

**CITY OF VAUGHAN
VAUGHAN METROPOLITAN CENTRE SUB-COMMITTEE
AGENDA**

Wednesday, December 4, 2019

9:30 a.m.

Committee Rooms 242/243

2nd Floor, Vaughan City Hall

2141 Major Mackenzie Drive

Vaughan, Ontario

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VAUGHAN METROPOLITAN CENTRE SUB-COMMITTEE – DECEMBER 4, 2019

COMMUNICATIONS

Distributed November 29, 2019

Item

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| C1. | Memorandum from the Deputy City Manager, Planning & Growth Management dated November 27, 2019 | 4 |
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DATE: NOVEMBER 27, 2019

TO: HONOURABLE MAYOR BEVILACQUA AND MEMBERS OF COUNCIL

FROM: JASON SCHMIDT-SHOUKRI, DEPUTY CITY MANAGER
PLANNING AND GROWTH MANAGEMENT

RE: VMC SUB-COMMITTEE – DECEMBER 4, 2019
ITEM 4 - VMC IMPLEMENTATION AND CONSTRUCTION UPDATE

Purpose

The purpose of this communication is to provide Mayor and Members of VMC Sub-Committee information regarding an update to the construction of the Edgeley Pond and Park Project.

Recommendation

The Deputy City Manager, Planning and Growth Management recommends:

1. THAT the Communication be received for information supporting Item 4: VMC Implementation and Construction Update.

Background

The EPP retrofit project has had to respond to a wide range of stakeholder needs while resolving challenging technical requirements and contributing to the placemaking identity of the emerging downtown. The existing pond and future park block combination is the largest uninterrupted open space and City-owned land in the Vaughan Metropolitan Centre (VMC). A goal of the EPP project is to retrofit the existing pond to achieve the required stormwater management functions to support redevelopment of the existing commercial and industrial area into a mixed-use area of residential, commercial, and institutional area.

Another goal of the EPP project is to build an iconic and sustainable open space at the centre of the new downtown, creating a signature public destination that will support local residents and draw regional visitors alike. This central destination was planned and timed to provide the first park and open space amenities for some 14,000 estimated new residents moving into the VMC in the next 5 years. The EPP will be a key part of creating a complete community for the first residents of the downtown.

The EPP was initiated in October 2016 in partnership with Toronto and Region Conservation Authority (TRCA), with a goal of initiating construction by the fall of 2018. Two significant technical issues arose that have now been resolved to move ahead with the project.

Pond Hydraulics

In late 2018, a critically high hydraulic grade line (HGL) was discovered that would potentially cause storm sewer surcharge and flooding of the lands west of Jane Street, along Millway Avenue and adjacent to the VMC Subway Station. The project team worked closely with TRCA staff to resolve the issue which resulted in modifications to the design including structural, civil and water resource engineering as well as the design of the public spaces and ecological design.

The updated draft Stormwater Management Report prepared by the Consultants was completed in July 2019 to address these modifications. Given the complexity of the project and technical considerations noted above, a peer review for the detailed design of the EPP was completed over the summer and early fall to ensure the retrofit design approach met both City of Vaughan and review agency criteria and standards.

Dam Classification

In addition to the design work underway, the City was notified by TRCA later in the process that the Edgeley Pond may be classified as a dam, requiring additional permits and process for approvals. To clarify the next steps, the City provided the Ministry of Natural Resources and Forestry (MNRF) with the draft Stormwater Management (SWM) report to confirm if Edgeley Pond would be considered a dam per the definition of the MNR Lakes and Rivers Improvement Act (LRIA). In November 2019, the City received final confirmation from MNRF staff that the pond is defined as a dam as per the LRIA definition, given that the pond is an on-line pond within the Humber River and was designed to hold back water, which rises and creates a reservoir to control flooding under the various storm events. This confirmation means that the City will require a LRIA permit prior to proceeding with construction.

Next Steps

In order to help expedite the process moving forward, Staff will continue to coordinate efforts with MNRF staff to ensure the required assessments and information are provided in support of the LRIA application. Along with close collaboration with TRCA, this coordination will ensure the LRIA application is complete for the MNRF staff to complete a fulsome and streamlined review. The following milestones are noted for further information:

1. Through early 2020, the Project Team will continue with all necessary assessments and updates to the design package for agency review and approval.
2. Tendering and early construction works anticipated to begin in Q4-2020/Q1-2021, pending agency permit issuance.

Attachments

N/A

Respectfully submitted,



Jason Schmidt-Shoukri

Deputy City Manager, Planning and Growth Management

Prepared by:

Jennifer Cappola-Logullo, Manager Development Engineering, VMC

Christina Bruce, Director VMC Program



VAUGHAN METROPOLITAN CENTRE SUB-COMMITTEE

2020 SCHEDULE OF MEETINGS

** Check agenda for meeting location*

Tuesday, April 7, 2020 @ 9:30 a.m.

Tuesday, June 2, 2020 @ 9:30 a.m.

Tuesday, November 10, 2020 @ 9:30 a.m.



VMC Sub-committee Report

DATE: Wednesday, December 04, 2019

WARD(S): 4

**TITLE: FEASIBILITY STUDY FOR A CULTURAL ARTS CENTRE IN THE
VAUGHAN METROPOLITAN CENTRE**

FROM:

Tim Simmonds, Interim City Manager

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

ACTION: DECISION

Purpose

To present the salient findings of the Cultural Arts Centre Feasibility Study, and to provide recommendations on moving this project to the next stage of implementation for a future civic development in the Vaughan Metropolitan Centre (VMC).

Report Highlights

- Cultural hubs are amenities that create community, social and economic benefits including city building and placemaking; investment attraction; job creation; tourism attraction; academic and social innovations; and civic pride.
- The Feasibility Study concluded that market demand and community need is evident to support a cultural hub in Vaughan's downtown given the critical mass of high-order transit and highway infrastructure, open spaces, and ongoing population, business and employment growth in the VMC.
- Further, the Study suggested that two paths have typically led to new facility development: a desire for positive economic development impacts, and a commitment to generating specific community benefits.
- Partnership is key to the successful development of this space. Collaboration may engage universities, City agencies, private developers, and area not-for-profits each with unique skills and capacity to drive the development process.
- The Study advises that cultural capital funding comes from every level of government, and there is a trend toward increased private sector contributions. On operating funding, the Study indicates that support comes from a mix of public and private sources, with public subsidy complemented by earned revenue and private sector support.
- In order to continue the momentum, City staff are recommending that the Cultural Arts Centre project moves forward to implementation phases focused on site selection within the VMC Secondary Plan Area, planning and urban design matters, senior government funding, and detailed business planning (i.e., governance, management operations, programming, capital and operating budget).

Recommendations

1. That, the presentation and reports titled, "Feasibility Study for a Cultural Arts Centre in the Vaughan Metropolitan Centre" (Attachments 1-3) prepared by the firms Hariri Pontarini Architects, AMS Planning and Research and FDA, be received;
2. That, the VMC Project Team in consultation with Mayor and Members of Council, and industry stakeholders, be authorized to include a site-specific Cultural Arts Centre designation in the forthcoming VMC Secondary Plan Update scope of work to ensure land-use planning, site selection, urban design, cultural and economic planning policy and other matters are determined for a future development;

3. That, \$100,000 be allocated to this project from Capital Project DP-9555-17 VMC - Consultation Services to support the implementation of key findings and decision-making framework from the Cultural Arts Centre Feasibility Study; and
4. That, City staff be authorized to apply for funding programs offered by Senior Government and other private and public organizations, for the purpose of advancing the Cultural Arts Centre project in the VMC, at the appropriate time.

Background

In 2018, the City of Vaughan commissioned the firms of Hariri Pontarini Architects, AMS Planning and Research, and FDA to conduct a Feasibility Study for a Cultural Arts Centre in the Vaughan Metropolitan Centre. The study assessed market demand, community need supported by extensive engagement, best-practices, development concepts, management and operating models, and financial analysis.

The Study has its roots in the objectives established under the VMC Secondary Plan. It articulates, in order to reinforce the VMC and the City's identity, the Secondary Plan anticipates one or more major civic facilities, including a landmark cultural facility.

As per Section 7.4.2 of the Secondary Plan, cultural facilities to be considered shall include, but are not limited to: a performing arts centre; a visual art centre / museum; a civic heritage museum; an outdoor amphitheater; sculpture garden and/or a fine arts school. A specific cultural facility site was not pre-determined in the VMC Secondary Plan.

Moreover, the 2018-2022 Term of Council Service Excellence Strategic Plan articulates key objectives related to City Building and Economic Prosperity, Investment and Social Capital. A feasibility study examining potential models for a cultural facility aligns with Council priorities, and forms part of the 2020-2023 Strategic Business Plan for the Economic and Cultural Development department.

This Feasibility Study has concluded, and this staff report provides a series of recommendations to continue the momentum of this project to an implementation phase adopting the decision-making framework proposed by AMS Planning and Research.

Previous Reports/Authority

[VMC Culture and Public Art Framework, Final Report](#)

Analysis and Options

To continue the momentum related to this creative placemaking and cultural hub development opportunity in the VMC, this report recommends that a coordinated implementation plan be focused on the following decision-making framework:

The Feasibility Study goals are to:

- **Vision:** Gather people to a creative hub location in the VMC
- **Programming:** Offer a mix of high-quality local and more distant content
- **Partnerships and users:** Select local partners and market-rate users
- **Design:** Appeal to many users with a quality, flexible space/set of spaces
- **Capital funding:** Secure funding through public-private collaboration
- **Operating finances:** Engage public and private subsidy, with earned revenue offsetting program costs
- **Governance:** Not-for-profit (existing or new entity)

Cultural centre development is grounded in projections of economic growth and community vitality

This project can stimulate more than \$100 million in economic activity related to one-time construction, and on an annual basis has the potential to inject over \$2.5 million directly in the local and regional economy. Indirect and induced impacts, such as spending in the supply chain, hospitality sector and retail trades represents additional benefits for businesses, jobs and households in the VMC, Citywide, and in the Greater Toronto Area.

The development of a cultural hub in Vaughan supports the community Vision, Key Priorities and Themes outlined in the Term of Council Service Excellence Strategic Plan, creating a cultural legacy for Vaughan and serving as a driver for economic growth, city building and creating an active, safe and diverse community.

The City of Vaughan is building a downtown – an intense, dynamic community that will continue to grow as the heart of the City, economically, socially, physically and culturally.

Successful contemporary city centres share basic traits:

- They have great density of buildings and people in the city;
- They contain a range of uses and activities, providing diverse opportunities for living and working;
- They are centres of learning, shopping, recreation and culture;
- They are highly accessible by all modes of urban transportation, including public transit, bicycle, and on-foot; and

- Their public realms are rich and generous; built to a high standard, and comprised of a variety of spaces and institutions, including places for civic gatherings and celebrations.

In this context, the development of the VMC as a creative and cultural hub is reflected in policies, master plans, strategic and business plans, including: the VMC Secondary Plan; VMC Culture and Public Art Framework; the Economic Development and Employment Sectors Study, and at the macro level, the Term of Council Service Excellence Strategic Plan 2018-2022.

Arts and cultural institutions contribute to an enriched and diverse community; and serve as a driver of economic growth attracting talent, business investment and social capital to the City's downtown and the broader region. At once, a magnet for creativity, social and cultural innovations, these institutions also need to be supported with the appropriate level of leadership, vision and sustained investment from the private and public sector. They need to be authentic to the community. Their mission, values and programming must resonate with residents, businesses and visitors, where an 'one-size fits all' philosophy cannot apply.

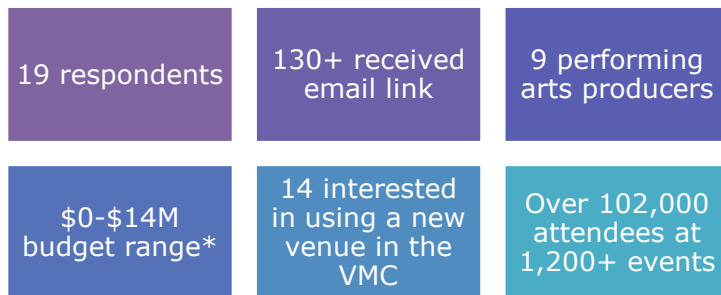
In the development context of the VMC, burgeoning residential, retail commercial and office development projects, urban parks and open spaces, an emerging recreation, hospitality and entertainment sector, anchored by a public transit network that spans the Greater Toronto Area (GTA), will see the downtown evolve over a period of decades, with progressively richer and deeper amenities. The governance and operating model for today's arts and cultural hub may be transitory, its capacity morphing to accommodate the needs of users and audiences as the VMC matures becoming a regional destination.

City representatives and creative economy stakeholders expressed enthusiasm for a new cultural facility to serve as an anchor institution in the VMC

Through a series of engagement activities with potential venue users, the following messages were clearly conveyed to the Consulting team.

- "A reasonably priced rental opportunity so that artists could contribute to the cultural experience"
- "This space needs to keep in mind the cultural diversity in Vaughan"
- "What we need... is affordable, long term rentals in well-designed spaces that are flexible"

Potential Venue Users – Profile of 100+ Respondents



Vaughan is a lively and growing marketplace

The study concluded that Vaughan is a marketplace primed for growth and experimentation due to the following factors:

- Growing, active families
- Multi-cultural with no single, dominant group
- Rapid in-migration from other metros and countries suggests programming diversity will be essential
- Education and affluence tend to correlate with arts participation
- Higher incomes suggest capacity to purchase upscale tickets and packages
- Sensitivity to brand and aesthetics presents opportunities for membership programs and private donor engagement

A strong planning context and framework exists to support the development of a Cultural Arts Centre in the Vaughan Metropolitan Centre

The vision for a rich culture base in the VMC is well articulated in planning, policy and placemaking documents, recognizing that civic and cultural facilities, and other destinations, will attract people from across the city and region, and generate economic impacts for businesses in the VMC, city-wide and across the Greater Toronto Area.

The VMC Secondary Plan recognizes that “successful downtowns have a strong identity, sense of place and civic attractions. To these ends, it is an objective of this plan to establish civic uses and spaces in the VMC that serve residents from across the city and to realize a high quality of development and public realm initiatives. To reinforce the VMC’s and the city’s identity, the plan anticipates one or more major civic facilities, including a landmark cultural facility”.

The Plan further notes that cultural facilities may be developed as a catalyst for broader development and to establish an identity and civic role for the VMC.

The VMC Culture and Public Art Framework builds on the Secondary Plan policy structure, envisioning the VMC as a top destination for cultural entertainment in the GTA where state-of-the-art facilities and spaces provide a vast range of experiences for all users. Strategic Direction 1 of the Framework focuses on the Design and Build Great Public and Private Space, with Objective 2 identifying tactics to establish rich cultural resources. Central to this Objective is Recommendation 2 - invest in major cultural facility(ies) as anchors for creative and cultural developments in the VMC. This Recommendation include the following actions which have been explored through this report and related Attachment 1:

- Examine precedents in multi-purpose cultural facilities (e.g. performing arts centre) as models for future cultural facilities in the VMC (including privately-operated cultural facilities).
- Conduct a feasibility assessment for building, operating and maintaining a multi-purpose cultural facility.

This report, accompanied by Attachment 1, delivers part of VMC Secondary Plan Policy 7.4.1 which committed the City to undertake a Cultural Arts Centre Feasibility Study Plan for the VMC to identify appropriate and feasible cultural facilities for the VMC. An update to the VMC Secondary Plan is being planned to start in Q1 2020, pending budget approval. Staff will include a provision to study the inclusion of a site-specific Cultural Arts Centre designation, one that does not exist today, as part of the scope of work. Completion of the Secondary Plan update is anticipated to occur within 24 months.

Recommendation 3 of this report will deliver on the balance of Policy 7.4.1 by developing an implementation strategy for Council-approved priority cultural facilities.

Financial Impact

A budget for the development and operation of a new cultural facility, including funding for an operating subsidy identified in the Feasibility Study, does not currently exist in the City of Vaughan Budget. Moreover, the development of this project is currently not included in the 10-year capital budget forecast.

This report is recommending that \$100,000 be allocated from an existing Capital Project (DP-9555-17 VMC Consultation Services) to continue the next phase of work related to this project. Moreover, this report recommends that the City of Vaughan pursues funding from senior levels of government, and other private and public sector organizations.

The Feasibility Study advises that the City carefully considers and plans the management of a long-term operating subsidy, including appropriate governance and funding models. This is a principle that will guide the next phase of work on this project.

Broader Regional Impacts/Considerations

The potential development of a cultural hub may have implications for York Region's Centres and Corridors and its Economic Development Action Plan. Copies of this report and subsequent work plans will be communicated to York Region Planning and Economic Strategy, the Vaughan Chamber of Commerce, York Region Arts Council, VMC stakeholders and landowners.

Conclusion

Over the years, Vaughan has employed community and civic spaces to foster, incubate and host creative and cultural activities. Community centres, libraries, heritage properties and the City Hall have supplemented as venues for cultural incubation, innovation, program delivery and demonstration, including exhibitions, studio and performance spaces. Cultural uses have competed, and at times, conflicted with recreation and local community uses for limited space.

As the downtown matures with a growing population and employment base, and to leverage public transit and infrastructure investments made by various levels of government and the private sector, the time has come for a concerted and dedicated effort to establish a creative hub.

For more information, please contact: Mirella Tersigni, Creative and Cultural Officer, ext. 8459

Attachments

1. Feasibility Study for a Cultural Arts Centre in the VMC – Phase 1: Needs Assessment Report, April 2019.
2. Feasibility Study for a Cultural Arts Centre in the VMC – Phase 2: Final Report, November 18, 2019.
3. Presentation: VMC Cultural Centre, a Creative Hub, December 4, 2019.

Prepared by

Mirella Tersigni, Creative and Cultural Officer, ext. 8459
Shirley Kam, Manager of Special Projects and Economic Development, ext. 8874

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Christina Bruce, Director, VMC Program, ext. 8231
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Feasibility Study for a Cultural Arts Centre in the VMC

Phase I: Needs Assessment Report

April 2019

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Introduction

The City of Vaughan, working with Hariri Pontarini Architects, engaged AMS Planning & Research in 2018 to conduct a Needs Assessment/Feasibility Study (Phase I) and a Management/Business Plan and Financial Pro Forma (Phase II) for a new cultural arts centre, to be developed within the Vaughan Metropolitan Centre. This report, along with Appendix G: May 9 Presentation to Evaluation Team, represents the conclusion of Phase I.

Study Goals, Approach, and Objectives

The overall goal of this study is to address the following points:

- Is a Cultural Arts Centre in the VMC **economically sustainable and viable**?
- What are the tangible **inputs and needs that will fuel a vibrant Cultural Arts Centre**?
- How will the Centre **attract creativity and jobs**?
- How will the Centre become a **transformative cultural anchor in the VMC**?
- How will this project **benefit the identity, values, and character of Vaughan** and the greater GTA?
- How will the Centre **create a cultural legacy for Vaughan** and how can this be a **driver for economic growth**?

Using a range of data collection tools and techniques,¹ AMS gathered feedback and ideas from Vaughan's creative industries

¹ Research included the following: 24+ background documents provided by the City of Vaughan; an online survey distributed to 100+ Vaughan creative industries stakeholders; interviews with 20+ Vaughan arts and civic leaders; an analysis of consumer trends and projections using data from Environics Research; and public

stakeholders, elected leadership, City staff, and creative sector leaders in York Region and Toronto, to inform a response to this set of priorities.

Vaughan's Context

The City of Vaughan is experiencing dramatic growth, both in terms of its population and real estate development and in terms of the City's social and cultural aspirations. The Vaughan Metropolitan Centre (VMC) is at the heart of the City's goals for a vibrant, densely developed, and attractive 21st century city.

The VMC is being designed for 25,000 residents and is envisioned to become **Vaughan's downtown**, the highest density node within the City and **a focus for civic activities, business, shopping, entertainment and living** (*Active Together Master Plan, May 2018*).

City representatives express enthusiasm for a new cultural facility to serve as an anchor institution in the VMC, as do creative economy stakeholders. As the City of Vaughan continues its growth trajectory, making such an asset available to existing and future community stakeholders (as well as visitors) is of significant value.

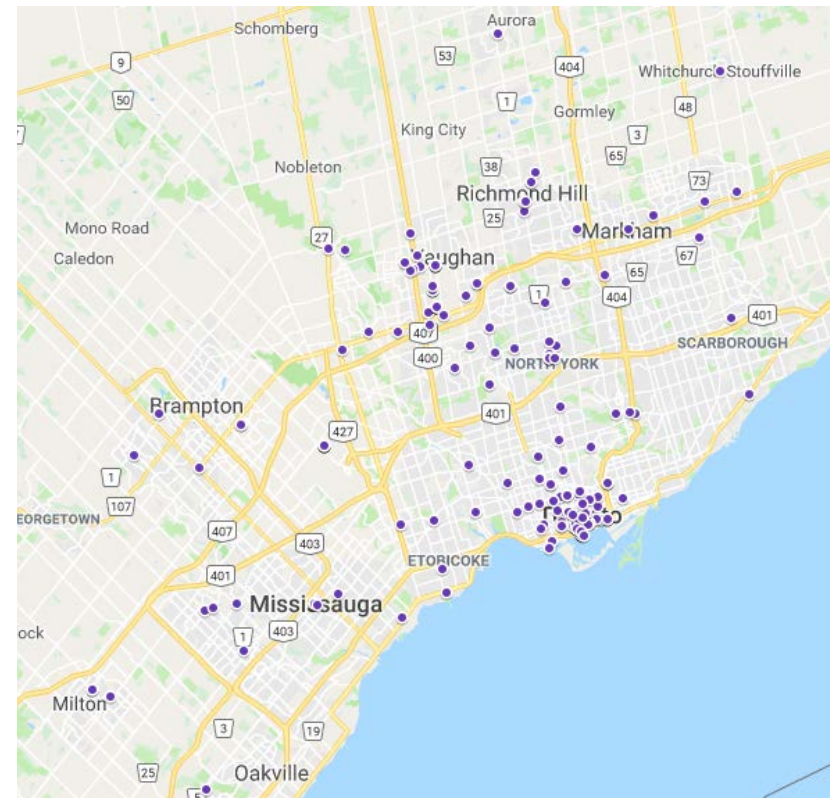
feedback sessions with attendance by over 30 cultural and creative industries stakeholders. Additional detail on sources and methodology is in Appendix A: Situation Analysis Presentation.

A Cultural Centre in the VMC

The marketplace is primed for experimentation and growth.² The data illustrate a community full of growing, active families, with a diversity of cultural and heritage practices. Rapid immigration from outside of Vaughan – ranging from nearby Toronto suburbs to distant countries – suggests that diversity of programming in any new cultural enterprise will be key to success. The population is educated and affluent, which correlates with participation in arts and cultural activities. Finally, sensitivity to brand and aesthetics presents opportunities for engagement between residents and a cultural centre through membership programs and private donor cultivation.

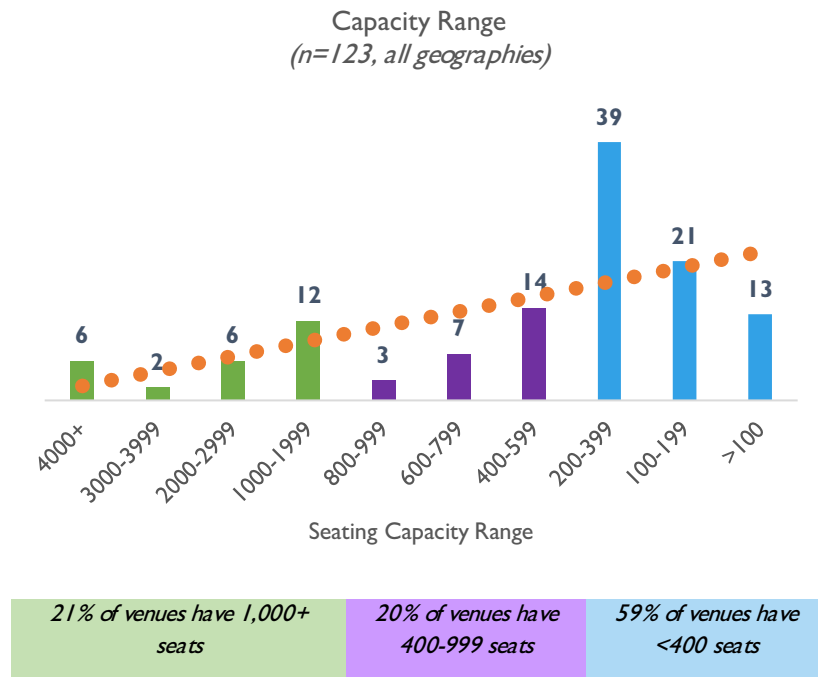
	Vaughan	Ontario
Population	332,000	14,280,000
Households	103,000	5,497,000
% with University Degree	32.3%	28.2%
% Visible Minority	38.9%	30.1%
% HHs with Children	63.2%	44.0%
Average HH Income	\$136.2k	\$106.5k

An environmental scan informs considerations for a cultural centre’s size and design. Over 200 venues were inventoried from Vaughan to Mississauga, Toronto, and throughout the Greater Toronto Area. This analysis shows that, while Toronto and Mississauga both feature ‘clusters’ of cultural venues, for the most part cultural space is distributed, with significant variation in seating capacity and venue amenities.



Larger venues are in established population centers; there is an apparent gap in midsize venues throughout the region, or those with seating capacity between 400-999. Education spaces, built within high school or college campuses, are prevalent, as are banqueting facilities. Based on the environmental scan and feedback from a survey of potential venue users, there are gaps in production, rehearsal, and performance space quality and availability outside of Toronto.

² Based in data from Environics Research. For more detail, see Appendix B.



Learning from Others

In parallel to the conversations with Vaughan leadership, an analysis of cultural centres in ten comparative markets³ highlights the importance of a clear vision, partnership, and sustainable operating support.

Ten facilities were selected – one from each market – representing a diversity of programmatic, governance, and funding models. In-

depth discussion of trends and implications among comparative market facilities can be found in Appendix C: *Current Trends and Impact Analysis Report*.

Key findings that emerged from this analysis include:

- Two paths have typically led to facility development: a desire for specific economic development outcomes, and a commitment to generating specific community outcomes
- Many facilities in the comparative market area have two venues: a traditional main hall and a flexible, smaller hall
- Several facilities have resident companies, organizations that are guaranteed certain access to space and calendaring in exchange for regular programming
- Programming reflects either primarily local groups or primarily a touring model, but it is challenging for both to be housed effectively in one centre
- Partnership is key to the successful development of any space; collaboration may engage universities, City agencies, private developers, and area not-for-profits, each with unique skills and capacity to drive the development process
- Funding for capital development comes from every level of government, and there is a modest trend toward increased private sector contributions
- Operating support comes from a mix of public and private sources, with public subsidy complemented by earned revenue and private support (e.g., naming agreements)

³ These markets are: St. Catharine's, Hamilton, Burlington, Oakville, Milton, Mississauga, Brampton, Richmond Hill, Markham, and Toronto.

Comparative Market Venues

Facility	Opened	City	Venues	Capital Cost
FirstOntario Performing Arts Centre	2015	St. Catharine's	775 - Partridge Hall 300 - Cairns Recital Hall 210 - Robertson Theatre 187 - Film House	\$60M
FirstOntario Arts Centre Milton	2015	Milton	500 (main) 200 (secondary)	\$39.3M
Burlington Performing Arts Centre	2011	Burlington	718 (main) 150 (studio)	\$29M
Richmond Hill Centre for the Performing Arts	2009	Richmond Hill	631 (main)	\$30M
The Rose Theatre	2006	Brampton	870 (main) 150 (secondary)	\$55M
Young Centre for the Performing Arts	2006	Toronto	315 – Baillie 207 - Young Theatre 110 - Tank House Theatre 90 - Garland Cabaret	\$14m
Living Arts Centre	1997	Mississauga	1,315 - Hammerson Hall 110 - RBC Theatre 382 - Rogers Theatre	Unknown
Dofasco Centre for the Arts	1991	Hamilton	750	\$12M
Harbourfront Centre Theatre	1986	Toronto	422	
Flato Markham Theatre	1985	Markham	527	Unknown
Oakville Centre for the Performing Arts	1977	Oakville	485 (main) 150 (studio)	Unknown

A “Deep Dive” into Daniels Spectrum

In addition to the ten comparative markets, AMS facilitated a site visit to Artscape’s Daniels Spectrum, a multi-tenanted facility in Toronto’s Regent Park neighbourhood.

Daniels Spectrum is owned by the Regent Park Arts Non-Profit Development Corporation (RPAD), and operated by Artscape, which pays RPAD a nominal rent.

Mission

The Regent Park arts and cultural centre is a platform for cultural exchange and collaboration rooted in Regent Park and open to the world. It is a place where people come to be inspired, to learn, to share, to create.

With capital funding from the federal and provincial government (\$12 million each) and \$10 million in private sector support, Daniels Spectrum opened in 2014. Several anchor tenants operate spaces within the 60,000-square foot facility, providing unique lines of programming that serve people of all ages in the Regent Park community, as well as draw visitors and rental users from throughout Toronto and beyond.

A community-based approach to facility development and activation (where programming was initiated well before groundbreaking) has paved the way for improved community social and economic outcomes, as well as measurable economic development in the surrounding area. Based on these three distinct and overlapping sets of metrics, the venue is widely considered a successful cultural hub for both local users and more distant renters and visitors.

A briefing paper on Daniels Spectrum can be found in Appendix F: *Daniels Spectrum Site Visit Briefing Paper*.

Drawing on the comparative market research and the priorities stated by Vaughan leadership, AMS observed that among these comparative venues, the ones that align best with the City of Vaughan’s goals and cultural assets are **flexible, rich in partnerships, and offer a wide range of programming.**

Additionally, **financing for facility development, implementation, and operations remains a critical question**, regardless of the physical form a centre takes.

Comparative market venues developed for the purpose of driving earned revenue to City coffers, for example, have not all been successful; some, such as the FirstOntario Performing Arts Centre in St. Catharine’s, have restructured their governance and funding model in order to reduce the amount of subsidy required from City budgets. **At the core, while cultural centre development is often grounded in projections of economic growth and community vitality, the subsidy required for any model demands careful consideration and planning.**

Building on these learnings, AMS developed a set of decision-making scales to assist in defining success for the VMC cultural centre.

A Framework for Decision-Making

Seven key areas of decision-making express the preferred purpose, design, and impacts of the VMC cultural centre. Stars indicate the anticipated “sweet spot” for the centre.

Vision

The driving purpose of the centre.



A cultural hub: *A hub of creative and cultural activity, the space drives creative output and engagement.*

A gathering place: *High foot traffic (with attendant economic activity) is the core purpose of the space.*

City revenue focus: *Driving net economic outcomes for the City of Vaughan is the threshold for venue development.*

The purpose of the space is to gather people together, drawing on and building foot traffic and driving economic benefit to the VMC. Rather than envisioning an earned income driver that accrues revenues solely to the City, the intent is to create a space that activates Vaughan’s people and creative industries in a ‘hub’ setting.

Programming

The activities that animate the facility (or facilities) and spaces under the purview of the cultural centre.



National Brands: *Programming comes from national and international producers; the centre presents it with limited or no risk. The venue’s brand represents content from across Canada and around the world.*

Showcase: *Community groups have a target number of days to activate the centre. This is balanced by presentations of regional, national, and international content.*

Locally Driven: *Programming emerges from local providers and producers, drawing Vaughan’s creative sector deeply into the venue’s activation.*

Balancing locally-created work along with presentations of regional, national, and international content is preferred. A commitment to high-quality offerings, regardless of course, is key to success.

Partnerships & users

The organizations and individuals engaged with the centre to develop, implement, and/or evaluate programs and services.

Partners may also refer to collaborators and sponsors.



All Users Are Equal: *all users are offered the same rates, access to calendaring, and amenities.*

A Partners' Program: *Partners are selected based on several factors, such as not-for-profit status or Vaughan residence. They receive certain benefits such as discounted rental rates or first choice of dates.*

Resident Companies: *A small number of resident companies are selected and have a guaranteed number of days' use each year, and priority access to the calendar and some amenities.*

A select group of partners receive defined access and benefits, such as discounted rental rates, priority access to the venue calendar, and access to specific facility amenities or services. These may be called 'resident companies,' however it is likely that these tenants would provide only a portion of programs directly.

Design

The physical features and structure, including seating capacity, finishes, and technical infrastructure (e.g., fly tower for scenery, live-streaming capabilities).



Flat-floor: *A flat-floor design includes infrastructure and equipment to accommodate a wide range of activities*

Flexible seating: *A venue with configurable seating, accommodating a combination of creative disciplines*

Traditional: *A proscenium space with conventional performing and/or visual arts amenities*

Flexible space, capable of accommodating a range of creative disciplines and activities is a clear preference – while accommodating high-quality arts experiences in a wide range of disciplines – dance, theatre, media, and much more.

Capital Funding

The financial resources necessary to develop and implement a facility, from planning through ribbon-cutting.



Private Sector Driven: *The City recruits a private sector developer to drive design and capital financing.*

Public-Private Partnership: *The City engages private sector partners, and a collaboration agreement supports venue development.*

Fully Subsidized: *Public funds are designated through tax districts and other initiatives to support the cost of development.*

Recognizing the need for public contributions to capital development, there is interest in engaging private sector partners as well. A collaboration agreement to support venue development is warmly anticipated.

Operating Finances

The financial resources necessary to run the facility itself, as well as any programs implemented directly by centre personnel. Operating support is typically a mix of earned revenue and subsidy from public and/or private sources.



Revenue-driven: *Operations are covered entirely by revenues, and marginal profits are placed in a reserve fund to offset future expenses.*

Partial Subsidy: *Public funds cover most operating costs, and earned revenues offset the costs of programming and certain operating expenses, such as a reserve fund for experimental programming.*

Fully Subsidized: *Operations are supported through designated public funds.*

Operations are partially subsidized by public funds, with earned revenues offsetting the costs of programming. There is interest in a reserve fund to support experimental programs and initiatives.

Governance

The structure that provides oversight and strategic direction, creates and reviews policies, and provides crucial access to key institutional stakeholders and resources.



Not-for-profit: *A not-for-profit operator is created or designated, with regard for City priorities related to the project.*

A (New) City Subsidiary: *An agency or board of governors is created through an act of Council. It is populated with City representatives and community members.*

A City Agency: *The centre is governed by an existing City agency, with staff added or reallocated as appropriate.*

Acknowledging that City policies and priorities will naturally influence the governance of a new cultural centre, oversight will be handled through a not-for-profit that is created or designated during the development process. One solution may be a subsidiary of the City, designed to align City goals with cultural centre objectives and opportunities.

The VMC cultural centre is...

A flexible hub, engaged with the private sector and operated by an independent agency, the cultural centre showcases high-quality and unique content and features ‘preferred’ local content providers.

For more detail on these seven areas, see Appendix B: *Situation Analysis Presentation*.

Success, Defined

Based on the findings to date, the vision for success in a VMC cultural centre is built on five themes. The successful cultural centre will:

Activate: *The VMC cultural centre will activate not just the VMC’s built infrastructure, but connections between the people of Vaughan.*

As the heart of the City, the cultural centre will be a destination deeply connected to the public realm, indoors and outdoors. Adapting and responding to emergent needs, in the creative sector and in Vaughan specifically, will ensure it remains relevant and animated for the long term.

“Have a main hub, but let activations spill out to other streets/neighborhoods across Vaughan so the whole city bubbles to life while still connected to a core space.”⁴

Inspire: *The VMC cultural centre will inspire creativity, providing creative opportunities to people of all ages, heritage, and means.*

It will house extraordinary experiences and enhance a sense of place. Reaching diverse people of and providing access to both ‘packaged’ experiences and opportunities to create, the cultural centre will bring people together prompt conversation and inspire connection.

“Engage in joyful expression with families, meet new people.”

⁴ Quotes from Public session participants

“Pay attention to diversity – there are 49 languages in the neighborhood! Different cultural norms, activities, what is important, styles of engagement.”

Collaborate: The VMC cultural centre will collaborate (and foster collaboration) within and across sectors, driving activity, connectedness, and economic outcomes for the City of Vaughan and its many stakeholders.

Local creators and community members will find space and support for collaboration in the cultural centre. Building connections between creative people, between Vaughan and other near and distant communities, and building awareness of Vaughan’s creative industries and resources will be key.

“Give local businesses exposure – opportunities.”

“In-person connections.”

Educate: The VMC cultural centre will educate Vaughan’s residents and visitors in a diversity of arts- and culture-related areas, complementing Vaughan’s existing strengths and filling critical gaps in arts, culture, heritage, wellness, and more.

Affordable learning opportunities are a key need, particularly for multigenerational groups. There is strong interest in educational experiences that bridge arts, culture, heritage, and wellness, with a focus on youth and seniors. Leveraging partnerships with colleges and universities, professional performing arts organizations, and other private sector stakeholders is of significant interest.

“Help establish an educational outlet for youth who don’t get it in their current schooling environment.”

“Partner with York University or Niagara University.”

“Professional level offerings to complement recreation/amateur classes.”

Innovate: The VMC cultural centre will innovate new technologies and business models, engaging the private sector in one-of-a-kind initiatives that showcase Vaughan’s distinctive brand and respond to emergent opportunities.

Offering technology and programs that are distinct within the regional marketplace, the centre showcases experience that are unique to Vaughan. New models, in terms of collaboration and creative expression, are a welcome and substantial part of overall programming.

“Give us a reason not to leave Vaughan to fulfill our creative/cultural/artistic needs.”

“It will bring the creative part of Vaughan into the open. Opportunity for visual and performing arts to stimulate creativity in the city.”

Two Paths for a Cultural Facility at the VMC

In successful cultural centres the vision's grounding principles – community artistic engagement or economic development – significantly inform the development approach as well as both function and form of the resulting project. Input from Vaughan's civic leadership noted that while several nearby markets have endeavored to drive economic development through the creation of traditional cultural arts centres, outcomes in many of these cases have fallen short of expectations. Therefore, a distinctive and innovative approach is desired – suggesting a unique form and function.

A Community-Based Approach

This approach typically emerges from a robust, local creative sector, and hinges on the sector's stakeholders uniting to solve a known gap in facilities. Facilities that come of this path are usually operated by City community services departments – an approach that about a third of community-based centres in the study have taken. For these centres, the core charge is to foster the growth or stabilization of the local creative ecosystem. National and international brands are a secondary consideration, if they are present at all in the programming mix.

Based on the data collected, AMS does not find that this model would be likely to be effective for the City of Vaughan. Given the aspirations of creative industry leadership and other City stakeholders, a more far-reaching vision for the development process is understood to be preferred. For a community-based approach to succeed, a more substantial grassroots arts sector

The vision's grounding principles – community artistic fulfillment or economic development – significantly inform both function and form.

would be necessary; the data suggests that Vaughan's cultural sector has nascent potential but does not yet have the capacity to drive success at a new venue with the desired level of quality.

An Economic Development Approach

Framing the development of the VMC cultural centre as a matter of economic development and creative industry advancement aligns with most comparative markets. It would open opportunities for Vaughan's burgeoning creative industries to engage with regional, provincial, national, and international content providers and audiences. Functioning as a showcase for artists permanently or temporarily in residence would enhance and elevate Vaughan's brand, while leveraging talent from a diverse marketplace. By centering economic outcomes, the cultural centre can engage a

broad definition of activity, enhance the creative sector of Vaughan, and support the recruitment and satisfaction of workers and residents.

The economic development approach would also engage substantial, and likely long-lasting,

private sector partnerships. These would, ideally, drive far-reaching economic outcomes through the facility itself (as a rent-able asset and showcase), and through programs and services offered through the facility.

Two Scenarios Emerge from the Economic Development Model

Two potential scenarios emerge from the recommended economic development framework. Considering the City's robust commitments to growth in population, creative industry strength

and diversity, and the vibrancy of the VMC itself, we find that **program and content are at the core of the vision for a VMC cultural centre.** The form of this centre will necessarily follow its envisioned functions.

The five key impacts of the centre – to activate, inspire, collaborate, educate, and innovate – suggest that a physical design of high quality and some flexibility is needed, and that the sources of content would range from local private sector providers to international brands. Two approaches are offered for the City of Vaughan’s consideration.

A “Palace of Culture”

This approach, reflective of many 20th Century arts venues, would be designed as a central home of traditional fine arts including orchestral music, ballet, theatre, and possibly visual arts galleries. This approach has implications for the ability of the centre to accommodate changing art forms. A more traditional design may also constrain creative industries development opportunities; as the tools used to make art (digital studios, for example) and the styles of presentation (such as immersive environments) become more prevalent and diverse, classical arts centre designs are less able to adapt to artist and audience expectations.

The operation of a traditional cultural centre such as this typically has high fixed overhead costs, suggesting a need for robust revenues from subsidy or earned income. Likely sources of subsidy would include government, corporations, and potentially private foundations and individuals. Sponsorship linked to naming rights of key facilities or flagship programs is another potential funding

stream, although it would likely represent a small percentage of overall subsidy.

As Vaughan does not presently have an abundance of mature, traditional performing arts organizations, sourcing content may require significant investment and/or risk in identifying and contracting with touring artists. Given the stated preference for high-quality, innovative programming from a mix of local and more distant providers, a ‘palace of culture’ would be unlikely to accommodate the programmatic mandate.⁵ This, in turn, would constrain the VMC cultural centre’s capacity to achieve desired economic outcomes. Lukewarm consumer interest in traditional programming would likely fail to drive earned revenue, once operations have stabilized. Additionally, business development, partnerships, and the advancement of Vaughan-based creative industries would be limited by the functional capacities of such a space – constraining important economic and community outcomes even further.

A Creative Hub

This model, resembling Daniels Spectrum, would match a flexible physical form with expansive programmatic functions. Rather than building to suit only traditional, Western fine arts disciplines such as ballet or symphonic music, this approach would maximize flexible components and “blank canvas” gathering and creative spaces. While no less elegant than a traditional performing arts hall, this approach has the added advantage of supporting the diverse programming envisioned by newer entrants into Vaughan’s creative industries.

⁵ This scenario has played out in nearby markets in Ontario; see AMS’s 2010 report on the Living Arts Centre and Meadowvale Theatre,

http://www5.mississauga.ca/forms/corporateservices/communications/pdf/appendix_4_mssissauga_comparable_facilities_report.pdf

A flexible design would also enable the five impacts – to activate, inspire, collaborate, educate, and innovate – to happen through not just performance programming, but also through initiatives that support community creative engagement and youth development through the arts. Vaughan’s existing (and growing) diversity of culturally-specific and heritage groups would particularly stand to benefit from a physically flexible space. Qualitative feedback gathered through the user survey, interviews, and in the public input sessions suggests that an accommodative space, capable of supporting both traditional performing arts activity as well as participatory or interactive activity, would be welcomed by heritage groups. Such a venue would be particularly appreciated by groups that offer varied programming (such as culinary, social, and performance activities) and by emergent groups with organizational capacity-building needs that would benefit from having access to an attractive rent-able space that is distinct from hotel and banquet facilities.

In addition, this ‘hub’ would enable the City of Vaughan and the centre’s prospective operating partners to provide an array of resources to support residents’ creativity – from equipment to mentorship and more.

In either case, predictable, ongoing operating subsidy would be required to support the initiatives; conversations with Vaughan’s leaders suggest that this subsidy could come from an array of public and private sources. Government and corporate support would likely be the most substantial resource streams, with additional support coming from private foundations and individuals. Sponsorship may also be part of the mix, for both capital financing and ongoing (though probably time-limited) operating support.

Looking Ahead

Understanding that the emergent vision for a VMC cultural centre is grounded in economic development priorities, AMS observes that flexibility and partnership are paramount, and should be deployed in service to the vision. Feedback from the public and City of Vaughan leadership suggest there is an appetite for investment in both facilities and other resources to support the continued evolution of Vaughan’s creative industries. Demand for programming, while still nascent, clearly aligns with a flexible approach to animating space in the VMC through not just fine arts and traditional performances, but through a range of new, distinctive programs and services that celebrate Vaughan, reinforce the city’s unique brand, and position the city to continue its remarkable growth trajectory.

At this stage, we offer for the City of Vaughan’s consideration two broad recommendations.

Through this planning process and beyond, the City of Vaughan is encouraged to **continue refining the vision for a design that supports current and potential future aspirations** and the elements of success outlined in this paper. This would be grounded in the following foundational principles:

- **A flexible space** (with, for instance, moveable seating) is aligned with the diversity of activity envisioned by Vaughan’s creative industries stakeholders
- **A right-sized space** would be able to accommodate 400+ attendees (in some configurations), and might flex to host significantly more or less depending on the use of chairs, tables, and other performance elements

Financing the development and operation of such a space is a key consideration. As the absolute size and complexity of the facility increases, so too will the financial resources needed to

design, construct, and operate the building(s). We recommend the City undertake a **cultural policy development process**, to continue to engage key stakeholders and to guide investment in both program initiatives and capital development. This process would address the following questions:

- What investment can the City of Vaughan make (taking into consideration the possibility of private philanthropy and private sector development partnerships) to advance **facility development**?
- What avenues are open for **operating subsidy**, and what do these revenue streams suggest for the **scale of the facility, ability to invest in content, and amenities offered to users or the general public**?
- **Given the City's expressed commitments to activating the public realm in the *Active Together Master Plan***, among other documents, how can the VMC cultural centre be connected to outdoor public space programmatically?

In addition, while Vaughan residents have expressed high satisfaction with City services, there is less warmth to the prospect of increased taxes for programs and services – a potential challenge for a cultural centre that may rely on substantial operating subsidy. Managing the mix and sources of subsidy, as well as the messaging around capital funding and operating financing, will be key to ensuring continued public support of the VMC cultural centre's development.

The Next Phase of Planning

This report represents the culmination of Phase I of AMS's work.

In Phase II, a clear definition of activity for the envisioned VMC cultural centre will be crafted with input from the City and key stakeholders. This activity profile will form the basis for a pro forma operating model, with accompanying management and business plan. Also in this phase, HPA will advance a facility and site assessment consistent with the recommendations above, as well as a capital analysis (order of magnitude capital cost estimate and a life cycle capital analysis).

AMS looks forward to our continued partnership with the City of Vaughan and Hariri Pontarini Architects as this work progresses.

Appendices

Appendix A: Kickoff Presentation

Appendix B: Situation Analysis Presentation

Appendix C: Current Trends and Impact Analysis Report

Appendix D: Public Meeting Presentation

Appendix E: Public Meeting Posters

Appendix F: Daniels Spectrum Site Visit Briefing Paper

APPENDIX A



Feasibility Study for a
Performing and Cultural Arts Centre in the VMC

AMS + HPA + FDA

November 1, 2018

“Vaughan’s new downtown will be the heart of the City, its art and cultural resources are the soul, expressing the cultural diversity of the community as it invigorates the public realm.”

*“The VMC will be a **destination of choice**, reflecting the City’s diversity, growth and emergence as an **urban centre**.”*

Today's Objectives

- Agree on project scope and schedule
- Confirm key questions for this study
- Define the geographic areas for analysis
- Initiate conversation about future success for a new Cultural Center

Agenda

- I. Introductions
- II. Project scope review
- III. Background material review
- IV. Strategic framework for VMC and (possible) future Cultural Centre
- V. Review study objectives
- VI. Defining Success
- VII. Identify key project stakeholders
- VIII. Review draft project schedule
- IX. Next steps

Project Scope: Phase I

Part 1

- Background review
- Kick-off ←

Part 2

- Market Analysis
- Environmental Scan/Inventory
- User Needs

★ *Deliverable*

Part 3

- Industry Trends
- Gap Analysis

Part 4

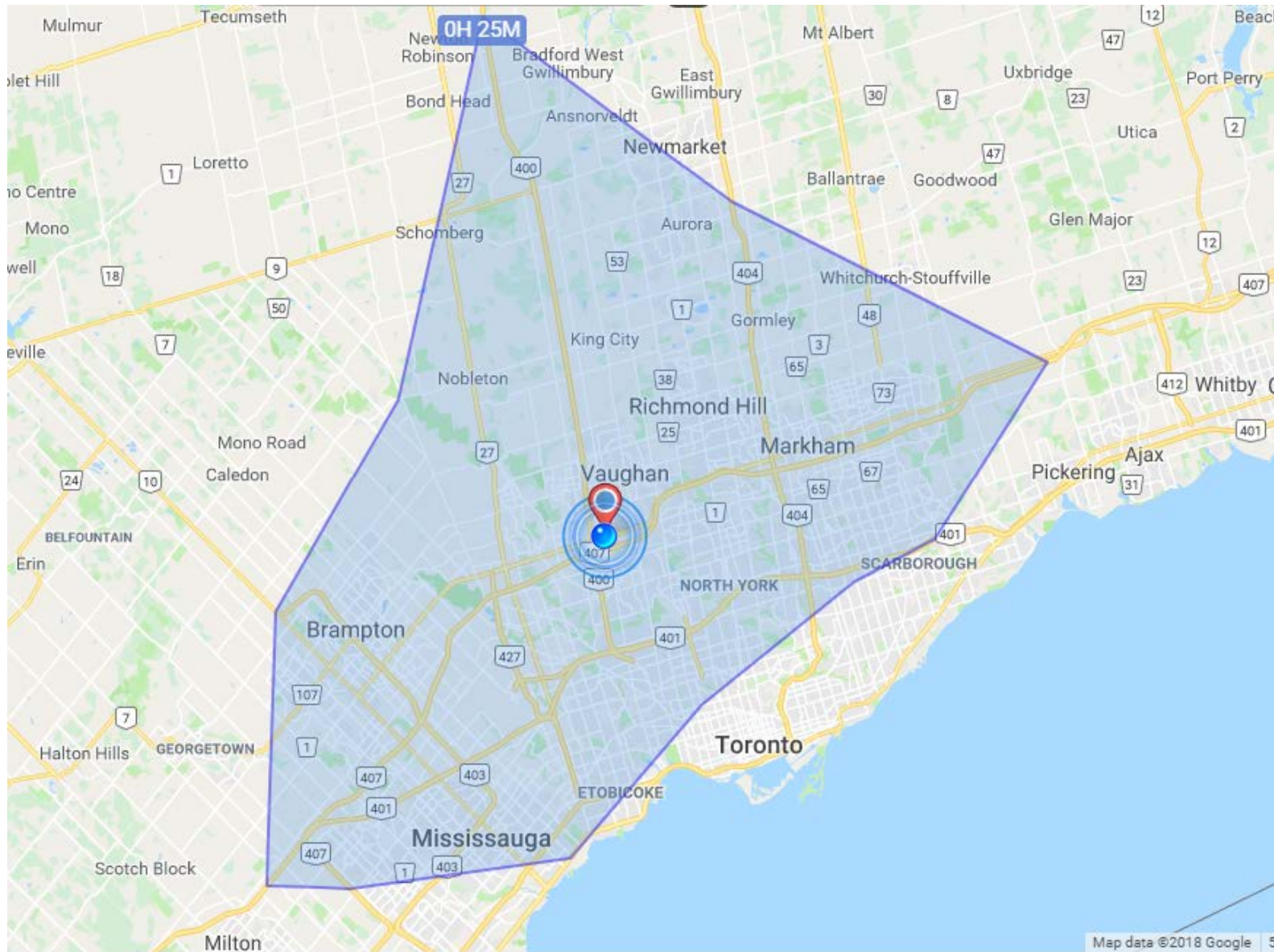
- Community Meetings

Part 5

- Scenarios
- Facility and Site Assessment

★ *Deliverable*

Market Analysis



7

Needs Assessment

Exhibitions



Public Art



Design



**Programs,
Celebrations
and Annual
Events**



**Heritage
Month
Celebrations**

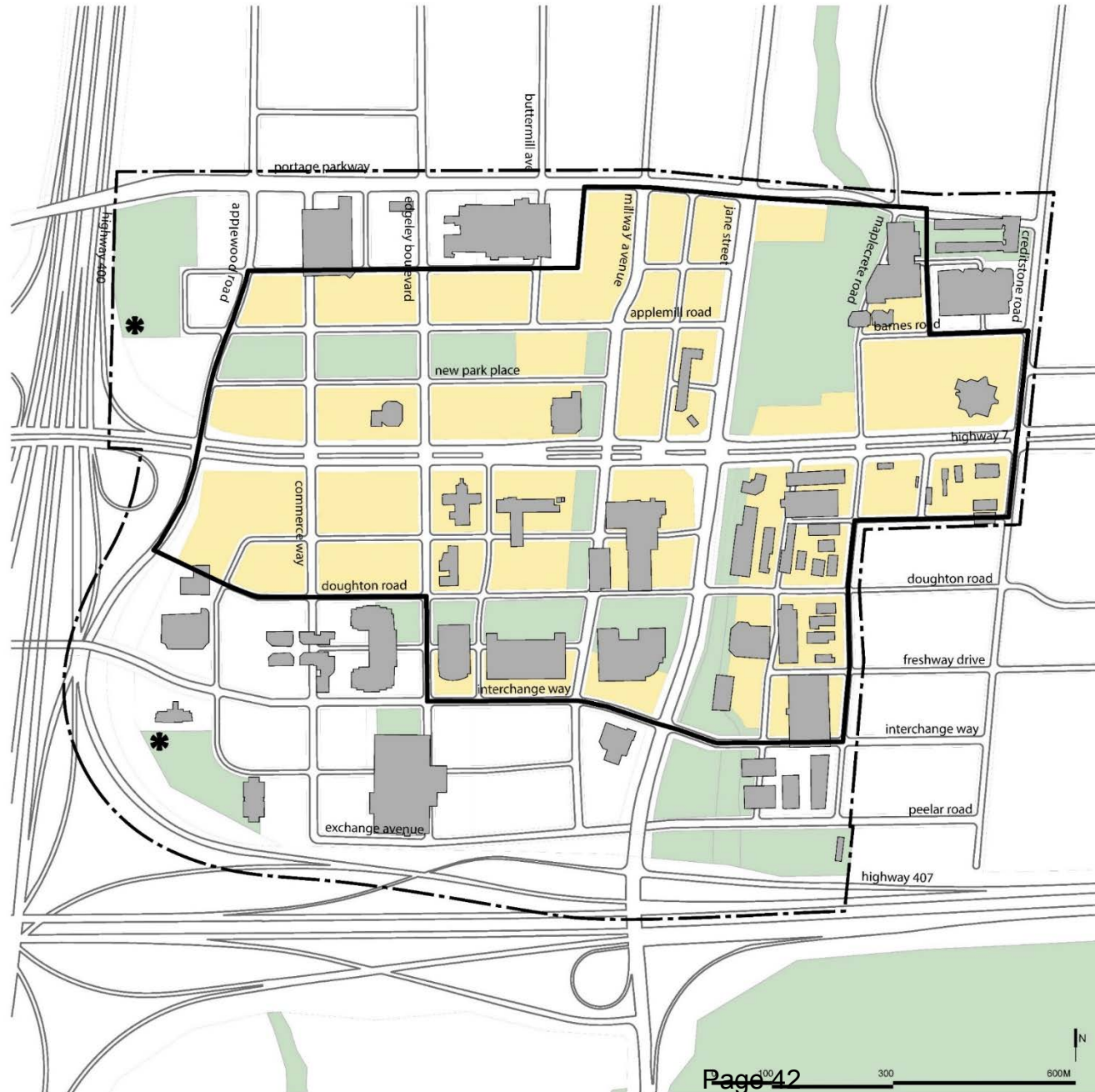


**Get
Involved**



Current Trends and Impacts





...to meet its bold ambitions, the VMC will need a ***Cultural Attractor***



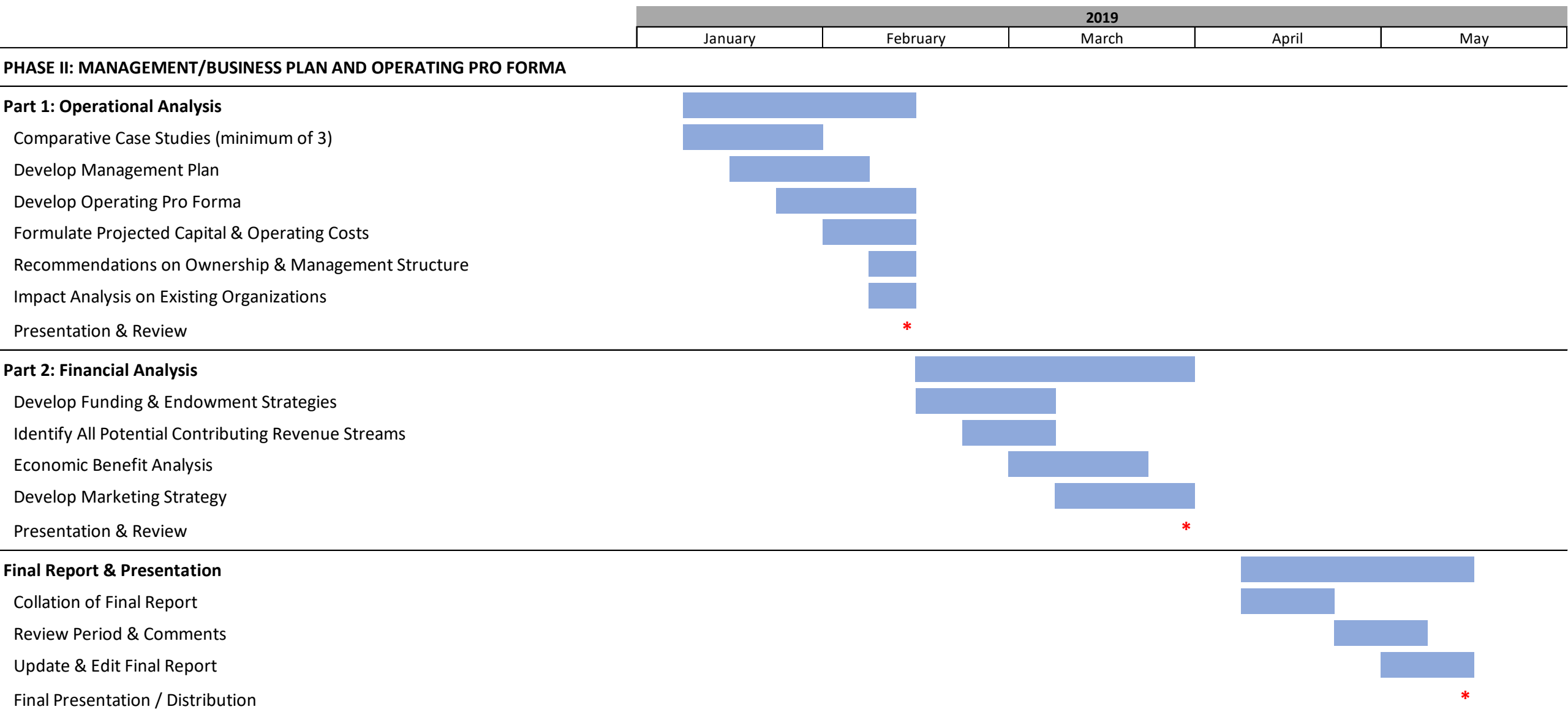
Programming Synergy

- The development of a dynamic and unique cultural program will differentiate the VMC and its potential Performing and Cultural Arts Centre
- The focus of our market analysis and needs assessment will be to identify what can make Vaughan's Cultural Arts Centre unique
- Combining synergies, and clustering programs will foster innovation and creativity
- Our stakeholder engagement strategy will aim to bring a host of cultural entrepreneurs into the mix; resident arts companies should make the Cultural Arts Centre their home
- Promote a robust program that focuses on all ages
- Intertwine professional companies, entertainment promoters, students, and active citizens
- Flexibility is not always the answer; a unique focus may be more appropriate
- The eventual addition of a strong post secondary educational anchor is a key objective

A Cultural Village

- Large main venue anchor which may be leased to a private entertainment company
 - *allowing Vaughan to program and use the venue intermittently through the year*
- A mix of intimate performing arts spaces at differing sizes and levels of configuration
 - *providing a robust opportunity to showcase culture*
- Recital Hall
- Rehearsal Hall / Event Hall
- Film and Screen Theatre
- Studio / Black Box Theatre
- A University or College performing arts or applied arts program
- Resident performing arts companies
 - *offering dance, drama, music, and comedy instruction and workshops to children, youth, adults, seniors*
- The Collective and Connective Space
 - *a place for Vaughan to come together creatively*

	2018		2019
	November	December	January
PHASE I: NEEDS ASSESSMENT			
Part 1: Review Existing Community Studies, Reports and Strategic Plans			
Part 2: Market Analysis / Needs Assessment			
Demographic/Psychographic Market Analysis			
Economic and Social Impact Analysis of the Market			
Assessment of Current Facilities / Inventory Scan			
Develop Vision for Programming of New Venue			
Draft Needs Report Presentation		*	
Part 3: Current Trends and Impact Analysis in Other Communities			
Assess Current & Industry Trends / Future Projections			
Review Existing Performing Arts Facilities in the Regiona			
Gap Analysis Workshop			
Produce Comparative Business Reports / Impact Analysis			
Part 4: Community Engagement			
Community & Stakeholder Meetings / Needs & Desires			
Analysis & Report on Data Collected			
Part 5: Facility and Site Assessment			
Identify Technical and Industry Requirements for this Type of Facility			
Develop Site Selection Criteria			
Consider Potential Site Locations within the VMC / Compare Pros & Cons			
Phase I Draft Report Review & Presentation			*



Background materials received or collected

- *Creative Together: A Cultural Plan for the City of Vaughan* (May 2010)
- *Vaughan Metropolitan Centre Secondary Plan*, approved by the Ontario Municipal Board on June 12, 2017
- *Canadian Framework for Culture Statistics*, Culture Statistics Program (2004)
- City of Vaughan Economic Development Strategy (approved August 18, 2010)
- City of Vaughan Facility Allocation Policy
- City of Vaughan Fairs and Festivals Support Program policy
- "Recreation Vaughan" 2018/2019 Fall & Winter
- Vaughan Metropolitan Centre Culture & Public Art Framework (November 2015)

We will ask for:

- Editable data files with inventories of arts and cultural organizations and facilities
- GIS files of the VMC and internal districts
- Additional studies, planning documents, and data representing Vaughan priorities and aspirations

“A strong and diverse economy includes a focus on fast-growing creative and cultural industries”

VMC Culture and Public Art Framework proposes strategic priorities for cultural facility development and activation:

Strategic Direction 1: Design and Build Great Public and Private Spaces

Objective 2: Establish Rich Cultural Resources

Recommendation: Invest in major cultural facility(s) as anchors for creative and social development in the VMC

- a) Examine precedents in multi-purpose cultural facilities (e.g. performing arts centre) as model for future cultural facilities in the VMC (including privately-operated cultural facilities).

Strategic Direction 2: Attract creative people and jobs

Objective 3: Leverage Creativity and Culture to Attract and Retain People as Key Drivers of Innovation and Economic Growth

“A strong and diverse economy includes a focus on fast-growing creative and cultural industries”

Vision for VMC

The VMC will be a destination of choice, reflecting the City's diversity, growth and emergence as an urban centre. **Public art and cultural development will work to create extraordinary experiences in the VMC and enhance the sense of place.** Together, the cultural framework and public art policy will be key drivers in the creative economy and will advance economic development in Vaughan's new downtown.

Culture and Public Art Framework: Innovative, transformative, authentic

Innovation

- New policies and practices are welcome
- Cultural sector engagement with public agencies is encouraged
- Beyond traditional financing options

Collaboration

- Messaging, capital development, and asset activation are to be supported by partnerships
- Inclusive communication/feedback processes are expected

Sustainability

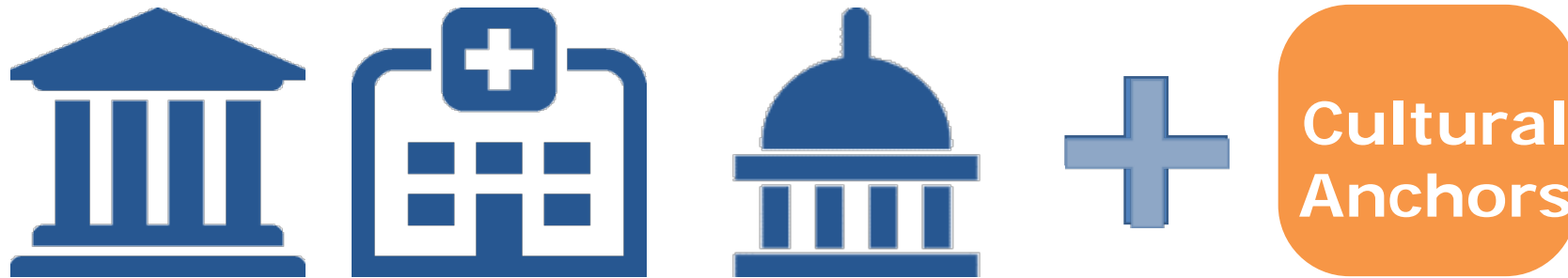
- Economic vitality and vibrancy are core desired outcomes
- Project development and financing are to engage a variety of public and private sector investment types

Affirming study goals

The ultimate goal of this study will be to provide the City of Vaughan with a comprehensive feasibility report addressing the following points:

- Is a Cultural Arts Centre in the VMC **economically sustainable and viable**?
- What are the **tangible inputs and needs** that will fuel a vibrant Cultural Arts Centre?
- How will the Centre **attract creativity and jobs**?
- How will the Centre **become a transformative cultural anchor** in the VMC?
- How will this project benefit the **identity, values, and character** of Vaughan and the greater GTA?
- How will the Centre **create a cultural legacy for Vaughan** and how can this be a **driver for economic growth**?

With a Public Value focus venues can be Cultural “Anchors”



Cultural Anchor [*Working*] Definition

As place-based entities that engage in and with numerous, diverse partners (directly through partnerships and indirectly through their personnel), anchor cultural institutions have the potential to **bring crucial, and measurable, benefits to local children, families, and communities** as well as the field and beyond.

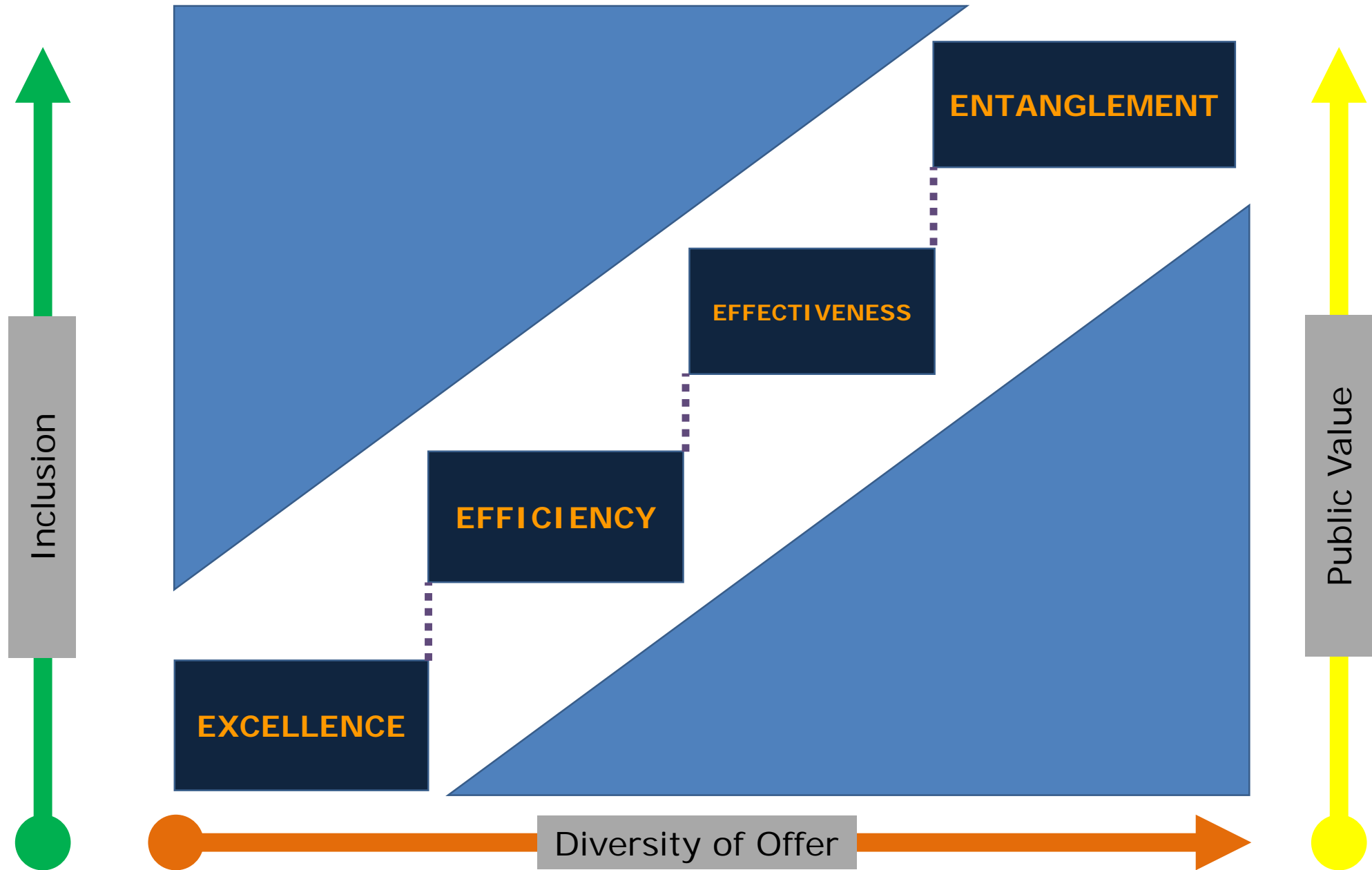
Anchor cultural institutions are poised to serve as the front door for a community and **enable opportunities for community building and knowledge sharing.**

An introduction to 'success'



HARIRI PONTARINI
ARCHITECTS

FDA



Characteristics of success

- Celebrating communities
- Stewardship
- Innovative partnerships
- Activating the public realm
- Embracing arts education
- Giving back



Moving from instrumental to public value

PACs can drive **value for a place** through content, stewardship and activation of spaces and neighborhoods



Early Questions

What is the regional environment for arts and culture venues and activity?

What are the 'gaps' and how can we respond to them?

What are the unique market characteristics of the City of Vaughan?

Who is most likely to activate a new cultural facility?

What promising partnerships and collaborations may set the stage?

Next Steps

- Background Materials – request to be issued
- Interviews
- User Needs Survey



Situation Analysis

Feasibility Study for a Cultural Arts Centre in the Vaughan Metropolitan Centre

22 January 2018



HARIRI PONTARINI
ARCHITECTS

FDA

Today's Objectives

- Review & affirm preliminary findings
- Begin developing a definition of success
- Next steps

Also during this site visit:

- Continue stakeholder interviews
- Debrief / prepare for site visit

Agenda

- I. Study Progress
- II. Situation Analysis
- III. Discussion – Defining Success
- IV. Next steps

Project Scope: Phase I

Part 1

- Background review
- Kick-off

Part 2

- Market Analysis
- Environmental Scan/Inventory
- User Needs



★ *Deliverable*

Part 3

- Industry Trends
- Gap Analysis

Part 4

- Community Meetings

Part 5

- Scenarios
- Facility and Site Assessment

★ *Deliverable*

“Vaughan’s new downtown will be the heart of the City, its art and cultural resources are the soul, expressing the cultural diversity of the community as it invigorates the public realm.”

*“The VMC will be a **destination of choice**, reflecting the City’s diversity, growth and emergence as an **urban centre**.”*

Background Review: Interviews

Completed

- Sunny Bains, Director, Recreation Services, City of Vaughan
- Pat Di Rauso, Chief Executive Officer, Arcadia Academy of Music/Arcadia Music Group
- Maurizio Di Rauso, CEO Arcadia Music Group/Arcadia Academy of Music
- Sharon Gaum-Kuchar, Senior Art Curator and Planner, City of Vaughan
- Antonio Ienco, Co-Founder, Vaughan International Film Festival
- Alex Karolyi, Artistic Director, Shadowpath Theatre Productions
- Amber Cardona-Lombardi, Operations Supervisor, City Playhouse, City of Vaughan
- Katie Maginn, Manager, Municipal Partnerships, City of Vaughan
- Mark Pagliaroli, Co-Founder, Vaughan International Film Festival
- Sandra Quiteria, Field Manager - York, Central Counties Tourism

- Mirella Tersigni, Creative + Cultural Officer, City Wide, City of Vaughan
- Samantha Wainberg, Executive Director, York Regional Arts Council

Scheduled

- Mayor Maurizio Bevilacqua, City of Vaughan
- Sandra Yeung Racco, Councillor, Ward 4, City of Vaughan
- Tony Carella, Councillor, Ward 2, City of Vaughan
- Tim Simmonds, Interim City Manager, City of Vaughan
- Pru Robey, President, Pru Robey Consulting (on behalf of Quadreal)
- P. Bustard, S. Kaiser and M. Simone, SmartCentres

Proposed (telephonic)

- Ontario College of Art and Design
- Vaughan Public Library
- York University
- Ontario Ministry of Tourism and Culture

12 interviews completed with more scheduled

Background Review: 24 items and counting

City plans, reports, and studies

- *Creative Together: A Cultural Plan for the City of Vaughan* (May 2010)
- *Vaughan Metropolitan Centre Secondary Plan*, approved by the Ontario Municipal Board on June 12, 2017
- VMC Updates Downtown Under Construction
- VMC RFI Renderings Final
- VMC Residential Units under construction, built/approved, in progress, and proposed
- Vaughan Metropolitan Centre Culture & Public Art Framework (November 2015)
- Vaughan Facility Allocation Policy
- Vaughan Fast Facts 2017
- City of Vaughan Economic Development Strategy (approved August 18, 2010)
- RFI Community Centre Space, SmartCentre Place
- "Recreation Vaughan" 2018/2019 Fall & Winter
- Map of Ward Councillor Areas
- Live Work Learn Play Reconnaissance & Strategic Assessment

- Feasibility Study – Vaughan Centre for the Visual Arts (2010)
- City of Vaughan Fairs and Festivals Support Program policy
- Committee Terms Heritage Vaughan
- Active Together Master Plan 2018 (Review and Update)
- VMC Land Ownership Map (September 2016)

Central Counties Tourism

- York Region Arts Council Tourism Update (2017)
- York, Durham and Headwaters Visitor Statistics
- Central Counties Tourism Audience Research Presentation of Findings

City Playhouse

- City Playhouse Renters December 2016-December 2018
- City Playhouse Rental Agreement

Provincial and federal reports and plans

- *Canadian Framework for Culture Statistics*, Culture Statistics Program (2004)
- Ontario Arts Council Blueprint for 2014-2020, *Vital Arts and Public Value*

What we know



HARIRI PONTARINI
ARCHITECTS

FDA

Key stakeholders describe priorities and constraints – the basis for the core vision

Priorities

- Key stakeholders are interested in a 'hub' that hosts a variety of activities
- Integrated pre-professional and high caliber training is of interest
- A place to go (destination) and a place to stay (community)
- Public access to space, programs, decision-making
- Align with and accommodate rapid growth

Constraints

- Net positive financial results are expected to fund operations
- The operator must be nimble with programming and able to collaborate with City agencies
- A venue with capacity to host major events and performances, right-sized for the market's needs
- Program content for audiences diverse in age, local tenure, and cultural affinities

“A strong and diverse economy includes a focus on fast-growing creative and cultural industries”

Vision for VMC

The VMC will be a destination of choice, reflecting the City's diversity, growth and emergence as an urban centre. **Public art and cultural development will work to create extraordinary experiences in the VMC and enhance the sense of place.** Together, the cultural framework and public art policy will be key drivers in the creative economy and will advance economic development in Vaughan's new downtown.

City and project leadership intent still emerging

Guiding Principles: Recreation and library facilities, parks and trails are (or should be):

1. Accessible and inclusive;
2. Integrated and coordinated;
3. Collaborative and innovative;
4. Multi-use and flexible;
5. Animated and optimized;
6. Responsive and progressive;
7. Supported and renewed;
8. Respecting our heritage and diversity;
9. Resilient and environmentally responsible; and
10. Affordable and financially sustainable.

The VMC is being designed for 25,000 residents and is **envisioned to become Vaughan's downtown**, the highest density node within the City and **a focus for civic activities**, business, shopping, **entertainment and living**.

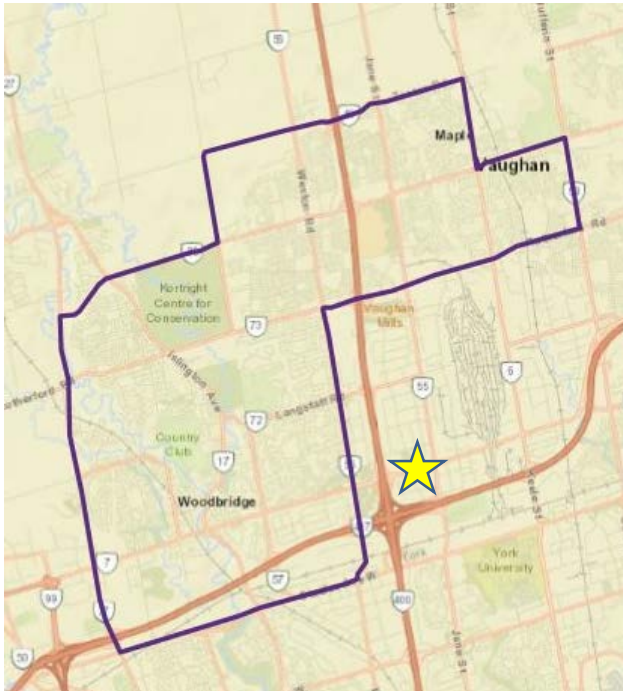
Connections to the public realm are ... requirements for successful public facilities and spaces.

...Facility design should emphasize **barrier-free access and linkages, sociability, comfort and activities**. New facility design should also...**provide superior and inclusive experiences, including casual and flexible spaces for people to gather and socialize.**

Vaughan Market Areas

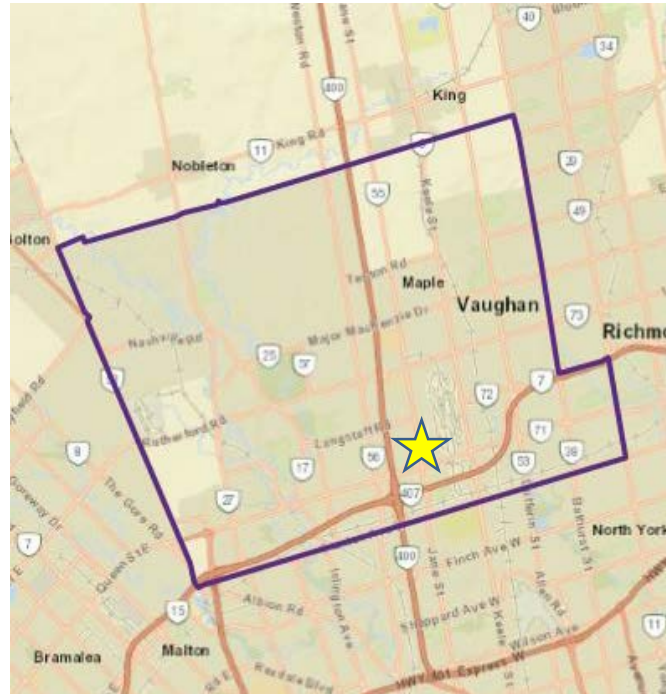
Primary Market Area

- Woodbridge
- **Population:** 193,000
- **Households:** 58,000



Secondary Market Area

- City of Vaughan
- **Population:** 332,000
- **Households:** 103,000



Province

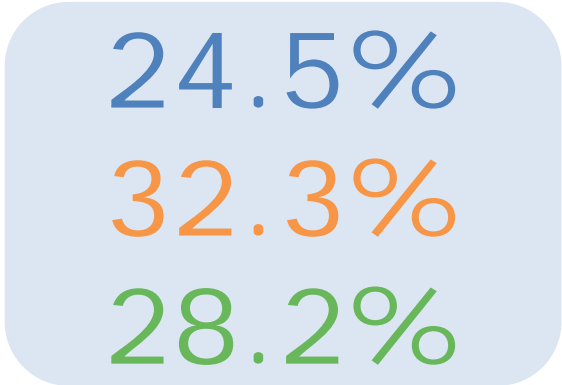
- Ontario
- **Population:** 14,280,000
- **Households:** 5,497,000



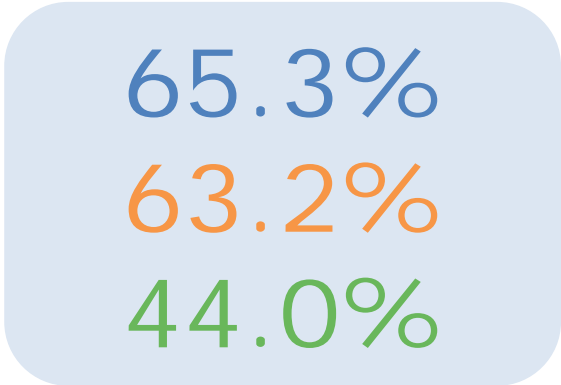
Primary and secondary market characteristics correlate with participation in arts and culture

Woodbridge | City of Vaughan | Ontario

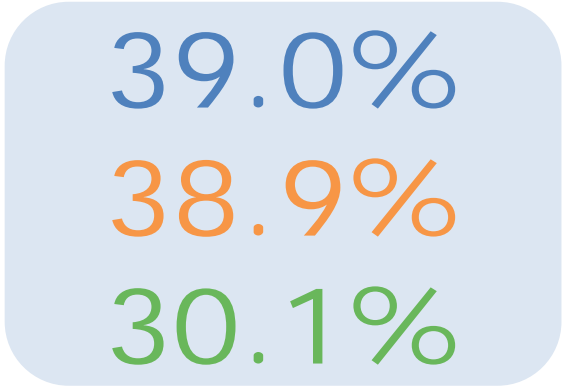
% with University Degree



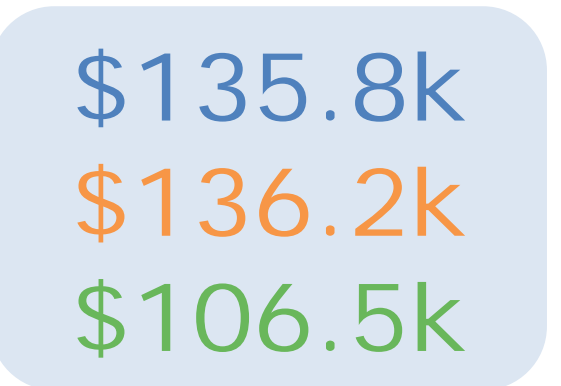
% HHs with Children in the Home



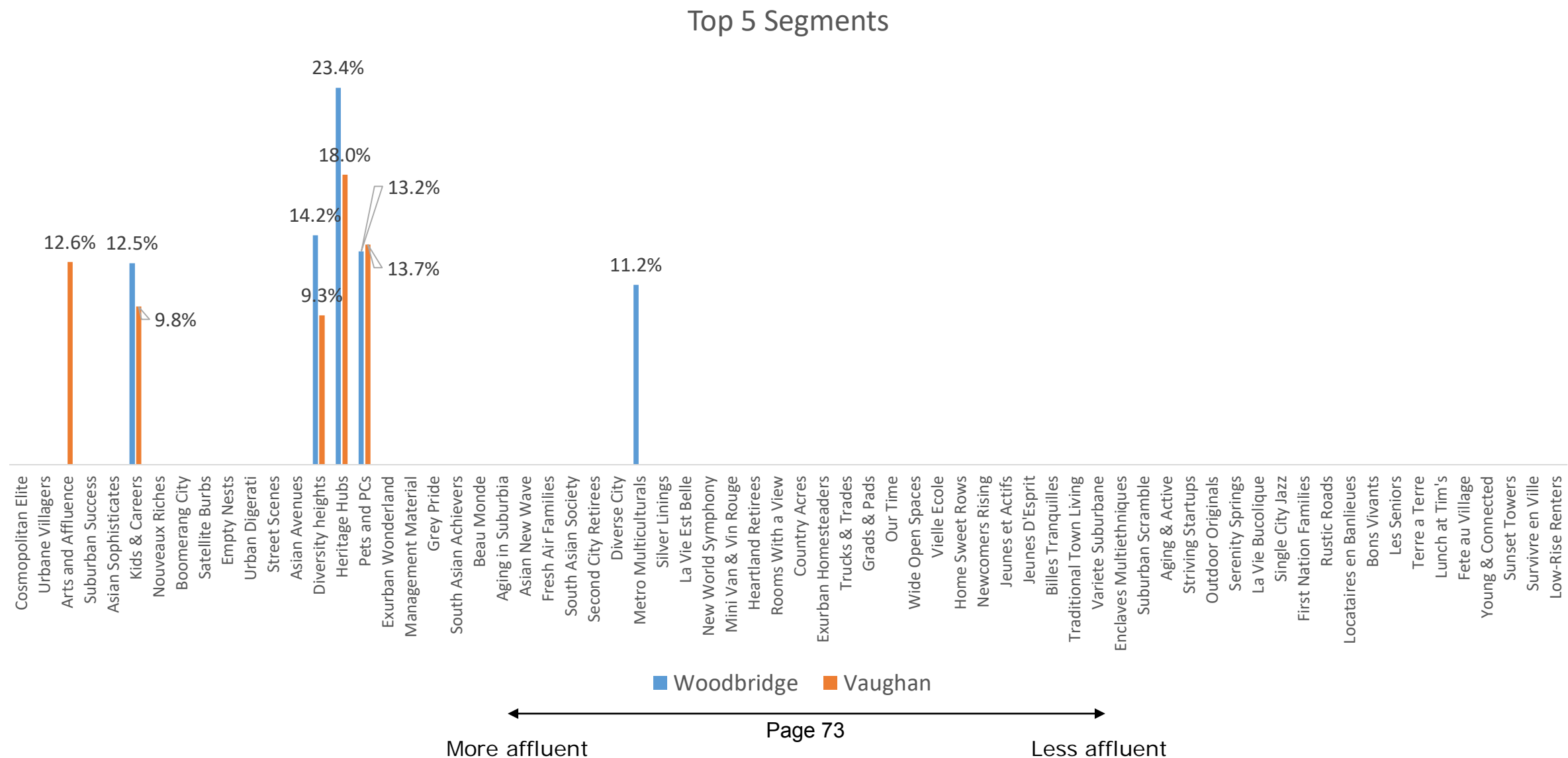
% Visible Minority



Average HH Income



Top market segments possess higher than average affluence



Segments are primarily affluent and active multi-cultural families



Heritage Hubs

Primary: 23.4%
Secondary: 18%



Diversity Heights

Primary: 14.2%
Secondary: 9.3%

Middle-aged families with dual incomes	Culturally diverse Baby Boomers and Gen-Xers who immigrated from China, India, Italy and the Philippines between 1960 and 1990
More than 40 percent of households contain immigrants, though no one cultural group dominates	Multi-lingual neighbourhoods with high concentration of older children
Seasoned travellers, often visiting China, Florida and Jamaica; booked with discount online travel services at all-inclusive resorts	Activities: sports (soccer, baseball, tennis and football), nightclubs, amusement parks, aquariums and hockey games, bowling alleys, video arcades and ski resorts
Activities: basketball, swimming and bowling, theme parks, zoos and aquariums	

Segments are primarily affluent and active multi-cultural families



Pets & PCs
Primary: 13.2%
Secondary: 13.7%



Kids & Careers
Primary: 12.5%
Secondary: 9.8%

Younger families with pre-school children and upscale incomes	One of the wealthiest suburban lifestyles with average incomes around \$170,000 and large families of 4+ people
Strong presence of immigrants from South Asia, China and the Caribbean	More than a quarter of households contain immigrants who have achieved success and moved to the suburbs
Active, child-centred lifestyle including team sports, kid-friendly destinations (zoos, aquariums and amusement parks)	Belong to golf and fitness clubs, shop at upscale malls and big-box stores, and attend and participate in team sports
Occasional date night to go out to a movie or enjoy dinner at a fine restaurant	

Segments are primarily affluent and active multi-cultural families



Metro Multiculturals
Primary: 11.2%
Secondary: --



Arts & Affluence
Primary: --
Secondary: 12.6

Pre-1990 multi-lingual immigrants from a number of countries in Europe and the Middle East	Educated, wealthy and overwhelmingly urban with incomes topping \$180,000
Middle-aged families and older couples enjoying a middle-income lifestyle	First- and second-generation Canadian Jews —the segment is nearly a third Jewish
Likely to attend historical sites, comedy clubs , tennis matches and basketball games	Attend nearly every form of art and performance: opera, ballet, symphony, art galleries, film festivals and museums
	Well travelled , frequently flying to various sunny destinations, major cities in the northeastern U.S., Europe and Israel

Consumers in Woodbridge and Vaughan place high value on consumption and explore new things

Highest Indexing Psychographic Measures

Psychographics (National Average = 100)	INDEX Woodbridge	INDEX Vaughan
Concern for Appearance	115	117
Skepticism Toward Small Businesses	115	119
Importance of Aesthetics	114	113
Pursuit of Novelty	114	113
Ostentatious Consumption	114	118
Importance of Brand	113	122
Need for Status Recognition	111	113
Confidence in Advertising/Advertising as Stimulus	111	113

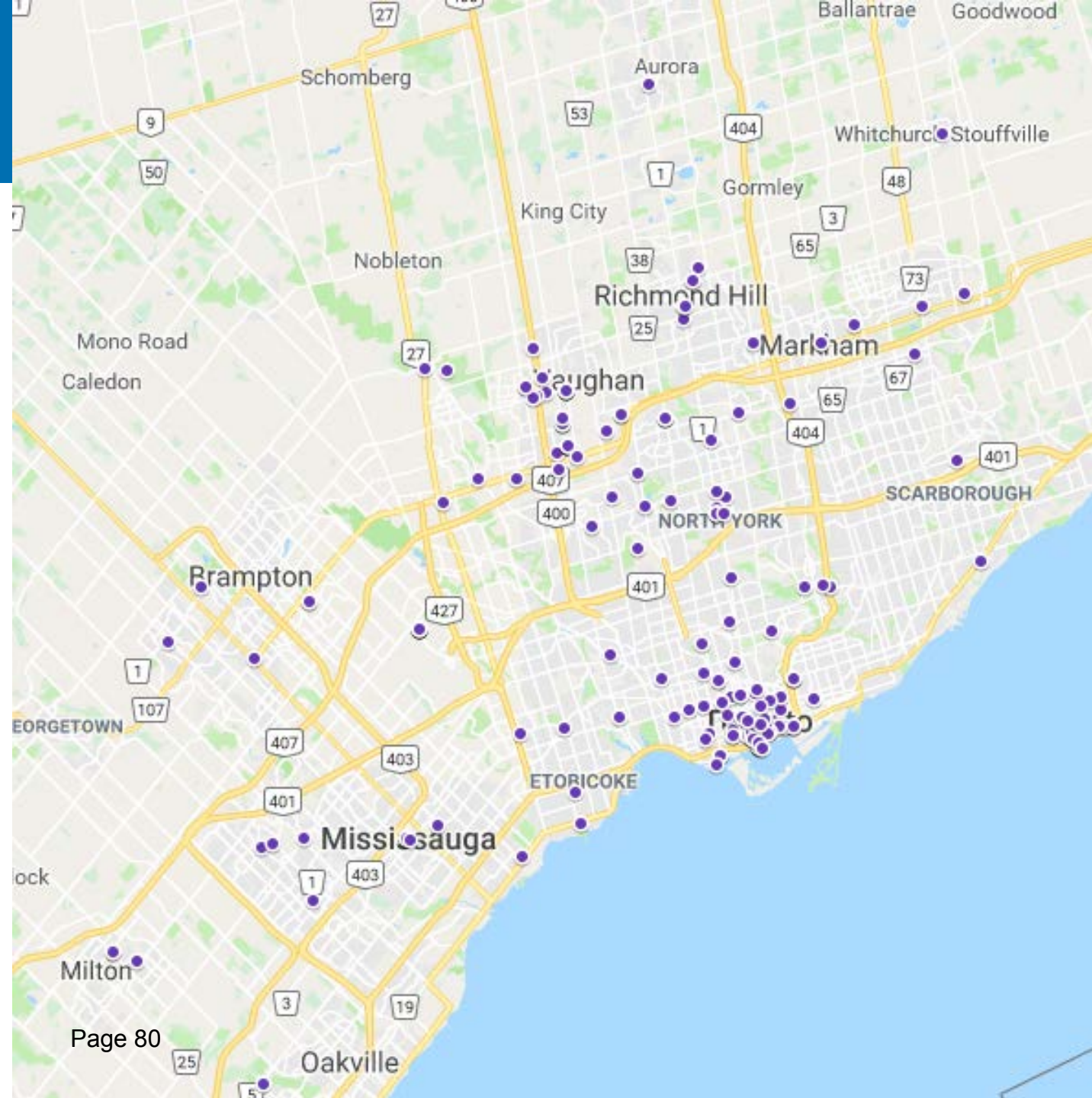
A marketplace primed for experimentation and growth

- Growing, active **families**
- **Multi-cultural** with no single, dominant group
- Rapid in-migration from other metros and countries suggests **programming diversity will be essential**
- **Education and affluence** tend to correlate with **arts participation**
- Higher incomes suggest **capacity to purchase upscale tickets and packages**
- **Sensitivity to brand and aesthetics** presents opportunities for membership programs and private donor engagement

20

A dense inventory in Toronto and York

- 205 total venues
- The 'environment' stretches from York Region to St. Catherine's
- Data collection focused on Vaughan and adjacent municipalities



Big cities drive capacity; local inventory is skewed to Concord; education & community priorities are significant functions for arts facilities

Capacity & Design

1,004

Average seating capacity including Toronto & Mississauga venues

493

Average seating capacity not including Toronto & Mississauga venues

17

Banquet hall or ballroom venues
(8.3% of total inventory)

Location

84

Venues in Toronto
(41% of total inventory)

41

Venues in Vaughan
(20% of total inventory)

21

Vaughan venues in the Concord neighbourhood
(50% of Vaughan venues)

Activity & Programs

40

Venues are libraries, community centres, or primarily for education
(20% of total inventory)

34

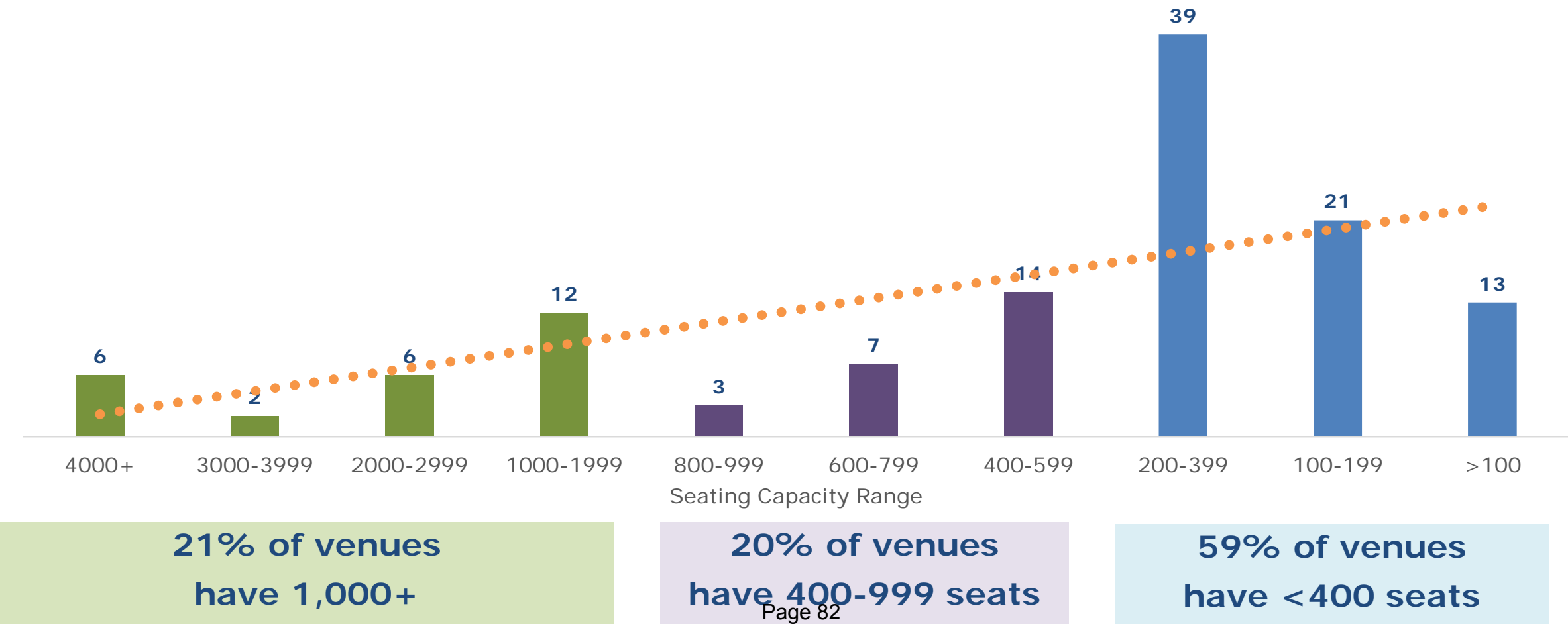
Venues that primarily do Presentations
(17% of total inventory)

7

Vaughan arts venues that program education
(15% of Vaughan venues)

Smaller venues are broadly available; midsize venues (400-999 seats) are smallest category

Capacity Range
(n=123, all geographies)



Environmental scan begins to inform considerations for a new centre's size and design

- **Arts and cultural venues are distributed**, with clusters in Toronto and Mississauga
- **Seating capacity varies significantly** between major cities and outlying municipalities
- **There is a gap in midsize venues**, ranging from 400-999 seats
- **Educational spaces are prevalent** in the greater environment and in Vaughan
- **Banquet and ballroom spaces are abundant**, but comparable spaces for production, rehearsal, and performance are not readily available outside Toronto

Comparative markets



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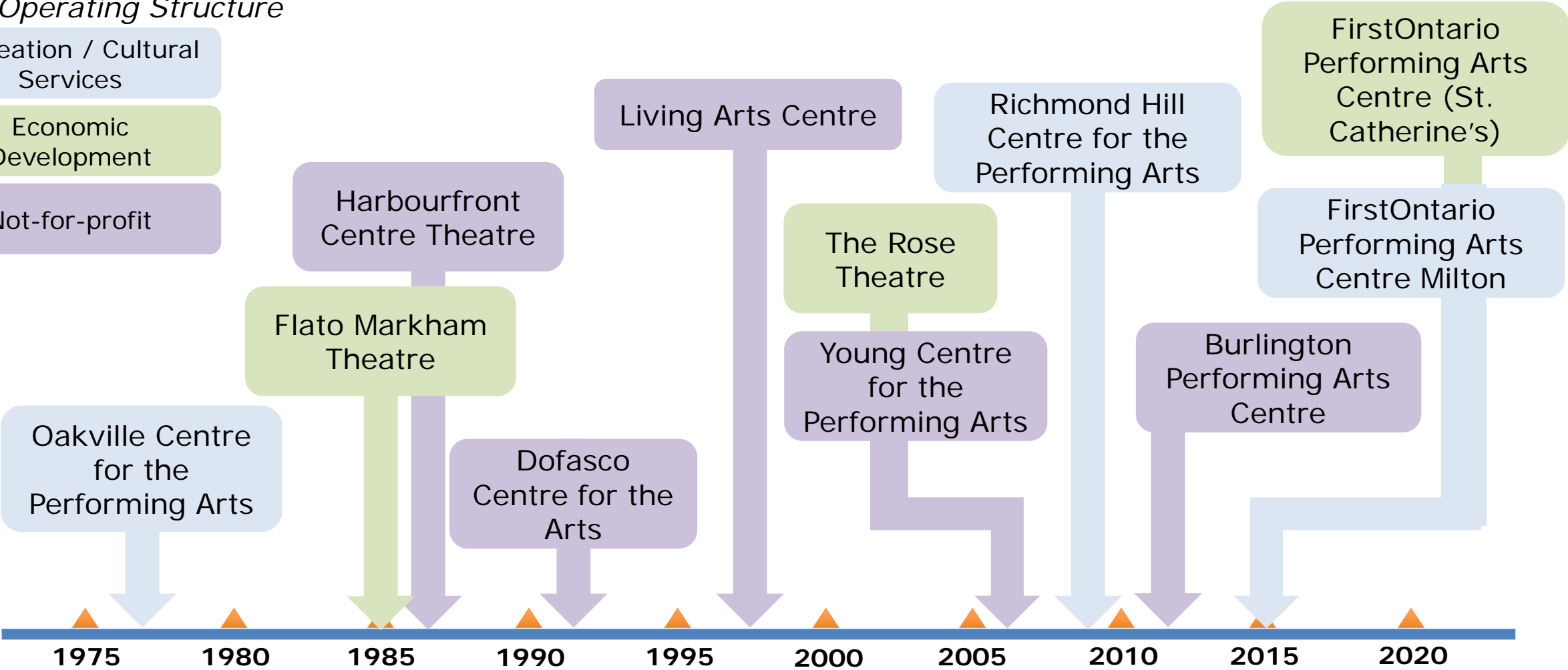
Current Trends and Impacts



Comparative facilities represent a range of operating models, with 6 of 11 opening after 2005

Facility Operating Structure

- Recreation / Cultural Services
- Economic Development
- Not-for-profit



<i>Facility</i>	<i>Opened</i>	<i>City</i>	<i>Venues</i>	<i>Capital Cost</i>
FirstOntario Performing Arts Centre	2015	St. Catherine's	775 - Partridge Hall 300 - Cairns Recital Hall 210 - Robertson Theatre 187 - Film House	\$60M
FirstOntario Arts Centre Milton	2015	Milton	500 (main) 200 (secondary)	\$39.3M
Burlington Performing Arts Centre	2011	Burlington	718 (main) 150 (studio)	\$29M
Richmond Hill Centre for the Performing Arts	2009	Richmond Hill	631 (main)	\$30M
The Rose	2006	Brampton	870 (main) 150 (secondary)	\$55M
Young Centre for the Performing Arts	2006	Toronto	315 – Baillie 207 - Young Theatre 110 - Tank House Theatre 90 - Garland Cabaret	\$14m
Living Arts Centre	1997	Mississauga	1,315 - Hammerson Hall 110 - RBC Theatre 382 - Rogers Theatre	Unknown
Dofasco Centre for the Arts	1991	Hamilton	750	\$12M
Harbourfront Centre Theatre	1986	Toronto	422	
Flato Markham Theatre	1985	Markham	527	Unknown
Oakville Centre for the Performing Arts	1977	Oakville	485 (main) 150 (studio)	Unknown

Learnings from others can inform the vision for the VMC cultural centre

Vision

Design

Capital
Funding

Governance

Programming

Partnerships
& Users

Operating
Finances

Two core types of vision are prevalent in the comparative markets

Economic Development

- Prioritizes break-even / profitable operating results
- Part of district- or city-wide initiative
- 'Destination' approach

Community/ Recreation Services

- Prioritizes community engagement
- Driven by city agency or private not-for-profit
- Content-driven approach

What is the core purpose of the space?

Vision

City revenues

Driving net economic outcomes for the City of Vaughan is the key threshold for venue development.

A gathering place

High foot traffic (with attendant economic activity) is the core purpose of the space.

A cultural hub

A hub of creative and cultural activity, the space drives creative output and engagement.

A pair of spaces –
one **traditional**, the other **flexible**

FACILITY	CAPACITY	
The Rose Theatre	870	150
Burlington Performing Arts Centre*	718	225
Richmond Hill Centre for the Performing Arts*	631	200
FirstOntario Arts Centre Milton*	500	200
Oakville Centre for the Performing Arts	485	150

Trends

- Configurable venues to house both performances and events
- Newer facilities* have larger 'flat-floor' spaces and smaller 'traditional' spaces
- Designed to extend the public's stay

What does the design accommodate?

Design

Traditional

A proscenium space with conventional performing arts amenities

Visual art space that accommodates exhibitions and demonstrations

Flexible Seating

A venue with configurable seating, accommodating a combination of creative disciplines

Flat-floor

A flat-floor design includes infrastructure and equipment to accommodate a wide range of activities

Trends

- Public support for the arts is robust
- Private philanthropy more prominent in newer development
- Development partnerships are increasingly common

Young Centre for the Performing Arts

Developed through a partnership between the Soulpepper Theatre Company and the George Brown Theatre School

FirstOntario Performing Arts Centre in St. Catherine's

Formed a development partnership with Brock University, and the two organizations now have adjacent facilities

How is development funded?

Capital
Funding

Fully subsidized

Public-Private Partnership

Private Sector Driven

Public funds are designated through tax districts and other initiatives to fully support the cost of development.

The City engages private sector partners, and a collaboration agreement supports venue development.

The City recruits a private sector developer to drive design and capital financing.

Municipal Facilities

Structure

- Governance grounded in municipal priorities
- Oversight by council or another designated body

Examples

- FirstOntario Performing Arts Centre
- The Rose
- Flato Markham Theatre
- FirstOntario Arts Centre Milton
- Burlington Performing Arts Centre
- Richmond Hill Centre for the Performing Arts
- Oakville Centre for the Performing Arts

Not-for-profit Facilities

Structure

- Governance processes established through bylaws and articles of incorporation
- Oversight by a board of directors

Examples

- Young Centre for the Performing Arts
- Living Arts Centre
- Dofasco Centre for the Arts
- Harbourfront Centre Theatre

As facilities develop, the initial governance model may need to adapt (i.e. FirstOntario Performing Arts Centre in St. Catharines)

How are policy decisions made?

Governance

A City agency

The centre is governed by an existing City agency, with staff added or reallocated as appropriate.

A (new) City subsidiary

A new agency or board of governors is created through an act of Council. It is populated with both City representatives (e.g., professionals and elected officials) and with community representatives.

Not-for-profit

A not-for-profit operator is created or designated, with regard for established City priorities related to the project.

- **Defining the desired programmatic mix is key**, and definitions of the 'right' mix varied widely between facilities in the comparative markets
- **Larger venues like the Living Arts Centre are more likely to house national and international acts**, as well as private rentals such as corporate gatherings or product launches
- **Smaller, secondary venues are seen as more appropriate for regional and local programs**, and may be described as 'community' spaces like the Community Studio Theatre at the Burlington Performing Arts Centre
- **Educational programs** may be aligned to core performance programs, or designed as a separate track for schools, children, and families

What activities are housed inside?

Programming

Locally Driven

Programming emerges from local providers and producers, drawing Vaughan's creative sector deeply into the venue's activation.

Showcase

Community groups have a target number of days to activate the centre. This is balanced by presentations of regional, national, and international content.

National Brands

Most programming comes from national and international producers, and is presented at the centre. The venue's brand is crafted to represent content from across Canada and around the world.

Trends

- **Operating support from city agencies** offsets the cost of administration, IT, and some amount of facility maintenance
- **Operating support from private philanthropy** is of increasing importance, tends to be time-limited, and provides for some degree of control by the donor

FirstOntario Arts Centre Milton

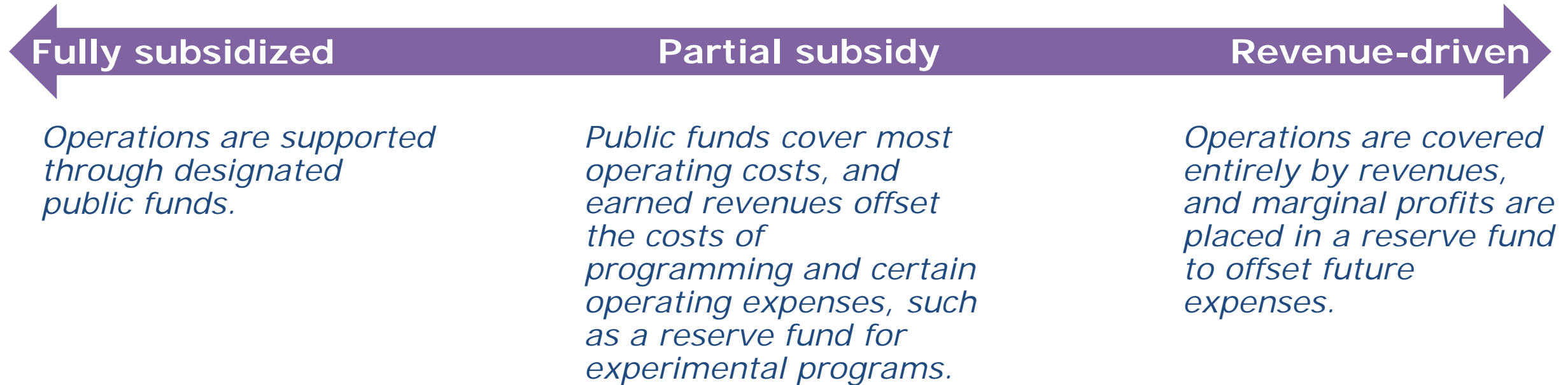
- \$1 million naming gift shortly from the FirstOntario Credit Union.
- Gift is restricted to children's programming.

Flato Markham Theatre

- Operated by the Recreation, Culture & Library department.
- 10-year naming gift from Flato Developments, Inc. → \$780K in annual support.
- An executive of Flato Developments sits on the theatre's advisory board.

How are operations funded?

Operating Finances



- **Partnerships with educational and community entities are prevalent yet diverse**, with agreements that link cultural facilities with universities, high schools, and libraries
- **A majority of centres promote the diversity of users** who can be accommodated within the facilities, emphasizing technical capabilities and public amenities
- **Resident companies are more common in bigger facilities**, such as the Living Arts Centre, while in smaller facilities they are less common
- **Parking and transit accessibility are priorities** for many comparative market venues. While most provide access to parking, sensitivity to local parking conditions and practices guide the cost to venue users and attendees. In some markets, facility membership perks include parking privileges or discounts.

What is the role of partnerships?

Partnerships & Users

Resident companies

A small number of resident companies are selected, and have a guaranteed number of days' use each year, and priority access to the calendar and some amenities.

A partners' program

Partners are selected based on several factors, such as not-for-profit status, or Vaughan residence. They receive certain benefits – discounted rental rates, or first choice of dates.

All users are equal

All users, regardless of market or business model, are offered the same rates, access to calendaring, and amenities.

Discussion



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Next steps

- User survey
- Site visit to 'deep dive' comparative facility
- Industry trends
- Gap analysis workshop

Thank you!



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FDA



Current Trends and Impact Analysis: Comparative Markets

Feasibility Study for a Cultural Arts Centre in the Vaughan Metropolitan Centre

March 2019

AMS Planning & Research Corp.

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Introduction

In November 2018, Hariri Pontarini Architects contracted with AMS Planning & Research to perform a feasibility study for a cultural arts centre in the Vaughan Metropolitan Centre.

As part of the study City leadership identified ten comparative markets within the Greater Toronto Area (GTA) that were of interest. In each market, AMS researched cultural arts venues to understand trends in venues' early visioning, capital development, governance, operations, programming, and impacts. The comparative markets with relevant key venues are noted in the following chart.

Using interviews with venue representatives and organizational leaders in these markets, coupled with secondary research, AMS has prepared the following report.

Market	Venue	Venue Capacity
Brampton	The Rose	870 (main); 150 (secondary)
Burlington	Burlington Performing Arts Centre	718 (main); 225 (studio)
Hamilton	Dofasco Centre for the Arts	750 (main)
Markham	Flato Markham Theatre	527 (main)
Milton	FirstOntario Arts Centre Milton	500 (main); 200 (secondary)
Mississauga	Living Arts Centre	1315 (Hammerson Hall), 110 (RBC Theatre), 382 (Rogers Theatre)
Oakville	Oakville Centre for the Performing Arts	485 (main); 150 (studio)
Richmond Hill	Richmond Hill Centre for the Performing Arts	631 (main); 200 (multipurpose hall)
St. Catharine's	FirstOntario Performing Arts Centre	775 (Partridge Hall), 300 (Cairns Recital Hall), 210 (Robertson Theatre), 187 (Film House)
Toronto	Harbourfront Centre Theatre	422 (main)
Toronto	Young Centre for the Performing Arts	315 (Baillie), Young Theatre (207), Garland Cabaret (90), Tank House Theatre (110)

Table 1: Comparative Markets and Key Venues

Vision: Economic, Social, Cultural Impact

Two distinct paths emerged to realizing venues within the 10 comparative markets, depending on primacy of civic goals: economic development and community engagement.

Economic development is the stated priority underlying most of the comparative market venues, both for venues operated by municipal economic development agencies and for venues operated by other types of entities. Downtown revitalization and other economic impacts are key measures of success for these venues.

The Rose Theatre is operated by Cultural Services, a division of Brampton's Economic Development and Culture department. As an early cornerstone in Brampton's downtown development plan,¹ the theatre was developed on a challenging site atop a multi-level parking deck, winning a Brampton urban design award.

The **Dofasco Arts Centre** is the permanent home of Theatre Aquarius, a not-for-profit theatre company in operation for over 45 years. Drawing on extensive public and private sector support, the Centre illustrates its positive impacts on Hamilton's economy with a series of maps and charts on its website, estimating more than \$12 million in annual economic impact as a result of the company's programs and initiatives.

While the direct and indirect financial impacts of new cultural facilities (and their attendant programs) are well-documented,² the vision of how these impacts will be made manifest has shifted over

¹ <https://canada.constructconnect.com/dcn/news/others/2007/07/rose-theatre-takes-centre-stage-at-urban-design-awards-dcn023504w>

time. Governance models are changing to emphasize partnership and private sector engagement – and the pace of this change may be accelerating. These themes will be discussed in sections that follow.

For centres with a priority to grow **community and artistic engagement**, the scope of both programming and support focuses on a smaller geographic range.

The **Oakville Performing Arts Centre** opened in 1977 and is committed to showcasing community work, programming 230 of 300 annual presentations from local and regional providers. The Centre is operated by the Recreation and Culture Department of the Town of Oakville.

The **Richmond Hill Performing Arts Centre** opened in 2009, and is integrated with Richmond Hill High School and Covernotes Tea and Coffee House. The guiding intention of the building is to “be a theatre for the community,” and in addition to a season of professional presentations, the Centre offers a range of opportunities for students to engage with the performing arts, and financially accessible rates for community users.

² *Economic Contribution of Culture in Canada*, 2004.
<http://www.publications.gc.ca/Collection/Statcan/81-595-MIE/81-595-MIE2004023.pdf>

Governance

The comparative market venues showcase three distinct operating models, shown in the chart that follows.

For municipally-operated centres, governance policies are fully or primarily aligned with existing city policies. City personnel oversee operations and report to Council and other bodies as appropriate, based on municipally-defined financial and performance objectives. Frequently, these centres present programs created elsewhere, minimizing the financial risk to the venue and the city.

Two of the four not-for-profit centres, by contrast, are operated by entities that also produce a significant amount of content within their walls, putting most of the risk in the operators' hands. These are the Young Centre and the Dofasco Centre, both of which are run by theatre companies that each produce a robust annual season in their home facility. The Living Arts Centre, while not a producer in its own right, is home to several resident companies including the Mississauga Symphony Orchestra and Mississauga Symphony Youth Orchestra. This arrangement ensures the Centre's activation by leading community arts providers, while insulating it from the financial risks of program development.

Centre	Year Opened
Operator: Municipal Economic Development Agency	
FirstOntario Performing Arts Centre	2015
The Rose	2006
Flato Markham Theatre	1985

Operator: Municipal Recreation / Culture Agency

FirstOntario Arts Centre Milton	2015
Burlington Performing Arts Centre	2011
Richmond Hill Centre for the Performing Arts	2009
Oakville Centre for the Performing Arts	1977

Operator: Not-for-Profit Entity

Young Centre for the Performing Arts	2006
Living Arts Centre	1997
Dofasco Centre for the Arts	1991
Harbourfront Centre Theatre	1986

Table 2: Comparative Market Centres by Governance Model

The governance of arts centres has lasting implications for programming, operations, financial risk and the attendant available types of financial support.

The **FirstOntario Performing Arts Centre in St. Catharine's** opened in 2015, a \$60 million capital development adjacent to Brock University's Marilyn I. Walker School of Fine and Performing Arts. Initially operated by the City of St. Catharine's, it was announced in late summer 2018 that operational control would shift to a newly created nine-member municipal service board. The board's mandate is to "promote, develop, and encourage the performing arts in the City of St. Catharine's as well as to operate the PAC."³

³ <https://www.stcatharines.ca/en/News/index.aspx?feedId=b0165e24-355d-46e4-8ce3-0fb066f4f843&newsId=843740fd-864f-4a53-91a9-42cc3259a37c>

Designing for Flexibility

More recently developed venues are more likely to be configurable, with fully or partially modifiable spaces for performances, receptions, classes, and concerts. Certainly, many traditional proscenium-style venues serve the Greater Toronto Area and enjoy robust activity and revenues, however more recent investments indicate a trends toward flat-floor spaces paired with traditional proscenium venues.

The traditional main venue paired with a flat-floor space is a recurring theme. Five of the eleven comparative market facilities follow this design approach, identified in the table that follows.

<i>Facility</i>	<i>Traditional Venue (Cap.)</i>	<i>Flat-Floor Venue (Cap.)</i>
The Rose	Main Hall – 870	Secondary Hall – 150
Burlington Performing Arts Centre	Main Hall – 718	Secondary Hall – 225
Richmond Hill Centre for the Performing Arts	Main Hall – 631	Plaza Suite – 200
FirstOntario Arts Centre Milton	Main Hall – 500	Secondary Hall – 200
Oakville Centre for the Performing Arts	Main Hall – 485	Studio – 150

Table 3: Comparative Market Facilities with Two Venue Design

The three most recently opened venues among these are the FirstOntario Arts Centre Milton which opened in 2015, the Burlington Performing Arts Centre which opened in 2011, and the Richmond Hill Centre for the Performing Arts, which opened in

2009. These facilities have comparatively smaller traditional halls and larger flat-floor venues – a shift toward more flexible cultural spaces that is evident in many North American markets.

Partnerships and Residencies

Colocation with key partners is a clear trend, particularly in more recent developments.

The **Young Centre for the Performing Arts** opened in 2006 and is operated by a partnership between the not-for-profit Soulpepper Theatre Company and the George Brown Theatre School. Soulpepper Theatre personnel handle much of the venue management and maintenance, while the school contributes avid student workers and attendees and programs a season of performances featuring students in the space.

The **FirstOntario Performing Arts Centre** in St. Catharine's (2015) formed a development partnership with Brock University, and is located adjacent to the Marilyn I. Walker School of Fine and Performing Arts. Programming and audience development synergies are built into the operating assumptions of both institutions.

The **FirstOntario Arts Centre Milton** (2015) is collocated with the Milton Library. While naturally-occurring program synergies have been noted, recent master planning for the Library calls for

more coordinated, intentional alignment between Library and Arts Centre program development and deployment.⁴

Research also suggests new business models are emerging. Not-for-profit real estate development entities, community investment funds, and social enterprise development are considered promising models, as are public-private partnerships, or P3s. As in the case of the FirstOntario Performing Arts Centre in St. Catharine's, for municipalities that wish to share operating costs with private parties over the long term, P3s offer a way to shift the cost of doing business away from taxpayers while retaining some control over programs and operations.⁵

Programming: Achieving the Vision

Content providers influence both how the vision of a cultural centre is defined and how the venue or venues are operated. For centres envisioned as hubs of community creativity, there may be key performance indicators tied to the percentage of activity drawn from community sources. For those centres intending to bring national or international content to a local audience (or local audiences), diversity of activity as well as earned revenue may play a bigger role in defining 'success.'

The **Rose Theatre** was envisioned in the early 2000s as a "magnificent centerpiece shaping the arts and culture renaissance in

the City's historic downtown," and its opening was predicted to generate significant economic activity. Brampton's 2005 annual report notes that programming assumptions are geared toward "sophisticated live theatre and film-TV productions," drawing national and international talent to the city.⁶

In some cases, tension may arise when early visions of community-focused activity give way to demands for efficiency in operations.

The **Living Arts Centre** (along with the Meadowvale Theatre) engaged AMS Planning & Research in 2010 to examine how the venues might best align mission, operations, and programming. An analysis demonstrated that, although the language of mission and vision placed the arts community at the core of the venues' work, patterns of actual use reflected a more revenue-driven approach to programming.⁷ At the time of this report, the Living Arts Centre's 2017 annual report indicates that while a majority of rental uses still come from corporate sales, this is balanced by robust education programming sourced from and targeted to the community.⁸

The **Oakville Centre for the Performing Arts**, a division of the Recreation and Culture department of the Town of Oakville, is a professionally-staffed facility whose core purpose is to "serve the performing arts needs of Oakville residents." A series of professional touring presentations represents approximately 30% of

⁴ Milton Public Library master Plan, July 2015, page 46.

https://www.mpl.on.ca/images/documents/masterplans/2015_09MPLMasterPlan.pdf

⁵ *Under Construction: The State of Cultural Infrastructure in Canada, Volume 2*, 2008.

https://www.researchgate.net/publication/291333000_Under_Construction_The_State_of_Cultural_Infrastructure_in_Canada_Volume_2

⁶ Brampton 2005 annual report, <http://www.brampton.ca/en/City-Hall/Annual-Report/Documents/annual-report-05.pdf>

⁷ Living Arts Centre & Meadowvale Theatre study,

http://www5.mississauga.ca/forms/corporateservices/communications/pdf/appendix_4_mssissauga_comparable_facilities_report.pdf

⁸ Living Arts Centre 2017 annual report, <http://cdn.agilitycms.com/mississauga-living-arts-centre/Annual%20Report%202017%20Web.pdf>

facility's annual uses, with over 70% of activity coming from community users.

While the programmatic focus of a centre may shift over time, the initial programming mandate often responds to significant local or regional needs. Where economic development is a core priority, as in Brampton, sourcing programs from third parties over a national range may be the most efficient means of activating a facility. Where community self-actualization is the top concern, key performance indicators may be crafted to encourage activating the centre with primarily community-based content providers. Where the programmatic intent seeks to balance both efficiency and community arts providers, there is often a stated annual goal defining the desired mix of touring programs and community-driven content.

Staffing

Among the venues studied for this report, staff size ranges from eight at the FirstOntario Arts Centre Milton to 50 at the Living Arts Centre, not including casual-hire ushers, technicians, or other hourly personnel. Three discrete areas drive staffing needs:

Facility design. The physical plant's size and sophistication, and the technical equipment contained in each performance space, have implications for the amount of professional staff support required for safe and efficient operations.

The **FirstOntario Performing Arts Centre** in St. Catharine's has a staff of 30, with nine of these professionals in Operations – correlating with the PAC's four dedicated performance venues, as well as the three lobbies, an outdoor plaza, and ancillary spaces.

Programming. For centres with robust in-house programming, dedicated staff are needed to create and deliver this work to the

public. For those with a presentation- or rental-oriented model, fewer staff may serve in production and operations-focused roles.

The **Young Centre for the Performing Arts** has 19 permanent staff and, through the operating partnership of the Soulpepper Theatre Company and the George Brown Theatre School, produces a substantial amount of programming in-house. Similarly, the **Dofasco Arts Centre**, operated by Theatre Aquarius, has 18 permanent staff and programs robust performance and educational programming in-house.

Governance. The governance model of a centre influences the staff support necessary for operations. Centres under the umbrella of municipal agencies are typically able to use city resources to support administrative, IT, and maintenance functions. The centres operated by nonprofits tend to have staff to support the same functions, and may have staff formally designated to support board development and coordination.

The **Burlington Performing Arts Centre**, a not-for-profit, has a staff of 13 and 10 board members. The staff includes a dedicated Web & Graphic Designer; Marketing functions are shared between a Marketing & Development Manager and a Marketing & Sponsorship Coordinator.

The **Flato Markham Theatre**, part of the Recreation, Culture & Library department, has a staff of 9. In addition to the staff, who fulfill core operational functions, an advisory board includes representatives from the naming sponsor, Flato Developments, Inc., as well as several other city agencies.

Funding

Public support for the arts is robust among the comparative markets, although more recent developments have leveraged private investment as well. Where capital support is initially provided by a town or city, parallel investment is often drawn from provincial and federal resources.

For the **FirstOntario Arts Centre Milton**, capital support came first from the Milton Town Council in 2009, and was followed by a \$16.2 million investment from the Communities Component of the Building Canada Fund. Additional support in the form of provincial and federal grants for community infrastructure projects was forthcoming. Shortly after the 2015 opening of the facility, a naming rights agreement was finalized with FirstOntario Credit Union for a \$1 million gift in support of children's programming.⁹

Private sector contributions typically emerge from individual or organizational stakeholders that already have a close connection to the development, or where the donor prioritizes giving within a specific city or town. These gifts are increasingly time-limited rather than perpetual, giving centres and donors leeway to revisit their goals and priorities over time.

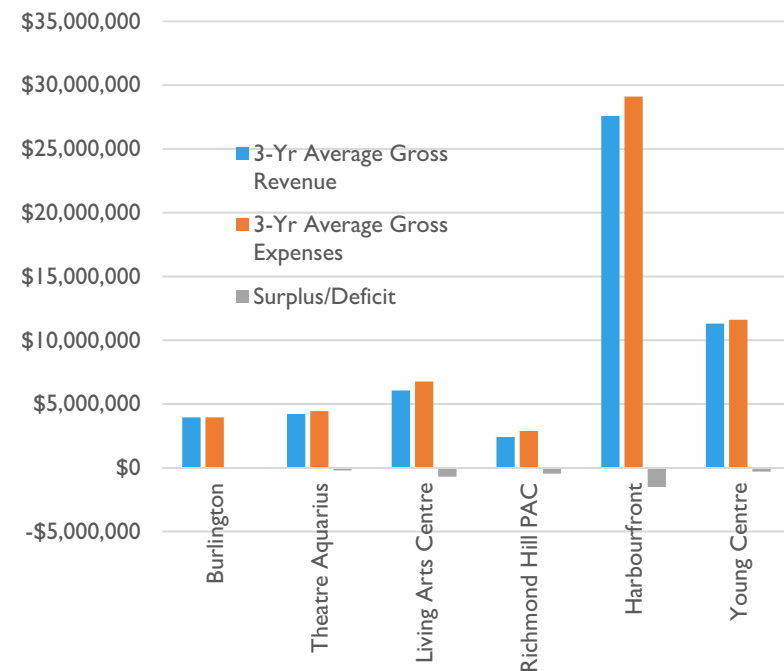
In 2012, the **Flato Markham Theatre** accepted its first naming gift from Flato Developments, Inc. At the time, the venue had been in operation for 27 years. Flato Developments founding principal Shakir Rehmatullah has a personal commitment to giving within his home city and region. This naming agreement provides \$780,000 annually for theatre operations and programs.

⁹ <https://www.insidehalton.com/news-story/7108150-council-approves-milton-arts-centre-naming-rights-sale/>

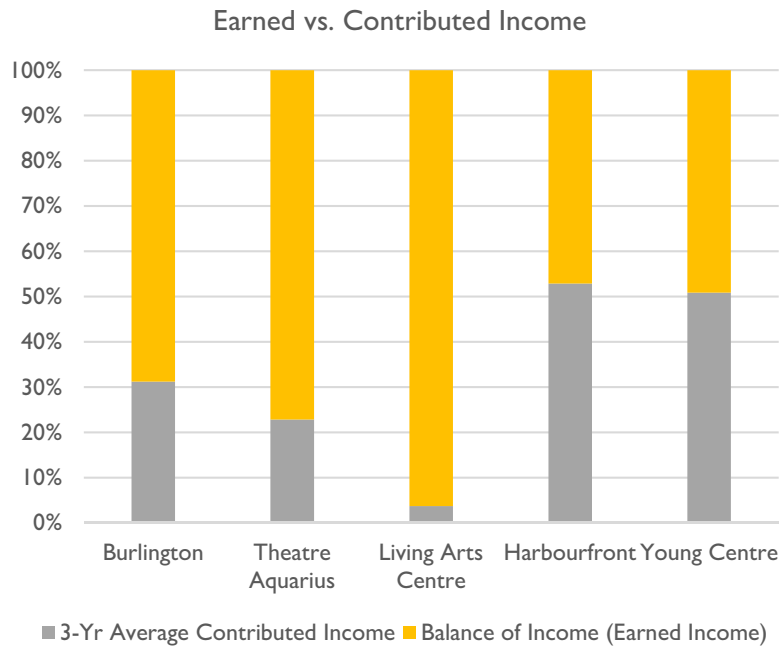
Operating Results

Financial data were collected for six of the comparative market centres. A three-year average of gross revenues and expenses demonstrates that most centres have a modest but persistent structural deficit.

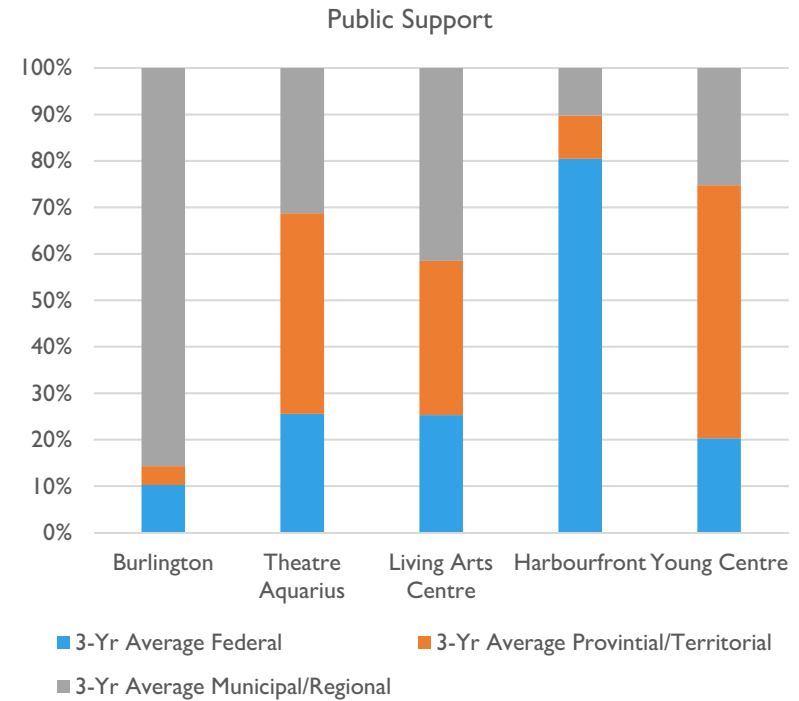
Comparative Market Revenue, Expenses, and Surplus or Deficit
3-year averages are shown for all centres



This analysis also found that dependence on contributed income from public and private sources varies widely.



Drilling deeper into public support streams, there is little evident connection between the level of government and the percentage of support received. Based on broad industry experience, AMS has observed that municipal and regional governments tend to provide more substantial support than federal or provincial sources, however this should not be considered predictive of Vaughan's opportunity to leverage public resources for operating support.



Measuring Success: Form Follows Function

As the City of Vaughan probes the nature of a cultural facility that might best support the VMC, it is evident from this research that clarity of stated objectives determines the definition of future success. As the VMC's civic leaders and thinkers, private sector stakeholders, and the growing residential population bring their energy and vision to this opportunity, robust agreement is needed as to the purpose of the venue, its programming, and core anticipated outcomes related to facility development and operations.

Appendices

Following are case studies for the comparative market venues.

Brampton: The Rose Theatre

Main theatre	870 seats
Secondary Hall	150 seats
Capital Cost (2006)	\$55M
Design	Page + Steele
Operator	City of Brampton, Department of Economic Development
Operator Structure	Town Agency

The Rose opened in 2006, and offers two performance venues, as well as a two-level atrium lobby, separate assembly space, and a 600-car underground parking garage beneath the facility.

The design by Page + Steele includes robust acoustic isolation from both street-level and garage noise, a full fly tower, and infrastructure for TV and video broadcast.

The facility is operated by the City of Brampton, with Cultural Services (venue personnel) reporting to the department of Economic Development and Culture. A robust presentation series features international performers in a range of disciplines including comedy, music, spoken word, dance, theatre, and more. The Rose also offers a robust arts education program onsite and in Brampton public schools.

Burlington Performing Arts Centre

Main Theatre	718 seats
Community Studio Theatre	225 seats
Capital Cost (2011)	\$29M
Design	Diamond Schmitt Architects
Operator	Burlington Performing Arts Centre
Operator Structure	Not-for-profit
3-Yr Avg. Revenues	\$3,941,613
3-Yr Avg. Expenses	\$3,941,613
Mission	To offer the best in performing arts to Burlington, nurture and support local presenters and producers, engage the citizens of Burlington in meaningful arts experiences, animating the community and enriching people's lives

The Burlington PAC offers two performance spaces, as well as the Family Lobby, suitable for receptions, exhibitions, and other functions. A parking garage is located beside the Centre, and offers a pedestrian bridge connecting patrons to the Centre.

The design by Diamond Schmitt Architects is LEED Gold Certified. The Main Theatre has a full fly tower and orchestra pit, while the Community Studio Theatre is a flexible black box design with room to accommodate rehearsals, receptions, meetings, and exhibits. For larger Main Theatre productions, the Community Studio Theatre functions as a holding or staging area.

In 2017, the Centre reported 195 uses of the Main Theatre, with a majority of use days from the Burlington PAC Presents series and the balance from not-for-profit and commercial rentals.

Programming includes a mix of music, dance, theatre, and more, with nationally and internationally known artists as well as some local groups performing.

Education outreach is also part of the Centre's programming. Matinee performances on school days, student and teacher workshops, a free ticket distribution program, and a theatre industry mentorship program for high schoolers combined reached over 14,000 students and teachers in 2017.¹⁰

The Burlington PAC states in its 2017 Annual Report that it has over 75 community users and partners. Among these is the City of Burlington, which describes the PAC as a key cultural partner that "help to define and strengthen the fabric of our community."¹¹

Hamilton: Dofasco Centre for the Arts

Irving Zucker Auditorium	750 seats
Louise Haac Studio Theatre	125 seats
Capital Cost (1991)	\$12M
Operator	Theatre Aquarius
Operator Structure	Not-for-profit
3-Yr Avg. Revenues	\$4,210,200
3-Yr Avg. Expenses	\$4,429,133
Mission	To create outstanding, accessible live theatre that entertains, challenges and educates.

The Dofasco Centre for the Arts offers two performance venues, as well as the two-storey glass and steel Ron and Donna Patterson Lobby and the Michael and Jane Schwenger Director's Lounge. The lobby is used for public events, while the lounge is exclusively for Director's Circle Members. The Centre received capital support from federal, provincial, and local government sources, as well as a number of private gifts.

A separate facility, the Theatre Aquarius Arts Education Centre, houses Outreach, Development, and Education programming, offering three studios that support training in music and dance, acting, and creation.

Theatre Aquarius produces nine productions each year for a total of 148 public performances, and estimates its economic impact on the City of Hamilton to be more than \$12 million annually. Ticket

¹⁰ Annual Report, page 11. https://burlingtonpac.ca/wp-content/uploads/2018/09/BPAC_2017_Annual_Report.pdf

¹¹ <https://www.burlington.ca/en/live-and-play/cultural-partners.asp>

buyers come from households throughout the Golden Horseshoe, from St. Catherine's to the eastern suburbs of Toronto.

In recent years, the Theatre Aquarius Audience Accessibility Project has garnered capital support from the Canada Cultural Spaces Fund, Department of Canadian Heritage, the Hamilton Future Fund, the Patrick J. MacNally Charitable Trust and the Great-West Life Assurance Company.¹² Facility improvements have included a new canopy, automatic doors, curbside improvements for patrons with impaired mobility, and improvements to hearing-assistive devices. A new digital marquee has also been installed, adding to the venue's street presence.

A \$600,000 naming rights agreement was made in 1996, following a period of upheaval at the company.¹³ In the past 20 years, Theatre Aquarius has stabilized and experienced steady growth.

Flato Markham Theatre

Big Spaces Auditorium	527 seats
Opening Year	1985
Operator	City of Markham, Recreation, Culture & Library (within Culture & Economic Development)
Operator Structure	Town Agency
Governance	9 Staff and a 22-person governing board comprised of civil servants, elected officials, a School Board trustee, and community members

The Flato Markham Theatre opened in 1985 and presents 300 performances from September to May, offering film, drama, music, and dance with a focus on diverse international artists. A robust education program called 'Discovery' provides children opportunities to see performances each year. The Theatre also offers educational camps that align with school holidays, as well as community outreach programming.

The auditorium offers state of the art technical equipment, a professional staff, and catering and bar services. Free parking is available adjacent to the venue. A rehearsal hall and Artists' Lounge are also available to rental users for smaller meetings, presentations, and corporate events.

A 10-year naming rights agreement with Flato Developments, Inc. provides \$780,000 in annual operating support.

¹² <https://theatreaquarius.org/wp-content/uploads/2018/11/Media-Release-Theatre-Aquarius-recognized-by-Hamilton-Burlington-Society-of-Architects.pdf>

¹³ <https://www.thespec.com/community-story/6868187-1991-du-maurier-centre-now-dofasco-centre-for-the-arts-opens/>

FirstOntario Arts Centre Milton

Mattamy Theatre	500 seats
MinMaxx Hall	200 (flexible)
Capital Cost (2015)	\$39.3M
Operator	Community Services, within the Department of Culture and Community Investment
Operator Structure	Town Agency

The FirstOntario Arts Centre Milton offers two dedicated performance spaces, as well as the Holcim Gallery for exhibitions of community artwork; the Tim Hortons Children's Art Studio and Robert Bateman Art Studio, for arts programs and workshops, and the Del Ridge Community Room, a flexible space for programs, receptions, and other group activities. In addition to these offerings, the Milton Public Library is housed within the same facility, offering some coordinated programming.

Funding for capital development came from the Building Canada Fund (\$16.2M), as well as provincial capital grants and the Town of Milton Investment in the Arts Campaign. A naming rights agreement with the FirstOntario Credit Union secured \$1M for childrens programming.

Programming includes a mix of presented performances, as well as some community programming. Through the Town of Milton Affiliation Program, some rental users qualify for reduced rates. In addition, 'off-peak' rates apply to reservations for Monday-Wednesday on most weeks.

Mississauga: Living Arts Centre

Hammerson Hall	1,315 seats
RBC Theatre	382 seats (flexible)
Rogers Theatre	110 seats
Opening Year	1997
Design	Zeidler Partnership Architects
Operator	Living Arts Centre
Operator Structure	Not-for-profit
3-Yr Avg. Revenues	\$4,210,200
3-Yr Avg. Expenses	\$4,429,133
Mission	To be the centre of global engagement in arts, culture and entertainment in Mississauga.

The Living Arts Centre offers three performance spaces, a spacious Atrium, and nine conference and meeting rooms of various sizes and technical capabilities. Hammerson Hall is among the largest theatres in the Greater Toronto Area. The RBC Theatre is a configurable venue capable of hosting traditional performances as well as weddings, banquets, and other events. The Rogers Theatre is a fixed-seat, classroom-style theatre equipped for audio, video, or film presentation, and can be used for interactive video conferencing. In addition, the Centre offers in-house food and beverage service through LIVE Restaurant, housed within the Centre. Heated indoor parking spaces are available for 450 vehicles in a garage connected to the Centre.

Centre is operated by a not-for-profit entity with a staff of 50 and 23 members on the Board of Directors.

In 2017, the Centre reported 60 Centre-produced performances, 153 days of community rentals, and 1,800 corporate rental uses. While there has been some concern within the local arts community regarding the balance of activity, no significant programmatic redirection has been announced.

Community partners make up a key segment of Centre users, ranging from traditional performing arts groups to colleges, the Mississauga School Board, and TEDx Mississauga. The Centre also has an operating partnership with the City of Mississauga.

Oakville Centre for the Performing Arts

AEG Liebherr Auditorium	485 seats
Studio Theatre	120 seats (flexible)
Opening Year	1977
Operator	Town of Oakville, Recreation and Culture Department
Operator Structure	Town Agency
Mandate	To provide the public with experiences and performances from the cultural world and to foster an appreciation of the arts where culture inspires, engages and thrives within the community.

The Oakville Centre for the Performing Arts has two performance spaces. Amenities include two fully licensed bars, a catering kitchen, and box office and marketing services for users. Paid parking is available at curbside and at nearby municipal lots. There are also limited accessible and 'quick stop' parking spaces near the Centre.

Operating support comes from the Town of Oakville, with additional support from the Ontario Arts Council, Canadian Heritage, and private sector sponsors.

The Centre is committed to presenting local and community performances, with approximately 230 of 300 annual uses by community providers. Seventy professional presentations round out the season. Performances include music, comedy, theatre, culturally-specific celebrations and productions, school performances, film, and spoken word/lecture events.

Oakville Centre for the Performing Arts is currently conducting a feasibility study to understand future renovation opportunities. The study is expected to be made public in 2019. Improved physical accessibility within the building is a key consideration, as it does not currently have an elevator, and the main auditorium's seating area has a steep incline with steps leading to each row.

Richmond Hill Centre for the Performing Arts

Main Auditorium	631 seats
Plaza Suite	200 seats (flexible)
Capital Cost (2009)	\$30M
Design	Diamond Schmitt (Jack Diamond)
Operator	Town of Richmond Hill, Recreation and Culture Department
Operator Structure	Town Agency
3-Yr Avg. Revenues	\$2,407,824
3-Yr Avg. Expenses	\$2,878,851

The Richmond Hill PAC has two performance spaces as well as a corporate lounge for intimate gatherings, and two lobbies suitable for receptions and exhibitions. The Main Auditorium has a full fly tower and hydraulic orchestra pit, and the Plaza Suite is capable of hosting private events and a variety of performance types. An onsite catering kitchen supports food and beverage service from an approved list of providers, and a fully licensed bar is available.

The Centre is the largest capital project ever undertaken by the Town of Richmond Hill.

Adjacent to the Centre is Richmond Hill High School, and Covernotes Tea and Coffee House is housed in the Centre itself. The intention of the facility is to “be a theatre for the community,” serving the diverse residents of Richmond Hill and providing world

class cultural programming. In 2017 the Centre programmed 470 events, serving over 100,000 patrons.¹⁴

St. Catharine's: FirstOntario Performing Arts Centre

Partridge Hall	775 seats
Cairns Recital Hall	304 seats
Robertson Theatre	200 seats (flexible)
Film House	199 seats
Capital Cost (2015)	\$60M
Design	Diamond Schmitt
Operator	City of St. Catharine's, Economic Development Department
Operator Structure	City Agency

The FirstOntario Performing Arts Centre offers four performance spaces with a variety of technical capabilities. The Centre also offers outdoor space: the Mann Raceway Plaza hosts performances, festivals, and community activities. Three lobbies and the RBC Innovation Studio can also be rented for public and private events.

While there is no onsite parking, there are several nearby parking garages, surface lots, and curbside spaces. The Centre is located across the street from the city's main bus terminal.

Both the federal and provincial governments gave \$18 million for capital development, and the city gave \$19 million. A community

campaign brought in \$7.5 million, exceeding an expected \$5 million. A \$3 million naming gift from the FirstOntario Credit Union gave the Centre its name.¹⁵ Operating support comes from the private sector and the Department of Canadian Heritage, the Ontario Arts Council, the Niagara Investment in Culture, and other agencies.

A partnership between the city and Brock University, which operates its theatre program in an adjacent building, was key to the Centre's development. Brock students have access to the PAC's facilities and personnel, and the Centre and its users have access to approximately 500 students in or near the facility daily. The Centre is a cornerstone of an economic development plan intended to drive stable growth and 'clustering' of creative businesses.

Most of the Centre's programming is comprised of presentations, supplemented by a small number of community programs and private rentals. While the Centre intends to bolster both the city's arts community and bring widely-known talent to local audiences, revenue challenges have been voiced due to the rising costs of operations.¹⁶ Centre leaders have also noted that local users have difficulty paying to use the venues, and that regional and provincial operating support may be a more sustainable path than earned revenues.

In August 2018, the Centre began shifting from a City-operated entity to being controlled by a new municipal service board. The mandate will be to promote, develop, and encourage the performing arts in the City of St. Catharine's as well as operate the

¹⁴ https://www.richmondhill.ca/en/shared-content/resources/documents/2017_RH-Report-on-Culture-Final-online.pdf

¹⁵ <https://web.archive.org/web/20151116155854/http://www.stcatharinesstandard.ca/2015/11/12/opening-puts-arts-centre-in-spotlight>

¹⁶ <https://www.niagarafallsreview.ca/news-story/8192045-revenue-biggest-challenge-for-performing-arts-centre/>

PAC. A nine-member board is being created, to include two members of council, two Brock University appointees, and up to five citizen members.¹⁷

Toronto: Young Centre for the Performing Arts

Baillie Theatre	315 seats (configurable)
Young Theatre	207 seats (configurable)
Garland Cabaret	90 seats (multipurpose studio)
Tank House Theatre	110 seats (black box)
Capital Cost (2006)	\$14M
Design	KPMB Architects
Operator	Soulpepper Theatre Company and George Brown Theatre School
Operator Structure	Not-for-profit partnership
3-Yr Avg. Revenues	\$11,291,721
3-Yr Avg. Expenses	\$11,597,230

The Young Centre for the Performing Arts has four dedicated performance spaces, each of which can accommodate a variety of uses. The Baillie Theatre, Young Theatre, and Tank House Theatre can each be configured into multiple settings. The Garland Cabaret has sprung floors and is designed to support meetings, rehearsals, and receptions, with a control booth and high windows that can let in natural light or be covered for traditional presentations. In addition to these spaces, the Centre offers five classrooms of varying size and configuration, and the Sandra Faire and Ivan Fecan

Atrium, a reception and performance space with a full-time Café/Bar offering food and beverage service.

Located in the Distillery District, the Centre is convenient to the bus and subway options linking it with all of Toronto. District parking lots are also available.

The Centre was support by a lead gift of \$3 million from the Michael Young Family Foundation. This was followed by a \$2 million gift from the Ontario Ministry of Culture, and \$600,000 from the Canadian Department of Heritage Cultural Spaces Program. For the balance of the \$14 million capital cost, the Soulpepper Theatre Company and George Brown Theatre School ran separate capital campaigns.

The operating partnership provides the two organizations primary use of the space, with the theatre company providing most of the administrative and operational staff and offering a majority of public programming. Two classrooms are reserved for theatre school use most of each year. In addition, the theatre school produces a season of two or more fully-realized professional plays each year, using one of the dedicated performance venues.

In addition to the programs supplied by the Soulpepper Theatre Company and the George Brown Theatre School, corporate and other rentals are welcome. While rehearsal hall and classroom rentals are only available on a daily basis, the performance venues may be rented weekly for amounts ranging from \$4,240-\$10,600.

¹⁷ <https://www.stcatharines.ca/en/News/index.aspx?feedId=b0165e24-355d-46e4-8ce3-0fb066f4f843&newsId=843740fd-864f-4a53-91a9-42cc3259a37c>



Public Input

Feasibility Study for a Cultural Arts Centre in the Vaughan Metropolitan Centre

20-21 March 2019



HARIRI PONTARINI
ARCHITECTS

FDA

Today's Agenda

- Welcome
- Share study process and findings
- “Bringing the future to now” – gather responses to the opportunity

Introductions



HARIRI PONTARINI
ARCHITECTS

FDA

Project Scope: Phase I & II



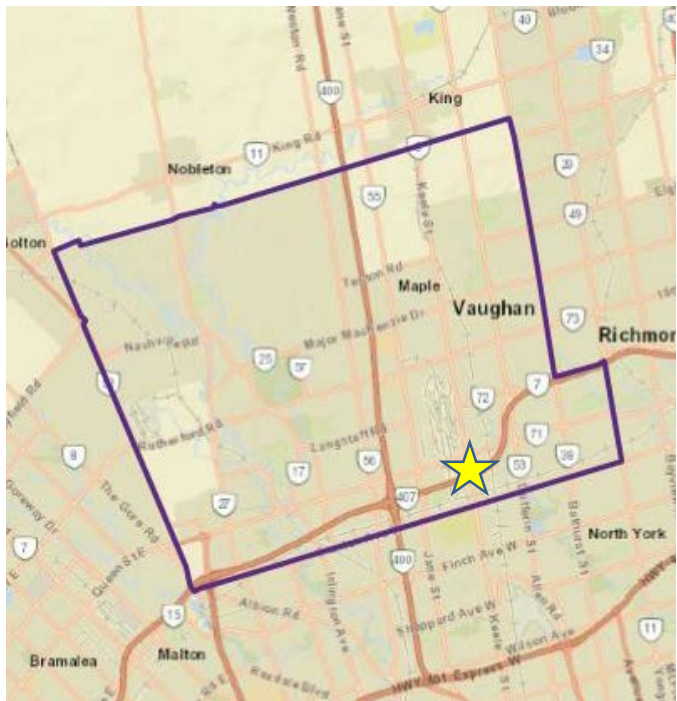
City plans envision a bold, inspiring, active VMC



Vaughan: A lively and growing marketplace

Vaughan

- **Population:** 332,000
- **Households:** 103,000



Ontario

- **Population:** 14,280,000
- **Households:** 5,497,000



32.3% | 28.2%

% with University Degree

38.9% | 30.1%

% Visible Minority

63.2% | 44.0%

% HHs with Children in the Home

\$136.2k | \$106.5k

Average HH Income

Segments are primarily affluent and active multi-cultural families



Heritage Hubs 18%



Diversity Heights 9.3%

Middle-aged families with dual incomes	Culturally diverse Baby Boomers and Gen-Xers who immigrated from China, India, Italy and the Philippines between 1960 and 1990
More than 40 percent of households contain immigrants, though no one cultural group dominates	Multi-lingual neighbourhoods with high concentration of older children
Seasoned travellers, often visiting China, Florida and Jamaica; booked with discount online travel services at all-inclusive resorts	Activities: sports (soccer, baseball, tennis and football), nightclubs, amusement parks, aquariums and hockey games, bowling alleys, video arcades and ski resorts
Activities: basketball, swimming and bowling, theme parks, zoos and aquariums	

Segments are primarily affluent and active multi-cultural families



Pets & PCs
13.7%



Kids & Careers
9.8%

Younger families with pre-school children and upscale incomes	One of the wealthiest suburban lifestyles with average incomes around \$170,000 and large families of 4+ people
Strong presence of immigrants from South Asia, China and the Caribbean	More than a quarter of households contain immigrants who have achieved success and moved to the suburbs
Active, child-centred lifestyle including team sports, kid-friendly destinations (zoos, aquariums and amusement parks)	Belong to golf and fitness clubs, shop at upscale malls and big-box stores, and attend and participate in team sports
Occasional date night to go out to a movie or enjoy dinner at a fine restaurant	

Segments are primarily affluent and active multi-cultural families



Arts & Affluence 12.6%

Educated, wealthy and overwhelmingly urban with incomes topping \$180,000

First- and second-generation Canadian Jews—the segment is nearly a third Jewish

Attend nearly every form of art and performance: opera, ballet, symphony, art galleries, film festivals and museums

Well travelled, frequently flying to various sunny destinations, major cities in the northeastern U.S., Europe and Israel

A marketplace primed for experimentation and growth

- Growing, active **families**
- **Multi-cultural** with no single, dominant group
- Rapid in-migration from other metros and countries suggests **programming diversity will be essential**
- **Education and affluence** tend to correlate with **arts participation**
- Higher incomes suggest **capacity to purchase upscale tickets and packages**
- **Sensitivity to brand and aesthetics** presents opportunities for membership programs and private donor engagement

A dense inventory in Toronto, York, & Mississauga; Vaughan has education & banquet venues but no state of the art cultural facility

of Venues

205

in total*



84

in Toronto



41

in Vaughan

Average Seating Capacity

1,000

all venues

493

venues not in Toronto
or Mississauga

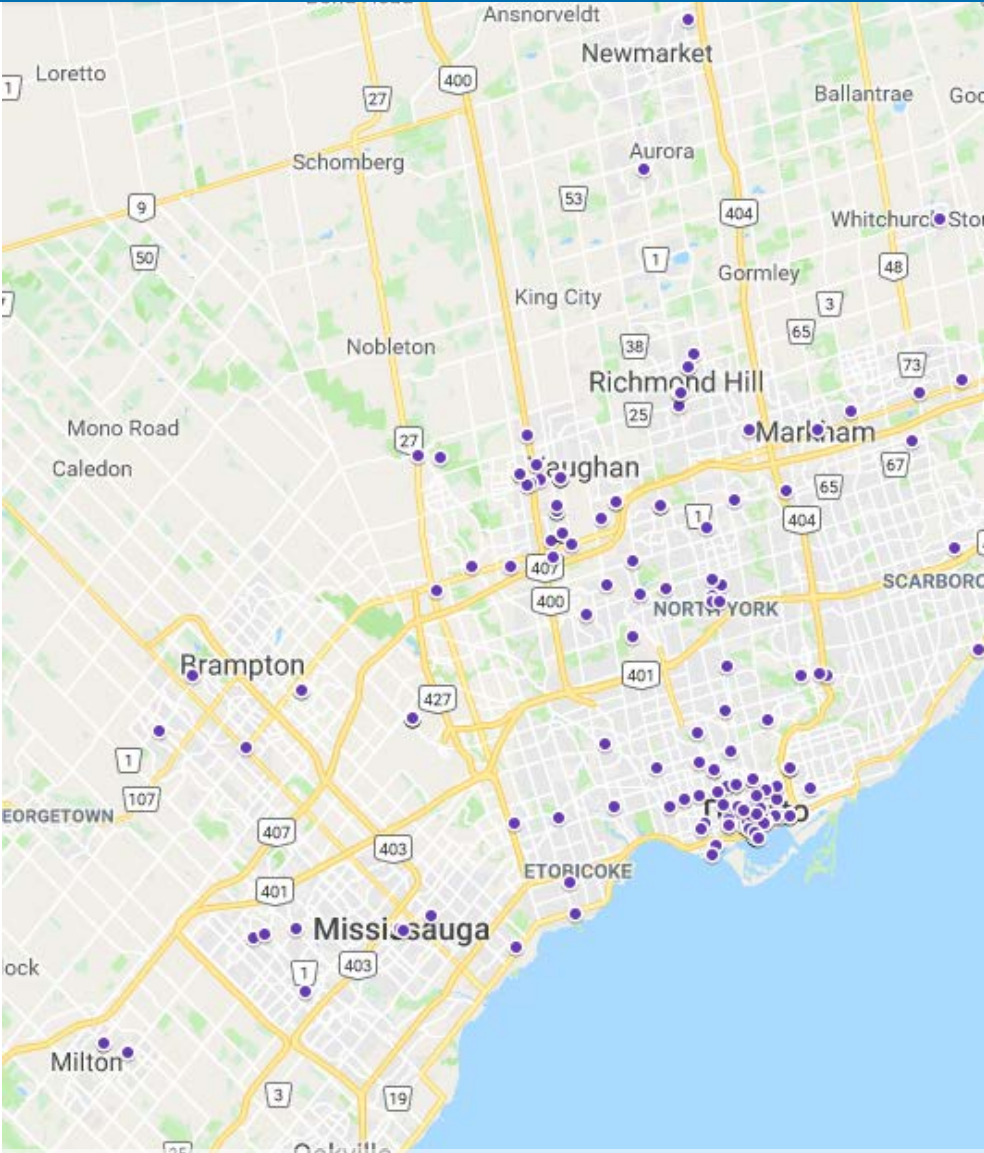
Venue Type

17

banquet facilities

7

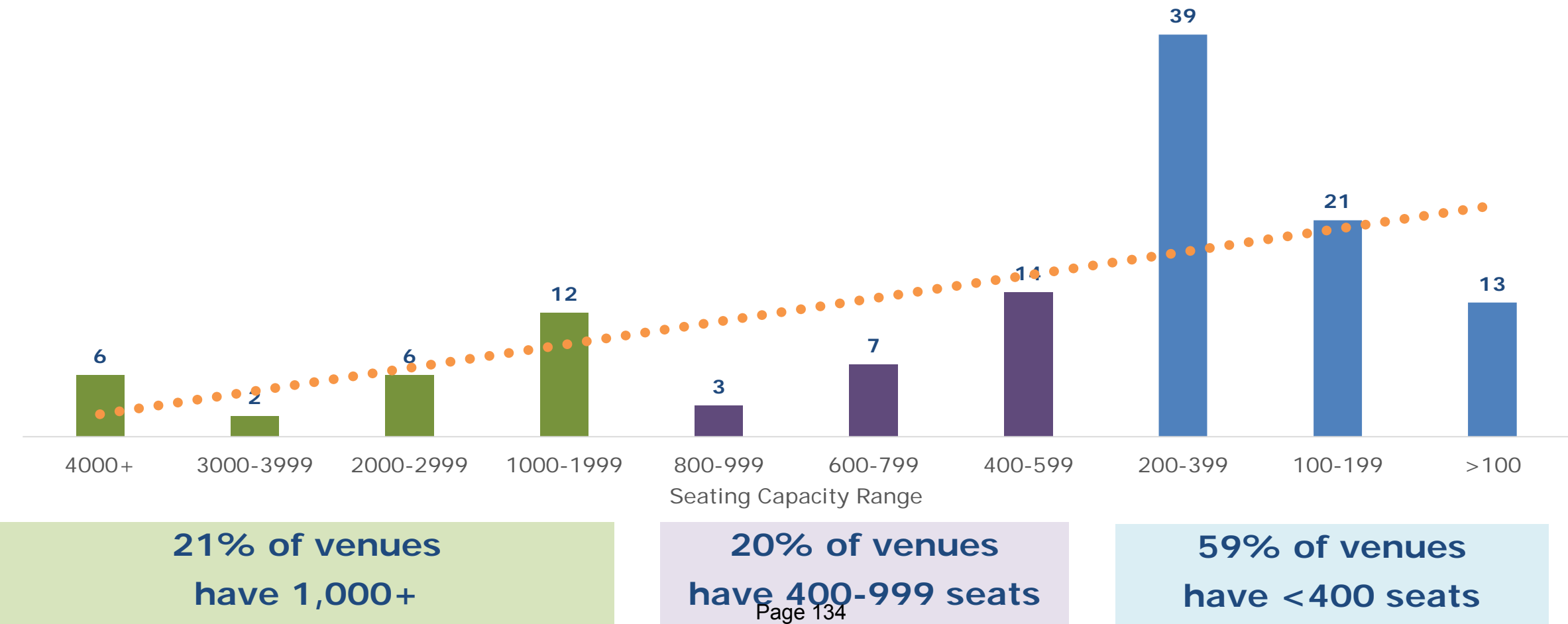
focused on educational
programming



*The 'environment' stretches from York Region to St. Catharine's

Smaller venues are broadly available; midsize venues (400-999 seats) are smallest category

Capacity Range
(n=123, all geographies)



(Source: Environmental Scan)

Environmental scan begins to inform considerations for a new centre's size and design

- **Arts and cultural venues are distributed**, with clusters in Toronto and Mississauga
- **Seating capacity varies significantly** between major cities and outlying municipalities
- **There is a gap in midsize venues**, ranging from 400-999 seats
- **Banquet facilities are prevalent** in the area
- **Educational spaces are prevalent** in the greater environment and in Vaughan
- **Spaces for production, rehearsal, and performance** are not readily available outside Toronto

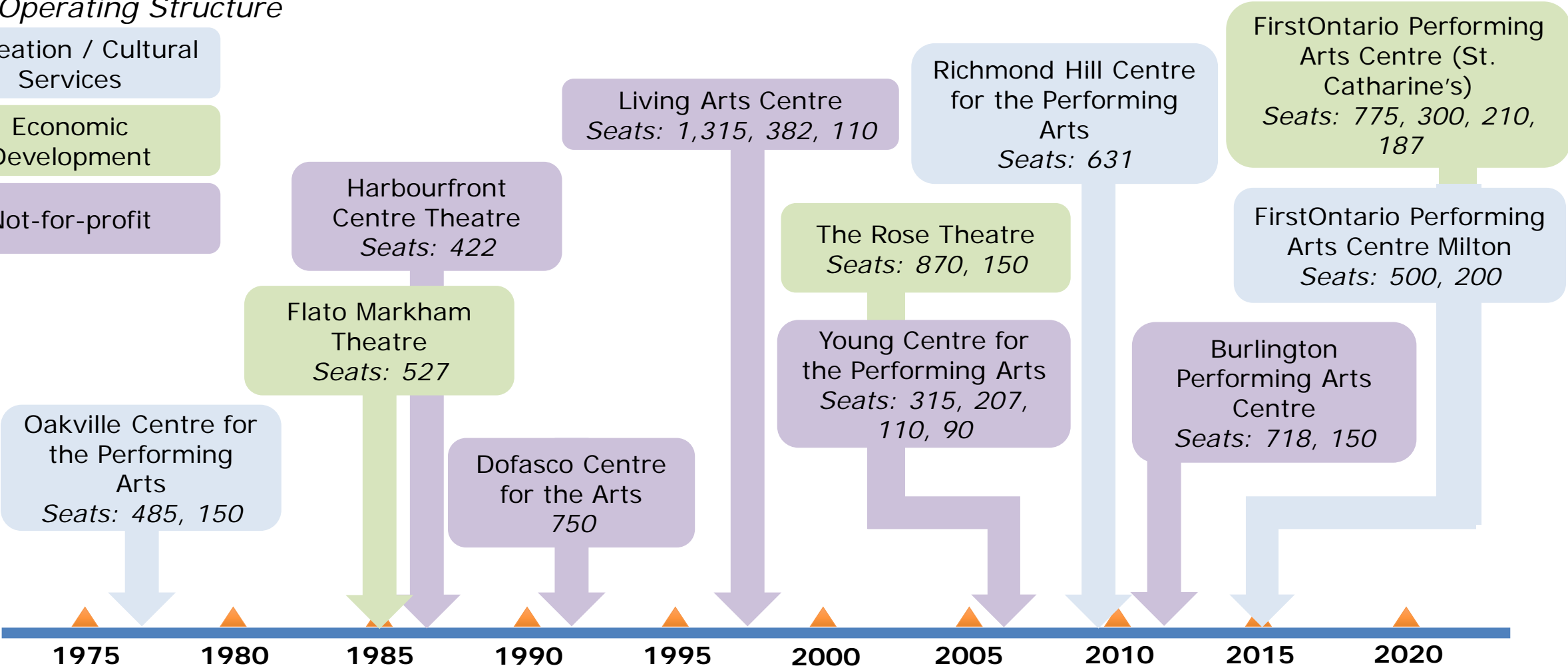
Recent area developments



Comparative facilities represent a range of operating models, with 6 of 11 opening after 2005

Facility Operating Structure

- Recreation / Cultural Services
- Economic Development
- Not-for-profit



Comparative markets highlight the importance of a clear vision, partnership, and sustainable operating support

- Two paths have typically led to facility development: **anticipated economic outcomes**, and **community outcomes**
- Many facilities in the comparative market area have **two venues: a traditional main hall and a flexible, smaller hall**
- Several facilities have **resident companies**, organizations that are guaranteed certain access to space and calendaring in exchange for regular programming
- **Programming reflects either local groups or a touring model**, but it is rare for both to be housed effectively in one centre
- **Partnership is key** to the successful development of any space
- **Funding for capital development** comes from every level of government, and there is a modest trend toward increased private sector contributions
- **Operating support is mixed**, with public subsidy complemented by earned revenue and private support (e.g., naming agreements)

User Survey



HARIRI PONTARINI
ARCHITECTS

FDA

A survey of potential venue users

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Registration starts
Aug. 21-24

Register at
vaughan.ca/RecOnline



A potential venue user survey reached 100+ recipients

14 respondents

100+ received
email link

What we heard...

"A reasonably priced rental opportunity so that artists could contribute to the cultural experience"

9 performing
arts producers

\$0-\$14M
budget range

"This space needs to keep in mind the cultural diversity in Vaughan"

10 interested in
using a new
venue in the
VMC

Over 91,000
attendees at
570 events

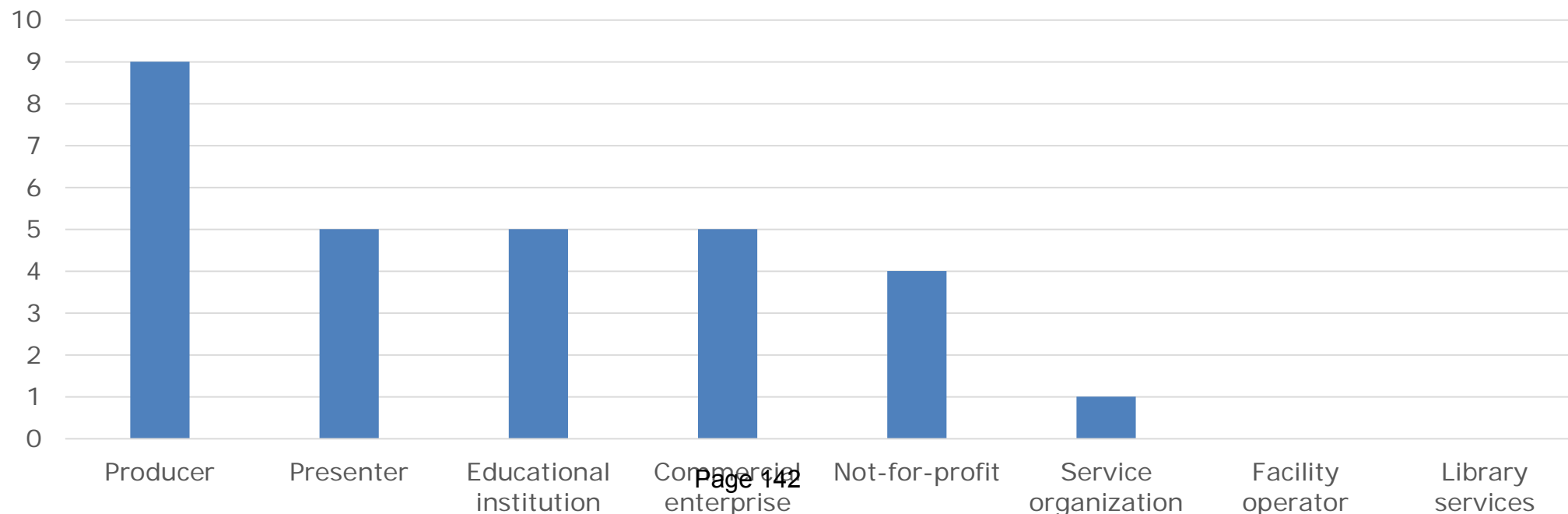
"What we need... is affordable, long term rentals in well designed spaces that are flexible"

Respondents are primarily producers and presenters, with focus on festivals, heritage, and events

Activity Type

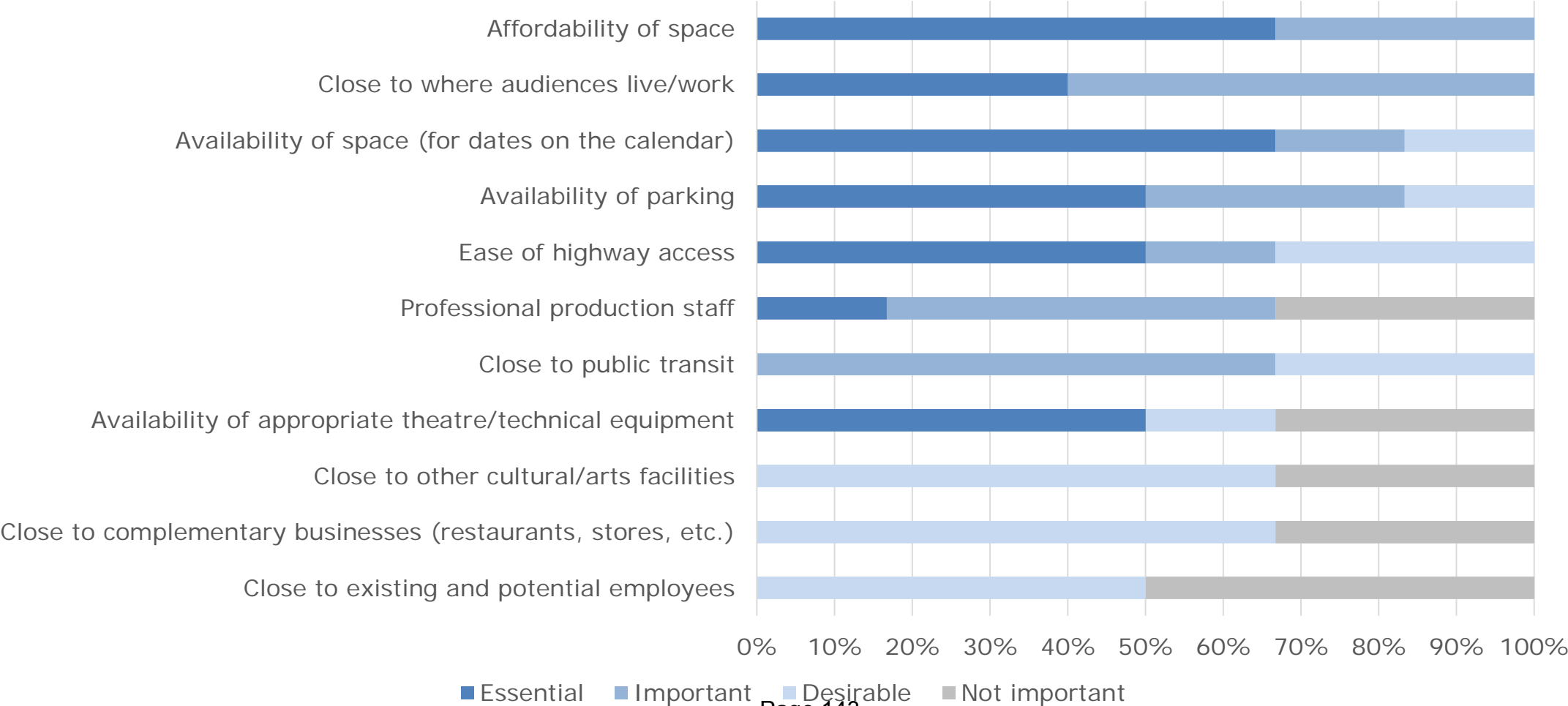


Institution Type



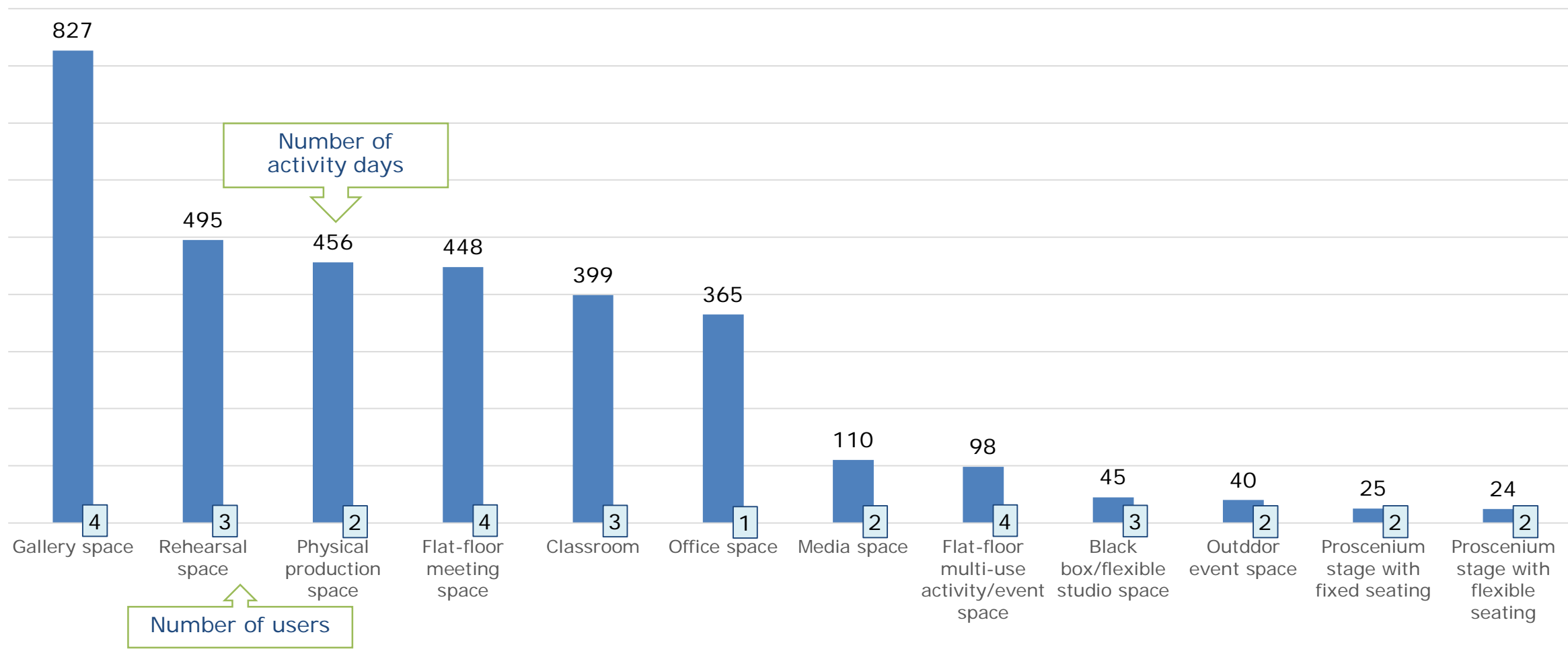
Affordability, proximity, calendar dates, and parking are top priorities

Factors in Choosing Space (n=6)



A multi-form space might suit many users

Potential Use Days by Space



Five core goals of the VMC's cultural centre

Activate Inspire Collaborate Educate Innovate



City Commitments

- Adaptable, responsive, sustainable
- The heart of the City – a destination, connected to the public realm
- Houses extraordinary experiences and enhances sense of place



Consumer Data

- Consumer trends reveal a marketplace primed for experimentation and growth
- The marketplace is sensitive to brand, excellence, and innovation



Regional Environment

- Cultural venues are distributed, and there are lots of banquet halls
- Educational spaces exist but are fully utilized



Civic Priorities

- A 'hub' of unique and excellent creative work
- Integrated pre-professional and top-notch training
- Embraces growth
- Programs appealing to Vaughan's diverse communities

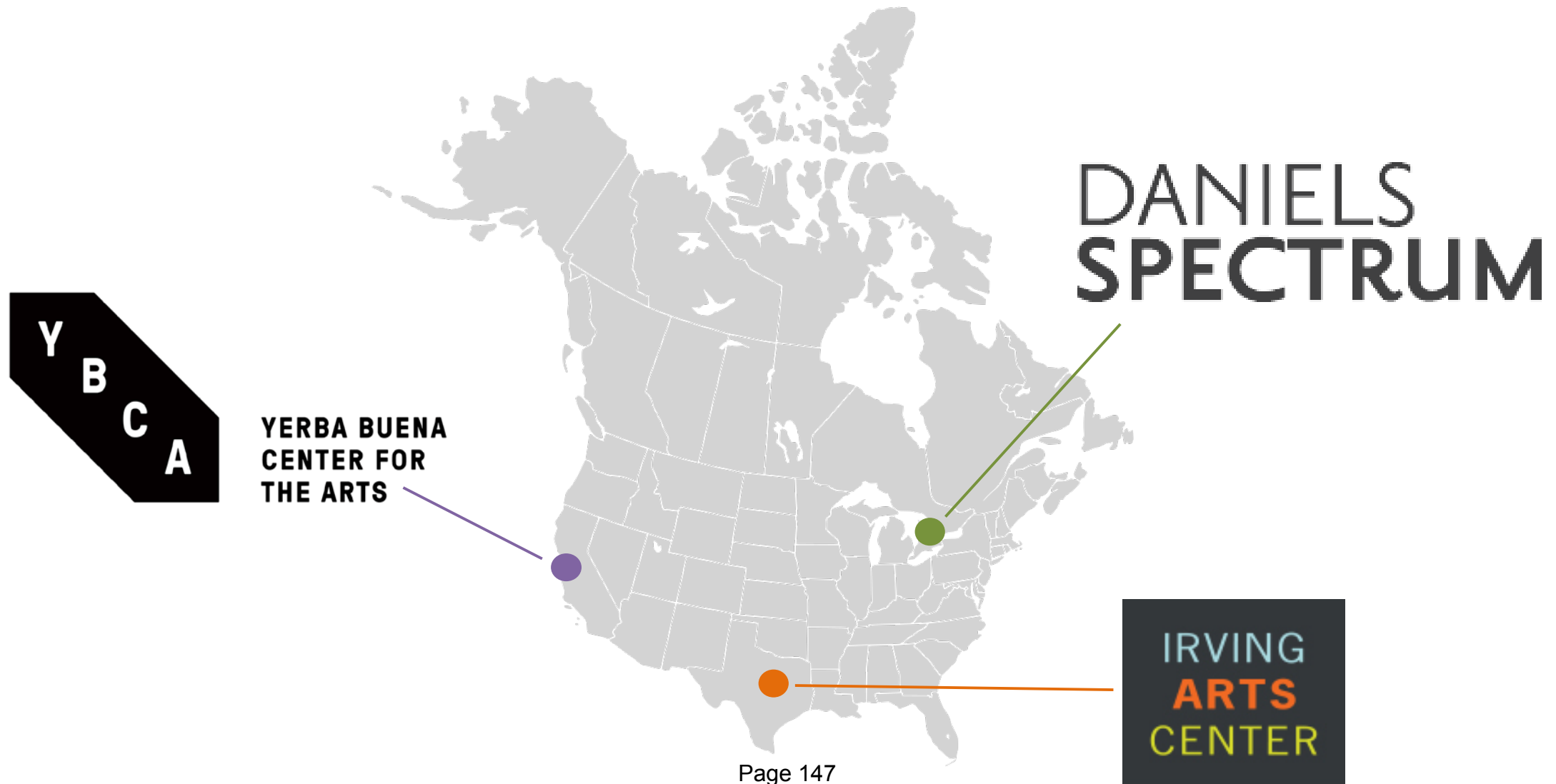
Case Studies



HARIRI PONTARINI
ARCHITECTS

FDA

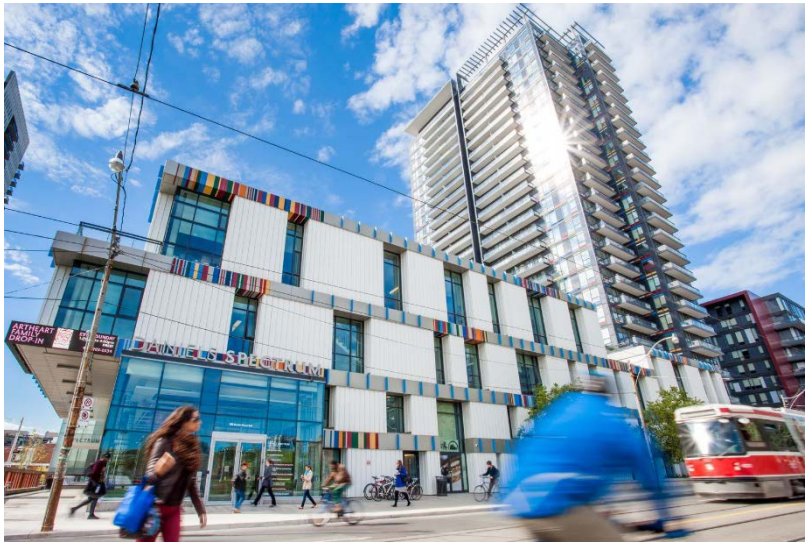
Three case studies selected for research



Case study: Daniels Spectrum, Overview

Daniels Spectrum is a **community cultural hub** in Toronto's Regent Park neighbourhood. It is home to many outstanding arts-based and community-focused organizations, and contains several event, performance and exhibition spaces that host tens of thousands of visitors and hundreds of arts and cultural events each year.

Location	Toronto, ON
Population	5.9M
Owner	Regent Park Arts Non-Profit Development Corporation
Operator	Artscape
Year Opened	2012



Case study: Daniels Spectrum, Spaces

Performing Arts + Event Spaces

- Ada Slight Hall: flexible theatre and event space, 425 seats theater or 400 seats banquet or 600 standing reception
- Artscape Lounge: main entrance “living room” space, 125 seats theater or 175 standing reception
- Courtyard: casual outdoor courtyard, 400 standing reception



Spaces managed by others

- Regent Park Lounge: bright and modern space, 100 standing reception | managed by the Centre for Social Innovation
- Meeting Rooms: 40 seated | managed by the Centre for Social Innovation
- Aki Studio: accessible black box theatre, 120 seats | managed by Native Earth Performing Arts
- Micro-Space: workshop or meeting space | managed by Regent Park Film Festival



Case study: Daniels Spectrum, Programs and Partners

Programming

Performing Arts

Music, theatre, dance, fashion, poetry, seminars

Visual Arts

Rotating hallway exhibitions free and open to the public

Education + Engagement

The Journey Studio, Ada Slight Youth Arts Mentorship Program

Resident Arts Organizations + Partners

Centennial College Performing Arts Commons

Show Love Café

Centre for Social Innovation

Regent Park Film Festival

ArtHeart Community Art Centre

Pathways to Education

Regent Park School of Music

Native Earth Performing Arts



Case study: Yerba Buena Center for the Arts, Overview

We generate **culture that moves people.**

Location	San Francisco, CA
Population	4.7M
Owner	San Francisco Redevelopment Agency
Operator	Yerba Buena Center for the Arts
Year Opened	1993



Case study: Yerba Buena Center for the Arts, Spaces

Performing Arts + Event Spaces

- YBCA Theater: proscenium theatre, 757 seats
- YBCA Forum: flexible 6700 sq ft space, 450 seated or 850 standing
- Screening Room: intimate auditorium with state of the art projection equipment, 81 + 8 ADA seats (CDA equivalent)
- Grand Lobby: main entrance and reception space, 350 standing

Galleries

- YBCA Visual Art Galleries

Public Spaces

- Third Street Courtyard: elevated outdoor plaza
- The Lounge: flexible use space, up to 40 people



Case study: Yerba Buena Center for the Arts, Programs and Partners

Programming

Performing Arts

Film, dance, music, theatre, lectures, seminars

Visual Arts

Rotating exhibitions, gallery tours

Civic Engagement

School partnerships, Youth Fellows, Field Work, various festivals

Resident Arts Organizations + Partners

Performance Partners

Alonzo King LINES Ballet

ODC Dance

Smuin Ballet

Community Partners

San Francisco Planning Department

San Francisco Unified School District

Over 40 local arts, advocacy, social justice, and community organizations



Case study: Irving Arts Center, Overview

*Irving Arts Center is **a place to connect** – with art, music and theatre, and others of like mind who value and enjoy the arts. Visitors can make a connection with artists, teachers, art makers and with each other.*

Location	Irving, TX
Population	7.3M
Owner	City of Irving
Operator	City of Irving
Year Opened	1990



Case study: Irving Arts Center, Spaces

Performing Arts + Event Spaces

- Carpenter Hall: fully equipped theatre, 711 seats
- Depree Theater: intimate theatre, 257 seats
- Rehearsal Hall
- Variety of meeting spaces

Galleries

- Dupree Lobby
- Focus Gallery
- Carpenter Lobby
- Courtyard Gallery

Museum Collection

- Irving Archives
- Ruth Paine House
- Jackie Townsell Bear Creek Heritage Center
- The Mustangs of Las Colinas
- *Irving Archives and Museum [coming in 2019]*

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Case study: Irving Arts Center, Programs and Partners

Programming

Performing Arts

Provided by resident companies and other users

Visual Arts

Rotating exhibitions, artist receptions and talks, gallery tours

Youth + Family

Free programs, Saturday School, Second Sunday Fundays, Jumpstart Stories & Art, Homeschool Happenings, Art Rocks! Summer Camps

Resident Arts Organizations + Partners

Entertainment Series of Irving

Irving Black Arts Council

Irving Chorale

Mainstage Irving – Las Colinas

Irving Art Association

Irving Symphonic Band

Irving Symphony Orchestra

Las Colinas Symphony Orchestra

Momentum Dance Company

New Philharmonic Orchestra of Irving

Smithsonian Institution: *allows the Center to borrow from the Smithsonian's collection and access the Smithsonian's educational resources*



Active thinking

Table 1: **Activate**

Table 2: **Inspire**

Table 3: **Collaborate**

Table 4: **Educate**

Table 5: **Innovate**

- Please rotate between the 5 tables – there is a table for each theme
- Respond to the questions. There are markers at each table. Write or draw pictures.
- The goal of this exercise is to gather feedback on the emerging vision for a cultural centre in the VMC
- The project team is available to answer any questions and provide clarification as needed

Questions

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Thank you!



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FDA

Cultural Centres...

ACTIVATE

In addition to dedicated arts space, Daniels Spectrum provides public spaces to “**hang out, study, meet friends,**” as well as shared workspace



Daniels Spectrum offers visual art in its **hallway galleries**, which are free and open to public

Via **Second Sunday Funday and Jumpstart Stories & Art**, the Irving Arts Center leverages regularly scheduled programs to cultivate and serve target audiences



What would it mean for the Cultural Centre **to be alive**?

Who comes to the Cultural Centre, and **why do they come**?

What is the relationship between arts and non-arts **activities and spaces**?

INSPIRE



The **YBCA 100 Summit** awards outstanding individuals and invites the public to “gather with the YBCA 100 honorees to listen, debate, and ponder a better future”

YBCA champions female artists through its **Changing the Ratio: Female Artists** initiative, dedicating its exhibitions to some of the most important female artists of our time



The **Ada Slight Youth Arts Mentorship Program** at Daniels Spectrum offers aspiring youth artists free tickets to cultural events across Toronto, capacity-building workshops, sessions with international rising stars, and a mentorship program

In what ways could the Cultural Centre make Vaughan a more appealing place to **live, work, and play**?

How could the Cultural Centre enter and inform the **civic dialogue**?

What impossibilities could a new Cultural Centre **make possible**?

COLLABORATE

Irving Arts Center partners with the **Smithsonian**, borrowing from the Smithsonian's collection and benefitting from its educational resources



YBCA played a key role in a ballot initiative to restore hotel tax allocations to the arts community, alongside a **coalition of arts leaders, homeless family services, and advocacy communities**

Daniels Spectrum is **home** not only to resident arts organizations, but also to the Centre for Social Innovation, Pathways to Education program, and Show Love Café



What types of partners would **energize and support** the Cultural Centre's mission?

What **value would the Cultural Centre bring** to its partners?

What would it look like for the Cultural Centre to partner with **Vaughan citizens and City government**?

EDUCATE



YBCA offers groundbreaking school partnerships: **DREAM** cultivates immigrant student hopes and dreams by reflecting, creating, and sharing art; **Food Justice and Cultural Memory** provides students with a source of memory and hope through art and community gardening

Located in the Irving Arts Center's ART LAB, **Saturday School Classes** educate students on topics ranging from a cultural movement, a rich period of history, or a particular medium or art-making technique



Daniels Spectrum's **Journey Studio Program** provides free mentorship and training in musical theater for ages 15-24

What are **unmet learning needs** in the City of Vaughan and surrounding area?

How could the Cultural Centre **complement** the City of Vaughan's existing educational offerings?

What **pre-professional training** opportunities could the Cultural Centre offer, and for whom?

INNOVATE

Market Street Prototyping Festival extended YBCA's impact beyond its walls and engaged 345k people in 40+ ideas to capitalize on Market Street's potential to become a vibrant cultural asset



How does this facility serve the **Vaughan of the 21st century**?

What would it look like to **incorporate technology** into the Cultural Centre's design or programming?



Daniels Spectrum hosted the **AI Sustainable Future Summit**, an innovation zone and interactive boot camp focused on AI, Digital Technologies, Big Data, and other innovations.

YBCA hosted a **metaphorical space travel exhibition**, Tom Sachs: Europa, which drew 1M+ virtual travelers



How could the City of Vaughan rethink the traditional business model and introduce **unique sources of revenue**?

SITE VISIT BRIEF: DANIELS SPECTRUM

“Rooted in Regent Park, Open to the World”

Mission

The Regent Park arts and cultural centre is a platform for cultural exchange and collaboration rooted in Regent Park and open to the world. It is a place where people come to be inspired, to learn, to share, to create.

The Centre is:

- A showcase for artistic talent
- An incubator of creative people and organizations
- A workshop for new artistic creations
- The social heart of Regent Park

Values

The Centre and the arts and cultural organizations and individuals working there are guided by a set of shared values which support the Vision, inform programming and underpin the way we work together and with the community:

- Excellence in artistic creation
- Inclusivity, participation and learning
- Celebrating and serving our diverse community
- Collaboration, dialogue and social engagement
- A healthy, sustainable community

Development History

Regent Park, a Toronto neighbourhood rich with local culture but challenged to access and leverage capital, began a revitalization process in 2002. Early analysis and planning led to a 2007 feasibility study for an arts and cultural centre; Artscape joined in these conversations, and ultimately undertook the implementation phase of the study in 2008. A Steering Group included the City of Toronto, The Daniels Corporation, Toronto Community Housing, and several Regent Park-focused community organizations

In addition, nine community organizations were engaged in the process to guarantee their needs would be understood and served as the project evolved. This portion of the study culminated in a Request for Expressions of Interest (REOI), the objective of which was to prompt and understand interest in a new centre’s development and programming.

Responding to the outcomes of the REOI, Artscape created a Case for Support setting forth the vision, mission and mandate of the proposed centre, describing a building program and a menu of potential tenants and activation

types. Ultimately, an RFP was issued jointly by the Daniels Corporation and Toronto Community Housing in summer 2009.

Artscape responded with the winning proposal, with support from two partner organizations – the Centre for Social Innovation (CSI) and Creative Trust.

A rigorous timetable was developed, and funding was sought from federal, provincial, and municipal governments in addition to significant private sector support to cover total project costs of \$38 million. Close collaboration with the City of Toronto and the cultural community enabled Artscape to successfully lobby for Cultural Sector infrastructure support, yielding \$24 million from the federal and provincial governments (each provided \$12 million). The Artscape Foundation conducted a capital campaign to secure an additional \$10 million, reaching its goal in 2012.

Ownership

The facility is owned by the Regent Park Arts Non-Profit Development Corporation (RPAD), which is a joint venture between subsidiary corporations of Toronto Community Housing, the Daniels Corporation, and Artscape. RPAD is governed by a Board of Directors that includes representation from Artscape, The Daniels Corporation, Toronto Community Housing, the Daniels Spectrum tenants and the Regent Park community at large. RPAD developed and owns Daniels Spectrum, and has leased the cultural hub to Artscape, as Facilities Operator, for a 50-year period.

Operators

Artscape is the operator of record. Three anchor tenants also operate designated spaces: the Centre for Social Innovation (CSI), Native Earth Performing Arts (NEPA), and the Regent Park Film Festival (RPFF).

In addition to operating the facility, Artscape is directly responsible for some programming, described in the sections that follow.

Facility and Users

Daniels Spectrum has three floors housing seven anchor tenants; each floor is dedicated to a theme relating to arts, culture, and community. Two additional users also provide regular programming: Centennial College Performing Arts Commons offers a variety of arts training opportunities for adults, and the Show Love Café, a social enterprise operated by Dixon Hall Neighborhood Services, offers light food and beverage service while developing workforce skills and access for youth populations.

First Floor: Experience. The first floor is home to a public café and lounge as well as several event and performance spaces. Two studio operators have space on

the ground floor: Collective of Black Artists (COBA) and Native Earth Performing Arts (NEPA).

Rentable First Floor Spaces:

- Ada Slight Hall: flexible theatre and event space, 425 seats theater or 400 seats banquet or 600 standing reception, managed by Artscape
- Artscape Lounge: main entrance “living room” space, 125 seats theater or 175 standing reception, managed by Artscape
- Courtyard: casual outdoor courtyard, 400 standing reception, managed by Artscape
- Micro-Space: workshop or meeting space, managed by Regent Park Film Festival

Second Floor: Learning. The second floor is home to Artscape’s offices as well as 5 organizational tenants focused on learning and educational programming:

- Regent Park School of Music
- ArtHeart
- Regent Park Film Festival
- Pathways to Education
- Native Earth Performing Arts (NEPA)

In addition to the Aki Studio, NEPA’s administrative offices are also on the second floor.

Rentable Second Floor Space:

- Aki Studio: accessible black box theatre, 120 seats, managed by Native Earth Performing Arts

Third Floor: Collaboration. The third floor is home to The Centre for Social Innovation (CSI) Regent Park.

Rent-able Third Floor Spaces:

- Regent Park Lounge: bright and modern space, 100 standing reception, managed by the Centre for Social Innovation
- 2 Meeting Rooms: 40 seated, managed by the Centre for Social Innovation

Programming

Programming at Daniels Spectrum is guided by the following values:

- Excellence in artistic creation
- Inclusivity, participation and learning
- Celebrating and serving our diverse community
- Collaboration, dialogue and social engagement
- A healthy, sustainable community

As Artscape’s role has transformed from a space provider (or passive host) to city and community builder, staff have become more actively involved in developing and deploying programs. At Daniels Spectrum, the staff both book and present programs, as well as run programs for the community such as The Journey and The Journey Studio, a free mentorship and training program in musical theatre for youth and younger adults; and the Ada Slight Youth Arts Mentorship Program, serving Regent Park and other area youth.

In addition to these initiatives, the values set forth have informed what and how anchor tenants activate their spaces, as well as the types of rental users and activities hosted within the facility.

For example, the Centre for Social Innovation (the third-floor anchor tenant) offers a variety of community-focused programs, including the Desk Exchange Community Animator, a work-exchange program, a micro-loan fund, and member programs. The Regent Park Film Festival, another anchor tenant, offers workshops for aspiring filmmakers. Of particular importance is that no two programming organizations, whether Artscape or tenants, offer duplicative programming. While the programming is diverse and there may be several offerings in a single discipline, the structure and objectives of each program are unique, making them complementary rather than competitive.

A bustling rental program also serves a variety of private sector users, ranging from tech industry convenings to music producers’ record release parties.

Governance & Management

A Board of Directors includes representation from Artscape, The Daniels Corporation, Toronto Community Housing, Daniels Spectrum and the Regent Park Community Initiative. RPAD was created to develop and own Daniels Spectrum; Artscape is the building operator, relieving public entities of the burden of day-to-day operations.

In addition, community and user representation is assured by the following strategies:

- Two members of Artscape’s board are elected from the Regent Park community
- Sub-tenants of Daniels Spectrum are engaged in a Tenant Liaison Committee
- At least three members of the Regent Park Community are on the Daniels Spectrum Program Advisory Committee, which is charged with recommending programming policy to Artscape and assisting the staff to solicit, review, and select programming for the performance and presentation spaces
- Members of the Regent Park Community sit on ad hoc committees to assist with the management and operation of Daniels Spectrum

- A Youth Arts Subcommittee has been established.

Artscape's performance is monitored under the terms of its lease from RPAD, with an annual review focused on determining the effectiveness of Artscape's management, and measures recommended by RPAD to improve Artscape's performance.

Staffing: Artscape has an onsite staff of 30-35.

Tenant support: The Daniels Corporation created a tenant transition fund to reduce rental costs for tenants in their first five years of occupancy.

Continuing subsidy for tenants and rental users is provided by ongoing fundraising conducted by Artscape.

Good to know...

Creative industries have flourished throughout Regent Park, and this success is frequently attributed to early programming put forth by Daniels Spectrum. Program activations ranged from workshops and performances to a robust youth workforce development program, which connects aspiring artists with professional creatives working full-time in a given artistic discipline. This program has produced remarkable successes,

Community Manager Jermyn Creed cites critical factors in this success: a strong focus on service to the local community by Daniels Spectrum and tenant organizations, coupled with a highly visible developer, President Mitchell Cohen of the Daniels Corporation, who is engaged with the community at many levels. Creed noted that Cohen connected with Regent Park community members well before groundbreaking, often appearing at neighborhood jam sessions and hearing about community goings-on, concerns, and opportunities.

Feasibility Study for a Cultural Arts Centre in the VMC

Phase II: Final Report

November 18, 2019

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Appendix: Pro Forma Financial Model

Introduction

The City of Vaughan, working with Hariri Pontarini Architects, engaged AMS in 2018 to conduct a Needs Assessment/Feasibility Study (Phase I) and a Management/Business Plan and Financial Pro Forma (Phase II) for a new cultural arts centre, to be developed within the Vaughan Metropolitan Centre. This report, along with Appendix G: May 9 Presentation to Evaluation Team, represents the conclusion of Phase II.

Study Goals, Approach, and Objectives

The overall goal of this study is to address the following points:

- Is a Cultural Arts Centre in the VMC **economically sustainable and viable**?
- What are the tangible **inputs and needs that will fuel a vibrant Cultural Arts Centre**?
- How will the Centre **attract creativity and jobs**?
- How will the Centre become a **transformative cultural anchor in the VMC**?
- How will this project **benefit the identity, values, and character of Vaughan** and the greater GTA?
- How will the Centre **create a cultural legacy for Vaughan** and how can this be a **driver for economic growth**?

AMS gathered feedback and ideas from Vaughan's creative industries stakeholders, elected leadership, City staff, and creative sector leaders in York Region and Toronto, to inform a deep and broad assessment of the City's opportunities and community aspirations in Phase I. Phase II is grounded in a shared understanding of Vaughan's priorities, strengths, and needs, and advances a recommended approach to the operating structure, capital cost, and building

program that will suit the City of Vaughan's goals while achieving desirable outcomes, both financially and in support of local creative industries.

Framing the VMC Cultural Centre

Five key objectives were established in Phase I. These priorities guided the generation of an activity profile and represent an aspirational framework for the future impacts of the VMC cultural centre.

The VMC Cultural Centre is envisioned as a flexible hub, engaged with the private sector and operated by an independent agency. The Centre showcases high-quality and unique content and features 'preferred' local content providers.

Its core civic objectives are to:

Activate: As the heart of the City, the cultural centre will be a destination deeply connected to the public realm, indoors and outdoors. Its ability to adapt and respond to emergent needs, in the creative sector and in Vaughan specifically, will ensure it remains relevant and animated for the long term.

Inspire: It will house extraordinary experiences and enhance a sense of place. Reaching diverse people of and providing access to both 'packaged' experiences and opportunities to create, the cultural centre will bring people together to prompt conversation and inspire connection.

Collaborate: Local creators and community members will find space and support for collaboration in the cultural centre. Building connections between creative people, between Vaughan and other

near and distant communities, and building awareness of Vaughan's creative industries and resources will be key.

Educate: Affordable learning opportunities are a cornerstone, particularly for multigenerational groups. There is strong interest in educational experiences that bridge arts, culture, heritage, and wellness, with a focus on youth and seniors. Leveraging partnerships with colleges and universities, professional performing arts organizations, and other private sector stakeholders is of significant interest.

Innovate: Offering technology and programs that are distinct within the regional marketplace, the centre showcases experiences that are unique to Vaughan. New models, in terms of collaboration and creative expression, are a welcome and substantial part of overall programming.

Programming is at the heart of the VMC cultural centre.

The five key impacts of the centre suggest that a physical design of high quality and flexibility is needed, and that the sources of content would range from local private sector providers to international brands.

Anchor Tenants

Anchor tenants are key to animating the VMC cultural centre. In addition to amplifying the voices of a selection of Vaughan's creative leaders, they will contribute a substantial percentage of program activity, while residing in a hub-style environment that fosters collaboration, innovation, and partnership.

Three anchor tenant spaces are envisioned, ranging in size from 1,000-sq. ft. to 2,500-sq. ft. Anchor tenants would be selected from local creative industry organizations, and would have guaranteed access to cultural centre performance spaces for an established number of days annually, in addition to dedicated workspace. The anchor suites would be outfitted, as appropriate, for administrative, technical, and small-group utilization. Fit-out for highly specific activities – such as digital media recording or editing suites, for example – would be detailed in anchor tenant lease agreements.

At this early stage of planning it is not possible to identify the anchor tenants with total certainty; however, the following potential candidates have surfaced during this study:

- Vaughan International Film Festival
- Arcadia Music Foundation (or a related business unit)
- York Regional Arts Council
- City of Vaughan, Culture and Economic Development Department (or a sub-unit thereof)
- Vaughan African Canadian Association

Each of these prospective anchor tenants has indicated a desire for a presence in the VMC, and/or a publicly accessible home base for administrative, educational and/or public performance activities.

Due to the influence anchor tenants will have on the activity, operations, and overall brand of the VMC cultural centre, the selection of these tenants and agreed upon principles of engagement

is of utmost importance. We recommend an anchor tenant approval process grounded in City policy (for example, one that references cultural development objectives).

Additionally, AMS encourages the City of Vaughan and other VMC stakeholders to consider early programmatic partnerships with the selected anchor tenants, to build public awareness and develop a robust business relationship prior to the implementation of the cultural centre.

The VMC Cultural Centre Takes Form

The Venues

Two complementary venues would anchor the cultural centre's public activity, with auxiliary spaces providing administrative and support space.

The Main Hall

A high-finish, flexible performance venue of 400 seats. The Main Hall would accommodate a variety of presented live performances, digital media events and installations, festivals, and convenings. It would feature design elements consistent with the City of Vaughan's expressed preference for quality and innovation. A portion of seating units would be retractable, and 'flat-floor' capabilities would enable use of the space for standing room and/or non-traditional performance experiences. Beyond performance content, this space could also host banquets and private events.

The Performance Lab

A flexible venue of approximately 100 seats. The Performance Lab would house smaller performances, and would be suitable as a rehearsal space, holding room, or overflow room to support Main Hall programming. Less technically sophisticated than the Main Hall, this space would still be capable of hosting theatre, opera, dance, large-scale educational activities, and private events.

Auxiliary Spaces

Adjacent to the two performance venues would be several auxiliary spaces, including:

- **Entry and gathering space.** A lobby with concierge/patron services desk, as well as concession function (in an integrated bar/bistro). This would also

include front-of-house spaces such as coat room and catering support.

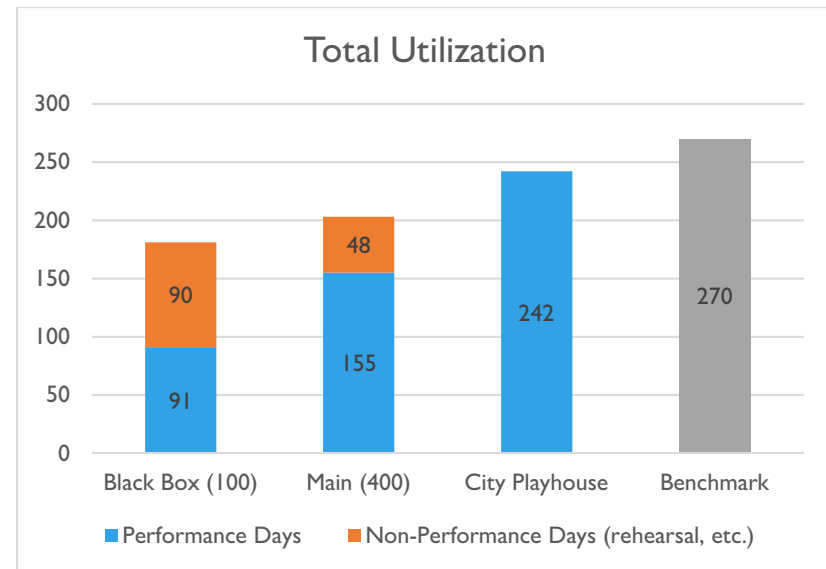
- **Anchor tenant space, studios, education.** A number of studios for dance, music, and other ‘process’ functions, as well as a community meeting room. These spaces would also include three Artist-in-Residence studios, as well as three anchor tenant suites of varying sizes.
- **Administration, support, operations.** These spaces – such as production offices, technical services, and building management and operations – would support the overall functioning of the cultural centre. See the Building Program and accompanying narrative for further details.

Activating the Venues

The two venues in the VMC cultural centre would present and host a diversity of content, representative of Vaughan’s emergent creative industries and of regional, provincial, national, and international excellence. A mix of users, blending local and more distant resources, will provide activity. Consistent with the vision for the centre, activity would represent a wide mix of genres at a high level of professionalism.

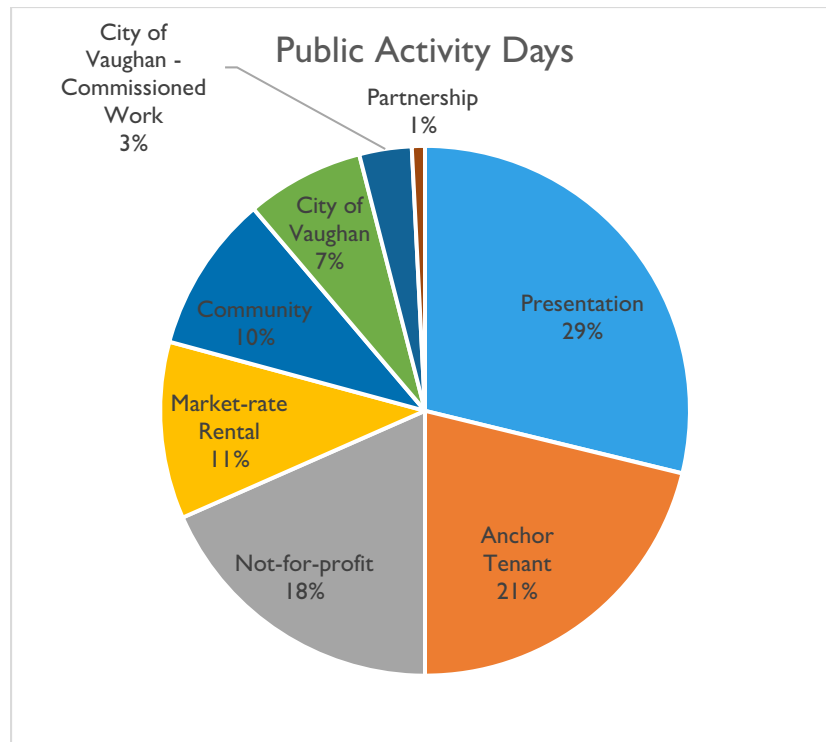
Utilization

Based upon local input and comparable facility research, AMS has modeled base year utilization at 203 days in the Main Hall and 181 days in the Performance Lab, inclusive of performance and non-performance days. This level of utilization in the base year approaches current utilization of the City Playhouse, Vaughan’s very active civic performance venue, which has been a popular community space for many years and sees numerous repeat rental users. Notably, the new facility does not take content away from City Playhouse; rather, absorbs overflow need and allows for new product in the marketplace.



In the chart above, we include a benchmark to indicate maximum utilization, based on industry knowledge.

Half of all public activity would be centre presentations and anchor tenant programming; the remainder is rental use from a variety of not-for-profit, commercial, community, and City entities, as summarized in the chart that follows.



Who are the users of the VMC cultural centre?

Centre presentations: The operator of the VMC Cultural Centre programs content at-risk

Anchor tenants: Annual lessees of space within the VMC Cultural Centre, with contractual guarantees regarding access to performance spaces (*for example, the Vaughan International Film Festival*)

Not-for-profit organizations: Local, regional, and national not-for-profit organizations, who benefit from modestly discounted rental rates

'Market rate' renters: Commercial entities that rent performance or other spaces in the Centre

Community: Community organizations such as a Rotary or other service enterprise

City of Vaughan – Commissioned Work: A unit of the Economic and Cultural Development Department that engages in commissioning work to be showcased in the Centre

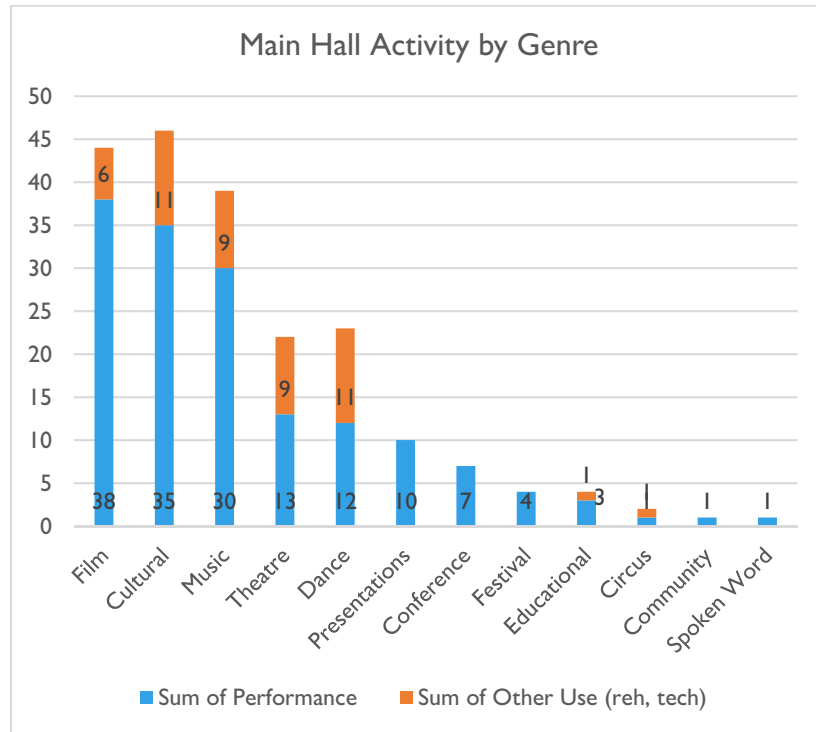
City of Vaughan – Other kinds of uses: Library, Recreation Services, and other City departments

Partners: Distinct from anchor tenants, partners participate in programming risk to bring activity to the Centre (e.g., Niagara University engages a series of TED-style speakers to deliver talks in the Main Hall; speakers' fees are shared by the University and the Centre, with a split of the net ticket sales)

Main Hall Activity

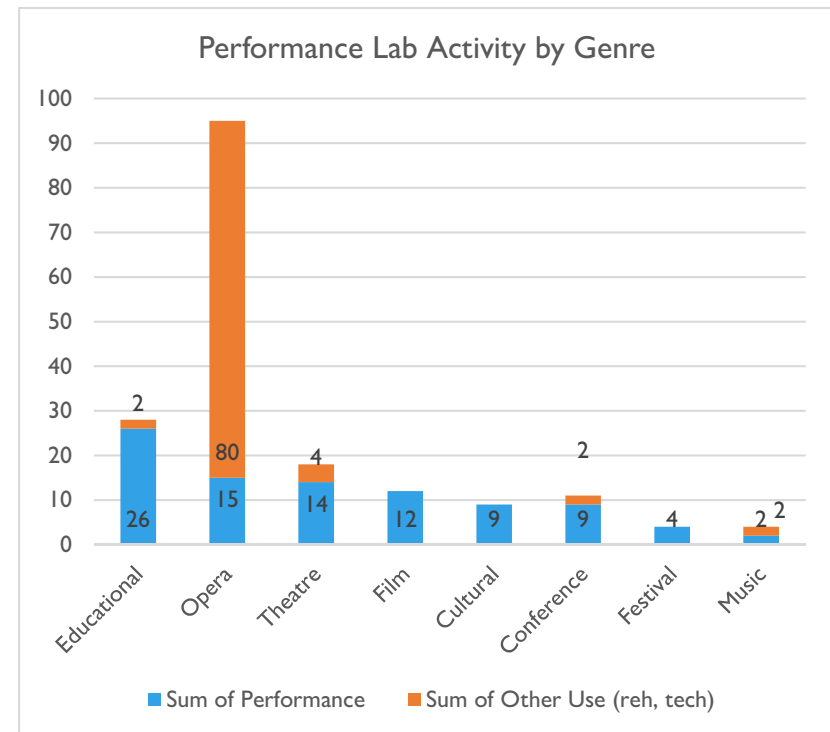
Main Hall activity would be significantly driven by film, cultural events (e.g., heritage groups, culturally-specific activations, etc.) and music, followed by theatre, dance, and a diversity of other public-assembly activity. Film offerings might take the form of a weekly series catering to Vaughan's brand-sensitive tastes and curiosity about new cultures; such programming would augment, rather than compete with, Vaughan International Film Festival programming.

As the presenting space, Main Hall activity is strongly tilted toward performances, with limited non-performance utilization. This reflects the City's aspirations to be a showcase and hub for creativity.



Performance Lab Activity

Performance Lab activity would be driven by opera development and performance, as well as large-scale educational events, theatre, and film. Cultural programming (e.g., heritage groups, culturally-specific performances, etc.), as well as conferences, festivals, and some music events would fill out the balance of utilization. Paired with the presentation-focused Main Hall, the Performance Lab serves as the VMC cultural centre's process space – a hub for experimental creative work, where leading-edge content can be generated by and for Vaughan and the region. With fewer seats and more modest technical infrastructure, the Performance Lab can also support the continued development of Vaughan's nascent creative industries.



Operating Summary

The pro forma operating model is based on the activity profile described above, as well as research into the regional context and data supplied by the City of Vaughan. This model reflects the aspirations and operating priorities described above and in the Phase I report, as well as industry benchmarks¹ and normal operational standards for facilities of similar size and scope.

In this exercise, modelling has been developed agnostic to operator. We presume the operator is a private sector entity with the capacity to engage in the functional and programmatic work of running the VMC cultural centre; however, there is no assumption regarding whether this operator comes from the existing array of creative industries stakeholders in Vaughan, is created by a coalition of stakeholders, or is selected from outside the City.

Summary Results

VMC Cultural Centre	
Schedule 2: Summary Pro Forma	
Operating Overview	Base Year
Earned Revenues	
Ticket Sales	\$536,000
Ticket Fees	\$238,000
Facility Rentals	\$166,000
Concessions	\$35,000
Rental Additions/Chargebacks (gross)	\$375,000
Anchor Tenant Rental Revenue	\$102,500
Total Earned Revenues	\$1,452,500
Operating Expenses	
Season Programming	\$466,000
Theatre Operations	\$233,000
Administrative	\$58,000
Building Operations	\$646,000
Compensation (FTE personnel)	\$965,000
Expense Contingency	\$118,000
Total Operating Expenses	\$2,486,000
Operating Result Before Contributions + Subsidy	(\$1,033,500)
Net Operating Result	(\$1,033,500)

¹ See Appendix A: Comparables.

Based on the proposed activity model, the VMC cultural centre can anticipate an operating budget of \$2.5M, yielding a required subsidy of approximately (\$1.0M) in the base year; the source(s) of which are as-yet undetermined.

Revenues

VMC Cultural Centre	
Schedule 4: Revenue Summary	Base Year
Season Programming	
Ticket Sales	\$536,000
Subtotal Season Programming	\$536,000
Rentals	
Main Hall Rentals	\$102,000
Performance Lab Rentals	\$64,000
Rental Additions/Chargebacks	\$375,000
Subtotal Rentals	\$541,000
Ancillary	
Ticket Fees	\$238,000
Concessions	\$35,000
Anchor Tenant Rental Revenue	\$102,500
Subtotal Ancillary	\$375,500
Total Revenue	\$1,452,500

Revenues from operations come from centre presentations; rentals to short-term users of the Main Hall and Performance Lab; annual rents from anchor tenants; and ancillary revenue, including ticketing fees and concessions. Contributed revenue will be a necessary part of the mix; as discussed at the end of this section.

Programming

Program revenues reflect ticket sales for all activity the centre programs at-risk. Ticket prices are modelled on comparative marketplace data, with the understanding that any applicable sales or amusement taxes incurred would be charged above the average ticket prices in the model and passed on to the taxing authority.

Facility Rentals

Rental activity is modelled on prevailing rates for high-quality venues in the Greater Toronto Area, on a cost-per-available seat basis. It is expected that most rental users of the Main Hall and Performance Lab will book minimal non-performance days.

Concessions

Concessions are modelled on industry benchmark data, with a conservative estimate of purchase frequency.

Rental Additions and Chargebacks (gross)

Security, front-of-house, and technical staff, as well as equipment rental and box office setup fees, are charged to rental users at market-appropriate rates. (The associated expenses borne by the VMC cultural centre are distributed, as appropriate, in Theatre Operations and Administrative categories.)

Anchor Tenants

Three anchor tenants under lease pay marginally below-market rates on a per-square foot basis for the suites represented in the building program.

Expenses

VMC Cultural Centre	
Schedule 3: Expense Summary	Base Year
Season Programming	
Presented Season	\$466,000
Subtotal Season Programming	\$466,000
Theatre Operations	
Compensation	\$309,000
Contract/Hourly Event Staff	\$167,000
Box Office and Front of House Ops	\$42,000
Equipment, Maintenance, Supplies	\$24,000
Subtotal Theatre Operations	\$542,000
Administrative	
Compensation	\$551,000
Professional Fees, Staff Development/Travel	\$17,000
Institutional Marketing	\$10,000
Office Operations, Supplies, and Equipment	\$26,000
Other	\$5,000
Subtotal Administrative	\$609,000
Building Operations	
Compensation	\$105,000
Utilities (gas, electric, water, sewer)	\$249,000
Insurance and Security	\$83,000
Cleaning and Maintenance	\$139,000
Annual Capital Improvements	\$175,000
Subtotal Building Operations	\$751,000
Expense Contingency	\$118,000
Total Operating Expenses	\$2,486,000

Programming

Programming expenses are based on industry data collected by AMS through a variety of North American and Canadian sources. Artist fees were estimated for each genre of activity. Marketing and production costs were estimated at a (typical) 35% of artist fees, which includes non-reimbursable equipment, supplies, repairs, and maintenance.

Theatre Operations

Theatre operations expenses are based on the frequency of rental and presented activity, as well as conventional costs associated with ticketing (software, printing), a modest investment in usher uniforms, and front-of-house décor, equipment, consumable supplies, and repairs.

Administrative

Administrative expenses are based on industry data.

Building Operations

Occupancy costs include utilities, cleaning and routine maintenance, and non-capital annual maintenance and repairs. It is assumed that these will be managed by the VMC cultural centre staff, utilizing outside vendors as appropriate to mediate staff workload. Occupancy costs are based on the Building Operators and Managers Association data for Greater Toronto Area facilities. The model does not include an expense item for depreciation.

Compensation (FTE Personnel)

Salaries and wages are based on scales provided by the City of Vaughan and vetted against publicly available data for like cultural

centres. Tax rates and benefit load are based on data provided by the City of Vaughan.

Expense Contingency

As with any new venture, there will be some expenses which cannot be foreseen. AMS has included a 5% contingency in the operating model to account for these eventualities.

Residual Economic Outcomes

Industry trends and long experience suggest that the VMC cultural centre will not be self-sustaining on earned revenue alone; as an investment in the long-term growth of Vaughan's creative industries, the centre will require subsidy on an ongoing basis to provide a financially accessible platform for creative entrepreneurs and other small producers of artistic content.

Offsetting operational needs with dedicated lines of subsidy will be key to success for the VMC cultural centre. Bearing in mind Vaughan's ongoing philanthropic initiatives, particularly Mackenzie Health's \$250 million capital campaign, AMS perceives an opportunity for dedicated tax revenue and/or general fund allocations to support the centre's work.

It should be noted that residual economic activity connected to arts engagement aligns strongly with Vaughan's cultural and economic development agenda. In combination with arts attendance, ancillary spending on restaurants, parking and transportation, childcare, even clothing and accessories all drive local and regional revenue, generating jobs and reinforcing social connections within communities. As the City of Vaughan continues to develop the VMC and grow its population, these associated outcomes of increased arts and culture offerings should be taken into consideration.

Additional Considerations

Master Planning Integration

In addition to the two performance venues that are the focus of this study, outdoor activations and vehicle parking resources are of significant concern to cultural development. These areas are best considered within the ongoing master planning process.

Linking the VMC cultural centre's evolution to existing and anticipated green spaces, as well as addressing unresolved questions surrounding parking resources in and near the VMC, will be key to successfully developing and implementing the centre during this time of civic growth.

Cultural Policy Development

One pathway to integrating the VMC cultural centre within the greater planning efforts is through the creation of a cultural policy. This process, and the resulting framework for decision-making, would engage the City of Vaughan's leadership and private sector stakeholders. It would position the City to make coherent decisions surrounding the allocation of financial, human, and technological resources in support of Vaughan's cultural development. Fertilizing Vaughan's creative sector in a transparent, dependable manner will engender the vibrant, vital, and prosperous city Vaughan aspires to be. A robust cultural policy would be instrumental in achieving this vision.

Summary

The City of Vaughan is poised to develop a distinctive cultural centre, in the heart of the VMC. Stakeholders in local creative industries have an appetite for the resource such a centre would present. As the VMC evolves, the creation of cultural space to

showcase Vaughan's creativity, and to shine a light on regional, national, and international talent within Vaughan, will add to the City's foundation of excellence and innovation.

Right-sizing the cultural centre will ensure that it accommodates presented content from a range of sources, while offering a platform for Vaughan's artists and culture-makers to develop their talents and audiences. Providing anchor tenants and rental users with a high-quality venue in the VMC will serve the downtown's growing residential population and workforce.

Comparables

The activity profile underlying the pro forma was generated from existing activity at the following centres, based on similarities in form and vision to the VMC cultural centre.

Yerba Buena Center for the Arts (YBCA)

San Francisco

YBCA's Forum Theatre has key similarities to the VMC cultural centre's Main Hall. A flat-floor space of 6,700-sq. ft, it can hold 450 seated attendees or 850 standing. YBCA is owned by the San Francisco Redevelopment Agency, a quasi-public entity; it is operated by a private not-for-profit created to run the center.

YBCA programming is an eclectic mix of center-commissioned work from artists-in-residence, paired with rental activity by community users, San Francisco's lively high-tech sector, film screenings, and not-for-profit partners informs the VMC cultural centre activity profile. Over 40 organizational partnerships include schools, cultural heritage organizations, and the San Francisco Planning Department, along with several professional performing arts companies based in San Francisco and the Bay Area.



Irving Arts Center

Irving, TX

Owned and operated by the City of Irving, this center features two venues and a variety of auxiliary spaces serving the creative process, visual arts, and outdoor activations. With 10 resident companies and outside users providing performance activity, the Irving Arts Center is also a Smithsonian Institution, drawing national recognition and securing access to a significant body of creative, educational, and heritage assets.

Irving Arts Center programming includes music, a variety of learning programs, festivals, and presentations, organized by anchor tenants. Its outdoor spaces also feature broadly in community activity.



Daniels Spectrum

Regent Park, Toronto, ON

With robust engagement by anchor tenants, Daniels Spectrum's Aida Slight Hall seats 425, with 125 seats in retractable units. Like the envisioned VMC cultural centre, Daniels Spectrum is the product of significant collaboration between public and private sector entities and subsidizes creative industries development through private rentals and philanthropic initiatives.

Daniels Spectrum's weekly summer film series, which weds indoor and outdoor spaces, and their annual musical theatre production (*Journey*) both figured in the VMC cultural centre profile.



CURRENT Artspace + Studio

University of North Carolina, Chapel Hill

A newly-opened pair of flexible spaces, CURRENT Artspace + Studio offers flat-floor process and presentation space that links the University with the greater Chapel Hill community. Long-term artist residencies span creative genres, culminating in public presentations.



Edmonds Center for the Arts

Edmonds, WA

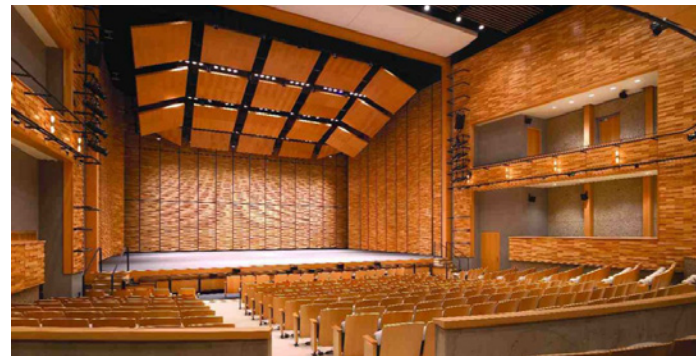
Film, music, and theatre are mainstays of the Edmonds Center for the Arts, with most programming arranged at-risk by the center. A mix of culturally specific performance programs, new works, and all-ages film screenings matched the VMC activity profile.



Esplanade Arts and Heritage Centre

Medicine Hat, AB

Understanding Vaughan's considerable cultural diversity, we included programming from this centre ranging from dance and circus arts, to the Banff Mountain Film Festival World Tour, to musical and spoken word events that build on specific cultural traditions.



Program

VMC Cultural Arts Centre - Project Summary			
Activation Spaces	49%	20,780	
Main Theatre / Multipurpose Venue	400 Person Capacity	8,730	
Performance Lab	125 Person Capacity	3,850	
Performer Support		4,500	
Loading / Bldg Support		3,700	
Public Spaces	24%	10,100	
Gathering		6,900	
Front of House		1,900	
Amenity		1,300	
Anchor Tenants / Studios / Education	22%	9,410	
Studios & Education Spaces		3,850	
Studio Support		1,060	
Tenants		4,500	
Admin / Support / Operations	6%	2,550	
Program Total	100%	42,840	
Gross Floor Factors	55%	23,562	
TOTAL AREA		66,402	SF

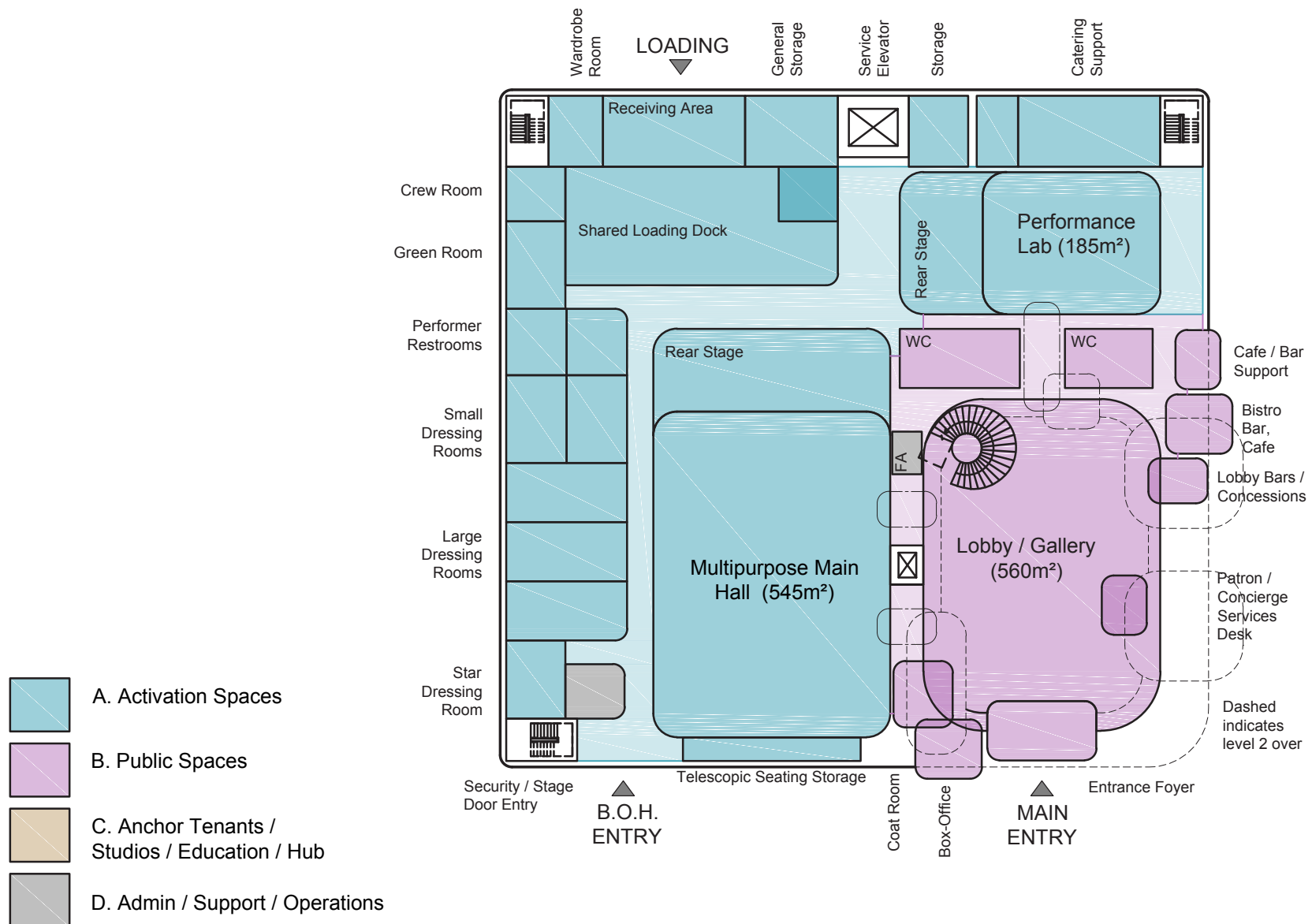
Program	Item	Quantity	Dimensions			Unit Area	Item Area	Description
		#	W	L	H	Sq.Feet	Sq.Feet	
			ft	ft	ft			
A. ACTIVATION SPACES								
Main Theatre / Multipurpose Venue								
	Multipurpose Venue (400 people)	1	65	90	28	5850		flat floor space, 700p standing, 400p seated capacity on retractable seating, catwalks, strong points
	Rear Stage	1	65	20	28	1300	1300	backstage area for props, staging, road box storage, etc.
	Show control area	1				240	240	includes light/audio/video
	Snd/lgt/spot booths	3				100	300	includes light/audio/video support
	Dimmer/ Audio Rack Rooms	2				120	240	
	Telescopic Seating Storage	1	50	6		300	300	
	AV/Ltg/Tech Storage	1				500	500	
Performance Lab								
	Studio Theatre (130 person)	1	40	50	24	2000	2000	100 Person Capacity, Flat Floor, Black Box Lab, may be possible to connect with Main Theatre (likely not)
	Rear Stage	1	40	20	24	800	800	backstage area for actor circulation, props, staging, etc.
	Snd/lgt/spot booths	2				150	300	includes light/audio/video
	Dimmer/rack rooms	2				100	200	
	Platform/Seating Storage	1				250	250	
	AV/Ltg/Tech Storage	1				300	300	
Performer Support								
	Star Dressing Room	1				350	350	8-person rooms, no T/S
	Small Dressing Rooms	2				400	800	8-person rooms, no T/S
	Large Dressing Rooms	3				550	1650	12-person rooms, no T/S
	Green Room	1				400	400	used for each venue. Incl. single toilet/changing room
	Performer Restrooms	2				300	600	M/F toilets/showers (supports dressing rooms)
	Wardrobe Room	1				250	250	includes laundry
	Backstage Catering Pantry	1				200	200	
	Crew Room	1				250	250	changing, lounge, kitchenette
Loading / Bldg Support								
	Shared Loading Dock	1	75	32		2400	2400	2 bays (loading and bldg services)
	Receiving Area	1				800	800	
	General Storage	1				500	500	

Program	Item	Quantity	Dimensions			Unit Area	Item Area	Description
		#	W	L	H	Sq.Feet	Sq.Feet	
			ft	ft	ft			
B. PUBLIC SPACES								
Gathering								
	Entrance Foyer	1				500	500	Weather vestibules Dynamic space with Bar/Café, Art Exhibits, Program Activations, Community Information, may be split for each
	Lobby / Gallery (12sf/p for 500 patrons)	1				6000	6000	program space.
	Patron / Concierge Services Desk	1				200	200	within public space
	Lobby Bars / Concessions	1				200	200	Combine with Bistro?
Front of House								
	Box-Office	1				300	n/a	include with concierge desk
	Coat Room	1				300	300	50% of attendees
	Restrooms (1 fixture / 25 seats)	1				1300	1300	serves 500 patrons, M/F, unisex, family, evenly distributed
	F.O.H. Equipment Storage	1				300	300	
Amenity								
	Bistro, Bar, Café	1				300	300	Should Activate the Lobby Hall
	Café / Bar support	1				200	200	
	Catering Support	1				800	800	catering pantry, storage
C. ANCHOR TENANTS / STUDIOS / EDUCATION / HUB								
Studios & Education Spaces								
	Small Studios	2	20	40		800	1600	Equipped for Dance, Music, Rehearsal
	Large Studio	1	30	40		1200	1200	Equipped for Dance, Music, Rehearsal
	Community Meeting / Program Room	1				600	600	Can also Double as Another Large Studio
	Artist in Residence Studios	3				150	450	Visiting Artist / Hoteling space
Studio Support								
	Entry / Reception	1				200	200	
	Storage	3				120	360	dedicated to each studio
	Changerooms (10p each)	2				120	240	male & female rooms, half height lockers, changing booths
	Restrooms	2				130	260	
Tenants								
	Anchor Tenant Leasable Space #1	1				1000	1000	Fit-Out as Required
	Anchor Tenant Leasable Space #2	1				1000	1000	Fit-Out as Required
	Anchor Tenant Leasable Space #3	1				2500	2500	Fit-Out as Required

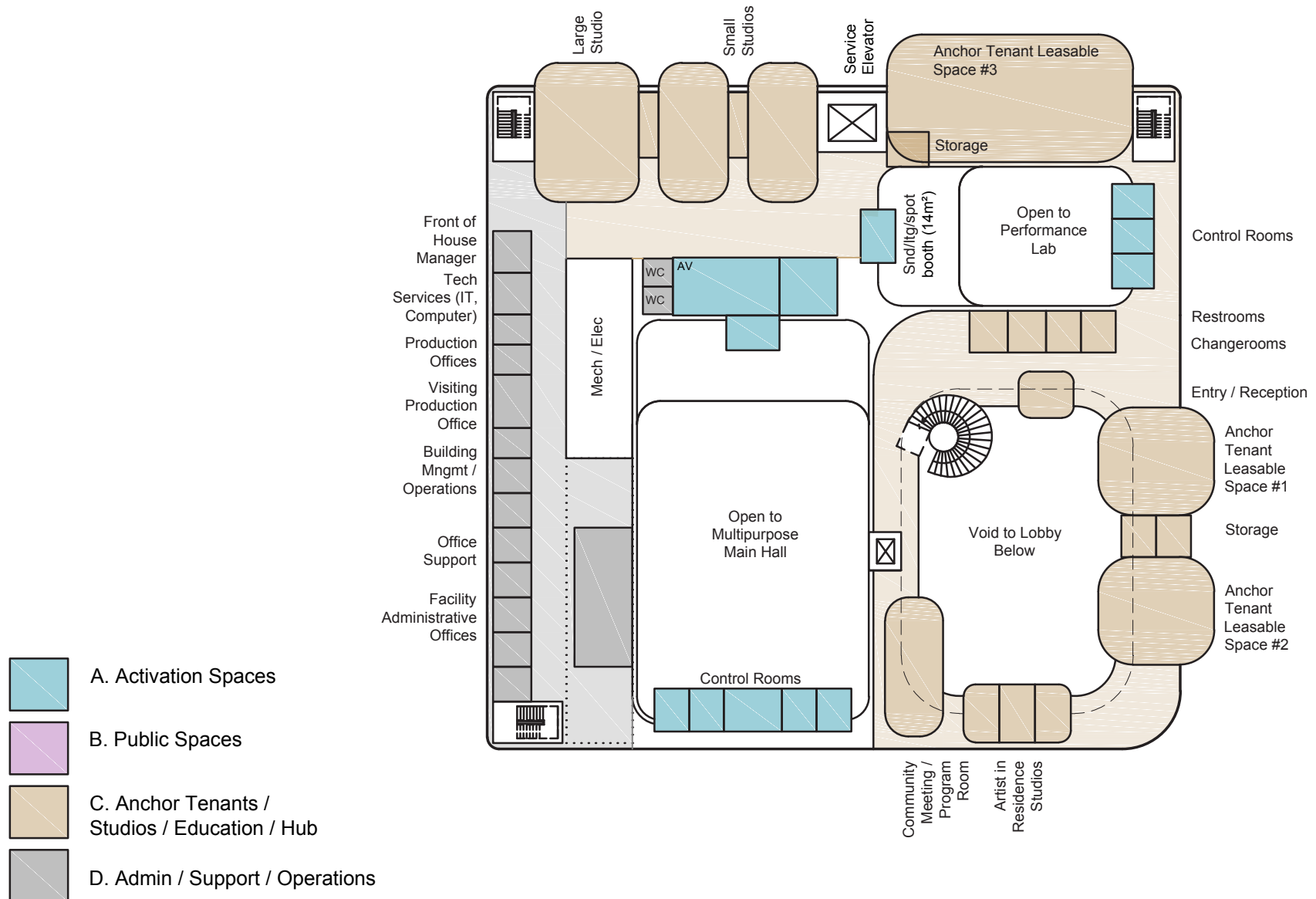
Program	Item	Quantity	Dimensions			Unit Area	Item Area	Description
		#	W	L	H	Sq.Feet	Sq.Feet	
			ft	ft	ft			
D. ADMIN / SUPPORT / OPERATIONS								
	Facility Administrative Offices	7				100	700	
	Office Support	1				600	600	conf rooms/storage/kitchenette/IT/etc.
	Front of House Manager	1				120	120	
	First Aid Room	1				120	120	
	Production Offices	2				90	180	
	Visiting Production Office	1				150	150	
	Tech Services (IT, Computer)	1				120	120	
	Building Management / Operations	2				90	180	
	Security / Stage Door Entry	1				250	250	
	Washrooms	2				65	130	serves admin
E. SITE								
<i>Site Treatment</i>								
	Outdoor Amenities							Pick-Up / Drop-Off / Paths / Marquee
	Outdoor Activation							Film / Dance / Music / Amphitheatre / Festival Hub /
	Parking (typ-2.5mx5m)							Market
	Vehicular Loading Approach							Centralized in VMC?
	Outdoor Terrace - Gathering Space							
F. GROSS FLOOR FACTORS								
<i>Items necessary to fulfill desired program requirements</i>								
	Mechanical Rooms	10%					4,284	
	Electrical Rooms / AV / IT	5%					2,142	
	Structure & Build-up	10%					4,284	
	Innaccessible Areas	5%					2,142	
	Circulation	25%					10,710	
	<i>sub total</i>	55%					23,562	

Program Diagrams

Ground Floor Program

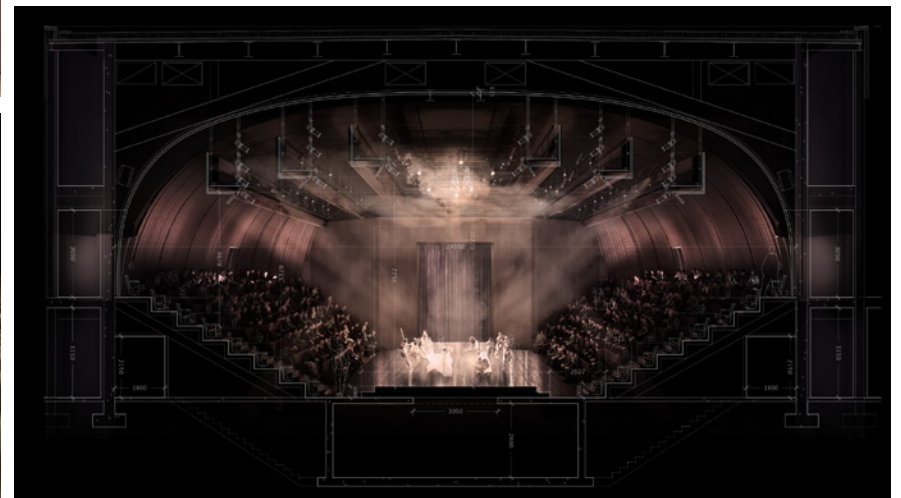


Second Floor Program



Activating Opportunities

Stratford Festival Tom Patterson Theatre - Stratford, ON



Weston Family Learning Centre, Art Gallery of Ontario - Toronto, ON



ROM Welcome Project - Toronto, ON



St Elizabeth Performing Arts School - Thornhill, ON



New World Center - Miami, FL



Andermatt Concert Hall - Andermatt, Switzerland



Writers Theatre - Chicago, IL



Drama Stage of Beihedong Village - Beihedong, China



Gehua Youth and Cultural Center - Qinhuangdao, China



Seinajoki Library - Seinajoki, Finland



George S. and Delores Dore Eccles Theater - Salt Lake City, USA



George S. and Delores Dore Eccles Theater - Salt Lake City, USA



Mont-Laurier Multifunctional Theater - Mont-Laurier, CAN



Alice Tully Hall - New York, NY



Daniels Spectrum - Toronto, ON



Site Opportunities

Walking Distances from Major Transit and Proximity to Significant Parks



- 5 min. walk
- 10 min. walk
- 15 min. walk

Integrated Podium Option



Park Pavilion Option



Capital Cost Scenarios

Comparable Cost Summary

	<u>Option 1</u> <i>Integrated Podium</i>	<u>Option 2</u> <i>Pavilion in a Park</i>	<u>Option 3</u> <i>Design/Build/Finance</i>	<u>Option 4</u> <i>Capital Lease</i>
Program Area	42,840	42,840	42,840	
Gross Floor Area	66,400 SF	68,540 SF	66,400 SF	66,400 SF
Construction & Equipment	\$ 42.4 M	\$ 45.4 M	\$ 53.9 M	\$ 42.4 M
Underground Parking	\$ 6.0 M	\$ 6.0 M	\$ 7.8 M	\$ 6.0 M
Soft Costs	\$ 15.6 M	\$ 13.2 M	\$ 8.5 M	\$ 12.2 M
Escalation & Contingencies	\$ 6.9 M	\$ 6.9 M	\$ 9.5 M	\$ 6.5 M
Total Project Cost	\$ 70.9 M	\$ 71.5 M	\$ 79.7 M	\$ 67.2 M \$ 63 / SF Annual Lease Cost over 20 Years: 83.4 M

Comparable Cost Detail - Development Options

November 18, 2019	Development Option 1		Development Option 2		Development Option 3	
	Integrated Podium		Pavilion		Design / Build / Finance Procurement	
	2 to 3 Storey Cultural Arts Centre integrated within the podium of a larger Residential or Commercial Development Project. Land may be leased for a 30 year term.		2 Storey Cultural Arts Centre set independently within a Park land setting, used to activate the boundary of either of the 2 main zoned green spaces. The zoning may be amended to allow a public cultural benefit within the Park zone, and the land may be gifted.		Cultural Arts Centre integrated within the podium of a larger Development Project. Design, Financing and Risk is transferred to DBF Proponent at a 30% premium. Total Design Fees may be higher, but 70% of Fees transferred to Proponent. Land is leased for a 30 year term.	
Program Area	SF	42,840	SF	42,840	SF	42,840
Grossing Factor		1.55		1.6		1.55
Gross Floor Area	SF	66,402	SF	68,544	SF	66,402
Cost / SF		\$575		\$600		\$748
Base Construction Cost	\$	38,181,150	\$	41,126,400	\$	49,635,495
Escalation to Tender: 2.5 yrs	8% \$	3,054,492	8% \$	3,290,112	8% \$	3,970,840
Construction Contingency	5% \$	1,909,058	5% \$	2,056,320	2% \$	992,710
Subtotal Construction Cost	\$	43,144,700	\$	46,472,832	\$	54,599,045
Underground Parking - 120 Spaces	\$	6,000,000	\$	6,000,000	\$	7,800,000
Equip, Seating, FFE, IT, Sec, Signage	\$	4,250,000	\$	4,250,000	\$	4,250,000
Development Charges		Excluded		Excluded		Excluded
Permits	\$	400,000	\$	400,000	\$	400,000
Design and Engineering Fees	12% \$	5,177,364	12% \$	5,576,740	5% \$	2,729,952
Administration / Management	3% \$	1,769,162	3% \$	1,880,987	3% \$	2,093,370
Legal Fees		Excluded		Excluded		Excluded
Land Acquisition: \$50/SF	\$	3,300,000	\$	-	\$	3,300,000
Fundraising & Campaign		Excluded		Excluded		Excluded
Subtotal Project Cost	\$	64,041,225	\$	64,580,559	\$	75,172,367
Financing Costs	4% \$	2,561,649.01	4% \$	2,583,222.36		By DBFM Proponent
HST	1.76% \$	1,127,125.57	1.76% \$	1,136,617.84		Excluded
Reserves Replacement Contribution	2% \$	1,280,824.51	2% \$	1,291,611.18		
Project Contingency	3% \$	1,921,236.76	3% \$	1,937,416.77	6% \$	4,510,342.00
Total Project Cost	\$	70,932,061	\$	71,529,427	\$	79,682,709

Comparable Cost Detail - Capital Lease Options

November 18, 2019

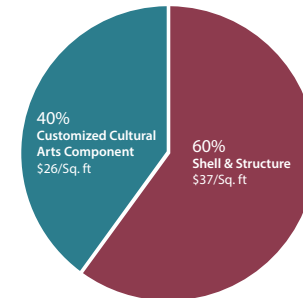
Development Option 4

Capital Lease

Cultural Arts Centre integrated within the podium of a larger Development Project. Operator is a tenant in a head lease agreement. Capital Lease for 20 years with option to purchase. Consider shell and structure costs leased based on Developer ROI of 6%/yr. Consider Customized Cultural Arts Component is amortized at 6%/yr. over 20 years. The City would need to underwrite this agreement to convey stability.

Program Area	SF	42,840
Grossing Factor		1.55
Gross Floor Area	SF	66,402
Cost / SF		\$575
Base Construction Cost	\$	38,181,150
Escalation to Tender: 2.5 yrs	8% \$	3,054,492
Construction Contingency	5% \$	1,909,058
Subtotal Construction Cost	\$	43,144,700
Underground Parking - 120 Spaces	\$	6,000,000
Equip, Seating, FFE, IT, Sec, Signage	\$	4,250,000
Development Charges		Excluded
Permits	\$	400,000
Design and Engineering Fees	12% \$	5,177,364
Administration / Management	3% \$	1,769,161.90
Legal Fees		Excluded
Land Value: \$50/SF	\$	3,300,000
Subtotal Project Cost	\$	64,041,225
HST	1.76% \$	1,127,125.57
Project Contingency	3% \$	1,921,236.76
Total Project Cost	\$	67,089,588
Shell & Structure - Asset	60% \$	40,253,752.60
Annual Lease = Developer ROI at 6%/Year	6% \$	2,415,225.16
Customized Cultural Arts Component	40% \$	26,835,835.07
Annual Amortization (Based on 20 years)**	4% \$	1,753,920.00
**(Based on IO Financing / May Fluctuate)		
Annual Cost of Capital Lease	\$	4,169,145.16
Total Cost Over 20 Years	\$	83,382,903.12

Total Project Cost



\$ 36.37 / SF

\$ 26.41 / SF

\$ 62.79 / SF

VMC Cultural Centre
Pro Forma Operating Model
(2019 C\$)



Draft September 2019

VMC Cultural Centre	
Pro Forma Operating Model	
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VMC Cultural Centre	
Schedule I: Key Assumptions	
Space Assumptions	
Main Hall Capacity	400
Black Box Capacity	100
Gross Square Footage	66,402
Economic Assumptions	
Fringe Benefits (Full-Time)	31.2%
Fringe Benefits (Part-Time)	11.8%
Average Ticket Service Fee	\$4.50
Operating Contingency (% of Expenses)	5.0%
Pro Forma Assumptions	
Concessions per cap	\$7.00

VMC Cultural Centre	
Schedule 2: Summary Pro Forma	
Operating Overview	Base Year
Earned Revenues	
Ticket Sales	\$536,000
Ticket Fees	\$238,000
Facility Rentals	\$166,000
Concessions	\$35,000
Rental Additions/Chargebacks (gross)	\$375,000
Anchor Tenant Rental Revenue	\$102,500
Total Earned Revenues	\$1,452,500
Operating Expenses	
Season Programming	\$466,000
Theatre Operations	\$233,000
Administrative	\$58,000
Building Operations	\$646,000
Compensation (FTE personnel)	\$965,000
Expense Contingency	\$118,000
Total Operating Expenses	\$2,486,000
Operating Result Before Contributions + Subsidy	(\$1,033,500)
Contributed Revenues	
Direct City Support	
Contributions, Sponsorships, Grants (etc.)	
Total Contributed Revenues	\$0
Net Operating Result	(\$1,033,500)

VMC Cultural Centre	
Schedule 3: Expense Summary	Base Year
Season Programming	
Presented Season	\$466,000
Subtotal Season Programming	\$466,000
Theatre Operations	
Compensation	\$309,000
Contract/Hourly Event Staff	\$167,000
Box Office and Front of House Ops	\$42,000
Equipment, Maintenance, Supplies	\$24,000
Subtotal Theatre Operations	\$542,000
Administrative	
Compensation	\$551,000
Professional Fees, Staff Development/Travel	\$17,000
Institutional Marketing	\$10,000
Office Operations, Supplies, and Equipment	\$26,000
Other	\$5,000
Subtotal Administrative	\$609,000
Building Operations	
Compensation	\$105,000
Utilities (gas, electric, water, sewer)	\$249,000
Insurance and Security	\$83,000
Cleaning and Maintenance	\$139,000
Annual Capital Improvements	\$175,000
Subtotal Building Operations	\$751,000
Expense Contingency	\$118,000
Total Operating Expenses	\$2,486,000

VMC Cultural Centre	
Schedule 4: Revenue Summary	Base Year
Season Programming	
Ticket Sales	\$536,000
Subtotal Season Programming	\$536,000
Rentals	
Main Hall Rentals	\$102,000
Performance Lab Rentals	\$64,000
Rental Additions/Chargebacks	\$375,000
Subtotal Rentals	\$541,000
Ancillary	
Ticket Fees	\$238,000
Concessions	\$35,000
Anchor Tenant Rental Revenue	\$102,500
Subtotal Ancillary	\$375,500
Total Revenue	\$1,452,500

VMC Cultural Centre									
Schedule 5: Main Hall Presented Season	Base Year	Avg Ticket Price	Avg % Sold	Avg Paid Attend	Artist Fee (Avg/Perf)	Prod/ Mktg (% of Fee)	Forecast Rev (Avg/Typol)	Forecast Exp (Avg/Typol)	Net Contrib (Avg/Typol)
Typology	Events	Basis per Typology					Average per Typology		
Circus	1	\$35	75%	300	\$6,500	35%	\$10,500	\$8,775	\$1,725
Conference	0	\$10	75%	300	\$2,000	35%	\$0	\$0	\$0
Cultural	10	\$7	75%	300	\$3,000	35%	\$21,000	\$40,500	(\$19,500)
Dance	7	\$40	75%	300	\$6,000	35%	\$84,000	\$56,700	\$27,300
Educational	0	\$10	75%	300	\$4,750	35%	\$0	\$0	\$0
Festival	0	\$5	75%	300	\$9,000	35%	\$0	\$0	\$0
Film	30	\$16	45%	180	\$3,000	35%	\$86,400	\$121,500	(\$35,100)
Music	14	\$50	75%	300	\$6,000	35%	\$210,000	\$113,400	\$96,600
Opera	0	\$50	75%	300	\$10,000	35%	\$0	\$0	\$0
Presentation	0	\$20	75%	300	\$6,000	35%	\$0	\$0	\$0
Spoken Word	1	\$30	75%	300	\$3,000	35%	\$9,000	\$4,050	\$4,950
Theatre	9	\$40	80%	320	\$10,000	35%	\$115,200	\$121,500	(\$6,300)
Summary (totals or averages):		72	\$27	63%	18,180	\$4,799	\$536,000	\$466,000	\$70,000

VMC Cultural Centre					
Schedule 6: Ticket Fee Revenues	Avg % Sold	Avg # Sold	Base Year		
			Event Days	Paid Attend	Ticket Fees
Use Type, Main Hall	\$ 4.50				
Market-rate Rental	75%	300	11	3,300	\$15,000
Community	75%	300	8	2,400	\$11,000
Not-for-profit	75%	300	7	2,100	\$9,000
Partnership	75%	300	2	600	\$3,000
City of Vaughan - Commissioned Work	75%	300	4	1,200	\$5,000
City of Vaughan	75%	300	14	4,200	\$19,000
Presentation	75%	300	72	21,600	\$97,000
Anchor Tenant	75%	300	37	11,100	\$50,000
Use Type, Performance Lab	\$ 4.50				
Market-rate Rental	75%	75	16	1,200	\$5,000
Community	75%	75	16	1,200	\$5,000
Not-for-profit	75%	75	35	2,625	\$12,000
Partnership	75%	75	0	0	\$0
City of Vaughan - Commissioned Work	75%	75	4	300	\$1,000
City of Vaughan	75%	75	4	300	\$1,000
Presentation	75%	75	0	0	\$0
Anchor Tenant	75%	75	16	1,200	\$5,000
Subtotal Ticket Fees			246	53,325	\$238,000

VMC Cultural Centre						
Schedule 7: Main Hall Rental Rates & Revenues	Basis (Hrs)	Performance Rental Rate	Performance Days	Non-Performance Rate	Non-Performance Days	Rental Fees
Use Type						
Market-rate Rental	8	\$2,080	11	\$1,560	5	\$31,000
Community	8	\$1,768	8	\$1,326	4	\$19,000
Not-for-profit	8	\$1,768	7	\$1,326	3	\$16,000
Partnership	8	\$1,768	2	\$1,326	0	\$4,000
City of Vaughan - Commissioned Work	8	\$1,768	4	\$1,326	0	\$7,000
City of Vaughan	8	\$1,768	14	\$1,326	0	\$25,000
Subtotal Rental Fees			46		12	\$102,000

VMC Cultural Centre						
Schedule 8: Performance Lab Rental Rates and Revenues	Basis (Hrs)	Performance Rental Rate	Performance Days	Non-Performance Rate	Non-Performance Days	Rental Fees
Use Type						
Market-rate Rental	8	\$520	16	\$390	2	\$9,000
Community	8	\$442	16	\$332	0	\$7,000
Not-for-profit	8	\$442	35	\$332	84	\$43,000
Partnership	8	\$442	0	\$332	0	\$0
City of Vaughan - Commissioned Work	8	\$442	4	\$332	4	\$3,000
City of Vaughan	8	\$442	4	\$332	0	\$2,000
Subtotal Rental Fees			75		90	\$64,000

VMC Cultural Centre						
Schedule 9: Chargebacks	Base Year					
GROSS REVENUES	Rates Charged		Average Hours per Event	Average # of Staff per Event	# Event Days	Total
Box Office Set-up Fee	\$300		n/a	n/a	105	\$31,000
Equipment Rental Fee	\$200		n/a	n/a	112	\$22,000
Technical Director (pp/hr)	\$55		8	1	164	\$72,000
Technicians (pp/hr)	\$45		8	2	164	\$118,000
Security/Front of House (pp/hr)	\$40		8	2	103	\$66,000
Custodial (pp/hr)	\$35		8	2	119	\$66,000
Subtotal, Gross Revenues						\$375,000
EXPENSES	Rates Charged	% Payroll Costs	Average Hours per Event	Average # of Staff per Event	# Event Days Worked	Total
Technicians (pp/hr)	\$27	12%	8	2	164	\$79,000
Security/Front of House (pp/hr)	\$25	12%	8	2	103	\$46,000
Custodial (pp/hr)	\$20	12%	8	2	119	\$42,000
Subtotal, Expenses						\$167,000
NET REVENUES						\$208,000

VMC Cultural Centre							
Schedule 10: Food & Beverage	Capture Rate	Per Cap	Avg % Sold	Avg # Sold	Base Year		
					Event Days	Paid Attend	Concession Sales
User Type, Main Hall							
Market-rate Rental	50%	\$7.00	75%	300	11	3,300	\$12,000
Community	10%	\$7.00	75%	300	8	2,400	\$2,000
Not-for-profit	50%	\$7.00	75%	300	7	2,100	\$7,000
Partnership	50%	\$7.00	75%	300	2	600	\$2,000
City of Vaughan - Commissioned Work	50%	\$7.00	75%	300	4	1,200	\$4,000
City of Vaughan	50%	\$7.00	75%	300	14	4,200	\$15,000
Presentation	50%	\$7.00	75%	300	72	21,600	\$76,000
Anchor Tenant	50%	\$7.00	75%	300	37	11,100	\$39,000
User Type, Performance Lab							
Market-rate Rental	50%	\$7.00	75%	75	16	1,200	\$4,000
Community	10%	\$7.00	75%	75	16	1,200	\$1,000
Not-for-profit	50%	\$7.00	75%	75	35	2,625	\$9,000
Partnership	50%	\$7.00	75%	75	0	0	\$0
City of Vaughan - Commissioned Work	50%	\$7.00	75%	75	4	300	\$1,000
City of Vaughan	50%	\$7.00	75%	75	4	300	\$1,000
Presentation	50%	\$7.00	75%	75	0	0	\$0
Anchor Tenant	50%	\$7.00	75%	75	16	1,200	\$4,000
					Gross		\$177,000
					Net to VMC Cultural Centre		20%
Subtotal Concession Sales					246	53,325	\$35,400

VMC Cultural Centre					
Schedule I I: Anchor Tenant Revenue		Occupancy Basis	Rate / square foot	SF Leased	Annual Rental Revenue
Use Type	Basis Organization				
Anchor Tenant #1	York Regional Arts Council	Annual	\$20	1,000	\$20,000
Anchor Tenant #2	Vaughan International Film Festival	Annual	\$20	1,000	\$20,000
Anchor Tenant #3	Arcadia Music Foundation	Annual	\$25	2,500	\$62,500
Subtotal Rental Fees					\$102,500

Anchor Tenant Share of Occupancy Costs					
	Utilities	Insurance	Security	Cleaning & Maint.	Annual Cap. Improvements
Facility total:	\$249,000	\$17,000	\$66,000	\$139,000	\$175,000
PSF Basis	\$3.75	\$0.25	\$1.00	\$2.10	\$2.63
Anchor Tenant #1	\$3,750	\$250	\$1,000	\$2,100	\$3,000
Anchor Tenant #2	\$3,750	\$250	\$1,000	\$2,100	\$3,000
Anchor Tenant #3	\$9,375	\$625	\$2,500	\$5,250	\$7,000
Subtotal, anchor tenant contribution to occupancy expenses					\$45,000

VMC Cultural Centre	
Schedule 12: Theatre Operations	Base Year
Theatre Operations	
Contract/Hourly Event Staff (External)	\$167,000
Software and Ticketing (annual fee)	\$10,000
Box Office Operations	\$26,800
Usher Program Expense	\$700
Misc Front of House (decorations, etc)	\$4,800
Equipment and Consumable Supplies	\$14,400
Repair and Maintenance (tech equipment)	\$9,600
Subtotal Theatre Operations	\$233,300

VMC Cultural Centre	
Schedule 13: Administrative Expenses	Base Year
<i>Administrative Expenses</i>	
Professional Fees (CPA, Legal, Website, etc.)	\$5,000
Professional Dues, Travel, Conferences	\$6,100
Professional Development/Recruitment	\$5,500
Institutional Marketing	\$10,000
Telephone/Internet (headcount basis)	\$8,800
Office Operations (Postage, Print/Copy, etc.)	\$6,000
Office Equipment/Supplies (headcount basis)	\$11,000
Other Admin Expenses	\$5,000
<i>Subtotal Administrative Expenses</i>	\$57,400

VMC Cultural Centre	
Schedule 14: Building Operations	Base Year
Building Operations	
Utilities (Gas, Electric, Water, Sewer)	\$249,000
Insurance	\$17,000
Security	\$66,000
Regular Cleaning & Maintenance	\$139,000
Annual Capital Improvements	\$175,000
Subtotal Building Operations	\$646,000

VMC Cultural Centre					
Schedule 15: Staffing and Compensation					
Title	Expense Category	Base Salary	Status	% Benefits	Base Year
VMC Manager	Administrative	\$85,000	FT	31.20%	\$112,000
Asst. VMC Manager/Anchor Tenant Liaison	Administrative	\$65,000	FT	31.20%	\$85,000
Business Manager	Administrative	\$60,000	FT	31.20%	\$79,000
Programming Manager	Administrative	\$75,000	FT	31.20%	\$98,000
Asst. Programming Manager	Administrative	\$60,000	FT	31.20%	\$79,000
Marketing & Sponsorship Manager	Building Operations	\$80,000	FT	31.20%	\$105,000
Digital Media/Marketing Coordinator	Administrative	\$75,000	FT	31.20%	\$98,000
Technical Director/Production Manager	Theatre Operations	\$60,000	FT	31.20%	\$79,000
Assistant Technical Director	Theatre Operations	\$50,000	FT	31.20%	\$66,000
Patron Services Coordinator	Theatre Operations	\$65,000	FT	31.20%	\$85,000
Event Services Coordinator	Theatre Operations	\$60,000	FT	31.20%	\$79,000
Subtotal Compensation					\$965,000



VMC Cultural Centre *a creative hub*

December 4, 2019
Presentation to VMC Sub-Committee



HARIRI PONTARINI
ARCHITECTS



PROJECT SCOPE

Phase I

Part 1

- Background review
- Kick-off
- Market Analysis
- Environmental Scan/Inventory
- User Needs

Part 2

- Industry Trends
- Recommendations and Risks

✓ **Deliverable**

Part 3

- Community Meetings

✓ **Deliverable**

Phase II

Part 1

- Comparative Case Studies
- Management Plan
- Operating Pro Forma
- Impact Analysis

Part 2

- Funding and Marketing Strategies
- Workshop and Presentation

★ **Deliverable**



A Facility Development Approach Hinges on the Vision for Economic and Program Impacts

Economic Vision

Cultural centre development is typically grounded in one of these intentions

Economic Development

Activates creative industries from far and wide, with economic development a key measure of success

Community Based

Activates community arts stakeholders, with economic development a secondary impact

Programmatic Vision

The nature and scope of activity is guided by the economic vision, and sets the stage for facility development

A Creative Hub

Activities represent a diversity of cultural and disciplinary traditions, with a focus on participatory and "one of a kind" experiences.

A "Palace of Culture"

A home for traditional performing arts : symphony, opera, ballet, theatre, and other (mostly touring) activities

Development Implications

Facility development and operation is informed by desired, achievable programmatic impacts

Accommodations

Suitable for a diversity of activities catering to upscale and more casual types of use, in a range of genres

Partnerships

From development through operation, partnerships linking public and private sector stakeholders will be key

Design

Flexible space with configurable seating, innovative infrastructure and equipment

Financial Implications

*Capital costs reflect design
Operating costs and subsidy hinge on activity, partnerships*

VISION

Vaughan's Opportunity: Drive Economic Development Through a Creative Hub

The VMC cultural centre goals are to...

- **Vision:** Gather people to a creative hub
- **Programming:** Offer a mix of high-quality local and more distant content
- **Partnerships and users:** Select local partners and market-rate users
- **Design:** Appeal to many users with a quality, flexible space/set of spaces
- **Capital funding:** Secure funding through public-private collaboration
- **Operating finances:** Engage public and private subsidy, with earned revenue offsetting program costs
- **Governance:** Not-for-profit (existing or new entity)

Aligned with these principles...

Economic
Development

Creative Industry
Growth

Downtown Vitality

...Achieving these impacts

Activate

Inspire

Collaborate

Educate

Innovate

VISION

Economic Development Drives Additional Benefits

Quality of Life

- Diversified activities
- City brand
- New resident retention

New Visitation

- Regional and national tourism and leisure

Spin-Off Development

- 'Cluster' development of creative industries
- Retail and hospitality development in proximity to arts and culture spaces

Economic Impact

- Stimulate 100M+ in economic activity related to initial construction
- Direct 2.5M annual boost to local economy
- Indirect impact boost to supply chain, hospitality & retail
- Benefit for businesses, jobs, and households in VMC, Vaughan, and GTA

Success, Defined

Vision

Design

Capital
Funding

Governance

Programming

Partnerships
& Users

Operating
Finances

A flexible hub

engaged with the **private sector**

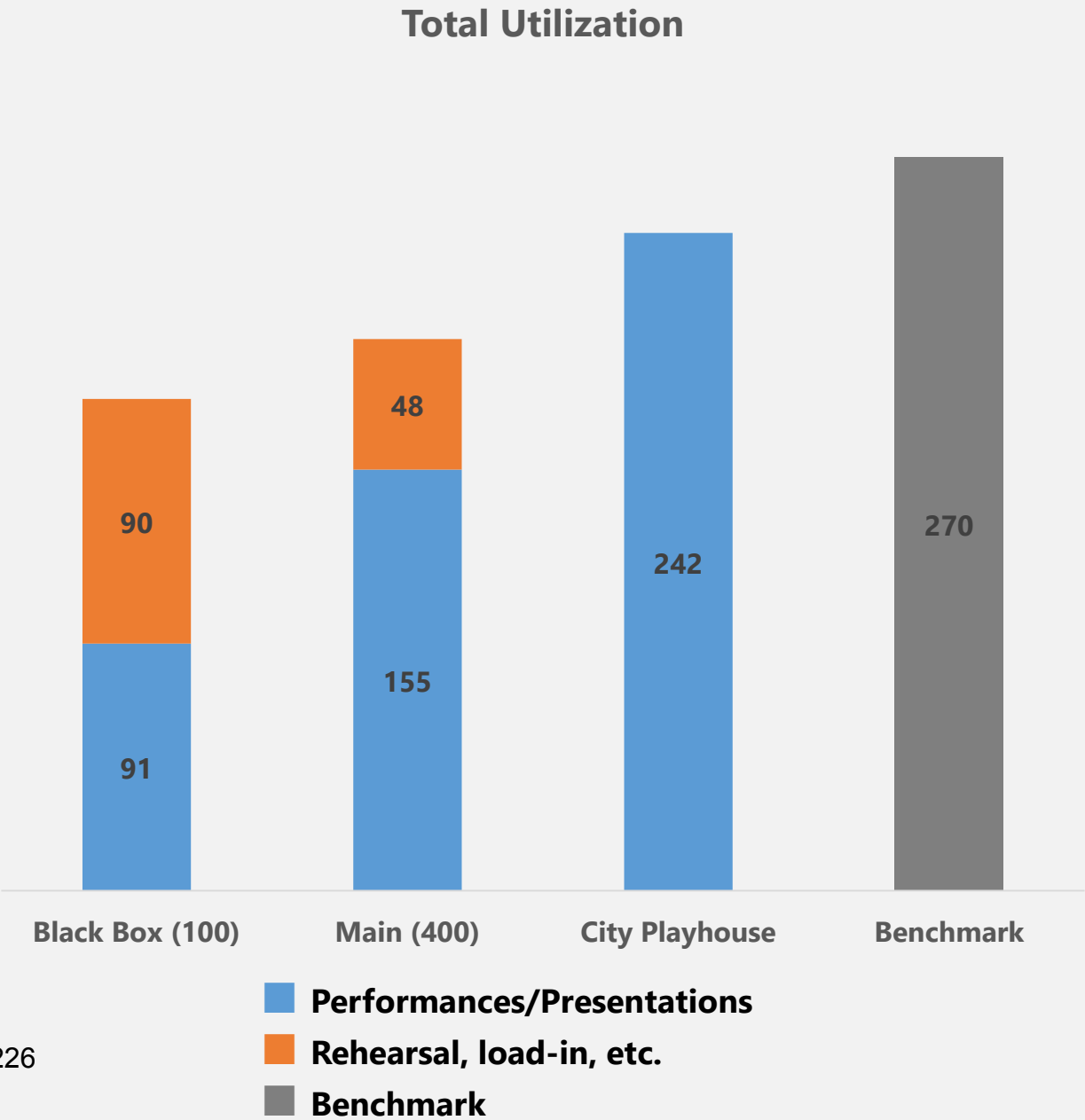
and **operated by an independent agency,**

the cultural centre showcases **high-quality, unique content**
and **features 'preferred' local content providers.**



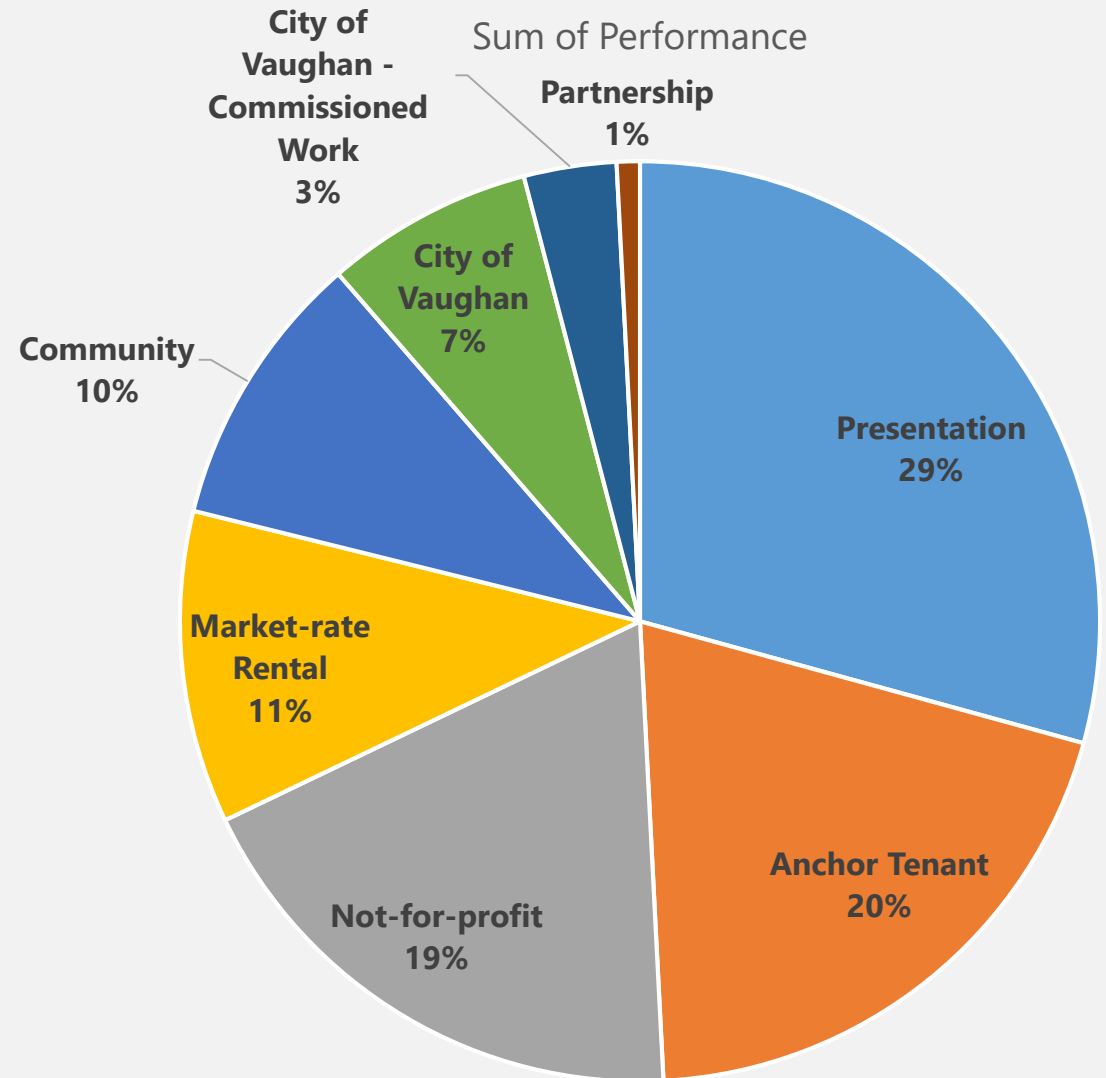
Base utilization is strong, while making room for new entrants to Vaughan’s creative sector

- Available content and local interest **drive Black Box activity significantly**
- **City priorities and ‘flagship’ events drive the Main Hall’s activation**



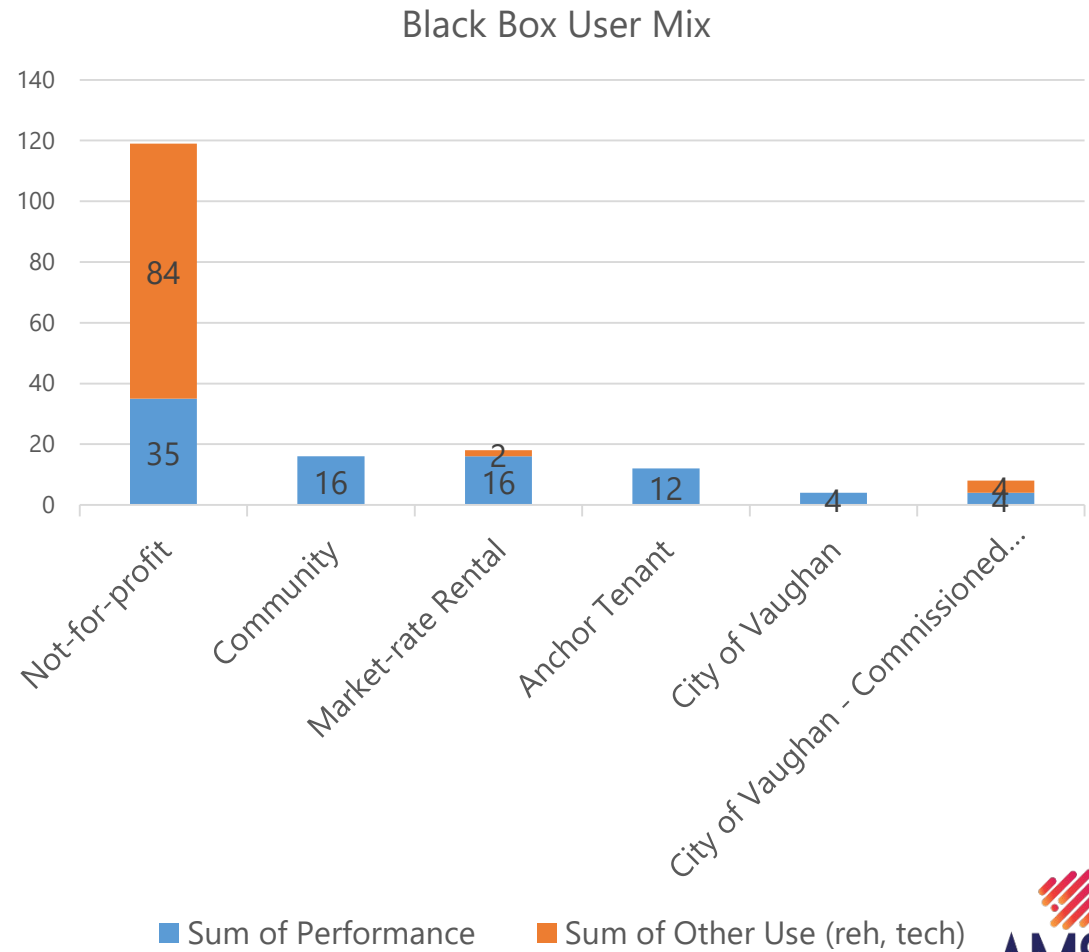
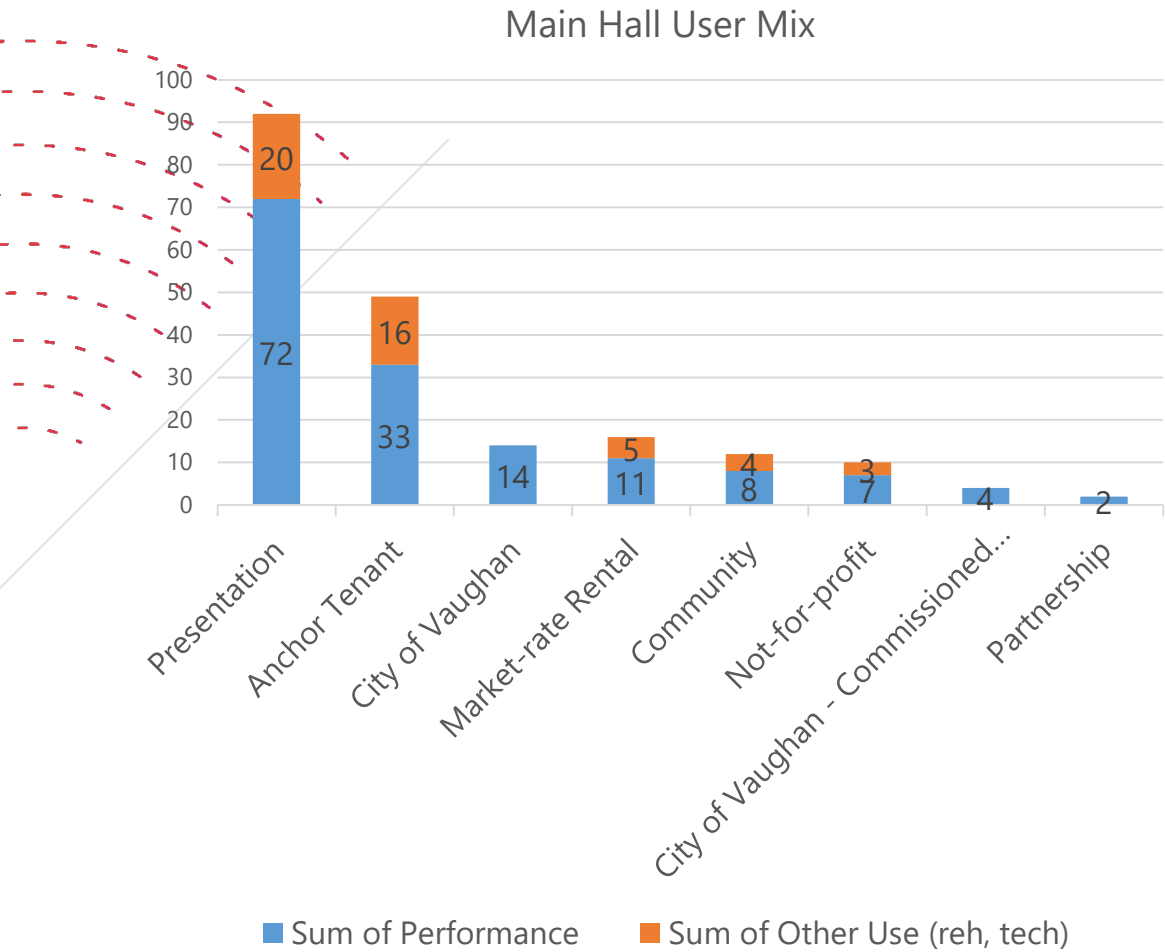
A mix of users draws in local expertise and makes room for a unique showcase

- Centre presentations and the work of anchor tenants will fill **49% of all performances**
- Private users from not-for-profit, commercial, and community sectors contribute **40% of all performances**
- The City of Vaughan and key partners to be identified will animate the cultural centre for the remaining **11% of performance days**, driving Vaughan's growing cultural resources to the venue and the VMC



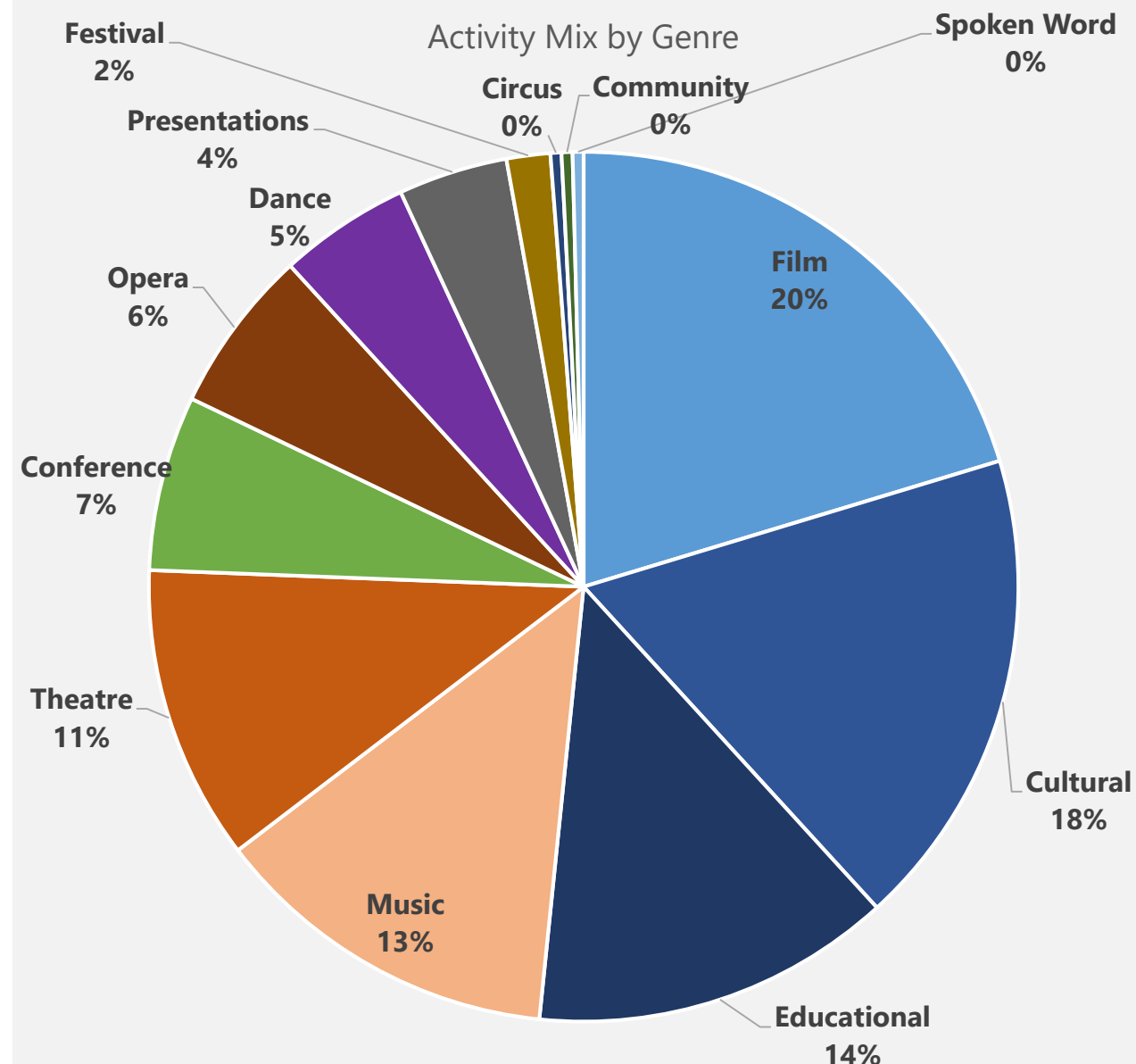
ACTIVITY PROFILE

Main Hall presentations are key to animating the centre



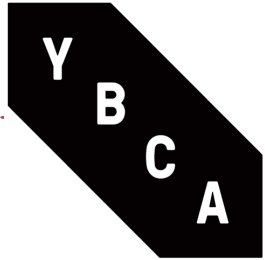
Film, heritage, and learning opportunities are over half of the public activity days

- **Film, cultural activity, and educational offerings** combined represent **52% of all public activity**, leveraging existing creative assets and meeting key City stakeholder priorities
- **Music, theatre, opera, and dance activity** combined make up **22% of all public activity**, drawing local, regional, national, and international creative talent while controlling costs



ACTIVITY PROFILE

Main Hall activity examples



**YERBA BUENA
CENTER FOR
THE ARTS**



ACTIVITY PROFILE

Ancillary spaces

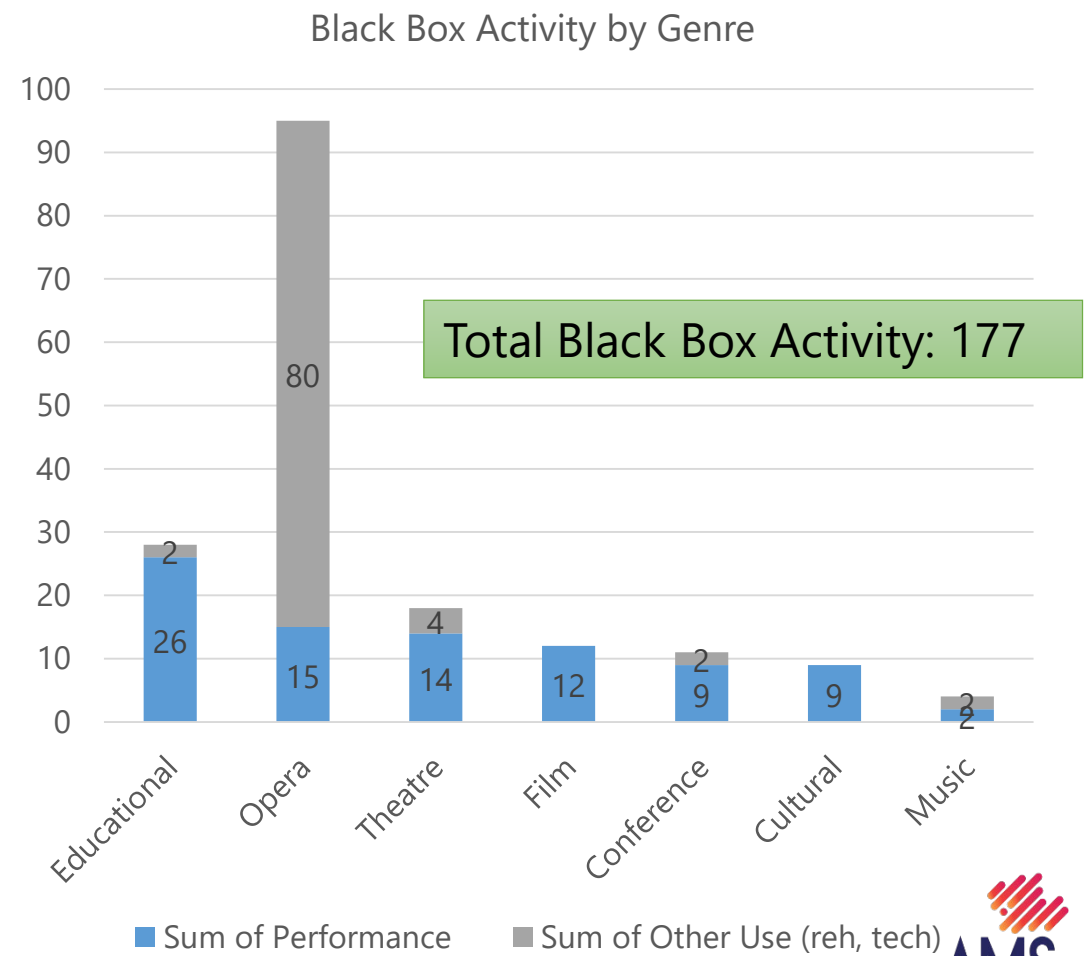
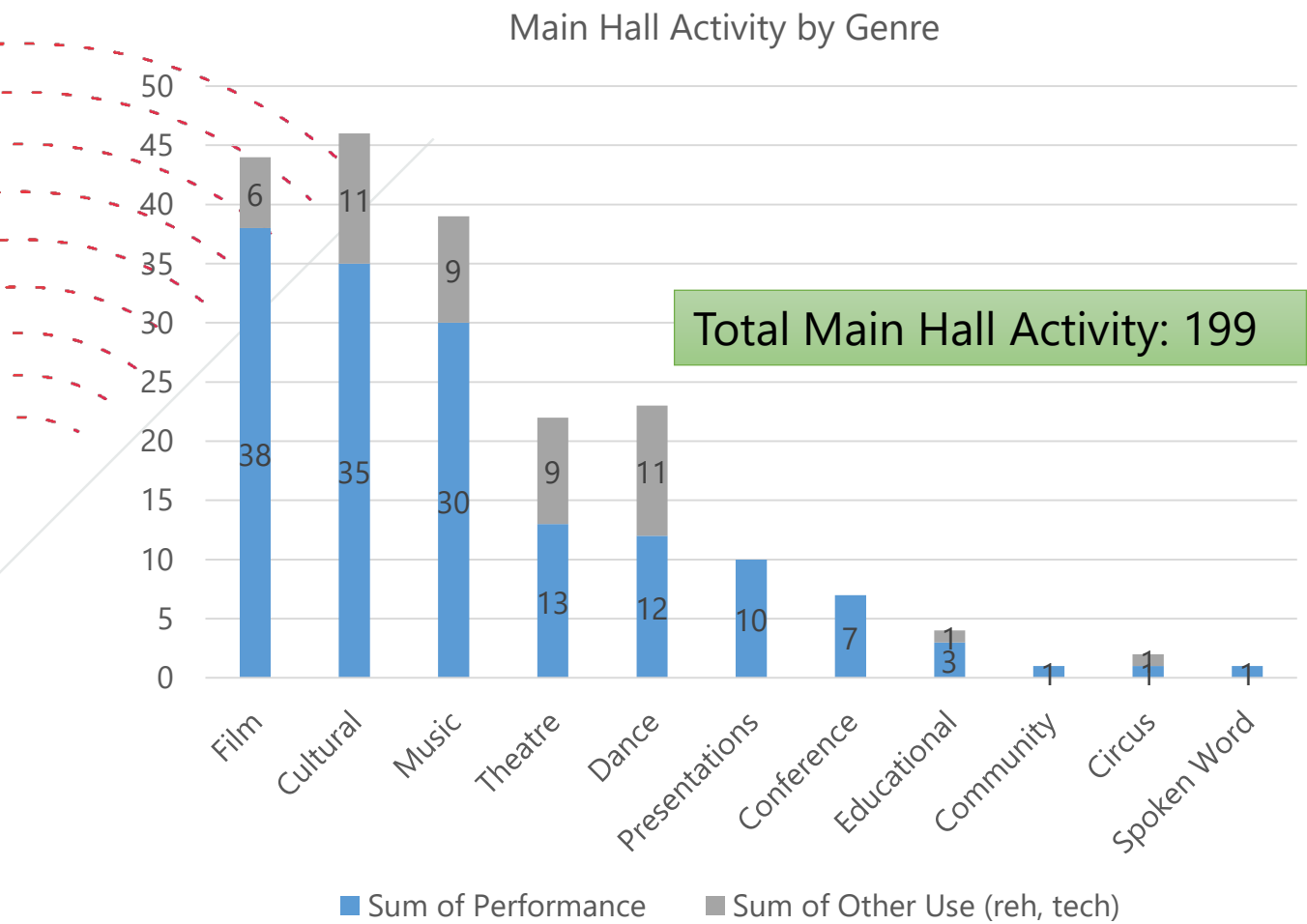
DANIELS SPECTRUM



YERBA BUENA
CENTER FOR
THE ARTS

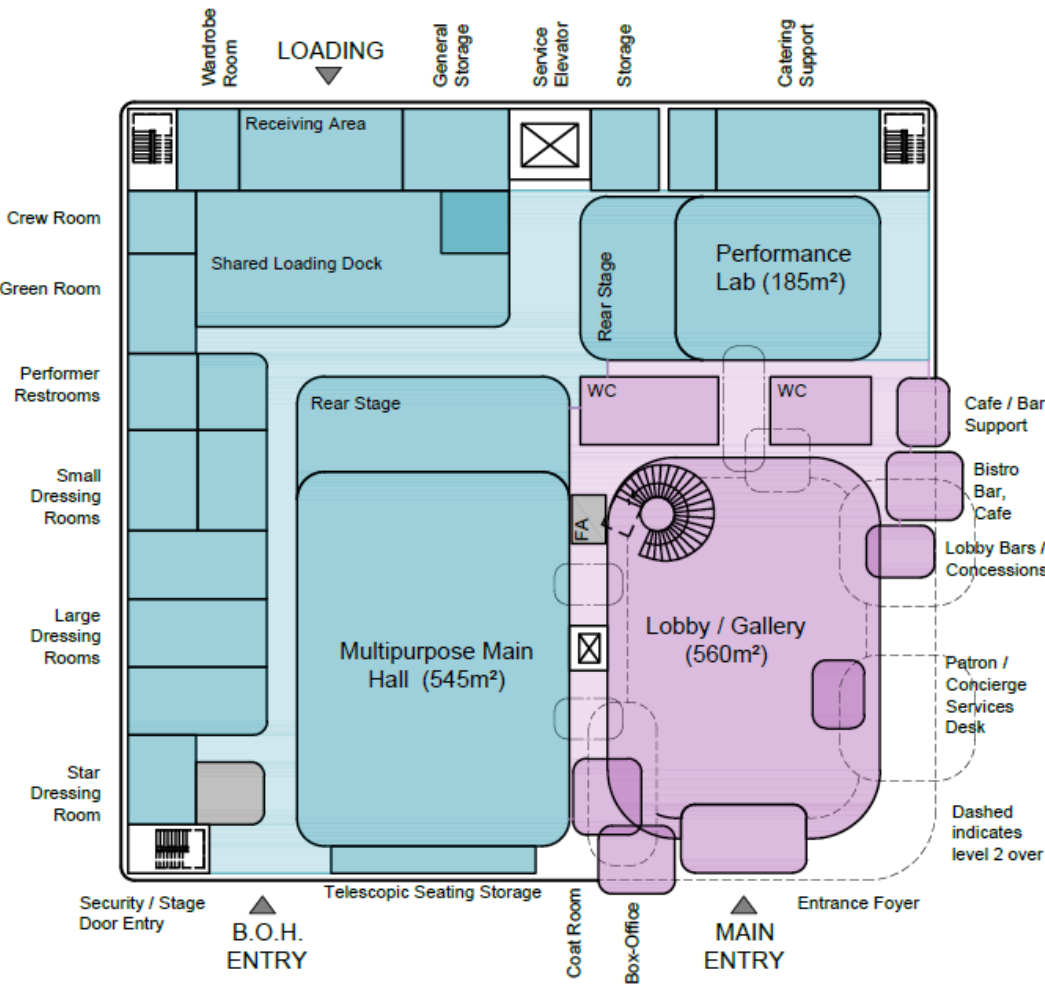


Activity is positively tilted towards public or audience days

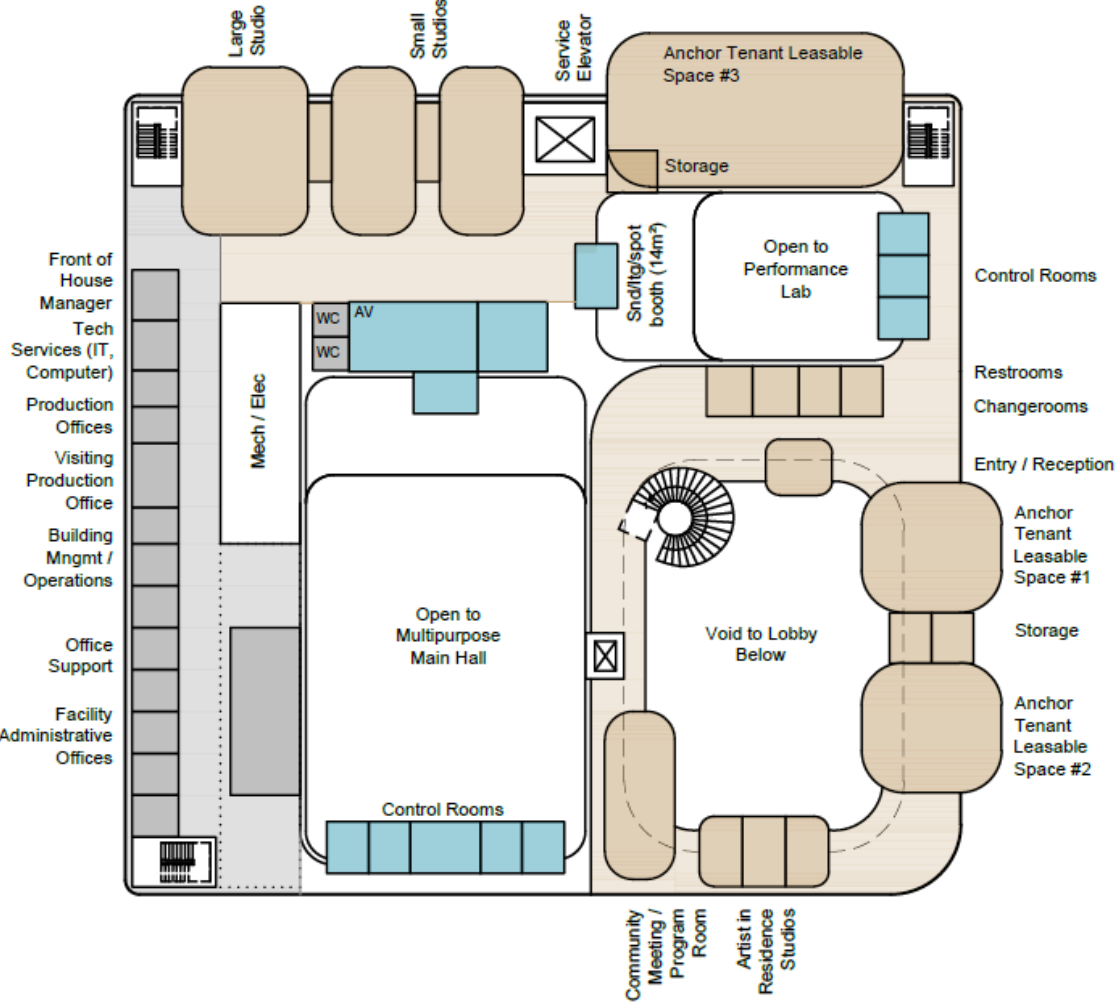


Facility Program

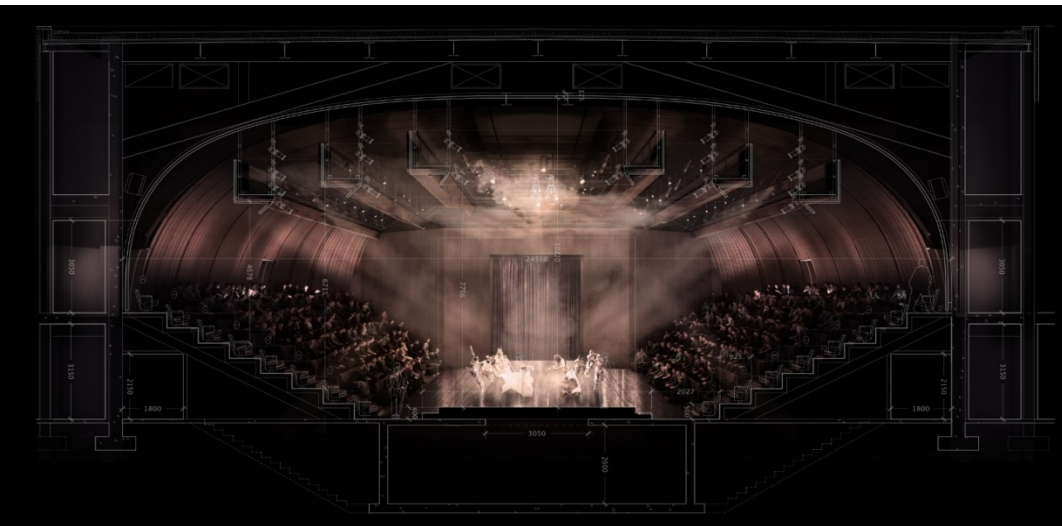
PROJECT SUMMARY		
Activation Spaces	49%	20,780
Main Theatre / Multipurpose Venue	400 Person Capacity	8,730
Performance Lab	125 Person Capacity	3,850
Performer Support		4,500
Loading / Bldg Support		3,700
Public Spaces	24%	10,100
Gathering		6,900
Front of House		1,900
Amenity		1,300
Anchor Tenants / Studios / Education	22%	9,410
Studios & Education Spaces		3,850
Studio Support		1,060
Tenants		4,500
Admin / Support / Operations	6%	2,550
Program Total	100%	42,840
Gross Floor Factors	55%	23,562
TOTAL AREA		66,402 SF



Ground Floor Program

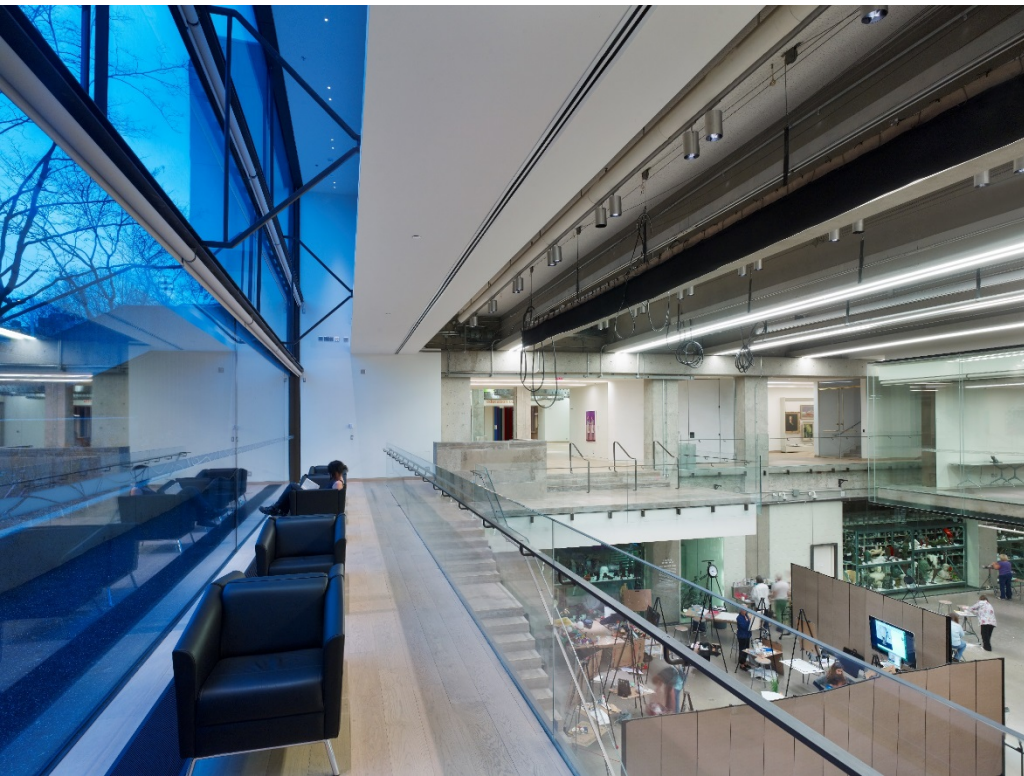


Second Floor Program



Stratford Festival, New Tom Patterson Theatre, Stratford ON

Activating Opportunities





St Elizabeth Performing Arts School - Thornhill, ON



New World Center - Miami, FL



Andermatt Concert Hall - Andermatt, Switzerland



Writers Theatre - Chicago, IL



Gehua Youth and Cultural Center - Qinhuangdao, China



George S. and Delores Dore Eccles Theater - Salt Lake City, USA



Alice Tully Hall - New York, NY



Seinajoki Library - Seinajoki, Finland



Drama Stage of Beihedong Village, China



Mont-Laurier Multifunctional Theater - Mont-Laurier, PQ



Daniels Spectrum - Toronto, ON



- 5 min. walk
- 10 min. walk
- 15 min. walk

Walking Distances from Major Transit
Proximity to Significant Parks



Culture Hub in the VMC - Integrated Podium



VMC Cultural Arts Centre - Development Options & Capital Costs				
	Option 1 Integrated Podium	Option 2 Pavilion in a Park	Option 3 Design/Build/Finance	Option 4 Capital Lease
Program Area	42,840	42,840	42,840	
Gross Floor Area	66,400 SF	68,540 SF	66,400 SF	66,400 SF
Construction & Equipment	\$ 42.4 M	\$ 45.4 M	\$ 53.9 M	\$ 42.4 M
Underground Parking	\$ 6.0 M	\$ 6.0 M	\$ 7.8 M	\$ 6.0 M
Soft Costs	\$ 15.6 M	\$ 13.2 M	\$ 8.5 M	\$ 12.2 M
Escalation & Contingencies	\$ 6.9 M	\$ 6.9 M	\$ 9.5 M	\$ 6.5 M
Total Project Cost	\$ 70.9 M	\$ 71.5 M	\$ 79.7 M	\$ 67.2 M \$ 63 / SF Annual Lease Cost over 20 Years: 83.4 M

Operating Model

Framing the financial outcomes

Operating results are independent of operating model or development structure

VMC Cultural Centre	
Schedule 1: Key Assumptions	
Space Assumptions	
Main Hall Capacity	400
Black Box Capacity	100
Gross Square Footage	66,400
Economic Assumptions	
Fringe Benefits (Full-Time)	31.2%
Fringe Benefits (Part-Time)	11.8%
Average Ticket Service Fee	\$4.50
Operating Contingency (% of Expenses)	5.0%
Pro Forma Assumptions	
Concessions per cap	\$7.00

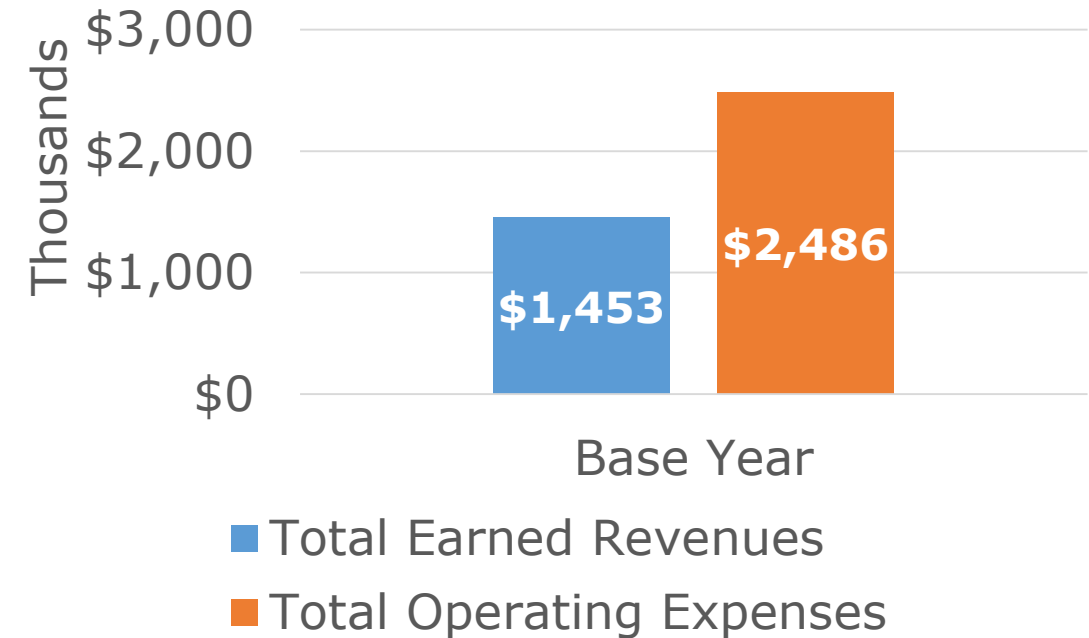
Summary

VMC Cultural Centre	
Schedule 2: Summary Pro Forma	
Operating Overview	Base Year
Total Earned Revenues	\$1,452,500
Total Operating Expenses	\$2,486,000
Operating Result Before Contributions + Subsidy	(\$1,033,500)
Total Contributed Revenues	\$0
Net Operating Result	(\$1,033,500)

Financial data from comparative market venues shows an average operating deficit of \$535,000.

Deficits for individual centres range from \$0 (break even) to \$1.5M.

Summary Financial Results



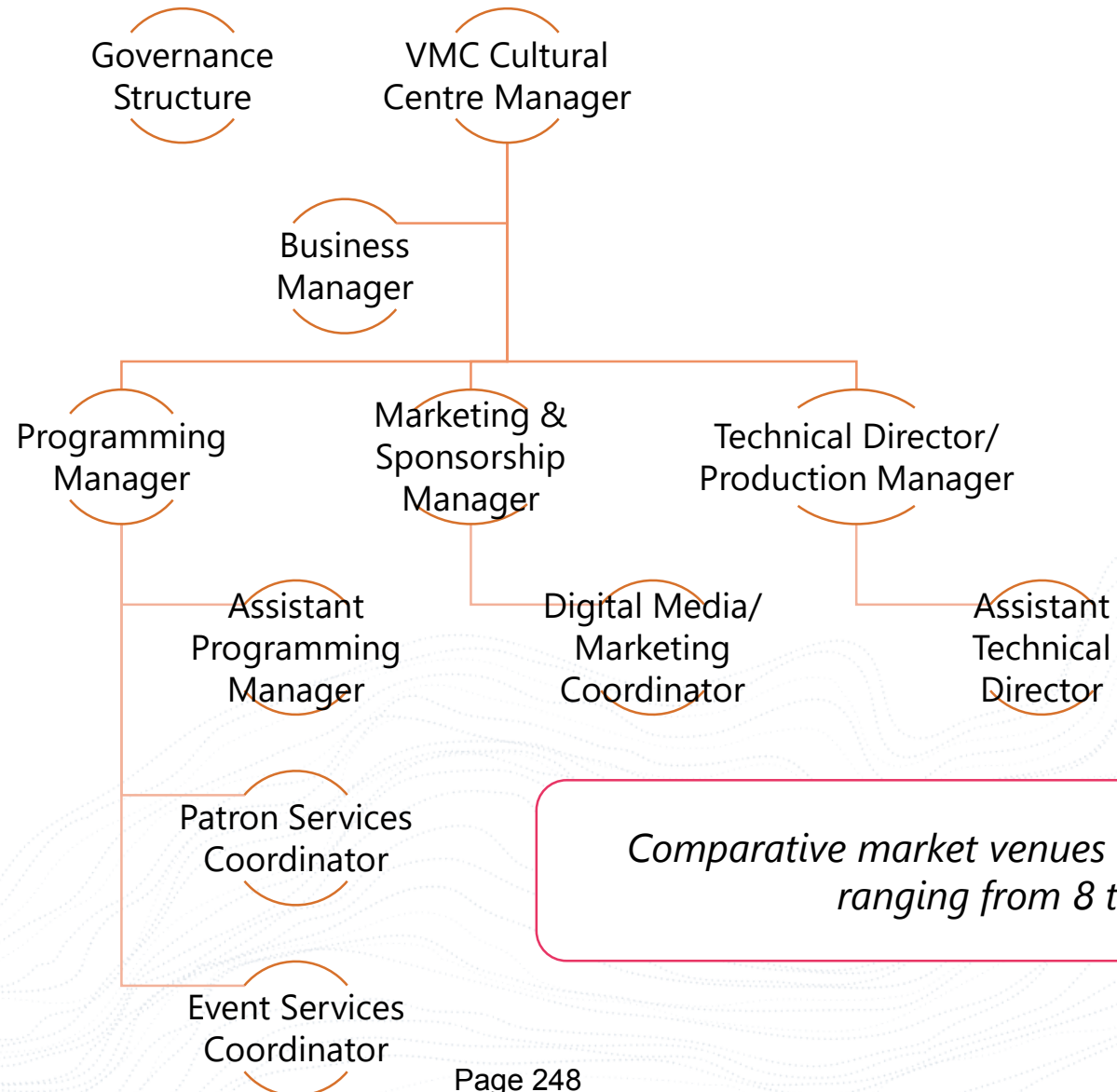
Earned revenue is 58% of operating expenses

Comparative market venues see average earned revenue representing 68% of operating expenses, ranging from 47% to 96%.

Staffing Recommendations

Lean staffing enables innovation

10 person staffing model



Comparative market venues have an average of 22 staff, ranging from 8 to 50 personnel.

Recommendations

***Policy** couches
economic,
stakeholder, and
design decision*

***Implementation**
will flow from policy
and the work to date*

- **A private (nonprofit) operator** will need predictable relationships with the developer and City
- **Subsidy** will be needed to offset operating requirements
- **Collaboration with prospective anchor tenants** and other stakeholders will be key to driving the level and quality of programming envisioned
- **Early programming**, akin to Daniels Spectrum's pre-building initiatives, will develop an audience and (potential) donor base
- The **policy context** will impact...
 - Amount of subsidy needed
 - Nature and breadth of partnerships
 - Early engagement opportunities

VMC Sub-committee Report

DATE: Wednesday, December 04, 2019

WARD(S): ALL

**TITLE: ALIGNING POLICIES AND PROGRAMS TO CONTINUE OFFICE
DEVELOPMENT MOMENTUM IN VAUGHAN**

FROM:

Tim Simmonds, Interim City Manager

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

ACTION: DECISION

Purpose

To seek Council approval to continue efforts to promote major office development in Vaughan by enacting development charge deferral policies for large office developments that will align the City with the deferrals being offered by the Region of York. Additionally, staff would like to initiate a Community Improvement Plan (CIP) Study with a focus on office development along the Regional Corridors as shown in Attachment 1, and also extend the existing CIP By-Law 176-2015 and 177-2015 in the VMC and Weston Road/Highway 7 Primary Centre by an additional two years.

Report Highlights

- Office development is a significant contributor to Vaughan's current and future competitiveness, its placemaking and city building initiatives, its financial sustainability and its residential and workforce development goals.
- Vaughan's introduced a Community Improvement Plan in the VMC and Weston/Highway 7 Primary Centre, in November 2015 to spur major office development, and it is due to expire in late 2020.
- To date, four CIP applications were received accounting for 67,300 m² (724,400 ft²) of office space. Only three projects have been constructed; two in the VMC and one in the Weston/Highway 7 Primary Centre totaling 53,800 m².
- An economic and fiscal impact analysis of office, commercial and residential development in the VMC found that development and construction generated \$5.1 billion in direct economic activity alone, with an additional \$447.5 million annual expenditures for the 2015-2020 period.
- The marketplace has become more competitive. Greater Toronto Area municipalities, including Brampton, Richmond Hill, Markham, Toronto, and Mississauga have or will be implementing CIPs or development charges (DCs) deferrals or grants specifically for office development that will place them in direct competition with Vaughan.
- York Region has approved new financial incentives for its Centres and Corridors for office development, greater than 75,000 ft² (6,967.5 m²) in size.
- For office developments in Vaughan to take advantage of the Region's Development Charge Deferral Programs, the City must initiate or revise existing Development Charge Deferral and/or CIP programs to provide similar or better incentives for office development.

Recommendations

1. That Council approve pilot office incentive policies and programs to encourage large office buildings through:
 - a) The approval of a City-Wide Development Charge Deferral for Office Buildings Policy 12.C.05 (Attachment 2) consistent with the York Region's 18-month DC Deferral program approved on October 10, 2019, and with the provisions of the Bill 108, *More Home More Choice Act, 2019*;
 - b) The approval of City-Wide Development Charges Deferral for Office Buildings a Minimum of 50,000 Square Feet and on the Highway 7 and Yonge Street Regional Corridor – Pilot Program Policy 12.C.06 (Attachment 3) which introduces a time-limited program that provides an interest-free, long-term development charge deferral for qualified office buildings, meeting a minimum

- threshold of 50,000 ft² and four storeys, along the Regional Corridors, to align with the Region of York's DC deferral policy in Regional Centres and Corridors;
2. That staff be directed to initiate a Community Improvement Plan study and stakeholder consultation process to explore further tools to promote office development in the Regional Corridors, which stretches along Highway 7, from Highway 50 to North Rivermede; along Centre Street; Bathurst Street from Centre Street to Highway 7 and the west side of Yonge Street, from Steeles Avenue to Highway 7; and report back to Council on the results of the consultations and propose recommendations;
 3. That the CIP By-law 176-2015 and 177-2015 applicable to the VMC and Weston Road / Highway 7 Primary Centre in the City of Vaughan, be extended to the end of 2022 in line with the Region and City's DC deferral programs; and
 4. That staff report back to Council, prior to the end of this Council term, on the results of the pilot incentive program.

Background

In November 17, 2015 Council approved the implementation of By-law 176-2015 designating the Vaughan Metropolitan Centre and Weston / Highway 7 Primary Centre as the Community Improvement Project Areas within the City of Vaughan. Further, Council adopted By-law 177-2015 setting forth the Community Improvement Plan for the aforementioned project areas. The goal of the CIP is to support the acceleration of office development in the two designated areas.

Conditions set within the existing CIP call for it to be reviewed upon its five-year expiry date or upon full usage of the 139,355 m² (1.5 million ft²) of office space identified in the plan, whichever occurs first. As the expiry date approaches, it is timely to review and assess the CIP and its impact on the attraction of office development in Vaughan. Furthermore, the changing office market place, introduction of financial incentives by competing municipalities, and planning policy changes necessitate that Vaughan re-examines its position relative to financial and non-financial incentives as it affects the VMC and other intensification areas.

Previous Reports/Authority

[Community Improvement Plan: A Strategic Tool to Support and Accelerate Office Development - Item 4, Report No. 2 of Priorities and Key Initiatives Committee, May 12, 2014](#)

[Community Improvement Plan for the Vaughan Metropolitan Centre and Weston Road / Highway 7 Primary Centre - Item 11, Report No. 40 of Committee of the Whole, November 17, 2015](#)

[Community Improvement Project Areas By-law 176-2015](#)
[Community Improvement Plan By-law 177-2015](#)

[Development Charges By-law 083-2018](#)

[Council Extract Related to Item 11, Report No. 40, Committee of the Whole Report](#)
[Community Improvement Plan Update - VMC Sub-Committee, February 13, 2018](#)

[York Region Development Charges Deferral for Office Buildings, Committee of the Whole 2 Report, October 10, 2019](#)

Analysis and Options

Update on Office Development in the City of Vaughan

Vaughan is an emerging player in the GTA office market

According to Colliers Canada's Q2 2019 GTA Office Market Report, Vaughan has an inventory of 82 office buildings comprising of more than 483,000 m² (5.2 million ft²) of office space, with the vast majority falling outside the VMC. Vacancy rates on office space city-wide hovers around 3.5 per cent, and Vaughan weighs in with highest average asking net rent of \$19.81 per square feet in suburban office markets outside of Toronto (Table 1); higher even than the Yonge-Eglinton corridor which came in at \$17.69 per square feet.

Table 1: Selected Office Market Statistics – Q2 2019

Market	# of Buildings	Total Inventory (SF)	Vacancy Rate	Availability Rate	Weighted Avg. Asking Net Rent (\$PSF)	Weighted Avg. Asking Gross Rent (\$PSF)
Financial Core	109	37,685,473	2.2%	4.2%	\$36.22	\$65.05
North Yonge Corridor	58	10,700,185	5.3%	8.5%	\$21.09	\$41.94
Yonge Eglinton	74	6,938,241	1.5%	1.8%	\$17.69	\$35.05
Vaughan	82	5,225,868	3.5%	4.8%	\$19.81	\$31.00
Hwy. 404 / 407	130	10,441,750	4.3%	6.8%	\$16.44	\$30.20
Airport Corporate	82	7,020,539	8.6%	11.8%	\$16.08	\$31.61

Source: Colliers Canada, GTA Office Market Report, Q2 2019

The VMC has been the focus of financial and non-financial incentives for new office development.

The VMC Secondary Plan established minimum targets of 1.5 million ft² of office space development and 750,000 ft² of retail space employing 11,500 people, of which 5,000 would be engaged in office activities. Additionally, the Secondary Plan calls for 12,000 residential units housing approximately 25,000 residents by 2031.

In support of significant public sector investments in transit and transportation infrastructure, and to facilitate the development of Vaughan's downtown, Vaughan implemented a CIP in late 2015 to spur office development. In addition to the 30+-year-old Royal Centre and 101 Exchange Avenue, two new office buildings have been completed in the VMC since 2015: KPMG Tower and PwC/YMCA Community Centre. The KPMG Tower which opened in 2016 set a new benchmark for office rents. In Q4 2019, PricewaterhouseCooper LLP (PwC) will open its doors at the PwC/YMCA tower bringing the total new office space to more than 36,800 m². Planning approvals are in place for an additional 13,500 m² of office space at the Liberty Development's 'Cosmos' site.

The City has met its 2031 residential and population targets within the VMC, with 19,641 residential units built, under construction or proposed (164% of residential targets) and 38,889 population (156% of targeted population). Factoring in the two new major office projects that will be going through a pre-application consultation process, and proposed retail space, retail and office developments currently stand at 53% and 66% of target, respectively.

Office projects outside the VMC are dispersed along major corridors and key nodes.

Outside the VMC, recent office developments have occurred at Weston Road and Highway 7 (Liberty Development's Centro Square); as well as three office proposals in the Vaughan Enterprise Zone. Site plan proposals have also been submitted for Bathurst/Centre Street (Promenade Mall redevelopment), and Keele and Steeles.

In total, there is a potential for more than 972,000 ft² of new office space in the development pipeline (see Table 2 below). However, most of these projects are still in various planning stages. The lack of immediately available Class A office space means that a prospective tenant looking for space to occupy in the next 12 to 18 months, could not be accommodated in the current building stock or projects in the planning pipeline.

Table 2: Proposed Major Office Projects

Developer / Applicant	Location	Size
Promenade Limited Partnership (OP.18.013)	Promenade Mall – 1 Promenade Circle	206,673 ft ² (19,200 m ²)
Kartelle 130 Racco Parkway Inc. (DA.18.006)	130 Racco Parkway	57,061 ft ² (5,301 m ²)
Steeles Keele Investments Ltd. (DA.08.051)	2330 Steeles Ave. W.	237,600 ft ² (22,073 m ²)
LiUNA Local 183 (DA.18.025)*	8500 Huntington Rd.	290,635 ft ² (27,000 m ²)
Zzen Group (DA.18.041)	6220 Highway 27	90,473 ft ² (8,405 m ²)
Zzen Group (DA.18.083)	6230 Highway 27	90,473 ft ² (8,405 m ²)

* purpose-built space to be occupied by LiUNA Local 183

Regional and City planning policy reviews provide an opportunity for future office development in key corridors and primary centres.

As York Region works through its Municipal Comprehensive Review (York Region Official Plan Review), the City of Vaughan is also undertaking a review of its planning policies and master plans. In addition to the Official Plan Review, the City will be updating its VMC Secondary Plan and will be preparing secondary plans for Weston Road and Highway 7, Dufferin and Centre Street and the Promenade Mall. These exercises will allow Vaughan to consider its future growth to the year 2041; including office and major office uses. Increasingly as Vaughan becomes a highly urbanized City, creating a balanced and complete community grows in importance, to provide a mix of uses, including office and other commercial uses as a source of employment opportunities.

The Provincial Growth Plan 2019 (Growth Plan) requires upper-tier municipalities, in consultation with lower-tier municipalities, to delineate the boundaries of Major Transit Station Areas (MTSAs) on Priority Transit Corridors or subway lines. MTSAs are ‘the area including and around any existing or planned higher order transit station or stop within a settlement area; or the area including or around a major bus depot in an urban core. MTSAs generally are defined as the area within an approximate 500 to 800-metre radius of a transit station, representing about a 10-minute walk.’

The Growth Plan establishes minimum density targets for MTSAs as follows:

- 200 residents and jobs combined per hectare for MTSAs on a subway line

- 160 residents and jobs combined per hectare for MTSA's served by light rail and rapid transit
- 150 residents and jobs combined per hectare for MTSA's on the GO Transit line

The Growth Plan directs major office uses to Urban Growth Centres (VMC for Vaughan), MTSA's and other Strategic Growth Areas with existing or planned frequent transit service. York Region, in consultation with the City of Vaughan has currently identified more than 20 MTSA's in Vaughan; and has established draft minimum density targets which exceed the above Growth Plan minimums for a number of them. This represents a major opportunity for office development as we proceed through the Official Plan Review process as well as the previously mentioned secondary planning processes.

Economic and Fiscal Impacts – VMC Case Study

The City's investment in the existing CIP along with a well-articulated vision for the downtown, development process improvements, infrastructure investments and other non-financial incentives will play key roles in attracting the \$17 billion of economic activity anticipated in the coming decades.

Large office buildings like those occupied by KPMG, Telecon (Centro Square) and PwC serve as corporate anchors, creating a critical mass of space and employment to leverage the transit investments made, spurring retail commercial development, and serving as a draw for support services and workforce development.

The City retained Altus Group to undertake a high-level economic analysis of Vaughan's CIP areas over two time periods. In the 2015-2020 timeframe, the analysis took into account completed or under construction development projects, and ongoing operations of the constructed projects, including property management, retail spending and employment. In the 2021-2041 timeframe, the analysis was completed based on projected incremental development and construction activity, spending and employment. Public and private sector investments in transit, roads and servicing, parks and open spaces were excluded from the analysis. Altus's estimates based on the VMC case study as presented below (Attachment 4) represent a magnitude of economic benefits to Vaughan and the Province of Ontario:

Vaughan Metropolitan Centre - Economic Impact

1. Total economic activity is estimated at \$9.1 billion between 2015 and 2020, growing to \$17.3 billion by 2041 from one-time construction and development activities. Total economic activity from on-going annual operations is estimated at \$914 million between 2015 and 2020, growing to \$3.5 billion by 2041.

2. Jobs from direct, indirect and induced activities from 2015-2020 is estimated at 45,491 person-years of employment while wages are estimated at \$3.1 billion, during construction and development. Jobs from on-going annual operations for 2015-2020 is estimated at 18,494 person-years of employment, rising to 77,486 person-years by 2041.
3. Gross Domestic Product (GDP) contributions is estimated at \$4.8 billion, forecasted to grow to \$9.1 billion by 2041 from construction and development activities. On an on-going annual operating basis, GDP is estimated at \$485.8 million, and \$1.9 billion for the 2015-2020 and 2021-2041 period, respectively.
4. Business earnings total \$1.7 billion and are forecasted to grow to \$3.2 billion by 2041 from construction and development activities. On an on-going annual operating basis, business earnings total \$101.8 million and \$365.1 million, for the 2015-2020 and 2021-2041 period, respectively.

Vaughan Metropolitan Centre - Fiscal Impact

1. Annual property tax revenues, as a portion of government revenues are estimated at \$240.2 million for 2015-2020 period, increasing to \$302.5 million for the 2021-2041 period.
2. Development charges revenue are estimated at \$512.9 million between 2015-2020, growing to \$868.3 million by 2041.
3. Land transfer taxes are estimated at \$65.3 million between 2015-2020, growing to \$170.3 million by 2041.

Competition for Office Investment and the Use of Financial and Non-Financial Tools

Employing the Community Improvement Plan as a tool for accelerating major office buildings

Section 28(1) of the *Planning Act* defines a Community Improvement Plan as, 'a plan for community improvement of a community improvement project area' where the following definitions apply:

Community Improvement means:

The planning or re-planning, design or redesign, re-subdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, building, structures,

works, improvements or facilities, or spaces therefore, as may be appropriate or necessary; and

Community Improvement Project Area means:

A municipality or an area within a municipality, the community improvement of which in the opinion of Council, is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.

The Act provides that municipalities in Ontario with an in-effect official plan that has provisions relating to community improvement, the council may by by-law designate community improvement plan project areas and implement community improvement plans.

Competition for office development is ratcheting up in the Greater Toronto Area

At the time of Vaughan's implementation of its CIP, Toronto was the only municipality with incentives that targeted office development. The market place has since changed significantly. Mississauga (2017), Richmond Hill (2018) and Markham (2017) and Brampton (2019) have all implemented financial incentives for office development. The City of Toronto offers the most generous incentives, exempting all development charges for non-residential gross floor area above the ground floor and providing a 10-year Tax Increment Equivalent Grant (TIEG). Mississauga introduced a suite of financial incentives for its downtown, including a TIEG, municipally funded parking program, development processing fee rebates, and municipal property acquisition and disposition. Within York Region, Richmond Hill offered a TIEG and Markham discounted development charges to 25% of applicable rates for office buildings in excess of 100,000 ft².

The City of Brampton has had a history of CIPs for its Central Area dating back to 2000. The incentives offered included development charge deferrals, façade improvements, building improvements and sign permit fee subsidy programs. Most recently, the City of Brampton has revised its development charges by-law to waive development charges on office development of at least two storeys and greater than 50,000 ft² on a city-wide basis; and allowed change of use exemptions to allow industrial spaces to be repurposed to commercial uses. Brampton will be undertaking a city-wide CIP study with a targeted presentation date of Q4 2020.

Since Vaughan implemented its first CIP in November 2015, four CIP applications, that collectively total approximately 67,300 m² (724,400 ft²) of new office space and

representing 48 per cent of targeted office space goal, have been received. The four applications are estimated to generate \$15.6 million in new property tax revenue over ten years. Estimated foregone revenues is \$12.5 million from Cash-in-Lieu of Parkland, development charges and property taxes over ten years.

Bill 108, More Homes, More Choice Act, 2019 changes how development charges are levied on office development

Bill 108, *More Homes, More Choice Act, 2019*, which received Royal Assent on June 6, 2019 changed both the administration of development charges, and the timing of payment for office development. The legislation allows developers to lock in development charge rates on the day upon which a site plan or zoning application is made. Furthermore, non-residential developments including offices, would not have to pay development charges until the earlier of occupancy permit or first occupancy of the development; and continue to pay, in equal installments for the subsequent five years. Under the regulatory framework proposed by the Ministry, virtually all types of office development would qualify for the delayed or phased payment regime. There are no minimum height requirements to qualify for the Bill 108 provisions.

Implementation of York Region's new Development Charges Deferral Pilot Programs will add another financial incentive tool for attracting office development in the Regional Centres and Corridors.

At the June 13, 2019 Committee of the Whole, York Region Council directed staff to consult with stakeholders on potential financial incentives to promote major office development in the Region's Centres and Corridors. On October 16, 2019 York Region Council ratified a report and memorandum (Attachments 5 and 6), recommending the following:

1. Development Charge Deferral aligned with the provisions of the *More Homes More Choice Act, 2019*; and
2. A new time-limited development charges deferral for office buildings greater than 75,000 ft² in gross floor area and having at minimum, four storeys located in its Regional Centres and Corridors or specific local centres such as Keswick, King and Whitchurch-Stouffville. The three-year pilot is an interest-free DC deferral that has a variable duration period based on building scale, as illustrated in Table 3.

Table 3: Duration of York Region's Development Charges Deferral

Gross Floor Area Threshold	Duration of Development Charges Deferral Available in Regional Centres and Corridors or Specific Local Centres
Between 75,000 ft ² to 150,000 ft ²	5 year*
Between 150,000 ft ² to 250,000 ft ²	10 year*
Greater than 250,000 ft ² and less than or equal to 400,000 ft ²	15 year*
Greater than 400,000 ft ²	20 year*

* Note: Once threshold is crossed, entirety of gross floor area in office building is deferred for this timeframe

The Region's policy will only be available to the first 1.5 million square feet of gross floor area on a 'first-come, first-served' basis. The Region will only enter into a Development Charges Deferral agreement if the local municipality provides a 'similar, if not better' deferral, exemption, or other incentives.

Next Steps – A City of Vaughan Four-Prong Strategy for Continuing the Office Development Momentum

Staff recommend a City-Wide Development Charge Deferral to align with York Region's recently updated Development Charges Deferral for Office Buildings

To align with York Region's Development Charge Deferral policy, the City of Vaughan may wish to introduce a city-wide development charge deferral program to incentivize office developments with Bill 108 provisions. For eligible projects, an 18-month interest-free deferral may be granted from the earlier of the date of the issuance of a permit under the Building Code Act, 1992 authorizing occupancy of the building, or the date the building is first occupied. Attachment 2 forms the City of Vaughan's City-Wide Development Charge Deferral for Office Buildings Policy 12.C.05.

Staff recommend a Development Charge Deferral for Large Office Buildings Pilot Program in the Highway 7 and Yonge Street Regional Corridors to align with York Region's new Development Charge Deferral for Office Buildings in the Regional Centres and Corridors Pilot Program

To align with York Region's Pilot Program for Office Buildings in the Regional Centres and Corridors, the City of Vaughan may wish to introduce a development charge deferral program in the Highway 7 and Yonge Street Regional Corridors. Whereas the Region's policy applies to developments greater than 75,000 ft², it is proposed that Vaughan's program has a minimum threshold of 50,000 ft² and four storeys above grade. The

rationale for lowering the qualifying threshold is to recognize that development occurs at different scales in the Regional Corridor. Additionally, this threshold aligns with what is being used in neighbouring municipalities.

The duration of the recommended development charge deferral is longer than the city-wide Development Charges Deferral Program to encourage larger scale developments.

Table 4: Proposed Vaughan Development Charges Deferral for Office Buildings in the Regional Corridor

Gross Floor Area Threshold	Duration of Development Charges Deferral Available in Regional Corridor
Between 50,000 ft ² to 150,000 ft ²	5 year*
Between 150,000 ft ² to 250,000 ft ²	10 year*
Greater than 250,000 ft ² and less than or equal to 400,000 ft ²	15 year*
Greater than 400,000 ft ²	20 year*

* Note: Once threshold is crossed, entirety of gross floor area in office building is deferred for this timeframe

If approved, the Development Charge Deferral as proposed in Attachment 3 would be applicable to the end of this term of Council.

Staff recommend initiating a public consultation process as part of a Community Improvement Plan study along the Regional Corridor

The City's policies pertaining to CIPs are found in Policy 10.1.2.13, which has been approved by the former Ontario Municipal Board. A precedent for a CIP has been established, as set out in Item 4 of Report No. 2 of the Priorities and Key Initiatives Committee, May 14, 2014: *Community Improvement Plan: A Strategic Tool to Support and Accelerate Office Development*. In November 2015, Council approved a CIP for the VMC and the Weston Road/Highway 7 Primary Centre.

With the Region's approval of the new Development Charge Deferral Pilot Program, office incentives are available for an area that extends beyond the VMC or the Weston Road / Highway 7 Primary Centre boundaries. Thus, to bring the City in alignment with Regional programs, and to consider other financial and non-financial tools, staff is recommending undertaking a stakeholder consultation process to explore the establishment of a Community Improvement Plan along the Highway 7 and Yonge Street Regional Corridors. A consultation and engagement plan will be developed to solicit public and industry stakeholder feedback on the need for, and magnitude required, of any proposed office

incentive programs. The outcomes of the consultation process will inform staff recommendations and the budget process moving forward.

Once the by-law designating the Community Improvement Project Area has been passed, Council may provide for the preparation of a plan 'suitable for adoption as a community improvement plan for the community improvement project area'.

In addition to any City initiated requirements for public consultation, the approval process for the CIP requires that it follow the same procedures as those for an Official Plan amendment (Section 17 of the Planning Act). This includes the requirement for a Public Open House and having the draft CIP available to the public 20 days in advance of the Public Meeting; the holding of a Public Meeting before Council on the draft plan to obtain further public input; revise the Plan accordingly and submit to Council for adoption; and give written notice of Council's adoption of the CIP. The appeal period lasts 20 days, after which the plan comes into effect if there are no appeals and, if there are appeals, they are forwarded to Local Planning Appeal Tribunal for adjudication.

Staff recommend that CIP By-law 176-2015 and 177-2015 be extended by two years

The current in-force CIP By-laws offers incentives that includes a tax increment equivalent grant; development charge deferral, and cash-in-lieu of parkland to the first 1.5 million square feet of office space in the VMC and/or Weston Road / Highway 7 Primary Centre. CIP By-law 176-2015 and 177-2015 are due to expire at the end of 2020. To bring them into alignment with the two proposed development charge deferral policies, it is recommended to extend the deadline by two years until the Term of Council ends. Staff will work with the development industry to promote and market the CIP program; as well as report on the outcomes of CIP By-law 176-2015 and 177-2015.

Advancing complementary non-financial tools and improvements to the development approvals process also supports and encourages office attraction and fulfills our mandate for service delivery excellence.

Financial incentives, such as development charges deferrals are but one tool for attracting office development. Other factors that play a role in creating a competitive environment for attracting tenants include an expedited development process, a predictable property tax regime and availability of shovel-ready sites.

The City has formed a Development Liaison Committee comprised of development industry and agency representatives to provide a forum for dialogue and collaboration in continuous improvement of the development process. Led by Transformation and

Strategy and the Planning and Growth Management Portfolio, the City is embarking on a pilot project as part of its Development Application Approval Process (DAAP) - an integrated and streamlined service delivery channel that spans early stage planning applications to late stage building permit issuance.

Staff will continue to monitor changes to Regional policies with respect to development charges, property taxes, business practice reforms, and other process improvements that drive positive change for office and employment attraction.

The recommended incentive programs align with Term of Council Service Excellence Strategic Plan and the Economic and Cultural Development department's 2019-2023 Strategic Business Plan.

Facilitating the development of major office buildings in the Regional Corridor, is aligned with the Term of Council Service Excellence Strategic Plan objectives including:

- City Building
- Active, Safe and Diverse Communities
- Economic Prosperity, Investment and Social Capital

Financial Impact

Development charge deferrals are financed as opposed to funded. For example, a 20-year development charge deferral for an office building of 400,000 sq. ft. would cost the City approximately \$5.3 million over the life of the deferral but would also generate approximately \$24.7 million in additional property tax revenues (present value) for the City, Region and Education Board during the 20-year deferral period. Table 5 below further provides an example of the quantified costs for the deferrals for different sized office buildings:

Size of Office Building	Length of Deferral	Present Value of Property Tax	
		Present Value of Cost of Deferral (\$M)*	Revenues Over First Five Years
50,000 - 100,000 sq. ft.	5 year	1.3	6.9
150,000 - 250,000 sq. ft.	10 year	1.1	2.7
250,000 - 400,000 sq. ft.	15 year	2.6	4.1
> 400,000 sq. ft.	20 year	5.5	6.3

*Assumes the Non-Residential development charge rate of \$38.32 (November 8, 2019)

The estimated cost of the proposed deferral program is the foregone interest earned on reserves by deferring development charge collections

The existing and in-force CIP forecasts a maximum exposure of \$17.6 million if full development of the 139,355 m² took place. It is currently estimated that the four CIP applications received to date will result in approximately \$12.5 million less revenue from Cash-in-Lieu of Parkland, development charges and property taxes (over 10 years) as a result of the CIP. However, new revenue to the City generated by the development of this office space will result in an estimated \$15.6 million over a 10-year period that would not have otherwise been realized.

Development charge incentives do not apply to the KPMG Tower and Centro Square as they were able to take advantage of transition measures under the 2013 Development Charge By-law implementation. The PwC/YMCA and Liberty Development 'Cosmos' projects will have development charge implications, resulting in \$887,000 that will need to be repaid by the City from other funding sources. This impact is included as part of the \$12.5 million figure stated above.

Staff will bring forward a report outlining the potential fiscal implications, as well as benefits to the community arising from a new CIP and/or development charge deferral program.

Broader Regional Impacts/Considerations

Senior City staff have been engaged in regular communications with the York Region team from stakeholder consultation stage and later, in the development of the two DC deferral programs. In developing complementary and aligned programs, industry stakeholders will have common understanding of applicable policies easing the implementation and administrative processes.

A copy of this report will be forwarded to York Region to inform the Municipal Comprehensive Review and Economic Development Action Plan updates. Staff will continue to engage with York Region on enhancing competitiveness in attracting and retaining business investments. Staff will undertake to advise the Vaughan Chamber of Commerce and other relevant agencies.

Conclusion

Major office development and the associated employment in knowledge-based sectors, generate highly desirable outcomes in fostering innovation and creativity in local business ecosystem; promoting skills development, higher learning and training amongst residents; and catalyzing placemaking to deliver a high quality of life and economic opportunities for residents and businesses.

Over the past five years, Vaughan has experienced an uptick on office development in the VMC, the Vaughan Enterprise Zone, other primary centres and transit corridors. It is important to the City's competitiveness and financial sustainability to keep up the momentum in office development, particularly as goods-producing sectors give way to services and other knowledge-based work.

The competitive tide has risen in the GTA with office projects being increasingly drawn to Toronto's core. There is an imperative need to stay at the forefront of economic development with financial and non-financial incentives; to support the higher order infrastructure investments that are being made in Centres and Corridors; and to continue to invest in education and skills development for the resident labour force.

Staff recommends a four-pronged strategy to arm the City with tools for attracting office development. The two proposed DC Deferral Programs address a more immediate requirement to align with the Region's programs without an impact to the tax levy. Extension of the current CIP By-law can also be readily implemented, whereas a CIP for the Regional Corridor requires a public consultation process and thus, a longer timeframe to complete.

Vaughan will continue to modernize and optimize its operational processes and service delivery models across the corporation to complement existing financial and non-financial incentives aimed at attracting office investment and employment; and to achieve Term of Council Service Excellence goals, including City Building; Active, Safe and Diverse Communities; Economic Prosperity, Investment and Social Capital; Good Governance and Operational Performance.

For more information, please contact: Dennis Cutajar, Director of Economic and Cultural Development, ext. 8274; Bill Kiru, Director of Policy Planning and Environmental Sustainability, ext. 8633 and Michael Marchetti, Director of Financial Planning and Development Finance/Deputy Treasurer, ext. 8271.

Attachments

1. Map of Regional Centres and Corridors, York Region
2. City-Wide Development Charge Deferral for Office Buildings Policy 12.C.05
3. City-Wide Development Charges Deferral for Office Buildings a Minimum of 50,000 Square Feet in the Highway 7 and Yonge Street Regional Corridors – Pilot Program Policy 12.C.06
4. Economic Impact Statement, Altus Group, November 1, 2019

5. Large Office Building Development Charge Deferral Pilot Program, York Region, Committee of the Whole, October 10, 2019
6. York Region Memorandum: Financial Incentives for Affordable Rental Housing and Large Office Buildings, dated October 16, 2019

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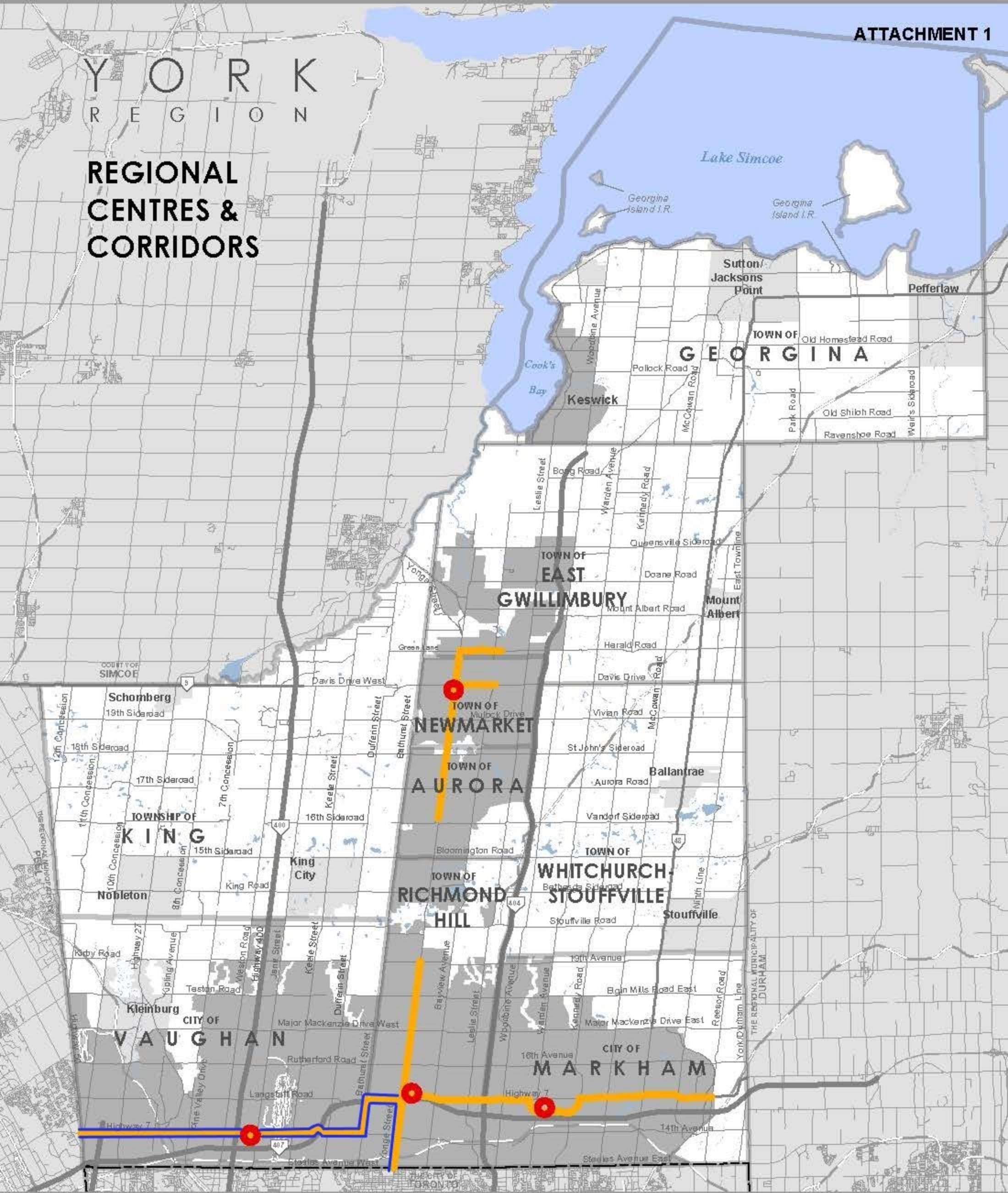
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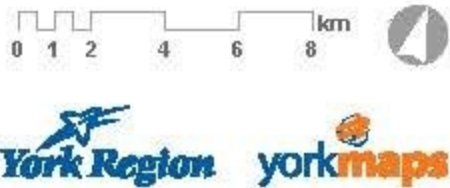
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-  Regional Centre
-  Regional Corridor
-  Highway 7 and Yonge Street Regional Corridor

- BASE MAP INFORMATION**
-  Provincial Freeway
 -  Provincial Highway
 -  Road
 -  Railway
 -  Municipal Boundary
 -  Regional Boundary
 -  Urban Area
 -  Towns and Villages



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Boundaries and Water Features



CITY OF VAUGHAN

CORPORATE POLICY

POLICY TITLE: CITY-WIDE DEVELOPMENT CHARGES DEFERRAL FOR OFFICE BUILDINGS

POLICY NO.: 12.C.05

Section:	Finance & Budgets		
Effective Date:	Click or tap to enter a date.	Date of Last Review:	Click or tap to enter a date.
Approval Authority: Council		Policy Owner: DCM, Corporate Services & CFO	

POLICY STATEMENT

A Policy governing the deferral of City-Wide Development Charges for Office Buildings that are a minimum of four (4) storey's, above grade.

PURPOSE

To incentivize large office developments within the City of Vaughan by encouraging a local business climate that attracts office development investment, businesses, and employment opportunities and to strengthen the Economic Prosperity, Investment and Social Capital strategic priority of Council.

SCOPE

Available to office buildings in the City of Vaughan subject to the terms and conditions as set out in this policy. In order to be eligible, the development must be a minimum of four (4) storey's, above grade.

This deferral policy only applies to City-wide development charges, excludes area-specific development charges and shall not apply to Community Benefits Charges when a Community Benefits Charges By-law has been adopted and is in effect.

LEGISLATIVE REQUIREMENTS

The City is permitted to enter into deferral agreements pursuant to section 27(1) of the *Development Charges Act*, 1997 which states: "*a municipality may enter into an agreement with a person who is required to pay a development charge providing for all or any part of a development charge to be paid before or after it would otherwise be payable.*"

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POLICY NO.: 12.C.05

This policy was prepared in accordance with the Development Charges Act, 1997 as amended by Bill 108 *More Homes, More Choice Act*, 2019.

DEFINITIONS

1. **Act:** The *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.
2. **City:** The Corporation of the City of Vaughan.
3. **Community Benefits Charge:** The City of Vaughan's Community Benefits Charges, established by a Community Benefits Charge By-law, under Section 37 of the *Planning Act*, R.S.O 1990, c. P. 13, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.
4. **Community Improvement Plan (CIP):** Community Improvement Plan as defined in Section 28(1) of the *Planning Act*.
5. **Development:** The construction, erection or placing of one or more buildings or structures on land, or the making of an addition or alteration to a building or structure that has the effect of substantially increasing the size or usability thereof and includes redevelopment.
6. **Gross Floor Area:** As under the City's Development Charges By-law No. 083-2018 or any successor development charges by-law. Gross Floor Area means, in the case of a non-residential building or structure, or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure, or from the centre line of a common wall separating a non-residential and a residential use, and:
 - 6.1. includes the floor area of a mezzanine and the space occupied by interior walls and partitions; and
 - 6.2. excludes in the case of a building or structure containing an atrium, the sum of the areas of the atrium at the level of each floor surrounding the atrium above the floor level of the atrium; and
 - 6.3. excludes the area of any self-contained structural shelf and rack storage facility approved by the Building Materials Evaluation Commission; and
 - 6.4. includes any part of a building or structure above or below grade used as a commercial parking garage; and
 - 6.5. for the purposes of this definition, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure.

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- 7. Letter of Credit:** A form of financial security issued by a financial institution that guarantees payment or performance by one or more counterparties to a beneficiary (the City). At any time, the beneficiary reserves the right to draw upon the security up to a specified total in the event of default on contractual obligations.
- 8. Office Building:** The use of a building or a structure or part of a building or a structure in which one or more persons are employed in the administration, direction or management of a business, agency, brokerage or organization, or by professionally qualified persons and their support staff, and shall include but not be limited to an office of a regulated health professional, lawyer, dentist, architect, engineer, stock broker, accountant, real estate or insurance agency, veterinarian or a similar professional person's office but shall not include a veterinary clinic.
- 9. Storey:** As under the City's Development Charges By-law No. 083-2018 or any successor development charges by-law. A storey means the portion of a building other than the cellar or unfinished attic which lies between the surface of the floor and the surface of the next floor above, and if there is no floor above it, then the surface next above it, provided its height is not less than 2.3 metres.
- 10. Valuation Date:** For the purpose of the Community Benefits Charges, with respect to land that is the subject of development or redevelopment:
- 10.1. The day before the day the building permit is issued in respect of the development or redevelopment; or,
- 10.2. If more than one building permit is required for the development or redevelopment.

POLICY

1. Terms of the Deferral Policy

Upon site plan approval and prior to building permit issuance, any developer/applicant wishing to defer City-wide development charges for office buildings that are a minimum of four (4) storey's, above grade, must provide the City with a Letter of Credit for the development charges owed.

2. Letter of Credit

The submitted Letter of Credit must adhere to the formatting described in Appendix A of the City's Letter of Credit policy (12.C.04).

A letter of guarantee or confirmation may be requested from time to time as evidence of capacity to secure a Letter of Credit. However, at no time shall a letter of guarantee or confirmation serve as an acceptable alternative to a Letter of Credit. Letters of guarantee or confirmation must indicate that the financial

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institution is willing to provide a Letter of Credit in the required format and within the time period deemed acceptable by the City.

For all other details regarding the requirements of the Letter of Credit, please see the City's Letter of Credit policy, as amended, revised, re-enacted or consolidated from time to time.

3. Pre-Screening of Deferral Applications

Applicant to provide a written request to the Director of Financial Planning and Development Finance, a minimum of 60 days prior to the issuance of a building permit, for the partial or full deferral of the City of Vaughan City-Wide DCs;

The Director of Financial Planning and Development Finance will require the following in order to pre-screen and process the request:

- 3.1. evidence of compliance with eligibility criteria;
- 3.2. an application fee;
- 3.3. drawing of each level within the building, including the gross floor area; and
- 3.4. proposed building uses.

If the development is deemed eligible for the City-Wide DC deferral, Financial Planning and Development Finance staff will determine the deferral amount.

4. Development Charges Deferral Agreement

Any developer/applicant wishing to defer development charges for an office building that is a minimum of four (4) storeys must enter into a Development Charges Deferral Agreement with the City.

The developer/applicant shall only qualify to enter into a Development Charges Deferral Agreement if they have submitted a complete site plan application or zoning by-law amendment application as determined by the City, for the construction of the office building.

A Development Charges Deferral Agreement shall only be executed by the City provided that the developer/applicant can immediately upon execution of the agreement attain building permit issuance by the City.

5. Duration of the Deferral

- 5.1. Where an application is submitted for approval of a Development in a site plan control area under subsection 41 (4) of the *Planning Act* for an office building prior to section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act*, 2019 being proclaimed, or for an office building for which an application for approval of a development in a site plan control area under subsection 41 (4)

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of the *Planning Act* does not apply but which has submitted an application for an amendment to a by-law passed under section 34 of the *Planning Act* prior to section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed; the deferral period shall begin the day the building permit is issued by the City.

City-Wide development charges are therefore deferred until eighteen (18) months after the date that the building permit is issued by the City.

- 5.2. Where an application is submitted for approval of a Development in a site plan control area under subsection 41 (4) of the *Planning Act* for an office building after section 8 Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed, or for an office building for which an application for an approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply, but has submitted an application for an amendment to a by-law passed under section 34 of the *Planning Act* after section 8 Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed; the deferral period shall begin on the earlier of the date of the issuance of a permit under the *Building Code Act, 1992* authorizing occupation of the building, or the date that the building is first occupied.

If the occupation of the building is not authorized by a permit under the *Building Code Act, 1992* the developer/applicant must notify the City within five (5) business days of the building first being occupied, whereupon the deferral period will begin.

City-wide development charges are deferred until the date that is eighteen (18) months after the earlier of the date of the issuance of a permit under the *Building Code Act, 1992* authorizing occupation of the building or the date the building is first occupied.

6. Development Charges Rates

The City development charges rate, shall be the amount determined under the applicable City-wide development charges by-law on:

- 6.1. The day that the building permit is issued for the construction of the office building by the City if an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* or an application for an amendment to a by-law passed under section 34 of the *Planning Act* was submitted prior to the section 8 Schedule 3 of Bill 108, *More Homes, More Choice, 2019* being proclaimed.

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6.2. The application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* was made in respect of the development that is the subject of the City-wide development charges or if an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply, the day an application for an amendment to a by-law passed under section 34 of the *Planning Act* was made in respect of development that is the subject of City-wide development charges if either application was submitted after section 8 Schedule 3 of Bill 108, *More Homes, More Choice, 2019* being proclaimed.

6.3. If p.6.2 does not apply to an office building that is seeking to defer City-Wide development charges after section 8 Schedule 3 of Bill 108, *More Homes, More Choice, 2019* has been proclaimed, the development charges rate is determined on the day the City-wide development charge is payable in accordance with section 26 of the Act.

7. Development Charges Payable

The amount of the City-wide development charges payable to the City, as required under the Act, shall be based on the rates determined under p.6 “Development Charges Rates” of this policy multiplied by the gross floor area of the office building, of which shall be determined on the day that the developer/applicant enters into a Development Charges Deferral Agreement with the City. Developers/applicants will be given notice of the requirement of payment and will be given ten (10) days to provide payment in the form of certified cheque to the City. If a certified cheque is not received by the City will receive payment via draw upon the Letter of Credit.

8. Interest Waiver

No interest shall be charged as the City is in receipt of a Letter of Credit.

9. Non-Applicability

Any office building to which section 26.1 applies (upon the date that the section is proclaimed) and that opts to pay City-Wide development charges in installment in accordance with section 26.1 of the Act, shall not be entitled to also avail itself of the deferral under this policy.

If any office building that is eligible and opts to pay City-wide development charges in accordance with the VMC Community Improvement Plan By-law 177-2015 and 176-2015, or any successors, as amended, revised, re-enacted or consolidated from time to time, shall not be entitled to also avail itself of the deferral under this policy.

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If any office building that is eligible and opts to pay City-wide development charges in accordance with the Large Office Development Deferral Pilot Program Policy along Highway 7 from Highway 50 to Yonge Street and any subsequent Community Improvement Plan (CIP) for the same area, shall not be entitled to avail itself of the deferral under this policy.

10. Fees

Fees for each deferral request will be charged to the applicant to account for departmental costs relating to the review, preparation, and administration of the DC deferral agreement. The fee structure is as follows:

- 10.1. A nonrefundable application fee shall be required to review a DC deferral request.
- 10.2. A legal fee shall be charged to prepare and execute the legal agreement.
- 10.3. A finance fee shall be payable upon the execution of the deferral agreement.

All fees are in accordance with the City's Fees and Charges Bylaw, shall be reviewed annually with all other City fees, and are subject to change.

In instances where staff's costs to prepare and administer a deferral agreement exceed the fee structure above, such fees shall be separately quantified and invoiced to the applicant. The owner also agrees to pay all costs and expenses in connection with legal costs incurred by the City in the event that it takes any legal action in response to any event of default, or as it may otherwise take to enforce the City's rights under this Agreement.

11. Roles and Responsibilities

Chief Financial Officer and City Treasurer

Maintains administrative authority and responsibility for the City-Wide Development Charges Deferral Policy for Office Buildings; and

Approves department operating procedures and processes under this policy.

Director of Financial Planning and Development Finance

Responsible for the administration of this policy, including assisting stakeholders in determining if they qualify for the policy, the City-wide development charges rates to be applied, and the City-wide development charges payable.

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Manager, Development Finance

Responsible for the enforcement of this policy and the collection of all City-wide development charges when due; and

Process the draw upon the Letter of Credit at the point City-wide development charges are due, if payment is not received in the form of certified cheque (for example, at the end of deferral period).

Legal Services

At the request and discretion of the Chief Financial Officer and City Treasurer, assist in the drafting, review and interpret any Agreements that are required as a part of this policy to protect the legal interests of the City pertaining to the deferral of development charges.

Staff involved in the acceptance, evaluation and administration of the Letters of Credit associated with this policy

Read and abide by the requirements set out in this Policy; and

Process the draw upon the Letter of Credit at the point City-Wide development charges are due, if payment is not received in the form of certified cheque (for example, at the end of deferral period).

ADMINISTRATION

Administered by the Office of the City Clerk.

Review Schedule:	3 Years If other, specify here	Next Review Date:	Click or tap to enter a date.
Related Policy(ies):	12.C.06 – City-Wide Development Charges Deferral for Office Buildings, 12.C.04 – Letter of Credit		
Related By-Law(s):	176-2015 – CIP, 177-2015 – CIP, 083-2018 – Development Charges		
Procedural Document:			
Revision History			
Date:	Description:		
Click or tap to enter a date.			



CITY OF VAUGHAN

CORPORATE POLICY

POLICY TITLE: CITY-WIDE DEVELOPMENT CHARGES DEFERRAL FOR OFFICE BUILDINGS A MINIMUM OF 50,000 SQUARE FEET AND ON THE HIGHWAY 7 AND YONGE STREET REGIONAL CORRIDOR – PILOT PROGRAM

POLICY NO.: 12.C.06

Section:	Finance & Budgets		
Effective Date:	December 12, 2019	Date of Last Review:	Click or tap to enter a date.
Approval Authority: Council	Policy Owner: DCM, Corporate Services & CFO		

POLICY STATEMENT

A Policy governing the deferral of City-Wide development charges for office buildings that are a minimum of four (4) storeys, above grade, and a minimum of 50,000 square feet and be located on the Highway 7 and Yonge Street Regional Corridors.

PURPOSE

To incentivize large office developments within the City of Vaughan by encouraging a local business climate that attracts office development investment, businesses, and employment opportunities and to strengthen the Economic Prosperity, Investment and Social Capital strategic priority of Council.

SCOPE

Available to office buildings in the City of Vaughan subject to the terms and conditions as set out in this policy. In order to be eligible, the development must be a minimum of four (4) storeys, above grade, and a minimum of 50,000 square feet and be located along the Highway 7 Regional Corridor from Highway 50 to North Rivermede; along Centre Street; Bathurst Street from Centre Street to Highway 7, or along the west side of Yonge Street Regional Corridor.

This deferral policy only applies to City-wide development charges and excludes area-specific development charges and shall not apply to Community Benefits Charges when a Community Benefits Charges By-law has been adopted and is in effect.

POLICY TITLE: CITY-WIDE DEVELOPMENT CHARGES DEFERRAL FOR OFFICE BUILDINGS A MINIMUM OF 50,000 SQUARE FEET AND ON THE HIGHWAY 7 AND YONGE STREET REGIONAL CORRIDOR – PILOT PROGRAM

POLICY NO.: 12.C.06

LEGISLATIVE REQUIREMENTS

This Policy was prepared in accordance with the Development Charges Act, 1997 as amended by Bill 108, *More Homes, More Choice Act*, 2019.

DEFINITIONS

1. **Act:** The *Development Charges Act*, 1997, S.O. 1997, c. 27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.
2. **Bank of Canada Prime Lending Rate:** Also known as the “Prime Rate”, is the annual interest rate Canada's major banks and financial institutions use to set interest rates for variable loans and lines of credit.
3. **City:** The Corporation of the City of Vaughan.
4. **Community Benefits Charges:** The City of Vaughan's Community Benefits Charges, established by a Community Benefits Charge By-law, under Section 37 of the *Planning Act*, R.S.O 1990, c. P. 13, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.
5. **Development:** The construction, erection or placing of one or more buildings or structures on land, or the making of an addition or alteration to a building or structure that has the effect of substantially increasing the size or usability thereof and includes redevelopment.
6. **Gross Floor Area:** As under the City's Development Charges By-law No. 083-2018 or any successor development charges by-law. Gross Floor Area means, in the case of a non-residential building or structure, or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure, or from the centre line of a common wall separating a non-residential and a residential use, and:
 - 6.1. includes the floor area of a mezzanine and the space occupied by interior walls and partitions; and
 - 6.2. excludes in the case of a building or structure containing an atrium, the sum of the areas of the atrium at the level of each floor surrounding the atrium above the floor level of the atrium; and
 - 6.3. excludes the area of any self-contained structural shelf and rack storage facility approved by the Building Materials Evaluation Commission; and

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POLICY NO.: 12.C.06

6.4. includes any part of a building or structure above or below grade used as a commercial parking garage; and

6.5. for the purposes of this definition, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure.

7. Office Building: The use of a building or a structure or part of a building or a structure in which one or more persons are employed in the administration, direction or management of a business, agency, brokerage or organization, or by professionally qualified persons and their support staff, and shall include but not be limited to an office of a regulated health professional, lawyer, dentist, architect, engineer, stock broker, accountant, real estate or insurance agency, veterinarian or a similar professional person's office but shall not include a veterinary clinic.

8. Storey: As under the City's Development Charges By-law No. 083-2018 or any successor development charges by-law. A storey means the portion of a building other than the cellar or unfinished attic which lies between the surface of the floor and the surface of the next floor above, and if there is no floor above it, then the surface next above it, provided its height is not less than 2.3 metres.

9. Regional Corridor: York Region has four Regional Corridors (*Yonge Street, Highway 7, Davis Drive, and Green Lane East*) that connect the Regional Centres (Attachment 1).

POLICY

1. Pre-Screening of Deferral Applications

Applicant to provide a written request to the Director of Financial Planning and Development Finance, a minimum of 60 days prior to the issuance of a building permit, for the partial or full deferral of the City of Vaughan City-Wide DCs;

The Director of Financial Planning and Development Finance will require the following in order to pre-screen and process the request:

- 1.1. evidence of compliance with eligibility criteria;
- 1.2. an application fee;
- 1.3. drawing of each level within the building, including the Gross Floor Area; and
- 1.4. proposed building uses.

City staff reserve the right to determine if the development is eligible based on the location of its lands in relation to the Regional Corridor. If the development is

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deemed eligible for the City-Wide DC deferral, Financial Planning and Development Finance staff will determine the deferral amount and duration.

2. Development Charges Deferral Agreement

Any developer/applicant wishing to defer development charges for an office building that is a minimum of four (4) storey's, a minimum of 50,000 square feet and on the Highway 7 or Yonge Street Regional Corridor must enter into a Development Charges Deferral Agreement with the City, provided that the gross floor area cap of 1.5 million square feet (p. 7 "Square Footage Cap") for the pilot policy has not been met.

The ability to enter into a Development Charges Deferral Agreement shall begin on the date that Council approves this policy and shall end three (3) years after the approval at 4:30pm. The developer/applicant shall only qualify to enter into an Development Charges Deferral Agreement if they have submitted a complete site plan application or zoning by-law amendment application as determined by the City, for the construction of the office building, or an amendment to an existing application that results in additional gross floor area which are a minimum of 50,000 square feet threshold, during the duration of this three (3) year period.

A Development Charges Deferral Agreement shall only be executed by the City provided that the developer/applicant can immediately upon execution of the agreement attain building permit issuance by the City.

3. Duration of the Deferral

The duration of the development charges deferral shall vary based on the eligible gross floor area of the building and will be accordance with Table 1 below:

Gross Floor Area Size Threshold	Duration of the Development Charges Deferral Available
Between 50,000 square feet and 150,000 square feet	5 year*
Between 150,000 square feet and 250,000 square feet	10 year*
Greater than 250,000 square feet and less than or equal to 400,000 square feet	15 year*
Greater than 400,000 square feet	20 year*

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*Note: Once a threshold is crossed, the entirety of the gross floor area in the office building is deferred for this timeframe.

3.1. Where an application for approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* for an Office Building prior to section 8 of Schedule 3 of Bill 108 *More Homes, More Choice Act, 2019* being proclaimed, or for an office building for which an application for an approval of a development site plan control area under subsection 41 (4) of the *Planning Act*, does not apply, but which has submitted an application for amendment to a by-law passed under section 34 of the *Planning Act* prior to section 8 of Schedule 3 of Bill 108 *More Homes, More Choice Act, 2019* being proclaimed; the deferral period shall begin the day a building permit is issued by the City.

City-wide development charges are therefore deferred until fifteen (15) days immediately following the date that is five (5) years, ten (10) years, fifteen (15) years or twenty (20) years (as applicable) after the date that the building permit is issued by the City.

3.2. Where an application for approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* for an office building after section 8 Schedule 3 of Bill 108 *More Homes, More Choice Act, 2019*, is proclaimed, or for an office building for which an application for approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply, but has submitted an application for an amendment to a by-law under section 34 of the *Planning Act*, after section 8 Schedule 3 of Bill 108 *More Homes, More Choice Act, 2019*, is proclaimed; the deferral period shall begin on the earlier of the date of the issuance of a permit under the *Building Code Act, 1992*, authorizing occupation of the building, or the date the building is first occupied.

If the occupation of a building is not authorized by a permit under the *Building Code Act, 1992*, the developer/applicant must notify the City within five (5) business days of the building first being occupied, whereupon the deferral period will begin. Failure to notify the City within five (5) business days of the building first being occupied will constitute a material default of the deferral agreement.

City-wide development charges are deferred until fifteen (15) days immediately following the date that is five (5) years, ten (10) years, fifteen (15) years, or twenty (20) years (as applicable) after the earlier of the date of issuance of a permit under the *Building Code Act, 1992*, authorizing occupation of the building or the date the building is first occupied.

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City-wide development charges shall be payable prior to the timeframe indicated in Table 1 should any of the following trigger events occur:

- 3.2.1. Change of use from an office building,
- 3.2.2. Sale, or transfer of ownership of the property, unless an assumption agreement is entered into; or
- 3.2.3. Any other material default as defined in the agreement(s).

Notification to the owner of the property on the tax roll shall occur immediately after the trigger event. The fifteen (15) days shall begin with the mailing, by registered mail, of notice.

4. Development Charges Rates

The City-wide development charge rate shall be the amount determined under the applicable City-wide development charges by-law on:

- 4.1. The day that the building permit is issued for the construction of the office building by the City if an application for approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* or an application for an amendment to a by-law passed under section 34 of the *Planning Act* was submitted prior to section 8 of Schedule 3 of Bill 108 *More Homes, More Choice Act, 2019* being proclaimed.
- 4.2. The day an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* was made in respect of the development that is the subject of the City-wide development charges or if an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply, the day an application for an amendment to a by-law passed under section 34 of the *Planning Act* was made in respect of the development that is the subject of the City-wide development charges if either application was submitted after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed.
- 4.3. If p.4.2 does not apply to an Office Building that is seeking to defer City-wide development charges after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* has been proclaimed, the development charges rate is determined on the day the City-wide development charges are payable in accordance with section 26 of the Act.

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5. Development Charges Payable

The amount of the City-wide development charges payable to the City, as required under the Act, shall be based on the rates determined under p. 4 “Development Charges Rate” of this policy multiplied by the gross floor area of the office building, of which shall be determined on the day that the developer/applicant enters into a Development Charges Deferral Agreement with the City.

For greater clarity, qualifying gross floor area shall only be on a per building basis.

6. Interest Waiver

All interest shall be calculated using the development charges payable in p.5 “Development Charges Payable” to this policy until the date upon which the City-wide Development charges are fully paid.

All deferred City-wide development charges shall bear interest at the Bank of Canada prime commercial lending rate plus two (2) per cent per annum. All interest shall accrue and be compounded.

The time period shall be calculated beginning on the date of the issuance of the building permit for the proposed structure by the City.

The City shall forgive all amounts due and owing on all account of interest, provided that the City-wide development charges are paid in full to the City at the time required (within fifteen (15) business days immediately following notification of a trigger event as defined in p.3 “Duration of the Deferral” of this policy).

In the event that unpaid City-wide development charges are added to the tax roll (p.8 “Unpaid Development Charges”); interest shall continue to accrue and be compounded until all outstanding charges are fully paid.

7. Square Footage Cap

This policy will only be available to the first 1.5 million square feet of gross floor area that enters into a Development Charges Deferral Agreement(s) with the City. It will be available on a “first-come, first served” basis.

In the event more than one office building wishes to enter into a Development Charges Deferral Agreement with the City on the same day, the result of which would exceed the square footage cap, it shall be up to the Chief Financial Officer and City Treasurer to determine qualification and whether the square footage cap may be exceeded.

POLICY TITLE: CITY-WIDE DEVELOPMENT CHARGES DEFERRAL FOR OFFICE BUILDINGS A MINIMUM OF 50,000 SQUARE FEET AND ON THE HIGHWAY 7 AND YONGE STREET REGIONAL CORRIDOR – PILOT PROGRAM

POLICY NO.: 12.C.06

8. Unpaid Development Charges

If any City-wide Development charges (including any interest) are unpaid within fifteen (15) business days immediately following notification of a trigger event identified in p.3 “Duration of the Deferral” of this policy, or at the end of the development charge deferral timeframe when payment has not been made, those City-wide development charges (including interest) shall be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

In the event unpaid City-wide development charges are added to the tax roll; interest shall continue to accrue and be compounded until all outstanding charges are fully paid.

9. Security

A form of security will be taken and registered against the title to the property, at the execution of the Development Charges Deferral Agreement with the City.

10. Other Agreements Required

In addition to the requirements that the developer/applicant enter into an Expression of Interest Agreement and a Development Charges Deferral Agreement with the City, the developer/applicant shall enter into any other agreements as required by the City.

11. Fees

Fees for each deferral request will be charged to the applicant to account for departmental costs relating to the review, preparation, and administration of the Development Charges Deferral Agreement. The fee structure is as follows.

- 11.1. A nonrefundable application fee shall be required to review a DC deferral request.
- 11.2. A legal fee shall be charged to prepare and execute the legal agreement.
- 11.3. A finance fee shall be payable upon the execution of the deferral agreement.

All fees are in accordance with the City’s Fees and Charges Bylaw, shall be reviewed annually with all other City fees, and are subject to change.

In instances where staff’s costs to prepare and administer a deferral agreement exceed the fee structure above, such fees shall be separately quantified and invoiced to the applicant. The owner also agrees to pay all costs and expenses in connection with legal costs incurred by the City in the event that it takes any legal

POLICY TITLE: CITY-WIDE DEVELOPMENT CHARGES DEFERRAL FOR OFFICE BUILDINGS A MINIMUM OF 50,000 SQUARE FEET AND ON THE HIGHWAY 7 AND YONGE STREET REGIONAL CORRIDOR – PILOT PROGRAM

POLICY NO.: 12.C.06

action in response to any event of default, or as it may otherwise take to enforce the City's rights under this Agreement.

12. Report Back to Council

Staff shall report back to Council prior to the end of this Council term, on the results of the pilot policy and provide a recommendation of whether additional steps should be taken to further facilitate office development along the Highway 7 and Yonge Street Regional Corridor.

13. Non-Applicability

Any office building to which section 26.1 applies (upon the date that the section is proclaimed) and that opts to pay City-Wide development charges in installment in accordance with section 26.1 of the Act, shall not be entitled to also avail itself of the deferral under this policy.

If any office building that is eligible and opts to pay City-wide development charges in accordance with the City-Wide Development Charges Deferral for Office Buildings Policy shall not be entitled to avail itself of the deferral under this policy.

14. Mixed-Use Buildings

This policy applies to office uses in a mixed-use building. This policy does not apply to the non-office uses within any mixed-use building, a part of which is an office use or building that is a minimum of 50,000 square feet.

In order for the office component of a mixed-use building to be eligible for a development charges deferral, the office component of the mixed-use building must be a minimum of 50,000 square feet and four (4) storeys.

15. Roles and Responsibilities

Chief Financial Officer and City Treasurer

Maintains administrative authority and responsibility for this policy; and

Approves department operating procedures and processes under this policy.

Director of Financial Planning and Development Finance

Responsible for the administration of this policy, including assisting stakeholders in determining if they qualify for the policy, the City-wide development charges rates to be applied, and the City-wide development charges payable.

Manager, Development Finance

Responsible for the enforcement of this policy and the collection of all City-wide development charges when due;

POLICY TITLE: CITY-WIDE DEVELOPMENT CHARGES DEFERRAL FOR OFFICE BUILDINGS A MINIMUM OF 50,000 SQUARE FEET AND ON THE HIGHWAY 7 AND YONGE STREET REGIONAL CORRIDOR – PILOT PROGRAM

POLICY NO.: 12.C.06

Monitor timing of payment in order to ensure compliance with p.5 “Development Charges Payable” of the policy;

Add charges to the tax roll if City-wide development charges are not paid/received within the prescribed timeframe;

Undertake any additional administrative obligations as determined through the agreements; and

Maintain copies of all executed deferral agreements and other agreements as required.

Legal Services

At the request and discretion of the Chief Financial Officer and City Treasurer, assist in the drafting, review and interpret any Agreements that are required as a part of this policy to protect the legal interests of the City pertaining to the deferral of development charges; and

Registration of security on title.

16. Compliance

Immediately upon the occurrence of any trigger events identified in p.3 “Duration of the Deferral” of this policy, the Manager of Development Finance shall notify the owner of the property on the tax roll that City-wide development charges are due within fifteen (15) business days, the timing of which shall begin with the mailing, by registered mail, of notice.

The Manager of Development Finance shall also monitor the payment of City-wide development charges due in order to ensure interest is only forgiven (p.6 “Interest Waiver”) when the City-wide development charges are paid in full to the City within fifteen (15) business days immediately following notification of a trigger event.

ADMINISTRATION

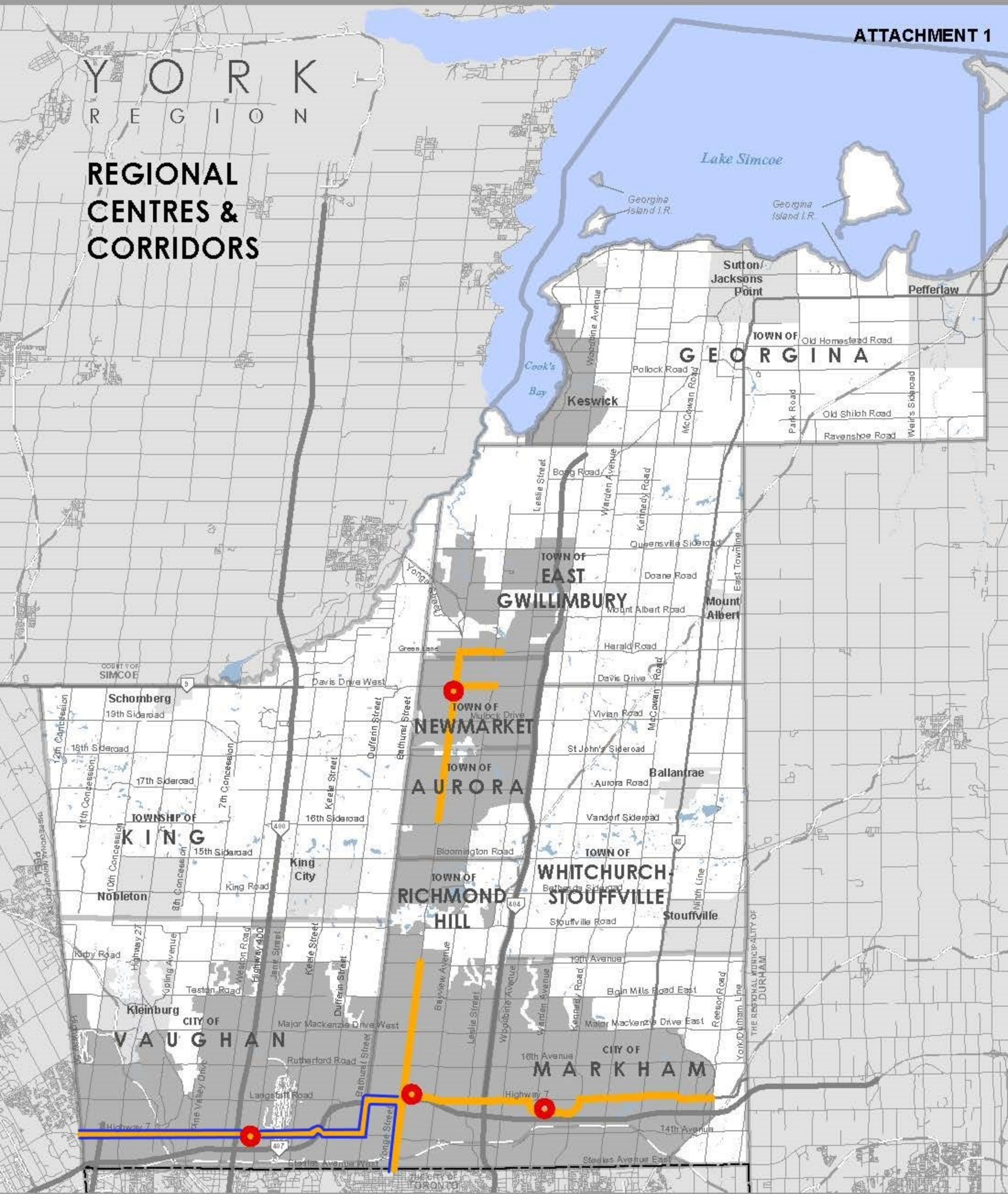
Administered by the Office of the City Clerk.




Review Schedule:	3 Years If other, specify here	Next Review Date:	Click or tap to enter a date.
Related Policy(ies):	12.C.05 – City-Wide Development Charges Deferral for Office Buildings, 12.C.04 – Letter of Credit		
Related By-Law(s):	176-2015 – CIP, 177-2015 – CIP, 083-2018 – Development Charges		

POLICY TITLE: CITY-WIDE DEVELOPMENT CHARGES DEFERRAL FOR OFFICE BUILDINGS A MINIMUM OF 50,000 SQUARE FEET AND ON THE HIGHWAY 7 AND YONGE STREET REGIONAL CORRIDOR – PILOT PROGRAM

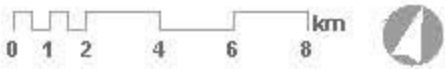
POLICY NO.: 12.C.06

Procedural Document:	Appendix 1 – Highway 7 Yonge Map
Revision History	
Date:	Description:
Click or tap to enter a date.	
Click or tap to enter a date.	
Click or tap to enter a date.	



-  Regional Centre
-  Regional Corridor
-  Highway 7 and Yonge Street Regional Corridor

- BASE MAP INFORMATION**
-  Provincial Freeway
 -  Provincial Highway
 -  Road
 -  Railway
 -  Municipal Boundary
 -  Regional Boundary
 -  Urban Area
 -  Towns and Villages



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Boundaries and Water Features

November 1, 2019

Memorandum to: Shirley Kam
City of Vaughan

From: Peter Norman, VP and Chief Economist & Carlos Forte, Senior Consultant
Altus Group Economic Consulting

**Subject: Economic Impact Statement, Community Improvement Plan Project Areas
in Vaughan, Ontario**

Our File: P-6224

The City of Vaughan has designated the Vaughan Metropolitan Centre (VMC) and Weston Road and Highway 7 (Weston 7) as Community Improvement Project (CIP) Areas. CIP Areas are areas designated for development such as enhanced recreational and cultural facilities, parks and open spaces, property and building stock upgrades, and higher densities to support planned transit facilities.

The City of Vaughan approached Altus Group Economic Consulting to undertake an analysis of the economic benefits arising from the development and operational activities arising from and within the designated CIP Areas of Vaughan Metropolitan Centre and Weston Road and Highway 7 in the City of Vaughan.

This memo presents the estimated economic benefits and government revenue that could be attributed to:

- VMC and Weston 7 development and redevelopment activities during the 2015-2020 period; and
- VMC development and redevelopment activities that are expected to take place during the period 2021-2041.

The CIP Areas economic impacts are presented with a breakdown for residential development, retail development, office development and institutional development as follows:

- The economic and fiscal impacts of the one-time construction phase of actual (2015-2020) development and redevelopment activities;
- The single-year economic and fiscal impacts of the on-going operations of commercial activity resulting from CIP projects after actual (2015-2020) construction;
- The economic and fiscal impacts of the one-time construction phase of expected (2021-2041) development and redevelopment activities; and
- The single-year economic and fiscal impacts of the on-going operations of commercial activity resulting from CIP projects after expected (2021-2041) construction.

For both the VMC and Weston 7, actual (2015-2020) development and redevelopment activities were classified as those “developments that were under construction or built” during the period 2015-2020,

while for the VMC, the number of square feet of building space by type was estimated based on planned development targets for the 2021-2041 forecast period. No 2021-2041 development scenarios were forecasted for Weston 7.

VAUGHAN METROPOLITAN AREA CIP AREA

The construction and operation of new residential, commercial and institutional space within Vaughan Metropolitan Area during 2015-2020 equates to investment of \$5.1 billion during the construction phase of the projects and an estimated annual expenditure of some \$447.5 million once developments are fully operational.

Construction hard costs were estimated as follows:

- New development activity will provide about 7.2 million sq. ft. at a total building construction cost estimated at \$3.5 billion;
- Almost 6,700 parking stalls will likely be provided at an estimated construction costs of about \$346.3 million;
- Land development and site servicing costs were estimated at \$166.8 million, about 3.5% of the combined costs of building construction and professional soft costs such as architectural, engineering, financing and legal fees;
- Professional soft costs of \$1.2 billion were assumed to be about 35% of the total investment value of all construction activity, typical of the type of construction proposed.

The construction and operation of new residential, commercial and institutional space within Vaughan Metropolitan Area during 2020-2041 forecast period equates to investment of about \$9.6 billion during the construction phase of the projects and an estimated annual expenditure of some \$1.7 billion once developments are fully operational.

Construction hard costs were estimated as follows:

- New development activity will provide about 12.6 million sq. ft. and a total investment in building construction estimated at \$6.6 billion;
- About 23,200 parking stalls will likely be provided at an estimated construction costs of about \$1.3 billion;
- Land development and site servicing costs were estimated at \$316.7 million, about 3.5% of the combined costs of building construction and professional soft costs such as architectural, engineering, financing and legal fees;
- Professional soft costs of \$2.4 billion were assumed to be about 35% of the total investment value of all construction activity, typical of the type of construction proposed.

Figure 1

Vaughan Metropolitan Centre Development Summary Statistics				
	GFA (sq. ft.)	Units/Stalls	Sq. Ft. per Employee	Estimated Construction Value \$M
2015-2020				
Residential	6,528,929	7,071		2,970.7
Office	392,929		120	157.2
Retail	178,143		400	28.2
Institutional	113,000		675	32.2
Sub Total	7,213,001	7,071		3,188.3
Above Ground Parking Stalls		1,385		51.2
Underground Parking Stalls		5,364		295.0
Sub Total		6,749		346.3
2020-2044				
Residential	9,807,535	10,929		4,462.4
Office	1,857,071		120	742.8
Retail	946,857		400	142.0
Institutional	-		675	-
Sub Total	12,611,463	10,929		5,347.3
Above Ground Parking Stalls		-		-
Underground Parking Stalls		23,214		1,276.8
Sub Total		23,214		1,276.8

Source: Altus Group Economic Consulting based on data provided by client

ECONOMIC BENEFITS ASSOCIATED WITH CONSTRUCTION AND DEVELOPMENT ACTIVITIES 2015-2020

Construction and development activities related to the VMC during the period 2015-2020 will deliver tremendous economic benefits by generating:

- About 45,500 person-years of direct, indirect and induced employment (about 7,600 jobs per year during the six-year period);
 - 25,000 jobs of which will be generated in the city of Vaughan;
- About \$9.1 billion in direct, indirect and induced economic activity;
 - \$5.0 billion of which is estimated to take place in the city of Vaughan;
- About \$4.8 billion in net contribution to GDP;
 - \$2.6 billion of which is estimated to take place in the city of Vaughan;
- About \$3.1 billion in personal income tied to the creation of direct, indirect and induced jobs;

- \$1.7 billion of which is estimated to take place in the city of Vaughan;
- Some \$1.7 billion in operating business earnings; and
 - \$921.4 million of which is estimated to take place in the city of Vaughan;
- Some \$1.9 billion in tax revenues and other charges for various levels of government (See Figure 2, Figure 3 and Figure 4).
 - Some \$1.0 billion in personal and business taxes;
 - Some \$279.2 million in land transfer tax (LTT), and harmonized sales tax (HST);
 - \$512.9 million in development charges; and
 - \$10.4 million in building fees.

Direct jobs and economic activity will result from the construction of the residential and non-residential buildings, construction of parking spaces, and the site servicing of the property, including demolition. Land development and infrastructure such as streetscapes and utilities, in addition to activity associated with the 'soft costs' of construction will also contribute to direct jobs and economic activity. Construction 'soft costs' include costs related to planners, architects, City staff and other activities directly tied to the investments planned for the subject site.

Tax revenues and other charges for various levels of government include personal and business income taxes and well as property taxes, provincial land transfer taxes, HST and other indirect taxes, charges and fees. Indirect taxes on production include CPP and EI contributions, and an array of municipal fees and taxes such as building permit fees, application fees, and development charges.

The city of Vaughan stands to gain up to 55% of the economic benefits generated from the construction phase of the projects in the VMC, including an addition \$5.0 billion in economic activity. The economic benefits, which will accrue to the city of Vaughan from the construction of various projects in the VMC approximates to the direct benefits that the various projects will generate for Ontario.

Figure 2

Estimated Economic Benefits of Vaughan Metropolitan Centre: Construction and Development Activities, 2015-2020

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development			
					Residential	Office	Retail	Institutional
Economic Activity (\$millions)	5,056.4	2,339.2	1,672.5	9,068.1	8,432.9	475.8	66.1	93.4
Gross Domestic Product (\$millions)	2,627.9	1,187.5	982.6	4,798.0	4,448.1	263.4	35.2	51.4
Number of Jobs*	24,757	11,840	8,895	45,491	42,018	2,610	353	510
Wages (\$millions)	1,870.0	788.3	458.8	3,117.1	2,882.4	176.7	23.6	34.5
Business Earnings (\$millions)	811.6	403.8	459.8	1,675.2	1,561.8	85.6	11.1	16.6
Tax Revenue (\$millions)								
Personal & Business Income Taxes				1,048.4	968.3	60.1	8.1	11.8
Municipal Taxes, Charges & Fees				523.3	495.1	10.8	12.8	4.6
Other Government Revenues (Land Transfer Taxes, HST)				279.2	275.4	2.1	1.4	0.3
Total Government Revenues				1,850.9	1,738.9	73.0	22.3	16.7

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 3

Summary of Estimated Construction Economic Benefits for Vaughan Metropolitan Centre, 2015-2020

One-Time Benefits	Total	Residential	Office	Retail	Institutional
Development Charges			<i>Dollars (000,000s)</i>		
City of Vaughan	209.1	204.2	0.7	2.5	1.6
Region of York	253.4	232.0	9.0	9.8	2.6
Education	50.3	49.5	0.4	0.2	0.1
Total	512.9	485.8	10.2	12.6	4.3
Building Permit Fees			<i>Dollars (000,000s)</i>		
City of Vaughan	10.4	9.3	0.6	0.2	0.2

Source: Altus Group Economic Consulting

Figure 4

Summary of Land Transfer Taxes for Vaughan Metropolitan Centre, 2015-2020

Land Transfer Taxes	Total	Residential	Office	Retail	Institutional
			<i>Dollars (000,000s)</i>		
Total	65.3	61.5	2.1	1.4	0.3

Source: Altus Group Economic Consulting

ECONOMIC BENEFITS ASSOCIATED WITH ON-GOING OPERATIONS 2015-2020

Economic Activity, Jobs, Earnings and Government Revenues

A range of economic benefits are expected from the on-going operations at VMC developments once completed.

This section contains estimates of the jobs, economic activity, business earning and government revenues that are likely to be sustained or generated annually as a result of the retail spending, property management fees and other commercial activity that will be created from the other retail, office, residential and recreational spending associated with the various CIP developments in the VMC.

A significant amount of those economic benefits will result from consumer spending at the retail space provided in VMC developments, and retail spending from residents.

The city of Vaughan is expected to account for some 90% of the economic benefits from the on-going operations of the VMC.

The on-going operation of the proposed development (for a single-year) will generate:

- Approximately 18,500 person-years of direct, indirect and induced employment;
- About \$914.4 million in direct, indirect and induced economic activity;
- Some \$485.8 million in total net contribution to GDP;
- About \$311.0 million in personal income from the creation of direct, indirect and induced jobs;
- Some \$101.8 million in total operating business earnings; and
- Approximately \$333.5 million in property, business and income tax revenues for all levels of government (See Figure 5, and Figure 6).
 - Some \$93.2 million in personal and business taxes; and
 - \$240.2 million in property taxes.

Figure 5

**Estimated Economic Benefits of the Vaughan Metropolitan Centre: 2015-2020
On-going Operations (Single-Year)**

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development			
					Residential	Office	Retail	Institutional
Economic Activity (\$millions)	447.5	225.8	241.2	914.4	303.0	514.0	71.7	25.8
Gross Domestic Product (\$millions)	257.4	126.4	101.9	485.8	173.9	258.1	40.9	12.9
Number of Jobs*	6,216	1,230	11,047	18,494	3,082	14,034	664	715
Wages (\$millions)	199.6	71.1	40.4	311.0	113.4	163.3	26.1	8.2
Business Earnings (\$millions)	14.0	57.5	30.3	101.8	45.5	42.4	11.8	2.0
Tax Revenue (\$millions)								
Personal & Business Income Taxes				93.2	15.5	70.8	3.3	3.6
Municipal Taxes (Property Taxes)				240.2	237.4	1.7	1.1	-
Total Government Revenues				333.5	252.9	72.4	4.5	3.6

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 6

Summary of Estimated On-going Economic Benefits for Vaughan Metropolitan Centre, 2015-2020

On-going Benefits	Total	Residential	Office	Retail	Institutional
Assessment Base and Property Tax Revenues					
Estimated Assessment Value for 2019 Property Taxation	4,448.4	4,272.5	104.9	71.0	N/A
Annual Property Tax Associated with Development at Build-Out					
City of Vaughan	78.2	77.7	0.3	0.2	N/A
Region of York	84.3	83.5	0.5	0.3	N/A
Education	77.8	76.1	1.0	0.7	N/A
Total	240.2	237.4	1.7	1.1	N/A

Source: Altus Group Economic Consulting

ECONOMIC BENEFITS ASSOCIATED WITH CONSTRUCTION AND DEVELOPMENT ACTIVITIES 2021-2041

Construction and development activities related to the VMC during the period 2015-2019 will deliver tremendous economic benefits by generating:

- About 87,000 person-years of direct, indirect and induced employment (about 4,100 jobs per year during the 21-year period);
 - 47,900 jobs of which will be generated in the city of Vaughan;
- About \$17.3 billion in direct, indirect and induced economic activity;

- \$9.5 billion of which is estimated to take place in the city of Vaughan;
- About \$9.2 billion in net contribution to GDP;
 - \$5.0 billion of which is estimated to take place in the city of Vaughan;
- About \$6.0 billion in personal income tied to the creation of direct, indirect and induced jobs;
 - \$3.3 billion of which is estimated to take place in the city of Vaughan;
- Some \$3.2 billion in operating business earnings; and
 - \$1.7 billion of which is estimated to take place in the city of Vaughan;
- Some \$3.4 billion in tax revenues and other charges for various levels of government (See Figure 7, Figure 8 and Figure 9).
 - Some \$2.0 million in personal and business taxes;
 - Some \$500.9 million in land transfer tax (LTT) and harmonized sales tax (HST);
 - \$868.3 million in development charges; and
 - \$18.1 million in building fees.

Direct jobs and economic activity will result from the construction of the residential and non-residential buildings, construction of parking spaces, and the site servicing of the property, including demolition. Land development and infrastructure such as streetscapes and utilities, in addition to activity associated with the 'soft costs' of construction will also contribute to direct jobs and economic activity. Construction 'soft costs' include costs related to planners, architects, City staff and other activities directly tied to the investments planned for the subject site.

Tax revenues and other charges for various levels of government include personal and business income taxes and well as property taxes, provincial land transfer taxes, HST and other indirect taxes, charges and fees. Indirect taxes on production include CPP and EI contributions, and an array of municipal fees and taxes such as building permit fees, application fees, and development charges.

The city of Vaughan stands to account for up to 55% of the economic benefits generated from the construction phase of the projects in the VMC, including an addition \$9.5 billion in economic activity during the 2021-2041 21-year period. The economic benefits, which are estimated to accrue to the city of Vaughan from the construction of various projects that are forecasted to take place in the VMC approximates to the direct benefits that the various projects will generate for Ontario.

Figure 7

Estimated Economic Benefits of Vaughan Metropolitan Centre: Construction and Development Activities, 2021-2041

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development		
					Residential	Office	Retail
Economic Activity (\$millions)	9,574.6	4,438.4	3,237.2	17,250.2	14,336.4	2,533.6	380.2
Gross Domestic Product (\$millions)	4,984.3	2,265.4	1,902.0	9,151.7	7,555.6	1,394.5	201.6
Number of Jobs*	46,843	22,713	17,475	87,030	71,288	13,736	2,005
Wages (\$millions)	3,597.1	1,503.4	888.1	5,988.6	4,917.6	936.0	135.0
Business Earnings (\$millions)	1,487.9	773.5	890.1	3,151.5	2,633.5	454.1	63.9
Tax Revenue (\$millions)							
Personal & Business Income Taxes				1,998.9	1,637.4	315.5	46.1
Municipal Taxes, Charges & Fees				886.4	767.4	50.9	68.1
Other Government Revenues (Land Transfer Taxes, HST)				500.9	483.6	9.9	7.4
Total Government Revenues				3,386.2	2,888.3	376.3	121.6

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 8

Summary of Estimated Construction Economic Benefits for Vaughan Metropolitan Centre, 2021-2041

One-Time Benefits	Total	Residential	Office	Retail	Institutional
Development Charges			<i>Dollars (000,000s)</i>		
City of Vaughan	333.4	316.3	3.5	13.5	0.0
Region of York	455.2	360.5	42.5	52.2	0.0
Education	79.7	76.6	2.1	1.1	0.0
Total	868.3	753.4	48.1	66.8	0.0
Building Permit Fees			<i>Dollars (000,000s)</i>		
City of Vaughan	18.1	14.0	2.8	1.3	0.0

Source: Altus Group Economic Consulting

Figure 9

Summary of Land Transfer Taxes for Vaughan Metropolitan Centre, 2021-2041

Land Transfer Taxes	Total	Residential	Office	Retail	Institutional
			<i>Dollars (000,000s)</i>		
Total	170.3	153.0	9.9	7.4	0

Source: Altus Group Economic Consulting

ECONOMIC BENEFITS ASSOCIATED WITH ON-GOING OPERATIONS 2021-2041

Economic Activity, Jobs, Earnings and Government Revenues

A range of economic benefits are expected from the on-going operations at VMC developments once completed.

This section contains estimates of the jobs, economic activity, business earning and government revenues that are likely to be sustained or generated annually as a result of the retail spending, property management fees and other commercial activity that will be created from the other retail, office, residential and recreational spending associated with the various CIP developments in the VMC.

A significant amount of those economic benefits will result from consumer spending at the retail space provided in VMC developments, and retail spending from residents.

The city of Vaughan is expected to account for some 90% of the economic benefits from the on-going operations of the VMC.

The on-going operation of the proposed development (for a single-year) will generate:

- Approximately 77,500 person-years of direct, indirect and induced employment;
- About \$3.5 billion in direct, indirect and induced economic activity;
- Some \$1.9 billion in total net contribution to GDP;
- About \$1.2 billion in personal income from the creation of direct, indirect and induced jobs;
- Some \$365.1 million in total operating business earnings; and
- Approximately \$653.3 million in property, business and income tax revenues for all levels of government (See Figure 10, and Figure 11).
 - Some \$350.8 million in personal and business taxes; and
 - \$302.5 million in property taxes.

Figure 10

**Estimated Economic Benefits of the Vaughan Metropolitan Centre: 2021-2041
On-going Operations (Single-Year)**

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development		
					Residential	Office	Retail
Economic Activity (\$millions)	1,710.6	862.4	962.1	3,535.1	777.1	2,405.8	352.1
Gross Domestic Product (\$millions)	985.6	483.2	386.3	1,855.1	446.2	1,207.2	201.6
Number of Jobs*	23,816	4,692	48,978	77,486	7,913	66,202	3,371
Wages (\$millions)	767.5	271.4	147.9	1,186.8	291.0	765.2	130.6
Business Earnings (\$millions)	46.5	219.9	98.7	365.1	116.5	193.9	54.6
Tax Revenue (\$millions)							
Personal & Business Income Taxes				350.8	35.8	299.7	15.3
Municipal Taxes (Property Taxes)				302.5	285.5	9.7	7.2
Total Government Revenues				653.3	321.3	309.5	22.5

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 11

Summary of Estimated On-going Economic Benefits for Vaughan Metropolitan Centre, 2021-2041

On-going Benefits	Total	Residential	Office	Retail	Institutional
Assessment Base and Property Tax Revenues					
<i>Dollars (000,000s)</i>					
Estimated Assessment Value for 2019 Property Taxation	12,235.3	11,186.0	600.9	448.3	N/A
Annual Property Tax Associated with Development at Build-Out					
<i>Dollars (000,000s)</i>					
City of Vaughan	94.1	91.4	1.5	1.1	N/A
Region of York	111.3	106.8	2.6	1.9	N/A
Education	97.0	87.3	5.6	4.2	N/A
Total	302.5	285.5	9.7	7.2	N/A

Source: Altus Group Economic Consulting

WESTON ROAD & HIGHWAY 7 CIP AREA

The construction and operation of new residential, commercial and institutional space within Weston Road & Highway 7 CIP Area from 2015-2020 could result in investment of about \$690.7 million during the construction phase of development projects and an estimated annual expenditure of some \$147.9 million once those developments are fully operational.

Construction hard costs were estimated as follows:

- New development activity will provide almost 1 million sq. ft. and a total investment in building construction estimated at \$476.8 million;
- Almost 1,600 parking stalls will likely be provided at an estimated construction costs of about \$81.6 million;
- Land development and site servicing costs were estimated at \$22.9 million, about 3.5% of the combined costs of building construction and professional soft costs such as architectural, engineering, financing and legal fees;
- Professional soft costs of \$176.1 million were assumed to be about 35% of the total investment value of all construction activity, typical of the type of construction proposed.

Figure 12

Weston Road & Highway 7 Centre Development Summary Statistics				
	GFA (sq. ft.)	Units/Stalls	Sq. Ft. per Employee	Estimated Construction Value \$M
2015-2020				
Residential	672,193	783		305.8
Office	185,657		120	74.3
Retail	100,216		400	15.0
Institutional	-		675	-
Sub Total	958,066	783		395.1
Above Ground Parking Stalls		341		12.6
Underground Parking Stalls		1,255		69.0
Sub Total		1,596		81.6
2020-2044				
Residential	6,420,335	5,791		2,921.3
Office	136,703		120	54.7
Retail	547,888		400	82.2
Institutional	231,426		675	64.2
Sub Total	7,336,351	5,791		3,122.3
Above Ground Parking Stalls		-		-
Underground Parking Stalls		6,155		338.5
Sub Total		6,155		338.5

Source: Altus Group Economic Consulting based on data provided by client

Economic Benefits associated with Construction and Development Activities 2015-2020

Construction and development activities related to Weston 7 during the period 2015-2019 will deliver tremendous economic benefits by generating:

- About 6,300 person-years of direct, indirect and induced employment (about 300 jobs per year during the 21-year period);
 - 3,500 jobs of which will be generated in the city of Vaughan;
- About \$1.2 billion in direct, indirect and induced economic activity;
 - \$684.0 million of which is estimated to take place in the city of Vaughan;
- About \$661.9 million in net contribution to GDP;
 - \$364.1 billion of which is estimated to take place in the city of Vaughan;
- About \$433.7 million in personal income tied to the creation of direct, indirect and induced jobs;
 - \$238.5 million of which is estimated to take place in the city of Vaughan;
- Some \$227.2 million in operating business earnings; and
 - \$125.0 million of which is estimated to take place in the city of Vaughan;
- Some \$239.3 million in tax revenues and other charges for various levels of government (See Figure 13, Figure 14 and Figure 15).
 - Some \$144.4 million in personal and business taxes;
 - Some \$32.6 million in land transfer tax (LTT), and harmonized sales tax (HST);
 - \$60.9 million in development charges; and
 - \$1.4 million in building fees.

Direct jobs and economic activity will result from the construction of the residential and non-residential buildings, construction of parking spaces, and the site servicing of the property, including demolition. Land development and infrastructure such as streetscapes and utilities, in addition to activity associated with the 'soft costs' of construction will also contribute to direct jobs and economic activity. Construction 'soft costs' include costs related to planners, architects, City staff and other activities directly tied to the investments planned for the subject site.

Tax revenues and other charges for various levels of government include personal and business income taxes and well as property taxes, provincial land transfer taxes, HST and other indirect taxes, charges and fees. Indirect taxes on production include CPP and EI contributions, and an array of municipal fees and taxes such as building permit fees, application fees, and development charges.

The city of Vaughan stands to account for up to 55% of the economic benefits generated from the construction phase of the projects in the Weston 7 CIP Area, including an addition \$684.0 million in economic activity. The economic benefits, which will accrue to the city of Vaughan from the construction of various projects in the Weston 7 CIP approximates to the direct benefits that the various projects will generate for Ontario.

Figure 13 Estimated Economic Benefits of Weston Road & Highway 7 Centre: Construction and Development Activities, 2015-2020

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development		
					Residential	Office	Retail
Economic Activity (\$millions)	690.7	318.4	234.4	1,243.6	958.4	246.3	38.8
Gross Domestic Product (\$millions)	361.4	162.8	137.7	661.9	505.6	135.7	20.6
Number of Jobs*	3,408	1,639	1,269	6,316	4,772	1,339	205
Wages (\$millions)	261.4	108.0	64.3	433.7	328.8	91.1	13.8
Business Earnings (\$millions)	107.1	55.7	64.5	227.2	176.5	44.2	6.5
Tax Revenue (\$millions)							
Personal & Business Income Taxes				144.4	109.1	30.6	4.7
Municipal Taxes, Charges & Fees				62.3	50.0	5.1	7.2
Other Government Revenues (Land Transfer Taxes, HST)				32.6	30.8	1.0	0.8
Total Government Revenues				239.3	189.9	36.7	12.7

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 14

Summary of Estimated Construction Economic Benefits for Weston Road and Highway 7, 2015-2019

One-Time Benefits	Total	Residential	Office	Retail	Institutional
Development Charges					
City of Vaughan	22.1	20.3	0.4	1.4	0
Region of York	33.0	23.2	4.2	5.5	0
Education	5.8	5.5	0.2	0.1	0
Total	60.9	49.0	4.8	7.1	0
Building Permit Fees					
City of Vaughan	1.4	1.0	0.3	0.1	0

Source: Altus Group Economic Consulting

Figure 15

Land Transfer Taxes	Total	Residential	Office	Retail	Institutional
Total	8.9	7.2	1.0	0.8	0

Source: Altus Group Economic Consulting

ECONOMIC BENEFITS ASSOCIATED WITH ON-GOING OPERATIONS 2015-2020

Economic Activity, Jobs, Earnings and Government Revenues

A range of economic benefits are expected from the on-going operations at Weston 7 developments once completed.

This section contains estimates of the jobs, economic activity, business earning and government revenues that are likely to be sustained or generated annually as a result of the retail spending, property management fees and other commercial activity that will be created from the other retail, office, residential and recreational spending associated with the various CIP developments in the Weston 7 CIP Area.

A significant amount of those economic benefits will result from consumer spending at the retail space provided in Weston 7 developments, and retail spending from residents.

The city of Vaughan is expected to account for some 90% of the economic benefits from the on-going operations of the VMC.

The on-going operation of the proposed development (for a single-year) will generate:

- Approximately 7,300 person-years of direct, indirect and induced employment;
- About \$309.1 million in direct, indirect and induced economic activity;
- Some \$160.1 million in total net contribution to GDP;
- About \$102.3 million in personal income from the creation of direct, indirect and induced jobs;
- Some \$29.5 million in total operating business earnings; and
- Approximately \$34.7 million in property, business and income tax revenues for all levels of government (See Figure 16, and Figure 17).
 - Some \$29.8 million in personal and business taxes; and
 - \$4.9 million in property taxes.

Figure 16

Estimated Economic Benefits of Weston Road & Highway 7 Centre: 2015-2020, On-going Operations (Single-Year)

	Direct	Indirect	Induced	Total	Total Impacts by Type of Development		
					Residential	Office	Retail
Economic Activity (\$millions)	147.9	74.5	86.7	309.1	33.9	239.3	35.9
Gross Domestic Product (\$millions)	85.3	41.8	33.0	160.1	19.5	120.0	20.6
Number of Jobs*	2,059	405	4,843	7,306	345	6,612	350
Wages (\$millions)	66.6	23.4	12.2	102.3	12.7	76.1	13.4
Business Earnings (\$millions)	3.6	19.0	6.9	29.5	5.1	19.0	5.4
Tax Revenue (\$millions)							
Personal & Business Income Taxes				29.8	1.4	27.0	1.4
Municipal Taxes (Property Taxes)				4.9	3.5	0.8	0.6
Total Government Revenues				34.7	4.9	27.8	2.1

* Person-years of employment

Source: Altus Group Economic Consulting based on Input / Output Model and Other Sources

Figure 17

Summary of Estimated On-going Economic Benefits for Weston Road and Highway 7, 2015-2019

Ongoing Benefits	Total	Residential	Office	Retail	Institutional
Assessment Base and Property Tax Revenues					
<i>Dollars (000,000s)</i>					
Estimated Assessment Value for 2019 Property Taxation	585.4	495.9	49.6	39.9	N/A
Annual Property Tax Associated with Development at Build-Out					
<i>Dollars (000,000s)</i>					
City of Vaughan	1.2	1.0	0.1	0.1	N/A
Region of York	2.1	1.7	0.2	0.2	N/A
Education	1.6	0.8	0.5	0.4	N/A
Total	4.9	3.5	0.8	0.6	N/A

Source: Altus Group Economic Consulting

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The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
October 10, 2019

Report of the Commissioner of Finance, the Commissioner of Corporate Services
and the Chief Planner

Large Office Building Development Charge Deferral Pilot Program

1. Recommendations

1. Council approve a pilot incentive program to encourage large office buildings through:
 - a. Aligning the Region's existing development charge deferral for office buildings (Attachment 1) with the provisions of the *More Homes More Choice Act, 2019*, and
 - b. Introducing a new time-limited policy that provides an interest-free, long-term development charge deferral for qualified office buildings in Regional Centres and Corridors, as set out in the accompanying draft policy (Attachment 2).
2. Staff report back to Council, prior to the end of this Council term, on the results of the pilot incentive program.
3. The Regional Clerk circulate this report to the local municipalities, the Building Industry and Land Development Association – York Chapter (BILD), and all other industry stakeholders consulted in the development of this incentive program.

2. Summary

In June 2019, Council authorized staff to consult with stakeholders on potential financial incentives to help promote major office development in Regional Centres and Corridors. This report updates Council on the results of that consultation and recommends a development charge deferral policy be implemented, as a three year pilot project.

Key Points:

- Office development, particularly in Centres and Corridors, is important to the Region's competitiveness, city building initiatives, and financial sustainability
- In recent years, a number of the Region's local and neighbouring municipalities have introduced financial incentives for office development
- Over the summer, staff consulted with industry stakeholders and local municipalities on potential financial incentives

- Most industry stakeholders indicated that financial incentives may help in facilitating major office development in the Regional Centres and Corridors
- Some stakeholders supported extending any incentives to proposed Major Transit Station Areas outside of the Regional Centres and Corridors
- A new time-limited development charge deferral is recommended to incentivize large office buildings in the Regional Centres and Corridors
- If approved, the ability to take advantage of the deferral would begin at Council approval and end three (3) years later, and staff would report back to Council prior to the end of this Council term on the results of the pilot incentive program
- At the request of a municipality, Council could consider applying this incentive to an office building in a Major Transit Station Area outside of Regional Centres and Corridors if it otherwise meets the criteria set out in Attachment 2

3. Background

Major office development in the Regional Centres and Corridors is important to the Region's competitiveness, city building initiatives, and fiscal sustainability

Office developments support the Region's prosperity, and provide a built form that allows intensification of workers easily served by transit. They are an integral part of vibrant, accessible, multi-use downtowns, such as Regional Centres and Corridors. Larger office buildings often serve as headquarters and research centres for domestic and global corporations and enhance the attractiveness of a location.

Regional Centres are planned as the most intense concentrations of development within the Region, integrated with rapid transit, and include: Markham Centre, Richmond Hill/Langstaff Gateway, Vaughan Metropolitan Centre, and Newmarket Centre. The Corridors are: Highway 7 Corridor, Yonge Street Corridor, Davis Drive Corridor, and the Green Lane Corridor. The Cities of Vaughan, Markham and Richmond Hill as well as the Towns of East Gwillimbury, Aurora, and Newmarket all have lands in Regional Centres and Corridors.

Major Transit Station Areas generally refer to areas including and around existing and planned higher order transit stations (subway, Bus Rapid Transit and GO Rail). The Region's Official Plan will delineate and set minimum density targets for Major Transit Station Areas through the Regional Municipal Comprehensive Review process. Major Transit Station Areas may also become important focal points for major office development, as part of the Region's objective to achieve complete communities.

York Region is attracting new office jobs, but this growth is not translating into new major office space

The Region's office job growth since 2012 is in line with Growth Plan projections. However, major office space development over the same period has fallen short of projections. This is likely a result of office jobs being accommodated in converted industrial space, and

decreases in office space per worker due to the changing nature of how jobs are delivered (e.g., telework and flex-space).

Toronto continues to dominate new supply of major Class A office space

Class A office space typically locates around major infrastructure such as the subway or transportation hubs. Since 2012, the City of Toronto has become more dominant with respect to new major office construction, and has accounted for just over half of all the office space built in the Greater Toronto Area ("GTA"). Toronto's share of new major office building space under construction has increased to roughly three quarters of the GTA total. Downtown Toronto accounts for 84% of office buildings greater than 250,000 square feet built since 2012, and 100% (totalling 5 million square feet) of buildings in this size range under construction.

There is a lack of immediately available Class A office, greater than 100,000 square feet in the Region to attract or retain major tenants. Of the formal office proposal applications currently under review across the Region, 30 office buildings are at some stage of the development process. These buildings total just over 2.8 million square feet of new space, however, almost three quarters of them are located outside of the Region's Centres and Corridors, and none are over 250,000 square feet in size.

Some of the Region's local and neighbouring municipalities offer financial incentives to attract office development

In recent years, several of the Region's local and neighbouring municipalities started to offer property incentives (e.g., property tax grants) and development charge reductions (discounts or exemptions) to help facilitate office development (details in Attachment 3). Other than Toronto and Halton Region, most incentive programs are in their early stages, and their efficacy has not yet been assessed. Nonetheless, preliminary analysis suggests that local municipal incentives may not be fully effective without Regional participation.

Bill 108, *More Homes, More Choice Act, 2019*, will change how development charges are levied for office development

On June 6, 2019, Bill 108, *More Homes, More Choice Act, 2019* (Bill 108), received Royal Assent. Bill 108 amends the *Development Charges Act, 1997* allowing developers to lock in development charge rates at the time of site plan or zoning amendment application. Eligible non-residential developments, including offices, would delay development charge payment until the earlier of occupancy permit or first occupancy. Payment would be phased over the ensuing five years. Under the regulatory framework proposed by the Ministry, virtually all types of office development would qualify for the delayed and phased payment regime. On September 26, 2019 Regional Council approved a memorandum summarizing the response by staff on the proposed regulatory framework associated with the changes to the *Act*.

Bill 108 affects all 444 municipalities in Ontario. The changes to the treatment of office development do not target specific locations, nor do they encourage larger offices.

In June 2019, Council authorized staff to consult with stakeholders on potential financial incentives

On June 27, 2019, Council approved the, "Potential Financial Incentives for Office Buildings" report. The report recommended staff consult with stakeholders on potential office incentives in Regional Centres and Corridors to help achieve the following outcomes:

- Encourage 'place-making' in the Regional Centres and Corridors through a mix of uses
- Promote live/work and transit within York Region
- Increase the size of proposed office buildings in the current pipeline and promote additional major office building applications
- Generate new speculative office space to satisfy GTA-wide demand
- Minimize impact on the Region's tax levy

4. Analysis

During the summer, staff consulted with stakeholders on potential incentives

On July 31, 2019, the Commissioner of Finance and the Chief Planner held a half day consultation with over forty industry and local municipal stakeholders. The consultation included Regional and local planning and finance staff from all nine local municipalities. External participants included, Building Industry and Land Development Association – York Chapter, office and mixed-use developers, local Chambers of Commerce, and commercial real estate brokerages. This facilitated discussion sought feedback on:

- Barriers and challenges to large speculative office development in York Region
- Potential office incentives, and ways to work collectively to achieve more large office developments in Regional Centres and Corridors

Stakeholders expressed support for targeted incentives to facilitate increased office development in Regional Centres and Corridors

Most stakeholders indicated some form of financial relief may be helpful in facilitating office development, both within Centres and Corridors and throughout the Region. Stakeholders indicated building speculative office development is challenging in the Region due to the high cost of land, government fees, construction costs and potential rents. Stakeholders who build both residential and non-residential product, indicated residential development offers lower risk and faster return. Participants also suggested it is unlikely Bill 108 will be enough to facilitate larger offices in Centres and Corridors, and any Regional fee deferral must be 'better' and longer. Finally, some stakeholders did indicate financial incentives would not likely change market conditions.

Stakeholders were most supportive of a targeted development charge or property tax relief linked to the investment made by the developer (i.e., as the office gets bigger the incentive gets better). A Community Improvement Plan, under the *Planning Act, 1990*, would be required to provide any grant or waiver of municipal taxes and fees. It was also indicated

non-financial assistance should be considered at both the Regional and local level, including expedited approvals and relaxed parking requirements. Finally, feedback from the consultation indicated any development charge deferral should have the following features: minimum five year deferral, easy to administer, and interest free.

Staff reviewed a number of incentives based on stakeholder feedback

After receiving feedback from the consultation, staff evaluated property tax, development charge and planning fee incentives based on five criteria:

- Can the incentive be targeted: incentives focused on both size and location
- Ability to address stakeholder desired incentives: preferred incentives were property tax grant, development charge discount or exemption, or long-term development charge deferral
- Minimize impact on tax levy: incentive not funded through the tax levy
- Speed of implementation: incentive not requiring a Community Improvement Plan or amendment or update to a development charge bylaw
- Ease of execution: administrative ease, ease of understanding for stakeholders

Table 1 summarizes the evaluation of potential incentives. A long-term development charge deferral scores well on all five of the evaluation criteria.

Table 1
Evaluation of Potential Regional Incentives

Potential Regional Incentives	Criteria				
	Can the incentive be targeted	Address stakeholder preference	Minimize impact on tax levy	Speed of implementation	Ease of execution
Property tax grant	✓	✓			
Development charge discount/ exemption	✓	✓			
Long-term development charge deferral	✓	✓	✓	✓	✓
Planning fee waiver	✓				
Planning fee deferral	✓		✓	✓	✓

Staff recommend a new time-limited and targeted long-term development charge deferral policy

Based on feedback received from the consultation and evaluation of the potential incentives in Table 1, staff recommend that a new pilot incentive program be implemented to encourage

larger, speculative office development in Regional Centres and Corridors. Key terms of this development charge deferral are set out below (for additional detail, see Attachment 2):

1. To measure the effectiveness of the policy, the ability to enter into the policy would only be available for three years (pilot) and the eligible gross floor area would be capped at 1.5 million square feet
2. Applies only to office buildings locating in Regional Centres and Corridors
3. Applies only to office buildings in excess of 100,000 square feet
4. Local municipal participation would be required (see Attachment 2 for further details)
5. No interest would be charged
6. Deferral duration would be dependent on size (larger office = longer deferral)

Table 2 below provides further details on the development charge deferral package being recommended.

Table 2
Recommended Development Charge Deferral for Office Buildings

Size Threshold*	Duration of development charge deferral available in Regional Centres and Corridors**
Between 100K sq. ft. and 250K sq. ft.	5 year***
Between 250K sq. ft. and 400K sq. ft.	10 year***
Greater than 400K sq. ft.	20 year***

*It is recommended the threshold be on a per building basis.

**It is recommended the deferral be interest free (see Attachment 2)

***Once threshold is crossed, entirety of gross floor area in the office building is deferred

It is recommended the development charge deferral structure identified in Table 2 also apply to community benefits charges when they are in place

Based on the proposed regulatory framework released by the Province in June, municipalities have until January 1, 2021 to adopt their first Community Benefits Charges Bylaws. Once a Community Benefits Charges Bylaw is in place, a number of soft services would be recovered through the community benefit charge rather than through regional development charges. These services account for approximately 0.1% of the current Industrial/Office/Institutional (IOI) development charge. It is recommended that the deferral policy apply to community benefits charges beginning when the Region passes, and has in-effect, a new Community Benefits Charges Bylaw.

The recommended development charge deferral policy provides a more favourable treatment to office developments than the changes under Bill 108

The recommended development charge deferral policy provides a more favourable treatment to office developments than the changes under Bill 108. Three key differences are:

- the duration of the recommended development charge deferral is longer

- the entirety of the payment is not made until the end of the deferral
- interest would not be charged on the deferred development charges payable

Furthermore, the recommended incentives are further enhanced when factoring in incentives at the local municipal level, including the Tax Increment Equivalent Grants in Vaughan and Richmond Hill, the development charge deferral in Newmarket and the development charge discount in Markham.

Over the course of the pilot incentive program, staff will review other options to facilitate large office buildings, including non-financial tools

The pilot incentive program is proposed to run for three years. During this time, staff propose a more in-depth and coordinated review of other potential actions to attract major office development in the Region's Centres and Corridors. Staff will also review the efficacy of recently introduced incentives in local and neighbouring municipalities. The Region will continue the York Link marketing campaign as a key priority in the Strategic Plan and the Economic Development Action Plan, to be updated later in 2019.

Staff will report back to Council prior to the end of this Council term

If Council were to approve this pilot incentive program, staff recommend a report be brought back to Council, prior to the end of this Council term, on the results of the pilot incentive program and provide a recommendation on whether additional steps should be taken to further facilitate office development in Regional Centres and Corridors. Performance measures could include:

- The number of office buildings currently in the development process that added gross floor area to their proposed development and/or change locations to the Region's Centres and Corridors in order to qualify for the deferral
- The number of new development applications that qualify for the deferrals
- The total amount of development charge collections that have been delayed

Council could consider permitting office buildings outside of Centres and Corridors to access the pilot program on a case by case basis if criteria are met

The recommended pilot development charge deferral policy focuses on the Regional Centres and Corridors to leverage the significant transit investment that have been made. While many draft Major Transit Station Areas in York Region are located in Regional Centres and Corridors, a number of them are located outside. In consultation with, and at the request of a local municipality, Council could consider permitting large office buildings located within Major Transit Station Areas outside of the Regional Centres and Corridors to access the recommended pilot deferral program provided they meet the criteria.

Staff also recommend Council align the Region's existing 18-month office development charges deferral with Bill 108 provisions

In 2010, the Region introduced an 18 month interest-free development charge deferral for office buildings that are 4 storeys or taller. This deferral program is available to developments throughout the Region, and requires the developer provide a letter of credit.

To address Bill 108, staff recommend Council amend the Region's current policy (Attachment 1). The major changes being that, upon proclamation of Bill 108, development charge rates will be set at site plan application or zoning bylaw amendment application and the deferral will begin at the earlier of occupancy permit or first occupancy. It is also recommended this deferral policy apply to community benefits charges beginning when the Region passes, and has in-effect, a new Community Benefits Charges Bylaw.

Staff has also developed an incentive program for affordable, purpose-built rental buildings

Housing is a key factor in attracting new major office developments, as employers want adequate local housing for their workers. Another report on the same Committee agenda entitled, "Purpose-Built Rental Housing Incentives" is recommending financial incentives to facilitate purpose-built rental developments. The development of any new affordable, purpose-built rental, particularly in the Region's Centres and Corridors, could also help attract new office buildings.

The recommended incentive program aligns with Vision 2051

Facilitating the development of major office buildings in the Region's Centres and Corridors, through a targeted development charge deferral policy, is aligned with many of the Region's Vision 2051 goals, including: open and responsive government; liveable cities and complete communities; and a place where everyone can thrive.

5. Financial

If there is take up, the proposed incentives would represent a financing cost to the Region but also spur assessment growth

A development charge deferral is financed as opposed to funded (as is the case with a Tax Increment Equivalent Grant - TIEG). For example, a 20 year development charge deferral for an office of 400,000 square feet (similar to the KPMG building in the City of Vaughan) would cost the Region approximately \$2.8 million over the life of the deferral, but would also generate approximately \$2.8 million in additional property tax revenues (present valued) during the first five years of occupancy. In addition, developments within the Regional Centres and Corridors would optimize the Region's existing services provided. Table 3 quantifies the costs for the recommended incentives for differently sized office buildings.

Table 3
Potential Financial Implications for Different Sized Buildings

Size of office building	Present value of cost of deferral (\$ Millions)*	Present value of property tax revenues over first five years (\$ Millions)
5 year deferral – 100,000 square feet	0.2	0.4
10 year deferral – 250,000 square feet	1.2	1.3
20 year deferral – 400,001 square feet	2.8	2.8

* Assumes current Industrial/Office/Institutional rate of \$22.89 (July 1, 2019). Costs are net of Bill 108 costs. The estimated cost of the proposed deferral program is the foregone interest earned on reserves by deferring development charge collections.

6. Local Impact

The pilot was developed in consultation with all nine local municipalities

The recommended pilot was developed in consultation with finance representatives from all nine local municipalities. In addition to the half day meeting held in July, staff had informal consultations with local staff on multiple occasions. These discussions canvassed many areas including; types of financial incentives and potential barriers to the take-up of financial incentives in the local municipalities.

The recommended pilot focuses on office development in the Region's Centres and Corridors. While not all local municipalities have lands located in Centres and Corridors, all could benefit directly or indirectly from increased office development.

At the request of a municipality, Council could consider applying this incentive to an office building in an Major Transit Station Area outside of the Regional Centres and Corridors if it otherwise meets the criteria set out in Attachment 2.

Local municipal participation will be required

Local municipal participation is a long standing principle of Regional financial incentives and will be required for any financial incentives package to be successful. As of the date of this report, four of the Region's local municipalities with lands in the Centres and Corridors also have financial incentives that could be used to facilitate office development.

7. Conclusion

To encourage large office buildings in the Region's Centres and Corridors a new targeted pilot financial incentive program is being recommended

Major office development is important to the Region, especially in the Centres and Corridors where significant infrastructure investments have been made. In June 2019, Regional Council authorized staff to consult on potential office incentives in order to help promote office development in these areas. Over the summer, staff consulted with a number of industry stakeholders to develop a development charge deferral. A new, targeted, development charge deferral policy for office buildings in the Region's Centres and Corridors is being recommended. It is proposed that the pilot program run for three years. Staff will report back on the results of the pilot incentive program.

For more information on this report, please contact Doug Lindeblom, Director, Economic Strategy at 1-877-464-9675 ext. 71503 and/or Edward Hankins, Director, Treasury Office at 1-877-464-9675 ext. 71644. Accessible formats or communication supports are available upon request.

Recommended by:

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Commissioner of Finance and Regional Treasurer

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Commissioner of Corporate Services

Approved for Submission:

Bruce Macgregor
Chief Administrative Officer

October 2, 2019
Attachments (3)
9750252

The Regional Municipality of York

Development Charges Deferral for Office Buildings

Approved By: Council
Approved On:
Last Reviewed: Not applicable

Policy Statement

A policy governing the deferral of Regional development charges and area-specific development charges, as the case may be, for office buildings that are a minimum of four (4) storeys that are above grade.

Upon the date a community benefits charges bylaw is adopted by Regional Council and comes into effect, this policy shall include the deferral of the Regional community benefits charges applicable to office buildings.

Application

This policy is available for office buildings in the Regional Municipality of York subject to the terms and conditions as set out in this policy. In order to be eligible, the development must be a minimum of four (4) storeys that are above grade.

Purpose

The purpose of this policy is to incentivize the development of office buildings that are a minimum of four (4) storeys and that are above grade. Additional office buildings in the Region could achieve the following benefits:

- Encourage 'place-making' through a mix of uses
- Promote live/work within the Region

- Make better use of significant infrastructure investments made by the Region and local municipalities, including transit
- Help to grow the Region's property assessment base both from the new office development and from the surrounding complementary development due to land use synergy (both residential and non-residential)
- Help to alleviate north-south congestion on the roads network as residents have increased opportunities to work within the Region

Definitions

Act: The *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute

Community Benefits Charges: The Region's Community Benefits Charges, established by a Community Benefits Charges Bylaw, under Section 37 of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended, revised, re-enacted or consolidated from time to time, and any successor statute

Development: The construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or changing the use thereof from non-residential to residential or from residential to non-residential and includes redevelopment

Development Charges: The Region's development charges, including the area-specific wastewater development charges for the Village of Nobleton

Letter of Credit: A form of financial security issued by a financial institution that guarantees payment or performance by one or more counterparties to a beneficiary (the Region). At any time, the beneficiary reserves the right to draw upon the security up to a specified total in the event of default or non-delivery

Office Building: Means a building or a structure used or designed or intended for use for the practice of a profession, the carrying on of a business or occupation or the conduct of a non-profit organization and shall include but not be limited to the office of a physician, lawyer, dentist, architect, engineer, accountant, real estate or insurance agency, veterinarian, surveyor, appraiser, financial institution, contractor, builder, land developer

Storey: A storey must be above grade and is the portion of a building:

- (a) that is situated between the top of any floor and the top of the floor next above it, or
- (b) that is situated between the top of the floor and the ceiling above the floor, if there is no floor above it

Valuation Date: This means, for the purposes of Community Benefits Charges, with respect to land that is the subject of development or redevelopment

- (a) the day before the day the building permit is issued in respect of the development or redevelopment, or
- (b) if more than one building permit is required for the development or redevelopment, the day before the day the first permit is issued

Description

Terms of the deferral policy

A. Development Charges Deferral

Upon site plan approval and prior to building permit issuance, any developer wishing to defer Development Charges for office buildings that are a minimum of four (4) storeys must provide the Region with a Letter of Credit for the Development Charges owed.

For greater clarity, all of the foregoing in Term 'A' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is in effect.

B. Letter of Credit

The submitted Letter of Credit must:

- be printed on letterhead from the issuing financial institution;
- comply with the International Standby Practices (ISP98) or its successor as published by the International Chamber of Commerce;
- be denominated in Canadian dollars in an amount requested by the Region;
- include an automatic renewal provision where the agreement is to be in place for more than one year;
- indicate that the Region will be given 30 days' notice by registered mail if the counterparty does not intend to renew;

- refer to a renewal schedule described in the agreement where the value of any Letter of Credit renewals or extensions are subject to changes from the original Letter of Credit amount; and,
- conform to the intent of the standard format provided in **Attachment A**. Any deviation from the standard format will be subject to review by the Region and may be refused for non-compliance.

A letter of guarantee or confirmation may be requested from time to time as evidence of capacity to secure a Letter of Credit. However, at no time shall a letter of guarantee or confirmation serve as an acceptable alternative to a Letter of Credit. Letters of guarantee or confirmation must indicate that the financial institution is willing to provide a Letter of Credit in a format and within a time period deemed acceptable to the Region.

For all other details regarding the requirements of the Letter of Credit, please see the Region's Letter of Credit Policy, as amended, revised, re-enacted or consolidated from time to time.

For greater clarity, all of the foregoing in Term 'B' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is in effect.

C. Duration of the deferral

- i.) Where an application is submitted for approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* for an office building prior to section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed, or for an office building for which an application for an approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply but which has submitted an application for an amendment to a by-law passed under section 34 of the *Planning Act* prior to section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed; the deferral period shall begin the day a building permit is issued by the local municipality.

Development Charges are therefore deferred until eighteen (18) months after the date that the building permit is issued by the local municipality.

- ii.) Where an application is submitted for approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* for an office building after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* is

proclaimed, or for an office building for which an application for an approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply, but has submitted an application for an amendment to a by-law passed under section 34 of the *Planning Act* after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* is proclaimed; the deferral period shall begin on the earlier of the date of the issuance of a permit under the *Building Code Act, 1992* authorizing occupation of the building, or the date the building is first occupied.

If the occupation of the building is not authorized by a permit under the *Building Code Act, 1992*, the developer must notify the Region within five (5) business days of the building first being occupied, whereupon the deferral period will begin.

Development Charges are deferred until the date that is eighteen (18) months after the earlier of the date of the issuance of a permit under the *Building Code Act, 1992* authorizing occupation of the building or the date the building is first occupied.

For greater clarity, all of the foregoing in Term 'C' shall apply to Community Benefits Charges, when a Community Benefits Charges bylaw has been adopted and is in effect.

D. Development Charges rates

The Regional development charges rate, or area-specific development charges rate, as the case may be, shall be the amount determined under the applicable Regional development charges bylaw, or area-specific development charges bylaw, as the case may be, on:

- i.) The day that the building permit is issued for the construction of the office building by the local municipality if an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* or an application for an amendment to a by-law passed under section 34 of the *Planning Act* was submitted prior to section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed
- ii.) The day an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* was made in respect of the development that is the subject of the Development Charges or if an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply, the day an application

for an amendment to a by-law passed under section 34 of the *Planning Act* was made in respect of the development that is the subject of the Development Charges if either application was submitted after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed

- iii.) If clause (ii) does not apply to an office building that is seeking to defer Development Charges after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* has been proclaimed, the Development Charges rate is determined on the day the Development Charges is payable in accordance with section 26 of the Act

For greater clarity, when a Community Benefits Charges bylaw has been adopted and is in effect, the Community Benefits Charges rate will be set on the day that the building permit is issued for the construction of the office building by the local municipality and shall be capped based on the prescribed percentage at the Valuation Date.

E. Development Charges payable

The amount of the Development Charges payable to the Region, as required under the Act, shall be based on the rates determined under Term 'D' of this policy multiplied by the gross floor area of the office building, of which shall be determined on the day that the developer provides the Region with a Letter of Credit. Actual monetary value of the development charges will be received via draw upon the Letter of Credit.

For greater clarity, when a Community Benefits Charges bylaw has been adopted and is in effect, the Community Benefits Charges payable shall be set on the day that the building permit is issued for the construction of the office building by the local municipality and shall be capped based on the prescribed percentage at the Valuation Date.

F. Interest waiver

No interest shall be charged as the Region is in receipt of a Letter of Credit.

G. Section 26.1 of the Act

For greater clarity, any office building to which section 26.1 applies (upon the date that the section is proclaimed) and that opts to pay Development Charges in instalments in accordance with section 26.1 of the Act, shall not be entitled to also avail itself of the deferral under this policy.

H. Effective date

The amendments to this policy shall take effect the day it is passed by Regional Council and may be repealed by the Region at any time.

Responsibilities

Director, Treasury Office, Finance Department

- Administer the deferral policy, including assisting stakeholders in determining if they qualify for the policy, the Development Charges rates to be applied, and the Development Charges payable
- Enforce the deferral policy
- Collect all Development Charges when due
- Collect all Community Benefits Charges when due (when in-effect)

Director, Strategy and Transformation, Finance Department

- Process the draw upon the letter of credit at the point Development Charges are due (for example, end of deferral period)
- Process the draw upon the letter of credit at the point Community Benefits Charges are due (when in-effect) (for example, at end of deferral period)

Compliance

The **Director, Strategy and Transformation** shall process the draw upon the letter of credit at the point Development Charges are due (for example, end of deferral period).

Reference

Legislative and other authorities

- [Bill 108, More Homes, More Choice Act, 2019](#)
- [Development Charges Act, 1997, S.O. 1997, c. 27](#)
- [Ontario Regulation 82/98](#)
- [Planning Act, R.S.O. 1990, c. P.13](#)

Appendices

- Council Report, [Potential Financial Incentives for Office Buildings](#), June 27, 2019
- Council Report, [Large Office Building Development Charge Deferral Pilot Program](#), October 17, 2019 (hyperlink to be inserted)
- [Council Report, Letter of Credit Policy](#), April 18, 2013
- [Letter of Credit Policy](#), April 18, 2013



Keyword Search

- development charges, Development Charges Act
- deferral, office buildings
- community benefits charges, Planning Act

Contact

- Director, Treasury Office, Finance Department at extension 71644

Approval

Council Date:	Committee Date:
Council Minute Item: 	Committee Minute Item: 

#10061694

Accessible formats or communication supports are available upon request.

ATTACHMENT A

**REGION OF YORK
STANDARD DOCUMENTATION FOR LETTERS OF CREDIT**

(insert bank letterhead)

LETTER OF CREDIT NO. _____

DATE: _____

APPLICANT: _____

IRREVOCABLE LETTER OF CREDIT

BENEFICIARY: The Regional Municipality of York
17250 Yonge Street, Box 147
Newmarket, Ontario, Canada
L3Y 6Z1

We hereby authorize you to draw on _____
(Bank, Address, Postal Code)

for account of _____
(name of Applicant)

up to an aggregate amount of _____ Dollars (\$_____) available on demand as follows:

Pursuant to the request of our customer, the said _____,
(name of Applicant)

we _____
(name of Bank)

hereby establish and give to you an Irrevocable Letter of Credit in your favour in the total amount of

_____ DOLLARS (\$_____) CAD

which may be drawn on by you at any time and from time to time upon written demand for payment made upon us by you which demand we shall honour without enquiring whether you have a right as between yourself and our said customer to make such demand and without recognizing any claim of our said customer.

Provided, however, that you are to deliver to us at such time as a written demand for payment is made upon us a certificate signed by you agreeing and/or confirming that monies drawn pursuant to this Letter of Credit are to be retained and used to meet obligations in connection with:

CONTRACT NO.	_____	} (as applicable)
MINISTRY SUBDIVISION NO:	_____	
REGION FILE OR APPROVAL NO:	_____	
SITE LOCATION:	_____	

Development Charges Deferral for Office Buildings

DESCRIPTION OF WORKS: _____

The amount of this Letter of Credit shall be reduced from time to time as advised by notice in writing given to us from time to time by you.

This Letter of Credit will expire on _____, but shall be deemed to be automatically extended without any formal amendment or notice to that effect, from year to year for successive periods of one year each from the present or any future expiration date hereof, unless not less than thirty (30) days prior to the present or any future expiration we shall notify you in writing that the bank elects not to renew this Letter of Credit for any such additional period. This notification shall be delivered by Registered Mail to the attention of:

Commissioner of Finance & Regional Treasurer
Regional Municipality of York
17250 Yonge Street, Box 147
Newmarket, Ontario, Canada
L3Y 6Z1

Upon receipt by you of such notice, you may draw by means of your demand accompanied by your above written certificate.

Partial drawings are permitted.

The drawings under this credit are to state that they are drawn under the

(Name of Bank, Address)
LETTER OF CREDIT NO. _____
(Number)

This Letter of Credit is subject to the rules set out in *International Standby Practices (ISP98)*, International Chamber of Commerce publication No.590 and engages us in accordance with the terms thereof. This Letter of Credit shall also be governed by and construed in accordance with the laws of the Province of Ontario and the applicable laws of Canada except to the extent that such laws are inconsistent with the *International Standby Practices (ISP98)*.

Authorized Signature

Authorized Signature (For Bank)

Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet and on the Regional Centres and Corridors – Pilot Program

Approved By: Council
Approved On:
Last Reviewed: Not applicable

Policy Statement

A policy governing the deferral of Regional development charges and area-specific development charges, as the case may be, for office buildings a minimum of four (4) storeys, above grade, a minimum of 100,000 square feet of gross floor area and located on the Regional Centres and Corridors.

Upon the date a community benefits charges bylaw is adopted and comes into effect, this policy shall include the deferral of the Regional community benefits charges applicable to office buildings a minimum of four (4) storeys, above grade, a minimum of 100,000 square feet and located on the Regional Centres and Corridors.

Application

This policy is available for office buildings that are a minimum of four (4) storeys, above grade, a minimum of 100,000 square feet of gross floor area and located on the Regional Centres and Corridors, subject to the terms and conditions as set out in this policy.

Purpose

The purpose of this policy is to incentivize the development of office buildings that are a minimum of four (4) storeys, above grade, a minimum of 100,000 square feet and are located on the Regional Centres and Corridors. Additional larger office buildings on the Regional Centres and Corridors could achieve the following outcomes:

- Encourage 'place-making' through a mix of uses
- Promote live/work within the Region
- Make better use of significant infrastructure investments made by the Region and local municipalities, including transit
- Help to grow the Region's property assessment base both from the new office development and from the surrounding complementary development due to land use synergy (both residential and non-residential)
- Help to alleviate north-south congestion on the roads network as residents have increased opportunities to work within the Region

Definitions

Act: The *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute

Community Benefits Charges: The Region's Community Benefits Charges, established by a Community Benefits Charges Bylaw, under section 37 of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended, revised, re-enacted or consolidated from time to time, and any successor statute

Development: The construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or changing the use thereof from non-residential to residential or from residential to non-residential and includes redevelopment

Development Charges: The Region's development charges, including the area-specific wastewater development charges for the Village of Nobleton

Gross Floor Area: As under the Region's Development Charges Bylaw No. 2017-35 as amended by Regional Development Charges Bylaw No. 2018-42 or any successor

development charges bylaw. Gross floor area means, in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure or from the centre line of a common wall separating a non-residential and a residential use, excluding, in the case of a building or structure containing an atrium, the sum of the areas of the atrium at the level of each floor surrounding the atrium above the floor level of the atrium, and excluding the sum of the areas of each floor used, or designed or intended for use for the parking of motor vehicles unless the building or structure, or any part thereof, is a retail motor vehicle establishment or a standalone motor vehicle storage facility or a commercial public parking structure, and, for the purposes of this definition, notwithstanding any other section of the Region's bylaw, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure, and gross floor area shall not include the surface area of swimming pools or the playing surfaces of indoor sport fields including hockey arenas, and basketball courts

Office Building: Means a building or a structure used or designed or intended for use for the practice of a profession, the carrying on of a business or occupation or the conduct of a non-profit organization and shall include but not be limited to the office of a physician, lawyer, dentist, architect, engineer, accountant, real estate or insurance agency, veterinarian, surveyor, appraiser, financial institution, contractor, builder, land developer

Regional Centres and Corridors: The Regional Centres are depicted on Map 1 – Regional Structure, York Region Official Plan -

- Markham Centre (Highway 7 and Warden Avenue)
- Newmarket Centre (Yonge Street and Davis Drive)
- Richmond Hill/Langstaff Gateway (Highway 7 and Yonge Street)
- Vaughan Metropolitan Centre (Highway 7 and Jane Street)

For further information on areas identified as Regional Corridors please contact the Director of Community Planning at extension 71505

Schedule 'I' Bank: As referenced in subsection 14(1)(a) of the *Bank Act*, S.C. 1991, c. 46. These are domestic banks and are authorized under the *Bank Act* to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation

Storey: A storey must be above grade and is the portion of a building:

- (a) that is situated between the top of any floor and the top of the floor next above it, or
- (b) that is situated between the top of the floor and the ceiling above the floor, if there is no floor above it

Valuation Date: This means, for the purposes of Community Benefits Charges, with respect to land that is the subject of development or redevelopment

- (a) the day before the day the building permit is issued in respect of the development or redevelopment, or
- (b) if more than one building permit is required for the development or redevelopment, the day before the day the first permit is issued

Description

A. Applications previously submitted

Any developer wishing to defer Development Charges for an office building that is a minimum of four (4) storeys, above grade, a minimum of 100,000 square feet of gross floor area and on a Regional Centre and Corridor, who had submitted a site plan application or zoning bylaw amendment application, for the construction of the office building prior to Council approval of this policy may enter into a Development Charges Deferral agreement with the Region, subject to the terms and conditions of this policy, and provided that the Development Charges Deferral agreement and the issuance of the building permit for the office building by the local municipality are prior to the date that is three (3) years immediately after Council approval of this policy.

For greater clarity, all of the foregoing in Term 'A' shall apply to Community Benefits Charges a community benefits bylaw has been adopted and is in effect.

B. Expression of Interest Agreement – applications not previously submitted

Any developer wishing to defer Development Charges for an office building that is a minimum of four (4) storeys, above grade, a minimum of 100,000 square feet of gross floor area and on a Regional Centre and Corridor who had not submitted a site plan application or zoning bylaw amendment application, for the construction of the office building, prior to Council approval of this policy, may enter into a Development

Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet

Charges Deferral agreement with the Region provided that they first enter into an Expression of Interest agreement with the Region.

The ability to enter into an Expression of Interest agreement shall begin on the date that Council approves this policy and shall end three (3) years after the approval of this policy at 4:30 p.m. The developer shall only qualify to enter into an Expression of Interest agreement if they have submitted a complete site plan application or zoning bylaw amendment application as determined by the local municipality, for the construction of the office building, or an amendment to an existing application that results in additional gross floor area which are a minimum of 100,000 square feet threshold, during the duration of this three (3) year period.

For greater clarity, any site plan application, or zoning bylaw amendment application, for an office building that is a minimum of four (4) storeys, a minimum of 100,000 square feet of gross floor area and on a Regional Centre and Corridor that was submitted prior to Council approval of this policy does not qualify for an Expression of Interest agreement unless a subsequent application/amendment, adding additional gross floor area to the original application is submitted during this three (3) year period.

This Expression of Interest agreement, between the developer and the Region, will secure an option for the developer to enter into a Development Charges Deferral agreement with the Region provided that:

- The square footage cap under Term 'I' of this policy has not already been met
- The developer agrees to all of the Terms outlined in this policy

For greater clarity, all of the foregoing in Term 'B' shall apply to Community Benefits Charges a Community Benefits Charges bylaw has been adopted and is in effect.

C. Development Charges Deferral agreement

Any developer wishing to defer Development Charges for an office building that is a minimum of four (4) storeys, a minimum of 100,000 square feet and on a Regional Centre and Corridor, including those who already entered into an Expression of Interest agreement with the Region must also enter into a Development Charges Deferral agreement with the Region, provided that the gross floor area cap of 1.5 million square feet (Term 'I') for pilot policy has not been met.

For greater clarity, any developer who had entered into an Expression of Interest agreement must enter into a Development Charges Deferral agreement within five (5) years of the submission of a complete site plan application or zoning bylaw

Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet

amendment application or an amendment to an existing application that results in additional gross floor area provided that the pilot policy's gross floor area cap of 1.5 million square feet (Term 'I') has not been met.

A Development Charges Deferral agreement shall only be executed by the Region provided that the developer can immediately upon execution of the agreement attain building permit issuance by the local municipality.

For greater clarity, all of the foregoing in Term 'C' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is effect.

D. Duration of the Deferral

The duration of the Development Charges deferral shall vary based on the eligible gross floor area of the building, and will be in accordance with Table 1 below.

Table1

Gross Floor Area Size Threshold	Duration of Development Charges deferral available in Regional Centres and Corridors
Between 100,000 square feet and 250,000 square feet	5 year*
Greater than 250,000 square feet and less than or equal to 400,000 square feet	10 year*
Greater than 400,000 square feet	20 year*

*Note: Once threshold is crossed, entirety of gross floor area in office building is deferred for this timeframe

- i.) Where an application for approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* for an office building prior to section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed, or for an office building for which an application for an approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act*, does not apply, but which has submitted an application for an amendment to a by-law passed under section 34 of the *Planning Act* prior to section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019*, being proclaimed; the deferral period shall begin the day a building permit is issued by the local municipality.

Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet

Development Charges are therefore deferred until fifteen (15) days immediately following the date that is (5) years, ten (10) years or twenty (20) years (as applicable) after the date that the building permit is issued by the local municipality.

- ii.) Where an application for approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* for an office building after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019*, is proclaimed, or for an office building for which an application for an approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply, but has submitted an application for an amendment to a bylaw passed under section 34 of the *Planning Act*, after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019*, is proclaimed; the deferral period shall begin on the earlier of the date of the issuance of a permit under the *Building Code Act, 1992*, authorizing occupation of the building, or the date the building is first occupied.

If the occupation of the building is not authorized by a permit under the *Building Code Act, 1992*, the developer must notify the Region within five (5) business days of the building first being occupied, whereupon the deferral period will begin. Failure to notify the Region within five (5) business days of the building first being occupied will constitute a material default of the deferral agreement.

Development Charges are deferred until fifteen (15) days immediately following the date that is five (5) years, ten (10) years or twenty (20) years (as applicable) after the earlier of the date of the issuance of a permit under the *Building Code Act, 1992*, authorizing occupation of the building or the date the building is first occupied.

For greater clarity, all of the foregoing in clause (ii) shall apply to Community Benefits Charges when a community benefits bylaw has been adopted and is in effect.

Development Charges shall be payable prior to the timeframe indicated in Table 1 should any of the following trigger events occur:

- Change of use from an office building
- Sale, or transfer of ownership, of the property unless an assumption agreement is entered into
- Any other material default as defined in the agreement(s)

Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet

Notification to the owner of the property on the tax roll shall occur immediately after the trigger event. The fifteen (15) business days shall begin with the mailing, by registered mail, of notice.

For greater clarity, all of the foregoing in Term 'D' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is in effect.

E. Development Charges rates

The Regional development charges rate, or area-specific development charges rate, as the case may be, shall be the amount determined under the applicable Regional development charges bylaw, or area-specific development charges bylaw, as the case may be, on:

- i.) The day that the building permit is issued for the construction of the office building by the local municipality if an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* or an application for an amendment to a by-law passed under section 34 of the *Planning Act* was submitted prior to section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed
- ii.) The day an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* was made in respect of the development that is the subject of the Development Charges or if an application for an approval of development in a site plan control area under subsection 41 (4) of the *Planning Act* does not apply, the day an application for an amendment to a by-law passed under section 34 of the *Planning Act* was made in respect of the development that is the subject of the Development Charges if either application was submitted after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* being proclaimed
- iii.) If clause (ii) does not apply to an office building that is seeking to defer Development Charges after section 8 of Schedule 3 of Bill 108, *More Homes, More Choice Act, 2019* has been proclaimed, the Development Charges rate is determined on the day the Development Charges is payable in accordance with section 26 of the Act

For greater clarity, when a community benefits bylaw has been adopted and is in effect, the Community Benefits Charges rate will be set on the day that the building permit is issued for the construction of the office building by the local municipality and shall be capped based on the prescribed percentage at the Valuation Date.

F. Development Charges payable

The amount of Development Charges payable to the Region, as required under the Act, shall be based on the rates determined under Term 'E' of this policy multiplied by the gross floor area of the office building, of which shall be determined on the day that the developer enters into a Development Charges Deferral agreement with the Region.

For greater clarity, qualifying gross floor area shall only be on a per building basis. Gross floor area is as defined in this policy.

For greater clarity, when a community benefits bylaw has been adopted and is in effect, the Community Benefits Charges payable shall be set on the day that the building permit is issued for the construction of the office building by the local municipality and shall be capped based on the prescribed percentage at the Valuation Date.

G. Interest waiver

All interest shall be calculated using the Development Charges payable in Term 'F' to this policy until the date upon which the Development Charges are fully paid.

All deferred Development Charges shall bear interest at the prime commercial lending rate charged by an agreed upon 'Schedule I' commercial bank on demand loans in Canadian funds to its most creditworthy customers plus two (2) per cent per annum. All interest shall accrue and be compounded.

The time period shall be calculated beginning on the date of issuance of the building permit for the proposed structure by the local municipality.

The Region shall forgive all amounts due and owing on account of interest, provided that the Development Charges, are paid in full to the Region at the time required (within fifteen (15) business days immediately following notification of a trigger event as defined in Term 'D' of this policy).

In the event unpaid Development Charges are added to the tax roll (Term 'K'); interest shall continue to accrue and be compounded until all outstanding charges are fully paid.

For greater clarity, all of the foregoing in Term 'G' shall apply to Community Benefits Charges when a community benefits bylaw has been adopted and is in effect.

H. Duration of Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet and on the Regional Centres and Corridors – Pilot Policy

This policy shall take effect on the day upon which it is approved by Council.

This policy shall expire eight (8) years after the date of Council approval, at 4:30 p.m. An eight (8) year period takes into consideration two factors:

- A developer may enter into an Expression of Interest agreement any time during the three (3) period, commencing immediately after Council approval and ending three (3) years later at 4:30 p.m.; and
- Under Term 'C' of this policy, any Development Charges Deferral agreement must be entered into within five (5) years of the submission of a complete site plan application or a zoning bylaw amendment application.

I. Square footage cap

This policy will only be available to the first 1.5 million square feet of gross floor area that enters into a Development Charges Deferral agreement(s) with the Region. It will be available on a 'first-come, first served' basis.

In the event more than one office building wishes to enter into a Development Charges Deferral agreement with the Region on the same day, the result of which would exceed the square footage cap, it shall be up to the Commissioner of Finance and the Chief Administrative Officer to determine qualification and whether the square footage cap may be exceeded.

For greater clarity, all of the foregoing in Term 'I' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is in effect.

J. Local participation

The Region will only enter into a Development Charges Deferral agreement if the local municipality has provided a similar, if not better, deferral, exemption, or other incentive, for the proposed building.

It shall be up to the Commissioner of Finance and/or the Chief Administrative Officer, in consultation with the Chief Planner, to decide what constitutes "similar, if not better", but this may be determined by looking at:

- Whether or not there is a prescribed timeframe for the deferral

Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet

- Whether or not interest is waived
- Other incentives that may be provided, be they financial or otherwise

For greater clarity, all of the foregoing in Term 'J' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is in effect.

K. Unpaid Development Charges

If any Development Charges (including any interest) are unpaid within fifteen (15) business days immediately following notification of a trigger event identified in Term 'D' of this policy, or at the end of the development charge deferral timeframe when payment has not been made, those Development Charges (including interest) shall be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

In the event unpaid Development Charges are added to the tax roll; interest shall continue to accrue and be compounded until all outstanding charges are fully paid.

For greater clarity, all of the foregoing in Term 'K' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is in effect.

L. Security

A form of security will be taken and registered against the title to the property, at the execution of the Development Charges Deferral agreement with the Region. The Region's security interest will always be, at minimum, *pari passu*, or of equal footing, to that of the local municipality offering a similar, if not better, deferral of Development Charges.

For greater clarity, all of the foregoing in Term 'L' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is in effect.

M. Other agreements required

In addition to the requirements that the developer enter into an Expression of Interest agreement and a Development Charges Deferral agreement with the Region, the developer shall enter into any other agreements as required by the Regional Solicitor. Additional agreements include, but may not be limited to:

- Charge

Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet

- Assignment of Rents
- Restrictive Covenant
- Pari Passu Agreement
- General Security Agreement
- Other agreement(s) as deemed necessary

For greater clarity, all of the foregoing in Term 'M' shall apply to Community Benefits Charges when upon they are in effect through a Community Benefits Charges Bylaw.

N. Legal fees

All legal fees of the developer(s) and Region, including any costs incurred by the Region to prepare any other agreements required by the Regional Solicitor, shall be borne by the developer.

O. Report back to Council

Staff shall report back to Council prior to the end of this Council term, on the results of the pilot policy and provide a recommendation on whether additional steps should be taken to further facilitate office development in Regional Centres and Corridors.

P. Non-Applicability – 18 month Development Charges Deferral

For greater clarity, any office building that avails itself of the deferral under this policy is not eligible for the Region's 18 month Development Charges deferral for office buildings greater than four (4) storeys.

Q. Multiple use buildings

This policy does apply to office uses in a multiple use building.

However, for greater clarity, this policy does not apply to the non-office uses within any multiple use building, a part of which is an office use or building that is a minimum of 100,000 square feet.

For greater clarity, all of the foregoing in Term 'Q' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is in effect.

R. Mixed-use developments

For greater clarity, this policy does not apply to the residential or any other non-residential Development Charges due for any mixed-use development, a portion of which is an office building or use that is a minimum of 100,000 square feet.

For greater clarity, all of the foregoing in Term 'R' shall apply to Community Benefits Charges when a Community Benefits Charges bylaw has been adopted and is in effect.

S. Section 26.1 of the Act

For greater clarity, any office building to which section 26.1 applies (upon the date that the section is proclaimed) and that opts to pay Development Charges in instalments in accordance with section 26.1 of the Act, shall not be entitled to also avail itself of the deferral under this policy.

T. Effective date

This policy shall take effect the day it is passed by Regional Council and may be repealed by the Region at any time.

Responsibilities

Chief Administrative Officer, Regional Municipality of York

- Responsibilities as identified under the Terms of this policy
- Signing of security agreements

Commissioner of Finance and Regional Treasurer, Finance Department

- Responsibilities as identified under the Terms of this policy
- Signing of security agreements and Expression of Interest agreements

Regional Solicitor, Legal Services

- Draft and prepare for execution the deferral agreement between Region and the developer

Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet

- Draft and prepare for execution the expression of interest agreement between the Region and the developer
- Draft and prepare for execution any additional agreements required
- Registration of security on title

Chief Planner, Planning and Economic Development, Corporate Services Department

- Responsibilities as identified under the Terms of this policy

Director, Treasury Office, Finance Department

- Administer the deferral policy, including assisting stakeholders in determining if they qualify for the policy, the Development Charges rates to be applied, the amount of qualifying gross floor area and the Development Charges payable
- Enforce the deferral policy
- Collect all Development Charges when due
- Collect all Community Benefits Charges when due (when in-effect)
- Monitor timing of payment in order to ensure compliance with Term 'E' of the policy
- Notify, through the Regional Treasurer, to the treasurer of the local municipality if Development Charges are not paid/received within the prescribed timeframe and to have said charges added to the tax roll of that municipality
- Undertake any additional administrative obligations as determined through the agreements
- Maintain copies of all executed deferral agreements and other agreements as required

Director, Community Planning, Planning and Economic Development

- Assist in identifying structures as within the Regional Centres and Corridors

Compliance

Immediately upon the occurrence of any of the trigger events identified in Term 'D' of this policy, the **Director, Treasury Office** shall notify the owner of the property on the tax roll that Development Charges are due within fifteen (15) business days, the timing of which shall begin with the mailing, by registered mail, of notice.

The **Director, Treasury Office** shall also monitor the payment of the Development Charges due (and Community Benefits Charges, when in-effect) in order to ensure interest is only forgiven (Term 'G' of the policy) when the Development Charges are paid in full to the Region within fifteen (15) business days immediately following notification of a trigger event.

Reference

Legislative and other authorities

- [Bill 108, More Homes, More Choice Act, 2019](#)
- [Development Charges Act, 1997, S.O. 1997, c. 27](#)
- [Ontario Regulation 82/98](#)
- [Planning Act, R.S.O. 1990, c. P.13](#)
- [The Regional Municipality of York - York Region Development Charges Bylaw - No. 2017-35](#)
- [The Regional Municipality of York – York Region Development Charge Bylaw Amendment N. 2018-42](#)
- [York Region Official Plan, Map 1 - Regional Structure](#)

Appendices

- [Council Report, Potential Financial Incentives for Office Buildings, June 27, 2019](#)
- [Council Report, Large Office Building Development Charge Deferral Pilot Program, October 17, 2019](#) (hyperlink to be inserted)

Keyword Search

- development charges, Development Charges Act

Development Charges Deferral for Office Buildings a Minimum of 100,000 square feet

- deferral office buildings
- community benefits charges, Planning Act
- Centres and Corridors

Contact

- Director, Treasury Office, Finance Department at extension 71644

Approval

Council Date:	Committee Date:
Council Minute Item: <input type="text"/>	Committee Minute Item: <input type="text"/>

#9948907

Accessible formats or communication supports are available upon request.

Interjurisdictional Scan of Office Incentives

Municipality and year incentives first introduced**	Incentives provided*	
	Property Taxes	Development Charge Reduction
Aurora – 2014***	✓	✓
Vaughan – 2015	✓	✓
Markham – 2017		✓
Richmond Hill – 2018	✓	
Halton Region – 2000		✓
Toronto – 2008	✓	✓
Windsor – 2011	✓	✓
Mississauga – 2018	✓	
Brampton – 2019		✓
Hamilton – 2004 and 2019	✓	✓

*Note: Other incentives may also be provided. Table is only highlighting property taxes and developments charges. Please consult individual municipalities for further details.

**Note: The Town of Newmarket does offer development charge deferral for office within the Yonge Street and Davis Drive Urban Centres. Deferral duration could range from 36 to 48 months depending on if criteria are met.

***Note: The Town of Aurora's Community improvement Plan offers both a 10 Year Tax Increment Equivalent Grant and a development charge grant of up to 75 per cent of the charge up to a maximum of \$100,000 (whichever is less). Although not specifically targeted towards office, office developers can take advantage of them.

Source: Municipal Development Charge Bylaws, Municipal Community Improvements Plans and Imagination, Manufacturing, Innovation, Technology (IMIT) Program Review: Findings and Recommendations, Hemson Consulting Inc.



Office of the Commissioner,
Finance Department
and Office of the Chief Planner,
Corporate Services Department

MEMORANDUM

To: Regional Chair Emmerson and Members of Regional Council

From: Laura Mirabella, FCPA, FCA
Commissioner of Finance and Regional Treasurer and

Paul Freeman, MCIP, RPP
Chief Planner

Date: October 16, 2019

Re: Financial incentives for affordable rental housing and large office buildings

At the Committee of the Whole meeting on October 10, 2019 staff were asked to consider comments and report back on the financial incentives packages for rental housing and large offices

On October 10, 2019, Committee of the Whole received two staff reports on financial incentives to help facilitate planning objectives for complete communities:

- [Purpose-Built Rental Housing Incentives](#)
- [Large Office Building Development Charge Deferral Pilot Program](#)

Committee members asked staff to report back on the financial incentives packages being proposed in consideration of comments from Committee. Specifically, Committee of the Whole asked staff to consider expanding the purpose built rental and office incentives in less urban municipalities. This memorandum relates to those staff reports, identified under item G.3 on the agenda.

Staff recommend that Council:

1. Replace Attachment 1 of the “Purpose-Built Rental Housing Incentives” report with Attachment 1 to this memorandum.

2. Replace clause 1b of the Large Office Building Development Charge Deferral Pilot Program report with the following wording:

- 1.2 Introducing a new, time-limited policy that provides an interest-free, long-term development charge deferral for qualifying large office buildings in Regional Centres and Corridors or specific Local Centres, as set out in the accompanying draft policy (Attachment 2).

3. Replace Attachment 2 of the “Large Office Building Development Charge Deferral Pilot Program” report with Attachment 2 to this memorandum.

Staff recommend expanding the availability of the new incentives for affordable rental and large office buildings to specific Local Centres

At the October 10 Committee of the Whole meeting, staff proposed the affordable purpose-built rental housing incentives program provide development charge deferrals ranging from five to twenty years. While the five year and ten year deferrals were proposed to be available throughout the Region, the ten year deferral without an emphasis on family sized units was proposed to be restricted to Regional Centres and Corridors and the twenty year deferral was proposed to target rental buildings located in the Regional Centres and Corridors only.

Staff also proposed development charge deferrals for large office buildings only be made available to office buildings in the Regional Centres and Corridors.

Staff are recommending both incentive programs be expanded to qualifying buildings in Local Centres in local municipalities without lands in Regional Centres and Corridors. Expanding the locations eligible for the new incentive programs recognizes that while Georgina, King, and Whitchurch-Stouffville do not have lands in Regional Centres and Corridors, their Local Centres are intended to accommodate a range of housing and non-residential uses including office uses. The specific Local Centres in Georgina, King and Whitchurch-Stouffville are the following:

- Georgina: Keswick Secondary Plan Urban Centres as well as applicable portions of the Woodbine Corridor
- King: Core Areas in King City and Nobleton, as well as the King City Go Station Area
- Whitchurch-Stouffville: Community Core Area and Western Approach Area within the Community of Stouffville

The incentives will be available where office and/or residential uses are permitted and meet the criteria for the programs.

Staff recommend amending the proposed thresholds for the large office incentive pilot program

In response to Committee feedback, staff recommend lowering the qualifying threshold for large office buildings from 100,000 square feet of office space to 75,000 square feet. Reducing the qualifying threshold is supportive of multi-use developments that offer a non-office component, and better aligns with the objective of complete communities. This recommended change also recognizes development occurs in different scales across the Regional Centres and Corridors. Finally, this threshold is more in line with what is being used in local and neighboring municipalities.

In conjunction with lowering the qualifying threshold, staff are also recommending changing the size thresholds. This change provides developers with a stronger incentive to increase the square footage of buildings to meet the next threshold for an additional incentives (Table 1 below, with additional details in Attachment 2).

Table 1

Gross Floor Area Size Threshold	Duration of Development Charges deferral available in Regional Centres and Corridors or specific Local Centres
Between 75,000 square feet and 150,000 square feet	5 year*
Between 150,000 square feet and 250,000 square feet	10 year*
Greater than 250,000 square feet and less than or equal to 400,000 square feet	15 year*
Greater than 400,000 square feet	20 year*

*Note: Once threshold is crossed, entirety of Gross Floor area in Office Building is deferred for this timeframe

A number of rental and office incentives will continue to be available throughout the Region

In addition to the changes being proposed, a number of incentives will continue to be available for rental and office buildings throughout the Region. For rental buildings, the 36-month, interest-free, development charge deferral will remain available. For office buildings, the 18-month, interest-free deferral continues to be available throughout the Region. Finally, all rental and office buildings would qualify for the delayed and phased payments schedule provided through Bill 108, once the legislation is proclaimed. There are no minimum height requirements to qualify for the Bill 108 provisions.

Staff confirmed four storey structures can be accommodated in all local municipalities

To qualify for the Region's existing and proposed development charge deferrals, staff recommended the rental and office buildings must be a minimum of four storeys above-grade. Regional staff have worked with local planning staff to confirm there are areas in every municipality in the Region that could accommodate the four storey requirement.

At the request of a local municipality, Council could consider applying the proposed incentive to an affordable rental building or an office building in a Major Transit Station Area

While many draft Major Transit Station Areas in York Region are located in Regional Centres and Corridors, a number of them are located outside. It is premature to include Major Transit Station Areas in the incentive policies as they are yet to be defined. In consultation with, and at the request of a local municipality, Council could consider permitting an affordable, rental building or a large office building, located within Major Transit Station Areas outside of the Regional Centres and Corridors and specific Local Centres, to access the recommended pilot deferral program provided they otherwise meet the criteria. Once Major Transit Station Areas have been defined through the Municipal Comprehensive Review, staff will revisit the incentive policies and report to Council on any proposed changes to address these.

The proposed incentive packages strike a balance between addressing community need and fiscal responsibility

The development charge deferrals recommended for purpose built rental developments and larger sized office buildings are in recognition of the pressing gaps in housing affordability and office supply required to create complete communities. The recommended deferrals, as in the case of the Region's existing development charge deferrals, are not funded from the tax levy.

In February, 2019 Regional Council approved the Roads Capital Acceleration reserve. This reserve will help in the advancement of growth-related priority roads projects that are currently in the capital plan without the need to add external debt. The financial incentives being recommended do not change the status of this reserve.

Laura Mirabella, FCPA, FCA
Commissioner of Finance

Paul Freeman, MCIP, RPP
Chief Planner

Bruce Macgregor
Chief Administrative Officer

Attachments (2)
10205179

VMC Sub-committee Report

DATE: Wednesday, December 04, 2019

WARD(S): 4

TITLE: VMC IMPLEMENTATION AND CONSTRUCTION UPDATE

FROM:

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

ACTION: FOR INFORMATION

Purpose

To provide an update on the priority infrastructure projects, development activity and construction updates within the Vaughan Metropolitan Centre (VMC).

Report Highlights

- Vaughan's skyline is rapidly transforming as new developments and high-rise towers reach unprecedented heights in the VMC Mobility Hub and Edgeley Pond and Park priority areas.
- Vaughan Council has approved development applications in all four quadrants of the VMC, and construction activity for new developments is expected to take place across the VMC in 2020.
- Construction of several critical infrastructure projects required to support early redevelopment activity in the downtown is underway or complete, including the SmartCentres Place bus terminal which opened for service on November 3, 2019
- The Black Creek Renewal Class Environmental Assessment received Ministry approval in August 2019
- Several new planning and design studies are advancing through 2020 to support the next phase of development
- The VMC team is focused on advancing critical infrastructure improvements in each of the four quadrants to keep pace with development and provide the necessary infrastructure to support the transitioning downtown.

Recommendation

1. That this report be received for information.

Background

Construction activity is currently underway for approved developments located in the Mobility Hub area of the northwest quadrant, as well as the area surrounding the Edgeley Pond and Park in the northeast quadrant. More development will occur across the VMC through 2020 based on Council approved applications. Refer to Attachment 1, VMC Development Activity.

As construction continues, the VMC team continues to focus on advancing critical infrastructure improvements in each of the four quadrants to keep pace with development and provide the necessary infrastructure to support the emerging downtown. Given the complexity of the planned capital infrastructure, seamless design coordination and timing of constructed works are being carried out.

Construction commenced for many of the priority infrastructure projects outlined in the VMC Implementation Plan, several of which are complete. The major and minor collector roads within the northwest quadrant, known as the west lands spine roads, were opened in August and October 2019 to deliver on Council's Members Resolution related to the Minister's Zoning Order for the relocation of a large format retail store in the VMC.

Construction was recently initiated for the Portage Parkway Extension east of Jane Street to Black Creek, as well for the Interchange Way sanitary trunk from Highway 7 south and east to Jane Street.

The City received notice that the landmark Black Creek Renewal Class Environmental Assessment Study (BCR EA) was approved by the Ministry of the Environment, Conservation and Parks (MECP) in August 2019.

Additional assessments, approvals and permits are being completed for the Edgeley Pond and Park project. Design and construction of critical infrastructure is being advanced in the southwest quadrant area.

In parallel to implementing these critical civil infrastructure works, the VMC team is advancing the planning and design of parkland to ensure that a complete community is developed for the growing population.

Refer to Attachment 2, VMC Infrastructure Projects for the location and extent of the above noted infrastructure.

Previous Reports/Authority

[VMC Development Activity Update March 2019](#)

[VMC Implementation Plan and Priority Infrastructure Project Update March 2019](#)

[VMC NW and SW Quadrants Implementation Update June 2019](#)

[VMC Parking Conditions and Management Strategy June 2019](#)

Analysis and Options

Development activity is advancing in each quadrant of the VMC

Northwest Quadrant

The construction of catalyst projects in the VMC Mobility Hub continue to propel the transformation of Vaughan's downtown, supported by the early successes of the first completed projects at the heart of the VMC. These catalyst projects include the KPMG office building, VMC Subway and Highway 7 vivaNext Bus Rapid Transit (BRT) Stations, and Transit Square and TTC Plaza where a strategic investment in architectural excellence and high-quality public realm is defining a new identity for Vaughan.

Completion of the next comprehensive development block continues to advance with the construction of the iconic VMC Centre of Community, Transit City development and SmartCentres Place bus terminal. This mixed use block will feature an enhanced pedestrian mews and public art installations, and capture the vision for integrated design and placemaking envisioned for the VMC.

Construction of the Centre of Community is nearing completion. Interior fit-out of the office floors is progressing as scheduled. PriceWaterhouseCoopers (PwC) will be taking occupancy by end of November, with Scotia Bank to follow by the end of the year. Completion of the associated civic uses, including the YMCA, daycare and City of Vaughan library and community recreation space is expected by end of Q2 2020. Topping off of the first two iconic 55-storey Transit City towers will be celebrated by the end of 2019 and construction of the third tower is progressing as scheduled, with completion of the entire project within 2021.

Following Council approval in May, construction activity has mobilized for Transit City Towers 4 and 5 (45 and 50 storeys) on the east side of Millway Avenue at Portage Parkway. Currently, underground works for all three towers have commenced, including the first purpose-built rental building in the downtown. This development will include a large privately-owned public space, which will augment the parks network in

the VMC and provide additional gathering space for residents and visitors, as well as a pedestrian oriented flexible street. Construction is expected to continue through 2023.

Portions of the temporary surface parking lot at Apple Mill Road have been relocated to the vacant lands across from the VMC Subway Station to enable construction of the second phase of the Transit City development.

Projects within this quadrant showcase high quality architecture with well-articulated building massing, complemented by public art, ground-related commercial activity and investment in public realm design to prioritize pedestrian activity and wayfinding within the Mobility Hub.

Northeast Quadrant

The northeast quadrant is shaping up to be the VMC's first residential community centred around the Edgeley Pond and Park, a signature amenity and open space destination. The first and only occupied residential towers in the VMC to date are the Expo City towers 1 and 2, each at 37-storeys, which also feature the Region's first post-secondary education facility (Niagara University) within the podium of Tower 2. Topping off of the 39-storey Nord Condos (Expo City towers 3 and 4) was celebrated in August, with occupancy expected to commence by Q4 2019/Q1 2020.

The distinctive 60-storey CG Tower (Expo City tower 5) was approved by Council in June and will set the record as the tallest tower in York Region. Construction of this first masonry tower in the emerging downtown is expected to commence in this last phase of Expo City in 2020.

The 35-storey Met development located at the southeast corner of Jane Street and Portage Parkway is currently under construction with anticipated occupancy in early 2020. This development will feature the first urban townhouse blocks constructed in the VMC to support a wider variety in building type in the downtown.

Southwest Quadrant

Development activity in the southwest quadrant has gained momentum following Council approval of the first two development proposals (Icona and Block 2/Mobilio), with additional mixed-use development applications under review. Construction is set to begin in early 2020 on the Mobilio development which will feature the VMC's first mid-rise buildings, urban townhouse blocks and extension of the Millway Avenue Linear Park as a family-oriented neighbourhood.

Given the development interest and infrastructure improvements needed to comprehensively plan this quadrant, staff have begun to facilitate coordination workshops amongst landowners in order to plan and implement necessary capital infrastructure and public realm improvements to support and advance development.

Southeast Quadrant

The Black Creek corridor defines the westerly edge of the southeast quadrant and provides a unique frontage opportunity for development. With the approval of the Black Creek Renewal EA in August and forthcoming initiation of detailed design for the corridor, development interest within this quadrant has peaked with new development inquiries, pre-application consultations and a new formal development application. While construction has not yet taken place in this quadrant, the recent Council approved Liberty Cement Site application is advancing through the agreements process. This development will feature two residential towers (34 and 40 storeys) and a 7-storey mid-rise residential building with retail uses and outdoor amenity space at-grade to activate the public realm along Maplecrete Road.

Construction of the Edgeley Pond and Park is pending finalization of third party review and agency approval

The Edgeley Pond and Park (EPP) retrofit is one of the most complex and multi-faceted projects that the City has undertaken. The project has considered a wide range of stakeholder needs while resolving challenging technical requirements. The existing on-line pond and future park block combination is the largest uninterrupted open space and City-owned land in the Vaughan Metropolitan Centre (VMC). The main purpose of the EPP project is to retrofit the existing pond to achieve the required stormwater management function to manage flooding risk and unlock development potential, while creating a signature public destination that captures the imagination of VMC residents and visitors. This central destination was planned and timed to provide the first park and open space amenities for the some 14,000 estimated new residents moving into the VMC in the next 5 years. The EPP will be a key part of creating a complete community for the first residents of the downtown

The design for the EPP project was initiated in October 2016. Timing for implementation of the pond works has been delayed as a result of several factors including the Ministry of Resources and Forestry (MNR) staff identifying the Edgeley Pond as a potential dam during the preparation of the 90% detailed design in June 2018 and pond water level concerns during major storm events, which would result in surcharging of the drainage network west of the pond. The pond water level concern was identified in September 2018 and resolved by end of Q1 2019.

The Project team recently retained a third party, peer review engineering consulting firm to assess the EPP retrofit detailed design and associated models to ensure the design

of the pond retrofit conforms to all approval agencies' standards such that approval and permits will be attained seamlessly. The peer review engineering firm will also confirm whether the existing and retrofit Edgeley on-line pond would be considered a dam as per MNRF definition and will also identify the necessary studies required for MNRF approval to attain a the MNRF Lakes and Rivers Improvement Act (LRIA) permit for a dam.

Results and recommendations from the peer review of the Edgeley Pond is expected in mid-December 2019. At that time, the project team will initiate the required assessments for a dam, should Edgeley pond be identified as a dam and will finalize the construction drawings and finalize permit applications to MNRF, MECP, DFO and TRCA. An update on the status of the Edgeley Pond and Park project will be provided at the first VMC Sub-committee in 2020.

The Black Creek Renewal Class EA is approved by the Ministry and the detailed design assignment is being advanced

The Black Creek Renewal (BCR) Environmental Assessment (EA) was completed and filed for public review in September 2018. On August 16, 2019, the City received confirmation from the MECP that both Part II Order requests for the BCR EA were denied and the City of Vaughan was approved to move forward with the next phase of the project.

The BCR is a highly complex, multi-disciplinary project that, coupled with a high estimated capital cost, led the VMC team to consider alternative project delivery models. Through successful consultation with Infrastructure Development, the VMC team have chosen a multi-phase modified design-build format. It will be a pilot project for this innovative project delivery model and new to the City.

Furthermore, also new to the City of Vaughan, is the retention of a technical advisor (TA). It is common on design-build projects for the owner to first retain a TA to assist in the preparation of the Owner's Statement of Requirements. The TA will also provide technical guidance, subject matter expertise, oversight and support during the subsequent project phases. The VMC team is developing a Terms of Reference (TOR) for TA services, which will be released as a competitive Request for Proposal in early 2020.

The TOR is a joint effort between the VMC team and Infrastructure Development, with input from various City departments and external agencies, including the Toronto Region and Conservation Authority (TRCA). Award of the project is anticipated in Q2 2020.

The Transportation Master Plan is undergoing a fulsome update for the VMC due to increased transit service, densities and population

The City will be undertaking an update to the transportation planning and design study focused on the VMC. The VMC Transportation Planning and Design Study will be used to provide direction on developing a refined multi-modal transportation network for the VMC area, supporting innovative mobility strategies and a strategic implementation plan. The study scope will be aligned with the on-going city-wide Transportation Master Plan (TMP) update and include completion of multiple Municipal Class Environmental Assessments up to Phase 4 for Schedule C activities for VMC roads as required. The outputs of the study will be used to inform transportation policies, initiatives, infrastructure improvements, and the preparation of upcoming VMC Secondary Plan and City of Vaughan Official Plan updates.

The Request for Proposal (RFP) for the VMC Transportation Planning and Design Study is anticipated to be released by end of Q1 2020.

The SmartCentres Place bus terminal is now open

A key catalyst for the developing Mobility Hub is the SmartCentres Place bus terminal which opened for service on November 3, 2019.

The terminal contains 9 bus bays with connections to both the VMC Subway Station and vivaNext Bus Rapid Transit (BRT) station at Highway 7 through both the above grade linear park along Millway Avenue and an underground tunnel. The terminal features modern, open architecture and provides convenient access from all directions to pedestrians, cyclists and transit users, including a passenger pick-up and drop-off area on Millway Avenue.

Three new roads have been opened in the northwest quadrant to provide better connectivity and support new development

The VMC team worked effectively with SmartCentres, York Region and TRCA to meet the opening deadline for delivery of major spine roads within the VMC northwest quadrant. Completion of the spine roads realizes Council's Members Resolution related to the Minister's Zoning Order for the relocation of a large format retail store in the VMC.

Applewood Crescent from Highway 7 to Portage Parkway was opened in conjunction with the opening of the relocated Highway 400 northbound offramp in August 2019. Commerce Street from Highway 7 to Apple Mill Road, and Apple Mill Road from Edgeley Boulevard to Applewood Crescent opened to the public on October 22, 2019. The construction of these spine roads has greatly improved access and circulation in the VMC and have framed the future development blocks and urban park.

Works are advancing on the widening and extension of Portage Parkway, west and east of Jane Street

Staff are currently working with SmartCentres to advance the detailed design work related to the widening and reconstruction of Portage Parkway between Jane Street and Applewood Crescent, including functional design, utility locates, and developing an overall project work plan with the objective of completing the road works in Q4 of 2021.

The detailed design for Portage Parkway extension east of Jane Street to the west limit of the Black Creek channel is under review and anticipated to be approved by the City and TRCA by the end of 2019. Construction of Portage Parkway from Jane Street to the Black Creek channel will begin in Q1 2020.

Construction of critical infrastructure on Interchange Way has started in the southwest quadrant

Improvements to the sanitary trunk sewer along Interchange Way, from Highway 7 to Jane Street required to facilitate development, is currently under construction. These works are being led by QuadReal and their consulting team, in collaboration with the City's project team. Construction is expected to be completed in summer 2020. Concurrently, modelling for the overall block plan and supporting servicing studies has commenced and will continue to inform infrastructure upgrades in the southwest quadrant area.

Construction of the Expo City strata park to commence in the second half of 2020

Through 2019, City staff have worked with the Cortel Group to advance the detailed design of Vaughan's first stratified park located within the Expo City development lands (VMC northwest quadrant). Building upon the park vision and program set through the Edgeley Pond and Park public consultation, this parkland is a crucial component of the overall Edgeley Pond and Park open space system. The strata park will provide active recreation facilities, including a natural playground, an ice-skating loop, a splash pad, and a pavilion with programmable community space and washrooms where private and public events can be hosted throughout the year. Currently, the site is being excavated to accommodate an underground commercial parking facility.

Phase 1 of Vaughan's first Urban Park to commence next year

City staff and SmartCentres are working collaboratively to develop a work plan to advance the Urban Park Phase 1 detailed design through 2020. The delivery of the first urban park block in the VMC will provide active and passive recreation park amenities to the growing downtown population. More importantly, this park block will provide service to the approximately 6,200 new residents expected to move into the six residential towers that SmartCentres is currently building within the Mobility Hub. The Urban Park phase one block is located within the northwest quadrant, between Edgeley Boulevard to the west and KPMG Tower to the east and seamlessly integrated with the KPMG and Transit Square landscape design.

The Millway Avenue Linear Park detailed design is ongoing

City staff and QuadReal's consulting team have been working through 2019 on the vision for the extension of the Millway Avenue linear park south of Interchange Way to Exchange Avenue in the southeast quadrant. Phase 1 of this park will have facilities suitable for the new Mobilio community, including a senior playground, active play equipment, shade structure and social gathering spaces flanked by perennial planting beds and a linear flexible lawn. The park construction is forecasted to commence as early as 2022.

The VMC Parks and Wayfinding Master Plan to start in 2020

The VMC team anticipates the release of the VMC Parks and Wayfinding Master Plan RFP by the end of 2019, with the commencement of the study in Q1 of 2020. The development of a Parks and Wayfinding Master Plan will help the City to ensure that the parks and open spaces located within the downtown have complementary programs and facilities that provide a variety of uses, services and experiential qualities.

Through this study, the City of Vaughan will be able to identify unique opportunities for innovative design that may allow for an incremental and phased development of parkland, to study different park management strategies that may help the City of Vaughan to operate and maintain an adequate level of service in all VMC parks and open space, and to set up a strategy to develop an intuitive and robust wayfinding system that will help VMC visitors and residents to navigate through the various distinctive precincts and downtown areas.

This study will review and adapt any current park design framework and parameters already prepared for some of the VMC parks and open spaces, such as SmartCentres vision for Central Park and the Edgeley Pond and Park detailed design among others, and inform updates to the upcoming VMC Secondary Plan review.

Financial Impact

There are no economic impacts resulting from this report.

Broader Regional Impacts/Considerations

Collaboration continues with regional stakeholders which is an important factor in realizing the success of the VMC.

Conclusion

As the next phase of development proceeds, the VMC team are focused on advancing critical infrastructure improvements in each of the four quadrants to keep pace with development and provide the necessary infrastructure to support the transitioning

downtown. The VMC team will continue to work closely with York Region, York Region Rapid Transit Corporation, VMC landowners, other external agencies and internal departments to facilitate the advancement of these projects in the downtown.

Implementation of key infrastructure projects will continue to leverage investments in transit and support early placemaking strategies for the downtown.

For more information, please contact: Christina Bruce, VMC Program Director, ext. 8231

Attachments

1. VMC Priority Infrastructure Projects
2. VMC Development Activity

Prepared by

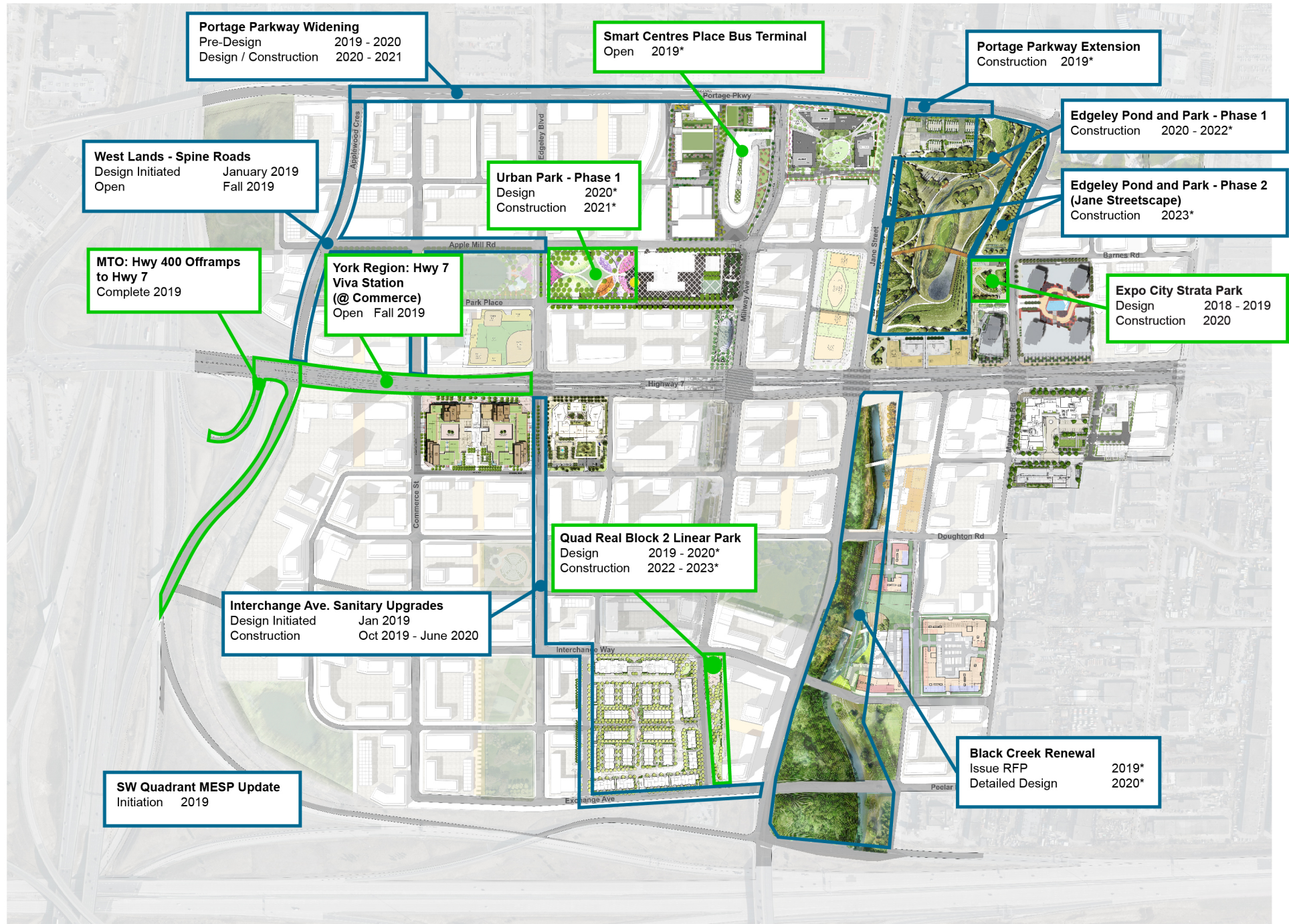
Dana Khademi, Storm Drainage Engineer, (VMC), ext. 8251

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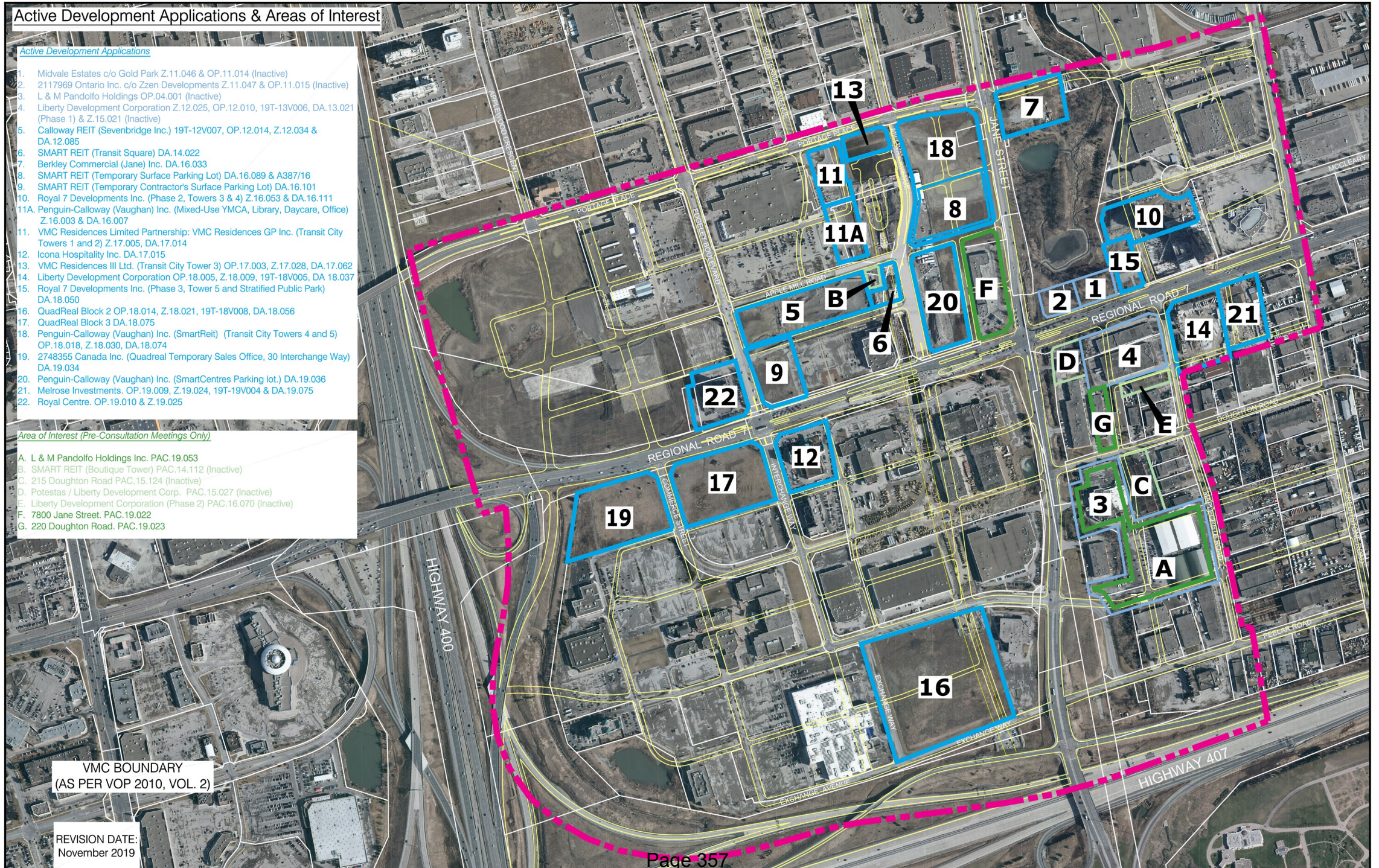
Active Development Applications & Areas of Interest

Active Development Applications

1. Midvale Estates c/o Gold Park Z.11.046 & OP.11.014 (Inactive)
2. 2117969 Ontario Inc. c/o Zzen Developments Z.11.047 & OP.11.015 (Inactive)
3. L & M Pandolfo Holdings OP.04.001 (Inactive)
4. Liberty Development Corporation Z.12.025, OP.12.010, 19T-13V006, DA.13.021 (Phase 1) & Z.15.021 (Inactive)
5. Calloway REIT (Sevenbridge Inc.) 19T-12V007, OP.12.014, Z.12.034 & DA.12.085
6. SMART REIT (Transit Square) DA.14.022
7. Berkley Commercial (Jane) Inc. DA.16.033
8. SMART REIT (Temporary Surface Parking Lot) DA.16.089 & A387/16
9. SMART REIT (Temporary Contractor's Surface Parking Lot) DA.16.101
10. Royal 7 Developments Inc. (Phase 2, Towers 3 & 4) Z.16.053 & DA.16.111
- 11A. Penguin-Calloway (Vaughan) Inc. (Mixed-Use YMCA, Library, Daycare, Office) Z.16.003 & DA.16.007
11. VMC Residences Limited Partnership: VMC Residences GP Inc. (Transit City Towers 1 and 2) Z.17.005, DA.17.014
12. Iona Hospitality Inc. DA.17.015
13. VMC Residences III Ltd. (Transit City Tower 3) OP.17.003, Z.17.028, DA.17.062
14. Liberty Development Corporation OP.18.005, Z.18.009, 19T-18V005, DA.18.037
15. Royal 7 Developments Inc. (Phase 3, Tower 5 and Stratified Public Park) DA.18.050
16. QuadReal Block 2 OP.18.014, Z.18.021, 19T-18V008, DA.18.056
17. QuadReal Block 3 DA.18.075
18. Penguin-Calloway (Vaughan) Inc. (SmartReit) (Transit City Towers 4 and 5) OP.18.018, Z.18.030, DA.18.074
19. 2748355 Canada Inc. (Quadreal Temporary Sales Office, 30 Interchange Way) DA.19.034
20. Penguin-Calloway (Vaughan) Inc. (SmartCentres Parking lot.) DA.19.036
21. Melrose Investments. OP.19.009, Z.19.024, 19T-19V004 & DA.19.075
22. Royal Centre. OP.19.010 & Z.19.025

Area of Interest (Pre-Consultation Meetings Only)

- A. L & M Pandolfo Holdings Inc. PAC.19.053
- B. SMART REIT (Boutique Tower) PAC.14.112 (Inactive)
- C. 215 Doughton Road PAC.15.124 (Inactive)
- D. Potestas / Liberty Development Corp. PAC.15.027 (Inactive)
- E. Liberty Development Corporation (Phase 2) PAC.16.070 (Inactive)
- F. 7800 Jane Street. PAC.19.022
- G. 220 Doughton Road. PAC.19.023





DATE: NOVEMBER 27, 2019

TO: HONOURABLE MAYOR BEVILACQUA AND MEMBERS OF COUNCIL

FROM: JASON SCHMIDT-SHOUKRI, DEPUTY CITY MANAGER
PLANNING AND GROWTH MANAGEMENT

RE: VMC SUB-COMMITTEE – DECEMBER 4, 2019
ITEM 4 - VMC IMPLEMENTATION AND CONSTRUCTION UPDATE

Purpose

The purpose of this communication is to provide Mayor and Members of VMC Sub-Committee information regarding an update to the construction of the Edgeley Pond and Park Project.

Recommendation

The Deputy City Manager, Planning and Growth Management recommends:

1. THAT the Communication be received for information supporting Item 4: VMC Implementation and Construction Update.

Background

The EPP retrofit project has had to respond to a wide range of stakeholder needs while resolving challenging technical requirements and contributing to the placemaking identity of the emerging downtown. The existing pond and future park block combination is the largest uninterrupted open space and City-owned land in the Vaughan Metropolitan Centre (VMC). A goal of the EPP project is to retrofit the existing pond to achieve the required stormwater management functions to support redevelopment of the existing commercial and industrial area into a mixed-use area of residential, commercial, and institutional area.

Another goal of the EPP project is to build an iconic and sustainable open space at the centre of the new downtown, creating a signature public destination that will support local residents and draw regional visitors alike. This central destination was planned and timed to provide the first park and open space amenities for some 14,000 estimated new residents moving into the VMC in the next 5 years. The EPP will be a key part of creating a complete community for the first residents of the downtown.

The EPP was initiated in October 2016 in partnership with Toronto and Region Conservation Authority (TRCA), with a goal of initiating construction by the fall of 2018. Two significant technical issues arose that have now been resolved to move ahead with the project.

Pond Hydraulics

In late 2018, a critically high hydraulic grade line (HGL) was discovered that would potentially cause storm sewer surcharge and flooding of the lands west of Jane Street, along Millway Avenue and adjacent to the VMC Subway Station. The project team worked closely with TRCA staff to resolve the issue which resulted in modifications to the design including structural, civil and water resource engineering as well as the design of the public spaces and ecological design.

The updated draft Stormwater Management Report prepared by the Consultants was completed in July 2019 to address these modifications. Given the complexity of the project and technical considerations noted above, a peer review for the detailed design of the EPP was completed over the summer and early fall to ensure the retrofit design approach met both City of Vaughan and review agency criteria and standards.

Dam Classification

In addition to the design work underway, the City was notified by TRCA later in the process that the Edgeley Pond may be classified as a dam, requiring additional permits and process for approvals. To clarify the next steps, the City provided the Ministry of Natural Resources and Forestry (MNRF) with the draft Stormwater Management (SWM) report to confirm if Edgeley Pond would be considered a dam per the definition of the MNR Lakes and Rivers Improvement Act (LRIA). In November 2019, the City received final confirmation from MNRF staff that the pond is defined as a dam as per the LRIA definition, given that the pond is an on-line pond within the Humber River and was designed to hold back water, which rises and creates a reservoir to control flooding under the various storm events. This confirmation means that the City will require a LRIA permit prior to proceeding with construction.

Next Steps

In order to help expedite the process moving forward, Staff will continue to coordinate efforts with MNRF staff to ensure the required assessments and information are provided in support of the LRIA application. Along with close collaboration with TRCA, this coordination will ensure the LRIA application is complete for the MNRF staff to complete a fulsome and streamlined review. The following milestones are noted for further information:

1. Through early 2020, the Project Team will continue with all necessary assessments and updates to the design package for agency review and approval.
2. Tendering and early construction works anticipated to begin in Q4-2020/Q1-2021, pending agency permit issuance.

Attachments

N/A

Respectfully submitted,



Jason Schmidt-Shoukri

Deputy City Manager, Planning and Growth Management

Prepared by:

Jennifer Cappola-Logullo, Manager Development Engineering, VMC

Christina Bruce, Director VMC Program