



September 26, 2023

VMC Subcommittee  
c/o Andrew Haagsma  
Planner I, Policy Planning and Special Programs  
City of Vaughan  
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Delivered by email to [Andrew.Haagsma@vaughan.ca](mailto:Andrew.Haagsma@vaughan.ca) and [Gaston.Soucy@vaughan.ca](mailto:Gaston.Soucy@vaughan.ca)

Dear Members of the VMC Subcommittee:

**Re: VMC Secondary Plan Update  
Response to Preferred Option and Draft Framework**

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We are the planning consultants for Toromont Industries Ltd. (“Toromont”) with respect to their lands at 3131 Highway 7 (the “subject site”) which is located at the southeast corner of Jane Street and Highway 7 in the centre of the Vaughan Metropolitan Centre (“VMC”) Secondary Plan area.

We are aware that the City is currently undertaking a review and update of the 2010 VMC Secondary Plan, as amended (the “current Secondary Plan”), to prepare an updated Secondary Plan that is expected to be finalized in 2024 (the “updated Secondary Plan”).

We have been participating in the City’s work on the updated Secondary Plan on behalf of Toromont, including two recent engagement sessions conducted by the City: a virtual Landowners Consultation held on September 8, 2023; and a public open house held on September 14, 2023. At these meetings, the City presented their preferred option and draft framework for the updated plan.

We have reviewed the materials presented at these two meetings and have a number of comments and concerns regarding the preferred option and draft framework presented.

With respect to density (see **Figure 1**), we note that the proposed change to a maximum of 9.0 FSI does not significantly increase the permitted density on the site due to proposed changes in the way density is calculated.

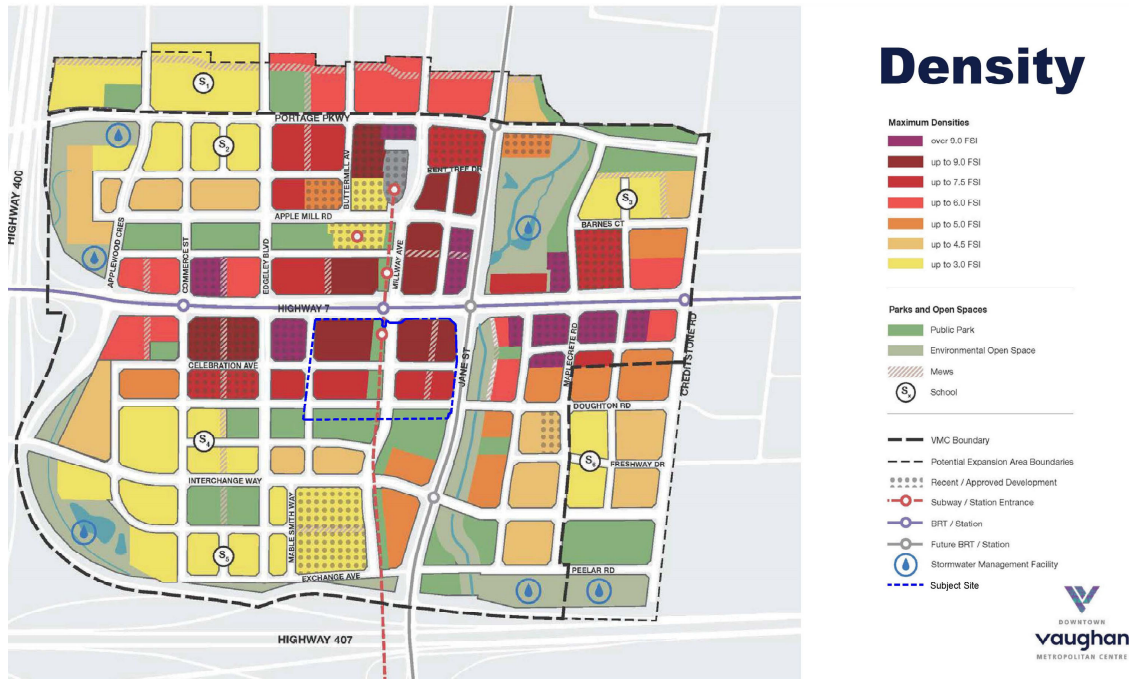


Figure 1 – VMC Secondary Plan update – Preferred option: Density

The proposed significant increase of required non-residential uses does not optimize the use of land and we are concerned it may result in oversupply of non-viable non-residential space.

In general, we are concerned that the preferred concept penalizes and places undue burden on the subject site to correct for the perceived residential over-development of sites in the VMC and under-provision of non-residentials uses.

### 1. URBAN STRUCTURE

As you may be aware, Toromont has initiated the process to submit applications for an Official Plan Amendment, Zoning By-law Amendment, and Draft Plan of Subdivision for the subject site, including attending a Pre-Application Consultation with City Staff and a presentation of the draft concept to the Vaughan Design Review Panel. The plan prepared for these applications aligns with the City’s in-force Secondary Plan in terms of the approach to the overall urban structure, with the subject site located in an area that would permit the highest heights and the greatest densities.

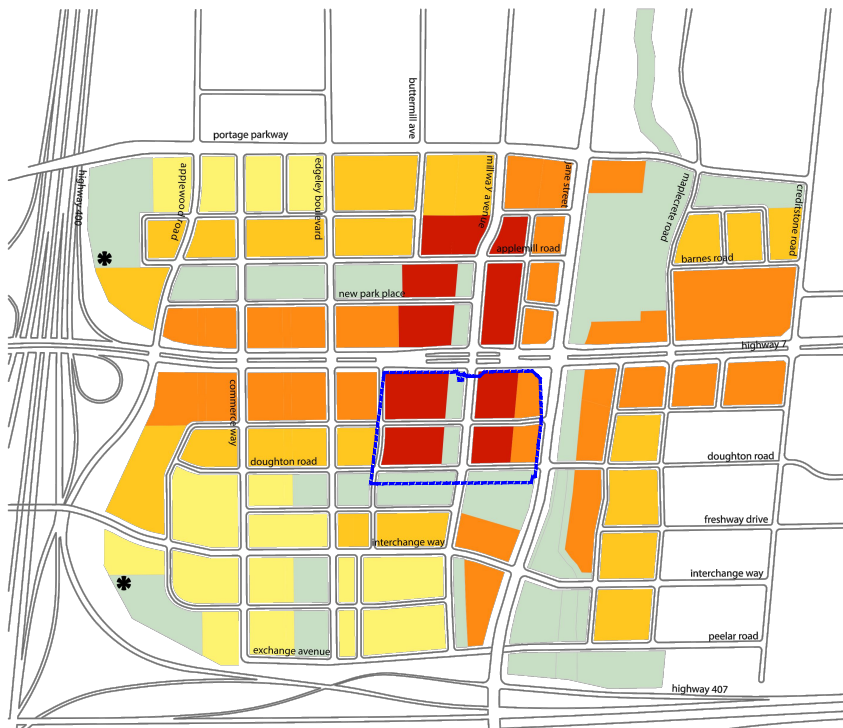
In this regard, our primary concern with the City’s preferred option and draft framework for the updated Secondary Plan (see **Figure 1**) is that the urban

structure that is currently provided in the current Secondary Plan (see **Figure 2**), with a height and density peak at the subject site, is no longer the proposed approach.

**SCHEDULE I > HEIGHT AND DENSITY PARAMETERS**

**LEGEND**

- H 6 storey minimum - 35 storey maximum  
D 3.5 minimum FSI - 6.0 maximum FSI
- H 5 storey minimum - 30 storey maximum  
D 2.5 minimum FSI - 5.0 maximum FSI
- H 5 storey minimum - 25 storey maximum  
D 2.5 minimum FSI - 4.5 maximum FSI
- H 3 storey minimum - 10 storey maximum (up to 15 storeys may be permitted subject to policy 8.7.11)  
D 1.5 minimum FSI - 3.0 maximum FSI
- major parks and open spaces
- see policy 6.3.2
- Subject Site



*Figure 2 – Schedule I, VMC Secondary Plan*

This is of importance because the subject site is located within an “urban growth centre” and is directly adjacent to the interchange of the Highway 7 BRT and the VMC subway station, with the potential for direct access to the station. Accordingly, the subject site is located within a “major transit station area” as defined by the Growth Plan (2019) and as identified in the York Regional Official Plan (November 2022).

The urban structure in the current Secondary Plan was based upon the concept of nodal intensification, which represents an appropriate method for planning around higher order transit and in an urban growth centre.

The preferred option does not carry forward this structure of nodal intensification from the current Secondary Plan. In our opinion, the subject site should continue to be identified as the appropriate location for the greatest heights and densities in the VMC.

In the materials presented (see **Figure 1**), the density mapping for the preferred option shows a more disparate and diluted vision of density in the VMC, identifying parcels that are farther from transit infrastructure with higher density permissions than the subject site.

We understand that these other parcels have existing site-specific approvals beyond 9.0 FSI, whereas the subject site is recommended to have a maximum net FSI of 9.0. Consistent with the current Secondary Plan, the highest density should be at the subject site and other sites with direct connections to transit infrastructure.

## **2. PROPOSED DENSITY AND METHOD OF CALCULATION**

In addition to the relative lower density permissions for the subject site compared to the surroundings, we are concerned with the inclusion of maximum density decisions in this important MTSA.

Given the provincial focus on intensification in MTSAs, evidenced in the Provincial decision in the City of Mississauga regarding the removal of maximum heights in MTSAs, there should not be maximum densities included in the Secondary Plan area.

We are also concerned that the updated Secondary Plan proposes to calculate density in a different way than in the current Secondary Plan, as presented at the Landowners meeting, although the specific changes to the policy wording have not been provided.

The current VMC Secondary Plan calculates density based on gross site area minus parkland. It is our understanding that the City is proposing to align the density calculation with other policy documents in the City, by calculating it on a net site basis (we understand this to mean that parkland and new roads and widenings would be excluded).

This is of concern because the proposed densities could be misunderstood to have been calculated in the same way as they were for the current Secondary Plan and this causes confusion in terms of the proposed approach.

In this regard, the preferred option appears to provide more than a 50% increase in density as-of-right over the current Secondary Plan. But with the proposed change in methodology for calculating density, over 3 hectares of new public roads/widenings that form part of the current site design are now no longer granted any density. Thus, what seems like a significant increase in density in the preferred concept is far less.

In our opinion, the preferred concept does not reflect an appropriate density for the subject site, particularly given the emerging context and the level of intensification seen on sites in the surrounding area which ranges up to 12.58 FSI for sites in the VMC, constructed or approved. The proposed density for the subject site is 9.91 FSI. Of note, these other sites are all located in parts of the VMC intended to have lower heights and densities than the subject site.

The way that density is calculated is particularly important for the subject site given that the Secondary Plan provides that it is intended to accommodate new road infrastructure and parkland to support the VMC as a whole, taking up approximately 42 percent of the subject site.

### **3. BALANCE OF USES**

“Ensuring a balance of uses” was identified as a priority for the updated Secondary Plan. The presentation materials for the updated Secondary Plan provide target mixes of people and jobs per hectare, showing how future developments could be used to increase the proportion of jobs per hectare.

While we are generally supportive of removing the requirement for office space, we have concerns that the amount of non-residential area to be applied to the remaining development sites is not realistic and does not align with market demands. The proposed requirements for 19% and 18.5% non-residential gross floor area on the subject site, are a significant increase in the requirement for non-residential uses and could result in the sterilization of the development of the subject site, or could result in an oversupply of non-viable non-residential space.

According to a review undertaken by NBLC (**Attachment 1**) of the *Office Feasibility Assessment* (April 14, 2023) prepared by Parcel which was used to inform the preferred option, the recommendations made by Parcel do not appropriately

acknowledge the importance of market demand, and conclude that there is no market evidence to support the assumption that the proposed incentives of extra density and above-ground parking can lead to an increase non-residential uses.

Further, we have concerns that it is not practical to integrate this quantum of non-residential area into mixed-use buildings of the proposed scale.

We request that the City significantly reduce the requirements for non-residential uses to better reflect the market demand, community needs and the appropriate form.

#### **4. CIVIC FACILITIES**

The preferred option identifies a Potential Major Facility, and two Potential Minor Facilities on the subject site along the Millway frontage. No policies have been provided with respect to these facilities. We request that additional information be provided regarding these facilities so that we can review this approach and provide comments before a draft of the updated Secondary Plan has been released.

#### **5. INTENSITY OF DEVELOPMENT**

“Intensity of development” and “development trajectory” were identified as priority issues that were used to shape the preferred option.

The intensity of development and development trajectory for the VMC has been determined through the approval of development applications which were deemed, by City Council or the Ontario Land Tribunal (or its predecessor), to represent good planning.

In our opinion, the intensity of development is reflective of the substantial investments that brought rapid transit and other infrastructure to the area. In addition, the intensity of development is also reflective of a growing need to provide new housing in a compact built form not just within existing downtown areas, but also within new areas identified for intensification.

As noted above, we are concerned that the preferred concept penalizes and places undue burden on the subject site to correct for the perceived residential over-development of sites in the VMC, and does not provide an appropriate level of density on the subject site.

## **6. RETAIL LOCATIONS**

With respect to required retail frontages, we look forward to reviewing the policies associated with these areas. We recommend that the policies for “required” frontages continue to provide the opportunity for an applicant to demonstrate that there are functional or operational constraints that warrant relief from this requirement.

## **7. ADDITIONAL COMMENTS**

We note that no details related to height structure have been provided. We support the removal of maximum height limits for the subject site.

Built form variety and housing variety (which we interpret as unit mix) were identified as priority issues. At this time, we are not certain how these issues will be included within the updated Secondary Plan. We look forward to reviewing a draft of the updated Secondary Plan and providing further commentary at that time.

## **8. CONCLUSION**

We are grateful to have the opportunity to review the preferred concept for the updated Secondary Plan.

In our opinion, the preferred concept has not captured the changing context of the VMC, and does not reflect an appropriate scale of development for the subject site.

In our opinion, the preferred concept puts undue burden on the subject site to correct for the perceived over-development of sites in the VMC and under-provision of non-residential uses, resulting in a small increase in permitted density with substantial additional non-residential GFA requirements.

For the foregoing reasons, we request that City Planning staff address the comments noted herein. We look forward to reviewing the complete draft of the updated Secondary Plan when it is ready.

We appreciate your consideration of the foregoing submission. Should you require any additional information, please do not hesitate to Anna Wynveen or the undersigned.

Yours very truly,

**Bousfields Inc.**



Emma West  
MCIP, RPP

*cc: Garnet Pierson, Toromont Industries Ltd.*

*Attachment 1 – Letter prepared by NBLC dated September 25, 2023*



September 25, 2023

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## **The Vaughan Metropolitan Centre Secondary Plan and Office Uses**

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We have been asked by Toromont Industries to review the latest policy directions as they apply to non-residential uses summarized in the “VMC Secondary Plan Update: Preferred Option” dated September 5 & 8th, 2023.

### **Summary and Opinion**

An objective of the update is to encourage additional office development in the VMC. The approach to achieving this is to offset weaknesses in market demand with incentives such as extra density and to allow above grade parking. To test and support this approach, a financial analysis was undertaken by Parcel Economics (Parcel) that provides hypothetical development models to test policy outcomes.

There is no market evidence to suggest the assumptions contained in the report are valid. In fact, the market trends for office development in both the Greater Toronto Area and North America suggest a prolonged period of weakness as workplaces adjust to reduced demand from increased remote working. The inputs used in the Parcel models in no way reflect the current or probable market outlook for the development of new office space in Vaughan.

Despite the weakening market conditions, the proposed policy dramatically increases the required amount of non-residential uses on the Toromont lands from 15% of the northern two blocks (Blocks A and B) to 18.5% and 19% of all the development blocks (Blocks A, B, C and D, net of parkland and road dedications). This represents a significant increase in the amount of non-residential requirements.

As an incentive, allowable densities have been proposed on the property from up to 6.0 times FSI to a maximum of 9.0 times FSI. However, based on the discussion provided in the Bousfields letter dated September 26, 2023, we understand that the actual increase in density increase is far less due to proposed methodological changes.

Incentives do not create market demand. Where demand is present incentives can, at best, influence location and accelerate decision making. But if there is no market need, there is no investment. In our view, the incentives proposed would have no impact on the policy objective. It is more likely to have unintended consequences such as sterilizing the redevelopment of a part of this key parcel.

## **Background**

The VMC has been successful in attracting office investment since the approval of the Secondary Plan. During one of the strongest investment environments for office development, it attracted two stand-alone office buildings totalling approximately 585,000 square feet (ft<sup>2</sup>). A City-staff report indicates that there is currently an additional 200,000 ft<sup>2</sup> approved but not constructed. This is the best illustration of the magnitude of market demand for office use at the VMC during a strong market period.

The last decade has been one of the strongest investment periods for new office development. Despite this, since 2010 only 6% of the total GTA office demand was attracted to the City of Vaughan. Of this, the VMC captured about 35%. Toronto remains the primary office market in the GTA – accounting for 63% of the GTA’s new office space over the past decade, 88% of which has been located in the Downtown Core. Leading up to the pandemic, over 90% of the GTA’s under construction major office inventory was in Downtown Toronto.

Neither the original Urban Metrics Commercial Land Use Assessment for the VMC or the Parcel report provide any evidence that the market trajectory for office uses would grow past what has been observed over the last 13 years to support the proposed policy increase in required non residential uses.

In the post-pandemic environment, there is virtually no demand for the construction of new large scale office spaces throughout the Greater Toronto Area. The fundamentals that underpinned this once healthy market have changed dramatically. Increased remote working practices threaten to reduce office space requirements permanently. Cities across North America are considering strategies to convert office spaces for residential uses.

In the GTA, we have observed office vacancies climb monthly to just under 11%. This rate of vacancies is expected to grow as tenants, in the face of the higher levels of remote working, continue to downsize at lease renewal. Vacancies are also expected to grow as tenants move to newly completed projects in the core (the Well, Bay Adelaide, CIBC), leaving older B and C class spaces vacant with little backfill demand.

Demand for office development in the VMC, as with the rest of the GTA, is therefore expected to be very weak for the foreseeable future.

Over the past 36 months NBLC has undertaken numerous studies on the state of the GTA office market as part of feasibility studies for developers or as part of municipal explorations that sought to understand what role, if any, incentives could play to stimulate office markets. In January 2023, NBLC specifically undertook research to assess the nature and characteristic of demand for new office uses on the Toromont property.

The Parcel report suggests that incentives such as increased density or allowing less expensive above grade parking would encourage higher rates of office investment. NBLC has undertaken focused research in this sector for cities in both Ontario and British Columbia. In our research, incentives were found to have no material impact on market demand. A developer will not invest capital and resources into a product that they cannot lease or sell. Financiers will not lend money for a project with high risks. Incentives do not address these issues. For incentives to be effective, there must already be demonstrable demand, where the only obstacle is funding. Affordable housing is a good example of where incentives can have a strong impact, given the extraordinary demand in the market for this product type.

Incentives are useful when a developer is already considering a development and is looking at competitive sites within different municipalities. Incentives can also motivate developers to make decisions more quickly. But mostly, developers need to see that there are strong demand characteristics from potential tenants normally illustrated through very tight vacancies and growing rents which, of course, are not present in today's market.

We also think that using incentives that trade off built form objectives for market demand seems to be an unreasonable compromise. The idea of allowing above grade parking in a highly urban context could have serious negative impacts on the market demand for adjacent properties.

## Summary

Our analysis for Toromont January 2023 suggested that market weakness would persist across the Greater Toronto Area including Vaughan for many years to come. Even if market demand accelerated, there is certainly no evidence to suggest that the VMC will attract more than its historical share of office investment.

The Parcel report simply offers hypothetical financial modeling for a development in a market that does not exist. It cannot be used as a basis to justify the proposed increase in non-residential requirements for the VMC.

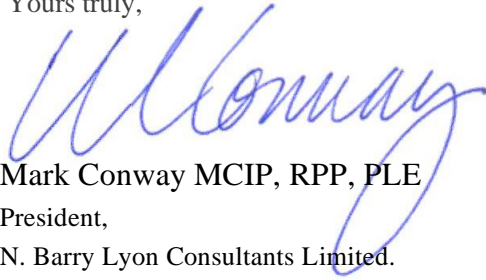
There is no evidence to suggest that incentives could be used to offset the national economic factors that are undermining market demand for office development. In fact, office incentive programs in Brampton, Mississauga, Richmond Hill, and Hamilton have received very little interest and underscore the lack of impact incentives have on investment.

Given this, the notion of increasing the non-residential development component on the Toromont lands will only perpetuate a serious development challenge. The current approved Secondary Plan 15% requirement on the northern blocks requires an estimated 450,000 square feet (41,806 square metres) of

office uses. There is no foreseeable demand for this space let alone the estimated 1,100,000 square feet (102,193 square metres) of non-residential gross floor area proposed in the VMC Secondary Plan Update: Preferred Option. Adding to this requirement will only sterilize a larger portion of the property. In doing so, the City will forego significant fees and charges, tax assessment, and broader economic and community benefits.

I trust this is helpful. If you have any questions please do not hesitate to contact me.

Yours truly,



Mark Conway MCIP, RPP, PLE  
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N. Barry Lyon Consultants Limited.