2
SPADINA SUBWAY EXTENSION - DEVELOPMENT POTENTIAL STUDY

The Planning and Economic Development Committee recommends the following:

1. **The presentation by Karen Whitney, Manager, Planning Infrastructure Integration, Community Planning, be received;**

2. **The recommendations contained in the following report dated April 2, 2007, from the Commissioner of Planning and Development Services, be adopted; and**

3. **The following additional recommendation be adopted:**

   6. **The Regional Chair write to the Premier, the Minister of Finance, the Minister of Public Infrastructure and Renewal; the Minister of Transportation, and Ontario Realty Corporation (ORC) to encourage the Province to consider joint development opportunities on the ORC lands at Highway 407 and Jane Street that implement the objectives of the Provincial Growth Plan, and that the City of Vaughan be requested to support this recommendation.**

1. RECOMMENDATIONS

It is recommended that:

1. The urbanMetrics study entitled “Spadina Subway Extension Study: Development Forecast for Proposed City of Vaughan Subway Stations” in *Attachment 1* be endorsed.

2. Staff report further regarding Provincial planning framework that will assist in meeting and exceeding the development potential identified in the consultant’s report in *Attachment 1*.

3. Staff be directed to work with Vaughan staff regarding the Official Plan review of the Vaughan Corporate Centre to ensure transit oriented development and densities are achieved.

4. This report be circulated to the next Rapid Transit PPP Steering Committee for information.

5. This report be circulated to the local municipalities for information.

2. PURPOSE

The purpose of this report is to present the recommendations of the consultant for the Region related to the development potential adjacent to the proposed stations on the portion of the Spadina subway that would extend into York Region.

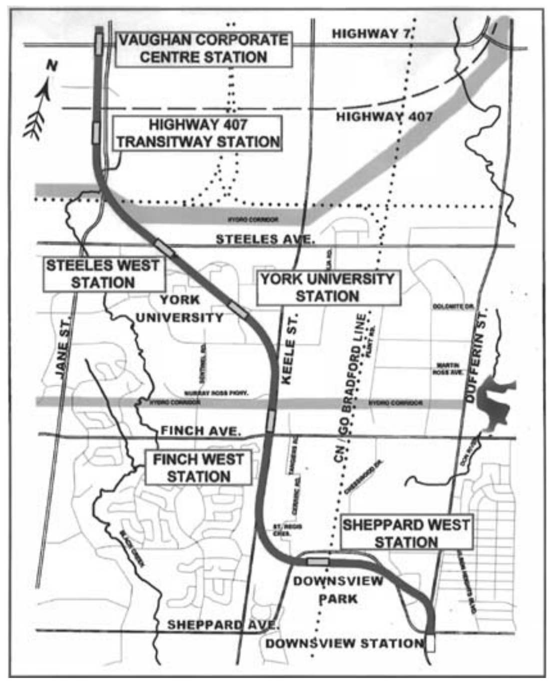
3. BACKGROUND

3.1 Proposed Spadina Subway Extension

On March 23, 2006, the Province announced funding of $670 million towards the extension of the University-Spadina subway line up through York University and into York Region terminating at the Vaughan Corporate Centre. The project has been estimated at a total cost of $2 billion. The balance of the funding is to be through a cost sharing between municipal and federal levels of government. The Federal government also announced on March, 6 2007 funding of $697 million for the subway extension.

The University-Spadina subway line currently terminates at Downsview station at Sheppard Avenue West and Dufferin Street in Toronto. The proposed extension will include:

- 3 stations wholly within Toronto at Sheppard West (at CN Rail line), Finch West (at Keele St.), and within York University
- Steeles Avenue West station between Jane Street and Keele Avenue
- 407 Transitway station next to Jane Street south of the 407 on Provincial lands
- Vaughan Corporate Centre station at Highway 7 west of Jane Street.
- Approximately 6 km of track tunnel in Toronto
- Approximately 3 km of track tunnel in York/Vaughan.



The Spadina Subway Extension project has been the subject of a number of reports to Council, including an April 2007 report to Rapid Transit Committee and Council which provided an update on the project and recommendations including financing and ownership.

4. ANALYSIS AND OPTIONS

The Region retained urbanMetrics in the summer of 2006 to undertake a study to determine the development potential surrounding the proposed subway stations in York

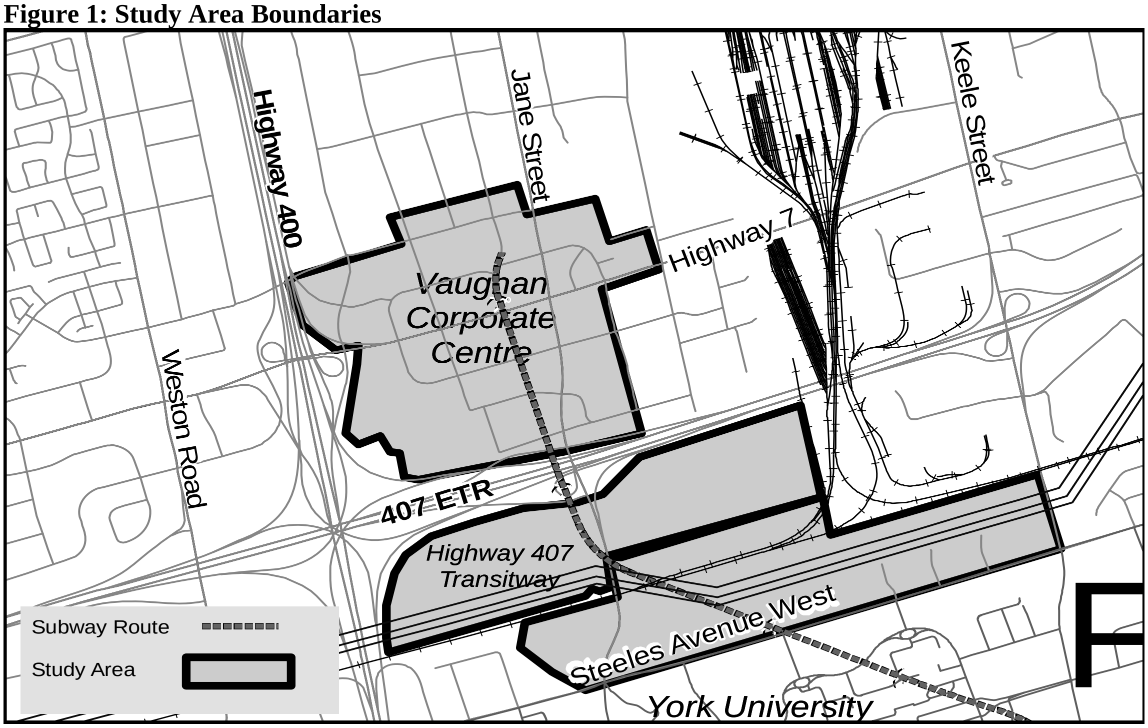
Region and the City of Vaughan. Specifically, the study examined existing policies and market potential and undertook a detailed property analysis within the context of the broader market. The study was intended to provide an independent, market-based estimate of the physical development potential around the proposed subway stations to 2036. The detailed study is attached to this report as *Attachment 1*.

This report includes a summary of the study's conclusions on development opportunities associated with the land uses in the corridor. These development numbers will provide the basis on which Tax Increment Financing (T.I.F.) and Development Charge (D.C) reviews will be calculated and represent "due diligence" by the Region to ensure the development numbers are fundamentally sound and realistic.

4.1 Methodology

The consultant examined a number of factors in the determination of the market forecasts including a detailed real estate analysis, policy scan, review of active development applications, and market research. A detailed property by property analysis within 500 m of the proposed stations was also part of this study with a detailed assessment of current property use and potential. The study area is illustrated below in *Figure 1*.

Figure 1: Study Area Boundaries



In the real estate analysis, consideration was given to emerging development trends taking place around existing subway stations in Toronto, as well as densities being achieved elsewhere in the GTA, including Markham, Richmond Hill and Mississauga. The policy scan examined existing and emerging local Official Plan Amendments and studies, the Region's work on Centres and Corridors plus the Provincial Growth Plan for the Greater Golden Horseshoe. It was determined that the density targets in these policies did not limit the market potential around the Vaughan Corporate Centre or Steeles West Stations in the Subway Corridor. The market research included an examination of housing, office, industrial and retail markets in both Vaughan and the GTA.

From this detailed analysis, the consultant's report provided a low and high market forecast for residential and employment potential.

4.2 Summary of Study Findings

The findings of the report indicate that there is a significant market opportunity to achieve transit supportive densities at both the Steeles West Station and the Vaughan Corporate Centre Station. The third station at the 407 has not been assessed in terms of development potential at this time given the large cemetery to the east and the bulk of the land on the west side of Jane Street being owned by the Province. The current indication is that the Province requires this land for the operations and maintenance yard for the future 407 transitway.

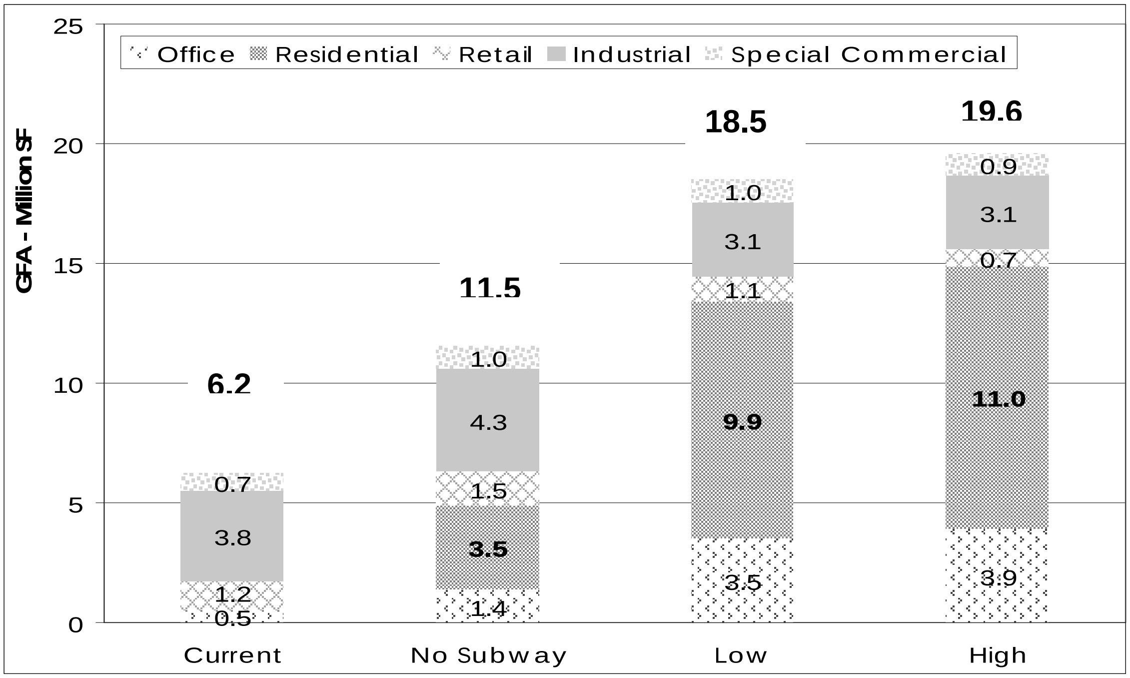
The Vaughan Corporate Centre has been identified in the Province's 2006 Places to Grow Plan for the Greater Golden Horseshoe as one of the 25 growth centres. These growth centres are intended to absorb a significant amount of population and job growth in the GTA over the next 30 years. This designation is in addition to its identification as a Regional Centre and key development area in both the York Region Official Plan and City of Vaughan Official Plan.

The Steeles West Secondary Plan area has also been identified by both the Region and City as a key development area through Vaughan Official Plan Amendment 620. Its significance is elevated by its proximity to York University to the south and the convergence of several transit routes at this point.

The urbanMetrics forecasts to 2036 indicate that the implementation of the subway would result in an additional 4,000 to 4,500 jobs and 12,000 to 14,000 residents in Vaughan Corporate Centre and Steeles West by 2036 beyond the anticipated development that would occur with the implementation of Viva transit services alone. It is forecast in this study that the building of the subway will result in an additional 7 to 8 million square feet more development beyond the forecast growth premised on no subway.

In total, including the subway generated opportunities, it is anticipated that the number of jobs will double beyond the existing conditions to approximately 16,000 jobs and a total population of 20,000 residents by 2036 in the high scenario. The following chart illustrates the break down of the gross floor area for the residential, office, retail, industrial and special commercial (hotel and recreation) space that would accommodate these residents and employees. It should be noted that this breakdown represents a split of approximately 80% residential and 20% employment gross floor area.

Figure 2: Scale of Development (Gross Floor Area in Millions of Square Feet)



The conclusions of the study form a creditable and careful estimate of the residential and employment potential in the study area that can be used for the basis for financing the subway in terms of Development Charges and Tax Increment Financing.

4.3 Land Use Policy Implications

The current and proposed Official Plan policies for both the Vaughan Corporate Centre (OPA 500) and Steeles West (OPA 620) do not limit the achievement of the densities forecast in the urbanMetrics market study. They provide a sound basis for mixed use transit oriented development and are supported by strong Regional Official Plan policies which were refined through the Centres and Corridors Amendment (ROPA 43).

The Vaughan OPA 620 for Steeles West promotes a high density mixed use community around the Steeles West Station. The approval of OPA 620, at the upcoming Ontario Municipal Board hearing, is important to ensure these transit supportive densities are achieved. A related consideration is the existing land uses and their fit into this long term vision for this transit corridor.

The Vaughan Corporate Centre OPA 500 will be reviewed to determine further policy and area refinements that may be necessary to encourage the development of this key Greater Toronto Area and Regional centre. It is important to look for innovative and progressive policy directions that will encourage the implementation of a mixed used transit oriented regional centre that will achieve the higher densities envisioned in both the Region’s and City’s Official Plan.

It is important that we continue to pursue opportunities for a new planning framework for rapid transit lines with the Province that will achieve transit oriented densities. In the subway example, a new planning framework would help achieve transit oriented development densities not only in the Vaughan Corporate Centre and Steeles West areas, but at the 407 transitway station as well. High density mixed use development in these locations will not only advance the Regional and Provincial vision for centres and corridors, but will also provide an increased financial viability through Tax Increment Financing and Development Charges. A further report which explores these opportunities for a new planning framework will be prepared for Council's consideration.

4.4 Relationship to Vision 2026

The implementation of the subway extension is key in achieving required infrastructure for a growing region, managed and balanced growth, and a vibrant economy with transit choices for residents and employees. The subway extension funding and implementation represents a partnership between the federal, provincial and local governments that achieves not only the goals in Vision 2026, but the Vision in the Places to Grow Plan as well.

5. FINANCIAL IMPLICATIONS

The development potential provides a basis to assess the financial ability of the Region and City to finance York's portion of the subway costs through development charges, tax increment financing and tax levies. A further report will specifically address these financing issues.

6. LOCAL MUNICIPAL IMPACT

The implementation of the Spadina Subway Extension will have a significant impact on the achievement of development in keeping with the Centres and Corridors policies of the Regional Official Plan. An updated Vaughan Corporate Centre Secondary Plan becomes critical in this context as does the approval of OPA 620 at the Ontario Municipal Board.

7. CONCLUSION

The results of the market analysis undertaken demonstrate there is significant potential to evolve the station and corridor areas into transit oriented, mixed use, high density areas. The estimated 7 to 8 million square feet of additional development over a 30 year period resulting from the Spadina Subway Extension is significant.

There have been progressive, and beneficial, land use policies put in place to support the Subway Extension, (for example, Vaughan's OPA 620, and the Region's Centres and Corridors - OPA 43). It will be critical that the Province, the Region of York and the

City of Vaughan continue to actively establish policy structures, and ensure development decisions to reinforce transit supportive densities and urban designs in order to fully achieve the development potential of the area.

The Study's recommended development scenario provides the basis on which the financial Tax Increment Financing (T.I.F.) and Development Charges (D.C.s) will be calculated, representing the Region's "due diligence" to ensure the development numbers are feasible and appropriate.

For further information about this report, please contact Karen Whitney, Manager, Planning Infrastructure Integration, Community Planning Branch, at (905) 830-4444 ext. 1505 or karen.whitney@york.ca.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)