



Report to: Development Services Committee

Meeting Date: June 13, 2022

SUBJECT: Yonge Corridor Land Use and Built Form Study (Preliminary Step to Secondary Plan) Final Report

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RECOMMENDATION:

1. That the staff report dated June 13, 2022 entitled “Yonge Corridor Land Use and Built Form Study (Preliminary Step to Secondary Plan) Final Report” be received;
2. That Council endorse the Yonge Corridor Land Use and Built Form Study: Final Report, attached as Appendix ‘A’ and the Yonge North Subway Extension: Funding Transit Investment and Land Value Capture: Final Report, attached as Appendix ‘B’;
3. That this report be circulated to Metrolinx, York Region, Vaughan, Richmond Hill and Toronto;
4. And further that staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY

In March 2021, Metrolinx released the Yonge North Subway Extension (“YNSE”) Initial Business Case, which recommended advancing subway design and delivery. Following this announcement, Markham Council directed staff to undertake a land use and built form study to confirm the transit-oriented community potential surrounding the Royal Orchard, Clark and Steeles station areas. Council also directed staff to assess the land value uplift associated with proposed new transit investment, primarily to support inclusion of subway stations at Royal Orchard and Clark as part of the YNSE project. The City retained Urban Strategies Incorporated (“Urban Strategies”) to undertake the Yonge Corridor Land Use and Built Form Study and N. Barry Lyon Consultants Ltd. (“NBLC”) to undertake the Land Value Capture Study.

The Land Use and Built Form Study builds on previous work prepared for the City of Markham: translating two-dimensional density frameworks into three-dimensional demonstrations of how the character of the three station areas may evolve in response to improved transit. The findings of the Land Use and Built Form Study will be used to inform the upcoming Yonge Street Corridor Secondary Plan (“Secondary Plan”) process.

Completed in six phases, the study began with a background review, identification of guiding principles and development of draft built form concepts. An [Interim Report](#) and [Presentation](#) was received by Development Services Committee (“DSC”) on October 25, 2021 and direction was received to undertake public consultation. Following this milestone, the draft built form concepts were presented to community members and landowners through a Community Information Meeting and Landowner Engagement Session in February 2022.

As illustrated in Appendix ‘A’, the Land Use and Built Form Study Report identifies built form concepts for the three station areas that support a mix of uses, new public amenities and services, improved connectivity and a more fine-grained street network. The study demonstrates the potential for the Markham side of the corridor to accommodate over 3,800 new jobs and 34,800 new residents, for a total of 38,600 new people and jobs. Accounting for the existing population and employment and the displacement impacts of the development illustrated, the concepts result in a total population of 45,900 and 7,000 jobs within the study area. City staff and Urban Strategies are of the opinion that additional employment is needed within the corridor to support complete community objectives. Urban Strategies has recommended that additional detailed analysis be undertaken as part of the Secondary Plan to specifically assess employment (office, retail and service) opportunities to create a more appropriate balance.

The Land Use and Built Form Study Report concludes with a list of key areas to be considered for future study during the upcoming Secondary Plan process, including but not limited to: neighbourhood fit, parks and community services, traffic and mobility, Dudley Avenue neighbourhood seam, jobs and services, study area boundary and consultation.

The analysis presented in the Land Value Capture Study demonstrates a potential land value uplift of as high as 200% at Royal Orchard Station. Initially the study was going to assess both Royal Orchard and Clark Station areas, but the project was subsequently scoped to Royal Orchard once the Province announced inclusion of Clark Station in July 2021. Following completion of the Land Value Capture Study, Royal Orchard was announced as a fifth confirmed station on April 20, 2022. With regards to land value capture strategies, the City of Markham has limited tools available because the City is not a funding partner for the YNSE Project. The two most common funding sources available are development charges and property taxes.

Staff anticipate initiating the Yonge Street Corridor Secondary Plan process following Council endorsement of the Land Use and Built Form Study.

PURPOSE:

This report provides a summary of the Yonge Corridor Land Use and Built Form Study (see Appendix ‘A’), and the Land Value Capture Study (see Appendix ‘B’) findings and seeks their endorsement by Council.

BACKGROUND:**Council directed Markham staff to undertake a land use and built form study to confirm the transit-oriented community potential surrounding the Royal Orchard, Clark and Steeles station areas**

The Province of Ontario is undertaking studies for the YNSE. On March 18, 2021, Metrolinx released the Initial Business Case that affects the City of Markham and recommends advancing design of the YNSE. The Initial Business Case proposed up to four stations along the 8-kilometre subway extension – Steeles, Bridge, High Tech, and one additional neighbourhood station at Cummer, Clark, or Royal Orchard. On July 16, 2021, the Ontario government, in partnership with the Government of Canada, announced Clark Station as the fourth neighbourhood station. On April 20, 2022, Royal Orchard was announced as a fifth confirmed station, with funding coming in part from the development of two new Transit Oriented Communities at Bridge and High Tech stations.

At DSC on May 3, 2021, it was concluded that it was necessary for the City to undertake additional technical work to confirm the transit-oriented community potential surrounding Royal Orchard, Clark and Steeles station areas as preliminary work toward a secondary plan and to inform current planning associated with the YNSE project. DSC also identified the need for financial analysis to be undertaken to evaluate the land value uplift associated with proposed new transit investment.

On May 4, 2021, Council adopted the following resolution: “That while the City of Markham approved funding for the Yonge Street Corridor Secondary Plan as part of the 2021 Capital budget, the City should accelerate work around the Steeles, Clark and Royal Orchard station areas, with a priority on Clark and Royal Orchard, beginning with a land use/built form study as work towards development of the Yonge Street Corridor Secondary Plan to confirm development potential and a preliminary land use concept, including 3D modelling and financial analysis, generally located within the Region’s ‘2020 Proposed Major Transit Station Areas, September 2020’”.

The City retained Urban Strategies to undertake the Land Use and Built Form Study.

The Yonge Corridor Land Use and Built Form Study was initiated in June 2021

The Land Use and Built Form Study was initiated in June 2021 to address Council’s Resolution to confirm the transit-oriented community potential surrounding the three station areas, while advancing a range of other policy priorities, including:

- Supporting complete communities, with access to employment;
- Delivering a more fine-grained street network and improved connectivity; and,
- Delivering new parks, community facilities, seniors housing, and affordable housing.

The Land Use and Built Form Study was carried out in six phases:

- ✓ Phase 1 – Background Review and Analysis
- ✓ Phase 2 – Guiding Principles and Draft Built Form Concepts
- ✓ Phase 3 – Interim Report and Presentation to DSC
- ✓ Phase 4 – Community Consultation

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- ✓ Phase 5 – Analysis and Recommendations
 - ✓ Phase 6 – Final Land Use and Built Form Study Report

Urban Strategies began by developing a base model of the existing conditions, identifying the current uses along the corridor and the locations of key amenities. Following this, development applications that had been made to the City were layered into the base model for consideration.

In August 2021, a series of stakeholder workshops were held with staff from the City of Vaughan, City of Toronto, and York Region, as well as landowners with interest along the corridor. The purpose of these initial meetings was to familiarize key stakeholders with the project scope and to gather technical information that could be used to help shape the built form concepts.

Urban Strategies then began to test the development potential along the corridor using a set of built form and massing assumptions. Examples of these assumptions include locating the tallest towers at transit stations and in areas furthest away from established neighbourhoods, conforming to a 45-degree angular plane to support transition, and supporting podium heights of 4 to 8 storeys. A series of draft built form concepts for the three station areas were prepared and refined. On October 25, 2021, the “[Yonge Corridor Land Use and Built Form Study - Interim Report](#)” and “[Interim Findings Presentation](#)” were received by DSC and direction was received to undertake public consultation.

In February 2022, community and landowner input was gathered through a Community Information Meeting and Landowner Engagement Session. These two meetings were hosted virtually using Zoom, and were supported through the use of a virtual whiteboard, which allowed for feedback to be captured in real time. The purpose of these sessions was to share the preliminary land use and built form concepts presented to DSC in October 2021, and to gather feedback and input to finalize the Land Use and Built Form Study and inform the upcoming Yonge Street Corridor Secondary Plan.

The Final Land Use and Built Form Study Report (Appendix ‘A’) details the feedback received, summarizes the key study findings and provides recommendations to be considered during the Yonge Street Corridor Secondary Plan process.

The Land Value Capture Study was initiated in July 2021

NBLC was retained to assess the potential land value uplift associated with the proposed Royal Orchard Station along the YNSE and to recommend land value capture strategies. Initially the study was going to assess both Royal Orchard and Clark Station areas, but the project was subsequently scoped to Royal Orchard once the Province announced inclusion of Clark Station in July 2021.

Land value capture is a way to capture the increase in the value of land and the associated development generated by the improved accessibility of transit. When a major public investment is made in new transit, it has significant impacts on the value of the lands surrounding a new station. This is especially true for subway investment. The Land Value Capture Study consists of two major areas of research: an evaluation of the probable land

value uplift that landowners might enjoy as a result of transit investment at a new Royal Orchard Station, and a summary of land value capture strategies that have been used elsewhere in Canada.

OPTIONS/ DISCUSSION:

The Final Land Use and Built Form Study Report identifies land use and built form concepts for the three station areas that support a mix of uses, new public amenities and services, improved connectivity and a more fine-grained street network

The key components of the land use and built form concepts for each station area, as well as the guiding principles that informed their preparation, are outlined below.

Guiding Principles

The land use and built form concepts prepared for the three station areas were informed by the following guiding principles:

1. Support complete communities by coordinating a mix of uses, including enhanced public amenities and services for existing and future residents;
2. Define a clear area of change with a 'neighbourhood seam' along the Dudley-Inverlochy corridor to define low-rise neighbourhoods and integrate new development;
3. Deliver a more fine-grained street network that improves connectivity for all modes and users; and,
4. Respond to the existing and emerging context.

Land Use and Built Form Concepts

The Land Use and Built Form Study Report includes concepts for each of the three station areas. As detailed below, there is potential at each station area to support transit-oriented development by delivering new residential, retail and employment uses, new community amenities and parks, while also maintaining compatibility with the established low-rise neighbourhoods east of Dudley Avenue and Inverlochy Boulevard.

Royal Orchard Station Area

The Royal Orchard Station Area is presented as a re-urbanized local centre focused on Inverlochy Boulevard and Royal Orchard Boulevard. The concept proposes re-development of the Yonge Street corridor with a mix of high-rise development closest to the station and mid-rise development north and eastward. Infill opportunities are identified within and amongst legacy apartment buildings, and the Housing York site with mid-rise and stacked townhouses redeveloped to create an appropriate transition to adjacent low-rise neighbourhoods. All development adheres to a 45-degree angular plane to provide land use compatibility with established neighbourhoods to the east.

New community uses, employment and retail are located in building podiums near the Royal Orchard Station to serve existing and future residents. Additionally, two neighbourhood parks are shown fronting Inverlochy Boulevard.

When the Royal Orchard Station Area concept was presented during the consultation phase, we heard from community members that there is interest in seeing larger,

consolidated parks in this area to support existing and future residents and employees. We also heard concern regarding the level of intensification proposed and potential impacts to the established neighbourhood character, traffic, and parking. Landowners questioned if office employment was feasible in this area and requested that the City evaluate the viability of office along this portion of Yonge Street and consider policies that incentivize office.

The Secondary Plan process should include a Parkland Strategy to identify opportunities to deliver larger parks in this area, further testing of land use compatibility, and a Market Assessment to explore ways to attract and retain employment uses along the corridor. In addition, further testing of the proposed redevelopment of the Thornhill Green York Housing site, in consultation with York Region and other stakeholders, is needed.

The land use and built form concept for the Royal Orchard Station Area adds approximately 9,100 new residents and 700 new jobs. This results in an estimated population of 13,100 and 1,100 jobs within the study area (new and existing). The approach used by Urban Strategies to accommodate jobs within the station area was to integrate office within the podiums of larger sites adjacent the station. This approach resulted in a large imbalance in the ratio of people to jobs. As outlined above, a Market Assessment is needed to increase the number of jobs within the area to support a more complete community.

Clark Station Area

The concept for the Clark Station Area illustrates the potential to redevelop larger sites closest to the station with a mix of uses, including residential, retail, office and community amenity uses. Height and density peak along Yonge Street and on either side of the rail corridor, limiting impacts to the established neighbourhood. The built form and land use testing for the Clark Station Area contemplates redevelopment of the service employment lands adjacent the rail corridor in order to deliver on a range of City priorities, including: housing (affordable and seniors), parks, community facilities and employment.

In addition, the concept proposes to consolidate new parks and community facilities along a new Dudley 'neighbourhood seam': a green corridor that stitches together open spaces and community use and improves mobility for pedestrians and cyclists.

During the Community Information Meeting, we heard concern about the level of intensification and building heights presented in the Clark Station Area concept. Participants emphasized the importance of new development being compatible with the existing neighbourhood character and contributing to the sense of place through good design and planning. We also heard concern about existing businesses being displaced and a desire to have community-serving uses within walking distances.

Further study through the Secondary Plan process is needed to assess the appropriateness of the redevelopment of the service employment lands. The assessment should explore the potential of the lands to advance a range of public policy and community-identified priorities, including delivering employment opportunities (both new and existing),

affordable housing, senior housing, community service facilities, and consolidated parkland.

The land use and built form concept for the Clark Station Area adds approximately 9,100 new residents and 1,600 new jobs. This results in an estimated population of 12,900 and 2,800 jobs within the study area (new and existing). The strategy for accommodating jobs within the Clark Station Area was to leverage the redevelopment of the service employment lands for new office uses and to integrate office within the podiums of larger sites adjacent the station. This approach resulted in a slightly higher ratio of people to jobs, but the Secondary Plan process should further explore the appropriate ratio and include strategies to achieve the right mix.

Steeles Station Area

Being centrally located at the intersection of Yonge and Steeles, the concept for the Steeles Station Area envisions a high-density node, supported by a mix of residential and employment uses including retail and office. This area of the corridor has the strongest potential for new office and employment uses. The concept shows three vertically integrated office sites to take advantage of the convergence of transit at this intersection. The tallest buildings are located around the station and along Yonge Street. As one moves east towards Dudley Avenue, the heights of buildings taper down and are contained within a 45-degree angular plane from established neighbourhoods to ensure an appropriate transition to low-rise homes.

This concept proposes changes to the street network, including the addition of a north-south street to service new development and improve connectivity, and the extension of Dudley Avenue north of the rail corridor to provide an alternative to Yonge Street. This rail crossing would support active transportation linkages and improve access to both Clark and Steeles stations. The concept for Steeles Station Area also reinforced Dudley Avenue as a 'neighbourhood seam' and illustrates how this corridor can be used as a buffer between the redevelopment sites and the established neighbourhood. Low-rise and mid-rise buildings front Dudley Avenue on the west side, defining the border of the area of change. By organizing new parks and amenities along Dudley, it improves access for future and existing residents and supports a transition in scale. These improvements to Dudley encourage multi-modal travel along the corridor.

During the consultation phase, we heard several comments from community members and landowners about the Steeles Station Area. Community members outlined that new development must be paired with an increase in community facilities to serve both new and existing residents, employees and visitors. With regards to the transportation network, concern was expressed about vehicular traffic and parking issues infiltrating east of Dudley Avenue. There was support for the Dudley Avenue 'neighbourhood seam' and proposed overpass to better connect the communities north and south of the rail corridor and to provide improved pedestrian and cyclist connections. Landowners suggested that alternatives to the 45-degree angular plane be explored in this area of the corridor.

Community facility needs and opportunities should be identified through the Secondary Plan process and a Transportation Study is needed to assess and determine appropriate measures to reduce vehicular traffic into established neighbourhoods, as well as to confirm the feasibility of the Dudley Avenue extension.

The land use and built form concept for the Steeles Station Area adds approximately 15,800 new residents and 1,500 new jobs. This results in an estimated population of 19,200 and 3,400 jobs within the study area (new and existing). Similar to the other two station areas, further study through the Secondary Plan process is needed to address the imbalance in the ratio of people to jobs in the Steeles Station Area.

Estimated Total Population and Job Yields

The concepts for Royal Orchard, Clark and Steeles station areas result in over 34,800 new residents and 3,800 new jobs, for a total of 38,600 new people and jobs. Accounting for the existing population and employment and the displacement impacts of the development illustrated, the concepts result in a total population of 45,900 and 7,000 jobs within the study area. Further study to address the imbalance in the ratio of people to jobs presented in the Yonge Corridor Land Use and Built Form Study: Final Report is needed to support the realization of a complete community.

The Land Use and Built Form Study concludes with a list of recommendations for the Yonge Street Corridor Secondary Plan process

Building on the land use and built form testing exercise and the community and landowner feedback received during the consultation phase, the Land Use and Built Form Study concludes by identifying key areas for future study. These recommendations are described below.

- Neighbourhood Fit – Community members shared concern about the level of density and heights illustrated in the three concepts. Landowners suggested additional transit-supportive density may be accommodated along the corridor. The recommendation for the Secondary Plan is to include additional built-form and land use testing measures and include opportunities to engage the community and stakeholders on how to best manage change and integrate new development with established neighbourhoods.
- Parks and Community Services – There is an interest from the community and landowners in seeing larger, consolidated open spaces and parks along the corridor to serve new and existing residents. Community members also identified a need for additional community facilities and amenities to support additional density. The recommendation for the Secondary Plan is to include a Community Services and Facilities Study and Parkland Strategy to identify gaps and opportunities for new community facilities and consolidated parkland.

Community members expressed that development should contribute to livability by supporting aging in place, specifically noting capacity constraints at existing health care facilities and a need for coordinated delivery of health services. It is recommended that the Secondary Plan process include opportunities to engage

with provincial and agency partners that are responsible for providing social infrastructure and essential services.

- Traffic and Mobility – Community members expressed concern that increased intensification would result in added congestion, neighbourhood infiltration and impact pedestrian safety. The recommendation for the Secondary Plan is to undertake a comprehensive Transportation Study that evaluates the use of diverse transportation demand management strategies. The Secondary Plan should also prioritize the delivery of new pedestrian and cycling infrastructure. This is one way to reduce the reliance on the automobile and mitigate the impacts of climate change, which was a topic of concern raised at the Community Information Meeting.
- Neighbourhood Seam – Community members and landowners were generally supportive of the Dudley-Inverlochy ‘neighbourhood seam’ concept. There was also support for the extension of Dudley Avenue across the rail corridor between Glen Cameron and Doncaster. The recommendation for the Secondary Plan is to explore opportunities to reinforce the ‘neighbourhood seam’ vision and consider ways in which the green corridor can support community integration while managing neighbourhood infiltration. With regards to the rail crossing, further transportation analysis is required to determine the potential alignment and impacts.
- Jobs and Services – Community members raised concern about new development displacing existing jobs and services along Yonge Street and Glen Cameron Road. There is an interest from the community in maintaining jobs and services and ensuring that new development comes with new community-serving uses within walking distances. Landowners suggested that significant office employment along the corridor may not be marketable. To better understand the potential for the corridor to attract and retain employment uses, including office, the recommendation for the Secondary Plan is to undertake a Market Assessment. The assessment should explore ways to retain existing local businesses and essential services, identify potential incentives that may encourage new office employment and outline an implementation strategy to ensure the corridor continues to support a diverse mix of jobs and services. In addition, the Secondary Plan should explore policies and evaluate ways to limit the displacement of local businesses.

With regards to the service employment lands adjacent Glen Cameron Road, further analysis is needed to explore the potential of the lands to advance City and community-identified priorities.

- Study Area Boundary – Some landowners expressed interest in the study area boundary being expanded one block to the east to address compatibility concerns and increase opportunities to deliver consolidated parkland and more community uses. The recommendation for the Secondary Plan is to consider the appropriateness of a study area expansion.

- Consultation – Community members and landowners indicated a desire to be engaged throughout the upcoming Secondary Plan process. The scope of work should include multiple opportunities to engage the community and landowners from project initiation through to Secondary Plan completion. City staff will work with the local Councillor to identify appropriate consultation opportunities. In addition, there should be opportunities at key milestones to consult with relevant municipal and agency partners. The Secondary Plan should incorporate inputs from the City of Vaughan and City of Toronto to ensure the Yonge Corridor is planned to align development, the public realm and mobility strategies.

The financial analysis undertaken by NBLC demonstrates a potential land value uplift of as high as 200% at Royal Orchard Station

The analysis presented in the Land Value Capture Study illustrates how the anticipated changes to market demand following the introduction of new subway service may impact the value of developable parcels within the immediate vicinity of Royal Orchard Station. NBLC tested three development scenarios on the same property to compare the value uplift associated with transit investment alone, to the value uplift associated with transit investment accompanied by changes to development permissions (i.e., allowances for increased density):

- Scenario 1: Pre-transit with an overall development density of 3.0 Floor Space Index (FSI)
- Scenario 2: Post-transit with an overall development density of 3.0 FSI
- Scenario 3: Post-transit with an overall development density of 6.0 FSI

The estimated value of the property under Scenario 1 is approximately \$31,000,000. The value doubles to approximately \$66,000,000 when transit is introduced in Scenario 2. When transit is introduced and density is increased, as tested in Scenario 3, the value is approximately \$99,000,000. This represents a 200% increase between Scenario 1 (pre-transit) and Scenario 3 (post-transit with increased density).

With regards to land value capture strategies, the City of Markham has limited tools available because the City is not a funding partner. The two most common funding sources available are development charges and property taxes.

Development charges are fees collected from developers to help pay for the cost of infrastructure required to provide municipal services to new development, including transit. In some instances, an area-specific development charge is used by a municipality if there is a clear benefitting area, however, most transit development charges are municipal-wide. Development charges are subject to fluctuations in the market, higher charges can discourage investment in weak/marginal areas, and they only extract value from new development.

Increased property taxes are a proven funding and financing tool as they are relatively easy to implement and are not subject to market forces like development charges. An increase to property taxes also means that both new and existing uses are contributing to the cost of the new infrastructure. However, property owners already shoulder a

significant funding load in many municipalities and increased property taxes may make home ownership less affordable.

NEXT STEPS:

The next step in planning for the Yonge Corridor is to initiate the Yonge Street Corridor Secondary Plan process

Following Council endorsement of the Yonge Corridor Land Use and Built Form Study: Final Report, attached as Appendix 'A', staff will initiate the Yonge Street Corridor Secondary Plan process. The Secondary Plan will build on the findings of this technical study, including what we heard from community members and landowners, and incorporate more detailed land use, transportation and servicing analysis.

FINANCIAL CONSIDERATIONS:

Not applicable.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

The Study aligns with Goal 3 – Safe, Sustainable and Complete Community of Building Markham's Future Together, 2020-2023. More specifically, it supports Goal 3.2: "Build complete communities that offer a range of housing and employment opportunities, transportation options and outstanding community amenities".

BUSINESS UNITS CONSULTED AND AFFECTED:

Planning and Transportation departments were consulted in the preparation of this staff report.

RECOMMENDED BY:

Biju Karumanchery, R.P.P., M.C.I.P.
Director of Planning and Urban Design

Arvin Prasad, R.P.P., M.C.I.P.
Commissioner of Development Services

ATTACHMENTS:

Appendix A: Yonge Corridor Land Use and Built Form Study: Final Report

Appendix B: Yonge North Subway Extension: Funding Transit Investment and Land Value Capture: Final Report