

**Report to
Rapport au:**

**Planning Committee
Comité de l'urbanisme
7 July 2015 / 7 juillet 2015**

**and Council
et au Conseil
25 August 2015 / 25 août 2015**

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**Submitted by
Soumis par:**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2015-PAI-DCM-0001

SUBJECT: CASH-IN-LIEU OF PARKLAND FUNDS POLICY AMENDMENTS

**OBJET: MODIFICATIONS À LA POLITIQUE SUR LE FONDS DU RÈGLEMENT
FINANCIER DES FRAIS RELATIFS AUX TERRAINS À VOCATION DE
PARC**

REPORT RECOMMENDATIONS

That Planning Committee recommend Council:

- 1. Approve the amendments to the Cash-in lieu of Parkland Funds Policy outlined in this report and shown in Document 1; and**

2. **Receive the 2011 to 2014 Cash-in-lieu of Parkland Ward and City-wide receipt, accounting and spending summaries contained in Documents 2, 3 and 4.**

RECOMMANDATIONS DU RAPPORT

Que le Comité de l'urbanisme recommande au Conseil :

1. **d'approuver les modifications à la Politique sur le fonds du règlement financier des frais relatifs aux terrains à vocation de parc, telles que décrites dans le présent rapport et détaillées dans le document 1;**
2. **de prendre connaissance des sommaires des dépenses liées aux fonds du règlement financier des frais relatifs aux terrains à vocation de parc par quartier et à l'échelle de la ville inclus dans les documents 2, 3, 4 et 5.**

EXECUTIVE SUMMARY

The Cash-in-lieu of Parkland (CILP) Funds Policy was approved by Council on February 9, 2011 ([link](#)). It is designed to ensure the consistent and wise use of funds collected for park and recreation purposes by defining the purposes for which these funds may be used, how the funds are allocated, and how the spending is accounted for both internally and publicly.

A review of the policy, its implementation and functioning has been conducted. The conclusions are that it is working largely as planned when first adopted, but that it could benefit from an examination of eight issues. This examination resulted in recommendations for seven amendments to meet the needs and expectations of residents, reflect the City's transparency and accountability goals, allow for an expanded range of projects, and ensure these funds are used in a fair and consistent manner that meets the policy's objectives.

The recommended amendments are to:

- Include parks and recreation lifecycle, repair and renewal projects as eligible for funding from CILP accounts;
- Allow CILP funds to advance renewal, repair and lifecycle projects planned for future years;
- Provide more information to Councillors on priority projects planned for future years for funding consideration;
- Publish CILP account balances as Information Previously Distributed items on Planning Committee agendas quarterly; and have a CILP spending summary information report to Planning Committee annually;

- Make permanent the 10 per cent surcharge on CILP projects of \$100,000 or more to pay for two parks planner positions; and convert three staff positions needed to deliver CILP projects from continuous contract positions to full-time staff positions to encourage staff retention;
- Direct that accounts be managed and projects chosen in a manner that avoids negative CILP account balances at any time; and
- Make any items that could be perceived as promotional, including plaques or engravings containing Council members' names, pictures or likenesses, ineligible for CILP funding.

RÉSUMÉ

La Politique sur les frais relatifs aux terrains à vocation de parc, approuvée par le Conseil le 9 février 2011 ([lien](#)), vise à assurer une utilisation cohérente et judicieuse des fonds perçus pour les parcs et les loisirs en établissant les fins auxquelles ils peuvent être utilisés, la façon dont ils sont alloués et la façon dont les dépenses sont justifiées à l'interne et auprès de la population.

Les conclusions d'une étude sur la politique, sa mise en œuvre et son fonctionnement indiquent qu'elle produit en grande partie les effets escomptés, mais qu'il serait profitable de mener un examen sur huit différents aspects. De cet examen découlent sept recommandations de modification qui répondraient aux besoins et aux attentes des résidents, serviraient les objectifs de la Ville en matière de transparence et de reddition de compte, allongeraient la liste des projets admissibles et feraient en sorte que les fonds soient utilisés de façon juste et cohérente, conformément aux objectifs de la politique.

Les recommandations sont les suivantes :

- Rendre admissible au financement prévu par la Politique les projets liés au cycle de vie, à la réparation et au renouvellement des parcs et des installations de loisirs.
- Autoriser l'utilisation des fonds perçus conformément à la Politique pour financer les projets d'immobilisations et de croissance futurs.
- Transmettre plus d'information aux conseillers sur les projets prioritaires futurs et leur financement.
- Incrire tous les trimestres le solde des comptes réservés aux frais relatifs aux terrains à vocation de parc dans la section « Information distribuée auparavant » de l'ordre du jour du Comité de l'urbanisme et présenter à ce même comité un

rapport d'information annuel résumant les dépenses effectuées en vertu de la Politique.

- Rendre permanents les frais supplémentaires de 10 % pour les projets de 100 000 \$ ou plus bénéficiant de la Politique pour financer deux postes de planificateurs de parcs et pour convertir trois postes exclusivement contractuels nécessaires à la réalisation des projets en postes permanents à temps plein, ce qui favorisera la conservation du personnel.
- Exiger que les comptes soient gérés et que les projets soient choisis de façon à éviter tout solde négatif.
- Rendre tout élément pouvant être perçu comme promotionnel non admissible au financement par les frais relatifs aux terrains à vocation de parc.

BACKGROUND

In accordance with Planning Act, Sections 42 and 51.1, the City requires the conveyance of land for parks and recreation purposes or cash payments in lieu of land from development application proponents.

The CILP Funds Policy was approved four-and-a-half years ago to provide rules on the use of funds collected from development proponents when the taking of land is not practical or desirable. The policy is designed to ensure the consistent and effective use of all funds collected for park and recreation purposes by defining the purposes and projects for which these funds may be used, how the funds are allocated, and how the spending is accounted for both internally and publicly.

From 2011 to the end of 2014, approximately \$28.9 million or \$7.2 million per year has been collected under the program. In accordance with the policy, 60 per cent of these funds (approximately \$18 million or \$4.5 million per year) were directed towards accounts specific to the wards in which the developments were located. The remaining 40 per cent (\$10.9 million or \$2.7 million per year) was directed towards the city-wide account.

All wards received funds but, by design, account balances were not equal. Generally, wards with the most development and the least opportunity for development proponents to dedicate usable parkland received more CILP funds than others. These wards tended to be in the urban core area with Kitchissippi and Somerset receiving the highest contributions at approximately \$3.1 million and \$2.9 million, respectively, as they are largely built out and opportunities for new parks are minimal.

Rural wards and suburban wards with mainly greenfield development received the least contributions because the volume of development in rural areas is lower than in urban

areas and greenfield developments tend to contribute land for parks instead of cash in lieu of land. For example, Osgoode received \$143,000 in payments under the policy and Kanata North received \$188,000 from 2011 to 2014 (see Document 2 for more information on CILP funds received).

As part of the 2015 Planning and Growth Management Department (PGM) Work Plan, a review of the CILP was scheduled. This is in keeping with the best practice of reviewing policies four to five years following their creation.

On March 11, 2015, Council added to this review by unanimously approving the following motion (Motion 7/5):

WHEREAS the Planning Act, section 42 permits the utilization of cash-in-lieu of parkland funds for the acquisition of land to be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes; and

WHEREAS current Council policy does not permit the utilization of cash-in-lieu of parkland funds for any costs associated with lifecycle replacement that is not designed to increase the capacity or usability of existing infrastructure but such expenditures are eligible for such funding under the Planning Act section 42; and

WHEREAS staff has indicated that they will be bringing forward a report in the spring that will provide an analysis of the current cash-in-lieu of parkland funds, as well as recommendations with respect to permitting the utilization of these funds for lifecycle replacement costs; and

WHEREAS it is also deemed desirable to permit that cash-in-lieu of parkland funding be able to be used on a bridge financing basis to allow the advancement of otherwise eligible projects from the year in which they are contained in the capital forecast, at least for this term of Council; and

WHEREAS Members of Council may have other ideas for changes that they believe are needed to the current cash-in-lieu of parkland policy and it is anticipated that discussions with respect to these ideas will be taking place as part of the preparation of the staff report;

THEREFORE BE IT RESOLVED that staff be directed to include in the upcoming cash-in-lieu parkland report the option for the use of cash-in-lieu of parkland funds for bridge financing to advance otherwise eligible projects that appear in later years in the capital forecast, at least for this term of Council, and that staff also take into account any other ideas for amendments to this policy from Members of Council raised as part of their due diligence in preparation for this report.

For the review of the CILP and application, a working group of staff from Planning and Growth Management (PGM), Parks Recreational and Cultural Services (PRCS), Construction and Design and Asset Management of Infrastructure Services (ISD), Legal, and Finance was formed with appropriate senior management oversight.

This group developed a list of policy areas to be addressed and draft positions. These were shared with Council and meetings with individual Councillors for clarification and input were held.

This process resulted in eight areas to be addressed and seven recommendations. The following section of this report provides details of these areas, an analysis of possible amendments to the policy, and recommendations for amendments to the policy when warranted.

DISCUSSION

Issue 1 – Lifecycle, Repair and Renewal Funding

Analysis

Section 42 of the Planning Act, which outlines the broad rules on how municipalities can manage cash in lieu of parkland payments and expenditures, allows wide latitude on what projects these funds can be used for. In essence, the Act allows this money to be spent on any project related to recreation or parks.

The City's CILP funds policy currently states that CILP funds can only be used for growth related items like buying land for new parks, related works associated with new parks, the creation of new facilities, or projects that expand the capacity of existing parks and recreation facilities. Under the policy, lifecycle, repair and renewal projects are specifically not eligible for CILP funding.

The rationale for this is that CILP payments come from new developments and it is a growth related levy, therefore the projects paid for by CILP should be linked to upgrading capacity by either buying land or expanding the services offered in existing infrastructure. In this manner, the funds are used for projects needed to fill the park and recreational demands associated with the increase in the number of users/residents generated by the new development.

The review showed that allowing these funds strictly to go to growth related projects can precluded worthwhile repair and renewal projects, including many that would also help respond to increased demand associated with development. These include repairs to restore full functionality of facilities and infrastructure and other projects that would improve services. In this respect, allowing the use of CILP for non-growth related

projects is a welcome opportunity to address funding and backlog challenges for prioritized works identified as part of renewal planning and programming undertaken in accordance with the City's Comprehensive Asset Management (CAM) Policy and programs, but unfunded in any given budget year. Allowing CILP funds to be used for these projects would provide better parks and recreation facilities for current residents and new residents associated with new development projects.

Recommendation

Amend CILP Funds Policy, subject to three conditions, to include repair, renewal and lifecycle replacement projects in relation to fixed recreation and park assets and the project costs (planning, design and implementation) associated with these works as eligible for CILP funding.

Condition 1: It is recognized that in some areas CILP contributions are directed to specific uses such as the acquisition of District Parks. As is outlined in Section 3 (b) of Document 1, these earmarked funds should not be diverted to any kind of other park or lifecycle use.

Condition 2: It is also recognized that CILP funds are designed to fund extra work to accommodate increased demand. Therefore, as is outlined in Section 5.1 of Document 1, CILP funds should not be used to offset, or as a substitute for, normal yearly budgets (these funds are to be viewed as supplemental to regular budgeting) for parks and recreation repair and renewal programs and their prioritized forecast of scheduled works.

Condition 3: Funds collected for development projects that are eventually abandoned by a proponent will be returned to the proponent unless the funds have been committed to a CILP funded project. If they are committed to a CILP funded project, the funds will be permanently credited to the development rights for that address.

Issue 2 – CILP Bridge Financing to Advance Projects

Analysis

The March 11, 2015 Council motion referenced above directs staff to put forward an option to use *“cash-in-lieu of parkland funds for bridge financing to advance otherwise eligible projects that appear in later years in the capital forecast, at least for this term of Council... .”*

The City's CAM Policy provides a framework for asset-related programming and decision making. A CAM approach allows, amongst many things, the City to define:

- Asset condition and expected remaining service life;

- What needs to be done to achieve approved levels of service;
- The works required on the assets;
- Time of works to ensure assets remain safe and usable; and
- A spending plan that brings maximum value for taxpayers' dollars.

To support these objectives, needs prioritization, renewal forecasts and project scheduling are determined using a risk, value and affordability based approach. With public safety as the number one priority, the CAM approach is a process that determines what works are needed and the best timing of these given finite budget envelopes. This is a continual process and forecasts are dynamic, as they are adjusted annually based on new condition information, emerging priorities such as legislation, code compliance, and assets competing for the same funding source. The result is adjusted lists of priorities from year to year based on evaluation of assets and available funding.

The review concluded that a parallel process by which projects targeted for schedule advancement determined outside of this CAM based approach, but still requiring renewal funds from future years to be earmarked for payback to CILP accounts would compromise the prioritized forecast of scheduled works established in accordance with the City's CAM Policy and programs.

In response to the motion, while projects could be funded using money loaned from CILP accounts and paid back to the account in future budget years within the Term of Council, there are several negative consequences that need to be considered. These are:

- Undermining the project priority scheduling;
- Causing queue jumping within and between wards as yearly budget funds normally directed to priority projects are diverted to CILP accounts;
- Underfunding for CAM-determined priority projects by directing funding to CILP projects thereby contributing to a general erosion of parks and recreation asset condition;
- Compromising and undermining project coordination opportunity principles of CAM policies and practices;
- High risk of projects exceeding budgets due to the need to rely on conceptual nature estimates for projects planned in future years;
- Risk of unachievable completion expectations and schedule issues for advanced works that have not had the benefit of full program definition, scope confirmation, design and consultation; and
- Increased workload in Finance, ISD and PRCS.

It should be noted that these concerns are largely associated with the need to repay CILP accounts from estimated planned spending in future budget years, and not associated with advancing priority projects using CILP funds.

Recommendation

Amend the policy to allow CILP funds to be allocated to projects within prioritized forecast of scheduled works identified as part of renewal planning and programming undertaken in accordance with the City's CAM Policy and programs, but require no pay-back from future budgets. The schedule escalation window should be limited to no more than four years ahead of the current year in order to respect the need for full scope and design requirements to be determined before setting specific implementation expectations.

Issue 3 – Project Selection

Analysis

Each year, as part of the annual capital budget process, the ISD and PRCS Departments advise Councillors of the projects in their wards that will be implemented within allocated budgets as prioritized in accordance with the CAM Policy and processes.

The CILP funds policy requires the General Managers of PGM and PRCS and the ward Councillor to sign off on park projects being funded from city-wide and ward CILP accounts, respectively. However, there is no formal process for selecting projects, no requirement that the projects align with strategic planning and asset management goals, and no proactive way of helping councillors select projects. This has led to an informal process whereby Councillors are largely responsible for selecting projects using various methods, including community consultation, and making choices in isolation of overall strategic planning and asset management goals. Assistance should be provided to support Councillors in selecting projects and making sure the investments are sound.

Recommendation

An amendment directing the ISD and PRCS departments to provide a post budget list of the remaining four year schedule escalation window of prioritized forecast works identified as part of renewal planning and programming undertaken in accordance with the City's CAM Policy and programs to Councillors' for consideration for funding using ward cash-in-lieu of parkland funds.

Issue 4 – City-wide/Ward Split

Analysis

Under the existing policy, 60 per cent of funds collected in a ward under the CILP are deposited in ward accounts for projects in those wards while the remainder goes into a City-wide account for larger projects that bring benefits to all wards. The split is appropriate as it provides a good balance and fulfills the principles of the Planning Act as they relate to the collection and expenditure of these funds. There have been no concerns expressed about the split.

Recommendation

No amendment with regards to this issue.

Issue 5 – Transparency

Analysis

The current practice of distributing a memorandum to Council quarterly reporting city-wide and ward account balances is sufficient to keep councillors updated on the amount of available funds. However, the City's proactive disclosure policies and current policy directions suggest a higher level of public disclosure and accounting for the use of these funds. Also, proposed changes to the *Planning Act* require more information on how cash-in-lieu of parkland funds are spent to be made public.

This level of detail for 2011 to present is contained in Documents 3 and 4.

Recommendation

Amendments requiring the quarterly CILP account balance memorandums to be issued by the Treasurer and made public by listing them as Information Previously Distributed on Planning Committee agendas after they have been sent to Councillors; and to Section 9 of the current policy to comply with the proposed Planning Act amendments requiring the Treasurer to produce an annual information report to Planning Committee late in Quarter 1 outlining all CILP spending activity, including individual project descriptions and costs.

Issue 6 – Administration Expenses and Staffing

Analysis

The CILP policy increased demand on staff time in order to deliver the projects and meeting this demand proved difficult. To remedy this, Council passed a motion directing that, on a temporary basis, two new park planner positions in the PRCS Department be created to address the demand and that these positions be funded from a 10 per cent surcharge on projects over \$100,000. The review determined that CILP has resulted in a consistent and on-going need for the two parks planners, and that the 10 per cent surcharge has proven to be a sufficient source of funds to cover the costs of

these positions. However, the staffing of these positions has been challenging due to the temporary nature of the contracts. Also, as a result of the increased number of projects being delivered by the two additional parks planners funded by the CILP policy, the ISD project management (implementation) group had to be expanded by one employee. This position is paid for by charges included in each project budget. The position has been filled by hiring people on contract also, but, again, due to the unstable nature of contract work, keeping the position filled has been a challenge.

Recommendation

Amend the policy to make permanent the park planner funding source (10 per cent project delivery charge on CILP projects over \$100,000) as the planner resources have effectively contributed to the timely delivery of ward CILP projects. Direct staff to change the two temporary planning positions and one project management position to permanent FTEs to allow for more stable staffing in order to keep up with demand for CILP project. These positions are funded, so there will be no base budget increase associated with this recommendation.

Issue 7 – Negative Balances

Analysis

From time to time since the policy was approved in 2011, a few accounts have been in negative positions for short periods of time (less than a quarter). Reasons for this include under estimation of project costs, spending in advance of receipt of cash-in-lieu payments, increased scope of projects once they were underway, and projects exceeding account balances being chosen with the assumption that more funds will be received to cover the balance.

Experience has shown that allowing negative balances has resulted in the advancement of some projects, and that the negative positions have been covered off by new CILP contributions in a relatively short period of time. However, this practice has risks that future payments will not make up shortfalls, which could result in the need for funds for projects determined to be priorities under the CAM policy being redirected to CILP projects, which is a form of queue jumping and is not in keeping with the asset management policy.

It also raises the possibility that a new Councillor may take office with a ward account in a deficit position that needs to be corrected with funds collected during their term in office.

Recommendation

Amend the cash-in-lieu of parkland policy to state that accounts cannot be used in a manner that could result in a negative balance at any time, and that projects selected to be paid from CILP accounts must not have the potential to exceed the funds available in the account at the time of selection.

Issue 8 – Promotional Spending

Analysis

During the review of the policy, concern was raised by a number of Councillors about the appropriateness of some of the items CILP funds had been spent on. Specifically, it was felt that the policy needed an amendment to state that funds cannot be spent on items that contained Councillors' names or any other item that could be considered promotional.

Recommendation

Amend the policy to state that all spending must be directly related to improving parks and recreation opportunities of residents, and that any items that could be perceived as promotional, including plaques or engravings containing Council members' names, pictures or likenesses, cannot be funded from CILP accounts.

RURAL IMPLICATIONS

The CILP Funds Policy, and the amendments proposed in this report, apply city-wide.

CONSULTATION

Staff members in several City departments also took part in the review.

COMMENTS BY THE WARD COUNCILLORS

All Councillors were given an opportunity to provide input and comment during the review of the CILP Policy. Many of the suggestions put forward have been incorporated into this report.

LEGAL IMPLICATIONS

There are no legal impediments to adopting the recommendations in the report.

RISK MANAGEMENT IMPLICATIONS

Risks associated with amendments to the CILP funds policy have been explained in this report.

ASSET MANAGEMENT IMPLICATIONS

CAM is an integrated business approach involving planning, finance, engineering, maintenance and operations geared towards effectively managing existing and new

infrastructure to maximize benefits, reduce risk and provide safe and reliable levels of service to community users. This is accomplished in a socially, culturally, environmentally and economically conscious manner.

The City's CAM Program ([City of Ottawa Comprehensive Asset Management Program](#)) results in timely decisions that minimize lifecycle costs and ensure the long-term affordability of assets. To fulfill its obligation to deliver quality services to the community, the City must ensure that assets supporting City services are managed in a way that balances service levels, risk and affordability.

The recommended amendments for the CILP Funds Policy contained in this report will ensure funds are used in a fair and consistent manner and supports the delivery of services with the outward focus on community benefit and an inward focus on efficiency and affordability. More specifically, it is important to align the CILP with the CAM policy and program in the following ways:

- Lifecycle, Repair and Renewal Funding – CILP Funds should not be used to offset, or as a substitute for, normal yearly budgets for parks and recreation repair and renewal programs and their prioritized forecast of scheduled works;
- Advance Projects – Allowing CILP funds to be allocated to projects within prioritized forecast of scheduled works identified as part of renewal planning and programming undertake; and
- Project Selection – Providing a post budget approval list of the remaining four year schedule window of prioritized forecast works identified as part of renewal planning and programming to Councillor's for consideration for using Ward cash-in-lieu of parkland funds.

FINANCIAL IMPLICATIONS

Parks and recreation lifecycle, repair and renewal projects will be eligible for funding from CILP accounts.

The three temporary positions for planning and delivering CILP projects will be converted to permanent positions. Parks, Recreation and Culture's FTE count will increase by two FTEs. Infrastructure Services' FTE count will increase by one FTE. These positions are funded and therefore there is no base budget increase.

ACCESSIBILITY IMPACTS

Works undertaken using CILP funds comply with all applicable accessibility legislation and can be earmarked for accessibility upgrades.

TERM OF COUNCIL PRIORITIES

The amendments to the CILP policy outlined in this report will contribute achievement of the following 2015-2018 Term of Council Priorities:

HC2 – Revitalize recreation services

GP2 – Advance management oversight through tools and processes that support accountability and transparency

FS2 – Align strategic priorities to Council’s financial targets

SUPPORTING DOCUMENTATION

Document 1 – Amended Cash-in-lieu of Parkland Funds Policy

Document 2 – 2011 to 2014 Cash-in-lieu of Parkland Receipt Summary

Document 3 – 2011 to present Cash-in-lieu of Parkland Accounts Summary

Document 4 – 2011 to present Cash-in-lieu of Parkland Spending Summary

DISPOSITION

Staff will amend the policy as outlined in this report and shown in Document 1.

Quarterly CILP account balances will be added to Planning Committee agendas beginning Q3 2015.

The first yearly CILP spending summary report for project funded in 2015 will be brought to Planning Committee in Q1 2016.

In the 2016 budget, staff will request three contract positions subject to the analysis above in Issue 6 be made permanent.

Document 1**Cash-in-lieu of Parkland Funds Policy****Policy Statement**

The Cash-in-lieu of Parkland Funds Policy ensures the consistent and wise use of all funds collected for the provision of park and recreational purposes, pursuant to Sections 42 and 51.1 of the Planning Act, by defining the purposes for which 'cash-in-lieu' may be used and by establishing the mechanisms by which the 'cash-in-lieu' funds are accessed and accounted for was approved by Council in February 9, 2011.

Purpose

The purpose of this policy is:

- To identify the purposes for which funds in the City's 'cash-in-lieu' of parkland accounts may be used.
- To ensure that funds in 'cash-in-lieu' accounts are only used for eligible projects.
- To ensure that funds accumulated in 'cash-in-lieu' accounts associated with an individual ward are used only for eligible projects in that ward unless two or more of the Ward councillors agree to contribute to a common project that benefits one or more of the Wards.
- To identify the circumstances under which Senior Staff and Ward Councillors have delegated authority from Council to access and use funds in 'cash-in-lieu' accounts.
- To ensure that users and stakeholders have a complete understanding of the responsibilities and full knowledge of the policy content.

Application

This policy applies to the Council of the City of Ottawa, Ward Councillors and City Staff.

Policy Requirements

1. Cash-in-lieu shall only be used for 'eligible projects' permitted by the Planning Act as further defined by this Policy.
2. Cash-in-lieu funds collected through the development review will be allocated as follows: sixty percent (60%) of the funds paid will be allocated to use in the Ward in which the development is located and forty percent (40%) of the funds paid will be allocated for citywide purposes.

3. Cash-in-lieu funds collected and allocated to both Ward and citywide use shall be free for use for any 'eligible project' defined by this policy except for the following:

a. Funds that are subject to an appeal. These funds shall not be committed to or used for any purpose until the appeal is resolved.

b. Funds that are collected through the development process in new communities and that are required to contribute to the acquisition of specific parkland already identified in a later phase of the community's development. These funds shall be reserved for that purpose only and may not be used for any other eligible purpose.

c. Funds collected for a development project that is abandon will be returned to the proponent unless they are committed to a specific eligible project. If they are committed to a project, the funds will be permanently credited to the development rights for that address.

4. Cash-in-lieu funds collected and allocated to both Ward and citywide use shall not be used for any purpose that is an 'ineligible project' as defined by this policy.

4.1 Cash-in-lieu accounts cannot be used in a manner that could result in negative balances at any time. Projects selected to be paid from CILP accounts must not have the potential to exceed available funds in the account at the time the project is chosen.

5. This policy does not apply to funds collected pursuant to the Development Charges Act.

5.1 Cash-in-lieu funds collected and allocated to both Ward and city-wide use shall not be used to offset, or as a substitute for, normal yearly budgets for parks and recreation growth, repair or renewal. CILP funds are to be view as supplemental to regular budgeting to support more projects or projects with larger scope than would have been possible using regular budgets.

5.2 A 10-per-cent surcharge will apply to all CILP projects estimated to cost more than \$100,000 in order to fund two park planner positions needed to develop the projects.

Responsibilities

Delegation for use of cash-in-lieu funds

6. Subject to policies 1-5 above the Council of the City of Ottawa hereby delegates authority to Staff and Councillors to establish budgets, access cash-in-lieu funds and approve expenditures of cash-in-lieu funds for 'eligible projects' subject to the following:

a. Delegates authority to the General Managers of Parks, Recreation and Cultural Services and Infrastructure Services to access and use cash-in-lieu funds for any

eligible project associated with an existing park or for the creation of a new park that is not associated with the development review process. This delegation is subject to the following:

- i. the use of cash-in-lieu funds from a Ward account requires the concurrence of the Ward Councillor;
 - ii. the acquisition of land requires the concurrence of the Director, Real Estate Partnership and Development and the General Manager, Planning and Growth Management is to be advised;
 - iii. the General Manager shall confirm the availability of funds with the General Manager, Planning and Growth Management prior to committing funds to any project.
- b. Delegates authority to the General Manager, Planning and Growth Management to access and use cash-in-lieu funds for any eligible project associated with the development review process including the acquisition of parks in new communities. This delegation is subject to the following:

- i. the use of cash-in-lieu funds from a Ward account requires the concurrence of the Ward Councillor;
- ii. the acquisition of land requires the concurrence of the Director, Real Estate Partnership and Development and the General Manager, Parks, Recreation and Cultural Services is to be advised.

Monitoring and Reporting

7. The General Manager, Planning and Growth Management will maintain a record of all cash-in-lieu funds paid and allocated to Ward and to citywide use and a record of all funds subject to appeal or intended for specific land acquisition projects in new communities. The General Manager may appoint a delegate to maintain this record.

8. The General Manager, Planning and Growth Management or delegate will provide the General Manager, Parks, Recreation and Cultural Services with a bi-monthly copy of the record of available cash-in-lieu funds.

9. The Treasurer will present a cash-in-lieu of parkland financial report to the Planning Committee and Council in the first quarter of each. The report will contain a statement that summarizes the status of the various cash-in-lieu reserve funds, interest earned on each account and fees collected on a ward and city-wide basis. The statement will document land acquired using the funds, basic details of all works paid for by the funds, costs for each project, and information on where other funds that went to support these projects came from.

10. The Treasurer will inform Councillors of cash-in-lieu account balances quarterly via memorandum and the memorandum will be published as Information Previously Distributed on the next Planning Committee Agenda.

11. Post budget, the General Manager of Parks, Recreation and Cultural Services in conjunction with the Infrastructure Services General Manager will provide each Councillor lists of project in the four-year schedule escalation window of prioritized forecast works identified as part of renewal planning and programming undertaken in accordance with the City's Comprehensive Asset Management Policy and programs for the Councillors' consideration for funding using ward cash-in-lieu of parkland funds.

Legislative Authorities

Ontario Planning Act, R.S.O. 1990, CHAPTER P.13

Definitions

cash-in-lieu – means the payment of funds equivalent to the value of the amount of land that the City would otherwise have been entitled to require to be conveyed for park purposes as part of a development. The payment of cash-in-lieu is usually required as a condition of development approval and is assessed as the value of the land the day before the City grants approval for the development, as specified in the Planning Act.

citywide – means something having relevance to or providing services for the population of the City as a whole or a part of the City that is larger than a single ward.

eligible project – means:

- Acquisition of land for public park purposes
- Capital projects for the development of new public parks which may include any associated site preparation and drainage; the provision of park facilities, such as, play equipment, sports fields and pathways: or the provision of recreation facilities, such as community centres, indoor pools and arenas.
- Capital projects to increase the capacity of existing public parks and/or recreation facilities to accommodate more intensive public use; the provision of additional park facilities, for example play equipment, splash pads and site furniture; and /or the provisions of additional recreation facilities, for example the expansion or upgrading of program spaces in community centres, indoor pools and arenas.
- The non-growth component of growth-related capital projects, for Parks Development and Recreation Facilities, identified in the City's Development Charges Background Study.

- Projects for repair, renewal and lifecycle replacement in relation to fixed recreation and park assets and the total project costs (planning, design and implementation) associated with these works.
- Projects within prioritized forecasts or workplans of scheduled works identified as part of renewal planning and programming undertaken in accordance with the City's Comprehensive Asset Management Policy but unfunded as part of the current year's normal budget, may be brought forward for implementation using CILP funds but require no pay-back from future renewal budgets. The schedule escalation window will be limited to no more than four years ahead of the current year respecting the need for full scope and design requirements in setting targeted implementation expectations.

ineligible project - means:

- Any non-capital costs (studies, ongoing operations, normal maintenance. etc).
- Any project that will require operating budgets.
- ~~Any costs associated with lifecycle replacement that is not designed to increase the capacity or usability of existing infrastructure.~~
- Any costs associated with the acquisition of non-fixed or portable recreational assets for example sports equipment, exercise equipment etc.
- ~~Any costs associated with the upgrade or replacement of infrastructure required by changes in legislation or public safety requirements.~~
- Any cost or work associated with facilities or property not owned by the City.
- Any capital project associated with facilities operated through a public private partnership to deliver City recreational services.
- Any capital project associated with land that is not a public park.
- Any items that could be perceived as promotional, including plaques or engravings containing Council members' names, pictures or likenesses.