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TO: Chair and Members of the Planning Committee

DESTINATAIRE : Présidente et membres du Comité de l'urbanisme

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FILE NUMBER: ACS2016-PIE-PGM-0145

SUBJECT: **The Acquisition of Urban Natural Features**

OBJET : **L'acquisition des caractéristiques naturelles urbaines**

PURPOSE

This memorandum responds to a July 8, 2015 Council motion that requested staff explore funding options to advance the acquisition of urban natural features and provide a status update to Planning Committee and Council. Staff have completed this review and have determined that most funding options that may be considered would have varying limitations either as a result of legislative constraints, or practical limitations with respect to the amounts of money that could be secured. Staff have also looked at other

alternatives for acquisition and/or protection of urban natural features. The results of the staff investigations are highlighted in this report.

BACKGROUND

The City of Ottawa may acquire property to ensure the sustainability of its green space values, as outlined in Section 5.2.1 of the Official Plan. Direction is provided through specific designations that currently mandate acquisition in Natural Environment Areas, Urban Natural Features and Major Open Space.

The 2013 Urban Natural Features Strategy Update recommended the acquisition of three urban natural areas (UNA) and partial protection of seven urban natural areas through the development review process. Document 1 provides a status on the acquisitions and protections recommended.

On July 8, 2015 City Council approved a motion that the partial or outright acquisition of the Urban Natural Features identified in the 2013 report be included as a priority in the 2015-2018 City Strategic Plan. Council directed staff to explore funding options, such as those outlined in the September 2013 Urban Natural Features Strategy Update and provide a status update to Planning Committee and Council by Q3 2016. The motion also directed staff to develop options to change the current Council policy of replenishing the Environmental Acquisition Reserve Fund only with future excess amounts from the City of Ottawa Sinking Fund for consideration as part of the next Long-Range Financial Plan. Future funding and use of the sinking fund will be examined as part of the next Long Range Financial Plan currently planned for Q2 2017.

DISCUSSION

Staff have identified various possible funding options that have been used successfully or can be used by municipalities to advance different corporate objectives. Some of these are specific to natural area acquisition while others have been used for other forms of acquisition. Also there are various other means that can be used to acquire or protect natural areas that do not rely on funding for acquisition. An overview of these options and how they may or may not be applicable to natural area acquisition are discussed in Document 2.

In reviewing the options specific to funding, most would rely predominately on having money made available through yearly budgets which requires prioritization of natural area acquisition with other corporate needs. Where other sources may be identified, staff will continue to capitalize on such opportunities including future grant program

opportunities, and special levies where there is strong community interest to acquire a strategic natural feature. Having funding commitments provided through yearly budgets, however continues to be seen as necessary for the City to be able to acquire natural features in both the urban and rural areas.

The 2016 budget included \$360,000 for rural acquisition. The 2017 draft budget includes \$800,000 in funding for acquisition in the rural area and one-time funding of \$200,000 for acquisition in the urban area. Staff are in negotiations with a number of property owners for approximately \$700,000 in rural properties and the urban funding may be used to secure an option to purchase a portion of the Shea Road Woods. Future funding and use of the sinking fund will be examined as part of the next Long Range Financial Plan currently planned for Q2 2017.

Council's funding commitment in the 2016 and 2017 budgets for the acquisition of rural natural features has recognized the importance of purchasing environmental features before they are candidates for urban expansion. There are strategic pieces of land in the rural area that should be purchased when the opportunity arises because they add or link to existing significant natural features. Working with partners such as the conservation authorities, the National Capital Commission, the Nature Conservancy of Canada, the Rideau Waterway Land Trust, the Mississippi Madawaska Land Trust, and Ducks Unlimited Canada is the best way to increase the cost-effectiveness of natural land conservation. Staff are considering better ways to leverage funding through a Conservation Stewardship Framework. This will achieve more cost-effective conservation of natural heritage features. Staff and partners have developed a draft map to guide and facilitate collaborative and complementary conservation actions. The next steps are to finalize the mapping and to produce a Conservation and Stewardship Plan.

In urban expansion study areas and developing communities, Policies 3.11 and 3.12 of the Official Plan allow the City to require conveyance of natural heritage system features to the City for \$1 (OMB file #PL100206, September 7, 2011).

Aside from funding, in the urban area, staff are developing more creative ways to integrate the natural heritage system into developing communities. As a first step, also appearing on Planning Committee's December 13, 2016 agenda (ACS2016-PIE-PGM-0176), staff are proposing to update Official Plan policies to more effectively integrate significant woodlands and other natural heritage features into the planning for new communities through the Community Design Plan process and through the subdivision approval process. This will build on the alternate approaches for protecting natural

features that are being considered through Building Better and Smarter Suburbs, including use of parkland dedication and retention of trees in school yards. The proposed Official Plan Amendment for significant woodlands incorporates these approaches into the City's policy. Updated Environmental Impact Statement Guidelines will follow in the new year to assist applicants and staff on how to implement the policy.

CONCLUSION

The 2016 budget approved \$360,000 for rural acquisition. The 2017 draft budget includes an additional \$800,000 in funding for acquisitions in the rural area and one-time funding of \$200,000 for acquisition in the urban area. Future funding will be examined as part of the next Long Range Financial Plan currently planned for Q2 2017.

Staff are proposing an Official Plan Amendment which also appears on the Planning Committee's December 13, 2016 agenda (ACS2016-PIE-PGM-0176), to incorporate new approaches into the City's significant woodlands policy. The proposed policy will promote the integration of natural heritage features when designing redevelopment plans and new communities in the urban area. This will build on initiatives such as Building Better Smarter Suburbs to secure natural features where they can be dual purposed as parkland and/or part of a storm water management system. This would allow for the lands to be dedicated to the City within the urban area without a need for City purchase.

With a more strategic approach to rural acquisitions and the development of a Conservation and Stewardship Plan for approval by the Environment Committee and Council, the City has an opportunity to secure a more comprehensive network for the city's natural heritage system now and in the longer term that will not be solely reliant on funding.

Original Signed by

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CC: Lise Guèvremont, Planner

SUPPORTING DOCUMENTATION

Document 1 Status of Acquisition Of Urban Natural Areas

Document 2 Funding Options

Document 1 – Status of Acquisition of Urban Natural Areas

Status of Acquisition of Urban Natural Areas

The status of the three urban natural areas (UNA) recommended for acquisition in the September 2013 Urban Natural Features Strategy Update is:

- UNA 193 – Shea Road Woods (Fernbank): Realty Services is currently negotiating with the property owner for an option to purchase a part of the woodlot, with cost of the option to be funded from one time funding of \$200,000.
- UNA 100 – Armstrong Road South Woods (Riverside South): Realty Services has an agreement in principle with the property owner for the acquisition of 8 acres of the woodland through a land exchange.
- UNA 95 – Nantes Woods (Orleans): No change in status. No immediate development pressure.

The status of the seven urban natural areas recommended in 2013 for partial protection through the development review process is:

- UNA 13 – Whalen Park (Kanata): Currently protected as school board property. No change in status. No immediate development pressure.
- UNA 27 – Poole Creek Corridor (Stittsville): Mostly protected in City ownership or as constraint land. Privately-owned portions are being acquired as constraint land through adjacent development applications.
- UNA 50 – Highway 416 Woods (Barrhaven): The woodland was approved for development in the O’Keefe Drain Environmental Management Plan and Citygate plan of subdivision. It is zoned as ‘Business Park Industrial’. The plan of subdivision includes larger lots overlapping the woodlot to allow the potential for partial retention through site plan approval.
- UNA 63 – Jockvale Road Woods (Barrhaven): A portion of the woodlot was cleared for an approved development. Another portion is zoned as Development Reserve. Although there are currently no pending development applications, the woodlot is considered to be at high risk. The remaining woodlot area currently has protection under the Urban Tree Conservation By-law.
- UNA 96 – Notre Dame des Champs Woods (East Urban Community): Part of the woodlot is City-owned. The privately-owned portions are zoned as

Development Reserve. A small portion of the privately-owned woodlot is proposed for retention in a park block in the Community Design Plan.

- UNA 99 – Spratt Road Woods: The majority of the woodlot has been re-designated as urban and zoned as Development Reserve through the Riverside South Community Design Plan. The City has an agreement in principle with the property owner for acquisition of 2 acres of the woodlot through a combination of land exchange and payment. The retention of the remainder of the woodlot was not recommended by staff due to its low potential for community benefit.
- UNA 132 – Fernbank Wetland (Stittsville): The privately-owned portion was approved for development by the City and the Ontario Municipal Board. Development is underway.

Document 2 – Funding Options

Funding Options

- **Natural Area Acquisition Fund from tax revenue:** The most certain method for acquiring privately-owned urban natural features is fee-simple acquisition. In some municipalities this has been combined with acquisition for other uses such as active transportation and stormwater management. As an example, Waterloo has leveraged active transportation funding to acquire natural land that can be used to connect bike pathways.
- **Special Services Levy:** Special Services Levies can be applied to recover costs for projects advanced by the City to benefit a defined area. A special services levy was used to fund improvements at the Richmond Conservation Area. Examples of the City of Ottawa's levies include community facilities such as a skating rink, the corporation's share of costs of conservation authorities, for underground hydro lines along Kanata Avenue, fire protection, police services, transit within urban transit and rural service areas, business improvement areas, Sparks Street Mall. Staff have not confirmed any use of levies for land acquisition, however, this is possible if an urban natural feature is determined to be of particular benefit to a defined community. Support from the community would however, be required.
- **Local Improvement Charge:** Brampton and Vaughn use local improvement charges to acquire greenspace. These usually relate to recreation land but may be used to acquire natural features. A local improvement charge is being used to acquire funds to assist with the acquisition of UNA 95: Nantes Woods.
- **Development Charges:** Development Charges are governed by specific legislation and are collected to pay for infrastructure to support growth. They cannot be used to acquire land for parks, woodlots and in environmentally sensitive areas.
- **Grant programs:** The Province makes available various grants programs that allow municipalities to advance various initiatives. Current grant programs available from the Province related to natural features are aimed at stewardship and not land acquisition.

Other Acquisition Options

- Exchange for increased height/density (Section 37): Section 37 of the *Planning Act* authorizes local municipalities to enter into an agreement with a property owner to secure increased height and density in return for provision of community benefits. Community benefits are listed in the Official Plan, (Policy 5.2.1.11), but this list is not exhaustive. Policy 5.2.1.11 (k): “conservation of existing greenspace or the creation of new greenspace.” is included amongst the items that could be secured through a section 37 Agreement. Given that Section 37 applications are typically related to development within the inner urban area where urban natural features are limited and that there needs to be a geographic relationship between the benefit and the development, the potential for use of Section 37 funds for urban natural area acquisition would be limited.
- Sale of surplus lands: Public bodies, such as school boards when deeming lands surplus to their needs are obligated to make these available first to other public agencies, including municipalities. Where these lands include open space or natural features, they may be able to be acquired. As an example, Burlington has adopted a policy/practice to acquire surplus school yards through a fund because of their environmental values. Within Ottawa, most natural features areas identified for acquisition or protection are privately owned.
- Land exchanges: This can be an effective means to acquire natural features lands through the development review and approval process and has been used in Ottawa to acquire UNA 100: Armstrong Road South Woods.
- Partnerships with corporate sponsors: The TD Green Friends of the Environment Foundation (TD FEF) provide funding for greenspaces. TD FEF funds over a thousand projects annually and municipalities are eligible to apply for land acquisition. An Ottawa area example is a \$10,000 donation to the Rideau Valley Conservation Authority to help them purchase an important parcel of land to protect the floodplain along the Rideau River. This type of funding usually provides only small amounts and would likely not cover all costs.
- Partnerships with agencies, non-governmental organizations and community groups: The City of Ottawa and partners have developed a Conservation Stewardship Framework in the rural area that identifies the collective natural assets of each organization. From this it is possible to target adjacent or naturally linked lands that could be secured and protected. The framework can be used by

the partners to prioritize lands for stewardship or acquisition. The conservation authorities' foundations, Mississippi Madawaska Land Trust and others accept properties through donation but no formal partnerships with the City of Ottawa and others have been formed. The partnerships can be used to leverage additional private and public sector funds to complement the rural acquisition fund.

Other cities also have a similar type of structure. For example, the Cootes to Escarpment EcoPark System is a collaborative initiative with ten local government and non-profit organizations in the Burlington-Hamilton area. The organization assists property owners in donating land to charitable conservation organizations using tax benefits, life interest agreements, conservation easements, and acquisition.

- Voluntary private land stewardship: There are examples of voluntary private land stewardship in Ottawa, for example Friends of the Carp Hills members are dedicated to keeping the Carp Hills natural. The Carp Hills covers roughly 9,600 acres, and has been designated an Area of Natural and Scientific Interest by the provincial government and is dotted with provincially significant wetlands. The City owns a patchwork of lands covering about 2,224 acres. The rest is privately owned. The Friends of the Carp Hills provide information to residents about acquisitions or donations of land and the creation of conservation easements.
- Acquisition of conservation easements: In 1999, the City used a conservation easement to facilitate the protection of an environmentally sensitive area in the development of Central Park. Also, the City of Kitchener is using conservation easements to keep parts of woodlots protected although they stay in private ownership.
- Tax benefit programs (e.g. Federal Ecogift Program): The City may acquire real property through gifts or donations, subject to Council approval, or that of its delegated authority. In recent years, the City has received some rural properties through tax benefit programs, but tax benefit programs have not been successful in developing areas as the land value is usually worth more than the tax benefit.
- Parkland dedication: With the development of the neighbourhood around UNA 113: Shea Woods, staff are considering better ways to integrate the natural heritage system into the design of the community. Staff are considering an option to purchase a part of the woodlot and are also working on options to integrate

part of the park space and stormwater management facility into the woodlot so more of Shea Woods can be conserved.

- Leasing: An example of leasing is the City's lease of the Ledbury Park site from the National Capital Commission. Ledbury Park is not a natural area but a similar model could be applied elsewhere.