

DATE: DECEMBER 6, 2012

TO: HONOURABLE MAURIZIO BEVILACQUA, MAYOR
AND MEMBERS OF COUNCIL

FROM: JOHN MACKENZIE, COMMISSIONER OF PLANNING

RE: COMMITTEE OF THE WHOLE, REPORT # 48, ITEM #29 - NOVEMBER 27, 2012
VAUGHAN METROPOLITAN CENTRE (VMC) SECONDARY PLAN
PROPOSED MODIFICATIONS TO ADOPTED SECONDARY PLAN
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| Item # | 29 |
| Report No. | 48 |
| Council - December 11/12 | |

**DIRECTION TO REPORT ON ADDITIONAL MODIFICATIONS TO THE VMC
SECONDARY PLAN**

The following recommendation was made at the Committee of the Whole meeting of November 27, 2012, regarding Item #29:

"The Committee of the Whole recommends:

- 1) That the recommendation contained in the report of the Commissioner of Planning, November 27, 2012, be approved;**
- 2) That staff provide a report to the Council meeting of December 11, 2012, with recommendations or modifications based on the input and submissions received; and,**
- 3) That the deputations and communications related to this item be received."**

In reference to recommendation 2), staff have given further consideration to requests for additional modifications from owners of lands in the VMC, and other communications received at the Committee of the Whole meeting of December 11, 2010. Many of the requested modifications and City responses were previously articulated in the Matrix of Submissions forming Attachment 13 to the Committee of the Whole report. However, some additional new requests are addressed as follows:

1. Further to Bentall Kennedy's (Canada) request to designate three additional Neighbourhood Precinct blocks west of Edgeley Road, and north of Doughton Road as Station Precinct blocks, staff cannot support the modification for the following reasons:
 - (i) Three Neighbourhood Precinct blocks have already been replaced with Station Precinct blocks on the proponents lands, west of Edgeley Boulevard and immediately south of Highway 7 in the proposed (modified) VMC Secondary Plan (Committee of the Whole report –November 27, 2012). This staff recommended modification to permit a mix of office, retail and residential use is considered appropriate fronting on Highway 7, as the office/retail land use components projected for an earlier phase of office redevelopment can be well supported at this location because of visibility and adjacency to a transit line. The Neighbourhood Precinct blocks which are the subject of the additional modification request are located internally to the southwest quadrant and therefore do not present the same planning merits for replacement with Station blocks.

- (ii) The Neighbourhood blocks which are requested for removal are strategically located and provide a necessary component for the earlier phases of a residential community. For example, if the requested modification to remove additional Neighbourhood blocks in the southwest quadrant were to be approved, the long term existing uses situated in the remaining Neighbourhood Precinct blocks (ie. AMC Theatre, IKEA), would effectively prevent the development of a Neighbourhood Precinct with sufficient critical mass within this quadrant for the foreseeable future.
- (iii) It is important to maintain the integrity of the Neighbourhood Precincts within the VMC Secondary Plan as their concentration of residential units will support the surrounding downtown commercial uses and help ensure the VMC evolves as a "complete community". The Neighbourhood Precincts are intended to include a mix of residential apartment and townhouse units, and do not permit the more intensive commercial uses allowed in other precincts. The Neighbourhood blocks are also organized around surrounding neighbourhood parks and schools to support the residential communities. The range of housing types provided in these communities will accommodate families with children, as well as others wishing to be located in the relatively quieter areas of the downtown.

The modifications to the VMC Secondary Plan, as presented in the Committee of the Whole report of November 27, 2012, have resulted in the proposed re-designation of 12 Neighbourhood Precinct blocks to Station blocks. Any further reduction to the area devoted to Neighbourhood Precincts may compromise the "complete communities" objective of the VMC Plan.

Bentall Kennedy (Canada) has also requested that Edgeley Boulevard terminate at Interchange Way, rather than continue through the IKEA lands to Peelar Road. They have suggested that a north/south street section be included from Interchange Way to Peelar Road at the property line between the IKEA and Bentall Kennedy lands where a driveway currently exists. This proposed street re-alignment which shifts the street further east than the current Edgeley Boulevard alignment, would result in a reduction to the school block sited between Edgeley Boulevard and Millway Avenue, immediately south of Interchange Way. There may be merit in examining this shift. The requested modification could be considered at the draft plan of subdivision stage, provided the landowner is able to reach an agreement satisfactory to the affected School Board, and provided the re-alignment can be supported by the Vaughan Engineering Department. Should Council concur, a motion to ensure this provision is included in the adopted VMC Secondary Plan may be approved.

On this basis staff recommends that the following motion be adopted:

That the following policy be added to the VMC Secondary Plan as section 4.3.19:

"Notwithstanding the planned extension of Edgeley Boulevard, as illustrated in Schedule C, the City may consider terminating Edgeley Boulevard at Interchange Way and instead permit a Local Street connecting Interchange Way to Peelar Road aligned with the east property line of the IKEA site. This alternative will be considered at the time of draft plan of subdivision approval for either of the affected properties and shall be subject to the support of the School Boards and satisfactory to the Vaughan Development/Transportation Engineering Department."

2. Respecting Mr. Stephen Robert's (Vaughan resident) request by letter, and deputation to Committee of the Whole of November 27, 2012, that the Black Creek Greenway be extended for the length of the environmental area north of Highway 7 and south of Mcleary Court, it is noted that the TRCA buffer will in fact be utilized to continue the trail in this portion of the

VMC lands. Since the Environmental Open Space is in the City's ownership, and further options for an additional pedestrian trail connection to Jane Street are also being explored through the VMC Streetscape and Open Space Study, the "Greenway" designation has not been reflected in the Plan.

3. Precinct Plan Implementation: Regarding the request from Zzen/Goldpark/Royal's consultant for inclusion of Precinct Plan policies in the VM CSP, staff have reviewed numerous Precinct Plans and feel that the requirements typically included in a Precinct Plan are already contained in the Secondary Plan, or are addressed through separate City studies. However, there is a need to facilitate the organization of landowner group(s) cost sharing agreements to inform where and when investments in the VMC are to be made.

On September 13, 2012, staff reported to the VMC Sub-Committee of Council on the need for a cost sharing agreement among landowner groups, in a report entitled "Update on the Development of a Cost Sharing Framework for the Vaughan Metropolitan Centre" (Attachment 1). The report recommended that the City continue to take a leadership role on this issue by facilitating a series of meetings with VMC owners and through the procurement of consulting services. On October 30, 2012 Council adopted Item 3, Report No 5 of the Priorities and Key Initiatives Committee without amendment approving the recommendations contained in the September 13, 2012 report and requested staff to review options for an appropriate structure to achieve the objectives for the Vaughan Metropolitan Centre (VMC), which may include a Landowners' Group, a joint City of Vaughan/Landowners' Task Force, or other forms of collaboration, and provide a report to the next VMC Sub-Committee meeting.

4. The requests from SmartCentres, Rice Royal, and other owners that have appealed the Secondary Plan are being dealt with in the context of the OMB appeals.

Respectfully submitted,



John MacKenzie
Commissioner of Planning

Attachment: 1. Extract from Council Meeting Minutes October 30 2012 – Item 3, Report No. 5

- c. Clayton D. Harris, City Manager
Jeffrey Abrams, City Clerk
Diana Birchall, Director of Policy Planning
Roy McQuillin, Manager of Policy Planning
Anna Sicilia, Senior Policy Planner

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EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 30, 2012

Item 3, Report No. 5, of the Priorities and Key Initiatives Committee, which was adopted without amendment by the Council of the City of Vaughan on October 30, 2012.

3

OTHER MATTERS CONSIDERED BY THE COMMITTEE

3.1 CONSIDERATION OF AD HOC COMMITTEE REPORTS

The Priorities and Key Initiatives Committee recommends:

That the following Ad Hoc Committee reports be received:

1. Vaughan Metropolitan Centre Sub-Committee meeting of June 28, 2012 (Report No. 3)
2. Vaughan Metropolitan Centre Sub-Committee meeting of September 13, 2012 (Report No. 4)

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(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

**3 UPDATE ON DEVELOPMENT OF A COST SHARING FRAMEWORK FOR THE
VAUGHAN METROPOLITAN CENTRE**

The Vaughan Metropolitan Centre Sub-Committee advises:

- 1) That the recommendation contained in the following report of the City Manager and the Commissioner of Planning, dated September 13, 2012, was approved; and
- 2) That staff was requested to review options for an appropriate structure to achieve the objectives for the Vaughan Metropolitan Centre (VMC), which may include a Landowners' Group, a joint City of Vaughan/Landowners' Task Force, or other forms of collaboration, and provide a report to the next VMC Sub-Committee meeting.

Recommendation

The City Manager and the Commissioner of Planning in consultation with the Senior Management Team recommend:

1. THAT this report on the status of the development of a cost sharing framework be received for discussion purposes;
2. THAT staff be authorized to consult with landowners on the development of principles of cost sharing arrangements to be established amongst Vaughan Metropolitan Centre owners and to report back to the Vaughan Metropolitan Centre Sub-Committee of Council in Fall of 2012 with a status update of the formation of such cost sharing arrangements and implications for processing of development applications; and
3. THAT the Vaughan Metropolitan Centre Sub-Committee endorse staff's proposed initiatives to engage services of qualified professionals to assist with such an initial program to provide advice and recommendations regarding any future initiatives towards the preparation and implementation of appropriate landowner cost sharing arrangements within the Vaughan Metropolitan Centre in the absence of an agreed upon landowners' trustee willing to undertake such work.

Contribution to Sustainability

Cost sharing arrangements amongst landowners is a requirement for approval of development applications in the Vaughan Metropolitan Centre (VMC) as per the Council approved VMC Secondary Plan. Typically such arrangements are documented in Cost Sharing Agreements (CSA) developed by a group of landowners choosing to work together to fund and/or construct future public infrastructure within a development block. One of the prime purposes of a CSA is to facilitate fair and equitable financial distribution of the costs of infrastructure, facilities, and support services amongst both initially participating owners, and the owners of lands which are not initially members of the group. Municipalities are not typically parties to such CSAs however rely on the CSAs in finalizing engineering or development agreements thus assuring that the infrastructure required to service the planned growth areas is appropriately implemented.

CSA(s) will help to inform the development of more detailed financial strategies to address the City's needs within the VMC. Landowner CSAs will allow the City to work with owners to implement the redevelopment of the VMC, and provide sustainable development to fulfill the goals and objectives of "Green Directions Vaughan", the City's "Community Sustainability and Environmental Master Plan", specifically:

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Goal 1: To significantly reduce our use of natural resources and the amount of waste we generate.

Objective 1.3 "To support enhanced standards of stormwater management at the City and work with others to care for Vaughan's watersheds"

Goal 2: To ensure sustainable development and redevelopment.

Objective 2.2 "To develop Vaughan as a City with maximum greenspace and an urban form that supports our expected population growth"

Economic Impact

Based on preliminary findings of infrastructure studies, the cost of future City and Regional infrastructure, facilities and support services required in the VMC outside of rapid transit investments, is estimated to exceed \$250 million dollars over a 20-year period. A cost sharing framework will inform where and when these necessary investments will need to be made and will provide an equitable framework for distributing costs amongst all of the benefiting private owners including initial developers, other participating owners, and initially-non-participating parties.

Communications Plan

To date, there have been two meetings of the VMC Sub-Committee where the necessity of cost sharing agreements amongst landowners within VMC has been raised. Further consultation with stakeholders, including landowners and development groups is proposed to take place over the next few months. All current property owners within the VMC will be invited to participate in the development of principles of a cost-sharing agreement(s). Appropriate communication strategies will be developed in the future, as these initiatives will inform financial matters pertaining to development applications, guide formation of conditions of development application approval, support the development charges update process, and provide input into the consideration of other future funding opportunities.

Purpose

The purpose of this report is to provide a status update on the City's efforts to facilitate the organization of a landowners group and procurement of equitable cost sharing arrangements within the VMC recognizing the Council requirement that such arrangements be in place and reflected in future approvals of development applications in the VMC.

Staff is recommending that the City take a more formal leadership role on this issue by facilitating a series of meetings between City Officials and the VMC owners during the Summer and early Fall of 2012 with an objective of the preparation the principles of a cost sharing framework, leading to the eventual negotiation of CSAs. Also, such CSAs will inform the approvals of initial development applications in late 2012 and throughout 2013, assuming all technical and policy requirements are satisfied.

Also, so as to assist with this initiative, staff is of the view that some appropriate consulting services should be procured within discretionary spending authority of a City Commissioner.

Background - Analysis and Options

The VMC is one of 25 provincially designated "Urban Growth Centres", identified as having the greatest potential for intensified growth over the next 20 years, most of which will occur through re-development of existing facilities and land uses. The VMC will emerge as the City's "downtown" with a full suite of urban amenities and high quality public and private spaces.

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The Vaughan Metropolitan Centre Secondary Plan (VMCSP) projects that by year 2031, employment will grow to at least 11,500 jobs, inclusive of some 5,000 new office jobs and 1,500 new retail/service jobs.

Today there are no residential units within the VMC plan area. However, the VMCSP expects that some 12,000 new residential units will be constructed by year 2031 accommodating about 25,000 residents. Already, development applications have been received for 16 mixed use primarily residential buildings totaling over 4000 new residential units. In addition, applications for new office and commercial buildings are expected shortly. Public and private infrastructure facilities will be required to support this new population and employment as well as assisting to implement the findings of City studies including the 'Active Together Master Plan', the 'Open Space Strategy', 'Black Creek Renewal' project and other infrastructure initiatives.

To support the quality of life in the new downtown, the VMCSP expects and promotes the location of various governmental, institutional, educational, cultural and recreational facilities in the VMC. To accommodate such ambitious growth, considerable public funding has already been, and more still will be, committed to fund the necessary new or enhanced community infrastructures and servicing projects. These costs include hard costs and operation and maintenance costs once parks and public facilities are constructed either by the City or private sector developers and assumed by the City. The nature, timing and scale of the proposed redevelopment projects will influence the timing and location of such expenditures. Preliminary estimates arising from recent infrastructure studies and from the development charges review process currently underway indicates that City, Region, and private sector investments will be in excess of \$250 million dollars.

In addition to previously committed expenditures, there will be a requirement to accommodate the nature and scale of the planned development anticipated over the next 20 years within the VMC. Pursuant to specific provisions of the VMC Secondary Plan, VMC landowners who will directly benefit from the many economic opportunities resulting from such new or enhanced facilities, are expected to contribute towards the costs of such improvements.

General Characteristics of Landowners' Groups

Landowner groups are typically formed when 2 or more owners in a certain geographical area require common planning approvals and must share infrastructure. Some of the typical reasons for landowner group formation include:

- Out of necessity – owners in a similar geography share in a common objective to optimize value & opportunity;
- Reduces timing risk –forum to resolve and discuss issues outside of Planning Act & EA Act processes;
- Vehicle for distributing up front costs and reducing financing burdens on individual owners/early developers;
- Reduces land requirements: common infrastructure is more efficient than infrastructure on several individual sites (e.g., several temporary ponds site by site = throwaway costs vs. 1 permanent pond);
- Facilitates dialogue between owners, municipalities and agencies;
- Proven method for accelerating community redevelopment.

Landowners' Groups usually include the following members:

- Landowners or their representatives;
- Trustee/Group Manager;
- Group Lawyer;
- Other consultants/experts;
- Designated manager(s) to liaise with the municipality and agencies.

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Landowners' Groups typically prepare Development Agreements that include:

- Definitions including descriptions of geography and objectives;
- Basis & Principles for sharing Community Uses/Lands;
- Implementation matters – decision making and voting delegations of authority via Trustee/Group/Subcommittee including dispute resolution mechanisms.

Greenfield Owners and Landowner Groups

There are a number of distinct differences between landowner groups in greenfield areas versus regional centres like the VMC. These are outlined in the following table:

Greenfield Landowners

- Shorter term build out;
- Longer history of practice across the GTA;
- Ground related product – often viewed as a 2 dimensional community
- Typically Net Developable area (NDA) basis for Development Agreement;
- Front Ending of servicing and infrastructure by most owners;
- Type of infrastructure and community uses are generally well understood and are brand new;
- Typically community design and density (Community Vision) does not change significantly post Secondary Plan, Block Plan, zoning & draft plan of subdivision approvals;
- Less precision required to calculate land values;
- Less change in value over time due to typical shorter term build out/absorption;
- Must include disciplines with natural heritage/cultural heritage expertise to resolve regulatory requirements regarding the natural environment.

Regional Centre/ Downtown Landowners

- Longer term build out due to mixed uses with different absorption rates and evolving market;
- Shorter history of practice in GTA;
- Higher densities – viewed as 3 dimensional community or **vertical subdivision**;
- Per unit or square footage being used as basis for Development Agreement
- Front ending often by a few motivated owners;
- Greater infrastructure and services required to support density e.g., Transit, existing services usually must be upgraded to support growth;
- Community Uses – smaller footprint due to high land values;
- Need for greater precision in land area/density calculations in High Rise community;
- Greater change in value over time recognizing lead time for high rise projects;
- Must engage disciplines with greyfield/brownfield expertise to resolve historic contamination and necessary infrastructure upgrades.

Benefits of a Landowners' Group for the VMC

Since Vaughan Council's adoption of the VMCS in September 2010, there has yet to emerge any specific initiatives by landowners in the VMC, in respect of pursuing CSA outside of a specific cost sharing approach on certain studies. Throughout the GTA there are numerous examples of successful cost sharing arrangements amongst various landowners in projects ranging in size from under 100 ac to over 5,000 ac. These landowner groups have appreciated that in their common particular circumstance, it is imperative that they must act in unison so as to achieve development and infrastructure approvals.

From the municipality's perspective, additional benefits of having CSA in place would include:

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- Provides a framework for addressing services that cross multiple properties and/or they are services that are entirely on lands owned by others;
- A means of ensuring equitable treatment for all development interests;
- A coordination of activity required to service growth;
- Provide a sophisticated understanding of how expenditures are to be phased to inform the DC process;
- Provide an understanding of what infrastructure would be required;
- Provide an understanding of what works ought to be front-ended by development groups;
- Would inform the City's multi-year budget planning process; and
- Assist in achieving the realization of high quality, city cultural, social and recreational resources within the VMC.

The VMCS provides that, as an alternative to a lack of landowner sponsored cost sharing initiatives, the City may implement other arrangements specifically to address cost sharing matters. However, before considering such default actions, it would be beneficial for the City to further engage the VMC landowners and promote/facilitate the pursuit of formal CSA arrangements amongst such parties.

VMC Financial Strategy

The Regional and City development charges process constitutes the basic financial strategy for the VMC for collectively identifying and funding the public sector infrastructure necessary to serve the VMC. However, in addition to the levying of specific development charges, it is specifically referenced in the City approved VMCS (i.e., Section 10.7.1) that VMC landowners may be required to enter into an agreement or agreements so as to coordinate development projects and specifically address matters such as the equitable distribution of the cost of shared infrastructure such as roads, water and wastewater services, parkland, storm water management facilities, as well as land/space for schools and other community services.

To establish an appropriate VMC Financial Strategy, considerably more detailed information is required on the nature and cost of the proposed infrastructure based on in-progress studies, the nature and timing of development proposals and other factors. Furthermore, City and Regional development charges and cost sharing discussions involving private sector landowner groups, the Region, utilities, School Board, transit agencies and other stakeholders will be required to advance timely and equitable development of the VMC.

Immediate Next Steps

As referenced above, it is proposed to actively pursue during the next few months, meetings with the VMC landowners so as to gain a better assessment of their current and planned future development activities and determine the levels of servicing/infrastructure requirements and project timing. Willing and/or interested landowners would be invited to participate in the development of common principles which would inform the future negotiation of appropriate CSAs. Such landowners would also be looked to for input regarding the City's policy requirements and mechanisms for securing financial contributions to the costs of municipal infrastructure from those developments that might be approved prior to the finalization of CSA(s).

Staff is of the view that it would be very helpful in pursuing these immediate next steps, to engage professional consultants having relevant experience with landowner cost sharing matters; experience with development matters in Regional Centres or Urban Growth Centres; and with suitable experience in working with public organizations, community interests and private sector developers. The consultants could prepare a framework for a CSA that reflects City interests and that could then be finalized by VMC owners.

Furthermore, the engagement of qualified consulting support with this initiative would be beneficial in assisting staff to determine the scope of any subsequent further actions that the City may need to pursue.

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Based on the above referenced scope of work during these next few months, it is expected that the costs for such interim professional services can be arranged within the parameters of Commissioners discretionary expenditure authority.

Relationship to Vaughan Vision 2020/ Strategic Plan

This report is consistent with the priorities set out in the Vaughan Vision 2020 Strategic plan, through the following initiatives, specifically:

Service Excellence:

- Lead & Promote Environmental Sustainability
- Preserve our Heritage & Support Diversity, Arts & Culture

Organizational Excellence:

- Manage Corporate Assets
- Ensure Financial Sustainability
- Manage Growth & Economic Well-being

Regional Implications

The Region of York is a vital stakeholder in this process. In addition to its work on the subway extension and the Viva Next projects and its ongoing role in the transportation studies, the Region has participated in all City of Vaughan initiated streetscape plan studies completed to date. This work will support key elements of the Region of York Official Plan, adopted by Regional Council on December 16, 2009 and approved by the Minister of Municipal Affairs and Housing on September 7, 2010. Specifically, the implementation of the plan's following objectives stated in Section 7.2, Moving People and Goods:

"To ensure streets support all modes of transportation including walking, cycling, transit, automobile use, and the efficient movement of goods."

"To plan and protect future urban and rural streets to accommodate transportation demands."

Based on informal discussions with Regional Planning staff, that are part of the VMC Implementation Team, Regional staff have indicated support for a CSA amongst owners in the VMC.

Conclusion

Staff has collaboratively prepared this report in order to recommend the advancement of cost sharing arrangements among VMC owners that will contribute to developing a detailed financial strategy for the VMC and the development charges review currently underway. Based on the outcome of such an interim step, as recommended herein, staff will be better informed in respect of recommending any necessary subsequent initiatives and processes towards securing appropriate CSA in the VMC.

Attachments

n/a

Report prepared by:

John MacKenzie, Commissioner of Planning, ext 8445

Respectfully submitted,
CLAYTON D. HARRIS
City Manager

JOHN MACKENZIE
Commissioner of Planning