Report to/Rapport au :

Planning Committee
Comité de l'urbanisme

and Council / et au Conseil

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CITY WIDE / À L'ÉCHELLE DE LA VILLE Ref N°: ACS2013-PAI-PGM-0178

SUBJECT: URBAN NATURAL FEATURES STRATEGY UPDATE

OBJET : LE POINT AU SUJET DE LA STRATÉGIE SUR LES CARACTÉRISTIQUES NATURELLES URBAINES

REPORT RECOMMENDATION
That the Planning Committee recommend Council approve the Urban Natural Feature Acquisition Plan detailed in this report.

RECOMMANDATION DU RAPPORT
Que le Comité de l'urbanisme recommande au Conseil d'approuver le Plan d'acquisition des caractéristiques naturelles urbaines expliqué en détail dans le présent rapport.

EXECUTIVE SUMMARY

The Urban Natural Feature Strategy (UNFS) has contributed significantly to the completion of the City's urban greenspace network, as identified in the Greenspace Master Plan. The original Urban Natural Area Environmental Evaluation Study (UNAEES) identified 192 urban natural areas (UNA). An additional area was identified through the Fernbank Community Design Plan. The original 193 UNA totalled 2816

hectares in size. The UNFS proposed 1726 hectares of these urban natural areas for protection. The remainder were expected to be lost to previously approved or planned development.

Of the 1726 hectares of UNA targeted for protection, 16 areas were privately owned. The UNFS prioritized 149.2 hectares of these features for possible acquisition by the City. With one exception, these were areas rated by the UNAEES as having moderate or high environmental value, but which were thought to be at risk of future development. One feature, Nantes Woods, had a low environmental rating, but was the subject of a previous commitment in principle for acquisition by the former municipality of Cumberland.

To date, the City has acquired 49.8 hectares of the highest priority urban natural areas at a cost of $21.1 million dollars. The acquisition policies have achieved moderate success, but have been characterized by a declining benefit – cost ratio. The City has been unable to secure some features, and the areas acquired have been more expensive than anticipated.

Overall, however, the UNFS has been very successful. Incorporation of provincial natural heritage policies into Ottawa's Official Plan (OP) has relieved the City of the necessity to acquire some properties that are otherwise constrained from development. The City has also successfully located other greenspace features, such as parks and naturalized stormwater ponds, adjacent to some urban natural features, thereby increasing their effective size. Through all of its planning tools, the City has provided some form of protection for 1613 hectares of urban natural features: approximately 93 per cent of the target. Furthermore, the City's urban boundary policies require that any natural heritage features within new urban expansion areas be conveyed to the City for protection at no cost.

The total greenspace network in Ottawa, including natural areas within the National Capital Greenbelt, now exceeds 15,000 hectares. More than 99 per cent of Ottawa households lie within 400 metres of public greenspace.

Final planning decisions have yet to be made on 10 privately-owned urban natural features. Staff recommends that decisions on protection of these features be made on a case-by-case basis, as the need arises. Given the declining benefit – cost ratio of the acquisition policy, staff recommends that Council only consider outright acquisition of three properties:

- UNA 193 - Shea Road Woods (7 hectares);
- UNA 100 - Armstrong Road South Woods (8.2 hectares);
- UNA 95 - Nantes Woods (2.6 hectares).

Acquisition of these three woodlots would require an allocation of new funds to the City's Natural Area (Urban) Acquisition Account. The Finance Department advises that no new allocation of acquisition funds is forecast for 2014. Staff recommends bringing forward acquisition of UNA 193, UNA 100 and UNA 95 for consideration in the 2015 – 2018 Term of Council Priority setting exercise.

Staff has reviewed a wide range of alternatives to the general property tax for funding the acquisition of UNA. None of the funding options or protection mechanism provides an effective or practical alternative to the general property tax.

Financial Implications

Purchases of areas identified in the Urban Natural Areas Acquisition Plan are contingent upon the identification and allocation of funding.

Public Consultation/Input

There has been no formal public consultation on this report. The original Urban Natural Features Strategy received substantial public input and comment. Each subsequent acquisition has been accompanied by informal consultations with the relevant stakeholders and environmental groups.

RÉSUMÉ

La Stratégie sur les caractéristiques naturelles urbaines (SCNU) a contribué de manière importante à la réalisation du réseau d'espaces verts urbains de la Ville, un projet décrit dans le Plan directeur des espaces verts. L'étude d'évaluation environnementale des espaces naturels urbains (ÉÉEENU) réalisée à l'origine avait permis de désigner 192 espaces naturels urbains (ENU). Un espace supplémentaire a été désigné dans le cadre du Plan de conception communautaire de Fernbank. Ces 193 ENU d'origine couvraient une superficie totale de 2 816 hectares. La SCNU proposait la protection de 1 726 hectares, la superficie restante devant servir à des aménagements précédemment approuvés.

Sur ces 1 726 hectares d'ENU destinés à être protégés, 16 espaces sont de propriété privée. La SCNU propose que la Ville acquière en priorité 149,2 hectares de ces espaces. À une exception près, ces espaces ont été qualifiés dans l'ÉÉEENU comme présentant une valeur environnementale modérée ou élevée, mais les résultats de l'étude laissent croire qu'ils pourraient faire l'objet d'un aménagement. L'un de ces espaces, le boisé Nantes, a obtenu un classement environnemental peu élevé, mais a fait l'objet d'un engagement d'acquisition, en principe, par l'ancienne municipalité de Cumberland.

À ce jour, la Ville a fait l'acquisition de 49,8 hectares d'espaces naturels urbains de la plus haute priorité, pour un coût s'élevant à 21,1 millions de dollars. Les politiques d'acquisition ont connu un succès modéré mais ont été caractérisées par un rapport avantages-coûts en baisse. La Ville n'a pas été en mesure de protéger certains éléments, et les espaces acquis ont coûté plus cher que prévu.

Globalement toutefois, la SCNU s'est avérée très efficace. L'intégration dans le Plan officiel (PO) d'Ottawa des politiques provinciales sur le patrimoine naturel a permis à la Ville d'éviter d'acquérir certaines propriétés qui auraient autrement été privées de toute possibilité d'aménagement. La Ville a également réussi à installer d'autres espaces

verts, notamment des parcs et des bassins naturalisés de gestion des eaux pluviales, à proximité de certains espaces naturels urbains, accroissant ainsi leur dimension réelle. Grâce à l'ensemble de ses outils de planification, la Ville a assuré la protection relative de 1 613 hectares d'espaces naturels urbains, soit environ 93 pour cent de l'objectif fixé. De plus, les politiques de la Ville en matière de limites urbaines exigent que les éléments du patrimoine naturel situés dans les secteurs de nouvelle expansion urbaine soient cédés sans frais à la Ville à des fins de protection.

Le réseau d'espaces verts d'Ottawa, y compris les espaces naturels de la Ceinture de verdure de la capitale nationale, dépasse à présent les 15 000 hectares. Plus de 99 pour cent des ménages d'Ottawa sont situés à moins de 400 mètres d'un espace vert public.

Des décisions finales en matière de planification doivent encore être prises au sujet de dix espaces naturels urbains privés. Le personnel recommande que les décisions relatives à la protection de ces espaces soient prises au cas par cas, lorsque le besoin se présente. Compte tenu de la baisse du rapport avantages-coûts de la politique d'acquisition, le personnel recommande au Conseil de ne tenir compte que de l'acquisition définitive de trois propriétés :

- ENU 193 – Boisé du chemin Shea (7 hectares);
- ENU 100 – Boisé du chemin Armstrong Sud (8,2 hectares);
- ENU 95 – Boisé Nantes (2,6 hectares).

L'acquisition de ces trois boisés nécessite l'affectation de nouveaux fonds dans le compte d'acquisition d'espaces naturels (secteur urbain) de la Ville. Le Service des finances précise qu'aucune nouvelle affectation de fonds d'acquisition n'est prévue en 2014. Le personnel recommande de soumettre à examen l'acquisition de l'ENU 193, de l'ENU 100 et de l'ENU 95 durant l'exercice d'établissement des priorités du mandat du Conseil de 2015-2018.

Le personnel a passé en revue de nombreuses solutions de rechange en remplacement de l'impôt foncier général en vue de financer l'acquisition de ces ENU. Ni les options de financement ni le mécanisme de protection ne constituent une solution de rechange efficace ou pratique à l'impôt foncier général.

Répercussions financières :

Les achats d'espaces visés par le Plan d'acquisition d'espaces naturels urbains sont conditionnels à la détermination et à l'attribution des crédits nécessaires.

Consultation / commentaires du public :

Aucune consultation publique officielle n'a été menée au sujet du présent rapport. La Stratégie sur les caractéristiques naturelles urbaines d'origine a suscité de nombreux commentaires de la part des membres du public. Chaque acquisition subséquente a fait l'objet de consultations informelles auprès des intervenants concernés et de groupes environnementaux.

BACKGROUND

Legislative Chronology

This report comes forward now in response to direction from Council on November 28, 2008 directing staff:

- To pursue the short-term acquisition of Urban Natural Areas within the parameters established by Committee and Council, subject to 2009 budget approval;

- To bring a report on the overall Urban Natural Feature Acquisition Strategy, including priorities and funding options, to Planning and Environment Committee in March 2009.

Staff completed a draft report in 2009, but that report was delayed by pending acquisitions. Subsequent negotiations and acquisitions have resulted in further delays.

On December 8, 2010, in the context of discussions concerning development in the South March Highlands, Council referred to Planning Committee a motion directing staff to:

- Undertake a review of all natural areas involved in the original UNAEES which received a high evaluation number and report back to Council on how to protect these lands within the urban setting; and

- Include in the review any areas in lands which have been added to the urban boundary since that time and were not evaluated, as well as any other significant environmental areas that were considered but then excluded due to planning decisions, such as the South March Highlands.

The referral to Planning Committee was intended to give staff time to complete preparation of this report.

On December 15, 2010, Council passed the following motion with respect to the funding of acquisition of UNAs:

- Therefore be it resolved that the Council refer to the Finance and Economic Development Committee the policy on the disposition of year end surpluses and direct, following the submission of a report from staff, that the Committee provide recommendations to Council for an allocation of year end surplus funds to the Environmental Lands Reserve and the Tree Planting Capital Fund.

On March 10, 2011, in response to this motion and the recommendation of the Finance and Economic Development Committee, Council passed a motion to:

- Approve the distribution in the amount of $4,438,026 from the City of Ottawa Sinking Fund to the City representing the surplus in excess of the debenture commitment authorized by By-law 33 of 1991 which matures on February 28, 2011 and that this amount be contributed to the Environmental Resource Areas Acquisition Reserve Fund; and

- Approve any future excess amounts which Council authorizes to be distributed from the City of Ottawa Sinking Fund be contributed to the Environmental Resources Areas Acquisition Reserve Fund.

On October 10, 2012, City Council approved the expenditure of the Environmental Resource Areas Acquisition Reserve Fund for the acquisition of UNA 98 – Riverside South Woods. Council also approved a Memorandum of Understanding with Urbandale Corporation for three year Option to Purchase a central portion of UNA 100 – Armstrong Road South Woods at an agreed price. This option expires after three years, on October 10, 2015.

DISCUSSION

Staff considers the City's urban greenspace network to be substantially complete, and suggests that continuation of the current UNFS acquisition policies is no longer necessary nor affordable. It is apparent that other Official Plan policies and land use designations provide some additional protection for urban natural areas, and thus acquisition is not the only option for protection. However, City staff recognizes that protection of portions of three UNAs may still be desirable for social and economic reasons: UNA 193 – Shea Road Woods, UNA 100 – Armstrong Road South Woods, UNA 95 – Nantes Woods. It is recommended that Council consider acquisition of these features in the 2015 – 2018 Term of Council Priority setting exercise.

Natural heritage system policy context

The City seeks to preserve its natural diversity by planning on the basis of natural systems, whereby natural processes and ecological functions are protected and enhanced. The OP and the Greenspace Master Plan, as well as other long-term planning initiatives such as the Sustainability and Resilience Plan, recognize the ecological, social, economic, and cultural value of UNAs, as well as the high value that Ottawa residents place on green and natural spaces within the urban area. The benefits of natural lands within the urban area can include:

- Cleaner air and resulting health benefits to residents;
- Climate change mitigation, through CO2 storage and sequestration;
- Mitigation of the urban heat island effect;
- Decreased stormwater flows and improved water quality, as woodlands slow the movement of water off the land and filter and cool it as it flows;

- Enhanced habitat for birds and other wildlife in the city;
- Opportunities for outdoor recreation such as walking, cycling, and cross-country skiing;
- Aesthetic improvement to new communities where soil conditions restrict tree-planting on residential lots and in other locations;
- Enhanced property values for homeowners near or adjacent to natural areas;
- Increased social benefit due to proximity of residents to natural areas; and
- Defining and shaping of community culture and identity.

The OP sets out the direction for the City's natural heritage system. This system includes woodlands, wetlands, valleylands, Areas of Natural and Scientific Interest, corridors, wildlife habitat, and water features. The OP specifically designates certain lands as Urban Natural Features, which are defined as natural landscapes and may include woodlands, wetlands, watercourses and ravines and are not already included within another environmental land use designation, such as Provincially Significant Wetland or Natural Environment Area.

The overall urban natural heritage system consists of approximately 170 protected natural areas, supported by the network of other parks and open spaces that make up the City's greenspace network. The total area within Ottawa's urban boundary, including the National Capital Commission (NCC) Greenbelt, is 57,510 hectares. Of this area, 15,770 hectares (27 per cent) is comprised of Natural Environment Area, Major Open Space, Significant Wetlands and Urban Natural Features.

The City recently examined all urban natural areas as part of the City's Balanced Scorecard reporting. The review showed that many UNAs have benefited from the creation of new, adjacent greenspace areas, such as parks and naturalized stormwater facilities. The same review showed that more than 99 per cent of households lie within a five minute walking distance (400 metres) of a greenspace area.

Official Plan acquisition policies

Section 5.2.1 (5) of the OP states that the City may acquire land or use other methods to ensure preservation of natural lands. However, the City may be obligated to purchase lands with an Urban Natural Features (UNF) designation, if so requested by the landowner.

Urban Natural Areas Environmental Evaluation Study

The 2003 OP directed the City to complete a study to evaluate the relative environmental value of natural areas within the urban area, make recommendations for their management, and establish priorities for protection. The 2005 UNAEES and the 2006 addendum, which satisfied this directive, identified 192 UNAs larger than 0.8 hectares within the urban boundary. Of these, 177 of the areas were evaluated in full, with 15 areas not being evaluated as a result of development, seasonal restrictions, or landowner unwillingness. The analysis of these UNAs was based on ecological criteria and each area was evaluated on its condition at the time of assessment – not on its

projected, post-development condition. The evaluations were also made relative to other UNAs.

Urban Natural Features Strategy

The OP and Greenspace Master Plan identified the need for an Urban Natural Features Strategy (UNFS) to establish appropriate methods and priorities for protection of the UNAs identified in UNAEES. The UNFS, adopted by Council on 9 May 2007, sets out the City's intentions for protecting a priority list of UNAs and allows the City to make decisions on a specific natural area based on an understanding of how it fits into the broader strategy for protection and acquisition.

Through the UNFS, the 192 UNAs evaluated in the UNAEES were assessed as to their potential for, and necessary degree of, protection. Some areas had received development approval, or were planned for development by the Federal Government. Of the remainder, the UNFS identified 142 areas that already enjoyed some form of protection from development, in part or in whole, either as designated Urban Natural Features, Major Open Space, Provincially Significant Wetlands, or through other OP policies. Of these features, the UNFS identified six designated UNF that were in private ownership and for which it recommended acquisition by the City for additional protection. The UNFS recommended another 32 UNAs for re-designation as UNF for which protection would not require acquisition. Finally, it recommended 13 UNAs for re-designation as Urban Natural Features, for which protection would require acquisition by the City. These consisted of nine private properties and four Federal Government properties. The Federal properties do not form part of the UNFS acquisition policies, because they are already in public ownership; however, in the event that the Federal Government deems these lands surplus to their needs, the UNFS proposed that the City should seek their ownership.

In total, the UNFS identified 15 privately-owned UNAs for acquisition, ranked according to relative ecological significance. In addition, through Council approval of the Fernbank Community Design Process, the City identified and designated a sixteenth, privately owned urban natural feature, UNA 193 – Shea Road Woods.

Some portions of these 16 UNAs were already in City ownership. The UNFS identified and targeted an additional 149.9 hectares for acquisition. As of September 2013, the City had acquired addition portions of six of them: UNA 22 – Bridlewood Core Park, UNA 87 – Innes Park Woods, UNA 97 – Navan Road at Pagé Road Woods, UNA 57 – Cambrian Road Woods, UNA 94 – Cardinal Creek Valley, UNA 98 – Riverside South Forest (Table 1). The City has a Memorandum of Understanding for acquisition of part of a seventh: UNA 100 – Armstrong Road South Woods. Therefore, under the UNFS, the City has 10 privately owned areas remaining un-acquired (Document 1).

Table 1. Area of UNAs Acquired Since 2007

Urban Natural Area	**Priority area sought (ha)**	**Actual area acquired (ha)**	**Per cent of priority area acquired**
22 – Bridlewood Core Park	3.4	3.4	100%
57 – Cambrian Road Woods	22	17.9	81%
87 – Innes Park Woods	8.7	8.3	95%
97 – Navan Road at Pagé Road	23.7	6.4	27%
94 – Cardinal Creek Valley	0.98	0.98	100%
98 – Riverside South Woods	12.8	12.8	100%
Total of acquired UNAs	*71.6*	*49.8*	*70%*

Affordability has become an issue in the implementation of the UNFS. Council originally proposed the allocation of $38 million over 10 years to the Strategy. To date, the City has allocated and expended $16.86 million, plus land exchanges valued at $4.23 million, bringing total expenditures for the six completed acquisitions to approximately $21.1 million. These figures include the approximately $5.7 million reallocated by Council from the Sinking Fund Surplus to the Environmental Resource Area Acquisition Reserve. Acquisition costs have averaged approximately $170,000 per acre, as opposed to an original projection of $100,000 per acre. Increasing costs for land have proved prohibitive, limiting the City to acquisition of only the most significant portions of the desired UNAs.

In order to protect itself from the escalating costs of acquiring natural features in new urban expansion areas, Ottawa amended its OP in Official Plan amendment 76 to include policies requiring the conveyance of these features as non-developable lands to the City for $1 (Policies 3.11 (6b) and 3.11 (7b)).

Staff does not believe that the ecological contributions of the remaining 10 un-acquired UNAs to the urban greenspace network justify the increased acquisition costs. In terms of conservation practices, the value of natural areas within an urbanized landscape decreases with size and increasing isolation. Small, isolated natural areas are extremely vulnerable to disturbance and environmental degradation and are not effective at maintaining high levels of native species richness or contributing significantly to native biodiversity in the long term, especially when surrounded by urban development. Their environmental contributions are more local in nature and should be considered within a local context. However, within this context, three of the un-acquired features warrant further consideration for acquisition.

UNA 193 – Shea Road Woods lies within the developing Fernbank community. The Fernbank Community Design Plan states that the Shea Road Woods will be developed

as low density residential housing, if the City does not acquire the area. Development of the woodlot would remove the only accessible natural area for future residents of the Fernbank community. It will be well-connected to the City's pathway system along the adjacent hydro corridor, providing a natural stopping point for pathway users.

UNA 100 – Armstrong Road South Woods lies in the developing Riverside South community. A 30 metres wide corridor through the woodlot is protected from development within a watercourse setback. The City has a signed Memorandum of Understanding with the owner, Urbandale Corporation, for future acquisition of all or a portion of the central core of the woodlot. The woodlot features an unusually diverse and mature forest canopy, and it supports the ecological integrity of the adjacent watercourse. It also has a minor, natural connection along this watercourse to UNA 98, which benefits both features. The City expects to protect approximately 1/3 of the central core through a land exchange. Acquisition of the remaining 2/3 of the woodlot would require purchase.

UNA 95 – Nantes Woods lies within the East Urban Community. Although the UNAEES only rated Nantes Woods as having low environmental value, the woodlot provides the only large, natural area within the surrounding community. With permission of the owner, a parent's group from the adjacent primary school has implemented a stewardship program for the woodlot and enhanced a portion of the woodlot as an outdoor classroom. In addition, Ottawa continues to collect a special area charge established by the former City of Cumberland for acquisition of the woodlot. This fund is expected to reach $200,000 when build-out of the contributing area is complete. The City has already acquired 0.95 hectares of the woodlot through a land exchange.

Acquisition of these three woodlots would require an allocation of new funds to the City's Natural Area (Urban) Acquisition Account. The Finance Department advises that no new allocation of acquisition funds has been planned for 2014. Staff recommends that Council direct the Planning and Growth Management Department to bring forward acquisition of UNA 193, UNA 100 and UNA 95 for consideration in the 2015 – 2018 Term of Council Priority setting exercise.

Staff recommends that protection of the remaining seven priority urban natural areas be considered on a case-by-case basis as the owners bring them forward. Cancellation of the general acquisition strategy increases the risk that substantial portions of these features may be lost to future development. Staff will manage this risk through the normal development application and review process, using all available tools. Several of the properties already have substantial development constraints, and other opportunities for protection or retention of portions of the other natural areas may arise during the development application process.

Other Funding Options

Staff has reviewed alternatives to the general property tax for funding the acquisition of urban natural areas. Staff has also looked at alternatives to acquisition for protection of urban natural areas. The alternatives examined include:

- Special Services Levy
- Local Improvement Charge
- Development Charges
- Exchange for increased high/density (Section 37)
- Grant programs
- Sale of City lands
- Land exchanges
- Partnership with corporate sponsors
- Voluntary private land stewardship
- Acquisition of conservation easements
- Tax benefit programs (e.g. Federal Ecogift Program)
- Parkland dedication or cash in lieu of parkland
- Leasing

The staff review concluded that none of these funding options or mechanisms provides an effective or practical alternative to the general tax base for protection of UNAs, although some of them could be useful in certain cases. All of the alternatives are characterized by one or more of the following shortcomings:

- They are procedurally complex.
- They are difficult to justify based on the underlying rationale of the UNFS and methods of past acquisitions.
- They contradict existing policies, by-laws or regulations.
- They cannot meet expectations of private property owners for financial compensation.

The staff review of alternative funding options and mechanisms is provided as Document 2.

In response to the Council direction of 8 December 2010 for a review of all the high-rated areas in the UNAEES, staff has prepared a figure showing the location and status of all urban natural areas (Document 3) and a table summarizing the status of all high-rated features (Document 4).

RURAL IMPLICATIONS

There are no rural implications.

CONSULTATION

There has been no formal public consultation on this report. The original Urban Natural Features Strategy received substantial public input and comment. Each subsequent acquisition has been accompanied by informal consultations with the relevant stakeholders and environmental groups.

COMMENTS BY THE WARD COUNCILLORS

This is a City-wide issue – not applicable.

LEGAL IMPLICATIONS

There are no legal impediments to the adoption of the recommendations in the report.

RISK MANAGEMENT IMPLICATIONS

There are risk implications. Privately-owned urban natural areas could be lost to development if not acquired by the City. These risks are identified and explained in the report. They will be managed on a case-by-case basis through the development application and review process.

FINANCIAL IMPLICATIONS

Purchases of areas identified in the Urban Natural Areas Acquisition Plan are contingent upon the identification and allocation of funding.

A memo entitled, “Property Acquisition Estimate: UNA 95, 100 and 193” was issued separately to all Members of Council under separate confidential cover, and is held on file with the City Clerk.

ACCESSIBILITY IMPACTS

The report analysis and recommendations have regard for accessibility to urban natural areas and other greenspace for people with limited mobility or who may not have access to private transportation. The report is consistent with the objective of providing public greenspace within 400 m (5 minute walking distance) for all urban and suburban households. The report recommends that Council acquire three remaining urban natural areas in communities where accessible, natural greenspace has or will otherwise become very limited.

ENVIRONMENTAL IMPLICATIONS

As discussed in the report, the City’s urban greenspace network is substantially complete. Decisions on the protection of the remaining priority urban natural areas will have local implications for the surrounding communities, but should not affect the integrity or function of the natural heritage system.

TECHNOLOGY IMPLICATIONS

Information Technology approved this report without comment.

TERM OF COUNCIL PRIORITIES

This update to the Urban Natural Features Strategy is directly relevant to five Term of Council Priorities.

TM4 – Promote Alternative Mobility Choices: the UNFS provides local natural areas accessible to urban residents by transit, walking or cycling.

ES2 – Enhance and Protect Natural Systems: the UNFS contributes to the integrity of the City's urban greenspace network and overall natural heritage system.

ES3 – Reduce Environmental Impact: the UNFS helps to protect environmentally-sensitive land from development and development impacts.

FS1 and FS2 – Align Strategic Priorities to Council's Tax and User Fee Targets/Maintain and Enhance the City's Financial Position: the current report explicitly examines the affordability of the UNFS acquisition policies from a cost – benefit perspective.

The recommendations in the current report strike a balance between these priorities.

SUPPORTING DOCUMENTATION

Document 1 Current Status of Priority Urban Natural Features
Document 2 Summary of Alternative Funding Sources and Protection Mechanisms
Document 3 Location Map of Priority Urban Natural Features (attached separately - on file with City Clerk)
Document 4 Status of High Rated Features (attached separately - on file with City Clerk)
Document 5 Memo - Property Acquisition Estimate: UNA 95, 100 and 193 (Issued separately under separate confidential cover to all members of Council and held on file with the City Clerk.)

DISPOSITION

Implementation of the report recommendations would be carried out by the Planning and Growth Management Department, in consultation with the Finance Department.

CURRENT STATUS OF PRIORITY URBAN NATURAL FEATURES DOCUMENT 1

(Dark grey: acquired. Light grey: recommended for acquisition. Unshaded: acquisition not recommended)

UNF Number	City District and Ward	Environ. Rating and size of target acquisition area (ha)	Comments and Recommendations
87 – Innes Park Woods	East 2	Moderate 8.7	Acquired in whole.
57 – Cambrian Road Woods	South 3, 21	High 22	Acquired in whole.
97 – Navan Road and Page Road Woods	East 2	High 23.7	Acquired in part.
22 – Bridlewood Core Woods	West 23	High 3.4	Acquired in whole.
98 – Riverside South Woods	South 22	High 12.8	Acquired in whole.
94 – Cardinal Creek Valley	East 1, 19	Moderate 0.98	Acquired in part. Mostly designated Urban Natural Features in the OP. Almost entirely constrained by steep and unstable slopes or other hazard lands. The City is not obligated to purchase portions of urban natural features otherwise constrained from development. The priority area was reduced from 13.2 ha to 0.98 ha on the basis of development constraints. The City has acquired the priority 0.98 ha parcel on the west side of Cardinal Creek that was zoned residential.

			Portions of the feature on the east side of Cardinal Creek have recently been added to the urban boundary. They are protected as urban natural feature and will be conveyed to the City. No further acquisitions are deemed necessary for protection.
100 – Armstrong Road South Woods	South 22	Moderate 21	Council has approved an MOU for acquisition of all or part of the central 8.2 ha of the woodlot through land exchange or purchase by 2015. Designated Urban Natural Feature in the OP. The City has agreed in principle to an OPA to remove the UNF designation from the portion of the woodlot not proposed for acquisition. CDP currently under revision. *Recommendation:* • Complete the proposed land exchange for the Carson lands. • Consider acquisition of the remainder of the central area of the woodlot in the 2015 budget.
193 – Shea Road Woods	West 21	Moderate 7.0	Designated Urban Natural Features in the OP. Designated in Fernbank CDP. Commitment in the CDP for development as low density residential if not acquired by the City *Recommendation*: • Consider acquisition of the remainder of the central area of the woodlot in the 2015 budget.
95 – Nantes Street Woods (Rock Knoll Park)	East 19	Low 4.6	Designated Urban Natural Features in the OP. Surrounded by existing or planned urban development, including residential and institutional uses to the south and development reserve land to the north. The full feature is zoned EP. Subject of pre-amalgamation development charges collected by Cumberland and currently held by

			Development Review. A portion (0.95 ha)of the area has been acquired through a land exchange. A local school group had developed a stewardship plan for the woodlot. *Recommendation:* • Consider acquisition of the remainder of the central area of the woodlot in the 2015 budget.
99 – Spratt Road Woods	South 22	Moderate 15	Council has approved an MOU stating that the City will not seek acquisition of this woodlot. Designated Urban Natural Features in the OP. The City has agreed in principle to support an OPA to remove the UNF designation from the woodlot. CDP currently under revision. With the acquisition of UNA 98 and a portion of UNA 100, the Riverside South community will have two highly rated urban natural areas. The vegetation of the Spratt Road woods is not conducive to either passive or active community uses.
132 – Fernbank Wetland	West 6	High 3.7	The feature straddles the urban-rural boundary. Portion of feature already in City ownership and zoned EP: ~21.9 ha. OPA 76 implemented an OMB order by re-designating the privately owned portion of the feature north of Fernbank Road from Significant Wetland to General Urban Area. The City originally indicated its intention to acquire the privately owned portion, but decided not to pursue acquisition upon consideration of the change in land use designation. The landowner of the private portion has approached the City with a development application, which is proceeding through the normal review process.

96 – Notre Dame des Champs Woods	East 2	Moderate 6.3	Designated General Urban Area and Developing Community in the OP. Identified for evaluation and potential acquisition in the East Urban Community Phase 1 CDP. Portion of feature already in City ownership: 4.9 ha.
50 – Highway 416 Woods	South 3	Moderate 14	Designated Employment Area in the OP. Not identified or designated in the Nepean South Urban Area Secondary Plan (Areas 9 and 10). Identified as “significant woodland” in the Jock Reach One Subwatershed Study.Zoned industrial, with a holding designation pending completion of supporting planning studies. O’Keefe Drain EMP completed. It identifies the woodlot for possible acquisition.
63 – Jockvale Road Woods	South 22	Moderate 2.4	The boundaries of the feature were redrawn following clearing of the development reserve lands to the north. Designated General Urban Area in the OP. Zoned agricultural, but enclosed by existing or planned development, including development reserve lands to the north and residential homes to the west and south.
13 – Whalen Park	West 4	Moderate 2.2	Un-acquired portion designated as General Urban Area in OP. Portion of feature already in City ownership: 3.9 ha. Un-acquired portion owned by the Catholic School Board and zoned institutional. In the event of disposal of the school board portion, the property must first be offered to another school board or the City at fair market value.
27 – Poole Creek Corridor	West 6	Moderate 2.4	Privately owned portion designated General Urban Area in OP.

			The City-owned portion is zoned EP. The privately-owned portions are mostly zoned Open Space, with small, peripheral portions zoned Residential and Traditional Mainstreet. The un-acquired portion is almost entirely constrained by floodplain.

SUMMARY OF ALTERNATIVE FUNDING SOURCES AND PROTECTION MECHANISMS DOCUMENT 2

Planning and Growth Management was asked investigate alternative revenue sources to the general property tax for funding the acquisition of urban natural areas. These other funding sources are discussed in detail below.

Alternative Funding

Special services levy

A special services levy in urban communities outside the Greenbelt (*i.e.* suburban communities) is the most promising of several alternate funding tools considered here. Under Section 326 of the *Municipal Act*, City Council may designate a defined area of the municipality that will be subject to a special services levy as a result of provision of a special service now or in the future. The special service is one provided specifically to the benefiting area, at a different level than elsewhere in the municipality. A Special Services levy could create the capital fund needed to fund acquisition of the priority sites. Provision of greenspace can be considered as a special service under the *Act*. In the case of the UNFS, all of the priority sites lie outside the Greenbelt and, if acquired, would provide enhanced, local access to natural areas for suburban communities.

Several issues arise regarding the use of a special levy to fund acquisitions under the UNFS. In particular, a review of the UNAEES, the Greenspace Master Plan, and past reports to Committee and Council shows that all urban parts of the city have benefited in the past from the designation and protection of Urban Natural Areas. Furthermore, the rationale for the UNFS includes the provision of ecological and environmental functions that benefit the entire urban area, such as cleaner air, cleaner water, and reduced summer temperatures. Therefore, the benefits of the UNFS to the suburban communities appear neither distinct nor elevated compared to the benefits enjoyed by other urban communities. As well, there are many other competing priorities that could also use additional revenue for which special services levies are not used, and which are funded through general tax revenue. It is not clear how acquisition of UNAs differs from other Council priorities, and thus why the acquisition of UNAs would make use of special services levies.

In light of the issues described above, a special levy on suburban communities is not the preferred method of funding acquisition of UNAs. However, they may provide local communities with a means, on a case-by-case basis and through a consultative process, to acquire specific, highly-valued UNAs.

Local improvement charge

Under Part XII (Section 400) of the *Municipal Act,* the City may levy a local improvement charge for specified works, with the term “works” defined to include, among other items, “constructing a park, square or other public place.” Implementation of a local improvement charge requires approval of the majority of benefiting property owners. The process is initiated by the City or at the request of property owners. The City

provides a petition to property owner(s) requesting the capital project and requires that it be returned and signed by at least 67 per cent of properties within the designated area, representing 50 per cent of total assessed property value of lands, in order to proceed with the work. Petitions against undertaking the proposed work must be signed by at least a majority of owners representing at least 50 per cent of the value of the lots liable to be charged. If the City receives a sufficient petition against undertaking the work, the City may apply to the Ontario Municipal Board for approval to undertake the work as a local improvement.

The City has used local improvement charges to pay for capital projects such as water or sewer service extensions, but the tool may have limited use for other purposes given the process involved and homeowners' interests. The process includes assessing costs individually on benefiting properties, petitioning, hearing appeals, and consulting affected residents and may require more than two years to complete for an area of 250 homes, for example. The further away the petition moves from funding a capital project that results in a clear benefit to property owners and an increase in property values, the less likely it is to succeed. In situations where urban woodlands are shown in community plans or where communities have grown up around the woodland, residents may believe the City will pay for the property.

Because of these restrictions, local improvement charges do not appear to provide a realistic method for overall funding of acquisition of UNAs. However, they may provide local communities with a means, on a case-by-case basis and through a consultative process, to acquire specific, highly-valued UNAs.

Increased height/density in exchange for community benefits

Section 37 of the *Planning Act* allows municipalities to share in the increased value that may result from increased density and/or height of a development project. It allows the municipality to enter into an agreement with a proponent for provision of a community benefit, in association with an amendment to a zoning by-law that increases development densities. The Official Plan contains policies to allow for the exchange of height and density for community benefits, including creation of new greenspace. While the use of the provisions in Section 37 have the potential to create funding for, or securing land as, greenspace, these provisions have not yet been utilized for this purpose in Ottawa and there are competing priorities for the use of community benefits at such time that they are employed. The use of the provisions of Section 37 may have potential, on a case-by-case basis, for protection of portions of Urban Natural Areas in developing communities.

Grant programs

Senior government grants could be used to acquire property in the rural area, but the money available through the programs falls short of urban land values. The Ontario Heritage Trust has been used to help the City acquire land in the Carp Hills, which is in the rural area. Such programs will continue to be explored for use in rural acquisitions.

Revenues from the sale of City lands

It has been suggested that City-owned UNAs with lower environmental ratings could be sold to finance acquisition of higher-rated areas. However, the UNFS calls for the City to retain ownership of sites it already owns, even if they received a low environmental rating in the city-wide evaluation. Staff have explored whether a change to this policy could be a source of revenue to acquire sites with higher environmental ratings. A review of 40 municipal woodlands that received a low environmental rating found no candidates appropriate for sale. The municipal woodlands are adjacent to active parkland, form part of ravines or other hazard lands, are within road rights-of-way, or would be earmarked for municipal infrastructure if they were to become eligible for disposal. Furthermore, despite a low environmental rating, it is recognized that the woodlands provide additional benefits to the City and surrounding community, and their removal would impact the liveability of the surrounding community.

Land exchanges

Land exchanges were used to help acquire portions of UNA 132 – Fernbank Wetland in Stittsville in 2004 and the Chapman Mills Woodlots (UNAs 60 and 61) in 2006. Following Council approval of the UNFS in 2007, land exchanges were also used to help acquire UNA 87 – Innes Park Woods and UNA 57 Cambrian Road Woods. However, the supply of municipal lands suitable and available for an exchange for woodlands is limited. The revenues from the sale of surplus City lands are used to satisfy several City objectives, such as the Housing First policy, which identifies social housing as a priority in the disposal of surplus properties. In most cases, municipal objectives can be better realized if the City sells its surplus land through a competitive sale or takes on the role of developer. Land exchanges could be considered on a case-by-case basis in the future, where they provide additional benefits to the City.

Partnership with corporate sponsor

The City could seek out a corporate sponsor to fund the acquisition of certain UNAs. Although this option is likely impractical for widespread acquisition of all UNAs, it is possible that it could be used for some individual smaller UNAs.

Funding conclusions

The above review of the available funding sources suggests that the general property tax continues to constitute the most appropriate funding source for the UNFS, although some of those funding sources described above may useful on a site-specific basis. In the case of special services levies and local improvement charges, appropriate community consultation should take place prior to their implementation.

Alternative Protection Mechanisms

Official Plan Policy 5.2.1(5)(a) speaks to the use of alternative methods for preservation of greenspace values, such as conservation easements and stewardship. In reviewing the natural heritage policies for several other Ontario municipalities similar to Ottawa, it

was determined that other municipalities protect their urban natural heritage areas through a variety of mechanisms, including:

- Official Plan land use designations, overlays, and setting of criteria for environmental "significance";
- Municipal acquisition of natural lands;
- Alternative methods of protection, such as conservation easements and stewardship.

One common element in the policies of all of the municipalities reviewed is that acquisition of urban woodlands by the municipalities studied is not mandatory, and is only one of several methods recommended for protection of a natural area. In contrast to this, the Official Plan Policy 5.2.1(5)(c) obligates the City to acquire designated Urban Natural Features, "at the request of the landowner." Several of the alternative protection methods are discussed below, with further information on these and other methods included in Document 4.

Stewardship

Stewardship and stewardship programs involve the management of private lands by an outside party, often in the form of government programs or volunteer organizations. Some stewardship has occurred on private lands which are constrained by the presence of hazards, such as floodplains, valleylands, or unstable slopes, and which are not otherwise developable. However, widespread stewardship is not generally a viable option for large-scale private unconstrained lands in the urban area as a result of ownership, land values, and development expectations.

Conservation easements

A conservation easement is an agreement that restricts uses for conservation purposes, and when registered on title binds both current and future landowners. There are recent examples in the City where small sections of undevelopable natural lands (e.g. watercourse setbacks, unstable slopes) were retained in private ownership, with a conservation easement in the City's favour. Other municipalities have had success retaining natural areas in private ownership. Again, however, widespread stewardship is not generally a viable option for large-scale private unconstrained lands in the urban area. Furthermore, public expectations of access to the natural areas may not be met.

Tax benefit programs

The Ecological Gifts Program sponsored by Environment Canada provides income tax benefits to landowners who donate land with environmental value who want to preserve the environmental quality of the land. Tax benefits can be awarded in exchange for full donation or restrictive covenants, including conservation easements. The program is beneficial to property owners who are motivated to protect land for its environmental value. However, in Ottawa, the program has usually failed to meet the financial expectations of landowners holding urban land for development. In addition, land held by developers as part of a development portfolio does not qualify for this tax benefit. In

some cases tax benefit programs have been used in conjunction with conservation easements.

Parkland dedication and cash-in-lieu of parkland

Under the *Planning Act* and in accordance with the City's Parkland Dedication By-law, the City is entitled to the greater of five percent land area or one hectare per 300 dwelling units, to be dedicated as public parks through the development application process. The amount of parkland dedication, which must be developable land, generally provides only the community needs for recreation space and does not meet the demand for district-scale recreation facilities nor woodlands and natural areas. If no usable or desirable parkland exists, the City may instead take the equivalent value of cash-in-lieu of the parkland. The money collected through this process is to be used for the purchase of new parks or improvement of existing parks. The City's present parkland policy focuses on the provision of recreation through programmed parks. Although this policy does not allow for universal preservation of UNAs within parks, portions of natural areas can be incorporated into passive park design on a site-by-site basis.

Long-term lease

This would involve the City entering into a lease agreement with a landowner to protect the lands for a specified time. The City could have right of first refusal to purchase the land at the end of the lease term. The advantage of this option is it could reduce the present cost, yet allow for protection of the UNA in the interim, while allowing for eventual acquisition.

Alternative protection conclusions

The alternative methods for protection of UNAs described above do not provide the same universal protection as acquisition; however they are all useful tools which could be used on a site-specific basis to contribute to achieving the City's objectives to protect urban natural areas.