

Overview of Realignment of MIDP Threshold Issues



On June 24, 2019, Waterfront Toronto released Sidewalk Labs' draft Master Innovation and Development Plan (MIDP) to the public together with an [Open Letter](#) from Board Chair, Stephen Diamond. The table summarizes what was initially proposed in the MIDP and the realignment agreed to by Sidewalk Labs.

<p>Threshold Issue: "Sidewalk Labs proposes the up-front creation of an IDEA District that covers a much larger area than the 12 acres of Quayside. Waterfront Toronto has told Sidewalk Labs that the concept of the IDEA District is premature, and that Waterfront Toronto must first see its goals and objectives achieved at Quayside before deciding whether to work together in other areas. Even then, Waterfront Toronto would only move forward with the full collaboration and support of the City of Toronto, particularly where it pertains to City-owned lands."</p>	
<p>Project Boundaries</p> <p>Sidewalk Labs proposed the creation of an IDEA District that covers a much larger area than the 12 acres of Quayside, at 190 acres.</p>	<p>Realignment:</p> <p>The scope of the project is Quayside (12 acres) and the IDEA District concept has been removed.</p> <p>Based on performance at Quayside, Waterfront Toronto recognizes that new jobs and economic development opportunities could result from future expansion.</p>
<p>Innovation Plan</p> <p>Sidewalk Labs proposed leading the development of Innovation Development Standards and Guidelines across the proposed "IDEA District", for approval by Waterfront Toronto.</p>	<p>Realignment:</p> <p>Based on the MIDP, Waterfront Toronto and Sidewalk Labs would develop an Innovation Plan to achieve Waterfront Toronto's priority outcomes.</p> <p>This Innovation Plan will be subject to the results of Waterfront Toronto's evaluation and further public consultation. The Plan will be dynamic, and capable of responding to emerging technologies, as well as addressing regulatory issues or barriers to implementation and adoption.</p>
<p>Threshold Issue: "Sidewalk Labs proposes to be the lead developer of Quayside. This is not contemplated in the PDA. Should the MIDP go forward, it should be on the basis that Waterfront Toronto lead a competitive, public procurement process for a developer(s) to partner with Sidewalk Labs."</p>	
<p>Vertical Development Partner Process</p> <p>Sidewalk Labs proposed to be the lead vertical real estate developer at Quayside.</p>	<p>Realignment:</p> <p>Waterfront Toronto would lead a competitive public procurement process for vertical development team(s). Sidewalk Labs would partner with one of more real estate developers for the vertical development of Quayside.</p>
<p>Implementation Roles and Responsibilities</p> <p>Sidewalk Labs proposed roles for themselves, regarding the design and implementation of infrastructure, as well as advisory services related to innovation planning and design.</p>	<p>Realignment:</p> <p>Waterfront Toronto would lead planning, design and delivery of traditional municipal infrastructure, including parks, promenades, streets and sidewalks, water and sewer.</p> <p>Waterfront Toronto will engage Sidewalk Labs in a collaborative effort to integrate municipal and advanced infrastructure innovations, where appropriate.</p> <p>Sidewalk Labs would lead implementation and integration of advanced infrastructure systems and will pay for any municipal infrastructure costs that exceed the current Waterfront Toronto standards.</p>
<p>Threshold Issue: "Sidewalk Labs' proposals require future commitments by our governments to realize project outcomes. This includes the extension of public transit to Quayside prior to development, new roles for public administrators, changes to regulations, and government investment. These proposals raise important implementation concerns. They are also not commitments that Waterfront Toronto can make."</p>	
<p>Waterfront LRT</p> <p>Sidewalk Labs indicated that a public commitment to fund and deliver the extension of the Waterfront LRT is a pre-requisite for them to proceed with the project.</p>	<p>Realignment:</p> <p>Waterfront Toronto does not have jurisdiction over the approval of capital funding for public transit. Waterfront Toronto will continue to support and advocate for a higher-order transit solution.</p>
<p>Threshold Issue: "Sidewalk Labs has initial proposals relating to data collection, data use, and digital governance. We will require additional information to establish whether they are in compliance with applicable laws and respect Waterfront Toronto's digital governance principles."</p>	
<p>Digital Governance and Privacy</p> <p>Sidewalk Labs proposed initiatives related to data collection, data use and governance that included the formation of a new Urban Data Trust.</p> <p>As stated above, Waterfront Toronto required additional information to review applicability and compliance with Canadian laws and its draft Digital Principles.</p> <p>Additionally, Waterfront Toronto has received feedback and concerns related to privacy and data governance from the public and stakeholders through the Civic Labs and public meetings. The Digital Strategy Advisory Panel and Information Commissioner of Ontario have also provided feedback.</p>	<p>Realignment:</p> <p>Waterfront Toronto will lead all digital governance and privacy matters related to the project, including interactions with its government stakeholders. Sidewalk Labs has reaffirmed its commitment to comply with all existing and future privacy legislation, regulations and policy frameworks.</p> <p>Sidewalk Labs agrees that personal information will be stored and processed in Canada, and would use commercially reasonable efforts to store and process non-personal data in Canada, has removed the expectation for creation of the proposed "Urban Data Trust", and agrees to not use "Urban Data" as a term, and would instead rely on existing terminology and legal constructs.</p> <p>Sidewalk Labs agrees to work with Waterfront Toronto and governments to ensure proposed solutions do not impede accessibility, freedom of association, freedom of expression, equitable treatment of marginalized groups, and public engagement.</p> <p>Both parties are committed to ethically responsible innovation that reflects public values and enhances the public good, and to Waterfront Toronto's Digital Principles and emerging Intelligent Community Guidelines.</p>
<p>Ecosystem Development</p> <p>To further spur the creation of a new urban innovation cluster, Sidewalk Labs offered to provide \$10 million in initial seed funding for an Urban Innovation Institute, as well as committing \$10 million to a venture fund (side-by-side with other institutional funding partners, including one or more local venture firms) that would invest in local startups focused on urban innovation.</p>	<p>Realignment:</p> <p>Sidewalk Labs reaffirms these contributions to ecosystem development, as well as committing to ensuring that the fund shall raise at least 50% of its funds from Canadian investors, that there would be substantive Canadian representation on its investment board, and that Waterfront Toronto have visibility into the investment program. Sidewalk Labs would work with a local partner to manage the fund to secure additional fund participation, alongside the initial \$10M. The business plan for Urban Innovation Institute would be prepared by Waterfront Toronto and Sidewalk Labs and the program would not create a financial burden for governments or broader public sector.</p>
<p>Intellectual Property/Data Ownership</p> <p>In the MIDP, Sidewalk Labs put forward a 'patent pledge' that it would not assert its digital innovation hardware or software patents issued in Canada.</p> <p>Sidewalk Labs also proposed that the public sector receive 10 percent of Sidewalk Labs' profits from Testbed-Enabled Technology for a 10-year period.</p>	<p>Realignment:</p> <p>Sidewalk Labs has agreed to offer a global patent pledge for Canadian innovators to use all of Sidewalk Labs' Canadian and foreign patents covering hardware and software digital innovations.</p> <p>The public sector will be entitled to a revenue stream on products and services piloted in Waterfront Toronto-facilitated testbeds, based on global net revenues. Further, whether or not the MIDP is approved or implemented, Sidewalk Labs grants Waterfront an irrevocable, perpetual license to use the Site-Specific IP created through the process of developing the MIDP.</p>
<p>Additional areas of alignment:</p>	
<p>Methodology for Pricing Lands</p> <p>As a component of future developer partnerships, an understanding of land value was required. This is also a requirement of the Plan Development Agreement.</p>	<p>Waterfront Toronto will receive fair market value for the land at the time of sale (current appraised value is approximately \$590 million) and will make investments aligned with its public policy objectives such as affordable housing and sustainability.</p>
<p>Waterfront Toronto Investments</p> <p>To understand financial trade-offs associated with Waterfront Toronto public policy objectives, and to inform the strategy for engaging developer partners, Waterfront Toronto reviewed potential investments.</p>	<p>Waterfront Toronto will make investments in its public policy objectives, specifically addressing affordable housing, sustainability and other innovations that achieve Waterfront Toronto's project objectives. Additionally, Waterfront Toronto will continue to work with governments and others to secure additional funds in support of the priority outcomes and the Innovation Plan.</p>