

VMC Sub-committee Report

DATE: Tuesday, November 2, 2021

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 represents more than 29,100 residents in over 14,700 units moving into the VMC, based on projects that are occupied, under construction and approved by Council. This represents 123% of the residential unit and 116% of the population target established for the 2031 planning horizon.
- Another 39,300 or more potential future residents in more than 19,800 units are proposed through active development applications and informal pre-application projects, which are still subject to council approval. Should this development pipeline proceed to approval, a total 288% of the residential unit and 274% of the population target established for the 2031 planning horizon would be met.

Report Highlights Continued

- 538,770 ft² of new commercial office space has been built and approved, representing 4,490 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 1,067,759 ft² of office space, which would increase the volume to 107% of the 2031 office target, and the number of new office jobs to 8,898, if realized.
- Retail uses are lagging behind residential development. 580,034 ft² of retail uses have been proposed as part of mixed-use developments, representing 77% of the 2031 retail target, and 1,450 jobs, if realized. Of this, 298,830 ft² has been approved by Council or built, representing 40% of the 2031 retail target.
- Notwithstanding that development interest for office uses are potentially achieving 2031 targets, the exponential growth and interest in residential uses have far exceeded non-residential uses, creating an imbalance of uses that is critical for a world-class downtown intended to be the City's economic centre.
- 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 other uses, community services and social infrastructure to ensure continuity in establishing a complete community.
- Due to the rapid residential growth in the VMC and recent changes to municipal and regional legislation, the City initiated an update to the existing VMC Secondary Plan to ensure that the planning framework is still relevant to realize Council's vision for a vibrant downtown. The Update is an opportunity to adjust elements of the plan that need to be refined to rebalance delivery of a complete community into the future.

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 (VMCSP) 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.

Since adoption of the VMCSP by Vaughan Council in 2010, and subsequent approval by Region of York Council in 2012, development interest in the VMC has been more

intense than anticipated as the average density of projects continues to exceed those planned in the VMCSPP and related engineering master plans.

Due to this rapid growth, as well as changes to municipal and regional legislation and policies, the City initiated an update to the existing VMCSPP in August 2020. The successful consulting team for this study consists of Gladki Planning Associates with Ken Greenberg, dTAH, and Urban Metrics. The VMCSPP Update is being coordinated with the concurrent studies including the VMC Parks and Wayfinding Master Plan, VMC Transportation Master Plan Update, and the VMC Functional Servicing Strategy Report. The findings of these related studies will inform the update to the VMCSPP.

At the March 2, 2021 VMC Sub-committee meeting, the consulting team provided an overview of findings from the Phase 1 - Background Study Report and conveyed several key messages, including:

- Development is proceeding at a greater intensity than anticipated in the 2010 Secondary Plan and the Plan needs to be recalibrated to account for development pressures
- Development interest is creating a different balance of uses than envisaged in the original VMC Secondary Plan
- Recent residential developments in the VMC, particularly in the Neighbourhood Precinct, feature considerably higher than planned building heights and densities, therefore the hierarchy of heights and densities in the VMC will need to be carefully planned
- To ensure that the VMC emerges as an inclusive community, the provision of a wider variety of housing types and tenures, unit sizes and affordable rental and ownership models will be critical
- Planning and provision of community services and facilities is needed to ensure development does not outpace supporting infrastructure

At the June 8, 2021 VMC Sub-committee meeting, the consulting team presented the approach and methodology that will be undertaken for Phase 2 of the study where preliminary land use options will be developed to take into account the key messages and concerns that were identified by members of the public, stakeholder groups and the consulting team through Phase 1, namely; development proposals continually exceeding as-of-right density; lack of services and infrastructure to support this growing population at such an unprecedented pace; the imbalanced variety of uses proposed; and the lack of variety in housing and building types, tenure and unit sizes.

The VMCSPP Update will be conducted over five phases. Reports highlighting progress on the VMCSPP update will continue to be brought to the VMC Sub-committee through the remaining phases of work.

The following report provides an annual summary of development activity in the VMC. This report is complemented by the VMC Parks and Wayfinding Master Plan Update – Implementation Plan report and VMC Transportation Master Plan Update report being received on November 2, 2021 that highlight 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 November 2, 2021 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](#)

[VMC Development Activity Update – November 10, 2020](#)

[VMC Secondary Plan Update – Phase 1](#)

[VMC Secondary Plan Update – Phase 2 Approach](#)

Analysis and Options

Residential activity continues to dramatically outpace plans in Downtown Vaughan

On November 10, 2020, Item 2 of the VMC Sub-committee identified that approved and proposed residential development at the time represented 267% of residential units and 253% of population targets identified for the 2031 planning horizon based on 63,352 residents in 31,996 units potentially moving into the VMC, following York Region's people per unit assumptions. These numbers represented a dramatic 114% increase in the percentage of residential units tied to the original VMCSPP targets from those reported to the VMC Sub-committee in March 2019 where 153% of residential units and 145% of population targets were captured.

Through 2021, the residential development pipeline has continued to increase. Realization of developments that are occupied, under construction and approved currently represents more than 29,100 residents in over 14,700 units moving into the VMC. This represents 123% of the residential unit and 116% of the population target established for the 2031 planning horizon. This subtotal of developments approved, occupied and under construction alone exceeds the 2031 target, not considering

applications currently under review by Staff, proposed as pre-application projects nor lands that have not yet been proposed with redevelopment interests.

Another 39,300 or more potential future residents in more than 19,800 units are proposed through active development applications and informal pre-application projects, which are still subject to Council approval. Should this development pipeline proceed to approval, a total 288% of the residential unit and 274% of the population target established for the 2031 planning horizon would be realized.

These numbers are based on:

- 3,900 units or approximately 7,722 residents in developments that are completed and occupied
- 2,628 units or approximately 5,203 future residents in developments that are under construction
- 8,176 units or approximately 16,188 potential future residents in developments that are approved by Council
- 13,662 units or approximately 27,051 potential future residents in formally submitted development applications in-progress
- 6,218 units or approximately 12,312 potential future residents in pre-application development proposals

Development is trending at an overall average of 1.57 times intensification of sites above maximum as-of-right permissions, based on the categories listed above. Of note, the average increase in density permissions approved by Council in the downtown is 1.3 times as-of-right permissions. However, the requested density uplift from developments currently under review and proposed through pre-application proposals is 1.85 times 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 as noted in the Background above.

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

Based on formal development applications under review or approved, 99% of housing continues to be apartment units, with 1% representing townhouses. Within multi-unit buildings, there is currently a ratio of 56% 1-bedroom units, 40% 2-bedroom units, and 4% 3-bedroom units.

The predominate form of development continues to be high rise residential towers, with delivery of lower rise buildings lagging. 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 and additional rental tenured buildings 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, complemented with schools, accessible open spaces and neighbourhood parks. This concern was illustrated at the June 8, 2021 VMC Sub-committee through modelling by the VMCSPP consulting team.

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.

As noted in the residential activity summary earlier, the average density of projects continues to increase each year, with heights and densities being proposed in areas that compromise the urban structure and planning framework. Based on active development applications, the average proposed density of projects in the Mobility Hub

area, the location intended for the highest heights and densities in the downtown, is 1.7 times above maximum as-of-right permissions, whereas the average density proposed for projects in the Neighbourhood Precinct is 2.2 times.

As part of the VM CSP Update, the hierarchy of heights and densities in the VMC will need to be carefully reviewed.

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", 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.

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.

Parkland development is lagging with respect to the aspirational target of 10 hectares of planned parkland by 2031 and 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. To address these concerns, the City initiated the VMC Parks and Wayfinding Master Plan to provide the City with a Parks and Open Space Master Plan that identifies parkland provision gaps, generate recommendations, and prepares a plan that can be implemented in a timely manner to fulfill the VMC Parkland target at a mid-to-long term time frame.

Proposed new office area has reduced slightly from those reported in 2020

On November 10, 2020, Item 2 of the VMC Sub-committee identified that approved office development at the time represented 538,770 ft² of new commercial office space,

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representing 36% of the 2031 target. Two of those projects are built and occupied. The third is currently uncertain, as the marketing of the project has been cancelled. An additional 1,114,544 ft² of office space was proposed through active development applications, which would increase the volume to 110% of the 2031 office target, if realized.

In 2021, the size of the proposed office uses in the three new projects has decreased to 1,067,759 ft², representing 107% of the 2031 office target, and the number of new office jobs to 8,898, if realized. 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 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, Tax Increment Equivalent Grant (TIEG) and Cash-In-Lieu (CIL) of Parkland Exemption/Reductions.

Achieving significant office uses are fundamental to furthering the City's vision of a world class and vibrant downtown. Despite being on track to meet the office employment targets established by the VMCSPP, the scale of development interest in office uses has been dwarfed by that of residential uses, resulting in an overall imbalance of uses that is significantly different than planned. The VMCSPP update must assess whether this emerging ratio of uses is appropriate for the vision of the VMC as a complete community. The Background Study Report prepared as part of Phase 1 work for the VMCSPP update indicated that the current VMCSPP set a target resident to job ratio of 2.6 residents to every 1 job. However, development interest in the VMC for residential uses is now significantly greater than employment uses resulting in a 7:1 residents-to-jobs ratio for developments that have been completed or under construction. This ratio is further compounded to a 8:1 residents-to-jobs ratio if all applications under review and pre-application proposals are considered. Should this trend continue, Council's vision of a world class city with a vibrant Central Business District within the City's downtown would no longer be possible.

Economic and Cultural Development (ECD) and Policy Planning & Special Projects continue to monitor trends and implications related to back to work policies for the local business community.

- As of September 2021, approximately 27% of Canadian workers have returned to their office

- Major metropolitan centres such as Ottawa, Toronto, Montreal, and Calgary have higher work from home percentages, with higher earners more likely to be working from home
- Overall work from home policies have not been formally expressed by business, and institutions across Canada:
 - However, it is expected as the year progresses more organization will begin to formalize remote or agile work arrangements
 - It is to be expected that many organizations will adopt flexible work weeks that include both remote and in office work* (Source: *Cushman Wakefield – Predicting the Return to Work; Cushman Wakefield – Workplace Ecosystem Report*)

Proposed retail uses has been lagging behind other uses

On November 10, 2020, Item 2 of the VMC Sub-committee identified that approved and proposed retail development accounted for 73% of the 2031 retail target, and 1,263 jobs, if realized. This percentage increased considerably since the 40% status of retail in 2019.

In 2021, there has been a slight increase to 580,034 ft² of retail uses proposed as part of mixed-use developments, representing 77% of the 2031 retail target, and 1,450 jobs, if realized. Of this, 298,830 ft² has been approved by Council or built, representing 40% of the 2031 retail target.

While retail uses often increase following establishment of a critical mass of residents, the amount of retail is important in thinking about local demand and creating a complete community, as well as thinking about the kinds and quantities of retail appropriate for a downtown. As with office uses, the VMCS update must assess whether this emerging balance of uses is appropriate for the vision of the VMC as a complete community.

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 City initiatives and development applications to provide input and comment as required to ensure the successful implementation and coordination of projects in the downtown.

Conclusion

The average density of projects continues 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.

While development interest is the fuel that will power the realization of the City's ambitions for its downtown, it must be harnessed to achieve a built environment and a healthy community that meets the public interest. To balance the unplanned increase in residential population, increases in the capacity and provision of hard and soft infrastructure will be required to support the community, including parks, community services and facilities, transportation, and municipal servicing systems.

An update to the VMCSPP 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. Updates to the VMC Secondary Plan policy framework will continue to recognize the VMC as the City's priority intensification area and downtown, while ensuring the area continues to develop as a complete community and support the City's strategic priorities as outlined in the 2018-2022 Term of Council Service Excellence Strategic Plan.

For more information, please contact Christina Bruce, Director of Policy Planning and Special Programs, ext. 8231

Attachments

N/A

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