



IBI Group
5th Floor - 230 Richmond Street West
Toronto ON M5V 1V6 Canada

Tel 416 596 1930
fax 416 596 0644

C5
CW(ws)
September 10/13
Item 2

September 9, 2013

Clerks Department
City of Vaughan
2141 Major Mackenzie Drive
Vaughan, ON L6A 1T1

Attention: Clerks Department

Dear Sir/Madame:

**VAUGHAN OFFICIAL PLAN - 2010
PROPOSED POLICIES FOR BONUSING FOR INCREASES IN HEIGHT OR DENSITY
(SECTION 37 OF THE PLANNING ACT) AND IMPLEMENTING GUIDELINES
FILE #25.6.1**

On behalf of our client Toromont Industries Ltd., IBI Group has reviewed the City's revised Official Plan Policies 10.1.2.9 - 10.1.2.12 regarding 'Bonusing for Increase in Height or Density (Section 37 of the Planning Act)' and its proposed Implementation Guidelines, as provided in the staff report to the Committee of the Whole. We have a number of concerns, in particular those detailed below.

Timing

- On August 22, 2013, the Minister of Municipal Affairs and Housing announced the Province's intention to launch a consultation process that (according the Minister) will have "**significant effects on the new housing and land development industry.**". One of the two consultation processes will be related to Development Charges and other municipal development-related fees and charges (including Section 37, cash-in-lieu etc.). In light of this provincial review and consultation process, it would seem premature to be implementing Section 37 policies as outlined in the staff report until such time as this comprehensive provincial undertaking is completed.

Overlap of Section 37 and Development Charges

- In the review of the draft policies contained within the staff report, there seems to be some significant overlap between what is funded through Development Charges and what the City is seeking through Section 37 charges. This overlap needs to be better clarified by staff and a better explanation needs to be provided in terms of what is a Development Charge matter and what is a Section 37 matter.

Application of Section 37 of the Planning Act

- In itself, the provision of Section 37 is helpful to both the development community and the City of Vaughan; however, the provisions need to be clearer than what has been provided by the City. Base level density uptakes should not be charged under Section 37.
- Page five of the staff report is somewhat vague as to when the bonus provisions will be applied. The staff report says "**...resulting from an increase in and/or density**

IBI Group

2

Clerks Department – September 9, 2013

over the limits identified in the Official Plan/Zoning By-law". Draft policy section 10.1.2.9 states that, ***"...Council may authorize an increase in the building height and/or density of development otherwise permitted in areas of the City, as contained in Volume 1 or Volume 2 of this Plan ..."***. Given that the recommendation is for staff to be given the authority to deal with Section 37 then it needs to be very clear that Section 37 only deals with density bonusing above and beyond that permitted within the Official Plan (not zoning).

- Section 37 may be invoked when a proposed development results in increases to the height and density otherwise permitted by the Zoning By-law. The City of Vaughan Zoning By-law 1-88 is out of date and when originally drafted the types of heights and densities being sought for the Vaughan Metropolitan Centre (VMC) were not contemplated. The Zoning By-law will need to be brought into conformity with the new Official Plan (Volumes 1 and 2) and until such a transition policy should be prepared that uses the new Official Plan and VMC Secondary Plan as the baseline for measuring increases in height and density.
- On page six of the staff report, where it compares Section 37 policies across Ontario, it is noted that most common development threshold that triggers the application of Section 37 is between 5,000 and 10,000 sq. m. However, Vaughan staff is recommending 2,000 sq. m without any supporting justification. This threshold is too low both in comparison with other competing market areas and within the context of urban development, specifically within the Vaughan Metropolitan Centre (VMC). Given the City's desire to create a dynamic and vibrant downtown, a competitive threshold of 5,000 to 10,000 sq. m. is more appropriate.
- Notwithstanding the concerns raised in the June 2013 workshop, the 20-35% valuation remains high and could lead to specific areas (such as the VMC) becoming uncompetitive with surrounding municipalities. Furthermore, the process for the valuation is poorly explained and an agreed upon process to valuation needs to be clearly articulated to avoid a subjective and uncompetitive implementation of the ***"uptake"*** value.
- Specific to the VMC, there are a number of development criteria within public, semi-public and private development realms that are far and above the standards expected across the remainder of the City and/or in competing downtown areas (e.g. affordable housing, high architectural standards and sustainable design). It would be appropriate to include upgrades to these realms, above the typical City standard, as community benefits for Section 37 bonusing.
- Specific to the VMC, the market conditions for major office development that the City is seeking as part of its downtown vision remains problematic given the many requirements of the VMC secondary plan policies. Given the City's economic development objectives to promote the VMC as a major employment centre (integrated with residential for a true mixed-use community), the application of Section 37 bonusing as it relates to office development should not be the same as it is for residential development.

IBI Group

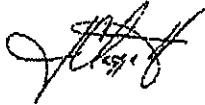
3

Clerks Department – September 9, 2013

We look forward to continuing to work with City staff on these matters. Thank you.

Yours truly

IBI GROUP

A handwritten signature in black ink, appearing to read 'Jay Claggett', is positioned above the printed name.

Jay Claggett
Director

cc: David Wetherald of Toromont Industries Ltd.