



Report to: Development Services Committee

Meeting Date: March 20, 2017

---

**SUBJECT:** Draft York Region 2017 Development Charges Background Study

**PREPARED BY:** Loy Cheah, Senior Manager, Transportation, ext.4838

---

**RECOMMENDATION:**

- 1) That the report entitled “Draft York Region 2017 Development Charges Background Study” be received;
- 2) That the Region be requested to include all road projects in Markham as recommended in the York Region 2016 Transportation Master Plan in the York Region 2017 Development Charge Bylaw Background Study;
- 3) That the Region consult with City staff to prioritize the timing of implementation of all Regional road improvements to align with planned growth in the City of Markham to 2031;
- 4) That the Region be requested to consult with City staff when the Region conducts the annual review of the Regional 10-Year Roads and Transit Capital Construction Program starting with review of the 2017 Program;
- 5) That staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to inform Development Services Committee that Regional Council, at its meeting held on February 16, 2017, adopted certain recommendations regarding the Draft York Region 2017 Development Charges Background Study (the “Draft York 2017 DC Study”), see Attachment A. Regional staff has indicated that some of the roads and transit projects in the 2016 Transportation Master Plan are not funded. Therefore, it is a concern that the reduced road program will negatively impact planned growth in the City of Markham.

**BACKGROUND:**

Draft York Region Development Charge Bylaw Background Study

On February 16, 2017, York Region published the Draft York 2017 DC Study and the proposed DC by-law. On March 9, 2017, a public meeting was held to receive feedback on the draft documents.

The York Region 2017 By-law will be brought to Regional Council for anticipated approval on May 18, 2017, and will come into force by June 17, 2017. Staff has undertaken a preliminary review of the roads capital program included in the Draft York 2017 DC Background Study, and noticed that a number of road projects identified in the York Region's 2016 Transportation Master Plan (the "TMP") were not included in the DC Background Study. While the TMP has an ultimate 2041 planning horizon year, staff has anticipated that most of the projects will be implemented within the 2031 timeframe.

#### Transportation Services is provided by Multi-Levels of Governments

While transportation services in Markham, including road, buses, commuter rail, and active transportation, are provided by the Province, York Region and the City of Markham, the Regional arterial road network forms the largest component of the road system for intra and inter-regional traffic movement. A significant portion of the transit services also relies on the arterial road system.

Land use planning and transportation planning in York Region and City of Markham have relied on the coordinated expansion of the Regional arterial road network as recommended in the 2009 and 2016 York Region Transportation Master Plans to support growth in the City.

#### Planned Growth in Markham

The City of Markham is planned to grow to a population of 421,600 and employment of 240,000 by the year 2031 as indicated in the Markham Official Plan. This growth requires expansion to the multi-modal transportation services.

Some key development/redevelopment areas in Markham are:

- Markham Centre
- Future Urban Area
- York Downs
- Buttonville Airport
- Langstaff Gateway

Completed or on-going secondary planning studies for these growth areas rely on the Region's transportation program as the basis for developing the transportation plans for each of these development areas.

#### **OPTIONS/ DISCUSSION:**

##### York Region Draft DC Background Study presents a constrained Roads Capital Program

The York Region TMP was prepared generally under a financially unconstrained scenario, resulting in a transportation plan that recommended estimated expenditures of

---

\$8.9 B for transit and \$7.6 B for road-related infrastructure and program costs across York Region to the planning horizon of 2041.

In the February 16, 2017 report to Regional Council, York Region staff noted that:

*“However, funding the full Transportation Master Plan with Regional revenue sources would result in significant tax levy and debt pressures. Preliminary estimates indicate that annual tax levy increases of approximately 6 per cent per year, every year to 2031, would be required to fully fund the initial emplacement and ongoing capital and operating requirement of infrastructure envisaged by the 2016 Master Plan.*

*In addition, the Region would need to accumulate considerably higher debt to finance these investments. In short, the Region cannot afford to fund the full master plan with current revenue sources.*

*Due to these challenges, many of the projects in the Transportation Master Plan and in the 2012 Development Charge Bylaw were not included in the 2017 development charge rate calculation. Additional revenue sources will be necessary to fully fund 2016 Transportation Master Plan.”*

Based on the fiscal constraint approach noted above, the Background Study included only a selected number of road projects from the TMP. Figure 1 shows, among other things,

- Road projects included in TMP but excluded from the proposed 2017 DC Bylaw (shown in red)
- Road projects included in the proposed 2017 DC Bylaw (shown in green)
- Highway 404 mid-block crossing projects included in the proposed 2017 DC Bylaw (shown in orange)

#### Implications of a Constrained Regional Roads Capital Program

Also shown in Figure 1 are the approximate boundaries of growth areas in Markham that will be most affected by the missing road expansion program.

As indicated earlier, the draft DC Bylaw has a planning horizon of 2031; therefore, the road projects shown in Figure 1 are the recommended projects to 2031 compared against the TMP which has a 2041 planning horizon. It is likely that deferring the 2031 road projects identified in the Regional TMP will only compound the fiscal situation that led to the constrained Regional roads capital program as there is another set of recommended road projects that are to be implemented within the 2031 to 2041 timeframe.

City staff is seeking analysis and explanations from York Region staff of the impacts of the proposed DC Bylaw capital program on transportation levels of service, both for road traffic as well as for transit services, in the major development areas as well as across the City of Markham. It can be safely assumed that traffic congestion forecasts for the areas surrounding the growth areas will be worse with the constrained network than with the network recommended in the Regional TMP.

If growth in these areas is to proceed as currently envisioned, the issue will be about providing alternative transportation capacities and services to fill the gaps of the deferred road expansion. The growth in Markham has to continue with alternative transportation capacities to not be negatively impacted by the slowing down of the Regional road program.

Therefore, it is recommended that York Region provides assurance that planned growth in Markham will not be delayed by York Region due to insufficient road capacity that is the direct result of York Region not being able to include the recommended road projects in its capital program. This can be achieved either by including all recommended road projects from the TMP in the 2017 York Region DC Bylaw or by providing alternative transportation capacities and services around the major development areas.

Consultations with York Region and Future Transportation Capital Program

To ensure that the City is kept informed of any major change in the Regional road and transit capital program, staff recommends that York Region conducts on-going consultations with City staff as part of the Region's annual review of the Regional 10-year roads and transit capital program starting with the review of the 2017 program.

**FINANCIAL CONSIDERATIONS:**

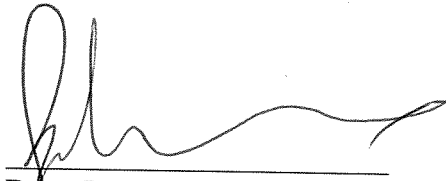
There will be significant financial implication to the City if the Region's transportation services expansion, as recommended in the TMP, is scaled back. This will either impact the pace of growth in Markham or the service level of the transportation network will continue to deteriorate or both, which will all have financial implications to the residents and businesses in Markham. It is not possible to estimate this financial implication at this time.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

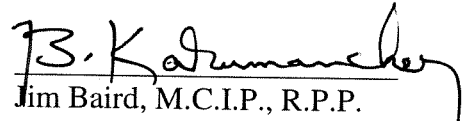
N/A

---

**RECOMMENDED BY:**



Brian Lee, P.Eng.  
Director of Engineering

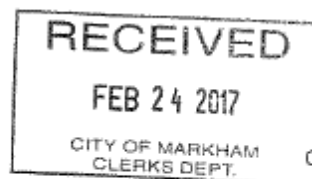


Jim Baird, M.C.I.P., R.P.P.  
Commissioner, Development  
Services

**ATTACHMENTS:**

Attachment A – Letter from Regional Clerk to City Clerk dated February 27, 2017

Attachment B – Location of Markham growth areas and proposed Regional Road Capital Program



Attachment A

Regional Clerk's Office  
Corporate Services Department

February 17, 2017

*Mayor & Members of Council*  
*A. Taylor*  
*J. Baird*  
*D. Kaminetzky*  
*K. Lamb*

Ms. Kimberley Kitteringham  
City Clerk  
City of Markham  
101 Town Centre Boulevard  
Markham, ON L3R 9W3

Dear Ms. Kitteringham:

**Re: Draft 2017 Development Charge Background Study and Proposed Bylaw**

Regional Council, at its meeting held on February 16, 2017, adopted the following recommendations of Committee of the Whole regarding "Draft 2017 Development Charge Background Study and Proposed Bylaw":

1. Council receive the draft 2017 Development Charge Background Study and proposed Bylaw (Attachment 1).
2. A report be brought forward to the May 18, 2017 meeting of Regional Council recommending the 2017 Development Charge Bylaw, taking into consideration the input received at the public meeting, to be held on March 9, 2017.
3. New revenue sources be sought for unfunded roads and transit projects in the Transportation Master Plan.
4. The Regional Clerk circulate this report to the local municipalities.
5. The Regional Clerk circulate this report to the Building Industry and Land Development Association – York Chapter (BILD).

A copy of Clause 5 of Committee of the Whole Report No. 3 is enclosed for your information.

# Attachment B

