

Zoning could be key to funding downtown relief line

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Toronto's downtown relief subway line—should the political will needed to build it ever materialize—could partly fund itself, to say nothing of the skyrocketing valuations that will result.

According to Andy Manahan, executive director of the Residential and Civil Construction Alliance of Ontario, the municipal government can use zoning as a bargaining chip with developers to pay for the proposed network expansion by negotiating additional storeys.

“If a building is only zoned for five storeys but the developer is given 20 storeys, that extra 15 storeys is worth a lot of money and developers would be willing to pay it,” said Manahan. “If we build a relief line, we have to place more density at the station so that there's more land value capture. If you do that link between land use and transit, you can do some creative financing in the long-run as well, and get some more developers on board.”

Many existing TTC subway stations were created as architectural monuments rather than into the sides of buildings, which is what would adequately succour density. And if the mere rumour of below-grade infrastructure is enough to cause property values to rise, imagine what a unit 25 storeys above a subway platform would be worth.

“Typically, once an announcement is made about where the line will go, property values do increase, so the trick is how we ensure we can capture some of that increase in value,” continued Manahan.

However, more is at stake than optimizing real estate values. Toronto’s current subway network is overcapacity and its platforms dangerously brim with people. Given how many skyscrapers will continue sprouting downtown, not to mention the already low office vacancy rate, Manahan warns that the network’s capacity troubles are worsening.

“We have a lot of growth in the downtown core, and it’s not just residential,” he said. “There’s about 5.7mln square feet that will be added to the downtown office segment by 2020.”

Davelle Morrison of Bosley Real Estate echoed Manahan: “Right now, without further additional building of office space downtown, we already know we need the relief line. If you add more people working downtown and more people living downtown, because immigration numbers are high and more and more people are moving to Toronto in particular, it’s a no-brainer to me about why you would need the downtown relief line. It’s already needed, but 10, 15 years from now, it’s going to be needed even more.”

The RCCAO has been an outspoken proponent of the downtown relief line, taking out full-page newspaper ads and even launching a Twitter campaign called #GimmeRelief.

The earliest the downtown relief line could complete is 2031, however, there’s no official plan to build it. In fact, it’s as much of a pipe dream today as it was a decade ago—and making matters more frustrating for commuters, the Scarborough subway line has been given priority.

Backwards thinking, says Manahan, because sequencing is important and dictates building the network outward rather than inward, where support infrastructure is presently non-existent.

But he takes solace in Ontario’s political parties acknowledgment that the downtown relief line needs to be built.

“Over the last 50 years, the relief line is talked about occasionally and never gets built. It’s an important project and recognized by all four provincial parties. After June 7, no matter which party is in power, they will have to continue.”