

Item:



## Committee of the Whole Report

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**DATE:** Monday, September 17, 2018

**WARD(S):** ALL

### **TITLE: UPDATED OFFICIAL PLAN REVIEW AND FUNDING STRATEGY FOR RETENTION OF CONSULTANT TEAM**

**FROM:**

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

**ACTION:** DECISION

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#### **Purpose**

To obtain Council approval of the revised scope and associated funding strategy for the retention of a consultant team for the City's Official Plan Review.

#### **Report Highlights**

- The *Planning Act* requires that the City bring its Official Plan into conformity with the York Region Official Plan, which will be amended as a result of its Municipal Comprehensive Review, within one year of it coming into effect;
- The City is embarking on its Official Plan Review to fulfill this obligation;
- Due to major changes to the Provincial Growth Plan and the early work of York Region, the scope of work for the project has been analyzed and updated, which has affected the cost of the City's Official Plan Review;
- A funding strategy to plan for the consultant costs has been developed that is aligned with the estimated timing of expenditures;
- Approval of the funding strategy will permit the release of the Request for Proposal for the required consulting services in Q4 2018 to meet the project timelines; and
- Any other future funding requirements to complete the City's Official Plan Review will be addressed through the regular annual budget process.

## **Recommendations**

1. THAT the revised scope for the City's Official Plan Review to plan for growth and development to 2041 and achieve conformity with the York Region Official Plan be approved; and
2. THAT the funding strategy for the retention of an Official Plan Review consultant team outlined in this report be approved.

## **Background**

### ***The City's Official Plan Review is required to maintain conformity with the York Region Official Plan and Provincial Policies and Plans***

The Official Plan Review encompasses the entire City of Vaughan, which is subject to the Vaughan Official Plan 2010 (VOP 2010). VOP 2010 is composed of two volumes. Volume 1 contains the overarching policies providing land use, development and administrative direction on a city-wide basis. Volume 2 is made up of secondary plans and area and site-specific plans and policies that apply to defined lands that warrant more detailed planning.

The Region and the City originally proceeded with their Provincial Growth Plan (2006) compliance processes (Municipal Comprehensive Review and Official Plan Review) in 2014 and 2015, respectively. They were based on the 2013 population and growth projections to 2041 resulting from Amendment No. 2 to the Growth Plan (2006). On November 17, 2015, Council approved funding for the Official Plan Review, and the capital project currently has an approved budget of \$1,926,186.

At the time, the Provincial Plans were undergoing a statutory 10-year review. The draft changes that emerged from the Provincial Coordinated Plan Review in May of 2016 were so substantial that both the Region and the City ceased activity on their respective conformity processes. The approval of the updated Provincial Plans in July 2017 has allowed municipalities to resume their work on the basis of the amended Provincial Growth Plan.

### ***Major changes to the Provincial Growth Plan will affect the scope and cost of the City's Official Plan Review***

On May 8, 2018, staff provided a report updating the Committee of the Whole on the status of the City's Official Plan Review (OPR), the Region's Municipal Comprehensive Review, and the results of the Provincial Plan Review in a report entitled, "Status Report on Key City Planning Initiatives: Growth Management Strategy Update, Official Plan Review and Zoning By-law Review". The report included a tentative timeline illustrating the milestones that the City's OPR would have to meet to keep pace with the Region's Municipal Comprehensive Review (MCR). Coordination between the OPR and MCR is

necessary to fulfill the City's *Planning Act* obligation to adopt its compliance amendment to VOP 2010 within a year of the Region's MCR official plan amendment coming into effect.

Capital project PL-9550-16 currently has an approved budget of \$1,926,182 for the Official Plan Review. This budget was based on a more modest review of VOP 2010 and assumed that there would only be minor amendments to the Growth Plan (2006). The May 8, 2018 report to Committee of the Whole noted that, due to the Provincial changes, a reassessment of the OPR was underway which could result in an expanded scope of work and the need for additional budget. In recognition of the potential Provincial changes, the following recommendation from the May 8, 2018 report was ratified by Council on May 23, 2018:

“THAT staff proceed in accordance with the tentative timelines identified in Attachment 1 and provide further updates on the budget implications as a result of changes to the Provincial Plans through the 2019 Capital Budget Process.”

### **Previous Reports/Authority**

The May 23, 2018 Council adopted report can be found at the following link: [Status Report on Key City Planning Initiatives: Growth Management Strategy Update, Official Plan Review, and Zoning By-Law Review](#)

### **Analysis and Options**

#### ***It will be necessary to move the OPR forward immediately to meet the timelines***

Upon additional review, since the May 2018 report, staff have concluded that the work program for the OPR will need to be expanded; and for the projected timelines to be viable, the City's consultant will have to be retained and working by the end of 2018 or early in 2019. For this to take place, it will be necessary to issue the Request for Proposal (RFP) in early October of 2018.

Additional funding will be required to complete the expanded scope of work. This report outlines the funding strategy that would allow the RFP for the retention of a consultant to be issued in Q4 2018 in line with the project timelines. Awaiting the 2019 budget approval could delay the OPR program by four to six months.

#### ***The scope of work has been analyzed and updated based on changes to Provincial plans and the early work of York Region***

The original scope of work for the OPR was based on a more modest review of VOP 2010, resulting from Amendment No. 2 to the Growth Plan. It included:

- Land Use Planning;
- Policy Development and *Planning Act* processes;
- Community Development/Urban Design;

- Public and Agency Consultation and Facilitation;
- Land Economics including:
  - Retail Planning;
  - Planning for Employment Uses;
  - Demographics and Housing;
  - Monitoring and Data Management Processes.

The current review is unique in that it is driven by major changes to the governing Provincial Plans, and the *Planning Act* via Bill 73 and Bill 139. This will have substantial implications for the Regional Official Plan and correspondingly, Vaughan's Official Plan. The Review will have to take into consideration the total range of factors that will shape Vaughan's new or updated Official Plan and the processes under which it is developed. These include:

- The changes to the Provincial Plans as outlined in the May 8, 2018 staff report;
- Consultation with the Region on matters identified in the Growth Plan that require City-input;
- The Region's new Official Plan policies;
- The operational changes made necessary by amendments to the *Planning Act*, and the changes to the Ontario Municipal Board (now Local Planning Appeal Tribunal);
- Translation of the Region's policies into "made in Vaughan" City policies;
- Updating the City's "Vision for Transformation" in VOP 2010, based on the new conditions;
- Reviewing and updating policies of VOP 2010 that require clarification, correction or improvement;
- Operating major public and stakeholder consultation processes;
- Maintaining an effective internal Council and staff/departments consultation process;
- The implications of the City's Growth Management Strategy update, particularly the impact of the various (and new) Master Plans;
- The need to identify, retain and manage consulting resources;
- Housekeeping matters – section organization and numbering; and
- Ensure that the site-specific exceptions remain up to date or eliminated where possible.

Changes of this nature were anticipated and were reflected in the 2018 Development Charges By-law Review and update. Additional funding was added to the DC By-law to accommodate a much more comprehensive Official Plan Review.

### ***Estimated cost of retaining the consulting team***

Staff have reviewed the program requirements for the consulting team. The projected costs for the 3-4 year assignment is approximately \$4 million. This estimate includes the

cost of consulting fees and associated costs for advertising, printing, rentals, consulting events, and branding/website development.

The projected consulting costs of \$4 million is in-line with consulting costs incurred for VOP 2010 (\$3.2 million). Given the new obligations faced by the City and the uncertainty around the policy implications, the estimate is expected to adequately cover the basic consulting costs over the 3-4 year life of the project.

## **Financial Impact**

To issue the Request for Proposal for consulting services, funding for the total estimated value of the contract is required to be approved. Approving the funding strategy will provide the approval required.

### ***Funding strategy for the consultant team was developed based on timing of expenditures***

The estimated cost of the consultant contract is approximately \$4 million, with expenditures expected to be incurred over a 3-4 year period. A funding strategy has been developed that aligns the funding in the capital project and associated draw on reserves with the timing of expenditures. This funding strategy, which is based on cash flow, will reduce financial pressures on the City's reserves. Table 1 presents the anticipated timing of expenditures associated with the contract.

Table 1: Estimated expenditure per year for Official Plan Review consultant

Year	Estimated Expenditure*	Funding Source	
		General Government Development Charges (90%)	Taxation (10%)
2018-19	\$800,000	\$720,000	\$80,000
2020	\$1,200,000	\$1,080,000	\$120,000
2021	\$1,200,000	\$1,080,000	\$120,000
2022	\$600,000	\$540,000	\$60,000
2023	\$200,000	\$180,000	\$20,000
<b>Total</b>	<b>\$4,000,000</b>	<b>\$3,600,000</b>	<b>\$400,000</b>

\*Inclusive of non-recoverable HST and administrative recovery

Approval of the above cash flow will provide the authority necessary to issue the Request for Proposal (RFP) for consulting services. The timely retention of consulting services is key in enabling the Official Plan Review's tentative work plan to proceed on

schedule in coordination with York Region's Municipal Comprehensive Review and fulfill the City's obligations under the *Planning Act*.

***Funding in Capital Project PL-9550-16 for the consultant would align with the funding strategy***

Table 2 illustrates the available funding in Capital Project PL-9550-16. Currently, the approved project has available funding of \$1.2 million, funded 90% from General Government Development Charges and 10% from Capital from Taxation.

Table 2: Summary of Capital Project Budget - Official Plan Review

	<b>Amount</b>
Approved Capital Budget PL-9550-16	\$1,926,182
Less: Commitments/actual expenditures to date	\$(735,955)
Available funding in PL-9550-16	\$1,190,270

Current available funding in the capital project will be sufficient to cover expenditures for the consultant contract for 2018 and 2019. Future capital budget submissions will come forward through the annual budget process to provide funding in the capital project for this component of the OPR project and would be aligned with the funding strategy. This strategy eases the impact to the City-Wide General Government Development Charge and Capital from Taxation reserves that are funding the project.

It should be noted that any further costs related to the completion of the OPR, such as additional studies and contract staff, will be addressed through the regular annual budget process.

**Broader Regional Impacts/Considerations**

The Growth Plan mandates that upper-tier municipalities work in consultation with lower-tier municipalities to implement the policies of the Growth Plan. York Region is currently updating its Official Plan through its Municipal Comprehensive Review, to bring it into conformity with the Growth Plan. Under the *Planning Act*, the City's Official Plan Review must result in the amended VOP 2010 conforming to the York Region Official Plan. In addition, the Region is required to consult lower-tier municipalities, such as Vaughan, throughout their MCR process. Regional staff will be participating on the City's Technical Advisory Committee for the OPR.

**Conclusion**

It is recommended that the funding strategy required to retain the consultant for the

City's Official Plan Review, as set out in this report, be approved. This funding commitment will ensure the timely retention of consulting services to enable the Official Plan Review's work plan to proceed on schedule in coordination with York Region's Municipal Comprehensive Review. This will allow the City to meet its statutory requirements under the *Planning Act* and support the orderly distribution of the budget, throughout the life of the project.

**For more information**, please contact: Kyle Fearon, Senior Planner, ext. 8776

### **Attachments**

None

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