

# port lands acceleration initiative

## Waterfront Toronto

## Board of Directors Meeting

September 5, 2012



# don mouth naturalization project comprehensive planning process



**2003**  
central waterfront  
secondary plan



**2007**  
MVVA team  
competition plan



**2010**  
DMNP/framework  
plan preferred  
alternative 4ws



**May 2012**  
acceleration  
initiative  
4ws realigned

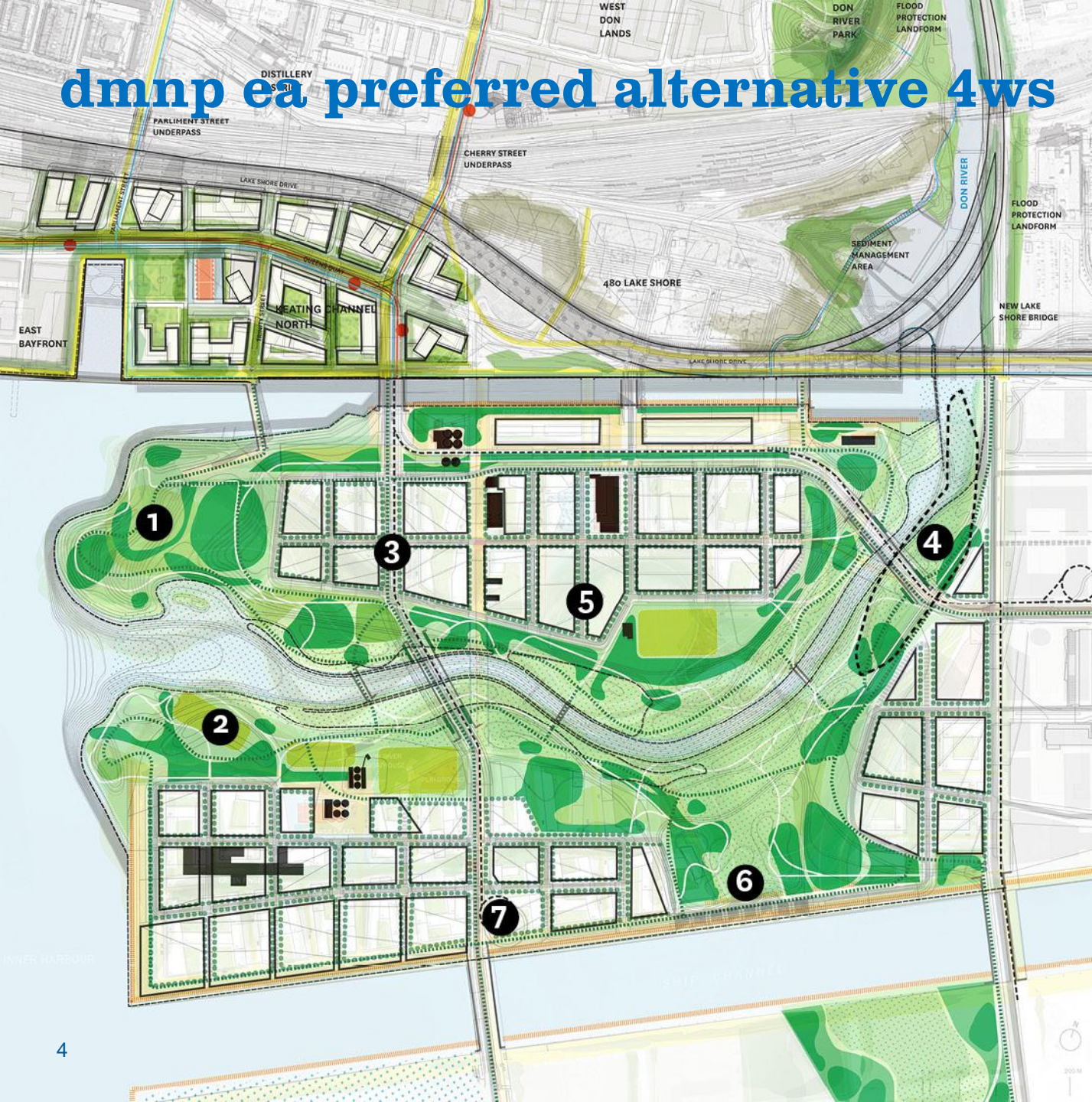


**August 2012**  
acceleration  
initiative  
recommended  
4ws realigned

# mvva team competition plan



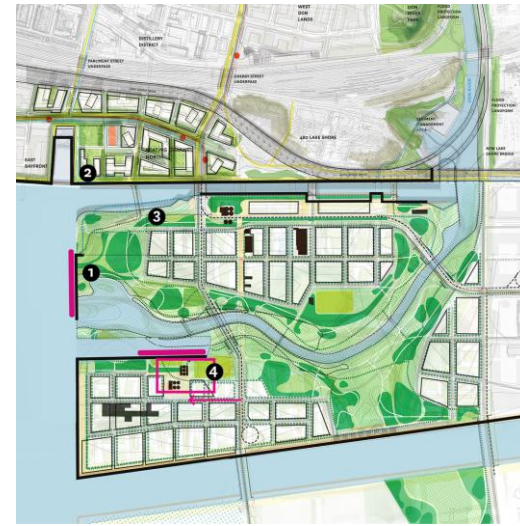
# dmnp ea preferred alternative 4ws



1. modified promontory park
2. relocated active recreation
3. realigned Cherry, Villiers, and Commissioners ROWs
4. improved hydrodynamics of river
5. reapportioned development
6. augmented high quality lake-fed wetland
7. optimized transit and community amenities



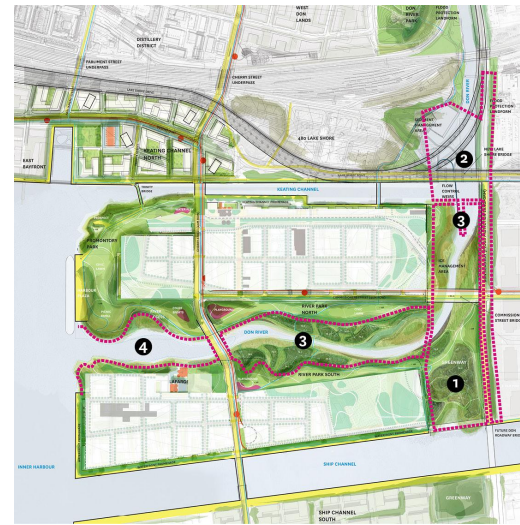
**plan evolution:  
maintain port operations**



**plan evolution:  
phased industry relocations**



**plan evolution:  
enable phased flood protection**



**plan evolution:  
flood protection and naturalization**

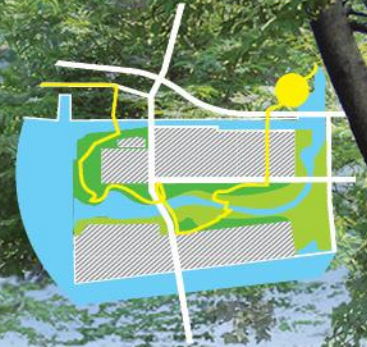
# recommended 4WS realigned



INNER HARBOUR

# 1. don valley trail

impression, view north from the gardiner



# 2. river park north

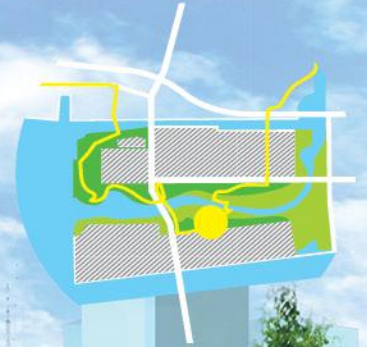
impression, view west toward cherry street





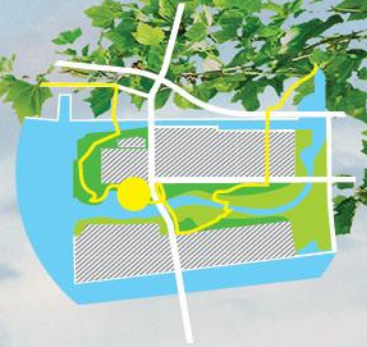
# 3. river park south

impression, view west toward cherry street



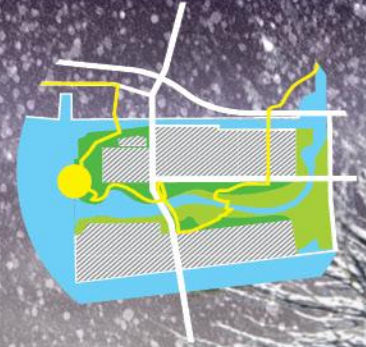
# 4. don river mouth

impression, view west toward inner harbour



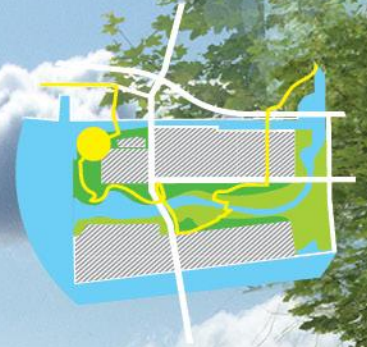
# 5. promontory park plaza

impression, view north toward keating channel precinct



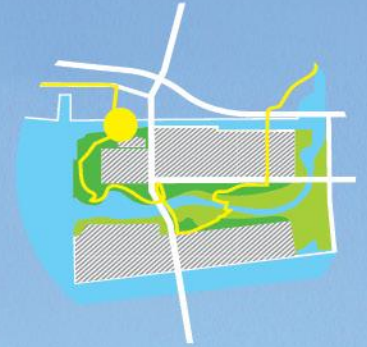
# 6. promontory park

impression, view west toward inner harbour



# 7. trinity street bridge

impression, view west toward mouth of keating channel



# context: port lands precincts



- E. RIVER
  - E1. COUSINS
  - E2. RIVER NORTH
  - E3. POLSON
  - E4. RIVER SOUTH
- F. FILM STUDIO
- G. LAKESHORE SOUTH
- H. TORONTO PORT
- I. LAKE ONTARIO PARK
- J. SHIP CHANNEL WEST
- K. SHIP CHANNEL EAST
- L. EAST PORT

# flood protection phasing



1. phase 1  
widened greenway
2. phase 2  
flood protection landform north of Lake Shore  
widen Lake Shore crossing  
raised Don Roadway  
sediment mgmt. area
3. phase 3  
regulatory flood requirements met  
naturalized greenway  
flow control weirs  
river and floodplain ice mgmt. area
4. phase 4  
naturalized mouth

# port lands development scenario

Phases 1 and 2: Cousins Quay (E1), Polson Quay (E3) & Film Studios (F) precincts





# port lands market share and land value

## 30 year demand forecast

Land Use	Conservative Demand	Moderate Demand	Aggressive Demand	Approximate Land Value* (\$2012/sf GFA)
Office	2.7 million sf	4.5 million sf	6.2 million sf	\$11.00
Residential	8,700 units	9,700 units	10,700 units	\$34.00
Retail	1.4 million sf	1.4 million sf	1.4 million sf	\$60.00
Hotel	375 rooms	450 rooms	575 rooms	\$21.00

- land values have been adjusted to reflect payment of area-specific development charges (AS-DCs)
- retail demand accommodated in urban retail format – not big box

# port lands cost summary by phase

## Full Build Out Costs for area north of Ship Channel (\$2012 Mil)

	Phases in C&W 30-Yr Financial Model		Post 30-Yr Phases			Total
	Cousins & Polson Quays (Phase 1)	Film Studio Precinct (Phase 2)	Lower Don Lands (Phase 3)	River Mouth Naturalization (Phase 4 & 5)	Balance of PL North of Ship Channel	
Flood Protection	\$65	\$114	\$262	\$15	\$0	\$456
Major Infrastructure	\$267	\$226	\$178	\$0	\$72	\$743
Transit Infrastructure	\$26	\$82	\$70	\$0	\$20	\$198
Local Infrastructure*	\$89	\$194	\$200	\$0	\$20	\$503
<b>Total Investment</b>	<b>\$447</b>	<b>\$616</b>	<b>\$710</b>	<b>\$15</b>	<b>\$112</b>	<b>\$1,900</b>

# forecast financial outcome:

## City of Toronto 30 year, medium development scenario

### 30 Year City Cash Flow for Phases 1 & 2 (\$millions) From C&W Port Lands Financial Model

	Nominal (Inflated)			Total	NPV 10%
	Years				
	0-10	11-20	21-30	Total	Total
Land Sale Revenue	42	316	108	<b>\$467</b>	<b>\$106</b>
Development Charges Rev.	23	102	48	<b>\$172</b>	<b>\$40</b>
Total Estimated Costs	<b>(\$61)</b>	<b>(\$868)</b>	<b>(\$251)</b>	<b>(\$1,180)</b>	<b>(\$335)</b>
<b>Total</b>	<b>4</b>	<b>(\$450)</b>	<b>(\$95)</b>	<b>(\$540)</b>	<b>(\$189)</b>

# Alternate scenario

DC structure, discount rate assumptions, market take up and longer time-frame as suggested by Hemson and NBLC

## Revised City Cash Flow for Phases 1 & 2 (\$millions) Hybrid DC Strategy and NBLC Model Amendments

	Nominal (Inflated)				Total	NPV 8%
	Years					
	0-10	11-20	21-30	31-60		
Land Sale Revenue	67	419	68	0	<b>\$554</b>	<b>\$175</b>
Development Charges Rev.	77	119	102	460	<b>\$757</b>	<b>\$128</b>
Total Estimated Costs	<b>(\$61)</b>	<b>(\$868)</b>	<b>(\$251)</b>	0	<b>(\$1,180)</b>	<b>(\$420)</b>
<b>Total</b>	<b>83</b>	<b>(\$330)</b>	<b>(\$82)</b>	<b>460</b>	<b>131</b>	<b>(\$118)</b>

# expanded revenue sources

Possible Revenue Source	Potential feasibility according to City staff
Land Sales	core funding source
Area-Specific Development Charge	should be considered
City-Wide Development Charge	should be considered
Local Improvement Charges	should not be considered
Local Property Tax Surcharge	should not be considered
City-wide Rapid Transit Funding	should be considered
Future Property Taxes	needed for future City services
J/V development of City land	use selectively
Philanthropy	should be considered
Section 37	marginal application
General taxes (all orders of gov't)	if necessary and gov't(s) agree

# financing options

- significant infrastructure and flood protection costs must be incurred in advance of receiving development revenues
- options include:
  - private sector financing (cost sharing or front ending agreements)
  - Tax Increment Financing (TIF) (not recommended)
  - City-wide Development Charges
  - area-specific Development Charges
  - City (and/or other orders of government) lend money against future land sales
  - City (and/or other orders of government) fund out of normal tax base borrowing as costs are incurred
  - Section 37 (supplementary)

# key findings

1. The flood protection plan recommended in the DMNP EA is fundamentally sound. The plan can be modified to reduce costs while assuring its flood protection and naturalization qualities;
2. The revised plan for the Port Lands will provide generous public parks and open spaces and ensures that the water's edge is preserved for public use;
3. The flood protection, naturalization and open space plan provides the framework for the creation of a great new waterfront district that can exemplify excellence in urban design and sustainability;
4. A phased, transit-supported development strategy is essential for a successful Port Lands, from a sustainability and development perspective;
5. The Port Lands is a working port whose functions are essential for the operation of the City and should be maintained in place;

## key findings

6. There is strong market interest in the area and development interests are eager to proceed once flood protection, infrastructure, the planning framework and cost allocation issues are resolved;
7. The Port Lands plan permits phased development, allowing the site's considerable infrastructure costs potentially to be progressively offset by development revenues.
8. A long-term business case for proceeding with the Port Lands is supported by a mix of land revenues, development charges and other funding sources that will minimize if not eliminate required public funding;
9. The Port Lands can play an important role in the future of Toronto as a global city; and
10. The development of the Port Lands is a major opportunity for Toronto that can now be successfully realized.



# staff recommendations

1. City Council adopt in principle the direction as outlined in the "Summary of Findings" included as Appendix 1.
2. City Council endorse the 2012 "4WS Re-aligned" option and request Waterfront Toronto and the Toronto and Region Conservation Authority (TRCA) to revise and submit the Environmental Assessment to the Ministry of the Environment.
3. City Council request the TRCA and Provincial Ministries (including the Ministry of Municipal Affairs and Housing and the Ministry of Natural Resources) to approve the revised phasing strategy and planning framework (Special Policy Area) for the implementation of the DMNP EA as outlined in this report and to include the Don Greenway in the first phase of implementation.
4. City Council request the Deputy City Manager responsible for the Waterfront Initiative, Waterfront Toronto and the Chief Planner and Executive Director, City Planning to initiate precinct planning, which will include a robust public consultation process, along with the submission of a business and implementation plan for the following precincts within the Port Lands: Cousins Quay (E1), Polson Quay (E3), and Film Studio District (F).
5. City Council request the Deputy City Manager responsible for the Waterfront Initiative, in consultation with the Chief Planner and Executive Director, City Planning and the TRCA, through planning and permit approvals and other legal agreements, if applicable, to ensure that the proposed valley corridor of the Lower Don River through the Port Lands is protected from encroachment by development.

# staff recommendations

6. City Council request Waterfront Toronto to revise, as necessary, the Lower Don Lands Class EA Infrastructure Master Plan (May 2010) and Keating Channel Precinct Class EA Environmental Study Report (May 2010) to align with the direction for the Port Lands.
7. City Council request the Deputy City Manager responsible for the Waterfront Initiative and the General Manager of Parks, Forestry and Recreation in consultation with Waterfront Toronto, the Chief Planner and Executive Director, City Planning, and the TRCA to initiate the development of recreational and ecological opportunities in parks, including Lake Ontario Park and Tommy Thompson Park.
8. City Council direct the Deputy City Manager responsible for the Waterfront Initiative and the Deputy City Manager and Chief Financial Officer to further review utilizing City-wide development charges for infrastructure, and area-specific development charges or any other appropriate mechanisms for the Port Lands and Don River flood plain area to pay for flood protection and infrastructure in the Port Lands and other impacted areas.
9. City Council direct the Deputy City Manager responsible for the Waterfront Initiative to coordinate the creation of a land-owners group consisting of property owners and long-term lease holders within the Port Lands in order to secure infrastructure cost sharing and front-ending agreements as well as other mechanisms for funding the infrastructure necessary for redevelopment and direct the land owners group to report back on their progress within one year.
10. City Council direct the Deputy City Manager and Chief Financial Officer to include the infrastructure projects required for the redevelopment of the Port Lands on the list of works considered for incorporation within the Development Charges By-Law Review currently underway.