

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 6, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 11, 2018.

6 WOODLOT ACQUISITION STRATEGY UPDATE

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Chief Financial Officer and City Treasurer, the City Solicitor, and the Deputy City Manager, Planning and Growth Management, dated April 3, 2018:

Purpose

To advise Council on the status of the Woodlot Acquisition Strategy and to seek instructions to amend the Strategy to address residential high-rise and mid-rise apartment development that was not originally contemplated.

Recommendations

1. That the current woodlot acquisition charge for new residential high-rise and mid-rise apartment developments in the OPA 400 and 600 planning areas be amended from \$1,000 to \$600 per unit.
2. That Staff be granted delegated authority to enter into future amending agreements with landowners for developments where the amended woodlot acquisition charge may be applicable, in a form satisfactory to the City Solicitor and content satisfactory to the Chief Financial Officer and City Treasurer.

Report Highlights

- As part of OPA 400, the City commenced an initiative in consultation with respective landowners to preserve the City's tableland woodlots by establishing a charge per unit and price per acre for the City to acquire designated woodlots in specific planning areas.
- The City currently collects woodlot acquisition charges through a Master Front-end agreement to fund the acquisition of the designated woodlots.
- The agreement, which was entered into in 1999, did not contemplate significant high-rise and mid-rise apartment development in setting the charge per unit.
- Staff are recommending in this report that the unit rate for new residential high-rise and mid-rise apartments be amended from \$1,000 to \$600 per dwelling unit.
- The change in the per unit charge will allow for fairer distribution of costs between low and high-rise/mid-rise development while still providing sufficient funding to the City for the acquisition of all remaining designated woodlots.

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Background

The City acquired woodlots through a Development Charge by-law throughout the 1990's

Through the provisions of Official Plan Amendment (OPA) 400, approved in 1994, the City commenced an initiative in consultation with the landowners to preserve the City's tableland woodlots in the Terrestrial (Woodland) Resources Protection Policies.

OPA 400 contemplated the collection of the Woodlot Acquisition Charge (WAC) for the purpose of acquiring designated "Woodlots" over an extensive geographic area: Urban Village 1 (Planning Blocks 10, 11, 12, 17, and 18), Urban Village 2 (Planning Blocks 32 East and West, 33 East and West, 40, 41, 42) and the Woodbridge Expansion Area. OPA 400 established the WAC unit rate, the price per acre of Woodlot acquired, the designated Woodlots to be acquired, and timing of acquisition. The City enacted Special Service Area Development Charge By-law 245-98 to collect the WAC.

Front ending agreements replaced the by-law after amendments to the Development Charges Act

The *Development Charges Act* was amended to prohibit the collection of development charges for woodlot acquisition purposes. Accordingly, By-law 245-98 was only in force until September 1, 1999. By-law 245-98 contained a schedule identifying the areas subject to the WAC's and the woodlots designated by OPA 400. Woodlots were not shown in 1998 in Block 12, as Block 12 was designated "Future Policy Area" by OPA 400. Block 12 woodlots were later added by amendment to the Woodlot Front-ending Agreement in 2010.

Prior to the expiry of the By-law 245-98, the matter of the acquisition of woodlots and the imposition and collection of WACs was transferred from a *Development Charges Act* regime to a contractual regime as provided for by a Master front-end agreement ("Agreement"). The requirement to contribute towards the acquisition of woodlots continued after the expiry of By-law 245-98 and arose upon the execution and the establishment of the "standard form" as a front-end agreement applicable to the entire geographic area of the new communities.

The Agreement, dated June 1, 1999, was executed with Comdel Developments Inc. and required the contribution of an amount for each unit to be constructed to be used towards the acquisition of the identified woodlots. The Agreement was premised on a break-even formula whereby the approach facilitated the City collecting almost the exact dollar amount required to acquire the woodlots over a long development horizon based on future planned development at the time. At that time, it was also determined that the

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interest accrued in the reserve would be kept by the City as an administrative recovery and that any residual funds in the reserve, after acquiring all woodlots, would be retained by the City to fund a portion of woodlot maintenance activities.

OPA 600 continued the policy regime to encourage and pay for the acquisition of woodlots by the municipality. The updated policies in OPA 600 were adopted by Council and approved in June 2002. The Agreement was originally drafted to reflect the policies of OPA 400 and these were continued in OPA 600.

The Agreement is the mechanism by which all landowners with designated woodlots for acquisition requiring a Draft Plan of Subdivision approval or Consent within the new communities were/are required to enter in to, to conform to OPAs 400 and 600. Upon its initial negotiation and acceptance in 1999, this Agreement was promulgated with notice as required by the then current *Development Charges Act*, as amended. While the Agreement was put in place when By-law 245-98 was in effect, its greater value and continuing application in terms of implementing the Woodlot Acquisition Policy of Official Plan Amendment 400 and OPA 600 was in its area wide applicability over a longer term. While By-law 245-98 is no longer in force, the Development Charges Act provides for the transitioning of charges that were previously permitted to be collected under the Act. The Agreement as originally authorized by By-law 245-98 continues to be the basis under which the City collects for woodlot acquisition.

The contractual regime has been successful in acquiring woodlots at almost no cost to the City

The Agreement requires that a landowner conveying a designated Woodlot at the registration of a Plan of Subdivision will receive credit against the WAC for the units within the Plan of Subdivision containing the Woodlot or through surpluses within the Block in which the subject lands are located, or in priority order across the City. Surplus funds at the Block and City level have occurred because WACs are collected from all developers including those with Plans of Subdivision having no woodlots.

Woodlot acquisition through the Agreement has been very successful. The City has acquired the majority of the designated woodlots identified in the OPA 400 and 600 planning areas. There was a 17-acre woodlot in Block 11 owned by the MacMillan family which was conveyed to the Nature Conservancy of Canada in 2004. Accordingly, this woodlot will not be acquired by the City and has been removed from the calculation of woodlots to be paid for from the WAC. A small parcel remaining of this woodlot was acquired by the City with the acquisition of the MacMillan Farm.

The boundaries of the designated woodlots have been more clearly delineated through

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the subdivision approval process for the various blocks. The estimated number of lots contributing WACs have also been more clearly determined through the subdivision approval process. City staff have revisited development forecasts and anticipate that there will be sufficient funds collected to acquire all the remaining designated woodlots based on future planned development.

The original strategy did not contemplate significant residential high-rise and mid-rise apartment development and therefore needs to be amended

Certain landowners in the Carrville District Centre have requested that the City review the Woodlot Acquisition Strategy as it applies to residential high-rise and mid-rise apartment development. There is significantly more density in the Carrville District Centre presently than was estimated when the WAC concept was introduced in 1998. The requests stem from the view that the City intended to collect \$1,000 per residential unit on the low and medium density development which was forecast for the Planning Blocks by OPA 400, but significant high-rise and mid-rise development was not contemplated at that time.

Previous Reports/Authority

[Woodlot Acquisition Development Charge - April 1998](#)

[OPA 400 Woodlot Acquisition Development Charge Front End Agreement - May 1999](#)

Analysis and Options

There is significantly more density in the Carrville District Centre presently than what was estimated when the WAC concept was introduced in 1998. Staff have analyzed the remaining woodlot strategy in terms of acres of woodlot yet to be conveyed, development forecasts, interest recovery for the City's administration over the last 20 years and remaining 5 to 10 years, and finally a reasonable contribution from the strategy towards the maintenance of the woodlots. Based on this analysis, staff are recommending that the residential high-rise and mid-rise apartment rate be amended from \$1,000 per unit to \$600 per unit to reflect this change in the planning forecast to be used on a go forward basis.

The City may require landowners to enter into an agreement with the City for developments where this amended rate may be applicable. The amount to be collected in relation to low-rise and medium-rise development will continue to be maintained in accordance with the Agreement. This amendment is largely based on the relative Person Per Unit (PPU) differential between Single/Semi Detached homes and

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Apartments. The average PPU of a large apartment is approximately 60 per cent of that of a Single/Semi. It is the residential population that generally derives benefit from woodlots, so therefore it is reasonable to assume that a PPU differential is the appropriate method for allocating costs while still achieving the objective of a break-even collection under the Agreement.

The City will derive financial benefits, even after the amendment of the woodlot strategy

Based on the remaining development forecast and all other factors mentioned above, after an amendment to the per unit for high-rise and mid-rise apartment units to \$600, staff estimate that the following benefits will still accrue to the City:

- Acquisition of all remaining woodlots at no incremental cost to the City.
- Recovery of approximately \$2 million in interest on the reserve funds for administrative costs over the strategy's life.
- A remainder of approximately \$1.8 million in the reserve, which based on current estimates would fund 50 per cent of maintenance activities for woodlots over the next 20 years.

Staff believe this would be a fairer distribution of costs between low and high-density development and that the intent and spirit of the original strategy and Agreement would still be maintained.

Financial Impact

The WAC was established in May 1999 to fund the acquisition of designated woodlots at no cost to the municipality. The acquisitions have been funded from the WAC as monies are collected. Since the strategy's inception, 271.6 acres of tableland woodlots have been acquired by the City, with a remaining \$3 million to be paid out of the Woodlot Acquisition Reserve as more funds are collected. Staff have conducted analysis on the woodlots acquired, purchased and the amount of Woodlot fees expected to be collected. Based on the analysis, the amended woodlot acquisition charge for high-rise and mid-rise apartment developments will still contribute to a break-even position on the strategy, which will help ensure sufficient funds are collected to complete the acquisition of remaining designated woodlots.

Broader Regional Impacts/Considerations

Not applicable.

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Conclusion

The City's innovative woodlot acquisition strategy, along with cooperation of the development industry, has resulted in the preservation of many acres of table land woodlots to be enjoyed by present and future residents. An amendment to the strategy is being recommended to ensure the spirit and intent of the original strategy is maintained.

Attachments

None.

Prepared by

Nelson Pereira, Senior Financial Analyst, Development Finance
Rob Bayley, Manager of Urban Design and Cultural Heritage
Michael Toshakovski, Director, Legal Services

Item:



Finance, Administration and Audit Committee Report

DATE: Tuesday, April 03, 2018

WARD(S): ALL

TITLE: Woodlot Acquisition Strategy Update

FROM:

Laura Mirabella, Chief Financial Officer and City Treasurer

Claudia Storto, City Solicitor

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

ACTION: DECISION

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