




## INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	June 1, 2023
<b>SUBJECT/REPORT NO:</b>	Parkland Dedication Reserve Report as of December 31, 2022 (FCS23041) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Ailish Brooke (905) 546-2424 Ext. 6875
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
<b>SIGNATURE:</b>	

### COUNCIL DIRECTION

Not Applicable

### INFORMATION

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. 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.”

Report FCS23041 summarizes the changes in the Parkland Dedication Reserve for the year ended December 31, 2022.

The overall 2022 Parkland Dedication Reserve balance has increased by \$18.14 M since 2021 to a balance of \$88.24 M. This increase in the balance is due to collections exceeding direct capital expenditures. The stated balance excludes a potential liability for over-dedication of land by developers. The over-dedication is currently estimated at \$16.62 M dependent on future buildout density and the ability to develop the subject lands. After

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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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considering the potential liability, the available funds in the Parkland Dedication Reserve at December 31, 2022 are \$71.61 M. Tables 1 and 2 provide summaries for 2022. On November 28, 2022, the Province passed the *More Homes Built Faster Act, 2022* (Bill 23) which will reduce the future collections and land dedications under Sections 42, 51.1 and 53 of the *Planning Act, 1990*. For further detail please refer to Report FCS22085(a) “Development Charges Financial Impacts related to the *More Homes Built Faster Act, 2022* (Bill 23) and Development Charges Exemption Strategy”.

The unaudited year-end Parkland Dedication Reserve balance is \$88.24 M, as outlined in Table 1.

**Table 1  
Parkland Dedication Reserve  
For the year ended December 31, 2022**

Beginning Balance	<b>\$70,101,712.55</b>
Revenues:	
Interest Income	1,783,021.46
Dedication Fee	21,336,462.00
Confidential Proceeds from Land Sale	17,000.00
Confidential Land Purchase Recovery	38,437.56
Property Purchases Repayment (Notes 1,2)	<u>98,464.65</u>
Total Revenues	<b>\$23,273,385.67</b>
Land Expenditures:	
Confidential Land Purchase	4,236,417.00
Cherry Beach Park	<u>900,000.00</u>
Total Expenditures	<b>\$5,136,417.00</b>
<b>Ending Balance</b>	<b><u>\$88,238,681.23</u></b>

Note to Table 1:

- (1) The outstanding principal for Council authorized borrowings from this reserve as at December 31, 2022 is \$443,368.75.
- (2) This repayment includes \$20,408.64 interest. Cumulative interest for funds borrowed from this account is \$1,497,319.30.

Table 2 shows that the stated year-end balance excludes a potential liability for over-dedication of land by developers for 27 subdivisions. The over-dedication is currently estimated at \$16.62 M dependent on future buildout density and the ability to develop the subject lands. After considering the potential liability and the committed expenditures, the available funds in the Parkland Dedication Reserve at December 31, 2022 is \$71.61 M.

**Table 2  
Parkland Dedication Reserve – Available Balance  
As at December 31, 2022**

Stated Balance:	<b>\$88,238,681.23</b>
Over-Dedication	
Potential liability resulting from over-dedication (11,653,165.00) of land (23 fully registered subdivisions)	
Potential liability resulting from over-dedication of land (4 registered and ongoing subdivisions) * (4,973,558.34)	
<b>Available Balance:</b>	<b><u>\$71,611,957.89</u></b>

Note: \* 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.

As per the requirements of Section 7(3)(iv) of Regulation 509/20 of the *Planning Act, 1990* municipalities are required to show which projects have been funded from the Parkland Dedication Reserve, as well as, the manner in which any capital costs not funded from the special account have or will be funded. Table 3 shows the life-to-date funding for each project which received funding from the Parkland Dedication Reserve in 2022.

**Table 3  
Life-to-Date and Future Funding Transferred to Capital Projects Utilizing  
Parkland Dedication Reserve Funds  
As at December 31, 2022**

Cherry Beach Park		
	Life-to-Date Funding	Future Funding
Parkland Dedication Reserve	\$3,066,000	Not Applicable
Proceeds from Land Sale	\$163,625	Not Applicable
Contribution from Other Reserves	\$134,538	Not Applicable
Contribution from Current	\$861,577	Not Applicable
<b>Total</b>	<b>\$4,225,740</b>	

Confidential Land Purchase		
	Life-to-Date Funding	Future Funding
Parkland Dedication Reserve	\$4,236,417	Not Applicable
Contribution from Other Reserves	\$1,917,704	Not Applicable
<b>Total</b>	<b>\$6,154,121</b>	

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. Status Report FCS23041, reflects the changes to the requirements of the *Planning Act, 1990*. Notably, municipalities are required to show which projects have been funded from the Parkland Dedication Reserve, as well as, the manner in which any capital costs not funded from the special account was or will be funded. There is also the requirement that Council makes this statement available to the public. The Parkland Dedication Reserve Status Report FCS23041 will be made available to the public through either the Committee agenda or on request.

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 section 7 (1).

For the purposes of subsections 37 (48) and 42 (17) of the Act, the following information shall be provided to the public, in accordance with subsection (4) of this section, each year in respect of the preceding year:

1. Statements of the opening and closing balances of the special account and of the transactions relating to the account.
2. (Removed as it does not relate to the Parkland Dedication Reserve)
3. In respect of the special account referred to in subsection 42 (15) of the Act, 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;
4. The amount of money borrowed from the special account and the purpose for which it was borrowed;
5. The amount of interest accrued on any money borrowed from the special account.

The *Planning Act, 1990* was also updated through the *More Homes Built Faster Act, 2022* which received Royal Assent on November 28, 2022. The resulting changes to the *Planning Act, 1990* require that beginning in 2023 and each calendar year thereafter, municipalities are required to spend or allocate at least 60 percent of the funds in the account at the beginning of the year. The 60 percent allocation requirement will be addressed through the year and / or through the 2024 Tax Capital Budget process which is anticipated to be adopted prior to the end of 2023.

## **APPENDICES AND SCHEDULES ATTACHED**

None