

VMC Sub-committee Report

DATE: Tuesday, November 10, 2020

WARD: 4

TITLE: VMC DEVELOPMENT ACTIVITY UPDATE

FROM:

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ACTION: FOR INFORMATION

Purpose

To provide an update on the status of development activity in the Vaughan Metropolitan Centre ('VMC').

Report Highlights

- The current VMC Secondary Plan established a population target of 25,000 residents and 11,500 jobs by 2031 to achieve the critical mass of a downtown.
- Based on York Region's people per unit assumptions, realization of potential residential development currently represent more than 63,352 residents in 31,996 units moving into the VMC, achieving 267% of residential unit and 253% of population targets identified for the 2031 planning horizon far earlier than expected. These numbers are based on:
 - 2,137 units that are occupied
 - 4,383 units under construction
 - 6,758 units approved by Council
 - 5,125 units submitted as part of complete development applications
 - 13,593 units identified in pre-application projects (proposed)

Report Highlights Continued

- 538,770 ft² of new commercial office space has been approved, representing 2,176 jobs. This volume amounts to 36% of the 2031 office space target, with two of the projects fully occupied. Three new development applications propose an additional 1,114,544 ft² of office space, which would increase the volume to 110% of the 2031 office target, and the number of new office jobs to 6,678, if realized.
- 543,994 ft² of retail uses have been proposed as part of mixed-use developments, representing 72% of the 2031 retail target, and 1,263 jobs, if realized.
- The average density of projects continues to increase steadily with new applications, a factor which must be balanced with an updated and measured delivery of community services and social infrastructure to ensure continuity in establishing a complete community.
- Efforts are being undertaken to maintain a healthy balance between current population density trends and available community services and social infrastructure.
- An update to the VMC Secondary Plan has been initiated to address new provincial and regional policies and to confirm that the framework is still relevant, while considering the nature of existing, approved and proposed development in the VMC.

Recommendation

1. That the Vaughan Metropolitan Centre Development Activity Update report be received for information.

Background

To achieve the critical mass of a downtown and meet the density target of 200 people and jobs per hectare established in the Province's *Growth Plan for the Greater Golden Horseshoe*, the VMC Secondary Plan established a population target of approximately 17,000 residents and 6,500 jobs by 2031. The population target for the larger VMC area, including the Urban Growth Centre, is 25,000 residents and 11,500 jobs by 2031.

The following report outlines the current situation in the VMC, capturing the trends associated with development activity over the last several years. This report is complimented by the VMC Plans and Studies Update report being received today that highlights actions being taken by the VMC Team to reassess and refocus efforts for the downtown moving forward based on development trends. The VMC Capital Projects and Implementation Plan Update report, also received on Tuesday, November 10th, bridges the gap by outlining activities that have been undertaken, or are underway, to provide the infrastructure to support development and growth in the emerging downtown.

Previous Reports/Authority

[VMC Development Activity Update – April 10, 2018](#)

[VMC Development Activity Update – March 5, 2019](#)

Analysis and Options

Residential activity continues to dramatically outpace expectations in Downtown Vaughan

On March 5, 2019, Item 2 of the VMC Sub-Committee meeting identified that approved and proposed residential developments at the time represented more than 36,284 residents in 18,325 units moving into the VMC, achieving 153% of residential units and 145% of population targets identified for the 2031 planning horizon far earlier than expected. These numbers illustrated a significant 72% increase from the unit targets reported a year prior at the April 10, 2018 VMC Sub-Committee meeting, where 81% of residential units and 77% of 2031 population targets were identified.

Throughout 2020, these numbers have continued to rise dramatically. In fact, the percentage of residential units tied to the VMC Secondary Plan targets has increased by 114% since last reported in March 2019. Based on York Region's people per unit assumptions, realization of potential residential development currently represent more than 63,352 residents in 31,996 units moving into the VMC, achieving 267% of residential units and 253% of population targets identified for the 2031 planning horizon. These numbers are based on a summation of units categorized into the following and identified in Attachment 1:

- a) those that are occupied
- b) those that are under construction
- c) those that are approved by Council
- d) those that have been formally submitted as part of complete development applications
- e) those that are proposed pre-application projects

Based on the developments that are currently occupied and under construction, a projected population of 12,910 residents will be living in the VMC by 2023. When Council approved projects are added to the total occupied units, 26,290 residents will be moving into the emerging downtown within the next 5 years. This subtotal alone exceeds the 2031 planning horizon target, not considering applications currently under review by Staff or proposed as pre-application projects.

Proposed densities are rising exponentially each year

Vaughan's skyline has been dramatically transforming over the last few years as buildings continue to reach greater heights, setting new benchmarks for the Region. With the increased building height comes increased density, both of which are significantly above what was originally contemplated in the VMC Secondary Plan.

Floor Space Index (FSI) is a measure used to calculate the density of a project on a site by determining the ratio between the area of a building to the area of land on which the building stands. The higher the number, the greater the density and occupants of a site. A deeper analysis of the average density of projects across the VMC is very revealing. We are experiencing a significant annual increase in the average FSI for development applications currently being proposed or approved by Council. For those projects that are fully occupied by the downtown's first residents in the Mobility Hub and Edgeley Pond and Park neighbourhoods, the average **FSI is 3.4**. These projects represented the first approvals by Council between 2013 and 2017.

Projects currently under construction have an increased average **FSI of 6.7**, almost one and a-half times the initial Council approvals from the first phase of development. These projects were approved by Council between 2017 and 2019.

Council approvals for projects issued between 2018 and 2020 that have not yet commenced construction have an even greater average **FSI of 8.3**.

Through 2019 and 2020, projects that have been formally submitted as part of complete development applications, and projects that are proposed pre-application projects, propose a heightened average **FSI of 9.2**. This number represents a significant 2.7 times increase, or 270%, in the average density of projects in the downtown over a 7-year period.

Development trends amount to an overall average 1.6 times intensification of sites above maximum as-of-right permissions. While the magnitude of development interest and activity in the downtown is exciting, the risk of growing too quickly is that the downtown may not develop as a complete community with a healthy balance of social infrastructure to service the growing population, as was envisioned by Council and mandated by policy. Recognizing this concern, Staff have proactively advanced a collection of related VMC Plans and Studies updates to address the trends, reassess the development context and refocus efforts moving forward.

Greater diversity of building types and tenures is desired for a complete community

Based on formal development applications under review or approved, 97% of housing continues to be apartment units, with 3% representing townhouses. Within multi-unit buildings, there is currently a ratio of 56% 1-bedroom units, 42% 2-bedroom units, and 2% 3-bedroom units.

The predominate form of development continues to be high rise residential towers, with delivery of lower rise buildings lagging behind. Staff continue to encourage the integration of more mid-rise housing forms as the “missing middle” building typology in the City.

While the VMC has secured its first purpose built rental building, a focus on providing affordable housing continues to be a top priority.

The downtown’s Neighbourhood Precincts need to be protected

The urban structure of the VMC Secondary Plan included several land use precincts, with associated height and density permissions. The Plan provided for the greatest height and density permissions in the Station Precinct, with the Mobility Hub located at the core of the downtown and envisioned for the greatest intensity of uses and people. Initial development activity largely focused on sites within the Station Precinct. The increased heights and densities proposed with these projects were tied to the adjacent transit infrastructure implemented in the Station Precinct area.

Recent development activity has seen similar height and density proposals spreading to the Neighborhood Precinct areas where smaller scale residential neighbourhoods were envisioned. These communities, one for every quadrant of the downtown, were intended to be developed with a mix of high-rise, mid-rise, and low-rise buildings, complimented with schools, accessible open spaces and neighbourhood parks.

Staff are very concerned with the scale and density being proposed in these areas, as they do not contribute to the desired Neighbourhood Precinct vision and character described in the VMC Secondary Plan and VMC Urban Design Guidelines. Staff feel that protection of the Neighbourhood Precincts are fundamental to delivering Council’s vision of a complete community with sensitive transition and scale in context.

Development must be balanced with delivery of supporting social infrastructure to achieve a complete community

Vaughan’s downtown has captured a competitive advantage in the marketplace with its strategic location and catalyst infrastructure investments. With this great success comes the need to reconfirm whether the overall objectives and vision are being realized considering the unexpected residential growth.

In order to achieve Council's vision of "an intense, dynamic community that in time will become the heart of the city, economically, culturally and physically" and deliver on the City of Vaughan Term of Council Strategic Priority of City Building to "Develop the VMC as a complete community, with emphasis on cultural development," the provision of social infrastructure must be phased in step with development. The City needs to ensure that residential density is balanced with the objective of realizing a complete and sustainable community complimented with parks, social and cultural services, and delivering a mix of building types, uses and tenures.

Guided by the robust placemaking framework for the VMC, the City has secured the first privately-owned public spaces, pedestrian connections, public art and iconic Centre of Community partnership. While these spaces and features help support an animated and pedestrian oriented downtown, the City needs to ensure that the build-out of parks, schools, cultural spaces, emergency services, and affordable housing are also delivered to support the emerging community.

The VMC needs a critical review of parkland provisions based on development trends

As mentioned earlier, growth trends are outpacing provision of social infrastructure. Parkland is an area of particular concern. Parkland development is lagging with respect to the aspirational target of 10 hectares of planned parkland by 2031, also it is expected that with growing density trends, additional parkland will have to be secured to provide adequate active and passive recreation facilities to all VMC residents, day commuters and visitors.

One of the main reasons for the lag of park implantation in the VMC is land ownership. The City currently owns only 1.8 out of the 20.0 hectares of parkland envisioned in the Secondary Plan, while the rest of the park blocks are expected to be secured and/or negotiated through the development application process. Furthermore, most of the development blocks that are in construction or in the development application review process in the VMC are not related to a specific park block, making it harder to forecast the development of park blocks.

The VMC Parks and Wayfinding Master Plan will provide the City with a Parks and Open Space Master Plan that identifies parkland provision gaps, generate recommendations, and prepare a plan that can be implemented in a timely manner to fulfill the VMC Parkland target at a mid-to-long term time frame.

As the majority of parks are development driven, Staff have been partnering with landowners to advance parks where possible.

The right moment to reassess and refocus efforts

Recognizing that development trends have progressed more quickly than expected, the City has proactively implemented a series of measures to ensure the balance between the current population density trends and the existing and proposed community services and social infrastructure as envisioned in the VMC Secondary Plan. These initiatives include securing park construction timeline commitments, placing triggers and working with landowners in a timely manner to develop and implement the first VMC public parks and other additional supplemental open spaces. The City also continues to further supplement hard infrastructure by the advancement of roads and the upsizing of servicing infrastructure. Additionally, staff have introduced a recent initiative to request Parks and Open Space Briefs as necessary as part of a complete development application requirement. This will identify gaps in parks and open space service levels and any improvements that may be necessary to enhance the quality of life for new downtown residents.

With the understanding that these trends will continue, the City has also initiated an update of the VMC Secondary Plan in step with, and to be adopted under, the Vaughan Official Plan Update. This secondary plan update will be complemented and informed by the VMC Parks and Wayfinding Master Plan that is currently underway. Together, these documents will set the stage for an updated parks and open space policy framework, facility and programming strategy to support the emerging downtown over time.

Proposed new office uses have increased significantly over the last year

Currently, there are three approved office projects in the VMC, as shown in Attachment 1, with 538,770 ft² of new commercial office space, representing 36% of the 2031 target and an estimated 2,176 new jobs. Two of the projects are built or under construction. The third is currently uncertain, as the marketing of the project has been cancelled.

Three new active development applications propose an additional 1,114,544 ft² of office space, which would increase the volume to 110% of the 2031 office target, and the number of new office jobs to 6,678, if realized. Proposed office uses have increased by a factor of three times over the last year, which is fundamental to furthering the City's vision of achieving a mix of uses in the downtown. Should these developments materialize as proposed, the City will have achieved its target of office uses and office jobs planned for 2031, facilitated in part through the incentive program offered for large office developments in the Community Improvement Plan (CIP) for the VMC and other Intensification Areas. The CIP Financial Incentive Program The CIP applies to developments of 7,000 sq. m. (75,347 sq. ft.) or larger in the VMC and allowed for Development Charge (DC) Grant/Reduction, DC Deferral, ax Increment Equivalent Grant (TIEG) and Cash-In-Lieu (CIL) of Parkland Exemption/Reductions.

Proposed retail uses have been lagging behind other uses, though there has been a significant increase since 2019

543,994 ft² of retail uses have been proposed as part of mixed-use developments, as shown in Attachment 1, representing 73% of the 2031 retail target, and 1,263 jobs, if realized. This percentage has increased considerably since the 40% status of retail in 2019. This is anticipated given that retail uses often increase following establishment of a critical mass of residents.

Financial Impact

There are no economic impacts resulting from this report.

Broader Regional Impacts/Considerations

Building a downtown is an ambitious goal. York Region's Official Plan places tremendous importance on the centres and corridors within its local municipalities as the cornerstone to achieving provincial population and employment growth targets. Collaboration with broader regional stakeholders continues to be an important factor in ensuring the success of the VMC.

Regional Staff have participated and will continue to be involved throughout the duration of these initiatives to provide input and comment as required to ensure the successful implementation and coordination of projects in the downtown.

Conclusion

The VMC is transforming into a vibrant, modern urban centre for residents and businesses that encompasses all amenities of an urban lifestyle.

The average density of projects continue to increase steadily with new applications, a factor which must be balanced with measured delivery of community services and social infrastructure. The City is committed to ensuring that the downtown continues to develop as a complete and balanced community with high-density mixed uses that are transit supportive and pedestrian friendly, with a vibrant sense of place, a high-quality public realm and environmentally sustainable design approaches.

An update to the VMC Secondary Plan has been initiated to address new provincial and regional policies and to confirm that the framework is still relevant considering the nature of existing, approved and proposed development in the VMC. This Update will run in parallel with and be adopted under the Vaughan Official Plan Update to ensure that comprehensive planning is realized.

For more information, please contact Christina Bruce, VMC Program Director, extension 8231

Attachment

1. VMC Development Activity Summary Table

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