

Committee of the Whole (2) Report

DATE: Tuesday, May 14, 2024

WARD(S): 1

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

FROM:

Vince Musacchio, Deputy City Manager, Infrastructure Development
Haiqing Xu, Deputy City Manager, Planning and Growth Management

ACTION: DECISION

Purpose

To obtain Council instructions on a proposal for a natural heritage compensation agreement with respect to proposed employment-use development at 11260 and 11424 Jane Street (collectively “Subject Lands”).

Report Highlights

- The Subject Lands are subject to a Minister’s Zoning Order O. Reg. 156/22 dated March 4, 2022, which permits certain employment uses.
- Development of the Subject Lands will entail removal of existing wetland and woodland natural features on a portion of the property.
- The Subject Lands are within the area of jurisdiction of the Toronto and Region Conservation Authority (“TRCA”), which requires compensation or restoration for removal of wetland features.
- Through discussions with TRCA and City staff, the owners propose to replace the wetland on City-owned lands that are connected to the natural system but are not used for programming.
- The woodland compensation is also proposed to be satisfied through tree re-planting and ecological improvements on City-owned lands, which will expand the City’s urban tree canopy while reducing operational costs.

Report Highlights continued

- Council instructions are required to endorse the proposed compensation plans and to enter into necessary agreements.

Recommendations

1. That Council endorse proposed wetland compensation for 11260 and 11424 Jane Street by utilizing City-owned lands to replace the removed natural features, as outlined in this report, subject to minor modifications as may be authorized by the Deputy City Manager, Planning and Growth Management and the Deputy City Manager, Infrastructure Development;
2. That Council authorizes the Deputy City Manager, Planning and Growth Management to finalize proposed woodland compensation outlined in this report, with any modifications as may be deemed necessary, subject to satisfactory additional information to be provided by Livall Holdings Limited;
3. That the Deputy City Manager, Infrastructure Development be authorized to identify City-owned lands for the natural feature replication works and engage with the TRCA to finalize the locations;
4. That the City enter into any necessary agreement(s) with Jane St. Nominee Inc. (or related entity), Livall Holdings Limited (or related entity) and/or TRCA to give effect to the Council resolutions, which agreements shall be executed by the Deputy City Manager, Infrastructure Development and be to the satisfaction of the Deputy City Manager, Legal and Administrative Services and City Solicitor; and
5. That the recommendations from the Council meeting of December 12, 2023, Addendum 2, Minute 169, be superseded with the recommendations in this report.

Background

The lands at 11260 Jane Street, owned by Jane St. Nominee Inc., and 11424 Jane Street, owned by Livall Holdings Limited, (collectively the “Owners”) are located within Block 34 East which is bounded by Kirby Road to the north, Highway 400 to the west, and Jane Street to the east. The Subject Lands are north of the Walmart Distribution Centre.

An MZO applies to the Subject Lands which largely permits employment uses.

The Subject Lands are zoned through Minister's Zoning Order O. Reg. 156/22 filed on March 4, 2022 ("MZO") which permits a storage and distribution facility use, incidental outdoor storage and uses permitted under the Prestige Employment Area Zone of Zoning By-law 1-88 on the majority of the lands. A portion of the Subject Lands adjacent to the east side of Highway 400 are zoned through the MZO as Open Space Environmental Protection Zone.

The proposed development on the Subject Lands will result in the removal of woodland and wetland features.

The Owners are proposing to develop the Subject Lands for employment uses pursuant to the MZO. As part of the development, existing woodland and wetland features will be removed. The Owners provided a Natural Heritage Compensation Proposal dated June 28, 2023 prepared by ORION Environmental Solutions Inc. which proposed compensating for the loss of the natural features through restoration, or cash-in-lieu thereof so that the City may perform the enhancements.

Council endorsed a cash-in-lieu compensation scheme in its meeting of December 12, 2023.

After consideration of the December 12, 2023 Council Addendum #2 report, Council endorsed the Natural Heritage Compensation Proposal presented by the Owners which opined that the compensation value is \$1,193,793.88. Staff were directed to enter into a compensation agreement with the Owners based on ORION Environmental Solution Inc.'s compensation proposal. To date, such an agreement has not been entered into.

Upon further discussions with the City and TRCA, the Owners are proposing a revised compensation proposal which involves replicating the natural heritage features on City-owned lands.

Revised instructions are being sought from Council to permit the natural feature replication to occur on City-owned lands, at the cost of the Owners, through future agreements with the Owners and/or TRCA. Details are provided in the Analysis and Options section of this report.

Previous Reports/Authority

[PROPOSAL FOR NATURAL HERITAGE COMPENSATION FOR DEVELOPMENT OF 11260 AND 11424 JANE STREET \(BLOCK 34 EAST\)](#), Item 2, Council Meeting Addendum, December 12, 2023

Analysis and Options

The TRCA shall issue a permit for lands subject to an MZO, outside of the Greenbelt Plan, which are within the TRCA's area of jurisdiction.

The TRCA issued a permit to carry out the proposed development on the Subject Lands, which are within the TRCA's area of jurisdiction, pursuant to the *Conservation Authorities Act*. The TRCA's Executive Committee granted permits to the Owners, on March 11, 2024, with conditions. Furthermore, the *Conservation Authorities Act* requires the TRCA to enter into an agreement with an owner when issuing MZO-related permits. The TRCA's March 11, 2024 Executive Committee's agenda item 10.1 report ("TRCA report") indicates that TRCA staff will include provisions within the required agreements to compensate for ecological impacts.

The Owners are proposing ecological compensation involving restoration of wetlands on City-owned lands.

The Owners are proposing to undertake certain restoration works to compensate for the ecological impacts that will be caused by the development. According to the TRCA report, the compensation proposed pursuant to the TRCA's guidelines includes the following general principles:

- Ecosystem structure compensation in the approximate amount of \$1,750,408.35 for 11260 Jane Street and \$1,313,654.16 for 11424 Jane Street;
- City staff have identified a willingness to identify City-owned lands that are connected to the natural system and are not required for City programming to provide the land base compensation;
- A total compensation area of approximately 13.26 ha is required to replace the proposed natural feature removals; and
- The Owners or the TRCA will complete the restoration design, works, and monitoring.

The TRCA's Executive Committee supported entering into agreements with the Owners, the City, and other agencies or utilities, related to the TRCA permit for the works and ecosystem compensation and restoration.

Livall Holdings Limited proposes to compensate the City for woodland removal through its endangered species habitat restoration works.

The TRCA does not have jurisdiction over the woodland compensation; this is instead a matter involving compensation to the City through the application of Vaughan Official Plan 2010 policy 3.2.3.9. Livall proposes that the woodland compensation be satisfied through the tree re-plantings that will be undertaken to mitigate the impact of tree removal on the endangered species habitat (bats) pursuant to a permit issued under s. 17 of the *Endangered Species Act*. Additional details will be required by City staff to assess this woodland compensation proposal.

TRCA has identified the land base compensation required.

To advance these permit applications, TRCA staff have identified that a comprehensive ecosystem compensation plan consistent with TRCA's Guideline for Determining Ecosystem Compensation is required. This involves replicating the loss of land base and ecosystem structure associated with the existing natural system. TRCA staff have been able to generate constraints mapping to approximate the total area of land base compensation required to fulfill TRCA's regulatory requirements. A total compensation area of approximately 13.26 ha (32.77 acres) is required to replace the proposed natural system removals on the subject properties. Of that, a land base compensation area of approximately 7.97 ha (19.69 acres) is required for the natural system removals at 11260 Jane Street (Jane St. Nominee Inc. lands) and approximately 5.29 ha (13.07 acres) for the natural system removals at 11424 Jane Street (Livall Holdings Limited lands).

To determine the land base compensation requirements, a comprehensive compensation plan with natural feature and hazard identification and compensation breakdowns is required.

Working with the TRCA, City staff are in the process of identifying City-owned lands that are currently located outside of (but connected to) the natural system and are not required for City programming to provide the necessary land base compensation. A majority of these lands are currently maintained by the City through routine mowing and tree maintenance and opportunities exist to enhance these lands with the proposed naturalization and ecological restoration works at no cost to the City.

The full details of a comprehensive compensation strategy have not yet been finalized to address TRCA's regulatory requirements. The lands proposed for further review include areas for potential restoration within City owned open space lands or parks such as Vaughan Grove Sports Park, Rainbow Creek Park, and Jersey Creek Park. Additional areas may be identified through future development net of lands identified to be compensated for the development itself. The areas identified will be reviewed based on ecosystem regeneration value, feasibility of completing works, and community consultation.

Leveraging undevelopable open space lands within urban areas present an opportunity for restoring and expanding urban tree canopy, enhancing the existing ecological systems and reducing City operational costs.

The current regime of maintaining these lands includes costs associated with routine inspections, litter clean up, mowing and tree maintenance. The costs to maintain these lands once restored will be lower as they require less intensive upkeep and occasional maintenance. Leveraging existing managed open space lands for ecological restoration can lead to substantial long-term savings in operational expenditures.

The areas identified will help to expand and fill-in gaps with the existing urban ecosystem and urban tree canopy.

The Urban Forest Management Plan (UFMP) completed and endorsed by Council in March 2024 provides foundational information and strategic moves in support of maintaining and expanding Vaughan's urban forests. Urban forests and ecosystems play a vital role in fostering a healthy and livable environment for life in urban communities. Trees provide shade and cool the air temperature, improve air quality, and support biodiversity. These benefits are often referred to as ecosystem services and are often categorized into the following main groups:

Regulating services: These are benefits that help balance and regulate natural processes. They include climate regulation, carbon sequestration, water purification, pollution control, and flood management, becoming even more vital as climate change challenges intensify.

Cultural Services: These are intangible benefits that enrich human experiences, such as aesthetic value, spiritual significance, shade, recreational opportunities, and educational resources. They contribute to community identity, well-being, and local tourism.

Supporting Services: Fundamental to all ecosystems, these services, like nutrient cycling, soil formation, and habitat creation, underpin the availability of other ecosystem benefits.

Restoring or introducing natural heritage features can serve to enhance natural corridors, promote ecological connectivity by connecting fragmented habitats, foster biodiversity, and improve habitat condition for wildlife.

Often urban ecosystems are fragmented and degraded, leading to biodiversity loss and ecological imbalances. The proposed restoration will be consistent with the goals and recommendations of the UFMP. Specifically, the identified works will provide a net increase of the urban tree canopy, consistent with Strategies 10 and 11 of the UFMP:

Strategy 10: Increase the rate of new tree planting to support achievement of the canopy cover target.

Strategy 11: Prioritize forest restoration and biodiversity conservation.

Green Directions Vaughan updated in 2019 describes the City's environmental and sustainable priorities and outlines a new set of sustainability actions that will guide the City of Vaughan to help achieve a healthy natural environment, vibrant communities and a strong economy. These restoration works will support recommendations of the Green Direction Vaughan in particular Objective 2.2: "To develop Vaughan as a complete

community with maximum greenspace and urban form that supports our expected population growth.”

Staff are supportive of this opportunity in the context of a wider City benefit.

Financial Impact

The compensation proposal to replicate on City-owned lands the natural features that will be removed for development from the Subject Lands will be at the cost of the Owners. It is anticipated that the ecological restoration will result in less upkeep and maintenance for those City lands that will be utilized for the compensation works.

Operational Impact

Policy Planning and Special Programs; Parks Infrastructure, Planning & Development; and Legal Services were involved in the initial review and assessment of the proposal. Parks, Forestry and Horticulture Operations has provided input into this report and should Council endorse the restoration proposal on City-owned lands, the ongoing maintenance responsibilities of the natural features will be further detailed on a site-by-site basis, although operational requirements of the naturalized features are anticipated to be less costly than the current maintenance. A marginal decrease in City operational costs is anticipated given that a majority of the lands identified to date are currently maintained through routine mowing and tree maintenance.

Broader Regional Impacts/Considerations

York Region is not impacted by the proposed compensation scheme. The Owners have received TRCA permits to remove the wetlands and have engaged TRCA in developing the compensation plan proposed in this report. The City will continue to work with TRCA to identify suitable City-owned lands for the proposed restoration works which are mutually agreeable.

Conclusion

Proposed employment-use development at 11260 and 11424 Jane Street as permitted through MZO O.Reg. 156/22 includes removal of wetland and woodland natural features. The lands are located within the permitting jurisdiction of the TRCA, which requires compensation or restoration of the wetland features. Woodland compensation is also required, which is proposed to be satisfied through re-plantings on City-owned lands. Through discussions with the City and TRCA, the Owners are proposing a compensation plan which involves use of City-owned lands. An opportunity exists to make ecological improvements on City open space lands for restoring and expanding urban tree canopy and enhancing ecosystem regeneration value, while reducing overall

City operating costs. Council instructions are required to endorse the proposed compensation plan and enter into necessary agreements. Given the benefits that will be gained by the City, staff recommend endorsing the proposal and continuing to work with TRCA in identifying appropriate lands for the compensation works.

For more information, please contact:

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Attachments

None

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