



Aligning Policies and Programs to Continue Office Development Momentum in Vaughan

Vaughan Metropolitan Centre Sub-Committee
December 4, 2019

Compelling Reasons for Office Building Incentives



- Competitive landscape has changed in the GTA
- Neighbours introduced office development incentives
- Align Policies with York Region to Trigger Office Building Incentives
- Role of municipality = create a business friendly climate to encourage office development through policy, promotion, approvals, partnerships, customer service
- Increase office stock to address growing demand
- Diversify economy - attract knowledge based jobs and businesses
- Leverage investments in high-order public transit, highways, and institutions
- Generate economic and fiscal impacts (employment, payroll, GDP)

York Region Policies/Programs Approved in Oct 2019

Large Office Buildings Development Charge Deferral Pilot Program

Key features:

- Large office buildings in Centres and Corridors – minimum of 75,000 sq. ft.
- Maximum of 1.5 million sq. ft. over 3 years
- Larger office = longer deferral
- Interest free

Development Charge Deferral

Key features:

- 18-month deferral
- Interest free
- Minimum density: 4 storeys

Municipal
Participation
Required

Effective date: October 16, 2019

Four Actions to Continue Momentum in Vaughan

1 CITY-WIDE DEVELOPMENT CHARGE DEFERRAL FOR OFFICE BUILDINGS	2 DEVELOPMENT CHARGE DEFERRAL FOR OFFICE BUILDINGS IN REGIONAL CORRIDORS	3 EXTEND EXISTING COMMUNITY IMPROVEMENT PLAN in VMC/Weston-7	4 START NEW COMMUNITY IMPROVEMENT PLANNING IN REGIONAL CORRIDORS
<ul style="list-style-type: none"> ▪ Applies City-Wide ▪ 4-storey minimum ▪ 18-month deferral ▪ Interest free 	<ul style="list-style-type: none"> ▪ 50,000 SF, 4-storey minimum ▪ Interest free ▪ Max. 1.5 million SF allowable ▪ Larger office = longer deferral, up to 20 years ▪ Applicable to Highway 7 and Yonge Street Regional Corridors 	<ul style="list-style-type: none"> ▪ 2-year extension on current program applicable to CIP By-laws 176-2015 and 177-2015 ▪ Review CIP 	<ul style="list-style-type: none"> ▪ Office Building Incentives ▪ Study area: Highway 7 and Yonge Street Regional Corridors ▪ Consideration of new financial and non-financial incentives ▪ Study completion: Q3/Q4 2020

VMC Case Study – Economic Impact Statement

Economic Benefits 2015 -2020

90% of annual benefits accrue to Vaughan

Economic Benefits	Development & Construction Activity	On-Going Operations
Economic Activity	\$9.1 billion	\$914.4 million
Jobs	45,500 person-years	18,500 person-years
Gross Domestic Product	\$4.8 billion	\$485.8 million
Wages	\$3.1 billion	\$311 million
Business Earnings	\$1.7 billion	\$101.8 million
Property Taxes	Not applicable	\$240.2 million

Source: Altus Group Economic Consulting (Fall 2019) based on Input / Output Model and Other Sources, prepared for the City of Vaughan Economic and Cultural Development Department.

Economic Activity projected to grow to \$17 billion by 2041

Staff Recommendations

- Approval of two Development Charges Deferral policies and programs
- Amend CIP By-laws 176-2015 and 177-2015 to provide a two-year extension
- Initiate industry stakeholder consultations on a potential new Community Improvement Plan for the Regional Corridors
- Subject to Council approval and funding, a Community Improvement Plan Study – Q3 / Q4 2020 completion date