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The Regional Municipality of Durham Report

To: Committee of the Whole
From: The Commissioner of Finance and the Commissioner of Planning and Economic Development
Report: #2019-COW-26
Date: November 13, 2019

Subject:

Advancing Rapid Transit Implementation and Transit Oriented Development in Durham Region

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That Metrolinx be advised that Durham Region supports the extension of all day GO train service along the Lakeshore East line with a connection to the CP Rail Line, including new stations at Thornton's Corners, Central Oshawa, Courtice and Central Bowmanville;
- B) That the Province of Ontario be urged to commit the necessary funding for the timely implementation of the alignment and four new stations along the CP Rail Line;
- C) That Regional Planning staff be directed to accelerate the review and development of policies, including delineations and density targets for Major Transit Station Areas under "Envision Durham", the Region's Municipal Comprehensive Review of the Durham Regional Official Plan, in accordance with 2.2.4.5 of the Provincial Growth Plan for the Greater Golden Horseshoe, and section 16 of the Planning Act;
- D) That the Commissioner of Planning and Economic Development, the Commissioner of Works and the General Manager, Durham Region Transit be directed to establish a Rapid Transit Implementation/Transit Oriented Development Office for Durham Region and that a senior level staff position to lead the design and establishment of the Office, with administrative support, be included for consideration within the 2020 Regional Business Planning and Budgeting process;
- E) That a copy of this report be sent to: the Minister of Transportation; the Minister of Municipal Affairs; the Minister of Economic Development, Job Creation and Trade; the President and Chief Executive Officer at Metrolinx, the Metrolinx Board of

Directors; Durham Members of Provincial Parliament and Durham area municipalities.

Report:**1. Purpose**

- 1.1 On June 12, 2019, Committee of the Whole considered a report (Report #2019-COW-19) from the Commissioner of Finance and the Commissioner of Planning and Economic Development regarding the proposed GO East Extension to Bowmanville, and efforts being undertaken by Metrolinx to consider alignment options for the Extension beyond that which was approved in 2011 along the CP Rail Line.
- 1.2 The report indicated that the economic development and revitalization opportunities offered by stations along the GO East Extension are fundamental to the consideration of rail alignment options, and that a comparative evaluation of Transit Oriented Development (TOD) and related economic development opportunities around future stations is needed to provide decision makers, affected landowners and the public with important information when considering alternatives.
- 1.3 The following resolution was subsequently passed by Council:
 - a. That the update on the GO East Extension to Bowmanville provided within this report be received for information;
 - b. That a Transit Oriented Development Evaluation exercise be undertaken as a sole source contract by N. Barry Lyon Consultants Limited, at a cost not to exceed \$150,000, to be financed at the discretion of the Commissioner of Finance and completed by December 31, 2019, in order to examine the potential impact of route alignments on private sector investment at proposed GO Station locations along the GO East Extension to Bowmanville;
 - c. That the Commissioner of Finance be authorized to execute the necessary agreements;
 - d. That Regional Council be apprised on the findings and recommendations that are contained in the Transit Oriented Development Evaluation upon its completion;
 - e. That Metrolinx and the Province of Ontario be requested to reaffirm their commitment to the CP alignment approved in 2011 through the Oshawa to Bowmanville Rail Service Expansion and Rail Maintenance Facility Transit Project Assessment Process Environmental Assessment; and
 - f. That a copy of this report be sent to the Minister of Transportation, the President and Chief Executive Officer at Metrolinx, Durham Members of Provincial Parliament, and Durham area municipalities.
- 1.4 The purpose of this report is to inform Committee of the findings and recommendations from N. Barry Lyons Consulting Limited (NBLC) and to provide staff's recommendations and next steps in keeping with its key findings.

2. The Importance of Transit Oriented Development

- 2.1 Higher Order Transit (such as heavy rail [GO Rail]) and Light Rail Transit (LRT) stations tend to generate greater interest for developing surrounding lands than typical surface transit stops, as they represent high capital investments, permanent commitments to service, stronger transit ridership potential, and can serve as focal points for other transit routes and modes of transportation.
- 2.2 Transit Oriented Development (TOD) provides high density, compact development close to Higher Order Transit stations, and includes an integrated mix of uses such as office, residential, retail, community uses, and other uses that support transit ridership. The benefits of TOD include:
 - a. Building on the significant place-making opportunities surrounding transit stations, where pedestrian-oriented streets, parks, squares and buildings become comfortable and desirable gathering places.
 - b. Enhancing housing choice and affordability through higher density housing types, where seniors, students and lower-income earners can benefit from access to transit as a priority mode of travel.
 - c. Providing focal points for density, where there is a reduced need to drive, and where parking requirements for new developments can be lessened so they may develop more efficiently.
 - d. Providing opportunities for strong connections to local transit service and supporting their evolution into major transit hubs.
 - e. Providing opportunities for developing focal points for bicycle and active transportation, with facilities and amenities that support these non-automobile forms of travel.
 - f. Optimizing the value of transit and infrastructure investment around transit nodes.

3. Findings

- 3.1 NBLC identified several attributes required for transit to have a positive impact on real estate:
 - a. There must be frequent, reliable and affordable transit service. For example, in the GTHA context, the TTC subway has the most significant impact on real estate given its low cost, high frequency, and consistency in service levels.
 - b. There must be strong market fundamentals, including strong population growth potential and a positive economic context, including a favourable debt and job environment.
 - c. There must be a positive market context (i.e. the type and quality of community and the associated commercial and public amenities), such as employment opportunities, retail, parks, community centres and schools will affect the marketability of an area to different market segments.
 - d. There must be positive development economics, such that the costs of development are in line with market pricing.

- e. There must be a supportive planning framework, such that official plan policies and supportive zoning requirements remove unnecessary obstacles and provide greater certainty regarding acceptable built form and densities.
 - f. Adequate infrastructure and development fees (parkland, development charges, etc.) that must not be prohibitive.
 - g. There must be available vacant or underutilized development sites.
- 3.2 Transit can improve market demand and positively impact residential, office, and retail/service uses through:
- a. Increasing the value of existing land uses.
 - b. Stimulating land use changes and captures associated market demand.
 - c. Creating market demand to support land uses that may otherwise not occur (i.e. office uses).
- 3.3 NBLC examined the alternative route options provided by Metrolinx, and to provide a comparative examination of these routes from the standpoint of TOD. NBLC's findings indicate strong support for the CP alignment north of Highway 401, with the four stations at Thornton's Corners, Central Oshawa, Courtice and Central Bowmanville as it offers the most significant land value, market, and community benefits, for the best opportunity to:
- a. Shift the Region of Durham's pattern of growth to a more transit-based community.
 - b. Capture the economic, social and health benefits associated with TOD.
 - c. Support provincial, regional, and local land use objectives including the achievement of density targets.
 - d. Establish development around stations that would be more urban, offering a more sustainable ridership and better transit experience.
 - e. Build on and leverage public investments made at Thornton's Corners and Downtown Oshawa, maximizing their benefits.
 - f. Support Downtown Oshawa with the construction of the Central Oshawa station.
 - g. Capitalize on a healthy and improving TOD market, and strong landowner interest.
 - h. Share a portion of costs through land value capture techniques.
- 3.4 The CP alignment also provides a significant opportunity to support the Region's transitioning employment base and job growth, capturing the associated local and regional spinoff benefits, and the potential to support significantly more jobs and housing than any of the other alternatives.
- 3.5 The possible stations along the CN alignment (at Ritson South and South Bowmanville Avenue (previously Waverley Road) were also examined and were found to be of particular concern for the following reasons:

- a. The south Bowmanville Avenue (formerly Waverley Road) station is physically constrained and located within an industrial context, where TOD opportunities are not possible.
- b. The Ritson South station location is constrained due to barrier effect of Highway 401, existing natural features and industrial uses.
- c. The Ritson South station location would compete for investment that would otherwise be attracted to the Oshawa Downtown or other areas already designated for growth and would undermine Oshawa's efforts to support and encourage investment in the Downtown.

3.6 It is recommended that that Metrolinx be advised that Durham Region supports the extension of all day GO train service along Lakeshore East line with a connection to the CP Rail Line, including new stations at Thornton's Corners, Central Oshawa, Courtice and Central Bowmanville. It is also recommended that the Province of Ontario be urged to commit the necessary funding for the timely implementation of the alignment and four new stations along the CP Rail Line.

3.7 NBLC recommended a path forward to put in place the necessary expertise, plans, policies and programs to ensure the successful implementation of TOD in Durham, including:

- a. Establishing leadership by creating a Regional Rapid Transit Implementation/ Transit Oriented Development Office:
 - Moving TOD forward involves a series of complex and interrelated activities. In this respect, NBLC recommends that a dedicated Office be established to oversee and co-ordinate activities to ensure alignment and focus, including:
 - (a) Providing input into the development and coordination of detailed planning and fiscal impact work around TOD for Major Transit Station Areas.
 - (b) Liaising with Metrolinx and other stakeholders on the implementation, scope and timing of detailed project plans.
 - (c) Providing input and recommendations on the timing and delivery of infrastructure projects.
 - (d) Managing the coordination of a consistent TOD centred communication strategy.
 - (e) Leading advocacy initiatives to support TOD.
 - (f) Developing partnerships with the agencies and the private sector so that development projects are consistent with the advancement of TOD principles.
 - (g) Working with Regional Finance staff to investigate and recommend land value capture techniques.
 - (h) If necessary, exploring a land acquisition strategy leading to the strategic assembly of lands around transit stations.

- b. Creating Focus
 - Metrolinx should discontinue review of other alternatives and approve, in-principle, the Extension along the CP alignment. The elimination of confusion regarding routing options would allow the Region, local municipalities, and Metrolinx to work co-operatively and confidently together towards this common goal.
 - c. Planning and Fiscal Analysis
 - NBLC notes that the successful implementation of TOD requires that appropriate planning policies be in place. In this respect, more detailed planning for each station area is necessary to better understand probable densities, phasing, land uses, community benefits, open space requirements, public facilities and supportive infrastructure requirements to support development.
 - Once detailed plans are developed, the costs of installing the necessary services and community facilities could then take place, to allow an assessment of the fiscal requirements and opportunities from future development, and a funding strategy to address these costs.
 - d. Development Strategy
 - The timing and phasing of development and transit would need to be determined and ideally aligned, so that a capital strategy can be developed, and the timing of development participation can be established.
 - Opportunities for the development community to contribute to the delivery costs of transit and/or supportive infrastructure through such mechanisms as property taxes, development charges; joint venture partnerships; voluntary front-ending agreements; and, public acquisition of TOD land would need to be explored.
 - Funding for such an approach may differ from station to station and would likely be required from a combination of sources, strategies, and partners.
- 3.8 The successful planning and long-term implementation of TOD requires collaboration, mutual support, consistent focus and specialized expertise. It is necessary that in-depth expertise at the Regional level lead a multi-departmental and intergovernmental staff group to develop multi-stakeholder planning and financial strategies in order to be successful in TOD execution.
- 3.9 Consistent with NBLCs recommendations, a dedicated senior level staff position should lead the Office within Durham to support strategic decision-making, based on an integrated approach to future station planning, project delivery and TOD development. Detailed expertise on multiple specialties related to land use planning, policy and regulatory development, urban design supporting place-

making, real estate acquisition and negotiation, detailed expertise in project management, development charges, negotiation and multi-stakeholder facilitation is necessary. Dedicated administrative support for the Office would be needed at the outset. Staff complement within the Office could be expected to grow to six staff as projects come on stream.

- 3.10 This position would also liaise with internal departments, area municipalities, agencies and Metrolinx to help advance and coordinate detailed station plans with surrounding TODs to ensure that future development designs, project phasing, financing strategies and planning are complementary, coordinated and mutually supportive.
- 3.11 This approach is a standard best practice which exists in municipalities where other major rapid transit initiatives have been introduced such as Ottawa, Hamilton and Niagara Region.
- 3.12 In addition to providing dedicated focus for the GO East Extension, the Office could also advance other rapid transit initiatives as they arise, including the completion of Bus Rapid Transit (BRT) on Highway 2 and rapid transit on Simcoe Street.
- 3.13 **It is recommended that the Commissioner of Planning and Economic Development, the Commissioner of Works and the General Manager, Durham Region Transit be directed to establish a Rapid Transit Implementation/ Transit Oriented Development Office for Durham Region and that a senior level staff position to lead the design and establishment of the Office, with administrative support, be included for consideration within the 2020 Regional Business Planning and Budgeting process.**

4. Addressing Major Transit Station Areas within Envision Durham

- 4.1 The Region is currently undertaking “Envision Durham” - the Municipal Comprehensive Review of the Durham Regional Official Plan. Over the course of 2019, Regional staff have prepared and released a series of Discussion Papers, and policy proposals will be developed in late 2020 following the receipt of public and stakeholder input.
- 4.2 One of the subject areas being dealt is with respect to Growth Management, which deals with a broad suite of issues and requirements affecting growth that the Region must consider, including identifying and delineating and prescribing policies for Major Transit Station Areas (MTSAs).
- 4.3 The Provincial Growth Plan (A Place to Grow, 2019) provides policies for MTSAs which are defined as “the area including and around any existing or planned high order transit station within a settlement area; or the area including and around a major bus depot in an urban core. MTSAs generally are defined as the area within a 500 to 800 metre radius of a transit station, representing a 10-minute walk”.

- 4.4 In June 2019, proposed delineations of MTSAs were presented within the Growth Management Discussion Paper for Envision Durham, based on extensive consultation with area municipal planning staff. These proposed delineations recognize the significant opportunities to direct intensification and growth in a manner that maximizes the benefits of being within proximity of higher-order transit.
- 4.5 Section 3.2.3 (“Moving People”) of the Provincial Growth Plan indicates that:
1. Public transit will be the first priority for transportation infrastructure planning and major transportation investments.
 2. All decisions on transit planning and investment will be made according to the following criteria:
 - a. How they align with, and support, the priorities identified in Schedule 5 (Moving People – Transit) of the Plan.
 - b. Prioritizing areas with existing or planned higher residential or employment densities to optimize return on investment and the efficiency and viability of existing and planned transit service levels.
 - c. Increasing the capacity of existing transit systems to support strategic growth areas.
 - d. Expanding transit service to areas that have achieved, or will be planned to achieve, transit- supportive densities and provide a mix of residential, office, institutional, and commercial development, wherever possible.
 - e. Facilitating improved linkages between and within municipalities from nearby neighbourhoods to urban growth centres, MTSAs, and other strategic growth areas.
 - f. Increasing the modal share of transit.
 - g. Contributing towards the provincial greenhouse gas emissions reduction targets.
- 4.6 The Provincial Growth Plan requires that MTSAs on priority transit corridors be planned for a minimum density target of 150 residents and jobs combined per hectare for those that are served by the GO Transit rail network.
- 4.7 The Provincial Growth Plan indicates that within all MTSAs, development will be supported, where appropriate, by:
- a. Planning for a diverse mix of uses, including second units and affordable housing, to support existing and planned transit service levels.
 - b. Fostering collaboration between public and private sectors, such as joint development projects.
 - c. Providing alternative development standards, such as reduced parking standards.
 - d. Prohibiting land uses and built form that would adversely affect the achievement of transit- supportive densities.

- 4.8 The Provincial Growth Plan also indicates that all MTSAs will be planned and designed to be transit- supportive and to achieve multimodal access to stations and connections to nearby major trip generators by providing, where appropriate:
- a. Connections to local and regional transit services to support transit service integration.
 - b. Infrastructure to support active transportation, including sidewalks, bicycle lanes, and secure bicycle parking.
 - c. Commuter pick-up/drop-off areas.
- 4.9 Although there are general policies within the current Durham Regional Official Plan which enable transit supportive development, there are no specific policies which prescribe minimum densities, a mix of uses, or TOD within MTSAs as prescribed by the Provincial Growth Plan.
- 4.10 The Provincial Growth Plan indicates that upper-tier municipalities may delineate the boundaries of MTSAs and identify minimum density targets for MTSAs in advance of the next municipal comprehensive review¹, provided it is done in accordance with subsection 16 (16) of the Planning Act.
- 4.11 Subsection 16 (16) of the Planning Act indicates that the official plan of an upper-tier municipality may include policies that identify the area surrounding and including an existing or planned higher order transit station or stop as a protected MTSA and that delineate the area's boundaries, and if the official plan includes such policies it must also contain policies that,
- a. identify the minimum number of residents and jobs, collectively, per hectare that are planned to be accommodated within the area; and
 - b. require official plans of the relevant lower-tier municipality or municipalities to include policies that,
 - (i) identify the authorized uses of land in the area and of buildings or structures on lands in the area; and
 - (ii) identify the minimum densities that are authorized with respect to buildings and structures on lands in the area.
- 4.12 Bill 108 amended the Planning Act by allowing inclusionary zoning policies within official plans to apply to protected MTSAs. There is an opportunity to establish inclusionary zoning policies within MTSAs to further support the delivery of affordable housing within these areas.
- 4.13 There is an opportunity to proactively plan for TOD and develop a strategic approach which coordinates proactive land use and fiscal planning with infrastructure planning and place-making. **It is recommended that Regional**

¹ The "next municipal comprehensive review" refers to the date of adoption of the current MCR by Regional Council.

Planning staff be directed to accelerate the review and development of policies, including delineations and density targets for Major Transit Station Areas under “Envision Durham”, the Region’s Municipal Comprehensive Review of the Durham Regional Official Plan, in accordance with 2.2.4.5 of the A Place to Grow, 2019, and section 16 of the Planning Act.

5. Conclusion

- 5.1 Based on NBLCs additional work and analysis, it is recommended that Durham Region continue to support the extension of all day GO train service along Lakeshore East line with a connection to the CP Rail Line, including new stations at Thornton’s Corners, Central Oshawa, Courtice and Central Bowmanville.
- 5.2 There is a strategic opportunity to advance detailed land use and fiscal planning to enable TOD development within Major Transit Station Areas in Durham Region.
- 5.3 A Durham Region Rapid Transit Implementation/Transit Oriented Development Office with dedicated and specialized staff leadership would advance this objective.
- 5.4 **It is recommended that this report be sent to: the Minister of Transportation; the Minister of Municipal Affairs; the Minister of Economic Development, Job Creation and Trade; the President and Chief Executive Officer at Metrolinx, the Metrolinx Board of Directors; Durham Members of Provincial Parliament and Durham area municipalities.**

Respectfully submitted,

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