

# Council Report

---

**DATE:** Tuesday, December 12, 2023

**WARD(S):** 1

**TITLE: PROPOSAL FOR NATURAL HERITAGE COMPENSATION FOR DEVELOPMENT OF 11260 AND 11424 JANE STREET (BLOCK 34 EAST)**

**FROM:**

Haiqing Xu, Deputy City Manager, Planning and Growth Management

**ACTION:** DECISION

---

**Purpose**

To provide background and seek Council endorsement for the Natural Heritage Compensation Proposal ('Compensation Proposal') presented to the City of Vaughan and reviewed by staff for the properties located at 11260 and 11424 Jane Street (Block 34 East).

**Report Highlights**

- A Minister's Zoning Order (O. Reg. 156/22) was issued on March 4, 2022 to permit storage and distribution facility uses of 11260 & 11424 Jane Street
- The Minister's Zoning Order is deemed a local Zoning Bylaw passed by Council
- A Natural Heritage Compensation Proposal was presented to City of Vaughan for the subject lands
- Staff reviewed the Natural Heritage Compensation Proposal
- Land compensation was explored by the consultant team. The Compensation Proposal concludes that there are no lands on-site or in close-proximity suitable for compensation.
- As such, the Compensation Proposal explored the provision of cash-in-lieu
- The Compensation Proposal is supported by a previously submitted Environmental Impact Study, indicating that the woodland on the property is dry fresh Sugar Maple Hardwood Deciduous Forest approximately 4.3ha in size
- The Compensation Proposal concludes that, in summary, the woodlot composition and functions are common to isolated woodlots throughout southern Ontario
- Due to the condition of the wetlands, a wet shrub thicket wetland recommendation was utilized for determining ecosystem compensation

## **Recommendations**

1. THAT Council endorse the Natural Heritage Compensation Proposal presented to the City of Vaughan for 11260 & 11424 Jane Street.

## **Background**

On June 28, 2023, a Natural Heritage Compensation Proposal was submitted by Carterra and ZZEN Group of Companies to the City of Vaughan for consideration for development of 11260 and 11424 Jane Street (Block 34 East) (Attachment 1).

Both parcels (total of 81.5 ac) are located within an Employment Area Zone with uses defined as Prestige Employment (industrial – storage and distribution facilities) under a Minister’s Zoning Order (MZO) (O. Reg.156/22) that came into effect on March 4, 2022. A portion of both parcels along the east edge of Highway 400 is zoned Open Space Environmental Protection Zone.

The Natural Heritage Compensation Proposal was prepared by the proponent’s environmental consultant, ORION Environmental Solutions Inc., with the objective to provide a suitable proposal to obtain compensating lands for enhancement or restoration or obtain cash-in-lieu from the proponent to pay for the creation of compensating natural habitat.

The purpose of compensation or ecological offsetting for the loss of natural heritage features is to help ensure the municipality experiences no net loss of natural habitat to help achieve environmental sustainability.

### ***1. Referencing of Ecological Compensation Strategies***

The Compensation Proposal referenced the Lake Simcoe Region Conservation Authority’s (LSRCA) ecological compensation strategy.

The Consultant indicated in the Compensation Proposal that the LSRCA, while developing their ecological compensation strategy, undertook a collaborative study with the David Suzuki Foundation, the Friends of the Greenbelt Foundation and their LSRCA authority staff to assess the non-market value of ecological features. In 2017 the LSRCA updated the natural capital value of vegetative units.

The consultant indicated that the cost estimates within the proposal were based on consultation with companies that are professionals in planting and restoration and thus are presumed to be reasonable estimates of the price.

## ***2. Consideration of Land Compensation or Cash-in-lieu***

The Compensation Proposal recommends strictly cash-in-lieu instead of land compensation or a hybrid of the two options.

Land compensation was explored by the consultant team. The issuance of the MZO by the province negated creating a 4ha natural feature on-site in another location. The land use beyond the defined settlement areas is predominately agriculture or natural heritage. Enhancing an existing natural feature is generally not considered compensation. There was also the option to remove prime agricultural land from production, however that being contrary to the Provincial Policy Statement.

The Compensation Proposal concludes that there are no lands suitable for compensation on-site or in close vicinity. Cash-in-Lieu was presented as the only viable option.

## ***3. Assessment of the Woodlot and Vegetation Communities***

The Compensation Proposal is supported by a previously submitted Environmental Impact Study (EIS), indicating that the woodland on the property is dry fresh Sugar Maple Hardwood Deciduous Forest approximately 4.3ha in size, which was calculated by the arborist who assessed the woodlot. It is an isolated woodlot surrounded by active agricultural land and immediately adjacent to Highway 400.

Appended to the Compensation Proposal is the figure from Appendix B of the EIS with the Ecological Land Classification designations. It was surmised in the Compensation Proposal that the woodlot has no significant or rare vegetation.

The Compensation Proposal indicates that the woodlot provides habitat for Eastern Wood-pewee (species of conservation concern) which are commonly found in woodlots in the agricultural areas of southern Ontario.

The Compensation Proposal also indicated that Little Brown Myotis and Northern Myotis (Species-at-Risk bats) are using some of the older trees with decay for maternity roosting. The significance of the bat habitat is currently being assessed by the Ministry of Environment Conservation and Parks. Bat usage of older decaying trees in Ontario forests is commonly found.

The Compensation Proposal concludes that in summary, the woodlot composition and functions are common to isolated woodlots throughout southern Ontario.

## ***4. Inclusion of the Wet shrub Thicket Recommendation for Determining Compensation***

The vegetation list from the EIS was used to define the species present and develop the planting material list to replicate the vegetation community. The Compensation Proposal

references the EIS and that the wetlands were dominated by invasive species and had low ecological function.

Due to the condition of the wetlands, a wet shrub thicket wetland recommendation was utilized from the Toronto Region Conservation Authority Guideline for Determining Ecosystem Compensation.

The wet shrub thicket is included in the cash-in-lieu amount. The MZO, the predominance of facultative invasive species and the low-quality ecological functions of the wetlands, as described in the EIS, made the creation of compensating wetland on-site not reasonable.

The consultant indicated that to provide an objective cost, two nurseries were contacted to obtain costs for the proposed plant list.

### ***5. Calculating the compensation value for land acquisition and restoration***

The Compensation Proposal indicates that the replacement of natural heritage features must include sufficient funds to create the feature at another location which is dependent on the following basic components:

- Characterization of the feature and its ecological function;
- Development of a planting/enhancement plan that will replicate the feature;
- The selection of public lands or the purchase of lands suitable for the planting project;
- Development of a schedule for project implementation;
- Post construction monitoring to ensure suitable plant survival and features are functioning to provide the ecological benefit; and
- A mechanism for ensuring the lands are protected in perpetuity.

The Compensation Proposal is based on the cost to acquire poor quality agricultural lands upon which to establish the new features. Lands within designated settlement areas or prime agricultural lands were not considered due to the provincial and municipal guidelines that protect these lands for their intended use.

The \$20,000/acre value for land acquisition presented in the Compensation Proposal is an estimate of the value of agricultural land which was provided in consultation with members of the Ontario Federation of Agriculture. The \$212,420 is the cost per acre for replacement land acquisition for 4.3ha or 10.62 acres. The \$182,286 is the cost per acre for replacement land acquisition for 3.69ha or 9.11 acres. The assumption in the Compensation Proposal assumed poorly drained agricultural land not suitable for continuous cultivation.

## **Financial Impact**

Positive financial impact of this report will result from endorsement of the compensation agreement.

## **Broader Regional Impacts/Considerations**

There are no regional impacts or considerations for this report.

## **Conclusion**

As the lands are already approved by the Minister through an MZO (O. Reg. 156/22) for industrial development, there is limited opportunities to save the natural heritage features.

Staff have reviewed the Compensation Proposal and methodology for the removal of natural heritage features on the property at 11260 and 11424 Jane Street. The approach to compensation incorporates the objective of conservation authorities in Ontario to have new development provide compensation for the loss of natural heritage features that could not be avoided.

The goal of the compensation is to create or restore new comparable habitat so there is no net loss of natural features within the municipality.

The proponents do not have surplus lands suitable for natural heritage creation/enhancement, on-site or within close-proximity. The proposed methodology is based on providing financial compensation for the creation of comparable natural features off-site on lands owned or acquired by the City. The Compensation Proposal recommends Cash-in-lieu, providing the City of Vaughan with the funds to enhance, restore or establish new natural heritage features on public lands.

Should the Compensation Proposal be endorsed by Council, an agreement between the City and the two landowners will be executed. City staff will be preparing an ecological compensation plan for Council approval utilizing the cash-in-lieu fund collected from the developers to make up for the losses of the natural heritage features as a result of the developments.

**For more information**, please contact:

Christina Bruce, Director, Policy Planning and Special Programs, Planning & Growth Management Portfolio. [Christina.bruce@vaughan.ca](mailto:Christina.bruce@vaughan.ca) or 905-832-8585 ext. 8231.

**Attachments**

Attachment 1 - Location map

Attachment 2 - 11260 and 11424 Jane Street Compensation Proposal June 28, 2023

**Prepared by**

Christina Bruce, Director, Policy Planning and Special Programs, ext. 8231

**Approved by**



Haiqing Xu, Deputy City Manager,  
Planning and Growth Management

**Reviewed by**



Nick Spensieri, City Manager