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Guide for Payment-in-Lieu (PIL) of Parkland for Site Plan Control Applications





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Overview

This guide is intended to help applicants understand how parkland dedication and payment-in-lieu (PIL) are applied in practice for development applications reviewed by the Municipality. Parkland dedication requirements are set out in the Municipality's Parkland Dedication by-law as enacted by Council on February 11, 2025.

View the Parkland Dedication by-law at leamington.ca/ParklandBy-law.

Quick Facts

- ✓ Payment-in-Lieu (PIL) of Parkland may apply to development and redevelopment projects subject to Site Plan Control.
- ✓ For most Site Plan Control applications, the Municipality requires PIL rather than the conveyance of parkland.
- ✓ Commercial, industrial, greenhouse, and mixed-use developments generally require an appraisal to determine the applicable PIL amount.
- ✓ Residential developments are typically subject to the rates established in Schedule 1 of Parkland Dedication By-law 13-25.
- ✓ PIL is calculated during the building permit process.
- ✓ PIL is collected prior to the issuance of a building permit.
- ✓ Approval of a Site Plan Control application does not require payment of PIL.

Scope of the Guide

Purpose: Simplify the parkland dedication process, focusing on requirements and processes for PIL.

Coverage: Addresses PIL for developments subject to Site Plan Control.

The Guide does NOT:

- Provide a full interpretation of the Parkland Dedication By-law
- Replace the By-law or the Planning Act, which prevail in case of conflict.

Who is the Guide For?

It is intended for residents, property owners, and applicants who are navigating the development approval process and want to understand:

- What parkland dedication is
- When it applies
- How PIL is calculated
- What information and documentation are required throughout the process
- When payment is collected

1. What is Parkland Dedication?

When land is developed or redeveloped, municipalities are permitted under **Section 42 of the Planning Act** to require land or money to help provide parks and recreational spaces for the community (referred to as “parkland dedication”).

Purpose: To ensure that growth fairly contributes to public parkland and recreational space. This is how the Municipality obtains land for new parks and funds the creation of new parks, the maintenance of existing parks and recreational facilities to serve both new and existing residents.

Methods to Satisfy Requirement:

1. Conveyance of Land

A portion of the development land is conveyed to the Municipality for park purposes.

or

2. Payment-in-lieu (PIL), sometimes referred to as a “Parkland Fee”

Instead of providing land, the applicant pays the cash value of the land that would otherwise be required.

The decision on whether land conveyance or PIL is required is made by the Municipality in accordance with the By-law.

2. Applicability

Parkland dedication or PIL is required when a proposal involves Development or Redevelopment as defined in the By-law, unless exempt under Section 4 “Exemptions”.

Applies to:

- New residential, commercial, industrial, greenhouse, or mixed-use development
- Redevelopment that increases density, floor area, or changes use
- Phased development (calculated phase-by-phase)

Does Not Apply (Common Examples):

- Replacement of a building after fire where no intensification or change of use occurs
- Enlargements of an existing residential unit that do not add more residential units

- Additional Dwelling Units (ADUs)/Additional Residential Units (ARUs) in accordance with the By-law
- Institutional development

Important note on Section 4 Exemptions:

Applicants should review the By-law and contact the Municipality to confirm applicability early during pre-consultation.

3. Payment-in-lieu (PIL) of Parkland

If the Municipality does not require conveyance of land on a particular property that is proposed for development, it may instead require PIL, being a cash payment equal to the value of the parkland that would otherwise be conveyed. This is typically the case with Site Plan Control applications.

Calculation of PIL

The Municipality is responsible for calculating PIL for Site Plan Control applications.

PIL is generally calculated based on an appraisal completed to the satisfaction of the Municipality.

One exception to this is residential development, where PIL is primarily calculated using the fixed per-unit rates set out in Schedule 1 of the By-law. If the applicant does not agree with the scheduled rate, they must submit an appraisal.

For PIL that is based on an appraisal, the calculated fee is based on:

- The area being developed/redeveloped
- The value of the lands (as per an accepted appraisal)
- A factor of 2% (commercial, industrial, greenhouses, mixed-use) or 5% (residential)

If the development includes affordable or attainable housing units, the required payment may be reduced proportionally, based on how many units qualify under provincial legislation.

Credit may be given for previous parkland dedication or PIL paid if an applicant can provide suitable evidence to the satisfaction of the Municipality.

Appraisals

An appraisal is required when:

1. The applicant disputes the per-unit residential rate under Schedule 1
2. The development/redevelopment is commercial, industrial, greenhouse, or mixed-use

The value of the land is determined by an appraisal commissioned by the applicant and completed by a qualified person.

The appraisal must comply with the following criteria:

1. Be performed by a real estate appraiser holding the AACI (Accredited Appraiser Canadian Institute) designation granted by the Appraisal Institute of

Canada (AIC), who is a member in good standing, qualified to perform appraisals in Ontario per the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). The appraiser must be independent, unaffiliated with the applicant or the municipality, and have proven experience valuing development lands within the local market.

2. Clearly identify:
 - a. The effective date of valuation
 - b. The value of the lands as vacant

For development-related parkland calculations, PIL is based on the **value of the land as vacant**, not on the value as improved or post-development/redevelopment.

Use of Recent Appraisals

The Municipality may accept an appraisal completed within 12 months of the submission date of the Site Plan Control application, provided that the appraiser provides written confirmation (i.e. a reliance letter) stating that:

1. The value of the land as vacant as of date [X], being the date of the Site Plan Control application, has not changed; and
2. The Municipality of Leamington is authorized to rely upon the information in the appraisal for the purposes of calculating payment-in-lieu of parkland.

If a previously completed appraisal was not based on the value of the lands as vacant, an addendum to the original appraisal will be required, in addition to the reliance letter.

The Municipality reserves the right to request clarification, supplemental information, or an updated appraisal where necessary.

Timing of Payment

PIL is **paid at the building permit stage** and is collected prior to issuing the building permit. PIL is not a condition of site plan approval, and approval of the appraisal is not required to obtain approval for an SPC application.

PIL Process Flow

The following summary outlines how PIL is handled from application to payment for developments subject to Site Plan Control. **Figure 1** depicts the overall process.

Applicants with questions specific to their development are encouraged to speak with municipal staff early in the process to avoid delays at the building permit stage.

Contact Us

If you have an active site plan control file, contact the assigned file lead using the public message tool in your Cloudpermit workspace.

If you do not have an active site plan control file, contact planning@leamington.ca or call (519) 326-5761 ext. 1407 for assistance.

Figure 1: PIL Process Summary

**STEP
ONE**

Pre-Consultation

During the Site Plan Control pre-consultation process, the Municipality will advise whether Payment-in-Lieu (PIL) requirements apply to the proposed development. Applicants will also be advised if an appraisal is required and provided with information regarding appraisal requirements.

**STEP
TWO**

Obtain and Submit an Appraisal (if required)

Where required, applicants must retain a qualified appraiser and submit the appraisal and any supporting documentation through their Building Permit Cloudpermit workspace. Appraisals must comply with the requirements outlined in this guide and Parkland Dedication By-law 13-25.

**STEP
THREE**

Municipal Review

The Municipality will review the appraisal to confirm it meets applicable requirements. If additional information is required, applicants may be asked to provide supplementary documentation, such as an updated appraisal, addendum, or reliance letter.

**STEP
FOUR**

PIL Calculation

Once the appraisal has been accepted, the Municipality will calculate the applicable PIL amount and advise the applicant of the fee.

**STEP
FIVE**

Payment

PIL is collected through the building permit process and must be paid prior to the issuance of a building permit.