

**CITY OF VAUGHAN
REPORT NO. 3 OF THE
VAUGHAN METROPOLITAN CENTRE SUB-COMMITTEE**

*For consideration by the Committee of the Whole
of the City of Vaughan
on January 21, 2020*

The Vaughan Metropolitan Centre Sub-Committee met at 9:35 a.m., on December 4, 2019.

Members Present: Hon. Maurizio Bevilacqua, Mayor, Chair
 Regional Councillor Linda D. Jackson
 Councillor Rosanna DeFrancesca
 Councillor Sandra Yeung Racco

The following items were dealt with:

1. 2020 SCHEDULE OF MEETINGS

The Vaughan Metropolitan Centre Sub-Committee advises Council:

- 1) That the 2020 Schedule of Meetings was approved as amended, with the meeting dates being:**

**Tuesday, April 7, 2020;
Tuesday, June 2, 2020; and
Tuesday, November 10, 2020.**

**2. FEASIBILITY STUDY FOR A CULTURAL ARTS CENTRE IN THE
VAUGHAN METROPOLITAN CENTRE**

The Vaughan Metropolitan Centre Sub-Committee advises Council:

- 1) That the recommendation contained in the following report of the Interim City Manager and the Deputy City Manager, Planning and Growth Management dated December 4, 2019 was approved; and**
- 2) That the presentation by Mr. Doron Meinhard, Associate Partner, Hariri Pontarini Architects, Carlaw Avenue, Toronto, and Ms. Meg Friedman, Consultant at AMS Planning and Research, New Haven, Connecticut, United States of America, was received.**

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JANUARY 21, 2020**

Recommendations

1. That, the presentation and reports titled, "Feasibility Study for a Cultural Arts Centre in the Vaughan Metropolitan Centre" (Attachments 1-3) prepared by the firms Hariri Pontarini Architects, AMS Planning and Research and FDA, be received;
2. That, the VMC Project Team in consultation with Mayor and Members of Council, and industry stakeholders, be authorized to include a site-specific Cultural Arts Centre designation in the forthcoming VMC Secondary Plan Update scope of work to ensure land-use planning, site selection, urban design, cultural and economic planning policy and other matters are determined for a future development;
3. That, \$100,000 be allocated to this project from Capital Project DP-9555-17 VMC - Consultation Services to support the implementation of key findings and decision-making framework from the Cultural Arts Centre Feasibility Study; and
4. That, City staff be authorized to apply for funding programs offered by Senior Government and other private and public organizations, for the purpose of advancing the Cultural Arts Centre project in the VMC, at the appropriate time.

(A copy of the foregoing report has been attached for reference and the report attachments are on file in the Office of the City Clerk.)

3. ALIGNING POLICIES AND PROGRAMS TO CONTINUE OFFICE DEVELOPMENT MOMENTUM IN VAUGHAN

The Vaughan Metropolitan Centre Sub-Committee advises Council:

- 1) That the recommendation contained in the following report of the Interim City Manager and the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer and the Deputy City Manager, Planning and Growth Management dated December 4, 2019 was approved; and
- 2) That the presentation by the Director of Economic and Cultural Development and C2, presentation material titled "Aligning Policies and Programs to Continue Office Development Momentum in Vaughan", was received.

Recommendations

1. That Council approve pilot office incentive policies and programs to encourage large office buildings through:

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- a. The approval of a City-Wide Development Charge Deferral for Office Buildings Policy 12.C.05 (Attachment 2) consistent with the York Region's 18-month DC Deferral program approved on October 10, 2019, and with the provisions of the Bill 108, More Home More Choice Act, 2019;
 - b. The approval of City-Wide Development Charges Deferral for Office Buildings a Minimum of 50,000 Square Feet and on the Highway 7 and Yonge Street Regional Corridor – Pilot Program Policy 12.C.06 (Attachment 3) which introduces a time-limited program that provides an interest-free, long-term development charge deferral for qualified office buildings, meeting a minimum threshold of 50,000 ft² and four storeys, along the Regional Corridors, to align with the Region of York's DC deferral policy in Regional Centres and Corridors;
2. That staff be directed to initiate a Community Improvement Plan study and stakeholder consultation process to explore further tools to promote office development in the Regional Corridors, which stretches along Highway 7, from Highway 50 to North Rivermede; along Centre Street; Bathurst Street from Centre Street to Highway 7 and the west side of Yonge Street, from Steeles Avenue to Highway 7; and report back to Council on the results of the consultations and propose recommendations;
3. That the CIP By-law 176-2015 and 177-2015 applicable to the VMC and Weston Road / Highway 7 Primary Centre in the City of Vaughan, be extended to the end of 2022 in line with the Region and City's DC deferral programs; and
4. That staff report back to Council, prior to the end of this Council term, on the results of the pilot incentive program.

(A copy of the foregoing report has been attached for reference and the report attachments are on file in the Office of the City Clerk.)

4. VMC IMPLEMENTATION AND CONSTRUCTION UPDATE

The Vaughan Metropolitan Centre Sub-Committee advises Council:

- 1) **That the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management dated December 4, 2019 was approved; and**
- 2) **That the following was approved in accordance with Communication C1, Memorandum from the Deputy City Manager, Planning and Growth Management dated November 27, 2019:**

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1. **THAT the Communication be received for information supporting Item 4: VMC Implementation and Construction Update.**

Recommendations

1. That this report be received for information.

(A copy of the foregoing report has been attached for reference and the report attachments are on file in the Office of the City Clerk.)

The meeting adjourned at 2:53 p.m.

Respectfully submitted,

Regional Councillor Mario Ferri, Chair



VMC Sub-committee Report

DATE: Wednesday, December 04, 2019

WARD(S): 4

**TITLE: FEASIBILITY STUDY FOR A CULTURAL ARTS CENTRE IN THE
VAUGHAN METROPOLITAN CENTRE**

FROM:

Tim Simmonds, Interim City Manager

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

ACTION: DECISION

Purpose

To present the salient findings of the Cultural Arts Centre Feasibility Study, and to provide recommendations on moving this project to the next stage of implementation for a future civic development in the Vaughan Metropolitan Centre (VMC).

Report Highlights

- Cultural hubs are amenities that create community, social and economic benefits including city building and placemaking; investment attraction; job creation; tourism attraction; academic and social innovations; and civic pride.
- The Feasibility Study concluded that market demand and community need is evident to support a cultural hub in Vaughan's downtown given the critical mass of high-order transit and highway infrastructure, open spaces, and ongoing population, business and employment growth in the VMC.
- Further, the Study suggested that two paths have typically led to new facility development: a desire for positive economic development impacts, and a commitment to generating specific community benefits.
- Partnership is key to the successful development of this space. Collaboration may engage universities, City agencies, private developers, and area not-for-profits each with unique skills and capacity to drive the development process.
- The Study advises that cultural capital funding comes from every level of government, and there is a trend toward increased private sector contributions. On operating funding, the Study indicates that support comes from a mix of public and private sources, with public subsidy complemented by earned revenue and private sector support.
- In order to continue the momentum, City staff are recommending that the Cultural Arts Centre project moves forward to implementation phases focused on site selection within the VMC Secondary Plan Area, planning and urban design matters, senior government funding, and detailed business planning (i.e., governance, management operations, programming, capital and operating budget).

Recommendations

1. That, the presentation and reports titled, "Feasibility Study for a Cultural Arts Centre in the Vaughan Metropolitan Centre" (Attachments 1-3) prepared by the firms Hariri Pontarini Architects, AMS Planning and Research and FDA, be received;
2. That, the VMC Project Team in consultation with Mayor and Members of Council, and industry stakeholders, be authorized to include a site-specific Cultural Arts Centre designation in the forthcoming VMC Secondary Plan Update scope of work to ensure land-use planning, site selection, urban design, cultural and economic planning policy and other matters are determined for a future development;

3. That, \$100,000 be allocated to this project from Capital Project DP-9555-17 VMC - Consultation Services to support the implementation of key findings and decision-making framework from the Cultural Arts Centre Feasibility Study; and
4. That, City staff be authorized to apply for funding programs offered by Senior Government and other private and public organizations, for the purpose of advancing the Cultural Arts Centre project in the VMC, at the appropriate time.

Background

In 2018, the City of Vaughan commissioned the firms of Hariri Pontarini Architects, AMS Planning and Research, and FDA to conduct a Feasibility Study for a Cultural Arts Centre in the Vaughan Metropolitan Centre. The study assessed market demand, community need supported by extensive engagement, best-practices, development concepts, management and operating models, and financial analysis.

The Study has its roots in the objectives established under the VMC Secondary Plan. It articulates, in order to reinforce the VMC and the City's identity, the Secondary Plan anticipates one or more major civic facilities, including a landmark cultural facility.

As per Section 7.4.2 of the Secondary Plan, cultural facilities to be considered shall include, but are not limited to: a performing arts centre; a visual art centre / museum; a civic heritage museum; an outdoor amphitheater; sculpture garden and/or a fine arts school. A specific cultural facility site was not pre-determined in the VMC Secondary Plan.

Moreover, the 2018-2022 Term of Council Service Excellence Strategic Plan articulates key objectives related to City Building and Economic Prosperity, Investment and Social Capital. A feasibility study examining potential models for a cultural facility aligns with Council priorities, and forms part of the 2020-2023 Strategic Business Plan for the Economic and Cultural Development department.

This Feasibility Study has concluded, and this staff report provides a series of recommendations to continue the momentum of this project to an implementation phase adopting the decision-making framework proposed by AMS Planning and Research.

Previous Reports/Authority

[VMC Culture and Public Art Framework, Final Report](#)

Analysis and Options

To continue the momentum related to this creative placemaking and cultural hub development opportunity in the VMC, this report recommends that a coordinated implementation plan be focused on the following decision-making framework:

The Feasibility Study goals are to:

- **Vision:** Gather people to a creative hub location in the VMC
- **Programming:** Offer a mix of high-quality local and more distant content
- **Partnerships and users:** Select local partners and market-rate users
- **Design:** Appeal to many users with a quality, flexible space/set of spaces
- **Capital funding:** Secure funding through public-private collaboration
- **Operating finances:** Engage public and private subsidy, with earned revenue offsetting program costs
- **Governance:** Not-for-profit (existing or new entity)

Cultural centre development is grounded in projections of economic growth and community vitality

This project can stimulate more than \$100 million in economic activity related to one-time construction, and on an annual basis has the potential to inject over \$2.5 million directly in the local and regional economy. Indirect and induced impacts, such as spending in the supply chain, hospitality sector and retail trades represents additional benefits for businesses, jobs and households in the VMC, Citywide, and in the Greater Toronto Area.

The development of a cultural hub in Vaughan supports the community Vision, Key Priorities and Themes outlined in the Term of Council Service Excellence Strategic Plan, creating a cultural legacy for Vaughan and serving as a driver for economic growth, city building and creating an active, safe and diverse community.

The City of Vaughan is building a downtown – an intense, dynamic community that will continue to grow as the heart of the City, economically, socially, physically and culturally.

Successful contemporary city centres share basic traits:

- They have great density of buildings and people in the city;
- They contain a range of uses and activities, providing diverse opportunities for living and working;
- They are centres of learning, shopping, recreation and culture;
- They are highly accessible by all modes of urban transportation, including public transit, bicycle, and on-foot; and

- Their public realms are rich and generous; built to a high standard, and comprised of a variety of spaces and institutions, including places for civic gatherings and celebrations.

In this context, the development of the VMC as a creative and cultural hub is reflected in policies, master plans, strategic and business plans, including: the VMC Secondary Plan; VMC Culture and Public Art Framework; the Economic Development and Employment Sectors Study, and at the macro level, the Term of Council Service Excellence Strategic Plan 2018-2022.

Arts and cultural institutions contribute to an enriched and diverse community; and serve as a driver of economic growth attracting talent, business investment and social capital to the City's downtown and the broader region. At once, a magnet for creativity, social and cultural innovations, these institutions also need to be supported with the appropriate level of leadership, vision and sustained investment from the private and public sector. They need to be authentic to the community. Their mission, values and programming must resonate with residents, businesses and visitors, where an 'one-size fits all' philosophy cannot apply.

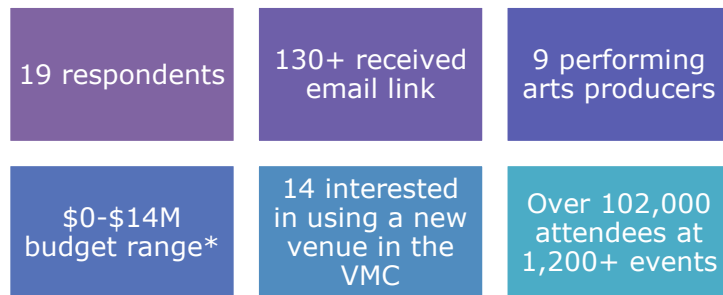
In the development context of the VMC, burgeoning residential, retail commercial and office development projects, urban parks and open spaces, an emerging recreation, hospitality and entertainment sector, anchored by a public transit network that spans the Greater Toronto Area (GTA), will see the downtown evolve over a period of decades, with progressively richer and deeper amenities. The governance and operating model for today's arts and cultural hub may be transitory, its capacity morphing to accommodate the needs of users and audiences as the VMC matures becoming a regional destination.

City representatives and creative economy stakeholders expressed enthusiasm for a new cultural facility to serve as an anchor institution in the VMC

Through a series of engagement activities with potential venue users, the following messages were clearly conveyed to the Consulting team.

- "A reasonably priced rental opportunity so that artists could contribute to the cultural experience"
- "This space needs to keep in mind the cultural diversity in Vaughan"
- "What we need... is affordable, long term rentals in well-designed spaces that are flexible"

Potential Venue Users – Profile of 100+ Respondents



Vaughan is a lively and growing marketplace

The study concluded that Vaughan is a marketplace primed for growth and experimentation due to the following factors:

- Growing, active families
- Multi-cultural with no single, dominant group
- Rapid in-migration from other metros and countries suggests programming diversity will be essential
- Education and affluence tend to correlate with arts participation
- Higher incomes suggest capacity to purchase upscale tickets and packages
- Sensitivity to brand and aesthetics presents opportunities for membership programs and private donor engagement

A strong planning context and framework exists to support the development of a Cultural Arts Centre in the Vaughan Metropolitan Centre

The vision for a rich culture base in the VMC is well articulated in planning, policy and placemaking documents, recognizing that civic and cultural facilities, and other destinations, will attract people from across the city and region, and generate economic impacts for businesses in the VMC, city-wide and across the Greater Toronto Area.

The VMC Secondary Plan recognizes that “successful downtowns have a strong identity, sense of place and civic attractions. To these ends, it is an objective of this plan to establish civic uses and spaces in the VMC that serve residents from across the city and to realize a high quality of development and public realm initiatives. To reinforce the VMC’s and the city’s identity, the plan anticipates one or more major civic facilities, including a landmark cultural facility”.

The Plan further notes that cultural facilities may be developed as a catalyst for broader development and to establish an identity and civic role for the VMC.

The VMC Culture and Public Art Framework builds on the Secondary Plan policy structure, envisioning the VMC as a top destination for cultural entertainment in the GTA where state-of-the-art facilities and spaces provide a vast range of experiences for all users. Strategic Direction 1 of the Framework focuses on the Design and Build Great Public and Private Space, with Objective 2 identifying tactics to establish rich cultural resources. Central to this Objective is Recommendation 2 - invest in major cultural facility(ies) as anchors for creative and cultural developments in the VMC. This Recommendation include the following actions which have been explored through this report and related Attachment 1:

- Examine precedents in multi-purpose cultural facilities (e.g. performing arts centre) as models for future cultural facilities in the VMC (including privately-operated cultural facilities).
- Conduct a feasibility assessment for building, operating and maintaining a multi-purpose cultural facility.

This report, accompanied by Attachment 1, delivers part of VMC Secondary Plan Policy 7.4.1 which committed the City to undertake a Cultural Arts Centre Feasibility Study Plan for the VMC to identify appropriate and feasible cultural facilities for the VMC. An update to the VMC Secondary Plan is being planned to start in Q1 2020, pending budget approval. Staff will include a provision to study the inclusion of a site-specific Cultural Arts Centre designation, one that does not exist today, as part of the scope of work. Completion of the Secondary Plan update is anticipated to occur within 24 months.

Recommendation 3 of this report will deliver on the balance of Policy 7.4.1 by developing an implementation strategy for Council-approved priority cultural facilities.

Financial Impact

A budget for the development and operation of a new cultural facility, including funding for an operating subsidy identified in the Feasibility Study, does not currently exist in the City of Vaughan Budget. Moreover, the development of this project is currently not included in the 10-year capital budget forecast.

This report is recommending that \$100,000 be allocated from an existing Capital Project (DP-9555-17 VMC Consultation Services) to continue the next phase of work related to this project. Moreover, this report recommends that the City of Vaughan pursues funding from senior levels of government, and other private and public sector organizations.

The Feasibility Study advises that the City carefully considers and plans the management of a long-term operating subsidy, including appropriate governance and funding models. This is a principle that will guide the next phase of work on this project.

Broader Regional Impacts/Considerations

The potential development of a cultural hub may have implications for York Region's Centres and Corridors and its Economic Development Action Plan. Copies of this report and subsequent work plans will be communicated to York Region Planning and Economic Strategy, the Vaughan Chamber of Commerce, York Region Arts Council, VMC stakeholders and landowners.

Conclusion

Over the years, Vaughan has employed community and civic spaces to foster, incubate and host creative and cultural activities. Community centres, libraries, heritage properties and the City Hall have supplemented as venues for cultural incubation, innovation, program delivery and demonstration, including exhibitions, studio and performance spaces. Cultural uses have competed, and at times, conflicted with recreation and local community uses for limited space.

As the downtown matures with a growing population and employment base, and to leverage public transit and infrastructure investments made by various levels of government and the private sector, the time has come for a concerted and dedicated effort to establish a creative hub.

For more information, please contact: Mirella Tersigni, Creative and Cultural Officer, ext. 8459

Attachments

1. Feasibility Study for a Cultural Arts Centre in the VMC – Phase 1: Needs Assessment Report, April 2019.
2. Feasibility Study for a Cultural Arts Centre in the VMC – Phase 2: Final Report, November 18, 2019.
3. Presentation: VMC Cultural Centre, a Creative Hub, December 4, 2019.

Prepared by

Mirella Tersigni, Creative and Cultural Officer, ext. 8459
Shirley Kam, Manager of Special Projects and Economic Development, ext. 8874

Amy Roots, Senior Manager of Development Planning (VMC), ext. 8035
Christina Bruce, Director, VMC Program, ext. 8231
Dennis Cutajar, Director, Economic and Cultural Development, ext. 8274

VMC Sub-committee Report

DATE: Wednesday, December 04, 2019

WARD(S): ALL

**TITLE: ALIGNING POLICIES AND PROGRAMS TO CONTINUE OFFICE
DEVELOPMENT MOMENTUM IN VAUGHAN**

FROM:

Tim Simmonds, Interim City Manager

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

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

ACTION: DECISION

Purpose

To seek Council approval to continue efforts to promote major office development in Vaughan by enacting development charge deferral policies for large office developments that will align the City with the deferrals being offered by the Region of York. Additionally, staff would like to initiate a Community Improvement Plan (CIP) Study with a focus on office development along the Regional Corridors as shown in Attachment 1, and also extend the existing CIP By-Law 176-2015 and 177-2015 in the VMC and Weston Road/Highway 7 Primary Centre by an additional two years.

Report Highlights

- Office development is a significant contributor to Vaughan's current and future competitiveness, its placemaking and city building initiatives, its financial sustainability and its residential and workforce development goals.
- Vaughan's introduced a Community Improvement Plan in the VMC and Weston/Highway 7 Primary Centre, in November 2015 to spur major office development, and it is due to expire in late 2020.
- To date, four CIP applications were received accounting for 67,300 m² (724,400 ft²) of office space. Only three projects have been constructed; two in the VMC and one in the Weston/Highway 7 Primary Centre totaling 53,800 m².
- An economic and fiscal impact analysis of office, commercial and residential development in the VMC found that development and construction generated \$5.1 billion in direct economic activity alone, with an additional \$447.5 million annual expenditures for the 2015-2020 period.
- The marketplace has become more competitive. Greater Toronto Area municipalities, including Brampton, Richmond Hill, Markham, Toronto, and Mississauga have or will be implementing CIPs or development charges (DCs) deferrals or grants specifically for office development that will place them in direct competition with Vaughan.
- York Region has approved new financial incentives for its Centres and Corridors for office development, greater than 75,000 ft² (6,967.5 m²) in size.
- For office developments in Vaughan to take advantage of the Region's Development Charge Deferral Programs, the City must initiate or revise existing Development Charge Deferral and/or CIP programs to provide similar or better incentives for office development.

Recommendations

1. That Council approve pilot office incentive policies and programs to encourage large office buildings through:
 - a) The approval of a City-Wide Development Charge Deferral for Office Buildings Policy 12.C.05 (Attachment 2) consistent with the York Region's 18-month DC Deferral program approved on October 10, 2019, and with the provisions of the Bill 108, *More Home More Choice Act, 2019*;
 - b) The approval of City-Wide Development Charges Deferral for Office Buildings a Minimum of 50,000 Square Feet and on the Highway 7 and Yonge Street Regional Corridor – Pilot Program Policy 12.C.06 (Attachment 3) which introduces a time-limited program that provides an interest-free, long-term development charge deferral for qualified office buildings, meeting a minimum

- threshold of 50,000 ft² and four storeys, along the Regional Corridors, to align with the Region of York's DC deferral policy in Regional Centres and Corridors;
2. That staff be directed to initiate a Community Improvement Plan study and stakeholder consultation process to explore further tools to promote office development in the Regional Corridors, which stretches along Highway 7, from Highway 50 to North Rivermede; along Centre Street; Bathurst Street from Centre Street to Highway 7 and the west side of Yonge Street, from Steeles Avenue to Highway 7; and report back to Council on the results of the consultations and propose recommendations;
 3. That the CIP By-law 176-2015 and 177-2015 applicable to the VMC and Weston Road / Highway 7 Primary Centre in the City of Vaughan, be extended to the end of 2022 in line with the Region and City's DC deferral programs; and
 4. That staff report back to Council, prior to the end of this Council term, on the results of the pilot incentive program.

Background

In November 17, 2015 Council approved the implementation of By-law 176-2015 designating the Vaughan Metropolitan Centre and Weston / Highway 7 Primary Centre as the Community Improvement Project Areas within the City of Vaughan. Further, Council adopted By-law 177-2015 setting forth the Community Improvement Plan for the aforementioned project areas. The goal of the CIP is to support the acceleration of office development in the two designated areas.

Conditions set within the existing CIP call for it to be reviewed upon its five-year expiry date or upon full usage of the 139,355 m² (1.5 million ft²) of office space identified in the plan, whichever occurs first. As the expiry date approaches, it is timely to review and assess the CIP and its impact on the attraction of office development in Vaughan. Furthermore, the changing office market place, introduction of financial incentives by competing municipalities, and planning policy changes necessitate that Vaughan re-examines its position relative to financial and non-financial incentives as it affects the VMC and other intensification areas.

Previous Reports/Authority

[Community Improvement Plan: A Strategic Tool to Support and Accelerate Office Development - Item 4, Report No. 2 of Priorities and Key Initiatives Committee, May 12, 2014](#)

[Community Improvement Plan for the Vaughan Metropolitan Centre and Weston Road / Highway 7 Primary Centre - Item 11, Report No. 40 of Committee of the Whole, November 17, 2015](#)

[Community Improvement Project Areas By-law 176-2015](#)
[Community Improvement Plan By-law 177-2015](#)

[Development Charges By-law 083-2018](#)

[Council Extract Related to Item 11, Report No. 40, Committee of the Whole Report](#)
[Community Improvement Plan Update - VMC Sub-Committee, February 13, 2018](#)

[York Region Development Charges Deferral for Office Buildings, Committee of the Whole 2 Report, October 10, 2019](#)

Analysis and Options

Update on Office Development in the City of Vaughan

Vaughan is an emerging player in the GTA office market

According to Colliers Canada's Q2 2019 GTA Office Market Report, Vaughan has an inventory of 82 office buildings comprising of more than 483,000 m² (5.2 million ft²) of office space, with the vast majority falling outside the VMC. Vacancy rates on office space city-wide hovers around 3.5 per cent, and Vaughan weighs in with highest average asking net rent of \$19.81 per square feet in suburban office markets outside of Toronto (Table 1); higher even than the Yonge-Eglinton corridor which came in at \$17.69 per square feet.

Table 1: Selected Office Market Statistics – Q2 2019

Market	# of Buildings	Total Inventory (SF)	Vacancy Rate	Availability Rate	Weighted Avg. Asking Net Rent (\$PSF)	Weighted Avg. Asking Gross Rent (\$PSF)
Financial Core	109	37,685,473	2.2%	4.2%	\$36.22	\$65.05
North Yonge Corridor	58	10,700,185	5.3%	8.5%	\$21.09	\$41.94
Yonge Eglinton	74	6,938,241	1.5%	1.8%	\$17.69	\$35.05
Vaughan	82	5,225,868	3.5%	4.8%	\$19.81	\$31.00
Hwy. 404 / 407	130	10,441,750	4.3%	6.8%	\$16.44	\$30.20
Airport Corporate	82	7,020,539	8.6%	11.8%	\$16.08	\$31.61

Source: Colliers Canada, GTA Office Market Report, Q2 2019

The VMC has been the focus of financial and non-financial incentives for new office development.

The VMC Secondary Plan established minimum targets of 1.5 million ft² of office space development and 750,000 ft² of retail space employing 11,500 people, of which 5,000 would be engaged in office activities. Additionally, the Secondary Plan calls for 12,000 residential units housing approximately 25,000 residents by 2031.

In support of significant public sector investments in transit and transportation infrastructure, and to facilitate the development of Vaughan's downtown, Vaughan implemented a CIP in late 2015 to spur office development. In addition to the 30+-year-old Royal Centre and 101 Exchange Avenue, two new office buildings have been completed in the VMC since 2015: KPMG Tower and PwC/YMCA Community Centre. The KPMG Tower which opened in 2016 set a new benchmark for office rents. In Q4 2019, PricewaterhouseCooper LLP (PwC) will open its doors at the PwC/YMCA tower bringing the total new office space to more than 36,800 m². Planning approvals are in place for an additional 13,500 m² of office space at the Liberty Development's 'Cosmos' site.

The City has met its 2031 residential and population targets within the VMC, with 19,641 residential units built, under construction or proposed (164% of residential targets) and 38,889 population (156% of targeted population). Factoring in the two new major office projects that will be going through a pre-application consultation process, and proposed retail space, retail and office developments currently stand at 53% and 66% of target, respectively.

Office projects outside the VMC are dispersed along major corridors and key nodes.

Outside the VMC, recent office developments have occurred at Weston Road and Highway 7 (Liberty Development's Centro Square); as well as three office proposals in the Vaughan Enterprise Zone. Site plan proposals have also been submitted for Bathurst/Centre Street (Promenade Mall redevelopment), and Keele and Steeles.

In total, there is a potential for more than 972,000 ft² of new office space in the development pipeline (see Table 2 below). However, most of these projects are still in various planning stages. The lack of immediately available Class A office space means that a prospective tenant looking for space to occupy in the next 12 to 18 months, could not be accommodated in the current building stock or projects in the planning pipeline.

Table 2: Proposed Major Office Projects

Developer / Applicant	Location	Size
Promenade Limited Partnership (OP.18.013)	Promenade Mall – 1 Promenade Circle	206,673 ft ² (19,200 m ²)
Kartelle 130 Racco Parkway Inc. (DA.18.006)	130 Racco Parkway	57,061 ft ² (5,301 m ²)
Steeles Keele Investments Ltd. (DA.08.051)	2330 Steeles Ave. W.	237,600 ft ² (22,073 m ²)
LiUNA Local 183 (DA.18.025)*	8500 Huntington Rd.	290,635 ft ² (27,000 m ²)
Zzen Group (DA.18.041)	6220 Highway 27	90,473 ft ² (8,405 m ²)
Zzen Group (DA.18.083)	6230 Highway 27	90,473 ft ² (8,405 m ²)

* purpose-built space to be occupied by LiUNA Local 183

Regional and City planning policy reviews provide an opportunity for future office development in key corridors and primary centres.

As York Region works through its Municipal Comprehensive Review (York Region Official Plan Review), the City of Vaughan is also undertaking a review of its planning policies and master plans. In addition to the Official Plan Review, the City will be updating its VMC Secondary Plan and will be preparing secondary plans for Weston Road and Highway 7, Dufferin and Centre Street and the Promenade Mall. These exercises will allow Vaughan to consider its future growth to the year 2041; including office and major office uses. Increasingly as Vaughan becomes a highly urbanized City, creating a balanced and complete community grows in importance, to provide a mix of uses, including office and other commercial uses as a source of employment opportunities.

The Provincial Growth Plan 2019 (Growth Plan) requires upper-tier municipalities, in consultation with lower-tier municipalities, to delineate the boundaries of Major Transit Station Areas (MTSAs) on Priority Transit Corridors or subway lines. MTSAs are ‘the area including and around any existing or planned higher order transit station or stop within a settlement area; or the area including or around a major bus depot in an urban core. MTSAs generally are defined as the area within an approximate 500 to 800-metre radius of a transit station, representing about a 10-minute walk.’

The Growth Plan establishes minimum density targets for MTSAs as follows:

- 200 residents and jobs combined per hectare for MTSAs on a subway line

- 160 residents and jobs combined per hectare for MTSA's served by light rail and rapid transit
- 150 residents and jobs combined per hectare for MTSA's on the GO Transit line

The Growth Plan directs major office uses to Urban Growth Centres (VMC for Vaughan), MTSA's and other Strategic Growth Areas with existing or planned frequent transit service. York Region, in consultation with the City of Vaughan has currently identified more than 20 MTSA's in Vaughan; and has established draft minimum density targets which exceed the above Growth Plan minimums for a number of them. This represents a major opportunity for office development as we proceed through the Official Plan Review process as well as the previously mentioned secondary planning processes.

Economic and Fiscal Impacts – VMC Case Study

The City's investment in the existing CIP along with a well-articulated vision for the downtown, development process improvements, infrastructure investments and other non-financial incentives will play key roles in attracting the \$17 billion of economic activity anticipated in the coming decades.

Large office buildings like those occupied by KPMG, Telecon (Centro Square) and PwC serve as corporate anchors, creating a critical mass of space and employment to leverage the transit investments made, spurring retail commercial development, and serving as a draw for support services and workforce development.

The City retained Altus Group to undertake a high-level economic analysis of Vaughan's CIP areas over two time periods. In the 2015-2020 timeframe, the analysis took into account completed or under construction development projects, and ongoing operations of the constructed projects, including property management, retail spending and employment. In the 2021-2041 timeframe, the analysis was completed based on projected incremental development and construction activity, spending and employment. Public and private sector investments in transit, roads and servicing, parks and open spaces were excluded from the analysis. Altus's estimates based on the VMC case study as presented below (Attachment 4) represent a magnitude of economic benefits to Vaughan and the Province of Ontario:

Vaughan Metropolitan Centre - Economic Impact

1. Total economic activity is estimated at \$9.1 billion between 2015 and 2020, growing to \$17.3 billion by 2041 from one-time construction and development activities. Total economic activity from on-going annual operations is estimated at \$914 million between 2015 and 2020, growing to \$3.5 billion by 2041.

2. Jobs from direct, indirect and induced activities from 2015-2020 is estimated at 45,491 person-years of employment while wages are estimated at \$3.1 billion, during construction and development. Jobs from on-going annual operations for 2015-2020 is estimated at 18,494 person-years of employment, rising to 77,486 person-years by 2041.
3. Gross Domestic Product (GDP) contributions is estimated at \$4.8 billion, forecasted to grow to \$9.1 billion by 2041 from construction and development activities. On an on-going annual operating basis, GDP is estimated at \$485.8 million, and \$1.9 billion for the 2015-2020 and 2021-2041 period, respectively.
4. Business earnings total \$1.7 billion and are forecasted to grow to \$3.2 billion by 2041 from construction and development activities. On an on-going annual operating basis, business earnings total \$101.8 million and \$365.1 million, for the 2015-2020 and 2021-2041 period, respectively.

Vaughan Metropolitan Centre - Fiscal Impact

1. Annual property tax revenues, as a portion of government revenues are estimated at \$240.2 million for 2015-2020 period, increasing to \$302.5 million for the 2021-2041 period.
2. Development charges revenue are estimated at \$512.9 million between 2015-2020, growing to \$868.3 million by 2041.
3. Land transfer taxes are estimated at \$65.3 million between 2015-2020, growing to \$170.3 million by 2041.

Competition for Office Investment and the Use of Financial and Non-Financial Tools

Employing the Community Improvement Plan as a tool for accelerating major office buildings

Section 28(1) of the *Planning Act* defines a Community Improvement Plan as, 'a plan for community improvement of a community improvement project area' where the following definitions apply:

Community Improvement means:

The planning or re-planning, design or redesign, re-subdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, building, structures,

works, improvements or facilities, or spaces therefore, as may be appropriate or necessary; and

Community Improvement Project Area means:

A municipality or an area within a municipality, the community improvement of which in the opinion of Council, is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.

The Act provides that municipalities in Ontario with an in-effect official plan that has provisions relating to community improvement, the council may by by-law designate community improvement plan project areas and implement community improvement plans.

Competition for office development is ratcheting up in the Greater Toronto Area

At the time of Vaughan's implementation of its CIP, Toronto was the only municipality with incentives that targeted office development. The market place has since changed significantly. Mississauga (2017), Richmond Hill (2018) and Markham (2017) and Brampton (2019) have all implemented financial incentives for office development. The City of Toronto offers the most generous incentives, exempting all development charges for non-residential gross floor area above the ground floor and providing a 10-year Tax Increment Equivalent Grant (TIEG). Mississauga introduced a suite of financial incentives for its downtown, including a TIEG, municipally funded parking program, development processing fee rebates, and municipal property acquisition and disposition. Within York Region, Richmond Hill offered a TIEG and Markham discounted development charges to 25% of applicable rates for office buildings in excess of 100,000 ft².

The City of Brampton has had a history of CIPs for its Central Area dating back to 2000. The incentives offered included development charge deferrals, façade improvements, building improvements and sign permit fee subsidy programs. Most recently, the City of Brampton has revised its development charges by-law to waive development charges on office development of at least two storeys and greater than 50,000 ft² on a city-wide basis; and allowed change of use exemptions to allow industrial spaces to be repurposed to commercial uses. Brampton will be undertaking a city-wide CIP study with a targeted presentation date of Q4 2020.

Since Vaughan implemented its first CIP in November 2015, four CIP applications, that collectively total approximately 67,300 m² (724,400 ft²) of new office space and

representing 48 per cent of targeted office space goal, have been received. The four applications are estimated to generate \$15.6 million in new property tax revenue over ten years. Estimated foregone revenues is \$12.5 million from Cash-in-Lieu of Parkland, development charges and property taxes over ten years.

Bill 108, More Homes, More Choice Act, 2019 changes how development charges are levied on office development

Bill 108, *More Homes, More Choice Act, 2019*, which received Royal Assent on June 6, 2019 changed both the administration of development charges, and the timing of payment for office development. The legislation allows developers to lock in development charge rates on the day upon which a site plan or zoning application is made. Furthermore, non-residential developments including offices, would not have to pay development charges until the earlier of occupancy permit or first occupancy of the development; and continue to pay, in equal installments for the subsequent five years. Under the regulatory framework proposed by the Ministry, virtually all types of office development would qualify for the delayed or phased payment regime. There are no minimum height requirements to qualify for the Bill 108 provisions.

Implementation of York Region's new Development Charges Deferral Pilot Programs will add another financial incentive tool for attracting office development in the Regional Centres and Corridors.

At the June 13, 2019 Committee of the Whole, York Region Council directed staff to consult with stakeholders on potential financial incentives to promote major office development in the Region's Centres and Corridors. On October 16, 2019 York Region Council ratified a report and memorandum (Attachments 5 and 6), recommending the following:

1. Development Charge Deferral aligned with the provisions of the *More Homes More Choice Act, 2019*; and
2. A new time-limited development charges deferral for office buildings greater than 75,000 ft² in gross floor area and having at minimum, four storeys located in its Regional Centres and Corridors or specific local centres such as Keswick, King and Whitchurch-Stouffville. The three-year pilot is an interest-free DC deferral that has a variable duration period based on building scale, as illustrated in Table 3.

Table 3: Duration of York Region's Development Charges Deferral

Gross Floor Area Threshold	Duration of Development Charges Deferral Available in Regional Centres and Corridors or Specific Local Centres
Between 75,000 ft ² to 150,000 ft ²	5 year*
Between 150,000 ft ² to 250,000 ft ²	10 year*
Greater than 250,000 ft ² and less than or equal to 400,000 ft ²	15 year*
Greater than 400,000 ft ²	20 year*

* Note: Once threshold is crossed, entirety of gross floor area in office building is deferred for this timeframe

The Region's policy will only be available to the first 1.5 million square feet of gross floor area on a 'first-come, first-served' basis. The Region will only enter into a Development Charges Deferral agreement if the local municipality provides a 'similar, if not better' deferral, exemption, or other incentives.

Next Steps – A City of Vaughan Four-Prong Strategy for Continuing the Office Development Momentum

Staff recommend a City-Wide Development Charge Deferral to align with York Region's recently updated Development Charges Deferral for Office Buildings

To align with York Region's Development Charge Deferral policy, the City of Vaughan may wish to introduce a city-wide development charge deferral program to incentivize office developments with Bill 108 provisions. For eligible projects, an 18-month interest-free deferral may be granted from the earlier of the date of the issuance of a permit under the Building Code Act, 1992 authorizing occupancy of the building, or the date the building is first occupied. Attachment 2 forms the City of Vaughan's City-Wide Development Charge Deferral for Office Buildings Policy 12.C.05.

Staff recommend a Development Charge Deferral for Large Office Buildings Pilot Program in the Highway 7 and Yonge Street Regional Corridors to align with York Region's new Development Charge Deferral for Office Buildings in the Regional Centres and Corridors Pilot Program

To align with York Region's Pilot Program for Office Buildings in the Regional Centres and Corridors, the City of Vaughan may wish to introduce a development charge deferral program in the Highway 7 and Yonge Street Regional Corridors. Whereas the Region's policy applies to developments greater than 75,000 ft², it is proposed that Vaughan's program has a minimum threshold of 50,000 ft² and four storeys above grade. The

rationale for lowering the qualifying threshold is to recognize that development occurs at different scales in the Regional Corridor. Additionally, this threshold aligns with what is being used in neighbouring municipalities.

The duration of the recommended development charge deferral is longer than the city-wide Development Charges Deferral Program to encourage larger scale developments.

Table 4: Proposed Vaughan Development Charges Deferral for Office Buildings in the Regional Corridor

Gross Floor Area Threshold	Duration of Development Charges Deferral Available in Regional Corridor
Between 50,000 ft ² to 150,000 ft ²	5 year*
Between 150,000 ft ² to 250,000 ft ²	10 year*
Greater than 250,000 ft ² and less than or equal to 400,000 ft ²	15 year*
Greater than 400,000 ft ²	20 year*

* Note: Once threshold is crossed, entirety of gross floor area in office building is deferred for this timeframe

If approved, the Development Charge Deferral as proposed in Attachment 3 would be applicable to the end of this term of Council.

Staff recommend initiating a public consultation process as part of a Community Improvement Plan study along the Regional Corridor

The City's policies pertaining to CIPs are found in Policy 10.1.2.13, which has been approved by the former Ontario Municipal Board. A precedent for a CIP has been established, as set out in Item 4 of Report No. 2 of the Priorities and Key Initiatives Committee, May 14, 2014: *Community Improvement Plan: A Strategic Tool to Support and Accelerate Office Development*. In November 2015, Council approved a CIP for the VMC and the Weston Road/Highway 7 Primary Centre.

With the Region's approval of the new Development Charge Deferral Pilot Program, office incentives are available for an area that extends beyond the VMC or the Weston Road / Highway 7 Primary Centre boundaries. Thus, to bring the City in alignment with Regional programs, and to consider other financial and non-financial tools, staff is recommending undertaking a stakeholder consultation process to explore the establishment of a Community Improvement Plan along the Highway 7 and Yonge Street Regional Corridors. A consultation and engagement plan will be developed to solicit public and industry stakeholder feedback on the need for, and magnitude required, of any proposed office

incentive programs. The outcomes of the consultation process will inform staff recommendations and the budget process moving forward.

Once the by-law designating the Community Improvement Project Area has been passed, Council may provide for the preparation of a plan 'suitable for adoption as a community improvement plan for the community improvement project area'.

In addition to any City initiated requirements for public consultation, the approval process for the CIP requires that it follow the same procedures as those for an Official Plan amendment (Section 17 of the Planning Act). This includes the requirement for a Public Open House and having the draft CIP available to the public 20 days in advance of the Public Meeting; the holding of a Public Meeting before Council on the draft plan to obtain further public input; revise the Plan accordingly and submit to Council for adoption; and give written notice of Council's adoption of the CIP. The appeal period lasts 20 days, after which the plan comes into effect if there are no appeals and, if there are appeals, they are forwarded to Local Planning Appeal Tribunal for adjudication.

Staff recommend that CIP By-law 176-2015 and 177-2015 be extended by two years

The current in-force CIP By-laws offers incentives that includes a tax increment equivalent grant; development charge deferral, and cash-in-lieu of parkland to the first 1.5 million square feet of office space in the VMC and/or Weston Road / Highway 7 Primary Centre. CIP By-law 176-2015 and 177-2015 are due to expire at the end of 2020. To bring them into alignment with the two proposed development charge deferral policies, it is recommended to extend the deadline by two years until the Term of Council ends. Staff will work with the development industry to promote and market the CIP program; as well as report on the outcomes of CIP By-law 176-2015 and 177-2015.

Advancing complementary non-financial tools and improvements to the development approvals process also supports and encourages office attraction and fulfills our mandate for service delivery excellence.

Financial incentives, such as development charges deferrals are but one tool for attracting office development. Other factors that play a role in creating a competitive environment for attracting tenants include an expedited development process, a predictable property tax regime and availability of shovel-ready sites.

The City has formed a Development Liaison Committee comprised of development industry and agency representatives to provide a forum for dialogue and collaboration in continuous improvement of the development process. Led by Transformation and

Strategy and the Planning and Growth Management Portfolio, the City is embarking on a pilot project as part of its Development Application Approval Process (DAAP) - an integrated and streamlined service delivery channel that spans early stage planning applications to late stage building permit issuance.

Staff will continue to monitor changes to Regional policies with respect to development charges, property taxes, business practice reforms, and other process improvements that drive positive change for office and employment attraction.

The recommended incentive programs align with Term of Council Service Excellence Strategic Plan and the Economic and Cultural Development department's 2019-2023 Strategic Business Plan.

Facilitating the development of major office buildings in the Regional Corridor, is aligned with the Term of Council Service Excellence Strategic Plan objectives including:

- City Building
- Active, Safe and Diverse Communities
- Economic Prosperity, Investment and Social Capital

Financial Impact

Development charge deferrals are financed as opposed to funded. For example, a 20-year development charge deferral for an office building of 400,000 sq. ft. would cost the City approximately \$5.3 million over the life of the deferral but would also generate approximately \$24.7 million in additional property tax revenues (present value) for the City, Region and Education Board during the 20-year deferral period. Table 5 below further provides an example of the quantified costs for the deferrals for different sized office buildings:

Size of Office Building	Length of Deferral	Present Value of Cost of Deferral (\$M)*	Present Value of Property Tax
			Revenues Over First Five Years
50,000 - 100,000 sq. ft.	5 year	1.3	6.9
150,000 - 250,000 sq. ft.	10 year	1.1	2.7
250,000 - 400,000 sq. ft.	15 year	2.6	4.1
> 400,000 sq. ft.	20 year	5.5	6.3

*Assumes the Non-Residential development charge rate of \$38.32 (November 8, 2019)

The estimated cost of the proposed deferral program is the foregone interest earned on reserves by deferring development charge collections

The existing and in-force CIP forecasts a maximum exposure of \$17.6 million if full development of the 139,355 m² took place. It is currently estimated that the four CIP applications received to date will result in approximately \$12.5 million less revenue from Cash-in-Lieu of Parkland, development charges and property taxes (over 10 years) as a result of the CIP. However, new revenue to the City generated by the development of this office space will result in an estimated \$15.6 million over a 10-year period that would not have otherwise been realized.

Development charge incentives do not apply to the KPMG Tower and Centro Square as they were able to take advantage of transition measures under the 2013 Development Charge By-law implementation. The PwC/YMCA and Liberty Development 'Cosmos' projects will have development charge implications, resulting in \$887,000 that will need to be repaid by the City from other funding sources. This impact is included as part of the \$12.5 million figure stated above.

Staff will bring forward a report outlining the potential fiscal implications, as well as benefits to the community arising from a new CIP and/or development charge deferral program.

Broader Regional Impacts/Considerations

Senior City staff have been engaged in regular communications with the York Region team from stakeholder consultation stage and later, in the development of the two DC deferral programs. In developing complementary and aligned programs, industry stakeholders will have common understanding of applicable policies easing the implementation and administrative processes.

A copy of this report will be forwarded to York Region to inform the Municipal Comprehensive Review and Economic Development Action Plan updates. Staff will continue to engage with York Region on enhancing competitiveness in attracting and retaining business investments. Staff will undertake to advise the Vaughan Chamber of Commerce and other relevant agencies.

Conclusion

Major office development and the associated employment in knowledge-based sectors, generate highly desirable outcomes in fostering innovation and creativity in local business ecosystem; promoting skills development, higher learning and training amongst residents; and catalyzing placemaking to deliver a high quality of life and economic opportunities for residents and businesses.

Over the past five years, Vaughan has experienced an uptick on office development in the VMC, the Vaughan Enterprise Zone, other primary centres and transit corridors. It is important to the City's competitiveness and financial sustainability to keep up the momentum in office development, particularly as goods-producing sectors give way to services and other knowledge-based work.

The competitive tide has risen in the GTA with office projects being increasingly drawn to Toronto's core. There is an imperative need to stay at the forefront of economic development with financial and non-financial incentives; to support the higher order infrastructure investments that are being made in Centres and Corridors; and to continue to invest in education and skills development for the resident labour force.

Staff recommends a four-pronged strategy to arm the City with tools for attracting office development. The two proposed DC Deferral Programs address a more immediate requirement to align with the Region's programs without an impact to the tax levy. Extension of the current CIP By-law can also be readily implemented, whereas a CIP for the Regional Corridor requires a public consultation process and thus, a longer timeframe to complete.

Vaughan will continue to modernize and optimize its operational processes and service delivery models across the corporation to complement existing financial and non-financial incentives aimed at attracting office investment and employment; and to achieve Term of Council Service Excellence goals, including City Building; Active, Safe and Diverse Communities; Economic Prosperity, Investment and Social Capital; Good Governance and Operational Performance.

For more information, please contact: Dennis Cutajar, Director of Economic and Cultural Development, ext. 8274; Bill Kiru, Director of Policy Planning and Environmental Sustainability, ext. 8633 and Michael Marchetti, Director of Financial Planning and Development Finance/Deputy Treasurer, ext. 8271.

Attachments

1. Map of Regional Centres and Corridors, York Region
2. City-Wide Development Charge Deferral for Office Buildings Policy 12.C.05
3. City-Wide Development Charges Deferral for Office Buildings a Minimum of 50,000 Square Feet in the Highway 7 and Yonge Street Regional Corridors – Pilot Program Policy 12.C.06
4. Economic Impact Statement, Altus Group, November 1, 2019

5. Large Office Building Development Charge Deferral Pilot Program, York Region, Committee of the Whole, October 10, 2019
6. York Region Memorandum: Financial Incentives for Affordable Rental Housing and Large Office Buildings, dated October 16, 2019

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VMC Sub-committee Report

DATE: Wednesday, December 04, 2019

WARD(S): 4

TITLE: VMC IMPLEMENTATION AND CONSTRUCTION UPDATE

FROM:

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

ACTION: FOR INFORMATION

Purpose

To provide an update on the priority infrastructure projects, development activity and construction updates within the Vaughan Metropolitan Centre (VMC).

Report Highlights

- Vaughan's skyline is rapidly transforming as new developments and high-rise towers reach unprecedented heights in the VMC Mobility Hub and Edgeley Pond and Park priority areas.
- Vaughan Council has approved development applications in all four quadrants of the VMC, and construction activity for new developments is expected to take place across the VMC in 2020.
- Construction of several critical infrastructure projects required to support early redevelopment activity in the downtown is underway or complete, including the SmartCentres Place bus terminal which opened for service on November 3, 2019
- The Black Creek Renewal Class Environmental Assessment received Ministry approval in August 2019
- Several new planning and design studies are advancing through 2020 to support the next phase of development
- The VMC team is focused on advancing critical infrastructure improvements in each of the four quadrants to keep pace with development and provide the necessary infrastructure to support the transitioning downtown.

Recommendation

1. That this report be received for information.

Background

Construction activity is currently underway for approved developments located in the Mobility Hub area of the northwest quadrant, as well as the area surrounding the Edgeley Pond and Park in the northeast quadrant. More development will occur across the VMC through 2020 based on Council approved applications. Refer to Attachment 1, VMC Development Activity.

As construction continues, the VMC team continues to focus on advancing critical infrastructure improvements in each of the four quadrants to keep pace with development and provide the necessary infrastructure to support the emerging downtown. Given the complexity of the planned capital infrastructure, seamless design coordination and timing of constructed works are being carried out.

Construction commenced for many of the priority infrastructure projects outlined in the VMC Implementation Plan, several of which are complete. The major and minor collector roads within the northwest quadrant, known as the west lands spine roads, were opened in August and October 2019 to deliver on Council's Members Resolution related to the Minister's Zoning Order for the relocation of a large format retail store in the VMC.

Construction was recently initiated for the Portage Parkway Extension east of Jane Street to Black Creek, as well for the Interchange Way sanitary trunk from Highway 7 south and east to Jane Street.

The City received notice that the landmark Black Creek Renewal Class Environmental Assessment Study (BCR EA) was approved by the Ministry of the Environment, Conservation and Parks (MECP) in August 2019.

Additional assessments, approvals and permits are being completed for the Edgeley Pond and Park project. Design and construction of critical infrastructure is being advanced in the southwest quadrant area.

In parallel to implementing these critical civil infrastructure works, the VMC team is advancing the planning and design of parkland to ensure that a complete community is developed for the growing population.

Refer to Attachment 2, VMC Infrastructure Projects for the location and extent of the above noted infrastructure.

Previous Reports/Authority

[VMC Development Activity Update March 2019](#)

[VMC Implementation Plan and Priority Infrastructure Project Update March 2019](#)

[VMC NW and SW Quadrants Implementation Update June 2019](#)

[VMC Parking Conditions and Management Strategy June 2019](#)

Analysis and Options

Development activity is advancing in each quadrant of the VMC

Northwest Quadrant

The construction of catalyst projects in the VMC Mobility Hub continue to propel the transformation of Vaughan's downtown, supported by the early successes of the first completed projects at the heart of the VMC. These catalyst projects include the KPMG office building, VMC Subway and Highway 7 vivaNext Bus Rapid Transit (BRT) Stations, and Transit Square and TTC Plaza where a strategic investment in architectural excellence and high-quality public realm is defining a new identity for Vaughan.

Completion of the next comprehensive development block continues to advance with the construction of the iconic VMC Centre of Community, Transit City development and SmartCentres Place bus terminal. This mixed use block will feature an enhanced pedestrian mews and public art installations, and capture the vision for integrated design and placemaking envisioned for the VMC.

Construction of the Centre of Community is nearing completion. Interior fit-out of the office floors is progressing as scheduled. PriceWaterhouseCoopers (PwC) will be taking occupancy by end of November, with Scotia Bank to follow by the end of the year. Completion of the associated civic uses, including the YMCA, daycare and City of Vaughan library and community recreation space is expected by end of Q2 2020. Topping off of the first two iconic 55-storey Transit City towers will be celebrated by the end of 2019 and construction of the third tower is progressing as scheduled, with completion of the entire project within 2021.

Following Council approval in May, construction activity has mobilized for Transit City Towers 4 and 5 (45 and 50 storeys) on the east side of Millway Avenue at Portage Parkway. Currently, underground works for all three towers have commenced, including the first purpose-built rental building in the downtown. This development will include a large privately-owned public space, which will augment the parks network in

the VMC and provide additional gathering space for residents and visitors, as well as a pedestrian oriented flexible street. Construction is expected to continue through 2023.

Portions of the temporary surface parking lot at Apple Mill Road have been relocated to the vacant lands across from the VMC Subway Station to enable construction of the second phase of the Transit City development.

Projects within this quadrant showcase high quality architecture with well-articulated building massing, complemented by public art, ground-related commercial activity and investment in public realm design to prioritize pedestrian activity and wayfinding within the Mobility Hub.

Northeast Quadrant

The northeast quadrant is shaping up to be the VMC's first residential community centred around the Edgeley Pond and Park, a signature amenity and open space destination. The first and only occupied residential towers in the VMC to date are the Expo City towers 1 and 2, each at 37-storeys, which also feature the Region's first post-secondary education facility (Niagara University) within the podium of Tower 2. Topping off of the 39-storey Nord Condos (Expo City towers 3 and 4) was celebrated in August, with occupancy expected to commence by Q4 2019/Q1 2020.

The distinctive 60-storey CG Tower (Expo City tower 5) was approved by Council in June and will set the record as the tallest tower in York Region. Construction of this first masonry tower in the emerging downtown is expected to commence in this last phase of Expo City in 2020.

The 35-storey Met development located at the southeast corner of Jane Street and Portage Parkway is currently under construction with anticipated occupancy in early 2020. This development will feature the first urban townhouse blocks constructed in the VMC to support a wider variety in building type in the downtown.

Southwest Quadrant

Development activity in the southwest quadrant has gained momentum following Council approval of the first two development proposals (Icona and Block 2/Mobilio), with additional mixed-use development applications under review. Construction is set to begin in early 2020 on the Mobilio development which will feature the VMC's first mid-rise buildings, urban townhouse blocks and extension of the Millway Avenue Linear Park as a family-oriented neighbourhood.

Given the development interest and infrastructure improvements needed to comprehensively plan this quadrant, staff have begun to facilitate coordination workshops amongst landowners in order to plan and implement necessary capital infrastructure and public realm improvements to support and advance development.

Southeast Quadrant

The Black Creek corridor defines the westerly edge of the southeast quadrant and provides a unique frontage opportunity for development. With the approval of the Black Creek Renewal EA in August and forthcoming initiation of detailed design for the corridor, development interest within this quadrant has peaked with new development inquiries, pre-application consultations and a new formal development application. While construction has not yet taken place in this quadrant, the recent Council approved Liberty Cement Site application is advancing through the agreements process. This development will feature two residential towers (34 and 40 storeys) and a 7-storey mid-rise residential building with retail uses and outdoor amenity space at-grade to activate the public realm along Maplecrete Road.

Construction of the Edgeley Pond and Park is pending finalization of third party review and agency approval

The Edgeley Pond and Park (EPP) retrofit is one of the most complex and multi-faceted projects that the City has undertaken. The project has considered a wide range of stakeholder needs while resolving challenging technical requirements. The existing on-line pond and future park block combination is the largest uninterrupted open space and City-owned land in the Vaughan Metropolitan Centre (VMC). The main purpose of the EPP project is to retrofit the existing pond to achieve the required stormwater management function to manage flooding risk and unlock development potential, while creating a signature public destination that captures the imagination of VMC residents and visitors. This central destination was planned and timed to provide the first park and open space amenities for the some 14,000 estimated new residents moving into the VMC in the next 5 years. The EPP will be a key part of creating a complete community for the first residents of the downtown

The design for the EPP project was initiated in October 2016. Timing for implementation of the pond works has been delayed as a result of several factors including the Ministry of Resources and Forestry (MNR) staff identifying the Edgeley Pond as a potential dam during the preparation of the 90% detailed design in June 2018 and pond water level concerns during major storm events, which would result in surcharging of the drainage network west of the pond. The pond water level concern was identified in September 2018 and resolved by end of Q1 2019.

The Project team recently retained a third party, peer review engineering consulting firm to assess the EPP retrofit detailed design and associated models to ensure the design

of the pond retrofit conforms to all approval agencies' standards such that approval and permits will be attained seamlessly. The peer review engineering firm will also confirm whether the existing and retrofit Edgeley on-line pond would be considered a dam as per MNRF definition and will also identify the necessary studies required for MNRF approval to attain a the MNRF Lakes and Rivers Improvement Act (LRIA) permit for a dam.

Results and recommendations from the peer review of the Edgeley Pond is expected in mid-December 2019. At that time, the project team will initiate the required assessments for a dam, should Edgeley pond be identified as a dam and will finalize the construction drawings and finalize permit applications to MNRF, MECP, DFO and TRCA. An update on the status of the Edgeley Pond and Park project will be provided at the first VMC Sub-committee in 2020.

The Black Creek Renewal Class EA is approved by the Ministry and the detailed design assignment is being advanced

The Black Creek Renewal (BCR) Environmental Assessment (EA) was completed and filed for public review in September 2018. On August 16, 2019, the City received confirmation from the MECP that both Part II Order requests for the BCR EA were denied and the City of Vaughan was approved to move forward with the next phase of the project.

The BCR is a highly complex, multi-disciplinary project that, coupled with a high estimated capital cost, led the VMC team to consider alternative project delivery models. Through successful consultation with Infrastructure Development, the VMC team have chosen a multi-phase modified design-build format. It will be a pilot project for this innovative project delivery model and new to the City.

Furthermore, also new to the City of Vaughan, is the retention of a technical advisor (TA). It is common on design-build projects for the owner to first retain a TA to assist in the preparation of the Owner's Statement of Requirements. The TA will also provide technical guidance, subject matter expertise, oversight and support during the subsequent project phases. The VMC team is developing a Terms of Reference (TOR) for TA services, which will be released as a competitive Request for Proposal in early 2020.

The TOR is a joint effort between the VMC team and Infrastructure Development, with input from various City departments and external agencies, including the Toronto Region and Conservation Authority (TRCA). Award of the project is anticipated in Q2 2020.

The Transportation Master Plan is undergoing a fulsome update for the VMC due to increased transit service, densities and population

The City will be undertaking an update to the transportation planning and design study focused on the VMC. The VMC Transportation Planning and Design Study will be used to provide direction on developing a refined multi-modal transportation network for the VMC area, supporting innovative mobility strategies and a strategic implementation plan. The study scope will be aligned with the on-going city-wide Transportation Master Plan (TMP) update and include completion of multiple Municipal Class Environmental Assessments up to Phase 4 for Schedule C activities for VMC roads as required. The outputs of the study will be used to inform transportation policies, initiatives, infrastructure improvements, and the preparation of upcoming VMC Secondary Plan and City of Vaughan Official Plan updates.

The Request for Proposal (RFP) for the VMC Transportation Planning and Design Study is anticipated to be released by end of Q1 2020.

The SmartCentres Place bus terminal is now open

A key catalyst for the developing Mobility Hub is the SmartCentres Place bus terminal which opened for service on November 3, 2019.

The terminal contains 9 bus bays with connections to both the VMC Subway Station and vivaNext Bus Rapid Transit (BRT) station at Highway 7 through both the above grade linear park along Millway Avenue and an underground tunnel. The terminal features modern, open architecture and provides convenient access from all directions to pedestrians, cyclists and transit users, including a passenger pick-up and drop-off area on Millway Avenue.

Three new roads have been opened in the northwest quadrant to provide better connectivity and support new development

The VMC team worked effectively with SmartCentres, York Region and TRCA to meet the opening deadline for delivery of major spine roads within the VMC northwest quadrant. Completion of the spine roads realizes Council's Members Resolution related to the Minister's Zoning Order for the relocation of a large format retail store in the VMC.

Applewood Crescent from Highway 7 to Portage Parkway was opened in conjunction with the opening of the relocated Highway 400 northbound offramp in August 2019. Commerce Street from Highway 7 to Apple Mill Road, and Apple Mill Road from Edgeley Boulevard to Applewood Crescent opened to the public on October 22, 2019. The construction of these spine roads has greatly improved access and circulation in the VMC and have framed the future development blocks and urban park.

Works are advancing on the widening and extension of Portage Parkway, west and east of Jane Street

Staff are currently working with SmartCentres to advance the detailed design work related to the widening and reconstruction of Portage Parkway between Jane Street and Applewood Crescent, including functional design, utility locates, and developing an overall project work plan with the objective of completing the road works in Q4 of 2021.

The detailed design for Portage Parkway extension east of Jane Street to the west limit of the Black Creek channel is under review and anticipated to be approved by the City and TRCA by the end of 2019. Construction of Portage Parkway from Jane Street to the Black Creek channel will begin in Q1 2020.

Construction of critical infrastructure on Interchange Way has started in the southwest quadrant

Improvements to the sanitary trunk sewer along Interchange Way, from Highway 7 to Jane Street required to facilitate development, is currently under construction. These works are being led by QuadReal and their consulting team, in collaboration with the City's project team. Construction is expected to be completed in summer 2020. Concurrently, modelling for the overall block plan and supporting servicing studies has commenced and will continue to inform infrastructure upgrades in the southwest quadrant area.

Construction of the Expo City strata park to commence in the second half of 2020

Through 2019, City staff have worked with the Cortel Group to advance the detailed design of Vaughan's first stratified park located within the Expo City development lands (VMC northwest quadrant). Building upon the park vision and program set through the Edgeley Pond and Park public consultation, this parkland is a crucial component of the overall Edgeley Pond and Park open space system. The strata park will provide active recreation facilities, including a natural playground, an ice-skating loop, a splash pad, and a pavilion with programmable community space and washrooms where private and public events can be hosted throughout the year. Currently, the site is being excavated to accommodate an underground commercial parking facility.

Phase 1 of Vaughan's first Urban Park to commence next year

City staff and SmartCentres are working collaboratively to develop a work plan to advance the Urban Park Phase 1 detailed design through 2020. The delivery of the first urban park block in the VMC will provide active and passive recreation park amenities to the growing downtown population. More importantly, this park block will provide service to the approximately 6,200 new residents expected to move into the six residential towers that SmartCentres is currently building within the Mobility Hub. The Urban Park phase one block is located within the northwest quadrant, between Edgeley Boulevard to the west and KPMG Tower to the east and seamlessly integrated with the KPMG and Transit Square landscape design.

The Millway Avenue Linear Park detailed design is ongoing

City staff and QuadReal's consulting team have been working through 2019 on the vision for the extension of the Millway Avenue linear park south of Interchange Way to Exchange Avenue in the southeast quadrant. Phase 1 of this park will have facilities suitable for the new Mobilio community, including a senior playground, active play equipment, shade structure and social gathering spaces flanked by perennial planting beds and a linear flexible lawn. The park construction is forecasted to commence as early as 2022.

The VMC Parks and Wayfinding Master Plan to start in 2020

The VMC team anticipates the release of the VMC Parks and Wayfinding Master Plan RFP by the end of 2019, with the commencement of the study in Q1 of 2020. The development of a Parks and Wayfinding Master Plan will help the City to ensure that the parks and open spaces located within the downtown have complementary programs and facilities that provide a variety of uses, services and experiential qualities.

Through this study, the City of Vaughan will be able to identify unique opportunities for innovative design that may allow for an incremental and phased development of parkland, to study different park management strategies that may help the City of Vaughan to operate and maintain an adequate level of service in all VMC parks and open space, and to set up a strategy to develop an intuitive and robust wayfinding system that will help VMC visitors and residents to navigate through the various distinctive precincts and downtown areas.

This study will review and adapt any current park design framework and parameters already prepared for some of the VMC parks and open spaces, such as SmartCentres vision for Central Park and the Edgeley Pond and Park detailed design among others, and inform updates to the upcoming VMC Secondary Plan review.

Financial Impact

There are no economic impacts resulting from this report.

Broader Regional Impacts/Considerations

Collaboration continues with regional stakeholders which is an important factor in realizing the success of the VMC.

Conclusion

As the next phase of development proceeds, the VMC team are focused on advancing critical infrastructure improvements in each of the four quadrants to keep pace with development and provide the necessary infrastructure to support the transitioning

downtown. The VMC team will continue to work closely with York Region, York Region Rapid Transit Corporation, VMC landowners, other external agencies and internal departments to facilitate the advancement of these projects in the downtown.

Implementation of key infrastructure projects will continue to leverage investments in transit and support early placemaking strategies for the downtown.

For more information, please contact: Christina Bruce, VMC Program Director, ext. 8231

Attachments

1. VMC Priority Infrastructure Projects
2. VMC Development Activity

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