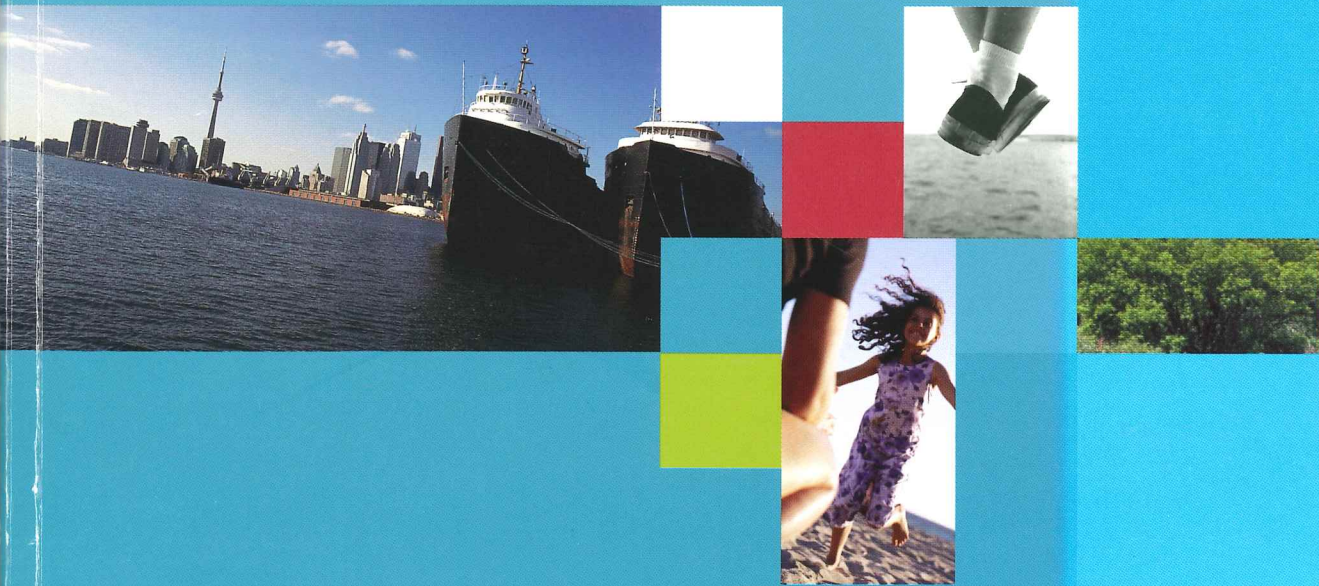


Our Waterfront: *Gateway to a New Canada*



*The Development Plan and Business Strategy  
for the Revitalization of the Toronto Waterfront*



Dowling Av.

Jameson Av.

Dufferin St.

Strachan Av.

Bathurst St.

Spadina Av.

York St.

Yonge St.

Jarvis St.

Parliament St.

Cherry St.

Leslie St.

Coxwell Av.

Lake Ontario

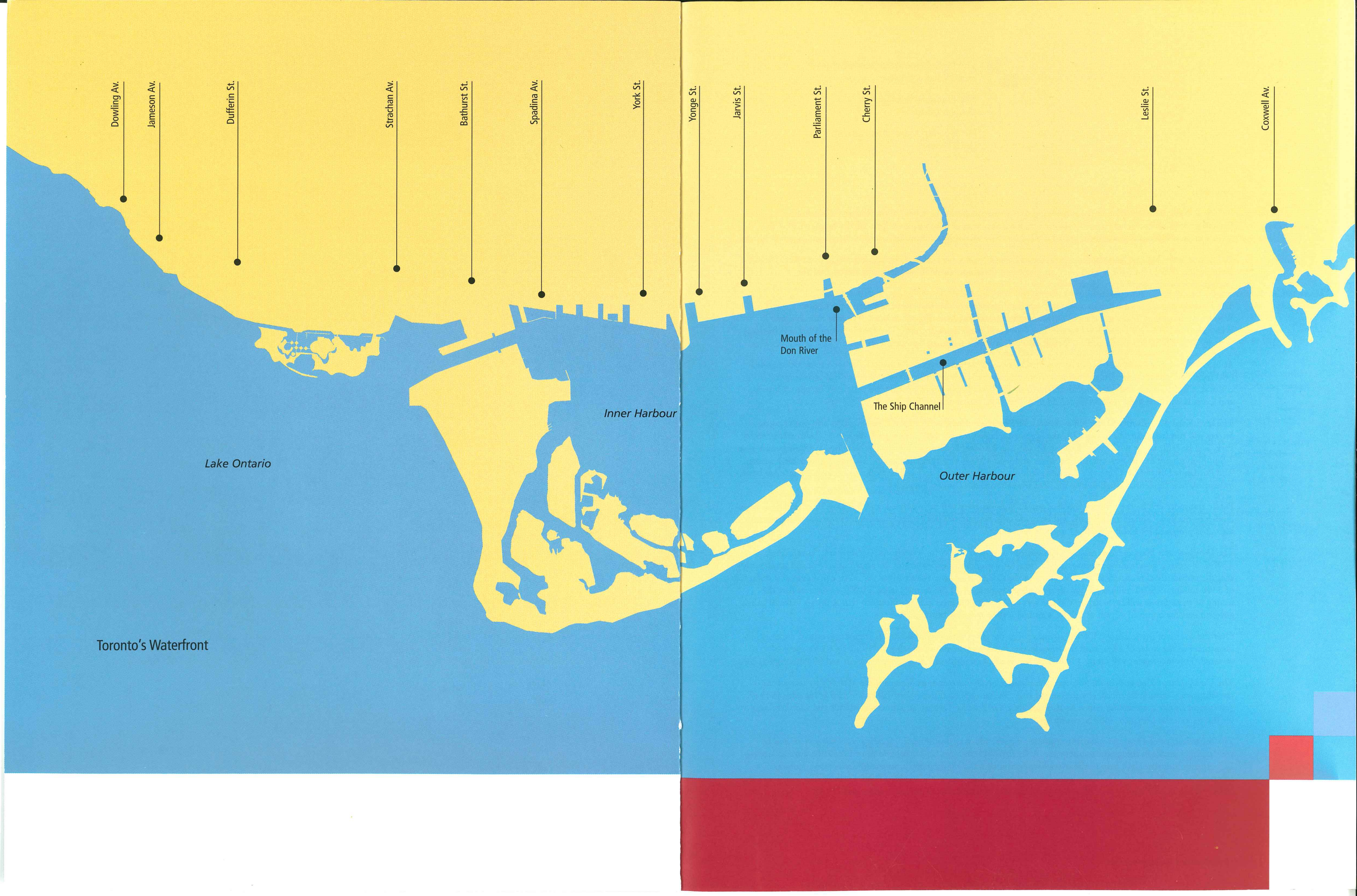
Inner Harbour

Mouth of the Don River

The Ship Channel

Outer Harbour

Toronto's Waterfront







The Right Honourable Jean Chrétien  
Prime Minister of Canada

The Honourable Ernie Eves  
Premier of Ontario

His Worship Mayor Mel Lastman  
City of Toronto

October 17, 2002

Dear Sirs:

In March 2000, I had the pleasure of submitting to your governments the report of the Toronto Waterfront Revitalization Task Force, which was appointed by the three levels of government to provide the best advice on the revitalization of Toronto's waterfront, one of the largest and most significant public sector initiatives in Canadian history.

Today, it is again both an honour and a pleasure to submit to you, on behalf of the Toronto Waterfront Revitalization Corporation (TWRC) Board of Directors, an integrated Development Plan and Business Strategy for the implementation of waterfront revitalization.

The Development Plan and Business Strategy reflects the visions of the Task Force, the City of Toronto's Central Waterfront Secondary Plan, and the public, whose views were obtained through a series of public consultations undertaken in 2000, 2001 and 2002 by the Task Force and the City of Toronto. The Development Plan and Business Strategy provides an ambitious and comprehensive vision which is entirely consistent with the City's Secondary Plan.

At its core, the revitalization of Toronto's waterfront is an infrastructure project driving an economic model that will help redefine Canada in the global economy. It will transform the waterfront into an international architectural, cultural, entertainment and recreational calling card, and most importantly, provide the people of Toronto, Ontario, and Canada with the great waterfront community they need, want and deserve.

The revitalized waterfront will contain a network of 500 acres of new and improved public parks and open spaces. Streets will run from the city to bay and lakeside plazas. Lake Ontario Park, a new park the size of Vancouver's Stanley Park, will be built along the Outer Harbour. Mixed-use, sustainable communities will be developed, offering more than 7.6 million square feet of new commercial space and over 40,000 new residential units, including affordable housing. The Portlands District for Creativity and Innovation will be established and will be home to creative, knowledge-based industries, new residential neighbourhoods, and recreational and cultural amenities.

Public transport will be the primary mode of travel. Water quality will be improved, and the Don River will have a new mouth to the bay. Contaminated lands will be made safe. An internationally recognized exhibition and entertainment district is proposed for Exhibition Place and Ontario Place.

The Development Plan and Business Strategy sets out a 30-year vision for waterfront revitalization. At this time, TWRC is seeking government approval in principle for Corporation expenditures for years one to five and is requesting that the previously committed \$1.5 billion flow to the Corporation over the five-year period in equal annual instalments of \$300 million – \$100 million per year from each government—in the form of cash. TWRC recognizes that the timing of these funds will be based on the precinct-by-precinct business case justifications that it brings forward to the governments for approval as well as TWRC's annual rolling five-year business plan.

Over the course of the initiative, TWRC estimates that the governments will receive an annual real rate of return on its investment in the order of 14%, with the three levels of government as a whole directly receiving \$3 for every \$1 invested. This investment will create 194,000 person years of employment during construction and 30,000 ongoing jobs.

The Development Plan and Business Strategy capitalizes on the tremendous opportunities afforded by waterfront revitalization—economic, social, environmental and cultural opportunities—that will *ensure each of the three levels of government receive a substantial return on their investment* and make Toronto an attractive, vibrant and successful centre for the region, the province, and the country.

The revitalization of Toronto's waterfront provides a tremendous opportunity for *fostering economic growth and for re-branding Canada* in the global marketplace. A Portlands District for Creativity and Innovation that attracts leading 21<sup>st</sup> century industries will help in the overall repositioning and branding of Toronto and Canada as a globally competitive supplier of creative, knowledge-based goods and services to the world. The city's tourism industry will also be bolstered through the creation of new cultural, recreational and entertainment destinations.

But waterfront revitalization is not just an opportunity to compete abroad for market share; it is also an opportunity to *build a better city* here at home. It is an opportunity to open up access to the lake, create an unprecedented number of parks and public places, build new neighbourhoods, and in doing all of this, showcase excellence in urban planning and design.

Preserving the environment is a priority for everyone. The revitalization of Toronto's waterfront is also an opportunity to have *a cleaner and healthier environment*.

Toronto's waterfront belongs to the people and will remain an invaluable public resource. Through public consultation, waterfront revitalization also provides an opportunity for *the public and interested stakeholders to have a voice in shaping* an initiative that has the potential to profoundly transform Toronto.

As part of this transformation, the Development Plan and Business Strategy proposes a study of options to improve the Gardiner Expressway corridor. This study could lead to a full environmental assessment.

Phasing in the TWRC Development Plan and Business Strategy has been structured so approvals and implementation of other revitalization components can proceed during any Gardiner study or environmental assessment. As the owner of the road, it is important that the City of Toronto endorse such a course of action.

We have all agreed on the imperative of revitalizing Toronto's waterfront. We now have the plan to move forward.

Economically, the revitalization of Toronto's waterfront can help the country define its relevance in the global economy. Toronto can regain its lustre as an urban centre of international stature. Toronto's competitors have revitalized their waterfronts—Boston, New York, Cleveland, Chicago, San Diego, San Francisco—and in doing so reaped economic and social benefits. We must now proceed to not only do the same, but to do it even better at this crucial time for Canada, Ontario and Toronto.

I would like to take this opportunity to thank the TWRC staff and its consultants who prepared the Development Plan and Business Strategy, staff from the three levels of government, and our board of directors for their time, support and dedication.

Accepting this implementation plan will lead to the desired revitalization of Toronto's waterfront, Canada's new gateway to the world.

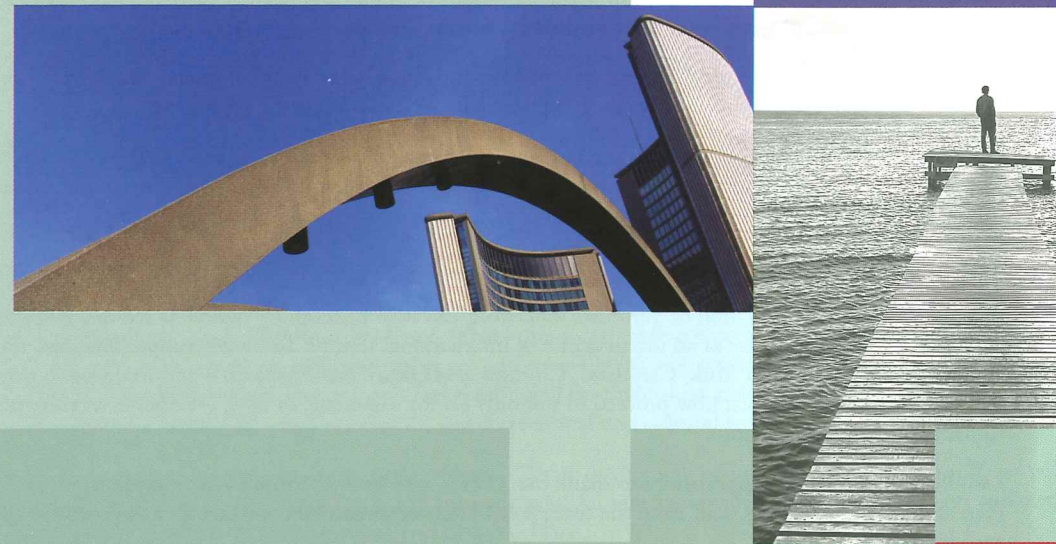
Respectfully submitted, on behalf of the TWRC board of directors,

Robert A. Fung  
Chairman

Murray H. Chusid, QC  
Antonio Dionisio  
William A. Farlinger  
Jim Ginou

Marilyn Knox  
Ralph E. Lean, QC  
Peter R. Smith  
Mark J. Wilson





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## Executive Summary

### TORONTO WATERFRONT REVITALIZATION CORPORATION DEVELOPMENT PLAN AND BUSINESS STRATEGY

Following the release of the Toronto Waterfront Revitalization Task Force's report in March 2000, the Government of Canada, the Province of Ontario, and the City of Toronto jointly announced their support for the creation of the Toronto Waterfront Revitalization Corporation (TWRC) to oversee and lead waterfront renewal. The development of successful waterfront projects in other cities such as London, New York, and Barcelona has shown that a separate corporation with a strong mandate to coordinate and oversee an integrated strategy is crucial to making waterfront revitalization a reality.

TWRC is mandated to oversee an estimated \$17 billion redevelopment of the Toronto waterfront over approximately 30 years. The three levels of government have committed \$1.5 billion for the initiative, including \$300 million for four priority projects that are now under way. The Corporation's principal focus is on the Central Waterfront, an area that extends from Dowling Avenue in the west to Coxwell Avenue in the east. It should be noted that the TWRC's Development Plan and Business Strategy budgets \$25 million for strategic waterfront projects outside of the Central Waterfront over the 30-year build out period. Allocating funding for such projects must be approved by the three levels of government as well as TWRC. Projects currently under consideration are the Mimico waterfront initiative in Etobicoke and the Port Union project in Scarborough.

Openness, public accountability and transparency are essential for the success of waterfront revitalization. These principles underlie the operations of TWRC including its interaction with the private sector and most particularly with respect to accounts, contracting and procedures for the acquisition and disposal of land.

The Toronto Waterfront Revitalization Corporation's Development Plan and Business Strategy addresses the design, financing and implementation of waterfront renewal over 30 years. It identifies what kind of development will go where, how much it will cost, how much revenue it will generate, the phasing of the development and the specific authorities TWRC requires in order to successfully implement revitalization.

It is made up of three highly interdependent parts—a Development Plan, an Implementation Plan and a Financial Plan. The timeframe for implementing revitalization requires that the vision and strategy set out by the Corporation be flexible and responsive to economic, political and social changes.

The Development Plan and Business Strategy requires the approval of the Government of Canada, the Province of Ontario and the City of Toronto. Specifically, TWRC is asking the governments to:

- > Approve and endorse the vision for waterfront revitalization in order to strengthen the position of Canada, Ontario and the City of Toronto in the 21<sup>st</sup> century
- > Approve the phasing of development as envisioned by the Corporation over the next five years in the context of the overall 30-year revitalization plan
- > Approve the Corporation's expenditures for the next five years in the context of the overall plan
- > Approve a cash-flow forecast for years one to five of the previously committed \$1.5 billion in equal annual instalments of \$300 million
- > Adhere to a protocol whereby publicly-owned lands within the four Primary Development Areas will not be encumbered by long-term commitments without the consent of the Corporation

### CONTEXT FOR WATERFRONT REVITALIZATION

The revitalization of the Toronto Central Waterfront is necessary to make Toronto an attractive, vibrant and successful centre for the surrounding region, the province, and the country. In recent years, governments around the world have increasingly agreed that large cities and city regions drive their national economies: when a country's major city regions prosper, so do the regional and national economies of which they are a part. To a remarkable extent, countries investing in their big cities are focusing their efforts on waterfront improvements, and these investments have been extremely successful from an economic, social, and cultural perspective. These cities include London, New York, Boston, San Francisco, Barcelona and Sydney, among others.

At present, the perceived status of cities around the world is of critical importance to our city, our

province, and our country. Toronto ranks in the second tier of world cities, grouped with San Francisco, Sydney, and Zurich, among others. This world position has been achieved by virtue of the city's eminence in the financial services, professional services, information and communication technology, bio-medical, and media clusters. However, the increasing integration of the global and North American economies means that Toronto is challenged by competitor cities such as Chicago, Boston, San Francisco, New York, and a whole range of Sunbelt cities.

The most successful cities are those with a vibrant, high quality of life, which allows them to attract the most successful people and the best companies. In fact, quality of life is the new imperative for cities in the 21<sup>st</sup> century. Successful urban revitalization therefore requires the recognition of "place" as a central component of competitiveness. The revitalization of Toronto's waterfront will add a number of amenities—cultural, entertainment and recreational facilities, parks, live-work neighbourhoods—which in turn will make the city a more desirable place to live and work and, by extension, conduct business.

### BENEFITS OF REVITALIZATION

#### 1. RETURN ON INVESTMENT

The three levels of government have already committed to investing \$1.5 billion in waterfront revitalization which TWRC is requesting be allocated over the next five years in equal instalments of \$100 million annually from each government. Over the course of the project, TWRC estimates that public sector investment will be in the order of \$2.6 billion (exclusive of any modifications to the Gardiner Expressway corridor). The real return on investment to the three levels of government as a whole is estimated to be 14% annually, with the estimated direct returns far exceeding the initial investment. In direct revenues alone, the governments will receive approximately \$6.7 billion. Indirect revenues will amount to \$1 billion and induced revenues another \$2.3 billion, for a total of \$10 billion over the 30-year build out period.

TWRC estimates that the revitalization of Toronto's waterfront will attract an additional \$13 billion in private sector investment over the 30-year timeframe.

The construction component of the project will create an estimated 194,000 person years of employment. When revitalization is completed by 2035, it is estimated that there will be 30,000 full-time jobs created.

The end result of this work will be Toronto securing its place as a world class city. There will be extensive public access to the waterfront and other public places, improved water quality, remediated land, and a reduced risk of flooding in the downtown core of Canada's major city.

#### 2. FOSTERING ECONOMIC GROWTH AND RE-BRANDING CANADA

##### Investing in Toronto, Investing in Ontario, Investing in Canada

More than two-thirds of Canada's population, jobs, and output are located in urban communities of more than 100,000 people. These urban areas are the backbone of the Canadian economy. As the TD Bank Financial Group recently stated, Canada is currently at a critical juncture, confronted with "a choice between investing in Canada's cities or divesting in Canada's future."

As Canada's largest city, Toronto is the economic engine of the region, the province and the country. Toronto accounts for 23% of Ontario's GDP (GTA 44%), 10% of national GDP (GTA 20%), and is home to the head offices of 40% of Canadian businesses. Between 1992 and 2001, while GDP increased by 4% in the Greater Toronto Area, it increased by only 3% in the rest of Canada; during the same period GTA job creation rose by 2.4%, but only by 1.6% in the rest of Canada.

As a result, Toronto has been a critical driver of the province's and the country's high quality of life. Between 1997 and 1999, the Toronto Board of Trade reported that Toronto made a net contribution of \$9 billion to provincial and federal government treasuries.

Investing in building a stronger Toronto is therefore not only critical for the economic viability of the region; it is necessary for a strong and vibrant province and the well-being of the country as a whole.



## Re-branding Canada

Although the Toronto, provincial and Canadian economies have performed relatively well in recent years, there is growing cause for concern. Old economy industries are giving way to new. Canada is no longer defined by the export of natural resources. The country is struggling to carve out a niche in the global marketplace and establish its relevance, particularly in relation to the United States.

While Canada remains the United States' largest trading partner, Mexico is closing the gap. Between 1994 and 1999, U.S. exports to Mexico increased by 70% and to Canada by only 45%; imports from Mexico rose by 121% and from Canada by 54%. At the same time, the focus of political power in the U.S. has shifted from the Northeast to the Southwest.

While these shifts were taking place, Canadian governments at all levels did not address key urban priorities to help make our cities globally competitive. After all, the country continued to be internationally recognized as one of the best places in the world to live.

But in an era of globalization, Canada's brand cannot just be "nice, clean and safe." Toronto's waterfront, with a Portlands District for Creativity and Innovation as its focus, can serve as the gateway to a new Canada where Toronto and the country's other major cities are global suppliers of creativity and innovation.

Creativity and innovation provide Toronto and Canada with an enormous competitive advantage stemming from the city's extensive wealth of economic clusters. Toronto's media cluster is fourth-largest in North America. The information and communications technology cluster is larger than those in either New York or Los Angeles. There is no metropolitan area in the United States that has more jobs in pharmaceuticals, medical equipment, and biotech than Toronto. Toronto's ability to continue to grow the biotech cluster is particularly important to our global competitiveness. Ontario has the potential to become number three in biotechnology behind Massachusetts and California. Today Ontario ranks in 14<sup>th</sup> place.

Under globalization, the reality is that the "winner takes all, or most of it." What this means is that in most cases the winner achieves in the order of 75% of the employment benefits as well as most of the research and development.

The key to the ongoing success of economic clusters is their ability to innovate. Innovation can be greatly enhanced when the people who work in one industry commingle or converge with people in different creative, knowledge-based industries. Ideas, research,

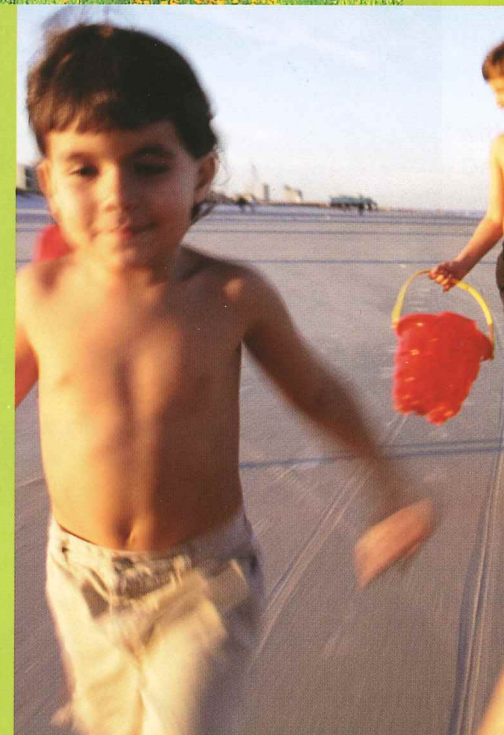
and practices are shared and applied across disciplines. This kind of synergy spawns new goods and services and transforms convergence into a powerful economic force. Geography plays an important role in facilitating this exchange of knowledge—proximity becomes critical. Because research and development are the foundations of innovation, proximity to universities and other academic institutions is also vitally important. As a result, Toronto's Portlands provide an ideal locale for housing an interdisciplinary District for Creativity and Innovation. The area boasts an attractive lakeside setting, vast amounts of largely undeveloped land, and is only a short distance from existing clusters, and academic centres such as the University of Toronto, Ryerson University, George Brown College and the Ontario College of Art and Design.

Research has also demonstrated that the broader social qualities that are critical to the success of knowledge-based industries—diversity, tolerance, equality—are characteristically Canadian. This is a strength that Toronto and the country can leverage to attract the industries of the 21<sup>st</sup> century.

## Portlands District for Creativity and Innovation

This district will be a live-work community, where the clusters of the new economy are housed side-by-side with more traditional creative industries, such as film and publishing, and where significant incentives could be offered to qualifying businesses that choose to locate here.

But the real driver for attracting business to the district will be ensuring a high quality of life for the people who work and live there. In the past, people followed jobs. Today it is often companies and jobs that follow people. That's because research has shown that people—particularly those who work in creative knowledge-based industries—make decisions about where to live based on quality of place. People want to live and work in vibrant, dynamic communities that offer a broad range of cultural amenities, active outdoor recreation, and bustling street scenes.



## Tourism

Tourism is one of the world's largest industries and one of great importance for Toronto. But Toronto's tourist industry is in decline. According to the Toronto Convention and Visitor Association, the number of tourists visiting Toronto has decreased over the past five years—from 16.6 million in 1996 to 16 million in 2001. No other major North American tourism site has experienced a comparable decline. In fact, in other cities, tourism has increased by 5% since 1996.

The decline in tourists visiting Toronto translates into the loss of several thousand jobs. Considering Toronto's close proximity to the United States—a 24-hour drive from 40% of the U.S. population—and the value of the U.S. dollar it is significant that tourism in Toronto is waning.

TD Bank Financial Group has stated that attracting 20 million tourists per year to Toronto is a realistic target that could add \$3.4 billion per year to the GTA economy—\$1 billion in direct revenues to government—and generate an additional 85,000 full-time jobs. In addition to investing more resources in destination marketing, the creation of new and stronger tourist attractions will likely be critical to reversing recent trends.

There is little doubt that a revitalized waterfront will be an alluring calling card. The waterfront is an ideal locale for at least two large-scale destination sites that could have a substantial impact on sagging tourism numbers.

The first site is Exhibition Place and Ontario Place, which, due to their close proximity to one another, could be considered jointly as part of a coordinated redevelopment initiative. Focusing on improving the existing successful trade centre function, a destination hotel, as well as a globally attractive entertainment venue, could be developed while preserving the programming that currently occurs at both facilities.

The second site, at the foot of Yonge Street, is a truly remarkable part of Toronto's waterfront and the city's heritage. This location must be



preserved for the public. Potential uses could include an architecturally significant edifice and public art celebrating Canada's unique multiculturalism. Creating this landmark at such a prominent and special place would certainly be appropriate recognition for one of the city's, Ontario's, and Canada's most important strengths—our diversity.

The City of Toronto's Culture Division has also identified a number of potential cultural initiatives for the waterfront that build on the area's rich history and could also help boost tourism. Proposals include a Museum of Toronto, the development of cultural corridors leading to the waterfront, improved visitor services at Fort York, and an aquarium.

Ultimately, of course, individual attractions are only one aspect of the wholesale transformation that will result from the revitalization of the city's waterfront. Paris, Barcelona, Rio de Janeiro, and Vancouver have established worldwide reputations as places whose beauty enhances both daily life and the conduct of business. The revitalization of Toronto's waterfront promises to reorient the city to its greatest natural asset in a way that will recast its image forever as the city on the lake, the gateway to Canada. This transformed setting will become the stage on which the city's splendid multicultural life is presented to the world.

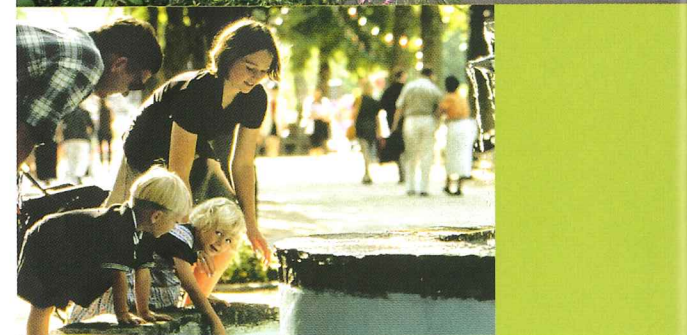
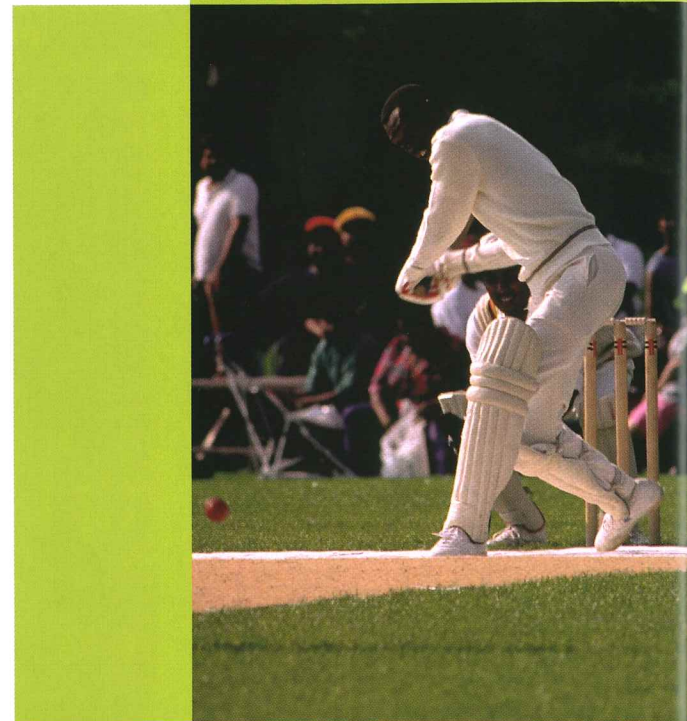
### 3. BUILDING A BETTER CITY

TWRC's Development Plan is founded on four major goals:

1. An accessible, attractive and enjoyable waterfront for the benefit of Toronto, Ontario and Canada
2. A waterfront of dynamic and diverse new communities
3. A waterfront with a globally recognized Portlands District for Creativity and Innovation
4. A waterfront with a cleaner and healthier environment

#### Access to the Lake

The waterfront is a tremendous public resource that belongs to the citizens of Toronto, Ontario, and Canada. Maintaining and expanding public access to the waterfront will be a priority in all revitalization projects. There must be a continuous band of green along or near the water's edge, from one end of the Central Waterfront to the other. Any development south of Queen's Quay and at the water's edge must be for public use. Revitalization will attract more people to the city's waterfront who will be able to experience the beauty and magnificence of not only lakeside parks and new entertainment and cultural venues, but also the lake itself.



#### Parks and Open Spaces

Revitalization will leave Toronto with approximately 500 acres of new and improved parks and open spaces in the waterfront area. The city will be unique in the amount of green space it offers to its residents and visitors. These areas will allow for a range of activities, including boating, and community, cultural, and entertainment facilities. New parks and open spaces include an expansion from Cherry Beach to Ashbridges Bay, through the creation of the 250-acre Lake Ontario Park, a park that will be comparable in size and spirit to Vancouver's famous Stanley Park.

#### Housing

Toronto's population is expected to grow by one million people over the next 30 years and the waterfront, with its vast amount of underdeveloped land, presents a great opportunity to accommodate some of this growth. TWRC's development plan calls for over 40,000 new residential units in mixed-use communities. Importantly, waterfront residential development will include a significant amount of affordable housing, including rental units (It should be noted that the affordable housing as proposed by TWRC does not include housing subsidies).

Proximity to the water's edge, existing and new parks, recreation, open space and pedestrian and cycling routes will ensure that these new neighbourhoods are attractive places to live and work. Use of transit will reduce the need for cars and a well-designed public realm will encourage walking and cycling.

#### Public Transit

New waterfront neighbourhoods will be designed with public transit as the primary mode of transportation. The Development Plan and Business Strategy identifies \$800 million for public transit in the waterfront area. This funding could be used to support projects such as the expansion of the Harbourfront LRT and GO Transit Lake Shore routes.

#### Excellence in Urban Planning and Design

TWRC's Development Plan is consistent with the City of Toronto's Central Waterfront Secondary Plan and builds on the strength of existing waterfront landmarks such as the ship channel, Exhibition Place, Ontario Place, Coronation Park, and Fort York. The design of the streets, open spaces, and public and private buildings will meet high standards to ensure the waterfront districts are beautiful, accessible, and comfortable for all.

This emphasis on excellence in design is essential given that exceptional design is the defining characteristic of the new generation of international city-building initiatives. New York's

Battery Park City, London's Docklands, the Barcelona waterfront, and Berlin's major city-building project are all driven by urban design and architecture. When a city undertakes the creation of substantial new, highly visible districts, it is not an occasion for business as usual. The design quality of such new districts must be elevated, by techniques such as:

- > juried open design competitions for public projects
- > limited competitions with short-listed competitors
- > two-stage developer competitions, financial and design, with professional assessors

In city-building initiatives such as those noted above, the appearance of the outcome was paramount, creating value and cachet for the larger district and for the city as a whole. The Corporation, in recognition of the significance of waterfront revitalization, would employ such techniques.

#### Good Civic Stewardship

The Toronto Waterfront, like many comparable waterfronts, has undergone a series of transitions, from its initial use as a harbour, to an industrial centre dominated by railroads, to a period of major service infrastructure and expressways.

This early waterfront redevelopment has most often occurred without public involvement or adherence to an overall plan, including Toronto's first steps to reclaim its waterfront. The Harbour Castle Hotel and Harbourfront developments have been mixed successes that have met with significant public criticism. In addition, the elevated Gardiner has depressed both adjacent land values and the pedestrian experience along its length.

Fundamental to the revitalization of the waterfront is the need to address past mistakes which continue to compromise the area's potential and separate it from the centre of the city. A central ambition of the Corporation's Development Plan is to remedy the problems of separation, environmental degradation and obstruction that still exist.



The Development Plan and Business Strategy initiatives include addressing the elevated Gardiner Expressway corridor, improvements in the relationship of public streets to the water's edge, and building new parks, plazas and piers along the water to make Toronto's waterfront the front yard and a fitting entrance to Canada's largest city.

#### 4. A CLEANER, HEALTHIER WATERFRONT

Waterfront revitalization provides an opportunity to develop a cleaner, healthier environment by promoting public transit, remediating contaminated soil, improving water quality, reducing the threat of flooding to Toronto's downtown core, re-naturalizing the mouth of the Don River, and supporting an integrated energy strategy. In undertaking environmental improvements, TWRC will make a concerted effort to employ leading-edge Canadian environmental technology wherever possible.

#### 5. PUBLIC PARTICIPATION IN CITY BUILDING

TWRC believes that effective two-way communication with the public is essential to the successful revitalization of Toronto's waterfront. Unprecedented interest and expectations for the future of the waterfront have been expressed to date, and previous consultations have demonstrated the wealth of knowledge, ideas, and perspectives the public brings to waterfront planning. The Corporation is committed to building on this knowledge by delivering a meaningful public consultation and participation program that sets the standard for accountable and transparent project planning and delivery on the waterfront.

##### Consultation approach:

- > Public workshops/meetings
- > Stakeholder roundtables and briefings
- > Website
- > Annual General Meeting

##### Communications:

- > Regular consultation-focused newsletters
- > Print and electronic resources
- > Progress reporting
- > Linkages to existing communications networks
- > Displays

Public consultations are already under way on the Priority Projects. Consultations on the Development Plan and Business Strategy will occur following its release. The Corporation's overall public consultation strategy is contained in Appendix A.

#### FINANCIAL PLAN

The Financial Plan presents the analysis of the financial and economic dimensions of waterfront revitalization over a 30-year time period. At this time, TWRC is seeking government approval in principle for corporation expenditures for years one to five and is requesting that the previously committed \$1.5 billion flow to the Corporation over the five-year period in equal instalments—\$100 million per year from each government—in the form of cash. TWRC recognizes that the timing of these funds will be based on the precinct-by-precinct business case justification that it brings forward to the governments for approval as well as TWRC's annual rolling five-year business plan.

The Development Plan is the basis on which the Financial Plan has been built. It estimates:

- > Investments for land assembly, remediation, and infrastructure development
- > Revenues that will be generated from the sale or lease of remediated and serviced land parcels to private sector developers
- > Funding in addition to the already committed \$1.5 billion required to carry out waterfront revitalization
- > Economic activity generated through the implementation of waterfront revitalization including direct revenues to government and employment

The financial analysis extends over a 30-year period. Investments for the project are estimated to be \$4.3 billion (exclusive of any modifications to the Gardiner Expressway corridor). Currently identified sources of revenue are the previously committed \$1.5 billion, as well as an estimated \$1.7 billion from the sale and/or lease of land. TWRC will work with the three levels of

government to further refine land values, develop a land management process, and identify practical financing options for the additional \$1.2 billion over the 30-year period.

#### Economic Impacts

Waterfront revitalization will deliver a 14% annual real rate of return for the three levels of government as a whole over the 30-year build out period. Governments will receive in the order of \$3 for every \$1 they invest totalling approximately \$6.7 billion, as well as \$1 billion in indirect revenues and \$2.3 billion in induced revenues for a total of 10 billion over the life of the initiative. Employment impacts include:

- > Approximately 67,000 person-years of direct employment and 63,000 person-years of indirect and induced employment, for a total of 129,000 person-years of employment during the building phase of the initiative.
- > Approximately 31,000 person-years of direct employment, primarily as on-site construction employment, and 34,000 person-years of indirect and induced employment, for a total of 65,000 person-years of employment as part of the infrastructure component of the project.
- > 17,370 annual direct jobs, and 12,800 annual indirect and induced jobs, for a total of more than 30,000 permanent new jobs at the conclusion of the project.

#### IMPLEMENTATION PLAN

##### YEAR 1 ACTIVITIES AND EXPENDITURES

The scope and complexity of waterfront revitalization requires that implementation of the Development Plan take place over the next 30 years. As a result, implementation must be phased and flexible. TWRC will work closely with the City of Toronto to implement the Development Plan in orderly phases, with the necessary approvals dealt with on a precinct-by-precinct basis.

TWRC anticipates undertaking expenditures for the following activities in the fiscal year 2003/04:

- > Portlands Preparation - \$15.5 million
- > Front Street Extension - \$76 million
- > Parks & Public Places - \$7.5 million
- > Precinct Planning - \$5 million
- > Strategic Projects outside Central Waterfront - \$5 million
- > Transit Improvements including Union Station Subway Platform - \$4.2 million

- > Gardiner Expressway corridor - \$4 million
- > Integrated Energy - \$2 million
- > Improving Water Quality - \$1 million
- > Don River Environmental Assessment - \$750,000

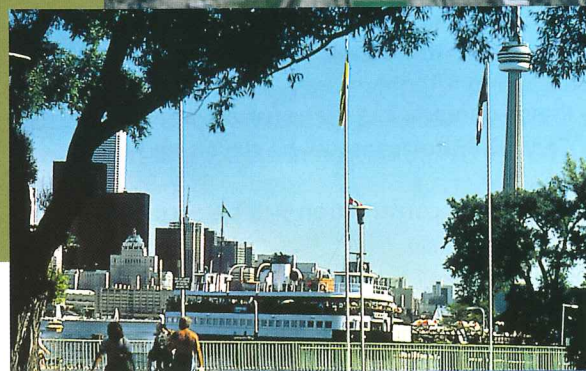
In the 2003/04 fiscal year, TWRC will also purchase some key properties that are required for implementing the Corporation's vision.

#### YEARS 1-5

Within the first five years the \$1.5 billion committed by the three levels of government will have been spent and a substantial amount of work will be under way such that by the 2007/08 fiscal year, development and investment will have ramped up to the maximum rate accomplishing the following:

- > Major environmental assessments will be complete
- > Park development is proceeding in East Bayfront, the Portlands, West Donlands and for Lake Ontario Park
- > Phase one precinct plans for all areas in the Central Waterfront will be developed
- > Residential construction will be occurring in all districts
- > First phase of East Bayfront residential and commercial units will be ready for occupancy
- > Construction will be under way on the Portlands District for Creativity and Innovation and the entertainment resort destination complex at Exhibition Place and Ontario Place
- > Front Street extension will be complete
- > Portlands Preparation project will be complete;
- > Don River environmental assessments will be complete, the berm will be built and work on re-naturalizing the mouth of the river will be under way
- > Second subway platform at Union Station will be one year from completion





## CHAPTER 1

### *Introduction*

#### 1.1 THE IMPERATIVE OF REVITALIZING TORONTO'S CENTRAL WATERFRONT

The Development Plan and Business Strategy is the framework for achieving one of the great public enterprises of Canadian history—a vision that will transform vast areas of unique but wasted land into a spectacular and emblematic urban waterfront. This venture will harness the powers, skills and assets of the federal, provincial, and municipal governments and engage the private sector in revitalizing Central Waterfront districts as civic spaces, waterways and parks, and as vibrant, mixed urban communities.

This enterprise will be an act of complex city and nation-building on the world stage, demonstrating the skills, wit, verve and advanced society of its people. It will directly and indirectly attract the investment and people that are critical to 21<sup>st</sup> century knowledge-based economies, where the race is on to attract, generate, and retain the best and the brightest.

Toronto's Central Waterfront is one of the last and largest of the great waterfront revitalizations among important global cities. We are fortunate to have this opportunity available at this time. And we can learn from the successful experiences and techniques of those who have preceded us, as well as from our own experiences.

#### 1.2 TORONTO WATERFRONT REVITALIZATION CORPORATION

Following the release of the Toronto Waterfront Revitalization Task Force's report in March 2000, the Government of Canada, the Province of Ontario, and the City of Toronto moved quickly to jointly announce their support for the creation of the Toronto Waterfront Revitalization Corporation (TWRC) to oversee and lead waterfront renewal.

The development of successful waterfront projects in other cities such as London, New York, and Barcelona has shown that a separate corporation with a strong mandate to coordinate and oversee an integrated strategy is crucial to making waterfront revitalization a reality.

#### MISSION

To transform the Toronto waterfront for the people of Toronto, Ontario, and Canada, to foster economic growth and to re-define how this city, province and country are perceived by the world. This will be accomplished by creating prominent cultural institutions, parks, and open spaces, and diverse and dynamic commercial and residential communities, and by attracting the industries of the 21<sup>st</sup> century. Toronto will be the city where the world desires to live.

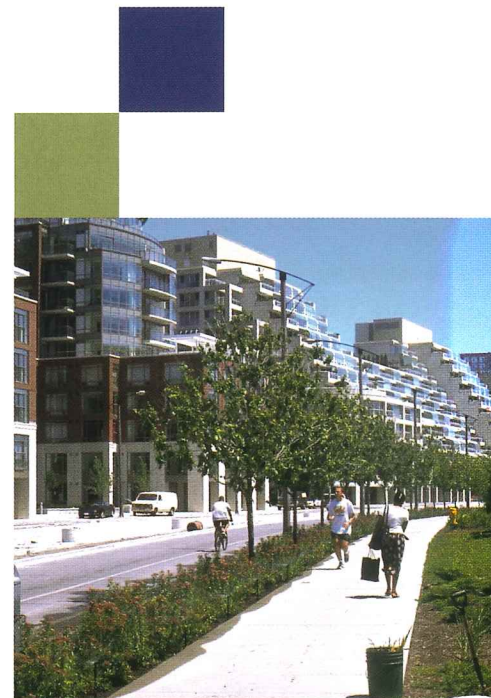
#### MANDATE

The Corporation is mandated to oversee an estimated \$17 billion redevelopment of the Toronto waterfront. The three levels of government have committed \$1.5 billion for the initiative, including \$300 million for four priority projects that are now under way. The Corporation's principal focus is on the Central Waterfront, an area that extends from Dowling Avenue in the west to Coxwell Avenue in the east. It should be noted that the TWRC's Development Plan and Business Strategy budgets \$25 million for strategic waterfront projects outside of the Central Waterfront for the 30-year build out period. Allocating funding for such projects must be approved by the three levels of government as well as TWRC. Projects currently under consideration are the Mimico waterfront initiative in Etobicoke and the Port Union project in Scarborough.

Openness, public accountability and transparency are essential for the success of waterfront revitalization. These principles underlie the operations of TWRC including its interaction with the private sector and most particularly with respect to accounts, contracting and procedures for the acquisition and disposal of land.

#### GOVERNANCE

TWRC is governed by a 10-member Board of Directors appointed by the federal and provincial governments and the City of Toronto. The Corporation currently has interim status. Provincial legislation establishing a permanent corporation is expected to be passed in the Fall 2002 Legislative Session.







**Priority Projects (from left to right)**

- > Front Street Extension
- > Re-naturalization and flood protection for the Lower Don River
- > Union Station subway platform expansion
- > Portlands preparation

**OBJECTIVES**

- > Implement a plan that enhances the ecological, economic, social, and cultural value of waterfront land
- > Create an accessible and active waterfront for living, working and recreation in a fiscally and environmentally friendly manner
- > Promote and encourage public input into the development of Toronto's waterfront
- > Promote and encourage private sector investment in waterfront development
- > Ensure that ongoing development is financially self-sustaining

**1.3 CURRENT MANDATED ACTIVITIES**

**FOUR PRIORITY PROJECTS**

The Front Street Extension and Interchange, Environmental Assessment for the Re-naturalization and Flood Protection for the Lower Don River, the Portlands Preparation Project, and the Union Station Subway Platform Expansion are currently underway and will lay the groundwork for the development set out in the Development Plan and Business Strategy. Implementation of these projects is included in the phasing and costing of the overall strategy.

**DEVELOPMENT PLAN AND BUSINESS STRATEGY**

The Development Plan and Business Strategy addresses the design, financing and implementation of overall waterfront renewal. It identifies what kind of development will go where, how much it will cost, how much revenue it will generate, the phasing of the development and the specific authorities TWRC requires in order to successfully implement revitalization.

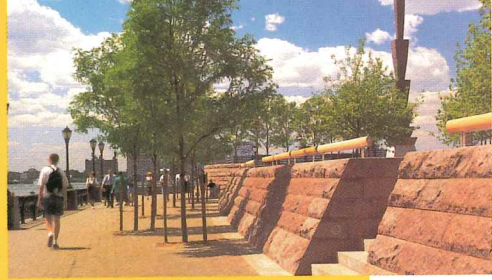
It is made up of three highly interdependent parts—a Development Plan, an Implementation Plan and a Financial Plan. The 30-year timeframe for implementing revitalization requires that the vision and strategy set out by the Corporation be flexible and responsive to economic, political and social changes.

The Development Plan and Business Strategy requires the approval of the Government of Canada, the Province of Ontario and the City of Toronto. Specifically TWRC is asking the governments to:

- > Approve and endorse the vision for waterfront revitalization in order to strengthen the position of Canada, Ontario and the City of Toronto in the 21<sup>st</sup> century
- > Approve the phasing of development as envisioned by the Corporation over the next five years in the context of the overall 30-year revitalization plan
- > Approve the Corporation's expenditures for the next five years in the context of the overall plan
- > Approve an annual cash-flow forecast for years one to five of the previously committed \$1.5 billion in equal annual instalments of \$300 million
- > Adhere to a protocol whereby publicly-owned lands within the four Primary Development Areas will not be encumbered by long-term commitments without the consent of the Corporation







(from top to bottom)

- > Chicago
- > Battery Park City, New York: waterfront promenade
- > Toronto promenade
- > New cafés along Butler's Wharf

## CHAPTER 2

### *The Essential Enterprise of Waterfront Revitalization*

#### 2.1 WHY ACT NOW? INVESTING IN CITIES IS A 21<sup>ST</sup> CENTURY IMPERATIVE

The revitalization of Toronto's Central Waterfront is necessary to make the city an attractive, vibrant, and successful centre for the greater Toronto region, the province, and the country as a whole. In recent years, governments around the world have acknowledged that large cities and city regions drive their national economies. When a country's major city regions prosper, so do the regional and national economies of which they are a part. Consider the importance of New York to the United States, London to Great Britain, Sydney to Australia, Paris to France, Berlin to Germany, Beijing and Shanghai to China, and Tokyo to Japan.

This widespread recognition of the importance of cities to the economic well-being of nations is reflected in the recent interim report of the Prime Minister's Task Force on Urban Issues. The report recognized the need to view national policy decisions from an urban perspective, and expressed concern about the necessity for strategic investment in our major urban areas if the country is to prosper economically.

Two detailed reports by TD Bank Financial Group have also focused on the growing dominance of cities in the global economy. These reports caution that Canada and specifically Toronto, one of the country's major generators of growth and wealth, must not be left behind as cities in other countries benefit from major strategic investment.

At present, Toronto ranks in the second tier of world cities, grouped with San Francisco, Sydney and Zurich, among others. This world position has been achieved by virtue of the city's eminence in the financial services, professional services, information communications and technology, bio-medical, and media clusters. However, the competition for global status in these areas is fierce. The increasing integration of the global and North American economies means that Toronto is now challenged by competitor cities such as Chicago, Boston, San Francisco and New York, as well as a range of Sunbelt cities.

Canada has traditionally emphasized our country's high quality of life in response to the economic challenge from cities south of the border, and with good reason. Yet many U.S. cities have moved to invest substantially in their urban centres and to correct the damage done to them over the decades. These investments have contributed to making many U.S. regional economies powerfully productive and competitive.

European and Asian cities—particularly in China—are also investing vast sums in the environmental and technical excellence of their cities, giving them a significant competitive advantage. Toronto, the province, and the federal government, must act in unison to ensure that the country's economy is not allowed to slip further behind its global competitors.

#### Waterfront Revitalization as a Focus for Urban Investment

Many of the countries choosing to invest in their big cities are focusing their attention and resources on waterfront improvements and these investments have been extremely successful from an economic, social and cultural perspective. For instance, the London Docklands, a development that is strikingly similar to the Toronto waterfront, provides instructive analysis from which we can learn.

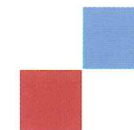
The London Docklands Development Corporation (LDDC) was mandated to bring the land and buildings of London's Docklands

into effective use. An evaluation of its actions, carried out between 1997 and 1998, found that the LDDC had successfully tackled the market failure that prevailed in the London Docklands in 1981. The LDDC's renewal process generated a wide range of economic, environmental and social benefits including the creation of more 24,000 housing units and 80,000 gross jobs within the area. Housing tenure is substantially more varied; employment is three times higher; the number of firms has increased five-fold; and the new stock of housing will accommodate up to 45,000 additional people. The LDDC also generated an additional 23,000 jobs in Central London by increasing the supply of high-grade office accommodation, which led to a more competitive financial centre.

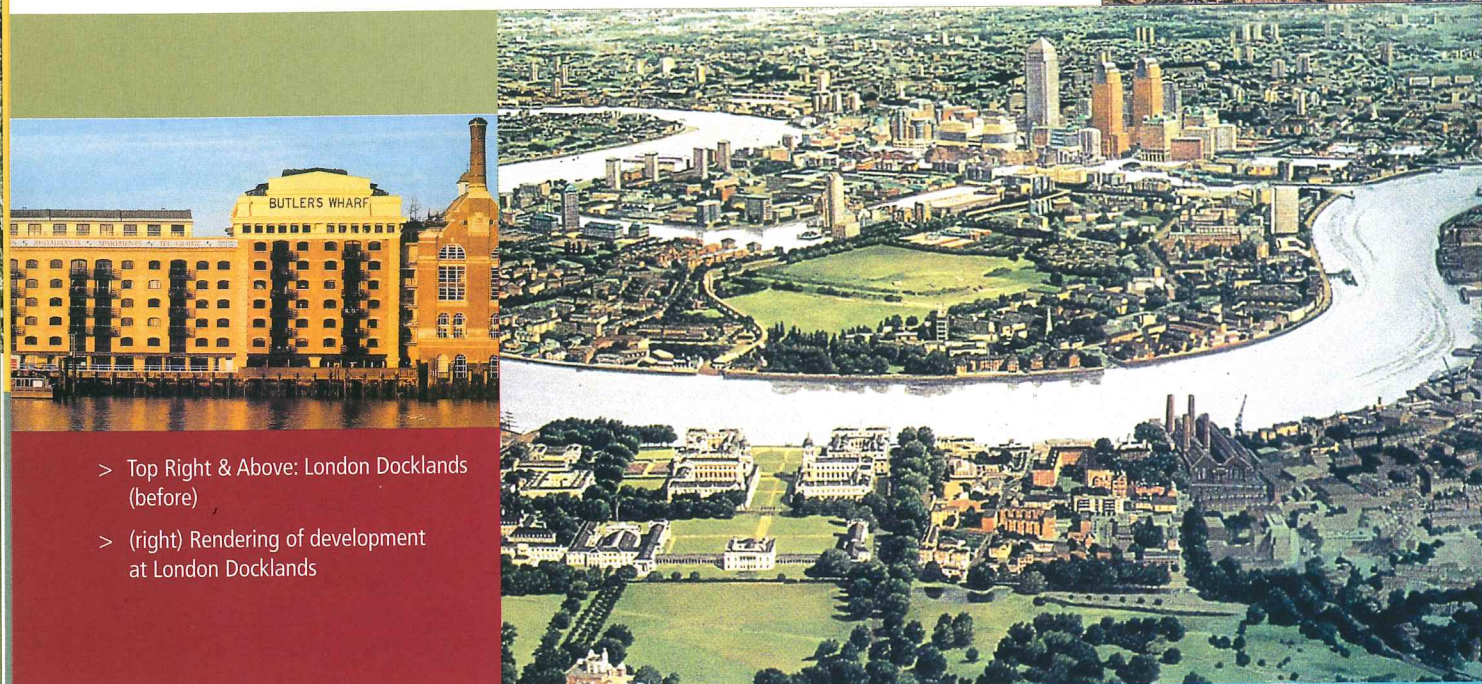
*This project represents the largest potential transformation of any global waterfront urban region.*

The total public sector cost of regenerating the Docklands was approximately \$5 billion, 48% incurred by the LDDC, 25% by London Transport and 27% by the Isle of Dogs Enterprise Zone. Almost half of the public sector cost of regenerating the Docklands was devoted to transportation infrastructure. Private sector investment reached \$19 billion by March 1998 and continues to increase. Since almost all the costs have already been incurred and some of the benefits are still materializing, the cost-benefit ratio of this project should be even more favourable in 2010 or 2015.

New York's waterfront revitalization effort, led by the Battery Park City Authority, a corporation of New York State, is another economic success story. Over the past 20 years the corporation has developed most of the 100-acre Battery Park City. In the process, it has produced a district for 30,000 employees and more than 10,000 residents, and has generated approximately \$1.2 billion in profits for New York City.





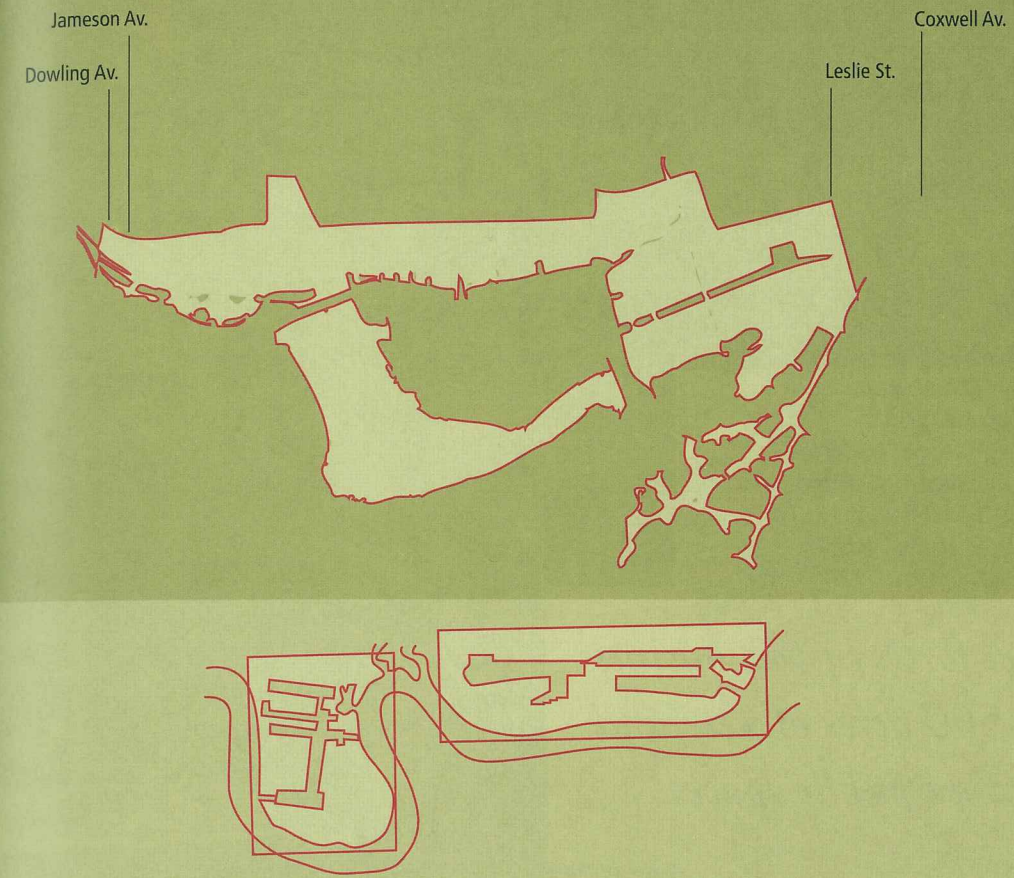


- > Top Right & Above: London Docklands (before)
- > (right) Rendering of development at London Docklands

In terms of spin-off effects to the wider economy, it is anticipated that the revitalization of Toronto's waterfront will create 194,000 person year jobs during construction and 30,000 permanent new jobs by the end of the development stage. In addition, each level of government has extensive land holdings in the Central Waterfront that now have only marginal value, and certainly are not reflecting the land's true worth in this nationally unique location. The concerted activities of the inter-governmental corporation will transform those asset values and in the process create substantial tax revenues on many fronts.



Portlands in Toronto



**Scale Comparison:**

- > Toronto Waterfront 10 kilometres from Dowling Avenue to Coxwell Avenue (left)
- > London Docklands including Isle of Dogs and the Royal Docks (bottom)

**Timely Opportunity for Investment in Toronto's Waterfront**

The revitalization of the Central Waterfront is particularly timely in the context of the renewed strength and health of the city's core. There is a powerful market for inner-city residential life, and various sectors of the inner-urban economy are prospering, including media, and bio-medical and other kinds of research. These factors constitute opportunities to stimulate new, complex mixed urban communities, which promote knowledge-based economies. Over the next 30 years estimates suggest that an additional 3 million new people will move to the Greater Toronto Area. Revitalizing the waterfront presents an opportunity to accommodate perhaps 100,000 people in communities by the central lakeside.



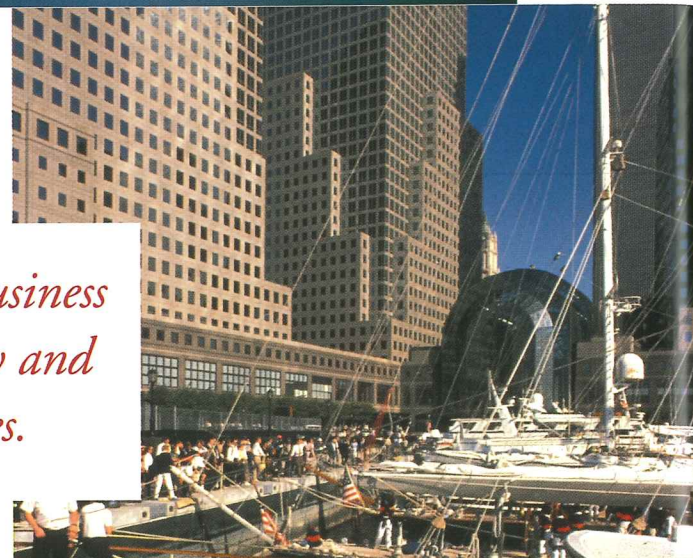
Revitalization is pertinent now because it is currently possible to create new infrastructure at predictable and contained cost. For instance, land is now available to consider and evaluate the options for substituting a new arterial road system for the elevated Gardiner Expressway corridor. We cannot let these opportunities slip away.

Finally, Toronto seems to be unique among world cities—in having done so little to revitalize its Central Waterfront. Ironically, this traditional lack of action has created a unique opportunity. This project represents the largest potential transformation of any global waterfront urban region. Melbourne Docklands Corporation’s revitalization area, for example, although large, covers only about 550 acres. By contrast, the transformation set forth in this Business Strategy will yield about 500 acres of new and improved parks and other public spaces alone,

*The transformation set forth in this business plan will yield about 500 acres of new and improved parks and other public spaces.*

apart from very substantial new settlements of people in desirable live-work communities.

The nation, province, region and city cannot afford to miss this opportunity to revitalize not only Toronto, but Ontario and Canada as well. The need to raise this city’s image to world status is more urgent than we realize. And, as with so many other urban success stories, Toronto’s revitalization must focus on its waterfront.



Before: 100-acre Battery Park City, New York (top)

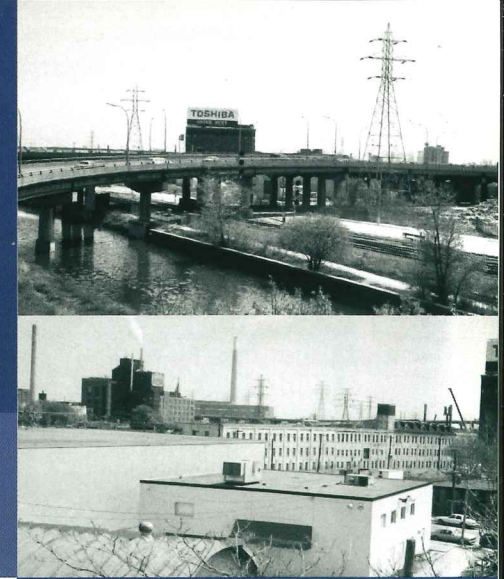
After: Battery Park City, New York (bottom)



Dowling Av.

Yonge St.

Coxwell Av.



West Donlands (above)

The land ownership illustrated on this plan shows the magnitude of lands in public and private ownership.

## 2.2 THE PUBLIC ENTERPRISE MODEL FOR REVITALIZATION

All levels of government have agreed that the revitalization of Toronto’s waterfront should be led by TWRC. Ensuring that the Corporation has the right management structure, powers, and responsibilities is essential to its success. There have been numerous large-scale central urban district revitalization enterprises throughout the world over the past century-and-a-half. They have varied in their form and technique, but they have common themes from which direction can be taken.

Most importantly, where revitalization has generally succeeded, a consistent process has been followed in defining and implementing renewal. In this process, public responsibilities,

powers, and authorities are harnessed through one or more (usually temporary) special public bodies or corporations. These corporations establish public spaces, utilities and amenities, and engage private investment through building and infrastructure development, the proceeds from which are set against public costs. This is not a simple “public-private partnership” as normally conceived in relatively contained and straightforward construction projects, such as roads, bridges and airports. Rather, it is an enterprising use of a wide range of public powers to accomplish national objectives, develop stunning new public places, and attract private investment for decades to come.

There are a number of important and relevant precedents elsewhere in the world that can be used to guide Toronto’s waterfront revitalization. They include London Docklands, where the British government successfully used its vast renewal of the vacated east London lands to capture a pre-eminent role in the world financial economy. Beirut, where an extraordinary renewal of the central area, devastated by civil war, is being achieved





London's Jubilee subway line (top left)

Public Park (top right)

Vienna's embankment of the Danube (above)

through the corporation Solidere. Melbourne Docklands where a very large revitalization is now being undertaken to secure the Australian city's stature among world regions, particularly in competition with Sydney; and New York's Battery Park City, an eminent success story that showcases city-making on a former landfill site. Of course, these types of ventures are not entirely new: Vienna's vast Ringstrasse development of the 1860s and '70s, was one of history's most deft and successful uses of public enterprise and incentives in the attraction of private investment to create extraordinary urban places.

The common public enterprise process for successful district revitalization has the following dimensions:

(i) The large, historic world-stage purposes are agreed upon by people and their governments, and general ambitions are established for public space, development—usually mixed activities—transportation and environmental quality.

(ii) A special-purpose publicly controlled body or corporation is established to focus the responsibilities, authorities, and powers considered necessary in the local circumstances to achieve revitalization, including:

- > a clear description of corporate purposes
- > an independent board to harness private sector discipline and to retain and supervise the executive staff in leading and implementing the enterprise
- > requirements for public accountability and transparency, particularly with respect to accounts, contracting, and procedures for the acquisition and disposal of lands
- > the effective use of available regulatory powers, often in collaboration with local governments
- > the effective control of land-use in the districts, both public and private and receipt of proceeds of land leases or sales
- > powers to acquire land where required
- > stable continuous funding from governments, particularly for early infrastructure investments

(iii) An enterprising, comprehensive executive staff is developed in the public corporation, with the capacities to engage the best talents in renewal. They develop cultures and reputations for excellence, enterprise, reliability and straight-dealing that are an essential strand of public support for the enterprise.

(iv) The enterprise adopts a private sector management approach that integrates all the planning, financing, construction, marketing and other aspects of the enterprise around the core function of urban design.

(v) The enterprise establishes general visions and plans that galvanize local and international interest, and engages the public and expert design talent in the development of widely understood local area plans.

(vi) The enterprise creates the main infrastructure framework for waterfront revitalization:

- > public parks and other spaces
- > large infrastructure requirements such as flood protection and public transportation
- > public utilities
- > premier public buildings for culture, education and government
- > an environment that attracts private sector investment

(vii) In order to ensure success, a range of incentives are normally involved, including financial incentives (such as investor tax abatements, exemption from sales taxes, or personal income tax forgiveness for employees) and regulatory regimes that clearly notify investors what they can build and what they can't, before they invest.







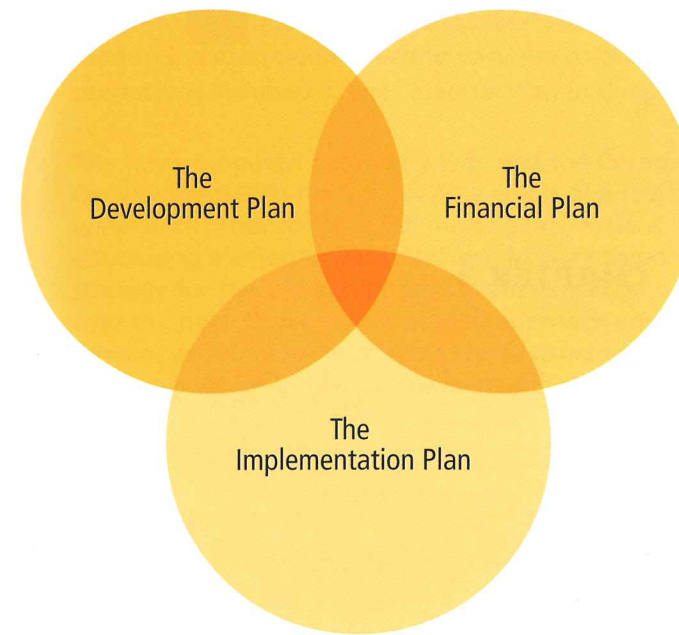
Construction at Canary Wharf, London (top)  
Removal of East section of the Gardiner Expressway, Toronto (2nd from top)



Melbourne:  
Southgate district



Barcelona (below)



It is critical that the various governments with responsibilities in the area are willing to grant or loan all of the powers needed by the revitalization enterprise to get the job done. Typically, this does not, and should not, involve the creation of a new level of government. The enterprise is an essential, but essentially time-limited, vehicle for facilitation.

### 2.3 THE INTEGRATED DEVELOPMENT PLAN AND BUSINESS STRATEGY

Chapter 3 sets out the enterprise's Development Plan for an urban waterfront of extraordinary quality. Chapter 4 outlines an Operational Plan that provides the various stages of management and marketing needed to produce a successful enterprise; and Chapter 5 sets out a Financial Plan, including the anticipated investments, returns, and cash requirements.

As with any business endeavour, these three elements—the product, the plan of management and the financial plan—are highly interdependent. The quality of the development plan will, for example, largely determine the investment that the area draws, as well as the quality of public management. The public and private investments cannot be prudently made

(x) The proceeds of the sales or leases return to the enterprise to defray costs in accordance with a corporate financial regime.

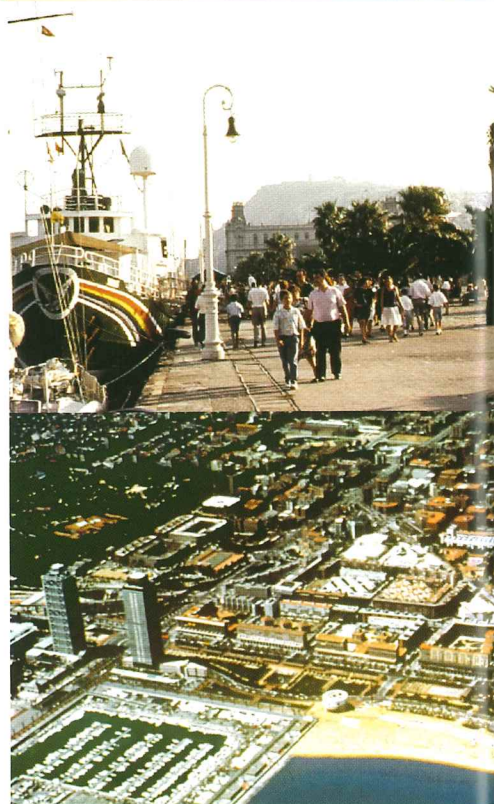
(xi) Nations and regions reap large rewards from the revitalization through direct and indirect revenues, wealth creation, and the creation of new jobs, but more broadly through their growing reputation, international profile and economic competitiveness. Sometimes, as with Battery Park City, large net profits are made within the enterprise and returned to governments.

(xii) The corporations are dissolved when the main purposes are implemented and directions set. Parks, streets and infrastructure return to the normal management of municipal governments.

*Successful revitalizations are generally large, bold initiatives that generate early economic activity and establish the international presence of the city and its revitalization.*

The activities outlined above are inter-related. The urban redevelopment corporation restructures the landscape to induce vast private investment from numerous sources that help implement the new districts. By creating a vision and realistic plans of the highest quality, and by following through with infrastructure and supports, the process creates large increases in the value of public lands that are returned to the governments as investors. The public enterprise uses public assets and powers to create enormous social, physical and financial value. It builds the structures and conditions required to engage innumerable private investments and enterprises in the development of new urban districts. As noted earlier, the total of such private investments over time is typically very large, far exceeding the public investments.

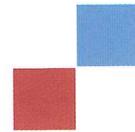
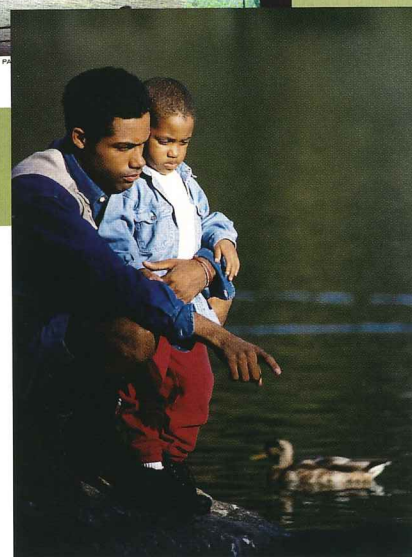
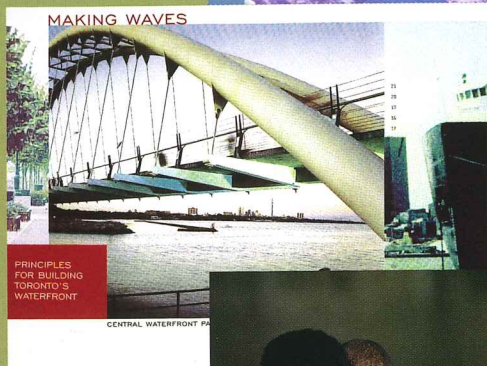
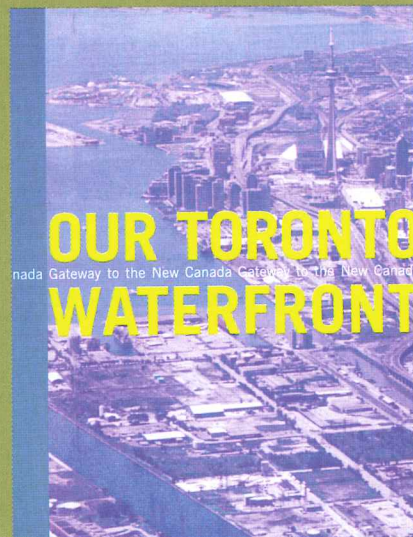
and managed unless the Corporation possesses the necessary powers to manage the revitalization comprehensively. And the physical development will be less than satisfactory without the necessary investments in public space and control of the development's design.



(viii) Lands for private development are sold or leased in public processes. These land disposals may be parcels within city blocks, or in blocks or sub-areas of the district. In the latter case, local infrastructure costs may be ascribed to the purchaser. Melbourne Docklands has held elaborate international competitions for five sub-districts, with the awarded development companies being responsible for infrastructure at the block level. Battery Park City Authority, on the other hand, leases or sells land at the parcel level. In the former process, the corporation is relieved of local costs, but also of end-sale land values. In the latter, the reverse is true.

(ix) Successful revitalizations are generally large, bold initiatives that generate early economic activity and establish the international presence of the city and its revitalization. They immediately change perceptions of the area. Canary Wharf in London's Docklands is a prime example.





## CHAPTER 3

### *The Development Plan*

#### 3.1 ANTICIPATED OUTCOMES AND PHASED DEVELOPMENT STRATEGY

The Corporation's Development Plan provides both a vision of a revitalized waterfront and a strategy for making that vision a reality. Based on the results of extensive studies completed to date, including those commissioned and undertaken by City staff, the Corporation envisages and is planning for a revitalized waterfront that will ultimately include:

- > more than 40,000 new residential units, some of which will be affordable rental units
- > more than 7.6 million square feet of new commercial space, including a new live-work District for Creativity and Innovation in the Portlands
- > approximately 500 acres of new and improved parks and open spaces across the waterfront, with access to the lake and harbour
- > the creation of a network of urban streets and blocks
- > the clean-up of contaminated soil
- > improved transit
- > improved water quality

The Development Plan that follows has undergone a detailed block-by-block analysis, based on established urban design principles and successful building types found here in Toronto. This comprehensive analysis confirmed

that the vision and strategies described in this chapter provide a solid foundation upon which to base the cost/revenue projections included in the Financial Plan in Chapter 5.

The City's proposed Secondary Plan and the Corporation's Development Plan both focus on a vision of a revitalized waterfront. They identify the major goals, actions, and structuring elements that will shape its realization; and outline a strategy for flexible and phased implementation that extends over the next 30 years. This phased approach ensures the Plan remains as sound in its details as in its structuring elements. It also provides for public involvement and the necessary decision-making and regulatory review by City Council closer to the time of actual development.

The components of this phased planning and implementation process are described in more detail in Section 3.5 of this report. The precinct level planning outlined in that section is a good fit for the Corporation's ongoing work on visioning, design and assessment. This process began with the publication of the Toronto Waterfront Revitalization Task Force Report in March, 2000 and includes:

- > Due diligence reviews of the early work of the Task Force carried out by professional planning and design staff and consultants. Their efforts focused on confirming the appropriateness of the location, variety and size of public amenity spaces and parks; the intended range of development types; and the quality and diversity of land uses, building types, and amenities being considered for the various districts of the Development Plan.
- > Waterfront revitalization has already been the focus of professional and voluntary design initiatives, including design studios at the Universities of Toronto and Waterloo; a Toronto Society of Architects International Design competition; and numerous community working groups. The Corporation, in cooperation with the City of Toronto, will continue to promote the evolution of the Development Plan. It will engage Toronto-based and international planning and design consultants and advisors, many of whom have been involved in acclaimed waterfront projects in London, Holland, New York, Barcelona and Shanghai, and other globally significant locations.
- > Once the Development Plan and Business Strategy, the City's Secondary Plan, and the necessary intergovernmental agreements are all in place, distinct waterfront precincts will be defined and subjected to detailed study resulting in Precinct Implementation Strategies. These strategies will provide the basis for precinct-specific zoning by-laws that will govern the detailed design and development of the waterfront.

Implementing the Development Plan will be greatly facilitated by the fact that approximately 70% of the land in the four waterfront revitalization districts is owned by the three levels of government. In some instances however it will be necessary for TWRC to acquire privately owned land to ensure that the key principles of the Development Plan are upheld. As a result, TWRC will likely need to acquire some privately owned property at the water's edge to protect public access.

The Development Plan presented here does not include detailed provisions regarding land use, density, height, built form controls, local infrastructure and community services. These decisions will be made through the precinct planning process and will include ample opportunity for meaningful public input and comment.

The Development Plan does, however, set out the key structuring components summarized graphically in Exhibit 3. This exhibit delineates the four districts, or Primary Development Areas, where the Corporation will oversee the creation of new mixed-use communities—Exhibition Place and Ontario Place District, East Bayfront, West Donlands and the Portlands. It also highlights significant initiatives both within and outside these Primary Development Areas, including the four priority projects already under-way. These components, as well as the anticipated but not prescribed development outcomes, provide the basis for the Financial Plan included in Chapter 5.

While the Corporation's main focus is on the Central Waterfront, it should be noted that \$25 million has been allocated for strategic projects outside this area over the 30-year build out period. Allocating funding for such projects will require approval from the three levels of government as well as TWRC. Projects currently under consideration are the Mimico waterfront initiative in Etobicoke and the Port Union project in Scarborough.



### 3.2 GOALS AND AMBITIONS OF THE DEVELOPMENT PLAN

The Development Plan has its origins in the March 2000 Task Force Plan, but includes substantive revisions and detailed refinements resulting from a close collaboration with City staff following its due diligence review of the Task Force Plan and publication of the draft Central Waterfront Secondary Plan. The resulting Development Plan is founded on four major goals. These goals represent the TWRC's synthesis of the six major initiatives described in the Toronto Waterfront Revitalization Task Force Report and the four "big moves" identified in the City of Toronto's Central Waterfront Part II Plan:

- > An accessible, attractive and enjoyable waterfront for the benefit of Toronto, Ontario, and Canada
- > A waterfront of dynamic and diverse new communities
- > A waterfront with a globally recognized Portlands District for Creativity and Innovation
- > A waterfront with a cleaner and healthier environment

The goals provide important standards for the content and quality of the individual projects and precinct development through which the Development Plan will be realized. Setting these standards at the outset of the revitalization process is particularly important in view of the mixed experience the people of Toronto have had with early attempts to redevelop the waterfront.

#### 3.2.1 An Accessible, Attractive and Enjoyable Waterfront for the Benefit of Toronto, Ontario, and Canada

##### Public and accessible water's edge lands, including land acquisition and reclamation of public spaces south of existing development

A fundamental objective of the Development Plan is the principle of an accessible and public waterfront, particularly at the water's edge. The network of streets arriving at the water's edge should be of the highest possible quality providing landscaped promenades leading to plazas and squares at the edge of the harbour. A continuous waterfront drive, in some locations made up of improved segments of Lake Shore Boulevard and Queen's Quay and possibly a new street, will be designed to provide access to lands between this drive and the water's edge. These lands, where not already developed, should be used for an array of parks, plazas, and public buildings.

##### A comprehensive system of parks and open spaces, including Lake Ontario Park adjacent to the lake in the Portlands, and a continuous water's edge promenade with pedestrian and open space linkages to the rest of the city

The creation of permanent new public spaces is one of the great central purposes of the revitalization enterprise. A significant amount of the land will be transformed into a coherent system of parks, promenades, plazas, and other public spaces to be dedicated as public assets in perpetuity.

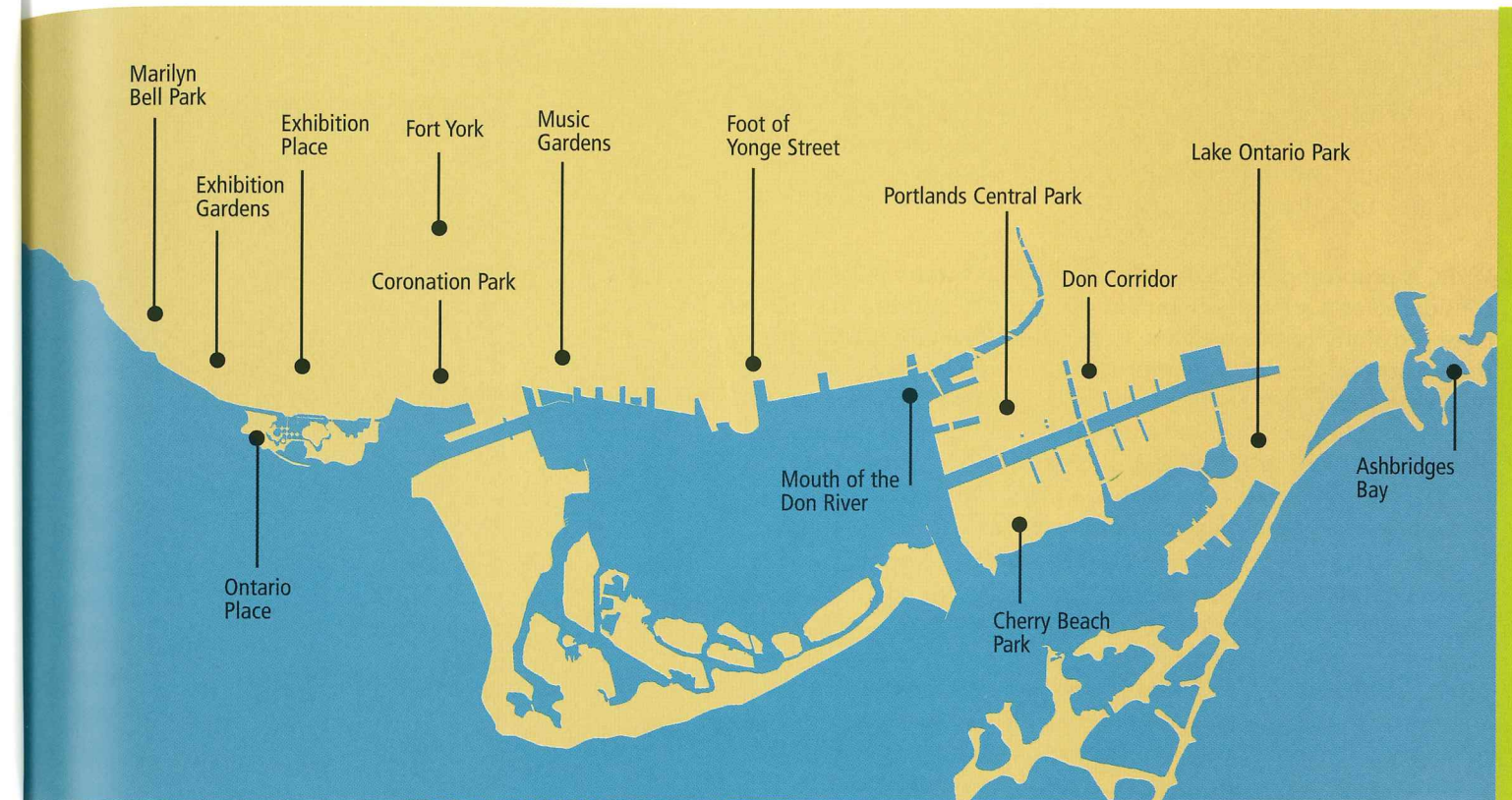
The Development Plan provides for generous and attractive public access along the water's edge. Public areas will provide for a range of activities, including access to boating, as well as leisure, community, cultural and entertainment facilities to be enjoyed by area residents and workers, as well as visitors and tourists. Public areas will also provide links throughout the Central Waterfront.

The mouth of the Don River will be naturalized and the area will have pedestrian and bicycle links to the river, to open spaces along the water, and to the new Portlands communities. In the Portlands, parks and open spaces include the new Commissioners Park adjacent to the Portlands District for Creativity and Innovation and the new Lake Ontario Park, a 250-acre regional park that will include Cherry Beach and extend to Ashbridges Bay in the east.

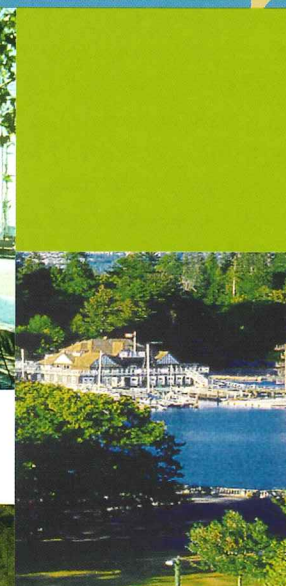
In the west, Coronation Park and Fort York will be better integrated through improvements to existing parks and the addition of new public open spaces and parkland. Open space areas in Ontario Place and Exhibition Place are to be enhanced and connected to public space along the water's edge.

##### Extraordinary new public attractions

A range of new cultural and entertainment facilities, with at least one destination resort facility of world scale, could be located throughout the Central Waterfront and connected by water's-edge promenades. The contribution of such attractions to increased tourism is well known, particularly when they are characterized by good architectural design.



1



2



3



4

1. Existing high-quality landscape and promenade at the Music Garden
2. Proposed augmenting of the waterfront promenade and improvements to the public spaces at the foot of Yonge Street
3. Recreational and ecological uses in the proposed Lake Ontario Park
4. Proposed naturalizing of the mouth of the Don River
5. Recreational uses along the Toronto waterfront: the marina at Ashbridges Bay



The Rose Planetarium at the Museum of Natural History in New York and the Guggenheim at Bilbao are renowned examples of the dramatic contribution that well-designed public buildings can make to a city's tourist industry.

TWRC is proposing that Exhibition Place and Ontario Place be considered as a joint development opportunity because of their close proximity to one another. In this area, TWRC recommends that revitalization focus on improving the existing successful trade centre function, possibly by developing a destination hotel, as well as a globally attractive entertainment venue. To ensure a unique, high-quality plan, TWRC proposes initiating an international call for proposals in conjunction with the City of Toronto and the Province for the redevelopment of this area.

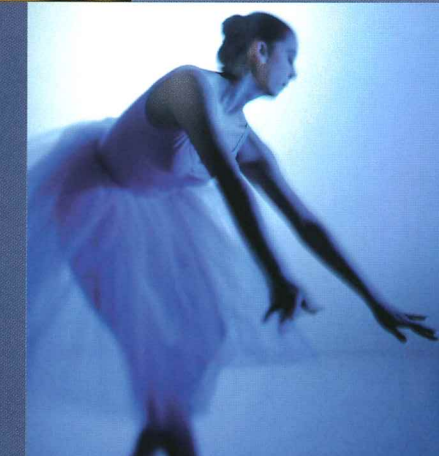
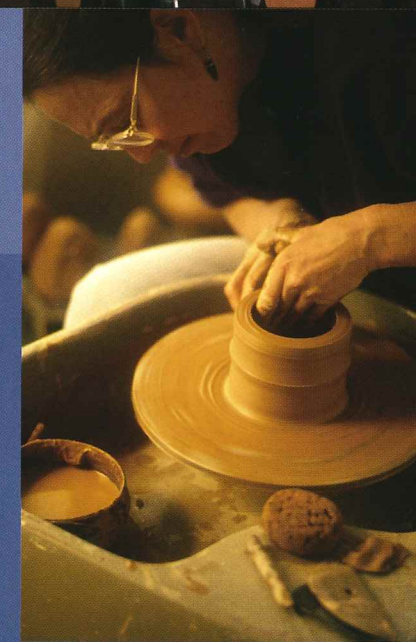
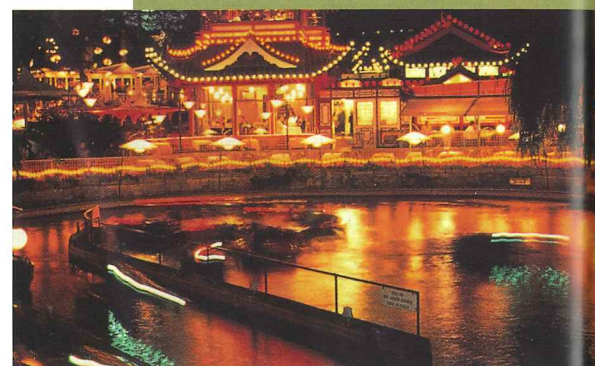
Another prominent opportunity for the creation of an extraordinary public attraction is at the foot of Yonge Street. This area is a truly remarkable part of Toronto's waterfront heritage and must be preserved for public use. Potential uses could include an architecturally significant landmark building with public art celebrating Canada's unique multiculturalism. Creating this kind of landmark at such a prominent and special place would certainly be appropriate recognition for one of the city's, province's and country's most important strengths—our diversity.

The City of Toronto's Culture Division has also identified a number of potential initiatives that build on the waterfront's rich history to help boost tourism. Proposals include a Museum of Toronto, the development of cultural corridors leading to the waterfront, improved visitor services at Fort York, and an aquarium.

#### High standards of design and implementation

The Development Plan builds on opportunities presented by existing waterfront features, such as the ship channel, public facilities, and open space in the Exhibition Place and Ontario Place district, Coronation Park, and Fort York. It also recognizes these features will require substantial enhancement before their full potential can be realized. The design of these areas—the streets, open spaces and public facilities—will meet high standards to ensure the waterfront is a beautiful, accessible and comfortable place for all.

The pattern of streets, development blocks and open spaces will extend the fabric of the city into the waterfront, while taking full advantage of the location's special opportunities to create and protect significant parks, public spaces, water-related recreational uses and environmental restoration. New development will preserve and add to important views, contribute to the creation of an attractive, accessible and safe public realm, enhance natural features, and appropriately frame and define public spaces.





Existing mid-rise buildings at Queens Quay and Spadina Avenue

Existing 8-storey building in the St. Lawrence Market area

Existing development at historic Gooderham and Worts site

Proposed development at Polson's Slip

High-rise towers and marina at False Creek, Vancouver

- Exhibition Place and Ontario Place District – 5,183 units
- East Bayfront – 6,610 units
- West Donlands – 8,622 units
- Portlands – 20,998 units

**3.2.2 A Waterfront of Dynamic and Diverse New Communities**

**Significant new housing in mixed-use districts, planned to accommodate the diverse needs of the city**

The TWRC's four development districts, or the Primary Development Areas, will offer a range of mixed housing, including affordably priced housing as well as live-work accommodation. TWRC will designate parcels of land that must include affordable housing, to be developed by the private sector in conjunction with private development sites, or by the non-profit sector (It should be noted that the affordably priced housing does not include housing subsidies).

The Development Plan also provides for a broad mix of business and employment opportunities. Local commercial uses will support both residents and workers. The Corporation's planning and implementation activities will be carried out in a way that ensures community services and facilities, and local parks will be available in conjunction with new residents and workers. The Plan provides serviced and remediated land for community services at no cost.

**Communities that are attractive for living, working and visiting**

The new waterfront communities will be popular places to live, work, and visit due to their proximity to the water's edge and their access to a network of existing and new parks, as well as recreational opportunities, open space and pedestrian and cycling routes. Increased availability and use of mass transit will reduce the need for cars and a well-designed public realm will encourage walking and cycling. Toronto's new waterfront will be a spectacular place and, like transformed waterfronts in other cities, it will become a powerful magnet for visitors from across the province, the country and the world.

**3.2.3 A Waterfront with a Globally Recognized District to Accommodate and Promote the Growth of Convergent Knowledge-based Enterprises**

**Attracting and accommodating businesses of the new economy**

Developing a Portlands District for Creativity and Innovation is a significant initiative of the Development Plan. It will be a place to promote innovation and encourage creative interaction between Toronto's new and existing industries, including media, biomedicine, biotechnology and high technology. Promising new clusters will emerge in the knowledge-based industries and will thrive in this fully integrated live-work environment.

The objective is to provide an environment that promotes and fosters the inter-mingling of sectoral specialties and skills. This convergent environment provides a high degree of accessibility by using public transportation; a dense complex environment; and an urban form that is street-related and accommodates all the necessary urban amenities, including restaurants and entertainment. It also includes block and parcel patterns that can accommodate flexible building forms of all kinds, from apartment buildings to laboratories, theatres to desk-work space, and the presence of both land and water-related recreational amenities.

The Toronto region has a range of internationally benchmarked economic clusters. These clusters range from financial service providers including managers of individual assets to pension funds; investment banking; life insurance and venture capital; communications; broadcasting and film; hospitality and entertainment; food and beverage; pharmaceutical; medical research; automotive; and manufacturing. The Portlands District for Creativity and Innovation is intended to foster new enterprises that grow between sectors and the research and development faculties within them. A necessary ingredient for these synergies to flourish is the proximity of a fundamental source of learning and its accompanying research facilities. The Portlands are close to a number of excellent centres of learning with significant assets in research and development, including the University of Toronto with its globally recognized medical school and University Avenue research and hospital complex, Ryerson University, Ontario College of Art and Design and George Brown College. Film and animation production already exist close by. The Portlands District for Creativity and Innovation will strengthen these clusters of economic activity and build new enterprises, securing Toronto's place in the industries of the 21<sup>st</sup> century.



### 3.2.4 A Waterfront with a Cleaner and Healthier Environment

#### Promoting the use of transit for access to and from and within the waterfront

The Development Plan is based on the principle of encouraging increased use of mass transit as part of a comprehensive approach to promote an environmentally sound transportation system and transit-friendly development. Increasing road capacity cannot be the 21<sup>st</sup> century answer to transportation needs. One of the four approved priority projects is the expansion of the TTC platforms at Union Station, the major transportation hub of the city. Streets and street-related development will ensure the waterfront welcomes pedestrians and promotes alternatives to cars. The Corporation's development proposals are designed to support new transit lines throughout the waterfront. This will include enhancements to the Harbourfront LRT and GO Transit.



#### Improving water quality

Through the course of revitalizing the Central Waterfront the Don River and Lake Ontario water quality will be improved. Best management practices for storm water drainage will be employed. Strategies will be developed to participate in the City of Toronto's Wet Weather Flow Master Program. As a result of these measures, and other water drainage initiatives under-way, combined sewer overflows will also be diminished.

#### Naturalizing the mouth of the Don River

Improvements to the lower Don River and the naturalization of the mouth of the Don, one of the four priority projects now under-way, will improve both the aquatic and terrestrial habitat

> The Don mouth area is to be enhanced as a naturalized area with pedestrian and bicycle links



of the waterfront. A greenway adjacent to the Don Roadway will link the river's terrestrial habitat with the Leslie Street Spit.

#### Reducing the threat of flooding

Flood proofing the West Donlands and protecting parts of the downtown from flooding, is another priority project. Flood proofing involves increasing the capacity of the culverts under the railway corridor, constructing a berm along the Don River north of the railway corridor and increasing hydraulic capacity of the lower Don River through naturalization.

#### Cleaning up contaminated soil

Cleaning up contaminated soil in the West Donlands and in the Portlands is an essential part of development in these areas. The Portland Preparation Project, one of the four priority projects, will begin the process for these environmental improvements. Throughout the waterfront, detailed planning for soil remediation must take place in concert with development planning.

#### Implementing a sustainable integrated energy strategy

In order to reduce the consumption of energy from conventional sources, a sustainable, integrated energy strategy will be developed, evaluated, and implemented, where appropriate. The integrated energy approaches that will be considered include the use of "green energy," deep-water lake cooling and district heating. Sustainable development will be encouraged, with a focus on energy efficiency, environmental safety and a cost-effective implementation program.

### 3.3 THE GARDINER EXPRESSWAY CORRIDOR REDESIGN AND RECONFIGURATION

A significant amount of work has gone into examining options for replacing the elevated portions of the Gardiner Expressway. This includes the work done for the Toronto Waterfront Revitalization Task Force March 2000 report and the City of Toronto's Central Waterfront Secondary Plan both of which



recommended modifications to the Gardiner Expressway corridor in order to improve the urban nature of transportation networks in the waterfront area as well as access to downtown. These waterfront studies built on earlier work that looked at redesigning the corridor. Based on this work, TWRC believes that modifying the elevated portions of the Gardiner Expressway corridor in order to improve its urban nature could enhance the revitalization of Toronto's waterfront. However, a decision on if and how the Gardiner should be modified can only be made after further study, which may lead to an environmental assessment. This process would take approximately three years to complete and would include an evaluation of all options, including the status quo. It would also provide for extensive consultation to ensure the public has meaningful input into any decisions that are made. Phasing in the TWRC Development Plan and Business Strategy has been structured so approvals and implementation of other revitalization components can proceed during any Gardiner study or environmental assessment. As owner of the road, it is important that the City of Toronto endorse such a course of action.

### 3.4 THE DEVELOPMENT PLAN

#### 3.4.1 General Considerations

Exhibit 3-1 shows the key elements of the Development Plan for waterfront revitalization. Summary descriptions of what is envisaged in each of the four Primary Development Areas—Exhibition Place and Ontario Place, East Bayfront, West Donlands and the Portlands—as well as specific initiatives are described below, with reference to the numbers shown on the Exhibit. The descriptions of key elements indicate which specific initiatives have been identified as Priority Projects for the Corporation.

In reviewing these descriptive sections, it should be noted that, consistent with the implementation strategy on which the Development Plan is based, they do not include detailed accounts of anticipated development yields, or information concerning building massing, specific land uses, heights and the pattern of streets and blocks. Extensive background study by both TWRC and City staff provide confidence that the overall development yields and financial analysis can be accommodated. Details of how the accommodation will take place will be addressed incrementally, as part of the precinct planning process.

The overall estimates for residential and commercial development are consistent with those that appear in Making Waves, the staff report that presents the City's Central Waterfront Secondary Plan. The development of these estimates and the precinct-by-precinct approval process set out in the City's Secondary Plan will ensure that the built form is acceptable to both the public and local communities. It is also important to

note that the estimates of development potential were not calculated to maximize revenues, but rather to ensure a pattern of development that respects accepted principles of urban design and planning, and draws on the highest quality precedents from Toronto and abroad.

#### 3.4.2 The Primary Development Areas

##### Exhibition Place Ontario Place District (Primary Development Area 1)

Together, Exhibition Place and Ontario Place district occupy 270 acres of a prime waterfront location and form one of the Corporation's four Primary Development Areas. New mixed-use development and new globally recognized entertainment and cultural facilities could be introduced to this district to better integrate it into the fabric of the city and transform it from an underutilized and isolated area into one of the most exciting and dynamic parts of Toronto. The National Trade Centre could expand, and new trade marts could be developed.

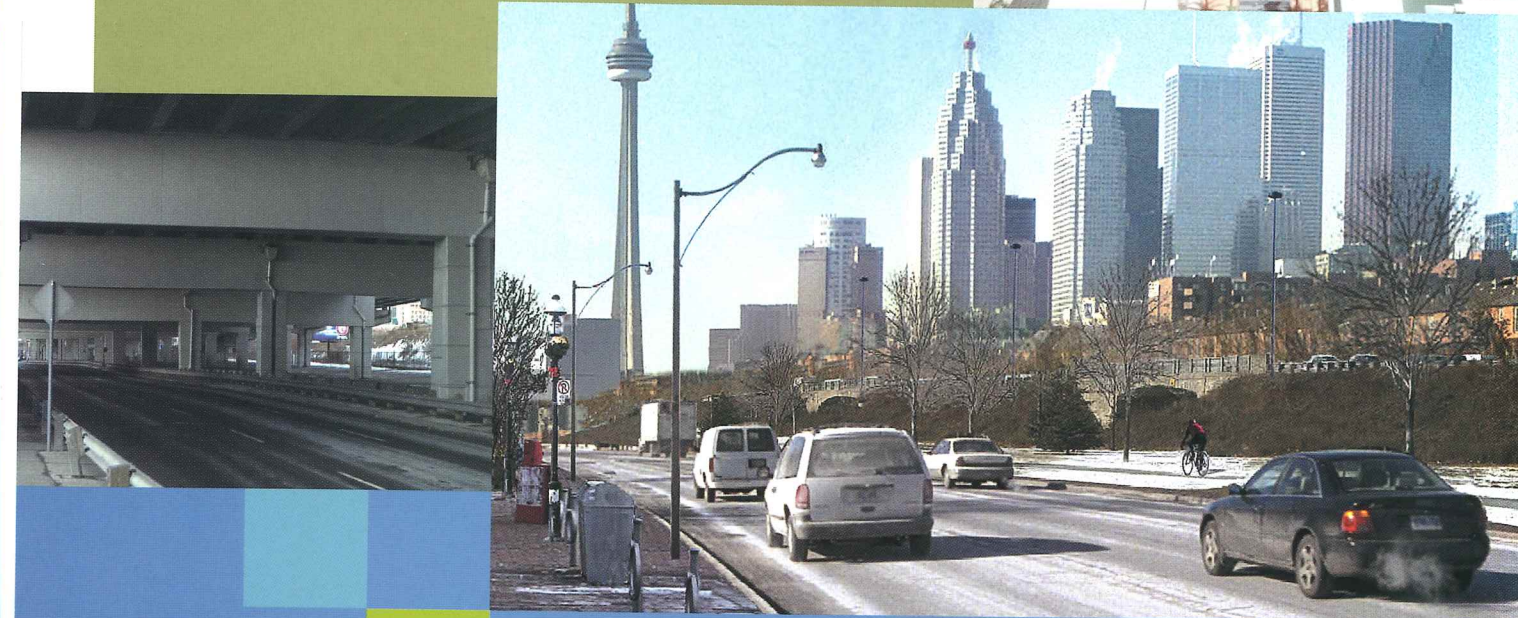
Interest in the area could be enhanced by the addition of an array of all-season activities. Virtually all existing buildings would be retained with new activities and structures introduced in a garden-like setting, producing a place of variety, surprise and delight in the spirit of Copenhagen's Tivoli Gardens. In addition to existing events, such as the CNE, the Molson Indy and Carnival Parades, the new Exhibition Place and Ontario Place district could accommodate new festivals, such as a major winter festival, international art and crafts shows and music festivals in the summer. Restaurants and other services will support these activities, as well as new housing in a mixed-use environment.

##### The East Bayfront (Primary Development Area 2)

The East Bayfront comprises the area south of the rail corridor between Jarvis Street and the new naturalized Don River. In many respects, the East Bayfront corresponds to the section of Harbourfront between Spadina Avenue and Bathurst Street at the Music Garden Park. The Development Plan provides for its

Dowling Av.

- > Before: view of San Francisco with expressway
- > After: proposed removal of the expressway showing a congenial at-grade environment



- > Before: view of Gardiner/Lakeshore at Parliament Street today
- > After: view of a possible modification to Gardiner/Lake shore Boulevard near East Bayfront

redevelopment as a new mixed-use area including high-quality public space, promenades and gardens, public services, commercial and residential buildings overlooking the lake and the city. Modifying the Gardiner Expressway corridor if approved could be a major benefit for the quality of this new community.

##### The West Donlands (Primary Development Area 3)

The Development Plan calls for the West Donlands (previously known as the Ataratiri site) to become a new mixed-use community. Situated between the Gooderham and Worts area and the Don River, this district could include a new perimeter park with access to the river, local neighbourhood parks, and a major promenade along the north side of Front Street, which

will serve as the neighbourhood's main street. The district is envisioned to have a variety of building types including institutional and commercial buildings as well as houses and apartments in a conventional Toronto street and block structure.





**Exhibit 3-1**  
TWRC Development Plan

**Primary Development Areas**

- > 1 Exhibition Place and Ontario Place District
- > 2 East Bayfront District
- > 3 West Donlands District
- > 4 Portlands District

**Major Elements**

- > A Continuous public lakefront promenade with parks and plazas
- > B Front Street Extension
- > C Union Station (new platform)
- > D Harbourfront
- > E Portlands District for Creativity and Innovation
- > F Channel District
- > G Lake Ontario Park
- > H The Mouth of the Don River

<span style="color: green;">■</span> parkland and public realm	<span style="color: red;">—</span> proposed waterfront drive
<span style="color: blue;">—</span> approximate limits of development areas	

Subject to environmental assessment

Phased park extension



**The Portlands  
(Primary Development Area 4)**

The Portlands, though a large district in the public mind and one of the four major redevelopment areas, is best understood as a series of separate precincts. These precincts include neighbourhoods with schools and other community facilities and each with its own special character, including the Portlands District for Creativity and Innovation, the ship channel, and Lake Ontario Park areas. Areas like the East Harbour would have their own unique cachet, in this case, a phenomenal view of the city across water and, in the foreground, a large linear park at the harbour edge.

**3.4.3 Specific Initiatives**

**A. Continuous public lakefront promenade with parks and plazas**

The Development Plan calls for the development of a publicly accessible water's edge. Some of this is already in place, and these areas will be enhanced as needed. A naturalized mouth of the Don River and Lake Ontario Park will be major new features. The promenade areas will include public uses, such as cultural and entertainment facilities, and will have good access to public transit.

**B. Front Street Extension (Priority Project)**

The project includes a two-kilometre extension of Front Street from Bathurst Street to a new interchange with the Gardiner Expressway west of Strachan Avenue, after which it continues west to end at Dufferin Street. The Front Street Extension is a key element of waterfront revitalization, and will provide a new route into the central area from the west, resulting in off-loading traffic from the Gardiner Expressway. This project is part of the larger transportation initiative to transform the road system serving the city and the Central Waterfront in the interests of an enhanced and more sustainable urban environment.

**C. Union Station Subway Platform Expansion (Priority Project)**

This project includes the addition of a second platform to the south of the existing platform, the reorganization of the station concourse to include a western bypass corridor for GO passengers who are not headed for the subway, and improved connections to the Harbourfront LRT. An improved transit system is the cornerstone of sustainable development, and these improvements will have a positive environmental effect on the waterfront and the city as a whole. The Union Station subway platform project exemplifies the Corporation's approach to a balanced program of transit and road investments.

**D. Central Harbour Waterfront Improvement Zone**

While new redevelopment in this area will not fall under the Corporation's direct jurisdiction, this part of the Central Waterfront will be improved by tapping into the unrealized potential for public gathering and celebration, not only in terms of the Harbourfront Plan, but also in relation to the area at the foot of Yonge Street.

Initiatives in this location could include the creation of a major new waterfront plaza to give permanent form to the city's presence at the front of the harbour. It could also include a new multicultural centre for the performing arts which could be a showcase for Canada, celebrating our unique multicultural diversity and strength through music, films, dance, food, exhibitions and art. It would be one of Canada's premier architectural buildings, and the subject of architectural competition. Revitalizing the ferry docks is also part of the improvements that are being contemplated.

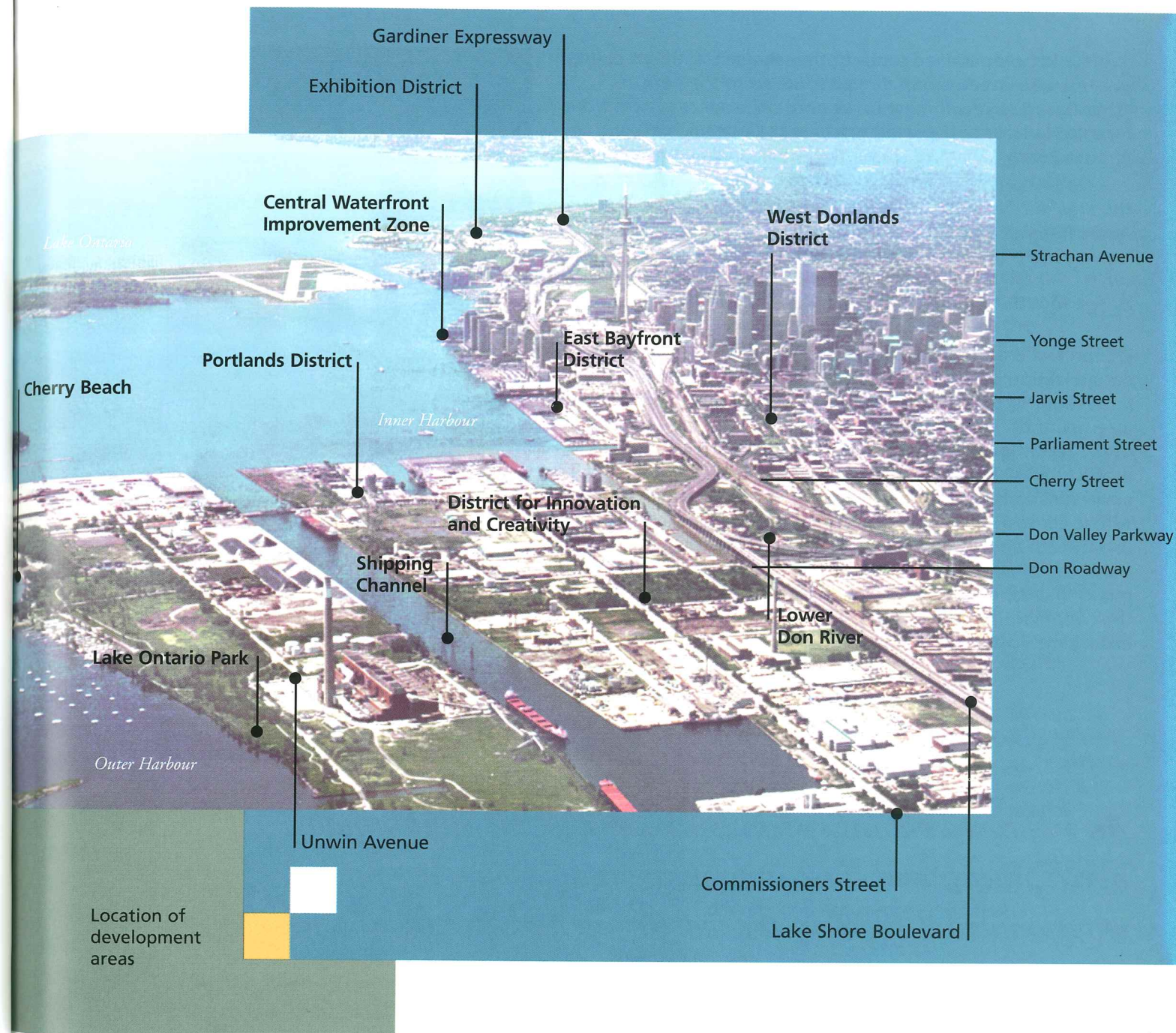
**E. Portlands Initiatives, Including the Portlands Preparation Project (Priority Project) and the District for Creativity and Innovation**

This project involves initial preparation of the Portlands and West Donlands for redevelopment by removing impediments to private sector investment and reclaiming land for more productive uses. Elements of this project include the development of strategies for land management and soil remediation, the launch of a soil remediation program and beginning work on preliminary infrastructure.

A key development initiative, to be facilitated by the Portlands Preparation Project, is the creation of the Portlands District for Creativity and Innovation—an innovative new live-work district modeled on successful initiatives in other parts of the world—including the University Park development associated with MIT in Cambridge, Massachusetts.

**F. Channel District**

The ship channel, one of Canada's great man-made waterways, will be the focal point of a new development precinct. The channel,



complete with elaborate new canals, will provide miles of water's edge lined with promenades on different levels and open space linkages to major parks in the north and south. The district can provide boat moorings adjacent to housing, restaurants, and a variety of local services. This is a vital and diverse new community of extraordinary potential created in the spirit of Sydney's Darling Harbour.

**G. Lake Ontario Park**

Lake Ontario Park on the Outer Harbour will be a major new amenity complementing Cherry Beach and the natural habitat provided by the Leslie Street Spit. Within its 250 acres there would be an inlet from the Harbour. This could include a major reforestation program with picnic areas, nature interpretive centres, and other facilities such as aviaries, butterfly pavilions and aquaria allocated along an extensive trail system. Lake Ontario Park will

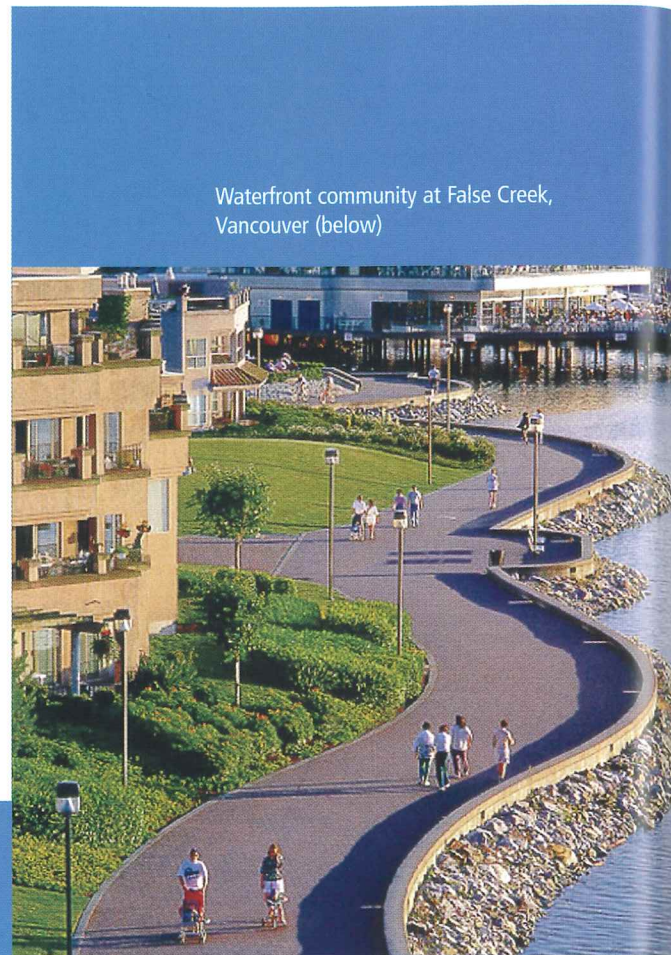


connect to new parkland south of the sewage treatment plant, east of Leslie Street, which in turn connects to the park at Ashbridges Bay, providing a continuous open space system from Toronto Harbour to the waterworks at the extreme east end of Toronto Beach.

The area north of Cherry Beach and south of the ship channel would become a mixed-use precinct with residential apartments looking south over parklands and beaches.

#### H. The Mouth of the Don River (Priority Project)

This project is an environmental assessment for the re-naturalization of the mouth of the Don River and flood protection for the city's downtown core. This project includes an assessment of alternatives to help determine the eventual design of the reconfiguration of the river mouth and how best to protect the West Donlands from flooding. Once the environmental assessment is complete it is expected that a berm will be constructed for flood proofing and that the area now underneath and beside the high level Gardiner bridge will be transformed with a new bridge. The Keating Channel, with its murky waters, will be converted into a large naturalized area of the river mouth, with walkways and cycle routes along its edges linking the Portlands to the adjacent areas of the city.



Waterfront community at False Creek, Vancouver (below)

*An improved transit system is the cornerstone of sustainable development, and these improvements will have a positive environmental effect on the waterfront and the city as a whole.*



West Donlands (above)

### 3.5 IMPLEMENTATION & PHASING OF DEVELOPMENT

#### 3.5.1 Implementation

The Financial Plan presents the analysis of the financial and economic dimensions of waterfront revitalization over a 30 year time period. At this time, TWRC is seeking government approval for corporation expenditures for years one to five and is requesting that the previously committed \$1.5 billion flow to the Corporation over the five-year period in equal instalments—\$100 million per year from each government—in the form of cash. TWRC recognizes that the timing of these funds will be based on the precinct-by-precinct business case justification that it brings forward to the governments for approval as well as TWRC's annual rolling five-year business plan.

Because the implementation of waterfront revitalization is expected to take place over 30 years, implementation must be phased and flexible as well as responsive to inevitable economic, social and political changes. TWRC will work closely with the City of Toronto to implement the Development Plan in orderly phases, with the necessary approvals made on a precinct-by-precinct basis. The phased development process will give the people of Toronto, as well as the necessary experts, governments, and others, an opportunity to review and comment on the transformation of the waterfront as it proceeds. It will also ensure that the public aspirations the Corporation was created to realize are respected in every aspect of its work.

The private sector has a major role to play in the revitalization of Toronto's waterfront. This role includes assisting in the implementation of the Corporation's Development Plan, not only by building within the Primary Development Areas in accordance with the Corporation's requirements and City bylaws, but also undertaking ongoing private redevelopment in other parts of the Central Waterfront. Redevelopment in areas adjacent to the TWRC Primary Development Areas must be undertaken in consultation with the Corporation in order to ensure the integrity of the overall revitalization concept.

#### YEAR 1 ACTIVITIES AND EXPENDITURES

TWRC anticipates undertaking the following activities in the fiscal year 2003/04. This is a preliminary work program. The program will be refined as plans are advanced. Many of the projects mentioned are significant multi-year projects, which are only beginning in 2003/04. The budget noted here is for the current fiscal year only. The total budgets for all projects are included in the Financial Plan in Chapter 5.

**Portlands Preparation - \$15.5 M** – Work in the Portlands will include strategic projects to kick-start soil remediation and infrastructure activities that must occur before development can take place in the Portlands and West Donlands.

**Front Street Extension - \$76 M** – During 2003/04 work on the Front Street extension will include design, land acquisition and the start of construction in the fall of 2003.

**Parks & Public Places - \$7.5 M** – Developing new parks and improving existing ones will be among the first projects undertaken by TWRC. In 2003/04 it is anticipated that this will include the clean-up and expansion of Cherry Beach, the development of Commissioners Park in the Portlands and a design competition for Lake Ontario Park

**Precinct Planning - \$5 M** – TWRC will work closely with the City of Toronto to develop precinct plans for the four waterfront districts. This will include an international proposal call, made in conjunction with the City of Toronto and the Province, for the joint redevelopment





of Exhibition Place and Ontario Place into an entertainment and resort destination complex.

**Strategic Projects - \$5 M** – Funding will be provided for strategic projects outside the Central Waterfront. Projects under consideration by TWRC and the governments include the Mimico waterfront project in Etobicoke and the Port Union project in Scarborough.

**Transit Improvements - \$4.2 M** – Design of the second subway platform at Union Station will be undertaken in 2003/04 as well as improvements to other components of the waterfront transportation network.

**Gardiner Expressway Corridor - \$4 M** – A study examining options for the Gardiner Expressway corridor will be undertaken in 2003/04. This study could lead to a full environmental assessment.

**Integrated Energy - \$2 M** – In 2003/04, TWRC will continue its work to develop and advance a sustainable, integrated energy strategy for the waterfront. The work will include investigating strategies that are both leading edge and feasible from a technical and marketing perspective in the North American market. Work will also include encouraging both the public and private sectors to look at co-generation opportunities.

**Water Quality - \$1 M** – In 2003/04, TWRC will develop a water quality strategy that supports the City of Toronto's Wet Weather Flow Master Plan. The strategy will focus on ensuring new development utilizes state-of-the-art practices as well as retrofit opportunities including addressing combined sewer overflows.

**Don River Environmental Assessment - \$750,000** – In 2003/04, the environmental assessment for flood protection and re-naturalization of the Don River will be under way.

In 2003/04, TWRC will also purchase some key properties that are required for implementing the Corporation's vision.

#### YEARS 1-5

Within the first five years TWRC will have invested the \$1.5 billion committed by the three levels of government and a substantial amount of work will be under way such that by 2007/08 development and investment will have ramped up to the maximum rate accomplishing the following:

- > Major environmental assessments will be complete
- > Phase one precinct plans for all areas in the Central Waterfront will be developed

- > Residential construction will be occurring in all Districts
- > First phase of East Bayfront residential and commercial units will be ready for occupancy
- > Construction will be underway on the Portlands Innovation District and the entertainment resort destination at Exhibition Place and Ontario Place
- > Front Street extension will be complete
- > Portlands Preparation project will be complete
- > Don River environmental assessments will be complete, the berm will be built and work on re-naturalizing the mouth of the river will be underway
- > Second subway platform at Union Station will be one year from completion

#### Exhibition Place and Ontario Place District

- > Infrastructure over 50% complete
- > Non-residential construction over 30% complete
- > Phase 1 residential buildings under construction

#### East Bayfront

- > Remediation and infrastructure well underway
- > Approximately 20% of residential units built with 13% occupied

#### West Donlands

- > Flood protection complete
- > Soil and groundwater remediation 33% complete
- > Infrastructure construction under way
- > Phase 1 residential buildings under construction

#### Portlands

- > Priority remediation complete
- > Infrastructure construction well underway
- > New access over the Don River complete
- > District for Creativity and Innovation under construction
- > Phase 1 residential buildings under construction

#### Parks

- > Land reclamation for Lake Ontario Park complete
- > Commissioners Park complete
- > Majority of the parkland in East Bayfront complete

#### Transit

- > Second subway platform at Union Station one year from completion
- > 20% of other transit improvements under way

#### Environmental

- > Global soil/groundwater remediation investment under way
- > Water quality investment beginning
- > Investment made to facilitate integrated energy program
- > Naturalization of the mouth of the Don River under way

#### 3.5.2 Phasing

During the build out period, the construction of infrastructure must be coordinated with the development of new buildings and communities in a way that ensures a public realm of the highest possible quality and the provision of the necessary community

services such as emergency services, schools and community centres, in step with the arrival of new residents and workers. The management principles for this coordination are discussed in Chapter 4.

As noted, work is under way on the four priority projects, which represent important first steps in implementing waterfront revitalization. However, three of the projects—the Front Street extension, Re-naturalization and Flood Protection for the Lower Don River and the Portlands Preparation project—must be carried out in conjunction with the realization of the overall Development Plan and the more detailed plans for the Gardiner Expressway, as these plans emerge.

The timing of the release of separate phases, or precincts, for development will be constrained by the need to ensure that there is a critical mass of development in one area before a new one is started. This is essential in order to create value. The timing of the release of precincts for development must also take into account existing lease arrangements and the use of land already in the private sector. Precinct planning and phasing of development must also consider the value of moving ahead quickly on initiatives that will showcase the opportunities and benefits of waterfront revitalization.

A general development schedule is presented in Exhibit 3-2.

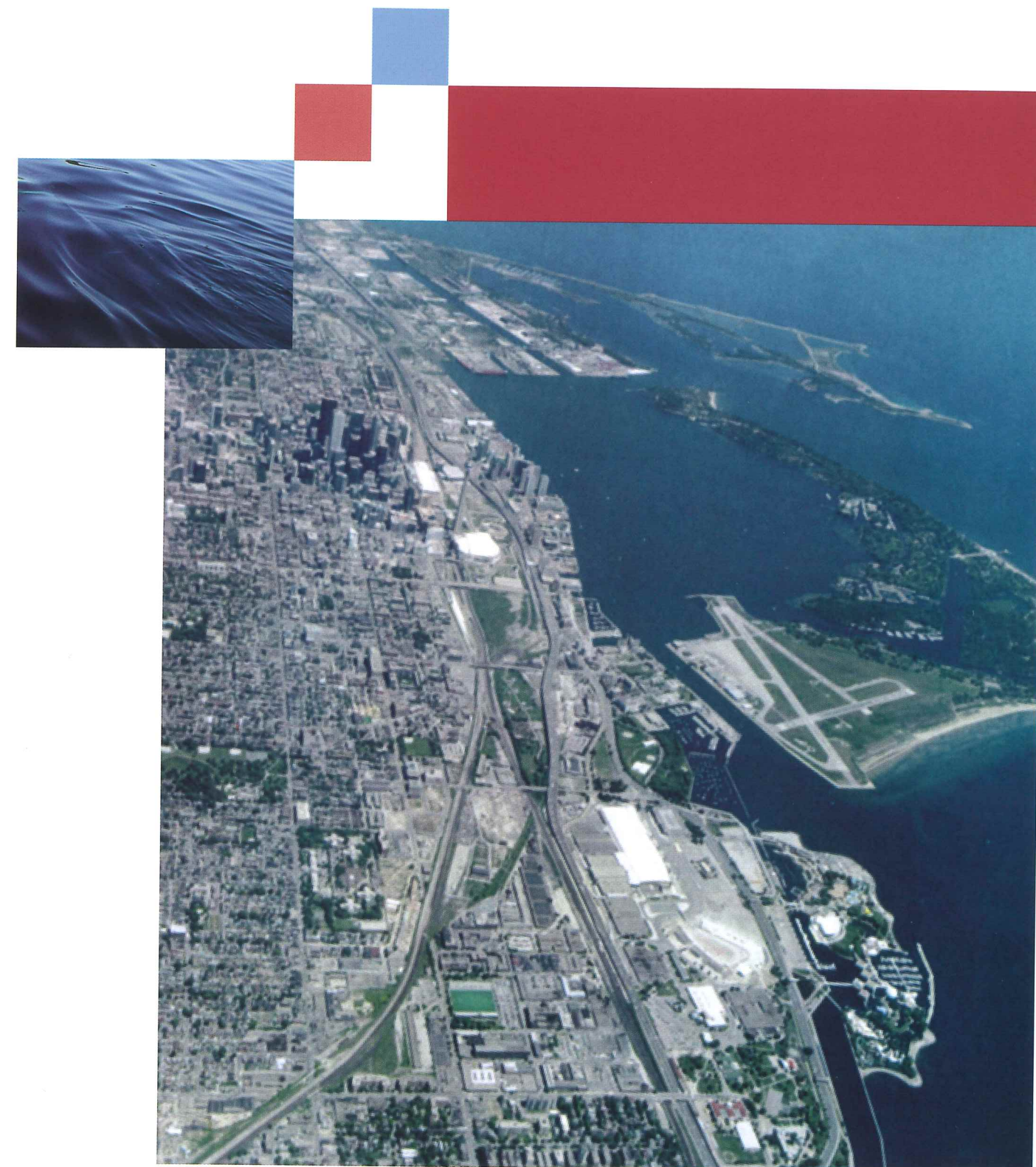




EXHIBIT 3-2

GENERAL DEVELOPMENT SCHEDULE

	SHORT TERM (Up to 5 Years)	MEDIUM TERM (6-10 Years)	LONGER TERM (11+ Years)
<b>Environment:</b>			
<b>Don River</b>	<ul style="list-style-type: none"> <li>• Don River mouth naturalization and flood protection EA complete (Priority Project)</li> <li>• Construction of Don River mouth naturalization and flood protection complete</li> </ul>		
<b>Water Quality</b>	<ul style="list-style-type: none"> <li>• Don River and Toronto Bay water quality improvement strategy developed and integrated with the City's Wet Weather Flow Management Master Plan</li> <li>• Water quality improvement strategy implementation commenced</li> <li>• Integrated Storm Water Management strategy implementation in development areas commences</li> </ul>	<ul style="list-style-type: none"> <li>• Water quality improvement strategy implementation continues</li> <li>• Integrated Storm Water Management strategy implementation in development areas continues</li> </ul>	<ul style="list-style-type: none"> <li>• Water quality improvement strategy implementation continues</li> <li>• Integrated Storm Water Management strategy implementation in development areas continues</li> </ul>
<b>Soil Remediation</b>	<ul style="list-style-type: none"> <li>• Soil remediation commenced (in advance of redevelopment)</li> <li>• Remediation in Portlands commenced (Priority Project)</li> </ul>	<ul style="list-style-type: none"> <li>• Soil remediation continues (in advance of redevelopment)</li> </ul>	<ul style="list-style-type: none"> <li>• Soil remediation continues (in advance of redevelopment)</li> </ul>
<b>Integrated Energy</b>	<ul style="list-style-type: none"> <li>• Integrated energy strategy developed and basic infrastructure established</li> <li>• System advanced as roads are developed</li> <li>• End users begin to connect to integrated energy system</li> </ul>	<ul style="list-style-type: none"> <li>• System advanced as roads are developed</li> <li>• End users continue to connect to integrated energy system</li> </ul>	<ul style="list-style-type: none"> <li>• System advanced as roads are developed</li> <li>• End users continue to connect to integrated energy system</li> </ul>





**SHORT TERM  
(Up to 5 Years)**

**MEDIUM TERM  
(6-10 Years)**

**LONGER TERM  
(11+ Years)**

**City Building:**

**Transit**

- Commence construction of (and almost complete) TTC platform expansion at Union Station (Priority Project)
- Commence investment in other transit initiatives
- Design Waterfront Plan and roadways within the Plan to be transit-supportive

- Complete TTC platform expansion
- Continue investment in transit initiatives
- Continue to design roadways within the Plan to be transit-supportive

- Continue investment in transit initiatives
- Continue to design roadways within the Plan to be transit-supportive

**Roads**

- Complete the Front Street Extension EA and construction (Priority Project)
- Undertake a study and possible EA if endorsed by the City of Toronto for the Gardiner Expressway corridor subject to City of Toronto approval
- Commence construction of defining community and neighbourhood roads

- Continue construction of defining community and neighbourhood roads

- Continue construction of defining community and neighbourhood roads

**Public Spaces:**

**Parks**

- Commence development of major parks and open spaces
- Commence filling for Lake Ontario Park
- Invest in first "feature building"
- Commence development of local parks – in coordination with neighbourhood development
- Undertake "early start" projects that can be completed relatively independently

- Continue development of major parks and open spaces
- Complete filling for Lake Ontario Park
- Invest in second "feature building"
- Continue development of local parks – in coordination with neighbourhood development

- Continue development of major parks and open spaces
- Continue development of local parks – in coordination with neighbourhood development

**Walkways and Promenades**

- Commence construction of walkways and promenades typically at the water's edge

- Continue construction of walkways and promenades

- Continue construction of walkways and promenades

**SHORT TERM  
(Up to 5 Years)**

**MEDIUM TERM  
(6-10 Years)**

**LONGER TERM  
(11+ Years)**

**Precinct Development:**

**Exhibition Place and Ontario Place**

- Commence development and building construction (residential, commercial and entertainment)

- Continue development and building construction (residential, commercial and entertainment)
- Commence occupancy

- Continue development and building construction (residential, commercial and entertainment)
- Continue occupancy

**East Bayfront**

- Commence development and building construction (residential)
- Commence occupancy

- Continue development and building construction (residential and commercial)
- Continue occupancy

- Continue development and building construction (residential and commercial)
- Continue occupancy

**West Donlands**

- Commence development and building construction (residential)

- Continue development and building construction (residential and local commercial)
- Commence occupancy

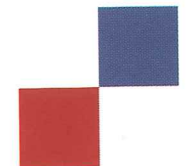
- Continue development and building construction (residential and local commercial)
- Continue occupancy

**Portlands**

- Commence development and building construction (residential and District for Creativity and Innovation)

- Continue development and building construction (residential and District for Creativity and Innovation)
- Commence occupancy

- Continue development and building construction (residential and District for Creativity and Innovation)
- Continue occupancy





## CHAPTER 4

### *Implementing Waterfront Revitalization*

This chapter describes the roles of the Corporation, the risks it will likely face and must overcome, and the specific actions required for the successful implementation of its mandate. These roles, risks and actions were identified by examining the experiences of similar enterprises, as summarized in Chapter 2, and by considering the lessons learned during earlier attempts to redevelop Toronto's waterfront.

#### 4.1 A FRAMEWORK FOR THE MANAGEMENT AND MITIGATION OF RISKS

##### 4.1.1 Roles of the Corporation

The Corporation must have the authority to lead and manage waterfront revitalization in its totality in order to accomplish national objectives and create signature developments. The Corporation will be responsible for implementing the Development Plan once it is approved by the three levels of government. This plan will improve the social, physical and economic value of the Central Waterfront and do so in a manner that engages private investment, obtains the public's involvement and confidence in the venture, and achieves revitalization in a financially and fiscally responsible manner. Above all, the venture must sustain the confidence and support of all government partners, as well as the public at large, throughout the process.

The primary roles of the Corporation, which correspond to the successful models described in Chapter 2 of this report, can be summarized as follows:

##### > Articulate an ambitious vision and establish a plan for its realization that galvanizes public enthusiasm

In fulfilling this indispensable role, it is necessary and typical to start with big economic generators and large and exciting district development that generates activity.

##### > Provide unified, integrated, and strategic management

Providing unified, integrated, and strategic management is essential if the strands of carefully phased development are to coalesce and produce quality city-making in a financially responsible manner. These strands include phasing, design, financing, attracting new businesses and cultural and entertainment facilities, marketing of land, marketing of the desired outcome, development control, and infrastructure construction.

##### > Be empowered to provide special incentives

Special incentives and other mechanisms designed to support this enterprise can play a crucial role in the success of its economic model and in the conceptual outcome of the development as a whole.

##### > Provide stability of purpose

A project of this magnitude requires stability and constancy of purpose regarding its vision, funding, and quality of outcome.

##### > Promote and ensure design quality

It is essential that the Corporation develop long-term programs and strategies to raise the profile and design quality of the renewal process. It must also foster the creation of exceptional urban design contexts that provoke and accommodate highly diverse and complex local neighbourhoods. These objectives, when expertly pursued, will generate international and national recognition for the enterprise, which in turn, will be reflected in increased land values.

##### > Develop and retain a core management staff dedicated to the achievement of revitalization in the public interest

Some of the greatest public revitalization ventures are also known for developing cultures of excellence in public management, as evidenced by the Battery Park City Authority, Tianjin's premier Economic Zone, Sydney's Olympic Districts, and Beirut's Solidere.

In order to carry out its essential functions, the Corporation must have a core public management staff of competitive quality. This staff is required to manage the primary aspects of the enterprise and to integrate the complex interactions between design, finance, law, contracting, construction, marketing and leasing to ensure that the resulting waterfront development is of the highest quality. Much of the design, marketing, construction and other work will be contracted out to other firms, but the retention and direction of those contracts will be the Corporation's responsibility.

##### 4.1.2 Mitigation of Risks

The actions set out in this section will help the Corporation avoid potential risks faced by similar public enterprises with large and complex mandates that extend over a decade or more. These risks are substantial and include the following:

- > Lack of coordination or purpose between agencies and governments in the use of lands can seriously subvert the aims of revitalization and the prudent use of public funds.
- > The venture could fail without the financial stability and management durability necessary to carry it through the recessions that will likely occur during its lifetime and result in delayed demand for occupancy space.
- > There is a possibility that the enterprise will lack the resources necessary to create a public realm that meets satisfactory standards.
- > Ineffective control regarding the amount of land made available in any phase of redevelopment may cause a general devaluation of land if it is not addressed firmly and comprehensively.
- > An insufficient degree of accountability and transparency can degrade public confidence and undermine support for the enterprise.

#### 4.2 MANAGEMENT PROCESSES TO ENSURE ESSENTIAL ROLES ARE FULFILLED AND POTENTIAL RISKS AVOIDED

##### 4.2.1. Managing the Disposition of Land

Protocols and approval processes should be developed between the three levels of government and TWRC regarding the disposition of lands in the designated waterfront area in order to both protect the public interest and create opportunities for private sector investment in waterfront revitalization.

##### Beneficial ownership of all public lands

In order to effectively implement the goals of revitalization, the Corporation must manage the disposition of all lands in the mandated area. It therefore eventually must have control of the lands in the Central Waterfront now owned by the three governments and their agencies. The Corporation will then be able to create new parcels of land and direct their development in carefully planned phases, for either public use and infrastructure, or for private development. This will allow the Corporation to maximize the enterprise's value as well as the value of the physical revitalization.

##### Early purchase of key private lands

The Corporation will need to acquire some privately owned land that is critical to implementing the Development Plan. Early purchase of such land is required to reduce costs and begin development in certain key areas.

##### Effective process for land sale or lease

The Corporation must be able to offer parcels of public land for sale or lease in a process that effectively promotes development and meets the overall planning and development objectives. The process for achieving necessary building approvals must be clearly defined and it must restrict the ability of individual developers to seek changes in development permissions without the Corporation's consent and participation.

##### Roles of the current public landowners

In recognition of the wide range of commercial and public activities that will continue to be carried out on public land holdings, TWRC is not proposing to take control of the operations of various agencies active in the mandated area. However, primary development control and coordination by the Corporation in all land and development activities in the waterfront area is crucial. It must be a priority of the three governments to establish a protocol with TWRC to achieve such coordination.

##### Transferring back lands

The purpose of the Corporation is to facilitate development, and not to operate facilities. Accordingly, all new roads, parks and lands for other public community facilities will be transferred back to the appropriate level of government.



#### 4.2.2 Managing an Integrated and Comprehensive Development Process

The Corporation must direct and manage a comprehensive development process for the publicly-owned waterfront lands. This process must incorporate planning, urban design, development control, purchases, marketing, land sale and leasing, financing, infrastructure design, construction, and interim property management. And it must be implemented within the context of continuous business planning and reporting, working closely with government, and ensuring substantial public involvement. The Corporation will be responsible for the development of new public infrastructure and for a framework for public lands that are sold or leased for private development. The City will have responsibility for planning and regulating development approvals on private lands.

##### Broad development plan

The Corporation must produce and obtain agreement among the governments on an overall plan, and on the phased development for the whole Central Waterfront, in concert with the City of Toronto's Central Waterfront Secondary Plan process and the environmental assessment process. The Secondary Plan sets out the City's broad waterfront planning objectives. It will be the Corporation's responsibility to develop the specifics of its plan within this context, so all aspects of implementation (e.g. timing and impact of the development of new infrastructure, soil remediation needs, market demand and so on) can be considered and incorporated.

##### Local precinct strategies

At the local area or precinct level, the Corporation will develop Precinct Implementation Strategies in collaboration with the City and its planning, transport, traffic, and delivery agencies, based on the Secondary Plan and the broad Development Plan referred to above.

The Precinct Implementation Strategies constitute the guiding management documents for implementing renewal in each precinct. The detailed precinct strategies will integrate, among other things, the provision and development of public infrastructure and public spaces, opportunities for private development, criteria to ensure a high standard of architecture, and implementation of environmental programs. These strategies will also provide for effective phasing of development and investments in order to create an orderly land market, achieve a critical mass in precinct development, and provide investors with assurance that infrastructure and surrounding development will be delivered as promised. These strategies must be widely consulted upon, ensuring public input into the future of each precinct. These

consultations should be completed before any zoning changes are made and before land sale, leases, or construction processes, are initiated.

The City will give key elements statutory force through bylaws, and agreements between the Corporation and the City will give necessary clarity and certainty to approved strategies.

##### High design quality

The Corporation will undertake a sustained program of urban building and space design of the highest quality, in order to create economic, social and physical value. The experiences of public enterprises such as Barcelona, the Sydney Harbour Foreshore, and Battery Park City, show that high standards of design are critical for the creation of memorable places that add value to cities for their residents, businesses and visitors. Sustainable development and energy efficiency will also be built into the development program.

##### Development control and approval processes

Development control and approval processes must be specifically designed to support the implementation of the Development Plan, attract private investment, guarantee excellence and coherence of architecture, and to ensure the public knows what to expect from this enterprise. Such a process must serve a range of needs:

- > The **public** needs to have full ability to comment on plans before adoption, and to have an impact on those plans. It also needs assurance that: precincts will be developed in general accordance with the development plans, and will not be prey to expediency; and private development will contribute to the quality of public space.
- > **Private investors** need clarity regarding what they can and cannot develop, and certainty with respect to approval processes and timelines, environmental issues, what their neighbours will build and when, and the timely completion of required infrastructure.
- > The **Corporation** needs the ability to proceed in an orderly and phased manner.

##### Ongoing certainty

Detailed controls over development on lands controlled by the Corporation can be maintained through provisions in the deeds of sale or leases to the private sector. Such controls would be supplemental to the control achieved through zoning and other public regulatory approvals. In order to ensure continued certainty in this regard, it will be essential to restrict individual developers from negotiating directly with the City for re-zonings or other permissions, without the consent and participation of the Corporation.

#### 4.3 REQUIRED CORPORATE AUTHORITIES

The Corporation requires key powers to be able to carry out its functions that include:

##### Ability to sell or lease lands and retain revenues

The Corporation will sell or lease lands to the private sector for development, with the proceeds from such sale or lease accruing to TWRC.

##### Role in the development process

The Corporation must have special powers in the development process, including a special role in preparing the precinct strategies in order to ensure a comprehensive approach.

#### 4.4 CORPORATE ACCOUNTABILITIES

The Corporation's accountability to governments and the public is critical. Public confidence is essential if the TWRC is to merit the stewardship of public lands and resources. A number of different initiatives are required.

##### Clarity of vision and plans

There has been a general lack of clarity of vision with respect to the future of most of Toronto's waterfront development, creating an impression of ill-coordinated expediency. Clarity is required, not only with respect to the general purposes and nature of the waterfront transformation, but also regarding the specifics of development in local precincts. Those specifics should be established before development begins, so that the general form of both public spaces and private development is publicly known.

##### Broad public consultation

TWRC will undertake a broad and continuous process of public consultation with all stakeholders.

##### Certainty of outcomes

The Corporation must deliver what it promises and the new waterfront must correspond to the plans that are developed and approved. There are several ways the Corporation can provide a strong level of certainty to its partners and the public. First, it can confirm that waterfront parks and public spaces, including their nature and design, will remain permanent public assets. Second, it can define the aspects of private and public development that are key to the Development Plan. Finally, it can guard against unexpected changes by embedding development controls in deed restrictions.

##### Transparency in land transactions and contracting

The sale or lease of all lands will be undertaken through a competitive bidding process among qualified bidders with the various parcels of land having pre-determined development and design criteria.







## CHAPTER 5

### Financing Revitalization

The Financial Plan presents the analysis of the financial and economic dimensions of waterfront revitalization over a 30 year time period. At this time, TWRC is seeking government approval in principle for Corporation expenditures for years one to five and is requesting that the previously committed \$1.5 billion flow to the Corporation over the five-year period in equal instalments of \$300 million per year—\$100 million per year from each government—in the form of cash. TWRC recognizes that the timing of these funds will be based on precinct-by-precinct business case justification that it brings forward to the governments for approval as well as TWRC's annual rolling five-year business plan.

Costs for modifying the Gardiner Expressway corridor have not been included in the Financial Plan. If an Environmental Assessment is initiated following appropriate studies, it is anticipated that an extensive financial analysis will be part of the EA process. Twenty million dollars has been included for any Gardiner studies and a potential environmental assessment.

The Financial Plan estimates:

- > The timeframes and the costs for land assembly, remediation, and infrastructure development
- > The timeframes and revenues from the sale or lease of remediated, serviced land parcels to private sector developers
- > The funding requirements that need to be met through additional government investment
- > The economic activity generated through the implementation of the Project, including direct revenues to government and employment

The analysis extends over a 30-year period and is presented in constant 2002 dollars (except where noted) with net present values calculated using a nominal discount rate of 7.5% per annum and a projected annual inflation rate of 2.3%. No allowances have been made in the event it is necessary to securitize any assets in order to match cash-flow requirements.

#### 5.1 BASE CASE

A Base Case has been developed to represent TWRC's most reasonable expectations at this time. It is based on projected costs, revenues, and other parameters that are reasonable and consistent. The Base Case excludes consideration of different

approaches that the governments might use to make the additional required investment in the Project. The Base Case assumes that:

- > TWRC will own, or control, virtually all lands within the four designated development areas. TWRC recognizes that it will obtain this control on a site-by-site or precinct-by-precinct basis (as appropriate) in each instance after presenting a business case justification to the governments for approval.
- > Lands that are currently owned by one or more of the governments will be transferred to TWRC on a precinct-by-precinct basis after approval of the precinct's business case justification by the governments. TWRC recognizes that the transfer of lands to it by the governments represents part of the government's investment in the Waterfront Revitalization Project, but it has not endeavoured to place a value on these lands. Accordingly, TWRC has not included any cost to gain control for redevelopment of lands currently in public ownership in the cost estimates presented later in this section.

Further, TWRC has not included any costs or revenues in its Financial Plan relating to the operations of any ongoing programming that remains within the Project Lands (e.g. the Canadian National Exhibition and Ontario Place).

- > Lands needed for the Project that are currently privately owned will be acquired at fair market value. The Development Plan identifies certain lands, which are privately owned, where the use remains unchanged. These lands will not be acquired nor remediated by TWRC.
- > TWRC will be responsible for (and will bear the financial burden of) the redevelopment of only the Project Lands.
- > Land will be sold or leased as remediated, serviced parcels for residential and commercial development, or developed for public use. TWRC will be financially responsible for the remediation of lands it services and will receive the benefit of that investment through increased land values. TWRC will not incur any costs relating to the construction of residential or commercial buildings.

- > Revenue estimates do not significantly differentiate whether land is sold or leased. TWRC recognizes that this may currently not be the case.
- > Development will provide for many land uses, including housing for a range of income earners and a variety of commercial activities, including: Multi-Use Employment, Ground/Street Oriented Commercial and office space, hotels, Trade Centre and Trade Mart.
- > Developers will use a mix of "below grade" and "above grade" parking facilities for residential and commercial lands. TWRC assumes the City will provide some relief from current restrictions on the use of "above grade" parking, which will be in keeping with the ambiance and high quality of the overall development.
- > TWRC will assist private developers who acquire parcels within the Project Lands by endeavouring to provide greater certainty in advance of the transaction regarding the use, magnitude, and timing of allowable development.
- > Land will be developed for community services, but the costs relating to the construction of such facilities will be funded using traditional methods (e.g. development charges, taxes and/or grants).
- > TWRC will receive \$1.5 billion (nominal dollars) from the governments (pursuant to the Contribution Agreement) over a five-year period in equal instalments (i.e. \$100 million per year from each government) in the form of cash. This contribution will be net of any taxes. TWRC recognizes that the timing of these funds will be based on the precinct-by-precinct business case justification that it brings forward to the governments for approval.
- > It has been assumed that port activity will not cease. It is recognized that in several successful waterfront cities, port activities can enhance the attraction of the waterfront. At the stage of precinct planning, the integration of port activities with the waterfront vision will be concluded.
- > The Toronto City Centre Airport will not have an impact on the Waterfront Revitalization Project. In other words, the Financial Plan is consistent with continued operation of the airport.
- > TWRC will be subject to income and capital taxes, GST, ORST, property taxes and land transfer taxes in full compliance with existing legislation and regulations. The application of these taxes will be a function of work that is still ongoing, including details of TWRC's enabling legislation and the specifics of how and when land will be transferred to TWRC control. For the purposes of this Financial Plan:
  - > TWRC does not expect to pay income or capital taxes.
  - > TWRC expects that it will pay GST and receive no GST rebates.

- > TWRC expects that it will pay ORST.
- > TWRC expects that any property taxes owed by it will be negligible.
- > TWRC expects that land transfer taxes will be paid on land sold or leased to builders.
- > Residential development on the Project Lands will be subject to the City's development charge at a rate equal to 75% of the current rate. The 25% discount reflects the inclusion in TWRC's capital budget of a number of construction projects that form an element of the City's development charge. TWRC assumes that this charge will apply to all units except SROs, which meet the City's exception criteria on the basis of affordability.

Similarly, TWRC assumes that educational development charges will be payable at 75% of current rates. The discount has been assumed on the basis that the Business Plan contemplates school sites being provided without charge.

TWRC anticipates that the assumed discounting of development charges will be realized through a front-ending or services in lieu arrangement.

- > The existing building on the Hearn lands will remain unchanged. TWRC understands that some land on the Hearn site may be set aside and developed for a low emission co-generation facility.
- > All infrastructure requirements will be built new. (To the extent that existing infrastructure can be modified and reused, capital costs may be reduced).
- > Construction of infrastructure and public spaces will coincide with servicing local areas for residential and commercial development. Certain major public facilities will be provided early in the implementation of the Project (e.g., certain public parks, the Front Street extension and the Toronto Transit Commission (TTC) platforms at Union Station will be built within the next five years). TWRC plans to work closely with the governments regarding the timing of the construction of infrastructure and public spaces.



> TWRC will transfer lands developed for public use to the appropriate governments in accordance with their instructions. TWRC assumes that it will not be responsible for the ongoing operations and maintenance of public spaces and rights-of-way.

> Once the Project is fully developed, any lands or other assets under the control of TWRC will be transferred to the appropriate government(s) in accordance with their instructions.

### Exhibit 5-1

#### Summary of Estimated Capital Cost of Infrastructure Component (\$2002 Millions)

	Major Roads	Global	Exhibition (District 1)	East Bayfront (District 2)	West Donlands (District 3)	Portlands (District 4)	Total
Property Acquisition and Business Interruption		\$503	\$5	\$70	\$15	\$70	\$663
Precinct Plans & Project Initiation		\$8	\$2	\$2	\$2	\$2	\$16
Site Clearing			\$12	\$10	\$7	\$41	\$71
Environmental Remediation		\$83	\$12	\$19	\$19	\$166	\$298
Don River and Toronto Bay Water Quality Improvements		\$330					\$330
Site Grading		\$28	\$8	\$16	\$12	\$111	\$175
Major Infrastructure							
a) Collector Roads			\$61	\$29	\$16	\$163	\$269
b) Bridges			\$49	\$10	\$2	\$208	\$270
c) Trunk Sanitary Sewers			\$4	\$4		\$5	\$12
d) Trunk Watermains					\$0	\$3	\$3
e) Storm Water Management			\$2	\$5	\$5	\$6	\$19
f) Flood Control		\$12					\$12
g) Shorewalls		\$78				\$40	\$118
h) Utilities		\$50			\$5	\$45	\$100
i) Major Transportation							
-Front Street	\$170						\$170
j) Major Transportation							
-Gardiner	\$20						\$20
k) Major Transportation							
-Transit		\$800					\$800
l) Improvements (Foot of Yonge) and Special Projects		\$137					\$137
Local Roads & Infrastructure			\$12	\$39	\$41	\$179	\$271
Parks & Open Space		\$289	\$48	\$30	\$41	\$114	\$522
Don River		\$74					\$74
<b>Total</b>	<b>\$190</b>	<b>\$2,393</b>	<b>\$214</b>	<b>\$234</b>	<b>\$166</b>	<b>\$1,152</b>	<b>\$4,350</b>

Note: Gross costs include an allowance for construction contingencies and fees, soft costs (e.g., legal, administration and financing), ORST and GST.

### 5.2 COSTS

The Infrastructure Component of the Waterfront Revitalization Project will cost approximately \$4,350 million. Exhibit 5-1 outlines the estimated capital cost of the Infrastructure Component by major project and district. Appendix C describes the basis for these estimates.

The cost estimates shown in Exhibit 5-1 are based on conceptual development plans and phasing assumptions for the Project Lands that are consistent with the City's Central Waterfront Secondary Plan. Exhibit 5-2 presents the anticipated phasing of capital costs for the Infrastructure Component.

### Exhibit 5-2

#### Phasing of Estimated Capital Cost (\$2002 Millions)

	Phase 1 Years 0-5	Phase 2 Years 6-10	Phase 3 Years 11+	Total
<b>ENVIRONMENT:</b>				
Don River	\$74	\$0	\$0	\$74
Water Quality	\$44	\$110	\$176	\$330
Soil Remediation	\$154	\$56	\$88	\$298
Integrated Energy	\$50	\$0	\$0	\$50
<b>CITY BUILDING:</b>				
Transit	\$213	\$379	\$208	\$800
Roads	\$190	\$0	\$0	\$190
<b>PUBLIC SPACES:</b>				
Improvements (Foot of Yonge) and special projects	\$25	\$112	\$0	\$137
Parks	\$212	\$182	\$128	\$522
<b>PRECINCT DEVELOPMENT:</b>				
Precinct Plans & Project Initiation	\$16	\$0	\$0	\$16
Portlands	\$275	\$206	\$320	\$801
West Donlands	\$24	\$54	\$11	\$89
East Bayfront	\$57	\$35	\$22	\$114
Exhibition	\$104	\$35	\$9	\$148
<b>PROPERTY ACQUISITION AND BUSINESS INTERRUPTION</b>	<b>\$428</b>	<b>\$150</b>	<b>\$85</b>	<b>\$663</b>
<b>GLOBAL DEVELOPMENT (SITE GRADING, FLOOD CONTROL, SHORE WALLS)</b>	<b>\$80</b>	<b>\$26</b>	<b>\$12</b>	<b>\$118</b>
<b>Gross Cost</b>	<b>\$1,946</b>	<b>\$1,345</b>	<b>\$1,059</b>	<b>\$4,350</b>

Note: Gross costs include an allowance for construction contingencies and fees, soft costs (e.g., legal administration and financing), ORST and GST.



The Base Case establishes the foundations for the cost estimate of the Infrastructure Component of the Waterfront Revitalization Project. As TWRC implements the Project, changes to some aspects of the Base Case are expected to occur, and such changes could impact the magnitude and timing of cash-flows. TWRC recognizes the importance of it responding to changes in market conditions and evolving requirements and circumstances.

### 5.3 REVENUES FROM LAND

This section presents the estimated future revenues from residential and commercial land. Appendix C describes the basis for these estimates. The estimated revenues presented in this section reflect professional judgment regarding future market conditions, and are thus subject to change as events transpire.

TWRC contemplates development of approximately 40,000 residential units and 7.6 million square feet of commercial space. This development will be complete by 2035. From these lands, TWRC expects to generate \$1,749 million in revenues (net present value of \$803 million).

Revenues from other sources (e.g., sale of right-of-way access) are expected to be modest and, accordingly, are not discussed separately.

#### 5.3.1 Residential Land

Based on an assessment of the market, the Waterfront Revitalization Project contemplates four categories of residential housing: market condominium apartments, market rental apartments, Low End of Market rental apartments, and Single Room Occupancy ("SRO") apartments.

Exhibit 5-3 presents the anticipated distribution of housing types.

Residential land value to TWRC is projected to be \$1,605 million, an average of approximately \$40,000 per unit.

The City's Secondary Plan for the Waterfront contains policies and direction for affordably priced housing. TWRC plans to provide the remediated and serviced land necessary for this

Exhibit 5-3

#### Potential Housing Mix

	Units (\$ 000s)	% of Total (rounded)
Market Condominium	23,174	58%
Market Rental	5,666	14%
Low End of Market Rental	9,002	22%
SRO	2,415	6%
<b>Total</b>	<b>40,257</b>	<b>100%</b>

Note: Land value is the average over the life of the Project. Some land values are expected to escalate more rapidly than general inflation.

Incorporated within this development is the Portlands District for Creativity and Innovation. The Portlands District for Creativity and Innovation comprises almost 2,200 residential units and 2.1 million square feet of commercial space. TWRC believes that the Portlands District for Creativity and Innovation will contain more commercial development (i.e. between 4.5 and 7.0 million square feet of commercial space) but has adopted a conservative approach with respect to the size of the District within the Business Plan.

housing at zero land value based on today's estimated costs to provide the housing and revenues to service those costs. Other mechanisms, such as new government housing programs, if and when they are available, will further enhance the ability to meet these objectives.

The absorption rates for residential housing are based on the assumption that development creates a substantial local employment base.

The creation of nearby employment districts is essential to the success of the Waterfront Revitalization Project. None of the four redevelopment districts currently has a large or vibrant employment base within easy walking distance.

Residential land values are based on the development of between 15,000 and 25,000 jobs in the Project Lands. The strength of the home buying and rental market is closely linked to the state of the job market. Analysis over time has consistently shown that the state of the Toronto housing market is closely connected to new job creation over the previous three years.

For market condominium and rental apartments, there is an added element: apartment occupants are largely motivated to locate in an area because of its convenience. In the current market, condominium buyers and rental tenants are paying relatively high prices for relatively small living spaces. Much of the attraction to a housing unit is based on the amenities that are accessible nearby. For many, to be close to their place of work (especially within walking distance of it) is a high-ranking amenity.

#### 5.3.2 Commercial Lands

Based on an assessment of the market, the TWRC contemplates various categories of commercial land use:

- > Multi-Use Employment – Higher order employment-type use with a significant amount of finished and office-type space.
- > Portlands District for Creativity and Innovation – A designated

area for clustered commercial development within the Portlands, wherein significant incentives could be offered to qualifying businesses. The Business Plan assumes that the Portlands District for Creativity and Innovation will include 2.1 million square feet of commercial space (as well as almost 2,200 residential housing units). As mentioned earlier, TWRC expects the Portlands District for Creativity and Innovation will contain 4.5 to 7.0 million square feet of commercial space.

- > Ground/Street Oriented Office/Commercial
- > Office
- > Hotel
- > Trade Centre
- > Trade Mart

Exhibit 5-4 presents the anticipated mix of commercial land uses and associated values.

Commercial land values are based on the commercial land uses outlined in the Development Plan. As shown in Exhibit 5-4, commercial land value to TWRC is projected to be \$144 million, an average of \$19 per square foot.

Exhibit 5-4

#### Potential Commercial Use and Land Value (\$2002)

	Developable Area SF	% of Total	Land Value (\$ 000s)	Value Per SF (rounded)
Multi-Use Employment	2,954,152	39%	\$69,551	\$24
Ground/Street Oriented Office/Commercial	2,071,703	27%	\$20,488	\$10
Office	1,610,387	21%	\$54,029	\$34
Hotel	627,708	8%	\$0	\$0
Trade Centre	235,762	3%	\$0	\$0
Trade Mart	104,970	1%	\$0	\$0
<b>Total</b>	<b>7,604,681</b>	<b>100%</b>	<b>\$144,068</b>	<b>\$19</b>

Notes:

1. Land Value is the average over the life of the Project. Some land values are expected to escalate more rapidly than general inflation.
2. The Portlands District for Creativity and Innovation is expected to represent 44% of the Multi-Use Employment square footage plus 50% of all Office square footage.



TWRC would like to engage in discussions with the governments on appropriate incentives that could be made available to targeted businesses who choose to locate in the Portlands District for Creativity and Innovation. TWRC believes that appropriate incentives are vital to the success of the Portlands District for Creativity and Innovation and that its success is crucial to repositioning the local and Canadian economies as globally competitive suppliers of creative, knowledge-based goods and services. Incentives could take many forms, such as providing tax credits per employee, providing employees and/or companies with tax holidays, or reducing the companies' property tax burden.

For the purposes of the Base Case, TWRC assumes that appropriate incentives are offered and will provide substantial financial benefit to qualifying businesses for locating in the Portlands District for Creativity and Innovation.

TWRC would like to engage in discussions with the governments on the appropriate means by which the funding requirement can be addressed. Options available include approaches in which specific government resources are assigned to TWRC, new sources of revenue are implemented, the value of TWRC land is increased, and costs are re-allocated to other governmental and/or private projects/programs. Exhibit 5-7 lists examples of each of these approaches.

The funding options presented in Exhibit 5-7 are not exhaustive; other options are available.

### Exhibit 5-5

#### Anticipated Funding Requirement (\$2002 M and NPV \$2002 M)

	Revitalization Excluding Gardiner Reconfiguration	
	\$2002 M	NPV \$2002 M
Gross Cost	\$4,350	\$3,102
Land Revenues	(\$1,749)	(\$803)
Committed Government Contribution	(\$1,402)	(\$1,214)
Required Investment	\$1,200	\$1,085

### 5.4 FUNDING REQUIREMENT

Exhibit 5-5 shows the anticipated costs, revenues from land, committed government contribution and the required additional investment for the Waterfront Revitalization Project.

This estimated funding requirement excludes interest revenues and expenses, contingencies for unexpected events and the potential impacts of the approach by which the governments provide the required investment.

Exhibit 5-6 presents graphically the anticipated annual cash flow for the Project.

Exhibit 5-6 shows the additional funding requirement over the first 15 years, reflecting the significant expenditures on infrastructure during this period. Thereafter, the Project is generally self-sufficient.

### 5.5 ECONOMIC IMPACTS

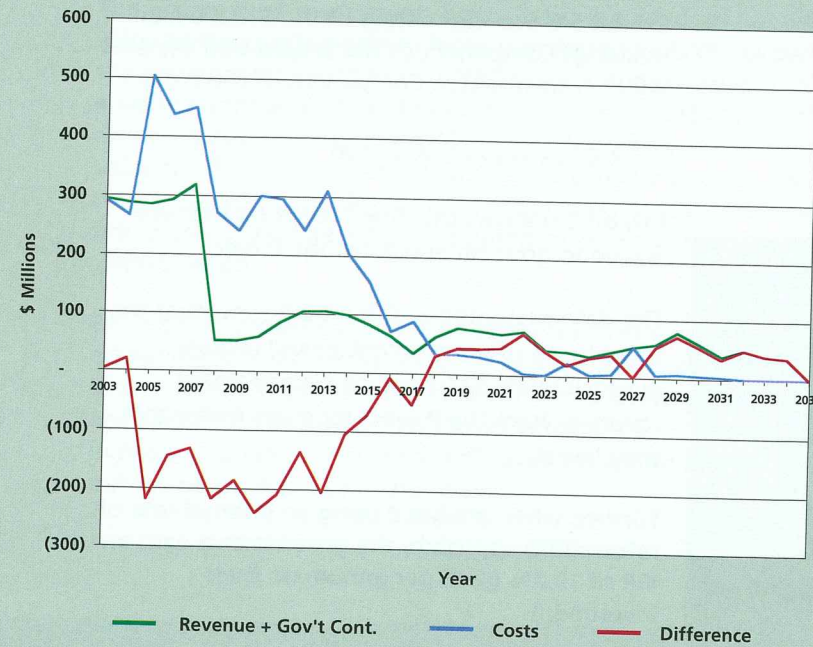
The economic impacts of the Project are substantial. The revitalization of Toronto's waterfront will generate significant positive impacts for the economies of Toronto, Ontario and Canada. These impacts will be felt, not only as a result of the construction activities associated with the revitalization, but also as a result of the ongoing commercial activities taking place after construction is completed.

In this section, the economic impacts of the Project are analyzed from two perspectives:

- > The generation of revenues to government
- > The support of employment

### Exhibit 5-6

#### Project Annual Cash-Flow (\$2002 M)



The analysis addresses both a smaller Portlands District for Creativity and Innovation (2.1 million square feet) and a larger Portlands District for Creativity and Innovation (7.0 million square feet), each of which contains approximately 2,200 residential units.

The analysis demonstrates that:

- > Governments will receive revenues far in excess of the investments they are being asked to contribute to the Project
- > Employment impacts will be substantial, reflecting the critical importance of the Project to the economies of Toronto, Ontario, and Canada

The analysis presented in this section are supported by the details provided in Appendix E.

This section also contains a description of some of the "softer" beneficial impacts generated by the Project that are over and above the quantified impacts that have been identified.

### Exhibit 5-7

#### Potential Funding Options

Assign specific government resources to TWRC

1. Grant commitments
2. Transaction-related taxes
3. Tax increment financing
4. Other taxes (e.g. fuel taxes)

Implement new revenue sources

5. Tolling
6. Parking levy
7. Area-specific development charge
8. Sale of utility franchise

Increase value of land

9. Brownfield tax credits

Reallocated costs

10. Reallocate costs to other government programs

### 5.5.1 Framework

The economic impacts of the Project have been categorized into two elements:

- > Those associated with the Construction Activities of the Project (i.e. the construction that takes place from the time work commences to the end of the build out in the year 2035).
- > The End State of the Project, i.e. those impacts associated with the residential occupancy and commercial activity taking place on the Project Lands. End State impacts include the "phase-up" to the year 2035 and beyond.

The Construction Activities are further characterized into two components, as follows:

- > Buildings Component, i.e., the sale/lease of developed land to builders, who will proceed to build and sell/lease residential and commercial buildings in the Project Lands.



> Infrastructure Component – TWRC infrastructure spending.

For both the Construction Activities and the End State of the Project, three categories of impact are considered:

> Direct – impacts generated in the Project Lands.

> Indirect – impacts generated among suppliers to direct Project participants.

#### Exhibit 5-8

##### Summary of Construction Activities (\$2002 M)

###### BUILDINGS COMPONENT

###### Residential Units

Market Condominium	\$8,372
Market Rental	\$1,535
Low End of Market Rental	\$1,769
SRO	\$175
Sub-Total	\$11,850

###### Commercial Units

Multi-Use	\$317
Ground/Street Oriented Office/Commercial	\$324
Office	\$409
Sub-Total	\$1,050

**Total Buildings Component** \$12,900

###### INFRASTRUCTURE COMPONENT

Property Acquisition and Business Interruption	\$663
Precinct Plans and Project Initiation	\$16
Site Clearing	\$71
Environmental (Soil) Remediation	\$298
Don River and Toronto Bay Water Quality Improvements	\$330
Site Grading	\$175
Major Infrastructure	\$1,930
Local Roads and Infrastructure	\$271
Parks and Open Space	\$522
Don River	\$74
<b>Total Infrastructure Component</b>	<u>\$4,350</u>

> Induced – impacts associated with the re-spending of the direct and indirect incomes earned.

Exhibit 5-8 provides details of the \$12.9 billion Buildings Component of the Project and the \$4.3 billion Infrastructure Component of the Project.

#### 5.6.2 Government revenues

Exhibit 5-9 shows the direct revenues that will accrue to governments from the Project.

The data presented in Exhibit 5-9 show that the three levels of government would receive approximately \$2.92 in direct government revenues from the Project for every dollar that they invest.

Further, when analyzed using an internal rate of return (IRR) approach, the governments earn an IRR of 13.7% (real) per annum on their investment.

#### Exhibit 5-9

##### Summary of Direct Government Investment and Revenues from the Project (NPV \$2002 M)

###### GOVERNMENT INVESTMENT

Contribution Agreement	\$1,214
Additional Funding Requirement	\$1,085
Publicly-Owned Waterfront Lands	—
<b>Total Government Investment (a)</b>	<u>\$2,299</u>

###### GOVERNMENT REVENUES

Buildings Component	\$1,233
Infrastructure Component	\$690
End State	\$4,800
<b>Total Government Revenues (b)</b>	<u>\$6,723</u>

**Ratio (b/a)** 2.92

TWRC believes this is a substantial return on investment to the governments and is reflective of the critical importance of the Project to the various economies.

The government investment shown in Exhibit 5-9 does not assign a value to the publicly-owned lands transferred to TWRC as part of the government investment. TWRC has not endeavoured to place a value on those lands and has accordingly excluded it from the above analysis. However, TWRC believes that if a current market value for those lands were included in the above analysis, the results would not be significantly affected because it must take into account the high cost of required soil remediation and infrastructure.

Exhibit 5-10 provides a breakout of the \$6,723 million in direct government revenues reported in Exhibit 5-9. Exhibit 5-10 also shows estimates of the indirect and induced government revenues accruing from the Project. As shown in Exhibit 5-10, total direct, indirect, and induced government revenues amount to \$10,044 million on a net present value basis.

#### 5.5.3 Employment Impacts

Exhibit 5-11 indicates that the Project would have the following impacts:

> **Buildings Component** spending would support approximately 67,000 person-years of direct employment, primarily as on-site construction employment, and an additional 63,000 person-years of indirect and induced employment, for a total of 129,000 person-years of employment.

> **Infrastructure Component** spending would support approximately 31,000 person-years of direct employment, primarily as on-site construction employment, and an additional 34,000 person-years of indirect and induced employment, for a total of 65,000 person-years of employment.

#### Exhibit 5-10

##### Direct, Indirect, and Induced Government Revenues from the Project (NPV \$2002 M)

	Direct	Indirect	Induced	Total
<b>Buildings Component</b>				
Federal	\$775	\$137	\$166	\$1,078
Provincial	\$395	\$84	\$149	\$627
Municipal	\$63	\$22	\$28	\$113
	<u>\$1,233</u>	<u>\$244</u>	<u>\$343</u>	<u>\$1,819</u>
<b>Infrastructure Component</b>				
Federal	\$397	\$108	\$116	\$621
Provincial	\$262	\$66	\$104	\$432
Municipal	\$31	\$18	\$20	\$68
	<u>\$690</u>	<u>\$191</u>	<u>\$239</u>	<u>\$1,121</u>
<b>End State Impacts</b>				
Federal	\$2,189	\$328	\$850	\$3,367
Provincial	\$1,635	\$169	\$746	\$2,550
Municipal	\$976	\$59	\$152	\$1,187
	<u>\$4,800</u>	<u>\$556</u>	<u>\$1,748</u>	<u>\$7,104</u>
<b>Total</b>	<u>\$6,723</u>	<u>\$990</u>	<u>\$2,330</u>	<u>\$10,044</u>



> **End State** activity would support 17,370 annual direct jobs, along with 12,800 annual indirect and induced jobs, for a total of more than 30,000 ongoing jobs.

### 5.5.4 Economic Impacts Incorporating a Larger Portlands District for Creativity and Innovation

As mentioned in section 5.3, TWRC believes the Portlands District for Creativity and Innovation will eventually contain more commercial development (i.e. between 4.5 and 7.0 million square feet without any change in the number of residential units). However it has adopted a conservative approach – 2.1 million square feet of commercial space – with respect to the Portlands District for Creativity and Innovation’s size within the Business Plan.

To illustrate the impact of a larger Portlands District for Creativity and Innovation, this section describes the estimated economic impacts for a scenario in which the Waterfront Revitalization Project includes a 7.0 million square foot Portlands District for Creativity and Innovation. Government revenues and employment

and Innovation would have the following employment impacts:

> **Buildings Component** spending would support 71,000 person-years of direct employment, primarily as on-site construction employment, and an additional 66,000 person-years of indirect and induced employment, for a total of 137,000 person-years of employment.

> **Infrastructure Component** spending would support 31,000 person-years of direct employment, primarily as on-site construction employment, and an additional 34,000 person-years of indirect and induced employment, for a total of 65,000 person-years of employment.

> **End State** activity would support 29,190 annual direct jobs, along with 22,530 annual indirect and induced jobs, for a total of almost 52,000 ongoing jobs.

#### Exhibit 5-11

##### Direct, Indirect, and Induced Employment Impacts from the Project

	Direct	Indirect	Induced	Total
Buildings Component (person-years)	67,000	28,000	35,000	129,000
Infrastructure Component (person-years)	31,000	16,000	18,000	65,000
End State (jobs)	17,370	4,630	8,170	30,170

*Notes:* The 17,370 direct End State jobs represent the annual employment impacts in 2035 and beyond. On average, an additional 11,000 direct jobs are generated annually during the years leading up to the End State. These 11,000 direct jobs would be associated with an additional 3,000 indirect jobs and an additional 5,000 induced jobs on average per annum during this period.

impacts associated with this scenario are shown in Exhibits 5-12 and 5-13.

Exhibit 5-12 indicates that a Waterfront Revitalization Project that includes a 7.0 million square foot Portlands District for Creativity and Innovation would generate total direct, indirect, and induced government revenues of \$15,728 million on a net present value basis.

Exhibit 5-13 indicates that a Waterfront Revitalization Project that includes a 7.0 million square foot Portlands District for Creativity

### 5.5.5 Tourism Implications

Although the broader off-site economic development implications for Toronto, Ontario and Canada, and associated government revenues are a critical element of the rationale for the Project, it has not been possible to quantify these within the scope of this analysis.

The Project will enhance existing tourist attractions and create new tourism draws,

#### Exhibit 5-12

##### Direct, Indirect, and Induced Government Revenues from Project that Includes a 7.0 Million Square Foot Portlands District for Creativity and Innovation (NPV \$2002 M)

	Direct	Indirect	Induced	Total
<b>Buildings Component</b>				
Federal	\$858	\$150	\$181	\$1,189
Provincial	\$426	\$92	\$163	\$680
Municipal	\$68	\$24	\$31	\$123
	\$1,351	\$266	\$375	\$1,993
<b>Infrastructure Component</b>				
Federal	\$397	\$108	\$116	\$621
Provincial	\$262	\$66	\$104	\$432
Municipal	\$31	\$18	\$20	\$68
	\$690	\$191	\$239	\$1,121
<b>End State Impacts</b>				
Federal	\$4,221	\$611	\$1,674	\$6,506
Provincial	\$2,751	\$314	\$1,471	\$4,537
Municipal	\$1,162	\$109	\$301	\$1,572
	\$8,135	\$1,034	\$3,446	\$12,615
<b>Total</b>	<b>\$10,177</b>	<b>\$1,491</b>	<b>\$4,060</b>	<b>\$15,728</b>

#### Exhibit 5-13

##### Employment Impacts from Project that Includes a 7.0 Million Square Foot Portlands District for Creativity and Innovation

	Direct	Indirect	Induced	Total
Buildings Component (person-years)	71,000	29,000	37,000	137,000
Infrastructure Component (person-years)	31,000	16,000	18,000	65,000
End State (jobs)	29,190	7,860	14,670	51,720



rejuvenating the City's somewhat aging stock of major tourism destinations, and offsetting the gradual deterioration in tourist visits to the City. For example, the Project's entertainment complex will become one of a large number of major attractions in Toronto, which generate recreational or "pleasure" tourism. In this role, the Waterfront Revitalization Project will be a significant contributor to tourism in Toronto, Ontario and Canada. Urban revitalizations in Berlin and London's Canary Wharf have proven to be a major tourism draw. Barcelona, for example, has built on its urban reputation to increase tourism from \$2 billion to \$11 billion in a decade.

From a broader perspective, regions that demonstrate through revitalization that they are enterprising, managerially advanced, and architecturally discriminating, have a head start in attracting talent, innovation and new businesses. They acquire the reputation and buzz of a premier place to do international business. Barcelona has become a world centre for conferences and is on its way to achieving its ambition of becoming the Silicon Valley of Europe.

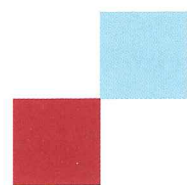
### 5.6 SUMMARY

The above analysis clearly demonstrates that an investment by governments of \$2.6 billion is justified. In the smaller Portlands District for Creativity and Innovation case, the three levels of government will receive \$6.7 billion in NPV, representing a return of \$2.92 for every dollar invested. As well as the direct return, the addition of indirect and induced returns increases the total returns to \$10.0 billion.

The economic benefits of the investment are significant. They include:

- > Private sector investment of \$13 billion in land and building components
- > A Portlands District for Creativity and Innovation of 2.1 million square feet
- > 40,000 units of housing
- > 7.6 million square feet of commercial development
- > More than 17,000 permanent direct jobs in the Waterfront Lands
- > 194,000 construction jobs (person-years) in the Buildings Component and the Infrastructure Component
- > \$800 million in transit improvements
- > \$330 million in water quality improvements

The economic impacts will increase substantially if TWRC succeeds in creating a Portlands District for Creativity and Innovation of 4.5 to 7 million square feet rather than 2.1 million, as set out in the Base Case. The number of permanent direct jobs in the Project Lands would increase to almost 30,000; and the total number of direct, indirect and induced End State jobs would increase to almost 52,000. The direct return to governments would increase to \$10.2 billion and the total of direct, indirect and induced revenues to governments would increase to almost \$16 billion.



## GLOSSARY

Buildings Component	The anticipated use of resources to complete residential and commercial building construction.
Central Waterfront	The Central Waterfront is defined as the area that extends from Dowling avenue in the west to Coxwell avenue in the east.
Commercial Lands	Parcels within the Project Lands that are developed for commercial or institutional use, including Multi-Use Employment, Ground/Street Oriented Office/Commercial, Office, Hotel, Trade Centre and Trade Mart.
Construction Activities	The construction that takes place from the time work commences to the end of the build out in 2035. The Construction Activities are further characterized into two components: <ul style="list-style-type: none"> <li>&gt; Buildings Component</li> <li>&gt; Infrastructure Component</li> </ul>
Portlands District for Creativity and Innovation	A designated area within the Portlands for clustered commercial development wherein significant tax incentives would be offered to qualifying businesses.
Direct Impacts	The economic impacts associated with the activities being examined: <ul style="list-style-type: none"> <li>&gt; for the Construction Activities, direct jobs comprise construction jobs in the Project Lands and the direct government revenues that flow from the construction activity</li> <li>&gt; for the End State, direct jobs comprise those jobs associated with the commercial activities on the developed Project Lands and the direct government revenues that flow from these commercial activities, along with the direct property taxes of all on-site residents and businesses</li> </ul>
End State	The anticipated mix of public, residential, and commercial uses for the Project Lands including the phase-up from 2003 to 2035 and beyond
Ground/Street Oriented Office/Commercial	This category of real estate development is intended to be distributed throughout mixed-use areas of development, primarily located but not limited to areas where residential uses are co-developed with commercial uses. Ground/Street Oriented Office/Commercial development would support a variety of uses typically associated with living on city main streets. For example, these include but are not limited to retail uses, restaurants, live/work space, service-oriented retail establishments (i.e. banks, insurance companies, dry cleaners, branches, accountants, travel agencies, spas and salons, etc.), medical offices and clinics, office uses, entertainment establishments, daycare facilities, and private schools
GST	Goods and Services Tax.



## GLOSSARY

*continued*

Infrastructure Component	The anticipated use of resources to assemble, remediate, and build supporting infrastructure and public spaces by TWRC. Elements of the public spaces (i.e. community facilities such as schools, daycare, libraries, ambulance stations and fire halls) that are not funded by TWRC are excluded from the Infrastructure Component.
Low End of Market Rental Apartments	Small rental housing units suitable for households of various sizes and compositions. The price of these units would not be monitored or controlled by any means other than the existing Tenant Protection Act.
Market Condominium Apartments	A building, or a related group of buildings, containing one or more private condominium ownership housing units, the price of which would not be monitored or controlled by any means.
Market Rental Apartments	A building, or a related group of buildings, containing one or more rental units, but does not include condominium, life lease, equity co-op or co-ownership units, the price of which would not be monitored or controlled by any means, other than the existing Tenant Protection Act.
Multi-Use Employment	Employment-oriented real estate development. The built space would be flexible in its ability to accommodate a variety of uses, including but not limited to, lower order office uses, light industrial, shipping and distribution of finished goods, research and development, film production and warehousing.
Office	Standard office complexes comparable in design and function to those currently located in major office nodes outside the City Core.
ORST	Ontario Retail Sales Tax.
Part II Plan	Sets out the City's objectives for development of the Central Waterfront. TWRC's development plan will be coordinated with it. The draft Part II Plan, Making Waves, produced in October 2001, will be revised following public meetings and discussion with the Corporation.
Priority Projects	Specific projects that were announced and funded in March 2001 by the three levels of government for the Corporation to begin work on revitalization. The specific projects are 1) extension of Front Street west to connect with the Gardiner Expressway and Dufferin Street, 2) construction of a second subway platform at Union Station, 3) naturalization of the mouth of the Don River and 4) preparing the Portlands for revitalization.
Project Lands	The four districts on the Toronto waterfront that will be substantially revitalized through the Waterfront Revitalization Project as well as any other lands associated with strategic projects (e.g. Mimico Creek, Port Union). The districts are the Portlands, the East Bayfront, the West Donlands and the lands at the Exhibition.

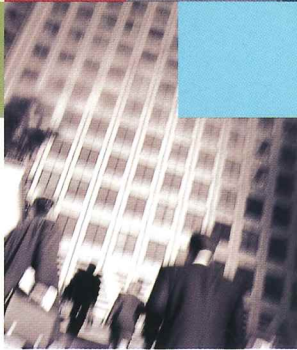
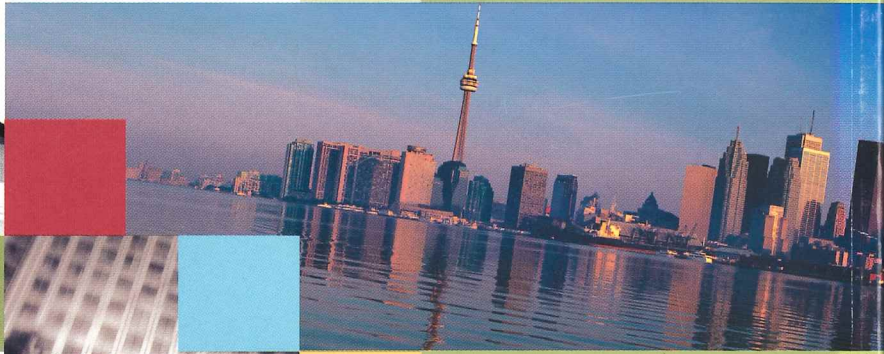
## GLOSSARY

*continued*

Residential Lands	Parcels within the Project Lands that are developed for residential use, including market condominium apartments, market rental apartments, Low End of Market Rental apartments, and Single Room Occupancy apartments.
Single Room Occupancy Apartments	Also referred to as SRO. Provide private rooms of less than 300 square feet in a multi-unit property. Private units might have partial kitchens, a full kitchen might be provided on a shared basis. Full bathrooms are provided on either a private or shared basis. Common social areas and communal dining might be provided within the buildings, but are not a prerequisite.
TWRC	Toronto Waterfront Revitalization Corporation (also referred to as "the Corporation" or "TWRC") is the corporation formed to oversee implementation of the Waterfront Revitalization Project. Appendix B presents details of the Corporation. Throughout the Business Plan the term is used to reference both the Interim Corporation and the Long-Term Corporation.
Waterfront Revitalization Project	Also known as the Project. The multi-year project to redevelop the Central Waterfront, which includes myriad public infrastructure and lands for residential and commercial development.







**TORONTO WATERFRONT**  
REVITALIZATION CORPORATION