



# SUBURBS ON TRACK



Building transit-friendly neighbourhoods outside the Toronto core



image courtesy of the City of Vaughan

## Greater Toronto is getting ready for rapid transit.

The province of Ontario is investing over \$32 billion in new subways, light rail, rapid busways and regional express rail throughout the Toronto region over the next 10 to 15 years. Much of this investment is taking place outside of downtown Toronto - in the inner suburbs of Scarborough and North York, the surrounding municipalities of Vaughan, Mississauga and Markham, as well as the City of Hamilton.

But building better suburban and regional transit is just the beginning. It is equally important to build better neighbourhoods along these transit lines and around stations to maximize the utility of these multi-billion-dollar transit investments. Toronto's suburbs and regional municipalities have an opportunity to “get on track” and realize the benefits of transit-oriented communities that are walkable and safe, support local businesses, generate ridership to pay for transit operations and provide more mobility choices and affordable housing options.



# Tracking Growth

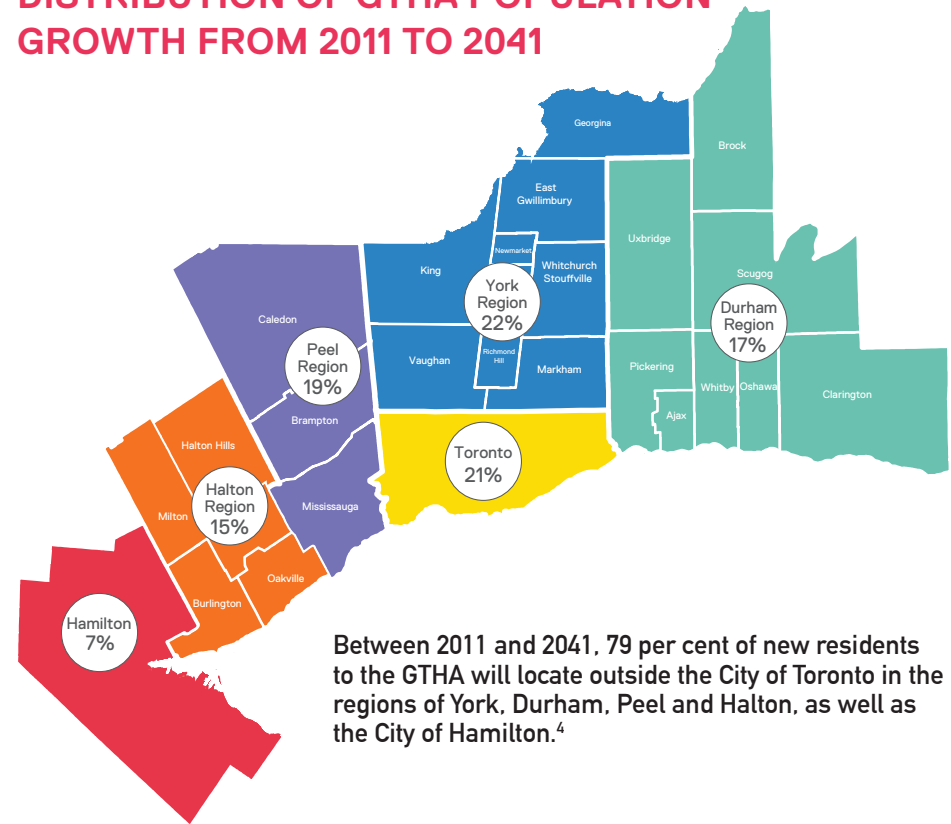
The population of the Greater Toronto and Hamilton Area (GTHA) is expected to reach more than 10 million by 2041.<sup>1</sup> Most of this growth – 79 per cent – will occur outside the City of Toronto in the regions of York, Durham, Peel and Halton, as well as the City of Hamilton.

How all this suburban growth happens on the ground is critical for the sustainability and future livability of Canada's most populous region. Will it lead to more congestion, longer commutes and sprawl? Or can we build neighbourhoods that are transit-connected and rich with amenities that support healthy lifestyles?

With careful planning, new investments in rapid transit infrastructure can attract more business and employment to the suburbs and municipalities outside of Toronto, and create “complete communities” where people want to live, work, shop, and play.

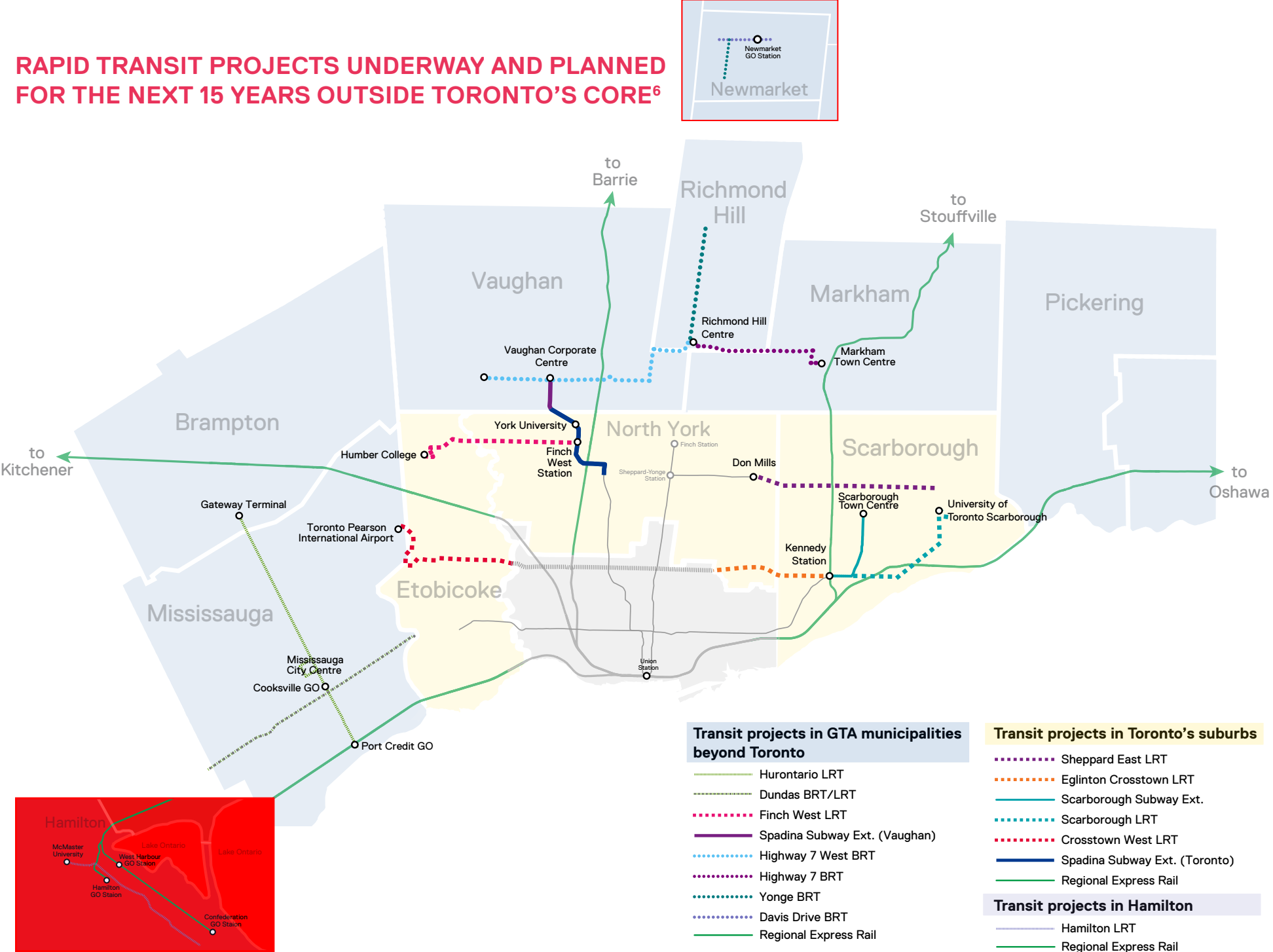
This is a historic moment for city building in the province. Ontario is investing \$32 billion in rapid transit infrastructure in the GTHA over the next 10 to 15 years. As part of The Big Move, a transformational transportation plan for the GTHA, Metrolinx has more than 200 projects representing \$16 billion already underway.<sup>2</sup> In addition, the federal government has made transit investment one of its top priorities.<sup>3</sup>

## DISTRIBUTION OF GTHA POPULATION GROWTH FROM 2011 TO 2041



A majority of new transit projects are being built outside of the Toronto core and include subways, light rail and rapid busways, as well as “Regional Express Rail,” which will upgrade and electrify many of the existing GO train lines in the region, making service faster, more frequent and include new stations to serve more communities. Regional Express Rail has the potential to connect Toronto with its suburbs and surrounding municipalities in a way that benefits both downtown Toronto and regional communities.<sup>5</sup>

RAPID TRANSIT PROJECTS UNDERWAY AND PLANNED FOR THE NEXT 15 YEARS OUTSIDE TORONTO'S CORE<sup>6</sup>





# Putting the Rapid in Transit

Rapid transit is a major upgrade from the slow and infrequent suburban bus service of the past. Rapid transit represents the highest order of transit service. Transit vehicles are separated from traffic on their own track, or, in the case of bus rapid transit (BRT), in their own lane.

Unlike regular buses or streetcars stuck in mixed traffic, rapid transit is mostly free of traffic congestion, so it moves quickly and frequently, with reliable service. As a result, rapid transit is attractive to riders, and if people live and work within a quick walk to rapid transit they are more likely to take it.

Rapid transit provides commuters an efficient alternative to being stuck in traffic in their cars or access to trips that they might never take. And the more people ride transit, the fewer cars are on the roads, which improves air quality and reduces our carbon footprint.

Therefore it is critical we optimize our transit investments by intensifying around transit infrastructure – with residential and commercial development that is more compact, and locates more people and jobs within close proximity to rapid transit stops and stations.



image courtesy of Steer Davies Gleave

Rendering of LRT in Hamilton: Rapid transit will connect the university and downtown with Regional Express Rail (GO station).



photo courtesy of vivaNext

York Region BRT along Highway 7 in Markham connects to Regional Express Rail (GO station).

# The Opportunity To Get Growth On Track

We have a once-in-a-generation opportunity to get “growth on track” in Toronto’s suburbs and regional municipalities. Here’s why: Most of these new transit projects in the GTHA are still in the design or early construction stages, so there is still time to carefully develop around stations and along transit corridors.

Also, in May 2016, the province proposed amendments to its 10-year-old Growth Plan for the Greater Golden Horseshoe region with new policies that will require municipalities to achieve even higher rates of intensification in the future – building up instead of out – in existing neighbourhoods, and reducing greenfield development outward from the edges of existing communities.<sup>7</sup>

These proposed changes are very important as they would establish minimum density targets for major transit station areas like subways or RER stations, that municipalities will be required to meet. Priority transit corridors, such as main streets with light rail or rapid bus transit would also require detailed plans to support this new transit service.<sup>8</sup> In the past, billion dollar transit projects were built without any land-use requirements, leading to low-density development and squandering the opportunity for thousands of jobs and homes close to transit.

# Return On Transit Investment

When billions of public dollars are being spent on transit projects, we need to achieve the highest possible long-term returns on investment for all residents of the region. Building up around transit has the following benefits:



## BUILDING RIDERSHIP

First, we need to situate enough residents and employment to generate optimal ridership to help pay for the operation and maintenance of new transit lines through the fare box. The TTC subsidy per rider remains the lowest in North America at 88 cents. By comparison, Montreal’s is \$1.21, New York City’s \$1.14 and York Region’s is \$4.34.<sup>9</sup>

However, not enough people ride many of the region’s transit lines, meaning that taxpayers are subsidizing and will continue to subsidize transit projects for decades to come. For example, the Sheppard subway opened in 2002 at a cost of about \$1 billion<sup>10</sup> and, nearly a decade-and-a-half later, it continues to be underutilized, meaning that each ride is currently estimated to be subsidized by about \$10 per rider.<sup>11</sup>

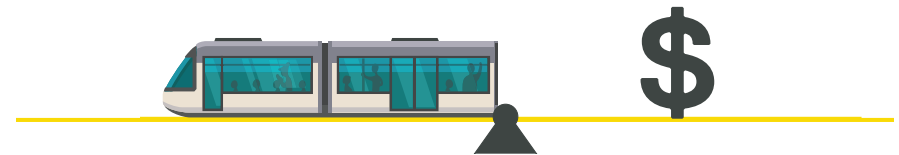
In London, England, for example, a small subway extension is being added to a part of the subway network where there was available capacity, combined with intensified density being built around the new subway extension so that ridership will make use of valuable available capacity.<sup>12</sup>



The Scarborough City Centre “urban growth centre” in 10 years has reached less than half of its density target and has not seen new commercial development since the early 1990s.

Current estimates show that projected low ridership of the proposed one-stop subway extension to the Scarborough Town Centre (STC) may amount to an additional operating subsidy required for every rider and there will be a very large capital cost and ongoing maintenance cost to taxpayers. Strong efforts

must be made to get the STC on track and intensify this urban growth centre, which is currently under performing in terms of accommodating residential and employment growth.



## BALANCING BUDGETS

Most transit projects are paid for with public money and financed largely by debt, which is why encouraging new development and transit-supportive densities is so important. Municipalities generally pay their share of capital improvements through property taxes and development charges.

For example, Toronto created a special property tax levy that came into effect in 2014 and increased transit development charges to partially fund the Scarborough subway,<sup>13</sup> however, it is unclear what the Scarborough subway’s impact will be to operating subsidy requirements of the transit system. The capital cost per rider and subsequent financing cost of the debt used to build the subway will be paid for by generations of taxpayers.

Meanwhile, the province will rely on revenues from taxes generated by construction and new economic activity along these transit lines (if a reasonable amount occurs), as well as income tax from new residents and increased employment that is hopefully, but is not guaranteed, to occur around the new transit capacity being constructed.





## SUPPORTING SERVICES

More businesses and residents means an increased tax base on which to support local public services from libraries and skating rinks to parks and schools. Without this development and economic activity, the transit lines simply cost money, rather than generate revenue. This is why, as the region is building more transit, it is so important to transition away from lower-density development to transit-oriented densities in growth centres and along transit lines. Today, the revenue-per-hectare served by the planned new transit lines will barely pay for services already in place, let alone new capital costs, operating subsidies and maintenance of new transit lines.

Intensification in our suburban centres makes better use of existing roads, sewers, and services in our already urbanized landscapes, rather than building new municipal infrastructure to service new settlements on the suburban edge. For example, the City of London, Ontario found that, over a 50-year period, low-density suburban growth would entail capital costs \$2.7 billion higher, and operating costs about \$1.7 billion higher, than for a compact growth scenario.<sup>14</sup> However, it is also important to recognize that there are costs associated with

transitioning a suburban thoroughfare into an urban corridor and capital costs associated with upgrading municipal servicing to accommodate new residents and businesses in growth centres.



## BOOSTING BUSINESS

Adding transit along with supportive density, amenities and recreational space improves neighbourhoods, rather than bringing property values down, as opponents of local development sometimes assume.

Transit-oriented development is not only compact but it is “mixed-use” with businesses, retail, recreational and residential so people can live or work in the same neighbourhood where they shop, dine or play. Adding more growth to a community means there are more customers to support local businesses and a critical mass of people to attract the neighbourhood amenities residents want nearby – from cafés to medical offices.

Neighbourhoods that are walkable, with vibrant main street shopping combined with public spaces are in high demand. Access to transit and greater population density are two critical ingredients that activate main street life and, in turn, support local business owners – the baker needs the foot traffic and residents want their bakery!

# More Affordable Home Choices for Families

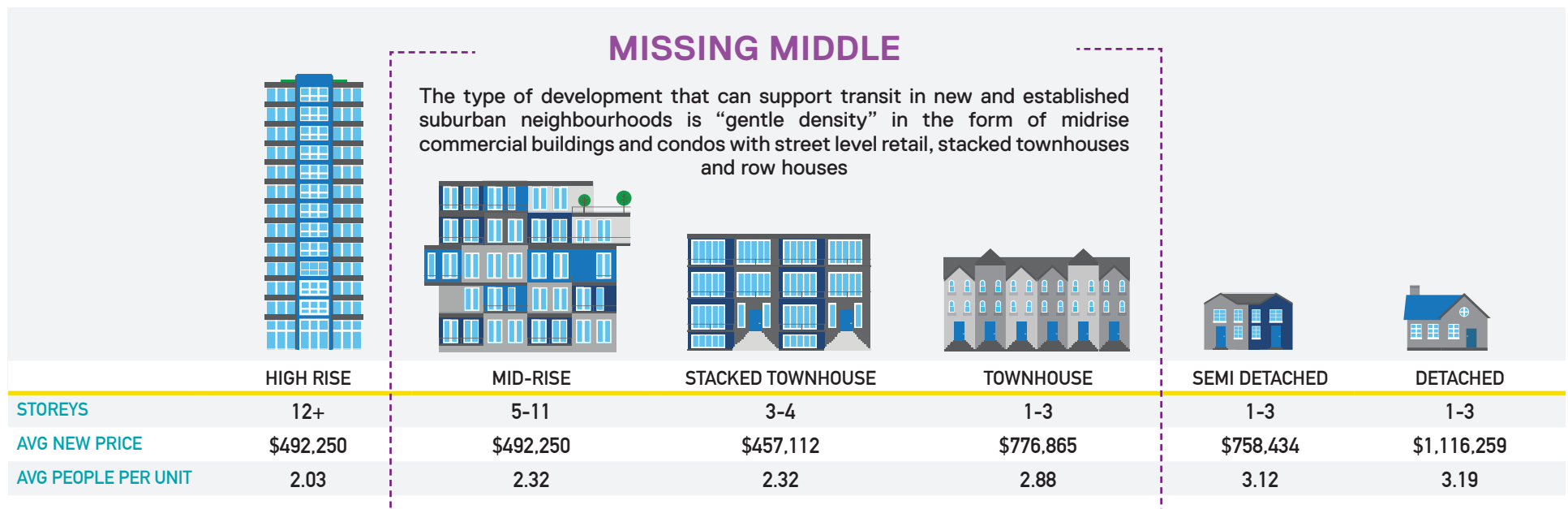
Despite all the growth across the region, there is often a lack of affordable housing choices. High-rise condo towers are being built in downtown Toronto and suburban centres, but these do not always offer units suitable for all family sizes.

Traditionally, most of the region's suburban residents live in car-dependent locations that require long commutes, because that's where family-sized houses are more affordable and where most new supply is being built. We need to build a more diverse "missing middle" housing supply in urban and suburban centres for a range of family sizes and budgets, in particular

multi-unit homes, such as townhouses or mid-rise homes, which can be more affordable than single detached homes in the GTHA.

"Missing Middle" housing options suitable for main street transit corridors and around transit stations outside of downtown Toronto provide the "gentle density" needed to support transit and businesses while creating a more human-scaled village feel.

Living close to transit in walkable, "complete communities" means more options for where to live and shop as well as how to get around. A two-car family would have the opportunity to save up to \$10,000 a year<sup>15</sup> on transportation costs related to car payments, fuel, insurance, registration and maintenance if they had the option to downsize to one automobile. That's a minimum of \$200,000 over the lifetime of a mortgage, which goes a long way to affording a home.





# Track Record

Despite all the good reasons to get more growth “on track,” we have been underutilizing our limited land resources and transit infrastructure. Only 18 per cent of population added to the GTHA between 2001 and 2011 was located within walking distance of frequent transit.<sup>16</sup>

While not a lot of rapid transit has been built in the inner and outer suburbs in the GTHA, what has been built has achieved very low densities, too low to support the long-term cost of transit operations. “Off track” examples of low transit densities in our suburbs include the Sheppard and Spadina subway lines, as well as many GO train stations.

## GET UP AND GO

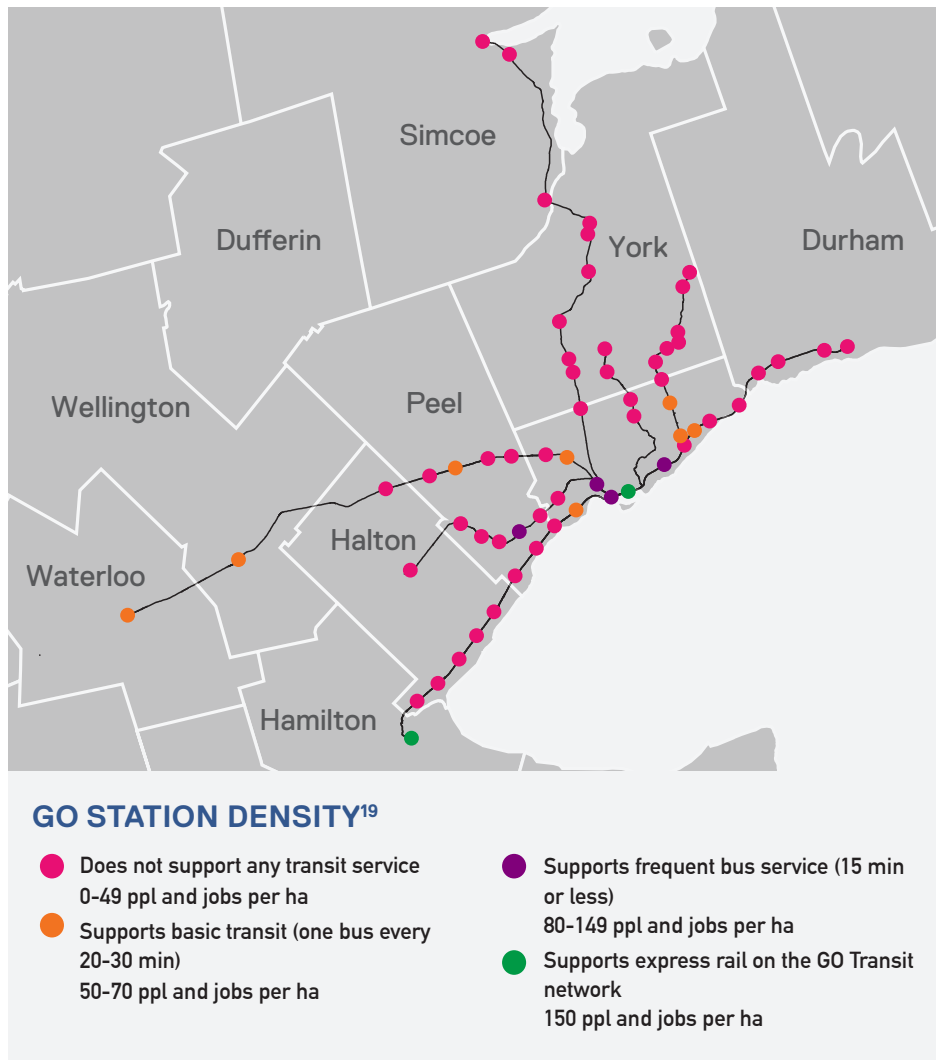
Our region’s GO network was originally designed to provide commuter rail for suburbs of Toronto, but times have changed. As the 2011 Census clearly demonstrates<sup>17</sup>, these municipalities are growing fast and becoming destinations in themselves, not just departure pads for Toronto-bound suburbanites. As this network is upgraded to provide Regional Express Rail (RER), should the stations be turned into mobility hubs that are also complete communities. Right now, most GO train stations are little more than giant parking lots that underutilize the surrounding land. In fact, GO Transit is one of North America’s largest parking operators.<sup>18</sup>



Commuter rail neighbourhoods with their backs turned on stations. Thoughtful planning can transform parking lots into integrated mobility hubs.

Currently, GO train stations with the highest ridership are those with the largest parking lots, which makes sense when driving to the station is the most convenient way to get there. But we cannot just keep adding more and more parking as a means to drive up ridership of the soon-to-be Regional Express Rail.

It is too expensive as the cost of providing a parking stall in a structure is on the order of \$10 per day. If the spaces are only used once per weekday, there is very little revenue potential and utility. This is very different from busy regional shopping centres where the revenue-per-customer is greater, and it can make sense for a mall owner to provide free parking at a cost to herself of \$10 per day for seven or eight customers per day per space, especially if each is spending greater than, say, \$50.



Currently, only six GO stations out of 63 (10%) meet the level of density needed to support frequent transit service (one bus every 10-15 min).

Planning should transform strategic GO stations from commuter launch pads into complete communities.

With thoughtful planning, many of these stations can act as catalysts to place-making and intensification in the suburbs rather than facilitating more sprawl and car-oriented development. However, rather than intensifying employment or residential uses around transit, Metrolinx recently constructed massive multi-storey parkades in Oakville and Clarkson.

While some GO stations are not appropriate for mixed-use forms of development, many existing and future RER stations can be transformed into complete communities, generating greater population and employment density, that can drive up ridership and provide more housing options in close proximity to rapid transit. It is also critical to better integrate these emerging transit-oriented communities with improved cycling infrastructure and local transit services that will address the “last mile” dilemma for suburban commuters as feeder networks into the GO RER system, much the way many surface TTC routes connect into the subway network.

The accelerating use of flexible and on-demand taxi and shuttle services, like Uber and Lyft, means the demand for pick-up and drop-off access is becoming an alternative for some customers to driving. In the longer term, the advent of shared autonomous vehicles could make some large and expensive parking lots at transit stations obsolete.

## SHEPPARD AVE: STILL BUILT FOR THE CAR

Parts of Sheppard Avenue were rezoned for higher densities to achieve growth with the subway, but density doesn't always result in complete communities.

Despite residential condo clusters around station areas, ridership on the Sheppard subway remains low, due to lack of employment and transit-oriented development.<sup>20</sup> The transition away from an auto-oriented suburban thoroughfare is not as simple as building a subway and adding residential towers. It is important for policy makers to encourage a mix of uses including commercial development and a built form that better addresses an improved streetscape.



photo: Google Maps

Sheppard Ave. east of Leslie St.: It's difficult to believe there is a subway station walking distance to this corner. Tall residential towers are surrounded by gas stations and empty fields, parking lots and big-box stores, with no connection to the subway and no public realm. This lack of "placemaking" results in a less lively, less walkable and non-transit-oriented community, despite the existence of a subway.

Without planning tools to encourage the development of complete communities around suburban transit infrastructure, office development remains focused on the downtown core, where there is an abundance of transit as well as high-quality public realm, services and proximity to other businesses and services.

## HIGHS AND LOWS IN NORTH YORK

In 1974, the Yonge Subway was extended from York Mills to Finch through the heart of what is today a vibrant suburban city centre. The dense urban form and healthy mix of residential, office and retail space did not happen by accident once the subway was extended, but rather through a deliberate effort by pre-amalgamation North York Mayor Mel Lastman and proactive planning policies to encourage transit-oriented development. Planning for what is today known as North York City Centre began in the early 1970s and was based on the capacity of new infrastructure (both the planned subway and planned ring road) to create a new downtown.

The Official Plan defined what the long-term densities (based on Floor Space Index) were going to be in advance of development occurring and also prescribed specific incentives (through Section 37 of the Planning Act) to improve local transportation infrastructure (the planned ring road, TTC and underground PATH connections) to obtain defined (rather than negotiated) density bonuses. The proactive planning combined with transit investment set a long-term vision and provided certainty for residents, developers and local politicians.

Today, tens of thousands of residents are able to live in North York along the Yonge line with less dependence on a car because there is access to





photo: Google Maps

## NORTH YORK CENTRE STATION

Yonge subway line 1

Average density of North York Yonge Line stations: 282.4<sup>21</sup>

Density required to support a subway: 200



photo: Google Maps

## DOWNSVIEW STATION

Spadina subway line 1

Average density of North York Spadina Line stations: 53<sup>22</sup>

Density required to build a subway: 200

the subway. Although parts of Yonge Street have suburban characteristics such as automobile orientation and big-box retail, North York has created a vibrant city centre with public spaces, a median of planters, ground-level retail, cultural facilities and a diverse array of medium- and high-density residential and commercial towers.

Over to the west, the Spadina subway line was constructed without a goal or plan to encourage transit-oriented development. The subway line, with its several stops in the median of the Allen Expressway, simply lacks land-use opportunities that are conducive to achieving transit-oriented development patterns.

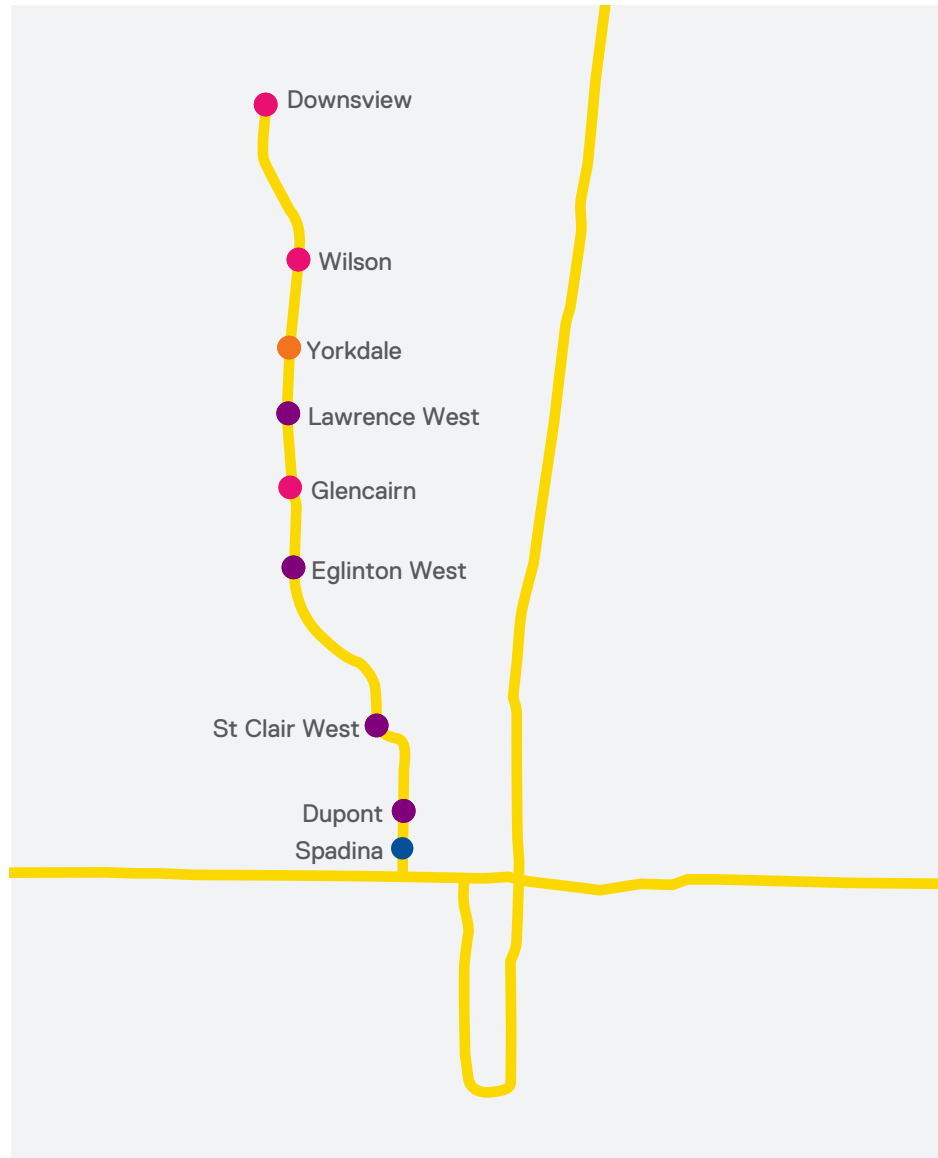
In fact, three decades later, densities around some stations continue to be too low to support even bus service and serve as a clear example of why transit planning and land-use planning must be better aligned for future transit projects. The City of Toronto must plan to make better use of the Spadina subway and the city's Official Plan will need to be brought into conformity with the Growth Plan in order to plan for sufficient density.

## TORONTO-YORK SPADINA EXTENSION

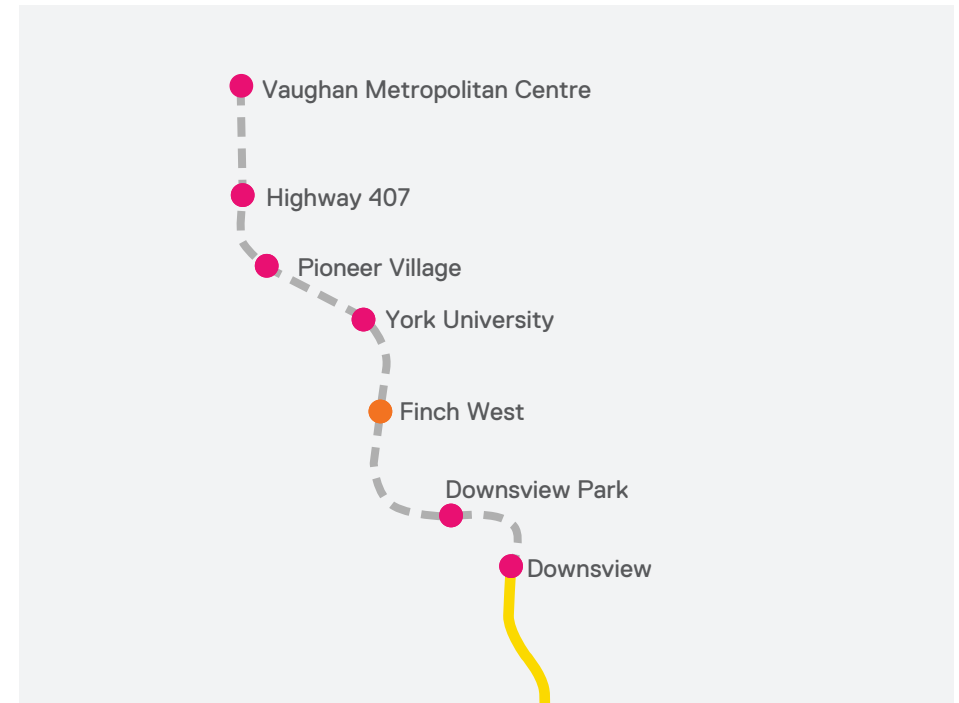
Now, with the Toronto-York Spadina Extension under construction, we have an opportunity to plan and build higher densities along this new subway, however, current densities are persistently low. Students will support ridership at York University and some positive signs of development are taking place in Vaughan, but pro-active planning must ensure transit-oriented development occurs to increase densities to those areas that support higher-order transit.



## SPADINA LINE



## TORONTO-YORK SPADINA SUBWAY EXTENSION

SUBWAY STATION DENSITY<sup>23</sup>

- Supports subway service  
200+ ppl & jobs/ha
- Supports dedicated rapid transit (LRT/BRT)  
160-199 ppl & jobs/ha
- Supports frequent bus service (15 min or less)  
80-159 ppl & jobs/ha
- Supports basic transit (one bus every 20-30 min)  
50-79 ppl & jobs/ha
- Does not support any transit service  
0-49 ppl & jobs/ha

# Zoning In On Transit

A major barrier to building transit-oriented development is zoning. The majority of new transit routes that are being built in suburban municipalities are being constructed in communities that were historically planned to service automobiles, not transit. The built landscape is predominantly low-density and spread out, with residential and commercial uses separated.

This is the result of many municipal zoning-by-laws in the GTHA being out of date, which don't reflect either the evolving nature of our cities or provincial goals for intensification. Building heights are often capped at three or four storeys, which is too low to support the type of transit-oriented development that is needed around station areas and rapid transit corridors.

This under-zoning creates a series of obstacles to building complete communities. Any developer hoping to build medium- or high-density projects on a transit line must go through a lengthy, onerous and uncertain approvals process to secure a permit in the exact locations that we should be encouraging density by making the process simpler and faster.

In some cases, sites are intentionally left under-zoned, because it forces developers to seek case-by-case approvals through a political process that extracts "Section 37" financial concessions from developers that municipalities use for various community benefits. While these benefits are needed for things such as social housing, community centres or other

public services, the case-by-case approach can deter intensification and transit-oriented development.



image courtesy of Giannone Petricone Associates

Complete community in Port Credit required a zoning-by-law amendment for transit-oriented development. Pre-zoning around transit stations will allow for more communities like this to develop.

## ZONING FOR GROWTH

Municipalities should be encouraged or required to pre-zone their transit corridors and stations through "as-of-right" zoning or through a "Community Planning Permit System,"<sup>24</sup> pro-actively engaging both the community and developers to implement a long-term, predictable planning framework for a transit corridor or station area. This approach creates a defined set of development parameters and community benefits up front by pre-designating for growth where it should happen rather than through site-by-site negotiation, thereby increasing the transparency of the process.

Some GTHA municipalities have already taken pro-active steps to pre-zone around new transit infrastructure.

**Hamilton in the Zone** The provincial government is investing up to \$1 billion to build an LRT on the Main-King and a portion of the James corridor in Hamilton, with connections to GO Transit. Construction will begin in 2019, but the Hamilton Planning Department has already taken proactive steps to pre-zone the LRT corridor to re-urbanize and permit land uses to support residential and commercial intensification.<sup>25</sup>

**Waterloo in the Zone** Further west, following the provincial investment in an LRT, the Region of Waterloo developed the Central Transit Corridor Community Building Strategy, a comprehensive planning document that outlines how the region should grow along the new rapid transit corridor. The plan integrates market analysis, transportation planning and urban design recommendations. The plan makes recommendations from regional scale, identifying strategic areas for growth, to the street scale, identifying opportunities for streetscaping and public art. The Community Building Strategy includes updates to the Region and City Official Plans.<sup>26</sup>

In response to the province's investment in an LRT, The City of Kitchener has created "PARTS" – Planning Around Rapid Transit Stations – which sets proactive land-use designations, and enhances infrastructure, pedestrian and cycling connections, streetscaping and public realm opportunities. The station study area plans include updates to both secondary plans and zoning.<sup>27</sup>



**CURRENT**



**SHORT-TERM**



**LONG-TERM**

A vision for short-term and long-term transformations along new pre-zoned LRT transit corridor in Cambridge Centre (Region of Waterloo Community Building Strategy, 2013)



**Brampton in the Zone** In Downtown Brampton, Main Street North has been identified as a distinct “Character Area” within the precinct of the Central Area. Originally residential, there has been a gradual revision in policies to help revitalize the area. The Main Street North DPS (development permit system), recently renamed “Community Planning Permit System”<sup>28</sup>, came into effect in December 2015 to combine zoning, site planning and minor variances into one approval with the aim of streamlining the planning approval process and allowing flexibility to secure important objectives around land-use, urban design, streetscape and other related topics.<sup>29</sup>

In 2015, Brampton city councillors voted to reject funding from the provincial government to build an LRT through Downtown Brampton. The Hurontario LRT was originally conceived to run north-south along the Hurontario/Main Street Corridor, connecting Brampton, through Downtown Mississauga, to Mississauga’s waterfront. The LRT route will now terminate at the Brampton Gateway Bus Terminal instead of the proposed Brampton GO station, missing the opportunity to help create a vibrant transit and pedestrian-oriented main street through Brampton’s core. And unlike the original routing, the new terminus will fail to provide a critical regional transit link as the shortened LRT will no longer connect the Brampton GO station with two GO stations in Mississauga.



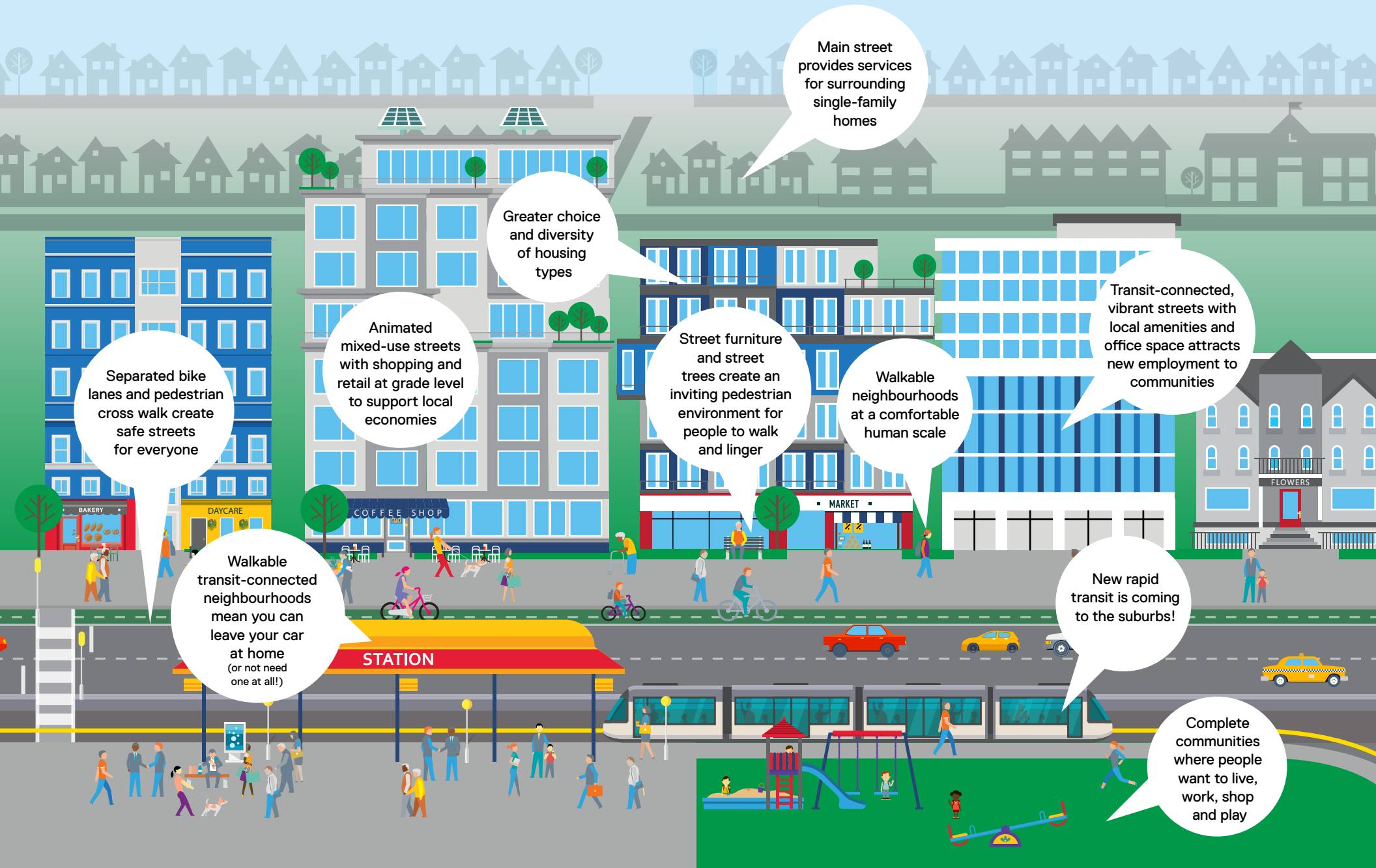
Queen and Main Street Downtown Brampton. This intersection is near the proposed terminal station for the Hurontario LRT, eventually rejected by Brampton City Council.



Brampton Gateway Terminal - the new terminus station for the Hurontario LRT.



# The Suburban Transit Village



Separated bike lanes and pedestrian cross walk create safe streets for everyone

Animated mixed-use streets with shopping and retail at grade level to support local economies

Greater choice and diversity of housing types

Street furniture and street trees create an inviting pedestrian environment for people to walk and linger

Walkable neighbourhoods at a comfortable human scale

Main street provides services for surrounding single-family homes

Transit-connected, vibrant streets with local amenities and office space attracts new employment to communities

Walkable transit-connected neighbourhoods mean you can leave your car at home (or not need one at all!)

New rapid transit is coming to the suburbs!

Complete communities where people want to live, work, shop and play

# 4 STEPS TO GET SUBURBS ON TRACK

Right now two of the region's biggest challenges are mobility and housing affordability. At this intersection lies an opportunity for the province to create the conditions for optimizing residential and commercial development in our urban and suburban centres, particularly around new transit infrastructure.

With the newly proposed provincial Growth Plan requirements coming into action, and the Big Move regional transit plan under review, here are four steps for the province to get Toronto's suburbs and surrounding municipalities "on track".

## 1 ENFORCE A TRANSIT QUID-PRO-QUO

**Off Track:** Despite the high costs to build, operate and maintain rapid transit, local governments have never been required to achieve minimum densities or land-use priorities along transit corridors or around stations, resulting in decades of low-density development around transit infrastructure and low ridership: For example, the Spadina subway extension and the Sheppard subway described earlier



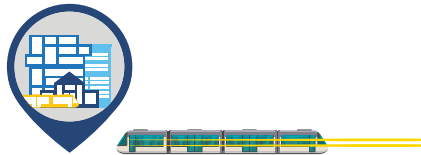
in this report. The newly approved Scarborough subway presents an opportunity to change this pattern, but only with strong actions.

**Getting on Track:** To complement the proposed changes to the Growth Plan, the province needs to take a far more assertive role to ensure that transit supportive densities and land-use plans are approved and enforced.

- I. Empower a provincial or regional agency (such as Metrolinx) to set and enforce transit-supportive densities and requirements along transit corridors, according to the transit targets proposed in the revised Growth Plan.
- II. Enforce a "transit quid-pro-quo" exchange to ensure that municipalities update their zoning to ensure that intensification occurs along transit infrastructure prior to receiving provincial funding for the construction of higher-order transit projects.
- III. Set out these conditions in the revised Big Move plan review. The Metrolinx Act, for example, includes a tool called the Transportation Planning Policy Statement (TPPS), which was created in 2008 but has never been used.<sup>30</sup> The TPPS could require municipalities to pre-zone for appropriate densities.

## 2 SPEED UP PLANNING FOR TRANSIT STATION AREAS AND CORRIDORS

**Off Track:** The proposed upgrades to the Growth Plan would require municipalities to meet increased densities around major transit station areas and along identified major transit corridors; however, it’s unclear how this will happen in a timely manner.



### GROWTH PLAN TRANSIT STATION DENSITIES<sup>31</sup>

Subway	200 residents and jobs per hectare
LRT or BRT	160 residents and jobs per hectare
RER <sup>26b</sup>	150 residents and jobs per hectare

The updated Growth Plan proposes that municipalities conform their Official Plans five years after the new Growth Plan, if approved, takes effect. However, municipalities have until 2041 to actually achieve the minimum gross density targets around major transit stations. This leaves a lot of time for business as usual before change happens on the ground.

The risk is that billions of dollars of new rapid transit is being planned and built now without clear and enforced direction to achieve necessary transit supportive densities for the future. In the next five to 10 years, the wrong type of built-form could begin to take hold around transit infrastructure, which will be difficult to retrofit later.

**Getting on Track:** The new Growth Plan should require that transit intensification plans come into effect in advance of full Official Plan conformity and prior to the construction of provincially-funded higher-order transit projects.

- I. Immediately, municipalities should be required to identify priority transit station areas where market interest exists for higher-density development and place-making, and develop action plans that allow transit-oriented development to proceed as quickly as possible.
- II. The province and Metrolinx should prioritize funding and construction of these identified priority station areas to provide certainty for developers, municipal investment and pre-zoning.
- III. All anticipated Big Move next wave infrastructure investments be included in updated municipal Official Plans and re-zone/ pre-zone in compliance with the proposed Growth Plan transit-density requirements.

### 3 PROVIDE SUPPORT FOR LOCAL MUNICIPALITIES

**Off Track:** Many municipalities lack resources and capacity to update zoning or undertake a Community Planning Permit System (CPPS) to plan for complete communities. A CPPS that works along one section of a main street may be challenging to scale up in larger municipalities.<sup>32</sup>



In addition, many local governments face strong community opposition to new development and higher densities, for which municipalities lack the tools to change the conversation to one of opportunities for neighbourhood improvement and city building.

**On-Track:** The province should consider providing technical and financial support for municipalities to undertake a re-zoning process for transit station areas and corridors. After all, with billions of dollars being spent on transit infrastructure, a very small investment in getting development right can go a long way.

An as-of-right zoning or a “Community Planning Permit System”<sup>33</sup> process pro-actively engages both the community and developers to collaboratively establish a vision for the neighbourhood and negotiate benefits for the community up front, while implementing a long-term, predictable planning framework for a transit corridor or station area.

A provincial directive through a “quid-pro-quo” would encourage local councillors who want major transit investment in their communities to



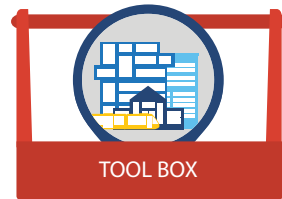
Low-density along Danforth subway is entrenched 50 years later due to stubborn built-form.

work with the municipality, developers and their local citizens to achieve the densities required by the provincial Growth Plan while also imagining and implementing a long-term positive vision for the community.



## 4 SHARPEN TOOLS FOR INTENSIFICATION

**OFF-TRACK:** Even with new transit and provincial support to pre-zone transit corridors for complete communities, it still may be challenging for municipalities to achieve these objectives. In many locations, it costs more to intensify development near transit stations than build low-density development in auto-oriented suburbs, because of higher land costs, expensive underground parking, and the lengthy approval process for multi-unit buildings.



In the case of Toronto's inner suburbs, where transit is being planned, it is challenging to attract development, especially commercial development. Many of the costs and fees associated with multi-unit development around transit would be the same in, say, Scarborough as they are for downtown Toronto, yet the sale or rental price of each unit downtown would be significantly higher, less risky and easier to finance.

Similarly, commercial development is cheaper to locate in auto-dependent suburban office parks than on main streets because of factors like less expensive surface parking. Today, we have an opportunity to fix some of the distortions to reduce barriers and encourage development around rapid transit – especially in the suburbs.

**On-Track:** The proposed amendments to the Growth Plan recommend that development within major transit station areas be supported by alternative development standards to remove barriers to intensification and help attract growth where it's needed.<sup>34</sup> While there is no

one-size-fits-all solution, options include reducing parking minimums, alternative standards for development charges and re-tooling parkland dedication fees.

### REDUCING PARKING BARRIERS

A major challenge in creating compact, walkable communities along transit lines is how to reduce large surface parking lots that take up valuable urban space and do not contribute to place-making, while still providing some necessary parking for employees, residents and patrons.

In denser neighbourhoods, underground parking is most efficient as it liberates surface space for other uses, but it can be very expensive — up to \$40,000 per space<sup>35</sup> and 15 times more expensive than surface parking. By comparison, surface parking in low-density areas costs only \$2,000 to \$8,000 per space.<sup>36</sup> As a result, many businesses and stores choose to locate in low-density neighbourhoods where surface parking is plentiful and free for customers and employees. Municipalities likewise cannot afford to build underground lots for public parking, even if it generates some revenue. And paid parking for downtown retail often cannot compete with free parking offered by big-box shopping.

**Reducing minimum parking.** Most GTHA municipalities require developers to provide a minimum number of parking spaces per residential unit built – a cost that gets passed onto homebuyers. In Toronto, the parking requirements are between 1 and 1.4 spaces per unit.<sup>37</sup> In Mississauga, the parking requirements are between 1.15 and 1.95 parking spaces per unit<sup>38</sup>, while Markham requires 1.5 spaces per unit.<sup>39</sup> Alternatively, Hamilton is lowering both residential and commercial

requirements along rapid transit corridors to less than 1 space per unit downtown, reducing and in some case eliminating minimums for retail there.

**Car sharing.** Some municipalities are allowing developers to accommodate car sharing services in lieu of minimum parking spots, recognizing that an increasing number of buyers and renters in proximity to transit are choosing car-free lifestyles. The City of Toronto has policies in place to reduce parking requirements in developments when car-sharing spaces are provided through a negotiated process.



In 2015, Calgary City Council approved the city’s first car free condo. Developers estimate that providing parking would have added as much as \$70,000 to the per unit cost. Buyers will also be given memberships and credits to nearby carsharing services.<sup>40</sup>

**Unbundling parking.** The amended Growth Plan proposes development near major transit station areas be supported by alternative development standards such as reduced parking requirements.<sup>41</sup> This allows developers to un-bundle parking, whereby fewer parking spots are built and they can be sold separately from the condo unit. A homebuyer can choose to pay an additional \$40,000 for a parking space or improve affordability by not doing so. Furthermore, the province’s Climate Change Action Plan includes policies to eliminate minimum parking requirements in municipal by-laws over the next five years.<sup>42</sup>

**Space sharing.** Markham is doing some creative sharing. Its Shared Parking Strategy allows the reduction of parking by-law requirements if a parking lot is being used for two or more uses (see table).<sup>43</sup>

PERMITTED USE	MORNING OCCUPANCY RATE	AFTERNOON OCCUPANCY RATE	EVENING OCCUPANCY
Assembly hall	10%	25%	100%
Banquet hall	20%	50%	100%
Business office	100%	95%	10%
Commercial fitness centre	25%	80%	100%
Hotel	80%	75%	100%
Industrial use	100%	95%	10%
Recreational Establishment	25%	80%	100%
Retail store	50%	100%	100%
Theatre	0%	50%	100%

Uses included in Markham’s Shared Parking Strategy.

## TAKING CHARGE

Development Charges (DCs) are paid to municipalities by developers in order to recover the costs of growth-related infrastructure such as roads, transit and sewers (both for new infrastructure as well as upgrading and retrofitting existing infrastructure to accommodate higher densities). Changing how these charges are applied can help incentivize transit-oriented development.<sup>44</sup>

- The City of Ottawa's use of area-specific development charges that reflect the costs of development borne by municipalities, such as roads, sewers and other growth infrastructure is higher for areas outside of the city's Greenbelt than for intensification closer to the city centre.<sup>45</sup>
- The City of Brampton's Community Improvement Plan (CIP) includes a DC Incentive Program that provides discounted DCs in the central area where intensification and mixed-use is targeted, using a scoring system based against a set of criteria.<sup>46</sup>
- The City of Kitchener has exempted DCs for new development within specific downtown areas along the pre-zoned LRT corridor under construction as an incentive to support transit and meet the urban growth centre targets in the Growth Plan. The City report comments on the potential to hold the exempted projects to the highest design standard with the right to refuse an application if the design quality was insufficient.<sup>47</sup>

Exempting development charges can be risky for municipal budgets as DCs represent a crucial source of revenue. However, over the long-term,

the denser development encouraged by the DC exemption is expected to result in a greater number of ratepayers – from both commercial and residential municipal property taxes – to offset lost DC revenue and ensure transit ridership.



New development along King Street in Downtown Kitchener is currently exempt from development charges and will be the site for a portion of the ION LRT route.



## RE-TOOLING PARKLAND DEDICATION

When a developer is proposing a community, it must set aside part of the land to be used as parkland. When there isn't enough space to create a park, a developer can provide cash-in-lieu of parkland, and this money goes into the city-wide parks budget. The cash-in-lieu payments are calculated based on a formula<sup>48</sup> that is skewed against high-rise and mid-rise, since land values increase substantially as densities increase. At their most extreme, cash-in-lieu payment requirements can actually be greater than the value of the land being developed.

In the 90s, parkland dedication can account for more than \$20,000 of the cost of a condo unit. A recent development in Richmond Hill saw the cost reach \$37,000 per unit.<sup>49</sup> These costs are then passed on to homebuyers and become a barrier to compact development, particularly in the 90s, where denser urban centres along transit need to be encouraged.

The provincial government recently updated the maximum calculation of cash-in-lieu for parkland dedication<sup>50</sup>, however, municipalities still need to adjust the cash-in-lieu formula or put a cap on payments to support greater fairness for higher density developments, which would help facilitate transit-oriented development.

**Capping the cash.** Municipalities could cap parkland cash-in-lieu to not exceed the value of a portion of the size of the development site. This ceiling could be targeted to growth centres and transit corridors to make transit-oriented development and housing more cost effective in the exact locations where growth should be encouraged.

**Changing the formula.** Municipalities could modify parkland dedication formulas to support intensification in urban growth centres and along transit corridors. There are a variety of ways of doing this such as a per-person rather than per-unit formula, or separate formulas could be created for low- and high-density developments, or separate formulas could be implemented in specific geographic areas around transit where medium- and high-density development should be encouraged.

Toronto has placed a cap on cash-in-lieu payments based on the size of the development site and has set an alternative rate of 0.4 hectares dedicated per 300 units.<sup>51</sup> The City of Toronto's cash-in-lieu parkland standard is a great example of innovative alternative development standards. It recognizes that maximum standards in the Planning Act don't make sense in already heavily urbanized areas that do not have swaths of lands available to be utilized for parkland.



# Endnotes

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