



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
*Financial Planning, Administration and Policy Division*

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	July 12, 2017
<b>SUBJECT/REPORT NO:</b>	Parkland Dedication Reserve Status Report and Treasurer's Statement as of December 31, 2016 (FCS17065) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Samantha Blackley (905) 546-2424 Ext. 2132 Lindsay Gillies (905) 546-2424 Ext. 2790
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager Finance and Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That Report FCS17065 "Parkland Dedication Reserve Status Report and Treasurer's Statement as of December 31, 2016" be received;
- (b) That Report FCS17065 "Parkland Dedication Reserve Status Report and Treasurer's Statement as of December 31, 2016" be forwarded, if requested, to the Ministry of Municipal Affairs and Housing.

**EXECUTIVE SUMMARY**

As per the requirements of the *Planning Act, 1990*, as amended, an annual report of the Parkland Dedication Reserve activity must be provided to Council. The Parkland Dedication Reserve Status Report is the "Treasurer's Statement" as outlined in the *Planning Act, 1990*, as amended, which must be made available to the public and forwarded to the Ministry at their request.

The Parkland Dedication Reserve receives revenues assessed under Sections 42, 51.1, and 53 of the *Planning Act, 1990*, through By-law 09-124 and By-law 17-039. These funds are to be "spent only for the acquisition of land to be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes".

The City's current collections for Cash in Lieu (CIL) of Parkland Dedication Fees are not adequate to meet funding requirements for new Parkland purchases. City park standards require more land to be purchased in the greenfield areas with actual parks needing to be larger than five percent of the net area land resulting in parkland over dedication from developers supplying the required parks. In addition, there is increased pressure to buy more parkland in older urban areas to cover past deficiencies. Appendix "A" to Report FCS17065 provides a summary of the CIL methodology and average calculations by unit type for 2016.

The overall Parkland Dedication Reserve balance has increased by \$1.13 M since 2015 to a balance of \$32.49 M. This increase is due to collections exceeding project funding. The stated balance excludes liabilities for over dedication of land by developers and repayment of funds internally borrowed for property purchases. The over dedication is currently estimated at \$20.61 M dependent on future buildout density, the ability to develop the subject lands and appraised values. After considering the over dedication liabilities and repayment of internal borrowings, the adjusted balance in the Parkland Dedication Reserve at December 31, 2016 would be \$14.11 M.

***Alternatives for Consideration – Not Applicable***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The Parkland Dedication Reserve Status Report reflects balances in the City's audited financial statements and the Financial Information Return (FIR). The year-end Parkland Dedication Reserve balance is \$32.49 M, as outlined in Table 1.

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Table 1  
Parkland Dedication Reserve  
For the Year Ended December 31, 2016

Beginning Balance:	<b>\$31,357,121.45</b>
<u>Revenues</u>	
Interest Income	626,167.05
Dedication Fee	6,784,013.00
Property Purchases Repayment from Internal Debt	<u>444,594.19</u>
Total Revenues	<u>7,854,774.24</u>
<u>Expenditures</u>	
Parkland Dedication - Official Plan Policies	\$ 420,000.00
Land Purchases:	
William Connell Community Park	3,160,000.00
Eastmount Park Elementary-155 East 26 <sup>th</sup>	740,000.00
Purchase Parkside School DU-31 Parkside	379,244.00
Cherry Beach Land Acquisition for Park Development	1,666,000.00
Bishop Ryan Purchase Parcel 2	<u>353,750.00</u>
Total Land Purchases	<u>6,298,994.00</u>
Total Expenditures	<u>6,718,994.00</u>
Ending Balance	<b><u>\$32,492,901.69</u></b>

Table 2 shows that the stated year-end balance excludes liabilities for over dedication of land by developers and future repayment of internal borrowings. The over dedication is currently estimated at \$20.61 M dependent on future buildout density and the ability to develop the subject lands. After considering the over dedication liabilities and repayment of internal borrowings, the adjusted balance in the Parkland Dedication Reserve at December 31, 2016 is \$14.11 M

Table 2  
Parkland Dedication Reserve  
Adjusted Balance as at December 31, 2016

Stated Balance:	\$ 32,492,901.69
Future Property Purchases Repayments (Principal)	2,228,738.00
Potential liability resulting from over dedication of land (27 subdivisions)	<u>(20,613,015.00)</u>
Adjusted balance:	<b>\$ 14,108,624.69</b>

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Of note, the Parkland Dedication Reserve will be used to fund a large park purchase on Jones Road (Fruitland / Winona Secondary Plan) in 2017 estimated between \$8 M and \$10 M.

Due to the volume of former School Board properties acquired for use as City Parkland, staff has developed funding principles for these purchases based on funding contributions made to the Parkland Dedication Reserve over the last 10 years. Purchases of School Board properties in high growth areas receive 50% funding from the Parkland Dedication Reserve while areas where growth is lower (Wards 1 – 5) receive 25% funding from the Parkland Dedication Reserve.

Appendix “A” to Report FCS17065 summarizes the CIL methodology and average CIL calculations by unit type for 2016.

Staffing: None.

Legal: None.

## **HISTORICAL BACKGROUND**

As per the requirements of the *Planning Act, 1990*, as amended through Bill 73, *Smart Growth for Our Communities Act, 2015*, an annual report of the Parkland Dedication Reserve activity must be provided to Council. The Parkland Dedication Reserve Status Report is the “Treasurer’s Statement” as outlined in the *Planning Act, 1990*, as amended, which must be made available to the public and forwarded to the Ministry at their request.

The Parkland Dedication revenues can be collected through the authority as laid out in Sections 42, 51.1, and 53 of the *Planning Act, 1990*, as amended, which provides the Council of a local municipality to require the conveyance of land to the municipality for park or other public recreational purposes as a condition of development or redevelopment or the subdivision of lands. The City has implemented this authority through Parkland Dedication By-law 09-124 and amending By-law 17-039, as approved by Council in June 2009 and March 2017 respectively.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The Parkland Dedication Reserve Status Report is the “Treasurer’s Statement” as outlined in the *Planning Act, 1990*, which must be sent to the Minister if requested.

## **RELEVANT CONSULTATION**

Staff from Planning and Economic Development Department have provided information regarding the over dedication.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

As per the requirements of the *Planning Act, 1990*, as amended, an annual report regarding the Parkland Dedication Reserve activity must be provided to Council and made available to the public.

The treasurer's statement for the Parkland Dedication Reserve should include the following information for the preceding year, as per the requirements of the *Planning Act, 1990*, Section 42 (17).

- (a) Statements of the opening and closing balances of the special account and of the transactions relating to the account;
- (b) Statements identifying,
  - (i) any land or machinery acquired during the year with funds from the special account,
  - (ii) any building erected, improved or repaired during the year with funds from the special account,
  - (iii) details of the amounts spent, and
  - (iv) for each asset mentioned in subclauses (i) and (ii), the manner in which any capital cost not funded from the special account was or will be funded; and
- (c) Any other information that is prescribed. 2015, c. 26, s. 28 (11).

The *Planning Act, 1990* was updated through the *Smart Growth for Our Communities Act, 2015* which received Royal Assent on December 3, 2015. The resulting changes to the *Planning Act, 1990* came into effect for the year ended December 31, 2015.

This status report reflects the new requirements of the *Planning Act*. Notably, municipalities are required to show which projects have been funded from the Parkland Dedication Reserve as well as the other amounts funded to those projects during the year. There is also the requirement that Council makes this statement available to the public. The Parkland Dedication Reserve Status Report will be made available to the public through either Committee minutes or on request.

This Report summarizes the changes in the Parkland Dedication Reserve for the year ended December 31, 2016. The Parkland Dedication Reserve balance as of December 31, 2016 was \$32.49 M. The increase of \$1.13 M in the Parkland Dedication Reserve is due to the collections exceeding project funding, as reported in Table 1.

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Table 2 shows that the stated year-end balance excludes a potential liability for over dedication of land by developers and repayment of funds internally borrowed for property purchases. The over dedication is currently estimated at \$21 M dependent on future buildout density and the ability to develop the subject lands. After considering the potential liability and repayment of internal borrowings, the adjusted balance in the Parkland Dedication Reserve at December 31, 2016 is \$14.11 M.

**Table 3  
Funding Sources for 2016 Parkland Dedication Funded Projects**

Project ID	Project Name	Funding from Parkland Dedication Reserve	Funding from Other Reserves	Funding from Current Contribution	Land Sale	Total Project Funding
8121655608	Parkland Ded Plan Policy ByLaw	\$ 420,000.00				\$ 420,000.00
4401356124	William Connell Community Park	3,160,000.00	517,132.75			\$ 3,677,132.75
2051550502	Eastmount Park School Buy-W7	740,000.00				\$ 740,000.00
2051550501	Parkside School Purchase- W13	379,244.00	2,275,463.00			\$ 2,654,707.00
4401356107	Cherry Beach Lakefront Park	1,666,000.00		1,519,156.32	163,625.00	\$ 3,348,781.32
4401256203	Bishop Ryan Partial Purchase	353,750.00	393,338.09			\$ 747,088.09
<b>Totals</b>		<b>\$ 6,718,994.00</b>	<b>\$ 3,185,933.84</b>	<b>\$ 1,519,156.32</b>	<b>\$ 163,625.00</b>	<b>\$ 11,587,709.16</b>

Table 3 shows the total funding approved for projects which received funding from the Parkland Dedication Reserve in 2016.

**ALTERNATIVES FOR CONSIDERATION**

Not Applicable

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Community Engagement and Participation**

*Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.*

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" – Parkland Dedication Cash-in-Lieu (CIL) Methodology and Average Calculations – 2016

SB/dt