



The Corporation of the Town of Milton

Report To: Council

From: Doug Sampano, Director, Recreation and Facilities

Date: May 6, 2019

Report No: COMS-006-19

Subject: Site-specific Appraisals for Cash-in-lieu of Parkland Dedication

Recommendation: **THAT Schedule A – Recommendations Brief Regarding the Benchmark Land Values Update Project (Cash-in-lieu of Parkland Dedication) and Terms of Reference for Appraisal Submissions, as prepared by Antec Appraisal Group, dated August 21, 2018, be received for information;**

THAT the use of benchmarks be discontinued, and the site-specific appraisals approach recommended in Schedule A be used to calculate all future cash-in-lieu of parkland dedication payments;

THAT staff be authorized to administer a transition period for existing applications up to November 7, 2019, as outlined in this report;

THAT Schedule B – Policy No. 48: Development – Parkland Dedication, as amended, be approved.

EXECUTIVE SUMMARY

Pursuant to the Planning Act, the Town of Milton, under By-law 128-2001, has the authority to require the conveyance of land for the purposes of park or other public recreation as a condition of the development or redevelopment of land. The By-law identifies that the Town may, in lieu of land conveyance, require the payment of money by the owner as a value of the lands otherwise required to be conveyed. This is referred to as “cash-in-lieu” of parkland and is payable at the time the first building permit associated with the development is ready to be issued.

Since 2001, the Town has used a benchmark list of land values to calculate required cash-in-lieu of parkland payments. The benchmarks have been updated as needed to



align with changes in real estate valuation and types of land use. Benchmarks have been effective for straightforward development applications for which individual appraisals historically were not warranted. The 2014 update indicated that increasingly, there are applications where site-specific appraisals are more accurate than benchmarks. In 2017, Antec Appraisal Group was engaged to conduct an update to the benchmarks. Their work is summarized in a brief included in Schedule A, which recommends site-specific appraisals be used in all instances.

Policy No. 48: “Development – Parkland Dedication” outlines how staff implement Town By-law 128-2001 and specific to this report, it identifies the use of benchmarks as the means to determine the land valuation used to calculate the required cash-in-lieu of parkland payment. For this reason, discontinuing the use of benchmarks and employing site-specific appraisals in all instances that require a cash-in-lieu payment necessitates a revision to the policy. There are no changes proposed to By-law 128-2001 at this time as the by-law does not reference the use of benchmarks.

REPORT

Background

As outlined in the Planning Act, cash-in-lieu amounts are determined by utilizing the same percentages applicable to the dedication of parkland. For commercial or industrial purposes, it is the value of 2% of the land proposed for development. For any other type of land use, it is the value of 5% of the land proposed for development. For residential developments with a density of, or greater than, 15 dwelling units per hectare, the cash-in-lieu amount is the value of the land at the alternative rate of one hectare for each 500 dwelling units proposed, per the changes implemented by Bill 73, the Smart Growth for Our Communities Act, 2015. Town By-law 128-2001 outlines the authority by which the Town can require the conveyance of land, or the cash requirement in lieu.

The by-law also outlines when parkland dedication or cash-in-lieu is not applicable. When land involves an agreement that provides for the conveyance of land or cash for park or other public recreation purposes, such as a financial agreement associated with a secondary plan area, parkland dedication and cash-in-lieu are subject to the terms of that agreement. Typically, Milton’s growth areas have utilized financial agreements.

In 2001, the Town developed a benchmark list of land values to be used in cash-in-lieu calculations for basic severances and small developments. In 2008, the benchmarks were updated based on market values. The land use categories were also expanded to include commercial, industrial, urban and rural residential, then further classified



according to acreages. A similar update commenced in 2014 and is outlined in Council Report No. COMS-023-14. This report recommended that the Town continue to use benchmarks but also consider using site-specific appraisals for developments with uses that are not readily categorized. The benchmark values were updated and new, active spreadsheets created to assist staff in payment calculations. Since 2014, staff have advised applicants when the benchmark or site-specific appraisals approach will be used. Appraisals are generally required for more complicated developments including, but not limited to, developments with a net residential density of, or greater than, 15 dwelling units per hectare, mixed-use and any land use to which is there is insufficient applicable trade data, such as large industrial developments in the Derry Green Corporate Business Park. The owner currently bears the costs associated with the preparation of the appraisal by a qualified professional.

In 2017, the professional services of Antec Appraisal Group were engaged to review and update the benchmarks for the Town. The original scope of work was revised after the firm indicated that their preliminary findings could not support the current benchmark model.

Since September, 2017, applicants have been advised that the current benchmarks are undergoing an update, and that cash-in-lieu of parkland payments will be subject to the policy in effect prior to permit issuance. The majority of active applications where cash-in-lieu is applicable are subject to the preparation of site-specific appraisals; however, it is recognized that there may be instances where an active application, historically subject to the Town's benchmarks, may now incur the costs of an appraisal. For this reason, it is recommended that a transition period be provided as part of the implementation of the new methodology proposed. During this period, should staff determine that a site-specific appraisal is appropriate for an already active development application that would otherwise have utilized the Town's benchmarks, the Town will bear the costs of the appraisal preparation. Alternatively, in certain instances (i.e. simple, straight forward developments), the Town may continue to use the benchmarks for active applications during the transition period. At the end of the transition period, all applicants will be required to follow the new approach, including funding their own appraisals.

Discussion

Schedule A is the final commentary brief regarding benchmarks and terms of reference for appraisal submissions prepared by Antec Appraisal Group. The brief recommends site-specific appraisals be completed for the determination of all cash-in-lieu of parkland payments as opposed to the current approach of using benchmarks or site-specific appraisals. The document highlights issues with using benchmarks, including the lack of consideration for value influencing factors aside from the general use and size of a



property, and the reliability of a model based on few sales as this approach potentially creates an inaccurate reflection of the constantly changing real estate market in Milton. Appraisal professionals use the most up-to-date information and take into account unique characteristics of each individual property, thereby allowing for a more accurate, as well as relevant valuation, and in turn, the most equitable approach for both the owner and the Town. The terms of reference included in Schedule A are a general guide for staff for appraisal submissions.

As outlined in more detail in Schedule A, a survey of seven other municipalities was undertaken and found that all utilize site-specific appraisals as opposed to benchmarks. A sample of potential appraisal fees was also provided, demonstrating a range from \$500 for single dwellings on vacant land, to \$2,500 to \$3,500 for uses such as industrial, commercial and multi-residential, and up to \$5,500 for complex vacant land.

It is recommended that the owner bear the costs to have the appraisal prepared and include the document as part of the submittals in support of a development application and/or building permit. Appraisal submissions will be subject to staff review. Any necessary revisions required by the Town to accept the valuation will also be at the owner's expense.

Schedule B contains Policy No. 48 as amended to include all changes resulting from Council approving the use of site-specific appraisals in all instances. Minor edits to the language and formatting of the policy are also proposed for clarity. There are no changes required to Town By-law 128-2001 at this time. Schedule C is a summary of changes to Policy No. 48.

Financial Impact

Using site-specific appraisals will provide an opportunity for the Town to accurately align cash-in-lieu of parkland dedication contributions with development activity and the real estate market.

During the transition period (May 7 - November 7, 2019) should the Town need to retain an appraiser for the reasons outlined earlier, the costs will be allocated to the existing Parkland Dedication Benchmark project (C52010217) and an appraiser from the Town's Professional Services roster will be engaged.

Updates to the benchmarks are currently funded through a cyclical capital account. Should site-specific appraisals be approved for all instances, this capital request will no longer be needed and the Town's 10-year capital forecast will be reduced by a total of \$124,416. Funds may be required should a dispute regarding the land value require



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the Town to engage a third-party review of the owner's appraisal submission. Any such cost will be managed through the annual operating budget.

Respectfully submitted,

Kristene Scott
Commissioner, Community Services

For questions, please
contact:

Roberta Sager,
Manager, Parks and
Facility Planning

905-878-7252 ext. 2184

Attachments

Schedule A – Recommendations Brief regarding the Benchmark Land Values Update Project (Cash-in-lieu of Parkland Dedication) and Terms of Reference for Appraisal Submissions, prepared by Antec Appraisal Group, dated August 21, 2018

Schedule B – Policy No. 48: Development – Parkland Dedication

Schedule C – Summary of Changes to Policy No. 48

CAO Approval
William Mann, MCIP, RPP, OALA, CSLA, MCIF, RPF
Chief Administrative Officer



August 21, 2018

Town of Milton
150 Mary Street
Milton, ON L9T 6Z5
Phone: (905) 878-7252 x 2538
Email: renata.tracey@milton.ca

Attention: Renata Tracey, Parks Planner, Community Services Department

**Re: RECOMMENDATIONS BRIEF REGARDING THE BENCHMARK LAND VALUES UPDATE PROJECT (CASH-IN-LIEU OF PARKLAND DEDICATION) AND TERMS OF REFERENCE FOR APPRAISAL SUBMISSIONS
OUR FILE NO. 40010379**

Dear Ms. Tracey:

This report is a summary of our response to your original request for proposal (November 14, 2017), in which we explain the rationale for our recommendation of conducting site-specific appraisals for use in cash-in-lieu of parkland ("CILP") dedication calculations, as requested in the Town's revised request for proposal (February 15, 2018). These site-specific appraisals are meant to replace the use of Benchmark Values, which have been used by the Town over the last 17 years.

Issues with the current model

The current method of collecting CILP is based on a model which sets benchmark (typically 1 acre in size) values for individual property types (industrial, commercial, rural residential etc.) and extrapolates these values using linear regression. Linear regression is a commonly used type of predictive analysis. It attempts to model the relationship between variables through a linear equation. The current linear regression is based on one independent variable (size) which attempts to predict the value of the dependent variable (sale price per acre).

As the size of a property increases above 1 acre, for example, the value per acre applied to the property decreases. In the current model for commercial properties, the rate per acre decreases by approximately 5% for every additional acre in size. For example, a 3-acre property will be valued at approximately 10% less on a per acre basis compared to a 1-acre site, as seen in the graph included in **Appendix A**.

This approach does not accurately reflect the real estate market. Firstly, it adjusts only for size of a property in a linear way and, secondly, it does not take into consideration other value influencing factors that impact a property. In the example of a commercial property, characteristics such as location (central area, arterial road), zoning, and site characteristics (shape, corner, road frontage), to name a few, can have significant impacts on the value of a site which are not accounted for presently. Overall, there is a high degree of research and analysis into various value influencing factors in the market that is not captured in the current simplistic model. The concern is also the reliability of a linear regression model that is based on so few sales (based on our review of the Real Estate Consultation Report regarding Benchmark Values prepared for the Town and approved by Council in 2014). The Municipal Property Assessment Corporation (MPAC), for example, uses multiple regression analysis based on thousands of sales for use in their model in an attempt to apply a market value assessment to single family dwellings. To attempt an accurate valuation on only a handful of commercial land sales and only apply a time and size adjustment will lead to inaccurate results, if the intent is to value each property in accordance with the Planning Act, R.S.O. 1990, C.P.13.

Proportionate Areas (Rural Lots)

For rural residential lots the same process is followed, where a Benchmark Value per acre is assigned to a property based on size. For example, a 7-acre site is valued at approximately \$485,000. If an owner can prove that they are only developing a portion of the site (say a 1-acre area), which is typically the case for rural development, then the valuation is apportioned based on the area to be developed. For example, 1 of 7 acres is approximately 14%. This factor is applied to the valuation estimate as a proportionate share to determine the new valuation; in this example ($\$485,000 \times 14\% = \$67,900$). This significantly undervalues the property as the vast majority of value is in the first acre (or slightly more) of a property which gives the ability to construct a dwelling. Similar to the previous example, unique characteristics are also not being taken into consideration for this property type using only a simple Benchmark Value. Again, although the Town may wish to give rural properties some relief, the Planning Act calls for a market value of the property, not a hypothetical portion thereof.

Market Changes

The real estate market is in constant change, especially as of late, with drastic increases and, more recently in some sectors, decreases, occurring over short periods of time. A stagnant regression model with periodic updates every 3 years cannot keep up with rapidly changing market conditions, especially in a market with limited sales information.

New sales can alter market expectations and prices. Examples include a recent sale that occurs after a large annual increase or decrease that occurred; or if a property with superior development timing sells, reflecting a much higher value than other comparable properties. It is important to have the most up to date information available to best reflect an accurate, current value and to account for other factors in the value that only a specific appraisal can take into account.

Decision making by a real estate valuation professional

Currently, there are property types that primarily utilize benchmark land values (urban/rural residential, commercial and industrial). It is at the Town's discretion to decide if an individual site-specific appraisal is required for these property types. The only other discretionary call is if a property was subject to a recent arms-length purchase which can be used to determine the valuation for the CILP payment. This has in the past been determined by an individual not necessarily versed in real estate valuation. Having Town staff act as coordinator for the appraisal process (site-specific information gathering; point of contact between owner/developer and planning department) and the appraiser, will allow for consistent application of the process and leave the property valuation up to an independent expert knowledgeable in the local market and in the property type in question.

Recommendations for site-specific appraisals

Benefits:

Site-specific appraisals are more beneficial for the Town of Milton. They allow for a real estate appraisal professional to use the most up to date information and reflect unique, value influencing characteristics of each individual property. This allows for a more accurate valuation, resulting in the most equitable cash-in-lieu valuation for both the property owner and the Town. For example, a regular shaped, commercial parcel located on a coveted arterial corner with very high traffic counts will sell at a premium related to a commercial property located on a less travelled road on an interior lot with an irregular shape. A site-specific appraisal can reflect these unique characteristics whereas the current Benchmark system does not.

Challenges:

Site-specific appraisal challenges will involve additional costs (property dependent), which we recommend be either paid by the Town and recouped through admin fees; or collected as the general tax levy. Instead of the Town paying a large fee to have updates to the benchmark land values, smaller "user" fees would be required to be paid for each individual property appraisal. It is typical, from our experience with other municipalities, that owners pay for the appraisal, directly or indirectly. The Town has more control over the independence of the report if they are ordering and paying for it.

A second challenge is longer turn around times, which can be worked into the development process. The Town will be required to allocate more resources and time to commission and review site-specific reports, similar to their current process when dealing with more complex applications (i.e. intensification, mixed-use projects). Typically, developments have many itemized requirements before a building permit is issued. An appraisal can be added to this, giving adequate notice to property owners, adjusting their requirements and expectations for turnaround times. Our experience has been that it is the property owner applying for an individual building permit for their own dwelling who is the most concerned over the appraisal requirement; however, these are the simplest and quickest reports to turn around, and at the lowest fee.

That being said, staff will no longer be able to provide estimates for CILP fees (presently issued upon request) at the earliest stages of application review. Further, as with any proposed change to a process or policy, the Town should consider challenges developments currently eligible for benchmark use may encounter (i.e. preparation of appraisals for commercial/industrial expansions greater in gross floor area than 50% of that existing). The Town may wish to review its current list of parkland exemption clauses, as included in By-law 128-2001, moving forward.

Other municipalities and CILP:

A basic survey was undertaken by the Town to determine administrative processes of other nearby municipalities in the area of CILP. Of the 7 municipalities contacted, all complete site-specific appraisals currently for s. 42 (of the Planning Act) CILP collections. 3 municipalities undertake site-specific appraisals both in-house (for certain land uses) and externally, while the other 4 commission external appraisals. None of the municipalities contacted use benchmark land values. Typically, the process is managed by the Realty Services or Parks Planning sections in these municipalities.

Estimated costs of individual appraisal reports

In regard to anticipated financial implications (i.e estimated market costs of individual appraisal reports and third-party reviews by development type), this is a sample (estimate) of fees that can be expected to be charged for CILP appraisal reports. We have adjusted fees to reflect the need for short narrative reports for more straightforward property types, versus complex properties (i.e. intensification and mixed-use sites).

SAMPLE APPRAISAL FEES (RANGE)		2018
Property Type	Format	Fee (est.)*
Industrial Vacant Land or Expansion	Short Narrative	\$2,500
Commercial Vacant Land or Expansion	Short Narrative	\$2,500
Multi Residential Vacant Land	Short Narrative	\$3,500
Other Vacant Land	Short Narrative	\$2,500
Mixed Use - Small Vacant Land (Proposed building of 5,000 square feet or less)	Short Narrative	\$2,000
Mixed Use - Downtown/Hi Rise Vacant Land	Full Narrative	\$4,500
Rural res/ Single Dwelling Vacant Land	Short Narrative/Form	\$500
Other/ Complex Vacant Land	Full Narrative	\$5,500
Third Party Reviews	Short narrative/review format	\$2,000 - \$4,000
* plus HST and disbursement		

Term of reference for appraisal submissions

Appraisal reports are to be of a short narrative for all property types, with the exception of complex developments, and/or form reports for rural and urban residential lots, prepared in accordance with the requirements of the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). One (1) electronic version of the report, should be provided via email once drafted. Upon approval of the draft report by the Town, hard copies may be required. Reports are valid for 6 months from the effective date, provided the first permit in respect of the development is ready for issuance within that period. Reports are to be signed by an appraiser with Accredited Appraiser Canadian Institute (AACI) and/or Canadian Residential Appraiser (CRA) designations, as required, having experience relevant to the project (see CUSPAP for categories of appraiser qualifications) and in the Town's market area.

The appraisal is to be prepared for the purpose of determining the amount of cash required to be paid in lieu of dedication of lands for park or other public recreational purposes upon the development or redevelopment of the subject site under s. 42 of the Planning Act.

Under ss. 42 (6.4) of the Planning Act the value of the subject site is to be determined as of "the day before the day the building permit is issued in respect of the development or redevelopment or, if more than one building permit is required for the development or redevelopment as of the day before the day the first permit is issued." This requires that the subject be appraised as if the proposed use is permitted and the site is appropriately zoned, serviced, and ready for a building permit. The final appraised value should exclude development charges payable (so that they are not double charged), just prior to building permit issuance and payments required for CILP.

The required percentage of the appraised value payable for CILP is to be determined in accordance with the applicable provisions of the Planning Act, Town By-Law 128-2001 and Policy no. 48, as subsequently revised.

Appraisal Standards and Review

The CUSPAP outlines specific ethical and appraisal standards for appraisers to follow when writing and reviewing an appraisal assignment. We have included an excerpt of the review standards in **Appendix C**. These standards are organized in bullet form and can serve as a checklist or reference for Town staff when reviewing appraisal reports to ensure that all standards are met.

Definitions

Included below are excerpts of definitions from Hamilton By-law 09-124 and Milton By-law 128-2001 that set out specific parameters regarding the valuation of property for the purposes of CILP, along with our subsequent interpretation.

- i. Development and redevelopment terms apply to: 1) the entire net land area of the phase being registered for development proposed within an approved plan of subdivision; and, 2) to the entire net land area of a Site Plan application for

development proposed as part of an approved Site Plan. The net land area means the gross (total) land area minus any storm water management facilities to be conveyed to the Town, major utility corridors, easements and environmentally significant or protected lands, as governed by the Conservation Authority. Notwithstanding the above, where water and wastewater services, public and private roads and/or parking lots are located within the major utility corridor/easement or environmental lands, the respective portion of the lands where the said improvements are located shall be included as part of the net land area.

- ii. For the purpose of valuation of land as of the day before the day of building permit issuance, it shall be assumed that the site is serviced and physically suitable for the development proposed, interpreted to mean that site remediation, major re-grading and drainage works have been satisfactorily completed.

Recommended Appeal Process:


Should the developer/owner disagree with the Town's value, then:

- i. The developer/owner shall retain an appraiser at his/her expense to undertake the appraisal of land value. The terms of reference and assumptions made with respect to the appraisal shall be consistent with this document, Town By-Law 128-2001 (**Appendix B**) and Policy no. 48, as subsequently revised.
- ii. The Town retains the right to undertake a Peer Review of the appraisal at the developer's/owner's expense.
- iii. All appraisals of land value shall be completed by a designated member in good standing of the Appraisal Institute of Canada (AIC) in accordance with the CUSPAP and shall be submitted to the Town within three (3) months of the Town's initial valuation.

I trust this meets all specified requirements.

Respectfully submitted,

ANTEC APPRAISAL GROUP INC.

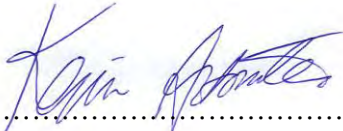


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CERTIFICATION

I certify that:

1. To the best of my knowledge and belief the statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in any properties referenced for this report, and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada (AIC).
6. This report addresses the use of site-specific appraisals to replace the use of Benchmark Values; for cash-in-lieu of parkland dedication calculations therefore, no personal inspection was completed.
7. Steve Hall, Candidate Member AIC, provided significant professional assistance to the undersigned.
8. As of the date of this report, the undersigned has fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program for designated members.
9. I have the knowledge and experience to complete the assignment competently.



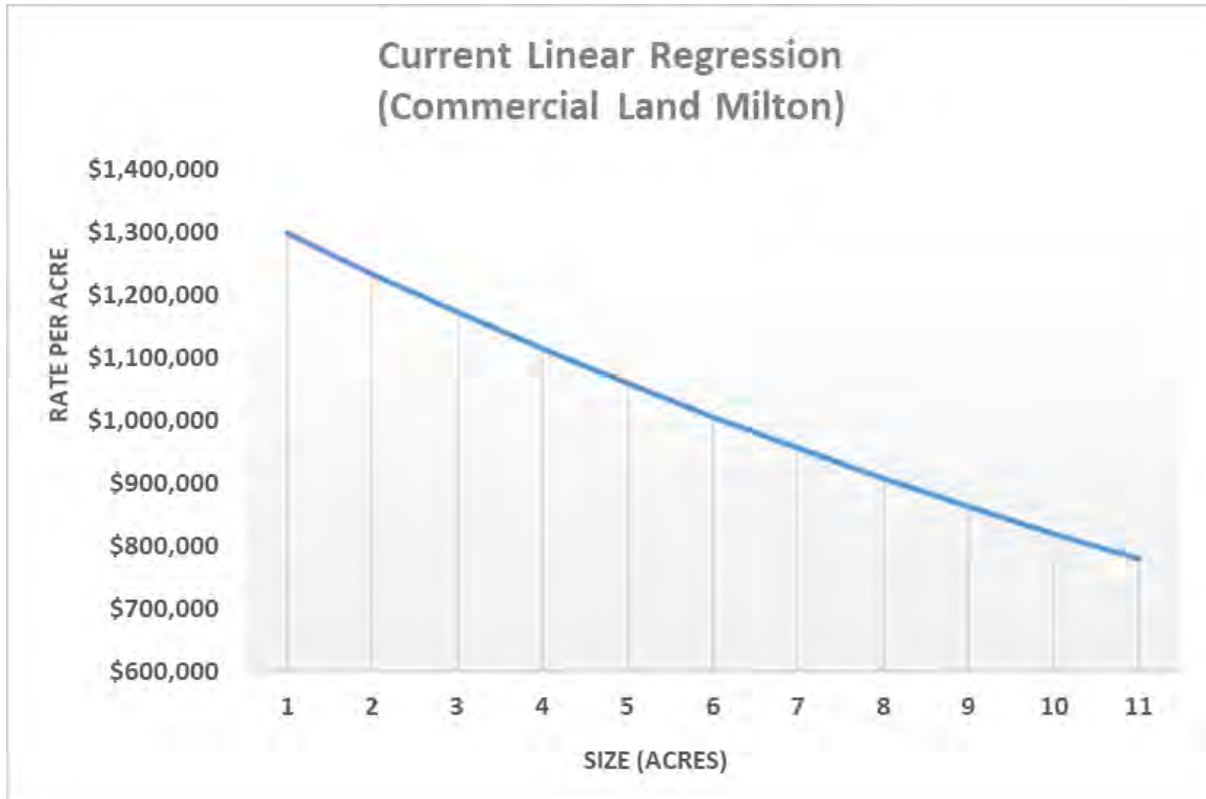
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Kevin Antonides, B.E.S., AACI, PLE, R/W-AC

Dated: August 21, 2018

ADDENDUM

Appendix A	Linear Regression Graph - Commercial Land, Milton
Appendix B	Town of Milton By-Law 128-2001
Appendix C	CUSPAP Review Standards, excerpt from January 1, 2018 AIC document

APPENDIX A



APPENDIX B

THE CORPORATION OF THE TOWN OF MILTON
BY-LAW NO. 128-2001

Being a By-law to regulate the conveyance of parkland to the Town for park and other public recreational purposes or the payment of money in lieu thereof.

WHEREAS pursuant to the provisions of Section 42 of the *Planning Act, R.S.O. 1990, c. P.13, as amended*, the Council of a local municipality, as a condition of development or redevelopment of land may, by by-law, require that the land be conveyed to the municipality for park or other public recreational purposes;

AND WHEREAS Section 42 of the *Planning Act* further provides that a municipality may require the payment of money in lieu of the land otherwise required to be conveyed;

AND WHEREAS The Town of Milton's Official Plan, where necessary, provides for certain parkland dedication requirements, as referred to in Section 42 of the *Planning Act*;

N O W T H E R E F O R E, T H E C O U N C I L F O R T H E C O R P O R A T I O N O F T H E T O W N O F M I L T O N E N A C T S A S F O L L O W S:

1.0 INTERPRETATION

1.1 In this By-law:

- a) **"accessory apartment in a detached dwelling"** means a self contained apartment dwelling unit created through converting part of or adding onto an existing detached dwelling.
- b) **"accessory use"** means that the building or structure is naturally and normally incidental to or subordinate in purpose or both, and exclusively devoted to a principal use, building or structure.
- c) **"agriculture or farm"** means that the proposed development will qualify as a farm business operating with a valid Farm Business Registration Number issued by the Ontario Ministry of Agriculture and Rural Affairs and be assessed in the Farmland Realty Tax Class by the Ontario property Assessment Corporation.
- d) **"animal husbandry"** means the raising, keeping, or breeding of livestock including horses, but shall not include those operations where the training of horses, drivers or riders is the major component of the operation.
- e) **"commercial development"** means development of a use permitted under the commercial zoning categories of Zoning By-law 61-85 as amended.
- f) **Council"** means the Council of the Corporation of the Town of Milton.
- g) **"development"**, which includes redevelopment, means
 - 1) the construction, erection or placing of one or more buildings or structures on land; or
 - 2) the making of an addition or alteration to a building or structure that has the effect of substantially increasing the size or usability thereof; or

- 3) the laying out or establishment of sites for the location of three or more trailers as defined in clause (a) of paragraph 101 of section 210 of the *Municipal Act*; or
- 4) the laying out or establishment of sites used for the location of three or more mobile homes as defined in subsection 46(1) of the *Planning Act*; or
- 5) the laying out or establishment of sites for the construction, erection or location of three or more land lease community homes as defined in subsection 46(1) of the *Planning Act*.

- h) **"dwelling"** means a building containing one or more dwelling units;
- i) **"dwelling unit"** means any property that is used or designed for use as a domestic establishment in which one or more persons may sleep and prepare and serve meals.
- j) **"local board"** means a public utility commission, transportation commission, public library board, local board of health, police services board, commission, committee, body, or local authority established or exercising power or authority under any general or special Act with respect to any of the affairs or purposes of the Town or the Region.
- k) **"garden suite"** means a temporary detached residential structure containing a bathroom and kitchen facilities that is ancillary to an existing residential building and that is designed to be portable.
- l) **"industrial development"** means development of a use permitted within the industrial zoning categories of Zoning By-law 61-85 as amended.
- m) **"net residential density"** means the ratio of the number of dwelling units located or proposed to be located on a lot or block and the area of the lot or block. The lot or block area is to include only that part of the lot or block which is zoned for residential use.
- n) **"rural development"** means development for a use permitted in the rural zoning categories of zoning By-law 61-85 as amended.
- o) **"Town"** means The Corporation of the Town of Milton.

2.0 GENERAL PROVISIONS

2.1 This By-law shall apply to all land within the corporate limits of the Town.

2.2 Notwithstanding any other provision of this By-law, no conveyance of land or payment in lieu thereof, shall be required under this By-law where the development is for the purposes of:

- a) garden suites;
- b) additions to any commercial or industrial building that is less than 50% in gross floor area of the existing building. If the gross floor area of an existing building is enlarged by greater than 50%, the amount of parkland required in respect of the enlargement is the amount of parkland that would otherwise be payable multiplied by the fraction by which the enlargement exceeds 50%;
- c) replacement of an existing commercial or industrial building provided that the new building is no greater in gross floor area or volume than 50% of the original building and provided that the land use does not change;

- d) an enlargement to an existing dwelling unit; or the creation of one or two additional dwelling units in an existing single detached dwelling; or the creation of one additional dwelling unit in any other existing residential building;

Notwithstanding the above, parkland dedication will be required if the total gross floor area of the additional one or two units exceeds the gross floor area of the existing dwelling unit;

- e) any land for which there is an agreement in place that provides for the conveyance of land for park or other public recreational purposes or cash in lieu thereof, unless:
 - i) there is a change in the proposed residential development which would increase the density of the development; or
 - ii) land originally proposed for development for an exempted use or commercial or industrial purposes is now proposed for development for other purposes; or
 - iii) land which was considered undevelopable under the agreement becomes developable;
- f) any property to be developed by or on behalf of the Town, the Regional Municipality of Halton, Milton Hydro, a Board of Education, local board, a public hospital receiving aid under the *Public Hospitals Act*;
- g) any land, buildings or structures used or to be used for the purposes of a place of worship or for the purposes of a cemetery or burial ground exempt from taxation under the *Assessment Act*;
- h) uses permitted pursuant to section 39 of the Planning Act;
- i) development creating or adding an accessory use;
- j) any land on which non-residential, agriculture or farm buildings used or to be used for an active bona fide agriculture or farm purpose.

3.0 PARKLAND DEDICATION

3.1 Prior to the issuance of a building permit, permitting the development of any land within the corporate limits of the Town, the Owner shall convey land to the Town, free of any encumbrances, for park or other public recreational purposes as follows:

- a) in the case of development for commercial or industrial purposes, 2% of the land proposed for development; and
- b) in the case of development for any other type of land use, 5% of the land proposed for development;
- c) Notwithstanding section 3.1b) above, any residential development that has a net residential density of greater than 15 dwelling units per hectare, shall provide a land dedication at the rate of one (1) hectare for each 300 dwelling units proposed.

3.2. The location and the configuration of land required to be conveyed pursuant to this By-law, shall be at the discretion of the Town and all conveyances shall be free of all encumbrance.

3.3 All survey, environmental audit or testing, and legal costs associated with the conveyance of lands pursuant to this By-law, and all costs of developing the lands to be conveyed to a base standard as required in the Town's Engineering and Parks Development Standards Manual, shall be at the expense of the landowner.

4.0 MONEY IN LIEU OF PARKLAND

- 4.1. Where the Town requires the conveyance of land in accordance with the provisions of this By-law, the Town may, in lieu of accepting such conveyance, require the payment of money by the owner of the land to the value of the lands otherwise required to be conveyed under this By-law.
- 4.2. Any payment of money required to be made to the Town under this By-law, shall be made prior to the issuance of the first building permit in respect of the land proposed to be developed.
- 4.3. For the purpose of determining the amount of any payment required under section 4.0 of this By-law, the value of the land shall be determined, as of the day before the day the building permit is issued in respect of the development. Where more than one building permit is required for the development, the value of the land shall be determined as of the day before the day the first building permit is issued.
- 4.4. Funds received by the Town under this By-law may be used by the Town for the acquisition of parkland or for any other public recreational purpose in any location within the Town, in accordance with the requirements of the *Planning Act*.

5.0 ADDITIONAL DEDICATION AND CASH IN LIEU PROVISIONS

- 5.1 In lieu of requiring the conveyance of land or payment in lieu thereof, as provided for in this By-law, the Town may require, by resolution of Council, the conveyance of land or payment in lieu thereof, at the rates or in amounts determined by Council, or such combination of land and cash as Council may, by resolution, direct, subject only to the limits imposed by the *Planning Act*.
- 5.2 Where an owner of land proposes that land be developed for any combination of commercial, industrial, residential, or other purposes, the respective rate for determining the amount of land to be conveyed or the amount of money to be paid in lieu of such conveyance, shall be determined based on the proportion of the development to be used for commercial, industrial, residential and/or other purposes.

6.0 PRIOR CONVEYANCE PAYMENTS

- 6.1 Where land has been previously conveyed or payment made to the Town in accordance with the provisions of sections 42, 51.1 or 53 of the *Planning Act*, no further payment shall be required, unless:
 - a) there is a change in the proposed development which would increase the density of the development; or
 - b) land originally proposed for development for commercial or industrial purposes is now proposed for development for other purposes.

7.0 SEVERABILITY

- 7.1 If, for any reason, any provision, section, subsection or paragraph of this By-law is held to be invalid, it is hereby declared to be the intention of Council that all of the remainder of this By-law shall continue in full force and effect until repealed, re-enacted or amended, in whole or in part or dealt with in any other way.

8.0 HEADINGS FOR REFERENCE ONLY

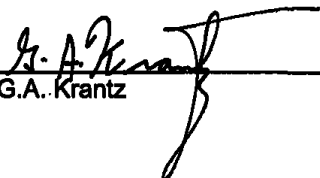
- 8.1 The headings inserted in this By-law are for convenience of reference only and shall not affect the construction or interpretation of this By-law.


9.0 EFFECTIVE DATE

9.1 This By-law shall come into force and effect on January 1, 2002.

READ A FIRST, SECOND and THIRD TIME and FINALLY PASSED this 10th day of December, 2001.




G.A. Krantz Mayor


H. Lisi Clerk

APPENDIX C

8. Review Standard - Rules

8 REVIEW STANDARD - RULES [see 2.56]

8.1 Preamble

- 8.1.1 In performing a review assignment, a Member must develop and report a credible opinion as to the quality of the work of another Member and must clearly disclose the scope of work performed in the review assignment.
- 8.1.2 This Standard deals with the methodology for developing and communicating a review of a report done by a third party, who may or may not be an AIC Member. This Standard outlines the minimum content necessary to produce a credible review report that is not misleading. The Review must be done to determine compliance with the CUSPAP Standard to which the Member of the reviewed report was required to comply. The Review may also be done to determine compliance with another recognized Standard (USPAP, Red Book, EVS/Blue Book, les Normes, IVS, etc.).
- 8.1.3 This Standard is applicable to reviews also known as “technical reviews” and “compliance reviews”.
- 8.1.4 This Standard is not applicable to:
 - 8.1.4.i. Administrative Reviews - work performed by clients and users of professional services as a due diligence function in the context of making a business decision. An administrative review is generally completed for internal purposes, although an external reviewer might undertake it. Administrative reviews are generally undertaken to ensure reports comply with client or intended user requirements. The scope is typically less than a review and may entail requirements that are not standards-related, such as the age of comparable properties, the length of time between the comparable sale date, and/or the effective date. An administrative review might be of a clerical nature and not require appraisal training.
 - 8.1.4.ii. Supervisory co-signing; and
 - 8.1.4.iii. AIC Peer Review.

8.2 Rules

In the report [see 7.1] the reviewer must:

- 8.2.1 identify the client and other intended user, by name; [see 7.2, 18.6]
- 8.2.2 identify the intended use of the reviewer’s opinions and conclusions; [see 7.3]
- 8.2.3 identify the purpose of the review assignment; [see 9.2]

8. Review Standard - Rules

- 8.2.4 identify the report under review, the author(s) of the report under review, the real estate and real property interest involved, and the effective date of the opinion in the report under review; [see 2.16, 7.7]
- 8.2.5 identify the date of the review; [see 7.8]
- 8.2.6 identify the scope of work that was undertaken to complete the review; [see 9.3]
- 8.2.7 identify all assumptions and limiting conditions for the review that was undertaken; [see 2.6, 2.37, 7.10, 9.4 18.24, 18.25, 18.26]
- 8.2.8 provide an opinion as to whether the scope of work employed in the report under review is appropriate and reasonable and whether the scope of work employed has been met; [see 9.1.3, 9.1.5, 9.3, 9.7]
- 8.2.9 provide an opinion as to the adequacy and relevance of the data and the propriety of any adjustments to the data; [see 8.2.8, 9.8]
- 8.2.10 provide an opinion as to the appropriateness and proper application of the methodologies (valuation or other) and techniques used; [see 9.3]
- 8.2.11 provide an opinion as to whether the analyses, opinions and conclusions in the report under review are appropriate and reasonable; [see 9.1.3]
- 8.2.12 provide reasons for any disagreement or agreement with the report being reviewed; [see 9.7, 9.8, 18.37]
- 8.2.13 include a signed certification; [see 7.25]

Note: A reviewer who signs or co-signs a certification accepts responsibility for the review and the contents of the review report. [see 7.26]

9. Review Standard - Comments

9 REVIEW STANDARD – COMMENTS

9.1 Review [see 8.2, 18.5]

- 9.1.1 The following Real Property Appraisal Standard Comments apply to the Review Standard 7.1 (Report), 7.2 (Client/Intended User), 7.3 (Intended Use), 7.7 (Effective Date), 7.8 (Date of Report), 7.10 (Assumptions and Limiting Conditions), 7.25 (Certification), 7.26 (Responsibility)
- 9.1.2 The review report is a critique intended for use in conjunction with the report under review. The reviewer must develop a review using a professional tone and professional language.
- 9.1.3 A review of a report is performed by an independent and competent Member for the purpose of forming an opinion as to whether the analysis, opinions and conclusion in the report under review are appropriate and reasonable.
- 9.1.4 The reviewer does not sign/co-sign the appraisal report that is under review.
- 9.1.5 The reviewer goes beyond checking for a level of completeness and consistency in the report under review by providing comment on the content and conclusions of the report.

9.2 Purpose [see 8.2.3]

- 9.2.1 A reviewer must ascertain whether the purpose of the assignment includes:
 - 9.2.1.i a review without an opinion of value of the subject property of the report under review; or
 - 9.2.1.ii a review with an opinion of value of the subject property of the report under review. [see 9.2.2]
- 9.2.2 If the client's objective in the assignment includes the development of an opinion of value, that opinion is an appraisal assignment that must comply with the Real Property Appraisal Standard. The reviewer is required to complete the review in accordance with this Review Standards and to develop their opinion of value in accordance with the Real Property Appraisal Standard; in this instance, two Standards apply for the same assignment. [see 18.37]
- 9.2.3 If including an opinion of value, the reviewer must identify and state any new information relied upon, the reasoning and basis for the opinion of value and all assumptions and limiting conditions (if different from or in addition to those in the report under review).
- 9.2.4 Those items in the report under review that the reviewer concludes are in compliance with CUSPAP can be used in the reviewer's development process. Those items deemed not to be in compliance must be replaced with

9. Review Standard - Comments

information or analysis developed in accordance with the Real Property Appraisal Standard in order to produce a credible value opinion.

- 9.2.5 If the review is to determine compliance with the standards in effect as of the date of the report under review., the reviewer may be required to reference two different versions of the Standards those being: the version applicable as at the date of the report under review and the version to be complied with, by the reviewer, for the writing of the review, that being the version of the day (i.e., CUSPAP 2018).

9.3 **Scope of Work [see 8.2.6]**

- 9.3.1 A reviewer must define the scope of the work and indicate the extent of the review process.
- 9.3.2 Scope of work refers to the amount and type of information reviewed and researched, and the analysis applied. The scope of work applied must be sufficient to result in opinions and/or conclusions that are credible in the context of the intended use of the review. Scope of work in a review assignment may include one or more of the following
- 9.3.2.i. inspection - in a review assignment, an inspection of the property under review is not mandatory; it is subject to the terms and intended use of the assignment as well as reliance on third party information, and any Hypothetical Conditions, Extraordinary Assumptions and/or Extraordinary Limiting Condition; [see 18.23, 18.25, 18.26]
 - 9.3.2.ii. the research into physical, legal, social, political, economic or other factors that could affect the property;
 - 9.3.2.iii. data research and verification, inspection of comparable data;
 - 9.3.2.iv. analysis applied (e.g. application of the valuation methodologies;
 - 9.3.2.v. validation of the arithmetic;
 - 9.3.2.vi. any limitations to the assignment arising from the terms of the assignment, per the client’s instructions or other;
 - 9.3.2.vii. completing a review without an opinion of value; and/or
 - 9.3.2.viii. completing a review with an opinion of value.
- 9.3.3 The scope of work applied must be sufficient to result in analyses, opinions and conclusions that are credible in the context of the intended use of the report. The reviewer has the burden of proof to support the scope of work decision and the level of information included in a report.

9. Review Standard - Comments

9.4 **Hypothetical Conditions, Extraordinary Assumptions and Extraordinary Limiting Conditions [see 2.6, 2.37, 7.10, 8.2.7,9.4 18.24, 18.25, 18.26]**

9.4.1 A reviewer must identify any Hypothetical Conditions, Extraordinary Assumptions and/or Extraordinary Limiting Conditions necessary in the review assignment.

9.4.1.i. An Extraordinary Assumption may be used in a review assignment only if it is required to properly develop credible opinions and conclusions; the reviewer has a reasonable basis for the Extraordinary Assumption; and/or, use of the Extraordinary Assumption results in a credible analysis. [see 18.25]

9.4.1.ii. The reviewer is not required to replicate the steps completed by the original author. Those items in the report under review that the reviewer concludes are credible (i.e., those the reviewer is in agreement with) and in compliance with CUSPAP can be extended to the reviewer's value opinion development process on the basis of an extraordinary assumption by the reviewer, without being replicated in the review report.

9.5 **Review with an Opinion of Value [see 6, 7, 18.38]**

9.5.1 When the purpose of a review includes the Member developing an opinion of value, the Member may use additional information, either locally, regionally or nationally, that was not available in the development of the value opinion in the report under review. The Member may conclude that their opinion:

9.5.1.i. concurs with the opinion of value in the report under review;

9.5.1.ii. differs from the opinion of value in the report under review; or

9.5.1.iii. does not need to be set forth in a separate report; however, that it must be prepared and reported in accordance with CUSPAP.

9.6 **External/Internal Review [see 2.18, 7.27.2, 8.1.4.i, 18.33]**

9.6.1 For the purposes of financial reporting, an "internal" report may be supported by an "external review" under the Review. The function of an "external review" is not to appraise the subject property but to examine the contents of the Management (internal) valuation and form opinions as to its adequacy and appropriateness, and its suitability its intended use and user. An "external review" judges the reasoning and logic of the original report but the reviewer does not substitute his or her own judgment. An "external review" does not lead to an alternate value conclusion. Given the function of an "external review" an "internal" valuation supported by an "external review" must still be

9. Review Standard - Comments

considered an internal report.

9.7 Completeness of the Report under Review [see 8.2.3, 8.2.8]

9.7.1 The reviewer must form an opinion as to the completeness of the report under review. This requires the reviewer to determine whether or not the report under review met the requirements set by its stated purpose and scope of work. (e.g.: the “Reasonable Appraiser” test, the relevant Standard, Rules and Comments)

9.8 Adequacy and Relevancy of the Data [see 6.2.3, 8.2.9]

9.8.1 The review must be conducted in the context of market conditions as of the effective date of the opinion in the report being reviewed.

9.8.2 Data that could not have been available for the report under review on the date of that report must not be used by a reviewer in the development of a review, but may be used when the purpose of the review includes the requirement to develop an opinion of value [see 9.5].

Policy No. 048: DEVELOPMENT – Parkland Dedication

Reference: Staff Report PD-97-01; Nov. 12, 2001 APSCC
Staff Report COMS-023-14; July 21, 2014 CL
Staff Report COMS-006-19; May 6, 2019

GOALS:

- A. To acquire sufficient funds of land to ensure adequate public recreational uses to serve existing and future populations.
- B. To develop an equitable approach to establishing cash-in-lieu of parkland calculations.

1.0 GENERAL

1.1 This policy is in accordance with the provisions of By-law 128-2001, which came into force and effect on January 1, 2002. Policy 05-02, passed by Council on 88/04/05, and the December 1, 2006 update to this policy, are hereby repealed.

2.0 PARKLAND DEDICATION

2.1 Parkland dedication shall be applicable for all development or redevelopment within the Town of Milton, as follows:

- 2.1.1 Commercial or Industrial uses.....2%
- 2.1.2 Uses other than Commercial or Industrial.....5%
- 2.1.3 Residential development proposed at a density of 15 units per hectare or more, the rate of one hectare per 300 dwelling units shall apply.
- 2.1.4 Where mixed use development is proposed, the amount of parkland dedication shall be determined by applying the above rates on a proportionate basis.

3.0 CASH-IN-LIEU OF PARKLAND PAYMENT

- 3.1 Parkland dedication shall be paid prior to the issuance of a building permit in all cases.
- 3.2 A cash-in-lieu of parkland payment shall be valued as of the day prior to the building permit being issued. Where more than one building permit is required, it shall be valued on the day prior to the first permit being issued.
- 3.3 Land values, for use in cash-in-lieu of parkland calculations, shall be determined by a qualified appraiser retained by the owner, at their expense. Appraisal submissions will be subject to review by the Community Services Department. Any necessary revisions required by staff to accept the valuation will also be at the owner’s expense. The actual purchase price may be used for simple applications, where appropriate, provided written evidence is submitted and it is established no earlier than 6 months prior to the date of when payment is due.

- 3.4 If the Community Services Department disputes the land value established by the appraiser retained by the owner, staff may secure a review of the appraisal at the Town's expense. If the Commissioner of Community Services and the owner cannot agree on the value of the land to be conveyed, the owner may appeal the matter to Council and ultimately, to the Local Planning Appeal Tribunal.
- 3.5 Council by resolution may require any combination of land and money or some other requirement in accordance with the Planning Act.

4.0 EXEMPTIONS

- 4.1 Parkland Dedication is not required where development is for the following purposes:
 - 4.1.1 Garden Suites;
 - 4.1.2 Additions to commercial or industrial buildings less than 50% of the gross floor area. If the addition is 50% or more, then the parkland dedication amount shall be applied to the area exceeding 50%;
 - 4.1.3 Replacement of an existing commercial or industrial building provided the area is not more than 50% greater than the original building;
 - 4.1.4 Enlargement of existing dwellings or the creation of one or two additional dwelling units in existing detached dwellings provided the gross floor area of the existing building is not increased;
 - 4.1.5 Development for which there is a parkland dedication agreement (i.e. Bristol Survey District) provided that there is no change in commercial/industrial use to another use or an increase in density, or land previously deemed non developable becomes developable.
 - 4.1.6 Lands of the Town, Region, Province, Federal Government, Milton Hydro, Board of Education, Public Hospitals;
 - 4.1.7 Places of worship and cemeteries;
 - 4.1.8 Temporary uses under section 39 of the Planning Act;
 - 4.1.9 Accessory uses;
 - 4.1.10 Non-residential agricultural buildings on a bona fide farm.

5.0 CONVEYANCES OF LAND

- 5.1 The location and shape of the land to be conveyed shall be to the satisfaction of the Commissioner of Community Services.
- 5.2 The following lands shall not be accepted as parkland:
 - 5.2.1 Land subject to flooding;
 - 5.2.2 Land used for stormwater management functions;
 - 5.2.3 Steep valley slopes;

- 5.2.4 Land within the setback from the top of bank as required by the Town or Conservation Authority for buffer purposes;
- 5.2.5 Walkways and bikeways;
- 5.2.6 Environmentally sensitive areas or other areas required to remain natural.

- 5.3 The Town, at its discretion, may accept land described in Section 5.2 in addition to any required parkland dedication.

- 5.4 Prior to acceptance of any land for park purposes, the owner shall provide an environmental audit to the Town.

- 5.5 All surveying, legal, environmental audit, or testing works required to be done shall be at the expense of the landowner.

- 5.6 All parkland is to be conveyed to the Town to a base condition as specified in the Town's Engineering and Parks Standards Manual.

6.0 CONVEYANCES

- 6.1 Where a previous payment has been made of cash-in-lieu of parkland dedication no further payment is required unless:
 - 6.1.1 There is an increase in density;
 - 6.1.2 The land changes in use from commercial/industrial to another land use.

COMS-006-19 Schedule C – Summary of Changes to Policy No. 48

Recommended Change	Current Policy	Change Rationale	Impact
1. Repeal last update to the policy (December 1, 2006)	Last policy repealed: 05-02	To allow for the revisions proposed in this schedule to be in effect.	Revised policy
2. Wording: “units per hectare”, “hectare per”	“u/ha.”, “ha./”	Adjust abbreviations to full form for clarity.	Technical edit
3. In all instances, land values for use in cash-in-lieu of parkland calculations shall be determined by a qualified appraiser retained by the owner, at their expense.	The existing model established benchmark land values at the Town’s expense for basic applications. Land values for more significant applications, such as subdivisions and mixed-use development, are to be determined by way of an appraisal at the applicant’s expense.	The lack of consideration for value influencing factors and the reliability of a model based on few sales, among other issues highlighted in Schedule A. More accurate, relevant valuations will result from the proposed site-specific appraisals approach.	More accurate, equitable approach. Appraisal preparation fees for applications historically subject to the benchmarks (thus, the transition period proposed in COMS-006-19).
4. Appraisal submissions will be subject to review by the Community Services Department. Any necessary revisions required by staff to accept the valuation will be at the owner’s expense.	Not included in current policy.	Amendments to appraisal submissions are necessary from time-to-time to align with associated (Town-approved) drawings and to adhere to the Terms of Reference included in Schedule A.	This change will update the policy to match current practice of ensuring accuracy in reports supporting a development application.
5. The purchase price may be used in the determination of the cash-in-lieu of parkland payment for simple applications only, where appropriate.	The current policy is similar, but does not specify that the purchase price can only be used for simple applications.	Amendments proposed for clarity only. Use of the purchase price will remain appropriate for basic, straight-forward applications where a recent, arm’s length property transaction has occurred.	Owners will continue to have the opportunity to use the purchase price in lieu of an appraisal, where appropriate, provided written evidence is submitted.

COMS-006-19 Schedule C – Summary of Changes to Policy No. 48

Recommended Change	Current Policy	Change Rationale	Impact
6. If a dispute arises regarding the land value established by the appraiser retained by the owner, staff may secure a review of the appraisal at the Town’s expense.	If the owner is not satisfied with the land value established by the Community Services Department, they may secure an appraisal from a qualified appraiser for Community Services consideration.	The current policy is no longer relevant to land values established by the Town as the benchmark model is to be discontinued. There may be instances where the Town may want to secure its own appraisal.	Funds to engage a third-party review of an owner’s appraisal submission will be managed through the annual operating budget.
7. Wording: “Commissioner” of Community Services	“Director” of Community Services	Updated to reflect change in Town’s organizational structure.	Technical edit
8. “Local Planning Appeal Tribunal”	“Ontario Municipal Board”	Updated to reflect new provincial planning legislation.	Technical edit
9. “Engineering and Parks Standards Manual”	“Engineering and Parks Development Manual”	Adjusted to reflect correct title of Town document.	Technical edit