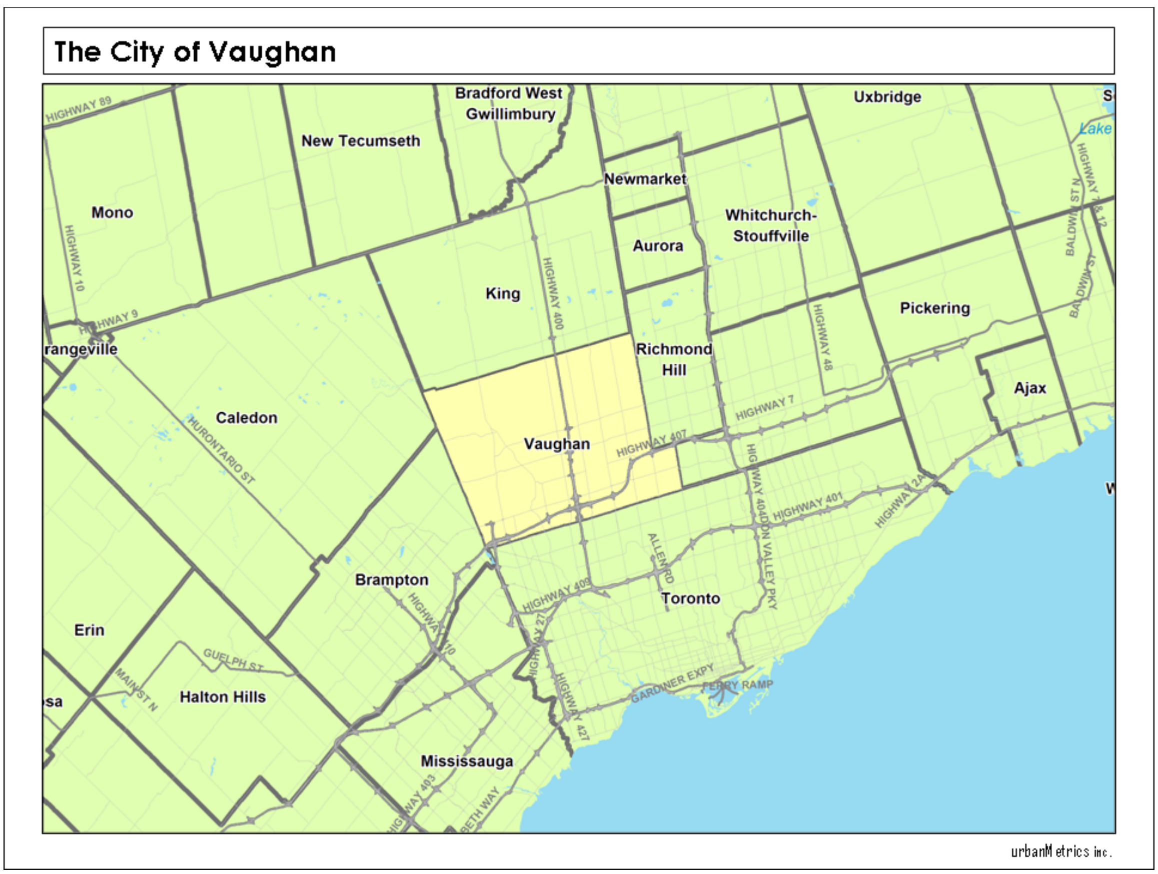
2. Vaughan Context

Over the past four decades, the City of Vaughan has transformed itself from a collection of separate agricultural-serving villages into an important part of Canada's largest metropolitan region. It is centrally located within the Greater Toronto Area (GTA) and is the southwesterly most municipality in York Region, bordering the City of Toronto. Vaughan is well situated with respect to the 400 series highway system, and within a short distance of Pearson International Airport. It is also served by a major CPR rail/trucking intermodal terminal, as well as two GO Transit stations, Rutherford and Maple. Vaughan will also become the first municipality outside of the City of Toronto to be served by the TTC subway system. The planned expansion of the Spadina line will include stations at Vaughan Metropolitan Centre (formerly Vaughan Corporate Centre) and Steeles Avenue West. The proposed expansion of the TTC Yonge subway line to Highway 407 will extend through the Thornhill community.

Figure 2.1



The centrality of the City and its connectivity to the regional transportation system have influenced the rapid growth experienced in Vaughan in recent years, as well as its attractiveness to regional retail facilities and industrial businesses.

2.1 Unique Attributes of Vaughan's Commercial Structure

While Vaughan represents one part of the GTA urban system, it has a number of attributes that make it unique within the context of the Toronto region.

- **Tourism** – Next to the City of Toronto, Vaughan is the second largest tourism destination in the Toronto Region and one of the leading tourist destinations in the Province. Canada's Wonderland, Vaughan Mills and the McMichael Canadian Art Collection together with a variety of smaller attractions, draw millions of visitors to the City annually. Vaughan is also strategically situated at the southern end of the Highway 400 route to Muskoka, Lake Simcoe, Haliburton and other major recreation areas. This regional tourism base has enabled Vaughan to expand its retail and entertainment draw over a wide area.

- **Village Cores** - There are four historic villages within the City – Kleinburg, Maple, Thornhill and Woodbridge – each with its own distinct character. Much of the commercial space in the Village Cores is made up of service uses including health care, personal care services and restaurants. These commercial areas fulfill a number of key functions. They provide a special character to the surrounding neighbourhoods, and offer pedestrian-oriented and local-serving retailing not found elsewhere in the City. Through a combination of heritage architecture and specialized retail outlets, they also act as a tourist draws. The Village Cores are a fragile and important part of the City's commercial infrastructure and require special policy consideration to enable them to thrive and, where appropriate, intensify.

- **Independent Retailers** – Vaughan is characterized by a large proportion of independently run businesses, particularly with respect to its retail and service sector. While Vaughan's commercial sector is mostly known for Vaughan Mills and the big box retailing at Highway 400 and 7, almost half of its commercial space is independently owned and over 70% of commercial businesses are independently owned. In planning for future commercial space, the importance of the retail sector as a source of investment and economic development for local residents must be recognized.

- **Culinary Opportunities** – Unlike many other suburban municipalities Vaughan has a wide range of unique culinary options. The range in size, cuisine, and style is diverse. Restaurants catering to specific regional cuisines and dietary needs are abundant and include many Italian and Kosher restaurants. Independently operated restaurants co-exist with conference centres and banquet halls catering to Vaughan's wedding industry, while local wineries, bakeries, butchers and pasta makers are abundant throughout the City.

- **Regional Retail Centre –** More than any other 905 municipality, Vaughan functions as a regional retail centre for residents of the GTA. Its connectivity to the 400 series highway system and proximity to the City of Toronto has enabled Vaughan to attract retail centres which draw customers from well beyond its municipal boundaries. The Highway 400 and 7 commercial cluster, with over three million square feet of retail and services space, is approximately double the size of Yorkdale Shopping Centre – the largest enclosed shopping centre in the Province.

2.2 Vaughan's Socio Demographic and Economic Characteristics

The socio-demographic factors of a community can influence consumers' preferences and the type of retail businesses attracted to it. Changes in the demographics of a community and lifestyle patterns can alter the demand for different types of retail and service commercial facilities, with population growth and income levels the ultimate influencers of demand. Some of the key drivers of change include the compositional variations in a population (i.e. aging and declining household sizes), per capita income levels and lifestyle changes associated with an aging population. In this section of the report we have evaluated the following characteristics of the City of Vaughan's population:

- Current population and historic growth;
- Income levels;
- Age;
- Ethnicity;
- Future population allocations; and,
- Economic base and employment.

Section 7 of this report further examines the population projections for the City and its Trade Area to assist in determining future retail space needs.

2.3 Vaughan's Historic Population Growth

Between 2001 and 2006 Vaughan's population grew faster than that of both the Region and the Province as seen in the table below. The majority of this growth has been focused in Maple, the Woodbridge Expansion Area, and in the new communities of Carrville and Vellore.

Figure 2.2
2001-2006 Census Population

	2001	2006	Actual Growth 2001-2006	Percentage Growth 2001-2006
Vaughan	182,025	238,865	56,840	31%
York Region	728,980	892,705	163,725	22%
Ontario	11,410,045	12,160,280	750,235	7%

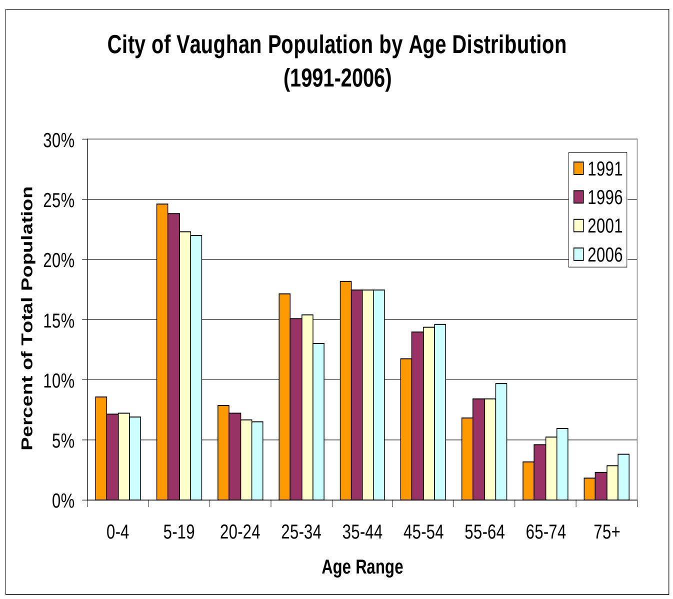
Source: Statistics Canada, 2001 and 2006 Censuses
Note: Census data does not include undercoverage

The rapid growth has represented a challenge to the City of Vaughan and other fast growing municipalities, in terms of providing a balance between planning for the long term and addressing the immediate needs of a brisk pace of development.

2.4 Vaughan's Historic Age Structure

Vaughan's population is young and is comprised of a large proportion of families and children. In the 2006 Census, the median age in Vaughan was 35.6, compared with 36.7 in York Region and 38.7 in the Province. Many young families in Vaughan have historically been attracted to the significant supply of ground-related housing. At the same time, Vaughan has attracted a number of ethnic community clusters – either second and third generation, or more affluent immigrants seeking to live outside of the City of Toronto.

Figure 2.3



By 2031 Vaughan is expected to experience a doubling of its seniors (over 65) population. This will represent a shift in the demographic make-up of the City and thus the consumer base. Although the senior population will experience substantial growth, seniors will still not represent the largest consumer market. Persistent migration to Vaughan will ensure that the largest age cohort will continue to be comprised of individuals in their 30s and 40s.[6] Commercial and retail development in the City must acknowledge these demographic shifts and ensure that retail and service development is oriented to the growing seniors and ethnic populations.

2.5 Vaughan's Income Structure

Average household income in the City of Vaughan has increased from $95,485 in 2001 to $108,925 in 2006. This represents an increase of approximately 14% over 5 years or 2.8% annually. Per capita income, the spending potential of each resident of the City, is 1% below the Regional average; however it is 9% above the Provincial average. There is significant individual spending power in some of the surrounding lower tier municipalities including Aurora, King and Whitchurch-Stouffville. As a super-regional shopping centre, Vaughan will also be able to draw on the spending power of these municipalities.

Figure 2.4
York Region Municipalities - Per Capita Income

	2006		
	Per Capita 2005 Income	**Index to York Region**	**Index to the Province**
Aurora	$ 41,590	1.23	1.35
East Gwillimbury	$ 35,725	1.06	1.16
Georgina	$ 27,247	0.81	0.89
King Township	$ 55,360	1.64	1.80
Markham	$ 31,834	0.94	1.04
Newmarket	$ 34,016	1.01	1.11
Richmond Hill	$ 32,407	0.96	1.05
Vaughan	$ 33,343	0.99	1.09
Whitchurch-Stouffville	$ 41,406	1.23	1.35
York Region	$ 33,707	1.00	1.10
Ontario	$ 30,723	0.91	1.00

Source: Statistics Canada 2006 Censuses

Vaughan also maintains a number of very high income enclaves in Thornhill, Woodbridge and Kleinburg-Nashville, which has unique spending characteristics including the potential to support more specialty goods and services than other areas

[6] City of Vaughan Official Plan Background Paper on Population and Housing, Draft, April 2008, Hemson Consulting.

of the city. Furthermore, as the existing Vaughan population matures and moves through the higher earning segments, the average income in the community will also increase.

2.6 Local Ethnic Trends

In general, ethnicity has the greatest influence on food retailing and food services and much less so with respect to non-food retailing. In recent years, however, large ethnic markets have influenced the type of retailers and formats attracted to the GTA. For example, the Chinese and East Asian populations in communities, such as Markham and Scarborough, have spawned the development of "Asian Retail Formats", which are characterized by very small retail units, few retail anchors and a high proportion of restaurant space. Similarly, the East Indian community has attracted many retailers unique to this population base in municipalities where they are heavily concentrated. A specialized East Indian mall is being proposed in east Scarborough.

In 2006 the majority of Vaughan's residents identified themselves as Italian (38%), with the greatest concentration located in the Woodbridge area. There is also a large Jewish community concentrated in Thornhill. Although these two ethnic groups currently represent more than 50% of Vaughan's population, their dominance is decreasing. Since 2001 significant increases have been seen in the East Indian, Asian and Russian populations. Although not yet in the top five, the Asian population, in terms of total numbers, is not far behind the East Indian and Russian communities in Vaughan. This changing consumer dynamic will likely have an influence, not only on the types of goods being demanded, but possibly on the retail formats in which it is developed.

Figure 2.5
City of Vaughan Top 5 Ethnic Origins 2001-2006

	2001			2006	
Ethnic Origin	**Population**	**%**	**Ethnic Origin**	**Population**	**%**
Italian	79,840	44%	Italian	91,325	38%
Jewish	30,710	17%	Jewish	29,970	13%
Canadian	18,945	10%	Canadian	16,220	7%
English	9,340	5%	East Indian	15,365	6%
East Indian	8,930	5%	Russian	14,350	6%
Total Population by Ethnic Origin	181,600	100%	Total Population by Ethnic Origin	238,000	100%

Note: Total responses are the sum of single and multiple responses for each ethnic origin.
Note: All figures are based on the Census population and do not include undercount

2.7 Projected Population Growth

Vaughan's population is expected to experience significant growth over the next 20 to 25 years. By 2031 the population is expected to increase by 42% to 418,800 people from 248,800 in 2006. To put this in perspective, the growth being planned for over this period is only marginally smaller than the entire population that existed in Vaughan in 2001. Between 2006 and 2031, Vaughan will receive the largest influx of population of all municipalities in York Region, and will attract approximately one in three new residents to the region.

Figure 2.6

Lower Tier York Region Population Projections

	2001	2006	2011	2016	2021	2026	2031	Actual Growth	Percent Growth
Aurora	41,600	49,600	57,300	63,700	68,200	69,700	70,400	20,800	42%
East Gwillimbury	21,200	21,900	26,300	34,700	48,300	66,800	88,000	66,100	302%
Georgina	41,000	44,500	48,700	52,800	58,000	64,100	70,700	26,200	59%
King	19,000	20,300	23,400	27,000	29,900	32,600	35,100	14,800	73%
Markham	217,200	272,500	303,500	337,800	370,500	399,100	423,500	151,000	55%
Newmarket	68,100	77,400	84,000	88,700	91,900	94,600	97,300	20,000	26%
Richmond Hill	137,900	169,500	195,000	216,900	231,500	239,400	242,800	73,300	43%
Vaughan	190,600	248,800	294,200	329,100	360,600	389,700	418,800	170,000	68%
Whitchurch-Stouffville	22,900	25,400	38,700	49,400	55,800	59,200	60,800	35,400	139%
York Region	759,300	929,900	1,071,100	1,200,100	1,314,700	1,415,200	1,507,500	577,600	62%

Source: York Region Population Forecasts by Traffic Zone

Note: Population projections include undercount

2.8 Future Urban Development in Vaughan

Concurrent with the completion of this study, Urban Strategies Inc. published the results of their residential land budgeting exercise entitled, "Where and How to Grow: Directions on Future Growth in the City of Vaughan to 2031". The study indicates that, in order for Vaughan to accommodate the 170,000 people required to meet its 2031 Places to Grow population target of 418,800 people, approximately 65,000 new housing units will be required. Based on Urban Strategies' calculations, almost half of these units, at a minimum, can be accommodated through infill and intensification. An additional 40% can be accommodated in existing Greenfield areas including the Carrville and Vellore Urban Villages and the -Kleinburg- Nashville area. The allocation of the remaining 10% of the necessary units has yet to be determined, but will likely involve a combination of infill and intensification.

Figure 2.7
Future Housing Unit Allocations by Type of Development

	Units	Percent of Units
Demand	64,850	
Intensification Units	30,000	46%
Additional Infill Units	2,000	3%
Green Field Units	26,500	41%
Unallocated Units	6,350	10%

Source: Where and How to Grow: Directions on Future Growth in the City of Vaughan to 2031

The fact that a major portion of new development is being planned through intensification will have significant implications with regards to accommodating future commercial space needs. In greenfield areas, retail space can generally be accommodated in an easily definable hierarchical manner, with site sizes and uses related to the level of hierarchy that is being planned. For example, in many communities, neighbourhood shopping centres vary in size from about 50,000 square feet to 150,000 square feet and are typically anchored by supermarkets. Convenience retail sites are smaller and anchored by convenience and small grocery stores. District or community centres, typically anchored by supermarkets, department stores and a limited selection of large format retailers, can reach up to 350,000 square feet in size. This type of hierarchical commercial strategy was used in the planning for the Vellore and Carrville communities in Vaughan, although policies were in place to encourage a broader mix of uses, including residential and commercial mixed use on the larger commercial sites.

However, intensification and in-filling pose challenges that do not exist in greenfield development scenarios, including:

- Scarcity of land for larger commercial developments;
- The need to consolidate parcels to accommodate commercial developments;
- Uncertainty with regards to the release of lands for development;
- Non-uniform site sizes due to different mixing strategies and densities for residential and office components; and,
- The need for creative strategies to accommodate parking in a cost effective and marketable manner.

These challenges should not be viewed as deterrents to the development of commercial uses on intensification sites. In many cases, the benefits, including sustainable formats, transit and pedestrian accessibility, superior urban design, and energy savings, outweigh the costs to the community, which may include some delay in responding to demand and retail formats that are less familiar than those found in traditional suburban areas. Intensification commercial strategies do however, require more detailed and long term planning strategies.

2.9 Employment and the Economic Base

The City of Vaughan has a higher percentage of its labour force employed in the manufacturing sector than York Region overall or the Province. However, unlike neighbouring Brampton, with 21% of its labour force employed in manufacturing, Vaughan's workforce is more evenly distributed throughout the various sectors, providing more stability and flexibility. Vaughan, however, also has a lower percentage of its population employed in the *professional, scientific, and technical services* sector than York Region overall and in the lower tier municipalities of Markham and Richmond Hill.

Employment types and job locations will have a significant impact on the commercial infrastructure for the City of Vaughan. Jobs in the professional, scientific, and technical services sector often locate in offices, while manufacturing and industrial related jobs are generally located in industrially focused employment areas.

Figure 2.8

Select Lower Tier Municipalities by Top 5 Industries in Vaughan

	Brampton	Caledon	Markham	Newmarket	Richmond Hill	Vaughan	York Region	Ontario
Total Population	433,805	57,050	261,575	74,295	162,700	238,865	892,705	12,160,280
Total Labour Force 15 years and over	240,985	33,135	144,735	43,215	90,360	132,590	500,060	6,587,575
Manufacturing	21%	15%	13%	14%	10%	15%	13%	14%
Retail trade	11%	10%	11%	13%	12%	12%	12%	11%
Construction	5%	10%	12%	5%	6%	9%	10%	6%
Professional, scientific and technical services	5%	8%	11%	8%	13%	9%	10%	7%
Educational services	4%	6%	6%	7%	7%	7%	7%	7%

Source: Statistics Canada, 2006 Census

2.10 Commuter Patterns

Commuting patterns affect the extent of shopping undertaken by non-residents (Inflow) and the extent to which Vaughan residents shop outside of their community. As a municipality central to the GTA with strong transportation connections, Vaughan's labour force and employment base are very fluid. Most of Vaughan's employed labour force work (i.e. employed residents of Vaughan) travel to work outside of Vaughan. Only 28% of employed residents work in Vaughan. Almost 36% work in Toronto.[7]

Similarly, approximately 29% of workers with fixed places of employment in Vaughan (i.e. persons working in Vaughan regardless of their home address) are also residents of Vaughan. Some 34% live in the City of Toronto. An additional 16% live elsewhere in York Region outside of Vaughan.

From a retailer's perspective, the fluidity of commuting will influence the size of Vaughan's retail trade area and the degree of expenditures flowing outside of the community. In other words, planning policies should reflect strategies to encourage Vaughan residents to shop closer to home - such as facilitating increased opportunities for neighbourhood retailing - while accommodating a significant volume of demand from other municipalities.

[7] Hemson Consulting: Vaughan Employment Sectors Study Phase 1: Economic and Sector Analysis, Final Draft, 2009

2.11 Projected Employment

As part of the Vaughan Tomorrow visioning exercise, Hemson Consulting prepared updated employment projections for the City based on earlier forecasts made in the York Region Official Plan. The new projections are based on the municipal allocations made by the Region and ultimately the Greater Golden Horseshoe Growth Plan employment forecasts. This newest set of projections would see the number of jobs in Vaughan grow by approximately 125,300. The majority of employment growth is expected to take place on employment lands with the smallest proportion locating in major offices. Population-related employment, jobs that provide goods and services to local residents, is projected to increase in number as the population grows.

Figure 2.9
Projected Employment by Type, City of Vaughan, 2006-2031

	2006	2031	Actual Growth 2006 - 2031	Percentage of Total Growth
Major Office	8,760	15,020	6,260	6%
Population Related	42,330	71,920	29,590	26%
Employment Land	111,110	189,030	77,920	68%
Total	162,200	275,970	113,770	100%

Sources: Hemson Consulting: City of Vaughan Official Plan Backgroud Paper on Employment, 2008 and Urban Strategies Inc: Where and How to Grow, 2009

This distribution of employment by type also has significant implications on the future retail structure. Office jobs, particularly those in intensive urban settings, can generate a significant demand for nearby retail and services space, due to uniform operating hours, high average incomes and employment densities. On the other hand, the employment characteristics of employment lands are much less attractive to retailers and service providers seeking to serve a localized employment base. Retailers serving industrial areas tend to be limited largely to automobile-oriented food service facilities, personal and business services[8]. The fact that the vast majority of future employment growth will be on employment land, suggests that Vaughan's retail strategy must be focused heavily towards a residential based market.

[8] It is important to make a distinction between retailers serving industrial areas and those which locate in industrial areas to serve either nearby or regional population bases. The former tend to be limited to individual units within multi-unit industrial buildings, small free standing outlets, or located in small retail/service campuses. The later can include major power centres that are attracted by the low land costs, large sites, and regional transportation characteristics of employment areas, rather than to the employee and business markets within them.

The extent of employment land proposed for Vaughan also suggests that caution must be used to ensure that sufficient lands continue to be available in the long term to support this workforce and to safeguard against short term land conversions which may reduce longer term employment opportunities.

While employment land sites often make for good retail destinations, the keys to guarding against commercial conversions are (a) to ensure that sufficient commercial lands are designated elsewhere in the community to adequately serve future needs; (b) to have a long term strategy for the retail structure that is grounded in a broader land use strategy and vision for the municipality; (c) to stay true to the vision through enforcement of restrictions on retailing in unwanted areas and the application of incentives in areas that may be less desirable for developers, but advantageous from the stand point of achieving broader municipal goals. It must be recognized that often industrial absorption may take longer than retail absorption. Limiting the locations where commercial development can occur and the form it can take may impose some additional costs on a municipality such as the need for short term incentives, increased staff time and expertise dealing with non-traditional projects, and potential loss of commercial assessment to neighbouring municipalities. These costs, however, must be weighed against the benefits of sustainable urban development.

2.12 Summary

Vaughan is not only undergoing a period of tremendous growth but is dramatically shifting the way in which this growth is being accommodated. The population growth anticipated to 2031 is equivalent to the total population living in the City as recently as 1996, yet almost half of this growth will be in the form of intensification and infilling. While Vaughan, with the exception of parts of Thornhill, has developed almost exclusively as a low density suburban municipality, approaches to all forms of planning must change with this new direction.

While a large portion of Vaughan's commercial structure has evolved to reflect a largely low density residential community, it has a number of unique characteristics that must be recognized as the municipality transitions towards a more sustainable approach to land use planning.

Vaughan's centrality and accessibility to the 400 highway system has enabled it to become a regional commercial centre serving a market well beyond its municipal boundaries. This role may increase with the extension of the subway to Vaughan Metropolitan Centre and along Yonge Street to Highway 407.

Vaughan's ethnic population has led to a very large independently owned retail and service sector, which has different locational needs than the big box stores which comprise the City's power centres and shopping malls. Vaughan's ethnic population is not only expected to grow significantly, but will undergo significant change with the expansion of groups relatively new to Vaughan, such as the East Indian and Asian communities. Attention must be focused on ensuring that affordable and unique commercial opportunities continue to be available to this important source of local investment in economic development.

Vaughan also plays a major tourist role within the GTA. Retail destinations, such as Vaughan Mills and Kleinburg, together with many specialty retailers and restaurants, support this function. Future planning must ensure that opportunities for tourism-related retailing continue to be available.

Finally, Vaughan's four Village Cores are gems in a largely automobile-oriented commercial structure. While many suburban communities are struggling to impose sustainable design requirements on new shopping centre developments, Vaughan already has four historic commercial districts that can fulfill many of the attributes sought by Smart Growth policies. While each of the four areas has different challenges to overcome, ultimately planning policies must ensure that they can enhance their vibrancy and ability to support Vaughan's commitment to Smart Growth.