

City of Vaughan Land Acquisition Strategy

October 2020



Attachment 2



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In preparing our Report, EY relied upon unaudited data as prepared by market research reports and other third party sources. We also relied on consultations with the City of Vaughan and other stakeholders (collectively, the "Supporting Information").

EY reserves the right to revise any analyses, observations or comments referred to in this Report if additional Supporting Information becomes subsequently available to us. EY assumed the Supporting Information to be accurate, complete and appropriate for purposes of our report. EY did not audit or independently verify the accuracy or completeness of the Supporting Information and, accordingly, EY expresses no opinion or other form of assurance regarding the Supporting Information.

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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.
- ▶ Recommendations from this Land Acquisition Strategy are structured around the analysis of the following classifications of demand:
 - Parkland & Recreational Trails
 - Municipal Land (e.g. Libraries, Community Centres, Fire Stations)
 - Natural Heritage Land
- ▶ A review was also undertaken of the City's approach to managing third-party real property inquiries when unsolicited proposals involving real property transactions are received.

¹Source: Ontario Ministry of Finance 2017 Population Projections

Land Acquisition Strategy

Summary Project Objectives



Identify emerging trends and influences that the City will need to be aware of and recommend appropriate responses.



Provide City Council and staff with recommended tools, policies, and processes to guide the strategic, timely and cost-effective acquisition of land.



Consider the role of alternatives to full acquisition (e.g. “public-public” or “public/private” partnerships, easements, partial takings, stratified title).



Inform the preparation and implementation of the City’s Growth Management Strategy to the year 2041.

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 Planning & Parks Delivery
 - 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.

Land Acquisition Strategy

Project Timeline



- ✓ 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.
- ✓ Initial presentation of guiding themes was provided to Steering Committee and Council that drove to the development of final recommendations.
- ✓ Following the preparation of a draft report, extensive collaboration with members of Steering Committee informed the preparation of the final report.

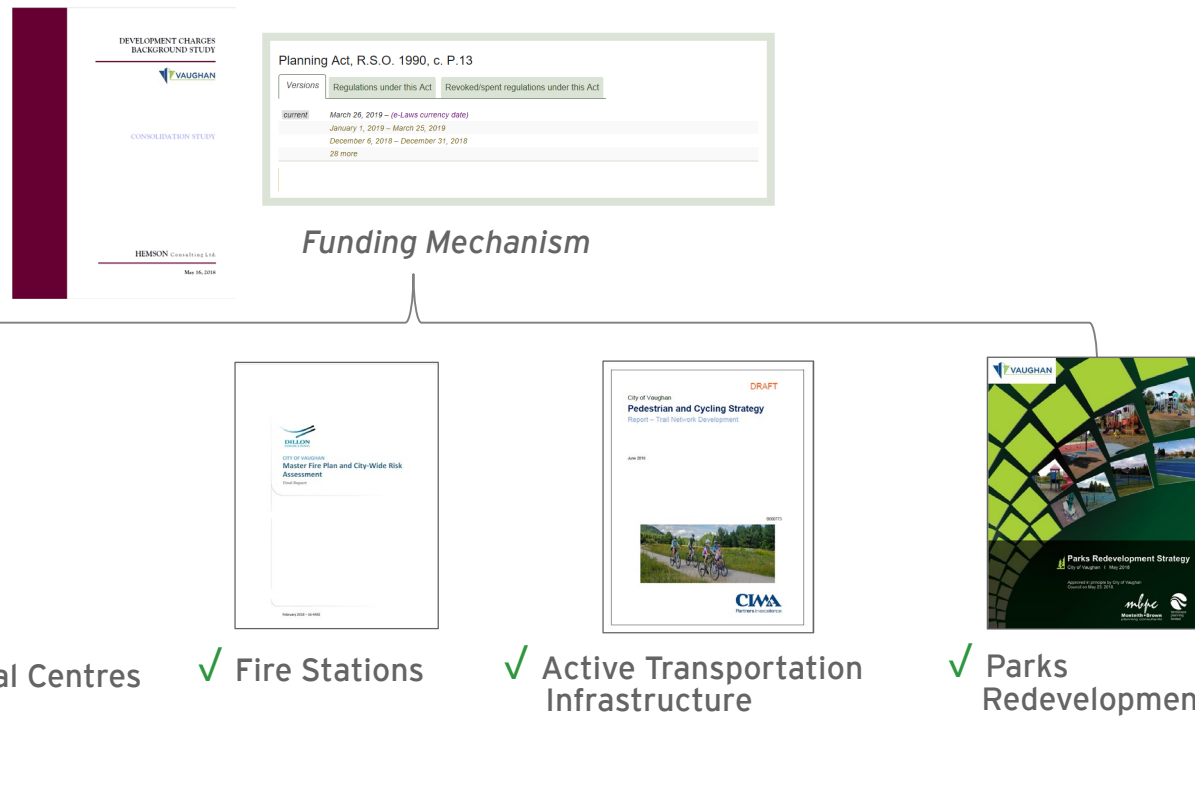
While it remains unclear what long-term impacts or lessons learned from the current COVID-19 environment may yield, most organizations with a large office footprint will likely re-assess future space needs given the unique successes and/or challenges encountered throughout the COVID-19 environment.

Land Acquisition Strategy

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*.
- ▶ Recent changes to provincial legislation (e.g. Development Charges Act and Planning Act) approved through Bill 197 have modified many of the changes previously proposed through Bill 108.



Land Acquisition Strategy

Current Funding Gaps



- ▶ A requirement of the Planning Process for new development, municipalities currently have control over how developers provide for land dedication and/or securement for parkland.
- ▶ Within intensification areas, the development community will likely be more inclined to provide cash-in-lieu of parkland over land dedication where land values exceed cash-in-lieu collection and/or where property sizes limit dedication opportunities.
- ▶ Based on existing Cash-In-Lieu collection rates, an indicative funding gap of 20%-40% exists to acquire Green Spaces to 2041.

Land Acquisition Strategy

Bills 108 and 197



- ▶ In May 2019, the Province introduced Bill 108, proposed to improve the supply of affordable housing by providing faster ways to achieve greater supply and mix.
- ▶ In July 2020, the Province introduced and enacted Bill 197, the COVID-19 Economic Recovery Act, 2020 which amended 20 different pieces of legislation, including the Development Charges Act and the Planning Act.
- ▶ These changes would in fact roll back many of the changes made in Bill 108 to parkland dedication and soft service development charges.
- ▶ In addition, under Bill 197, the Community Benefit Charge would in effect replace only the existing Section 37 (Bonusing) regime that allows municipalities to grant increases in height and density in exchange for community benefits.
- ▶ The ability to require a CBC charge would be limited to developments greater than 10 units and 5 storeys, effectively exempting low rise development from payment of CBCs.

Key Themes

Parkland & Recreational Trails



- ▶ Active and passive recreation is supported by a hierarchy of Green Spaces.
- ▶ City-wide Regional and District Parks, local Neighbourhood Parks and compact uses in Urban Parks/Public Squares complement an Open Space system of multiuse recreational trails, neighbourhood links, hiking paths, and accessible ecological areas.
- ▶ The modernization of policies and by-laws to offer alternative solutions for the City to acquire Green Spaces may provide greater flexibility to the development community while also enabling city-wide service delivery.
(e.g. through selective off-site and/or non-developable land dedication)

Summary Recommendations

Parkland & Recreational Trails



- ▶ 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.*



Active Recreational Uses via Off-site Dedication



Passive Recreational Uses



Stratified Title

Summary Recommendations

Parkland & Recreational Trails



A Greenspace Strategic Plan may help guide the City's acquisition, development and use of Green Spaces that reflects the current operating and legislative environment.

Evaluation Criteria for off-site and non-developable Parkland Dedication/Acquisition.

Figure 15: Illustrative Parcel-Specific Acquisition Evaluation Criteria²⁹

Evaluation Category	Evaluation Detail	Score
Suitability For Recreational Use Based on Municipal Service Levels	Offers <i>significant</i> opportunity to provide for both active and passive recreational uses that meet multiple municipal service needs outlined in the ATMP .	20
	Offers <i>significant</i> opportunity to provide for an active or passive recreational use that meets a municipal service level need outlined in the ATMP .	15
	Lands offer opportunity to provide for an active or passive recreational use that meet a municipal service level need outlined in the ATMP .	10
	Insufficient recreational development potential exists, development will be challenging or complex.	5
Potential for Improvements of Visual & Environmental Implications	Lands offers <i>significant</i> opportunity to augment and protect local area landscape's already high scenic quality. Multiple sightlines for urban visual relief.	20
	Lands offers opportunity to augment and protect the local area landscape's	10

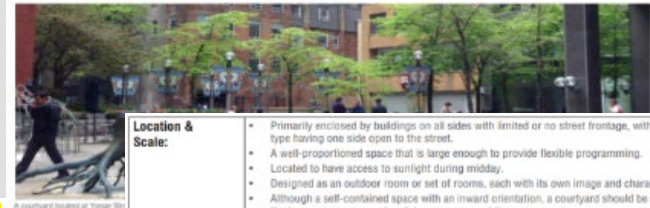
Figure 15: Illustrative Parcel-Specific Acquisition Evaluation Criteria²⁹

Evaluation Category	Evaluation Detail	Score
Geographical/L Consideration	Supports Population Growth and Sustainable Community Design	20
	Land required to address an existing parkland deficit in a high-priority priority area.	15
Supports a Healthy Environment Through Preservation of Green Space	Land will enable city-wide service levels (e.g. Regional & District Park) or complete trail linkages for gaps connecting priority areas of low service level provision.	10
	Integration with Existing Park and Open Space System	20
	Protects and expands a continuous linkage within a City-wide system.	15
	Protects for a continuous linkage within a Community open space trail system.	10
	Provides multiple new trail opportunities within the property.	5
	Provides for a single trail within the property.	0
City-Wide Distribution of Parks, Trails, and Recreational Facilities	Does not connect existing parks, centres of activities or provide for trail development	0
	Opportunity to meet a defined local service level deficiency while enabling <i>significant</i> contribution to city-wide system (e.g. Regional Park in NW Vaughan)	20
	Opportunity to meet a defined local service level deficiency.	15
	Opportunity to enable <i>significant</i> contribution to city-wide system. (e.g. Regional Park in NW Vaughan)	10
	Opportunity to augment existing local service level provision.	5

Privately-Owned Public Space guidelines to enable effective negotiations with developers.

3.1 COURTYARDS

A landscaped open space, located in the interior of a single block or consolidated block with limited direct street frontage.



Location & Scale:	<ul style="list-style-type: none"> Primarily enclosed by buildings on all sides with limited or no street frontage, with a variation on this type having one side open to the street. A well-proportioned space that is large enough to provide flexible programming. Located to have access to sunlight during midday. Designed as an outdoor room or set of rooms, each with its own image and character. Although a self-contained space with an inward orientation, a courtyard should be designed as part of the larger open space network to encourage public use. Generally, courtyards have a 1:1 proportion of length to width, and should be of a minimum size to include tree plantings and seating areas.
Uses & Programming:	<ul style="list-style-type: none"> Associated with both residential and commercial development blocks. Programming should capitalize on the sheltered microclimate, such as children's play areas or patios. Uses include walking, sitting, and gathering.
Edges & Access:	<ul style="list-style-type: none"> As the courtyard is contained within a block and surrounded by buildings, the design of the building, in particular its at-grade uses, entrances, and design of the facades, will play a key role in establishing the public nature, access and character of the open space. The at-grade portion of the buildings that surround a courtyard should provide a high degree of transparency and active uses at-grade. Provide at least two points of access to a courtyard, either through walkways, mid-block connections or publicly-accessible pedestrian interior connections. This will help ensure courtyards become a usable part of a network of public open spaces. The location and design of entrances to a courtyard and accesses must be clearly identifiable as public to promote public use. Organize circulation to provide direct visual and physical links to adjacent streets.
Landscape & Amenities:	<ul style="list-style-type: none"> Provide a balance of soft and hard landscaping. Ample seating should be provided. Provide pedestrian scale lighting in courtyards as well as along connections to the courtyard. Utilize POPS signage to identify courtyard locations from surrounding public sidewalks.

Interior Mid-Block Connection



Illustration demonstrating different types of open spaces and their potential relationships to each other.

Summary Recommendations

Parkland & Recreational Trails



New parks typologies should be explored (e.g. Strata Parks, Greenways) where specific design criteria may be communicated to inform the City's Official Plan Review process.

Greenways



Strata Parks



The redevelopment/expansion of existing parks and open space trails in high-priority areas may be prioritized over market-rate land acquisition to strategically deploy funding.

Negotiated public realm space may be considered part of the City's overall Green Space System while not contributing to parkland dedication requirements.

Co-Location / Partnerships



Private-Owned Public Space



Summary Recommendations

Parkland & Recreational Trails



Land Acquisition Master Plans may assess various combinations of park sizes, typologies, location and investment choices to understand city-wide provision level impacts and cost implications for various land securement options, such as:



Acquiring land in high priority areas.



Balance reduced provision in new urban growth areas with investments that strengthen city-wide Green Spaces.



Easements to secure public access for municipal use and restrict development.



Swap or exchange underutilized land. Divest surplus property.



Partnership or donation with land trust or non-profit.

Staff Guidelines for Non-Designated Green Spaces Acquisition may be implemented to determine how Green Spaces for high-priority parkland deficient areas or new urban growth areas are provided.



Identify and indicate interest in non-designated lands for:

- 1) New urban growth areas*
- 2) Areas with parkland deficiencies*
- 3) City-wide trails or key connection gaps*
- 4) City-wide Regional/District Parks*



Assess land portfolio to identify underutilized properties for exchange or to declare surplus.



Review parks and recreational targets to identify minimum service levels and distribution of city-wide and local Green Spaces.



Consider environmental land for passive recreation opportunities that reflect a "significant contribution" to existing Green Spaces.

Key Themes

Municipal Land



- ▶ Municipal property should be considered an asset with underlying land values that are not sunk costs. On-going asset management should take a “portfolio-wide view” of municipal land holdings and requirements.
- ▶ Preserving and recycling land value across the City’s portfolio is particularly important to fund future land needs given property appreciation in Vaughan’s high-growth environment.
- ▶ The City does not have a mechanism to pool funds directed towards municipal land acquisition. A tool is required that allows the City to be market ready and respond to strategic acquisition opportunities.
- ▶ Municipal highest and best use requires on-going consideration of the opportunities to maximize use of the current portfolio. This is particularly true for properties situated in strategic Regional or Primary Centres.
- ▶ One of the City’s greatest assets is the collection of river valley corridors and environmental lands. The ongoing preservation and expansion of this system is critical with only 40% held by groups that guarantee permanent protection.

Summary Recommendations

Municipal Land



To enable the preservation and recycling of underlying municipal land values, a Land Acquisition Reserve Fund may be established. This will provide the City with a tool to more opportunistically acquire land for future, undefined municipal needs.

An official Surplus Property Disposition Policy should be considered that directs proceeds from surplus property sales towards the Land Acquisition Reserve Fund. This would enable the City to take “portfolio-wide view” of municipal land holdings and requirements.

City assets in strategic locations near Regional or Primary Centres should be maximized with municipal-use intensification, where opportunities exist. Master planning may be required to determine potential future uses.



Summary Recommendations

Natural Heritage Land



Strengthen the City's robust Natural Heritage and Open Space system through active land securement which prioritizes staff resources using biological criteria and opportunities for potential "value-add" alignment with other City priorities.

Figure 33: Significant Wildlife Habitat (Amphibian Species)

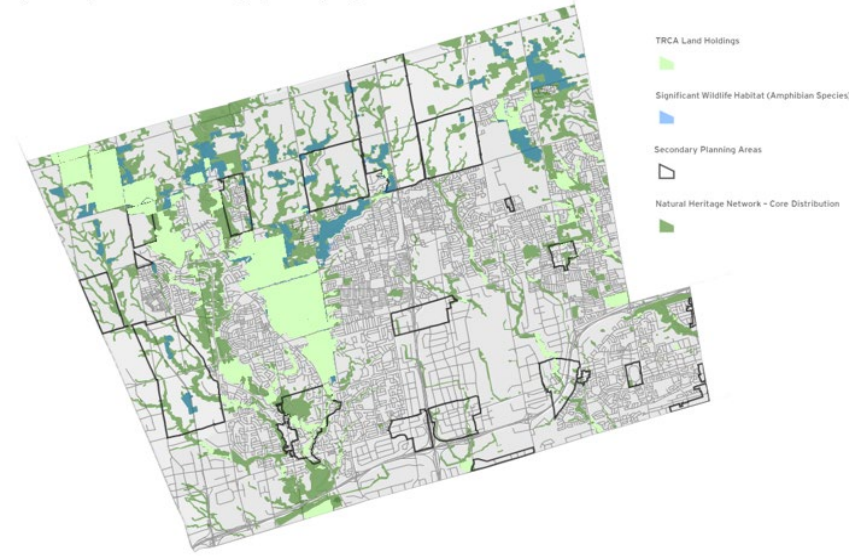


Figure 36: Illustrative Value-Add Active Land Securement



The City should explore opportunities for partnering with land trusts that may be strategically positioned to acquire key parcels of valley corridors and environmentally significant lands, through both purchase and/or donation with tax credits

Where possible, the City should negotiate for environmentally significant parcels of land and river edge properties prior to urbanization and development.

Key Themes

Unsolicited Real Estate Proposals



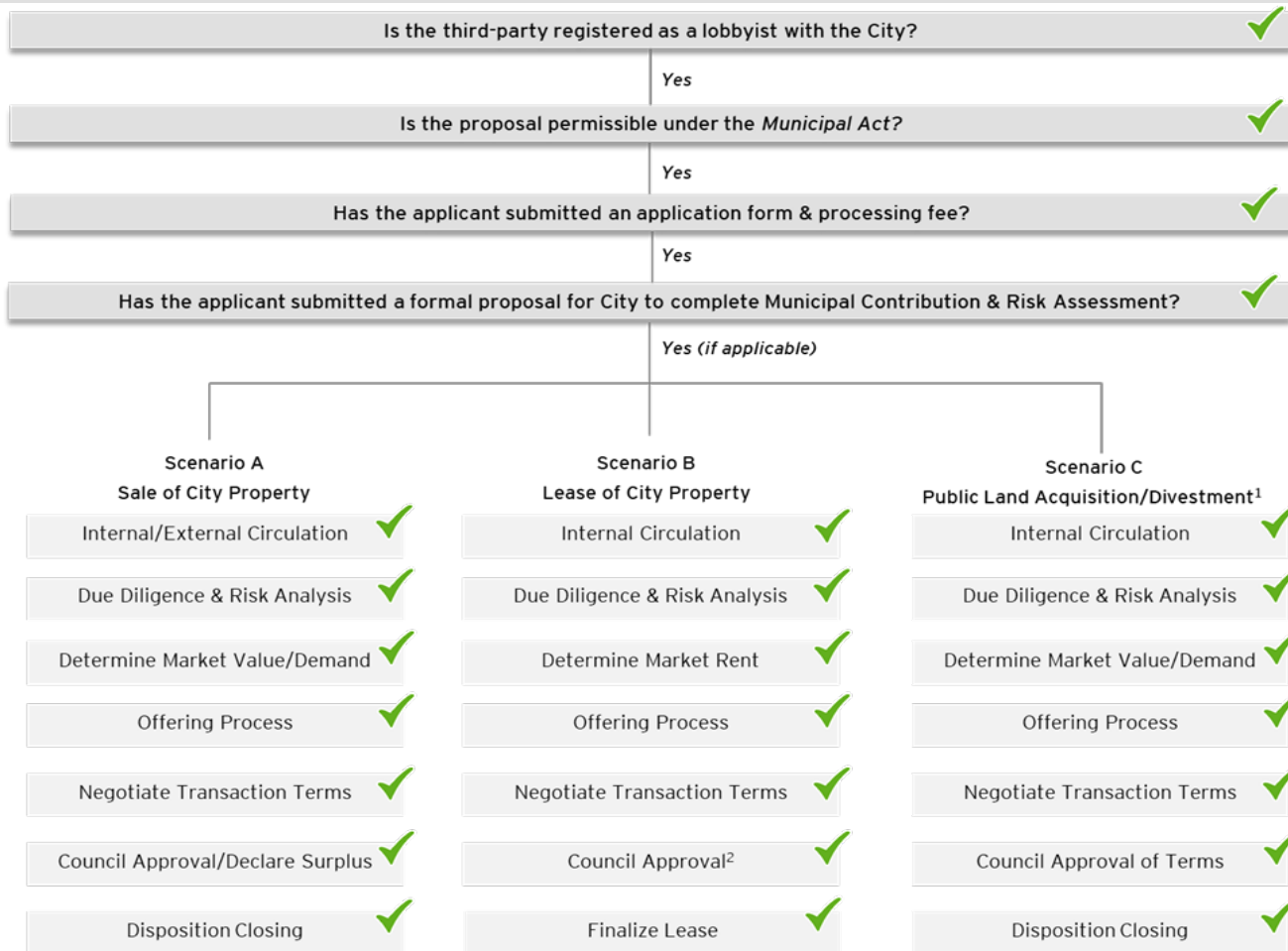
- ▶ With Vaughan's growth, third-party real property requests have increased significantly.
- ▶ The City's current policy (By-law 121-95, Real Property Disposition) does not provide sufficient clarity for the public to navigate the City's approach to managing proposals contemplating a real estate transaction.
- ▶ While required to be community responsive, the City can manage resources with structured, transparent and consistent policies structured around the following guiding principles:
 - *Any real property transaction shall be conducted in a fair and transparent manner.*
 - *The City's best interests shall always remain the highest priority outcome and clearly communicated.*
 - *Realize maximum value for the City's real property portfolio while offering transparent guidelines to supporting community and/or economic development initiatives.*
 - *Provide built-in mechanisms to minimize risk, abide by relevant legislation and/or policy, and ensure alignment to Council priorities.*
 - *Any form of "bonusing" as described in Section 106 of the Municipal Act shall be strictly prohibited.*

Summary Recommendations

Unsolicited Real Estate Proposals



The City should consider updating its Land Disposition By-law to provide clarity to the public on City processes and guidelines in managing real property transactions.



Summary Recommendations

Unsolicited Real Estate Proposals



Municipal Contribution and Risk Assessments may be used to communicate the City's desired outcomes when evaluating third-party real property requests, including offers received at less than Fair Market Value ("FMV").

Community Benefit



What are the community benefits provided?

Is any overlap and/or augmentation to existing City programs proposed?

Are 'contribution-in-kind' City programs, facilities, or services proposed?

Does proposal respond to current Council priorities or other identified City priorities?

Economic Benefit



What economic spin off effects are likely to be achieved?

Will this impact current businesses?

Are broader beneficiaries and/or specific business sectors identified?

Risk Assessment



Do community benefits provided outweigh the risk of non-payment?

How do potential City costs balance against expected community and/or economic benefit?

Will the City be exposed to any future operating or financial risks?

Financial Capacity



What is the applicant's capacity to close the final transaction or meet leasing obligations?

Will they provide additional financial security for costs borne by City?

Given the risks associated with acquiring land through the City's priority position in other surplus public property circulation processes, it should be communicated that comprehensive business cases are required prior to entertaining any third-party proposals.

the City should create a Real Estate Landing Page on its corporate website permitting easy navigation of required forms, policies and by-laws related to real property transactions.

Questions?



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