

GARDINER EXPRESSWAY AND LAKE SHORE BOULEVARD EAST RECONFIGURATION ENVIRONMENTAL ASSESSMENT

Economic Evaluation Report

May 2015



WATERFRONToronto



Gardiner Expressway and Lake Shore Boulevard East Reconfiguration EA and Integrated Urban Design Study

Economic Evaluation

May 4, 2015

Prepared for:
Dillon Consulting
Waterfront Toronto
City of Toronto

Prepared by:
HR&A Advisors, Inc.



Contents

1. EXECUTIVE SUMMARY 3

2. CONTEXT FOR ASSIGNMENT 6

3. STAKEHOLDER CONSULTATION 10

4. REGIONAL ECONOMIC IMPACTS 12

5. LOCAL ECONOMICS 22

6. FISCAL NET BENEFITS 24

7. APPENDIX: DECEMBER 2014 STAKEHOLDER MEETING MINUTES 30

1. EXECUTIVE SUMMARY

In support of the Gardiner Expressway and Lake Shore Boulevard East Reconfiguration Environmental Assessment (EA) and Integrated Urban Design Study, Dillon Consulting retained HR&A Advisors, Inc. (HR&A) on behalf of Waterfront Toronto and the City of Toronto to carry out a comparative analysis of the economic impacts of each of the alternatives being considered in the EA:

- **Remove (Optimized Boulevard):** The Gardiner Expressway, east of Jarvis Street, would be converted into an at-grade boulevard, realigned as per the Keating Precinct Plan, with new access ramps to the Don Valley Parkway. The north-side of Lake Shore Boulevard would also be served by a new multi-use pathway. East of the Don River, the existing Logan on-off ramps would be removed and replaced with a new six-lane landscaped boulevard.

- **Hybrid:** The existing Gardiner Expressway structure/ramps would be maintained, new on-off ramps at Cherry Street with approach roads would be built, and the existing Don Valley Parkway ramps would be maintained. Lake Shore Boulevard would be realigned as per the Keating Precinct Plan with a new intersection featuring an extended Queens Quay underneath the Don Valley Parkway ramps and a new multi-use pathway along the north-side of Lake Shore Boulevard. East of the Don River, the existing Logan on-off ramps would be removed and replaced with a new six-lane landscaped boulevard.

In order to measure the economic impacts that would likely result from the EA alternatives, this report evaluates impacts in three ways, as summarized in Figure 1 below.

Figure 1: Summary of Findings

Category	Description	Conclusion
Regional Economics	Impact of alternatives on Toronto's global competitiveness	The alternatives are unlikely to affect global competitiveness, which is driven by a range of factors, the vast majority of which are unrelated to the alternatives. The alternatives are equally preferred.
	Impact of alternatives on the marketability and competitiveness of Downtown to businesses.	Both alternatives are projected to result in longer travel times to Downtown from origins around the city, but they are projected to be 2-3 minutes higher in the Remove (Optimized Boulevard). Also, the Remove (Optimized Boulevard) entails a longer construction period than the Hybrid alternative. The Hybrid alternative is preferred.
Local Economics	Potential for job creation in the areas adjacent to the alternative alignments, and impact to the marketability of the areas to development.	Both alternatives support the potential for job creation, but the Remove (Optimized Boulevard) alternative makes more land directly available for development and job creation. The Remove (Optimized Boulevard) alternative makes land available west of Cherry Street; and both alternatives make land available between Cherry Street and the Don River. Both alternatives improve the marketability of the local area, the Remove (Optimized Boulevard) by enhancing public realm and visibility, and the Hybrid alternative by maintaining convenient and direct highway access. The Remove (Optimized Boulevard) alternative is preferred.
Fiscal Net Benefits	Potential revenues from the sale of public land and projected lifecycle costs of the alternatives.	The Remove (Optimized Boulevard) entails lower lifecycle costs and results in more land revenues than the Hybrid alternative. The Remove (Optimized Boulevard) alternative is preferred.

- Regional Economics Analysis:** This report identifies the factors that support Toronto's global competitiveness, and how the alternatives may impact Downtown Toronto's competitiveness given its importance to Toronto's economy. HR&A first reviews Toronto's current position in the global economy according to global rankings, the factors that underpin those rankings, and how those factors may be impacted by the alternatives. Separately for Downtown, HR&A identifies factors important to businesses in choosing where to locate, and how those factors may be impacted by the EA alternatives. Relevant factors include regional labour force access, ease of travel within Downtown, and level of traffic disruption during the construction period of each alternative.

HR&A concludes that Toronto's global competitiveness is unlikely to be negatively impacted by either of the alternatives. Global rankings depend on a wide range of factors, including transport-related factors, but those transport-related factors primarily refer to transit, airport, and seaport connectivity rather than highway access.

Similarly, Downtown's attractiveness depends on a range of factors, one of which is accessibility. The Remove (Optimized Boulevard) alternative presents

higher travel times than the Hybrid alternative from certain origins to Downtown, which some stakeholders noted may harm Downtown’s ability to retain and attract business.

- **Local Economics Analysis:** This report also assesses how the alternatives will impact economic activity in the area around the Gardiner Expressway and Lake Shore Boulevard East. HR&A identifies the number of potential jobs in each alternative, and discusses how the alternatives may impact the attractiveness of the area to developers and users.

The Remove (Optimized Boulevard) alternative will make more land (12 additional acres) available for new real estate development available and as a result, presents more potential for job creation than the Hybrid alternative. It should be noted that both alternatives improve the competitive positioning of the lands between Cherry Street and the Don River and East of the Don River through improved access and enhanced public realm.

- **Fiscal Net Benefits:** This report also evaluates the potential fiscal impacts of each alternative to the City of Toronto. This analysis identifies City revenues in the form of the sale of public land, as well as the capital and 100-year lifecycle costs for each alternative.

Figure 2: Summary of Estimated Benefits and Costs in Each Alternative

	2013\$ (Uninflated)		Net Present Value	
	Remove (Optimized Boulevard)	Hybrid	Remove (Optimized Boulevard)	Hybrid
Benefits				
Potential Land Proceeds	\$176,000,000	\$39,000,000	\$128,000,000	\$29,000,000
Costs				
Capital Costs	\$326,000,000	\$414,000,000	\$221,000,000	\$260,000,000
<u>Operations & Maintenance Costs, 100 years</u>	<u>\$135,000,000</u>	<u>\$505,000,000</u>	<u>\$19,000,000</u>	<u>\$76,000,000</u>
Total (Lifecycle Costs)	\$461,000,000	\$919,000,000	\$240,000,000	\$336,000,000

The analysis finds that the Remove (Optimized Boulevard) alternative presents lower lifecycle (both capital and operations & maintenance) costs and the potential for higher public land sale revenues than the Hybrid alternative.

2. CONTEXT FOR ASSIGNMENT

2.1 EA Terms of Reference

In 2009, the Terms of Reference for an Environmental Assessment (EA) on the eastern portion of the Gardiner Expressway and Lake Shore Boulevard were approved by City Council and the Ontario Minister of the Environment. The Terms of Reference stated that the purpose of the study was "...to determine the future of the eastern portion of the elevated Gardiner Expressway and Lake Shore Boulevard from approximately Lower Jarvis Street to just east of the Don Valley Parkway at Logan Avenue." The EA identified key problems and opportunities for the study to address, as summarized in Figure 3.

Figure 3: Key Problems and Opportunities

Problems	Opportunities
Deteriorated Structure	Revitalize Waterfront
Disconnected Waterfront	Create a Sustainable Waterfront
	Generate and Capture Economic Value
	Rebalance Transportation Modes

The EA is currently evaluating two alternatives, described below. Maintain remains the base case.

Remove (Optimized Boulevard)

The Remove (Optimized Boulevard) alternative involves the demolition of the existing Gardiner Expressway east of Jarvis Street and the construction of a new six-lane boulevard, realigned as per the Keating Precinct Plan, with potential for new development on both the north and south sides of the street. This alternative would add new ramps directly connecting Lake Shore Boulevard to the Don Valley Parkway and provide a new multi-use path on the north-side of Lake Shore Boulevard. Along Lake Shore Boulevard, the removal of the Gardiner Expressway would bring light and air to the corridor, allow for continuous retail street frontage, and allow for a continuous rows of trees. The transition from Lake Shore Boulevard back up to the existing elevated expressway in the west end of the Study Area would occur between Yonge Street and Jarvis Street.

Opportunities for new development parcels on the north side of the new green boulevard would allow for a buffer between the rail corridor and Lake Shore Boulevard. Dedicated left turn lanes would exist at the intersections and the potential for off-peak parking would exist in the southern eastbound lane. A new continuous bicycle path would be developed on the north edge of Lake Shore Boulevard.

Hybrid

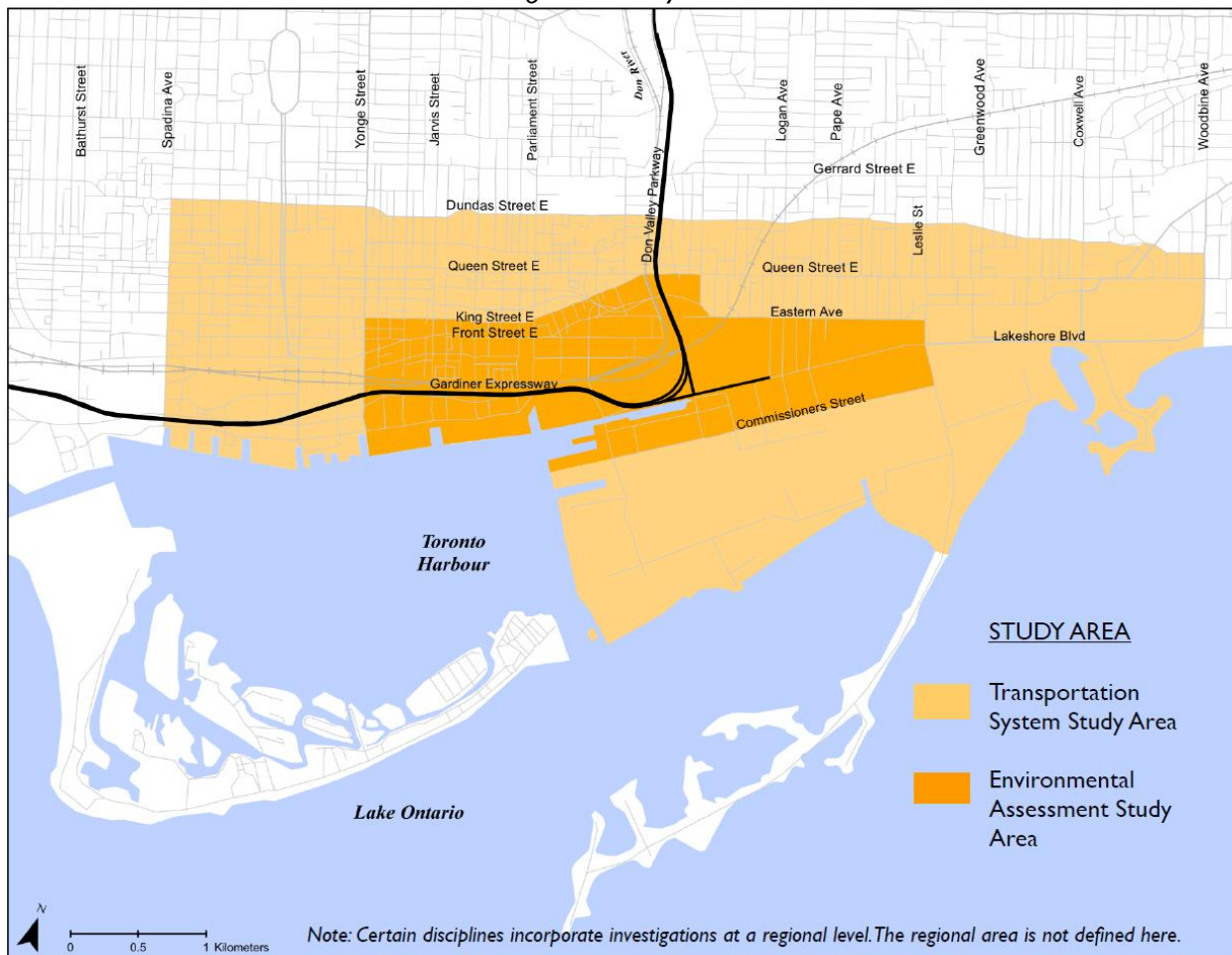
The Hybrid alternative involves the retention of a direct expressway connection between the Don Valley Parkway and the Gardiner Expressway. The alternative retains the existing Gardiner Expressway structure and ramps west of Cherry Street and the Don Valley Parkway on/off ramps. The alternative includes the removal of the Logan Avenue on/off ramps and rebuilding Lake Shore

Boulevard east of the Don River as a landscaped boulevard. The alternative also includes a new westbound on-ramp and a new eastbound off-ramp at Cherry Street, new approach roads to the new ramps, the extension of Queens Quay east of Cherry Street as an eastbound roadway, a new intersection between Lake Shore Boulevard and Queens Quay, and the realignment of Lake Shore Boulevard as per the Keating Precinct Plan. The alternative also includes improvements to existing intersections and includes a new multi-use pathway on the north side of Lake Shore Boulevard.

2.2 Environmental Assessment and Urban Design Study Area

The Environmental Assessment and Urban Design Study Area (immediate Study Area) as well as the wider Transportation System Study Area that were considered as a part of the EA are depicted in the dark and light orange areas respectively in Figure 4.

Figure 4: Study Area



2.4 Public Works and Infrastructure Committee Direction

Following an extensive program of technical analysis, public meetings, and stakeholder consultations examining four options for the Gardiner Expressway East (Maintain, Improve, Replace, and Remove), a City of Toronto staff report was submitted on March 4, 2014 to the Public Works and Infrastructure Committee (PWIC) seeking approval to proceed with a Remove (Boulevard)

alternative as the preferred solution. The report was based on the results of stakeholder consultations and alternative solutions evaluated as part of the EA.

PWIC deferred a decision on the preferred EA alternative and directed City staff to further study the impacts of the Remove (Boulevard) alternative including looking at opportunities to optimize the travel time. In addition, PWIC directed City staff to look at a Hybrid option that maintains existing expressway functionality between the Gardiner Expressway and the Don Valley Parkway.

Waterfront Toronto and the City of Toronto engaged Dillon Consulting, who retained HR&A to develop additional evaluation criteria and conduct further analysis of the economic impacts of the Remove (Optimized Boulevard) and Hybrid alternatives.

2.5 Work to Date

HR&A has completed a series of economic analyses as part of the EA to support evaluation of alternatives, including the evaluation described in this report. These analyses included:

- A fiscal net benefits analysis weighing project costs against revenues
- An estimation of potential job creation resulting from development in the area immediately surrounding the alternatives
- Case studies assessing the economic impact of similar infrastructure changes in other cities
- A literature review assessing Toronto's competitiveness relative to other major cities

2.6 Assignment Objectives

The objective for this report is to (a) respond to public and stakeholder comments received to date, (b) introduce additional criteria for further evaluation of each of the alternatives, and (c) to provide an analysis of the Remove (Optimized Boulevard) and Hybrid alternatives using these criteria. HR&A presents the following three overarching criteria for the economic evaluation:

1. **Regional Economic Impacts.** These criteria identify the role of the eastern portion of the Gardiner Expressway in the competitive positioning of Downtown Toronto, the economic hub and driver of the city and regional economy, and how the alternatives may affect that competitive positioning. These criteria respond most directly to the additional analysis requested by PWIC to articulate how the alternatives affect the City's economic competitiveness.
2. **Local Economic Impacts.** These criteria identify how the alternatives would impact the lands surrounding the proposed alternatives in terms of the potential to create jobs and the marketability of those lands.
3. **Fiscal Net Benefits.** These criteria account for how the alternatives would impact the City's fiscal position by updating HR&A's prior cost-benefit analysis to reflect the latest alternatives.

2.7 Methodology and Limitations

Regional Economic Impacts Analysis

To evaluate regional economic impacts, HR&A conducted research and consultation beginning in September 2014. HR&A first evaluated the importance of Downtown Toronto to the city and regional economy, recent economic trends in Downtown, and the competitiveness of Toronto when compared to other global cities. HR&A presented this information to stakeholders in December 2014 to confirm our understanding of Downtown's and Toronto's competitive positioning, factors that drive that competitiveness, and risks to Downtown Toronto. Stakeholders included leading representatives from Toronto's real estate, economic development, and business communities. To fully articulate how the alternatives may affect Downtown's competitive positioning, HR&A synthesized stakeholder feedback and conducted additional industry research on the factors that drive business location decisions. HR&A then isolated those factors that may be affected by the alternatives and evaluated the alternatives, using available data. HR&A reviewed its findings with stakeholders in March 2015 and collected feedback on the implications of the alternatives to economic competitiveness.

HR&A relies on a combination of third-party research and stakeholder consultation to describe Toronto's relative competitiveness, the importance of Downtown to that position, Downtown's strengths, Downtown's weaknesses, and more globally the factors that drive business location decisions. This research and findings from consultation represent widely accepted perspectives in the business, real estate, and economic development communities. However, as evidenced during stakeholder consultation, there are varied opinions about risks to Downtown and what matters to drawing businesses to locate and invest in Downtown.

Local Economic Impacts Analysis

This analysis provides an update of prior analyses regarding the amount of new development and associated job creation that would result from making new land available in each of the alternatives. It also considers how the alternatives will impact the marketability of the lands given the changes to both vehicular access and public realm in the alternatives.

The estimate of jobs relies on industry standard ratios of square feet per employee, by land use. The number of jobs, however, will depend on the end user/tenant of any new development. For example, the density of employees for an information technology industry tenant may differ from the density of employees for a law firm tenant.

Fiscal Net Benefits Analysis

HR&A updates its prior fiscal net benefits analysis to reflect the cost and revenue assumptions associated with the Remove (Optimized Boulevard) and Hybrid alternatives. In preparing the analysis for this report, HR&A updated a number of assumptions, primarily costs and the amount of land made available for new development, but did not update assumptions from its 2013 analysis related to land price, use mix, development intensity, and development pace. It should be noted that some sites may have environmental remediation requirements which would in turn, decrease the achievable land price.

3. STAKEHOLDER CONSULTATION

HR&A consulted with stakeholders on December 11, 2014 to understand their perspective on Toronto’s competitiveness, the importance of Downtown to Toronto’s economy, Downtown’s strengths and weaknesses, and risks confronting Downtown Toronto. These stakeholder groups included think tanks and associations, employers, and real estate developers. Figure 5 presents the list of participating organizations.

Figure 5: Stakeholder Consultation Participants

Think Tanks	Real Estate	Employers
<ul style="list-style-type: none"> • Civic Action • Martin Prosperity Institute • Ryerson City Building Institute • Toronto Financial District BIA • Toronto Region Board of Trade • Urban Land Institute 	<ul style="list-style-type: none"> • Brookfield Properties • Build Toronto • Cadillac Fairview • Colliers International • First Gulf • GWL Realty Advisors • Oxford Properties • Menkes Development Ltd. • RealPAC 	<ul style="list-style-type: none"> • CBC • National Bank of Canada • Royal Bank of Canada • SunLife

HR&A presented background information on the EA, preliminary economic analysis findings, and an overview of trends in Toronto’s economic competitiveness. HR&A then asked each group a series of questions to better understand what drives Downtown Toronto’s regional and international competitiveness, and the risks faced by Downtown Toronto. The appendix of this report includes key takeaways from these stakeholder meetings.

The feedback provided by the stakeholder groups played an important role in helping to identify the relative importance of the Gardiner Expressway to Downtown’s economic competitiveness, and in informing HR&A’s evaluation of the alternatives. Key feedback received includes:

Downtown’s Strengths

- Regional transit service converging at Union Station is one of the most important components of Downtown’s value proposition to employers.
- Downtown has a high density of customers, competitors, and institutions that makes it an attractive ecosystem to businesses, including those in emerging industries.
- Downtown is highly walkable, in part due to the extensive PATH network, making it easy to reach work and non-work (e.g., retail, entertainment) activities.
- The waterfront is an occasional amenity for Downtown workers as a place for recreation and entertainment.

Downtown’s Weaknesses

- The transit network is congested and requires substantial investment to reduce crowding and improve service.
- Routes from Downtown to the Gardiner Expressway are often congested and businesses experience unreliable travel time to/from Downtown when traveling to

places around the region (e.g., Pearson International Airport, other jobs centers in the region).

- Major roadway construction projects in Toronto are disruptive to businesses. The prospect of a major construction project affecting the Gardiner Expressway and Lake Shore Boulevard East concerns stakeholders.
- Rising occupancy costs have made it more difficult for arts and culture organizations to remain in and near Downtown. The organizations are important to the marketability of Downtown to some businesses and residents.

Other Trends

- Job centers in the 905 area, outside the City of Toronto (e.g., Mississauga, Markham), have excellent regional highway access, and are making investments to better compete with Downtown Toronto. In these competitive job centers, new rapid transit, multistory housing, retail, parks, and walkable streets, in combination with their excellent vehicular accessibility could threaten Downtown's attractiveness to businesses and residents.
- Stakeholders noted the rising attractiveness of Downtown to professionals and increasingly, families, but that cohort still represents a small share of the overall Downtown workforce.
- Stakeholders observed the increasing reliance of employees on transit, cycling, and walking as modes and decreasing reliance on the automobile for reaching Downtown. However, stakeholders noted that some companies continue to offer reserved parking spaces to executives, making them less likely to switch modes to reach Downtown.

HR&A then reviewed these findings, and findings gathered from its evaluation of regional economic impacts and local economic impacts with many of the same stakeholders on March 30, 2015.

4. REGIONAL ECONOMIC IMPACTS

4.1 Introduction

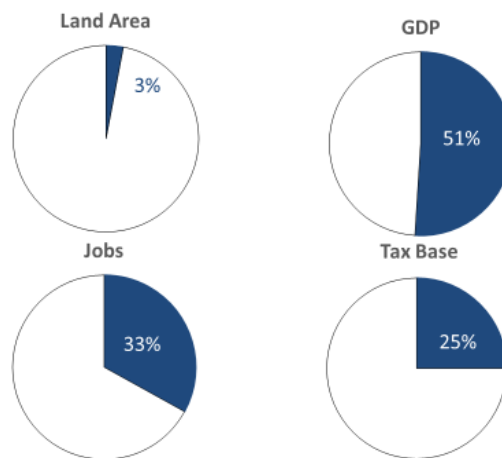
To evaluate regional economic impacts of the alternatives, HR&A considers two scales:

- Toronto's global competitiveness
- Downtown's competitiveness

Toronto is one of the world's most competitive metropolitan areas according to several publications, including those from PricewaterhouseCoopers and the Economist Intelligence Unit. HR&A reviews the findings of these studies, and considers whether the alternatives could impact the factors that make up those rankings.

Downtown Toronto plays a particularly important role in the city's economic performance and global competitiveness. Downtown comprises only three per cent of the total land area in the city, but is home to 33 per cent of the City's jobs, 25 per cent of the City's tax base, and generates 51 per cent of the city's total GDP.¹ HR&A reviews factors that drive business location decisions, drawn from the World Bank and industry publications such as Industry Week and Area Development. One of these factors, accessibility, may be impacted by the alternatives.

Figure 6: Downtown Toronto's Share of the City's Economy



Specifically, HR&A assesses how the alternatives may impact Downtown's accessibility in three ways:

- Regional labour force access
- Mobility within Downtown
- Disruption during project construction

HR&A utilizes findings from stakeholder consultations, outputs from the transportation analysis of the alternatives, and case studies to draw conclusions about impacts.

¹*Comprehensive to the Core*. Toronto East York Community Council. May 2014. This report defines Toronto as the area bound by Dupont Street and Rosedale Valley Road to the north, Bathurst Street to the west, the Don River to the east, and Lake Ontario to the south.

In addition, this criteria considers how Toronto’s major entertainment venues, which are located Downtown, may be impacted by the alternatives.

4.2 Toronto’s Global Competitiveness

There are two well-known studies that rank metropolitan areas for competitiveness, the *Cities of Opportunity* study from PricewaterhouseCoopers (PwC) and the *Index of Indexes* from the Economist Intelligence Unit (EIU). These studies compare metropolitan areas across a range of economic drivers and factors to make these rankings. Toronto’s ranking in these studies was generally very favorable, as shown in Figure 7 (below).

Among these studies, the alternatives are unlikely to have a substantial impact on Toronto’s rankings. In each case, road networks play a marginal role in the evaluation of Toronto’s competitiveness. Road networks are seen as subcomponents of broader factors that incorporate infrastructure and transportation issues. In these areas, issues like mass transit investment, quality housing, airports, and green space are much more impactful measures of a city’s competitiveness.

Figure 7: Toronto’s Rankings in International Comparisons

	PWC Cities of Opportunity	EIU Index of Indexes	EIU Spatial Adjusted Livability Index
Rank	4/30	1/140	8/70
Methodology	Ranked against 30 cities in ten categories	Average score from 6 different international studies on cities	Ranked against 70 cities using a standard livability index and an index adjusted for spatial qualities such as open space and access
Affected Categories	Transportation and Infrastructure	Livability Rankings	Green space, sprawl, pollution

*PwC Cities of Opportunity*²

Cities of Opportunity analyzes the finance, commerce, and culture drivers of 30 metropolitan areas. These drivers are organized into ten overarching categories, by which the cities are ranked.

1. **Intellectual capital and innovation**, which includes measures such as number of libraries with public access, literacy and education enrollment, world university rankings, and entrepreneurial environment;
2. **Technology readiness**, which includes measures such as internet access in schools, broadband quality, and software development and multimedia design;
3. **City gateway**, which includes measures such as the number of hotel rooms, the number of international tourists visiting the city, and the accessibility of airports from the CBD;

² *Cities of Opportunity 6* (PricewaterhouseCoopers, 2014)

4. **Transportation and infrastructure**, which includes measures such as quality, cost, and coverage of mass transit systems, quality and quantity of available housing, and major construction activity;
5. **Health, safety, and security**, which includes measures such as number and performance of hospitals, crime, and political environment;
6. **Sustainability and the natural environment**, which includes measures such as risk of natural disaster, thermal comfort, air pollution, and public park space;
7. **Demographics and livability**, which includes measures such as quality of living, cultural vibrancy, working age population, traffic congestion, and ease of commute;
8. **Economic clout**, which includes measures such as the number of "global 500 company" headquarters, financial and business services employment, productivity, and rate of real GDP growth;
9. **Ease of doing business**, which includes measures such as the ease of starting a business, ease of entry from international locations, number of foreign embassies or consulates, level of shareholder protection, operational risk climate, and workforce management risk; and
10. **Cost**, which includes measures such as total corporate tax rate, cost of business occupancy, cost of living, and purchasing power.

In its study, PwC ranked all 30 metropolitan areas in each of the above categories using a number of absolute measures. PwC then created a comprehensive ranking of the metropolitan areas based on their arithmetic total score in each of the categories.

Overall, Toronto ranked fourth among the 30 metropolitan areas, affirming that Toronto is an important global economic center. Toronto ranked very well in many categories, including 'Intellectual Capital and Innovation', 'Transportation and Infrastructure', 'Health, Safety, and Security', 'Ease of Doing Business', and 'Cost'.

The alternatives may have an impact on two categories considered by the PwC report: Transportation and Infrastructure, and Demographics and Livability. Within these categories PwC includes the following as potential assets for a competitive city:

Figure 8: PwC Categories of Interest

Category	Subcategories
Transportation and Infrastructure	<ul style="list-style-type: none"> • Mass transit • Cost of public transport • Licensed taxis • New construction • Housing
Demographics and Livability	<ul style="list-style-type: none"> • Cultural Vibrancy • Quality of Living • Working Age Population • Traffic Congestion • Ease of Commute • Relocation Attractiveness

Within Transportation and Infrastructure, the roadway network does not register as a direct concern. Rather, scores in this category relate to public transportation, the taxi system, and real estate development. Within Demographics and Livability, four of the six subcategories do not relate to the roadway network. Two of the six may be impacted by the EA alternatives by impacting congestion and ease of commute. Given the small contribution of the roadway network and congestion to PwC’s overall analysis, it is unlikely that changes to the Gardiner Expressway would impact any of these measures.

EIU Index of Indexes³

HR&A also reviewed the EIU’s Index of Indexes, a series of studies that examine metropolitan areas’ livability, safety, cost of living, and business environment, among others.

In its Livability Index, the EIU ranked 140 metropolitan areas using two specific measures. The first measure, the standard EIU Livability Index, assesses each metropolitan area’s level of stability, healthcare, culture, environment, education, and infrastructure.

In its Business Environment Rankings, the EIU examined national-level markets, policies, and opportunities. The study, which is conducted every four years, ranked Canada as the fourth best nation in the world, and the highest in North America, for business because of its strong GDP per capita, trade flows, and wealth of natural resources. The EIU also applauded Canada’s regulation of the finance sector, noting that such regulation would help maintain soundness in the market.

Figure 9: EIU Index of Indexes Summary⁴

City	City Level Index			Country Level Index			Best in Category
	Safe Cities	Liveability Rankings	Worldwide Cost of Living	Business Environment	Democracy Index	Global Food Security	Best Overall
							Average Index Rank
Tokyo	1	18	123	27	20	18	35
Singapore	2	52	131	1	80	16	47
Osaka	3	12	118	27	20	18	33
Stockholm	4	14	107	6	2	14	25
Amsterdam	5	26	86	16	11	5	25
Sydney	6	7	127	5	6	15	28
Zurich	7	11	128	2	7	5	27
Toronto	8	4	70	4	8	8	17
Melbourne	9	1	123	5	6	15	27
New York	10	56	104	7	19	1	33

Within the Livability Rankings index, the EIU considered a number of factors, among which only “infrastructure” is likely to be impacted by the Gardiner alternatives. The category includes the

³ *The Safest Cities Index 2015* (The Economist Intelligence Unit, 2015)

⁴ *Ibid.*

following issues: quality of the road network, quality of public transport, quality of international links, availability of good quality housing, quality of energy provision, quality of water provision, and quality of telecommunications. Road networks are one of seven total metrics within Infrastructure, and the category of Infrastructure accounts for only 20 per cent of the overall Livability Index. It is also noteworthy that the index was more influenced by issues at the national level, far beyond the potential impacts of the alternatives under consideration.

While changes to the Gardiner Expressway may have an impact on this index, the change will likely register marginally, and may be offset by the benefits of urban development opportunities made available by some of the EA alternatives.

Conclusion

The EA alternatives are unlikely to impact Toronto's global rankings in both the PwC and EIU Index of Indexes studies. From a transportation perspective, those studies do not focus on travel time or the size of the expressway system, but rather mass transit, airport, and roadway quality. In the EIU Index of Indexes and Spatial Adjusted Livability Index, both the Remove (Optimized Boulevard) and Hybrid alternatives may modestly support intensification of land use near transit and near Downtown. As a result, HR&A concludes that the alternatives are **equally preferred** in relation to Toronto's global competitiveness.

4.3 Downtown Toronto's Competitiveness

Downtown is the engine of Toronto's economy comprising more than half of the City's economic output. It is also a major and growing population hub. Between 1976 and 2011, the population of Downtown Toronto grew 95 per cent, nearly four times faster than the City overall during the same period. To understand how the alternatives may impact Downtown, HR&A lists 17 factors within four categories that businesses consider when determining where to locate or expand based on site selection literature publications.⁵ These factors include:

Physical criteria:

1. *Adequate and quality space*: Spaces should meet quality standards and be large enough to meet company needs. Many early-stage businesses may also seek spaces that provide the ability to expand.
2. *Accessibility*: The office location should be convenient for employees and visitors to reach, and allow for employees and visitors to travel to other locations in the city or region.
3. *Local amenity*: The environment around the office should offer amenities that serve employees and visitors including hotels, restaurants, entertainment, shopping, open space, etc.
4. *Safety*: The office space and surrounding environment should be secure.

⁵ Based on HR&A review of business site selection criteria as discussed in:

a) Multilateral Investment Guarantee Agency of the World Bank. *Site Selection Investment Criteria: How the Investment Decision is Made*. 2005.

b) Industry Week. *Corporate Site Selection: What's Changed?* Apr 13, 2013. <<http://www.industryweek.com/expansion-management/corporate-site-selection-whats-changed>>.

c) Area Development. *Corporate Survey Results: Site Selection Factors*. <<http://www.areadevelopment.com/corpSurveyResults/>>.

Economic and financial criteria:

5. *Occupancy cost*: The total cost of acquiring, constructing, renting, or relocating to a space.
6. *Cost of labour*: The cost of labour includes the salary and benefits requirements needed to attract talent.
7. *Tax regime*: Taxes under consideration for businesses typically include corporate tax, property tax, and payroll tax, among others.
8. *Tax incentives*: Provinces/states and municipal governments may provide incentives for locating a business in their jurisdiction in the form of corporate tax abatements or subsidies.

Human capital criteria:

9. *Workforce availability*: The regional labour market should offer a pool of qualified workers in terms of education and experience.
10. *Talent pipeline*: Nearby institutions should offer appropriate workforce training to ensure labour force quality.
11. *Livability*: The city and/or surrounding municipalities should be attractive to potential employees in terms of cost of housing, quality of housing, quality of educational system, and attractive recreational and entertainment amenities.

Industry-specific criteria:

12. *Competitor proximity*: Some industries (i.e., financial services, advertising) may benefit from proximity to competitors, while other industries may discourage or be indifferent about proximity.
13. *Consumer proximity*: Some industries may require proximity to customers (i.e., professional services), whether it be other business that purchase goods and services, or household consumers.
14. *Regulation*: The regulatory environment may encourage growth of certain industries affecting the ease of conducting business.
15. *International access*: A growing number of industries need to be in a region with an airport with sufficient international reach.
16. *Distribution infrastructure*: Some industries may require rail, port, or highway access in order to easily intake supplies or distribute products.
17. *Technology infrastructure*: Some industries need access to high-tech infrastructure such as broadband.

Of the 17 factors influencing business location decisions, the EA alternatives have the potential to impact one – accessibility. Other factors that may be impacted include competitor and consumer proximity for certain industries that require vehicular travel to access consumers or competitors. However, Downtown is well-known for its clustering of both competitors and consumers.

Based on stakeholder feedback, HR&A evaluates how three measures within the accessibility factor may be impacted by the alternatives. These measures include:

- Regional labour force access, which considers the ability for workers from around the region to reach downtown, a key factor for businesses in considering where to locate their office.
- Mobility within Downtown, which considers the ease of travel within Downtown for meetings or activities before, during, and after work.
- Disruption during construction, which considers both the length of the construction period and the extent of the construction.

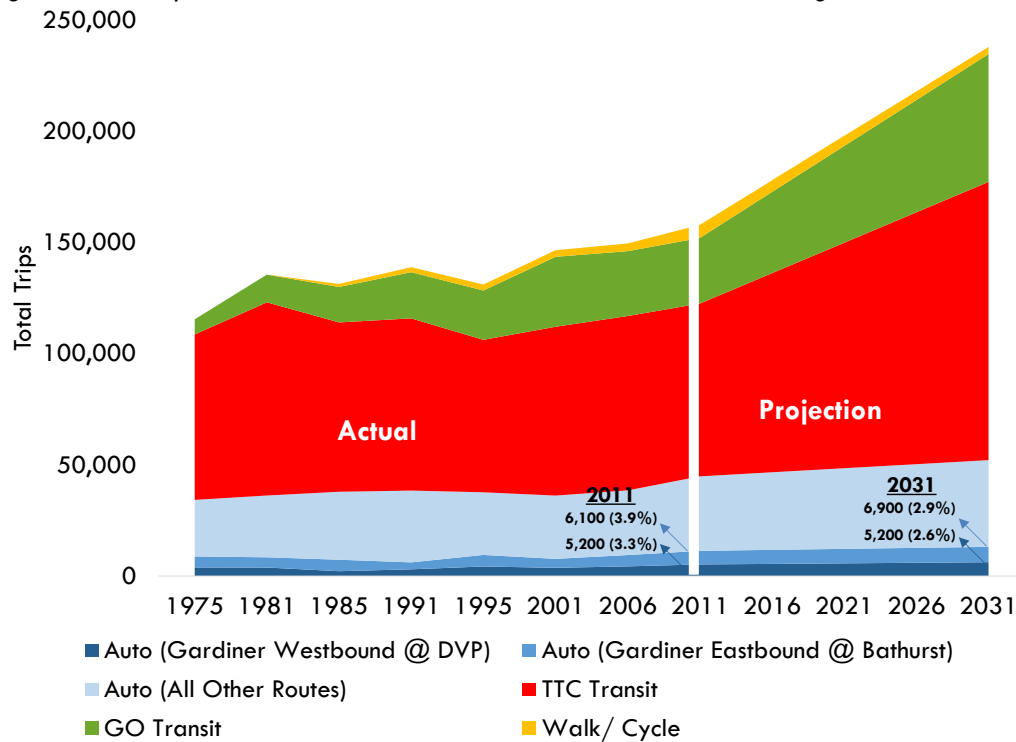
Regional Labour Force Access

The majority of Downtown workers will not be affected by the EA alternatives because they use alternate routes or means of transportation to reach Downtown. As of 2011, 49 per cent of morning commuters into Downtown use TTC, 19 per cent of commuters use GO, and 4 per cent walk or bike. Only 7 per cent drive on the Gardiner Expressway to reach their workplace in Downtown, of which only 3 per cent use the portion of the Gardiner Expressway under evaluation.⁶ In addition to those who drive on the Gardiner Expressway to reach downtown during peak hours, surface transit users on routes closest to the Gardiner Expressway will be affected by slower travel to a degree.

The share of workers using non-automobile means of transportation is expected to increase over time. While the usage of the Gardiner Expressway during commute times is expected to grow very modestly between 2011 and 2031, the largest growth is expected to be in TTC transit use, and GO transit use, as shown in Figure 10. This shift towards non-automobile based travel to Downtown over the last few decades can be attributed in part to a lack of roadway capacity, and to the continued growth of Downtown's residential population. As a result, the workforce can rely on transit, walking, and biking to reach work in Downtown. Stakeholders noted this trend and its potential to extend further given employee preferences.

⁶ Sources: 1) Transportation City Cordon Count (1975-2011); 2) Transportation Model EMME2 Forecast (2011-2031); 3) 2006 Transportation Tomorrow Survey (TTS) for Walk/Cycle Mode

Figure 10: Transportation Mode for Inbound Downtown Commuters during AM Peak Period⁷



Stakeholders strongly emphasized the importance of increased transit service, regardless of the selected alternative. The transportation modelling conducted for the EA assumed that transit service will be expanded in Toronto, allowing for growth in TTC usage. Specifically, the EA assumes the following investments:

- The **Relief Line** a proposed new rapid transit line. The RL would form a “U” and link east and west suburbs with Union Station and the Downtown Financial District. The RL would relieve crowding on the Yonge Subway line and the Bloor-Yonge interchange station. In addition, the RL may stitch together areas of Downtown that are growing in population and density, such as Liberty Village, CityPlace, the Entertainment District, the Distillery District, and the West Don Lands.
- The **Broadview Avenue LRT will be extended** to the First Gulf development site east of the Don River and south into the Port Lands.
- Investments in an **East Bayfront LRT extension** on Queens Quay to bring the line east of Yonge Street.
- A number of improvements will be made to the **GO Transit** system.

While not part of the EA modelling assumptions to date, additional transit project proposals described below could also enhance Downtown’s regional labour force access.

- **SmartTrack** has been proposed as a new above-ground commuter rail system that would make use of existing GO transit infrastructure. The line would link existing major east-west lines with Downtown destinations. SmartTrack is conservatively

⁷ Ibid.

estimated to have a daily ridership of 200,000, many of whom would be existing riders on the TTC system, but some of whom would be new riders who did not previously have convenient transit access.

- As part of the **Big Move**, three new light rail lines will provide access to areas not currently served by rapid transit north of Downtown. More broadly, the Big Move proposes 62 new transit lines, including express rail, regional rail, subway, and bus rapid transit across the GTA.

While the share of workers using the portion of the Gardiner Expressway under evaluation may decrease over time, those that continue to drive on the Gardiner Expressway will face increased travel times when compared to today’s travel times under all alternatives, including Maintain, the base case. Stakeholders noted that increased travel time could negatively impact the marketability of Downtown to businesses.

Figure 11 presents projected travel times from various origins to Union Station in 2031 for the Remove (Optimized Boulevard) and Hybrid alternatives. The Remove (Optimized Boulevard) alternative results in higher travel times during the AM Peak hour than the Hybrid alternative by two to three minutes, depending on the point of origin.

Figure 11: Projected Inbound Travel Times to Union Station during the AM Peak Hour (Minutes)

Departure Point	2012	2031		
		Base Case	Remove (Optimized Boulevard)	Hybrid
North York Victoria Park/Finch	45	52	55	52
Don Mills Don Mills/Eglinton	25	30	33	30
Scarborough Victoria Park/Kingston	20	23	28	26
Etobicoke Kipling/Lake Shore	25	27	30	27

Downtown Mobility

Part of Downtown’s value proposition is the ability for workers to easily travel for meetings, shopping, dining, or to their home within or near Downtown. Stakeholders noted that the PATH system allows for convenient travel by foot, while streetcar, taxi, and car travel can be challenging due to unpredictable travel time. Data is not available to illustrate how much of this travel occurs by foot, but stakeholders cited the frequency by which employees and visitors use the PATH system as a primary mode for intra-Downtown travel. Given that these trips typically occur in between the AM and PM peak travel times, they are unlikely to be impacted by the EA alternatives.

Disruption during Construction

Both alternatives will entail approximately six-year construction periods during which access to Downtown will be disrupted. The disruption will be more extensive under the Remove (Optimized

Boulevard) alternative, which entails three to four years of detours and road closures during the removal of the Gardiner Expressway, as opposed to 1.5 years of road detours under the Hybrid alternative. Stakeholders expressed strong concerns over the potential economic impact of this disruption, raising the possibility that businesses may not choose to locate Downtown in response to construction.

Conclusion

Downtown's competitiveness is driven by several factors that will not be negatively impacted by the EA alternatives. However, Downtown's accessibility – a key factor noted by stakeholders – will be impacted. Because transportation analyses project that the Remove (Optimized Boulevard) alternative will result in higher travel times for those that use the Gardiner Expressway during the AM Peak hour and a higher level of disruption during construction when compared to the Hybrid alternative, this analysis concludes the Hybrid alternative is preferred in relation to Toronto's downtown competitiveness.

4.4 Downtown Venues

Downtown Toronto and Toronto's waterfront are home to a number of important entertainment, arts, and cultural venues, such as the Air Canada Centre, the Rogers Centre, and the Harbourfront Centre, among others. The Rogers Centre is an enclosed, multi-use stadium built in 1989 as the home of Major League Baseball's Toronto Blue Jays. For baseball games, the Rogers Centre has a capacity of approximately 49,200 people. For other events, it has a capacity ranging from 10,000 to 55,000 people. The Air Canada Centre is an enclosed sports arena built in 1997 as the home of the National Basketball Association's Toronto Raptors and the National Hockey League's Toronto Maple Leafs. For most events, the Air Canada Centre has a capacity of approximately 20,000 people. The Harbourfront Centre is a multi-purpose arts and cultural center on Toronto's waterfront that includes event space and two marinas, among other uses, generating 12 million visits per year.

The EA alternatives may impact the accessibility of these venues to patrons. Patrons rely on a mix of modes to reach these venues, including the Gardiner Expressway. The vast majority of events at the Air Canada Centre begin between 7PM and 8PM, or on weekends. Most of the events at the Rogers Centre take place in the middle of the day or on weekends, outside peak travel times, or at 7PM. Visitors attending sporting events and concerts typically travel to these venues 30 to 60 minutes ahead of start times, which may overlap with PM peak travel times in some cases. However, travelers to these venues that use the Gardiner Expressway will be driving against the flow of traffic (i.e., evening events may generate in-bound traffic during peak periods, while departing workers will be moving in the opposite direction).

Conclusion

It is unknown if patrons that use the Gardiner Expressway to visit Downtown's venues will face higher travel times in one EA alternative versus the other. Regardless, information on the sensitivity of a customer's willingness to attend an event due to changes in travel time is unavailable.

5. LOCAL ECONOMICS

5.1 Introduction

In this section, HR&A evaluates the impacts of the EA alternatives on the economic activity of the area immediately surrounding the portion of the Gardiner Expressway under study, which includes a significant portion of Toronto's waterfront. This area has been an important place of growth in Toronto, and will be a significant future location for large-scale development creating places to live, work, study, and visit near Downtown. To understand the impact of the alternatives on the economic activity on the waterfront, HR&A evaluates the potential for job creation as a result of new development and the marketability of the area to development in terms of circulation and public realm benefits.

Each alternative offers distinct benefits to the surrounding areas. Under Remove (Optimized Boulevard), enhancements will be made to the public realm through the creation of green space and bringing air to lands currently encumbered by expressway infrastructure. Under the Remove (Optimized Boulevard) alternative, a new Lake Shore Boulevard-Don Valley Parkway link will be created, while under the Hybrid alternative, a continuous expressway linkage to the Don Valley Parkway will be maintained. Both alternatives will support development east of the Don River through the removal of ramp structure and replacement with a surface boulevard that improves the visibility and public realm of the lands east of the Don River, including the First Gulf site which is envisioned to have 50,000 employees at full build-out.

5.2 Business Activity

New development on the available parcels will create opportunities for new businesses to take root. The amount of new development will depend directly on the amount and location of land made available in each alternative. The analysis shows that the Remove (Optimized Boulevard) alternative makes approximately 17.5 acres of land available for development, where the Hybrid alternative opens 5.5 acres of land for development. Based on assumptions for usage and employment ratios developed in our analysis of business activity in 2013⁸, the Remove (Optimized Boulevard) alternative is estimated to have the potential to accommodate approximately 2,800 new jobs and the Hybrid alternative is estimated to have the potential to accommodate approximately 770 new jobs.

Figure 12 details the number of new jobs created under each scenario in total and relative to potential job creation in the Maintain base case. Proposed new roads and on-off ramps at Cherry Street reduce the land made available for development under the Hybrid alternative when compared to the Maintain base case. The Fiscal Net Benefits section below details the geographies and development capacities of each.

⁸ Analysis assumes 2.5 jobs per 1,000 square feet of retail, 1.7 jobs per 1,000 square feet of institutional space, and 3.1 jobs per 1,000 square feet of commercial space, and 0.06 jobs per 1,000 square feet of residential space.

Figure 12: Potential Job Creation

	Total		Relative to Base Case	
	Remove (Optimized Boulevard)	Hybrid	Remove (Optimized Boulevard)	Hybrid
West of Cherry Street	980	N/A	+ 980	N/A
Between Cherry Street and the Don River	<u>1,820</u>	<u>770</u>	<u>+ 620</u>	<u>- 430</u>
Total	2,800	770	+ 1,600	- 430

Conclusion

The Remove (Optimized Boulevard) alternative will support more potential for job creation, allowing for the possibility of 2,800 additional jobs. The Hybrid alternative will likely support the potential for 770 additional jobs. The difference between the two alternatives, approximately 1,600 jobs, is largely driven by the incremental development opportunities west of Cherry Street in the Remove (Optimized Boulevard) alternative. Since this land is closer to the Central Business District and permits for greater density, it will also support greater development.

Furthermore, the analysis shows that the Hybrid alternative generates 430 fewer potential jobs than would be made available if no changes were made to the Gardiner Expressway under the Maintain base case. This results from the impact of proposed new roads and on-off ramps at Cherry Street.

6. FISCAL NET BENEFITS

6.1 Introduction

For each of the alternatives, HR&A identifies capital costs, lifecycle costs, and revenues to the City of Toronto resulting from the sale of publicly owned property within the EA study area.

6.2 Capital Costs

The Remove (Optimized Boulevard) alternative has a lower capital cost (\$326 million in 2013\$, net present value (NPV)⁹ of \$221 million) than the Hybrid alternative (\$414 million in 2013\$, NPV of \$260 million). The Remove (Optimized Boulevard) alternative includes the demolition and removal of the existing Gardiner Expressway East, construction of a six-lane Lake Shore Boulevard, and construction of new bridge structures across the Don River to connect Lake Shore Boulevard and the Don Valley Parkway. The Hybrid alternative includes the demolition and removal of the Gardiner Expressway's Logan Avenue on/off ramps, rebuilding of a six-lane boulevard in its place, construction of new on/off ramps and access roads in the Keating area, and modifications to the Gardiner Expressway to accommodate these new ramps.

6.3 Operations and Maintenance Costs

The Remove (Optimized Boulevard) alternative has lower operations and maintenance cost (\$135 million in 2013\$, NPV of \$19 million) than the Hybrid alternative (\$505 million in 2013\$, NPV of \$76 million). These numbers account for 100 years of operations and maintenance costs.

6.4 Public Land Revenue

HR&A analyzed development opportunities on publicly owned land in two distinct areas: west of Cherry Street, and the area between Cherry Street and the Don River. HR&A also describes development opportunities on publicly owned land east of the Don River.

West of Cherry Street in the Remove (Optimized Boulevard) Alternative Only

Several parcels of land west of Cherry Street that are currently unavailable for development would become available in the Remove (Optimized Boulevard) alternative. These parcels, labelled A through H in Figure 13, lie between Yonge and Cherry Streets north of the realigned Lake Shore Boulevard and south of the rail berm.

These parcels encompass nearly 4.6 acres. HR&A assumes they could be entitled to a floor area ratio (FAR) of ten and therefore would result in 184,000 square meters of buildable space.

Between Cherry Street and the Don River

Several undeveloped parcels around the Gardiner Expressway east of Cherry Street and west of the Don River may become available for development as a result of a reconfiguration of Lake Shore Boulevard in both alternatives.

⁹ All net present value calculations assume a four per cent discount rate

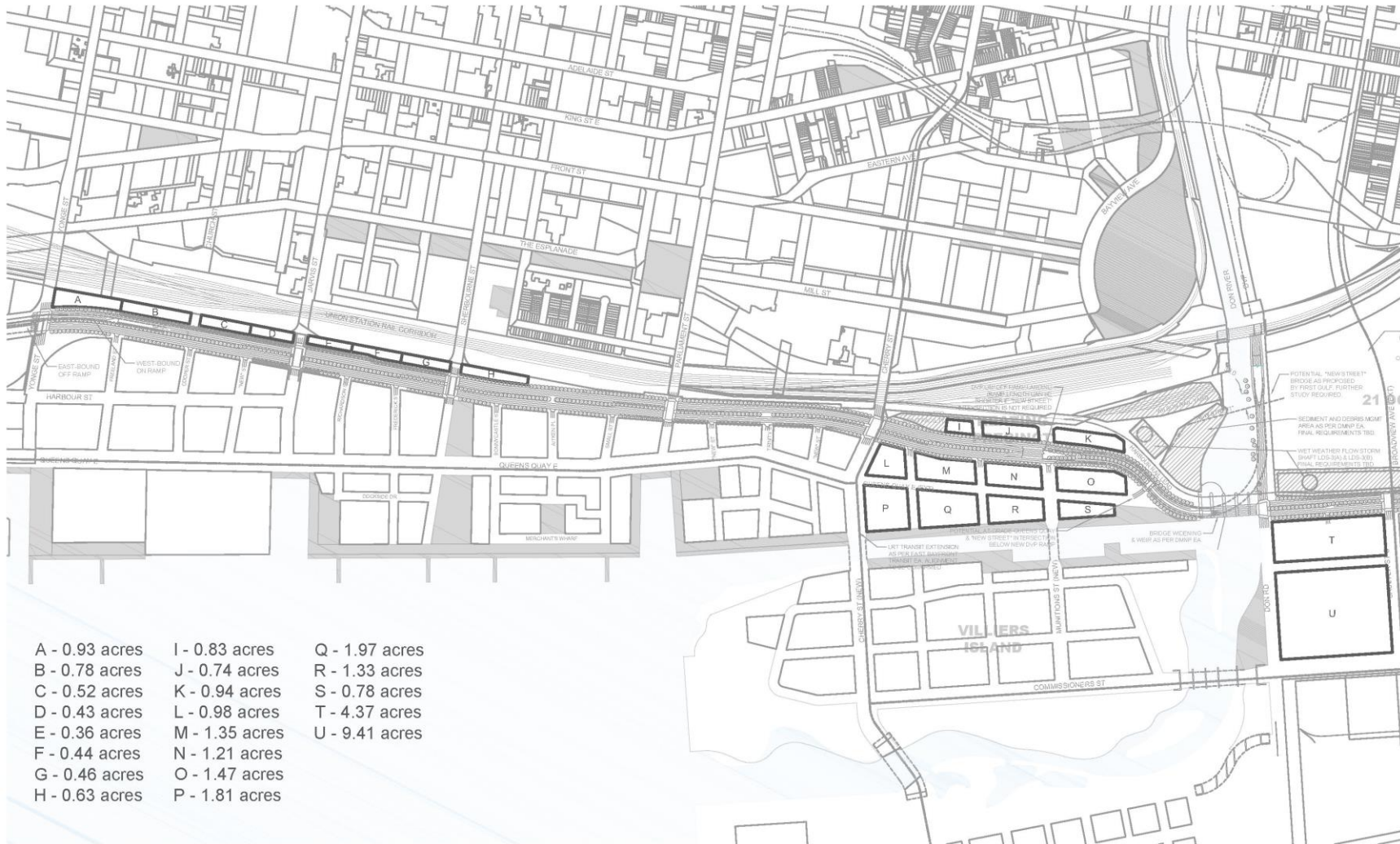
In the Remove (Optimized Boulevard) alternative, nearly 12.9 acres of land would become available for new development. HR&A assumes they would be entitled to a FAR of 6.57, resulting in a total buildable area of approximately 343,000 square meters.

In the Hybrid alternative, the amount of land that would become available for new development decreases to 5.5 acres. Assuming a FAR of 6.57 this land would have a total buildable area of approximately 145,000 square meters.

East of the Don River

East of the Don River, there are 13.8 acres of publicly owned land available for redevelopment southeast of Lake Shore Boulevard and Don Roadway. HR&A estimates this land has a potential value of \$64 million in 2013 dollars or \$47 million in net present value terms using a four per cent discount rate. In addition, north of the proposed new boulevard, there is approximately 20.0 acres of publicly owned lands that could be redeveloped adjacent to the former Unilever site. According to First Gulf Don Valley Limited, the landowner of the former Unilever site, those publicly owned lands could have a value of \$100 million. Both alternatives support the marketability of those lands because both alternatives feature a landscaped boulevard that will improve the accessibility and visibility of those lands.

Figure 13: Potential City-Owned Parcels in the Remove (Optimized Boulevard) Alternative

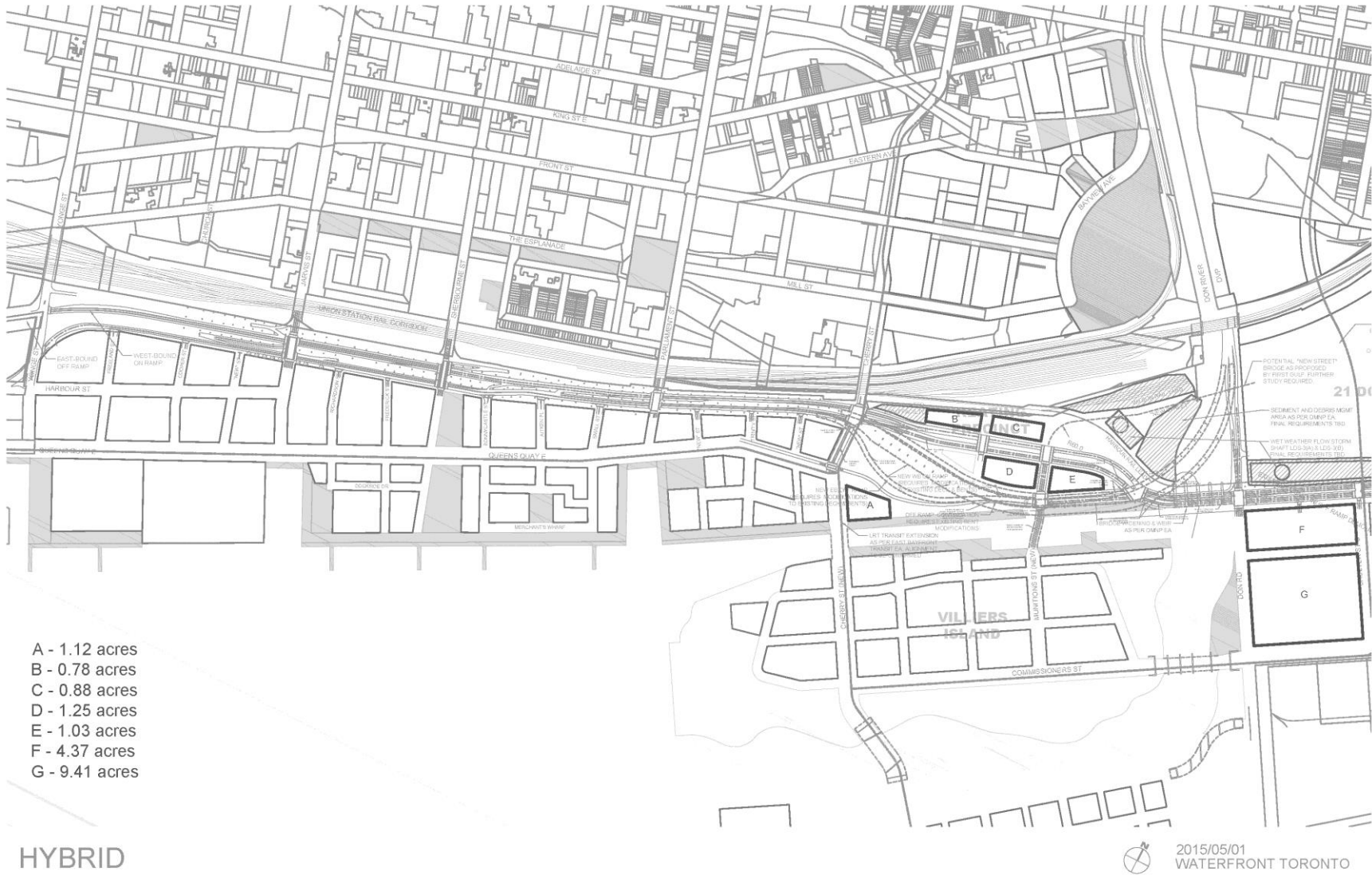


BOULEVARD



2015/05/01
WATERFRONT TORONTO

Figure 14: Potential City-Owned Parcels in the Hybrid Alternative



- A - 1.12 acres
- B - 0.78 acres
- C - 0.88 acres
- D - 1.25 acres
- E - 1.03 acres
- F - 4.37 acres
- G - 9.41 acres

The Remove (Optimized Boulevard) alternative results in more land being made available for development than the Hybrid alternative, and as a result has the potential to generate more proceeds from the sale of publicly-owned land than the Hybrid alternative. The analysis considers two geographic areas:

- West of Cherry Street: The Remove (Optimized Boulevard) alternative entails the removal of the elevated Gardiner Expressway, making approximately 4.6 acres of currently encumbered land available for development. The Hybrid alternative retains the elevated expressway.
- Between Cherry Street and the Don River: Both alternatives will support the development of the “Keating” lands between Cherry Street and the Don River. The differences in configuration, however, result in more land being made available in the Remove (Optimized Boulevard) alternative (12.9 acres) than the Hybrid alternative (5.5 acres).

To estimate land value, the analysis assumes a volume of development in each area, using the same density assumptions in both alternatives:

- West of Cherry Street: The analysis assumes a floor area ratio of ten.
- Between Cherry Street and the Don River: The analysis assumes a floor area ratio of 6.57.

Figure 15: Floor Area Potential by Alternative

Area	Floor Area by Alternative (square meters)	
	Remove (Optimized Boulevard)	Hybrid
West of Cherry Street	184,000	0
<u>Between Cherry Street & the Don River</u>	<u>343,000</u>	<u>145,000</u>
Total	527,000	145,000

To estimate land value, HR&A assumes a development mix and value by land use. The analysis assumes 83 per cent will be residential, nine per cent will be commercial, three per cent will be retail, and six per cent will be institutional (numbers do not sum to 100 per cent due to rounding). Figure 16 below presents value assumptions by geographic area, as developed during the 2013 net benefits analysis. Because market demand is likely to be higher for parcels west of Cherry Street when compared to parcels between Cherry Street and the Don River, the analysis assumes a higher land value per buildable square meter for the parcels west of Cherry Street. It should be noted that site conditions could further decrease land value depending on the cost of remediating environmental conditions. For the Remove (Optimized Boulevard) alternative, values for parcels west of Cherry Street and between Cherry Street and the Don River have been increased four per cent because those properties will benefit from increased visibility, landscaping, and light/air resulting from the removal of the elevated expressway.

Figure 16: Land Price Assumptions

Area	Land Price (per buildable square meter)			
	Residential		Other Uses	
	Remove	Hybrid	Remove	Hybrid
West of Cherry Street	\$459	N/A	\$280	N/A
Between Cherry Street & the Don River	\$306	\$295	\$168	\$160

Figure 17 presents a summary of potential land proceeds by alternative, in both nominal and net present value terms using a four per cent discount rate. The analysis assumes all land sales occur over a 20-year timeframe. The Remove (Optimized Boulevard) presents more potential for land value proceeds (\$128 million in net present value terms) than the Hybrid alternative (\$29 million in net present value terms).

Figure 17: Potential Land Proceeds by Alternative

Area	Remove (Optimized Boulevard)	Hybrid
West of Cherry Street	\$79,000,000	--
<u>Between Cherry Street & the Don River</u>	<u>\$97,000,000</u>	<u>\$39,000,000</u>
Total, 2013\$	\$176,000,000	\$39,000,000
Total, Net Present Value	\$128,000,000	\$29,000,000

Conclusion

The Remove (Optimized Boulevard) alternative entails lower capital and operations and maintenance costs as well as greater revenue potential than the Hybrid alternative. As a result, **the Remove (Optimized Boulevard) alternative is preferred.**

7. APPENDIX: DECEMBER 2014 STAKEHOLDER MEETING MINUTES

HR&A facilitated meetings on December 11, 2014 with three different stakeholders groups to understand their perspective on Toronto's competitiveness, the importance of Downtown Toronto, Downtown's strengths and weaknesses, and risks confronting Downtown Toronto. HR&A conducted these meetings as part of the Gardiner Expressway Environmental Assessment Study (EA) and how the alternatives being evaluated relate to Downtown's and Toronto's economic competitiveness.

Below are key findings from those meetings.

Think Tanks

- Civic Action
 - Martin Prosperity Institute
 - Ryerson City Building Institute
 - Toronto Financial District BIA
 - Toronto Region Board of Trade
 - Urban Land Institute
-
- The area around Union Station is the most desirable place for employment in the Greater Toronto Area (GTA) with its unparalleled regional transit access and ease of doing business-to-business meetings. Union Station is the hub for all GO transit lines, will offer one-seat access to Pearson International Airport in the near future, and provides connections to the TTC subway. Downtown's business density makes it easy to conduct meetings with clients, service providers, and government.
 - Downtown Toronto is also able to compete with other financial services centers like Boston and other GTA submarkets like Mississauga because of its attractive public realm and walkability, including the PATH. Downtown has a clear advantage over GTA submarkets, but the competition is catching up through housing, public realm, and transit infrastructure investment.
 - In addition to financial services and among other sectors that cluster in Downtown, Downtown Toronto has been the hotbed for the startup community in the GTA.
 - Downtown Toronto offers "big city livability" that has attracted significant population growth and talent, but those living Downtown still represent just a small sliver of the employee base for Downtown employers. As such, it is critical to not only continue improving Downtown's attraction to talent, but also Downtown's regional labour pool accessibility. While no other GTA submarket offers the regional transit access offered in Downtown Toronto, the frustration with travel to/from Downtown via both mass transit and car is acute.
 - Improved mass transit on high-density corridors is seen as a way to enhance regional labour pool accessibility.

- Besides transportation, other risks to Downtown Toronto include the reliability of utility systems (i.e., energy, water), the high cost of housing, and the potential displacement of arts & culture due to high occupancy costs. Downtown suffers from aging utility infrastructure that requires improvement and/or replacement.
- As for real estate pressures, waterfront development is seen as a possible “relief valve.” The group questioned what land uses could feasibly be developed in that part of the waterfront, given the location.

Real Estate Owners and Developers

- Brookfield Properties
 - Cadillac Fairview
 - Colliers International
 - First Gulf
 - GWL Realty Advisors
 - Oxford Properties
 - Menkes Development Ltd.
 - RealPAC
- Downtown Toronto offers amenities, now and into the future, that cannot be found elsewhere: district energy, all-season walkability with the PATH network, Billy Bishop Airport, and Union Station, including its future revitalization and rail service to Pearson International Airport.
 - Downtown Toronto needs new land to accommodate new construction, and transit to both service that land and relieve pressure on Union Station. The new waterfront-area lands offer the land that cannot be found elsewhere in Downtown and offers the opportunity, with appropriate high-quality transit, to allow Toronto to continue to flourish. SmartTrack may very well be one of the means of accomplishing this, but there may be other approaches.
 - In terms of transportation, Downtown Toronto (including the waterfront and airport) needs to be a better place to circulate within - walking and transit is insufficient. A modern, higher-quality taxi system has been mentioned as part of the solution.
 - Street congestion in Downtown Toronto hampers reliable delivery, and gridlock from the airport makes a poor first impression on prospective tenants coming from outside the GTA. At first blush, removing Gardiner Expressway capacity is seen as contributing to those problems. Building owners are frustrated with the inability to ensure on-time building services, and have trouble marketing their property when prospective tenants are stuck in traffic traveling to/from the airport. Some building owners believe better signalization could improve flow, regardless of any changes to the Gardiner Expressway, offering some degree of relief.
 - Under any alternative, building owners are concerned about the duration of construction in Toronto. They are concerned about disruption to their tenants’ ability to conduct business, and

see infrastructure works in Toronto being unnecessarily lengthy with poor project communications regarding schedule.

- There is a belief that that the growing live-work trend in and near Downtown will continue to increase.

Employers

- CBC
 - National Bank of Canada
 - Royal Bank of Canada
 - SunLife
-
- By far the most attractive aspect of Downtown is the regional accessibility offered by Union Station. Some companies considered alternative locations or splitting up their workforce in locations across the GTA but felt consolidation near regional transit would be preferable for employee quality of life and corporate cohesion.
 - Some companies are seeing a shift in employee travel and neighborhood preferences in which their employees are looking to live Downtown or near transit, or for those living in the suburbs, have been shifting towards transit. This may be due to lifestyle preferences but also a sense of long and unpredictable travel time when traveling by car to Downtown.
 - The inability to predict travel time negatively impacts some businesses that need to use cars/trucks throughout the day. The combination of street and Gardiner Expressway congestion hurts their ability to be responsive.
 - Some companies offer executive staff a parking space, which encourages those employees to drive.
 - Toronto's waterfront is already an occasional recreational amenity for workers. The Gardiner Expressway, since it is elevated, does not cut off Downtown workers from accessing the waterfront as a place to walk, run, enjoy lunch, or spend time after work.