

# City of Vaughan 2015 Community Improvement Plan Stakeholder Consultation Session



March 4, 2015



## Today We Will Discuss

- Background
- What is a CIP?
- Proposed CIP Framework
- Regional and Provincial Policies
- Stakeholder Feedback
- Next Steps

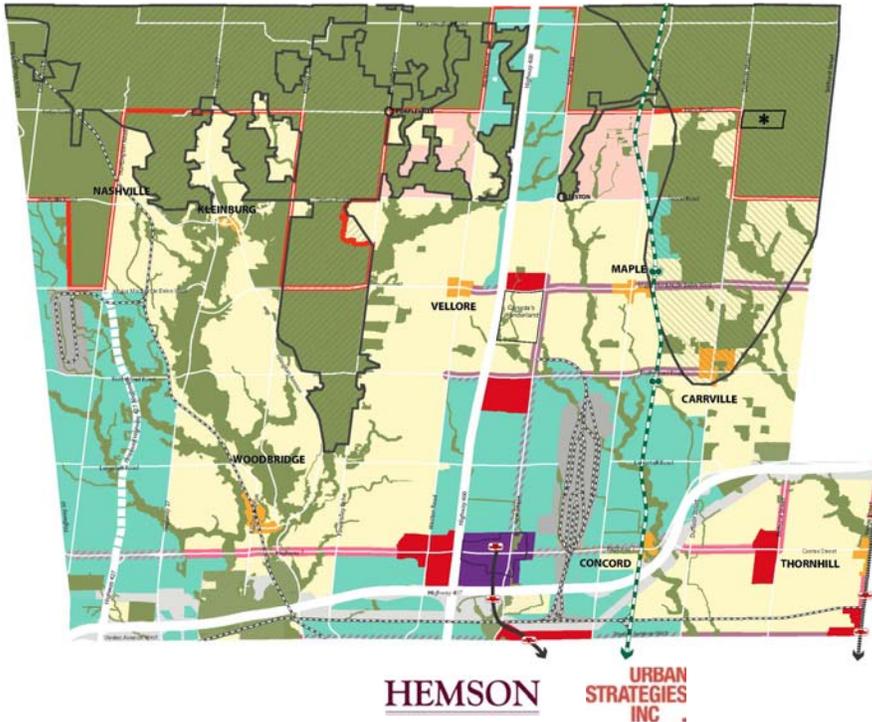
# Background to Community Improvement Plan (CIP) Study

- City passed DC by-law in 2013 and committed to look at financial impediments to development as part of a CIP
- Council approved the undertaking of CIP Study for an initial package of tools to accelerate office development in May 2014

# What is a Community Improvement Plan (CIP)?

- Used to address physical, social, economic or environmental matters
- Requires designation of a defined area where unique planning polices may be adopted
  - Can be implemented City-wide

# Proposed CIP Areas: VMC (purple) & Primary Centres (red)



## Notes:

- Qualifying Primary Centres to be determined through study
- City's (limited) brownfield sites will also be part of study

5

# Focus of the CIP Study is Office Development

- Development of higher density residential and retail uses already occurring
- To date, fewer major office developments have been proposed
- CIP framework currently based on major offices (over 100,000 sq. ft.)



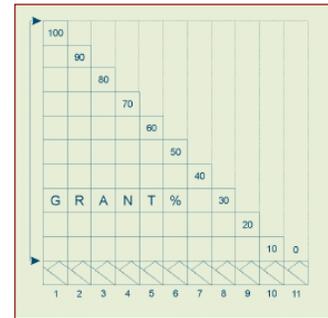
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# CIPs can Include Financial Tools

- Grants and loans including tax increment equivalent grants (TIEGs)



- Tax assistance for environmental (brownfield) remediation purposes



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# Other Financial Incentives are Available

- Development charge (DC) reductions
- Reductions to parkland requirements and/or cash-in-lieu
- Reductions to parking requirements and/or cash-in-lieu, or use of parking authority
- Building and planning fee reductions
- Density Bonusing: Section 37

Note: Options have tax/utility rate implications for the City

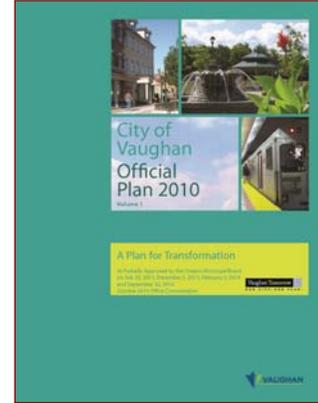
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# CIP Legislative Authority

- Section 28 of the *Planning Act* provides the framework for CIPs
- Section 10.1.2.13 of the City of Vaughan Official Plan has City-wide CIP policies
- Section 10.8 of the Vaughan Metropolitan Centre Secondary Plan has CIP policies



## When Should a CIP be Considered? OP Policy (10.1.2.13)

- h) vacant lots with *redevelopment or infill potential to achieve Urban Structure*;
- i) underdeveloped properties which have potential for *redevelopment or expansion* to better utilize the land base to achieve the desired Urban Structure;
- j) development at densities that are too low to support planned transit facilities;
- k) barriers to the improvement or *development of vacant or underutilized lands or buildings* such as lots that are *brownfields, contaminated soil, fragmented ownership* or financial disincentive to private investment

## Why a CIP is being Proposed

- VMC Secondary Plan calls for 6,500 new jobs by 2031, a target that will require significant major office development
- Financial impediments exist that make the development of office uses a challenge (see next slide)
- CIP is a better vehicle of implementing a package of tools rather than individual reductions within various by-laws

## Potential Barriers to Office Development: Market

- Large supply of other GTA office sites relative to demand
- Renewed appeal of downtown Toronto locations affecting all GTA markets
- Trend towards lower floor space per office worker in many industries

# Potential Barriers to Office Development: Local

- Land values are comparatively high due to competition with existing uses and residential development
- High cost of structured parking
- Other factors?



# Proposed CIP Framework: May 2014 Council Report

- DC “freeze” at the August 2013 rate (\$20.35/sq. m) for a five year period beginning on the date on which the CIP by-law is enacted
  - Current DC Rate is \$43.20 per sq. m
  - Note: Area-specific storm DCs may apply within Black Creek Area
- TIEG starting at 70% (reduced over ten years):

TIEG Sample Program on 100,000 Sq.Ft. Office

Year	Grant %	City Taxes*	Grant Value	City Taxes Paid
2015	70%	\$ 40,304	\$ 28,213	\$ 12,091
2016	63%	\$ 41,110	\$ 25,899	\$ 15,211
2017	56%	\$ 41,932	\$ 23,482	\$ 18,450
2018	49%	\$ 42,771	\$ 20,958	\$ 21,813
2019	42%	\$ 43,626	\$ 18,323	\$ 25,303
2020	35%	\$ 44,499	\$ 15,575	\$ 28,924
2021	28%	\$ 45,389	\$ 12,709	\$ 32,680
2022	21%	\$ 46,296	\$ 9,722	\$ 36,574
2023	14%	\$ 47,222	\$ 6,611	\$ 40,611
2024	7%	\$ 48,167	\$ 3,372	\$ 44,795
<b>Total:</b>		\$ 441,315	\$ 164,863	\$ 276,452

## Proposed CIP Framework: May 2014 Council Report (cont)

- c) 100% Cash-in-Lieu of Parkland exemption apply for all major office developments;
- d) Reduced Parkland Cash-in-Lieu for mixed-use developments
  - for every 750 sq. ft. of major office space developed, one unit of high density residential located on the same development site at the reduced rate of \$4,100 per unit
  - current rate is \$8,500 per unit

## Proposed CIP Framework: May 2014 Council Report (cont)

- e) Tools to be limited for up to five years or to the first 1.5M sq. ft. of major office development to qualify under the CIP, whichever comes sooner
- f) Tools will apply retroactively to eligible developments with building permits issued on or after January 1, 2014

# Proposed CIP Framework Could be Modified

- City needs to balance need to encourage development with lost revenue and cash flow considerations
- Possible modifications
  - Minor adjustments to proposed DC, TIEG and Parkland Framework
  - Definitions of eligible uses
  - Applicable areas
  - Brownfield policies
  - Density Bonusing – Section 37
  - Others?

# Density Bonusing: Section 37 Overview

- S. 37 and Vaughan OP permit increased height and/or density in return for community benefits - capital facilities, services, cash contributions
- Increased height and/or density may be granted if:
  - There is reasonable planning relationship to community benefits
  - Development represents good planning and is consistent with VOP and built form/neighbourhood compatibility objectives
  - There is enough infrastructure to support bonus height and/or density

# Density Bonusing: Section 37: Benefits

- Community benefits can include:
  - Public parking
  - Public art contributions
  - Non-profit, public arts, cultural, community facilities or upgrades to existing facilities
  - Parkland/parkland improvements
  - Enhanced connections to public transit
  - District energy
  - Land for municipal purposes
  - Non-profit daycare facilities
  - Affordable housing
  - Other benefits
- Benefits determined based on local community needs, intensification issues, objectives of the VOP

## Regional Policies

- Region has policies that consider the adoption of CIPs in the Regional Centres and segments of the Regional Corridors in partnership with local municipalities
  - City is advocating the Region adopt similar financial policies
- Regional Report on incentives within Centres and Corridors anticipated in April
- Region of York staff are present today
  - Josh Reis, Senior Planner, Integrated Community Planning
  - Augustine Ko, Senior Planner, Development Planning

# Provincial Policies

- Provincial tax increment financing legislation – which provides education tax relief– is still without enabling Regulation
  - This legislation could be revisited during *Municipal Act* review
  - City is advocating the Province adopt similar financial polices
  - Other municipalities such as Toronto have interest in advancing TIF legislation
- Province may be amending DC and *Planning Act* in the short term

# Stakeholder Feedback on:

- Qualifying areas and uses
- Factors affecting office development
- Proposed CIP Framework
- Other tools to be considered in Study
- CIP experience in other jurisdictions

# Next Steps

- Receive stakeholder feedback
- Continue discussions with Region and Province (March)
- Amend CIP Framework as required (March)
- Work on formal definitions and draft CIP document (late March/early April)
- Update stakeholders at a subsequent meeting (April)

# Key Contacts

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