



# 2015 Community Improvement Plan Presentation to Stakeholders



**Thursday, July 16, 2015**

**HEMSON**  
Consulting Ltd.

**URBAN  
STRATEGIES  
INC .**

# Topics to Discuss

- Background

- Where should the CIP apply?
- What incentives would the CIP provide?
- Other considerations
- The steps to implementation

# Council Approved CIP Study in May 2014

- City passed DC By-law in 2013 and committed to look at financial impediments to development as part of a CIP
- The CIP Study has focused on an initial package of incentives designed to accelerate major office development

# Vaughan's Office Market is Still Developing

<b>Municipality</b>	<b>2011 Place of Work Employment</b>	<b>Major Office</b>	<b>% of Total Employment</b>
<b>Vaughan</b>	<b>169,700</b>	<b>12,000</b>	<b>7%</b>
Brampton	171,100	12,100	7%
Mississauga	454,700	100,300	22%
Markham	143,700	43,200	30%
Richmond Hill	69,200	21,900	32%

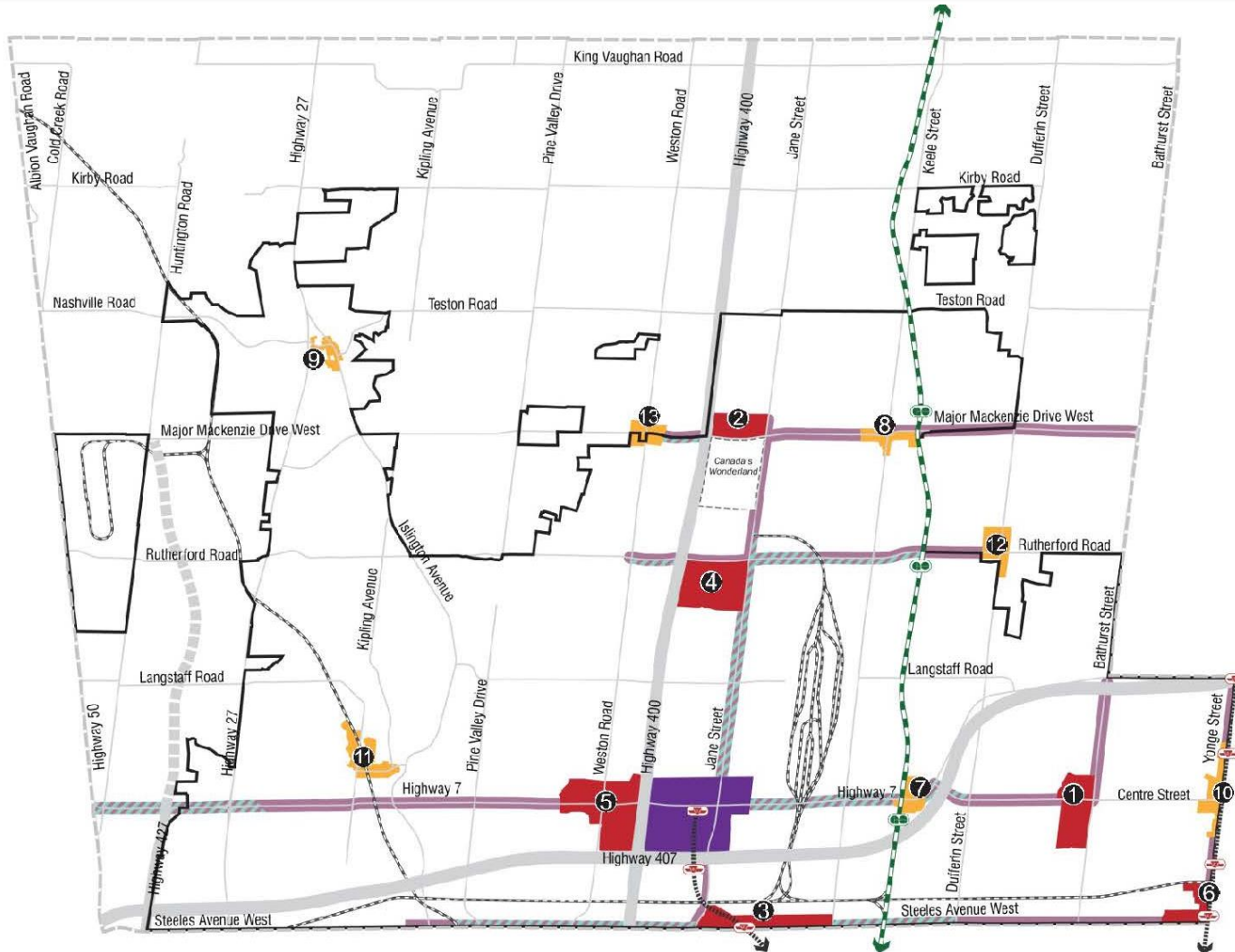
# Vaughan's Office Market Face Broad Challenges

- Large supply of GTA office sites relative to demand
- Renewed appeal of downtown Toronto
- Trend toward lower floor space per office worker in many user categories

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# Vaughan's Potential Office Locations



## Primary Centres

- 1 Bathurst & Centre St.
- 2 Jane St. Major Mackenzie Dr.
- 3 Steeles West
- 4 Vaughan Mills
- 5 Weston Rd. & Highway 7
- 6 Yonge St. & Steeles Ave.

## Local Centres

- 7 Concord Centre
- 8 Historic Maple Village
- 9 Historic Kleinburg Village
- 10 Historic Thornhill Village
- 11 Historic Woodbridge Village
- 12 Carrville Centre
- 13 Vellore Centre

## Vaughan Metropolitan Centre

# Initial CIP Focus on VMC Area is Logical

Timing	Location	Notes
Current CIP	<ul style="list-style-type: none"> <li>• VMC</li> <li>• Weston &amp; Highway 7</li> </ul>	<ul style="list-style-type: none"> <li>• Urban Growth Centre (VMC)</li> <li>• Subway utilization</li> <li>• Underground/structured parking</li> <li>• Amenities &amp; design</li> </ul>
Could be considered at a later date	<ul style="list-style-type: none"> <li>• Steeles, Keele to Jane</li> <li>• Yonge &amp; Steeles</li> <li>• GO Stations</li> </ul>	<ul style="list-style-type: none"> <li>• Subway utilization (short-term Steeles) &amp; (long-term Yonge)</li> <li>• Less infrastructure in place</li> <li>• May compete with VMC</li> </ul>
	<ul style="list-style-type: none"> <li>• Vaughan Mills</li> <li>• Bathurst &amp; Centre</li> <li>• Jane &amp; Major Mackenzie</li> </ul>	<ul style="list-style-type: none"> <li>• Fewer transit options</li> <li>• Surface parking</li> <li>• May compete with VMC</li> <li>• Longer-term growth horizon</li> </ul>



# Why Focus on the VMC Area?

- Significant office development is required to meet Provincial, Regional and City employment and density targets
- Intent for VMC to be a true mixed-use community
- VMC is the only 905 Urban Growth Centre with access to subway rider market
  - Two way peak traffic

# VMC Area Has Some Specific Challenges

- Parking is costly
  - Water table issues
  - Required ratios
- High urban design standards
- Urban sites are more costly to develop than greenfield
- Ongoing pressure for residential development



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# CIP Would Target up to 139,350 sq.m over 5 Years

- Program limited to five years or the first 139,350 sq.m of major office development to qualify
- Would apply retroactively to development with building permits issued on or after January 1, 2014
- Qualifying developments must contain at least 10,000 sq.m of office space

# Proposed Technical Qualification Criteria

- Final CIP qualification will be determined at building permit issuance
  - However, staff will provide assistance before this time
- No restriction on uses within a major “office”
- 10,000 sq.m could be in multiple buildings but must be part of same building permit
- Office development must occur before residential CIL discount is provided

# Four Incentives Are Proposed

1. Reduce DC Rate for a five year period beginning on the date on which the CIP by-law is enacted
  - CIP Reduced Rate (August 2013) of \$20.35 per sq.m (62% less than current rate)
  - Current Rate (March 2015) is \$53.04 per sq.m
  - Does not affect Black Creek rate areas
  
2. Property Tax Relief for 10 Years: TIEG Program
  - Phase in taxes from 30% to 100% over 10 years
  - Applies only to office areas in mixed-use developments

# Four Incentives Are Proposed cont'd

## 3. Parkland Dedication Payments

- 100% exemption for office uses
- Reduced rate for residential units in mixed-use developments based on amount of office space provided (\$4,100 per unit vs. \$8,500)

## 4. Parking Policy

- Major office buildings with two storeys of below-grade parking be permitted to exclude up to two storeys of integrated above-grade podium parking from Section 37 calculation

# Stakeholder Feedback on Proposed CIP

1. Emphasize economic benefits of CIP program
2. Continue to advocate for Regional participation
3. Continue to examine ways of lowering parking costs
  - E.g. Parking Authority
4. Ensure by-law wording is clear
5. Consider revisiting 5-year by-law expiration date if development occurs slower than expected
6. Provide opportunity for review of technical by-law(s) before Public Meeting



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# Other Considerations

- Presently no need for a brownfields incentive program
  - Vaughan's existing building stock is relatively modern
  - CIP program is to encourage development of underdeveloped sites
  - Reconfirms 2006 Study conclusions
- Regional and Provincial participation in CIP has been requested
  - Participation is unlikely in short-term

# Regional Participation in CIP

- The City has formally requested that the Region of York participate in the CIP process
  - Aligns to the Region's Office Attraction Study
  - Requested participation through similar CIP framework
    - Tax Increment Equivalent Grants
    - Development Charges Reductions

# Provincial Participation in CIP

- Grants must be provided through:
  - Agreements under s. 30 of the *Planning Act, 1990*
  - *Tax Increment Financing Act, 2006*
- Education tax grants could only be provided if Cabinet approves an enabling Regulation
- Funding received could be used to help offset the cost of Black Creek capital projects
- A draft memorandum has been prepared to request Provincial participation

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# Proposed Next Steps: Critical Path

