

The Regional Municipality of York

Regional Council
Planning and Economic Development
April 28, 2022

Report of the Commissioner of Corporate Services and Chief Planner

Yonge North Subway Extension Transit-Oriented Communities

1. Recommendations

1. Council authorize the Chief Administrative Officer to finalize negotiations and execute the Transit-Oriented Communities Programmatic Agreement-In-Principle, to advance Provincial commitment in funding and delivery of Royal Orchard Station.
2. Council direct staff to negotiate draft terms in the Transit-Oriented Communities site-specific Memorandums of Understanding with the Province to protect Regional interests and bring final agreements and Memorandums of Understanding to Council for consideration and endorsement.
3. The Regional Clerk circulate this report to the Ministries of Infrastructure, Transportation, and Municipal Affairs and Housing, and Cities of Markham, Richmond Hill, and Vaughan.

2. Summary

This report provides an update on the Bridge and High-Tech Transit-Oriented Communities (TOC) proposals, including Minister's Zoning Orders issued for TOC lands. It also summarizes the request by the Province to enter into a TOC Programmatic Agreement-in-Principle and associated site-specific Memorandums of Understanding (MOUs).

TOC proposals have been advanced by the Province in the context of the *Building Transit Faster Act*, *Transit-Oriented Communities Act* and Ministerial Zoning provisions of the *Planning Act*. It is on that basis that comments on the proposals have been provided to the Province with acknowledgement that a number of elements of the TOC proposals are not supported by Regional and City staff and Councils. Regional and local staff have endeavoured to negotiate with the Province to protect Regional and local interests. In response to municipal comments and Council resolutions on the TOC proposals, the Province provided a response (Attachment 1) and is moving forward to implement the TOC proposals as a Provincial initiative.

Private Attachments 1, 2 and 3 are being considered in Private Session as the information relates to ongoing government to government negotiations, which fall under Section 239 (k) of the *Municipal Act (2001)*.

Key Points:

- Under the Ministry of Infrastructure TOC Program, the Province partnered with developers to plan and deliver integrated development along with transit expansion. Two TOC sites are proposed at Bridge and High-Tech stations in the Richmond Hill/Langstaff Gateway Regional Centre.
- In January 2022, the Province [announced](#) their intention to fund and build the Royal Orchard Station as part of the Yonge North Subway Extension. The Premier made a further announcement on April 20th indicating the Province will fund and build Royal Orchard station.
- Through several exchanges over the last two months, the Province has made incremental changes to the Bridge and High-Tech TOC proposals in response to municipal feedback and Council resolutions. Repeated requests for TOC proposals to more closely align with the planned vision (e.g. density and employment mix) of the Regional Centre and local municipal secondary plans have not been addressed.
- The Province issued Enhanced Minister's Zoning Orders (eMZOs) for the [Bridge](#) and [High-Tech](#) TOC sites on April 14, 2022, setting out permitted uses and densities, and removing municipal authority for site plan approval under Section 41 of the *Planning Act*.
- [Bill 109, More Homes for Everyone Act, 2022](#) was proclaimed on April 14, 2022 directing parkland contributions for designated TOC lands and enabling encumbered lands (lands with underground transit tunnels or other infrastructure) to be accepted as parkland.
- The Province finalized a "Term Sheet" outlining a TOC Programmatic Agreement-in-Principle and is seeking Regional and local Council approval for execution to advance Provincial commitment to fund and deliver Royal Orchard Station.
- Provincial and Regional staff have advanced discussions on development potential for the Richmond Hill Centre Bus Terminal lands within the High-Tech TOC area.

3. Background

Province partnered with landowners to plan and deliver integrated development with transit expansion through the TOC Program

The *Transit-Oriented Communities Act (2020)* enables the Province to facilitate planning and delivery of development around transit stations along the Yonge North Subway Extension (YNSE) and other priority subway projects. Through the Provincial TOC Program led by the

Ministry of Infrastructure, the Province partnered with landowners/developers to propose development on sites around transit stations to offset costs of the transit program. In September 2021, the Province announced TOC locations within the Richmond Hill/Langstaff Gateway Regional Centre at the proposed Bridge and High-Tech subway stations. Regional Council received updates on these [TOC proposals](#) (Figures 1 and 2) at the Special Council meeting held on January 13, 2022. Staff reports have been considered by the Cities of Markham and Richmond Hill Councils with resolutions forwarded to the Province:

- [City of Markham Staff Report – City Comments on Provincial Bridge Station Transit Oriented Community Proposal, January 24, 2022](#)
- [City of Markham Council Resolution \(Items 8.2.2 and 11.2\), January 25, 2022](#)
- [City of Richmond Hill Council Resolution \(Item 15.1\), February 9, 2022](#)
- [City of Markham Council Resolution \(Item 8.3.1\), March 29, 2022](#)

Figure 1

Bridge Transit-Oriented Communities Proposal



Source: Infrastructure Ontario Public Open House, December 2021

Figure 2

High-Tech Transit-Oriented Communities Proposal



Source: Infrastructure Ontario Public Open House, December 2021

Province added Royal Orchard Station to the YNSE project scope in January 2022

In January 2022, the Ministry of Infrastructure announced the intention to expand the YNSE project scope to include Royal Orchard station in a [letter to York Region Chairman Emmerson](#). While this addition increases the YNSE project budget, the Province plans to secure TOC proceeds mainly through development at the Bridge and High-Tech stations, and seek at least 40% Federal government funding to support updated capital costs. The Province is seeking “formal development planning-related assurances from the Region and relevant local municipalities”. It is understood that the Region will not be required to contribute any additional funding beyond the \$1.12 billion, which represents the Region’s pro rata contribution to the \$5.6 billion capital construction costs as per the Preliminary Agreement executed in May 2020. Municipalities can continue to collect Development and Community Benefit Charges associated with TOC developments.

Regional and local municipal comments have continued to request the Province more closely align the TOC proposals with local secondary plans

Regional and local municipal staff have provided consistent verbal and written feedback to the Province on TOC proposals through the following channels:

- TOC Working Group and municipal engagement/touchpoint meetings
- YNSE Transit Committee Partnership and YNSE Executive Steering Committee meetings
- TOC Programmatic-Level and Site-Specific MOU workshops
- Municipal comments matrix to Infrastructure Ontario and Ministry of Transportation
- Memo to the YNSE Executive Steering Committee
- Letters to the Ministers and Premier
- Regional and local municipal Council resolutions

Ongoing Provincial-Municipal discussions have resulted in the following progress:

- Province committed to making contributions to the “additional community benefits” within the TOC sites (up to the lesser of 8% TOC value or 8% land value as forecasted at building permit stage) for Provincial priorities. These “additional benefits” are above and beyond Community Benefit Charges levied by municipalities under the *Planning Act*. Province retains discretion on the allocation of these Provincial contributions, and has indicated they could be used for affordable housing, recreation centres, libraries, childcare, and outdoor recreation facilities, etc.
- TOC sites would be implemented through the municipal plan of subdivision approval process (but not through the site plan process) with developers paying all planning fees and Development Charges in accordance with the *Development Charges Act*

In response to municipal comments and concerns with the TOC proposals, an April 2022 letter from the Ministry of Infrastructure is attached (Attachment 1) providing the Province's justification for densities and land use mix for the Bridge and High-Tech TOC development proposals. The letter identifies future opportunities to work with municipalities on phasing, affordable housing, and other development implementation matters.

Discussions among Regional and local municipal partners with the Province have occurred since TOC proposals were publicly released in December 2021

The Province hosted one virtual public open house in December 2021 for each TOC station area and received public input until January 2022. Engagement summaries were posted on the [engagebridge](#) and [engagehightech](#) websites, identifying feedback, the development teams' response, and minor modifications made to the proposals. Issues and concerns were raised related to height and density, mix of use, design, affordable housing, mobility and parking, parks and green space, community services and amenities, wind and shadow impacts – many of which remain to be addressed.

It is recommended the Province refine its municipal and public engagement approach for future TOC proposals to include a more extensive scope, extended timeframe and clearer reporting on refinements made to the proposals based on input received.

York Region and local municipalities have been aligned, providing comments on TOC proposals to the Province resulting in some incremental changes

York Region and local municipal Council resolutions have requested greater alignment between local municipal Secondary Plans and the Bridge and High-Tech TOC proposals. While incremental changes have been made, issues that were the subject of [Regional communications](#) to the Province in 2021 (e.g. density and employment targets) have not been fully addressed. The Province has proceeded to implement its TOC plans through MZOs.

TOC developments will set new development precedents in the Region representing a new paradigm of heights and densities that may have unanticipated consequences. Numerous applications for development in the centres and corridors have been proposed that will exceed approved Official Plan and Secondary Plan maximum height and densities. There is a benefit to considering applications in the context of comprehensive municipal planning to develop Secondary Plans coordinated with infrastructure master plans and fit the context of the area and urban structure.

Province issued Enhanced MZOs to attain zoning certainty for the Bridge and High-Tech TOC lands on April 14, 2022

Ministers Zoning Orders (MZOs) are issued by the Minister of Municipal Affairs and Housing in accordance with Section 47 of the *Planning Act* to govern land uses within areas subject to the order. MZOs can include permitted uses, development standards, zoning requirements and terms of use for the subject lands. No public notice or hearing is required prior to the Minister making or issuing an order.

Bill 197 – *COVID-19 Economic Recovery Act, 2020* allows the Minister to issue “Enhanced MZOs” to “specified land”. Enhanced MZOs (eMZOs) may override municipal *Planning Act* authority for site plan approval and require municipalities to enter into an agreement with the landowner with respect to site plan matters instead of traditional site plan agreements. This agreement would impose requirements, identify how matters shall be addressed, and identify matters not dealt with through the agreement.

The Province issued eMZOs for the Bridge and High-Tech TOC lands on April 14, 2022. These eMZOs:

- Remove municipal *Planning Act* authority for site plan approval under Section 41 of the *Planning Act*
- Prescribe maximum gross floor area (GFA) for TOC lands (1,718,000 – 1,886,000 square metres), with maximum residential GFA (1,541,000 – 1,568,000 square metres), minimum non-residential GFA (177,000 – 181,000 square metres) and minimum GFA for office uses (146,000 – 151,000 square metres)
- Identify development zones in TOC lands, permissions for use of land and development standards (height and density, etc.). Heights and densities range up to a maximum of 26 Floor Space Index (FSI) and 80 storeys
- Contain no minimum requirement for affordable housing or rental units, and no development phasing requirement – Province has indicated these are to be addressed through subsequent MOUs for each TOC site

While the Minister retains full discretion over contents of an MZO, the Province requested municipal staff technical comments on draft versions and advised endorsement of the draft MZOs by Council was not requested. Comments on the draft MZOs were provided to the Province in early April in keeping with Council positions (Private Attachment 1).

Bill 109, *More Homes for Everyone Act*, was proclaimed by the Province directing parkland contributions for TOC sites

Prior to expiry of the commenting period (open until April 29, 2022), Bill 109 received Royal Assent on April 14th. For TOC sites, development will be subject to a maximum parkland contribution of 10% of the lands or the value if the lands are five hectares or less; or 15% of the lands or value of the lands if the lands are greater than five hectares in area. The Minister of Infrastructure may identify lands within a TOC as encumbered (land with underground transit tunnels or other infrastructure) and require such lands to be conveyed to the local municipality for park or other public recreation purposes and counted toward the parkland contribution requirement associated with the development.

4. Analysis

Province proposes Programmatic Level Agreement and Site-Specific MOU to implement TOC proposals

Since January 2022, the Province has engaged with municipalities on how they propose to implement TOC plans. To date, only a “Term Sheet” has been provided to confirm intentions. Table 1 describes the intent of a Provincial Term Sheet in informing subsequent Agreements and MOUs including objectives, signing parties and execution expectations.

Table 1
Provincial Agreements and Memorandum of Understanding to Implement Transit-Oriented Communities Proposals

Agreement/ MOUs	Objective/Description	Signatory	Execution Timing
TOC Program Agreement-In-Principle Term Sheet	<ul style="list-style-type: none"> A series of terms requiring Council’s approval, forming the basis for the TOC “Programmatic Agreement-in-principle” 	--	--
TOC Programmatic Agreement-In-Principle	<ul style="list-style-type: none"> Codifies an overarching approach to implement TOC sites in York Region along the YNSE, including funding of the Royal Orchard Station Sets out conditions related to parkland, affordable housing, Development Charges, Community Benefit Charges, etc. that apply to all sites within the TOC Program Forms the basis for future discussions on TOC site details as part of “site-specific MOUs” 	Province, York Region, YNSE local municipalities	Late April/ Early May
Site-Specific MOUs	<ul style="list-style-type: none"> Establishes TOC site-specific conditions and requirements including phasing, community benefits on-site and in-kind contributions, parkland contribution, etc. Site-specific terms, conditions and requirements that may become part of the 	Province, York Region and local municipality of the TOC site	6 to 9 months after zoning certainty

Agreement/ MOUs	Objective/Description	Signatory	Execution Timing
	commercial agreement between the Province and landowner/developer		
Downstream Agreement	<ul style="list-style-type: none"> • Subject-specific agreement • Sets out conditions and requirements specific to infrastructure, service delivery, etc. as part of the planning approval process 	Province and relevant party(ies)	To be determined
Commercial Agreement ¹	<ul style="list-style-type: none"> • Legally binding agreement with conditions/requirements for TOC proposals 	Province and landowner/ developer	To be determined

¹ The Region and local municipalities are not privy to the Commercial Agreements

Between January and March 2022, the Province held regular meetings with local municipal staff, senior management, and elected officials to refine draft terms and conditions that form the basis for the Programmatic Agreement-in-Principle and Site-Specific MOUs. Topics discussed include TOC densities and mix of uses to support funding for Royal Orchard station, approach to parkland, community benefits, development charges, affordable housing, phasing, etc. Feedback was provided to the Province on proposed terms and conditions (Attachment 1), and potential for land value capture along the YNSE corridor.

The Provincial TOC Programmatic Agreement-in-Principle requires Council authorization for execution

The Provincial TOC Programmatic Term Sheet and Agreement-in-Principle are attached for Council’s consideration and endorsement (Private Attachments 2 and 3). These contain terms related to subdivision and site plan approval, parkland dedication, affordable housing, Development Charges, local Community Benefit Charges, and additional community benefits from the Province that apply to all sites within the TOC Program. The Province is seeking execution of the TOC Programmatic Agreement-in-Principle with York Region and the Cities of Markham, Richmond Hill and Vaughan for the Province to confirm and advance funding for Royal Orchard station.

Entering into TOC implementation agreements is recommended to protect municipal interests for delivery of necessary infrastructure and community services

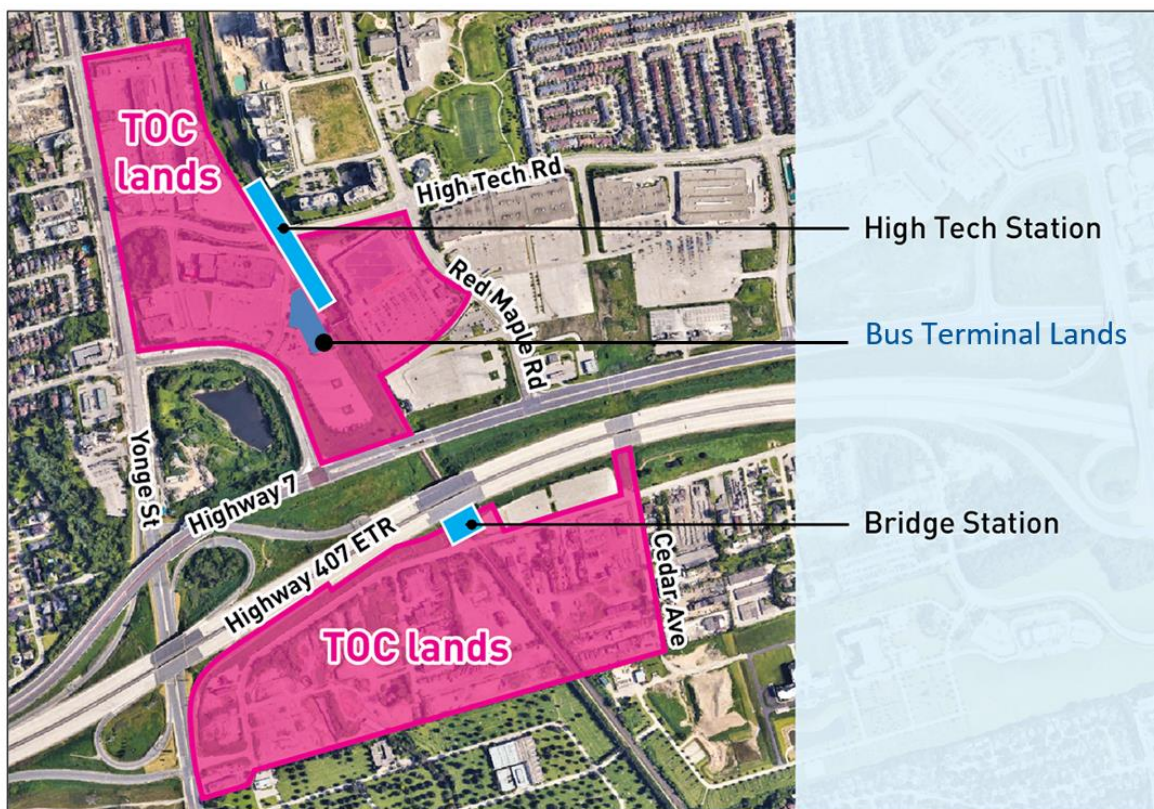
Execution of the Agreement-in-Principle and TOC implementation agreements will help protect municipal interests to secure hard and soft services (municipal infrastructure and community facilities) as these proposals are implemented over time. These agreements

provide some certainty for municipalities as the Province advances and expedites delivery of the YNSE and related TOC development through a determined, legislated mandate. Development in the TOCs will require ongoing cooperation and agreement with the Province to provide needed community services and infrastructure to support these communities.

Province and Regional staff are advancing discussions on the future of the existing Richmond Hill Centre bus terminal lands within High-Tech TOC proposal

The High-Tech TOC proposal identifies redevelopment of the Richmond Hill Centre Bus Terminal lands owned by York Region (Figure 3).

Figure 3
Richmond Hill Bus Terminal Lands in the High-Tech TOC Proposal



Discussions with the Province have included potential redevelopment of the existing YRT bus terminal lands. The existing terminal will be replaced by an integrated bus terminal with the Bridge YNSE station. The following preliminary principles are staff positions to guide future discussions with the Province which may occur within and/or outside of TOC negotiations:

1. The existing YRT Richmond Hill Centre Bus Terminal is to remain in full operation until the new Bridge Station Bus Terminal is constructed to York Region standards and in full operation

2. The new Bridge Station Bus Terminal will be fully funded and built by the Province/Metrolinx at no additional expense to York Region
3. The Region will maintain ownership of the existing Richmond Hill Centre Bus Terminal lands, with access easement, and consider options for future development with abutting landowners
4. The MZO for the Richmond Hill Centre TOC should include highest and best use development rights for Regional lands recognizing the immediate proximity to the High-Tech subway station
5. In recognition of the Region's lease and operation of the South Service Centre at 50 High-Tech Road, consideration should be given for York Region to negotiate the need for office space in the High-Tech TOC earmarked/reserved for use by YRT and other York Region uses, in the form of ownership or long-term lease. This would ensure the potential for replacement of York Region/YRT office space should the South Service Centre building at 50 High-Tech Road be redeveloped

Staff will report back to Council for directions on TOC implementing agreements

The Province is advancing the Programmatic Agreement-in-Principle based on the terms set out in the Private Attachment 2 for the Bridge and High-Tech TOC sites over the next several months. Table 2 outlines key milestones the Province is following to confirm certainty of zoning and inclusion of an additional station at Royal Orchard.

Table 2
Provincial Milestones to achieving Bridge and High-Tech zoning certainty and executing TOC implementing agreements

Milestone	Timeline (2022)
Province shared draft MZOs with municipal staff for technical review	Early April
Minister issued MZOs for Bridge and High-Tech TOC	April 14, 2022
Premier confirms funding and building of Royal Orchard Station	April 20, 2022
Execution of TOC Programmatic Agreement-in-Principle	Late April to Early May

The Province requested municipal staff to advance the final TOC Term Sheet for Council endorsement. Staff will report back to Council on any other potential TOC implementing agreements such as site-specific MOUs for development, affordable housing, conveyance, access, delivery, and governance agreements.

5. Financial

The Region has committed \$1.12 billion to YNSE project and remains a key funding and implementation partner with the Federal and Provincial governments. The level of proposed growth beyond municipal Secondary Plans now stipulated by the Province as part of the TOC plans is beyond what was considered in the Municipal Comprehensive Review and infrastructure master plans. Further analysis is required to understand additional infrastructure and servicing needs and related Regional financial impacts to support projected demand, plan for growth that is aligned with timing and delivery of infrastructure and ensure municipal financial sustainability. Additional infrastructure, phasing requirements, funding and delivery responsibilities would be identified in TOC Site-Specific MOUs and other implementation agreements for each TOC site. Staff will continue to work with the Province to confirm the financial framework to support TOCs.

6. Local Impact

The population and density in the Bridge and High-Tech TOC proposals will impact local municipal provision of local infrastructure, community services, parks, and open spaces. Municipalities' ability to levy Development Charges, Community Benefit Charges, cash-in-lieu of Parkland is important to deliver vibrant, mixed-use, destination-oriented complete communities around planned subway stations. While municipalities will retain authority for subdivision approval, municipal site plan approval for the TOC sites is at the discretion of the Province through the eMZO.

7. Conclusion

Planning for Urban Growth Centres such as Bridge and High-Tech TOC lands requires comprehensive planning to ensure context-appropriate density, mix of use recognizing the significance of the transit hub, and adequate provision of infrastructure and community services more closely aligned with local secondary plans. York Region and the local municipalities have been steadfast in providing comments on these TOC proposals stipulating that the proposals do not align with the municipal planned vision for these growing communities. Notwithstanding, the Province has made it clear it intends to move forward with the proposals through a legislated mandate. Planning permissions for the TOC sites have now been confirmed by the Provincial eMZOs issued on April 14, 2022.

The Province has requested York Region, and the Cities of Markham, Richmond Hill and Vaughan execute a YNSE TOC Programmatic Agreement-in-Principle with the Province to confirm funding and a Provincial commitment to deliver Royal Orchard station. Staff will continue to work with the Province and landowners/developers on TOC implementation agreements in an effort to protect Regional interests for the Bridge and High-Tech TOC lands.

For more information on this report, please contact Karen Whitney, Director, Community Planning and Development Services at 1-877-464-9675 ext. 71505. Accessible formats or communication supports are available upon request.



Recommended by:

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Dino Basso

Commissioner of Corporate Services



Approved for Submission:

Bruce Macgregor

Chief Administrative Officer

April 22, 2022

Attachment (1)

Private Attachments (3)

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