

COMMITTEE OF THE WHOLE (2) – APRIL 12, 2022**COMMUNICATIONS**

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Please note there may be further Communications.

Development Charges and Community Benefits Charges Study: Council Information Session



CITY OF VAUGHAN

Tuesday, April 12th, 2022

HEMSON

Agenda

- Overview of Background and Study Objectives
- Summary of Development Forecast
- Development-Related Capital Programs (DC/CBC Studies)
- Calculated DCs and CBC Rate Structure
- Implementation and Next Steps

Background

- The City has retained Hemson to complete:

1. Development Charges
(DC) Background Study +
Draft By-law
(Hemson) ⁽¹⁾

2. Community Benefits
Charge (CBC) Strategy +
Draft By-law
(Hemson)

By-laws to be passed
2nd Quarter of 2022.

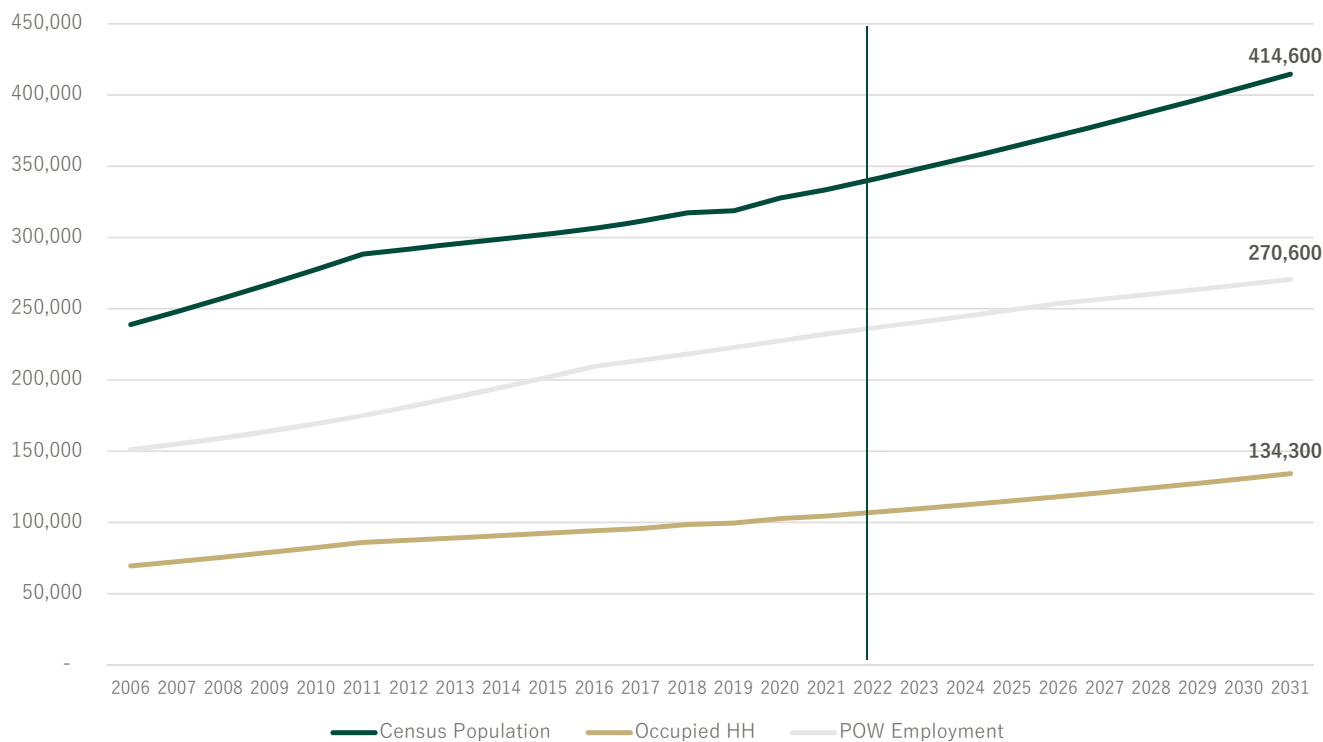
Alternative Parkland
Dedication Rate:
(Hemson only in the Capacity
to review costs to ensure
consistency with DC and CBC)

2 *Note 1: DC Study intended as “interim” update and another update will be undertaken with the completion of the Official Plan Review.*

Industry Consultation Program to Date

- Hemson and City staff have been in consultation with BILD and a sub-working committee since project initiation
 - Materials had been circulated to the industry to facilitate technical discussions
- A total of two workshops and two technical meetings have taken place with the development industry thus far:
 1. Workshop #1 – January 20th, 2022
 2. Technical Meeting #1 – February 25th, 2022
 3. Workshop #2 – March 1st, 2022
 4. Technical Meeting #2 – March 18th, 2022
- Several additional meetings are expected over the coming months

Summary of DC Study Forecast



Source: York Region 2017 DC Study (45% Intensification Scenario), Hemson Consulting 2022

- 10-Year Planning Horizon for all Services (2022-2031)
- Forecasts of Population, Households and Employment are based on the 2031 Targets for the City
 - Reflects 45 per cent intensification scenario as approved by Regional Council (similar forecast to 2018 DC Study)
- Represents a continued transition to more high-density development

DC Capital Program

- Future capital costs must be identified, and Council must express intent to undertake capital works
- DC Capital Project list has been developed in consultation with City staff
 - Project list has synergies with 2018 DC Study
- Regulations identify soft services are now fully recoverable (no longer a 10% reduction on any service)

DC Capital Program Overview: 2022 - 2031 (\$ Millions)

Service Category	Overview of Projects	Gross Capital Program ⁽¹⁾	Ineligible Costs (BTE)	DC Eligible (2022-2031) ⁽²⁾	Other Development Related ⁽³⁾
Library Services	<ul style="list-style-type: none"> - Provision for 6 New Libraries - Resources, F&E and other hardware required - Principal Payments associated with new VMC Library ⁽⁴⁾ - Residual costs for Carville Library 	\$93.9	\$9.7	\$63.5	\$20.7
Fire Services	<ul style="list-style-type: none"> - Construction of 4 New Stations - Top-up funding for current station - New equipment and vehicle purchases associated with each station 	\$79.8	\$18.5	\$52.7	\$8.6
Community Services	<ul style="list-style-type: none"> - Construction of 7 New Facilities - Residual costs for Carville Library - Principal payments associated with VMC C.C ⁽⁴⁾ - New Parkland Development, Playing fields, playgrounds and trails - North Operations Centre (parks share) and non-roads fleet and equipment 	\$858.7	\$7.3	\$561.3	\$290.1
Development-Related Studies	<ul style="list-style-type: none"> - Various Studies over the planning period 	\$44.2	\$4.6	\$39.6	\$0.0
Public Works	<ul style="list-style-type: none"> - North Operations Centre (PW Share) - Roads Fleet and Equipment 	\$59.7	\$0.5	\$53.3	\$5.9
City-wide Engineering	<ul style="list-style-type: none"> - Capital project list generally consistent with 2018 Study - Updated project costs and timing 	\$3,037.5	\$0.0	\$2,193.3	\$844.2
TOTAL DC PROGRAM		\$4,173.8	\$40.6	\$2,963.7	\$1,169.5

1: Gross Program includes commitments for all soft services. Transportation program shown is net of commitments and grants/subsidies have already been netted off the gross program

2: DC Eligible in-period costs include the amount being funded from DC Reserves

3: Projects that exceed the funding envelope or identified to benefit development beyond 2031. Can be funded from future DCs or other growth-funding tools (i.e. CBCs)

4: Principal payments included in the capital program. Interest costs are included in the cash-flow for recovery

Calculated DC Rates

Service	Residential Charge by Unit Type				Non-Residential (\$/m ²)
	Singles & Semis	Townhouses & Multiples	Large Apartments (≥ 700 sq.ft.)	Small Apartments (< 700 sq.ft.)	
Development-Related Studies	\$1,014	\$835	\$630	\$454	\$4.28
Library Services	\$2,238	\$1,841	\$1,391	\$1,002	\$0.00
Fire and Rescue Services	\$1,432	\$1,178	\$890	\$641	\$6.04
Community Services	\$18,294	\$15,051	\$11,368	\$8,193	\$0.00
Public Works	\$1,465	\$1,205	\$910	\$656	\$6.20
City-wide Engineering	\$61,590	\$50,670	\$38,273	\$27,584	\$259.84
Total City-Wide Charge (\$/unit or \$/m²)	\$86,033	\$70,780	\$53,462	\$38,530	\$276.36

Comparison of Current vs. Calculated

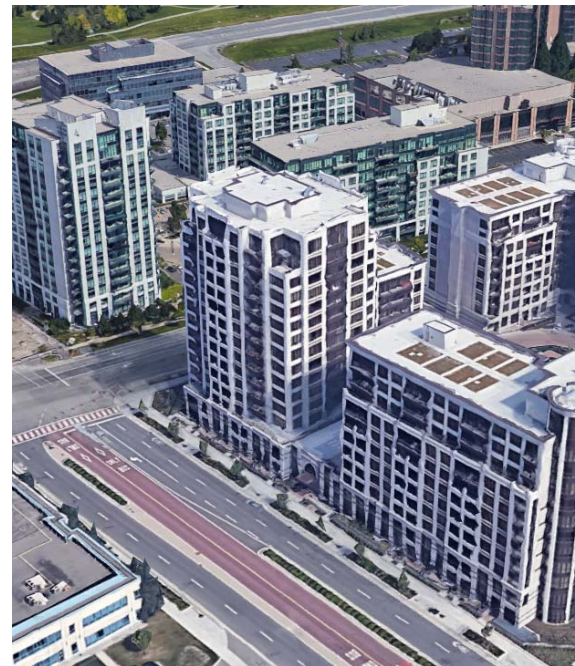
Service	Current* Residential Charge / SDU	Calculated Residential Charge / SDU	Difference (\$ and %)
Development-Related Studies	\$1,274	\$1,014	-\$260 (or -20%)
Library Services	\$1,726	\$2,238	\$512 (or 30%)
Fire and Rescue Services	\$1,239	\$1,432	\$193 (or 16%)
Community Services	\$16,536	\$18,294	\$1,758 (or 11%)
Public Works	\$1,286	\$1,465	\$179 (or 14%)
City-wide Engineering	\$39,154	\$61,590	\$22,436 (or 57%)
Total City-Wide Residential Charge per SDU	\$61,215	\$86,033	\$24,818 (or 41%)

Service	Current* Non-Residential Charge per m ²	Calculated Non-Residential Charge per m ²	Difference (\$ and %)
All Services	\$178.69	\$276.36	\$97.67 (or 55%)

*Current rates as of January 1st 2022

Planning Act: Community Benefits Charges (CBCs)

- Height/density “bonusing” under s.37 of Planning Act now gone
- Replaced by CBC for growth-related capital—projects can be co-funded from DCs and CBCs
- In-kind contributions permitted (credits given)



Source: Google Earth Pro, 2020

Planning Act Legislative Basics

- Imposed by by-law
- Only local municipalities can charge
- Can only be levied against higher density development
 - 5 or more storeys, and
 - 10 or more residential units
- Requires a “strategy”
- Legislation does not prescribe CBC rate structure

Regulation sets cap at **4%** of land value the day before a building permit is issued



Source: Google Earth Pro, 2020

Land value should reflect zoning and density permissions

CBC Capital Program Overview: 2022 - 2031 (\$ Millions)

Service Category	Overview of Projects	Gross Program	CBC Eligible Program ⁽¹⁾
Public Art and Culture	<ul style="list-style-type: none"> - Public Art Installations associated to high-density developments - Provision for VMC Cultural and Performing Arts Space 	\$39.6 M	\$28.2 M
Community Facilities & Amenities	<ul style="list-style-type: none"> - Heritage Preservation - Library & Community Service Projects - Beautification Strategy - Vaughan Healthcare Centre Precinct District - Select Tier 2 projects that exceed DC funding envelope (Yonge and Steeles Library, Block 27 Library, Weston and 7 Community Hub, Yonge and Steeles Community Hub) 	\$392.9 M	\$56.6 M
Parking	<ul style="list-style-type: none"> - VMC Parking Strategy - Various parking related works to support high-density development 	\$3.5 M	\$0.6 M
Studies and Administration	<ul style="list-style-type: none"> - CBC Strategy and Implementation Process 	\$0.5 M	\$0.5 M
Total CBC Program		\$436.5 M	\$85.9 M

1: CBC Eligible program represents the share related to high-medium density developments.

CBC Capital Program and Rate Structure

- CBC eligible expenditures over the 10-year period (to 2031) amounts to \$85.9 Million
- Capital Program funding to be capped at 4% of land value
 - Servicing needs arising from buildings with 5 or more storeys and 10 or more residential units
 - Charge to be levied on land area of proposed development (i.e. land-based)
- Important consideration: CBC payable cannot exceed 4% of land value for each specific development
 - Complex rules where there is disagreement in valuation

Implementation and Next Steps

- Two-year transition period to conform to all the changes – DCs, Parkland (if using alternative rate) and CBCs
 - CBC By-law will come into force upon passage (use of S.37 will be discontinued upon passage of CBC)
 - City-wide DC by-law does not expire until 2023 but it is anticipated that a new by-law still passed in 2022
- Continue discussions with the industry (Technical working group and broader BILD Group)
- Schedule moving forward:
 - April 12th, 2022 - DC Study & CBC Strategy released for public consultation
 - May 10th, 2022 – Statutory Public Meeting
 - June 21st, 2022 – COW seek approval of by-law(s)



COMMUNICATION C2.

ITEM NO. 6

COMMITTEE OF THE WHOLE (2)

April 12, 2022

DATE: April 8, 2022

TO: Mayor and Members of Council

FROM: Gus Michaels, Deputy City Manager, Community Services

**RE: COMMUNICATION – Committee of the Whole (2), April 12, 2022
Item 6, Report No. 19
POST COVID-19 BY-LAW SUPPORT FOR BUSINESSES**

Recommendation

The Deputy City Manager, Community Services recommends:

1. That Staff Recommendation 1 and 2 of the Report be amended to read as follows:
 1. THAT By-Law 094-2020, as amended, being the temporary use by-law to permit Temporary Outdoor Patios, be amended to add “and By-law 001-2021” after “By-law 1-88” to subsections 1(a) and 1(b) and to replace subsection 1(d) with language to provide that the By-law be repealed on January 1, 2023;
 2. THAT City-wide Zoning By-laws 1-88 and 001-2021 be amended to permit temporary Outdoor Patios and the expansion of existing outdoor patios, accessory to existing Eating Establishment Uses for a period to end on January 1, 2023.

Background

Staff are proposing to extend the temporary patio initiative to January 1, 2023. Staff propose to make amendments to: By-law 096-2020, as amended, which sets out eligibility and regulatory requirements; By-law 094-2020, as amended, which amended the City’s Zoning By-law 1-88 by introducing the temporary use for temporary outdoor patios; City-wide Zoning By-law 001-2021 to permit temporary outdoor patios and the expansion of existing outdoor patios; and By-law 095-2020, as amended, which exempts temporary outdoor patios accessory to Eating Establishments and Banquet Halls from Site Plan Control.

With respect to Recommendation 1 of the Report, By-Law 094-2020, as amended, references the City’s enacted zoning By-law 1-88. The revised Recommendation 1 in this communication adds a reference to By-law 001-2021 should this By-law be enacted during the period of this temporary measure.

Currently, Recommendation 2 of the Report recommends public notice and a public hearing to have the matter considered; however, under Ontario Regulation 345/20

under the *Reopening Ontario (A Flexible Response to COVID-19) Act, 2020*, S.O. 2020, c. 17, process and timelines relating to zoning by-law amendments for outdoor patios are currently exempt from sections 39 and subsections 34 (12) to (14.3), (14.5) to (15) and (19) of the *Planning Act*, R.S.O., 1990, c. P. 13, and paragraphs 4 and 5 of subsection 6 (9) of Ontario Regulation 545/06 under that Act. These exemptions under the Regulation are in force until April 27, 2022. As such, Council's decision with respect to these amendments is not subject to the typical notice requirements for zoning by-laws, and any further amendment to By-law 094-2020, as amended, is final and not subject to appeal to the Ontario Land Tribunal. Therefore, public notice and a public hearing are not required for Council to effect the recommended amendments.

For more information, contact Rudi Czekalla-Martinez, Manager, Policy and Business Planning, ext. 8782.

Respectfully submitted by:

A handwritten signature in blue ink, appearing to read 'Gus Michaels', is written over a faint horizontal line.

Gus Michaels,
Deputy City Manager, Community Services

Life well played.



WHO WE ARE

Alvarez And Partners is lead by Ed Alvarez and Richard Nicolson.

Richard and Ed have managed, consult on and owned countless clubs in North America. Richard, Ed and their team specialize in clubs with racquet sports and fitness including private and commercial clubs and public/private partnerships. Ed and Richard have worked together and been operating clubs successfully for over 25-years and co-own Unionville Athletic Club Toronto.



ED ALVAREZ

Ed is a former squash professional with over 30 years of experience in the health club and racquet club industry. He is an expert in all aspects of club management and marketing systems. He has taken several clubs from concepts to thriving businesses.

- First franchise owner in GoodLife History
- Co-founder of 99 Sudbury Sport, Social and Fitness Club
- Co-founder of Unionville Athletic Club
- Works as a consultant on numerous health club projects



RICHARD NICOLSON

Richard is a former tennis professional with 25 years of experience in the health and racquet club industry. He is an expert in club service systems, management, and programming.

- General manager at the prestigious York Racquets Club
- The operator of three tennis clubs in Toronto, employing over 25 coaches
- 20 years of experience as a head tennis professional
- Co-owner of Unionville Athletic Club

A person wearing an orange long-sleeved shirt and a maroon skirt is holding a yellow pickleball in their right hand and a pickleball paddle in their left hand. The background is blurred, showing what appears to be an outdoor court setting.

ISSUES WITH HYBRID SOLUTIONS FOR PICKLEBALL

USING EXISTING TENNIS COURTS CAN WORK, BUT CAN CREATE PROBLEMS:

Using existing tennis courts are not always the best pickleball court solution:

- No backstop for errand balls
- Requires setting up nets for multiple courts or using an existing tennis net, which is not the correct height
- An inability to advance book court time is creating large groups waiting on site, which contributes to noise and frustration

NOISE

- Many existing tennis courts are not set back far enough from residential areas which result in noise complaints
- Tennis players also complain about noise if they are playing on a tennis court next to a pickleball court

CONFLICT

- Using tennis courts for pickleball has resulted in conflict between both groups in other municipalities
- Culture of tennis and pickleball very different (pickleball players gather in groups and are louder and more social)

OUR SOLUTION

Our goal is to build world-class indoor and outdoor pickleball clubs to address the current and future needs of pickleball players Including:

- Enough courts for local demand along with provincial and national competitions make Vaughan the pickleball leader in Canada
- Pickleball tournaments are seeing 1,000 to 1,500 entries, which results in a substantial opportunity for local businesses and hotels



SOCIAL SPACE

Indoor and outdoor space provide ample opportunity to mingle and enjoy the total club experience





OUR VISION FOR ACTIVE AND HEALTHY COMMUNITIES

Corte would like to work with the Parks and Recreation Department to provide a viable Pickleball solution for Vaughan. Our goal is to build world-class indoor and outdoor pickleball clubs to address the current and future needs of pickleball players Including:

Enough courts for local demand along with provincial and national competitions - make Vaughan the pickleball leader in Canada.

- A revenue model to offset operational expenses
- No-cost court time for the community
- Programs for all ages and demographics – seniors, youth and families
- Recreational and competitive leagues and ladders
- Technology-enabled court bookings
- Online court booking
- Programming that can quickly adapt to the needs of local players

Corte can operate clubs with minimal costs to the city and more effectively than historic community racquet club models. Pickleball provides better use of space while it's easier to learn and more accessible for less agile players, making it an ideal public recreation and community enrichment sport.

We are seeking our first location at an underutilized tennis facility or other suitable sites.

THANK YOU

