



**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>	June 3, 2021
<b>SUBJECT/REPORT NO:</b>	Parkland Dedication Reserve Status Report as of December 31, 2020 (FCS21030) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Ailish Brooke (905) 546-2424 Ext. 2132
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That Report FCS21030 “Parkland Dedication Reserve Status Report as of December 31, 2020” be received and made available to the public;
- (b) That Report FCS21030 “Parkland Dedication Reserve Status Report as of December 31, 2020” 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 “Special account, report” as outlined in the *Planning Act, 1990*, as amended, which must be made available to the public and forwarded to the Ministry of Municipal Affairs and Housing, at their request.

The Parkland Dedication Reserve receives revenues assessed under Sections 42, 51.1 and 53 of the *Planning Act, 1990*. 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”.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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The overall Parkland Dedication Reserve balance has increased by \$10.77 M since 2019 to a balance of \$66.93 M. This increase is primarily due to collections. Direct capital expenditures in 2020 were nil. The stated balance excludes a potential liability for over-dedication of land by developers. The over-dedication is currently estimated at \$21.87 M dependent on future buildout density and the ability to develop the subject lands. After considering the potential liability, the available funds in the Parkland Dedication Reserve at December 31, 2020 are \$45.07 M.

**Alternatives for Consideration – Not Applicable**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The unaudited year-end Parkland Dedication Reserve balance is \$66.93 M, as outlined in Table 1.

Table 1  
Parkland Dedication Reserve  
For the year ended December 31, 2020

Beginning Balance:	<b>\$56,154,083.94</b>
Revenues:	
Interest Income	1,214,890.55
Parkland Dedication Fee Receipts	9,098,081.98
Funds Returned (Capital Closing Report FCS19078(b))	12,956.70
Property Purchases Repayment (Notes 1,2)	<u>454,481.97</u>
Total Revenues	<b><u>\$10,767,454.50</u></b>
Ending Balance	<b><u>\$66,934,495.14</u></b>

Note to Table 1:

- (1) The outstanding principal for Council authorized borrowings from this Reserve as at December 31, 2020 is \$596,275.81.
- (2) This repayment includes \$26,866.99 interest. Cumulative interest for funds borrowed from this account is \$1,453,297.05.

Table 2 shows that the stated year-end balance excludes a potential liability for over-dedication of land by developers for 28 subdivisions. The over-dedication is currently estimated at \$21.87 M dependent on future buildout density and the ability to develop the subject lands. After considering the potential liability, the available funds in the Parkland Dedication Reserve at December 31, 2020 is \$45.07 M.

Table 2  
Parkland Dedication Reserve – Available Balance  
As at December 31, 2020

Stated Balance:	\$66,934,495.14
Potential liability resulting from over-dedication of land (25 fully registered subdivisions)	(18,007,840.00)
Potential liability resulting from over-dedication of land (three registered and ongoing subdivisions)*	<u>(3,860,852.00)</u>
Available balance:	<b><u>\$45,065,804.14</u></b>

\* These agreements have been partly registered. The parkland dedication amount for the entire subdivision is not finalized until all phases have been registered. At this time, the City will pay any remaining over dedication.

Staffing: None.

Legal: None.

## **HISTORICAL BACKGROUND**

Report FCS21030 is historical, in nature, and details the 2020 activity in the Parkland Dedication Reserve.

The Parkland Dedication revenues were collected through Sections 42, 51.1 and 53 of the *Planning Act, 1990*, as amended, which provide 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 Parkland Dedication By-law 18-126 provides the City specific enactment of these sections.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The Parkland Dedication Reserve Status Report FCS21030 is the “Special account, report” as outlined in Regulation 509/20 (7) of the *Planning Act, 1990*, which must be provided to the public each year in respect of the preceding year.

## **RELEVANT CONSULTATION**

Staff from Planning and Economic Development Department have provided information regarding the over-dedication of parkland and are supportive of Report FCS21030.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

As per the regulations 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 “Special account, report” for the Parkland Dedication Reserve should include the following information for the preceding year, as per the requirements of the *Planning Act, 1990*, Regulation 509/20 (7).

- (a) Statements of the opening and closing balances of the special account and of the transactions relating to the account;
- (b) Statements identifying,
  - (i) land or machinery acquired during the year with funds from the special account,
  - (ii) buildings 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 subparagraphs (i) and (ii), the manner in which any capital cost not funded from the special account was or will be funded; and
- (c) The amount of money borrowed from the special account and the purpose for which it was borrowed;
- (d) The amount of interest accrued on any money borrowed from the special account.

The *Planning Act, 1990* was updated through the *Coronavirus (COVID-19) Support and Protection Act, 2020* which received Royal Assent on April 14, 2020. The resulting changes to the *Planning Act, 1990* came into effect for the year ended December 31, 2020.

This status Report FCS21030 reflects the changes to the 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 FCS21030 will be made available to the public through either Committee minutes or on request.

Report FCS21030 summarizes the changes in the Parkland Dedication Reserve for the year ended December 31, 2020. The Parkland Dedication Reserve balance as of December 31, 2020 was \$66.93 M. The increase in the Parkland Dedication Reserve balance of \$10.78 M is due to collections exceeding direct capital funding of expenditures as reported in Table 1.

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The Parkland Dedication Reserve forecast balance for future years is presented as part of the annual reserve forecast report. This report is presented to satisfy statutory requirements for reporting historical use of the reserve. This includes the repayments to this Reserve from Council authorized borrowings as illustrated in Table 1. The outstanding principal for Council authorized borrowings from this Reserve as at December 31, 2020 is \$567,097.30. Annual repayments to this Reserve continue until 2027.

Table 2 shows that the stated year-end balance includes the potential liability for over-dedication of land by developers. The over-dedication is currently estimated at \$21.87 M dependent on future buildout density and the ability to develop the subject lands. After considering the potential liability, the available funds in the Parkland Dedication Reserve at December 31, 2020 are \$45.07 M.

**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**

None.

AB/dt