

**CITY OF VAUGHAN  
COMMITTEE OF THE WHOLE (2)  
AGENDA**

Tuesday, January 21, 2020

1:00 p.m.

Council Chamber

2nd Floor, Vaughan City Hall

2141 Major Mackenzie Drive

Vaughan, Ontario

---

**Pages**

- 1. CONFIRMATION OF AGENDA**
- 2. DISCLOSURE OF INTEREST**
- 3. COMMUNICATIONS**
- 4. CEREMONIAL PRESENTATIONS**
- 5. PRESENTATIONS AND DEPUTATIONS**

Deputations

1. Michael Braithwaite - BLUE DOOR opening doors for people

- 6. DETERMINATION OF ITEMS REQUIRING SEPARATE DISCUSSION  
INCLUDING MEMBERS RESOLUTION(S)**

Internal Audit

1. INTERNAL AUDIT REPORT – 2020 INTERNAL AUDIT RISK BASED  
WORK PLAN 5  
Report of the Director of Internal Audit with respect to the above.
  2. INTERNAL AUDIT REPORT – CONSTRUCTION AUDIT OF FIRE  
STATION 7-4: PHASE 2 13  
Report of the Director of Internal Audit with respect to the above.

Corporate Services & Finance

- |    |   |    |
|----|---|----|
| 3. | VMC YMCA CENTRE OF COMMUNITY AND LIBRARY – PROGRESS UPDATE AND DESIGNATION AS A MUNICIPAL CAPITAL FACILITY<br>Report of the Interim City Manager and the Deputy City Manager, Corporate Services and Chief Financial Officer with respect to the above. | 31 |
| 4. | INTERIM PROPERTY TAX LEVY FOR 2020 – ALL WARDS<br>Report of the Deputy City Manager, Corporate Services and Chief Financial Officer with respect to the above.  | 39 |
| 5. | KLEINBURG BUSINESS IMPROVEMENT AREA (KBIA) –BUDGET AND LEVY WARD 1<br>Report of the Deputy City Manager, Corporate Services and Chief Financial Officer with respect to the above.  | 43 |
| 6. | 2020 TEMPORARY BORROWING BY-LAW<br>Report of the Deputy City Manager, Corporate Services and Chief Financial Officer with respect to the above.   | 49 |

Office of the City Manager

- |    |  |    |
|----|--|----|
| 7. | NEW ECONOMIC DEVELOPMENT AND TOURISM IDENTITY MARKS<br>Report of the Interim City Manager with respect to the above. | 55 |
|----|--|----|

Planning and Growth Management

- |     |  |     |
|-----|--|-----|
| 8.  | 2334504 ONTARIO INC. SITE DEVELOPMENT FILE DA.18.005<br>VICINITY OF REGIONAL ROAD 7 AND HUNTINGTON ROAD<br>Report of the Deputy City Manager, Planning and Growth Management with respect to the above.  | 115 |
| 9.  | DM11 INC. PROPOSED STREET NAME DRAFT PLAN OF<br>SUBDIVISION FILE 19T-17V012 WARD 5 - VICINITY OF CENTRE STREET AND DONNA MAE CRESCENT<br>Report of the Deputy City Manager, Planning and Growth Management with respect to the above.  | 137 |
| 10. | NASHVILLE DEVELOPMENTS (NORTH) INC. ZONING BY-LAW AMENDMENT FILE Z.16.052 DRAFT PLAN OF SUBDIVISION FILE 19T-16V010; AND ZONING BY-LAW AMENDMENT FILE Z.18.037<br>VICINITY OF HUNTINGTON ROAD AND NASHVILLE ROAD<br>Report of the Deputy City Manager, Planning and Growth Management with respect to the above. | 145 |



Administrative Services & Legal

- |     |  |     |
|-----|--|-----|
| 11. | ALIGNING POLICIES AND PROGRAMS TO CONTINUE OFFICE DEVELOPMENT MOMENTUM IN VAUGHAN<br>Report of the Deputy City Manager, Administrative Services and City Solicitor with respect to the above.          | 153 |
| 12. | APPROVAL OF TERMS OF REFERENCE AND APPOINTMENT OF CITIZEN MEMBERS TO SMART CITY TASK FORCE<br>Report of the Deputy City Manager, Administrative Services and City Solicitor with respect to the above. | 253 |
| 13. | APPOINTMENT OF A CITIZEN MEMBER TO THE ACCESSIBILITY ADVISORY COMMITTEE<br>Report of the Deputy City Manager, Administrative Services and City Solicitor with respect to the above.                    | 261 |
| 14. | RESIGNATION OF A MEMBER – OLDER ADULT TASK FORCE<br>Report of the Deputy City Manager, Administrative Services and City Solicitor with respect to the above.   | 267 |
| 15. | PROCLAMATION REQUEST CRIME STOPPERS MONTH<br>Report of the Deputy City Manager, Administrative Services and City Solicitor with respect to the above.  | 271 |

Community Services

- |     |   |     |
|-----|---|-----|
| 16. | REQUEST FOR CONSTRUCTION NOISE EXEMPTION – CENTRECOURT CONSTRUCTION (EB) INC. CONSTRUCTION OF RESIDENTIAL CONDOMINIUM TOWER AT 175 MILLWAY AVENUE, VAUGHAN.<br>Report of the Deputy City Manager, Community Services with respect to the above. | 275 |
|-----|---|-----|

**7. ADOPTION OF ITEMS NOT REQUIRING SEPARATE DISCUSSION**

**8. CONSIDERATION OF ITEMS REQUIRING SEPARATE DISCUSSION**

**9. CONSIDERATION OF STATUTORY/AD HOC COMMITTEE REPORTS**

- |    |  |     |
|----|--|-----|
| 1. | Accessibility Advisory Committee Meeting of November 27, 2019 (Report No. 7) | 285 |
| 2. | Older Adult Task Force Meeting of December 16, 2019 (Report No. 4)           | 287 |
| 3. | VMC Sub-Committee Meeting of December 4, 2019 (Report No. 3)                 | 289 |

4. Heritage Vaughan Committee Meeting of December 4, 2019 (Report No. 6)

329

10. STAFF COMMUNICATIONS
11. NEW BUSINESS
12. CLOSED SESSION RESOLUTION FOR COMMITTEE OF THE WHOLE (CLOSED)
13. ADJOURNMENT

ALL APPENDICES ARE AVAILABLE FROM THE CITY CLERK'S OFFICE  
PLEASE NOTE THAT THIS MEETING WILL BE AUDIO RECORDED  
AND VIDEO BROADCAST

[www.vaughan.ca](http://www.vaughan.ca) (Agendas, Minutes and Live Council Broadcast)

## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: INTERNAL AUDIT REPORT – 2020 INTERNAL AUDIT RISK  
BASED WORK PLAN**

**FROM:**

Kevin Shapiro, Director of Internal Audit

**ACTION:** DECISION

---

**Purpose**

To present the 2020 Internal Audit Risk Based Work Plan, for approval.

**Report Highlights**

- The 2020 Internal Audit Risk Based Work Plan was developed using a risk assessment process and information gathered from various sources.
- The work plan is aligned with the 2018 – 2022 Term of Council Service Excellence Strategic Plan.
- The 2020 work plan will remain dynamic and flexible to address emerging risks and issues throughout the year.
- Internal Audit will be able to independently and objectively execute the projects identified in the work plan.

**Recommendations**

1. That the 2020 Internal Audit Risk Based Work Plan be approved.

**Background**

The Internal Audit Department provides independent, objective assurance and consulting activity designed to add value and improve the City's operations. The Department helps the City accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance

processes. The department's core responsibilities are to conduct risk based operational and compliance audits and provide advisory services where requested.

According to the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing and the City's Internal Audit Policy, Internal Audit has a responsibility to develop an audit work plan that reflects the current and emerging risks within the City. The Internal Audit Risk Based Work Plan was developed using a risk assessment process that combined financial, reputational, compliance and operational criteria.

### **Previous Reports/Authority**

Not Applicable

### **Analysis and Options**

The Committee of Sponsoring Organizations (COSO) defines risk assessment as a dynamic and iterative process for identifying and analyzing risks to achieving the entity's objectives, forming a basis for determining how risks should be managed. Management considers possible changes in the external environment and within its own business model that may impede its ability to achieve its objectives. A risk factor is an observable or measurable indicator of conditions or events that could adversely affect the City.

Internal Audit performed an entity wide risk assessment in 2018 to inform the Term of Council audit plan priorities. A total of 76 entities were identified in the City's audit universe, by analyzing budget documentation and by reviewing the City's organizational chart. For some areas, we consolidated entities in order to create efficiencies for the purposes of conducting future audits.

A management survey, which measured strategic, reputational, compliance and operational risks was developed, and completed by either the Director or Manager directly responsible for the entity. The survey contained a total of 17 closed questions and 2 open ended questions. After the completion of the survey, the Director of Internal Audit met individually with each member of the Senior Leadership Team to review their department results and to determine whether any of the survey answers needed to be updated.

Over the past few months, the Director of Internal Audit met with each member of the Senior Leadership Executive team to revisit these results and identify any emerging risks or areas of potential concern.

In addition to the entity wide risk assessment, other sources were used for determining risk and work plan priorities. These include:

- Discussions with the senior leadership team members
- Insight from Council
- Financial significance
- Current and emerging risks in the local government sector

- High profile issues in other municipalities
- Management requests
- Themes from previous audits and investigations
- Significant change initiatives

***Based on current available resources, a list of priority projects for 2020 has been established***

The work plan has two dimensions: what can be done with current resources and what resources are needed to do all relevant projects. Council, as the governing body, ultimately decides on the combination that best meets the City's needs.

The general philosophy of the Internal Audit Plan is that:

- The work plan is not fixed. The intent is a dynamic plan where new projects can substitute existing projects. The Director of Internal Audit has the authority to substitute projects but advises Council, through the Committee of the Whole, as to reasons why.
- Council has the authority to request projects that are not on the work plan.
- A limited amount of time is built in to accommodate special management requests.

In last year's work plan, it was identified that 6 of the 11 very high-risk areas and 25 of the 32 high risk areas will not be reviewed in 2019, nor have they been reviewed in the past 5 years. Current estimates indicate that a staff of six would be required to do all relevant identified projects over the 2018 – 2022 term.

Since this time, Council has approved additional resources for the Internal Audit Department to help address this gap. A new Audit Project Manager was approved as part of the 2019 budget, with the position filled in May. A new Audit Project Manager was also approved as part of the 2020 budget, with the expectation that the position will be filled in May 2020. This will bring the department up to a staff of five, which will allow greater coverage to review the very high- and high-risk areas over the remainder of this Term of Council.

Additional staff may be required if the risk profile changes significantly or if there is a demand for more audit service. In addition, subject to available funding, some projects can be co-sourced. Co-sourcing is helpful when special skills are required to do technically specific projects such as information technology audits.

Time available to complete the work plan considers statutory holidays, vacations, absences, training and various administrative functions. Direct audit time includes work plan audit projects, administration of the anonymous reporting system, special request audits received throughout the year, and advice and education to audit clients on controls,

emerging issues and new corporate initiatives. Direct time also includes audit research, quality assurance and improvement initiatives, the maintenance of the internal audit methodology and audit planning.

Times to complete projects are estimates only and reflect historical experience. Risk based Internal Audits require client participation to identify risks, agree on issues and develop management relevant action plans.

The table below outlines 2020 Internal Audit Risk Based Work Plan priority projects:

Audit Project	Rationale and Risks	Strategic Plan Area of Focus
<p><b>Information Technology Security Audit</b></p>	<p><b>Rationale:</b> Securing computerized data and information is important for several reasons, but principally as a means of keeping information safe. The importance of computer security lies in how harmful it can be if data or information is lost.</p> <p>The City stores a lot of data, some of it very sensitive, including payment information, staff records, e-mails, citizen information and extensive corporate documents, both finished and those in progress.</p> <p><b>Risk:</b> In addition to security breaches by outsiders, there is also an increasing risk that data and systems can be compromised by staff inside organizations. As part of their daily responsibilities, staff have access to data and information that those outside of the organization typically do not. Although not a risk unique to computerized information, the ease of availability and accessibility to computerized information may increase the likelihood of a security breach.</p>	<p><b>Operational Performance and Citizen Experience</b></p>
<p><b>IT Governance Audit</b></p> <p><b>[Consulting]</b></p>	<p><b>Rationale:</b> IT governance provides a structure for aligning IT strategy with business strategy. It provides a framework of best practices and controls. By following a formal framework, the City can produce measurable results toward achieving the Term of Council Priorities and strategic objectives.</p> <p><b>Risk:</b> The City requires sufficient, competent and capable IT resources in order to help the City deliver on the Term of Council Priorities and execute on the activities required to meet current and future strategic objectives. The absence of effective administration, stewardship and metrics to track initiatives can result in lost opportunities and reputational damage to the City.</p>	<p><b>Good Governance and Operational Performance</b></p>

Audit Project	Rationale and Risks	Strategic Plan Area of Focus
<p><b>Financial Planning &amp; Budgeting Process</b></p> <p><b>[Consulting]</b></p>	<p><b>Rationale:</b> Having an effective financial planning and budgeting process in place is necessary in order to achieve organizational goals in the shortest time possible with a minimum of resources and funding. Developing a long-range fiscal plan and forecast and refining fiscal framework policies to support financial sustainability is a part of the Term of Council Service Excellence Strategic Plan.</p> <p><b>Risk:</b> An ineffective financial planning &amp; budgeting process may pose several significant short- and long-term risks to the City and may impact decision making as it relates to service levels, priorities and funding allocations.</p>	<p><b>Good Governance, Operational Performance and Citizen Experience</b></p>
<p><b>Vendor Master File Audit</b></p>	<p><b>Rationale:</b> The vendor master file is a key foundation for payment processing and contains information about vendors the City does business with. The file generally includes the vendor's name, address and contact information. An adequately designed vendor master file program ensures that the City's purchases and expenses are accurately recorded and that these expenditures are paid on a timely basis.</p> <p><b>Risk:</b> It is essential that effective management and administration over the file is in place to reduce the risk of unauthorized or inappropriate activity. Ineffective controls over the vendor master file can lead to inaccurate, incomplete, or unauthorized vendor records. This could have a negative effect on processing vendor payments and may increase the risk of fraud or abuse.</p>	<p><b>Good Governance, Operational Performance and Citizen Experience</b></p>
<p><b>Municipal Accommodation Tax Audit</b></p>	<p><b>Rationale:</b> The City of Vaughan has approved a four per cent Municipal Accommodation Tax (MAT) on hotels, lodges, bed and breakfasts and motels effective April. 1, 2019. Pending the establishment of a planning and regulatory framework, the City is also considering applying the MAT to short-term rentals, including online home-sharing platforms.</p> <p>The 4% municipal accommodation tax rate applied to hotels and short-term rentals has been projected to generate \$2.4 million revenues in 2019 (April to December), increasing to \$4.4 million full year revenue by 2023.</p> <p><b>Risk:</b> MAT revenues are remitted by transient accommodation providers to the City on a monthly basis. Without effective controls in place, there is a risk that accommodation providers will not remit the correct amount owing on a timely basis.</p>	<p><b>Economic Prosperity, Investment and Social Capital, Good Governance, Operational Performance and Citizen Experience</b></p>

Audit Project	Rationale and Risks	Strategic Plan Area of Focus
<b>Building Standards Audit</b>	<p><b>Rationale:</b> The Building Standards department issues permits for the construction, renovation, demolition and re-zoning of buildings. It also issues permits for the installation, alteration, extension or repair of onsite sewage systems, plumbing systems and mechanical systems such as heating, ventilation and air conditioning (HVAC).</p> <p><b>Risk:</b> It is essential that effective management and oversight over the review and issuance of building permits is in place to ensure buildings are safe and that they meet the Ontario Building Code, the City's Zoning By-law, and other planning controls and laws.</p>	<b>City Building, Operational Performance and Citizen Experience</b>
<b>Human Resources Audit</b>	<p><b>Rationale:</b> The Office of the Chief Human Resources Officer (HR) partners with City departments to hire and retain talented individuals to be part of this dynamic workplace. This includes providing information and resources on new employee onboarding, benefits and compensation, health, safety and wellness, and accessibility and diversity.</p> <p>HR also manages and evaluates pay, develops recommendations about policies and procedure and ensures compliance with relevant legislation, such as the Employment Standards Act and the Pay Equity Act.</p> <p><b>Risk:</b> HR's services and programs should be tied to the needs of the organization and support the City's Term of Council Service Excellence Strategic Plan. The absence of effective administration and metrics to track initiatives may weaken the City's ability to attract and retain qualified employees and remain competitive in the labour market.</p>	<b>Staff Engagement</b>
<b>Construction Audit of Fire Station #7-4: Phase 3</b>	<p><b>Rationale:</b> Individual Capital Projects can represent a significant investment for the City. Large projects are managed from a variety of aspects including financial, timeliness and meeting deliverables. Audits of individual projects can provide assurance that risks are properly managed.</p> <p><b>Risk:</b> If projects are not properly managed the greatest risk is they do not meet their deliverables either by not being on time or on budget. Projects that are late or over budget can lead to financial loss, quality reduction and erosion of public trust.</p>	<b>Safe, Active and Engaged Communities</b>



Audit Project	Rationale and Risks	Strategic Plan Area of Focus
<p><b>General Internal Audit Follow-up Program</b></p>	<p><b>Rationale:</b> As part of the Internal Audit reporting process, Internal Audit and clients agree on action plans to address issues identified in the report. Follow-up is done to determine if the action plans have been implemented.</p> <p><b>Risk:</b> If action plans are not followed up there is the risk they may not implemented. Risk and control exposures could be still be outstanding that could have a negative impact on the City. There is also the risk that initial action plans may not have been suitable. Internal audit can work with clients to develop more suitable plans if follow-up is done.</p>	<p><b>Good Governance and Operational Performance</b></p>
<p><b>Internal Audit Department Annual Report</b></p>	<p><b>Rationale:</b> In accordance with the City's Internal Audit Policy, an annual report shall be submitted to the Committee of the Whole outlining the annual activities of the Internal Audit Department.</p> <p>This report will outline the activities of the Internal Audit Department for the period January 1 through December 31, 2019. It is not a report on the results of the audits conducted, as this information is presented separately throughout the year.</p>	<p><b>Good Governance</b></p>
<p><b>Anonymous Reporting System Administration</b></p>	<p><b>Rationale:</b> The City's Anonymous Reporting System was implemented on April 15, 2014 as an additional mechanism for employees to confidentially and anonymously report suspected fraud and code of conduct violations.</p> <p>Report intake is operated independently by a third party and is accessible by internet and toll-free phone number. It is available 24 hours a day, 7 days a week.</p> <p>An employee who chooses to file a report is asked to create a password and is provided with a unique case tracking number so that they can log back into the system to follow the progress of their report, provide further details and to answer any questions posed by the investigator, a member of the City's Internal Audit team. Depending on the nature of the issue, management may be required to assist Internal Audit with an investigation.</p>	<p><b>Good Governance</b></p>

**Financial Impact**

Not Applicable

**Broader Regional Impacts/Considerations**

Not Applicable

**Conclusion**

The 2020 Internal Audit Risk Based Work Plan has been developed using the best available information and is aligned with the City's Term of Council Service Excellence Strategy Map.

Based on existing resources, Internal Audit will be able to independently and objectively carry out the projects identified in this work plan.

**For more information**, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

**Attachments**

Not Applicable

**Prepared by**

Kevin Shapiro, Director of Internal Audit, extension 8293

## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: INTERNAL AUDIT REPORT – CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2**

**FROM:**

Kevin Shapiro, Director of Internal Audit

**ACTION:** FOR INFORMATION

---

**Purpose**

To communicate the findings from the Internal Audit Report on the Construction Audit of Fire Station 7-4: Phase 2.

**Report Highlights**

- The construction phase of Fire Station 7-4 has experienced numerous issues that have contributed to this project not being delivered on time.
- Improvements are recommended to ensure risks related to the execution of the City's construction activities are efficiently and effectively mitigated.
- Management has developed action plans which will mitigate the identified risks and address the recommendations outlined in the report.

**Recommendations**

1. That the Internal Audit Report on the Construction Audit of Fire Station 7-4: Phase 2 be received.

**Background**

The objective of the audit was to evaluate the effectiveness of construction management policies and procedures related to the fiscal, operational, and administrative controls over construction activities, including project scope, cost, schedule and quality.

Based on consultations with management, the construction of Fire Station #7-4 was selected for the audit. The single-story, LEED certified fire station is in Kleinburg and will include apparatus bays, ancillary offices and provide living quarters for the fire crew on shift. Construction of the fire station started in the spring of 2018, with a substantial performance date outlined in the contract of May 24, 2019.

Auditing a construction project from beginning to end can provide added assurance, identify problems as they arise, and help improve outcomes. Since the scope of the audit will encompass the complete lifecycle of the project, audit reports will be issued after the completion of the following project phases:

- Planning and Design, Bid and Procurement Phases (Phase 1). The Phase 1 report was presented at FA&A on June 6, 2018 and approved by Council on June 19, 2018.
- Construction Phase (Phase 2).
- Close Out Phase (Phase 3).

Phase 2 included a review of:

- Planning and Scheduling Management Process.
- Cost Management Process.
- Change Management Process.
- Liability and Insurance Provisions.

## **Previous Reports/Authority**

[Internal Audit Report - Construction Audit of Fire Station 7-4: Phase 1](#)

## **Analysis and Options**

Capital projects are generally funded, planned and executed as individual, discrete projects. Four objectives which are common to every construction project are: scope, cost, schedule and quality. The primary focus of project management is to plan and execute a project in such a manner as to maximize the ability to meet those four primary project objectives.

The project team's and specifically the project manager's focus now shifts from planning the project efforts to participating in, observing, and analysing the work being done. Infrastructure Development's project managers are responsible for keeping the project moving according to plan. The goal is to manage the project so that it finishes on schedule and within budget, while still meeting building codes, plans, and specs.

Some of the reasons why construction projects do not meet their objectives is that they are often saddled with poor communication protocols and inadequate controls around scope change management. Project management plans, even for relatively small

construction projects, should exhibit a level of detail greater than might be deemed appropriate for other types of projects of equivalent cost and duration.

In the construction phase of a project, the project plan is put into motion and the work of the project is performed on site. Progress is continuously monitored, and appropriate adjustments are made and recorded as variances from the original plan.

## **Financial Impact**

There are no direct economic impacts associated with this report

## **Broader Regional Impacts/Considerations**

Not applicable.

## **Conclusion**

The construction phase of Fire Station 7-4 experienced numerous issues that have contributed to this project not being delivered on time. Improvements will be required to ensure risks related to the execution of the City's construction activities are efficiently and effectively mitigated.

The construction of Fire Station 7-4 was awarded to one of the largest construction companies in Ontario. However, in the fall of 2018 it was widely reported that the general contractor was facing financial difficulties. In April 2019, the Ontario Superior Court granted the general contractor its application for protection from its creditors, and the surety<sup>1</sup> provided funds to allow the general contractor to complete existing projects. This resulted in significant delays in the construction of Fire Station 7-4, as work on the project halted until subcontractor liens were cleared.

Throughout the construction phase, Infrastructure Delivery did an admirable job in ensuring that the project progressed by keeping the lines of communications open with the contractor, validating that liens were being cleared and working with the consultant, contractor and surety to develop recovery plans. Under these circumstances, the City had the option of replacing the general contractor. However, this would have been extremely risky since construction was already well underway and may have led to even more delays. By opting to work with all parties involved, the project was able to overcome these difficulties and be completed with the existing general contractor.

Additionally, the construction phase was completed with a relatively small number of change orders. Change orders are frequently encountered in any construction project. The American Society for Engineering<sup>2</sup> estimates that increases in the contract value from 5 to 10% are expected in most construction projects. The construction change orders

---

<sup>1</sup> The surety provides the financial guarantee that the contractor will fulfill their obligations outlined in a contract agreement.

<sup>2</sup> American Society for Engineering Education: AC 2007-3039: CHANGE ORDERS IMPACT ON PROJECT COST; Engy Serag, San Diego State University, Amr Oloufa, University of Central Florida.

represented only 2.6% of the construction cost of the Fire Station 7-4. The largest change was ensuring that the Fire Station was fitted with the recently developed security hardware standard. Accommodating this change during the construction phase of the project prevented the need for a more costly retrofit at a future date.

Although contractor issues created tremendous operational challenges for the project, it has also highlighted improvement opportunities to help mitigate future project related risks by ensuring that:

- A liquidated damages provision is included in all major construction contracts.
- Construction schedules and recovery schedules are realistic, complete and timely.
- Contractors provide acceptable expertise and resources.
- A formal project file quality review program is implemented.

**For more information**, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

### **Attachments**

1. Internal Audit Report – Construction Audit of Fire Station 7-4: Phase 2

### **Prepared by**

Kevin Shapiro, Director of Internal Audit, extension 8293

Mike Petrilli, Audit Project Manager, extension 8909



# INTERNAL AUDIT REPORT

## Construction Audit of Fire Station #7-4: Phase 2

**December 2019**

## INTERNAL AUDIT REPORT

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

#### CONCLUSION AND SUMMARY

The construction phase of Fire Station 7-4 experienced numerous issues that have contributed to this project not being delivered on time. Improvements will be required to ensure risks related to the execution of the City's construction activities are efficiently and effectively mitigated.

The construction of Fire Station 7-4 was awarded to one of the largest construction companies in Ontario. However, in the fall of 2018 it was widely reported that the general contractor was facing financial difficulties. In April 2019, the Ontario Superior Court granted the general contractor its application for protection from its creditors, and the surety<sup>1</sup> provided funds to allow the general contractor to complete existing projects. This resulted in significant delays in the construction of Fire Station 7-4, as work on the project halted until subcontractor liens were cleared.

Throughout the construction phase, Infrastructure Delivery did an admirable job in ensuring that the project progressed by keeping the lines of communications open with the contractor, validating that liens were being cleared and working with the consultant, contractor and surety to develop recovery plans. Under these circumstances, the City had the option of replacing the general contractor. However, this would have been extremely risky since construction was already well underway and may have led to even more delays. By opting to work with all parties involved, the project was able to overcome these difficulties and be completed with the existing general contractor.

Additionally, the construction phase was completed with a relatively small number of change orders. Change orders are frequently encountered in any construction project. The American Society for Engineering<sup>2</sup> estimates that increases in the contract value from 5 to 10% are expected in most construction projects. The construction change orders represented only 2.6% of the construction cost of the Fire Station 7-4. The largest change was ensuring that the Fire Station was fitted with the recently developed security hardware standard. Accommodating this change during the construction phase of the Project prevented the need for a more costly retrofit at a future date.

Although contractor issues created tremendous operational challenges for the project, it has also highlighted improvement opportunities to help mitigate future project related risk by ensuring that:

- A liquidated damages provision is included in all major construction contracts.
- Construction schedules and recovery schedules are realistic, complete and timely.
- Contractors provide acceptable expertise and resources.
- A formal project file quality review program is implemented.

---

<sup>1</sup> The surety provides the financial guarantee that the contractor will fulfill their obligations outlined in a contract agreement.

<sup>2</sup> American Society for Engineering Education: AC 2007-3039: CHANGE ORDERS IMPACT ON PROJECT COST; Engy Serag, San Diego State University, Amr Oloufa, University of Central Florida.



## INTERNAL AUDIT REPORT

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

Liquidated damages are defined as a pre-estimate of the probable loss that would be suffered from the late completion of a contract. In order to be enforceable, liquidated damages are meant as a fair representation of losses in situations where actual damages are difficult to determine. Liquidated damages establish some predictability and can act as a type of insurance against the cost of a breach. Although the Stipulated Price Contract with the contractor had a provision for liquidated damages, it had been zeroed out. As such, the City had no recourse for liquidated damages against the general contractor. Ensuring that the City's major construction contracts include a liquidated damages provision will help mitigate the risk of not completing a project on time and improve predictability involving costs.

As the project fell further behind the baseline schedule, getting a realistic, complete and timely project schedule/recovery plan from either the general contractor or the surety representative proved to be a challenge. Reliable scheduling can eliminate many risks that may come up during a construction project. The main goal of scheduling is to improve the allocation of materials and resources within a project. In that way, any potential delays can be avoided and better communication between all the different parties could be ensured.

The general contractor is responsible for ensuring that the project is appropriately staffed in order to deliver the project on budget and within scope. The general contractor's project managers play a key role as they oversee all aspects of the building process, manage subcontractors and employees, gather permits, are involved in risk management and scheduling, and managing relationships with key stakeholders.

We noted that the general contractor replaced their project manager on this project without appropriate notification to the City. Management should ensure that contractors formally notify the City of all key staff changes and provide the City with the qualifications of the individuals that they assign to a project. Management should diligently assess the change and provide formal approval of all key staff changes.

The financial difficulties faced by the contractor were amplified by the poor performance of some of its key subcontractors. Although the City requests a list of subcontractors, they are not qualified by the City. This resulted in additional delays once work was able to resume. Some of these subcontractors had been used in the construction of Fire Station 7-3 and had been difficult to work with on that project as well. As noted in the first phase of this audit, we recommended that management implement a vendor performance evaluation process to pro-actively evaluate and improve the performance of all suppliers, vendors and contractors that are sourced by the City. We would expand this recommendation to also consider vendor performance evaluation and pre-qualification of key subcontractors for major construction projects. Vendor performance evaluation and pre-qualification at the subcontractor level would help ensure that there is a reasonable prospect that all vendors selected for the project will have the demonstrated expertise, capitalization and resources to perform the final contract in a satisfactory manner.

Project management is the basis on which every construction project is founded. Ideally the City's Infrastructure Delivery project manager should lead the project for the duration, from the creation of the charter and up until closing phase is complete. However, there are times when the original project manager has to leave the project and a new person is assigned to manage and control the resources. While there may be differing needs or circumstances that must be met for each

## **INTERNAL AUDIT REPORT**

### **CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2**

---

project, minimum documentation requirements are necessary and should be developed in order to establish an adequate method of record keeping. Further, a file quality review should form part of a continuous improvement program that helps ensure that project managers are complying to documentation requirements and projects are being managed in a uniform manner.

Internal Audit will follow up on the status of outstanding management action plans related to this audit and will report the status to the appropriate Committee.

## INTERNAL AUDIT REPORT

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

#### BACKGROUND

Capital projects are generally funded, planned and executed as individual, discrete projects. Four objectives which are common to every construction project are: scope, cost, schedule and quality. The primary focus of project management is to plan and execute a project in such a manner as to maximize the ability to meet those four primary project objectives.

The project team's and specifically the project manager's focus now shifts from planning the project efforts to participating in, observing, and analysing the work being done. Infrastructure Development's project managers are responsible for keeping the project moving according to plan. The goal is to manage the project so that it finishes on schedule and within budget, while still meeting building codes, plans, and specs.

Some of the reasons why construction projects do not meet their objectives is that they are often saddled with poor communication protocols and inadequate controls around scope change management. Project management plans, even for relatively small construction projects, should exhibit a level of detail greater than might be deemed appropriate for other types of projects of equivalent cost and duration.

In the construction phase of a project, the project plan is put into motion and the work of the project is performed on site. Progress is continuously monitored, and appropriate adjustments are made and recorded as variances from the original plan. The following chart outlines the project timelines for the construction of Fire Station 7-4:

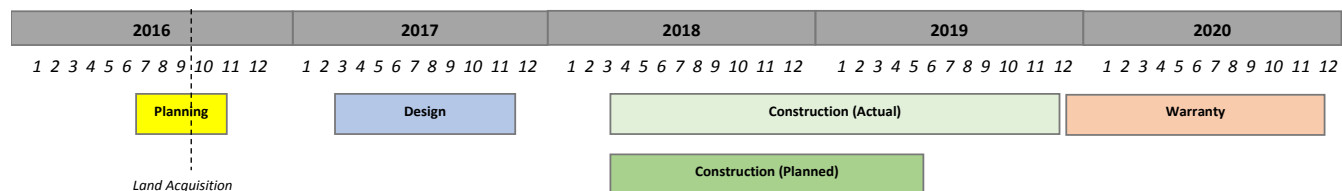


Figure 1 Designer Render and Actual Sept 2019

## INTERNAL AUDIT REPORT

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

#### OBJECTIVES AND SCOPE

The objective of the audit was to evaluate the effectiveness of construction management policies and procedures related to the fiscal, operational, and administrative controls over construction activities, including project scope, cost, schedule and quality.

Based on consultations with management, the construction of Fire Station #7-4 was selected for the audit. The single-story, LEED certified fire station is in Kleinburg and will include apparatus bays, ancillary offices and provide living quarters for the fire crew on shift. Construction of the fire station started in the spring of 2018, with a substantial performance date outlined in the contract of May 24, 2019.

Auditing a construction project from beginning to end can provide added assurance, identify problems as they arise, and help improve outcomes. Since the scope of the audit will encompass the complete lifecycle of the project, audit reports will be issued after the completion of the following project phases:

- Planning and Design, Bid and Procurement Phases (Phase 1). The Phase 1 report was presented at FA&A on June 6, 2018 and approved by Council on June 19, 2018.
- Construction Phase (Phase 2).
- Close Out Phase (Phase 3).

Phase 2 included a review of:

- Planning and Scheduling Management Process.
- Cost Management Process.
- Change Management Process.
- Liability and Insurance Provisions.

**Auditor and Author: Mike Petrilli, CPA, CGA, CIA**

**Director: Kevin Shapiro CIA, CFE, CRMA**

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

#### DETAILED REPORT

##### **1. *Ensure a Liquidated Damages Provision is included in all Major Construction Contracts***

Liquidated damages are a common element in Canadian construction contracts and serve as a useful risk allocation mechanism. Liquidated damages are defined as a pre-estimate of the probable loss that would be suffered from the late completion of a contract. In order to be enforceable, liquidated damages are meant as a fair representation of losses in situations where actual damages are difficult to determine. Organizations such as York Region have developed their liquidated damages provision in their contractual agreements to address this uncertainty and to increase the probability of enforceability of the provision.

There is a liquidated damages provision embedded in the City's standard construction contract template under the "KEY DETAILS" section. In reviewing the City's contract with the general contractor for Fire Station 7-4, we noted that there was a zero-dollar value agreed upon for liquidated damages.

Construction of Fire Station 7-4 commenced in the spring of 2018, with a substantial performance date outlined in the contract of May 24, 2019. Substantial performance was not achieved until November 28, 2019.

In the fall of 2018, it was widely reported that a dozen public-sector construction projects across Ontario, awarded to the same general contractor, were either months behind schedule or in limbo as the general contractor struggled to pay its subcontractors and complete projects. In April of 2019, the general contractor was granted court protection from its creditors as it faced more than 200 lawsuits and creditor claims<sup>3</sup>, while its surety provided funds to allow it to complete existing projects. This resulted in a work stoppage at the Fire Station 7-4 construction site until the surety provider could help clear the subcontractor liens and gain control of the project.

The delay faced by the project also resulted in construction taking place over the winter months, something that the City had initially considered but ultimately hoped to avoid. When first considering the construction of this facility, the architect on this project had advised against construction over the winter months because:

- There was increased risk of inclement weather, which may result in weather related delays. A general rule of thumb is that in winter one day a week will be lost due to weather conditions.
- Additional costs will be incurred due to required protective measures. For example, masonry work undertaken in temperatures below 4.4 degrees Celsius must provide conditions such as protected work areas and heated materials.
- Quality control of the work may suffer if cold weather measures are not properly implemented or are ineffective.

---

<sup>3</sup> <https://www.theglobeandmail.com/business/industry-news/article-contractor-woes-stall-ontario-public-projects/>

## INTERNAL AUDIT REPORT

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

- Progress of the work will typically suffer from lack of productivity. A general rule of thumb is that productivity during winter months may be reduced by 30-40% in comparison to work undertaken under warmer conditions.

The absence of a liquidated damages provision in this contract has limited the leverage that the City may have had with the contractor and the City's ability to serve the community as initially intended. Deciding on damages at the outset gives both parties the opportunity to settle on an amount that they think is fair instead of potentially leaving this decision to the courts, if the City chose to take legal action.

#### **Recommendations**

We recommend that management, in consultation with the City Solicitor:

- Revisit the language of the existing liquidated damages provision to ensure that it is up to date and reflects the City's interests.
- Ensure that an appropriate value for liquidated damages is negotiated for all future major construction projects.

#### **Management Action Plan**

Management agrees with the audit recommendation.

The use of liquidated damages provisions within contracts is a practice that was regularly used on other types of projects within Infrastructure Delivery (such as roads, bridges, sewers and water mains). However, this practice is not widely used throughout the organization. Projects for new building construction and major renovations did not previously include liquidated damages provisions.

Following the procurement for the construction of Fire Station 7-4, all subsequent projects for new building construction and major renovations have included provisions for liquidated damages. The value of the liquidated damages is calculated to ensure that it represents the expected costs to the Corporation to continue oversight of the project beyond the completion date.

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

#### **2. *Ensure the Construction Schedule and Recovery Schedule are Realistic, Complete and Timely***

A construction project's schedule outlines each step that should be completed by a specific date before the next step can be taken. Not only does the schedule outline how quickly the work will get done, it also outlines how the work will get done. Further, the schedule helps in maximizing quality control measures by properly sequencing the work and enhancing coordination efforts between the City and construction operations.

Clause 3.5.1 in our contractor agreement states that:

*“...the Contractor shall within 10 Working Days following the notice of award of the Contract, prepare and submit to the Owner and the Consultant for their review and acceptance, a construction schedule that indicates the timing of the activities of the Work and provides sufficient detail of the critical events and their inter-relationship to demonstrate that the Work will be performed in conformity with the Contract Time and in accordance with the Contract Documents....”*

Section 3.5.2 goes on to state that:

*“if, at any time, the Owner or the Consultant advise the Contractor that it appears that the actual progress of the Work is behind schedule or is likely to become behind schedule, or if the Contractor has given notice of such to the Owner or the Consultant pursuant to subparagraph 3.5.1.3, the Contractor shall take appropriate steps to cause the actual progress of the Work to conform to the schedule or minimize the resulting delay and shall produce and present to the Owner and the Consultant a recovery plan demonstrating how the Contractor will achieve the recovery of the schedule.”*

As the project fell further behind the baseline schedule, getting a realistic, complete and timely project schedule/recovery plan from either the contractor or the surety representative proved to be a challenge. In some cases, schedules were provided with project tasks that were missing, had significant continuity issues and schedule conflicts. Internal Audit attended site meetings where new construction schedules were being delivered to the Infrastructure Delivery staff with dates of task completion that had already passed. In fact, dates and deadlines came and went seemingly without explanation.

The payment package already includes a copy of the Construction Schedule, but it may not reflect the current status of the project or recovery plan. As part of the documentation that substantiates the payment requested, the City should ask for the latest and most up-to-date project schedule. The provision of a mutually accepted construction schedule or recovery plan should be a prerequisite to receiving payment. This should not be an overwhelming effort on the part of the contractor, since they should be using a current, realistic and complete construction/recovery schedule to manage the project activity.

Reliable scheduling can eliminate many risks that may come up during a construction project. The main goal of scheduling is to improve the allocation of materials and resources within a

## INTERNAL AUDIT REPORT

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

project. In that way, any potential delays can be avoided and better communication between all the different parties could be ensured.

#### **Recommendations**

We recommend that management work with the office of the City Solicitor to review the existing wording of our contractor agreement to strengthen the link between the Certificate for Payment and an updated construction schedule/recovery plan. This will help ensure compliance to the provisions outlined in the contract.

#### **Management Action Plan**

Management agrees with the audit recommendation.

Discussion regarding schedules are a high priority, standing item at every project progress meeting during construction.

As indicated in the audit report, there is existing language within the contract regarding the submission of the Construction Schedule. Recent legislative changes in the Construction Act provide opportunity for a greater linkage between updates to the Construction Schedule and payment to the General Contractor. Changes will be required to Corporation's Supplemental General Conditions document to define these requirements that are currently being undertaken jointly with the office of the City Solicitor and Procurement Services.



### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

#### **3. Contractors Must Provide Acceptable Expertise and Resources**

The contractor is responsible for ensuring that the project is appropriately staffed in order to deliver the project on budget and within scope. The general contractor's project managers oversee all aspects of the building process, help manage subcontractors and employees, gather permits and managing relationships with key stakeholders.

Clause 3.5.1.2 in our contractor agreement states that the contractor will:

*"...provide the expertise and resources, such resources including manpower and equipment, as are necessary to maintain progress under the accepted baseline construction schedule or any successor or revised schedule accepted by the Owner..."*

The above clause is further clarified by the following statements:

*3.14.2.1 "the personnel it assigns to the Project are appropriately experienced"*

*3.14.2.2 "it has a sufficient staff of qualified and competent personnel to replace any of its appointed representatives, subject to the Owner's approval, in the event of death, incapacity, removal or resignation."*

In the fall of 2018, when the general contractor found itself in financial difficulty and struggled to pay its subcontractors and complete projects, the general contractor's project manager assigned to the Fire Station 7-4 project left the contractor's employment. He was replaced with a far less experienced project manager. The City was only informed of this change at the next site meeting. Management in Infrastructure Delivery did contact the general contractor after the site meeting to remind him of his obligation to inform the City of proposed changes to key personnel for the City's review and approval prior to making any personnel changes. However, it was apparent that the financial difficulties faced by the contractor limited the options available to the general contractor for this project.

The impact of having a less experienced project manager was felt throughout the construction phase of the project but was especially evident towards the end of the construction phase. The new project manager had difficulty in managing the subcontractors, confirming completion dates, updating construction schedules and he did not seem to have a good grasp of the project occupancy documentation requirements.

The financial difficulties faced by the general contractor were amplified by the poor performance of some of its key subcontractors. Although the City requests a list of subcontractors, they are not qualified by the City. This resulted in additional delays once work was able to resume.

A construction project manager has to obtain a variety of skills and competencies in order to navigate through the project and to establish a functional connection with the numerous teams. Construction projects have a continuous need for alterations and in that sense project management is key to the stability of the whole procedure. Ineffective construction project

## INTERNAL AUDIT REPORT

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

management increases the risk of a project not being completed: on time, within budget, and free of financial or legal complications.

#### **Recommendations**

We recommend that management:

- Ensure that contractors formally notify the City of all key staff changes, provide the City with the qualifications of the individuals that they assign to a project and ensure that the City assess the change and provide formal approval before the individuals are assigned to the project.
- Investigate the feasibility of conducting vendor performance evaluations and pre-qualification of key subcontractors for major construction projects.

#### **Management Action Plan**

Management agrees with the audit recommendation.

As indicated in the audit report, there is existing language within the contract regarding the General Contractor's responsibility to notify the City of any changes in personnel. Staff overseeing the construction of Fire Station 7-4 did assess and provided approval of any recommended changes in personnel by the General Contractor, however, given the financial difficulties that they faced, this resulted in a higher frequency of changes than is typically encountered. Discussion of potential personnel changes will be a standing item at regular project meetings held during construction.

A pilot program was completed in 2019 to assess the Vendor Performance Evaluation procedure to pro-actively evaluate and improve the performance of all suppliers, vendors and contractors that are sourced by the City.

The Vendor Performance Evaluations procedure (PP-14) and the Vendor Performance Evaluation reports for Consultants and Construction Contractors have been developed to support the Vendor Performance Evaluation program. These are being rolled out on a corporate wide basis early 2020. Procurement Services will work with key stakeholders at the City to assess the feasibility of expanding the program to sub-contractors. This will be done by Q2 2020.

### CONSTRUCTION AUDIT OF FIRE STATION 7-4: PHASE 2

---

#### **4. Implement a Formal Project Quality Review Program**

Project management is the basis on which every construction project is founded. Ideally the City's Infrastructure Delivery project manager should lead the project for the duration, from the creation of the charter and up until closing phase is complete. However, there are times when this is not feasible, and a new person is assigned to manage the project. In this transition, schedules can potentially slip because of the learning curve the new project manager has to go through to catch up, especially when the project is well into the execution phase.

The construction of Fire Station 7-4 has had 3 different Infrastructure Delivery project managers assigned to it. Not all project managers work in the same way, and although all project documents should be on the departments shared drive, they were not always placed there. This was problematic as key documents like the Project Schedule were difficult for the new project manager to locate.

While there may be differing needs or circumstances that must be met for each project, compliance to the minimum documentation requirements are necessary in order to establish an adequate method of record keeping. These minimum requirements also help to establish a basic level of uniformity among all project managers. This can help to facilitate the review of records by others and promotes greater efficiency when staff is transferred or reassigned between different projects. When a clear method of record keeping is identified prior to the beginning of work, then original field notes and records can be easily prepared and maintained as the work progresses. This also helps to reduce the effort required to produce the final contract records upon completion of the project. In a claim situation, these records will assist in producing an effective claim submission and may be vital to its success.

We also noted that there is no formal project file quality review done at the end of the project, as part of a formal project quality assurance program<sup>4</sup>. A file quality review should form part of a continuous improvement program that helps ensure that project managers are complying to documentation requirements and projects are being managed in a uniform manner. When undertaken at the end of a project, it can provide valuable lessons for project teams working on future projects.

#### **Recommendations**

We recommend that management:

- Ensure compliance to the minimum project file documentation requirements.
- Implement a formal project file quality review program.

---

<sup>4</sup> Quality assurance may be applied to any internal management activity that assesses the current quality of performance against accepted benchmarks/standards with the aim of improving performance. Quality assurance is based on the strong correlation found between good quality project processes in design and implementation and successful project outcomes.

**Management Action Plan**

Management agrees with the audit recommendation.

As previously indicated in the Construction Audit of Fire Station 7-4: Phase 1 report, the Infrastructure Delivery department developed its own framework and procedures manual to ensure consistency in project file documentation requirements for all projects undertaken. This is captured within the Project Management Procedures Manual that was also subsequently updated as part of the Phase 1 recommendations.

Efforts to ensure compliance to the minimum project file documentation requirements and implement a formal project file quality review program are activities that must be routinely and consistently undertaken across the departments responsible for project delivery. These procedures will be developed and implemented within Infrastructure Development Portfolio.

## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: VMC YMCA CENTRE OF COMMUNITY AND LIBRARY –  
PROGRESS UPDATE AND DESIGNATION AS A MUNICIPAL  
CAPITAL FACILITY**

**FROM:**

Tim Simmonds, Interim City Manager

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

**ACTION:** DECISION

---

**Purpose**

This report provides an overview of the various agreements for the Vaughan Metropolitan Centre YMCA Centre of Community, Library and Recreational Space project (the “**VMC YMCA Centre**”) between the City of Vaughan (the “**City**”) and YMCA of Greater Toronto (“**YMCA**”), all in accordance with Council’s previous endorsements.

**Report Highlights**

- Staff is recommending that Council approve the required by-laws in accordance with this report authorizing execution of the lease, master agreement and municipal capital facility agreement (“**MCFA**”) between the YMCA and the City; and, exempting the VMC YMCA Centre from taxation for municipal and school purposes and from development charges in accordance with the *Municipal Act, 2001*.
- At the Finance, Administration and Audit Committee meeting of April 19, 2017, Council directed staff to continue negotiating all operating related agreements with the YMCA and report back to a future committee meeting prior to execution of said agreements, and with a bylaw designating the VMC YMCA Centre as a municipal capital facility (“**MCF**”) at the appropriate time in the development process.
- The development project for the VMC YMCA Centre has received the certificate of substantial performance on April 30, 2019.
- The VMC YMCA Centre Fit-Out work is on-schedule to be complete in Q2/2020 so that the final fixturing, furniture, and equipment can be installed.
- The official opening of the VMC YMCA Centre is anticipated for mid-September 2020.

## **Recommendations**

1. THAT Council delegate authority to the Mayor and City Clerk to finalize and execute the Lease and Master Agreement with the YMCA of Greater Toronto and all related documents, in a form satisfactory to the Deputy City Manager Administrative Services and City Solicitor and with content satisfactory to the Deputy City Manager, Corporate Services and Chief Financial Officer;
2. THAT Council delegate authority to the Mayor and City Clerk to execute a municipal capital facility agreement with the YMCA of Greater Toronto and all related documents, for the provision of a municipal capital facility, namely the YMCA Centre of Community and Library, which occupies a portion of the property located at 200 Apple Mill Road, in the City of Vaughan in a form satisfactory to Legal Services;
3. THAT Council pass a resolution declaring that the above noted municipal capital facility is for the purposes of the City of Vaughan and is for public use.
4. THAT Council pass a by-law pursuant to sections 110(6), 110(7) and 110(16) of the *Municipal Act, 2001*, SO 2001, c 25, providing authority to exempt the lands occupied by the YMCA Centre of Community and Library, as more particularly described in **Schedule “A”**, from:
  - i. taxation for municipal and school purposes, which tax exemption is to be effective from the latest of (i) the date the municipal capital facility agreement is entered into; and, (ii) the date the tax exemption by-law is enacted; and
  - ii. development charges.

## **Background**

The VMC YMCA Centre, first approved and adopted, as amended, by Council in February 2016 (Item 3, Report No. 10, of the Committee of the Whole, Working Session) is a real estate partnership between Penguin-Calloway (Vaughan) Partnership, YMCA and the City that supports the advanced development of the VMC YMCA Centre which includes a City of Vaughan Public Library branch and Community Centre with dedicated performance arts and events studios and a community kitchen (the “**City Facility**”).

In addition to the YMCA and City facilities, the mixed-use project has ground level retail and 100,000 square feet of class A office designed for PricewaterhouseCoopers (PwC) and more recently Scotiabank. The retail and office users are tenants of Penguin-Calloway (Vaughan) Partnership, while strata title for the VMC YMCA Centre rests with the YMCA (“**YMCA Lands**”).

On April 19, 2017 (Item 4, Report No. 4, of the Finance, Administration and Audit Committee), City Council authorized execution of the necessary agreements in respect

of financing, development and construction for the completion of the project, which have been executed and successfully implemented. Council further directed staff to *inter alia* report back to a future committee meeting prior to execution of the operating agreements, being the master agreement and the lease, and to bring forward a by-law designating the VMC YMCA Centre as an MCF at the appropriate time in the development process.

YMCA acquired title to the YMCA Lands on or about November 15, 2017 with funding assistance from the City and from Ontario Infrastructure and Lands Corporation (“IO”). YMCA entered into a financing agreement with IO dated July 18, 2017, as amended, for the Construction Loan and the Term Loan (together, the “**IO Financing**”). The City has guaranteed the IO Financing pursuant to an agreement between IO, YMCA and the City dated November 15, 2017, as amended, supplemented or otherwise modified from time to time. Repayment of all amounts due and owing in respect of the IO Financing shall be made by the parties in accordance with the terms and conditions of the master agreement between YMCA and the City, which negotiations have been recently completed.

The VMC YMCA Centre will operate as a not-for-profit multi-purpose recreational and community centre, which has a gross floor area of approximately 109,000 square feet. YMCA will occupy approximately 77,000 square feet of gross floor area within the YMCA Lands and will lease the remaining 32,000 square feet of gross floor area within the YMCA Lands to the City for the operation of the City Facility. The City and YMCA have finalized the negotiations of the lease for the City Facility.

The project received Certificate of Substantial Performance on April 30, 2019.

The VMC YMCA Centre Fit-Out work is on-schedule to be complete in Q2/2020 so that the final fixturing, furniture, and equipment can be installed. The opening event of this new piece of critical social infrastructure is being planned for mid-September 2020.

One of the next steps to complete this project before its opening consists of: execution of the master agreement, which addresses the project operation, the lease and the MCFA and also the designation of the VMC YMCA Centre as an MCF allowing for tax exemption for municipal and education purposes and of development charges.

### **Previous Reports/Authority**

1. [http://www.vaughan.ca/council/minutes\\_agendas/AgendaItems/CW\(WS\)0209\\_16\\_3.pdf](http://www.vaughan.ca/council/minutes_agendas/AgendaItems/CW(WS)0209_16_3.pdf)
2. [https://www.vaughan.ca/council/minutes\\_agendas/AgendaItems/Finance0906\\_16\\_11.pdf](https://www.vaughan.ca/council/minutes_agendas/AgendaItems/Finance0906_16_11.pdf)
3. [http://www.vaughan.ca/council/minutes\\_agendas/AgendaItems/Finance0403\\_17\\_4.pdf](http://www.vaughan.ca/council/minutes_agendas/AgendaItems/Finance0403_17_4.pdf).
4. <https://pub-v Vaughan.escribemeetings.com/filestream.ashx?DocumentId=11475>

## **Analysis and Options**

### **Progress Update**

The VMC YMCA Centre project is being delivered through three phases of construction:

1. Phase One: Base Building and Funding – began mid-2017 and was delivered on time on April 2019. This phase also included the execution of numerous agreements related to land acquisition, development, cost sharing, guarantees, development charge deferral and community improvement plan.
2. Phase Two: Fit-Out – began April 2019 and is anticipated to be completed in 12 months. This phase includes finalization of the lease and master agreement.
3. Phase Three: Furniture, Fixtures and Equipment

The YMCA development team and city staff have worked closely together ensuring that the design, construction and cost of the project was prudently planned, monitored and successfully executed.

The project will soon enter into its final phase and, along with that, the YMCA and the City have per Council directive finalized the remaining agreements required to be implemented prior to the official opening of the VMC YMCA Centre, as follows:

- i. Master Agreement - sets out the parameters for the entirety of the transactions between YMCA and the City, including: City's contributions toward the purchase price, the cost-sharing arrangements related to construction, fit-out work, on-going maintenance and repair contributions.
- ii. Lease – the lease will be for a term of forty-nine (49) years and deals with the actual demise of premises to the City and resemble a more typical commercial lease with respect to the various rights and obligations of the City, as tenant, and the YMCA, as landlord. The lease is mainly for the purposes of: a library; a municipal office providing services to the public; performance arts and events studios; and, for municipal and/or not-for-profit purposes or services that are open or available to the public.

To finalize the lease and master agreement, staff is recommending that by-laws be passed by Council authorizing the City to enter into those agreements with the YMCA.

### **Municipal Capital Facility**

Section 110 of the *Municipal Act, 2001*, SO 2001, c 25 (the “***Municipal Act***”) as amended, and Ontario Regulation 603/06 (“**O. Reg. 603/06**”), allows the City to enter into agreements with any person for the provision of municipal capital facilities and authorize Council to enter into MCFA with organizations providing services that would otherwise be provided by the City. Municipal capital facilities receive certain benefits including tax relief from municipal and education taxes and development charges in exchange for the provisions of services outlined in the agreement.



Section 5 of O. Reg. 603/06 prescribes that a municipality may enter into an agreement respecting MCF for purposes of municipal community centre, only if:

- “(a) the municipal capital facilities are primarily used for local community activities; and
- (b) the council has declared by resolution that the municipal capital facilities are for the purposes of the municipality and are for public use. “

Organizations whose facilities are related to the provision of community services, such as community centres, are among those that may enter into MCFAs with a municipality. Accordingly, the VMC YMCA Centre is eligible to be declared an MCF.

The VMC YMCA Centre is owned by YMCA and will be entirely occupied and used for a service or function to the public that may be provided by the municipality, in fact some of the services such as the library, art studio and community kitchen will be provided by the City. The VMC YMCA Centre is eligible to be designated as an MCF in accordance with the *Municipal Act*.

To satisfy the requirements of the *Municipal Act* and in recognition of the essential community services provided and operated at the VMC YMCA Centre, staff is recommending that by-laws be passed by Council permitting the City to enter into an MCFA with YMCA and to exempt the VMC YMCA Centre from taxation for municipal and school purposes and from development charges.

Upon the passing of the by-law in respect of the MCFA, the City Clerk must give written notice of the by-law to the Minister of Finance. For the tax exemption by-law, the City Clerk must also provide a written notice of the contents of the by-law to the Municipal Property Assessment Corporation (“**MPAC**”) and the Secretary of any affected school board(s).

### **Financial Impact**

At the Finance, Administration and Audit Committee on September 6, 2016, it was estimated that the City-wide DC deferral would be approximately \$573,542 until an MCF was declared. The actual amount of City development charges deferred at building permit issuance was calculated at \$587,705. This exemption will continue until such time as the use of the space changes from a municipal type service. The MCF designation will also result in a property tax exemption of approximately \$100,000 annually for the City's portion of property taxes. The remainder of the mixed-use project including all Class-A Office and ground-level retail will not be eligible to participate in the DC Deferral or any aspect of the Municipal Capital Facility.

### **Broader Regional Impacts/Considerations**

There are Regional implications associated with this report, in that it is expected that the Region will follow the City's lead and provide a deferral on Regional DC's. Similarly, only for the City and YMCA space excluding all mixed-use Class-A Office and ground-level retail which full DC's will still apply. In addition, there will be an impact with respect to

the Region's portion of property tax for the space as it will be made exempt under the same MCF criteria.

## **Conclusion**

The VMC YMCA Centre is reaching its final phase of the development and represents a much needed social infrastructure that creates a true urban downtown core.

Section 110 of the *Municipal Act* provides for the City to enter into agreements for the provision of municipal capital facilities by any person. Council may exempt all or part of the taxes levied, and applicable development charges provided there is an agreement and the facility is used for a prescribed service or function that may be provided by the municipality, including municipal community services. The VMC YMCA Centre is owned by the YMCA and will be entirely occupied and used for a service or function to the public that may be provided by the municipality therefore being eligible to be designated a municipal capital facility.

It is recommended that Council approve the required by-laws in accordance with this report authorizing the Mayor and Clerk to execute the lease, the master agreement and the MCFA between YMCA and the City and to exempt the property from taxation for municipal and school purposes and from development charges.

**For more information**, please contact: Michael Marchetti, Director, Financial Planning and Development, extension 8271

## **Attachments**

1. Schedule "A" – Description of YMCA Lands.

## **Prepared by**

Michael Marchetti, Director, Financial Planning and Development, extension 8271  
Finuzza Mongiovi, Legal Counsel, Legal Services, extension 8047

**Schedule "A"**

**Description of the YMCA Lands (YMCA Centre of Community and Library - VMC)**

The YMCA Lands are those lands situate, lying and being in the City of Vaughan, in the Regional Municipality of York, described as follows:

**FIRSTLY:**

Part of Lot 6, Concession 5 (formerly Township of Vaughan),  
designated as Parts 1, 17, 28, 31, 43, 45, 51 and 52 on Reference Plan 65R-37139,  
City of Vaughan,  
Regional Municipality of York,  
being all of PIN 03277-0165 (LT).

**SECONDLY:**

Part of Lot 6, Concession 5 (formerly Township of Vaughan),  
designated as Parts 2, 3, 22, 23, 26, 27, 32, 33, 53 on Reference Plan 65R-37139,  
City of Vaughan,  
Regional Municipality of York,  
being all of PIN 03277-0169 (LT).



## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: INTERIM PROPERTY TAX LEVY FOR 2020 – ALL WARDS**

**FROM:**

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

**ACTION:** DECISION

---

**Purpose**

The purpose of this report is to inform Council on the issuance of the interim property tax bills for 2020 to all property classes, under the authority of section 317 of the Municipal Act, 2001, as amended.

**Report Highlights**

- The issuance of an interim property tax levy provides the necessary cash flow to meet the City's own needs and its financial obligations to the Region of York and the Province of Ontario for education purposes
- The interim levy will produce total property tax revenue of approximately \$437 million based on taxable assessment of approximately \$109 billion
- These interim funds are raised for the City, the Region of York and all school boards for operational purposes.

**Recommendations**

1. THAT a by-law be prepared to levy interim property taxes for 2020, with three instalments due in March, April and May for all property classes.

## **Background**

The issuance of an interim property tax levy provides funds for the City to meet day-to-day operating and capital financial obligations.

As noted above, the Interim levy can be paid in three equal instalments due March, April and May. Further, taxpayers have the option to enroll in the Pre-Authorized instalment due date payment plan for interim and final billing or the eleven-month instalment plan. The withdrawals for the due date payment plan will be made on the Interim billings' instalment due date and the withdrawals for the 11 month plan will be made on the first banking day of each month from January to November.

## **Previous Reports/Authority**

N/A

## **Analysis and Options**

The Interim billing will be calculated utilizing the 2020 phase-in assessment roll as provided by the Municipal Property Assessment Corporation (MPAC).

In accordance with current Provincial legislation, the interim amount levied by property is subject to the following rules:

1. The amount levied on a property shall not exceed 50% of the total taxes levied on the property for the previous year, subject to an adjustment, as per Section 317(9), should it appear the levy would be too high or too low in relation to an estimate of the total taxes that will be levied for 2020.
2. A calculated notional tax rate applied to the 2020 assessment will be used to calculate the levy.
3. For the purpose of calculating the total amount of taxes for the previous year, any amount levied for only part of the year will be annualized.
4. For new property assessments added to the roll for the 2020 taxation year, the levy will be calculated by applying the notional tax rate to the 2020 phased-in assessment.
5. The interim levy for properties in the commercial, industrial and multi-residential classes (capped classes will include an amount equal to 50% of the 2019 capping adjustment, if applicable.

The 2020 final tax billing will also be calculated utilizing the assessment values as provided by the Municipal Property Assessment corporation (MPAC). The final billing will be issued in June and will be due in July, August, September (Residential); August, September, October (non-residential).

### **Financial Impact**

The issuance of an interim property tax levy provides the necessary cash flow to meet the City's own needs and its financial obligations to the Region of York and the Province of Ontario for education purposes. The interim levy will produce total property tax revenue (City, Region Education) of approximately \$437 million based on taxable assessment of approximately \$109 billion.

### **Broader Regional Impacts/Considerations**

The city of Vaughan will be collecting an amount of approximately \$176 million in interim property taxes on behalf of the Region of York.

### **Conclusion**

The interim levy will produce total property tax revenue of approximately \$437 million based on taxable assessment of approximately \$109 billion. These interim funds are raised for the City's, Region of York's and School Boards' operational purposes.

**For more information**, please contact:

Maureen Zabiuk, Manager, Property tax & Assessment

Dean Ferraro, Director of Financial Services/Deputy Treasurer

### **Attachments**

No Attachments

### **Prepared by**

Maureen Zabiuk, A.I.M.A., CMRP

Manager, Property Tax & Assessment

Ext. 8268





## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** 1

**TITLE: KLEINBURG BUSINESS IMPROVEMENT AREA (KBIA) –  
BUDGET AND LEVY WARD 1**

**FROM:**

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

**ACTION:** DECISION

---

**Purpose**

To bring forward for Council's consideration and approval of the 2020 KBIA budget as requested and to authorize staff to remit, levy, and collect the special charge related to the KBIA. The budget will provide funds for promotion and visual enhancement of the area, advertising and special events. The source of funding is not from the City's general levy but is collected on behalf of the KBIA by the City from each member of KBIA.

**Report Highlights**

- To approve 2020 KBIA budget \$52,250
- The source of funding for KBIA budget is not from the City's general levy but collected by the City on behalf of KBIA from each business member, supporting the strategic priorities established by the Service Excellence Strategy Map, in particular, initiatives that support Citizen Experience and Service Delivery.

## **Recommendations**

The Deputy City Manager, Chief Financial Officer & City Treasurer and the Director of Financial Services/Deputy Treasurer, in consultation with the Manager of property Tax & Assessment recommend:

1. That in accordance with the request from the Board of Management, Council approve the 2020 KBIA budget in the amount of \$52,250 and these funds be forwarded accordingly

## **Background**

The KBIA held their Annual General Meeting (AGM) in October 2019 at which the Board of Management members were confirmed for the 2020 year. There has been no change to these Board member appointments which were approved by Council last year. The AGM also approved the KBIA new budget request for 2020.

## **Previous Reports/Authority**

N/A

## **Analysis and Options**

Each year the KBIA submits a budget for Council's approval (as per Attachment 1). The 2020 budget amount of \$52,250 was approved by the KBIA Board of Management and accepted by the KBIA membership at the AGM in October 2019. The 2019 budget amount was \$47,500. The amount is levied to all commercial property within the BIA boundary, utilizing the 2020 taxable commercial assessment of each property. The levy will be charged to each commercial owner utilizing the Final tax billing as in the past.

The minimum and maximum special charge to pay for the 2020 budget amount is \$575 minimum and \$5,750 maximum per By-law 169-84, as amended.

## **Financial Impact**

N/A

## **Broader Regional Impacts/Considerations**

N/A

## **Conclusion**

Council's consideration of the recommendations set out in this report is requested.

Council approval of the proposed budget provides funds to the KBIA and authorizes staff to remit, levy, and collect the funds. The source of funding is not from the City's general levy, but is collected on behalf of the KBIA by the City from each member of KBIA.

**For more information**, please contact: Maureen Zabiuk, A.I.M.A., CMRP, Manager  
Property Tax & Assessment Ext. 8268

### **Attachments**

Attachment 1 – KBIA Proposed 2020 Budget

### **Prepared by**

Maureen Zabiuk, A.I.M.A., CMRP  
Manager, Property Tax & Assessment  
Ext. 8268





November 7, 2019

Mr. Todd Coles, Clerk  
City of Vaughan  
214 Major Mackenzie Drive  
Vaughan, Ontario  
L6A 1T1

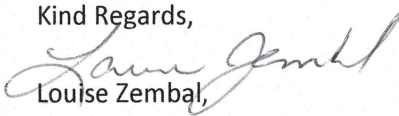
Dear Mr. Coles:

Re: Kleinburg BIA 2020 Budget

Please be advised that the Kleinburg BIA Board approved its budget for 2020 at its September 25 budget Board meeting. The Board approved its 2020 budget in the amount of \$52,250. The approved Kleinburg BIA Budget is attached.

The KBIA held its Annual General Meeting on Tuesday, October 9 and presented the 2020 budget to the membership. The KBIA is requesting that the approved budget for 2020 be forwarded to the City of Vaughan Council for approval.

Kind Regards,

  
Louise Zembal,  
Chair, KBIA  
905.893.1059

**Kleinburg BIA**  
**Budget 2020**

**Revenue**

BIA Levy	\$52,250.00
----------	-------------

<b>Total Revenue</b>	<b>\$52,250.00</b>
----------------------	--------------------

**Expenses**

Operational Expenses	\$3400
Marketing	\$6925
Beautification	\$6925
Administration	\$22000
Contingency	\$1000
Events	\$12000

<b>Total Expenses</b>	<b>\$52250.00</b>
-----------------------	-------------------

## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: 2020 TEMPORARY BORROWING BY-LAW**

**FROM:**

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

**ACTION:** DECISION

---

**Purpose**

To obtain Council approval to allow the City of Vaughan to temporarily borrow funds, if required to do so.

**Report Highlights**

- The Municipal Act, 2001 authorizes a municipality to borrow money, as Council considers it necessary, to meet the current expenditures of the Corporation for the year until taxes are collected and other non-tax revenues are received.
- A by-law is required for the purpose of authorizing the Corporation to borrow money if deemed necessary to meet current expenditures for the year 2020.
- In the event the City finds it necessary to borrow money for operational requirements, this By-law gives the Treasurer the authority to temporarily borrow money, subject to the legislative limitations.

**Recommendations**

1. That Council enact a Temporary Borrowing By-law in accordance with Section 407 of the Municipal Act, 2001, for an amount up to \$80,000,000 from the City corporate bank of record.

## **Background**

Section 407(1) of the Municipal Act, 2001 states:

“At any time during a fiscal year, a municipality may authorize temporary borrowing, until the taxes are collected and other revenues are received, of the amounts that the municipality considers necessary to meet the expenses of the municipality for the year and of the amounts, whether or not they are expenses for the year, that the municipality requires in the year...”

In the past, the City of Vaughan has avoided bank financing for operating purposes. Sound cash management practices supported by fiscal policies have stabilized Vaughan’s financial position. However, as a matter of practice, a temporary borrowing by-law is recommended for unforeseen circumstances.

## **Previous Reports/Authority**

[2019 Report](#)

## **Analysis and Options**

Staff does not anticipate having to temporarily borrow money in 2020 to meet operational requirements. If the City of Vaughan finds it necessary to borrow money for this purpose, this By-law gives the Treasurer the authority to temporarily borrow money, subject to the legislative limitations noted above.

Section 407(2) of the Municipal Act, 2001 sets out the requirement that the total amount that may be borrowed at any one time for the purposes described above plus any outstanding amounts of principal borrowed and accrued interests shall not exceed:

- a) from January 1 to September 30 in the year, 50 percent of the total estimated revenues of the municipality as set out in the budget adopted for the year; and
- b) from October 1 to December 31 in the year, 25 percent of the total estimated revenues of the municipality as set out in the budget adopted for the year.

The City of Vaughan 2020 budget was tabled on December 2, 2019 and a special council meeting to adopt the 2020 budget took place on December 17, 2019.



The following table outlines the City of Vaughan's upper limits should borrowing be required in 2020, based on the City's 2020 approved budget:

Estimated 2020 Revenues based on the Approved 2020 Budget	Maximum Borrowing Limits 2020	
	between Jan 1 and Sep 30	Between Oct 1 and Dec 31
\$320 million	\$160 million	\$80 million

Based on the City's financial position, the upset amount deemed necessary is estimated at no greater than \$80,000,000.

### **Financial Impact**

There is no direct cost to have temporary borrowing available to the City; however, if borrowing is required, there would be an economic impact to the extent of interest carrying costs on borrowing amounts.

### **Broader Regional Impacts/Considerations**

Not applicable.

### **Conclusion**

This report seeks Council authorization for the City Treasurer, from time to time as conditions may warrant to borrow such sums as may be deemed necessary within the provision of Section 407 of the Municipal Act.

**For more information**, please contact: Varant Khatchadourian, Ext. 8338

### **Attachments**

1. Draft Temporary Borrowing By-law

### **Prepared by**

Varant Khatchadourian,  
Manager, Financial Planning & Analysis  
Ext. 8338



# ***THE CITY OF VAUGHAN***

# ***BY-LAW***

## **BY-LAW NUMBER XXX-2020**

**A By-law to authorize the temporary borrowing of a sum that shall not exceed \$80,000,000 during the year 2020.**

WHEREAS the Council of The Corporation of the City of Vaughan (hereinafter called the "City") deems it necessary, in order to meet the City's current expenditures, to borrow a sum not to exceed \$80,000,000 for the year 2020, until taxes are collected and other revenues are received;

AND WHEREAS the estimated revenue of the City, as calculated based on the budget adopted for the year 2020, is \$320,000,000 and to date the City has borrowed a total of \$0;

AND WHEREAS the total amount to be borrowed in 2020 for the purposes mentioned in subsection 407(1) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, will not exceed the limits set out in subsection 407(2);

NOW THEREFORE the Council of The Corporation of the City of Vaughan ENACTS AS FOLLOWS:

1. That the City is hereby authorized to borrow from time to time by way of promissory note from the City's corporate bank of record, a sum or sums which together with any similar borrowings that have not been repaid, which shall not exceed \$80,000,000, which monies are to be used to meet the City's expenditures until taxes due are collected and other revenues are received for the year.
2. That the Mayor and City Treasurer are hereby authorized to execute on behalf of the City a promissory note or notes in favour of the City's bank, for the monies so borrowed, which may include terms related to, but not limited to, payment(s), repayment(s) in advance or otherwise, and such rate of interest as may be agreed upon from time to time with the said Bank.
3. That this By-law comes into force and effect on the 21<sup>st</sup> day of January, 2020.

Enacted by City of Vaughan Council this XX day of XXXX, 2020.

---

Hon. Maurizio Bevilacqua, Mayor

---

Todd Coles, City Clerk

## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: NEW ECONOMIC DEVELOPMENT AND TOURISM IDENTITY MARKS**

**FROM:**

Tim Simmonds, Interim City Manager

**ACTION:** DECISION

---

**Purpose**

To present a set of identity marks under one conceptual umbrella for economic development and tourism and seek approval from Council to adopt the identity marks for investment marketing and the Tourism Vaughan Corporation targeted to external audiences.

A foundational component of brand creation is its “mark” or identity logo. As the City continues to enhance the business and tourism sectors through the City’s Economic Development team and the newly formed Tourism Vaughan Corporation it was identified that a unique and bold visual identity with signature marks is necessary to stand out from our peers in today’s marketplace.

**Report Highlights**

- The purpose of a place-brand is to ignite economic prosperity in Vaughan by communicating our value proposition more clearly to economic development and tourism audiences.
- The creative concept is designed to help Vaughan stand out from peers in these arenas by being distinct, authentic, memorable, co-created, and supportive of placemaking.
- A rigorous discovery, consultation, and feedback process has led to the development of identity marks that have been positively received by a focus group of economic development and tourism stakeholders.
- These identity marks will not replace the current City of Vaughan corporate brand.

## **Recommendations**

1. That the new economic development and tourism identity marks, as substantially presented in this report, created by Cinnamon Toast New Media, be approved; and
2. That, staff be authorized to protect the new Economic and Cultural Development and Tourism Vaughan Corporation identity marks by filing applications, as required, with the Canadian Intellectual Property Office (CIPO) to trademark letters, words and designs (or any combination thereof) the official marks of The Corporation of the City of Vaughan; and
3. That, the Mayor and Clerk be authorized to execute one or more Trademark Licensing Agreements between The Corporation of the City of Vaughan (the Licensor) and the Tourism Vaughan Corporation (the Licensee) on the restricted and royalty-free usage of official trademarks registered by The Corporation of the City of Vaughan; and that the form and content of such agreements be prepared to the satisfaction of the City Solicitor (or designate).

## **Background**

In 2019, the City of Vaughan commissioned the marketing agency Cinnamon Toast New Media (Cinnamon Toast) to deliver an Economic Development and Tourism Brand Strategy (Strategy). The purpose of the Strategy is to ignite economic prosperity in Vaughan by communicating our value proposition more clearly to economic development and tourism audiences. The Strategy is also in alignment with best brand practices for economic development and tourism across the region including Hamilton and Mississauga.

**Cinnamon Toast developed a dynamic set of identity marks under one conceptual umbrella for economic development and tourism that reflect Vaughan's transition from a small suburban city to an ambitious, up-and-coming urban center**

These identity marks will not replace the current City of Vaughan corporate brand or logo. They are intended for external economic development and tourism audiences and are designed to help Vaughan stand out from peers in these arenas by being distinct, authentic, memorable, co-created, and supportive of placemaking.

The objectives for the identity marks and creative concept are to:

- Capture and share what sets Vaughan apart;
- Establish Vaughan as an economic development and tourism hot spot;

- Guide the expectations of what the business community, prospective investors, site selectors, prospective residents, and visitors will experience in Vaughan;
- Increase participation in visitor experiences and events; and
- Build on the strength of Vaughan’s existing brand and marketing materials.

**The proposed identity marks are grounded in Vaughan’s history, uniqueness and aspirations**

Before beginning the design process, Cinnamon Toast completed a discovery process that included an audit of current and past communications materials and strategies; a scan of Vaughan’s web presence; research on Vaughan’s history, demographics, and uniqueness from neighbouring and peer cities; and benchmarking of best practices in city branding.

Cinnamon Toast also completed an assessment of our perceived brand via consultation with Council, staff, local business owners, major developers, tourism stakeholders, and other important economic development and tourism partner organizations. This exercise unlocked a better understanding of each groups’ goals, interests, and priorities for external place-branding.

The results—summarized below and in the attached Findings Report and Presentation documents—informed the design of three visual identity concepts. An internal committee of Economic and Cultural Development and Corporate and Strategic Communications staff eliminated one concept. Consulted parties were then invited to provide feedback on the two remaining concepts and all unanimously selected the concept presented today.

**Previous Reports/Authority**

N/A

**Analysis and Options**

Attached are a Findings Report and a Presentation supporting the staff recommendations in this report.

**The essential inspiration and direction for the proposed design concepts originated from the discovery and engagement phase of this project**

A word association activity with the consulted parties revealed that Vaughan is known for being polished, calculated, ambitious, safe, and evolving.

Cinnamon Toast recommends that the identity marks develop and trigger associations with these words among the following strategic audiences:

- Businesses in Vaughan's key sectors: Advanced Manufacturing; Construction; Food & Beverage; Professional & Business Services; Technology; Tourism, Art & Culture; Transportation & Warehousing; and Wholesale Trade.
- New, small, large and international businesses.
- Families and business travelers (short term).
- Meeting & Convention and Sports Tourism organizers (medium term).

The selected concept was designed to convey the following identification statement to these audiences:

*"This concept, full of vibrancy and movement, is meant to mirror Vaughan's constant, fast-paced—yet deeply purposeful—evolution. Its energetic colour palette celebrates continuous improvement and forward-thinking growth and ongoing commitment to attracting new and invigorating industries. Combined with sharp 'V' shaped icons, the mark is both an appropriate and flexible solution for representing the municipality's vibrant energy."*

### **The identity marks inspired a strong and positive response from stakeholders**

When the concept was presented to a focus group of 23 economic development and tourism stakeholders, the majority said it was very polished, memorable, and unique. All agreed that it expresses a brand character, affinity, style and personality. This strong and positive result suggests that the identity marks will perform well with the target audiences.

A trademark scan is underway to confirm that the identity marks are eligible for trademarking.

### **Financial Impact**

The Economic Development and Tourism Brand Strategy was funded by the 2019 Economic and Cultural Development department operating budget utilizing revenue from the new municipal accommodation tax (MAT-tourism promotion portion).



Looking ahead, the applications of the new economic development and tourism identity marks will be rolled-out incrementally utilizing Council approved budgets in 2020 and beyond. Moreover, the Tourism Vaughan Corporation shall be responsible to fund the roll-out of the identity marks related to the delivery of its mandate and business plan.

## **Broader Regional Impacts/Considerations**

These identity marks will elevate the City of Vaughan's economic development and tourism promotion efforts, which will in turn support regional promotion efforts. Partner organizations including York Region Economic Development, Toronto Global, the Vaughan Chamber of Commerce, ventureLAB, Central Counties Tourism, and the York Region Arts Council provided input into the identity marks and showed support for the selected concept.

## **Conclusion**

The City of Vaughan does not currently have a place-making brand that directly speaks to external economic development and tourism audiences. The identity marks presented here will help address this need and more clearly communicate our value proposition to these audiences.

The rigorous discovery, consultation, and feedback process has led to the development of strong and positively received identity marks that reflects Vaughan's transition from a small suburban city to an ambitious, up-and-coming urban centre.

If approved, the identity marks will elevate the City of Vaughan's economic development and tourism promotion efforts, with the goal of igniting economic prosperity.

**For more information**, please contact: Michelle Samson, Economic Development Officer, ext. 8367

## **Attachments**

1. City of Vaughan Report of Findings: Brand Consultations, Cinnamon Toast New Media, October 2019.
2. Economic & Cultural Development and Tourism Branding Council Presentation, Cinnamon Toast New Media, December 2019

**Prepared by**

Michelle Samson, Economic Development Officer, ext. 8367

Ashley Travassos, Manager, Tourism, Arts & Cultural Development, ext. 8472

Michael Genova, Director, Corporate and Strategic Communications, ext. 8027

Dennis Cutajar, Director, Economic and Cultural Development, ext. 8274



# **City of Vaughan: Economic Development & Tourism**

REPORT OF FINDINGS: BRAND CONSULTATIONS | OCTOBER 2019

## TABLE OF CONTENTS

<b>03</b>	Introduction
<b>04</b>	Approach
<b>06</b>	Economic Development Key Findings
<b>11</b>	Tourism Key Findings
<b>15</b>	Economic Development Recommendations
<b>17</b>	Tourism Recommendations
<b>18</b>	Conclusion

## INTRODUCTION

---

The City of Vaughan is seeking the development of an updated Economic Development and Tourism Branding Strategy and an industry-leading economic development website. These two initiatives will enhance and strengthen Vaughan's ongoing City Building process to be one of the leading cities in Canada and beyond.

Through these two initiatives, it is intended that Vaughan's transition from a small suburban city to an ambitious, up-and-coming urban center is reflected.

To help achieve this, Cinnamon Toast (CT) has engaged staff, the Vaughan business community, economic development partners, Council, and other important stakeholders in a series of phone and in-person consultation discussions. Together, ***these activities unlocked a better understanding of each groups' goals, interests, and priorities for the brand***, the outcome of which is outlined in the following pages of this report.

## OUR APPROACH

---

### Phone Consultation

To gain a better understanding of the City of Vaughan's vision for its future Economic Development brand and website, we conducted one-on-one phone consultations with key stakeholders including representatives from York Region, Vaughan Council, City Staff, Toronto Global, Vaughan Tourism Board, Toronto Real Estate, CEOs, and other community leaders. During each session, participants were guided through a series of questions outlining branding, core project objectives, and added value to the community.

### In-Person Consultation

To gain a better understanding of the City of Vaughan's vision for its future Economic Development brand and website, we also held a number of in-person engagement sessions to accommodate various groups and schedules. Participating stakeholders included representatives from Vaughan Attractions Council, the Hotel Industry, a Multiplicity Group, and the Economic and Cultural Development Department Team. During each session, guests were given the opportunity to participate in a number of activities (outlined on the next page) paired with guided conversation outlining branding, core project objectives, and added value to the community.

### Participant Profile

25

---

stakeholders participated in  
Phone Consultations

4

---

In-Person Consultations  
were conducted where a  
wide-range of stakeholders  
attended and participated

# OUR APPROACH

---

## Exercise One

To engage and provide context for attendees, CT provided a detailed explanation of what a brand is (vs. what it is not) and how a brand serves and enhances a community. We began with a persona building exercise, asking participants to outline the target audience of who Vaughan should be targeting to achieve its future economic development goals.

## Exercise Two

After Exercise One was complete, we ran a word association activity with participants to help establish the City of Vaughan's unique differentiators as compared to nearby places. This activity's primary goal was to dig deep into Vaughan's personality while gaining a full understanding of participants' perceptions of not only current-day Vaughan, but also future Vaughan – particularly in regards to the growth of its economic development. As an open discussion, we built a list of their top descriptors.

## Exercise Three

The third exercise was a round table activity where we asked participants to work with "We Are" and "We Are Not" statements to build the identity of the economic development and tourism industries of Vaughan.

## Exercise Four

The fourth and final exercise required the participants to discuss their "wishlist" for the new Economic Development department website. The discussion covered current pain points and new features that participants were interested in seeing implemented on the new site.

# ECONOMIC DEVELOPMENT

## KEY FINDINGS

---

### Vaughan's Strengths & Values

#### Location

Cited by most participants as a key strength of Vaughan and a factor in businesses choosing to locate there (reflected in key sector strengths in manufacturing and logistics/distribution).

- / Vaughan has access to three subway stations, two commuter train stations, two railway yards, two bus systems, Toronto Pearson International Airport and Ontario's 400-series highways 400, 407, and 427.
- / The Canadian Pacific (CP) Railway Vaughan Intermodal Terminal is connected to nine North American rail terminals and four major overseas shipping ports. The Canadian National (CN) MacMillan Classification Yard is one of the largest in Canada and reaches 75 percent of consumers across North America.
- / Whilst it can be argued that all locations in the GTA are well located, Vaughan has a competitive advantage over these areas as it is much better connected relative to the other areas in the GTA.

#### Talent Pool

Vaughan is home to a highly educated and talented workforce.

Proximity to multiple higher education institutions, both in and around Vaughan, means businesses have access to a skilled workforce.

- / 70 per cent of Vaughan's residents between 24-65 attain post-secondary education – significantly higher than the Canadian average. However, much of this well-educated talent commutes out to other municipalities for work, while lower-skill workers commute in.
- / There are 8 colleges and 7 universities within a one-hour drive of Vaughan.



## Economically Diverse

Vaughan is an amalgamation of many communities, therefore it harnesses the strengths of each of those communities (eg. different skills, traditions, and practices).

- / Vaughan is very diverse in terms of the sectoral composition of businesses. It has a solid base on traditional goods-producing sectors such as manufacturing, but is also home to an emerging, vibrant urban community of services and innovative businesses. In terms of employment, the main sectors are manufacturing (22 per cent or 51,300 jobs), construction (13 per cent or 30,300 jobs), retail trade (11 per cent or 25,700 jobs) and wholesale retail (10 per cent or 23,300 jobs). The main sectors in terms of the number of businesses include real estate (15 per cent or 10,100 businesses), construction (13 per cent or 8,600 businesses), professional, scientific and technical (12 per cent or 8,000 businesses) and finance/insurance (8 per cent or 5,300 businesses), with emerging growth in healthcare related businesses. This displays a strong mix of goods producing and service businesses.
- / An additional measure of sectoral strengths is the index of specialization (or location quotient), which shows how concentrated a sector is relative to the average (above 1 = higher than average). Relative to Ontario, Vaughan has specialisms in construction (2.4), manufacturing (1.9) wholesale trade (1.9), transportation and warehousing (1.3), and management of companies and enterprises (1.3).
- / Small businesses are still the heart of Vaughan's business community (81 per cent – or 9,800 businesses), but there is a healthy presence of large businesses (+100 employees): around 400, 184 of which are national or regional HQs of companies.

## Agile and Rapidly Transforming

- / Vaughan has experienced rapid growth – 2 per cent per annum in population (+6,500 residents per annum), 4 per cent per annum in average annual economic growth since 2010 (+\$0.8bn per annum)
- / Major physical transformation and investments in infrastructure (VMC, VEZ, subway, Mackenzie Vaughan Hospital) has positioned Vaughan for future growth.
- / Vaughan has a large amount of physical space/employment land that can be developed to support future expansion. However, it should be noted that this land is essentially all owned with little for sale. The City also has traditional industrial space that can be transformed into offices for a different type of offer for service based/ office occupier businesses.

## High Quality

- / In terms of skills, reputation of the workforce, and businesses, Vaughan is exceptional.
- / In terms of the built environment eg. high quality public realm, access to green space, as well as planning and development controls, developments are of a high quality and standard.



# Distinctiveness of Vaughan's Economy

---

Connectedness	High Quality
Transportation	Quality of Life
Location	Green Space (Park, Downtown)
Smart Tech	Multicultural (Inclusion, Language, Culture)
Opportunity to Build	Education

**WE ARE Polished (High Quality)**

**WE ARE Loyal (Long-Loved Retention)**

**WE ARE Clean**

**WE ARE Ambitious**

**WE ARE Disruptors**

**WE ARE Creators**

**WE ARE Resourceful**

**WE ARE Warm**

**WE ARE Kind**

**WE ARE Evolving**

**WE ARE Curious**

**WE ARE Calculated (Thoughtful)**

**WE ARE NOT**

Stagnant

Suburban

Quitters

Slow

Arrogant

East/West

Narrow

Short-Term Thinkers

## Trends and Drivers

As part of this study, we have assessed recent trends and future drivers of Vaughan's economy. Key findings include:

Vaughan is one of the leading contributors to the GTA's regional economy and the largest centre of business and employment in York Region, and a higher growth rate compared to the York region average (2 per cent per annum in population, 4 per cent per annum in economic growth.)

- / Growth is projected to slow down but still remain rapid: c. 500k residents and 322k jobs by 2041.

Vaughan's economy is diverse, and therefore a range of sectors are projected to drive economic growth.

- / The VMC currently has 392,932 square feet of office space, and aims to have 1.5 million square feet by 2031.
- / Construction businesses due to strong projected residential and non-residential growth in Vaughan. Significant population growth and the development of employment land will drive the need for the development of homes and offices/employment space. This will in turn require the services of construction business.
- / Land extensive uses, which refers to the Goods Movement sector (wholesale distribution centres, warehouses, freight terminals). These uses/activities all require a large amount of land, and access to nationally/internationally significant transit nodes, both of which Vaughan has. This sector is evolving and growing in response to consumer demand (eg the rise of e-commerce, demand from rapid population growth) and is therefore going to require further development of employment space, which will drive economic growth in Vaughan.
- / Advanced manufacturing is increasingly requiring integrated operations on larger sites. These integrated facilities often accommodate a combination of office, research and development, warehousing and logistics, and on-site manufacturing. Vaughan has an advantage in that it has ample space to expand and grow, and therefore develop these campuses.

- / Growth in the knowledge-based economy across the GTA is driving demand for bespoke and/or large R&D facilities.
- / Flexible working space is an increasing trend amongst new commercial developments – allowing occupiers the flexibility in the use and allocation of space according to operational needs. This is occurring amidst many sectors in the economy.
- / Vaughan has, and is projected to continue, to benefit from the spillover of economic activity from downtown Toronto. In particular, as Toronto becomes built out and rents/development costs rise, Vaughan could represent a credible alternative.
- / Many international companies will have a secondary and/or larger office in Vaughan (given the relatively lower cost and potential space available), and a smaller presence in Toronto. This is something that we have observed in other areas close to built-out international cities.

# TOURISM KEY FINDINGS

---

## Vaughan's Strengths & Values

### Location

Vaughan is one of the most accessible locations for both domestic and international visitors.

### Visitor Attractions

The number, status, reputation, and visual prominence of Vaughan's visitor attractions are a key strength of its tourism offer.

- / Canada's Wonderland, Vaughan Mills, the Kortright Centre for Conservation, the McMichael Canadian Art Collection, LEGOLAND Discovery Centre, Reptilia and the main streets and village cores of Kleinburg, Thornhill, and Woodbridge are all attractions that are perceived to be nationally significant and of very high quality/reputation.
- / The attractions are very visually prominent and not hidden away. You can see many of them as you arrive into Vaughan (depending on what routes are taken) which is an important component of a gateway arrival.

### Diverse Resident Base

Vaughan is an amalgamation of many communities. This is a key strength for tourism as it exposes and allows visitors to experience a wide array of stories, customs, traditions and history of many different cultures and religions.

### Food, Drink, & Retail Offer

Given Vaughan's diverse resident base, it has excellent food, drink, and entertainment offerings.

- / Vaughan is a popular special event centre destination in the GTA for weddings, fundraisers, meetings, and more. This results in a significant VFR (visiting friends and relatives) and corporate market.
- / Vaughan has a vast selection of cuisines to choose from in a relatively small geographical area (especially in comparison to Toronto).
- / Vaughan's retail offering is well-known in the region – it is the destination in York for a high quality shopping experience.
- / As Vaughan is relatively geographically small, the majority of its services/amenities can be accessed relatively easily in comparison to other areas in the GTA (although accessibility without a car can be difficult).

### Very Strong Sense of Civic Pride

Individual communities within Vaughan – and increasingly, the City of Vaughan overall – are displaying a strong sense of civic pride. This is important as people want to visit places where residents are proud.

## Distinctiveness of Vaughan's Tourism Industry

---

<b>Connected</b>	<b>Strong Anchor</b>
<b>Location of Attractions</b>	<b>Community Pride</b>
<b>Big Opportunities</b>	<b>First to Market</b>
<b>Eat, Shop, Premium Nature</b>	<b>Multicultural</b>
<b>High-End</b>	

<b>WE ARE Accessible</b>	<b>WE ARE Risk-Takers</b>
<b>WE ARE Safe</b>	<b>WE ARE Multicultural</b>
<b>WE ARE Polite</b>	<b>WE ARE Polished</b>
<b>WE ARE Forward-Thinking</b>	<b>WE ARE Entrepreneurial</b>
<b>WE ARE Welcoming</b>	<b>WE ARE Clean</b>
<b>WE ARE Urban</b>	<b>WE ARE Family-Oriented</b>
<b>WE ARE Energetic</b>	

<b>WE ARE NOT</b>		
Boring	Afraid	"Just Roller Coasters"
Lazy	Complacent	Toronto
Polluted	Crowded	Stagnant

## Trends and Drivers

Vaughan has made significant investments into its cultural assets over the past few years, including:

- / \$165m in outdoor recreation and parks
- / \$355m in indoor recreation facilities
- / \$46m in libraries
- / New initiatives and investments have been made by area attractions to ensure they are appealing over multiple seasons. For example:
  - **Creactive** – a Cirque du Soleil family entertainment centre opening in Vaughan Mills in 2019
  - **Yukon Striker** – the longest, fastest, tallest dive roller coaster in world at Canada's Wonderland
  - **Winterfest** – a festival opening in Canada's Wonderland during winter and featuring outdoor skating and other activities

Based on the literature review and consultation findings, we identify the following key future trends for Vaughan's tourism offer:

- / **Increase in mini and weekend vacations:** Over half of global travellers (53 per cent) report that they plan to take more weekend trips in 2019. However they still expect authentic experiences that are personal, rewarding, and tailored to their interests which could potentially mean a large amount of expenditure available for local businesses and communities to capture.
- / **Combination of different trip purposes:** Travellers are increasingly combining the purpose of their trip, for example, 'Bleisure' – the combination of business and leisure trips. This involves extending business trips to incorporate leisure time and/or bringing additional family members on business trips. This is very popular amongst millennial travelers (surveys suggest around 70-90 per cent of millennial business travelers will extend their trip to incorporate leisure time). This will increase as millennials account for a larger share of the workforce (and

have access to business trips early in their careers).

- / **Increase in trips focusing on experiences & storytelling:** Visitors are increasingly wanting a more authentic and tailored tourism experience, rather than something generic and impersonal (or mass tourism). This is expected to manifest itself in various ways.
  - **Local experience:** Travellers are choosing to become more immersed in the local culture when visiting a destination. They want to do what the locals do and eat where the locals eat (one of the many reasons for the rise in Airbnb).
  - **Social media driving culinary/food tourism:** Food is an inherently social and emotional experience, making it an important pillar in experience-based travel. Social media (particularly Instagram) has helped food and drink-based experiences and destinations gain exposure.
- / **Focus on adventure tourism:** Visitors are increasingly interested in a trip that includes a physical activity, a cultural exchange, or an activity in nature. These trips are not necessarily about adrenaline, but can be an experience-based holiday and added value as travelers learn and interact with local populations and connect with their core values. This also covers sports tourism.



# ECONOMIC DEVELOPMENT RECOMMENDATIONS

---

## Target Audience

Vaughan has a diverse business base and it is important to preserve this, not only so that Vaughan can continue to benefit from the variety of employment opportunities it provides, but also to ensure it is not too reliant on one sector for growth. Bearing this in mind, the evidence points to three potential types of businesses/investors the brand could target.

- / Vaughan has important clusters of manufacturing, logistics, education/health and professional services businesses. These should be further developed to gain the benefits that enhanced clusters could deliver, such as knowledge spillover and productivity benefits. This could be done by focusing on **businesses that can add value in the existing sectors** where Vaughan already has strengths. Examples include businesses that can implement new technologies, research, and processes across these sectors. So a gradual shift from manufacturing to advanced manufacturing, health/medical technology and life sciences, new forms of logistics/distribution.
- / Small businesses are the backbone of Vaughan's economy. The brand needs to focus on **start-ups and small businesses** (both those that could be new to Vaughan and those already in Vaughan). It should highlight to these businesses how they can grow in Vaughan.
- / **Large, national and international businesses** across all sectors – but particularly in professional services – should be targeted. This is, in the first instance, likely to focus on businesses having a second/satellite office in Vaughan with their main presence in downtown Toronto.

## Message and Focus

The brand needs to portray that:

- / The city is high quality and polished – in terms of the built environment, green space, public services, and the workforce.
- / Vaughan is one of the most strategically located cities in Canada. The brand needs to outline where Vaughan is and its proximity to major transport nodes.
- / The city is future proofing itself for expansion. Vaughan has undergone a

significant growth spurt, and is rapidly transforming in terms of its physical environment (eg. building its downtown, new transit investment). The City has a track record in being dynamic/agile and getting things done to a high standard and will continue to develop. It has a relatively significant amount of space and land that can be developed.

- / There is an opportunity to focus on the development and implementation of smart technology across all sectors in the economy. The physical development that is planned and is taking place in Vaughan presents an opportunity to ensure the right infrastructure and factors are in place for this to happen. Vaughan also has access to a highly talented workforce (both currently, but also in the future through inward migration, and graduate skills from the numerous higher education institutions in the vicinity of Vaughan) that can help to implement these technologies.
- / The rarity, uniqueness, and opportunity that such a significant city in North America is building its downtown from scratch, and is truly future proof.
- / Mixed use nature of development, encompassing high quality bespoke employment space, residential development, and a vibrant leisure offer.

## **Economic Development Website Wishlist**

Key features and messages that consultees have requested for the website include:

- / Links and information on the support that is available to businesses
- / Case studies and examples of successful/notable businesses in Vaughan
- / Economic Data dashboard highlighting key economic metrics
- / Needs to have a spatial element to this too – interactive maps
- / Needs to highlight the availability of land and property
- / Information on key assets and investments in Vaughan (current and planned)
- / A place to highlight companies who have contributed funding or resource for initiatives, paid for advertising etc.
- / More prominent information on news, events, and workshops, including a calendar feature
- / Effective search functionality
- / High quality photos and visual images that are consistent with the high quality/polished perception of Vaughan as a community

# TOURISM RECOMMENDATIONS

---

## Target Audience

Domestic families

- / There is a perception that many Canadians, especially in Ontario, have not explored Vaughan. Vaughan has lots to offer families given its easily accessed food and attractions.
- / Vaughan is not well known enough in its own right on an international scale (yet) – to an international audience it is difficult to distinguish it from Toronto.

Business visitors/multi-purpose experience – The focus should be on:

- / Extending the length of business trips in Vaughan to include leisure (for example, if a visitor is visiting for 3 days on a business trip in Vaughan, aim to extend their dwell time/spend in Vaughan by focusing on the culinary & retail offer, sports activities, and tourist attractions).
- / Attracting the smaller/mid-sized conferences and events that do not require the space or location of downtown Toronto.
- / Sports & activity/experience-based tourism (focusing on connecting with and learning about Vaughan's communities – Fits with the assets and activities that can be done in Vaughan (eg. lots of green space, sports facilities etc.) especially relative to Toronto)

## Message and Focus

The brand should focus on:

- / The cluster of nationally significant tourist attractions that offer activities for all of the family, year round. These attractions are relatively well known, especially to a domestic audience, and so this should be capitalized on.
- / The array of communities in Vaughan and the different experiences and stories that are on offer, with a particular focus on culinary tourism and retail, given the diversity, high quality, and accessibility of the food and retail offer. In addition, the messaging should focus on stories and experiences to be had in each of the communities/neighbourhoods. Possibilities include highlighting key facts, history, and bucket list/checklist of things to do and see in each area to bring the experiences to life.

## CONCLUSION

---

The phone and in-person consultations were extremely beneficial in providing **different perspectives from the City of Vaughan's key stakeholder groups**. The insights collected will provide CT's team with the essential inspiration and direction required to achieve the look and feel of the City's brands and sub-brands.

————— **CITY OF VAUGHAN** —————

ECONOMIC & CULTURAL  
DEVELOPMENT AND TOURISM BRANDING

**COUNCIL PRESENTATION**

## ◀ WHAT IS A BRAND? ▶

**A BRAND IS NOT:**

A LOGO / A PRODUCT / A SERVICE



## ◀ WHAT IS A BRAND? ▶

A brand is a person's **emotional connection** to your organization, community, or business.



## ◀ WHAT IS A BRAND? ▶

A place brand reflects what a place currently is  
and **inspires what it can be in the future.**





## ◀ 5 PLACE BRANDING PRINCIPLES ▶

Distinctiveness

Authenticity

Memorable

Co-Creation

Placemaking



## ECONOMIC & CULTURAL DEVELOPMENT

### ◀ BRANDING OBJECTIVES ▶

To create a refreshed brand and visual identity that:

Captures and shares what sets Vaughan apart; establishes it as an economic development hot spot

Guides the expectations of what the business community, prospective investors, site selectors, and prospective residents will experience while working in Vaughan

Builds upon the strength of Vaughan's existing brand and marketing materials

## ◀ TOURISM REBRANDING OBJECTIVES ▶

To create a refreshed brand and visual identity that:

Captures and shares what sets Vaughan apart; establishes it as a tourism hot spot

Guides the expectations of what the public will see, do, and feel while visiting

Increases participation in visitor experiences and events

Builds upon the strength of Vaughan's existing brand and marketing materials

## **WE ARE:**

Polished  
Calculated  
Ambitious  
Safe  
Evolving

## **WE ARE NOT:**

Arrogant  
Stagnant  
Timid  
Lazy  
Crowded

## ◀ KEY SECTORS ▶

Advanced Manufacturing

Construction

Food & Beverage

Professional & Business Services

Technology

Tourism, Art & Culture

Transportation & Warehousing

Wholesale Trade

**ECONOMIC & CULTURAL  
DEVELOPMENT  
TARGET AUDIENCES:**

- / New Businesses
- / Small Businesses
- / Large Businesses
- / International Businesses

**TOURISM  
TARGET AUDIENCES:**

- / Families
- / Business Travellers

**UPCOMING & FUTURE  
OPPORTUNITIES:**

- / Meeting & Convention Space
- / Sports Tourism

## ◀ LOGOS & TAGLINES ▶

A tagline (and logo) should act as a trigger or cue to aid recall of the **positive associations** that the place is known for.

## ◀ LOGO CONCEPT ▶



Diluting the brand in an effort to please vocal locals at the expense of target customers is the best path to a spectacularly bland brand.





## ◀ FOCUS GROUP RESULTS ▶

# PARTICIPANTS INCLUDED:

*\*some individuals were not able to attend the in-person focus groups and provided feedback separately.*

- / Hotel Industry
- / Vaughan Tourism Attractions
- / Business leaders
- / Developers
- / Partner organizations (including Vaughan Chamber of Commerce, ventureLAB, Toronto Global, York Region Economic Development, York Region Arts Council, Central Counties Tourism)
- / City of Vaughan staff

## ◀ FOCUS GROUP RESULTS ▶

Polished ● ● ● ● ○

Memorable ● ● ● ● ○

Unique ● ● ● ● ◐

Inspirational ● ● ● ● ○

The logo concept was regarded favourably and was ultimately unanimously selected as the preferred concept.

# LOGO CONCEPT

## ◀ LOGO RATIONALE ▶

This concept, full of vibrancy and movement, is meant to mirror Vaughan's constant, fast-paced – yet deeply purposeful – evolution. Its energetic colour palette celebrates continuous improvement and forward-thinking growth and ongoing commitment to attracting new and invigorating industries. Combined with sharp, 'V' shaped icons, the mark is both an appropriate and flexible solution for representing the municipality's vibrant energy.



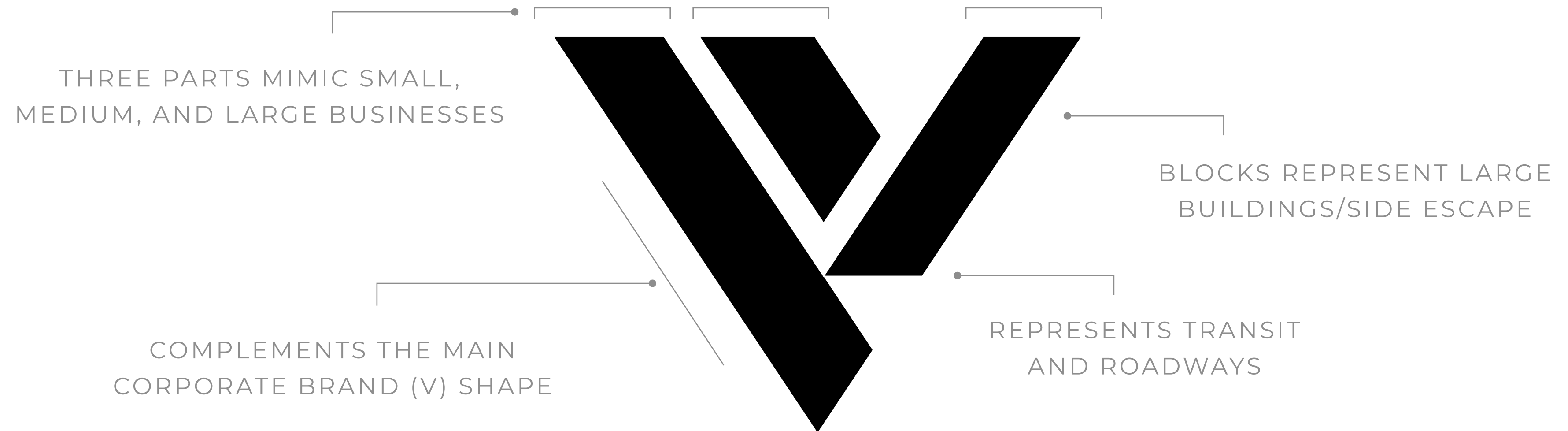


**vaughan**

ECONOMIC & CULTURAL  
DEVELOPMENT



## ◀ LOGO DISSECTION ▶





**vaughan**

ECONOMIC & CULTURAL DEVELOPMENT

Small Business & Entrepreneurship



**vaughan**

ECONOMIC & CULTURAL DEVELOPMENT

Small Business & Entrepreneurship





**vaughan**

ENTERPRISE BUSINESS PARK





DOWNTOWN

**vaughan**

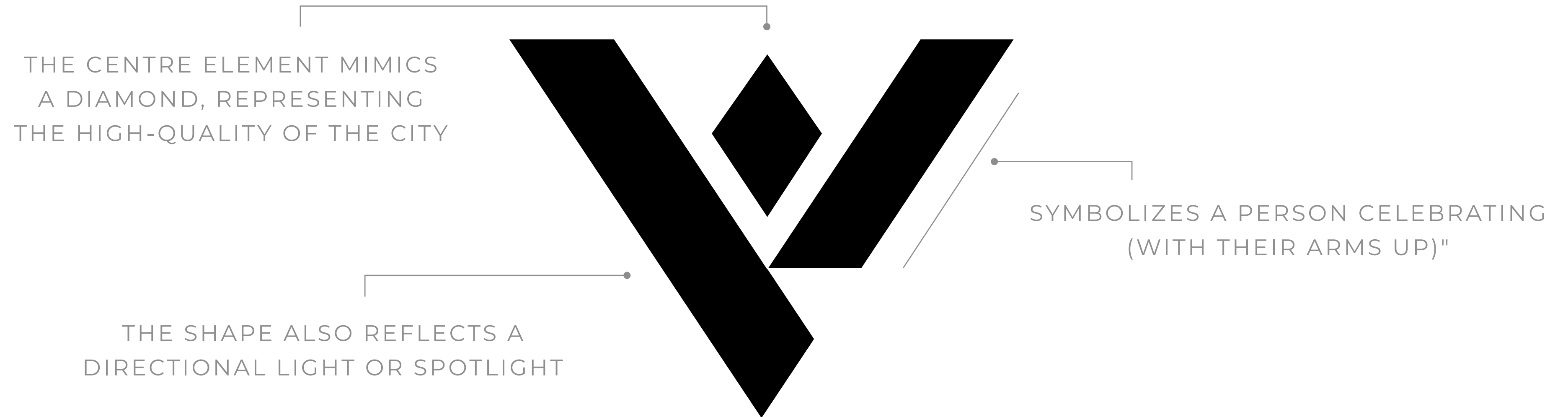
METROPOLITAN CENTRE







## ◀ LOGO DISSECTION ▶





**vaughan**  
ECONOMIC & CULTURAL  
DEVELOPMENT



**vaughan**  
ENTERPRISE BUSINESS PARK



DOWNTOWN  
**vaughan**  
METROPOLITAN CENTRE

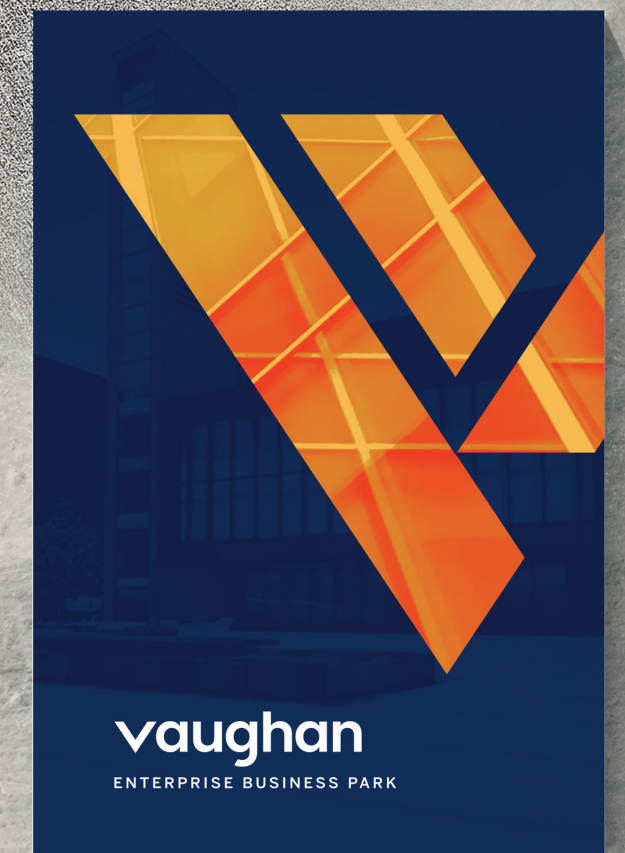
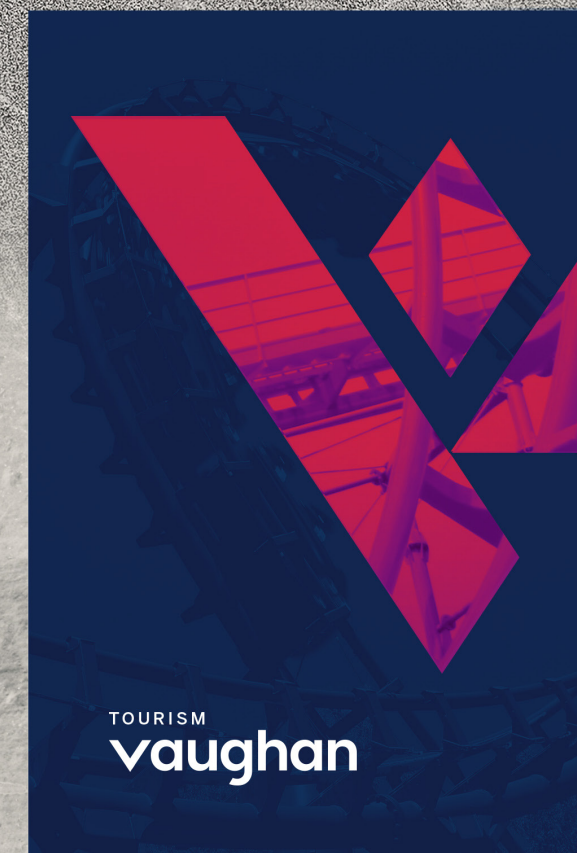


TOURISM  
**vaughan**



























**THANK YOU!**  
QUESTIONS?



## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD:** 2

**TITLE: 2334504 ONTARIO INC.**

**SITE DEVELOPMENT FILE DA.18.005**

**VICINITY OF REGIONAL ROAD 7 AND HUNTINGTON ROAD**

**FROM:**

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

**ACTION:** DECISION

---

**Purpose**

To seek approval from the Committee of the Whole for Site Development File DA.18.005 for the Subject Lands shown on Attachment 2, to permit the development of a six-storey, 119 room hotel building, served by 114 at-grade parking spaces as shown on Attachments 3 to 5.

**Report Highlights**

- The Owner proposes a six-storey, 119 room hotel building, served by 114 at-grade parking spaces.
- The Development Planning Department supports the approval of Site Development application as the development is consistent with Provincial policy, conforms to the York Region Official Plan and Vaughan Official Plan 2010, and is compatible with the existing and planned uses in the surrounding area.

**Recommendation**

1. THAT Site Development File DA.18.005 (2334504 Ontario Inc.) BE DRAFT APPROVED AND SUBJECT TO THE CONDITIONS included on Attachment 1, to the satisfaction of the Development Planning Department, to permit a six-

storey, 119 room hotel building with a gross floor area of 5,403.9 m<sup>2</sup> and 114 at-grade parking spaces, as shown on Attachments 3 to 5.

## **Background**

The subject lands (the 'Subject Lands') identified on Attachment 2 are located at the northwest corner of Regional Road 7 and Huntington Road, and are municipally known as 6800 Regional Road 7 and 7771 Regional Road 50. The Subject Lands are located within the Huntington Business Park.

### ***A Site Development Application has been submitted to permit the Development***

The Owner has submitted Site Development File DA.18.005 (the 'Application') to permit a six-storey, 119 room hotel building with a gross floor area ('GFA') of 5,403.9m<sup>2</sup> and 114 at-grade parking spaces (the 'Development'), as shown on Attachments 3 to 5.

## **Previous Reports/Authority**

Not Applicable

## **Analysis and Options**

### ***The Development is consistent with the Provincial Policy Statement, 2014***

The *Provincial Policy Statement, 2014* ('PPS') provides policy direction on matters of provincial interest related to land use planning and development. The PPS is applied province-wide and provides for appropriate development while ensuring that public health and safety, and the quality of the natural and built environment are protected. In accordance with Section 3(5) of the *Planning Act*, all land use decisions in Ontario "shall be consistent with" the PPS.

The Development is consistent with provincial policies, specifically Section 1.3.1 and 1.3.2 which encourage planning authorities to promote economic development and competitiveness by providing the appropriate mix and range of employment and institutional uses to meet long term needs; providing opportunities for a diversified economic base; and ensuring necessary infrastructure is provided to support current and projected needs.

The Subject Lands contain two buildings used for business or professional office uses, and were previously residential detached dwelling units. The Development on the underutilized site is compatible with the existing uses within the Huntington Business Park. The Subject Lands are located in an area where servicing and infrastructure is available for the Development, including existing sewage and water infrastructure, and transportation corridors including Regional Road 7; Highway 427; transit - GO Transit

Bus Route: Bolton/Malton Number 38; York Region Transit ('YRT')/Rapid Transit ('Viva') Route: Viva Blue Numbers 77 and 77A; Brampton Transit Routes: Queen Number 1, Sandalwood Number 23 and Clarkway Number 35; and Brampton Rapid Transit ('Zum') Route: Zum Queen Numbers 501, 501A and 501C; and the Toronto Pearson International Airport. In consideration of the above, the Development is consistent with the PPS.

***The Development conforms to A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019***

A Place to Grow: Growth Plan for the Greater Golden Horseshoe 2019 ('Growth Plan') guides decision making on the development of land and includes encouraging compact built form, transit supportive communities, diverse land uses, and the flexibility to capitalize on new economic and employment opportunities while providing certainty for traditional industries. The Growth Plan encourages the concentration of population and employment growth within settlement areas and promotes the development of complete communities that offers a mix of jobs, local stores, services and housing types. In accordance with Section 3(5) of the *Planning Act*, Vaughan Council's planning decisions shall conform to the Growth Plan.

The Development is located within a Settlement Area that contributes to providing employment lands. Specifically, the Subject Lands are located within the "Employment Areas" by Schedule 1 - Urban Structure in Volume 1 of Vaughan Official Plan 2010 ('VOP 2010') and within the Huntington Business Park. The Development makes more efficient use of an existing and underutilized employment site within the Huntington Business Park and will utilize existing municipal water and wastewater services. In consideration of the above, the Development conforms to the Growth Plan.

***The Development conforms to the York Region Official Plan 2010***

The York Region Official Plan 2010 ('YROP 2010') guides economic, environmental and community building decision making across York Region, and describes how York Region will accommodate future growth and development while meeting the needs of existing residents and businesses.

The Subject Lands are designated "Urban Area" by Map 1 - Regional Structure of YROP 2010, which permits a range of residential, commercial, employment and institutional uses, subject to additional policy criteria. The Subject Lands are located on a "Regional Corridor" by Map 1 - Regional Structure (Regional Road 7) and are located along a "Regional Rapid Transit Corridor" (Regional Road 7) by Map 11 - Transit Network of YROP 2010.

The Development meets the objectives of Chapters 4.3 and 5.4 of YROP 2010 as it provides a higher density use intended to primarily service industrial and business users in the surrounding employment lands and maximizes efficiencies in infrastructure such as proximity to transit (GO Transit) and access to the surrounding road network (Regional Road 7 and Highway 427). In consideration of the above, the Development conforms to the YROP 2010.

***The Development conforms to Vaughan Official Plan 2010***

The Subject Lands are located within a “Regional Intensification Corridor within the Employment Area” by Schedule 1 “Urban Structure” of VOP 2010. The Subject Lands are designated “Employment Commercial Mixed-Use” by VOP 2010. Volume 2, Section 12.12 Huntington Business Park, and is subject to Section 13.19 Huntington South, which permits a maximum building height of ten-storeys and a maximum Floor Space Index (‘FSI’) of 3 times the area of the lot.

The “Employment Commercial Mixed-Use” designation permits uses for the day-to-day convenience and service needs of businesses and industries, including a hotel provided the lands are located in an Intensification Area. The proposed hotel serves the needs of the business and industrial users and is permitted by the “Employment Commercial Mixed-Use” land use designation and conforms to the policies of VOP 2010.

***Exceptions to Zoning By-law 1-88 are required to permit the Development***

The Subject Lands are zoned “C6 Highway Commercial Zone” by Zoning By-law 1-88, and subject to site-specific Exception 9(506), as shown on Attachment 2, which permits the hotel use. The following site-specific zoning exceptions are required to permit the Development:

Table 1:

	<b>By-law Standard</b>	<b>C6 Highway Commercial Zone by Zoning By-law 1-88 subject to site-specific Exception 9(506) Requirement</b>	<b>Proposed Exceptions to the C6 Highway Commercial Zone by Zoning By-law 1-88 subject to site-specific Exception 9(506)</b>
a.	Minimum Front Yard	15 m	11 m (Regional Road 7)
b.	Minimum Lot Depth	60 m	54.5 m

	<b>By-law Standard</b>	<b>C6 Highway Commercial Zone by Zoning By-law 1-88 subject to site-specific Exception 9(506) Requirement</b>	<b>Proposed Exceptions to the C6 Highway Commercial Zone by Zoning By-law 1-88 subject to site-specific Exception 9(506)</b>
c.	Maximum Building Height	11 m	20.6 m
d.	Minimum Landscape Strip Width	6 m abutting a street line	- 2 m Regional Road 7 & Huntington Road - 2.7 m Regional Road 50
e.	Minimum Parking Spaces	119 (1 space / each room)	114 (0.95 space / each room)
f.	Minimum Loading Spaces	2	1

The Development Planning Department can support the variances identified in Table 1 as they are minor and allow for a compact development in an intensification area. The proposed parking variance is supported by a Traffic Impact Statement which is to the satisfaction of the Development Engineering Department. The Owner shall successfully obtain approval of a Minor Variance Application from the Committee of Adjustment (the 'Committee'), and the Committee's decision shall be final and binding, prior to the execution of the Site Plan Agreement, and the Owner shall satisfy any condition imposed by the Committee. A condition to this effect is included in Attachment 1 of this report.

***The Development Planning Department supports the Development, subject to the Recommendation in this Report***

#### Site Plan

The Development shown on Attachments 3 to 5 is for a six-storey (20.6 m), 5,403.9m<sup>2</sup> hotel building with 119 rooms served by 114 at-grade parking spaces, inclusive of 5 barrier-free parking spaces.

The Subject Lands abut Regional Road 7, Huntington Road and Regional Road 50. The main entrance located at the southwest corner of the building faces Regional Road 7, with pedestrian connections to Regional Road 7, Huntington Road and Regional Road 50. The main entrance area features a patio which is partially covered by a canopy. A patio area enclosed with a glass railing for the pool is located at the east end of the building. One driveway access to the Subject Lands is provided from Huntington Road. At-grade parking and bicycle parking is provided on the Subject Lands as shown on Attachment 3. The loading area and refuse/recycling room and area are located at the rear west end of the building and are screened by landscape and 1.2 m high wood screen.

### Landscape Plan

The Owner is proposing landscape strips along Regional Road 7, Huntington Road and Regional Road 50 ranging in widths from 2 m to 3 m and consisting of a variety of deciduous trees and coniferous and deciduous shrubs, perennials and grasses, as shown on Attachment 4. A 1.5 m wide landscaping buffer is provided abutting the rear property line and incorporates a 0.73 m high stone retaining wall. An entry feature wall, which incorporates concrete and aluminum fencing, is proposed for the corner of Regional Road 7 and Regional Road 50. Landscape within the Regional Road 50 right-of-way ('ROW') is subject to approval by Peel Region and York Region, while landscape within the Regional Road 7 ROW is subject to approval by York Region.

A total of 11 existing trees are located on the Subject Lands. The Tree Preservation Plan submitted with the Application identifies six deciduous trees on the Subject Lands that will be removed, with one of the trees being located on the north property line which will require approval from the landowner to the north prior to removal. Six existing deciduous trees are to remain and are integrated into the proposed landscape scheme. Prior to the execution of the Site Plan Agreement, the Owner shall enter into a Tree Protection Agreement with the City in accordance with Council enacted Tree By-law 52-2018 and the City's Tree Protection Protocol. A condition to this effect is included in Attachment 1.

### Building Elevations

The building elevations (Attachment 5) include a colour combination of light and dark grey, red and light blue composite paneling and aluminum siding on the façades. The main entrance features a vision glass entry and wall feature wrapped around the southwest corner of the building with a canopy. The rooftop mechanicals are screened by a gray coloured fiber cement board.

### Signage/Lighting

The building and the 3.65 m high pylon signage for the Development will be visible from Regional Road 7, Huntington Road and Regional Road 50. Lighting is provided on the building and throughout the parking area.

The Development Planning Department is satisfied with the Development shown on Attachments 3 to 5, subject to the above comments. The final site plan, building elevations, landscape plan, landscape details, landscape cost estimate, signage details, lighting plan, tree protection plan and Arborist Report must be approved, and the Tree Protection Agreement must be executed by the Owner to the satisfaction of the Development Planning Department, prior to the execution of the Site Plan Agreement. A condition to this effect is included in Attachment 1 to this report.

### Sustainability Performance Metrics

The Development has an overall application score of 16 points. Direct pedestrian connections are provided from the Development to the nearest transit stops located at the intersection of Regional Road 7 and Huntington Road, and the intersection of Regional Road 7 and Regional Road 50. The Development has a sustainable transportation feature with the provision of bicycle spaces. The Development also achieves sustainable lighting standard and bird friendly design features.

### ***The Subject Lands are cleared of any concern for archaeological resources***

The Subject Lands are cleared of any concern for archaeological resources. The appropriate warning clauses regarding archeological resources will be included in the implementing Site Plan Agreement.

### ***The Development Engineering Department have no objection to the Development, subject to conditions***

The Development Engineering ('DE') Department has no objection to the Development, subject to the Owner addressing the comments and conditions in Attachment 1 to this report.

### Huntington Landowners' Cost Sharing Agreement/Trustee Letter

In order to use the infrastructure within the Block 57/58 Plan (Huntington Business Park), the Owner has to pay his share for services put in by other developers to provide servicing to the Subject Lands. The Owner shall enter into the Huntington Landowners' Cost Sharing Agreement and enter into a Development Agreement to urbanize Huntington Road from its existing terminus south of Runway Road to Regional Road 7.

The Owner shall submit a letter from the Huntington Landowners' Cost Sharing Group Inc. Trustee that the Owner has fulfilled all cost sharing and other obligations of the Huntington Landowners, Cost Sharing Agreement, to the satisfaction of the City

#### Transportation

Access to the Subject Lands is proposed via Huntington Road, which currently has a rural cross section and requires urbanization to accommodate the Development. The DE Department concurs with the findings of the Traffic Impact Statement prepared by Nexttrans Consulting Engineers and dated January 2018, and Addendum dated October 4, 2019, that the "Development can adequately be accommodated by the existing transportation network with manageable traffic impact to the adjacent public roadways."

The Site Plan is red-line revised to add a stop sign at the Huntington Road access/egress.

#### Water Supply

The Subject Lands will be serviced by a proposed watermain connection from the Subject Lands to the existing watermain under Huntington Road. The submitted Functional Servicing Report ('FSR') confirms the existing watermain will be able to service the Development, which is acceptable to the DE Department.

#### Sanitary Sewer System

The existing sanitary sewer under Huntington Road terminates north of the Subject Lands. The Development will be serviced by connecting to the proposed extension of the sanitary sewer under Huntington Road, which will be installed as part of this Development. The sanitary sewer system is designed to the satisfaction of the DE Department.

#### Storm Sewer System and Stormwater Management Facilities

The Development will be serviced by the proposed storm sewers on the Huntington Road, which will be installed as part of this Development. An underground stormwater tank with an orifice is proposed to control the runoff providing for the Subject Lands to not exceed the allowable discharge rate. The system is designed to the satisfaction of the DE Department.

#### Environmental Site Assessment

The Owner submitted the Environmental Site Assessment ('ESA') Phase One and Two Reports. The ESA Phase Two Report indicates that the soil and groundwater samples met the applicable site condition standards and concluded that the Subject Land are suitable for the Development, which is acceptable to the DE Department.



### Environmental Noise Assessment

The submitted Noise Report concludes that the Development will require air conditioning or upgraded windows to satisfy the Ministry of the Environment, Conservation and Parks criteria, which is acceptable to the DE Department.

The final site plan, grading plan, servicing plan, storm tributary plan, erosion and sediment control plan, waste management plan, FSR and Noise Report submitted in support of the Application must be approved to the satisfaction of the DE Department, prior to execution of the Site Plan Agreement. A condition to this effect is included in Attachment 1.

### ***Development Charges for the Development are applicable***

The Financial Planning and Development Finance Department requires that the Owner pay all applicable development charges in accordance with the City of Vaughan, Region of York, York Region District School Board and York Catholic District School Board Development Charge By-laws.

### ***The Environmental Services Department, Waste Management Division has no objection to the Development***

The Environmental Services Department, Waste Management Division has no objection to the Development and proposed molok waste disposal system.

### ***Cash-in-Lieu of Parkland Dedication is required***

The Real Estate Department has confirmed that for the commercial component of the Development, cash-in-lieu of the dedication of parkland equivalent of 2% of the value of the Subject Lands, in accordance with the *Planning Act* and City of Vaughan Policy is required.

### ***The Parks Development Department has no objection to the Development***

The Parks Development Department has no objection to the Development subject to the Owner paying cash-in-lieu of the dedication of parkland.

### ***The Forestry Operations Division has no objection to the Development***

The Forestry Operations Division of the Transportation Services, Parks and Forestry Operations Department has no objection to the Development.

***The Fire and Rescue Services Department has no objection to the Development***

The Fire and Rescue Services Department has no objection to the Development, subject to the adequate provisions for fire safety and protection being provided in accordance with the Ontario Building Code.

***NavCanada has no objection to the Development subject to the condition in this report***

NavCanada has no objection to the Application subject to the Owner notifying NavCanada once the Development is constructed.

***The various utilities have no objection to the Development, subject to conditions***

Hydro One, Enbridge Gas, Alectra Utilities Corporation, and Canada Post have no objections to the Development, subject to the Owner coordinating servicing connections, easements and locates with the note utilities prior to the commencement of any site works.

**Financial Impact**

Not Applicable

**Broader Regional Impacts/Considerations**

York Region and Peel Region have no objections to the Development, subject to conditions included on Attachment 2.

**Conclusion**

Site Development File DA.18.005 has been reviewed in consideration of the applicable provincial policies, the policies of YROP 2010 and VOP 2010, the requirements of Zoning By-law 1-88, comments from City Departments and external public agencies and the surrounding area context. The Development shown on Attachments 3 to 5 is consistent with provincial policy and conforms to the YROP 2010 and VOP 2010. The Development Planning Department is satisfied that the Development is appropriate and compatible with the existing and permitted uses in the surrounding area. The required Committee of Adjustment Minor Variance Application for the exceptions to Zoning By-law 1-88 shall be final and binding prior to final approval of the Development.

Accordingly, the Development Planning Department supports the approval of Site Development File DA.18.005. Should Council approve the Application, conditions of approval are included in the Recommendation section of this report and Attachment 1.

**For more information**, please contact Judy Jeffers, Planner, at extension 8645.

**Attachments**

1. Conditions of Site Plan Approval
2. Location Map
3. Red-Line Revised Site Plan and Zoning
4. Landscape Plan
5. Building Elevations

**Prepared by**

Judy Jeffers, Planner, ext. 8645

Mark Antoine, Senior Planner, ext. 8212

Carmela Marrelli, Senior Manager of Development Planning, ext. 8791

Mauro Peverini, Director of Development Planning, ext. 8407

/LG



**Attachment 1 – Conditions of Site Plan Approval**  
**Site Development File DA.19.031 (2602002 Ontario Inc.)**

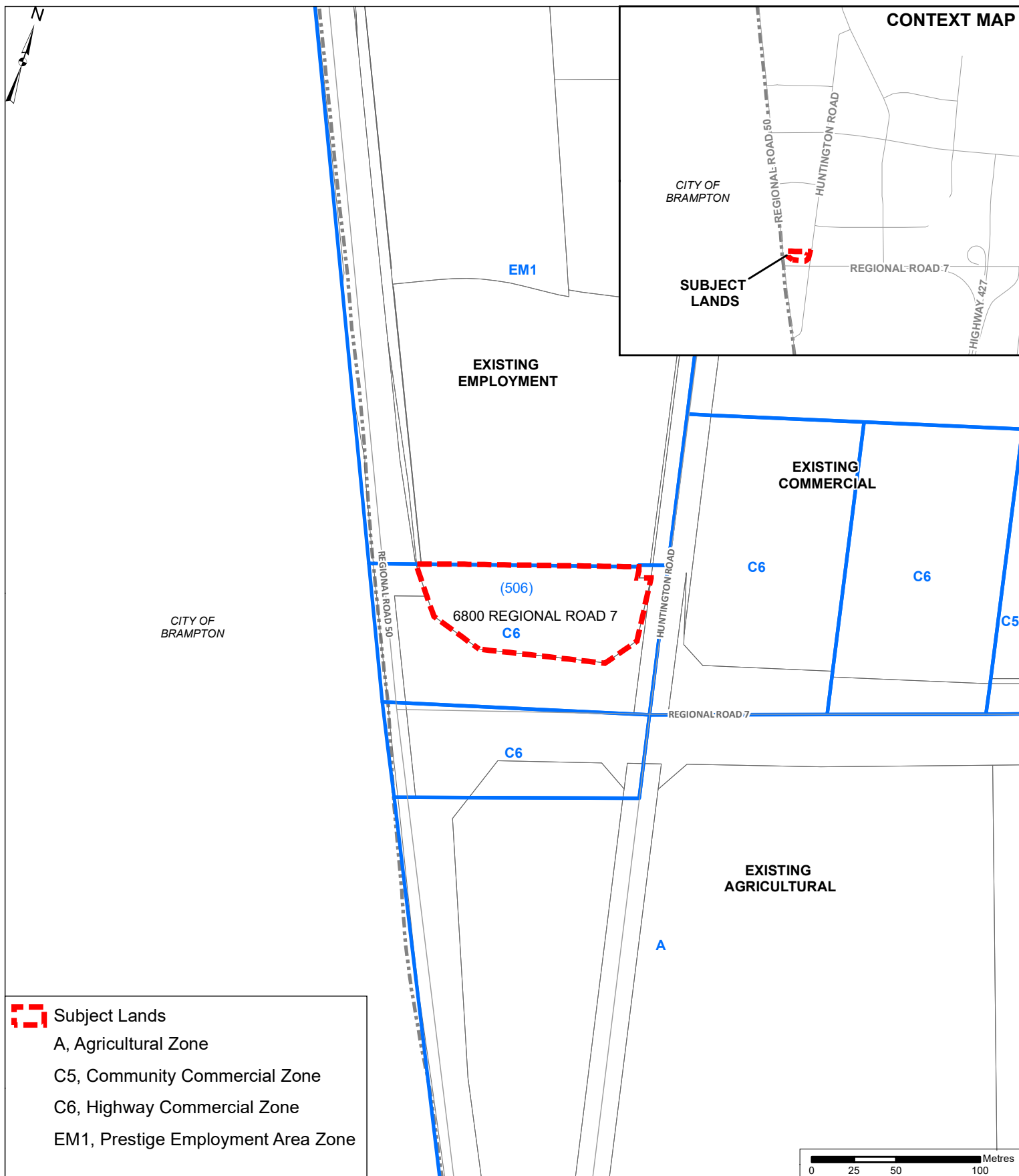
---

1. THAT prior to the execution of the Site Plan Agreement:
  - a) The Development Planning Department shall approve the final site plan, building elevations, landscape plan, landscape details, landscape cost estimate, signage details, lighting plan, sustainability performance metrics and Arborist Report.
  - b) The Development Engineering Department shall approve the final site plan, servicing plan, grading plan, erosion and sediment control plan, Functional Servicing and Stormwater Management Report, Transportation Study, and sustainability performance metrics.
  - c) The Environmental Services Department shall approve the final Waste Collection Design Standards Submission including the refuse/recycling room size.
  - d) The Parks Development Department shall approve the final Parkland Dedication Summary.
  - e) The Owner shall provide the City with a letter of consent from the Owner of 7867 Regional Road 27 respecting the removal of the tree on the property line and on this property and the letter must identify that any costs and activities associated with tree removals shall be at the Owner's expense.
  - f) The Owner shall provide the City with a letter of consent from the Owner of 101 Ashbridge Circle respecting the removal of the tree on the property line and on this property and the letter must identify that any costs and activities associated with tree removals shall be at the Owner's expense.
  - g) The Owner shall successfully obtain approval of a Minor Variance Application from the Committee of Adjustment for the variances to Zoning By-law 1-88 identified in Table 1 of this report, to permit the Development. The Committee's decision shall be final and binding, and the Owner shall satisfy any conditions of approval imposed by the Committee.
  - h) The Owner shall satisfy the servicing, grading, erosion and sediment control, landscape plan and detail, tree inventory, preservation and removal, transportation, stormwater management, and any other requirements of York Region.

**Attachment 1 – Conditions of Site Plan Approval**  
**Site Development File DA.19.031 (2602002 Ontario Inc.)**

---

- i) The Owner shall satisfy all requirements from Hydro One, Enbridge Gas, Alectra Utilities Corporation, Bell Canada, Rogers Communications and Canada Post.
2. THAT the Site Plan Agreement shall include the following provisions and/or warning clauses, to the satisfaction of the City:
- a) “The Owner shall contact the Vaughan Development Inspection and Lot Grading Division directly, upon receipt of Site Plan Approval, to coordinate the proposed works. If servicing connections are located within York Region's right-of-way, then York Region's Road Occupancy Permit must be issued prior to the commencement of any works.”
  - b) “The Owner shall obtain any required additional permits and coordinate all inspections directly through the Vaughan Development Inspection and Lot Grading Division upon receipt of Site Plan Approval for all proposed works within the City's right-of-way (i.e. curb cuts/fills, sidewalk installation, boulevard rehabilitation.”
  - c) “The Owner shall notify NavCanada when the building is completed in accordance with their notification requirements.”
  - d) “The Owner shall agree to notify both the Ministry of Tourism, Culture and Sport and the City of Vaughan Development Planning Department immediately in the event that:
    - i) archaeological resources are found on the property during grading or construction activities, to which the Owner must cease all grading or construction activities; and
    - ii) where human remains are encountered during grading or construction activities, the Owner must cease all grading or construction activities. The Owner shall contact York Region Police, the Regional Coroner and the Registrar of the Cemeteries Regulation Unit of the Ministry of Consumer and Business Services.”



## Location Map

**LOCATION:**  
Part of Lots 5 & 6, Concession 10

**APPLICANT:**  
2334504 Ontario Inc.



129

## Attachment

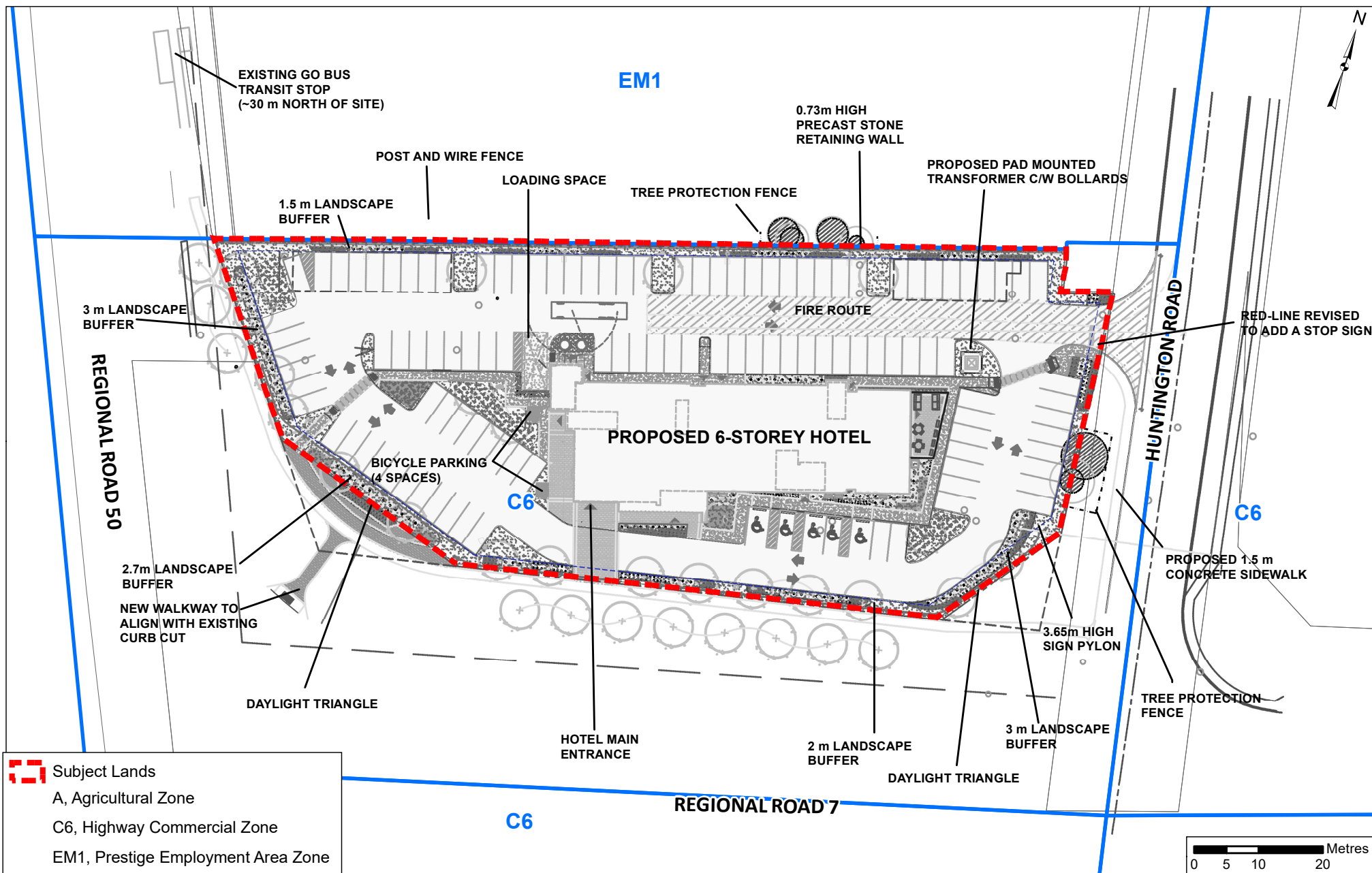
**FILE:**  
DA.18.005

**DATE:**  
January 14, 2020

**2**







# Red-Line Revised Site Plan and Zoning

**LOCATION:**  
Part of Lots 5 & 6, Concession 10

**APPLICANT:**  
2334504 Ontario Inc.



131

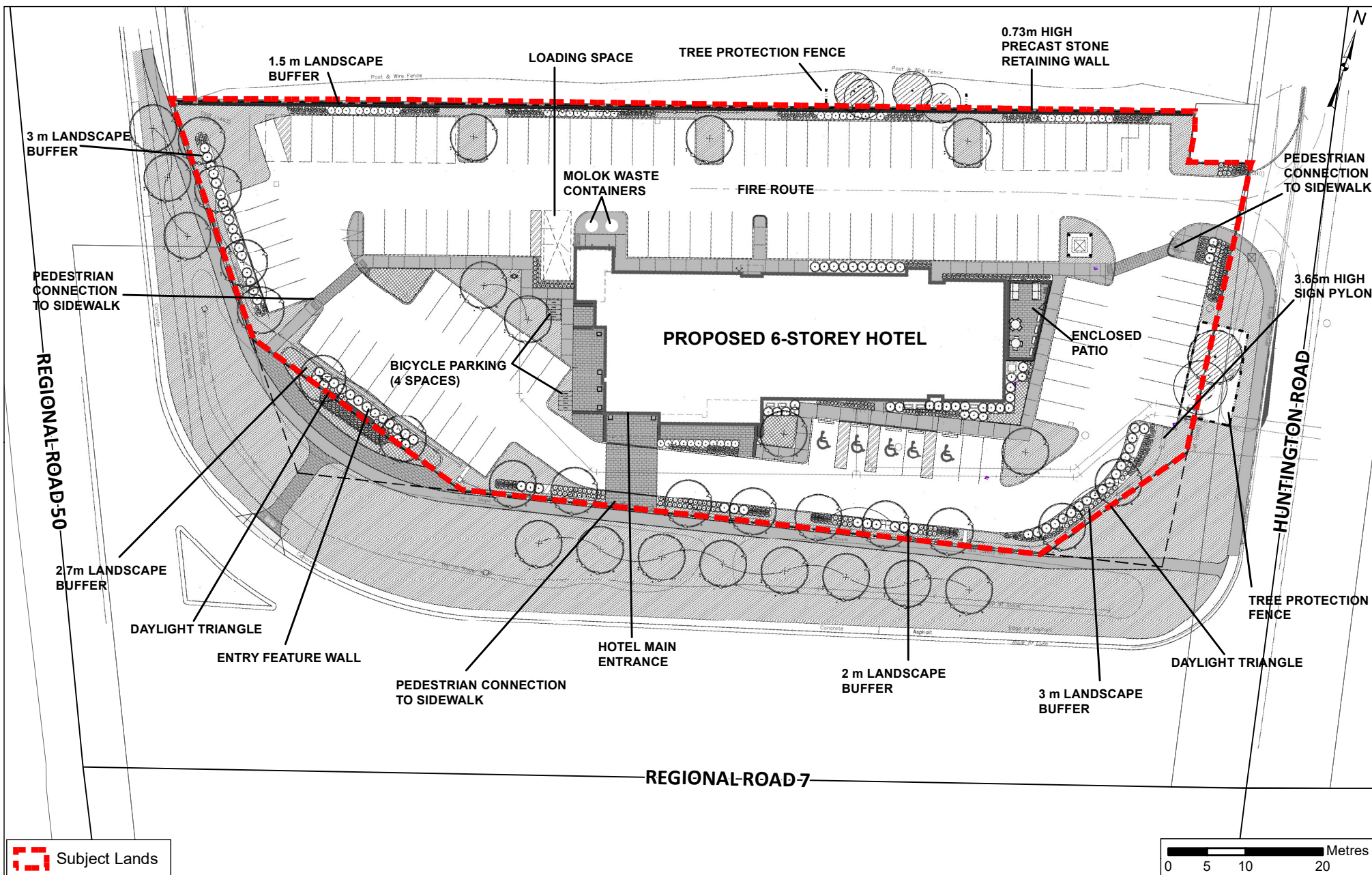
**Attachment**

**FILE:**  
DA.18.005

**DATE:**  
January 14, 2020

**3**





# Landscape Plan

**LOCATION:**  
Part of Lots 5 & 6, Concession 10

**APPLICANT:**  
2334504 Ontario Inc.



## Attachment

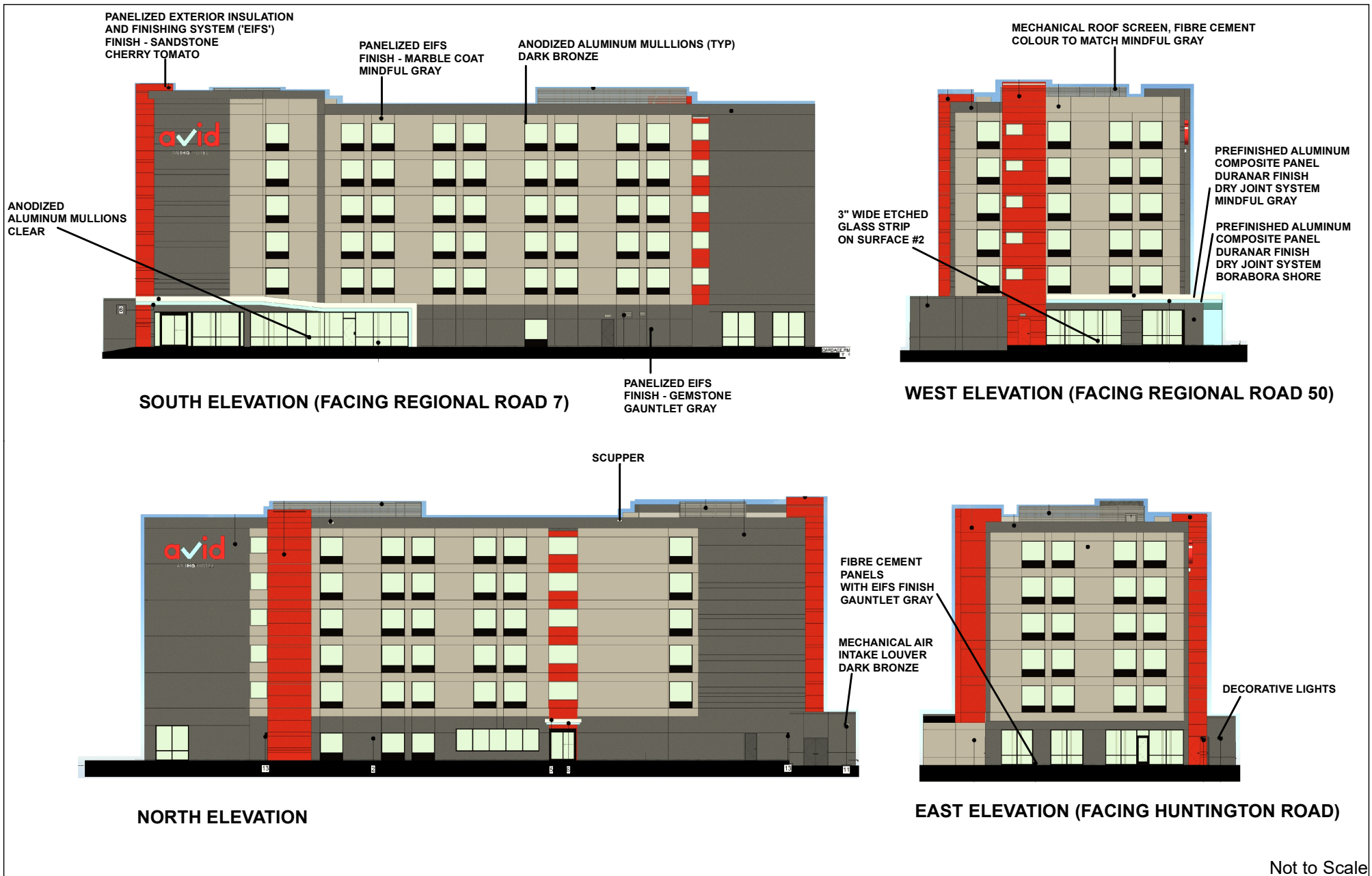
**FILE:**  
DA.18.005

**DATE:**  
January 14, 2020

**4**







## Building Elevations

### LOCATION:

Part of Lots 5 & 6, Concession 10

### APPLICANT:

2334504 Ontario Inc.



135

Development Planning

## Attachment

FILE:  
DA.18.005

DATE:  
January 14, 2020

5



## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** 5

**TITLE: DM11 INC.**

**PROPOSED STREET NAME**

**DRAFT PLAN OF SUBDIVISION FILE 19T-17V012**

**WARD 5 - VICINITY OF CENTRE STREET AND  
DONNA MAE CRESCENT**

**FROM:**

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

**ACTION:** DECISION

---

### **Purpose**

To seek approval for the proposed street name “Peter Morse Way” in Draft Plan of Subdivision File 19T-17V012 for the subject lands shown on Attachment 1.

### **Report Highlights**

- The Owner is seeking approval for “Peter Morse Way” to be used as a street name in approved Draft Plan of Subdivision File 19T-17V012 located south of Centre Street and east of Donna May Crescent.
- The name “Peter Morse Way” was chosen to commemorate Peter Morse, a respected local figure who practiced medicine in Thornhill for over 40 years, supported preservation of local history and culture, and who played an important role in the success of the formation of this development.
- The Development Planning Department supports the approval of the street name, subject to the recommendation of this report, as the street name is consistent with the City’s Street Naming Policy and Procedures that were approved by Vaughan Council on December 10, 2013.

## **Recommendations**

The Deputy City Manager, Planning and Growth Management recommends:

1. That the following street name for the proposed street in approved Draft Plan of Subdivision File 19T-17V012 as shown on Attachment 2, BE APPROVED:

### **Proposed Name**

Peter Morse Way

## **Background**

The Development Planning Department received an application to name a street in Draft Plan of Subdivision File 19T-17V012, located south of Centre Street and east of Donna Mae Crescent. The Owner has submitted “Peter Morse Way” as a proposed street name to commemorate a respected local figure named Peter Morse.

Peter Morse was a highly respected figure in Thornhill who passed away earlier this year. He practiced medicine in the area for close to 40 years and strove to protect the history and culture of the area. He was directly responsible for the formation and success of achieving this development. According to the Owner, the street name has been reviewed with Peter Morse’s family and all parties agree with this street name proposal.

## **Previous Reports/Authority**

N/A

## **Analysis and Options**

The subject lands shown on Attachment 1 are located south of Centre Street and east of Donna May Crescent.

The Owner has submitted a street name in approved Draft Plan of Subdivision File 19T-17V012 (DM11 Inc.) as shown on Attachment 2.

The Region of York Transportation and Community Planning and Development Services Department have no objection to the proposed name. The Vaughan Fire and Rescue Services Department and Vaughan Development Planning Department have also reviewed the proposed street name, which is considered to be satisfactory.

The proposed street name is consistent with the City’s Street Naming Policy and Procedures that was approved by Vaughan Council on December 10, 2013. Staff circulated the preferred street name to each Council member on November 12, 2019, and received no comments.



The submitted street name is not the result of a charity fundraising auction/event.

### **Financial Impact**

There are no requirements for new funding associated with this report.

### **Broader Regional Impacts/Considerations**

The York Region Community Planning and Development Services Department has no objection to the proposed street name.

### **Conclusion**

The Vaughan Development Planning Department has no objection with the proposed street name for the street in approved Draft Plan of Subdivision File 19T-17V012, as the name is consistent with the City's Street Naming Policy and has been reviewed and approved by York Region and the Vaughan Fire and Rescue Services Department. Should the Committee concur, the Recommendation in this report can be approved.

**For more information**, please contact: Sarah-Anne Seale, GIS Technician, Development Planning Department, at extension 8119.

### **Attachments**

1. Location Map
2. Approved Draft Plan of Subdivision File 19T-17V012

### **Prepared by**

Sarah-Anne Seale, GIS Technician, ext. 8119

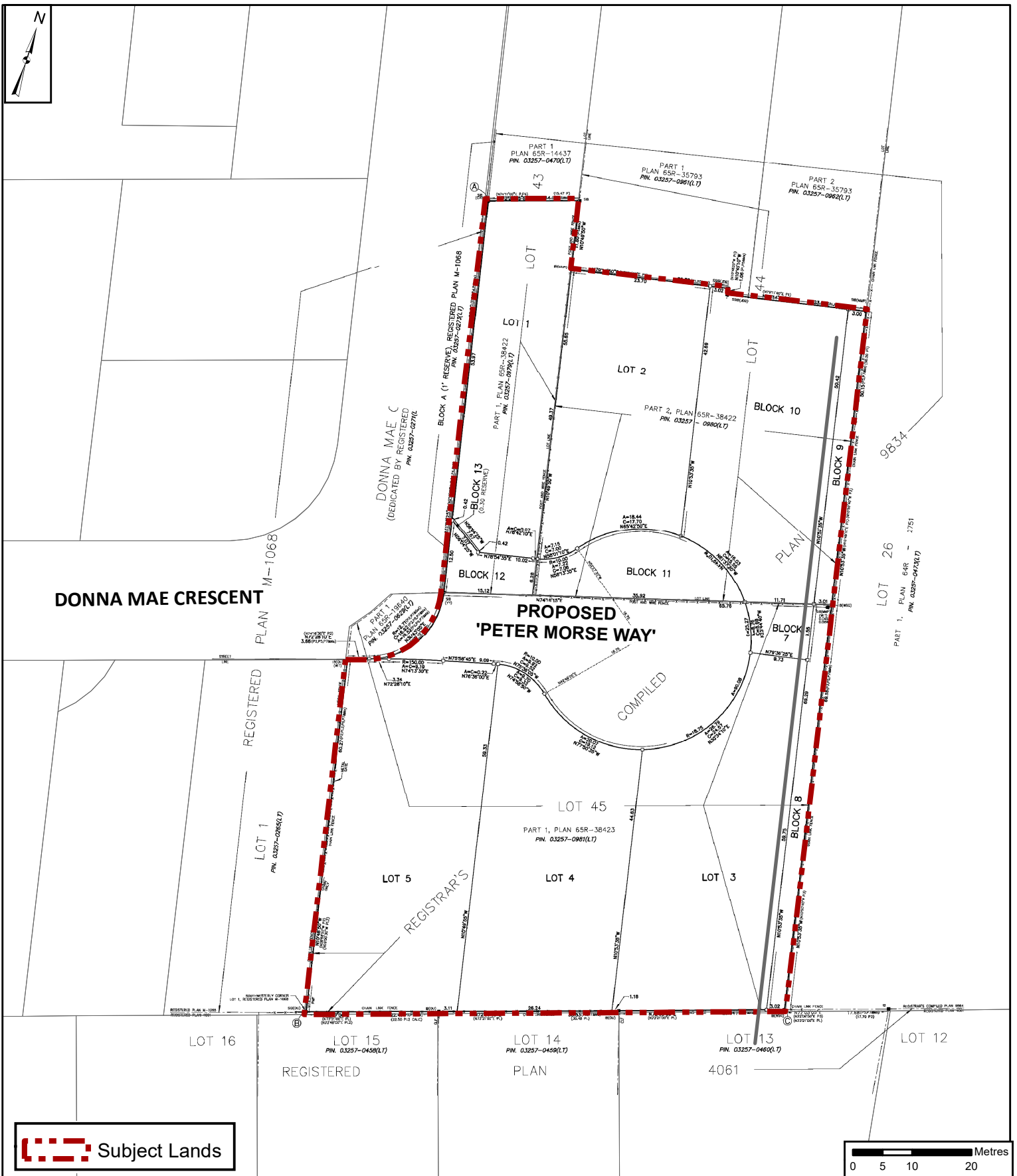
Mauro Peverini, Director of Development Planning, ext. 8407

/LG









# Plan of Subdivision File 19T-17V012

## Attachment

**LOCATION:**  
Part of Lot 30, Concession 1

**APPLICANT:**  
DM11 Incorporated



**FILE:**  
19T-17V012

**DATE:**  
January 14, 2020

**2**



## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD:** 1

**TITLE: NASHVILLE DEVELOPMENTS (NORTH) INC.  
ZONING BY-LAW AMENDMENT FILE Z.16.052  
DRAFT PLAN OF SUBDIVISION FILE 19T-16V010; AND  
ZONING BY-LAW AMENDMENT FILE Z.18.037  
VICINITY OF HUNTINGTON ROAD AND NASHVILLE ROAD**

**FROM:**

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

**ACTION:** DECISION

---

**Purpose**

To seek approval from the Committee of the Whole to amend the Council approved recommendations for Zoning By-law Amendment File Z.16.052 (Nashville Developments (North) Inc., Item 4, Report No. 31, September 26, 2017), and Zoning By-law Amendment File Z.18.037 (Nashville Developments (North) Inc., Item 8, Report No. 20, June 12, 2019), to include an additional recommendation to allow the Owner to apply for a Minor Variance Application(s) before the second anniversary of the day on which the implementing zoning by-laws came into effect for the Subject Lands shown on Attachment 1.

**Report Highlights**

- The Development Planning Department supports the inclusion of an additional recommendation to allow the Owner to apply for a Minor Variance Application(s) before the second anniversary of the day (April 11, 2018, for Zoning By-law Amendment File Z.16.032, and June 12, 2019, for Zoning By-law Amendment File Z.18.037) in which the implementing zoning by-laws came into effect on the Subject Lands.
- At this time, a reduction to an interior side yard setback to an open space buffer block has been identified for 46 Galen Crescent due to the house model design and placement on the lot shown on Attachment 2.

## **Recommendation**

1. THAT the Council approved Recommendations for Item 4, Report No. 31 (Nashville Developments (North) Inc.) of September 26, 2017, and for Item 8, Report No. 20 (Nashville Developments (North) Inc.) of June 12, 2019, be amended to include the following recommendation:

“THAT the Owner be permitted to apply for a Minor Variance Application(s) to the City and/or the Vaughan Committee of Adjustment, if required, before the second anniversary of the day on which the implementing Zoning By-law for the Subject Lands came into effect, to permit minor adjustments to the implementing Zoning By-law.”

## **Background**

The subject lands (the ‘Subject Lands’) are located east of Huntington Road, north of East’s Corners Boulevard, shown as “Subject Lands” on Attachment 1, and include lands that are municipally known as 46 Galen Crescent shown on Attachment 2, which requires a Minor Variance Application.

Vaughan Council, on September 26, 2017, approved Zoning By-law Amendment and Draft Plan of Subdivision Files Z.16.052 and 19T-16V010, and on June 12, 2019, approved Zoning By-law Amendment File Z.18.037. The lands subject to Zoning By-law Amendment Files Z.16.052 and Z.18.037 are shown on Attachment 1.

## **Previous Reports/Authority**

[September 26, 2017 Council and September 19, 2017 Committee of the Whole \(Item 4, Report No. 31\)](#)

[June 4, 2019 Committee of the Whole \(Item 8, Report No. 20\)](#)

## **Analysis and Options**

***The proposed amendment to the Registered Plan of Subdivision conforms to the Vaughan Official Plan 2010***

The Subject Lands are designated “Low-Rise Residential”, “Mid-Rise Residential” and “Natural Areas” by Vaughan Official Plan, 2010 (‘VOP 2010’), Volume 2, Section 12.7 - Block 61 West Nashville Heights. The Subject Lands conform to VOP 2010.



***The Planning Act permits Vaughan Council to pass a resolution to permit the Owner to apply for a Minor Variance Application(s) if required, within two years of a zoning by-law coming into full force and effect***

Section 45 (1.3) of the *Planning Act* restricts the submission of a Minor Variance Application(s) to the Committee of Adjustment within two years of the day on which a zoning by-law was amended. Section 45 (1.4) of the *Planning Act* permits a Council to pass a resolution to allow an Owner to apply for a Minor Variance Application within two years of the passing of a zoning by-law.

***A variance to Zoning By-law 1-88 is required to permit a proposed dwelling***

The portion of the Subject Lands, municipally known as 46 Galen Crescent, are zoned “RD4(H) Residential Detached Zone Four”, by Zoning By-law 1-88 and subject to Exception 9(1376), with the addition of the Holding Symbol “(H)”.

The Toronto and Region Conservation Authority (‘TRCA’), on July 18, 2017, provided conditions of Draft Plan of Subdivision approval to increase the width of the open space buffer to the west of the portion of the Subject Lands, municipally known as 46 Galen Crescent, from 4.9 m to 7.5 m. The adjustment was made and incorporated into the final plan of subdivision for registration. However, the builder of 46 Galen Crescent used the earlier version of the Draft Plan of Subdivision, which was not updated to incorporate the increased open space buffer width, for the house model design and building placement on the lot. The interior side yard setback to the open space buffer for the irregular shaped lot decreased from 3.5 m to 2.5 m for an extent of 7.66 m of the side wall of the building, as shown on Attachment 2. A minor variance is required to permit an interior side yard setback of 2.5 m abutting the Open Space Buffer.

The Owner is also requesting that the Council resolution apply to the Subject Lands in the event other minor zoning matters arise within the two-years of the passing of the By-laws.

### **Financial Impact**

Not Applicable

### **Broader Regional Impacts/Considerations**

There are no requirements from the York Region Community Planning Department.

### **Conclusion**

The Development Planning Department supports the request to permit the Owner to

apply for a Minor Variance Application(s) before the second anniversary of the day the implementing Zoning By-laws come into effect to permit the development of the Subject Lands as shown on Attachment 1 and the proposed dwelling as shown on Attachment 2.

**For more information,** please contact Judy Jeffers, Planner, at extension 8645.

### **Attachments**

1. Location Map
2. Site Plan

### **Prepared by**

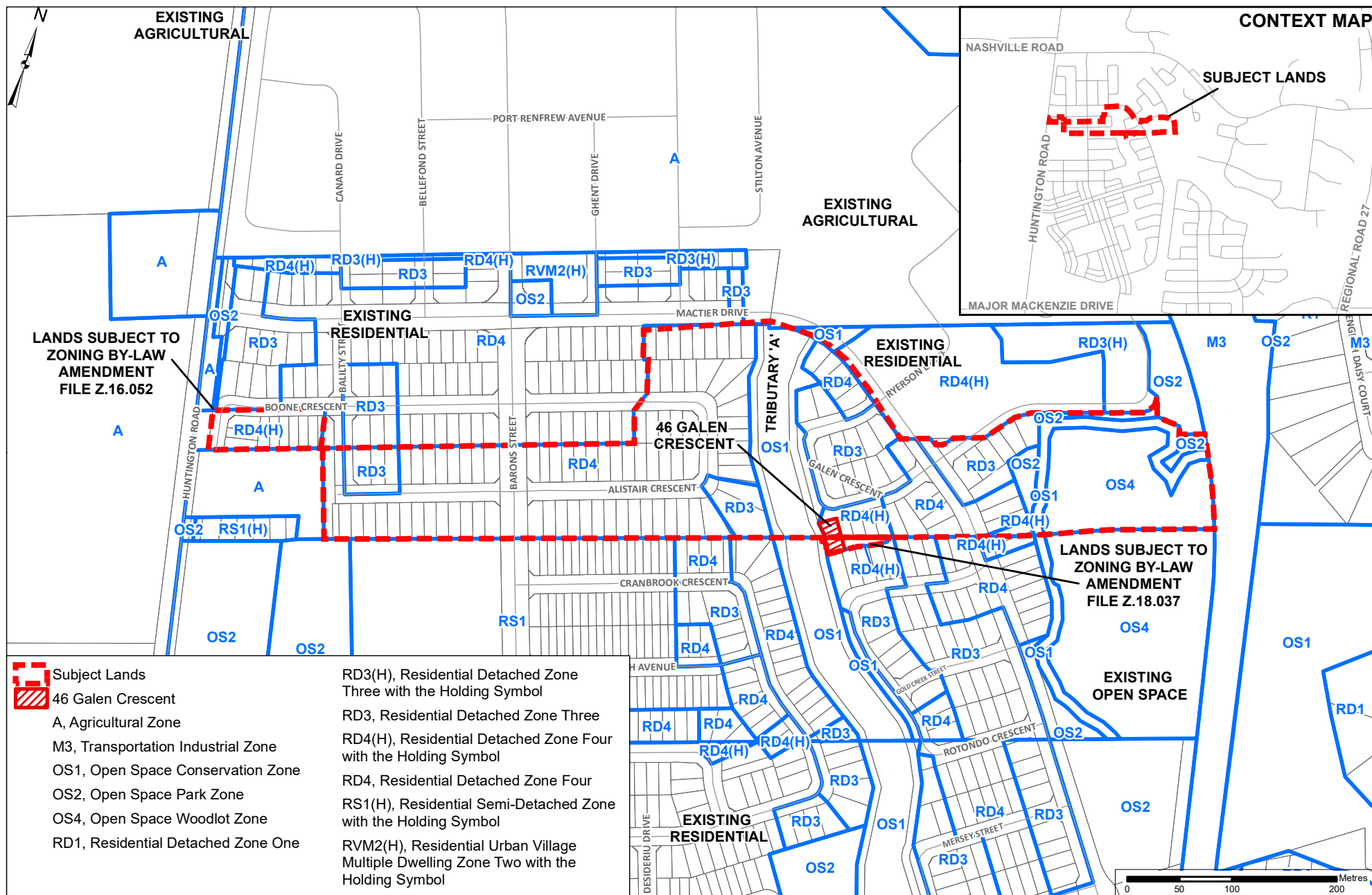
Judy Jeffers, Planner, extension 8645

Mark Antoine, Senior Planner, extension 8212

Carmela Marrelli, Senior Manager of Development Planning, extension 8791

Mauro Peverini, Director of Development Planning, extension 8407

/LG



## Location Map

**LOCATION:**  
Part of Lot 24, Concession 9

**APPLICANT:**  
Nashville Developments (North) Inc.

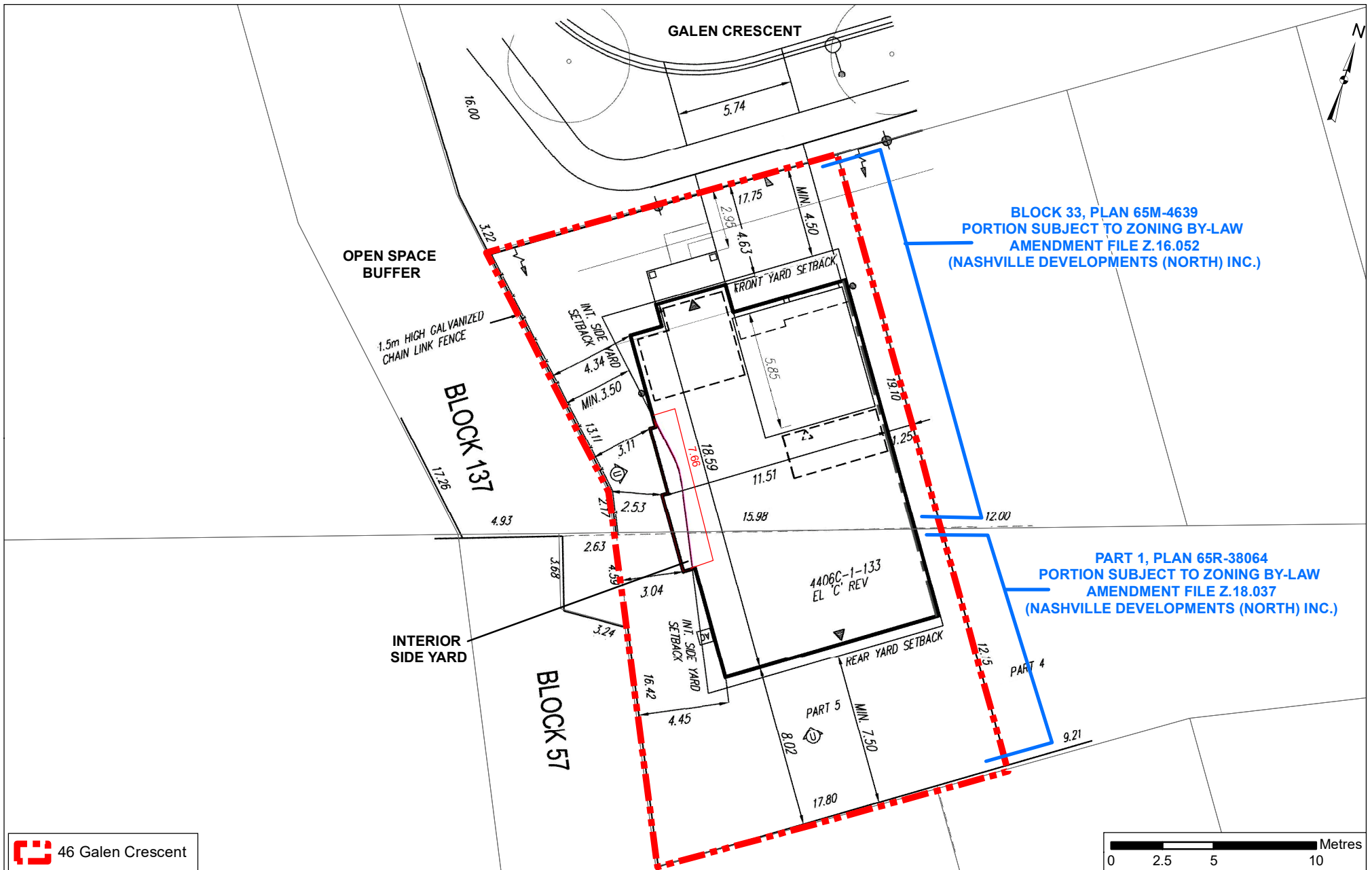


## Attachment

**FILES:**  
Z.16.052, 19T-16V010, Z.18.037

**DATE:**  
January 14, 2020





## Site Plan

**LOCATION:**  
 Part of Lot 24, Concession 9

**APPLICANT:**  
 Nashville Developments (North) Inc.



151

## Attachment

**FILES:**  
 Z.16.052, 19T-16V010, Z.18.037

**DATE:**  
 January 14, 2020

**2**



## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

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

**FROM:**

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

**ACTION:** DECISION

---

The Deputy City Manager, Administrative Services and City Solicitor, on behalf of the Vaughan Metropolitan Centre Sub-Committee, forwards the following recommendation from its meeting of December 4, 2019 (Item 3, Report No. 3), for consideration:

**The Vaughan Metropolitan Centre Sub-Committee advises Council:**

- 1) That the recommendation contained in the following report of the Interim City Manager, the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer and the Deputy City Manager, Planning and Growth Management dated December 4, 2019 was approved; and
- 2) That the presentation by the Director of Economic and Cultural Development and C2, presentation material titled “Aligning Policies and Programs to Continue Office Development Momentum in Vaughan”, was received.

Recommendations and Report of the Interim City Manager, the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer and the Deputy City Manager, Planning and Growth Management, dated December 4, 2019:

## **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 ft<sup>2</sup> 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.

## **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 m<sup>2</sup> (724,400 ft<sup>2</sup>) 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 m<sup>2</sup>.
- 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 ft<sup>2</sup> (6,967.5 m<sup>2</sup>) 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.

## **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 m<sup>2</sup> (1.5 million ft<sup>2</sup>) 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 m<sup>2</sup> (5.2 million ft<sup>2</sup>) 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
<b>Vaughan</b>	<b>82</b>	<b>5,225,868</b>	<b>3.5%</b>	<b>4.8%</b>	<b>\$19.81</b>	<b>\$31.00</b>
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 ft<sup>2</sup> of office space development and 750,000 ft<sup>2</sup> 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 m<sup>2</sup>. Planning approvals are in place for an additional 13,500 m<sup>2</sup> 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 ft<sup>2</sup> 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**

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

\* 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 MTSAs served by light rail and rapid transit
- 150 residents and jobs combined per hectare for MTSAs on the GO Transit line

The Growth Plan directs major office uses to Urban Growth Centres (VMC for Vaughan), MTSAs 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 MTSAs 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 ft<sup>2</sup>.

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 ft<sup>2</sup> 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 m<sup>2</sup> (724,400 ft<sup>2</sup>) 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 ft<sup>2</sup> 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 <sup>2</sup> to 150,000 ft <sup>2</sup>	5 year*
Between 150,000 ft <sup>2</sup> to 250,000 ft <sup>2</sup>	10 year*
Greater than 250,000 ft <sup>2</sup> and less than or equal to 400,000 ft <sup>2</sup>	15 year*
Greater than 400,000 ft <sup>2</sup>	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 ft<sup>2</sup>, it is proposed that Vaughan's program has a minimum threshold of 50,000 ft<sup>2</sup> 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 <sup>2</sup> to 150,000 ft <sup>2</sup>	5 year*
Between 150,000 ft <sup>2</sup> to 250,000 ft <sup>2</sup>	10 year*
Greater than 250,000 ft <sup>2</sup> and less than or equal to 400,000 ft <sup>2</sup>	15 year*
Greater than 400,000 ft <sup>2</sup>	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 m<sup>2</sup> 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**

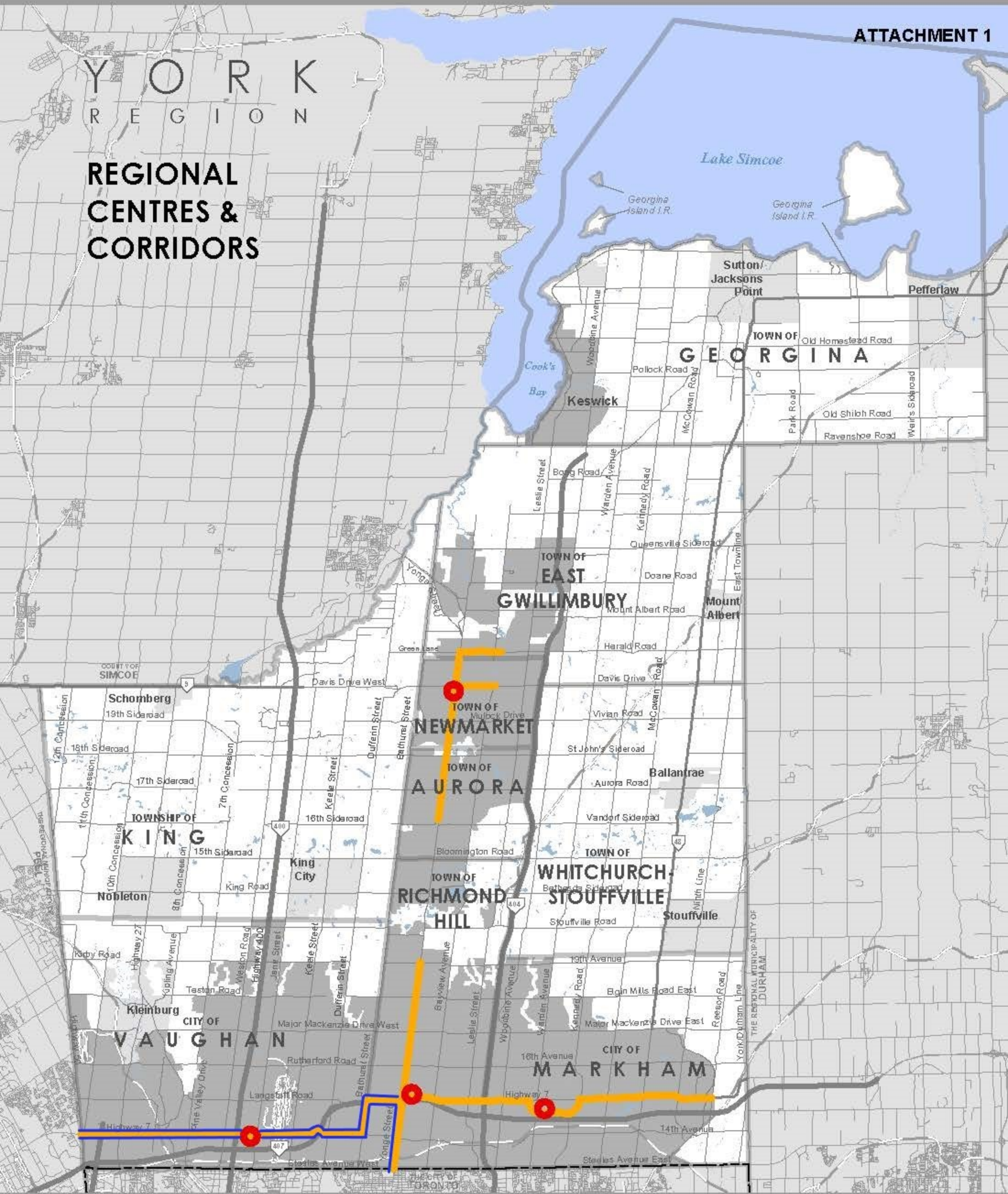
1. Map of Regional Centres and Corridors, York Region
2. City-Wide Development Charge Deferral for Office Buildings Policy 12.C.05
3. City-Wide Development Charges Deferral for Office Buildings a Minimum of 50,000 Square Feet in the Highway 7 and Yonge Street Regional Corridors – Pilot Program Policy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




### **Prepared by**

Brianne Clace, Project Manager, Development Finance, ext. 8284  
Shirley Kam, Manager of Special Projects and Economic Development, ext. 8874  
Nelson Pereira, Manager of Development Finance, ext. 8393  
Fausto Filippetto, Manager of Long-Range Planning, ext. 8699  
Amy Roots, Senior Manager of Development Planning (VMC), ext. 8035  
Dennis Cutajar, Director of Economic and Cultural Development, ext. 8274  
Bill Kiru, Director of Policy Planning and Environmental Sustainability, ext. 8633  
Christina Bruce, Director of Vaughan Metropolitan Centre Program, ext. 8231  
Michael Marchetti, Director of Financial Planning and Development Finance/Deputy Treasurer, ext. 8271

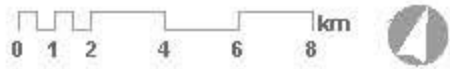






-  Regional Centre
-  Regional Corridor
-  Highway 7 and Yonge Street Regional Corridor

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



Produced by:  
Planning & Economic Development Branch  
Corporate Services Department  
© Copyright, The Regional Municipality of York,  
October 2019

© Copyright, The Regional Municipalities of Durham  
and Peel, County of Simcoe, City of Toronto  
© Queen's Printer for Ontario 2003-2019,  
Includes Greenbelt and Oak Ridges Moraine  
Boundaries and Water Features







# CITY OF VAUGHAN

## CORPORATE POLICY

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

**POLICY NO.:** 12.C.05

<b>Section:</b>	Finance & Budgets		
<b>Effective Date:</b>	Click or tap to enter a date.	<b>Date of Last Review:</b>	Click or tap to enter a date.
<b>Approval Authority:</b> Council	<b>Policy Owner:</b> 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.*"

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

**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.

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

**POLICY NO.: 12.C.05**

- 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

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

**POLICY NO.: 12.C.05**

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)

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

**POLICY NO.: 12.C.05**

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.

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

**POLICY NO.: 12.C.05**

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.



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

**POLICY NO.: 12.C.05**

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.

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

**POLICY NO.: 12.C.05**

**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.*

<b>Review Schedule:</b>	3 Years If other, specify here	<b>Next Review Date:</b>	Click or tap to enter a date.
<b>Related Policy(ies):</b>	12.C.06 – City-Wide Development Charges Deferral for Office Buildings, 12.C.04 – Letter of Credit		
<b>Related By-Law(s):</b>	176-2015 – CIP, 177-2015 – CIP, 083-2018 – Development Charges		
<b>Procedural Document:</b>			
<b>Revision History</b>			
<b>Date:</b>	<b>Description:</b>		
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

<b>Section:</b>	Finance & Budgets		
<b>Effective Date:</b>	December 12, 2019	<b>Date of Last Review:</b>	Click or tap to enter a date.
<b>Approval Authority:</b> Council	<b>Policy Owner:</b> 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

**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**

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

**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**

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:

<b>Gross Floor Area Size Threshold</b>	<b>Duration of the Development Charges Deferral Available</b>
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*

**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**

\*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.



**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**

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.

**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**

**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.*

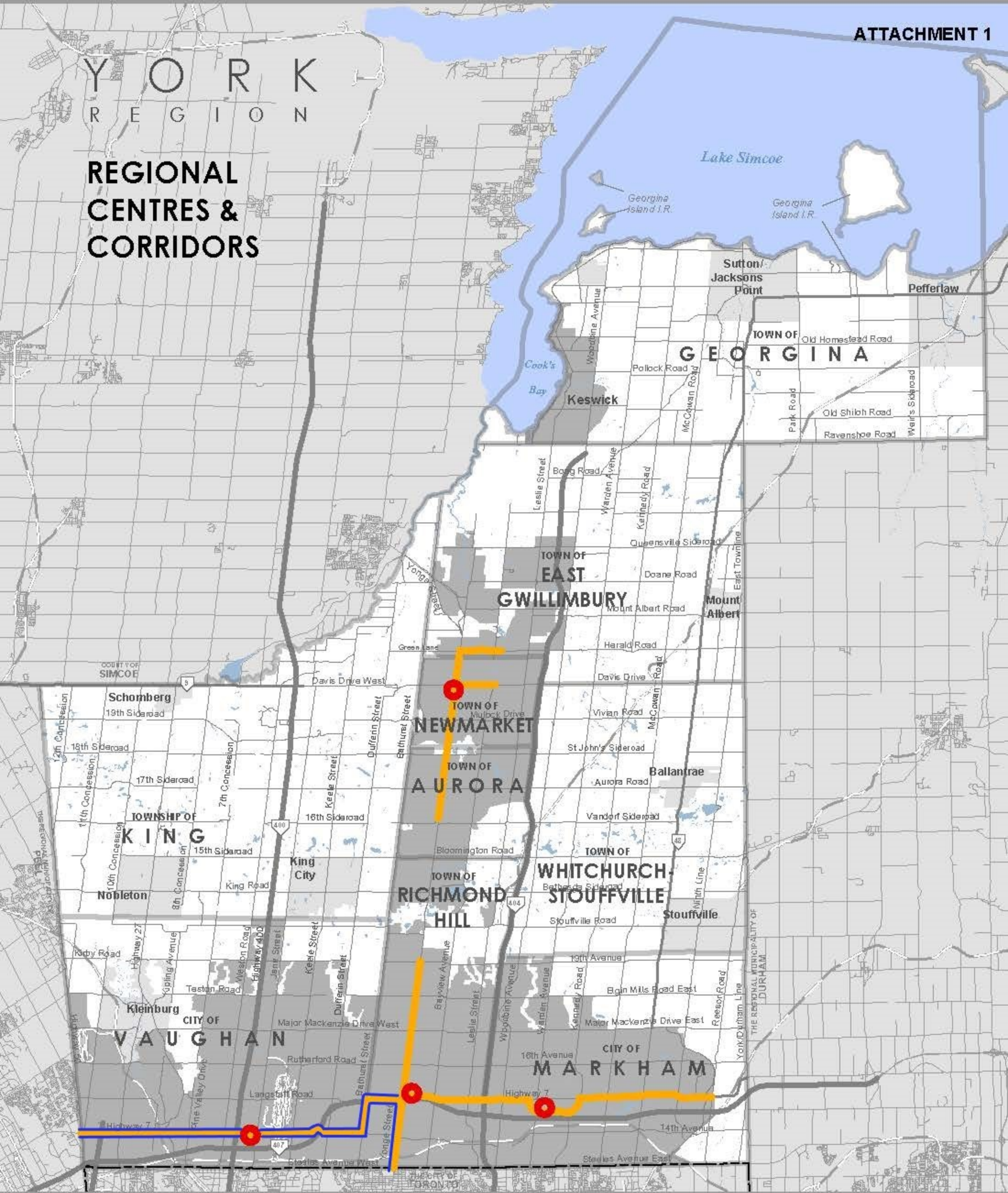
<b>Review Schedule:</b>	3 Years If other, specify here	<b>Next Review Date:</b>	Click or tap to enter a date.
<b>Related Policy(ies):</b>	12.C.05 – City-Wide Development Charges Deferral for Office Buildings, 12.C.04 – Letter of Credit		
<b>Related By-Law(s):</b>	176-2015 – CIP, 177-2015 – CIP, 083-2018 – 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

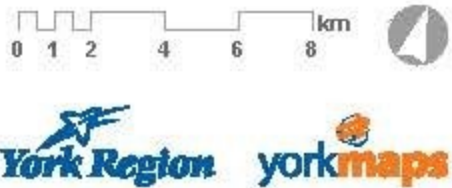
<b>Procedural Document:</b>	Appendix 1 – Highway 7 Yonge Map
<b>Revision History</b>	
<b>Date:</b>	<b>Description:</b>
Click or tap to enter a date.	
Click or tap to enter a date.	
Click or tap to enter a date.	





-  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



Produced by:  
Planning & Economic Development Branch  
Corporate Services Department  
© Copyright, The Regional Municipality of York,  
October 2019

© Copyright, The Regional Municipalities of Durham  
and Peel, County of Simcoe, City of Toronto  
© Queen's Printer for Ontario 2003-2019,  
Includes Greenbelt and Oak Ridges Moraine  
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
<b>2015-2020</b>				
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
<b>2020-2044</b>				
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
<b>Total Government Revenues</b>				<b>1,850.9</b>	<b>1,738.9</b>	<b>73.0</b>	<b>22.3</b>	<b>16.7</b>

\* 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
<b>Development Charges</b>			<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
<b>Total</b>	<b>512.9</b>	<b>485.8</b>	<b>10.2</b>	<b>12.6</b>	<b>4.3</b>
<b>Building Permit Fees</b>			<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>		
<b>Total</b>	<b>65.3</b>	<b>61.5</b>	<b>2.1</b>	<b>1.4</b>	<b>0.3</b>

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
<b>Assessment Base and Property Tax Revenues</b>					
Estimated Assessment Value for 2019 Property Taxation	4,448.4	4,272.5	104.9	71.0	N/A
<b>Annual Property Tax Associated with Development at Build-Out</b>					
			Dollars (000,000s)		
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
<b>Total Government Revenues</b>				<b>3,386.2</b>	<b>2,888.3</b>	<b>376.3</b>	<b>121.6</b>

\* 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
<b>Development Charges</b>			<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
<b>Total</b>	<b>868.3</b>	<b>753.4</b>	<b>48.1</b>	<b>66.8</b>	<b>0.0</b>
<b>Building Permit Fees</b>			<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>		
<b>Total</b>	<b>170.3</b>	<b>153.0</b>	<b>9.9</b>	<b>7.4</b>	<b>0</b>

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
<b>Assessment Base and Property Tax Revenues</b>					
<i>Dollars (000,000s)</i>					
Estimated Assessment Value for 2019 Property Taxation	12,235.3	11,186.0	600.9	448.3	N/A
<b>Annual Property Tax Associated with Development at Build-Out</b>					
<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
<b>2015-2020</b>				
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
<b>2020-2044</b>				
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
<b>Total Government Revenues</b>				<b>239.3</b>	<b>189.9</b>	<b>36.7</b>	<b>12.7</b>

\* 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
<b>Development Charges</b>					
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
<b>Total</b>	<b>60.9</b>	<b>49.0</b>	<b>4.8</b>	<b>7.1</b>	<b>0</b>
<b>Building Permit Fees</b>					
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
<b>Total</b>	<b>8.9</b>	<b>7.2</b>	<b>1.0</b>	<b>0.8</b>	<b>0</b>

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
<b>Assessment Base and Property Tax Revenues</b>					
<i>Dollars (000,000s)</i>					
Estimated Assessment Value for 2019 Property Taxation	585.4	495.9	49.6	39.9	N/A
<b>Annual Property Tax Associated with Development at Build-Out</b>					
<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

\\300svr\projects\6200s\6224\report\Results Memo - City of Vaughan - VMC & Weston 7 - P-6224 v02 2019-11-01.docx

# 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:

**Paul Freeman, MCIP, RPP**  
Chief Planner

**Laura Mirabella, FCPA, FCA**  
Commissioner of Finance and Regional Treasurer

**Dino Basso**  
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 Deferral for Office Buildings a Minimum of 100,000 square feet

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**

<b>Gross Floor Area Size Threshold</b>	<b>Duration of Development Charges deferral available in Regional Centres and Corridors or specific Local Centres</b>
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



## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: APPROVAL OF TERMS OF REFERENCE AND APPOINTMENT  
OF CITIZEN MEMBERS TO SMART CITY TASK FORCE**

**FROM:**

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

**ACTION:** DECISION

---

**Purpose**

To seek approval of the Terms of Reference, to review the applications received for the appointment of citizen members, and to consider the proposed list of industry representatives for the Smart City Task Force.

**Report Highlights**

- Staff submitted a report with the Terms of Reference and applications of citizen members for the Smart City Task Force at the October 2, 2019 Council Meeting and the matter was deferred.
- Staff has since compiled a proposed list of industry representatives to serve on the Task Force for Council's consideration.
- A decision is required to appoint public members and technical representatives to the Smart City Task Force.

**Recommendations**

1. That Council approve the Terms of Reference for the Smart City Task Force (Attachment 1); and
2. That Council give consideration to the applications received for the appointment of citizen members and the proposed list of stakeholder representatives for the Smart City Task Force (Confidential Attachment 2).

## **Background**

At its meeting on May 14, 2019, Council approved the establishment of the Smart City Task Force as part of Mayor Maurizio Bevilacqua's 2018-2022 Term of Council Priority Task Forces. Mayor Maurizio Bevilacqua and Councillor Sandra Yeung Racco serve as Chair and Vice-Chair respectively. The City Clerk was directed to prepare the Terms of Reference and commence recruitment for members.

The mandate of the Smart City Task Force is to make recommendations that ensure the City is advancing a culture of knowledge and pursue continuous improvement and continue to provide advice to Council and City administration, including high-level political and community perspectives into the development of a Smart City initiative, and to endorse Smart City technologies.

At the October 2, 2019 Council Meeting, Staff submitted a report with the proposed Terms of Reference and applications of citizen members for the Smart City Task Force. Council deferred the matter and directed staff to advertise and recruit for members again.

## **Previous Reports/Authority**

[Item 13, Committee of the Whole Report no. 27, Approval of Terms of Reference and Appointment of Citizen Members to Task Forces](#)

## **Analysis and Options**

In consultation with the Chair of the Task Force, Staff clarified that the applications submitted with the initial report were for consideration for the appointment of a maximum of five (5) citizen members. Staff has since compiled a list of stakeholder representatives from various industries for Council's consideration. According to the proposed Terms of Reference, Council may appoint up to eleven (11) stakeholder representatives, in addition to the 5 citizen members.

Applications received for the Smart City Task Force and the proposed list of stakeholder representatives are included in Confidential Attachment 2 of this report.

## **Financial Impact**

There are no financial impacts associated with this report.

## **Broader Regional Impacts/Considerations**

There are no Regional impacts/considerations associated with this report.

## **Conclusion**

It is appropriate that Council approve the Terms of Reference and give consideration to the appointment of citizen members and stakeholder representatives to the Smart City Task Force.

**For more information**, please contact: Todd Coles, City Clerk, Ext. 8281

## **Attachments**

1. Terms of Reference - Smart City Task Force.
2. Confidential Attachment (Mayor and Members of Council only).

## **Prepared by**

Isabel Leung, Deputy City Clerk & Manager, Administrative Services, Ext. 8190





**TERMS OF REFERENCE:  
City of Vaughan SMART City Task Force**

---

**Mandate / Objectives***Mandate*

The City of Vaughan Smart City Task Force has an overall mandate to advance a culture of knowledge and pursue continuous improvement and to continue to provide advice to Council and City Administration, including high-level political and community perspectives into the development of a Smart City initiative which enhance urban life in terms of people, living, economy, mobility and governance, and to endorse Smart City technologies for Council's ultimate consideration.

*Objectives*

The Task Force will:

1. Continue to serve as a forum for the discussion of Smart City concepts among residents, businesses and other stakeholders.
2. Further explore research, best practices, and findings related to Smart City implementations and data-driven innovation efforts across Canada and the World.
3. Utilize the City of Vaughan's Smart City Challenge submission to further cultivate and implement a distinct vision for what Smart City would mean for Vaughan.
4. Review administrative recommendations regarding various aspects of the City-Wide Digital Strategy that was part of the Council-endorsed 2015-2018 Service Excellence Strategy Map and provide strategic guidance and other perspective as required.
5. Align the work of the task force members with the Council-approved priorities identified in the 2018-2022 Service Excellence Strategic Plan.

The Task Force shall develop recommendations on the following key objectives:

1. Identify areas of opportunities related to Smart City principles and technologies and recommend possible solutions including exploring the concept of:
  - a. Innovation development;
  - a. Utilization of information and communication technologies to advance effective, efficient, transparent and accountable governance;
  - b. Utilization of information and communication technologies, infrastructure and services to enhance urban living;
  - c. Development and utilization of data to improve public services to enable an integrated, streamlined service experience; and,
  - d. Implementation of solutions to engage citizens and for the well-being of the community.
2. Identify opportunities to leverage partnerships and opportunities with relevant parties, including York Region, other local municipalities, governance organizations, other levels of government and the non-profit sector, to:

- a. Achieve objectives of the Smart City Task Force;
  - b. Contribute to areas of common interest aligned with the City's participation in the Federal Government's Canada Smart City Challenge, the City-Wide Digital Strategy, and the 2018-2022 Term of Council Service Excellence Strategic Plan.
3. Identify and make recommendations related to emerging technologies.

## **Term**

The Smart City Task Force shall submit its findings and recommendations for review no later than April 2021.

## **Membership**

1. The Task Force membership shall be composed of the following:
  - a. A maximum of two (2) Council members.
  - b. A maximum of five (5) individuals that have expertise or interest in the area(s) of technology, digital/urban society, data analytics and service delivery.
  - c. A maximum of eleven (11) stakeholder representatives, respectively being senior representatives from some of the following stakeholder communities:
    - Green Industries, such as CleanTech;
    - Industry and Business associations;
    - Talent Advisory Services (HR Professionals);
    - Senior Government;
    - Post-Secondary Education, Academia, Research and Innovation;
    - Media and Entertainment;
    - Creative and Cultural Industries;
    - Healthcare and Medical Professionals;
    - Information, Communications and Technology companies;
    - Non-Government Associations and Government Services;
    - Tourism and Travel;
    - International Business promotion including Foreign Consular Services and Chambers of Commerce;
    - Financial Services Industries; and,
    - Construction and Development Industry.
2. Members are to be appointed by Council. Any changes to the membership will require Council approval.

## **Meeting Procedures**

The proceedings of the Task Force are to be governed by the City's Procedural By-law.

## **Agendas and Reporting**

1. Agendas shall be prepared by the City Clerk's Office in consultation with the Task Force Chair.
2. Agendas shall be posted on the City's web site one week prior to the scheduled date of meeting, or as soon as practicable.

3. After each meeting of the Task Force, the City Clerk shall submit a report in the City's committee report format to the Committee of the Whole.
4. Following conclusion of the mandate of the Task Force, a report of recommendations will be brought to Council for further consideration.

## **Meetings**

1. Meeting dates will be determined at the first meeting of the Task Force. The Task Force may meet on the schedule determined, or at the call of the Chair.
2. Meetings will be held every other month or as needed throughout the course of the Task force term, except for July and August where no meetings will be scheduled.
3. The Chair of the Task Force may call special meetings.
4. All regular meetings will be held at Vaughan City Hall located at 2141 Major Mackenzie Drive, Vaughan.
5. Meetings are to be open to the public in accordance with the Municipal Act, 2001.

## **Notice of Meetings**

Meetings will be noted on the Schedule of Meetings calendar posted on the City's website.

## **Quorum**

1. A majority of members, including the Chair, shall constitute quorum.
2. Ex-officio members will not be counted for the purpose of calculating the total number of persons appointed to the task Force but will be counted as a member present when in attendance.

## **Staff Resources**

The role of staff is to act as a resource to the Task Force, but not to be members of the Task Force, or to deliberate or draft the findings of the Task Force. The following staff will provide advisory and technical support specific to the mandate and objectives of the Task Force:

1. The Office of the City Clerk will assign one staff person responsible for agenda and report production and distribution, the providing of procedural advice, the recording of proceedings of the Task Force and distribution of reports.
2. Corporate and Strategic Communications will assign one staff person to provide communications advisory services, prepare information, communications and assist in the development of the Task Force report.
3. An additional two (2) staff with subject matter expertise will be assigned to support the work of the Task Force.
4. The Task Force can be provided with additional administrative and/or technical support at the discretion of the appropriate administrative portfolio(s) or department(s).

**Authority**

The Task Force may not exercise decision-making powers, or commit expenditures save for those specifically delegated by Council. Any request for expenditures determined by the Task Force for the sole purpose of conducting the business or work of the Task Force shall be forwarded to Council for consideration and approval.

The Task Force may not direct staff to undertake activities without authority from Council.

**Amendment / Expansion of Terms of Reference**

Only Council can approve any amendment and/or expansion of the Terms of Reference.

## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: APPOINTMENT OF A CITIZEN MEMBER TO THE  
ACCESSIBILITY ADVISORY COMMITTEE**

**FROM:**

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

**ACTION:** DECISION

---

**Purpose**

To consider applications received for appointing one (1) citizen member to the Accessibility Advisory Committee.

**Report Highlights**

- A citizen member needs to be appointed to the Accessibility Advisory Committee to fill one vacancy due to a resignation.
- The successful candidate will be advised of their appointment.

**Recommendation**

1. That Council consider the applications received [Confidential Attachment 2] for appointing one (1) citizen member to the Accessibility Advisory Committee for the Council term ending in November 2022.

**Background**

At its meeting of November 19, 2019, Council adopted the following recommendation from the Committee of the Whole – Item 9, Report No. 36 [Attachment 1]:

- 1) That recommendation 1) contained in the report of the Deputy City Manager, Administrative Services and City Solicitor dated November 12, 2019, be approved; and

- 2) That the following recommendation of the Committee of the Whole (Closed Session) meeting of November 12, 2019, be approved:

1. That the City Clerk be requested to commence the recruitment process to fill the vacancy caused due to the resignation.

The Office of the City Clerk, in collaboration with the Corporate and Strategic Communications Department, coordinated the recruitment process utilizing the City's Social Media platforms. Application packages were also available in the Office of the City Clerk at Vaughan City Hall, the Joint Operations Centre, all branches of Vaughan Public Libraries and Community Centres, and on the City's website.

The deadline for submitting applications was 4:30 p.m. on Friday, December 20, 2019. A total of six (6) applications were received. One (1) late application was received on December 28, 2019. All applications are provided as Confidential Attachment 2 to Mayor and Members of Council only.

### **Previous Reports/Authority**

Not applicable

### **Analysis and Options**

The Terms of Reference for the Accessibility Advisory Committee provides for 10 members (1 member of Council and 9 citizen members). After the resignation, there are 9 members (1 member of Council and 8 citizen members) remaining on the Committee.

Considering that only one year has elapsed in the current four-year term of Council, it is advisable to fill the vacancy due to the resignation.

### **Financial Impact**

No new funds are required as the operational expenses are covered within the Office of the City Clerk's budget.

### **Broader Regional Impacts/Considerations**

There are no Regional implications associated with this report.

### **Conclusion**

Staff is requesting that Council consider the applications received for appointing one (1) citizen member to the Accessibility Advisory Committee for the Council term ending in November 2022.

**For more information**, please contact: Todd Coles, City Clerk, extension 8281.



## **Attachments**

1. Extract from Council meeting minutes of November 19, 2019.
2. Confidential Attachment – applications received (Mayor and Members of Council only).

## **Prepared by**

John Britto, Council / Committee Administrator, extension 8637.



**EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 19, 2019**

Item 9, Report No. 36, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on November 19, 2019.

---

**9. RESIGNATION OF A MEMBER – ACCESSIBILITY ADVISORY COMMITTEE**

**The Committee of the Whole recommends:**

- 1) That recommendation 1) contained in the following report of the Deputy City Manager, Administrative Services and City Solicitor, dated November 12, 2019, be approved; and**
- 2) That the following recommendation of the Committee of the Whole (Closed Session) meeting of November 12, 2019, be approved:**
  - 1. That the City Clerk be requested to commence the recruitment process to fill the vacancy caused due to the resignation**

**Recommendations**

- 1. That the resignation of Ms. Albina Zavaglia be received; and**
- 2. That Council provide direction with respect to filling the vacancy.**



## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: RESIGNATION OF A MEMBER – OLDER ADULT TASK FORCE**

**FROM:**

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

**ACTION:** DECISION

---

**Purpose**

To inform Council of the resignation of Mr. George Mathew from the Older Adult Task Force, and to seek Council's direction with respect to filling the vacancy.

**Report Highlights**

- A member has resigned from the Older Adult Task Force
- Council's direction is required to fill the vacancy

**Recommendations**

1. That the resignation of Mr. George Mathew be received; and
2. That Council provide direction with respect to filling the vacancy.

**Background**

The Office of the City Clerk received an email from Mr. George Mathew indicating his intention to resign from his Council appointed position on the Older Adult Task Force. At its meeting on December 16, 2019, the Older Adult Task Force was advised of Mr. Mathew's resignation and the Task Force adopted the following recommendation:

1. That the resignation of Mr. George Mathew be received; and
2. That Council consider filling the vacancy caused by the resignation.

**Previous Reports/Authority**

Not applicable

## **Analysis and Options**

The Terms of Reference for the Older Adult Task Force provides that:

1. The Task Force membership shall be composed of the following:
  - a) A maximum of three (3) Council members
  - b) A maximum of six (6) citizen members who are part of the older adult population or have significant insight/experience with the Vaughan older adult community.
  - c) A minimum of one (1) member representing an organization or service provider serving older adults.
2. The Task Force shall appoint a Chair and Vice-Chair.
3. Members are to be appointed by Council. Any changes to the membership will require Council approval.

After the resignation, there are 8 members (2 members of Council, 5 citizen members and 1 organization representative) remaining on the Task Force.

Considering that only one year has elapsed of the four-year term of Council, it is advisable to fill the vacancy caused due to the resignation. Staff is suggesting the following Options:

### **Option 1**

Council may wish to appoint a member from the applicants from the previous recruitment at beginning of the term. The Office of the City Clerk will then contact the selected former applicant(s) regarding their interest to serve on the Older Adult Task Force and report back at the Council Meeting on January 28, 2020. A list of former applicants and their applications from March 2019 are provided in Confidential Attachment 1 for Council's consideration.

### **Option 2**

Council may direct the Office of the City Clerk to initiate the regular recruitment process to fill the vacancy of Mr. Mathew. Staff will report back with all applications once the recruitment process is completed.

## **Financial Impact**

No new funds are required as the operational expenses are covered within the Office of the City Clerk's budget.

### **Broader Regional Impacts/Considerations**

There are no Regional implications associated with this report.

### **Conclusion**

The City Clerk is requesting that Council receive the resignation of Mr. George Mathew and provide direction with respect to filling the vacancy as a result of the resignation.

**For more information**, please contact: Todd Coles, City Clerk, extension 8281.

### **Attachment**

1. Confidential Attachment – applications from March 2019 (Mayor and Members of Council only).

### **Prepared by**

John Britto, Council / Committee Administrator, extension 8637.





## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** ALL

**TITLE: PROCLAMATION REQUEST  
CRIME STOPPERS MONTH**

**FROM:**

Wendy Law, Deputy City Manager, Administrative Services and City Solicitor

**ACTION:** DECISION

---

**Purpose**

To seek Council approval to proclaim the month of January as Crime Stoppers Month, that the proclamation be posted on the City's website, and that the Corporate and Strategic Communications department be directed to promote this proclamation through the corporate channels.

**Report Highlights**

- Respond to the proclamation request received from Crime Stoppers of York Region.
- Proclamation requested for the month of January.

**Recommendations**

1. That January 2020 be proclaimed as "Crime Stoppers Month"; and,
2. That the proclamation be posted on the City's website and that the Corporate and Strategic Communications department be directed to promote this proclamation through the corporate channels.

**Background**

Correspondence was received from the President of Crime Stoppers of York Region on December 20, 2019.

Crime Stoppers is an international organization that through independent local groups, involves the public in the arrest of criminals through anonymous tips and rewards.

The group is hoping that with a proclamation, more awareness will be brought to Crime Stoppers of York Region.

### **Previous Reports/Authority**

Crime Stoppers Month was proclaimed in a few years prior to 2001.

### **Analysis and Options**

The proclamation meets the requirements of the City's Proclamation Policy, as follows:

"That upon request, the City of Vaughan issue Proclamations for events, campaigns, or other similar matters:

- (i) which are promoted by any organization that is a registered charity pursuant to Section 248 of the Income Tax Act."

### **Financial Impact**

Not applicable.

### **Broader Regional Impacts/Considerations**

Not applicable.

### **Conclusion**

Staff is recommending that the month of January be proclaimed as Crime Stoppers Month, that the proclamation be posted on the City's website, and that the Corporate and Strategic Communications department be directed to promote this proclamation through the corporate channels.

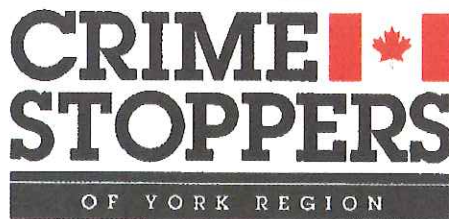
**For more information**, please contact: Todd Coles, City Clerk, ext. 8281

### **Attachment**

1. Correspondence from the President, Crime Stoppers of York Region, dated December 17, 2019

### **Prepared by**

Julia Bartolomeo, Supervisor, City Clerk's Administrative Services, ext. 8280



RECEIVED

DEC 20 2019

CLERK'S DEPT.

December 17, 2019

Mayor Maurizio Bevilacqua  
City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, Ontario  
L6A 1T1

Dear Mayor Bevilacqua:

Crime Stoppers of York Region are requesting that your municipality Proclaim or Recognize the month of January as Crime Stoppers Month.

Crime Stoppers is an international organization that through independent local groups, involves the public in the arrest of criminals through anonymous tips and rewards.

Crime Stoppers of York Region was founded in 1986 and since that time has a history of success. More than 3,000 arrests have been made with 7,400 charges laid and more than \$130 million of property and illegal drugs seized.

Crime Stoppers of York Region is administered by a volunteer civilian Board of Directors who meets regularly and is responsible for fundraising initiatives, community outreach and the development of public awareness campaigns.

We would like to bring more awareness to Crime Stoppers of York Region and with the Proclamation, we will be more successful.

We thank you for your consideration.

Yours truly

A handwritten signature in black ink that reads "L. Ralph".

Leo Ralph  
President

Crime Stoppers of York Region



## Committee of the Whole (2) Report

---

**DATE:** Tuesday, January 21, 2020

**WARD(S):** 4

**TITLE: REQUEST FOR CONSTRUCTION NOISE EXEMPTION –  
CENTRECOURT CONSTRUCTION (EB) INC. CONSTRUCTION  
OF RESIDENTIAL CONDOMINIUM TOWER AT 175 MILLWAY  
AVENUE, VAUGHAN.**

**FROM:**

Mary Reali, Deputy City Manager, Community Services

**ACTION:** DECISION

---

**Purpose**

This report is to seek Council approval for a noise exemption to By-law 062-2018, as amended, for work required for the construction of two residential condominium towers by CentreCourt Construction (EB) Inc. (the Applicant), located at 175 Millway Avenue, beginning January 14, 2020 to August 31, 2023.

**Report Highlights**

- A noise exemption from By-law 062-2018, as amended, is being requested for a variety of work related to the construction of a residential condominium tower.
- The noise exemption will enable the project to be completed in a shorter period of time and minimize traffic impact to local residents and businesses during regular business hours. This project supports the development of the Vaughan Metropolitan Centre in the City's new downtown.
- No residents currently reside within the required notification area, anticipated 5,174 residents will occupy the area over the next 3 years

## **Recommendations**

1. That the Applicant, CentreCourt Construction (EB) Inc., be granted a noise exemption, in accordance with the City's Noise Control By-Law 62-2018, as amended, for the purposes of construction of a residential condominium tower located at 175 Millway Avenue, for the period of January 14, 2020 through August 31, 2023, 12:00 am to 11:59pm.
2. That this request for exemption be granted with the following conditions for the Applicant:
  - a) That construction communication notices be sent to surrounding residents and business owners within a 60 metre radius, in a manner approved by the City, once annually on the anniversary of the initial exemption approval date, that provides an update on construction progress to date and outlines expected construction activities for the year;
  - b) That construction communication notices be sent to surrounding residents and business owners within a 60 metre radius two weeks prior to the start of each portion of the project;
  - c) That the construction communication notices to residents and businesses include 24-hour contact information for the Applicants, including the construction supervisor and/or any person having care, control and oversight over all construction activity taking place on the subject property;
  - d) That the Applicant monitor, investigate and respond to any complaints received regarding construction noise;
  - e) That the applicant takes measures to minimize any unnecessary noise, including but not limited to idling of construction vehicles, unnecessary revving of engines, use of air brakes, and to maintain equipment in good working order (including muffling devices) to minimize noise impacts; and
  - f) That no construction take place on Statutory Holidays.

## **Background**

### ***Legislation***

The City of Vaughan's Noise Control By-law No. 062-2018, as amended, prohibits noise created from the use of "construction equipment" as defined, between the hours of 7:00pm of one day to 7:00 am the following day, and on Sundays and statutory holidays.

Any noise created by construction activity during these prescribed hours requires an exemption to the provisions of the By-law. Exemption requests for construction noise are governed by the By-law provisions of Section 20, Exemption – Construction Equipment.



***Requested work period***

The Applicant, CentreCourt Construction (EB) Inc., is requesting a work period of January 14, 2020 through August 31, 2023, to work up to and including 24 hours per day, except on statutory holidays, at the site located at 175 Millway Avenue, at the south-west corner of Portage Parkway and Jane Street, directly east of the York Regional Transit Bus Terminal.

The intent of the work is to construct two of three residential condominium buildings located within the Vaughan Metropolitan Centre (VMC) SmartCentres Place development located in close proximity to the TTC Vaughan Metropolitan Centre station.

The applicant is requesting the ability to perform a variety of construction work, including excavation, dewatering, concrete manufacturing, fill and refuse removal, concrete pumps, form work, rebar work, window and elevator work, up to 24 hours per day, with the exception of statutory holidays, for the duration of the exemption period in order to accommodate the complex nature of the development and in order to achieve the project completion date. If the Applicant is granted the requested exemption, the end date for the project may be sooner than indicated on the application.

***Stakeholder engagement***

If the noise exemption is approved, the Applicant will distribute communication notices with details of the project to all residents and businesses within 60 metres of the project site at least two weeks prior to the start of each portion of the project that will entail work outside of regular hours in line with the Noise Control By-law.

**Previous Reports/Authority**

Noise Control By-law: [062-2018, as amended](#)

**Analysis and Options*****Supporting Vaughan Metropolitan Centre development***

This project supports the construction of a Council approved mixed-used development in the Vaughan Metropolitan Centre that is compatible with the existing and planned uses of the surrounding area, represents good planning and achieves the desired vision for the VMC,. The VMC is an unprecedented city-building initiative for the City of Vaughan. Located on a 179-hectare (442 acre) site, Vaughan's emerging downtown will include more than 1.5 million square feet of commercial office space and 750,000 square feet of new retail space.

Staff continue to support the required construction to achieve this vision. When complete, these new developments will create a world-class skyline that stands tall, proud and embodies Vaughan's promising future. This evolving skyline is reaching heights beyond those contemplated in the Secondary Plan, reflecting the momentum of transit-oriented redevelopment and capitalizing on the significant infrastructure investments.

These projects are guided by a robust planning, infrastructure and policy framework. Over the past several years, a number of plans and studies have been completed that provide a vision for transformation of the downtown into a vibrant, transit-oriented and sustainable centre. These plans build on each other to provide a framework for growth, implementation and activation of the VMC to achieve the desired vision.

### ***Noise mitigation***

The construction supervisor will comply with standard noise exemption mitigation measures, including that they minimize idling of construction vehicles, avoid unnecessary revving of engines, use of airbrakes, as well as the requirement to maintain equipment in good working order (including the use of muffling devices) to minimize noise impacts.

### ***Minimizing project length and community disruption***

If the Applicant is granted the noise exemption to perform work outside of times normally permitted by the Noise Control By-law, this is expected to shorten the project length, and to minimize impacts on residents and businesses, both in terms of impact to traffic during regular business hours and prolonged disturbance to the community.

Staff have confirmed that within the required notification area, there are no residential units that are currently occupied. Anticipated residential occupancy within the required notification area is outlined in the chart below. In order to provide a reasonable assurance of notification to new residents, staff have proposed an annual notification of works being undertaken and expected for the year.

<b>DATE OF COMPLETION</b>	<b>PROJECT</b>	<b>ADDRESS</b>	<b>UNITS</b>	<b>RESIDENTS</b>
2020	The Met	7895 Jane Street	510	1,010
2021	Transit City 3	950 Portage Parkway	631	1,249
2023	SmartCentres East Block (Transit City 4 & 5 + Rental Building)	175 Millway Avenue	1,472	2,915
<b>TOTAL</b>			<b>2,613</b>	<b>5,174</b>

### **Financial Impact**

Adoption of this noise exemption has no economic impact for the City

### **Broader Regional Impacts/Considerations**

This project supports the development of the Vaughan Metropolitan Centre, the City's new downtown, a vibrant, modern urban centre for residents and businesses that encompasses all amenities of urban lifestyle: inspiring multi-use office towers, residences, subway access, open green space, urban squares, pedestrian shopping areas and restaurants and walking and cycling paths.

### **Conclusion**

Staff believe that the noise exemption for this project should be endorsed by Council pursuant to the recommendations set out in this report. This recommendation is being brought forth in consultation with the Vaughan Metropolitan Centre Program.

**For more information**, please contact: Gus Michaels, Director and Chief Licensing Officer, By-law & Compliance, Licensing & Permit Services, ext. 8735.

### **Attachments**

1. Site Map
2. Letter to residents and businesses

### **Prepared by**

Alexandra Scarr, Policy Implementation Specialist, By-law & Compliance, Licensing & Permit Services, ext. 8448.







December 2, 2019

### **Transit City Towers 4 & 5 – Letter to Neighbours**

CentreCourt Construction (EB) Inc. is the Construction Manager for Transit City Towers 4 and 5, a development consisting of a three-level underground parking garage with two towers; each 45 and 50 storeys above grade. The towers include a 7-storey podium at each tower base connected by a suspended bridge. The two towers will comprise of a total 1,111 units (mixture of condominium and purpose-built rental units) and various retail spaces at the ground level.

The project is located at the southwest corner of Portage Parkway and Jane Street, directly east of the York Regional Transit Bus Terminal.

As the Construction Manager, our direct objective is to establish and maintain a positive, proactive and open relationship with our neighbours in the immediate vicinity of the project through regular communication of our upcoming construction activities on site.

In our plans to drive the success of the project, we are requesting for a noise exemption application for the construction of our development from December 23<sup>rd</sup>, 2019 to August 31, 2023. During this timeline, we plan to proceed with the construction of the diaphragm wall, caissons, site excavation, dewatering, forming, windows and landscaping. This work will include working with excavators, drill rigs, concrete and rebar delivery trucks, dump trucks, tower cranes and small machinery which will be closely managed and controlled by our on-site supervisors.

The proposed working times are 24 hours per day from Monday through Sunday, excluding Statutory Holidays, to ensure a safe and efficient completion of this project component.

It is our priority to focus our efforts to maintain a clean, safe and cohesive site by the means of providing clearly identified pedestrian and vehicular passageways, traffic control personnel, directional signage and daily sidewalk maintenance surrounding to our site. We are committed to preserving a safe, peaceful and healthy environment of the existing fabric of the neighbourhood.

Should any residents have further questions to the construction or development of the Transit City area, we encourage to contact the undersigned.

Further information about this development can be found at <https://www.transitcity.com/>

Regards

Jeff Pauletto  
Sr Project Manager  
CentreCourt Construction (EB) Inc.  
Email: [jpauletto@centrecourt.com](mailto:jpauletto@centrecourt.com)

CC: Gavin Cheung, Vice President, CentreCourt Construction (EB) Inc.  
Bhupesh Ghulati, Sr Vice President – Construction, SmartREIT  
Paula Bustard, Sr Vice President – Development, SmartREIT

134 Peter Street, Suite 200, Toronto, ON., M5V 2H2 Office: 416.324.5400 Fax: 416.519.8767  
Email: [info@centrecourt.com](mailto:info@centrecourt.com)

Page 1 of 1





**CITY OF VAUGHAN  
REPORT NO. 7 OF THE  
ACCESSIBILITY ADVISORY COMMITTEE**

*For consideration by the Committee of the Whole  
of the City of Vaughan on January 21, 2020*

---

The Accessibility Advisory Committee met at 7:03 p.m., on November 27, 2019.

Members Present:      Brenndon Goodman, Vice Chair  
                                 Yasmin Bhabha  
                                 Nancy Camilli  
                                 Paresh Jamnadas  
                                 Olumuyiwa Olorunfemi  
                                 Franca Porcelli

Also Present:            Warren Rupnarain, Accessibility & Diversity Coordinator  
                                 John Britto, Council / Committee Administrator

The following items were dealt with:

**1.      2020 SCHEDULE OF MEETINGS**

**The Accessibility Advisory Committee advises Council:**

- 1)      That the 2020 Schedule of Meetings was approved as presented.**

**2.      VAUGHAN INCLUSION CHARTER**

**The Accessibility Advisory Committee advises Council:**

- 1)      That the presentation by the Accessibility & Diversity Coordinator and C1, presentation material titled: "Inclusion Charter" was received.**

**3.      INTERNATIONAL DAY OF PERSONS WITH DISABILITIES IN VAUGHAN**

**The Accessibility Advisory Committee advises Council:**

- 1)      That the verbal update by the Accessibility & Diversity Coordinator with respect to the above, was received.**
- 

The meeting adjourned at 7:30 p.m.

Respectfully submitted,

Brenndon Goodman, Vice Chair



**CITY OF VAUGHAN  
REPORT NO. 4 OF THE  
OLDER ADULT TASK FORCE**

***For consideration by the Committee of the Whole  
of the City of Vaughan  
on January 21, 2020***

---

The Older Adult Task Force met at 3:15 p.m., on December 16, 2019.

Members Present      Regional Councillor Mario Ferri, Chair  
Gerry O'Connor, Vice Chair  
Bernard Lo  
Jitu Pancholi  
Darlene Share

Also Present:      Janet Rurak, Program Manager, York Region Seniors Strategy  
Lisa McDonough, Director of Customer Experience, Vaughan  
Public Libraries  
Angela Palermo, Recreation Manager, Community Development &  
Planning  
Margie Chung, Manager of Traffic Services, Transportation and  
Fleet Management Services  
John Britto, Council / Committee Administrator

The following items were dealt with:

**1.      2020 MEETINGS SCHEDULE (REVISED)**

**The Older Adult Task Force advises Council:**

- 1)      That the revised 2020 Meetings Schedule was approved, as presented.**

**2.      RESIGNATION OF A MEMBER - MR. GEORGE MATHEW**

**The Older Adult Task Force advises Council:**

- 1)      That the resignation of Mr. George Mathew was accepted; and**
- 2)      That Council was requested to consider filling the vacancy caused by the resignation.**

**REPORT NO. 4 OF THE OLDER ADULT TASK FORCE FOR  
CONSIDERATION BY THE COMMITTEE OF THE WHOLE,  
JANUARY 21, 2020**

---

**3. DIMENSION OF AGE-FRIENDLY COMMUNITY CRITERIA**

**The Older Adult Task Force advises Council:**

- 1.) That a brain-storming session was facilitated by the  
Recreation Manager, Community Development and Planning.**
- 

The meeting adjourned at 4:08 p.m.

Respectfully submitted,

Regional Councillor Mario Ferri, Chair

**CITY OF VAUGHAN  
REPORT NO. 3 OF THE  
VAUGHAN METROPOLITAN CENTRE SUB-COMMITTEE**

*For consideration by the Committee of the Whole  
of the City of Vaughan  
on January 21, 2020*

---

The Vaughan Metropolitan Centre Sub-Committee met at 9:35 a.m., on December 4, 2019.

Members Present:      Hon. Maurizio Bevilacqua, Mayor, Chair  
                                Regional Councillor Linda D. Jackson  
                                Councillor Rosanna DeFrancesca  
                                Councillor Sandra Yeung Racco

The following items were dealt with:

**1.      2020 SCHEDULE OF MEETINGS**

**The Vaughan Metropolitan Centre Sub-Committee advises Council:**

- 1)      That the 2020 Schedule of Meetings was approved as amended, with the meeting dates being:**

**Tuesday, April 7, 2020;  
Tuesday, June 2, 2020; and  
Tuesday, November 10, 2020.**

**2.      FEASIBILITY STUDY FOR A CULTURAL ARTS CENTRE IN THE  
VAUGHAN METROPOLITAN CENTRE**

**The Vaughan Metropolitan Centre Sub-Committee advises Council:**

- 1)      That the recommendation contained in the following report of the Interim City Manager and the Deputy City Manager, Planning and Growth Management dated December 4, 2019 was approved; and**
- 2)      That the presentation by Mr. Doron Meinhard, Associate Partner, Hariri Pontarini Architects, Carlaw Avenue, Toronto, and Ms. Meg Friedman, Consultant at AMS Planning and Research, New Haven, Connecticut, United States of America, was received.**

**REPORT NO. 3 OF THE  
VAUGHAN METROPOLITAN CENTRE SUB-COMMITTEE  
FOR CONSIDERATION BY THE COMMITTEE OF THE WHOLE,  
JANUARY 21, 2020**

---

**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.

(A copy of the foregoing report has been attached for reference and the report attachments are on file in the Office of the City Clerk.)

**3. ALIGNING POLICIES AND PROGRAMS TO CONTINUE OFFICE DEVELOPMENT MOMENTUM IN VAUGHAN**

**The Vaughan Metropolitan Centre Sub-Committee advises Council:**

- 1) That the recommendation contained in the following report of the Interim City Manager and the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer and the Deputy City Manager, Planning and Growth Management dated December 4, 2019 was approved; and
- 2) That the presentation by the Director of Economic and Cultural Development and C2, presentation material titled “Aligning Policies and Programs to Continue Office Development Momentum in Vaughan”, was received.

**Recommendations**

1. That Council approve pilot office incentive policies and programs to encourage large office buildings through:



**REPORT NO. 3 OF THE  
VAUGHAN METROPOLITAN CENTRE SUB-COMMITTEE  
FOR CONSIDERATION BY THE COMMITTEE OF THE WHOLE,  
JANUARY 21, 2020**

---

- 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 ft<sup>2</sup> 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.

(A copy of the foregoing report has been attached for reference and the report attachments are on file in the Office of the City Clerk.)

**4. VMC IMPLEMENTATION AND CONSTRUCTION UPDATE**

**The Vaughan Metropolitan Centre Sub-Committee advises Council:**

- 1) **That the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management dated December 4, 2019 was approved; and**
- 2) **That the following was approved in accordance with Communication C1, Memorandum from the Deputy City Manager, Planning and Growth Management dated November 27, 2019:**

**REPORT NO. 3 OF THE  
VAUGHAN METROPOLITAN CENTRE SUB-COMMITTEE  
FOR CONSIDERATION BY THE COMMITTEE OF THE WHOLE,  
JANUARY 21, 2020**

---

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

**Recommendations**

1. That this report be received for information.

(A copy of the foregoing report has been attached for reference and the report attachments are on file in the Office of the City Clerk.)

---

The meeting adjourned at 2:53 p.m.

Respectfully submitted,

Regional Councillor Mario Ferri, Chair



## 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.

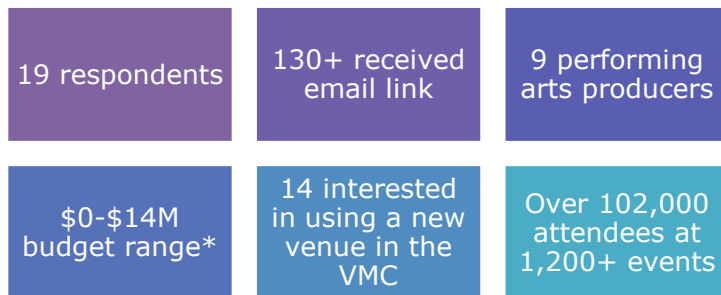
In the development context of the VMC, burgeoning residential, retail commercial and office development projects, urban parks and open spaces, an emerging recreation, hospitality and entertainment sector, anchored by a public transit network that spans the Greater Toronto Area (GTA), will see the downtown 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

Amy Roots, Senior Manager of Development Planning (VMC), ext. 8035  
Christina Bruce, Director, VMC Program, ext. 8231  
Dennis Cutajar, Director, Economic and Cultural Development, ext. 8274

## **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 m<sup>2</sup> (724,400 ft<sup>2</sup>) 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 m<sup>2</sup>.
- 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 ft<sup>2</sup> (6,967.5 m<sup>2</sup>) 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 ft<sup>2</sup> 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 m<sup>2</sup> (1.5 million ft<sup>2</sup>) 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 m<sup>2</sup> (5.2 million ft<sup>2</sup>) 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
<b>Vaughan</b>	<b>82</b>	<b>5,225,868</b>	<b>3.5%</b>	<b>4.8%</b>	<b>\$19.81</b>	<b>\$31.00</b>
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 ft<sup>2</sup> of office space development and 750,000 ft<sup>2</sup> 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 m<sup>2</sup>. Planning approvals are in place for an additional 13,500 m<sup>2</sup> 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 ft<sup>2</sup> 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**

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

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

The Growth Plan directs major office uses to Urban Growth Centres (VMC for Vaughan), MTSA 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 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 ft<sup>2</sup>.

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 ft<sup>2</sup> 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 m<sup>2</sup> (724,400 ft<sup>2</sup>) 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 ft<sup>2</sup> 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 <sup>2</sup> to 150,000 ft <sup>2</sup>	5 year*
Between 150,000 ft <sup>2</sup> to 250,000 ft <sup>2</sup>	10 year*
Greater than 250,000 ft <sup>2</sup> and less than or equal to 400,000 ft <sup>2</sup>	15 year*
Greater than 400,000 ft <sup>2</sup>	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 ft<sup>2</sup>, it is proposed that Vaughan's program has a minimum threshold of 50,000 ft<sup>2</sup> 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 <sup>2</sup> to 150,000 ft <sup>2</sup>	5 year*
Between 150,000 ft <sup>2</sup> to 250,000 ft <sup>2</sup>	10 year*
Greater than 250,000 ft <sup>2</sup> and less than or equal to 400,000 ft <sup>2</sup>	15 year*
Greater than 400,000 ft <sup>2</sup>	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 m<sup>2</sup> 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

**Prepared by**

Brianne Clace, Project Manager, Development Finance, ext. 8284

Shirley Kam, Manager of Special Projects and Economic Development, ext. 8874

Nelson Pereira, Manager of Development Finance, ext. 8393

Fausto Filipetto, Manager of Long-Range Planning, ext. 8699

Amy Roots, Senior Manager of Development Planning (VMC), ext. 8035

Dennis Cutajar, Director of Economic and Cultural Development, ext. 8274

Bill Kiru, Director of Policy Planning and Environmental Sustainability, ext. 8633

Christina Bruce, Director of Vaughan Metropolitan Centre Program, ext. 8231

Michael Marchetti, Director of Financial Planning and Development Finance/Deputy Treasurer, ext. 8271

## 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

Amy Roots, Senior Manager, Planning and Urban Design (VMC), ext. 8035

Jennifer Cappola-Logullo, Manager, Development Engineering (VMC), ext. 8433

Gerardo Paez-Alonso, Manager, Parks Development (VMC), ext. 8195

Christina Bruce, VMC Program Director, ext. 8231

**CITY OF VAUGHAN  
REPORT NO. 6 OF THE  
HERITAGE VAUGHAN COMMITTEE**

***For consideration by the Committee of the Whole  
of the City of Vaughan  
on January 21, 2020***

---

A meeting of the Heritage Vaughan Committee was scheduled for Wednesday, December 4, 2019, at 7:00 p.m., in Committee Rooms 242/243; however, a quorum was not reached. A roll call of members present was taken at 7:48 p.m. with the following members present:

<b><u>Present:</u></b> Giacomo Parisi, Chair Antonella Strangis, Vice-Chair Sandra Colica Diana H. Hordo Councillor Marilyn Iafrate Ricardo Orsini John Senisi	<b><u>Regrets:</u></b> Councillor Alan Shefman He Zhanyi Dave Snider Elly Perricciolo
---	---

**Staff:**

Nick Borcescu, Senior Heritage Planner  
Wendy Whitfield Ferguson, Cultural Heritage Coordinator  
Katrina Guy, Cultural Heritage Coordinator  
Adelina Bellisario, Council / Committee Administrator