

## WATERFRONToronto

### Phase 1 Update: Economic Impact Analysis (2001-2010)



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## Executive Summary

- Between 2001 and March 2010, WATERFRONToronto, directly or indirectly through other public agencies, has invested over \$750 Million into revitalization projects. This equates to \$840 Million in constant 2010 dollar terms after adjusting for inflation.
- 87% of WATERFRONToronto’s expenditures were made in Toronto and 95% were made in Ontario.
- The largest share of WATERFRONToronto’s expenditures were made in creative, knowledge-based industries, including design, engineering and environmental services, and construction related industries.
- WATERFRONToronto contributes funds towards projects that are not only under its own direction but also to other public agencies for the provision of regional infrastructure impacting the waterfront, such as GO Transit.
- Direct investment by WATERFRONToronto between 2001 and 2010 has created:
  - Approximately 9,700 full-time years of employment, of which almost 70% were in the City of Toronto. The majority of the jobs created were in the *construction* sector, the *professional, finance, insurance, real estate and leasing* sector, and the *scientific and technical services* sector which are associated with skilled and high value jobs. Jobs in the latter sector are largely related to design, engineering and environmental services with a high degree of innovation and are in industries which are targeted by the City and the Province as part of their economic development initiatives.
  - \$1.9 Billion in total economic output to the Canadian economy. The majority of this economic growth will accrue in the City of Toronto.
  - Total government revenues of approximately \$207 Million to the Federal Government, approximately \$143 Million to the Provincial Government, and approximately \$23 Million to the City of Toronto.
- Although these expenditures are significant, they are still quite small compared to the recurring benefits, such as permanent jobs, property taxes, income taxes, tourism spending etc. that will be experienced with the development of the office,

residential, commercial and cultural and entertainment uses, that would not occur without the initial direct investment by WATERFRONToronto.

- In addition to these quantitative benefits, the investment and leadership demonstrated by WATERFRONToronto will:
  - enhance Toronto’s, Ontario’s and Canada’s reputation as international visitor destinations;
  - raise the profile of Toronto, Ontario and Canada as a world-class place to do business and to work;
  - develop Toronto’s reputation as a true-waterfront City, that rivals the best in the world;
  - demonstrate Canadian leadership in the area of urban sustainability and community revitalizations;
  - competitively position Toronto as a leading global centre for creativity, design, and green innovation; and
  - attract billions of dollars in private sector construction and business investment.

# 1. Expenditure Summary

## 1.1 Direct Expenditure by Industry Category and Vendor Origin

Figure 1-1 summarizes total expenditures between April 1, 2001 and March 31, 2010 by industry classification and vendor origin.

**FIGURE 1-1: Direct Expenditure by Industry Category and Vendor Origin**

Industry Category (NAICS 2007)	Vendor Origin				TOTAL	%
	Toronto	Other Ontario	Other Canada	International		
ACCOMODATION AND FOOD SERVICES	\$648,000	\$49,000	\$1,000	\$0	\$698,000	0%
ADMINISTRATIVE AND OTHER SUPPORT SERVICES	\$3,554,000	\$87,000	\$251,000	\$3,000	\$3,895,000	1%
ARTS, ENTERTAINMENT AND RECREATION	\$315,000	\$35,000	\$22,000	\$4,000	\$376,000	0%
CONSTRUCTION	\$240,918,000	\$32,155,000	\$1,099,000	\$0	\$274,172,000	36%
CROP AND ANIMAL PRODUCTION	\$0	\$8,000	\$0	\$0	\$8,000	0%
EDUCATION SERVICES	\$162,000	\$12,000	\$1,000	\$17,000	\$192,000	0%
FINANCE, INSURANCE, REAL ESTATE AND RENTING AND LEASING	\$180,061,000	\$1,889,000	\$13,000	\$121,000	\$182,083,000	24%
PUBLIC ADMINISTRATION	\$42,274,000	\$704,000	\$0	\$0	\$42,979,000	6%
INFORMATION AND CULTURAL INDUSTRIES	\$2,542,000	\$180,000	\$40,000	\$106,000	\$2,868,000	0%
MANUFACTURING	\$979,000	\$61,000	\$472,000	\$0	\$1,511,000	0%
MINING AND OIL AND GAS EXTRACTION	\$11,000	\$163,000	\$0	\$0	\$173,000	0%
OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	\$1,226,000	\$58,000	\$0	\$1,866,000	\$3,150,000	0%
PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	\$162,396,000	\$26,144,000	\$7,493,000	\$28,411,000	\$224,444,000	30%
RETAIL TRADE	\$431,000	\$260,000	\$0	\$0	\$691,000	0%
TRANSPORTATION AND WAREHOUSING	\$1,670,000	\$150,000	\$29,000	\$18,000	\$1,867,000	0%
UTILITIES	\$18,270,000	\$105,000	\$80,000	\$0	\$18,455,000	2%
WHOLESALE TRADE	\$2,279,000	\$123,000	\$0	\$0	\$2,403,000	0%
<b>GRAND TOTAL</b>	<b>\$657,736,000</b>	<b>\$62,183,000</b>	<b>\$9,500,000</b>	<b>\$30,546,000</b>	<b>\$759,965,000</b>	<b>100%</b>
<b>PERCENTAGE OF TOTAL EXPENDITURES</b>	<b>87%</b>	<b>8%</b>	<b>1%</b>	<b>4%</b>	<b>100%</b>	

SOURCE: WATERFRONToronto, 2009-10; Ontario Realty Corporation, 2009-10; urbanMetrics estimates, 2009-10

Note: Figures have been rounded to nearest \$1,000

## 1.2 Direct Expenditure by Industry Category and Fiscal Year

Figure 1-2 illustrates spending by year. As noted by this figure, expenditures have generally increased over time, reflecting the movement of projects from the conceptualization and design phases through to construction and implementation.

**FIGURE 1-2: Direct Expenditure by Industry Category and Fiscal Year**

Industry Category (NAICS 2007)	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	TOTAL
ACCOMMODATION AND FOOD SERVICES	\$0	\$23,000	\$34,000	\$53,000	\$89,000	\$157,000	\$156,000	\$116,000	\$69,000	\$698,000
ADMINISTRATIVE AND OTHER SUPPORT SERVICES	\$0	\$101,000	\$103,000	\$18,000	\$196,000	\$327,000	\$446,000	\$520,000	\$2,185,000	\$3,895,000
ARTS, ENTERTAINMENT AND RECREATION	\$0	\$0	\$3,000	\$3,000	\$10,000	\$20,000	\$132,000	\$111,000	\$97,000	\$376,000
CONSTRUCTION	\$0	\$73,000	\$2,229,000	\$18,428,000	\$40,409,000	\$46,911,000	\$30,323,000	\$81,172,000	\$54,626,000	\$274,172,000
CROP AND ANIMAL PRODUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000	\$0	\$8,000
EDUCATION SERVICES	\$0	\$0	\$0	\$2,000	\$2,000	\$6,000	\$38,000	\$95,000	\$48,000	\$192,000
FINANCE, INSURANCE, REAL ESTATE AND RENTING AND LEASING	\$26,000	\$590,000	\$15,023,000	\$6,872,000	\$21,813,000	\$19,517,000	\$32,153,000	\$71,218,000	\$14,872,000	\$182,083,000
PUBLIC ADMINISTRATION	\$164,000	\$2,905,000	\$4,298,000	-\$1,260,000	\$4,573,000	\$4,133,000	\$8,478,000	\$12,943,000	\$6,746,000	\$42,979,000
INFORMATION AND CULTURAL INDUSTRIES	\$0	\$345,000	\$185,000	\$166,000	\$257,000	\$438,000	\$503,000	\$823,000	\$151,000	\$2,868,000
MANUFACTURING	\$0	\$21,000	\$15,000	\$20,000	\$28,000	\$146,000	\$395,000	\$872,000	\$16,000	\$1,511,000
MINING AND OIL AND GAS EXTRACTION	\$0	\$0	\$0	\$0	\$21,000	\$36,000	\$75,000	\$40,000	\$0	\$173,000
OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	\$0	\$8,000	\$19,000	\$106,000	\$586,000	\$1,403,000	\$777,000	\$139,000	\$113,000	\$3,150,000
PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	\$467,000	\$7,536,000	\$9,588,000	\$23,706,000	\$27,891,000	\$23,444,000	\$42,990,000	\$58,665,000	\$30,157,000	\$224,444,000
RETAIL TRADE	\$0	\$221,000	\$24,000	\$14,000	\$29,000	\$75,000	\$84,000	\$56,000	\$190,000	\$691,000
TRANSPORTATION AND WAREHOUSING	\$0	\$11,000	\$1,599,000	-\$1,524,000	\$67,000	\$176,000	\$1,418,000	\$71,000	\$49,000	\$1,867,000
UTILITIES	\$0	\$0	\$0	\$0	\$0	\$51,000	\$41,000	\$9,778,000	\$8,584,000	\$18,455,000
WHOLESALE TRADE	\$0	-\$15,000	\$142,000	\$111,000	\$97,000	\$412,000	\$326,000	\$1,165,000	\$164,000	\$2,403,000
<b>GRAND TOTAL</b>	<b>\$657,000</b>	<b>\$11,820,000</b>	<b>\$33,262,000</b>	<b>\$46,714,000</b>	<b>\$96,068,000</b>	<b>\$97,253,000</b>	<b>\$118,335,000</b>	<b>\$237,791,000</b>	<b>\$118,066,000</b>	<b>\$759,965,000</b>

SOURCE: WATERFRONToronto, 2009-10; Ontario Realty Corporation, 2009-10; urbanMetrics estimates, 2009-10

Note: Figures have been rounded to nearest \$1,000

### 1.3 Direct Expenditure by Project/Precinct

The following table illustrates the distribution of WATERFRONToronto’s direct expenditures by project/precinct.

**FIGURE 1-3: Direct Expenditure by Project/Precinct**

PROJECT   PRECINCT	AMOUNT (01/02 to 08/09)	AMOUNT (09/10)	TOTAL AMOUNT (01/02 to 09/10)	TOTAL (%)
Central Waterfront	\$77,433,000	\$8,982,000	\$86,415,000	11%
Corporate	\$44,497,000	\$10,547,000	\$55,044,000	7%
District Energy Facility	\$12,180,000	\$3,897,000	\$16,077,000	2%
East Bayfront (1)	\$112,201,000	\$56,376,000	\$168,578,000	22%
Lake Ontario Park	\$15,877,000	\$1,681,000	\$17,558,000	2%
Lower Don Lands	\$43,589,000	\$6,909,000	\$50,498,000	7%
Port Lands Area	\$5,233,000	\$2,362,000	\$7,595,000	1%
Suburban Parks	\$24,764,000	\$3,415,000	\$28,179,000	4%
Transportation	\$32,597,000	\$3,785,000	\$36,382,000	5%
Waterfront Wide Initiative	\$92,380,000	\$2,192,000	\$94,572,000	12%
West Don Lands (2)	\$13,731,000	\$17,920,000	\$31,651,000	4%
<b>SUBTOTAL - WATERFRONToronto Directed Projects</b>	<b>\$474,483,000</b>	<b>\$118,066,000</b>	<b>\$592,549,000</b>	<b>78%</b>
Go Transit Expansion	\$130,000,000	-	\$130,000,000	17%
Union Pearson Link	\$25,000,000	-	\$25,000,000	3%
Harbourfront Centre Operating Funds	\$1,400,000	-	\$1,400,000	0%
Discovery Centre	\$1,000,000	-	\$1,000,000	0%
Waterfront Project Secretariat (City)	\$2,424,000	-	\$2,424,000	0%
Waterfront Project Secretariat (Federal)	\$4,492,000	-	\$4,492,000	1%
Technical Studies	\$2,100,000	-	\$2,100,000	0%
Dockwell Repairs (City)	\$1,000,000	-	\$1,000,000	0%
<b>TOTAL - All WATERFRONToronto Expenditures</b>	<b>\$641,899,000</b>	<b>\$118,066,000</b>	<b>\$759,965,000</b>	<b>100%</b>

SOURCE: WATERFRONToronto, 2009-10; Ontario Realty Corporation, 2009-10; urbanMetrics estimates, 2009-10

1) Includes WATERFRONToronto expenditures relating to the Corus Entertainment Building

2) Includes flood protection landform

Note: Figures have been rounded to nearest \$1,000

## 2. Economic Impact Summary

**FIGURE 2-1: Economic Impact Summary – Toronto, Ontario, and Canada (Constant 2010 Dollars)**

	TORONTO	ONTARIO	CANADA
	Total	Total	Total
<b>Initial Expenditure</b>	<b>\$840,418,842</b>	<b>\$840,418,842</b>	<b>\$840,418,842</b>
<b>Impact: Gross Output</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
<i>Direct</i>	\$840,418,842	\$840,418,842	\$840,418,842
<i>Indirect and Induced</i>	\$461,487,741	\$590,463,209	\$1,042,002,434
<b>Total</b>	<b>\$1,301,906,582</b>	<b>\$1,430,882,051</b>	<b>\$1,882,421,276</b>
<i>Multiplier</i>	1.55	1.70	2.24
<b>Impact: Value Added</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
<i>Direct</i>	\$472,716,388	\$472,716,388	\$472,716,388
<i>Indirect and Induced</i>	\$223,836,385	\$293,549,415	\$540,396,171
<b>Total</b>	<b>\$696,552,773</b>	<b>\$766,265,803</b>	<b>\$1,013,112,559</b>
<i>Multiplier</i>	0.83	0.91	1.21
<b>Impact: Employment (Full-Time, Full-Year Employment)</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
<i>Direct</i>	4,462	4,462	4,612
<i>Indirect and Induced</i>	2,154	2,778	5,070
<b>Total</b>	<b>6,616</b>	<b>7,239</b>	<b>9,682</b>
<i>Multiplier</i>	1.48	1.62	2.10
<b>Impact: Labour Income</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
<i>Direct</i>	\$236,195,629	\$236,195,629	\$236,195,629
<i>Indirect and Induced</i>	\$105,727,752	\$136,067,569	\$242,572,346
<b>Total</b>	<b>\$341,923,381</b>	<b>\$372,263,199</b>	<b>\$478,767,975</b>
<b>Impact: Total Taxes</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
<i>Federal</i>	\$156,753,700	\$171,280,233	\$207,321,614
<i>Provincial</i>	\$84,294,564	\$92,435,301	\$143,165,675
<i>Local</i>	\$19,463,683	\$21,531,307	\$22,929,265
<b>Total</b>	<b>\$260,511,947</b>	<b>\$285,246,841</b>	<b>\$373,416,554</b>