



City of
Peterborough

To: Members of the General Committee

From: Blair Nelson, Commissioner, Infrastructure, Planning and Growth Management

Meeting Date: August 25, 2025

Report: Cash-in-Lieu of Parking Policy, Report IPGPL25-036

Subject

The Cash-in-Lieu (“CIL”) of Parking Policy formalizes and modernizes a program to allow a building owner or occupant of a building on a parcel of land located within the City’s Strategic Growth Areas, to enter into an agreement and pay a fee in-lieu of providing and maintaining on-site parking facilities that are otherwise required in accordance with the City’s Comprehensive Zoning By-law (By-law 1997-123).

Recommendations

That the General Committee approve the recommendations outlined in Report IPGPL25-036, dated August 25, 2025, of the Commissioner of Infrastructure, Planning and Growth Management as follows:

- a) That Report IPGPL25-036 regarding the Cash-in-Lieu of Parking Policy be received; and,
- b) That the Cash-in-Lieu of Parking Policy be adopted by Council in accordance with the draft Policy attached as Appendix A of Report IPGPL25-036.

Executive Summary

- The use of Cash-in-Lieu of Parking serves as a strategic approach to address parking supply management and support for other Transportation Demand Measures. A Cash-in-Lieu of Parking Policy is frequently employed to achieve various objectives including promotion of shared parking, discouraging excessive vehicle usage, providing funding for transportation demand management

programs, revitalizing downtown cores, preserving heritage structures and facilitating redevelopment, particularly in cases where on-site parking options are constrained.

- The CIL of Parking Policy implements Council direction from November, 2023, as part of a combined approach to support growth in a responsible manner, whereby recommendations from the Residential Parking Standards Review (October 2023) prepared by Paradigm Transportation Solutions Limited were endorsed.
- Section 40 of the Planning Act, R.S.O., 1990, c.P. 13, as amended, provides that a municipality may enter into an agreement with an owner or tenant of a building to pay money in lieu of providing or maintaining parking facilities in accordance with the applicable Zoning By-law, or its successor regulating by-law, to the extent specified in the agreement.
- Formalizing and modernizing a Cash-in-lieu of Parking Policy in the City's Strategic Growth Areas (Parking Areas 1, 2 and 3, see Appendix B) addresses situations where providing on-site parking is difficult or impractical and will incentivize the creation of additional housing in areas served by public transit and alternative modes of transportation while generating funds for municipal infrastructure and other Transportation Demand Measures like car share and bike share programs.
- Funds collected through Cash-In-Lieu of Parking (CIL) agreements will be added to a reserve account and used to address the demand for parking including appropriate transportation demand management measures that reduce the demand for parking, and for the acquisition, construction, establishment and/or maintenance of municipal parking facilities.
- Adopting the Cash-in-Lieu of Parking Policy will support intensification, reduce development barriers, and streamline development approvals to help achieve the City's Housing Pledge. It will also facilitate housing creation while funding municipal parking and transportation demand management initiatives, aligning with the goals of the Housing Accelerator Fund, the Mayor's Task Force for Housing Creation, and the Transportation Master Plan.

Background

Cash-in-lieu of parking (hereinafter referred to as "CIL of parking") is a policy approach that is used by municipalities to address parking supply management and encourage development in strategic areas of a community as-of-right (i.e. no planning application required to address the reduction). A CIL of parking program will allow development to proceed with fewer on-site parking spaces by allowing a building owner or occupant to pay an established fee to the municipality in lieu of providing parking on-site. CIL of parking helps promote shared parking solutions and support for intensification by

managing parking supply in areas where on-site parking requirements are difficult to meet, and where land values are high.

Money collected from a CIL of parking program is used to fund municipal parking infrastructure, related services and other transportation demand management incentives or supportive infrastructure. Areas identified as eligible for CIL can offer a payment option to satisfy the minimum parking requirements of the municipal by-law (i.e. Zoning By-law or Community Planning Permit By-law). CIL of parking can be utilized as a useful tool to:

- Support increased density in instances where on-site parking cannot easily be met;
- Support the redevelopment of older buildings and offer flexibility to reduce the on-site area dedicated to parking;
- Fund infrastructure improvements, such as creating new off-street municipal parking facilities, or improvements to existing facilities, and providing transportation infrastructure that supports active transportation and public transit use;
- Fund the establishment of Transportation Demand Management (TDM) measures, being the application of programs, policies, and services that aim to increase the efficiency of transportation systems by promoting and supporting the use of active and sustainable transportation modes; and,
- Fund other discretionary uses, as detailed by By-law.

The City of Peterborough has provided Downtown Core Area landowners and those providing Affordable Housing throughout the City, with the option of meeting their parking requirements through CIL of parking for many years, in accordance with the direction of the City's former Official Plan [1981-2023]. To support the use of CIL of parking in such instances, By-law 02-120 was passed in September 2002, authorizing the Mayor and Clerk to execute all cash-in-lieu of parking agreements approved by the Director of Planning and Development Services (now the Director of Planning, Development and Urban Design).

In 2021, the City completed a comprehensive update of the Official Plan (OP), which received Provincial Approval in April of 2023. Through this update, the language in the Official Plan was amended to expand the area where CIL of parking can be utilized, to include the City's Strategic Growth Areas, as identified in Schedule 'B' of the Official Plan. A formal Cash In Lieu of Parking Policy is now required to implement the OP's policy objective. Therefore, the purpose of this report is to:

- Formalize a CIL of Parking Policy that applies to development, redevelopment and conversion projects within the City's Strategic Growth Areas, inclusive of the Central Area, and to authorize the use of CIL of parking agreements to secure

municipal funds in lieu of a building owner or occupant providing on-site parking otherwise required by the Zoning By-law;

- Establish a municipal Policy that outlines the administrative processes for CIL of parking, including application eligibility, submission requirements, approval and payment procedures, and general parameters of the CIL of parking agreement and use of the CIL reserve fund; and
- Develop a policy framework for CIL of parking eligibility and cost (fee) calculation.

Federal Housing Accelerator Fund

Launched in March of 2023, the Housing Accelerator Fund (HAF) is an initiative introduced by the Federal Government, administered by Canada Mortgage and Housing Corporation (CMHC). Administered in funding rounds, the HAF was created to incentivize local governments to implement structural and lasting reforms that will increase the supply of housing. In 2024, as part of the City's successful HAF application, the City committed to implementing an action plan aligned with HAF best practices that included an initiative related to parking.

In 2023, the City completed a comprehensive Residential Parking Study, prepared by Paradigm Transportation Limited, which recommended a multi-faceted approach to right-size parking city-wide. Key recommendations include updating parking standards and introducing incentives such as a car-share and bike-share programs, CIL of parking options, and overnight on-street parking to support this goal.

The City's Housing Accelerator Fund (HAF) initiative focuses on three milestones related to parking. The first milestone under this initiative was achieved in February 2025, through City-wide amendments to the Zoning By-law's (By-law 1997-123) residential parking requirements. This amendment modernized the City's parking standards and reduced the need for site-specific exemptions to justify parking reductions, with the goal of streamlining development approvals, optimizing urban land use, and minimizing the financial and environmental impacts of an oversupply of parking.

The second milestone under this initiative is to formalize a CIL of Parking Policy and extend its application to the City's Strategic Growth Areas. This will establish a funding mechanism to support municipal programs, acquire land, and promote the construction and maintenance of municipal parking facilities or other Transportation Demand Management measures. Implementing a formal CIL of Parking Policy supports objectives related to achieving the City's intensification targets, reducing development barriers, promoting sustainable development, providing consistency in the development approvals processes, and encouraging the creation of additional housing units.

The third milestone is the initiation of a pilot program for on-street parking permit, scheduled to commence later this year.

City of Peterborough Mayors Housing Task Force for Housing Creation

In January 2024, the City formed the Mayor's Task Force for Housing Creation to explore strategies to encourage and promote the development of new housing units. The Task Force presented 15 recommendations focused on three core themes: 1) accelerating development, 2) lowering housing construction costs, and 3) fostering partnerships and advocacy. Notably, expanding the geographic scope of where CIL of parking is contemplated and permitted aligns with the following Task Force recommendations:

Recommendation 6: Direct City Staff to work with the development community to identify, prioritize, and pre-zone underused properties within the City's Strategic Growth Areas.

- Formalizing and expanding the applicability of the City's CIL of Parking Policy, will allow for the payment of a fee in lieu of the provision of on-site parking (otherwise enforced by the Zoning By-law) beyond the City's Central Area. Doing so supports the development of underutilized lands and more efficient use of infrastructure to support higher density development.

Recommendation 12: Financially incentivize multi-unit residential development projects, with particular emphasis on projects incorporating affordable housing opportunities.

- The proposed CIL of Parking Policy will support multi-unit residential development by freeing up valuable on-site land for higher residential density and encouraging desirable forms of development, in areas well-served by existing municipal infrastructure, through the application of fee discounts for qualifying projects, such as:
 - Affordable housing developments;
 - Development projects in the City's downtown core; and
 - Redevelopment or conversion of designated heritage buildings.

Transportation Master Plan, 2024

Endorsed by Council in 2024, the City's Transportation Master Plan ("Move Peterborough") sets the long-term vision for multi-modal transportation. The Plan recognizes the need for a multi-faceted approach to shift travel behaviour and organizes its recommendations into four key themes being 1) Walking and Cycling; 2) Transit; 3) Roads; and 4) Policies.

Under the "Policies" theme, the CIL of Parking Policy can be considered a parking management tool used to shift land use away from underutilized surface parking toward funding City-owned and operated parking facilities, which can generate additional revenue. Alternatively, CIL of parking funds may be directed toward other

Transportation Demand Management (TDM) initiatives that support active transportation infrastructure —advancing the broader goals of the TMP.

The CIL of Parking Policy will help implement several parking-related recommendations from the TMP, including:

- Expanding paid parking beyond the Central Area;
- Allowing increased density in commercial corridors where paid parking is in place; and
- Increasing the municipally owned or operated parking supply while reducing on-site parking requirements for new developments.

Extending the CIL of Parking Policy beyond the Central Area to the Strategic Growth Areas is intended to serve as a policy tool to facilitate reduced automobile reliance in urban areas (intensification corridors) and encourage greater use of sustainable travel modes. The funds collected through CIL of parking may be used to support the implementation and operation of car-sharing services or other alternative transportation services that reduce reliance on the private automobile.

Paradigm Transportation Solutions

In May 2023, the City of Peterborough retained Paradigm Transportation Solutions Limited (Paradigm) to undertake a review and update to Section 4 (“Parking, Loading and Driveways”) of the City’s Consolidated Zoning By-law. This project was part of a larger body of work to modernize the City’s Zoning By-law following Council’s adoption of the new Official Plan (OP) in November 2021, which received provincial approval in April 2023. The Residential Parking Standards Review – Final Report was guided by four key thematic areas, including a technical memo on CIL of parking.

Paradigm’s Final Report recommendations respond to identified challenges in the City’s current CIL rate. First, the City’s current CIL rate reflects surface parking costs, but new lots in Strategic Growth Areas conflict with the OP’s intensification goals. Notably, to meet demand and ensure efficient use of land, any newly constructed City-initiated public parking facility would preferably be an underground or above-grade structured parking facility. Paradigm estimated the cost of above-grade structured parking to be approximately \$46,000 per space in 2023.

Second, municipal parking infrastructure in the City’s downtown core was previously funded, in part, through Development Charges collected on new development – intended to offset the financial impact on existing municipal services requiring upgrades. However, changes to the Development Charges Act implemented through Bill 108, the “More Homes, More Choices Act”, eliminates the City’s ability to collect development charges for parking services as of September 18, 2022. As a result, new development that creates demand for municipal parking is no longer required to contribute towards the cost of creating new parking infrastructure.

With these considerations in mind, and following a review of current policies and CIL of parking best practices in peer municipalities, Paradigm provided the following recommendations for Peterborough's CIL of a Parking Policy:

- To expand the application of the City's CIL of Parking Policy to include Parking Area 1, 2 and 3;
- To increase the CIL of parking rate to \$17,300 to better align with the recommended rates in peer municipalities such as the City of Guelph. The recommended rate is based on the surface parking space construction cost of approximately \$5,300 per parking space, plus the cost of land, which was estimated at \$12,000¹ per parking space;
- To extend the use of CIL of parking reserve funds to engage a car-share service provider to establish a base level of service across the City, within both private and public parking lots;
- To consider using CIL of parking reserve funds to engage a bike share service provider to establish a base level of service across the City, within both private and public parking lots; and
- Consider using CIL of parking reserve funds to partner with private developers to create shared structured parking facilities in the Central Area where it can meet the City's parking needs and objectives.

An Updated Review of Peer Municipalities CIL of Parking

As noted, Paradigm's Residential Parking Standards Review was completed in 2023, when many comparable municipal policies had not yet fully adapted to the impacts of the COVID-19 pandemic or the inflationary pressures on land and construction costs. As a result, Planning Staff identified the need to re-evaluate municipal best practices for CIL of parking to better understand how CIL of parking fees are being calculated under evolving market and inflationary conditions. A summary of this review is provided in Appendix C.

Methods for calculating CIL of Parking

Municipalities with detailed CIL of parking policies often include a clear calculation method with defined input values. Some, like the City of Guelph, use simplified approaches where the CIL rate is set as a percentage of the cost to construct a structured parking space—in Guelph, currently estimated at \$60,000 per parking space. Other municipalities apply a more detailed formula. A common best practice appears to be collecting approximately 50% of the estimated cost of an above-grade structured

¹ Paradigm estimates the cost of land at \$2,000,000 / acre or \$500 / sq. m. multiplied by an estimated parking space size of 24 sq. m (inclusive of 50% of the required aisle space).

parking space. The rationale for using 50% of the structured parking rate acknowledges two key points:

1. As opportunities to provide lower-cost surface parking—particularly in the City's Central Area—diminish, future public parking will increasingly require more expensive structured solutions; and
2. The resulting parking spaces will serve both the development contributing to the CIL of parking fund and the broader public, justifying a shared cost approach.

Where detailed calculation formulas exist, they typically incorporate the key themes as further detailed in Appendix C and Table 1 therein.

The City of Peterborough's Recommended CIL of Parking Calculation Approach

In Paradigm's Final Report, the estimated 2023 cost of a surface parking space—excluding land—was \$5,300, based on the 2023 Canadian Cost Guide prepared by Altus Group, whereas the cost of a parking space within an above-grade parking structure was estimated at \$46,100 per space.

According to the 2025 edition of the Canadian Cost Guide, the cost to construct a surface parking space has increased by 25%, resulting in an estimated construction cost of \$6,625 per space, excluding land costs. Conversely, the 2025 estimated cost to construct an above-grade parking structure has reduced to approximately \$42,500 / parking space, excluding land costs.

Paradigm's recommended CIL of parking rate combines the estimated construction cost of a surface parking space with associated land costs. In this case, land value was estimated using a base rate of \$12,000, calculated by applying an assumed land value of \$2,000,000 per acre (or \$500 per square metre) to a standard parking space size of 24 square metres, which includes 50% of the adjacent aisle area. This results in a recommended CIL rate of approximately \$18,625 in 2025, assuming land values have remained relatively stable since 2023.

However, it is important to acknowledge that Paradigm's recommended CIL rate is based on the cost of constructing a surface parking space. Conversely, if the City intends to effectively utilize CIL of parking funds to develop municipal parking facilities, it is important to recognize that these facilities will need to take the form of above-grade structured parking. As such, it's recommended that the construction cost used to inform the CIL of parking rate should reflect the average construction costs per square metre to construct a parking space within a freestanding parking garage. Additionally, Paradigm's recommended Cash-in-Lieu of Parking rate does not reflect the varying sizes and types of parking spaces regulated under the City's Zoning By-law. To enhance policy flexibility, align with our current CIL practices in the Central Area, and incentivise mixed-use development, the following parking space types are recommended for inclusion in the CIL of Parking Policy:

- a) Standard residential parking spaces;

- b) Non-residential parking space within Parking Area 1;
- c) Non-residential parking space within mixed-use developments;
- d) Residential visitor parking spaces; and
- e) Type B accessible parking spaces.

Upon review and as noted in the Paradigm Report in 2023, it is evident that the City's current (2025) CIL rate of \$7,476.77 per standard parking space remains considerably lower than amounts being collected by many of the peer municipalities. Additionally, the City's current fixed-rate approach lacks flexibility to account for different parking space types, and parking and transportation infrastructure constrains across various areas of the City. It also lacks clear and transparent cost signals that outline the formula inputs, making it difficult for the development community to anticipate or understand the orientation or justification for the fee. Therefore, staff recommend adopting a more refined CIL of parking formula as follows:

$$\text{CIL of parking formula in Parking Area 1 \& 2} = [((C \times A_1) + (L \times A_1)) \times N] \times D$$

$$\text{CIL of parking formula in Parking Area 3, and for non-residential parking spaces in all parking areas} = [((C \times A_2) + (L \times A_2)) \times N] \times D$$

$$\text{CIL of parking formula for Type B accessible parking spaces in all parking areas} = [((C \times A_3) + (L \times A_3)) \times N] \times D$$

where:

C = Average construction costs per square metre to construct an above ground structured parking space within a freestanding parking garage based on the annual Canadian Cost Guide = \$533 in 2025, amended annually in accordance with the City's User Fee By-law.

A₁ = 21 m² = area of a parking space in Parking Area 1 and 2, inclusive of 50% of the required drive aisle area.

A₂ = 24 m² = area of a non-residential parking space and parking space within Parking Area 3, inclusive of 50% of the required drive aisle area.

A₃ = 32 m² = area of a Type B accessible parking space in all parking areas, inclusive of 50% of the required drive aisle area.

L = The estimated land value per square metre = \$500 in 2025, amended annually in accordance with the City's User Fee By-law.

D = Discount rate, as specified herein, being a value between 0 and 1, applied in the CIL of parking calculation to reduce the Applicant's total fee, based on the development and/or parking space type and location.

M = Multiplier rate, as specified herein, being a number greater than 1, applied in the CIL of parking calculation to increase the Applicant's/Agent's total fee, based on the development and/or parking space type and location.

N = Number of spaces seeking CIL of parking.

The formulas outlined above provide transparency in costing assumptions and offer flexibility to adjust rates—whether through discounts or increases—to incentivize desirable forms of development and account for changes in construction costs, land values, and inflation. These formulas incorporate key input factors commonly used in CIL calculation methodologies by peer municipalities, including:

Variations in Parking Space Sizes and Types

The proposed formulas account for variations in parking area requirements and zoning regulations, including differences in required parking space sizes in Parking Areas 1 and 2, compared to Parking Area 3, or compared to the increased size of accessible parking spaces in all parking areas. The suggested formulas offer a flexible and adaptable approach that can respond to changing market conditions through the annual adjustment of key inputs, such as inflationary impacts on construction costs and fluctuations in land values.

Based on the Altus Group's 2025 Construction Cost Guide, the average construction cost per square metre for a freestanding parking structure is \$533 per square metre. Based on the CIL of parking calculation presented below, this equates to a CIL of parking rate of \$21,693 per standard parking space in Parking Areas 1 & 2 and \$24,792 per standard parking space in Parking Area 3, assuming no discount rate is applied. These figures align with best practices in other municipalities, where CIL rates are generally set at approximately 50% of the cost to construct a structured parking space—estimated between \$42,500 and \$46,100 per space in the City of Peterborough.

Multiplier or Discount Rates

The proposed formulas include a multiplier or discount rate whereby:

- A value greater than 1 represents a multiplier value, increasing cost beyond the base CIL of parking rate; and
- Values between 0 and 1 reflect varying levels of discount/subsidy.

This allows the City to adjust CIL of parking rates geographically or by development type to incentivize certain forms of development. This value also offers a mechanism to temporarily reduce CIL of parking rates in response to unforeseen economic downturns, if deemed appropriate.

Planning Staff recommend applying a multiplier/discount rate in the following instances:

1. Designated Heritage Properties

To incentivise historic preservation and the adaptive reuse, redevelopment, and intensification of designated heritage properties, in alignment with the Official Plan's cultural heritage policies, a reduced discount rate of 0.50 is recommended for the development or conversion of properties designated under Parts IV and V of the Ontario Heritage Act, applicable to all eligible types of parking spaces under the CIL of Parking Policy excluding Type B accessible parking spaces.

2. Accessible Parking Spaces

By incorporating both variable parking space sizes and a multiplier rate into the CIL of parking formula, the proposed calculation method can facilitate CIL of parking for Type 'B' accessible parking spaces, recognizing that these spaces are larger and more costly to construct due to factors such as:

- The need for a premium location near the main building entrance(s) or within covered parking areas;
- The need to construct barrier curbs, raised walkways, curb ramps, and tactile attention indicators; and
- The need for enhanced signage and additional paint markings.

From an accessibility and equity perspective, the availability of parking near a building entrance is particularly important for individuals with disabilities. To discourage the full exemption of accessible spaces through CIL of parking, it's recommended that only Type 'B' accessible parking spaces be eligible under the CIL of Parking Policy. A Type 'A' accessible parking space is a van-accessible parking space with wider dimensions for people using larger mobility devices, such as wheelchairs or scooters, whereas a Type 'B' accessible parking space is a smaller, more general sized accessible parking stall.

Implementing a multiplier rate of 1.5 ("M" value in the CIL of parking calculation for accessible parking spaces) is recommended to permit CIL of parking for Type 'B' accessible parking spaces, to be applicable in all instances where CIL of parking is contemplated (all parking areas and building types), to reflect these spaces higher cost of construction. It is also recommended that the policy include language restricting the use of CIL of parking for accessible parking spaces in the following instances:

- In highly urban settings with limited land availability, where the development includes an on-site accessible drop-off zone, or where the City partners with the developer to establish a designated on-street passenger drop-off/pick-up area with barrier-free access from the street to the sidewalk; or
- Developments that include a car-share program with accessible vehicles in the fleet; or
- Developments located within 200 metres of a Major Transit Hub, defined as a location with enhanced transit amenities that supports multiple municipal transit routes, allowing for connections, waiting, and seamless transfers.

This approach expands the scope of the CIL of Parking Policy to include Type 'B' accessible parking spaces, increasing the policy flexibility, while incorporating policy safeguards to ensure accessibility standards are upheld.

3. Affordable Residential Units

It is recommended that CIL of parking be permitted in all Parking Areas (Areas 1 through 5) to support affordable residential units—rental or ownership—as defined by the market- and income-based thresholds established by the Province of Ontario, in accordance with the **Development Charges Act** (DC Act).

The City's Affordable Housing Community Improvement Plan (AHCIP) provides financial incentives to property owners who develop new affordable housing units. Through the Municipal Incentive Program, the AHCIP provides funds, up to \$80,000 per unit, that may be used to cover or offset CIL of parking fees for new development or redevelopment projects.

Therefore, to help reduce the financial burden associated with the construction of affordable housing, it is recommended that affordable housing developments, including projects receiving funding approval under the AHCIP, be subject to a discount rate ("D" value) of 0.25 for CIL of parking.

Number of Parking Space Seeking CIL

Similar to the approach used by the City of Guelph, a tiered approach is recommended in applying CIL of parking fees—based on the number of parking spaces seeking use of CIL of parking. This approach is beneficial as it acknowledges the increasing strain that larger CIL of parking requests place on the City's public parking infrastructure, particularly in the short term. This approach ensures that developments placing greater demand on public parking and transit infrastructure contributes more proportionally to offset this demand through alternative solutions, such as the creation of municipal parking lots, bike-share, or transportation demand management initiatives, to name a few. This represents a more conservative implementation of Paradigm's original recommended CIL rate, which did not account for discounting. This tiered model also directly responds to some concerns raised by the development community regarding the magnitude of the initially proposed CIL of parking rate.

Table 1 – The proportion of the CIL fee payable by the Applicant — and the applicable discount rate (“D” value) — for all parking spaces, determined by the total number of spaces for which CIL is requested, and by parking area*.

Number of parking spaces per parcel, requesting CIL of parking	Proportion of CIL fee paid by the Applicant (D = Discount Rate)	
	Parking Area 1 & 2	Parking Area 3
1-10 parking spaces	50% (D = 0.50) ~\$10,847	60% (D = 0.60) ~\$14,875
11-20 parking spaces	70% (D = 0.70) ~\$15,185	80% (D = 0.80) ~\$19,834
More than 20 spaces	90% (D = 0.90) ~\$19,524	100% (D = 1.0) ~\$24,792
* The discount rates indicated above do not apply to Accessible Parking Spaces or the development or conversion of properties designated under Parts IV and V of the Ontario Heritage Act .		

Peer municipalities' CIL of parking policies are typically limited in scope, often applying only to Downtown Secondary Plan or Commercial Core areas to encourage development where intensification is a priority. Offering a higher discount rate for Parking Areas 1 and 2 aligns with this approach, and with the Official Plan's direction for greater intensification in these areas, in support for transit-supportive and pedestrian-oriented development. This approach is further supported by the heightened land costs, and limited land availability in these areas where the efficient use of land is a priority. These areas of the City are also best served by the City's existing transportation and municipal parking infrastructure, reducing the demand for service as a direct cause of CIL of parking.

Transition Policy in the Central Area

Given the City's current CIL of parking rate is \$7,476.77, and has been applicable in the City's Central Area, to minimize short-term impacts on existing or anticipated development projects dependant on this lower rate, staff recommend applying a temporary discount rate in Parking Area 1 & 2 of 0.5 until the end of 2025. This would set a CIL of parking rate of \$10,847 per space in the Central Area to the end of 2025, regardless of the number of parking spaces requesting CIL of parking.

Flat-Rate Land Costs

The proposed CIL of parking formulas use a flat-rate value for land costs, in contrast to other municipal policies/by-laws that rely on private land appraisals and site-specific land values. The City's approach in using a flat rate is recommended to streamline the application of the CIL of parking policy and to provide greater certainty for applicants. By applying a standardized land cost rate—expressed on a per square metre basis—the City can avoid case-by-case land valuations, which would otherwise require landowners to hire a private appraiser, often resulting in a time-consuming and costly process. A similar method was used by the City of Hamilton, where a flat land value rate was implemented as part of a policy to temporarily reduce the CIL of parking rate. This approach was supported and preferred in feedback provided by members of the development community.

Parking Justification Reports

It is commonplace for peer-municipalities to require an Applicant or Agent to provide a justification for the proposed on-site parking exemption through CIL of parking, generally in the form of a Parking Justification Report.

It's important to note that the requirement for this justification comes at a cost to the owner or occupant. For example, City staff gathered input from the development community and estimated the typical cost of a Parking Justification Report for a multi-unit residential building to be generally less than \$10,000, or approximately \$7,500.

To provide greater clarity and predictability, the draft Policy establishes clear parameters for when a justification of CIL of parking is required. Specifically, it is proposed that a Parking Justification Report be required in the following instances:

- a) In Parking Area 1, a Parking Justification Report is not required for CIL of parking requests for residential or mixed-use buildings for the residential parking component otherwise required by the Regulating By-law.
- b) In Parking Area 1, a Parking Justification Report is required for CIL of parking requests for an exclusive non-residential building or the non-residential component of a mixed-use building.

- c) In Parking Area 2, a Parking Justification Report is required for CIL of parking requests related to the residential parking component of residential or mixed-use buildings, as required by the Regulating By-law, only in the following instances:
 - i. Residential or mixed-use developments with 5 to 10 residential units where the Applicant or Agent is requesting payment in lieu of parking spaces, resulting in fewer than 3 on-site parking spaces; and
 - ii. Residential or mixed-use developments with 11 or more residential units where the Applicant or Agent is requesting payment in lieu of parking in excess of 40% of the required number of parking spaces under the Regulating By-law.
- d) In Parking Area 3, a Parking Justification Report is required for CIL of parking requests related to the residential parking component of residential or mixed-use buildings, as required by the Regulating By-law, only in the following instances:
 - i) Residential or mixed-use developments with 5 to 10 residential units where a CIL of parking is requested, resulting in fewer than 4 on-site parking spaces; and
 - ii) Residential or mixed-use developments with 11 or more residential units where the number of parking spaces requested through Cash-in-Lieu exceeds 40% of the total parking requirement under the Regulating By-law.
- e) Requests for CIL of parking for affordable housing development or affordable residential units, as detailed under Section 2.2 are not required to submit a Parking Justification Report in support of their request for CIL of parking for any parking space type.

This approach ensures that larger exemptions do not generate a parking demand that overwhelms the City's municipal parking infrastructure capacity, while also reducing costs for developments that are unlikely to strain municipal resources in the short term.

In many respects, Paradigm's Residential Parking Standards Review – Final Report satisfies the intent of a justification study to permit CIL of parking of the on-site parking otherwise required by the Zoning By-law. As such, the tiered approach described above offers a cost-saving opportunity for residential developments seeking CIL of parking for a limited number of parking spaces.

However, since the Residential Parking Standards Review did not evaluate reductions to non-residential parking requirements, a Parking Justification Report is recommended in instances where an Applicant or Agent is requesting payment in lieu of parking for a building's non-residential parking component, where eligible, until such a time where the City undertakes a non-residential parking study.

Policy Analysis

Legislative Authority:

Planning Act, R.S.O. 1990, c. P.13 & Municipal Act, S.O. 2001, c.P. 25

Section 40 of the **Planning Act**, as amended, provides the legislative authority for a municipality to enter into an agreement with a building owner or occupant to exempt them from the requirement to provide on-site parking spaces otherwise required by the Zoning By-law.

There are two prevailing Planning Act requirements respecting CIL of parking; they are summarized as follows:

- (1) Parking agreements result in the payment of money from a property owner/developer to the City.

This agreement must outline the payment terms and CIL of parking calculation and can be registered on title.

- (2) Funds from CIL of parking shall be deposited into a special account established for this purpose.

This special account shall be used for the same purpose as a reserve fund, with the administration of the reserve fund governed by the **Municipal Act**, 2001.

As such, the proposed CIL of parking policy includes language specifying that funds are to be used for the acquisition, construction, establishment, and/or maintenance of municipal parking facilities or transportation demand management measures within the City's Strategic Growth Areas.

Section 417 of the **Municipal Act** governs the establishment or maintenance of municipal reserve funds. Specifically, subsection (4) states:

“A municipality may by by-law provide that the money raised for a reserve fund established under subsection (1) may be spent, pledged or applied to a purpose other than that for which the fund was established.”

Although the proposed CIL of Parking Policy outlines how funds collected through the program are to be used, Staff believe a dedicated by-law will help to further regulate and reinforce the appropriate use of these funds and therefore staff intend to bring one forward for Council's consideration at a later date. Doing so will enhance transparency and accountable use of the funds and help to ensure the funds are directed toward a broad range of eligible municipal parking infrastructure initiatives and transportation demand management projects.

Furthermore, the City intends to register CIL of parking agreements on title, providing current and future landowners with continued omission from the zoning requirements for on-site parking equal to the number of spaces outlined in the agreement.

City of Peterborough Housing Pledge

On November 27, 2023, Council pledged to support the construction of 4,700 new dwellings by 2031 as requested by the Minister on June 16, 2023. Provincially, municipal housing pledges are a key tool for ensuring the construction of 1.5 million new homes by 2031 to address an ongoing housing supply and affordability crisis.

Provincial Planning Statement, 2024 (PPS)

The Provincial Planning Statement (PPS) came into effect on October 20, 2024, and replaced the 2020 Provincial Policy Statement and A Place to Grow: Growth Plan for the Greater Golden Horseshoe. Any decision of Council must be consistent with the PPS, which provides municipal policy direction on matters of provincial interest related to land use planning and development.

Section 2.2 (Housing) of the PPS directs planning authorities to provide a range and mix of housing to meet current and future needs by promoting densities that use land, infrastructure, and public services efficiently, while supporting active transportation.

Additionally, Chapter 3 (Infrastructure and Facilities) promotes providing infrastructure and services efficiently and in coordination with land use planning to ensure financial sustainability, use developer contributions where appropriate, and meet current and future needs. Section 3.2 adds that existing and planned infrastructure should be used efficiently, including through transportation demand management strategies where feasible.

The City of Peterborough has identified key Strategic Growth Areas as priority locations for intensification that are supported by existing and proposed active transportation and transit infrastructure. Formalizing a CIL of Parking Policy and extending its application across all Strategic Growth Areas will support growth in line with the City's Official Plan by ensuring the efficient use of municipal land and existing infrastructure. By opting into CIL of parking, developers can make more efficient use of urban land while contributing to the City's planned infrastructure investments, consistent with the objectives of the City's various Master Plans. Planning staff are of the opinion that the proposed CIL of Parking Policy is consistent with the Provincial Policy Statement (PPS).

Official Plan

The City's former Official Plan (1981) included enabling policies to permit CIL of parking within the Central Area. In 2023, the Official Plan was updated to reflect population and employment targets of 125,000 residents and 63,000 jobs by 2051, with 50% of new residential units directed to the existing built-up area. The updated Plan focuses new medium- and high-density residential and mixed-use development within the City's Strategic Growth Areas, including the Central Area.

Recognizing the intent to direct growth to the City's Strategic Growth Areas, and with the recognition of limited land availability in these key intensification areas, CIL of parking provides an opportunity to exempt a landowner from providing on-site parking

spaces and contribute to municipal programs aimed to address the parking and other transportation demand measures.

The City's Official Plan defines Cash-in-Lieu as "A payment of money in lieu of a conveyance otherwise required under the Planning Act" – in this case, the conveyance of all or part of the on-site private parking requirement required under the City's Zoning By-law.

The City of Peterborough Official Plan contains specific policies pertaining to CIL of parking. The direction to establish a CIL of Parking Policy can be found under Section 6.2.7, 4.3.1 and 4.4.2 of the Official Plan. Section 6.2.7 b. states:

"The City may consider the payment of **cash-in-lieu** of parking for all or part of the off-street parking required by a proposed development located with **Strategic Growth Areas** or a proposed development for **affordable** and/or **accessible housing**."

Whereas Policy 4.3.1 i. of the City of Peterborough's Official Plan outlines:

"Exemptions may be granted from all or part of the off-street parking required by a proposed development in the **Central Area** in exchange for the payment of cash-in-lieu of parking. In addition, the City may consider reduced parking requirements for any development within the Central Area, as supported by appropriate parking studies and the proximity of the subject lands to transit facilities and well-connected active transportation routes, to the satisfaction of the City."

Similarly, Section 4.4.2 k. of the Official Plan, pertaining to the Major Mixed-Use Corridor Designation states:

"The City may consider the payment of **cash-in-lieu** of parking for all or part of the off-street parking required by a proposed development in the **Major Mixed-Use Corridor Designation**. In addition, the City may consider reduced parking requirements for any development within the Major Mixed-Use Corridor Designation, as supported by appropriate parking studies and the proximity of the subject lands to transit facilities and well-connected **active transportation** routes, to the satisfaction of the City."

As part of the City's ongoing Community Planning Permit System project (CPPS), an Official Plan Amendment (OPA) is anticipated in Fall of 2025 to integrate enabling language for the CPPS and to make updates to the maximum building height and angular plane policies within the Central Area. To improve clarity and strengthen policy direction regarding CIL of parking, staff recommend incorporating the following updates as part of this Official Plan Amendment:

- a) Add a policy statement to clarify—consistent with Policy 6.2.7 b.—that CIL of Parking may be considered in all Strategic Growth Areas, including the Minor Mixed-Use Corridors;

- b) Consider removing the reference to “accessible” parking. This term is difficult to apply for eligibility purposes, and the Zoning By-law does not distinguish parking rates based on “accessible” housing, which is defined in the OP as housing developed entirely using universally accessible design; and
- c) Adding a policy supporting the payment of CIL of parking for eligible properties rather than seeking a parking reduction through a Planning Act application. If an applicant wishes to pursue a parking reduction through a Planning Act application, it should require an Official Plan Amendment, and/or an amendment to the CPPS By-law, both of which will require Council approval.

Further policy refinements pertaining to CIL of parking may be considered through the City’s ongoing Community Planning Permit System Official Plan Amendment to align with any land use changes introduced through this project.

Zoning By-law

One of the key themes in Paradigm’s Residential Parking Standards Review – Final Report was the modernization of the City’s parking standards through the reduction of the Zoning By-law’s on-site parking minimums. This approach supports achieving the City’s intensification targets, lowers development barriers, and promotes urban sustainability by encouraging more efficient use of land and infrastructure.

In February 2025 City Council approved city-wide amendments to Section 4 of the City of Peterborough’s Comprehensive Zoning By-law (1997-123) which focuses on regulating the minimum requirements and design standards for private off-street parking spaces, parking lots, loading spaces, and driveways.

The City of Peterborough’s Comprehensive Zoning By-law does not specify or regulate the CIL of parking. However, within the Strategic Growth Areas, where new development, redevelopment, or a change of use does not meet the Zoning By-law’s minimum parking requirements, CIL of parking may be considered. In areas where CIL of parking is applicable, the proposed policy discourages Planning Act applications that seek to reduce the By-law’s regulatory parking requirements. In other words, where the minimum parking requirements of the Regulating By-law cannot be met on-site, payment of the CIL of parking fee is the preferred approach. This will ensure adequate funds are collected in the reserve fund to support the development of City-owned parking facilities, and other transportation demand management options or infrastructure improvements that offset municipal parking demand, or support the shift towards active forms of transportation.

It is anticipated that the proposed CIL of Parking Policy, combined with the City’s recent reductions to the City’s parking minimums, will help the City address development and parking constraints in the Downtown and Strategic Growth Areas, particularly on small or irregularly shaped parcels. This multifaceted approach supports urban intensification, reduces the prevalence of surface parking and paving, optimizes the use of urban land, enhances the urban fabric, and will improve the overall image of the City’s Strategic Growth Areas.

Strategic Plan

Strategic Pillar: Growth & Economic Development

Strategic Initiative: Plan for mid-density and high-density mixed-use neighbourhoods to make the most efficient use of land and municipal services and provide affordable options for residents.

Providing developers with the option for CIL of parking within the Strategic Growth Areas will promote the efficient use of urban land while generating funding for municipal services that benefit the broader community, such as infrastructure upgrades and the development of public parking facilities.

Strategic Pillar: Community & Well-being

Strategic Initiative: Support opportunities for multi-modal transportation including walking, cycling and transit services; and

Funds collected through CIL of parking may be used to support transportation demand management solutions that encourage multi-modal transportation. For example, similar to the City of Kingston, Peterborough may allocate CIL of parking funds to implement public car-share and/or bike-share programs within the Strategic Growth Areas.

Strategic Pillar: Governance & Fiscal Sustainability

Strategic Initiative: Explore increased sponsorships and partnerships utilizing municipal assets and existing service provisions to provide alternative non-property tax revenue opportunities.

Formalizing a CIL of Parking Policy and a subsequent by-law that regulates the use of the collected funds will establish a dedicated revenue stream to support the rehabilitation, replacement, and enhancement of the City's parking and transportation demand management infrastructure. This funding will help expand and manage public parking supply within the Strategic Growth Areas through a mechanism that does not rely on the municipal tax base.

Planning staff are of the opinion that the proposed CIL of Parking Policy upholds the strategic pillars of the City's Strategic Plan.

Engagement and Consultation

Business and Property Owners Consultation

The formalization of the City's CIL of Parking Policy was informed by work completed by Paradigm Transportation Solutions Limited as part of the Residential Parking Standards Review – Final Report. The study included consultation with the development community, beginning with an initial engagement session to identify key industry challenges and opportunities for improvement. A second session was held to review

preliminary recommendations. Feedback from both sessions were incorporated into the Study and informed the final report recommendations.

Planning staff have built upon the study's recommendations by conducting further research into municipal best practices, particularly in response to current market conditions following the COVID-19 Pandemic. To incorporate this additional research and ensure meaningful consultation with the development community, staff prepared an online survey to gather feedback on the recommended policy approach. The survey was shared with members of the Business and Property Owners group, who have been actively engaged in the City's ongoing Community Planning Permit System project. The survey was circulated on July 4th, 2025. The survey was circulated to the 25 members of the Business and Property Owners working group, with 8 survey responses received at the time of writing this report (July 25th, 2025). A summary of the survey questions and responses is provided as follows:

- When asked about the estimated cost borne by a developer to prepare a Parking Justification Report or Study in support of reduced on-site parking requirements, the majority of respondents (50%) estimated the cost to be less than \$10,000, with an average estimate of approximately \$7,500 per study.
- When asked whether all CIL of parking applications should require a Parking Justification Report, 62.5% of respondents did not support making the report mandatory in all cases. In contrast, 37.5% supported requiring a justification for all applications. One respondent suggested that CIL of parking requests within 10% of the Zoning By-law requirement should be exempt from the justification study requirement.
 - This feedback informed the decision to limit the circumstances under which a Parking Justification Report is required for CIL of parking requests, in order to streamline the approval process and reduce costs for developments with minimal reliance on shared (public) parking and transportation infrastructure.
- When asked about the preferred approach to determining average land value for the CIL of parking calculation, 62.5% of respondents preferred using a standardized land value to avoid the need for individual appraisals. An additional 25% had no preferred approach, while only one respondent supported using individual land appraisals on a per-parcel basis.
 - This feedback informed the use of a standardized land value in the proposed CIL of parking calculations.
- When asked if certain types of development would benefit from reduced CIL of parking rates to improve project viability respondents generally did not show a preference for one type of development over another, with a slight preference (33% of respondents) for greater CIL of parking rate relief preferred for affordable housing developments.

- In alignment with the Official Plan's policies and objectives, staff recommends that the CIL of Parking Policy include reduced rates for Parking Areas 1 and 2, as well as for heritage-designated properties and affordable housing developments.
- When asked if a cash-in-lieu rate of approximately: \$15,582 per space in Parking Areas 1 and 2 and \$17,808 per space in Parking Area 3 was considered well aligned with peer municipalities 62.5% of respondents were neutral in their response, neither agreed or disagreed, with 37.5% of survey respondent disagreed. To incorporate this feedback staff applied discount rates and a tiered approach to calculating CIL of parking that increases with the number of spaces requested. Doing so provides a cost break for developments seeking CIL of parking for fewer parking spaces (1-10 spaces) and ensures that developments placing greater demand on public parking and transit infrastructure contributes more proportionally to offset this demand through alternative solutions.

Public Consultation

The formalization of CIL of parking procedures is being implemented through a City policy document and does not require amendments to the Zoning By-law or Official Plan. As such, formal public notice and a statutory public meeting are not required.

Internal Circulation & Review

The implementation of the CIL of Parking Policy requires coordinated efforts across multiple City divisions. To ensure the Policy accurately reflects the objectives and operational processes of those responsible for the Policy's implementation and the management of associated funds, the following internal divisions were circulated for comments and feedback during the Policy's development:

- Planning Development and Urban Design Division
(Policy and Land Use Planners)
- Transportation Planning
- Legal Services
- Financial Services

Budget and Financial Implications

While there are no direct costs associated with this Report, the formalization of the recommended CIL of Parking Policy may result in indirect costs to the City, such as increased demand for municipal parking enforcement and the need for additional municipally developed parking facilities due to reduced on-site parking within the Strategic Growth Areas. However, the expanded applicability of CIL of parking is expected to increase the use of this option to satisfy parking requirements, which is anticipated to generate additional revenue for the City.

Any funds collected are required to be allocated to the Cash in Lieu of Parking Reserve Account consistent with past practise. The current balance of this account is approximately \$208,000 as of July 16th, 2025. To ensure the transparent and accountable use of the reserve funds, and to meet the objectives of the CIL of Parking Policy, to offset the demand on municipal parking and transportation infrastructure, it is recommended that Council direct staff to develop a by-law to govern the future use of the Cash-in-Lieu of Parking Reserve Account.

The CIL of Parking Policy will help incentivize residential and mixed-use development within the City's Strategic Growth Areas and may contribute to increased assessed property values in the surrounding area and bolster the City's tax revenue. This supports long-term financial sustainability and promotes more efficient use of existing land, services, and infrastructure. The increase in tax revenue will ultimately be based on the property's assessed value, as determined by the Municipal Property Assessment Corporation (MPAC) following the issuance of a building permit.

Conclusion

The proposed CIL of Parking Policy will formalize the authority granted under Section 40 of the **Planning Act**, which allows a municipality to enter into an agreement with a property owner or tenant to pay money in lieu of providing or maintaining on-site parking, that would otherwise be required by the Zoning By-law.

The proposed CIL of Parking Policy is considered well aligned with the calculations and rates being applied across peer-municipalities. Informed by Paradigm Transportation Solutions' Residential Parking Standards Review, the CIL of Parking Policy will reduce the dominance of surface parking lots to promote the efficient use of land, reduce development barriers, and support higher-density housing that aligns with the City's Official Plan (2023) and pledge to construct 4,700 new housing units in the City by 2031.

By endorsing this Policy, Council will expand the geographic scope and applicability of CIL of parking and establish a clear and transparent calculation method for its use within the City's Strategic Growth Areas. The proposed CIL of parking calculation and rate will help ensure that sufficient funds are collected to meaningfully support the construction of City-owned parking facilities or to offset parking demand through investments in other transportation demand management measures, while providing financial incentives for desirable forms of development, such affordable housing and the development or conversion of designated heritage buildings.

By endorsing the CIL of Parking Policy, Council will support the implementation of key objectives from the City's Official Plan, Transportation Master Plan, and the Mayor's Taskforce for Housing Creation. Approval of the policy will also fulfill the Parking Initiative Milestone under the City's HAF2 Grant Agreement, helping to unlock federal funding that will further aid the City in building more homes faster.

Attachments

- Appendix A: CIL of Parking Policy
Appendix B: City of Peterborough Parking Areas - Comprehensive Zoning By-law #97-123, Schedule E
Appendix C: Cash-in-Lieu of Parking Peer Municipality Review & Comparison Table

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