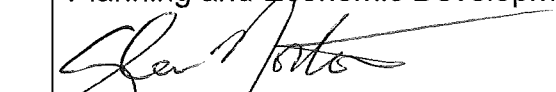




# INFORMATION REPORT

<b>TO:</b>	Chair and Members Hamilton-Wentworth District School Board Liaison Committee
<b>COMMITTEE DATE:</b>	June 27, 2019
<b>SUBJECT/REPORT NO:</b>	Parkland Dedication/Cash-in-Lieu for Schools (PED19143)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Danielle Sbeiti (905) 546-2424 Ext.1639 Keith Anderson (905) 546-2424 Ext 7634
<b>SUBMITTED BY:</b>	Glen Norton Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

## Council Direction:

The matter of parkland dedication requirements related to public schools was last addressed in 2011. The decision of Council at that time (April 13, 2011) was:

- (a) That the matter respecting Parkland Dedication / Cash-in-Lieu for Schools be referred back to the Joint School Boards Liaison Committee, to attempt to find a compromise on the issue and come up with a new formula;
- (b) That the Joint School Board Liaison Committee be requested to work on a compromise for parkland dedication with regard to new school procurement;
- (c) That the Joint City School Board report back to the Planning Committee with any recommendations for consideration.

This matter is currently on the Outstanding Business List for the Hamilton-Wentworth District and Hamilton-Wentworth Catholic District School Board Liaison Committee on which to report.

## Information:

In the current Parkland Dedication By-law 18-126, institutional uses are subject to parkland dedication in the amount of 5% of the net land area, or where no land is required

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at that location, cash-in-lieu (CIL) of land based on 5% of the market value of the land. Schools are an institutional use and are not treated separately in the By-law.

In 2011, Planning Committee and City Council considered a proposal to reduce the Parkland Dedication rate for schools from 5% to 2%, and to provide an exemption for expansions to school buildings that fall within 0% to 25% of the size of the existing school. School Boards had been requesting an outright exemption.

This Report explores the factors to be considered with respect to exempting public schools from parkland dedication requirements. A summary of the practices of other municipalities in Ontario is also provided.

#### Reasons for Reduction or Exemption

- In some instances, undeveloped School Board lands are permitted to be used for a park for informal use by the public;
- The Board's school playgrounds may be available for community use after school hours;
- Other educational institutions such as colleges and universities are exempted;
- The payment of funds for parkland increases the cost of construction – this is a provincial cost;
- Schools themselves do not generate the demand for parks, it is the students of residents in that neighbourhood who use the parks and those residents already dedicate or pay for parks in the price of their lots or dwellings; and,
- School lands, while not necessarily maintained to the same standard as municipal parks, do provide additional park-like open space for the recreational/sports use of neighbourhood residents, thus relieving the demand on existing parkland.

#### Reasons Against Reduction or Exemption

- Many schools are located adjacent to parks and conduct some of their outdoor programs including sports practices on the municipal parkland. Where schools are located adjacent to parks, the overall land area of the school property often has been reduced (less open space). This results in an overflow of student activities onto the adjacent parkland. This level of demand on parks is not imposed by other institutional uses, or by commercial uses that are assessed parkland dedication of 2%;
- The practice by schools of using parks has resulted in increased wear and tear of the play grounds and equipment, causing increased maintenance costs and depreciation the City must bear;
- The School Boards are saving money by purchasing less land when their properties are abutting parks, and this results in higher park operating costs for the

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City, and ultimately less land available for neighbourhood recreation activities. Schools do not make contributions to the City for costs of maintaining sports fields, tennis courts, basketball courts, or playground equipment in parks;

- The City has paid for playgrounds on school properties. The School can ban the public from using the playgrounds during school hours even though it was paid for and is maintained by the City (in some instances lands have been physically blocked off by fences). There are examples where the public (home and school associations) has raised money to assist with the capital costs of playgrounds, but the School Boards have not contributed to the capital cost or maintenance;
- If the general public use a sports field on school lands, the City is required to undertake all maintenance;
- The City is required to pay fair market value based on a development land highest and best use (per the school board's appraisal) when acquiring surplus school properties to parkland purposes;
- If a school is located in a subdivision, exempting schools from parkland dedication would increase the developer's credit that the City would have to pay; and,
- If schools were exempt from parkland dedication, the City would be potentially foregoing CIL of \$300 K per year on average (based on CIL collections during the five years 2014 – 2018). If the parkland dedication rate was reduced to 2%, the City would potentially forego \$180 K per year on average.

#### Practice of Other Municipalities

Excluding Hamilton, a majority (10 of 17) of larger cities in Southern Ontario require 5% parkland dedication from developers of subdivisions, including school blocks. In seven municipalities schools are exempt from parkland dedication. Outside of subdivisions, only three municipalities in addition to Hamilton, charge CIL of parkland dedication for school developments. In one of those municipalities the dedication rate is 2%.

The other proposal discussed in Report PED11041, was to exempt the requirement for parkland dedication for expansions to existing school buildings up to 25% of the existing gross floor area. The CIL from school addition developments has been decreasing in recent years. During the last five years the average CIL was \$61,832/year. During the last three years the average CIL was \$35,811 and during 2018 only it was \$12,400. Five years ago, in 2014, the CIL figure for school redevelopments was extraordinarily high given the expansions to Cootes Paradise Elementary School (formerly George R. Allen school), Dundas Valley Secondary School (formerly Highland Secondary School) and Saltfleet Secondary School. Therefore, exemptions of this type and scale would have a limited effect on City revenues and on savings for school boards.

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## **Comments from School Boards**

### **Hamilton-Wentworth District School Board:**

- Historically school parcels located adjacent to parks were undersized, but this is no longer the case since amalgamation;
- Parkland dedication is a matter of creating parkland, not ongoing maintenance of parkland. Maintenance needs should not dictate parkland dedication thresholds;
- School Boards do not save money by purchasing less land when schools abut parks; school sizes are targets based on Ministry of Education standards; and,
- The fact the City has to acquire surplus school board lands at fair market value has nothing to with parkland dedication or CIL.

### **Hamilton-Wentworth Catholic District School Board:**

- Continues to believe that schools should be exempt from CIL fees;
- Schools provide additional open space for use by neighbourhood residents after school hours and on weekends, thus relieving demand on existing parkland;
- Hamilton-Wentworth Catholic District School Board (HWCDSB) supports a modified approach consistent with a previous report recommendation to reduce the parkland dedication rate from 5% to 2%, and to exempt expansions to existing school building that fall within 0% to 25% of the size of the existing school building;
- The majority of our schools are either stand-alone schools or adjacent to churches; the Board has few schools that are located adjacent to parks
- With respect to higher park maintenance costs borne by the City, the Board states that it is their understanding that CIL of parkland dedication is associated with park land acquisition or improvements and not necessarily to be used for maintenance;
- "The size and acquisition school sites are governed by the Education Act through the collection of education development charges. There are not savings that would be attributable to the School Board through the purchase of less land.";
- The City of Hamilton is not responsible nor contributes to maintenance of any of our schools; and,
- The Board is concerned the replacement of St. Patrick's elementary school will be subject to CIL of parkland dedication. The new school will be 8,342 sq. ft. larger but that will include floor space for a child care centre, Early On and De Mazenod Door. These will contribute to the well-being of the local community.

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## Conclusion

Many surplus schools are located in existing built up areas where there is a deficiency of parkland, particularly in the lower city. Many lower city neighbourhoods are developed to a higher density and have lower income families living in multiple unit housing without private backyards, hence generating a higher need and demand for public park space. These higher density neighbourhoods have higher land values making it more challenging for the City to purchase properties to create new parkland, which is exacerbated when school boards decide to close schools and sell properties in these areas.

There are pros and cons to the proposal of exempting or reducing the current parkland dedication requirement for schools. Perhaps the most compelling reason against exemption or reductions is that when the City purchases surplus land from school board(s) to create public parkland, it is at a full market value price for residential development land (as mandated under the Education Act S.194 and O.R. 444/98). Therefore, the fact that the City cannot purchase surplus school lands at a reduced rate to reflect the intended parkland use, detracts from an argument in favour of reducing and/or exempting parkland dedication for development on school properties.

DS:KA/sd