

VMC Sub-committee Report

DATE: Tuesday, April 11, 2023

WARD: 4

TITLE: VMC DEVELOPMENT ACTIVITY UPDATE – APRIL 2023

FROM:

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ACTION: FOR INFORMATION

Purpose

To provide an update on the status of development activity in the Vaughan Metropolitan Centre (VMC).

Report Highlights

- Efforts are being undertaken to maintain a healthy balance between current population trends and available hard and soft infrastructure, including community services, parks, open spaces, and facilities.
- Residential development:
 - 3,900 completed residential units are home to 7,722 residents
 - 5,649 residential units are under construction bringing an additional population of 11,185 residents
 - 10,666 residential units have been approved by Council and will house 21,119 future residents
 - 18,933 residential units, for 37,487 potential residents, are proposed currently through active development applications and subject to Council approval
- The realization of developments that are occupied, under construction, or approved represents more than 40,026 residents in over 20,215 units, greatly exceeding the population target established for the 2031 planning horizon.

Report Highlights (Continued)

- Office and retail development:
 - Currently, about 78,000 m² (~840,000 ft²) of new office space has been built or approved, representing 55% of the 2031 office space target.
 - Two development applications propose an additional 76,000 m² (~820,000 ft²) of office space. The built, approved, and new applications represent 110% of the 2031 office target.
 - In 2022, about 40,000 m² (~431,000 ft²) of retail space was occupied, under construction, or approved by Council, representing 56% of the 2031 retail target.
 - To date, about 65,000 m² (~700,000 ft²) of retail space is occupied, under construction, approved by Council, or subject to Council approval, representing 92% of the 2031 retail target.
- Despite the progress on office and retail uses, the exponential growth and interest in residential development continues to far exceed non-residential uses and creates an imbalance of uses in the downtown.

Recommendation

1. THAT the VMC Development Activity Update – April 2023 report be received for information.

Background

The VMC is the City of Vaughan's emerging downtown and central business district. It will be the financial, innovation and cultural centre of the City, with a vibrant sense of place, a high-quality public realm and environmentally sustainable design practices. The vision of the VMC is to create a dynamic and balanced community encompassing different built form typologies, and a mix of uses that are transit supportive and pedestrian friendly.

To achieve a critical mass supportive of a downtown and meet the minimum density target of 200 people and jobs per hectare established by the Provincial *Growth Plan for the Greater Golden Horseshoe* (the 'Growth Plan'), the VMC Secondary Plan ('VMCSP') established a population target of 25,000 residents and 11,500 jobs by 2031.

The existing VMCSP provides a strong vision and policy foundation for the VMC and has helped guide development since its partial approval by the Ontario Land Tribunal ('OLT', formerly the Ontario Municipal Board and Local Planning Appeal Tribunal) in 2015. Since this time, development interest in the VMC has exceeded expectations. The exponential growth in residential intensity was not anticipated when the VMCSP was initially developed, nor planned for in the related engineering and community service master plans.

The City is undertaking an update to the VMCSPP to address provincial and regional policy updates, and to respond to the rapid growth that is putting pressure on realizing Council's vision for a vibrant and balanced downtown. The VMCSPP Update will result in a renewed policy framework that supports the completion of a downtown and central business district as a complete community that is well supported by municipal services and social infrastructure to 2051 and beyond.

The VMCSPP Update is being coordinated with concurrent studies including the VMC Parks and Wayfinding Master Plan (PWMP), VMC Transportation Master Plan Update, and the VMC Functional Servicing Strategy Report. The findings of these related studies will inform the update to the VMCSPP. Please refer to the VMC STUDIES UPDATE – APRIL 2023 for more information on these background studies.

Previous Reports/Authority

[VMC Development Activity Update – March 5, 2019](#)

[VMC Development Activity Update – November 10, 2020](#)

[VMC Development Activity Update – November 2, 2021](#)

[VMC Development Activity Update – September 20, 2022](#)

[VMC Secondary Plan Update – Phase 1](#)

[VMC Secondary Plan Update – Phase 2 Approach](#)

[VMC Secondary Plan Update - Phase 2 - Land Use Options](#)

Analysis and Options

Residential development activity continues to dramatically surpass the population targets established in the VMCSPP

Residential development has exceeded the targets set out in the VMCSPP for residential units and number of residents. Currently, more than 23 high-rise mixed-use buildings have been built or approved in the VMC, at almost 1.6 times the density set out in the Secondary Plan.

This residential development includes:

- 3,900 units, or approximately 7,722 residents, in developments that are completed and occupied
- 5,649 units, or approximately 11,185 future residents, in developments that are under construction
- 10,666 units, or approximately 21,119 future residents, in developments approved by Council but not yet constructed
- 18,933 units, or approximately 37,487 potential future residents, based on in-progress development applications

The realization of developments that are occupied, under construction, or approved represents more than 40,026 residents over 20,215 units, greatly exceeding the population target established for the 2031 planning horizon.

Residential uses need to be supported by other uses

The ratio of residential to non-residential uses continues to widen, raising concern for a lack of balance in the VMC. Development intensification is trending at a rate that is an average of 1.6 times greater than the maximum permissions afforded by the VMCSPP. Density aspirations in the marketplace continue to set new precedents.

While the magnitude of development interest and activity in the VMC is exciting, the risk of growing too quickly is that the downtown may not develop into a complete community. Residential interests need to be balanced with other uses to achieve the vibrant downtown envisioned by Council and described in policy. Additionally, the VMC requires a healthy balance of social infrastructure to serve the existing and growing population.

Recognizing this concern, staff have proactively advanced several VMC plans and studies, as noted earlier in this report, to address these trends, reassess the development context, and refocus efforts moving forward.

Generating a diversity of building typologies and family-sized units continues to be a challenge in the VMC

The predominate form of development continues to be high-rise residential towers on podiums, with the delivery of other building typologies, such as low-rise and mid-rise buildings, lagging. Staff continue to encourage the integration of other building typologies to address the “missing middle” challenges in the City. This issue is exacerbated as previous development applications that included mid-rise buildings are revisited and revised for high-rise development.

Based on approved development applications, 98% of the VMC housing supply comprises apartment units, with the balance represented by townhouses. There is also a continuing trend toward smaller units and less unit mix diversity. Within multi-unit buildings, the vast majority of units are 1-bedroom (57%), followed by 2-bedrooms (41%), while only 2% of the units are 3-bedrooms.

While the VMC has successfully secured its first purpose-built rental building, a focus on providing equitable, affordable housing and additional rental tenured buildings continues to be a priority.

Development must be balanced with supporting social infrastructure to achieve a complete community

Vaughan’s downtown has enjoyed a competitive advantage in the marketplace with its strategic location and catalytic infrastructure investments. This success, however, has come with unexpected consequences. As previously mentioned in this report,

residential growth in the VMC continues to outpace office, retail, and other non-residential uses. As a result, the provision of social infrastructure necessary to support a complete community, such as parkland, schools, community services and facilities, has not kept pace with the residential population generated by new developments.

In order to achieve Council's vision of a vibrant, diverse, thriving downtown and central business district, and to deliver on the City's Term of Council Strategic Priority of City Building to "Develop the VMC as a complete community", the provision of social infrastructure must be implemented in lockstep with residential development.

Of growing concern is the City's capability to build out parks, schools, cultural spaces, emergency services and provide affordable housing to support the existing and growing community. The dramatic increase in residential density trends suggests a deficit in the available parkland. To address these concerns, the City initiated the VMC PWMP to provide the City with a Parks and Open Space Master Plan that identifies parkland provision gaps and provides a plan that can be implemented in a timely manner to fulfill the VMC parkland target at a mid-to-long term time frame. This work has been used to inform the ongoing land use options developed as part of the VMCS Update. Given the recent changes to provincial planning legislation, it is imperative that the procurement of parkland be made a top priority to benefit residents and visitors with a wide variety of recreational opportunities in the VMC.

Concern to develop suitable school sites across the VMC

The City continues to work with the School Boards and landowners to develop suitable school sites and urban school typologies across the VMC. The size and quantity of future school sites is being reviewed to ensure the demand from the increase in resident population can be properly facilitated. Additional schools may be required to accommodate the influx of residents.

Proposed office area on course with 2031 planning horizons but no longer balanced to achieve a vibrant central business district

At the end of 2022, a total of about 73,000 m² (~786,000 ft²) of new office space was approved or built. Since then, almost 5,000 m² (~54,000 ft²) of new office space was constructed. Two development applications currently under review are proposing an additional almost 76,000 m² (~820,000 ft²) of office space which, if built, would represent 110% of the 2031 office target projections. This is offset by a previously approved development that has reapplied for additional residential density, significantly reducing their proposed office space.

Achieving significant office uses is a fundamental component in realizing the City's vision of a world class downtown and vibrant community. Despite being on track to meet the office and job targets established by the VMCS Update, development interest in office uses has been largely dwarfed by that of residential uses which is more than triple the office development trend, resulting in an overall imbalance of uses.

Residential development interest in the VMC has resulted in a 7:1 resident-to-jobs ratio, based on developments that have been completed or are under construction, far exceeding the 2.6:1 resident-to-jobs ratio indicated in the original VMCSPP. This ratio risks being further eroded to 8:1 based on the applications currently under review with the City, and the PACs that have taken place. Should this trend continue, Council's vision of a world class downtown, with a vibrant central business district and balanced community, may no longer be possible.

To help address this trend, and to help inform the land use options developed through Phase 2 of the VMCSPP Update, an Office Feasibility Assessment ('Feasibility Assessment') was completed on March 18, 2022, by Parcel Economics, to understand the market demand for office in the VMC. Recognizing the current challenges associated with developing new office uses in a post-pandemic landscape, this Feasibility Assessment has helped to identify a number of mechanisms – or policy solutions – to help improve feasibility conditions.

The Feasibility Assessment demonstrates that by utilizing a combination of policy mechanisms, the financial conditions for office development are improved, which ultimately encourages the growth of a critical mass of office activity within the VMC over the long-term planning horizon. Consideration will need to be given to balancing current development pressures that predominantly focus on residential uses with longer-term goals relating to growth in office employment. The results of this Feasibility Assessment will be relied upon to support policy-related decisions for the VMCSPP Update.

Proposed retail uses have increased

By the end of 2022, about 12,000 m² (~130,000 ft²) of retail space was completed and occupied, almost 11,000 m² (~118,000 ft²) was under construction, and about 17,000 m² (~183,000 ft²) of retail space was approved by Council. Currently, an additional 25,000 m² (~270,000 ft²) of retail space is proposed, subject to Council approval. Should the applications proceed to full approval and construction, 92% of the 2031 retail target will be attained.

Retail is a critical component to achieving a vibrant and sustainable downtown. While retail uses often follow the establishment of a critical mass of residents, early planning for a significant retail space is critical in creating a complete community. As with office uses, the VMCSPP Update must assess whether this emerging balance of uses is appropriate for the vision of the VMC as a complete community.

Financial Impact

There are no economic impacts resulting from this report.

Operational Impact

Staff have actively coordinated with other City departments, including Economic Development, to provide input for this report.

Development applications for the VMC are actively reviewed through a Pre-Application Consultation process whereby applicants meet with City staff to present a preliminary concept plan. The City then identifies the submission requirements for a complete application to ensure future submissions can be processed efficiently. City staff review incoming applications internally across various departments and with other external agencies to ensure the proposed developments adhere to the guidelines of the VMCSPP and City and regional policies.

Broader Regional Impacts/Considerations

Building a downtown is a lengthy, challenging and ambitious goal. York Region's Official Plan places tremendous importance on the centres and corridors within its local municipalities as the cornerstone to achieving provincial population and employment growth targets.

Regional staff have participated and will continue to be actively in various City initiatives, such as the VMCSPP Update and the development application process, by providing input and comments as required to ensure the successful implementation and coordination of projects in the City's downtown.

Additionally, collaboration with broader regional stakeholders continues to be an important factor in ensuring the success of the VMC.

Conclusion

City staff are committed to ensuring that the VMC continues to develop as a complete and balanced community with high-density mixed uses that are balanced, transit supportive and pedestrian friendly, with a vibrant sense of place, a high-quality public realm and environmentally sustainable design approaches.

As the average density of projects continues to increase with new applications, a significant focus must be placed on the delivery of community services and social infrastructure. To balance the increase in residential population, a recalibration of the provision of hard and soft infrastructure will be required to support this new community, including parks, community services and facilities, transportation, and municipal servicing systems.

The VMCSPP Update has been initiated to address new provincial and regional policies and to confirm that the framework is still relevant considering the nature of existing, approved, and proposed development in the VMC. Updates to the VMCSPP will continue to recognize the VMC as the City's priority intensification area and downtown, while ensuring the area continues to develop as a complete, balanced and equitable community that supports the City's strategic priorities as outlined in the 2018-2022 Term of Council Service Excellence Strategic Plan.

For more information, please contact Christina Bruce, Director of Policy Planning and Special Programs, Ext. 8231.

Attachments

N/A

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