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February 3, 2015

(via E-mail)

City of Vaughan
c/o Jeffrey A. Abrams, City Clerk
2141 Major Mackenzie Drive
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Communication
cw: Feb 3/15
Item: 18

Attention: Mayor and Members of Council

**Re: Committee of the Whole – February 3, 2014 – Item 18
Implementation Guidelines for Section 37 Policies (10.1.2.9 – 10.1.2.12)
of the Vaughan Official Plan (VOP) 2010
Bonusing for the Increases in Height and/or Density
Section 37 of the Planning Act
City File #25.6.1
Auto Complex Limited – 7200 Yonge Street
2 Steeles Ave W. Ltd. – 2 Steeles Avenue West
Salz & Son Limited – 100 Steeles Avenue West
7040 Yonge Holdings Limited – 7040 Yonge Street
& 72 Steeles Holdings Limited – 72 Steeles Holdings Limited
City of Vaughan**

Dear Mayor and Members of Council:

KLM Planning Partners Inc. is the land use planning consultant representing Auto Complex Limited, 2 Steeles Ave W. Ltd., Salz & Son Limited, 7040 Yonge Holdings Limited, & 72 Steeles Holdings Limited; the owners of the above-referenced parcels of land located in the vicinity of Yonge Street and Steeles Avenue West in the City of Vaughan. These landowners have appealed the City of Vaughan Official Plan and the Yonge Steeles Corridor Secondary Plan ("Secondary Plan") for the Region's failure to render a decision within 180 days of the adoption of the new Official Plan by Vaughan Council.

This letter is in response to the City of Vaughan Planning Department Staff Report being considered at Committee of the Whole on February 3, 2015, which propose new implementation guidelines for Section 37 Policies (10.1.2.9 – 10.1.2.12) of the Vaughan Official Plan (VOP) 2010. We appreciate that there has been considerable consultation resulting in the current guidelines which are being proposed before Committee of the Whole, however we believe that the guidelines in their current state should not be approved by Council until the following concerns have been addressed.

1. Additional clarity is required in the proposed guidelines regarding the formality of the process. How is the process started? Is it a formal process with an application submitted concurrently with a development application, is it simply requested in the cover letter which accompanies a development application, does the request come from staff or Council or is it simply implied with an application which proposes to increase the permitted height/density (i.e. base) over and above what the Official Plan permits?
2. The process regarding calculating section 37 values for larger phased developments is not clear. The discussion in the staff report acknowledges this challenge and indicates that the Section 37 valuation will be conducted in stages as the development proceeds, and that valuation will be based on the Site Plan Agreement for each phase. However, in the Implementation Guidelines, it appears that the valuation is proposed to be calculated as construction proceeds. The guidelines have not considered a situation where the all phases of development are approved by Council at once, but the development is constructed in phases. Section 6.4 "Transparency" of the Implementation Guidelines indicates that the rationale for the increase in height and/or density along with the value of each component will be included in the Planning Department recommendation report, but how can this occur for a phased development approved in one report but constructed in phases. Additional clarity is required.
3. The proposed Implementation Guidelines do not appropriately differentiate the value of Section 37 contributions for a development which proposes only an increase in height (no density increase) from an application which proposes an increase in density. Increased height which does not propose an increase in density will not result in any impact on community services and facilities as no additional population will result from an increase in height. The Implementation Guidelines should acknowledge the difference between an increase in height and an increase in density when calculating the value of Section 37 contributions.
4. The City is proposing the use of a "Land Value Matrix" which will establish pre-determined land values based on a price per square foot for a range of units in a variety of homogenous market areas and which will be updated annually (as of January 1st) by a qualified real estate appraiser. When will the City release the

values proposed to be used in the preliminary version of the Land Value Matrix to the public?

5. The implementation Guidelines indicate that Local Area Studies approved by Council may outline the range of community facilities, services or matters that should be provided on a priority basis. What is not clear is if these Local Area Studies are mandatory prior to negotiating Section 37 agreements and if not, how will the range of community facilities, services and matters be determined?
6. There is a reference in the Implementation Guidelines that all site-specific appraisals and peer review (when requested after the use of the Land Value Matrix) will be paid for by the proponent. However, earlier in the discussion portion of the recommendation report, staff indicate that it would be appropriate to share these costs. The City recommended that the first appraisal be paid for by the City, and that the second appraisal and any subsequent peer review (if required) will be paid for by the proponent. This represents a fair and balanced approach and should be reflected appropriately in the Implementation Guidelines.
7. We know from recent changes to the Secondary Plan that the City is making stand alone and major office spaces in mixed used developments a priority in the Yonge Steeles Corridor and other intensification areas throughout Vaughan. We also understand that the City is currently investigating different methods for encouraging major office development within designated intensification areas through an ongoing Community Improvement Plan (CIP) Study. We believe that providing major offices spaces in appropriate intensification areas including the Secondary Plan Area should be a priority of the City of Vaughan and increases in height and/or density under a Section 37 agreement can be used as an incentive to attract major office uses.

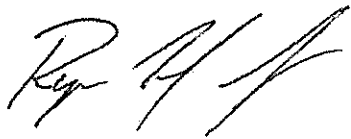
On April 8, 2014, Vaughan Council approved modifications to the Secondary Plan which require mandatory office uses in the "Office Priority Area" in exchange for an increase in height. Our clients have an interest in the outcome of the ongoing CIP Study which is investigating different methods for encouraging major office developments. The provision of major office spaces should be considered as a Section 37 benefit and additional height and/or density should be provided to landowners to be used elsewhere in the development.

8. The landowners continue to have a concern with proposed valuation of community benefits representing 20% to 35% of the increase in land value resulting from the increase in height and/or density. The landowners are concerned that this value is too high, and are further concerned about how the range of the increase is interpreted and will be implemented.

We trust the foregoing is in order and we thank you for your consideration of these matters. We would be more than pleased to discuss the above comments with staff in greater detail prior to the final approval of the Implementation Guidelines to ensure clarity and consistency for our clients as they consider the redevelopment options for the intersection of Yonge Street and Steeles Avenue West. Please provide me with a copy of the decision of the Committee of the Whole and Vaughan Council.

Yours very truly,

KLM PLANNING PARTNERS INC.

A handwritten signature in black ink, appearing to read 'Ryan Mino-Leahan', written in a cursive style.

Ryan Mino-Leahan, MCIP, RPP
Associate/Senior Planner

Copy: John Mackenzie, Commissioner of Planning
Roy McQuillin, Manager of Policy Planning
Clients
Ira Kagan, Kagan Shastri LLP
Patricia Foran, Aird & Berlis LLP