

Committee of the Whole (Working Session) Report

DATE: Wednesday, October 6, 2021

WARD(S): ALL

TITLE: PROPERTY MATTER
LAND ACQUISITION STRATEGY
REVISED RECOMMENDATIONS

FROM: Vince Musacchio, Acting Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To present a revised consolidated list of the Land Acquisition Strategy (LAS) recommendations for Council's consideration as directed by Council at the October 7, 2020 Committee of the Whole (Working Session).

Report Highlights

- The Land Acquisition Strategy presented by Ernst and Young LLP Orenda Corporate Finance and MHBC Planning (the "Consultant") to Committee of the Whole (Working Session) on October 7, 2020 laid out nineteen (19) recommendations that were structured around the analysis of demand for parkland, recreational trails, municipal land including libraries, community centres, fire stations and natural heritage lands.
- The LAS recommendations consider alternatives to acquisition of lands, specifically for "public-public" or "public-private" partnerships, easements, partial takings and stratified title, and provides the City with tools, policies and internal processes to guide strategic, timely and cost-effective acquisition of land.
- As directed by the Committee of the Whole, the LAS Steering Committee has consolidated, simplified, and prioritized implementation of the Consultants nineteen (19) recommendations into ten (10) overarching recommendations.

Recommendations

- 1) That the Ernst and Young LLP Orenda Corporate Finance and MHBC Planning, Land Acquisition Strategy report be revised and received in accordance with Recommendation 2) below;
- 2) That Council approve the revised consolidated Land Acquisition Strategy recommendations (the “**Revised Recommendations**”), as follows:
 1. The City will develop a Community Benefits Charge (CBC) Strategy based on Bill 108/Bill 197 revisions to the *Planning Act* and *Development Charges Act*.
 2. The City will develop a Parks and Open Space Strategy to guide the City’s planning, development and use of Greenspaces. The strategy will consider new park typologies and develop guidelines for acquiring non-designated greenspaces for high-priority areas.
 3. The City will consider the use of Cash in Lieu (CIL) and Community Benefits Charges (CBC) funding for redevelopment of existing parks and open space trails in high priority areas.
 4. The City will develop a Land Acquisition Master Plan for city-wide Greenspaces in high priority areas. The Master Plan will consider acquisition costs, funding alternatives and potential partnerships.
 5. The City will repurpose the existing Sale of Public Lands reserve and create a new Land Acquisition Reserve Fund and associated policy to provide for acquisition of lands for undefined future municipal purposes other than parkland.
 6. The City property assets will be reviewed to ensure property use is maximized by co-locating community services.
 7. The City will strengthen its Natural Heritage Network and Open Space System through land acquisitions, donations, land trust partnerships and stewardship initiatives.
 8. The City will review and update its Land Disposition By-Law and related policy and will establish a Land Acquisition By-law and related policy.
 9. The City will develop surplus property disposition and leasing guidelines that identify disposition and unsolicited third-party proposal requirements.
 10. The City will update its accommodation masterplan to ensure Vaughan is equipped to meet future growth and workplace demand strategies.
- 3) That the prioritization and implementation timing of the Revised Recommendations be approved to lead the City in the development of by-laws, policies, guidelines and investment strategies for municipal land holding decision-making.

Background

The Consultant was retained by the City in 2018 through a competitive bid process to develop a Land Acquisition Strategy (LAS), which consisted of researching, assessing, developing and identifying land acquisition strategies that could establish land acquisition requirements for the next few decades based on defined standards and/or levels of service.

One of the key elements of the Consultant's exercise was stakeholder consultation. City departments were represented on the LAS Steering Committee and engaged throughout the study. Numerous comments were received and incorporated into the LAS report, and helped form the final recommendations.

The LAS Steering Committee comprised of the following City departments was formed at the commencement of the project to work on the strategy:

- Parks Infrastructure Planning and Development
- Recreation Services
- Fire and Rescue
- Legal Services
- Policy Planning and Special Programs
- Environmental Services
- Financial Planning and Development Finance
- Development Planning
- Vaughan Public Libraries
- Infrastructure Delivery
- Development Engineering
- Transportation Services, Parks and Forestry Operations
- Infrastructure Planning and Corporate Asset Management
- Real Estate

On June 5, 2019, the Consultant presented emerging themes and preliminary findings to Committee of the Whole (Working Session). At that time, the analysis of unsolicited third-party requests for real property was approved to be added to the scope of the LAS.

On April 30, 2020, the Consultant presented its final recommendations outlined in the LAS report to both the LAS Steering Committee and Growth Management Committee. The presentation was well received with no further comment.

The LAS report is intended to provide strategies and tools for the acquisition of land in a strategic and cost-effective manner and are structured around the analysis of three classifications of property demand, including parkland and recreational trails, municipal land (e.g. Libraries, Community Centres, Fire Stations) and natural heritage land, as well, develop an approach to managing third-party real property inquiries when unsolicited proposals involving property transactions are received.

With the City's growth, third party real property requests have increased significantly. While the City is required to be community responsive, it must manage resources with structured, transparent, and consistent policies and processes. Updating the current Land Disposition by-law will provide clarity on City process and guidelines to the management of real property transactions.

The development of a matrix to assist with a determination of municipal contribution and risk assessment will be used to evaluate the City's desired outcomes when third party real property requests are received, including those requests that are received at less than Fair Market Value ("FMV").

The matrix will be a mechanism to establish answers to the following questions:

Community Benefit

- What are the community benefits that would be achieved?
- Is there an overlap or opportunity to augment existing City programs?
- Are "contributions-in-kind" City programs, facilities or services proposed?
- Does the proposal respond to current Council priorities or other City identifies 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 risk?

Financial Capacity

- What is the applicant's capacity to close the final transaction or meet leasing obligations?
- Will the applicant provide additional financial security for costs to the City?

The establishment of a matrix tool will allow the city to evaluate proposals in a fair, open and transparent manner.

City Council, at its October 2020 Committee of the Whole(Working Session) meeting, approved the LAS as presented by the Consultant, which included their final report and nineteen (19) recommendations. Council instructed staff to return to a future meeting with a prioritized implementation plan and simplified language for each of the recommendations. Through this exercise, the Steering Committee examined the Consultant's recommendations and consolidated the list to ten (10) overarching recommendations. The Steering Committee has also identified the City departments that would oversee and prioritize the development of by-laws, processes and policies, long-term strategies and master plans set out in the Revised Recommendations.

Previous Reports/Authority

[Presentation of Land Acquisition Strategy Status Update, June 5, 2019, Committee of the Whole \(Working Session\).](#)

[Presentation of the LAS final report and recommendations, October 7, 2020, Committee of the Whole \(Working Session\).](#)

Analysis and Options

As directed by Council, the Steering Committee undertook a further review of the Consultant's nineteen (19) LAS recommendations to simplify language and consolidate the recommendations. The Steering Committee identified immediate, short-term and long-term implementation of the revised ten (10) overarching recommendations.

Recognizing that the implementation of the recommendations would not occur all at the same time, a priority placement was completed, and by doing this exercise, lead departments were identified for the development of a strategy, master plan and/or policy based on each revised recommendation.

Consolidated Recommendations

The consolidated Revised Recommendations developed by the Steering Committee proposes the following ten (10) recommendations to be implemented as part of the City's Land Acquisition Strategy, with supporting rationale within the body of the report.

Recommendation Number 1

The City will develop a Community Benefits Charge (CBC) Strategy based on Bill 108/Bill 138/Bill 197 revisions to the *Planning Act* and *Development Charges Act*.

- Legislative revisions significantly alter the City's current financial tools, which include funding for the acquisition of land for green spaces and other municipal services.

- Existing documents (e.g., Active Together Master Plan (ATMP), Pedestrian and Bicycle Master Plan, etc.) guide decision-making and resource allocation under the new Community Benefits Charge framework, however funding caps on CBC regulations may impact service levels.
- Opportunities to establish service levels across the portfolio for community soft services.

Recommendation Number 2

The City will develop a Parks and Open Space Strategy to guide the City's planning, development and use of Greenspaces. The strategy will consider new park typologies and develop guidelines for acquiring non-designated greenspaces (Lands not identified in secondary plans or master plans), for high-priority areas.

- Consider reduced parkland targets for Regional, Primary & Local Centres where mature, urban densities exist. City parks and open space should support minimum service levels, access to city-wide facilities and upgrades to existing parks, with unique needs of new urban growth areas.
- Consider dedication incentives (tax credits) for donation of environmental lands under special circumstances, potentially achieving "win/win" outcomes for both public and private sectors.
- Development of criteria, to evaluate acquisition of non-designated or environmental lands, or the acceptance of off-site parkland dedication.
- Consideration of off-site dedication policies, Privately Owned Public Space (POPS) guidelines for on-site public space, development of revised park typologies including specific criteria such as minimum width or size as well as desired configurations that provide opportunities for meaningful active and/or passive recreational programming.

Recommendation Number 3

The City will consider the use of Cash-in-lieu (CIL) funds for redevelopment of existing parks and open space trails in high priority areas.

- This approach acknowledges that currently there are limitations that exist to acquire sufficient land to meet existing or emerging needs, on a fee simple basis, with CIL or future CBC funding tools.

Recommendation Number 4

The City will develop a Land Acquisition Master Plan for City-Wide Greenspaces in high priority areas. The Master Plan will consider acquisition costs, funding alternatives and potential partnerships.

- Land acquisition master plans may consider a 10-year horizon and identify short-term and medium-term objectives, reviewed and updated every 5-years.

- Assess various combinations of park sizes, typologies, and locations to understand city-wide provision level impact, connectivity to high-priority areas, and cost implications that reflect the various land securement options.
- The following additional strategies and policies may be evaluated during development:
 - a) Acquiring land in high priority areas.
 - b) Balance reduced parkland provision in new urban growth areas through investment of CIL or CBC in the strengthened city-wide Green Space system.
 - c) Easements and associated caveats to secure public access and municipal use while restricting development on private lands.
 - d) Consider non-developable land for municipal recreational use (e.g. programmable open space lands, utility corridors) to reduce land acquisition costs.
 - e) Land swapping and exchange of underutilized City-owned lands.
 - f) Partnership or donation to appropriate not-for-profit agencies, or land trusts.
 - g) Dedication transfers within multi-phase developments or between developments.
 - h) Development setback zones on private land to facilitate public access and/or spaces.
- Illustrative cost analysis indicates trails are 40% less expensive to develop than traditional, active parkland. Land Acquisition Master Plans should consider potential city-wide service level impacts from the implementation of the Vaughan Super Trail.

Recommendation Number 5

The City will repurpose the existing Sale of Public Land reserve and create a new Land Acquisition Reserve for acquisition of lands other than parkland and update its governing financial policies to reflect the Land Acquisition Strategy with respect to reserves, land acquisition and disposition of property.

- Consider development of policy that directs proceeds from the sale of surplus property and sale of easements into the Land Acquisition Reserve Fund.
- Provides clarity to the public on City processes and guidelines in managing real property requests.

Recommendation Number 6

The City's property assets to be reviewed to ensure property use is maximized by co-locating community services.

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

- Development of a Shared Use Policy which may enable the City to further expand opportunities to deliver enhanced community benefits through co-located services with external partners.

Recommendation Number 7

The City will strengthen its Natural Heritage Network and Open Space System through land acquisitions, donations, land trust partnerships and stewardship initiatives.

- Consider land acquisitions of school sites or Crown lands.
- Development of a series of biological indicators of significance to consider when determining priority land securement.
- Considering priority areas with the highest biological value or where value-added opportunities exist.
- Explore opportunities for partnering with land trusts that are 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 valley corridor properties prior to development. This may require a variety of methods for land securement, including but not limited to letters of intent, agreements to purchase, life interests, partial interests, direct acquisition, or indirect acquisition through a land trust agency.

Recommendation Number 8

The City will review and update its Land Disposition By-Law and related policy and will establish a Land Acquisition By-law and related policy.

- Update Land Disposition By-Law to provide clarity to the public on City processes and guidelines in managing real property requests.

Recommendation Number 9

The City will ensure governing policies, by-laws and guidelines in support of the Land Acquisition Strategy relating to Land Acquisition, Sale of Land and Property Disposition, Leasing guidelines and third-party proposals are established and updated.

- Risks are associated with disposing land acquired through the City's priority position within other public circulation processes.
- Development of guidelines that require comprehensive business cases are necessary prior to entertaining any third-party proposals. Consultation with Legal Services may also be required.
- Ensure that required forms, policies and by-laws related to the receipt of unsolicited real property proposals are posted on City website for ease of public navigation.

Recommendation Number 10

The City will update its accommodation master plan to ensure Vaughan is equipped to meet future growth and workplace demand strategies.

- A formal accommodation plan will effectively plan for future growth with a firm perspective on expected staff increases, space standards, and alternative workplace strategies.

Financial Impact

Financial impact to the City will be dependent on Council's adoption of future policies and guidelines to be developed subsequent to the implementation of provincial legislation, as applicable.

Broader Regional Impacts/Considerations

There are no regional impacts/consideration at this time.

Conclusion

The Revised Recommendations provide comprehensive and sustainable strategies that meet City growth projections and approach to municipal land acquisition. Staff recommend that Council approve the Revised Recommendations to guide and evaluate timely and cost-effective land acquisition, provide a financial strategy to support fiscal sustainability and consider alternatives to acquisition of property and managing unsolicited requests for City-owned real estate.

For more information, please contact Paul Salerno, Director of Real Estate, extension 8473.

Attachments

1. Attachment 1 - Vaughan Land Acquisition Strategy Report - Feb. 2020
2. Attachment 2 - Vaughan Land Acquisition Strategy Summary Presentation - October 2020

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Approved by

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Reviewed by

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