Council Attachment 5

September 14, 2006

**Fiscal Impact Analysis**
**Steeles Corridor – Jane to Keele – Secondary Plan**
**Official Plan Amendment – OPA 620**
**City of Vaughan**

In accordance with the Financial Growth Management Policies adopted in the Regional Official Plan, the following analysis highlights financial impacts of the proposed development of the Official Plan Amendment 620 in the City of Vaughan. The Regional Finance Department, in conjunction with the Regional Transportation and Works Department and the Regional Planning Department has prepared this financial review.

Amendment 620 redesignates the subject lands to permit: high density residential, prestige office, employment, commercial uses in mixed-use development and supporting public and institutional uses. Secondary Plan boundaries include the proposed East/West collector road to the north, Jane Street to the west, Keele Street to the east and Steeles Avenue to the south. The proposed amendment would permit a mix of uses which includes 5,500 residential units yielding approximately 11,000 persons, and approximately 83,000 square metres of office/commercial space with a potential of generating approximately 4,000 jobs. These details are shown in Table 1.

**Table 1**
Steeles Corridor Official Plan Amendment – OPA 620
Growth Projections

| Communities | Additional Population | Additional Employment | Residential Dwelling Units |
|---|---|---|---|
| Steeles Corridor | 11,000 | 4,000 | 5,500 |

REGIONAL ROADS/TRANSPORTATION

The Regional Planning and Development Services and Transportation and Works Departments have reviewed Amendment No.620 (Steeles Corridor Secondary Plan) and have provided the following comments. The infrastructure required within the Secondary Plan is part of the broader system of Regional service improvements that have been identified in long term servicing master plans. The cost of these Regional works are scheduled to be recovered through the uniform Region wide development charges, based on the growth anticipated to occur within the Region.

Major Capital Roads Projects

There are a number of road improvements included in the Region's 2006 – 10 Year Roads Capital Program in the vicinity of the Steeles Corridor OPA area, and there are additional road improvements that have been identified as being required in the short term (i.e. 2006-2015). The following improvements have been identified in the current 10 Year Regional Roads Construction programme:

- Jane Street widened from 4 to 6 lanes including a widening of the rail grade separation, from Steeles Avenue to Highway 7 required in 2012 at an estimated cost of $14.4 million, and
- Keele Street widened from 4 to 6 lanes including a widening of the rail grade separation from Steeles Avenue to Highway 407 required in 2008 at an estimated cost of $5.2 million.

The total cost of the road improvements required by the year 2015 to service traffic demand in the Steeles Corridor Secondary Plan is estimated at $19.6 million. Jane and Keele Streets have been identified as rapid transit corridors in the Highway 7 Corridor and Vaughan North-South Link Public Transit Improvements Environmental Assessment. The infrastructure required to support this initiative, such as additional right-of-way and pavement width, widening and potential reconstruction of the rail grade separation, and enhanced intersection improvements, have not been included in the existing cost estimates.

It should be noted that traffic related to development in the Steeles Corridor OPA area is not the sole contributor to the future need for these major transportation improvements. Planned and/or approved development elsewhere in the City of Vaughan, Township of King, Town of Richmond Hill, and the City of Toronto also contributes to the requirement for certain transportation improvements.

Other Road Improvements

Other road improvements that have not been specifically identified in the Region's 2006 – 10 Year Roads Program may be required to support future traffic volumes generated by the specific development of the Steeles Corridor Secondary Plan. These include traffic control signals at Jane Street and the east-west major collector road and Keele Street and the east-west major collector road. The total cost of the improvements required is estimated at $0.3 million.

The Regional Municipality of York and the City of Toronto are in ongoing discussions for a cost sharing arrangement for improvements and operations along Steeles Avenue. The Steeles Corridor Secondary Plan area will require seven traffic signals across Steeles Avenue at an approximate cost of $1.05 million, of which the Region would cost share with the City of Toronto.

Based on development charge rates approved in accordance with Regional Development Charge By-law No. DC-0005-2003-050, development proposed in the Secondary Plan area should generate roads development charge revenues of approximately $18.6 million.

Transit

Vision 2026, the Region's Transportation Master Plan and the Region's 25-year strategic plan have visions of creating strong communities. The Transportation Master plan, in particular, has identified that by the year 2031 the Region will have to invest $5.6 - $7.3 billion in transit in order to achieve the Region's transportation goals.

The Secondary Plan recognizes that public transit will play a key role in the transportation plan in the area. To support this initiative, the plan is built around a future transit hub that will be constructed as part of the proposed Spadina Subway extension to Highway 7. In addition to the subway station, the future transit hub will include 7 bus bays, passenger pick up and drop off areas and 1,000 commuter parking spaces. The estimated cost to construct the extension of the Spadina Subway from Downsview to Vaughan Corporate Centre is $2.1B of which it is anticipated that 2/3rds will be funded by senior levels of government. The Region of York has entered into a cost sharing agreement for the construction of the system with the Toronto Transit Commission.

The transit improvements included in the Region's current long term capital program have been identified as supporting traffic demand created from growth areas, such as the Steeles Corridor Secondary Plan area. This Secondary Plan area and vicinity will require 3 new buses, passenger standing areas, shelter pads and other infrastructure in order to be functional, estimated at a total cost of $1.8 million.

It is proposed that service from the Route 3, Route 20 and Route 107 Replacement service be extended into the Steeles Corridor area in a phased approach, based on development. This service will provide transportation opportunities for residents and businesses in the community.

Based on development charge rates approved in accordance with Regional Development Charge By-law No. DC-0005-2003-050, development proposed in Steeles Corridor OPA area should generate transit development charge revenues of approximately $5.0 million.

WATER/SEWER CAPITAL INFRASTRUCTURE

Water Supply

An update of the Region's Long Term Water Supply Master Plan was completed in 2004. An update to this Master Plan has been scheduled for 2007-2008. In order to accommodate the full build out of the proposed development within the Steeles Corridor OPA area and other area of the Region, additional water supply will be required from the City of Toronto and/or Peel Region. The water supply from Toronto and/or Peel Region requires:

- the Kennedy Watermain from Milliken Pumping Station to Major Mackenzie, scheduled for completion in 2011,
- the Toronto Cost Share Work with an anticipated 2021 construction completion,
- the Peel Cost Shared Works scheduled for completion in 2021 including Peel Buy-In Payments required.

The total cost of the above mentioned works is estimated to be $486 million. Based on the projected water demand generated from the proposed development, the proportionate share of this infrastructure attributable to the Steeles Corridor Secondary Plan is approximately $7.7 million.

Based on development charge rates approved in accordance with Regional Development Charge By-law No. DC-0005-2003-050, development proposed in the Steeles Corridor Secondary Plan area should generate water development charge revenues of approximately $16.1 million.

<u>Sewage Servicing</u>
As outlined in the 2002 York Durham Sewage System ("YDSS") Master Plan Update, the Steeles Corridor Secondary Plan area is to be serviced by the YDSS.

Based on the YDSS Master Plan Update, key parts of the existing YDSS are near or at full capacity. Accordingly, the construction of the parallel sewers and treatment plant expansion will provide capacity throughout the YDSS service area. Sanitary sewage servicing to the Steeles Corridor Secondary Plan area is dependent on completion of the Southeast Collector and the Duffin Creek WPCP Phase 3 Expansion anticipated to be completed in 2010. The cost of the sewer works is estimated at $613 million.

However, it should be noted that the sewer infrastructure mentioned is not the sole requirement of the Steeles Corridor Secondary Plan area and that planned and/or approved development elsewhere in the City of Vaughan and other areas also contribute to the requirement for certain wastewater improvements. Based on projected flows from proposed developments in this Secondary Plan, the proportionate share of this infrastructure is estimated at $9.2 million.

Based on development charge rates approved in accordance with Regional Development Charge By-law No. DC-0005-2003-050, development proposed in the Secondary Plan area should generate wastewater development charge revenues of approximately $15.7 million.

OPERATING – TAX IMPACTS

At full build-out, the development proposal will increase the existing employment of the City of Vaughan by approximately 4,000 jobs, and increase population by approximately 11,000 persons. A preliminary review of operating (tax levy) impacts indicates that the proposed development will not adversely impact the Regional tax rate. Further analysis is required to determine the impact of the build out on Human Services requirements. It should be noted that buildout of the non-residential component of the plan is important to ensure the area has a balanced residential/non-residential assessment mix.

CONCLUSION

A summary fiscal impact review of the Steeles Corridor indicates that the proposed development within the Plan will not adversely impact the Regional tax rate (tax levy). The infrastructure required within the OPA is part of the broader system of Regional service improvements that have been identified in long term servicing master plans. The cost of these Regional works are scheduled to be recovered through the uniform Region wide development charge, based on the growth anticipated to occur within the Region.

The Regional Planning Department - Infrastructure Planning Branch has identified several capital projects that are required in the vicinity of this Secondary Plan. These include construction of several road widenings and construction of traffic control signals. The total cost of the road improvements required to the year 2031 to service traffic demand in this Secondary Plan area and other areas of the Region is estimated at $19.9 million. The development proposed within the Steeles Corridor Secondary Plan area should generate road development charge revenues of approximately $18.6 million.

To support this initiative, the plan is built around a future transit hub that will be constructed as part of the proposed Spadina Subway extension to Highway 7. In addition to the subway station, the future transit hub will include 7 bus bays, passenger pick up and drop off areas and 1,000 commuter parking spaces. The estimated cost to construct the extension of the Spadina Subway from Downsview to Vaughan Corporate Centre is $2.1B of which it is anticipated that 2/3rds will be funded by senior levels of government, and the balance of the cost to be cost shared with the City of Toronto.

Additionally, transit improvements included in the Region's current long term capital program for the Steeles Corridor Secondary Plan and vicinity are estimated at $1.8

million. The proposed development should generate transit development charge revenues of approximately $5.0 million.

To provide water servicing capacity for the full build out of this Secondary Plan area, additional water supply will be required from the City of Toronto and/or Peel Region. Based on the Steeles Corridor development demands, the proportionate share of the infrastructure attributable to the area is estimated at $7.7 million. The proposed development should generate water development charge revenues of approximately $16.1 million.

Based on the YDSS Master Plan Update, key parts of the existing YDSS are near or at full capacity. Accordingly, the construction of the parallel sewers and treatment plant expansion will provide capacity throughout the YDSS service area. The cost of the Southeast Collector and the Duffin Creek WPCP Phase 3 Expansion are estimated at $613 million and will service Steeles Corridor Secondary Plan as well as other developments within the Region. Based on projected flows from the OPA area, the proportionate share of this infrastructure is estimated at $9.2 million. The proposed Steeles Corridor Secondary Plan development should generate wastewater development charge revenues of approximately $15.7 million.