

**To:** Mayor & Members of Council  
**From:** Reena Bajwa; Manager of Financial Strategies & Business Consulting & Alison Enns; Manager of Policy & Community Initiatives  
**C.C.:** Craig Millar, Jamie Tellier, Curt Benson  
**Date:** December 6, 2024  
**Re:** F-05-24, 2024 Community Benefits Strategy and Bylaw

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The purpose of this memo is to provide response to the question posed by Councilor Kearns at the Committee of the Whole on December 2<sup>nd</sup> in regard to report [F-05-24 the 2024 Community Benefits Strategy \(CBC\) and Bylaw](#). Specifically, have the 1200 King Road, Bronte Creek Meadows and Bridgeview properties been included in the ten-year assumptions that aligns with the CBC. In addition, attached to this memo are answers to questions from BILD, identified in Appendix C in the Addendum to F-05-24.

The assumptions set out in the CBC use the 10-year period the Residential Growth Forecast Summary. From Table 3-1 of the Development Charges Background Study the total number of new Apartment units expected in that time period is 9,221 (Mid 2034 total of 28,402 less the Mid 2024 total of 19,181). Since Apartments include some units that would not be eligible units for the CBC - the eligible number of units is revised through the CBC analysis to 8,561 (Chapter 2, CBC Strategy) The 17.47 ha cited in Table 2-6 is an estimate of the total area of land (in ha) that would be required based on the "average" density of 490 units per ha which is applied to the total number of eligible number of units (8,561). This is not the total number of ha of development within the ten year - but rather is an estimate of what the City might expect based on the number of eligible "Apartment" units based on an average density.

The properties at 1200 King Road, Bronte Creek Meadows, and Bridgeview are not included in the CBC forecast as the DC Background study was the foundational document that the CBC work was based upon. Through [F-25-23](#) Council considered the Development Charges and Community Benefits Strategy draft growth assumptions. At that time staff acknowledged that these estimates will be subject to change as the local municipalities work to understand the full impacts of ROPA 49, as modified. Regardless, not including these properties has no impact on the calculation of the CBC charge at 4% of land value.

Should additional developments come on-line prior to the 10-year forecast, they may result in additional revenues to the city.

Regards,

Reena Bajwa & Alison Enns

# Memorandum

<b>To</b>	Reena Bajwa
<b>From</b>	Byron Tan
<b>Date</b>	December 5, 2024
<b>Re:</b>	Responses to the Building Industry and Land Development Association Letter Dated November 25, 2024

Fax  Courier  Mail  Email

On November 25, 2024, the City of Burlington (City) received a letter from the Building Industry and Land Development Association (BILD), regarding the City's 2024 Community Benefits Charge (C.B.C.) Strategy and draft By-law.

This memorandum provides responses to the questions/comments included in the BILD letter.

## Questions/Comments and Responses

1. Does the City have information on how much revenue was generated since the adoption of the 2022 CBC By-law, including information on how much the money was spent, what projects money was spent on, and what the year-end 2023 (or more recent) balance in the CBC reserve fund is?

### **Response:**

- Since the adoption of the C.B.C. By-law in 2022, the City has collected \$216,792.
- \$150,000 has been allocated to the City Hall Facility, which was identified as a project in the 2022 C.B.C. Strategy.
- As of June, 2024 the balance in the reserve fund (F-17-24) is \$3.2 million
  - Of this balance \$3 million is related to funding collected under S.37 agreements, that funding is committed to projects as defined in the agreement.
  - The remaining amounts in the C.B.C. reserve fund are committed to projects from the 2022 C.B.C.



- The 2024 CBC Study is based on an estimated high-density land value of \$21.4 million per hectare. This has fallen by 16% since the 2022 CBC Study, where a per hectare land value of \$25.4 million per hectare was used. However, the 2024 CBC Study's land value estimate is based on a higher density per hectare, which has increased from 364 units/ha in the 2022 CBC Study to 490 units/ha in the 2024 CBC Study.

These implications of these two changes, when converted to an implied land value per buildable SF, implies that high-density land value in the City has actually fallen by 37% from \$78 per buildable square foot (per BSF) to \$49 per BSF. This should have a proportionate reduction in the expected CBCs per dwelling unit at the full 4% rate, from \$2,791 per unit to \$1,747 per unit. This may mean that the City should temper its revenue estimates in moving from the current per unit CBC rates to a 4% maximum rate.

#### Changes in Land Value, Burlington CBC Study Assumptions

		2022 CBC Study	2024 CBC Study	% Change
Land Value/Hectare	A	\$25,400,000	\$21,400,000	-16%
Units/Hectare Assumption	B	364	490	35%
Land Value/unit	C=A/B	\$69,780	\$43,673	-37%
CBC Rate	D	4%	4%	
CBC per Unit	E=DxC	\$2,791	\$1,747	-37%
Assumed Units Size (sf)	F	900	900	
Land Value per Buildable SF	G=C/F	\$78	\$49	-37%

Source: KPEC based on City of Burlington 2024 CBC Study

#### **Response:**

- While there does not appear to be a question posted here, we have provided some comments below for clarification.



- The total revenue under a 4% rate or the \$1,747 per unit charge would be the same (as long as the actual number of units and land values are consistent with the assumptions underlying the 2024 C.B.C Strategy).
  - It is noted that the *Planning Act* does not provide for indexing provisions. As a result, the per unit rate would remain constant throughout the life of the C.B.C. by-law. If the market values change, the \$1,747 per unit charge may not reflect the 4% maximum rate and may result in payments under protest.
  - However, implementing a 4% C.B.C. rate would capture changes in market conditions, regardless of whether land values increase or decrease.
3. The City's Parks Provisioning Master Plan (PPMP) shows that the City's parkland provision rate is 3.78 hectares per 1000 population, well in excess of the City-wide target parkland provision of 3.0 hectares per 1000.

Despite the City-wide surplus of parkland, the PPMP finds that there is a lack of parkland in MTSA's, including an estimated shortfall of 2.88 hectares in the Appleby GO MTSA, 6.62 hectares in the Aldershot GO MTSA, 7.76 hectares needed in the Burlington GO UGC/MTSA. In total, the PPMP identifies a total of over 50 hectares of parkland needs.

The capital program in the City's 2024 CBC Study is based on collecting funds towards an estimated \$141 million shortfall in Planning Act funding for parkland acquisition, however it is unclear from the PPMP or the 2024 CBC Study what residual amount is needed from each category/area (MTSA's, BUA, DGA, etc.), and how the residual amount that the CBC Study is seeking to recover (\$141 million) relates to the analysis from the PPMP.

The text from section 5.1 of the CBC Study, indicates that at \$21.4 million/ha, the \$373.9 million in parkland needs equates to 17.5 hectares of residual parkland need, but these figures are not found in the PPMP. Can clarification or calculations be provided to show how the \$141 million amount carried in the CBC Study was calculated?



**Response:**

- A correction to the statement above, the \$21.4 million per hectare identified in section 5.1 of the C.B.C. strategy is for the value of the land of the proposed C.B.C. eligible units, not the value of parkland.
- The parkland costs of \$141.2 million included in the C.B.C. are based on the incremental population growth to 2041 as described in the City’s 2023 Parkland Dedication By-law Review. The basis of the calculations are summarized below:

The hectares of parkland and average values were based on Table 2-3 of the 2023 Parkland Review:

**Table 2-3  
City of Burlington  
Parks Plan Forecast Needs and Costs (2022-2041)**

Policy Area	Additional Parkland (ha.) <sup>1</sup>	Average Land Value (\$/ha.) <sup>2</sup>	Total Parkland Costs
Burlington GO/UGC MTSA	7.76	\$ 20,000,000	\$ 155,200,000
Aldershot GO MTSA	6.62	\$ 20,000,000	\$ 132,400,000
Appleby GO MTSA	2.88	\$ 20,000,000	\$ 57,600,000
Downtown Urban Centre	1.81	\$ 20,000,000	\$ 36,200,000
Uptown Urban Centre	1.64	\$ 20,000,000	\$ 32,800,000
Corridors	0.81	\$ 6,000,000	\$ 4,860,000
Designated Greenfield Areas	4.16	\$ 70,000	\$ 291,200
Remaining Built Up Areas	25.80	\$ 6,000,000	\$ 154,800,000
Rural Areas	-	-	\$ -
<b>Total</b>	<b>51.48</b>	<b>\$ 11,152,898</b>	<b>\$ 574,151,200</b>

<sup>1</sup> Source: Table 26, City of Burlington Park Provisioning Master Plan

<sup>2</sup> Source: City of Burlington Realty Services

As noted in Table 2-3, the Additional Parkland required to 2041 is 51.48 hectares, with a costs of \$574 million. To assess the incremental impact of these figures against the 10-year growth forecast utilized in the C.B.C. Strategy, a per capita calculation was undertaken using the source population targets from the City’s Parks Provisioning Master Plan, which is presented below:



Policy Area	2041 Population	2021 Population <sup>1</sup>
Burlington GO/UGC MTSA	8,160	1,670
Aldershot GO MTSA	7,160	1,100
Appleby GO MTSA	4,210	1,140
Downtown Urban Centre	12,340	8,640
Uptown Urban Centre	6,710	5,450
Corridors	12,920	3,970
Designated Greenfield Areas	17,470	12,400
Remaining Built Up Areas	164,020	150,880
Rural Areas	7,510	5,750
<b>Total</b>	<b>240,500</b>	<b>186,948</b>

<sup>1</sup> Source: Table 26, City of Burlington Park Provisioning Master Plan

Based on this growth forecast, a population increase of 53,552 is anticipated between 2021 and 2041. Taking the 51.48 hectares and dividing it by the 53,552 population increase (times 1,000) provides a parkland standard of 0.96 per 1,000 population. The parkland standard of 0.96 per 1,000 population is then multiplied by the 10-year population increase (22,617 divided by 1,000) as identified in the growth forecast of the 2024 C.B.C. Strategy. The resulting additional parkland needs amount to 21.74 hectares.

53,552	Population increment (2021-2041)
0.96	Parkland standard per 1,000 pop
22,617	2024-2034 residential growth forecast
<b>21.74</b>	<b>Required Parkland Hectares</b>

Using this information, the 21.74 hectares was allocated proportionately amongst all of the policy areas to determine the incremental parkland amount and costs. Lastly, a deduction was applied to recognize the potential cash-in-lieu that would be generated from residential and non-residential developments over the 10-year growth forecast (which is based on the 2024 D.C. Background Study).



Policy Area	Additional Parkland (ha.) <sup>1</sup>	Average Land Value (\$/ha.) <sup>2</sup>	Total Parkland Costs	Proportionate Share %	Proportionate Share Land (ha)	Incremental Parkland Costs (2024-2033)	Dedication Amount Available (Based on the 2023 Parkland Analysis)	Net Amount for CBC
Burlington GO/UGC MTSA	7.76	\$ 20,000,000	\$ 155,200,000	15.1%	3.3	\$ 65,546,728		
Aldershot GO MTSA	6.62	\$ 20,000,000	\$ 132,400,000	12.9%	2.8	\$ 55,917,441		
Appleby GO MTSA	2.88	\$ 20,000,000	\$ 57,600,000	5.6%	1.2	\$ 24,326,621		
Downtown Urban Centre	1.81	\$ 20,000,000	\$ 36,200,000	3.5%	0.8	\$ 15,288,605		
Uptown Urban Centre	1.64	\$ 20,000,000	\$ 32,800,000	3.2%	0.7	\$ 13,852,659		
Corridors	0.81	\$ 6,000,000	\$ 4,860,000	1.6%	0.3	\$ 2,052,559		
Designated Greenfield Areas	4.16	\$ 70,000	\$ 291,200	8.1%	1.8	\$ 122,985		
Remaining Built Up Areas	25.80	\$ 6,000,000	\$ 154,800,000	50.1%	10.9	\$ 65,377,794		
Rural Areas	-	-	\$ -	0.0%	-	\$ -		
<b>Total</b>	<b>51.48</b>	<b>\$ 11,152,898</b>	<b>\$ 574,151,200</b>	<b>100%</b>	<b>21.74</b>	<b>\$ 242,485,392</b>	<b>\$ 100,897,147</b>	<b>\$ 141,588,245</b>

4. Table 5-1 of the 2024 CBC Study shows a \$7.4 million deduction to CBC-eligible costs to account for “existing population incline”. Can the details behind this calculated amount be provided?

**Response:**

- The incline calculation was included based on the growth forecast used in the 2024 D.C. Background Study. The population incline represents a natural increase in population expected to occur within existing dwelling units. This is contributing to overall population growth but it is not occurring in new units/developments.

The calculations look at the 10-year gross population vs. net population as described in the 2024 D.C. Background Study:

- Gross Population Increase: 20,962
- Net Population Increase: 22,617

As the gross population is based on population growth in new units, the higher net population suggest that population growth is also occurring in existing units. The share of total population growth that is expected to occur in existing units equates to approximately 7%.

Based on the above, approximately 7% of the C.B.C. eligible amounts have been deducted from the net C.B.C. recovery to recognize the benefit to growth in existing units, as these would not be subject to the C.B.C.

**Draft By-Law**

5. Comment from BILD regarding section 2.9: Delete the word “as”.



2.9 In-kind contributions pursuant to subsection 2.7 shall only be accepted as if the same are approved by resolution of Council. The determination of Council as to whether in-kind contributions shall be accepted in full or partial satisfaction of Community Benefits Charges shall be final and binding.

**Response:**

- This will be corrected in the by-law presented to Council.
6. Comment from BILD: “Section 2.11 violates s.37.1(3) of the Planning Act and should be deleted in its entirety. There is no CBC payable where there exists a prior s.37 agreement.”
- 2.11 Any developments that were subject to an agreement under the prior Section 37 of the Planning Act prior to this by-law coming into force and effect shall have the amount paid under the Section 37 agreement credited against the Community Benefit Charge payable:
- (a) The amount credited against the charge payable shall be the amount paid under the prior Section 37 agreement that relates to the proposed Development
  - (b) In no case shall the credit be greater than the Community Benefits Charge otherwise payable.

**Response:**

- This will be corrected in the by-law presented to Council. Section 2.11 of the by-law will read as follows:  
“Community Benefits Charges imposed under this By-law shall be payable prior to the issuance of any building permit for the proposed Development or Redevelopment.”
7. Comment from BILD: “Section 2.12 violates s.37.1(3) of the Planning Act and should be deleted in its entirety. There is no CBC payable where there exists a prior s.37 agreement.

**Credits**

2.12 Any developments that were subject to an agreement under the prior Section 37 of the Planning Act prior to this by-law coming into force and





effect shall have the amount paid under the Section 37 agreement credited against the Community Benefit Charge payable:

- (a) The amount credited against the charge payable shall be the amount paid under the prior Section 37 agreement that relates to the proposed Development
- (b) In no case shall the credit be greater than the Community Benefits Charge otherwise payable.

**Response:**

This section will be deleted in the by-law and the remaining sections will be renumbered.