



Centre for Urban Research and Land Development

Land Value Capture in Canada: Some Applications

David Amborski

Presentation Outline



- Land Value Capture Typology/ Canadian Tools
- Development Charges
- Density Bonuses
- Tax Increment Financing
- Public Land Leasing
- LVC Tools for Transit Finance
- Evaluation Framework for the Tools

Alterman Land Value Capture Typology



- Macro Tools: broad interventionist regimes
- Direct Capture Tools: recognize the legal or moral obligation to contribute part of the wealth created
- Indirect Capture Tools: local tools to provide specific revenues

Tools: Canadian Applications



- Macro: Land Banking, Public Land Leasing, Community Land Trusts
- Direct Tools: Density Bonuses, Development Charges, Inclusionary Zoning
- Indirect Tools: Tax Increment Financing, Public Private Partnerships

Development Charges



- Ontario
- British Columbia
- Alberta
- Nova Scotia

Ontario



- DC Act under review
- Highest DC's/Impact Fees in North America
- As high as \$60,000 per single family home
- Land Value Capture Related to the ‘incidence’

Density Bonuses



- US: Many applications including New York and Chicago
- Canada:
 - British Columbia: Community Amenity Agreements
 - Ontario: Section 37 (Planning Act) Agreements

BC: Community Amenity Agreements



- Vancouver: under the Vancouver Charter
- Other Municipalities: under the Municipal Act

Ontario: Section 37



- Toronto
- Burlington
- Oakville
- Vaughan
- Ottawa

Tax Increment Financing



- United States Applications
- Canadian Applications

TIF: US



- Long and Broad Applications: since 1952
- Applied in 48 states
- Different names and applications
- The “but for” test (20 states)

TIF: Canadian



- Winnipeg
- Alberta: Community Revitalization Levy
- Ontario

Ontario



- Tax Increment Equivalent Grant (TIEG):
Section 28 (Planning Act), Community Improvement Plan
- Tax Increment Financing: TIF Legislation

TIEG



- Targeted to Brownfield Remediation and Development
- Direct benefits to property owner for remediation
- Grant provided for 10 years based on a percentage of the post redevelopment property tax increase

TIF



- Pilot Studies: West Donlands, East Bayfront
- Provincial Legislation, 2006
- No regulations to date
- No applications.....lost opportunities...

Public Land Leasing



- Scattered Applications: Crown Lands, Toronto Islands, Toronto Portlands (50+ leases)
- No well developed policy
- Alternative to selling land assets, i.e. create a revenue stream and maintain public assets
- Lost opportunities to maintain community assets....community land trusts
- Joint development opportunities

International Examples



- Large Scale Examples
 - Hong Kong
 - Amsterdam
- US: MassPort (Boston Waterfront) example

LVC to Finance Transit



- In addition to the tools discussed above:
 - Special Assessments
 - Joint Development/ Public Private Partnerships

International Examples



- London: Crossrail
- United States
 - Washington DC
 - Portland

Tool Evaluation Criteria



- Transparency
- Equity
- Accountability
- Impacts on other policies
- Revenue Capacity

Conclusions



- Canadian jurisdictions have a long history of using land value capture tools
- There is need to better understand their impacts on other policies and markets
- Existing tools need to be improved
- There are opportunities for applying new tools in the Canadian context



Centre for Urban Research and Land Development