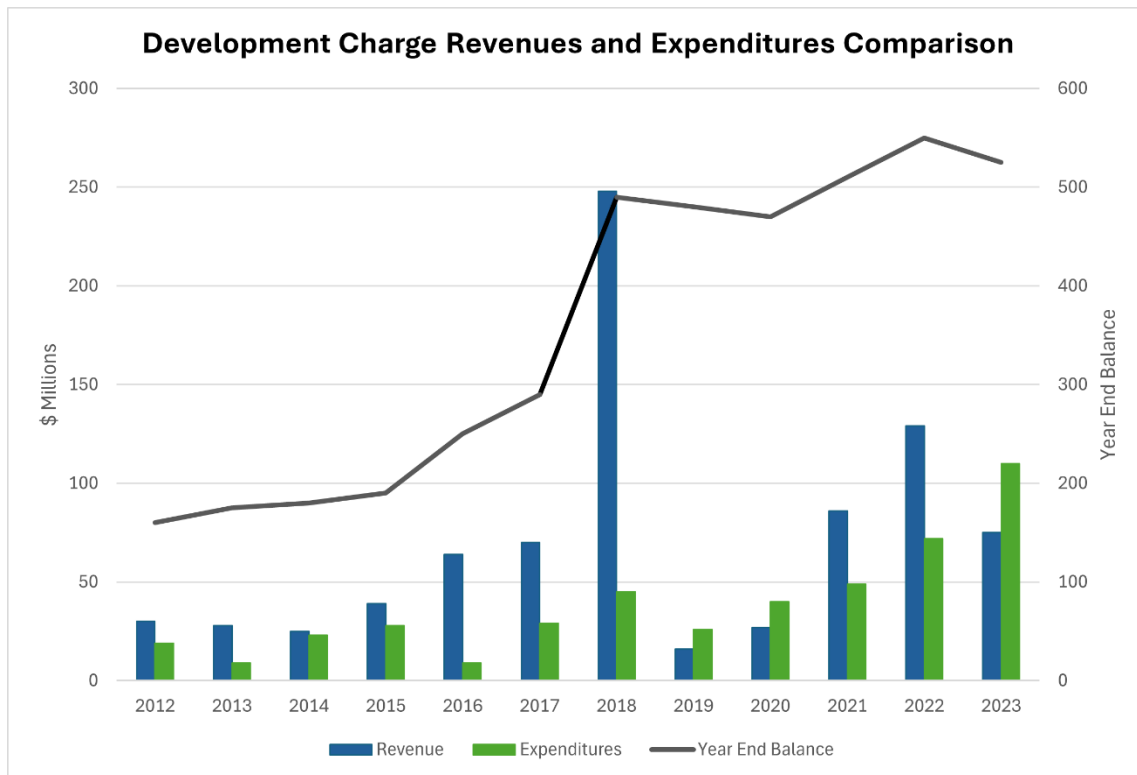


Figure 3: Development charge revenues and expenditures comparison by year. Source: City of Vaughan, 2024.

Recent reduction in development charges and the ability of developers to defer development charges for two years, will impact the capital plan and budget beyond the 2025 budget. Further analysis by the City is needed to understand the overall impacts to capital plans.

PAYMENT-IN-LIEU

Section 42 in the *Planning Act* enables developers with the opportunity to provide financial compensation in lieu of the conveyance of parkland. Payment-in-lieu of parkland are deposited into the City's Payment-in-Lieu Parkland Reserve Fund. For land acquisition, the primary source of

² City of Vaughan. (2024). 2023 Development Charge Reserve and Special Reserve Statement.

funding is the Payment-in-Lieu Parkland Reserve Fund. The balance of the payment-in-lieu Parkland Reserve Fund is \$89.7 million as of Q3, 2024.

Figure 4 illustrates the revenues and expenditures with the year-end balance of the Payment-in-Lieu Parkland Reserve Fund from 2013 to 2023. In 2023, Vaughan received \$16.1 million in payment-in-lieu of parkland and earned \$3.4 million from interest on the fund. Vaughan's significant payment-in-lieu expenditure in 2023 was used for acquiring the VMC North Urban Park which is currently in the design phase.³

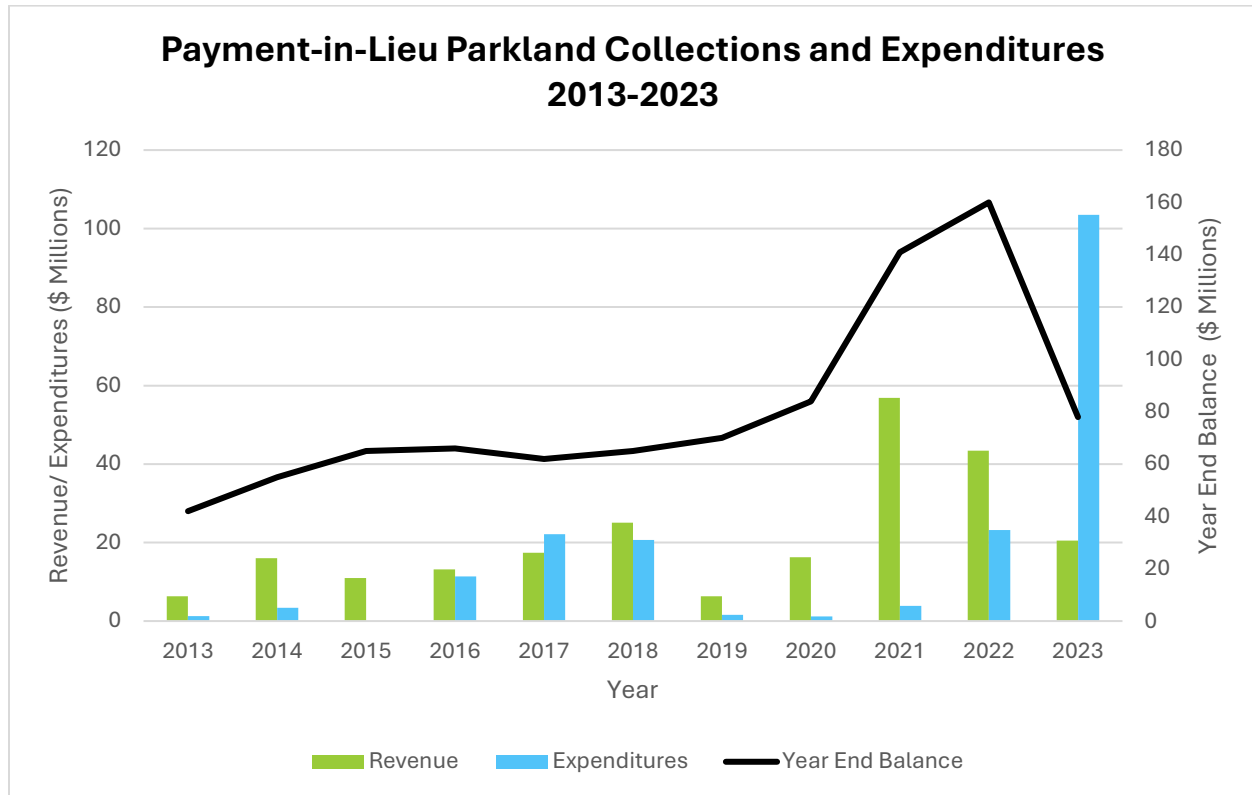


Figure 4: Payment-in-lieu parkland collections and expenditures 2013-2023. Source: City of Vaughan, 2024.

³ City of Vaughan. (2023). 2023 Payment-In-Lieu Parkland Reserve Fund Statement Attachment 3.

PRIMARY ACQUISITION FINANCIAL TOOL

CITY'S PARKLAND DEDICATION BY-LAW

The City's Parkland Dedication By-law (168-2022) gives the City the ability to acquire lands and payment-in-lieu for parks and public recreation as a condition of land development and redevelopment through development applications. The parkland dedication requirement in the City's By-law for commercial and industrial development or redevelopment is 2% of land. The parkland dedication requirement for residential development or redevelopment is 5% of land. These rates are consistent with the "standard rate" provisions permitted under the *Planning Act*.

The *Planning Act* also allows municipalities to implement "alternative" parkland provision rates of 1 ha/600 units for parkland dedications up to a maximum of 10% of the site for sites 5 ha or smaller and up to a maximum of 15% of the site for sites larger than 5 ha. Similarly, municipalities may collect the cash equivalent of 1 ha/1,000 units for payment-in-lieu of parkland up to a maximum of 10% of the land value of the site for sites 5 ha or smaller and up to a maximum of 15% of the land value of the site for sites larger than 5 ha.

The City's Parkland By-law (168-2022) provides for an alternative dedication rate that predates the *More Homes Built Faster Act, 2022*. Per the By-law (168-2022), the City:

"may elect that land be conveyed at a rate of one hectare for each three hundred residential units proposed". However, with the passage of the *More Homes Built Faster Act, 2022*, this alternative dedication is reduced to 1 ha/600 units up to 10% of the site for 5 ha or smaller or 15% for lands greater than 5 Ha.

The City's Parkland By-law (168-2022) also provides for alternative payment-in-lieu rates. The City, at its sole discretion, may instead collect a payment-in-lieu of parkland where no reasonable land exists for dedication. The payment-in-lieu requirement is net of any dedicated parkland. The payment-in-lieu requirements are as follows:

1. The parkland payment-in-lieu for multiple unit building developments or redevelopments shall be the lesser of:
 - a. The value of land using a rate of 1 ha/500 residential units based on the subject site land value;⁴
 - b. A fixed unit rate of \$20,050 per unit effective March 1, 2024, \$27,994 per unit effective March 1, 2025, and increased annually on March 1st each year thereafter by 4.25%.
2. The parkland payment-in-lieu for stand-alone residential additions shall be:

⁴ Further information on and the full text of Parkland By-law 168-2022 can be found at: <https://www.vaughan.ca/sites/default/files/168-2022.pdf?file-verison=1679875200048>

- a. A per unit rate of \$2,406 per unit effective March 1, 2024, \$3,359 per unit effective March 1 2025, and increased annually on March 1st each year thereafter by 4.25%.

Despite these regulations, the Parkland By-law (168-2022) is no longer applicable given that it does not cap alternative dedication rates in alignment with the legislation. Since the alternative dedication rates are now capped, the City's anticipated land dedication and PIL contributions moving forward will be lower than previously planned.

BILL 23: KEY CHANGES TO PARKLAND DEDICATION

The *More Homes Built Faster Act*, 2022 has made several significant changes to the planning process in Ontario through amendments to the *Development Charges Act*, *Planning Act*, *Ontario Land Tribunal Act*, *Ontario Heritage Act*, and the *Conservation Authorities Act*. The amendments to the *Planning Act*, particularly Section 42, has implications on the growth-funding tools available to municipalities to levy parkland dedications (and payment-in-lieu) for new development.

The *More Homes Built Faster Act*'s key changes to Section 42 of the *Planning Act* are as follows:

- The maximum alternative dedication rate that a municipality may set has been reduced from 1 ha/300 units to 1 ha/600 units.
- The maximum alternative dedication rate that a municipality may set when receiving payment-in-lieu of a dedication has been reduced from 1 ha/500 units to 1 ha/1,000 units.
- The maximum amount of land conveyed, or payment-in-lieu levied, under the alternative dedication rate may not exceed 10% of the development's site size or equivalent value in payment-in-lieu. If the site is greater than 5 ha, this cap is raised to 15%. Prior to the *More Homes Built Faster Act* no cap was required under Section 42.
- Landowners are now able to identify on-site land, which can be conveyed to the municipality to satisfy the parkland dedication requirement. If refused by the municipality, landowners can appeal the decision to the Ontario Land Tribunal (OLT).
- Encumbered parkland, stratified parkland, and/or privately owned public space (POPS) are now eligible for credit to partially or wholly satisfy a parkland dedication requirement, subject to upcoming regulations.
- Affordable housing, attainable housing, and non-profit housing units are exempt from parkland dedication requirements.
- Parkland rates are now frozen as of the date that a zoning by-law or site plan application is filed, remaining frozen for two years. The valuation of land for the purposes of parkland dedication calculations remains on the day prior to the day the building permit is issued.
- A municipality must allocate or spend at least 60% of its parkland payment-in-lieu reserve funds at the beginning of each year.
- The preparation of a Parks Plan is now required prior to the passing of an alternative parkland dedication by-law. Previously, an alternative rate by-law could be passed if a municipality's Official Plan contained policies dealing with the use of the alternative rate.

At this moment, it is important for the City to explore other creative methods for funding and acquiring parkland due to the anticipated reductions in funding and acquisition from legislative changes.

FINANCIAL ANALYSIS

ASSUMPTIONS

A number of assumptions were made in Q1 2025 to calculate the amount of parkland the City will collect through dedications and payments-in-lieu to 2051. These assumptions are based on work Hemson Consulting Ltd. has done for the City in the past, the draft Vaughan Official Plan 2025 and York Region's 2022 Official Plan, and comparable municipalities. These assumptions were combined with existing growth forecasts to form the basis of the land needs analysis.

- The city will grow to 575,900 people by 2051;
- A residential land value of \$33.36 million per hectare in the Vaughan Metropolitan Centre;
- A residential land value of \$14.83 million per hectare for other high density residential land;
- A residential land value of \$12.35 million per hectare for other medium density residential land;
- A residential land value of \$8.03 million per hectare for other low density residential land;
- A land value of \$8.65 million per hectare for commercial land;
- A land value of \$5.93 million per hectare for industrial land;
- A blended land value of \$9.35 million per hectare;
- That 90% of multi-units (apartments) to 2051 will opt to pay payment-in-lieu of parkland;
- That 10% of multi-units (apartments) to 2051 will opt to dedicate parkland;
- That 25% of medium and lower density residential and industrial development to 2051 will opt to pay payment-in-lieu of parkland;
- That 75% of medium and lower density residential and industrial development to 2051 will opt to dedicate parkland;
- That 90% of commercial development to 2051 will opt to pay payment-in-lieu of parkland;
- That 10% of commercial development to 2051 will opt to dedicate parkland;
- That 20% of apartments to 2051 will be purpose-built rentals and 5% of purpose-built rentals will be affordable under the City's by-law and Section 42 of the *Planning Act*;
- That the City currently owns or controls 745 ha of parkland; and
- That the City's current parkland reserve contains \$87.19 million.

LAND NEEDS ANALYSIS

Given the outlined assumptions, the amount of parkland anticipated to be acquired by the City through payment-in-lieu and parkland dedication was calculated until 2051. This projected acquired land includes all residential and non-residential development and redevelopment, including greenfield, brownfield, greyfield, and intensification. In total, 3,100.92 ha of land are projected to be developed to 2051. This forecast is based on anticipated growth within planning

blocks, secondary plans, the Draft Vaughan Official Plan 2025, 2022 York Region Official Plan ⁵, the 2021 Vaughan Development Charges Study, and other forecasts completed in the region.

It is projected that the City will acquire 141.04 hectares of parkland through Section 42 of the *Planning Act*. Of this 141.04 hectares, 72.8 hectares will be dedicated as parkland, identified in Table 1. A loss of 0.22 hectares due to the affordable housing exemption is accounted for in the 72.8 hectares of dedication. Table 2 illustrates 68.24 hectares of land will be acquired through the PIL fund from \$748.62 million of PIL payments. The majority of high-density residential and commercial and industrial development to 2051 is projected to opt for payment-in-lieu of parkland. Conversely, most of the lower density residential development to 2051 is projected to opt for parkland dedications.

Table 1: Projected parkland to 2051 acquired through dedication. Source: Hemson Consulting Ltd.

	Developed Land 2025-2051 (Ha)	Parkland Acquired 2025-2051 (Ha)
Residential Parkland Dedication Multi-Units	21.95	2.20
Residential Parkland Dedication Singles, Semis, and Rows	1,309.01	65.45
Commercial Parkland Dedication	10.14	0.20
Employment Land Parkland Dedication	258.66	5.17
Subtotal Land Acquired through Dedications		73.02
Less Losses from Affordable Housing	5% of 4.39	-0.22
Total Land from Dedication and PIL		72.80

Table 2: Projected parkland to 2051 acquired through PIL. Source: Hemson Consulting Ltd.

	Developed Land 2025-2051 (Ha)	Parkland PIL 2025-2051 (2025\$)	Parkland Acquired 2025-2051 (Ha)
Current PIL Reserves		\$87,187,769	9.32
Anticipated Collections from Multi-Units per Unit Rate	197.58	\$378,406,123	19.76
Anticipated Collections from Singles, Semis, and Rows	436.34	\$175,202,595	21.82
Anticipated Collections from Commercial	91.25	\$15,783,909	1.83

⁵ York Region no longer has planning responsibilities as an upper-tier municipality. The York Region Official Plan (YROP 2022) is an official plan of the City until the City revokes or amends it. The new draft Vaughan Official Plan 2025 may incorporate policies from the YROP 2022 the City deems appropriate to carry forward in its official plan.

	Developed Land 2025-2051 (Ha)	Parkland PIL 2025-2051 (2025\$)	Parkland Acquired 2025-2051 (Ha)
Anticipated Collections from Employment	775.98	\$92,036,696	15.52
Total PIL Collections		\$748,617,091	
Total Land Acquired through PIL			68.24

The City currently owns or controls 745 hectares of parkland. By 2051 it is anticipated the City will own or control approximately 886 hectares of parkland with the addition of 141.04 hectares as described above.

Currently, the City maintains a citywide parkland provision target of 2 ha per 1,000 people. However, it will be difficult to maintain this ratio with growth due to restrictions under Section 42 of the *Planning Act*.

Two scenarios were explored to understand the financial gap based on different parkland provision ratios. Scenario 1 represents the City maintaining the 2 hectares of parkland per 1,000 persons ratio. As shown in Table 3, the City will be short 265.96 hectares of parkland by 2051 if it opts to maintain the current parkland to person ratio (Scenario 1). This 27-year shortfall will cost about \$92.14 million per year. This costing is based on a blended average land value of \$9.35 million per hectare.

Table 3: Scenario 1 - Future parkland demand (2051) at 2 ha/1,000 persons.

Current Parkland Owned or Under City Control (ha)	745
Parkland Acquired 2025-2051 (ha)	141.04
Total Parkland Supply in 2051 (ha)	886.04
Parkland Required to meet Future Demand (ha)	1152
Shortfall (ha)	265.96
Shortfall Cost (2025\$)	\$2,487,850,129
Yearly Shortfall (2025\$)	\$92,142,597

Scenario 2 represents the City adjusting its citywide target to a ratio of 1.6 hectares of parkland per 1,000 persons at 2051 as recommended in the Task 4 report. As shown in Table 4, the City will be short 35.96 hectares of parkland by 2051 if it opts to move to the Scenario 2 parkland per person ratio. This 27-year shortfall will cost about \$12.46 million per year. This costing is based on a blended average land value of \$9.35 million per hectare.

Table 4: Scenario 2 - Future parkland demand (2051) at 1.6 ha/1,000 persons.

Current Parkland Owned or Under City Control (ha)	745
Parkland Acquired 2025-2051 (ha)	141.04
Total Parkland Supply in 2051 (ha)	886.04
Parkland Required to meet Future Demand (ha)	922
Shortfall (ha)	35.96
Shortfall Cost (2025\$)	\$336,356,848
Yearly Shortfall (2025\$)	\$12,457,661

The first scenario identifies the significant shortfall that is anticipated if a parkland ratio of 2 hectares per 1000 people is maintained to 2051. The second scenario shows that lowering the City's parkland provision target to a more pragmatic 1.6 hectares per 1000 people will still pose a significant financial challenge and effort to keep pace with Vaughan's expected population growth. In response to these scenarios, the City may need to consider changing its existing financial strategy of relying primarily on development charges for funding capital park development projects and parkland dedication or PIL funds for acquiring parkland.

The land needs analysis is influenced by many factors and assumptions and should be updated annually to monitor the City's progress toward meeting its 2051 citywide parkland target. The following indicators will require monitoring to update the land needs analysis on an annual basis:

- The average cost of land for the different land use types (i.e., residential, commercial, industrial);
- The amount of land absorbed/redeveloped annually;
- The amount of creditable POPS granted over time;
- The forecasted growth to 2051;
- The number of hectares of parks;
- The balance of the PIL Reserve Fund;
- The percentage of land dedication compared to PIL for the different land use types; and
- The annual affordable housing stock approved.

The following section outlines some alternative financial tools that are considered as potential options into the future to generate revenue for parks development and acquisition.

ALTERNATIVE FINANCIAL TOOLS

While the City’s Parkland Dedication By-law (168-2022) and Development Charge By-Law (109-2022) are the primary methods used to acquire land for parks and greenspace, there are many alternative options that can help compliment these methods. In response to the recent Provincial legislative changes affecting greenspace acquisition and funding, some of the following alternative financial tools could help the City overcome budget shortfalls in order to maintain Vaughan’s high standard of greenspace provision in the future. Not all of the tools may be practical or desirable for use by the City.

LAND EXCHANGE/BANKING

Land banking and exchanging to purchase or develop parkland is another way for Vaughan to expand and improve its greenspace system in the future. The City can use PIL funds to purchase properties near the growth areas and future development sites to build parkland to serve the future community. These properties may be swapped or sold to developers as these areas develop, or they can be developed into municipal parkland. Purchasing property early helps the City avoid inflationary depreciation of its PIL funds as land values are likely to continue to increase over time.

If an area is below the parkland service target, then it is recommended that the City does not sell parkland in those areas unless a more functional and accessible parcel is to be acquired/developed in the same area. However, if there is a surplus of parkland in an area and the land is not meeting the needs of the community, the City may consider disposing of the parcel to generate funds for acquisition of a parcel in another area.

SPONSORSHIPS AND PRIVATE DONATIONS

Sponsorships and/or donations to expand and improve the greenspace system can help the City in reducing the financial gap and enhancing its greenspace system in line with its population growth. An example of sponsorship would be providing money for a particular programming component such as an educational walk, another example would be naming rights. All naming rights should align with the City of Vaughan’s naming policy. A donation could be in the form of money similar to sponsorship or in the form of land. Examples of donations would be providing money without specifying its particular use or bequeathing land after a death.

Using the Council-approved Incoming Sponsorship and Donation Policy, parks and greenspaces should be added to the inventory list via a Council report that outlines how the funding may be received and spent, what benefits may be granted from the receipt of such funding, and the development of funding agreement templates. A leading example of this practice is the Bentway in Toronto which was first constructed using a \$25 million donation.⁶ While attracting donations of this size is rare and difficult, accruing multiple smaller donations over time can lead to sizeable

⁶ Keenan, E. (2015). Matthew’s generous with ideas, energy – and cash – for Toronto: Keenan. *Toronto Star*.

greenspace investments. Similarly, even small parcels of land can lead to discernable improvements in the greenspace network. The City can also accept land donations and develop these properties into parks in the name of their donators.

ASSESSING NON-DEVELOPABLE AND NATURAL HERITAGE LANDS AS PARKLAND

In certain circumstances, the City may wish to reassess Vaughan Official Plan 2010 policy 7.3.3.7 that restricts parkland dedication where Core Features exist in the Natural Heritage Network and allow some lands as parkland. Non-developable natural lands that are not accepted as environmental areas could assist the City in expanding its parks and greenspace system. While these lands may not be ideal for traditional parklands, they can potentially provide passive recreation opportunities by utilizing their existing natural state for building pathways and other passive park amenities. As noted in Vaughan's Land Acquisition Strategy (2020), the City of Ottawa is an example of a municipality in Ontario that may accredit natural areas except for lands with the following conditions:

- Hazardous (e.g., steep), flood prone lands or unstable soil conditions for recreation;
- Wetlands and woodlots retained for conservation purposes;
- Any land having unsuitable or unstable soil conditions for recreational facilities; or
- Any land containing an easement, encumbrance, or right-of-use that limits City use.

Vaughan may take a similar approach and identify existing City lands that would generally not be accepted as parkland through more detailed criteria in order to reclassify land for parks. If the City were to apply this method, the City may wish to add to the list of conditions above to include areas that agencies have identified as habitat buffers.

GRANTS

Grants will become more critical in the future, and more staff resources should be dedicated to working with the Economic Development Department in finding and applying for grants under the Council-approved Grant Funding Policy. Grants may be used for the construction of parkland, recreation facilities, and open spaces. For example, the City has applied to the Ontario Community Sport and Recreation Infrastructure Fund for both capital improvements and new builds and received funding from Tree Canada and the Canada Community Building Fund at the Federal level. Other funding sources exist, such as the Green Municipal Fund which is managed by the Federation of Canadian Municipalities (FCM).

LOCAL IMPROVEMENT CHARGES

Ontario municipalities can impose a local improvement charge under the *Municipal Act, 2001* to recover funds associated with municipal projects. The charges are applied to properties that benefit from the work, which can include "constructing a park, square or other public place." (Reg 586/06 s.1). The regulation does not specifically enable or prohibit its use for park acquisition. While imposing Local Improvement Charges are rare and are dependent on political support, their

use to kickstart development in a SGA or provide greenspace for underserved communities can lead to significant improvements for these areas. Using them to fund greenspace acquisition and improvements in SGAs can lead to higher land values which in turn provides higher tax revenues for the City.

SPECIAL TAX LEVIES

Ontario municipalities can impose special tax levies to fund specific projects. Municipalities can use the funds collected by these levies to pay for parkland acquisition in high density growth areas. Once parkland has been acquired and built, the levy would be rescinded. The City of Vaughan and the Town of Halton Hills have recently used this strategy for raising funds for building new hospitals to accommodate their population growth.^{7 8} Another example is the City of Calgary's Special Tax Bylaw that enables communities to self-fund enhanced levels of landscape maintenance through a representative community association, such as a homeowner's association or community association.⁹ These funds are used to fund enhanced maintenance services associated with boulevards, parks, and open spaces within their respective communities.

There are other examples of special levies or taxes that have been applied on items non-related to parks but the funds collected will in part be used for parks funding. An example has been the inclusion of a special tax levy on off-street parking areas to fund improvements to stormwater management system, which can include parks and greenspaces. The City of Toronto developed a report to explore the financial implications of introducing a commercial parking levy in 2024, that is projected to raise \$100 million to \$150 million annually for the City of Toronto based on its existing off-street parking supply and proposed two-tier rate. However the levy would require coordination with the Municipal Property Assessment Corporation (MPAC) and the Government of Ontario, and the Province has stated that is unsupportive of the proposed levy. The City of Toronto is continuing discussions with MPAC and stakeholders on the levy. If a levy of this type is supported in the future, Vaughan could consider adopting a similar levy to discourage large impervious surface parking lots while generating funds for greenspace that can help with stormwater management.

Special taxes and levies that are applied to one thing but then used to fund another item are usually very unpopular and therefore these types of special taxes and levies are not recommended.

⁷ City of Vaughan. (2023). Vaughan maintains low taxes with 2023 budget.

<https://www.vaughan.ca/news/vaughan-maintains-low-taxes-2023-budget#:~:text=In%202009%2C%20the%20City%20approved,appear%20on%20property%20tax%20bills.>

⁸ Town of Halton Hills. (2024). 2024 budget Maintains Services & Includes 2 Special Levies.

<https://www.haltonhills.ca/en/news/2024-budget-maintains-services-includes-2-special-levies.aspx>

⁹ City of Calgary. (2025). Special Tax Levy: Background. <https://pub-calgary.escrimemeetings.com/filestream.ashx?DocumentId=316335#:~:text=Special%20tax%20levies%20are%20initiated,for%20enhanced%20landscape%20maintenance%20services%20>

COMMUNITY BENEFIT CHARGES

Parks could be added into the City's Community Benefits Charges (CBC) By-law 201-2022. This would allow money collected through the CBC By-law to be used for parkland redevelopment or enhancements beyond levels of service established through development charge funding. One downside to this tool is the CBC funding is capped based on land value and therefore no additional money would be collected with the inclusion of parks. Another downside is that CBC funds are to be shared among other community services (libraries, community centres, etc.) which does not guarantee a specific funding level for greenspace projects. To date, no money has been collected from CBCs in Vaughan due to the recency of the by-law.

PROPERTY TAXES

As other methods of funding shrink, it may become necessary to use property taxes to maintain the service level desired by residents. If multiple City building priorities can be achieved while acquiring parkland, it may be palatable to Council and Vaughan citizens that a greater share of existing property taxes or a future increase in property taxes is used as a funding source for parkland development and/or acquisition.

PARKING REVENUE

The City of Vaughan can expand its collection of funds from its municipal parking lots, including parking lots with strata ownership structures, to fund parkland acquisition and improvements. The City of Calgary for example, uses its Parking Revenue Reinvestment Program to reinvest surplus parking revenue into its neighbourhoods. The City works with Business Improvement Areas (BIAs) to determine how the funds are used. Between 2021 and 2022, the City of Calgary used \$1,828,839 generated from the Fund for neighbourhood improvement projects such as main street lighting, street banners, murals, and park and plaza improvements.¹⁰ Vaughan recently implemented on-street paid parking in the VMC which generates more than \$8,000 per month on average.¹¹ Using a portion of this revenue for developing and improving parks in the area can support other sources of capital funding. Creating a program for distributing parking revenue funds can assist the City of Vaughan in improving its greenspace and parks, especially in intensification areas.

WORKING WITH BENEFITTING LANDOWNERS

Landowners around Vaughan's parks have much to gain from park improvements and park acquisitions. Research has found that parks and park improvements have a positive impact on surrounding employment, commercial and residential land values. Studies show the overall positive effects of parks and greenspace on people's quality of life, how it influences their search to

¹⁰ [Parking Revenue Reinvestment Program \(calgary.ca\)](#)

¹¹ City of Vaughan. (2023). VMC Capital Projects and Implementation Plan Update. [VMC Capital projects and implementation plan update](#)

purchase/rent a home, as well as the aesthetic value and benefits in the neighbourhood.^{12 13 14} There are opportunities to work with benefitting partners who can assist the City with both establishing and performing enhanced maintenance protocols and park improvements. Possible options include Business Improvement Areas, neighbourhood associations, condominium corporations, and real estate investment trusts. These organizations can help fund maintenance and improvement projects or assist with the maintenance regime themselves. Doing so can help reduce the cost of greenspace improvements for the City.

ADVERTISING SOURCES

Another opportunity for generating revenue for funding park and greenspace acquisition and improvement projects is through advertising. The City of Vaughan could expand its advertising options on parks and greenspace by using digital displays, benches, and billboards. The City of Vaughan's Digital Billboard Revenue Program began operation in January 2022 with three sites on City property to generate \$6 million in revenue over a 15-year term.¹⁵ The City could expand this program by using parks and greenspaces to build more digital billboards specifically for funding park and greenspace acquisition.

GREEN BONDS

Under sections 401 and 402 of the *Municipal Act*, single-tier and upper-tier municipalities may issue debentures and prescribed financial instruments to finance capital expenditures. The City of Toronto has issued yearly Green Bonds since 2018 to help finance transformative climate action projects. These Green Bonds have each generated \$200 million to \$400 million and are used to support projects primarily relating to transportation (roads, transit, and active transportation) but also support greenspace projects, such as the Scarborough Waterfront Project.¹⁶ The Scarborough Waterfront Project will protect the Scarborough Bluffs from environmental effects and create a system of greenspaces along the shoreline between East Point Park and Bluffer's Park. Since the City of Vaughan is a lower-tier municipality, it would have to work with York Region to develop and issue a bond to fund greenspace-related projects, such as the Scarborough Waterfront Project.

¹² Jim C, Chen W. External effects of neighbourhood parks and landscape elements on high-rise residential value. *Land Use Policy*. (2010) 27:662–70. 10.1016/j.landusepol.2009.08.027

¹³ McCord J, McCord M, McCluskey W, Davis PT, McIlhatton D, Haran M. Effect of public green space on residential property values in Belfast metropolitan area. *J Finan Manag Prop Constr*. (2014) 19:117–37. 10.1108/JFMPC-04-2013-0008

¹⁴ Chen K, Lin H, You S, Han Y. Review of the impact of urban parks and green spaces on residence prices in the environmental health context. *Front Public Health*. 2022 Sep 7;10:993801. doi: 10.3389/fpubh.2022.993801. PMID: 36159304; PMCID: PMC9490231.

¹⁵ City of Vaughan. (2023). Digital Billboard Revenue Program. *Committee of the Whole Report*.

¹⁶ City of Toronto. (July 2024). Green Bond Newsletter. <https://www.toronto.ca/wp-content/uploads/2024/07/8ecd-2024GreenBondNewsletterFINAL.pdf>

FINANCIAL STRATEGY

Implementing the GSP is going to require staffing, capital and operating resources. In the short-term this may appear daunting due to the existing legislative framework, reduction in development charges and competing priorities for limited financial resources. However, the recommendations below offer opportunities for the City to explore alternative methods for acquiring and developing parkland and to create efficiencies where possible to reduce the revenue requirements needed.

STAFF RESOURCES

Implementing the GSP will require additional staff resources to carry out the overall recommendations and actions. Depending on staff capacity across departments, it is anticipated that an additional 2-5 FTE staff will be needed for tasks such as creating, organizing and maintaining an overall parks database, updating policies and procedures, seeking and forming external funding partnerships and overseeing the collection of data.

SHIFT BUDGETARY RELIANCE TO EXTERNAL AND ALTERNATIVE FUNDING SOURCES

Currently, development charges and the PIL fund account for a significant portion of the Facilities and Parks Delivery Department's capital budget. Recent Provincial legislative changes have led to decreased PIL rates and development charges which will impact the City's capital project fund.

It is recommended that the City focus its efforts on acquiring external funding from the Federal and Provincial government for supplementing its capital projects budget. Between 2010 and 2023, Vaughan received \$140 million from the Canada Community Building Fund (CCBF) to support community centre renovations, stormwater management improvements, road repairs, and new parks.¹⁷ Federal funds such as the CCBF and the Investing in Canada Infrastructure Program can be used to fund future greenspace acquisition and improvement projects. Other funding sources previously mentioned, such as revenue from parking and advertising can complement larger funding sources to support park maintenance and small park improvement projects. Using a combination of each of these sources can help the City make up for reduced development charge revenue and become more resilient to potential future legislative impacts.

COORDINATE LAND USE AND PARK PROVISION EFFORTS ACROSS CITY DEPARTMENTS

Sharing properties for multiple City efforts can help departments adapt to Vaughan's increasing land values. Multiple City departments can coordinate their efforts and combine their resources for purchasing new properties to extend services. Combining funds between departments can create a larger funding pool to buy larger properties, making their efforts more effective. These properties can then become community hubs for Vaughan and feature parks, community services, public

¹⁷ City of Vaughan. (2024). 2024 Budget and 2025-2026 Financial Plan. Respecting taxpayers delivering service excellence. 2024 budget and 2025-2026 financial plan (vaughan.ca)

works stations, emergency service stations, and municipal offices. Grouping parks with these land uses can be mutually beneficial by providing parkland near community services or municipal employment areas which in turn leads to higher levels of park use and creates a healthier environment and human experience. For example, the new Carrville Community Centre, Library and District Park is located near an elementary school serving the growing community. Similarly, when City Hall was built, a park and community garden was added to the property. Each of these projects required multiple City departments to coordinate between each other to realize their respective goals, such as extending park service and access to community centres. Replicating these examples in new communities and acquisition priority areas can extend services for multiple departments and use municipal funds efficiently.

The GSP recommends improving coordination between municipal departments through a variety of methods. Some of these include reviewing City-owned properties to determine if the properties are still required for their intended use, establishing partnership models to acquire land together for multiple purposes, and maintaining and sharing one spatial park and asset database to ensure everyone is working off of the most current data to make decisions. These recommendations can help minimize efforts being duplicated between departments and promote coordination to advance the construction and improvement of parks across all City-led projects.

PROACTIVELY ACQUIRE LAND BEFORE IT IS NEEDED

Land Banking

As intensification and development continues, land prices continue to increase. To avoid paying the highest price for land in SGAs, it is recommended the City purchase land near these areas before major development begins and land costs escalate. The City should review all opportunities for purchasing land in SGAs for park acquisition even if the parcel of land for sale is not in a natural state. Purchasing these parcels early can provide the opportunity in the future for developing them into parkland or for land swapping with a developer. It is also worth noting that parks in SGAs may have a high degree of hardscaping compared to parks in suburban areas. This means that these parks may not need to be in a natural state to begin with. The City may also consider acquiring lands that are determined to be undevelopable which may be available for purchase at a reduced cost. Remediating these lands to parkland can be more economical than other forms of development and visually improve a blighted property while providing recreational benefits for the surrounding community.

Given Vaughan's increasing development activity, the shift to high density development and increasing land values, securing land now in SGAs may be less expensive than acquiring in the future as these areas continue to develop. Purchasing land in these areas now also helps protect the City's capital funds from inflationary pressures since land values are likely to increase. Should the demand for parks and greenspace in SGAs not be realized, the City can sell or swap these lands for other lands in the City where there is a greater need for parks and greenspace.

Review Existing Municipal Land Registry

As with many municipalities in Ontario, the City of Vaughan owns properties across the City for a variety of purposes. Some of these properties are no longer needed for their intended purposes. For example, land acquired for road widening may no longer be needed because a new Bus Rapid Transit route alleviated the expected traffic demand. It is recommended that the Facilities and Parks Delivery initiate a review of City owned parcels to determine whether they are still needed. Should the location be suitable for parks and open space development, and no longer needed for its intended purpose, a transfer may be pursued. Surplus land may require capital funds for conversion to a City park which can result in significant savings compared to purchasing land at market value. Land that is located in SGAs and acquisition priority areas identified in Task 3 should be prioritized.

CONCLUSION AND NEXT STEPS

In summary, the City of Vaughan faces several challenges in maintaining its existing parkland service target of 2 hectares per 1000 people as its population continues to grow and development intensifies. Changes to Provincial legislation has further added to the challenge by reducing parkland dedication and payment-in-lieu requirements for new developments. Development charge rate reductions also contribute to funding challenges.

Achieving the recommended 1.6 hectares per 1000 people parkland ratio target will require filling a financial gap in the tens of millions and all new parkland, open spaces, and trails will have an eventual operating and capital impact to the City. However, feedback received through public engagement for this project confirmed the importance of parkland and greenspaces for Vaughan residents.

As land values in Vaughan continue to increase, land acquisition for parks and greenspace will become more costly. A significant challenge for the City will be finding ways to expand and improve the greenspace system to accommodate the growing population. Implementing the GSP will require staff, operating and capital resources. Adding to and enhancing the greenspace system will require more reliance on adopting alternative capital funding opportunities as outlined in this report. The financial strategy focuses on adding necessary staff to implement the findings of the GSP, shifting budgetary reliance to external and alternative funding sources, and proactively acquiring land.

The next steps will include the development and recommended revisions to the policy framework necessary to achieve the vision and goals, followed by the creation of the final Greenspace Strategic Plan.