

4
SPADINA SUBWAY EXTENSION
TRANSIT-ORIENTED DEVELOPMENT
AWARD OF WORK

The Rapid Transit Public/Private Partnership Steering Committee recommends the adoption of the recommendations contained in the following report, February 8, 2008, from the Vice-President, York Region Rapid Transit Corporation:

1. RECOMMENDATIONS

It is recommended that:

1. Council authorize that a project be established for transit-oriented development activities on the Spadina Subway, in the amount of \$200,000, to be front-end funded from the general capital reserve.
2. Council authorize the direct award of work, on a time and materials basis, to York Consortium 2002, for immediate planning and design support to a maximum upset amount of \$200,000, subject to confirmation from York Region Rapid Transit Corporation's owner's engineer, McCormick Rankin, of an acceptable 2008 rate fee schedule.
3. Council authorize staff to issue a request for proposals for long term planning and design support to the York Region Rapid Transit Corporation for transit-oriented development activities.
4. Council authorize staff to fully explore and report back on mechanisms to recover the TOD related costs from future TOD land sales and, if appropriate, through the capital funding of the Spadina subway.

2. PURPOSE

The purpose of this report is to request Council to authorize that a project be established for transit-oriented development activities on the Spadina Subway, and approve issuing a request for proposals (RFP) to support the York Region Rapid Transit Corporation (YRRTC) for planning and design services relating to above grade transit-oriented development (TOD) in York Region.

3. BACKGROUND

Provincial and Federal funding commitments have been made for the Spadina subway extension to the Vaughan Corporate Centre

On March 23rd, 2006, and March 6th, 2007 the Province of Ontario and the Federal Government respectively announced funding for the 8.7 km extension of the Spadina Subway from Downsview Station to a new station at Vaughan Corporate Centre (VCC) in York Region. Prior to receiving the senior government commitments the Region, on September 21, 2006, made a commitment to its one-third contribution to the capital funding of the subway extension. The subway extension results in three new stations within York Region. The Steeles West station and the VCC provide significant opportunity for transit-oriented development (TOD). Jane 407 is an important intermodal station with longer term potential for TOD.

Funding for the subway anticipated new financing methods

On May 2, 2007, the Planning and Economic Development Committee tabled a report titled "Spadina Subway Extension-Development Potential Study" which reported out on a study undertaken by UrbanMetrics to determine the development potential adjacent to the proposed subway stations in York Region. The findings indicated that the subway would result in an incremental increase of 4,000 to 4,500 jobs and 12,000 to 14,000 residents over the development that would have been anticipated if supported by Viva rapid transit services along the corridor. The findings indicated that the construction of the subway would result in an additional 7 to 8 million square feet development beyond previously forecast growth. The study concluded that the development potential provides a sound basis to assist York Region and the City of Vaughan to finance York's capital contribution portion to the subway through tax increment financing and tax levies.

Transit supportive densities need to be reinforced

The above mentioned report went on to conclude that, while progressive and beneficial land use policies have been put in place to support the subway extension, it will be critical that the Province, York Region and the City of Vaughan continue to actively establish policy structures and ensure development decisions to reinforce transit supportive densities and urban design strategies in order to fully achieve the development potential of the area. The report recommended that staff report back on ways in which the Provincial planning framework can assist in meeting or exceeding the development potentials and to work closely with the City of Vaughan to ensure TOD and densities are achieved in the VCC.

The Spadina Subway TOD Advisory Task Force has been established

On October 18, 2007, Council endorsed the final terms of reference for the Spadina Subway TOD Advisory Task Force. The Task Force was set up to assist in guiding and promoting TOD along the subway corridor in York Region. The terms of reference for the Task Force were endorsed by the City of Vaughan. At the Committee of the Whole meeting of January 21, 2008, the City appointed the members of Vaughan Council who will sit on the Task Force. Regional staff and City of Vaughan staff is currently working on agenda items for the initial meeting of the Task Force anticipated for later in February or early March.

4. ANALYSIS AND OPTIONS

Ongoing and longer term planning and design services relating to TOD opportunities is required

To date, the work to support the Spadina Subway has been done as part of the environmental assessment efforts by York Consortium 2002 (YC2002) under the original Stage One work program and a separate negotiated work program for ongoing environmental assessment (EA) work.

As part of its delivery of surface facilities, including the identification of TOD opportunities, the YRRTC will continue to need professional consulting services. Staff will be bringing forward recommendations to Council on project delivery mechanisms to deliver each of the various station development opportunities, including TOD.

As the current scope of the negotiated EA work program services for YC2002 is nearing completion, there is a need to confirm both an immediate and longer-term planning and design scope of services, including work relating to TOD opportunities.

York Region needs to begin immediately to master plan station sites for Region for TOD opportunities

York Region, through the YRRTC needs to begin immediately to master plan the station sites within York Region for TOD opportunities. The cost of undertaking master planning work for TOD opportunities may not be deemed as fully eligible for recovery as subway project costs. While the matter is being fully vetted, a budget of 800 hours to undertake these services has been identified for the next six months. Staff are recommending the direct award of the immediately required work on a time and materials basis, to YC2002 subject to the owner's engineer's approval of their 2008 fees.

This report recommends that TOD activities relating to the Spadina Subway, in the amount of \$200,000, be authorized. This activity is to be front-end funded from the

general capital reserve and recovered from future TOD revenues and/or potentially through the subway fund as a legitimate project cost.

Staff is recommending that the longer term planning and design work form part of an RFP for these services.

5. FINANCIAL IMPLICATIONS

Costs associated with TOD initiatives along the subway corridor within York Region have not been confirmed as project costs. In the event that these costs are considered ineligible for project funding through the trust fund, staff recommend that for the immediate term, these costs be funded through existing capital reserves. In the longer term, the establishment of a reserve used to support TOD initiatives along transit corridors may be an effective way of funding TOD opportunities. As TOD opportunities evolve to revenue-generating opportunities, the revenue could be used to support the fund.

This report recommends that planning and designed services to support TOD activities on the Spadina Subway, in the amount of \$200,000, be authorized. This activity is to front-end funded from the general capital reserve and recovered from future TOD revenues and/or potentially through the subway fund as a legitimate project cost.

6. LOCAL MUNICIPAL IMPACT

The TOD Advisory Task Force will work with all stakeholders to assure TOD principles, goals and objectives are adhered to.

7. CONCLUSION

Staff continues to interact with all stakeholders to mitigate the impact of the subway on land owners while encouraging responsible station TOD opportunities.

Staff is currently working on defining the York Region scope of work to deliver the surface facilities, property management and coordination of activities for the Spadina Subway in York Region.

The YRRTC will issue an RFP for planning and design services in support of identifying above grade TOD opportunities at the Spadina Subway Extension stations in York Region. Interim services for TOD continue to be required to support ongoing work and are the subject of a request for award of work to YC2002.

TOD project management services in the amount of \$200,000, are requested and are to be front-end funded from the general capital reserve and recovered from future TOD revenues and/or potentially through the subway fund as a legitimate project cost.

For additional information please contact Mary-Frances Turner, Vice-President, York Region Rapid Transit Corporation at (905) 886-6767 ext. 2226.

The Senior Management Group has reviewed this report.