

port lands acceleration initiative media briefing

August 8, 2012



implementing the vision

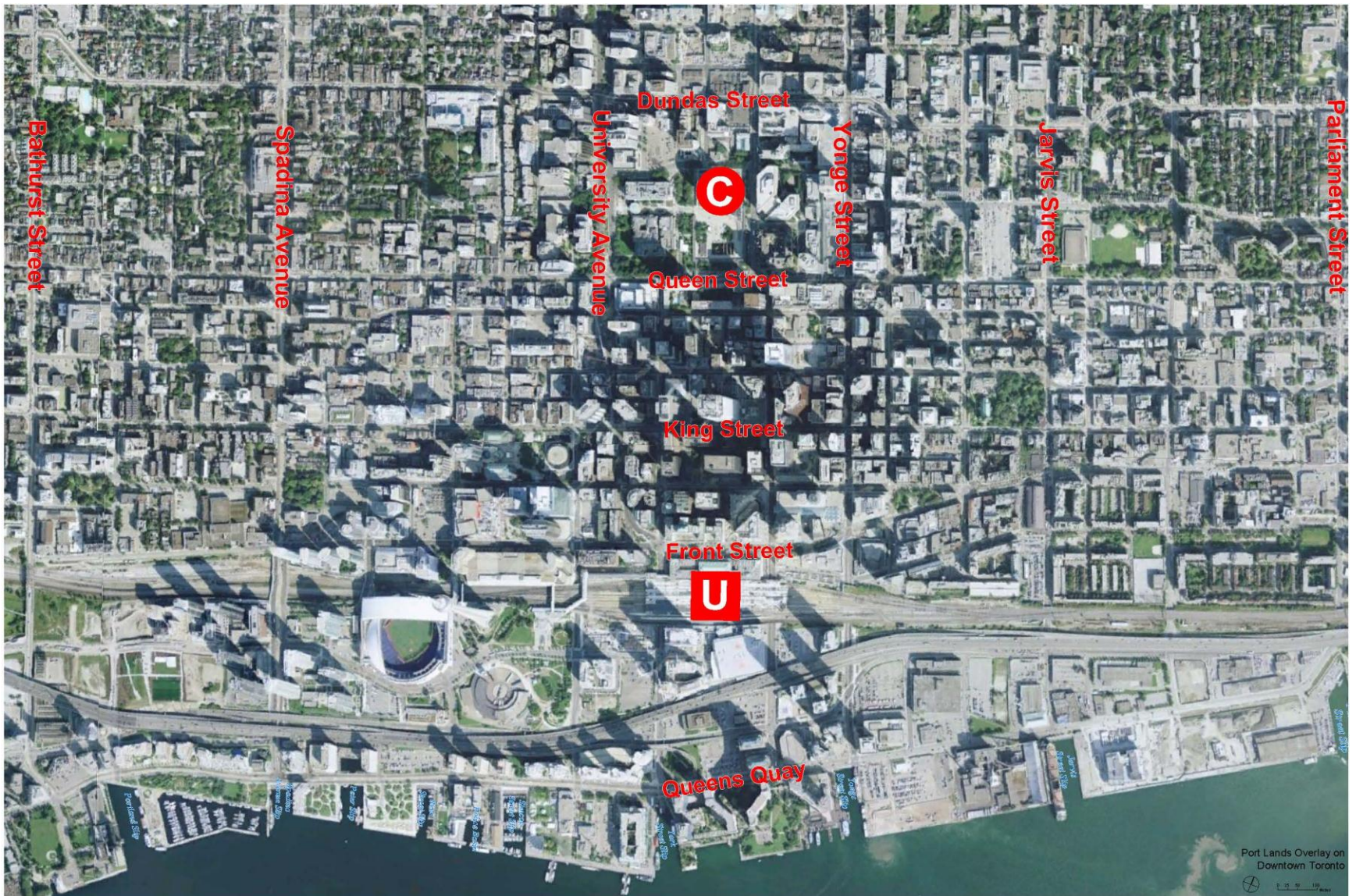
Toronto City Council directed:

- develop a business and implementation plan for the Port Lands:
 - analyse alternative financial scenarios and revenue sources
 - minimize the City's obligation to fund the required infrastructure
 - recognize the constraints facing all three orders of government
- have the plan peer reviewed by an independent third party

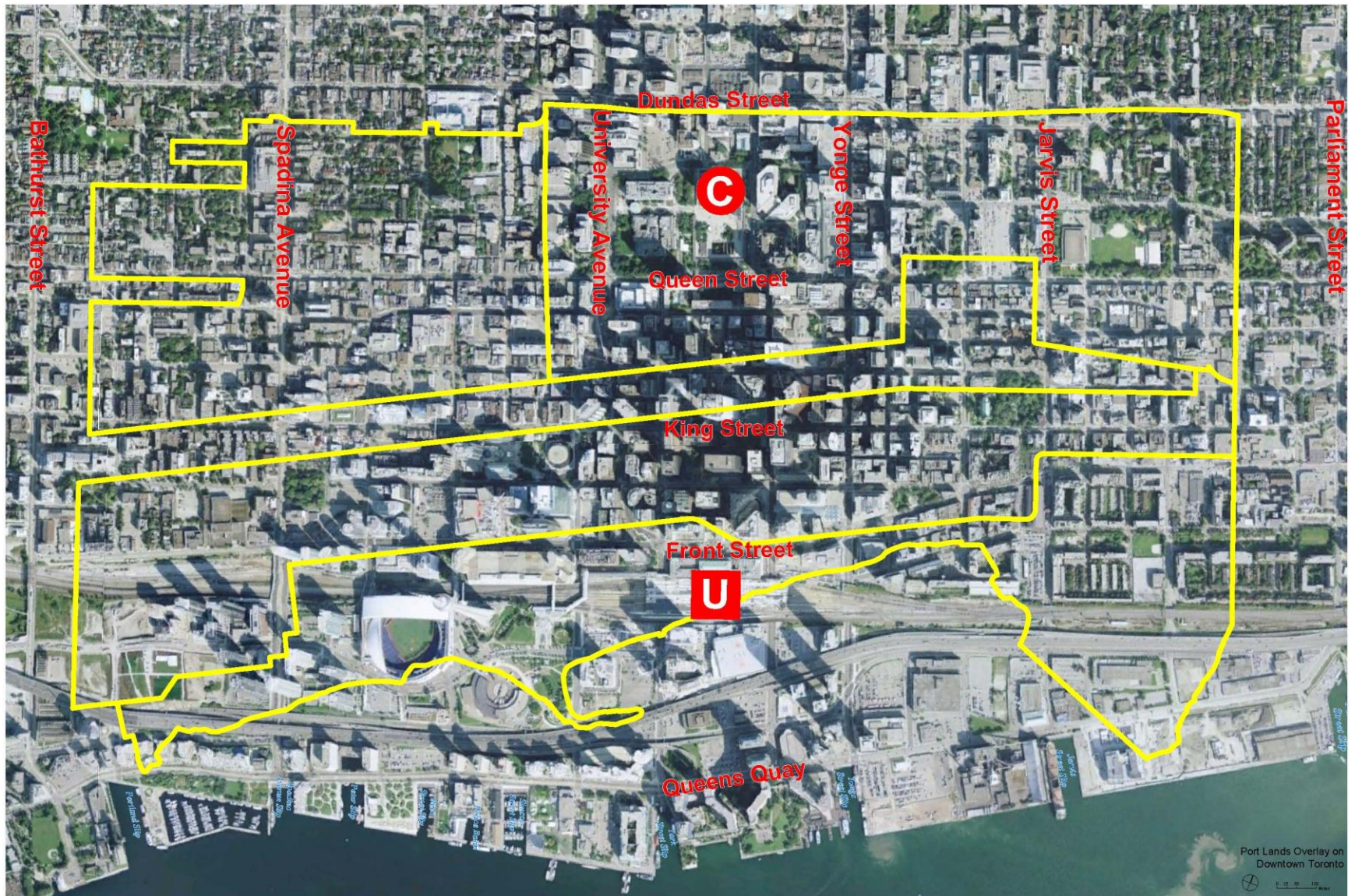
key question

Can we develop a business model that generates revenues sufficient to pay for the infrastructure necessary to enable Port Lands development, and that ties costs to revenues over the development timeline?

context: port lands scale



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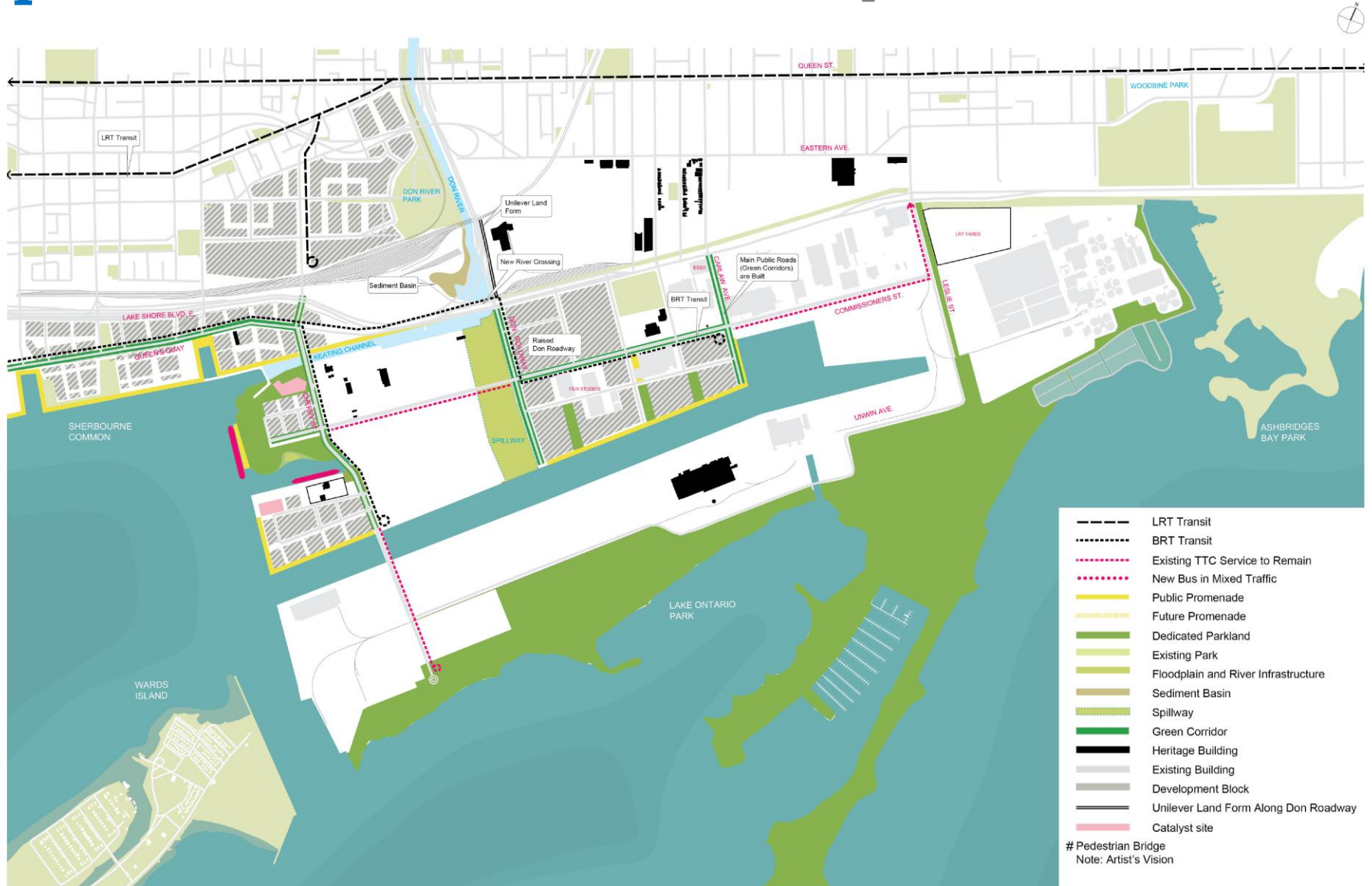


port lands market share and land value assumptions

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 revitalization development scenario



port lands cost summary by phase

(for total build-out, north of ship channel only)

	Cousins & Polson Quays (Phase 1) (\$2012 Millions)	Film Studio Precinct (Phase 2) (\$2012 Millions)	Lower Don Lands (Phase 3) (\$2012 Millions)	River Mouth Naturalization (Phase 4 & 5) (\$2012 Millions)	Balance of PL North of Ship Channel (\$2012 Millions)	Total (\$2012 Millions)
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
Total Investment	\$447	\$616	\$710	\$15	\$112	\$1,900

* Local infrastructure costs are normally paid for by the developer of the local area

master developer business case

(30 year moderate demand scenario)

	Total of cash flows over 30 years (\$ millions)	=	Total present value of cash flows over (\$ millions)
Land Sale Revenue	\$968	=	\$219
Area-Specific Development Charge	\$172	=	\$40
Total Projected Revenue	\$1,140	=	\$259
Total Estimated Cost	(\$1,272)	=	(\$354)
Residual Value	(\$132)	=	(\$95)

- all figures above per Cushman and Wakefield analysis based on development in Cousins Quay, Polson Quay and Film Studio precincts

expanded revenue sources

Possible Revenue Source	Peer Review Model
Land Sales	increased value escalation
Area-Specific Development Charge	since offset, no change
City-Wide Development Charge	added
Local Improvement Charges	should be considered
Area Rate (Property Tax Surcharge)	should be considered
Transit Funding	should be considered
Future Property Taxes	required for City services
J/V development of City land	use selectively
Section 37	marginal application
General taxes (all orders of gov't)	if negative residual value

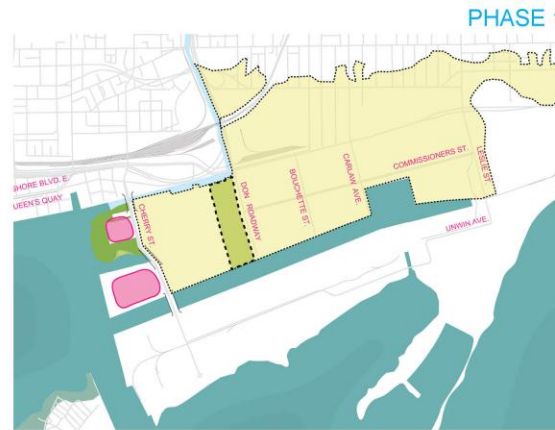
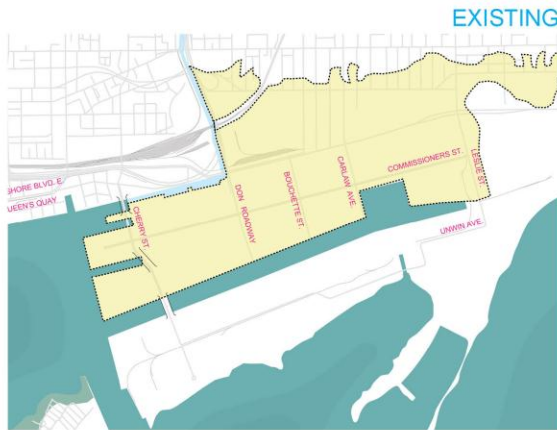
financing options

- 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)

conclusions

- Port Lands are a major employment and residential growth area for downtown
- public sector investment can be minimized by utilizing available mechanisms to secure private sector contributions for municipal infrastructure and public amenities
- financial analysis results – residual value nearing break even point – merit further development of the implementation plan
- a public/private sector partnership model is required to accelerate revitalization

phased development with flood protection



- new river crossing
- - - raised Don Roadway
- ▭ flood area
- ▭ developable area
- ▭ development from previous phases
- ▭ floodplain and river infrastructure
- ▭ dedicated parklands
- ▭ sediment basin



remove barriers and make connections

PEDESTRIAN NETWORK



BIKE NETWORK



TRANSIT



MAJOR ROADS



- * future phase bridge
- pedestrian network
- LRT Transit
- - - BRT replaced by LRT in future phases
- BRT Transit
- . - . bus mixed in traffic
- bike network
- major roads

a network of spectacular public spaces



A. Commissioners Street

impression, view east toward ashbridges bay



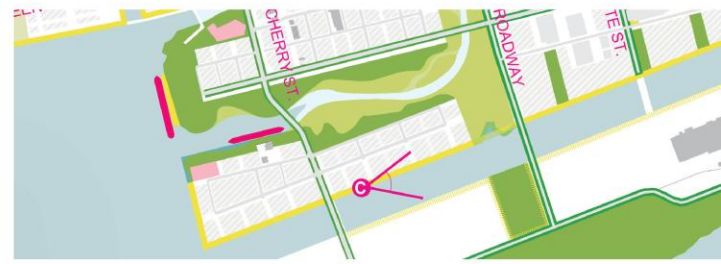
B. Don Roadway

impression, view south toward the greenway

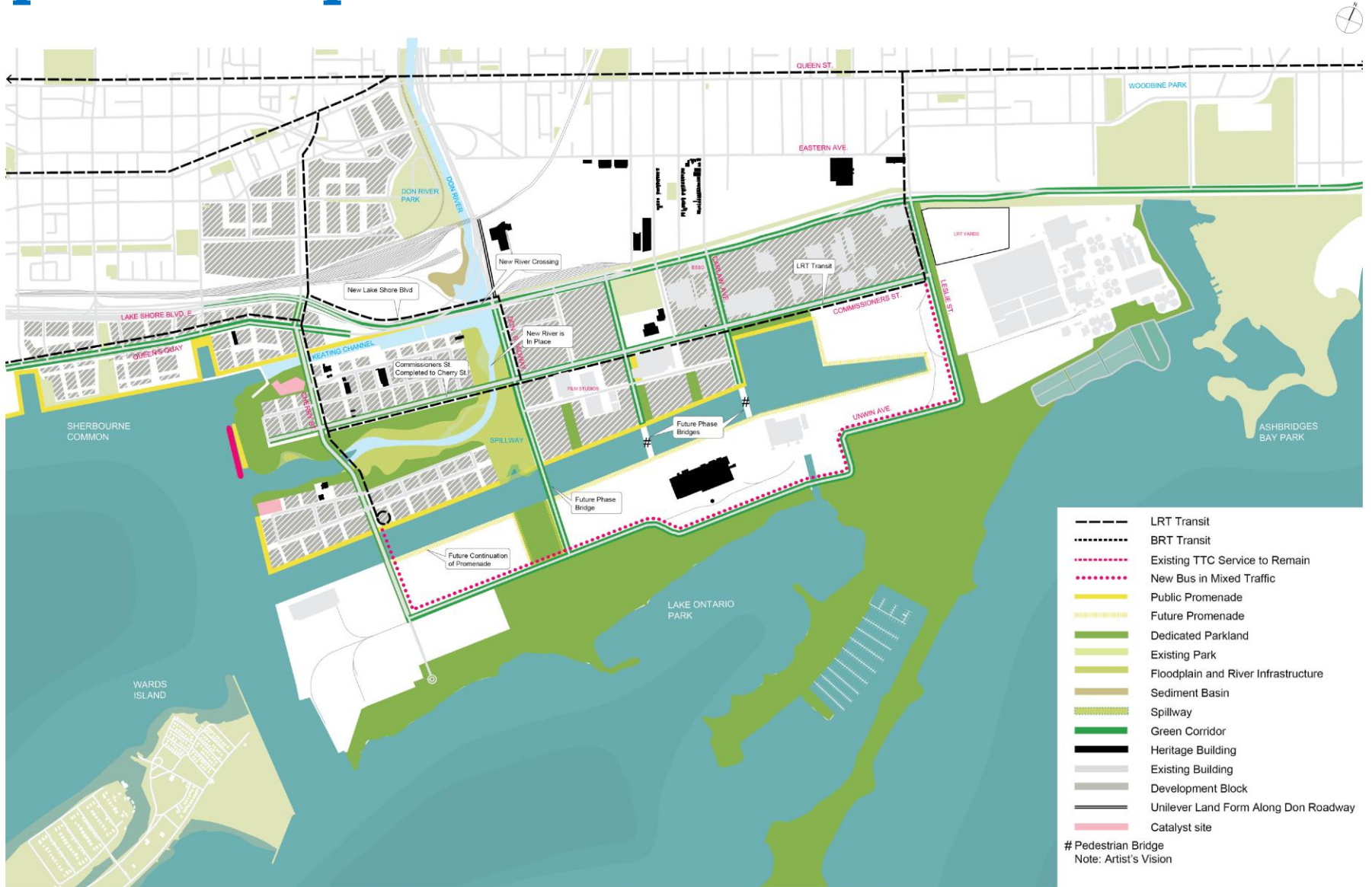


C. Shipping Channel

impression, view of the water's edge toward the hearn



port lands plan



area comparison 4ws original to 4ws realigned



4ws original

<u>total area</u>	84.7 ha
park	14.4 ha
floodplain	29.3 ha
road ROW	4.8 ha
development	36.2 ha



4ws realigned

<u>total area</u>	80.6 ha
park	10.8 ha
floodplain	23.1 ha
road ROW	5.1 ha
development	41.6 ha

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

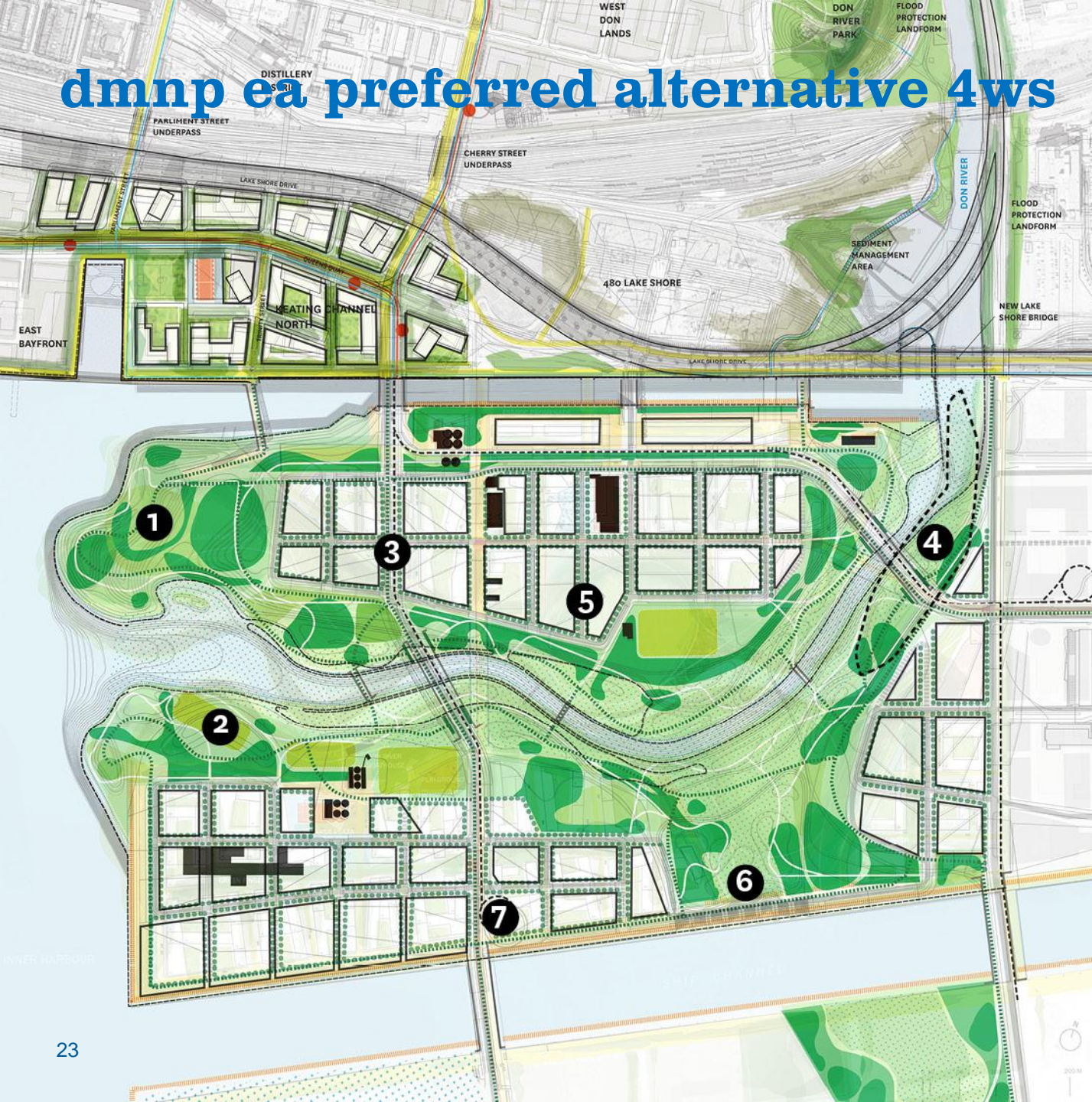


August 2012
acceleration
initiative
recommended
4ws realigned

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

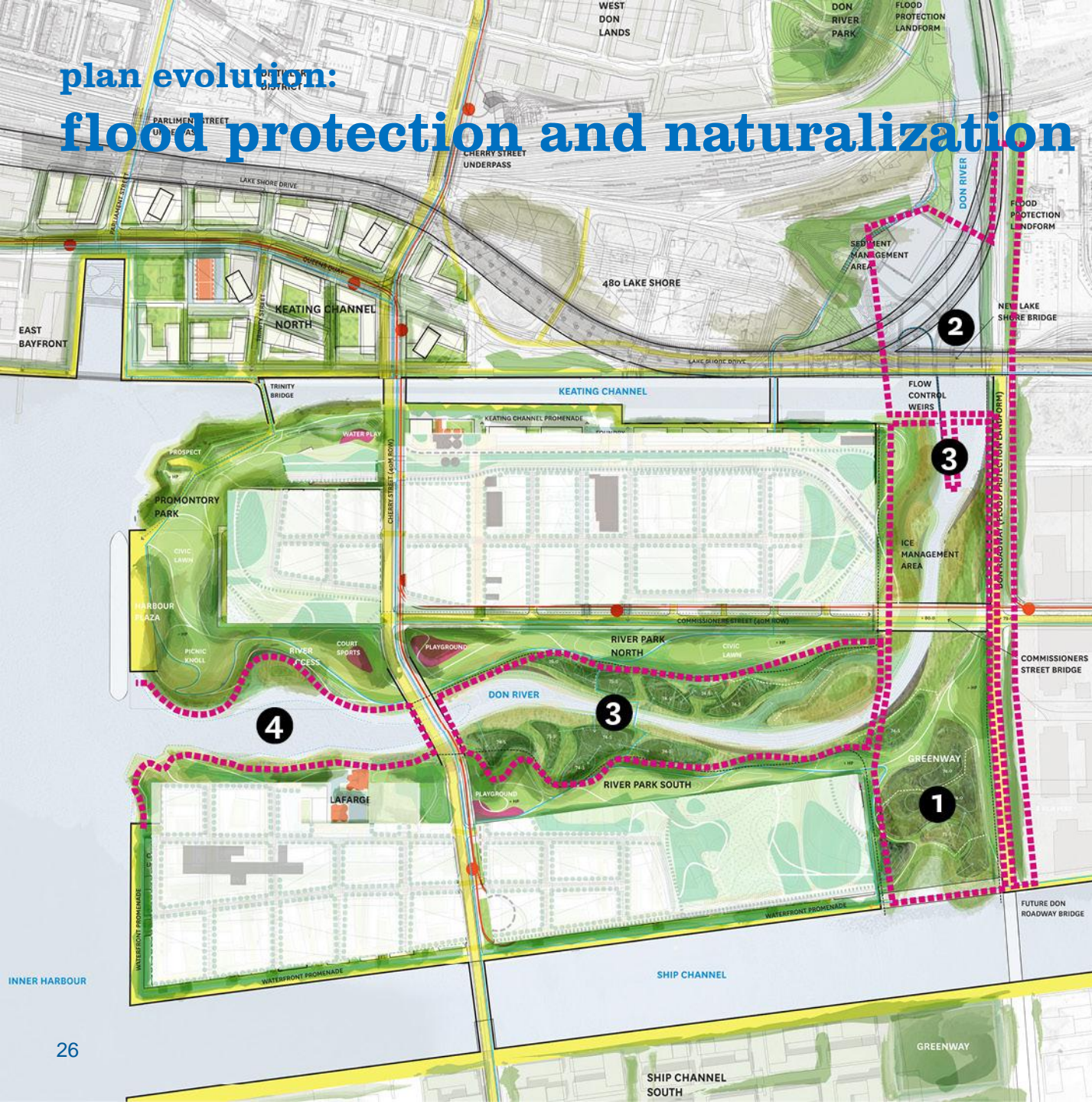
plan evolution: maintain port operations



1. Toronto Port Authority and port user navigation concerns addressed during EA

plan evolution: flood protection and naturalization

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



plan evolution: rationalize development parcels



1. redistributed, consolidated, and regularized development

create dynamic and diverse new communities



1. catalytic waterfront sites and cultural buildings
2. year-round experiences
3. parks relate to new neighbourhoods

a network of spectacular public spaces



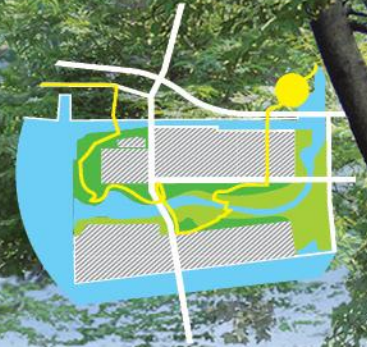
recommended 4WS realigned



INNER HARBOUR

1. don valley trail

impression, view north from the gardiner



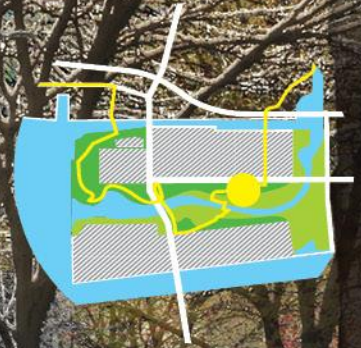
2a. river park north

impression, view west toward cherry street



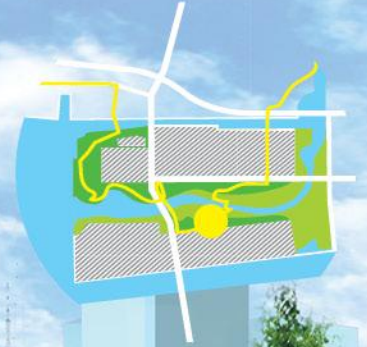
2b. river park north

impression, view west toward cherry street



3a. river park south

impression, view west toward cherry street



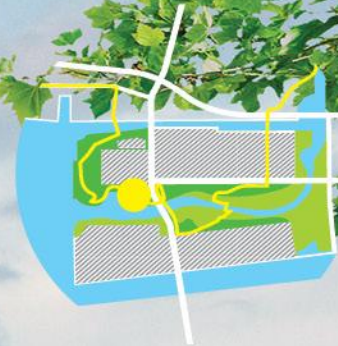
3b. river park south

impression, view west toward cherry street



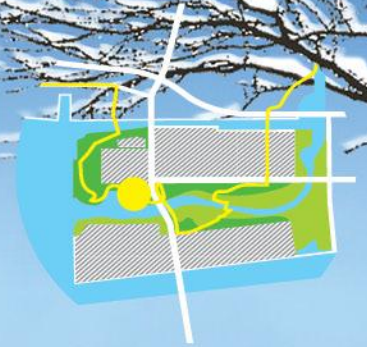
4a. don river mouth

impression, view west toward inner harbour



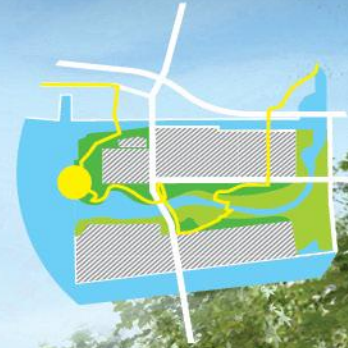
4b. don river mouth

impression, view west toward inner harbour



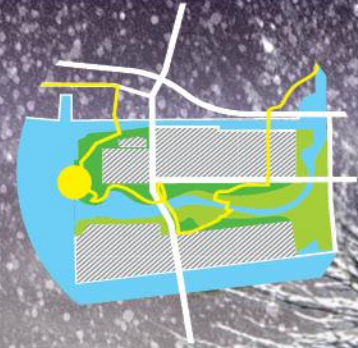
5a. promontory park plaza

impression, view north toward keating channel precinct



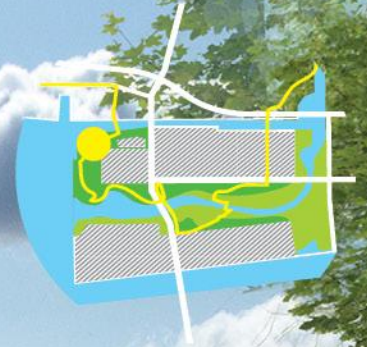
5b. promontory park plaza

impression, view north toward keating channel precinct



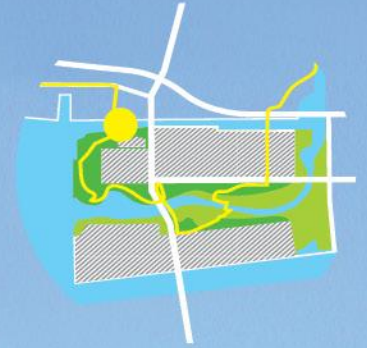
6. promontory park

impression, view west toward inner harbour



7. trinity street bridge

impression, view west toward mouth of keating channel

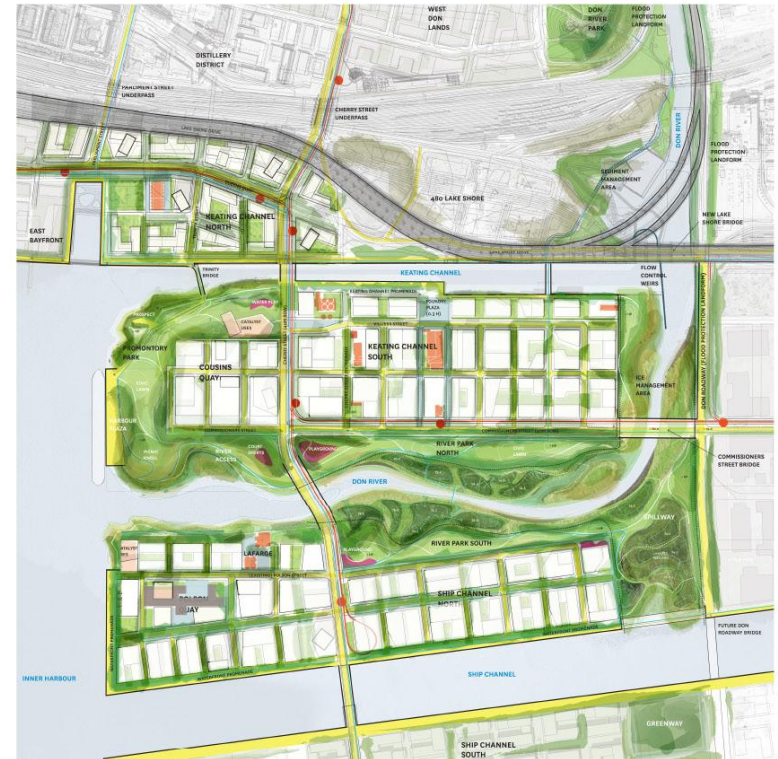


draft recommendations (implementation)

- concentrate initial revitalization in Cousins Quay, Polson Quay and Film Studio precincts
- complete business case analysis and implementation plan for individual precincts
- organize land owners groups, as part of precinct planning, to establish and negotiate private sector funding and financing requirements for enabling infrastructure
- confirm and employ additional sources of funding and financing if required to supplement private sector investment

draft recommendations (flood protection)

- endorse option "4WS re-aligned" for the DMNP EA
- develop a phasing strategy and regulatory framework for the implementation of the DMNP
- protect the proposed corridor of the Lower Don River from encroachment by development



Recommended 4WS Realigned

draft recommendations (land use planning)

- protect the corridor of the Lower Don River from encroachment by development
- set direction for conducting precinct planning
- revise Lower Don Lands Class EA Infrastructure Master Plan
- revise Keating Channel Precinct Class EA Environmental Study Report
- revise the Lower Don Lands framework plan
- identify and retain lands for potential transformational use(s)
- maintain existing critical port and industrial uses in the Port Lands



going forward

- Executive Committee - September 10
- City Council - October 3
- amend DMNP EA (9 – 18 month process)
- commence precinct planning (Cousins Quay, Polson Quay and Film Studio precincts)
- establish land owners groups
- continued community consultation