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COMMUNICATION
FAA - JAN 29/14
ITEM - 1

DATE: January 24, 2014

TO: Hon. Maurizio Bevilacqua, Mayor and Members of Council

RE: **COMMUNICATION**
FINANCE, ADMINISTRATION AND AUDIT COMMITTEE – JANUARY 29, 2014
Funding Request: Vaughan Metropolitan Centre Development
Implementation and Facilitation

Recommendation:

The Interim City Manager, in consultation with the Senior Management Team recommends:

1. That as the Vaughan Metropolitan Centre (VMC) is identified by Council as one of the City's highest priorities, Council endorse Staff, with the assistance of a consultant if needed, to prepare and report back to Council with a Terms of Reference for a Vaughan Metropolitan Centre Development Facilitator no later than May 2014, and;
2. That the resources identified within the economic impact section amounting to \$1,483,000 be funded by a special one-time dividend from Vaughan Holdings Inc.; and
3. That these amounts be incorporated in the City's proposed 2014 budget and 2015 -2016 plan; and
4. That Vaughan Holdings Inc. be requested to declare a special dividend in the amount specified in recommendation #2; and,
5. That consolidated project leadership for VMC implementation and facilitation be assigned to the Executive Director, Office of the City Manager.

Economic Impact:

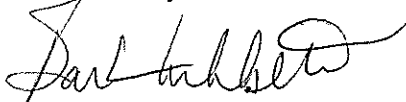
The development of the VMC is a very complex and integrated project and to implement the building of the VMC in the manner intended, resources are required. Recognizing the pressures associated with this endeavor and balancing the need to minimize property tax increases, staff are looking to secure one-time funding totaling \$1,483,000 to move forward. In recent committee meetings, Members of Council have suggested the potential to leverage funds within Vaughan Holdings through a one-time dividend issue. Detailed below are the initial implementation and facilitation costs recommended by staff. If endorsed, the City's proposed 2014 budget and plan will be adjusted to incorporate the funding and costs illustrated, with no impact on taxation.

Conclusion:

It is important that Council and Staff have a full understanding of the intricacies of planning, infrastructure and development while building the continuity and longer-term plans with multiple stakeholders. A Development Facilitator will help to create an integrated, stronger, proactive implementation plan to maximize return on investment, including the overall value and quality of the retail, residential and office offering in the VMC, all of which deliver on Council's vision for the City's new downtown, the Vaughan Metropolitan Centre.

Recognizing the need to balance resources and tax increases the resourcing plan illustrated within this report will be fully funded by a special one-time dividend from Vaughan Holdings Inc.

Respectfully Submitted,



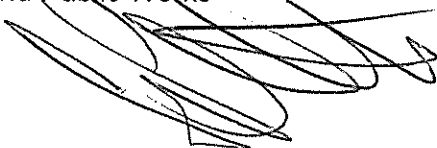
BARBARA CRIBBETT
Interim City Manager



JOHN MACKENZIE
Commissioner of Planning



PAUL JANKOWSKI
Commissioner of Engineering
and Public Works



JOSEPH PITTARI
Commissioner of Strategic Services



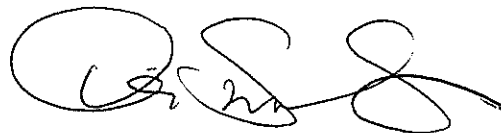
MARY LEE FARRUGIA
Commissioner of Legal and Administrative
Services



MARLON KALLIDEEN
Commissioner of Community Services



JOHN HENRY
Acting Commissioner of Finance



TIM SIMMONDS
Executive Director, City Manager's Office

Attachment: Active VMC Projects – Public Initiatives

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Resource Requirements

1. Facilitation Costs: \$475,000.00

A one-time funding request of \$475,000 is being requested which will be used over a three to four year period for the purpose of retaining and utilizing a Development Facilitator for the VMC.

A small amount of the funding not to exceed \$35,000 will initially be used for a limited assignment to retain an outside consultant with City-building expertise to work with stakeholders to assist staff in preparing a draft Terms of Reference, business cases and strategies of a Development Facilitator and report to Council with the final Terms of Reference no later than May 2014. The remainder of the funds will be used to execute a multi-year contract with a Development Facilitator through a public competitive procurement process in accordance with the consolidated purchasing policy.

2. Legal and Administrative Services: \$887,968.00

There are many complex development related issues in the VMC that do not exist elsewhere in the City which require expert advice, lengthy agreements and numerous transactions. Legal expertise in urban development is needed to advise on all the matters, projects, and strategies set out on Attachment #1, and particularly the Priority 1 matters. To illustrate some of the complex agreements and transactions which will be required, are;

- tunnel agreements and conveyances related to the subway,
- agreements and transactions for the YRT Bus Rapid Transitway on Highway 7,
- complex subdivision/site plan conditions and development and servicing agreements for the future developments,
- section 37 agreements,
- strata title conveyancing and maintenance agreements,
- potential affordable housing agreements,
- park development/urban square agreements and continuing legal issues surrounding the Black Creek Renewal Project.

Many of these will be ongoing projects for a number of years and will require a full-time lawyer. A lawyer on staff is more cost effective than external counsel and will provide faster and more efficient service when easily accessible by City staff. This lawyer would also require law clerk support for documentation preparation and Land Registry conveyancing. Both positions are recommended to be four year contract positions, with the annual cost for the lawyer at \$152,682 (2014 to 2017 total-\$610,728) and the law clerk at \$69,285 (2014 to 2017 total-\$277,140). The four year cost would be \$887,968.

3. Community Services: \$120,000.00

Community Services requires consultants to perform technical services studies and assist in the design elements for urban parks and strata park development. The consultants would also assist in the development and maintenance guidelines for parks in the VMC. The estimated cost for these services is \$120,000. As noted with the Development Facilitator, the consultants would be retained through a public competitive procurement process in accordance with the consolidated purchasing policy.

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Background:

The vision of the new downtown is a vibrant, modern urban centre for residents and businesses that encompass all amenities of urban lifestyle from inspiring multi-use office towers, residences, open green space and urban squares, pedestrian shopping areas and restaurants, to walking and cycling paths. All coexisting with some of the most technologically advanced sustainable buildings in the world. With approximately 179 hectares (442 acres) of development opportunities, it includes:

- Projected office development: 1.5 million sq.ft.
- Projected retail development: 750,000 sq.ft.
- Minimum of 12,000 residential units
- Population potential: 25,000 new residents
- Employment potential: 11,000 jobs of which 5,000 will be office jobs

Policy and Project Development

This request is separate from work to finalize the Council endorsed policy framework that is currently subject to OMB appeals and an OMB mediation process being led by Legal with input from staff from the Planning, Public Works and Engineering, Community Services and Finance Commissions. The expected funding related to OMB appeals including VMC Secondary Plan appeals is outlined in a separate report being prepared jointly by the above noted Commissions.

Why a Development Facilitator

Senior Management has identified that given that the planning of the new downtown is well underway and that a considerable amount of time and resources have been spent on plans and studies that have yielded valuable information, the intention of a Development Facilitator will be to take on an implementation leadership role in helping to attract and leverage investment to create the vibrant downtown City Council wants to achieve by working in concert with landowners, relevant agencies and Ministries of the Province, the Region, City Manager and Senior Management Team. Given the timelines associated with the planning requirements of many of the VMC projects as identified in Attachment 1, and the need to focus on maximizing the value of the VMC to the City, it is advantageous to locate the Facilitator within the City Manager's Office to ensure a distinct separation from one particular Commission of the City in terms of internal administrative and operational responsibility. As such, Senior Management proposes that the Development Facilitator report directly to the Executive Director, Office of the City Manager.

Over the course of the past three years, much success has been achieved on a development-by-development basis, such as; VMC Subway Station, EXPO City, and SmartCentres KPMG Office Development. This work aligned with Council's objectives will ensure that when the subway begins operation in the next 24-36 months the initial form of development is in place.

Today, Staff across all commissions continue to be focused on more than 20 city initiated projects in the VMC that are dependent on each other to varying degrees – all having multiple sub-projects. These include; the VMC Secondary Plan, Black Creek Renewal Project, Public Parking Strategy, and VMC Streetscape and Open Space Masterplan to name but a few [ATTACHMENT 1: ACTIVE VMC PROJECTS].

Since 2010 staff in the various City departments have been leading work in the VMC by initiating and completing policy and infrastructure projects to set the stage for development.

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Since 2011 the Commissioner of Planning has, with support of other Commissions, and external agencies and stakeholders, prepared and implemented a VMC Implementation Plan that has helped create the platform for major redevelopment and construction that is now underway and visible. The outcome of this effort has been regularly communicated to stakeholders and Council through presentations at the VMC Subcommittee of Council and other external presentations.

From 2014 onward, it is expected that the development effort will continue and will require a primary point of contact for day-to-day activity and to act as a principle point of contact for the landowners to advance the City's interests including optimizing value of planned investments. A Development Facilitator will play a vital role in the City's ability to move to the next development phase of the VMC and to align city projects with landowner and agencies (transit agencies, school boards) development plans.

Upon resolution of the VMC Secondary Plan OMB appeals and processing of additional development applications there is a substantial body of work involving cooperation of stakeholders driving toward the development of the VMC. This includes working with stakeholders to plan and design City and public infrastructure such as the proposed community center, Library, and schools, taking into account market realities and development phasing.

In addition, it would be advantageous to have an expert with City building experience to help advise and monitor the work of consultants engaged by the City and Staff across all commissions. This expert could help staff refine and develop business cases and more detailed plans. Such expertise would also help address the current Staff burden associated with coordination of consultations with the public and stakeholders, as well as internal departments and the various external public agencies.

Deliverables and Outcomes

The Development Facilitator will be tasked with clear deliverables including development of an updated VMC Implementation Plan that benefits from input from Council and stakeholders. The updated VMC Implementation Plan will be informed by extensive consultation with stakeholders and by detailed cost benefit analysis. The Development Facilitator will oversee and report to Council regularly on VMC project management from the City's perspective. As well, given the complexity of issues in creating a comprehensive plan for the VMC, the role requires the Development Facilitator (group/individual) to have a proven track-record of development experience in implementing transit oriented development in a downtown context. The Facilitator will need to have the knowledge, skill set and approach to move City projects forward expeditiously and in a way that leverages City and public sector investments while recognizing the City's fiduciary duty, existing City processes and obligations under legislation and the dynamics of multiple landowners with competing interests and varying timelines for development.

One specific project that the Development Facilitator will be tasked with advancing will be to prepare options and financial implications for implementing future planned City projects such as the Library and community center that may include co-development of City of Vaughan facilities with landowners or public agencies so as to achieve the Council endorsed objective of Community uses and schools within the Transit Station Precinct of the VMC.

Another specific project may involve continued collaboration with partners toward funding and construction of phases of the Black Creek Renewal project pending the outcome of facilitation/OMB mediation processes and the completion of the environmental assessment.

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ATTACHMENT 1

ACTIVE VMC PROJECTS - PUBLIC INITIATIVES

UPDATED : JAN 20, 2014

[illegible]

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COMPLETED VMC PROJECTS - PUBLIC INITIATIVES

PROJECT NAME	Status	Date Initiated	Target Completion	Lead	Contact	Q4	2010				2011				2012				2013				2014				2015				2016			
							Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
VMC Gantt Chart		04/01/10	ongoing	PLA	AS/AR																													
Transportation Master Plan		04/01/10	01/04/12	ENG	MF																													
Black Creek Optimization Master Plan Study		04/01/10	01/04/12	ENG	MF																													
District Energy -Phase 1 – Feasibility		05/03/10	07/05/11	ED	TS																													
Site Plan for VMC subway station		08/02/10	05/10/11	TTC	JK																													
Establish Urban Design Review Panel and formal Review Process		01/04/11	07/06/11	PLA	RB																													
VMC Servicing/SWM Strategy Master Plan		04/01/11	04/03/12	ENG	MF																													
Hwy 7 Culvert Crossing Decision Discussion		05/31/11	03/30/12	ENG	AP, MF, YR, VIM																													
Hwy 7/Maplecrete Intersection configuration		09/29/11	03/30/12	ENG	AP, YRT, YR																													
Joint York/City VMC & Area Transportation Study		10/31/11	07/31/12	ENG	SH																													
Urban School Site Plan Design Workshop		01/02/12	04/02/12	PLA	AH																													
Report on Strategy for requiring Land Owners Group/Cost Sharing Agreements		01/03/12	10/03/12	PLA	JM																													
Parking Standards Zoning By-law Draft Report		01/03/12	01/03/13	PLA	AH																													
Public Hearing Report on Parking Zoning By-Law		01/01/12	01/09/13	PLA	AH																													
Additional Study on 400/7 Ramp Terminal Design		07/31/12	02/14/13	ENG	SH																													
1st of Strata Parking Reports for VMC Subcommittee		07/03/12	11/01/12	PLA	AH																													
Strata Parking Policy Report outlining Guiding Principles for Strata Title Arrangements		02/04/13	04/11/13	PLA	AH, RM																													
Dev't of Sustainability Guidelines/Integrated Sustainability System for VMC		01/02/12	10/03/13	PLA	TI																													

- on schedule
- underway
- on hold
- completed

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