



August 1<sup>st</sup>, 2014

His Worship Mayor Bratina and Members of City Council  
71 Main Street West, 2<sup>nd</sup> Floor  
Hamilton, ON  
L8P 4Y5

Dear Sir:

**Re: 81 Robinson Street - City Square Phase 3  
New Horizon Development (City Square) Corporation  
Parkland Dedication Fee and Development Charges**

PLANNERS  
URBAN DESIGNERS  
LANDSCAPE ARCHITECTS

As the planning consultant for New Horizon Development (City Square) Corporation, we are respectfully requesting an opportunity to be a delegate before Planning Committee to discuss the required Parkland Dedication Fees and Development Charges for the City Square 3 development.

City Council approved a rezoning application on May 14, 2013 to permit the development of an 11-storey multi-unit residential building with 105 units. Similar to the Phase 1 and 2 buildings at City Square, units will start at approximately \$200,000, providing a range of new housing options for residents. The City Square development provides for carefree contemporary living and appeals to first-time homebuyers, retirees and professional working in the city centre.

Subsequent to Council's approval, New Horizon applied for Site Plan Approval and has received Conditional Site Plan Approval for the development of the third phase. At this time; however, New Horizon will not be proceeding to construction as they are unable to secure financing. Within the current economic climate and including the Parkland Dedication and Development Charges, the project proforma illustrates that New Horizon will in fact lose money on the project.

The concern of New Horizon is that the Hamilton condominium market, particularly in the downtown area is very price sensitive. With the Development Charge relief provided to residential developments with the Downtown Hamilton Community Improvement Project Area (CIPA), the City Square project cannot complete for sales. City Square is two blocks south of the CIPA boundary.

**KITCHENER OFFICE**

GSP Group Inc.  
72 Victoria Street S., Suite 201  
Kitchener, ON N2G 4Y9

P 519.569.8883  
F 519.569.8643

**HAMILTON OFFICE**

GSP Group Inc.  
29 Rebecca Street, Suite 200  
Hamilton, ON L8R 1B3

P 905.572.7477

The savings per unit for development with the CIPA is approximately \$11,400 to \$17,300. To ensure sales prices are in keeping with other developments in close proximity, New Horizon is absorbing the DC charges.

Mr. Jeff Paikin, President of New Horizon, made a presentation to Planning Committee on August 13, 2012 requesting relief from the Development Charges for Phase 2 of the project. Concern was expressed regarding the boundaries of the Downtown Hamilton Community Improvement Project Area (CIPA) and the associated relief in Development Charges by up to 90% for those developments with the CIPA. The City Square development is only two blocks south of the CIPA and as such is not eligible for the DC reduction. However, City Square is contributing to the reurbanization of downtown Hamilton, promoting high quality home ownership opportunities in close proximity to transit, shopping, work and entertainment.

At the Planning Committee Meeting in 2012, Committee referred the issue to staff for assessment. Mr. Paikin attended a meeting with City staff, including senior economic development staff to discuss the status of the Development Charges matter on June 25<sup>th</sup>, 2014 and was advised that a timeframe to undertake the study had not been determined.

With respect to Parkland Dedication Fees, Council granted Temporary Economic Stimulus, reducing the required Parkland Cash-in-lieu from \$5,000/unit to \$900/unit in 2009 for both Phase 1 and 2. A similar reduction is currently not available for Phase 3. This project is subject to a fee of \$8,630.00 per dwelling unit, based on an equivalent rate of 1 hectare of land for every 300 dwelling units.

The application of this rate has a significant negative impact on urban redevelopment projects. For City Square, the rate of 1 hectare of land per 300 dwelling units results in the cash equivalent of 0.35 hectares of land being required and the development site is only 0.22 hectares. This is notable, as the City Square 3 development will be required to "dedicate" significantly more land (or cash-in-lieu) than the site area. Further, the building includes gym facilities and the site is immediately adjacent to the Durand Park and in walking distance to many recreation opportunities downtown.

A number of municipalities in Ontario, including Markham, Oshawa, Waterloo and Kitchener are reviewing parkland dedication standards in the context of higher density development. The Town of Markham completed a review of the Parkland Dedication By-law in 2013, and concluded that:

*The legislative tools, and specifically in the Planning Act, the alternative maximum standard of 1 hectare for 300 dwelling units, is considered to be fundamentally flawed if applied to the maximum permitted as it applies to the highest density forms of residential development. The fiscal impact of this land taking – or cash-in-lieu of land – has a significant detrimental impact on the financial viability of any given higher density residential development, in Markham and elsewhere. The negative financial impact is exacerbated as density is increased.*

The Markham Report recommended that where the residential development is comprised of apartment dwelling units, parkland conveyance should be based on 1.2 hectares/1,000 residents, and in no

case less than 5% of the gross land area. For City Square 3, this would equate to 0.20 hectares in parkland dedication.

The City of Waterloo has also addressed this matter and now applies a parkland dedication rate of 0.30 hectares per 300 units for any residential project that is greater than 50 units per hectare. For City Square 3, this would equate to a parkland dedication of 0.105 hectares, which is 70% lower than the requirement in the City of Hamilton.

As a delegate, Mr. Jeff Paikin would be requesting that:

1. City conclude the review the CIPA boundaries and report in the near future;
2. Review alternative parkland dedication standards to facilitate intensification and reurbanization in Hamilton; and,
3. Council consider an alternative parkland dedication standard for the City Square 3 development of 0.3 hectares of parkland per 300 units as an interim standard until Item #2 is addressed.

If you have any questions or require further information, please do not hesitate to contact me at your convenience.

Yours truly,  
**GSP Group Inc.**



Caroline Baker, MCIP, RPP  
Senior Planner

c.c: Mr. Jeff Paikin, New Horizon Development (City Square) Corporation  
Ms. Rose Caterini, City Clerk ✓  
Mr. Neil Everson, Director Economic Development & Real Estate, City of Hamilton  
Mr. Steve Robichaud, Director of Planning, City of Hamilton