

From: The Halo Project

Valuing Toronto's Faith Congregations

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<https://www.haloproject.ca/phase-1-toronto#methodology>

A. Open Space

1a. *Green Space*: Many congregations have trees, lawns, gardens, and other green spaces on their property, each of which has positive impact on the aesthetic and environmental status of the neighbourhood.¹⁸

To monetize some of this value, we relied on satellite images and property data available from the city of Toronto to measure green space. Small parcels of land that were not able to be measured by satellite images were measured by hand.¹⁹ The city of Toronto currently covers storm-water management costs through fees based on consumption (3.4500/m³ for residential and 2.4149/m³ for industrial).²⁰ The city Water Department has proposed a change, however, for the upcoming 2017 budget year that would see a storm-water management fee of \$0.77 per square meter applied to impermeable property area (roof, asphalt and concrete areas, etc.) Assuming that the city will approve this proposed change and that the cost will be similar to the figure above, we have used this figure to estimate the relative savings that congregational green space offers to the city.

The Philadelphia study also sought to include a detailed valuation of tree contributions to pollution reduction and water-runoff control making use of a tool developed by the US Forest Service.²¹ When considering the time intensive nature of collecting these measurements in 100 congregations, that only four of twelve congregations in the Philadelphia study reported economic contributions of over \$1,000 in this category, and that only two reported contributions of over \$5,000, it was decided to also eliminate this item from the matrix.

In addition to the concrete methods identified above, other studies²² document how green spaces and recreational areas can have a positive effect on the value of residential properties located close and in turn generate higher tax revenues for local governments. This impact depends on the distance between the residential property and the green space as well as the characteristics of the surrounding neighbourhood. A recent study conducted in Dallas–Fort Worth showed that houses within five hundred feet of a green space with an average size over two acres showed a percentage added value of approximately 8.5 percent, while those located within one hundred feet had a percentage added value of almost 25 percent.²³ Another study of three neighbourhoods in Boulder, Colorado, suggests that property values decrease by \$4.70 USD for each foot away from a greenbelt area.²⁴ While the extent of these valuations is significant and recognized anecdotally, attributing index values to these components is beyond the scope of this study.

1b. *Garden Plots*: Some congregations add value to their green space by making them available for garden plots. Peleg Kramer²⁵ cites a New York study that measured the value of produce from forty-three gardens (over 17,000 pounds of food) at approximately \$52,000 USD (\$66,638 CDN) for an average of roughly \$1,550 CDN. There was no indication of the size of these community gardens. In order to err on the conservative side, we estimated that an average garden plot would yield \$775 worth

of food annually.

2. *Recreation—Children’s Play Structure*: Currently City of Toronto Parks, Forestry, And Recreation enhances/replaces existing Toronto playgrounds under its play-enhancement program. Playgrounds being enhanced/replaced under this program currently have a capital budget of \$150,000 each. This is a global budget that includes professional and technical service fees, testing and permit costs (as required), management fees, construction/installation costs, and applicable taxes. Typically the playground equipment cost (including installation) accounts for \$50,000–70,000 of that global budget. This range can vary from playground to playground based on a wide number of factors. Where play structures are present, we anticipate that on average they would not be of the size and scope of city-facilitated structures. To maintain a conservative estimate we estimate an average cost of \$30,000 for a commercially installed structure with a life span of twenty-five years. This would equate to an average yearly valuation of \$1,200.

3. *Recreation—Sports Field*: The Philadelphia study based their valuation on a US Corps of Engineers Study,²⁶ which estimated the annual benefit to direct users of sports fields/facilities at a minimum of \$5,000 USD (apr. \$6,500 CDN) annually. We were unable to identify a similar Canadian study and as a result used the following calculations. Parks and Recreation for the city of Toronto books outdoor diamonds and fields in two-hour blocks. These facilities are available on a seasonal or spot-rental basis. Average charge is approximately \$25 per hour. We estimated that a soccer field/baseball diamond/cricket pitch on congregational property might be used an average of one hour per weekday and two hours per weekend day from April to October (252 hours) at \$25 per hour for a total annual valuation of \$6,300.

4. *Parking*: Congregational parking lots are used most often by members coming for worship or other congregational events. In some cases, congregations may offer this space for a fee to monthly or daily users. In many cases, however, parking is offered free of charge as long as it is not considered “regular” use. To estimate the value of these lots, we consider how much it costs to park in civic lots in the city of Toronto. While rates vary widely, particularly in the downtown core, an average “Green P” lot in midtown Toronto currently charges \$3.50 per hour or \$10 per day. A very conservative estimate that would see one car using the lot on a daily basis six days a week would put the value at roughly \$240 per month.

Measuring the Halo Effect could significantly strengthen the capacity of city planners and elected officials to further strengthen investment, reduce duplication of services, and initiate creative partnerships with communities of faith to better serve the needs of all city residents.

5. *Property Tax*: Typically, faith communities are not taxed on their properties. However, one of the participants in our initial phase study is located in the downtown core and has a long-term lease arrangement with a developer for an office tower that was constructed on the property. This arrangement provides significant benefits to the city through taxation and as such provides a “halo” impact. To calculate the value of this impact we researched an article which states that in 2012 the average commercial tax assessments were \$31.85 per \$1,000 of assessment.²⁷ We also discovered through a public rental website that the property includes 240,000 square feet. Assessments are usually determined on the basis of rental income, but construction costs can also serve as a proxy. Altus Group²⁸ estimates construction costs for buildings thirty storeys and taller to be between \$265 and \$365 per square foot. Following the lowest-cost scenario, an equation based on the variables stated

above produces an annual tax assessment of \$2,025,660.

-----footnotes

- 18 Curran (2011); Lindsay (2004).
- Morgan et al. (2010).
- City of Toronto (2016).
- US Forest Service (2010).
- Kerr (2011).
- Miller (2001).
- Walker (2004)
- Kramer (2012).
- US Army Corps of Engineers (2010).
- Perkins (2012).
- 28 Altus Group (2014).

APPENDIX A—CONCEPTUAL MATRIX

OPEN SPACE

TYPE OF CONTRIBUTION	SOURCE OF DATA	VALUE	REFERENCED BY	PRIMARY BENEFICIARY
1a. Green space	Satellite Images	\$0.77 per m2 of green space	Cnaan et al. (2013)	Community
1b. Garden Plots	Congregation	\$775	Kramer (2012)	Community
2. Recreation— Children’s Play Structure	Congregation	\$1,200	Toronto Parks and Rec	Community
3. Recreation— Sports Field	Congregation	\$6,300	Toronto Parks and Rec Community	Community
4. Parking	Congregation	\$240/month or as reported		Community Government
5. Property Taxes	City of Toronto	\$31.85 per \$1000 assessment		

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