

# Welcome to Quayside



## What is Quayside?

Waterfront Toronto has a mandate to revitalize Toronto's waterfront. One of our current projects is Quayside – a 12-acre parcel of land that sits right beside the lake at the foot of Parliament Street.

Over two years ago we undertook a competitive process to look for an Innovation and Funding Partner to help us think through something special for this site – something that could set precedents for building affordable, sustainable, inclusive, and prosperous communities.

We selected Sidewalk Labs as that partner. Sidewalk Labs is a subsidiary of Alphabet Inc. and a sister-company of Google. As reflected in their mission, they “seek to combine forward thinking-urban design and cutting-edge technology to radically improve urban life, in Toronto and around the world”.

## What's happening now?

On June 17, 2019 Sidewalk Labs submitted their Draft Master Innovation and Development Plan (MIDP) to Waterfront Toronto for our review and evaluation.

We shared it with the public one week later, and now we're kicking off the first of two rounds of public consultation to seek feedback on the MIDP.

This first round of consultation is focused on orienting the public to the 1,500+ page submission from Sidewalk Labs, from the perspective of Waterfront Toronto as a public steward working with the support of all three levels of government to revitalize the waterfront.

## How do the roles of Waterfront Toronto & Sidewalk Labs differ?

It's important to know that Waterfront Toronto did not co-create the Draft MIDP. Waterfront Toronto and Sidewalk Labs worked together earlier in the process to do research, generate ideas, and consult the public.

The roles of the two organizations then separated, with Waterfront Toronto focused on creating a robust framework for review and evaluation of the MIDP. Sidewalk Labs prepared and submitted the MIDP.

The MIDP is ultimately subject to the approval of Waterfront Toronto's Board of Directors and Sidewalk Labs.

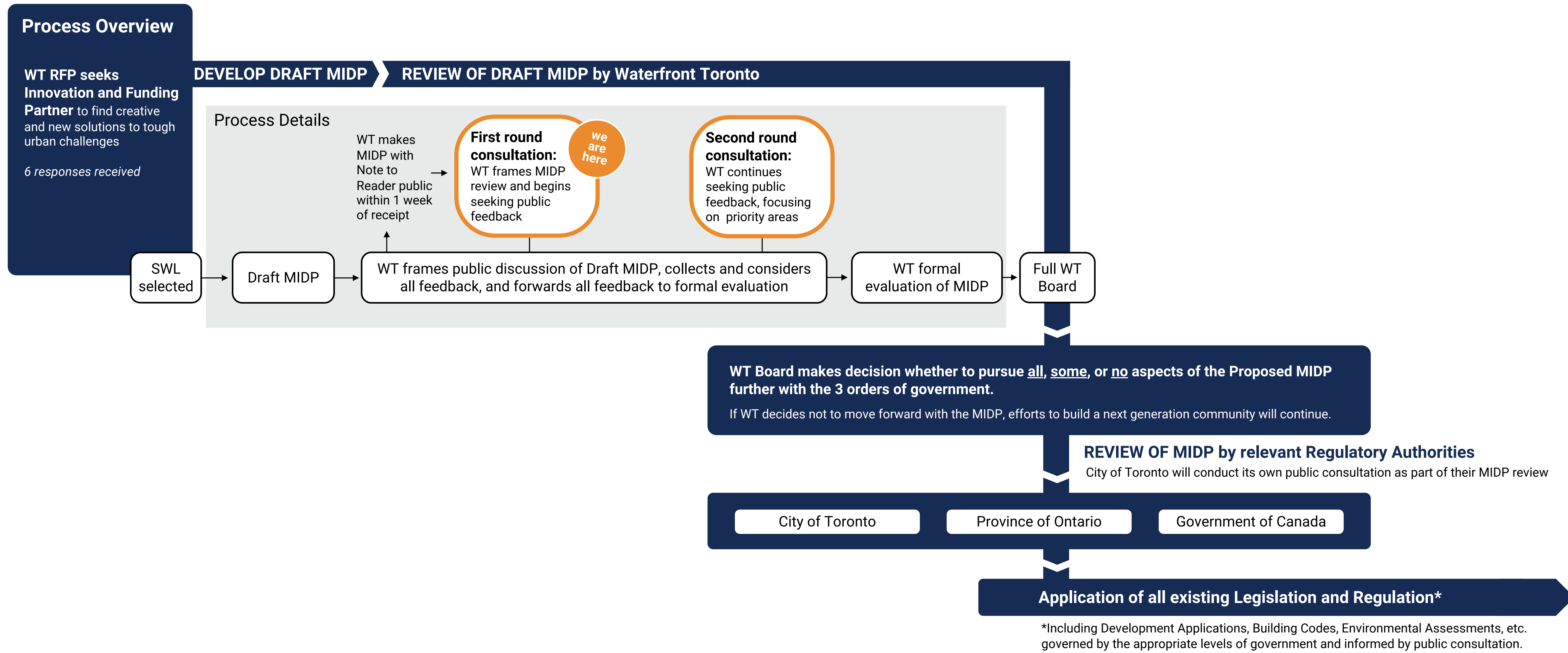
## Why are we consulting the public?

Feedback from the public is critical to informing Waterfront Toronto's thinking about Quayside. It is our responsibility – informed by consultation with the public, technical experts, and all three levels of government – to determine if the ideas in the MIDP are in the public interest and respond to the objectives for Quayside that we agreed to with Sidewalk Labs in July 2018 (as reflected in the Plan Development Agreement).

This consultation is one of several ways we are sharing information about the Draft MIDP and seeking public feedback. All of this work will inform a decision by Waterfront Toronto's Board of Directors on whether, or how, to move forward with the MIDP and Sidewalk Labs.

The graphic below illustrates the process we'll be following:

WT: Waterfront Toronto  
SWL: Sidewalk Labs



For more information, visit the project website at:  
[www.QuaysideTO.ca](http://www.QuaysideTO.ca)

## How to get involved *There are many ways to participate, including:*

### Toronto Public Library Program

Mon, July 8 - 2:30 to 4 pm: North York Central Library  
Tues, July 9 - 4:30 to 6 pm: Scarborough Civic Centre  
Wed, July 10 - 6:30 to 8 pm: Fort York Public Library  
Thurs, July 11 - 2:30 to 4 pm: Brentwood Library  
Thurs, July 11 - 6:30 to 8 pm: Queen/Saulter Branch  
Thurs, July 18 - 6:30 to 8 pm: St. Lawrence Branch  
Thurs, July 25 - 6:30 to 8 pm: Toronto Reference Library

**Online survey** from July 10 to July 31 at [www.QuaysideTO.ca](http://www.QuaysideTO.ca)

### Four identical public meetings

Mon, July 15 - 6 pm to 9 pm: North York Civic Centre  
Wed, July 17 - 6 pm to 9 pm: Radisson Admiral Hotel  
Sat, July 20 - 9 am to 12 pm: George Brown Waterfront Campus  
Tues, July 23 - 6 pm to 9 pm: Chestnut Residences & Conference Centre

### Written submissions to Waterfront Toronto

For feedback to be considered by Waterfront Toronto prior to the second round of public consultation, it must be received by July 31, 2019. Please send it to [quayside@waterfronttoronto.ca](mailto:quayside@waterfronttoronto.ca)

# The Waterfront Toronto Draft MIDP Review

## The Sidewalk Labs Proposal

The Master Innovation and Development Plan proposed by Sidewalk Labs is organized into three Volumes. In the broadest terms, Volumes 1 and 2 propose plans for development and innovation (mostly things that we can see and touch). In Volume 3, Sidewalk Labs describes what they think is required to make those plans happen. There is also a fourth Overview document.



**Volume 1:  
The Plans**



**Volume 2:  
The Urban Innovations**



**Volume 3:  
The Partnership**

### Proposed Plans for Toronto's Waterfront

These two Volumes describe Sidewalk Labs' proposals for Quayside (as well as a much larger portion of the waterfront). This includes plans for:

- Development of the 12 acres of Quayside
- Development of a larger area that Sidewalk Labs called "The River District" (153 acres)
- Social infrastructure and community facilities
- Economic development
- Urban Innovations that focus on mobility, public realm, buildings and housing, sustainability, digital
- New governance models and regulatory frameworks to support implementation of the innovations

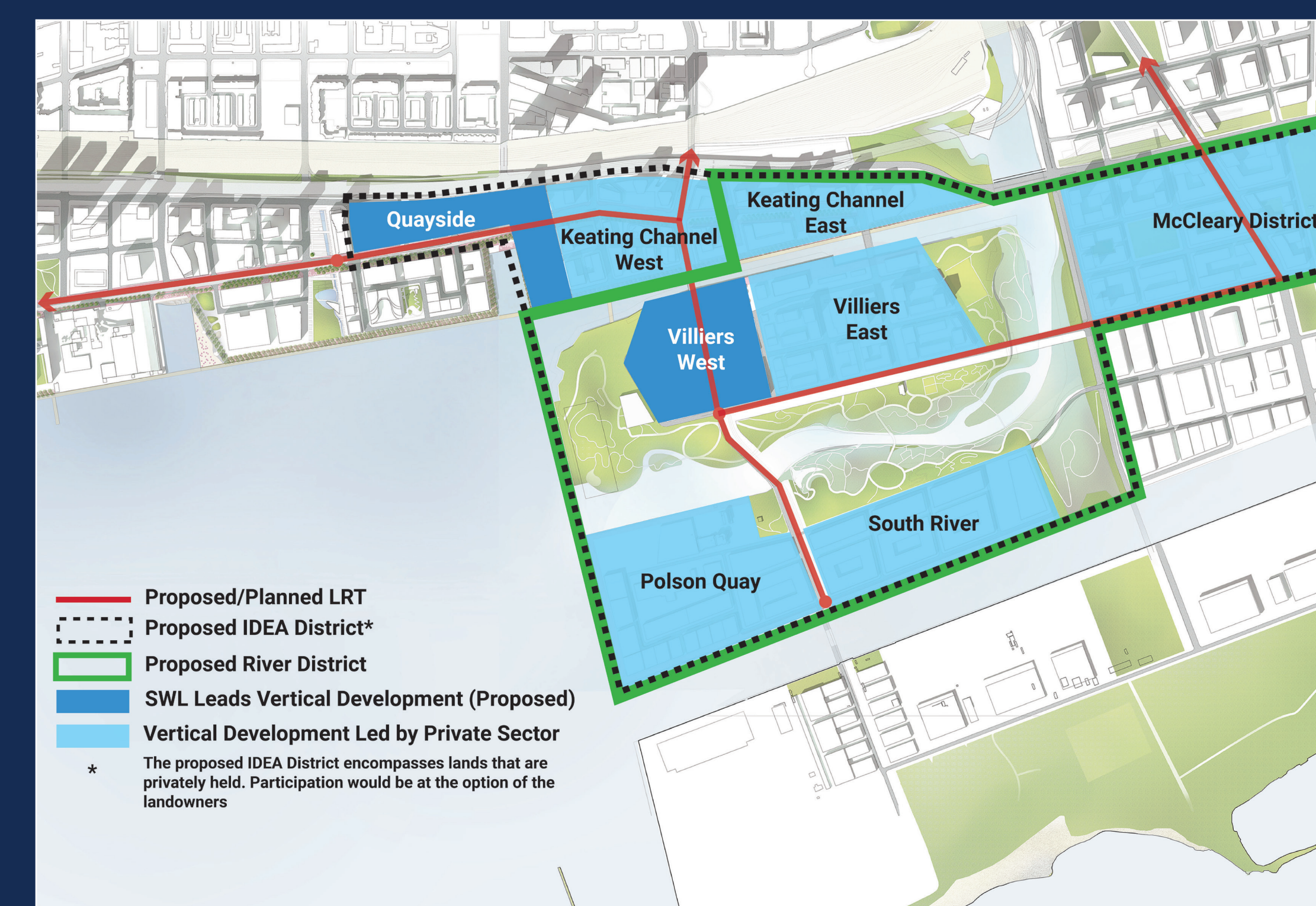
### Proposed Approach to Implementing those Plans

This third Volume of the MIDP was completed most recently and focuses on how Sidewalk Labs proposes that the plans get implemented. They propose:

- Creation of a special district (190 acres in size) called the Innovative Design and Economic Acceleration District (IDEA District) that is governed by a new Public Administrator and other entities
- Roles for Sidewalk Labs (developer, advisor, tech deliverer, and provider of optional financing)
- Financial streams for the public sector related to real estate, infrastructure, and Intellectual Property
- Government commitments (including potential future investments) required and areas of necessary public policy and regulatory reform

## Waterfront Toronto Note to Reader

Over the next several months, Waterfront Toronto will be reviewing and evaluating the MIDP from Sidewalk Labs. To support the process of seeking public feedback on the MIDP, Waterfront Toronto has written a Note to Reader. It is based on an initial, high level review of the MIDP and includes reference to (and summaries of) many of Sidewalk Labs proposals. The Note to Reader is not a substitute for the MIDP.



### The Waterfront Toronto Note to Reader provides a synthesis of:

- What Waterfront Toronto asked from its Innovation and Funding Partner;
- The response from Sidewalk Labs;
- Where and how the Draft MIDP aligns with existing practices and what's new;
- Where the privatization of public assets is being proposed (if at all); and
- Financial impacts and risks.

### Early Thoughts and Questions to Consider

Based on our initial review of the MIDP, there are a number of exciting ideas that respond to challenges Toronto faces, particularly related to environmental sustainability and economic development. There are also proposals where it is clear that Waterfront Toronto and Sidewalk Labs have different perspectives about what is required for success, for example:

- Up-front creation of an IDEA District (that covers a much more than the 12 acres)
- Sidewalk Labs proposes to lead development on Quayside, with the support of local partners. Should the MIDP go forward, it should be on the basis that Waterfront Toronto lead a competitive, public procurement process for developer(s) to partner with Waterfront Toronto and Sidewalk Labs (as our Innovation and Funding Partner)
- Sidewalk Labs' proposals require future commitments by our governments to realize project outcomes. These proposals raise significant implementation concerns and are also not commitments that Waterfront Toronto can make
- The need for more information to determine whether the initial proposals relating to data collection, data use, and digital governance are in compliance with applicable laws and respect Waterfront Toronto's digital governance principles

The Note to Reader reflects these priority considerations, and also poses both general and specific questions for the public to consider regarding the MIDP.

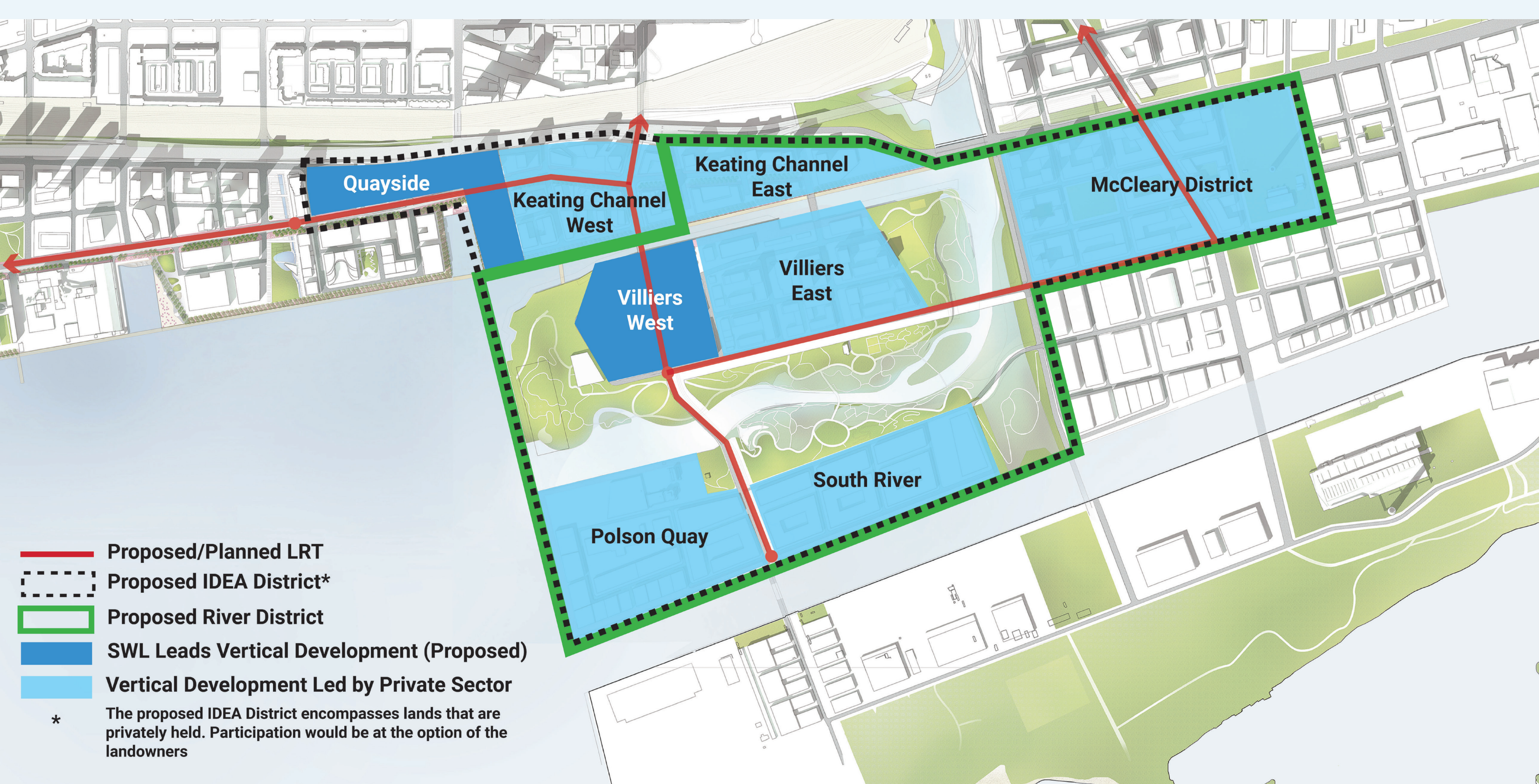
# Volume 1 The Plan: The Quayside and River District Plans

## Sidewalk Labs' Proposal

Volume 1 of the MIDP presents development plans at two scales: Quayside and the River District.



Sidewalk Labs' Illustration of Quayside



Map of Quayside and the proposed River District and IDEA District

## Waterfront Toronto's Note to Reader Review

### The Quayside Plan

Quayside falls across the boundary of two precincts, East Bayfront and Keating Channel, which are subject to City-approved precinct plans. The precinct plans call for mixed-use development, comprising 75% residential and 25% non-residential land use mix. The precinct plans call for an elementary school, a park adjacent to the Victory Soya Mills Silos and the continuation of the water's edge promenade within the Quayside site. Additionally, the precinct plans contemplate a dedicated LRT on Queens Quay.

Waterfront Toronto has reviewed the MIDP's fit with the precinct plans and existing zoning and notes the following:

- **Density:** the proposed density is less than what was imagined for both precinct plans and existing zoning.
- **Height:** building heights vary—typically lower—from what was imagined in both precinct plans.
- **Massing:** building massing in the proposal is different from the massing and built form direction in the precinct plans.
- **Mix of Uses:** the proposal presents a higher amount of non-residential (including retail, commercial, social infrastructure and production uses) than the precinct plans.
- **Community Facilities:** the precinct plans set aside space for an elementary school. Sidewalk Labs has allotted space for this school within Quayside. Additional community facilities space is proposed by Sidewalk Labs.
- **Connectivity:** connections through the site are generally consistent with the precinct plans, however, the proposed removal of vehicular traffic on Parliament Street between Lake Shore Boulevard East and Queens Quay would alter the circulation of buses and automobiles through the site.
- **Queens Quay:** the public right of way design, mode share split and space allocation is generally consistent with the most recent East Bayfront Transit Environmental Assessment, with the exception of minor modifications.
- **Parking:** is significantly reduced from the levels expected in the current zoning by-law. Offsite parking, not envisioned in current precinct or secondary plans, is included in the proposal concept.
- **Ground Floor Animation:** precinct plans require buildings to incorporate ground-related commercial or retail uses, particularly on Queens Quay. Sidewalk Labs also proposes retail along an interior laneway.
- **Water's Edge:** the proposal is generally consistent with the vision in the precinct plans to better connect people to the water's edge, however the proposed dimensions of the water's edge promenade must be further explored.

### The River District Plan

The "River District" is covered by the Keating Channel and Villiers Island Precinct Plans as well as the Port Lands Planning Framework. The River District proposal is not as detailed as the proposal for Quayside, and as such, Waterfront Toronto's review of the development plan will be limited to a higher-level analysis.

Sidewalk Labs proposes locating the Canadian Google Headquarters and Urban Innovation Institute on the western portion of Villiers Island which generally aligns with the Villiers Island Precinct Plan objective for a "catalytic" use.

## Waterfront Toronto's Questions for You

1. Do you think that the proposed Development Plan for Quayside and/or the River District would create a complete community and a vibrant neighbourhood? Is this a place that you would want to live? Why or why not?
2. Do you think that variances between the Draft MIDP and the City-approved precinct plans are problematic and, if so, which ones?
3. If you could change elements of the proposed plans for Quayside and the River District, what would you change and why?

Please place a sticky note in the box. You can also complete a feedback form or take the online survey.

# Volume 1 The Plan: Social Infrastructure



Social Infrastructure is often defined as a collection of facilities and organizations that support residents and communities. Sidewalk Labs builds on this definition, including in their proposal physical spaces, programming and service delivery innovations, and digital tools.

## Sidewalk Labs' Proposal

- Three physical spaces that can be classified as community facilities:
  - A Community Hub called the "Care Collective" to provide space for traditional health services as well as other community supports.
  - A "Civic Assembly" to provide space for community programs, civic engagement and cultural events, similar to a community centre. It would also host a proposed "Tech-bar" that offers support for any digital needs within the neighbourhood.
  - An Elementary School: As identified in the precinct plan, there is space set aside for a Toronto District School Board elementary school and a childcare centre.
- A set of digital tools to complement the social infrastructure and public spaces, including:
  - *Collab*: to gather feedback from community members about public space programming.
  - *Seed*: Space to facilitate leasing and co-tenancy options in buildings.

## Other elements of Sidewalk Labs' Proposals

- There are no anticipated privatization of public roles or assets in the Sidewalk Labs proposal for Social Infrastructure. All existing roles for governments would be unaffected.
- Sidewalk Labs aspires for more digital tools beyond Collab and Seed Space to be developed by the community and through future partnerships.

## Waterfront Toronto's Note to Reader Review

- Sidewalk Labs has proposed more community facility space than called for in the East Bayfront Precinct Plan. This space is proposed to be funded through City fees and development charges (in line with existing practices). An ongoing operational funding plan is not identified.
- There is no anticipated privatization of public roles or assets in the Sidewalk Labs proposal for Social Infrastructure. All existing roles for governments would be unaffected.

## Waterfront Toronto's Questions for You

1. How receptive are you to exploring this proposal from SWL? Why?
2. What do you see as the risks with Sidewalk Labs' Social Infrastructure Proposals
3. Under what conditions, if any, would you want to see Waterfront Toronto pursue these proposals further?

*Please place a sticky note in the box. You can also complete a feedback form or take the online survey.*

# Volume 1 The Plan: Economic Development

## What Waterfront Toronto asked for:

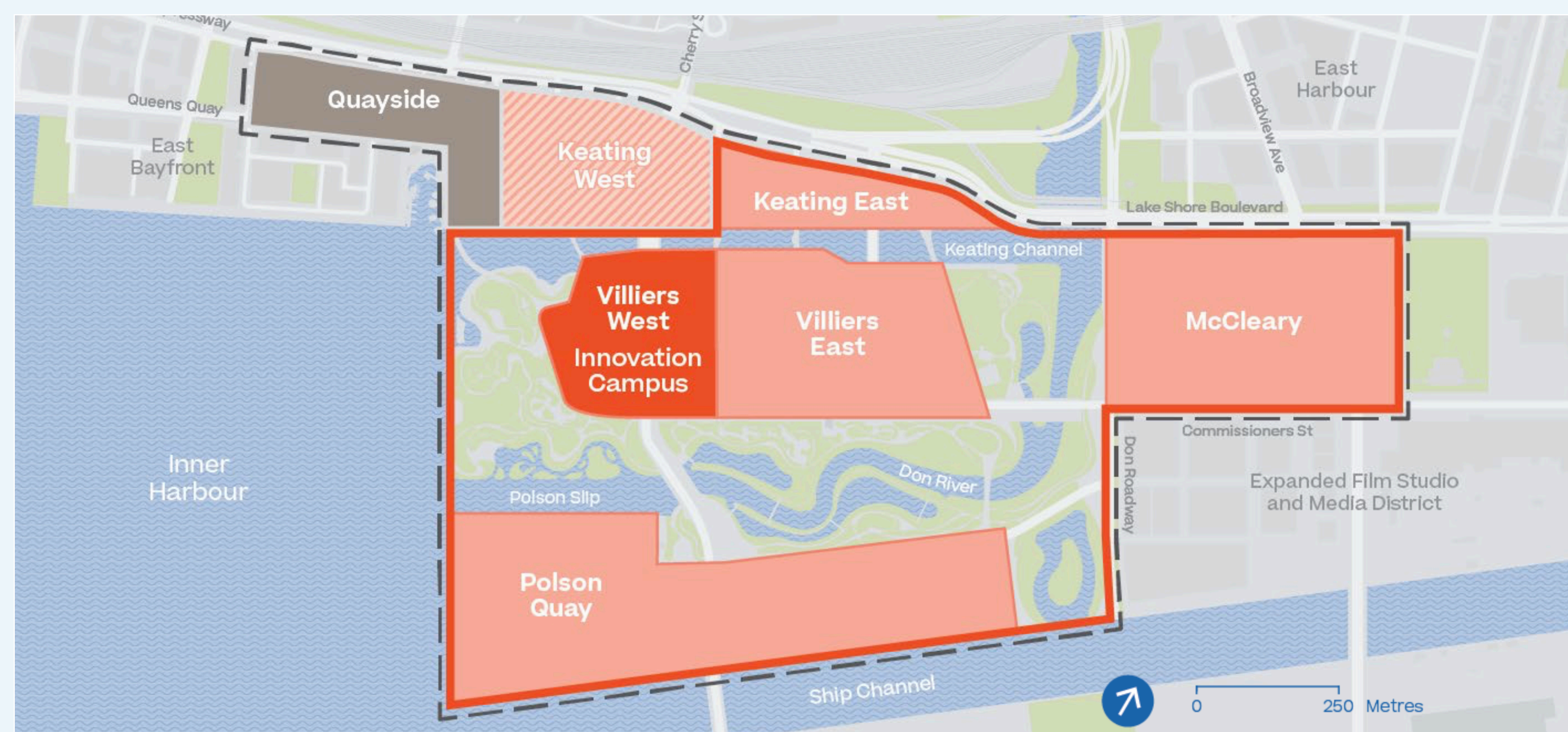
- A plan focused on the urban innovation sector—including cleantech, building materials, and broader urban innovation related sectors—that expands the existing waterfront innovation corridor.

## Sidewalk Labs' Proposal

- The creation of an “urban innovation cluster” along the waterfront.
- Putting forward \$10 million in initial financing for an independent, non-profit Urban Innovation Institute. This institute would support both commercial product development and applied research.
- Putting forward \$10 million in seed funding for an early-stage urban innovation venture fund focused on local start ups. Sidewalk Labs has indicated that these initiatives, together with the Google Canadian Headquarters, could create the foundations for an urban innovation cluster.

## Other elements of Sidewalk Labs' Proposals

- Sidewalk Labs asserts their proposal could facilitate the acceleration of development in the Port Lands by 10 years and Sidewalk Labs has indicated that it would be possible to complete 77 hectares (190 acres) of development by 2040.
- The economic development outcomes in the Draft MIDP assumes accelerated public investment in the necessary municipal infrastructure (including the Waterfront Light Rail Transit line). Sidewalk Labs has proposed optional upfront financing to ensure that this infrastructure is built to meet the proposed development schedule.



### Map

## The proposed innovation campus within the broader IDEA District

The campus for urban innovation envisioned by Sidewalk Labs would be central to the development of Villiers West, creating a bridge between Quayside and the River District and sparking a new network of neighbourhoods.

- IDEA District
- River District
- Phase 1: Quayside
- Phase 2: River District
- ▨ Optional participation in Phase 2

Sidewalk Labs' map of proposed innovation campus

## Waterfront Toronto's Note to Reader Review

- The accelerated Port Lands development timeline would require public investment in municipal infrastructure that is greater than currently planned.
- If the optional financing proposed by Sidewalk Labs is accepted, one method of repayment could be that municipal proceeds—such as development charges, incremental property tax and incremental land value—that are generated in the project area be used for repayment. Sidewalk Labs asserts that in this scenario, the revenues to government would be greater than at the base-case. This is only one idea around municipal infrastructure financing and other options could be explored.

## Early thinking on risks to consider

- Sidewalk Labs' projected development timeline and their predicted government revenues associated with this are contingent on factors outside of their control.
- Sidewalk Labs' relatively modest initial seed capital for the Innovation Venture Capital Fund creates a dependence on raising additional funds and uncertainty on whether the desired positive impact on an innovation ecosystem will be achieved. A similar risk pertains to the modest initial seed capital for the Urban Innovation Institute.

## Waterfront Toronto's Questions for You

1. How receptive are you to exploring this proposal from SWL? Why?
2. What do you see as the risks with Sidewalk Labs' Economic Development Proposals
3. Under what conditions, if any, would you want to see Waterfront Toronto pursue these proposals further?

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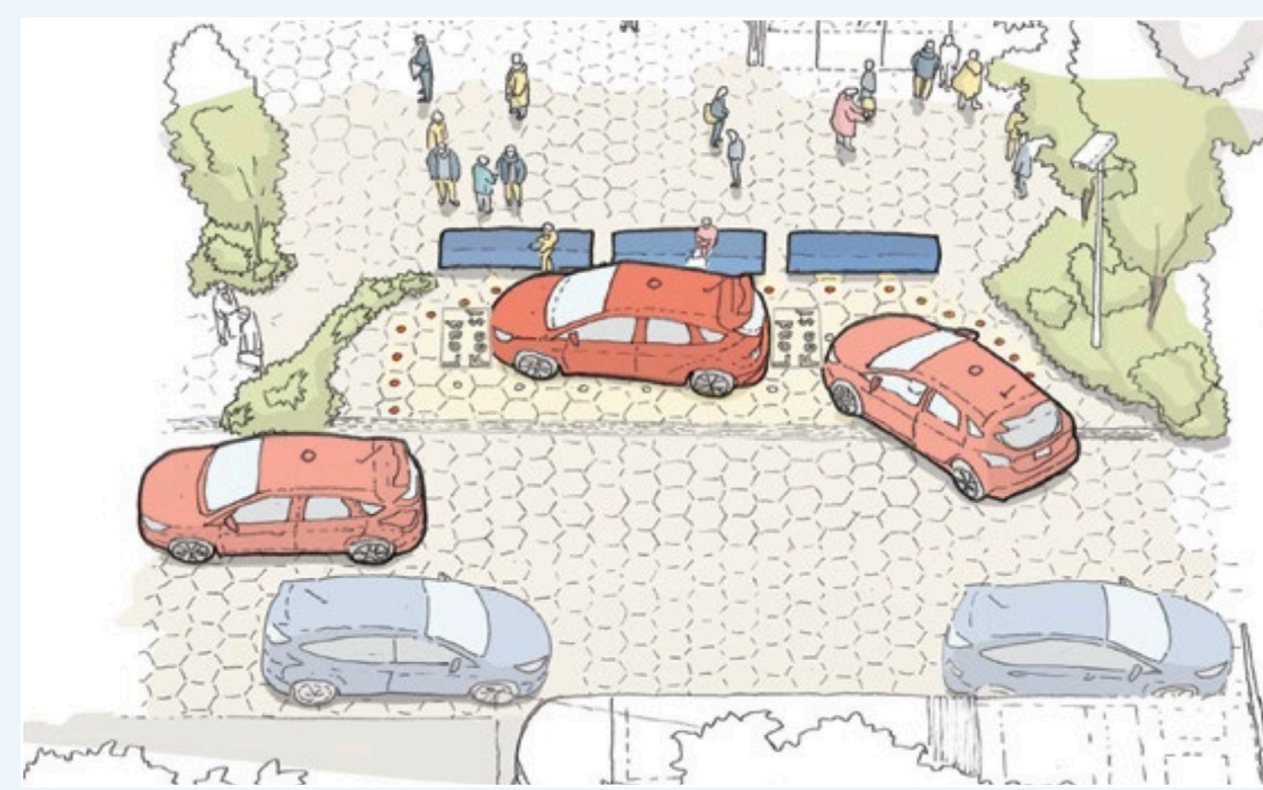
# Volume 2 Urban Innovations: Mobility

## What Waterfront Toronto asked for:

- Convenient and efficient transportation options for Quayside that could enable low-carbon and affordable mobility solutions
- Innovative funding strategies that could leverage public and private funding to secure an implementable model for light rail transit along the eastern waterfront

## Sidewalk Labs' Proposal

- Reduce the need to own a car by providing safe, connected and affordable options for every trip
- "People first" streets that include bicycle paths and prioritize sustainable modes.
- Adaptable and curbside streets that include a "Dynamic Curb" to optimize the use of road space by expanding and contracting pick-up and drop-off zones to enable pedestrian use based on demand.
- Pricing incentives and active management of the mobility network with pricing applied in real time to manage demand.
- Integration of travel modes and optional app-based mobility as a service packages
- Underground tunnels and delivery robots for freight and garbage
- Heated pavement to melt snow and ice
- Infrastructure for electric vehicles



An illustration of dynamic curbs from Sidewalk Labs



A Sidewalk Labs illustration of a reconstructed Cherry Street underpass featuring decorative lighting, acoustic panels, bike lanes, and tree-lined walkways

## Other elements of Sidewalk Labs' Proposals

- Establish a new public-sector entity called the Waterfront Transportation Management Association (WTMA) that would: collect revenues, manage a not-for-profit budget, set fees for parking and curb pricing, and invest in capital improvements and operations of mobility systems. The WTMA could include a steering committee with governments, public agencies, and private stakeholders
- Sidewalk Labs says they will not move forward with the development of Quayside without a public sector commitment to fund the City-approved LRT expansion along Queens Quay East. Sidewalk Labs has proposed an optional method for financing the LRT through a private consortium

## Waterfront Toronto's Note to Reader Review

- Sidewalk Labs' proposed mobility initiatives align with Waterfront Toronto's work to date, including the revitalization of Queens Quay and the Cherry Street LRT extension
- The establishment of the WTMA, and many of these mobility initiatives, would require independent regulatory approval from municipal or provincial authorities (for example, curbside pricing for rideshare pick-up, and road pricing for autonomous vehicles)
- Sidewalk Labs proposes that the WTMA collect revenues and manage a not-for-profit budget, including setting fees for parking and curb pricing

## Early thinking on risks to consider:

- Delayed uptake of autonomous vehicles, lesser adoption of shared use of ride hailing than anticipated
- Complexity of establishing the WTMA and associated financial considerations
- Privacy and data governance concerns associated with roadside data collection and mobility-as-a-service tools

## Waterfront Toronto's Questions for You

1. How receptive are you to exploring this proposal from SWL? Why?
2. What do you see as the risks with Sidewalk Labs' Mobility proposals?
3. Under what conditions, if any, would you want to see Waterfront Toronto pursue these proposals further?

Please place a sticky note in the box. You can also complete a feedback form or take the online survey.

# Volume 2 Urban Innovations: Public Realm

## What Waterfront Toronto asked for:

- New methods and strategies for enhancing the public realm.
- Potential benefits technology could bring to augment public spaces and improve the quality of life.

## Sidewalk Labs' Proposal

- A system of open spaces coupled with digital tools, including a platform enabling people to reserve public areas.
- To provide a flexible interior space on the ground floor of buildings, called "Stoa". Its leasing and operations would be managed through a digital tool called Seed Space.
- To map underground infrastructure in 3D to help with maintenance and repairs.
- A heated, green, and lighted paving system that could melt snow, is permeable, and has LED lighting to provide wayfinding.
- Adaptable and curb less streets which include a dynamic curb that adjusts the pick-up/drop-off zone to enable pedestrian use based on demand.
- Outdoor comfort system to increase usability of public realm in shoulder seasons.

## Other elements of Sidewalk Labs' Proposals

- Sidewalk Labs proposes establishing a new, independent, not-for-profit organization called the Open Space Alliance (OSA) to assume responsibility for operations and maintenance of all public realm.
- The proposal for an OSA sees funding coming from the City of Toronto for park operations, maintenance, fees from ground floor tenants, sponsorship revenues, and concessions from events. The OSA's proposed roles and responsibilities would replace certain roles of the City of Toronto, including operations and maintenance.



Rendering from Sidewalk Labs

## Waterfront Toronto's Note to Reader Review

- Sidewalk Labs proposes technology-based tools and space management concepts that would extend beyond typical practices on Toronto's waterfront.
- The Sidewalk Labs proposal follows Waterfront Toronto's current approach to designing and constructing streets that connect neighbourhoods and destinations along the waterfront, create pedestrian and cycling-friendly trails, and encourage activation to create vibrant neighbourhoods. The scale and proposed approach to realizing these outcomes, however, deviates from approved plans. For example, Waterfront Toronto asked for urban and building design to account for different seasons such as all-weather colonnades; Sidewalk Labs has proposed strategies such as awning-style 'raincoats' attached to buildings and structures to block wind and cover open spaces.

## Early thinking on risks to consider

- Technical viability, approvability, effectiveness, and desirability of outdoor comfort proposals.
- Complexity of establishing the OSA and bridging funding gap.
- Compliance with the Accessibility for Ontarians with Disabilities Act.
- Attractiveness of semi-conditioned Stoa spaces in winter.
- Privacy and data governance concerns with the collection of data in public spaces.

## Waterfront Toronto's Questions for You

1. How receptive are you to exploring this proposal from SWL? Why?
2. What do you see as the risks with Sidewalk Labs' Public Realm Proposals?
3. Under what conditions, if any, would you want to see Waterfront Toronto pursue these proposals further?

Please place a sticky note in the box. You can also complete a feedback form or take the online survey.

# Volume 2 Urban Innovations: Buildings and Housing

## What Waterfront Toronto asked for:

- Innovative building technologies, systems, materials and design approaches that could set the global standard for low energy design and high performance.
- A neighbourhood that could respond to current and future trends, including adaptive and inclusive places that respond to changing needs, while continuing to advance a sustainable built environment that exhibits design excellence.
- Exceed the Waterfront Toronto requirement to set aside sufficient land to accommodate 20% of residential units as Affordable Rental Housing, in perpetuity.
- A viable, replicable, and implementable delivery model and financing strategy for additional mixed-income housing that requires minimal government funding.

## Sidewalk Labs' Proposal

- A mixed-use neighbourhood constructed with mass timber buildings, which feature highly adaptable loft spaces with moveable walls to enable flexibility and adaptability over time.
- Technologies to enable buildings to be adaptable and flexible, including low-voltage DC power systems, mist-based sprinkler systems, and real-time building performance monitoring.
- 40% below-market housing program with varied occupancy types, including an Affordable Rental Housing component comprised of smaller, efficient units.
- 50/50 split between rental housing and ownership, including: 20% affordable housing rental (with 5% deeply affordable), 15% mid-range rental units, and 5% for a new hybrid ownership/rental occupancy type called "Shared-Equity Housing," which would allow residents to own a percentage of their unit and pay rent on the balance.

## Other elements of Sidewalk Labs' Proposals

- Investment in a mass timber factory in Ontario if there is sufficient demand.
- Contribution of CAD\$77 million to support creating the below-market housing program at Quayside.
- Establishment of a new public-private financing entity to administer below-market housing, called the Waterfront Housing Trust (WHT).
- Three sources of funding to support affordable housing:
  - A 1% market condo re-sale fee, with the funds going to the WHT
  - Smaller, more efficient housing units, referred to as Affordability by Design. A smaller unit size would allow for a greater number of lower-cost units within the same building footprint.
  - A mass timber supply chain and digital management system (that Sidewalk Labs asserts would add value to public land due to a reduction in construction time and higher project certainty for developers).

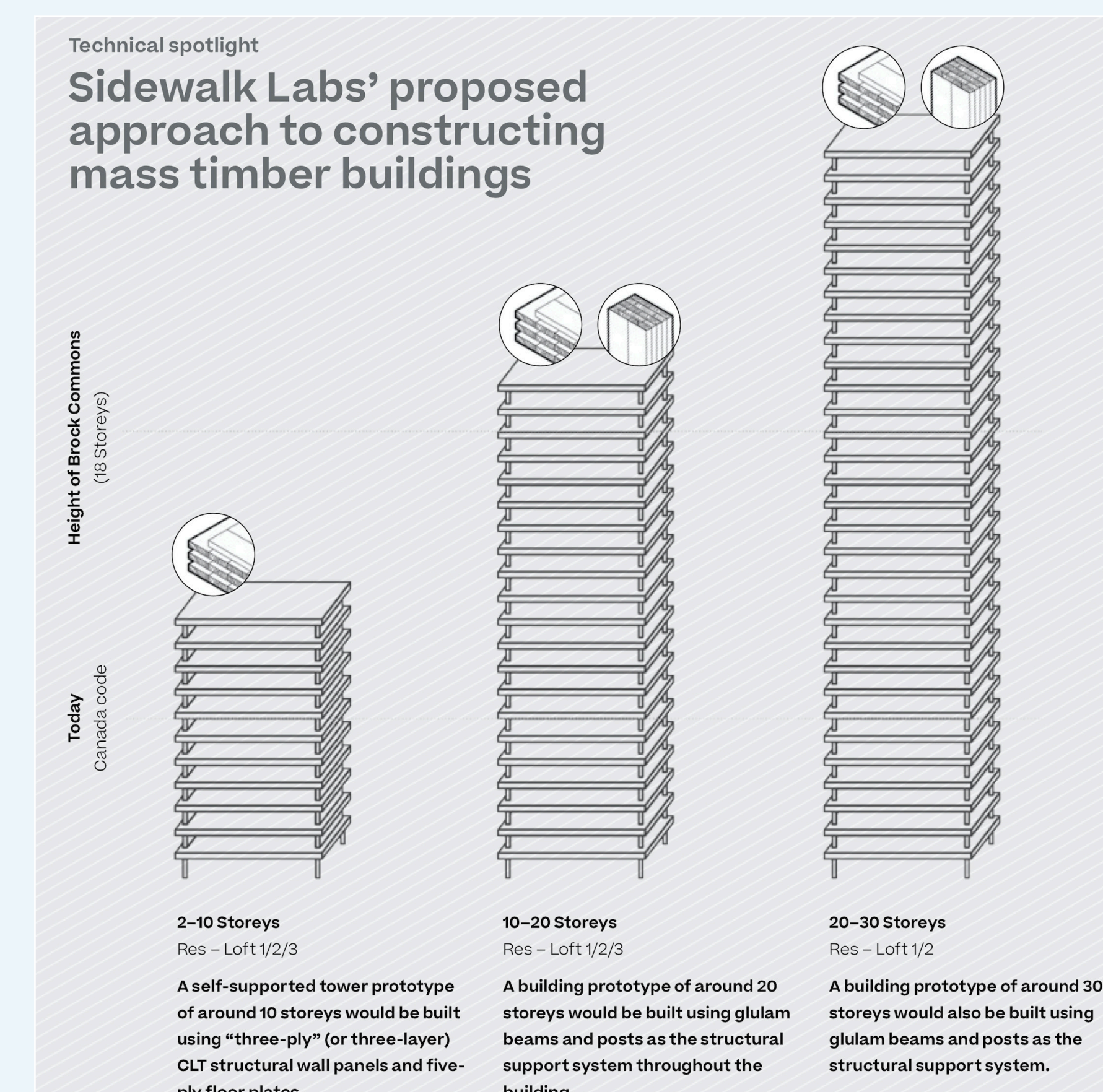


Illustration from Sidewalk Labs

## Waterfront Toronto's Note to Reader Review

- Many aspects of Sidewalk Labs' proposal are consistent with Waterfront Toronto's existing practices for delivering mixed income neighbourhoods that feature design excellence. This includes a focus on high performance buildings, as well as a commitment to ensuring that buildings are flexible for future uses, as outlined in Waterfront Toronto's current Minimum Green Building Requirements.
- Sidewalk Labs indicates amendments to existing regulatory standards would be required, such as changes to height restrictions on wood buildings in the Ontario Building Code.
- There is no anticipated privatization of public roles or assets in the Sidewalk Labs proposals for buildings and housing.
- Sidewalk Labs proposes a variety of affordable rental housing options, contributing to Waterfront Toronto's approach to building complete communities.

## Early thinking on risks to consider

- Ability to deliver a 30 storey tall timber building and the complexity of obtaining the necessary approvals to do so.
- The viability of new construction methodologies leading to reduced construction times and the mechanism by which this leads to a reduction in the cost of housing.
- Reliance on public funding programs that may not be offered throughout the entirety of the project timelines.

## Waterfront Toronto's Questions for You

1. How receptive are you to exploring this proposal from SWL? Why?
2. What do you see as the risks with Sidewalk Labs' Building and Housing proposals?
3. Under what conditions, if any, would you want to see Waterfront Toronto pursue these proposals further?

Please place a sticky note in the box. You can also complete a feedback form or take the online survey.



# Volume 2 Urban Innovations: Sustainability

## What Waterfront Toronto asked for:

- A new model for urban development that could encourage market transformation towards climate-positive city building
- Pragmatic solutions to reducing greenhouse gas emissions

## Sidewalk Labs' Proposal

- The use of highly insulated and airtight buildings supplied with renewable energy.
- Active monitoring and management of energy consumption in buildings, including using automatic schedulers to control blinds, lighting, and other systems.
- A transportation system that reduces the use of personal automobiles.
- Advanced systems to manage stormwater before entering municipal sewers.
- A vacuum waste system to decrease solid waste sent to landfill (paired with digital tools to encourage waste reduction and better sorting).
- To capture sewer heat from Ashbridges Bay Wastewater Treatment Plant to heat buildings with fossil fuels and export excess waste heat to nearby neighbourhoods.

## Other elements of Sidewalk Labs' Proposals

- Sidewalk Labs indicates its strategies would reduce per capita GHG emissions by 85% at Quayside compared to the Toronto average and that these emissions could be reduced a further 4% if extended to the IDEA District.
- The creation of a new management entity called the Waterfront Sustainability Association (WSA) that would enforce service contracts with operators of sustainability systems. Some of the proposed systems are currently regulated (e.g. electricity distribution, stormwater management) while some are not (solid waste collection from commercial and multi-residential buildings) and none are typically administered by a district authority.
- There is no anticipated privatization of public roles or assets in the Sidewalk Labs proposals for Sustainability.
- Sidewalk Labs proposes they lead the preliminary design of these advanced systems and subsequently undertake competitive procurement to solicit private third-party operators.

## Waterfront Toronto's Note to Reader Review

- Applying exemplary sustainability standards for buildings on public land is consistent with Waterfront Toronto's Minimum Green Building Requirements, in effect since 2006.
- Sidewalk Labs proposes that these standards be updated to include Passive House energy targets, limits on greenhouse gas intensity, use of active energy management tools, use of sustainable materials, as well as obligations to connect to thermal and electrical grids to access low-carbon energy. These proposals are ambitious and well-aligned with existing practices.

## Early thinking on risks to consider

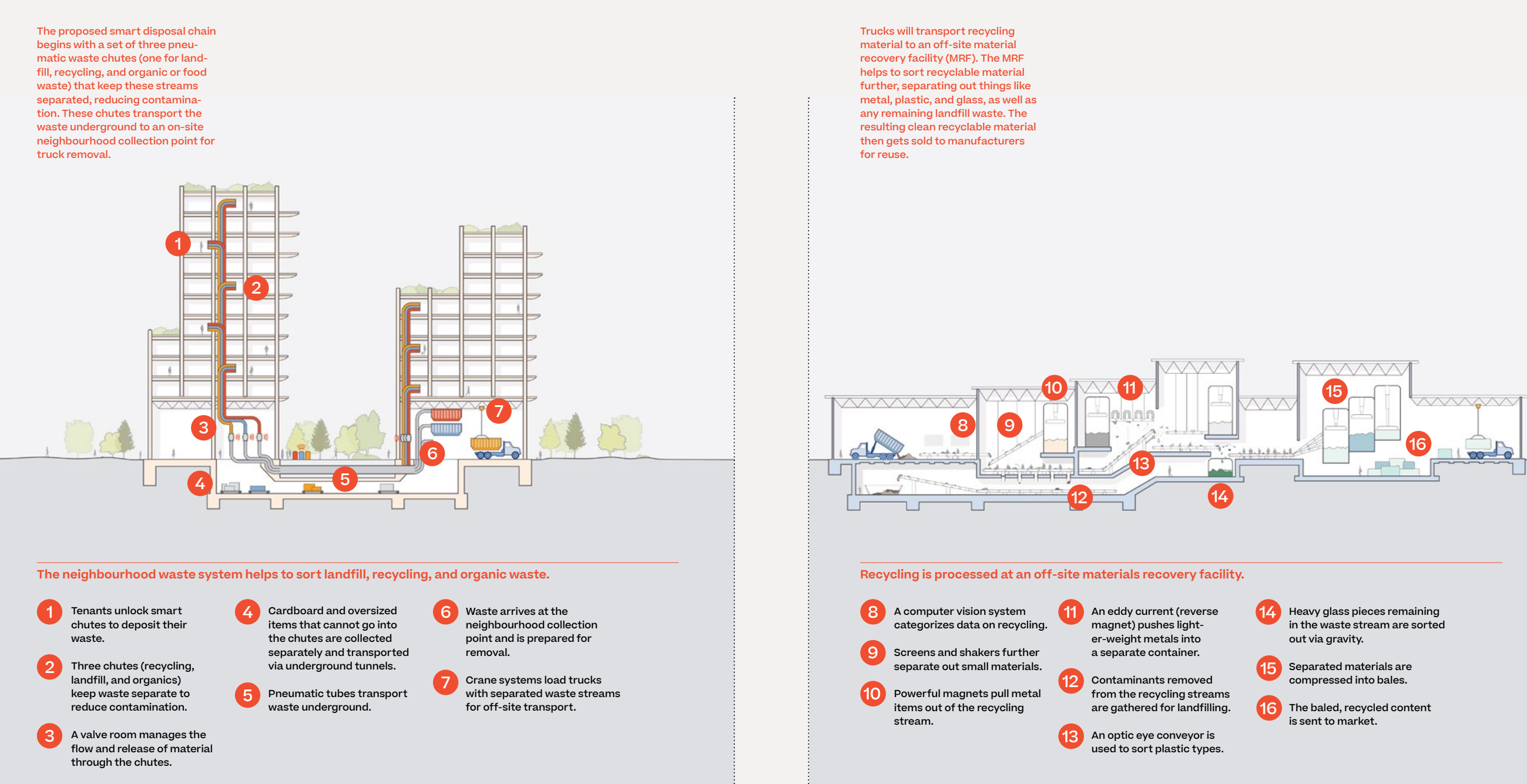
- Increased cost of infrastructure could affect the value of public lands and result in lower revenues to governments on the sale of those lands, in line with Waterfront Toronto's business-as-usual approach.
- Feasibility of capturing Ashbridges Bay Wastewater Treatment Plant waste heat.
- Privacy implications of home automation and monitoring technologies.
- Governance complexities of the proposed Waterfront Sustainability Association.

## Waterfront Toronto's Questions for You

1. How receptive are you to exploring this proposal from SWL? Why?
2. What do you see as the risks with Sidewalk Labs' Sustainability proposals?
3. Under what conditions, if any, would you want to see Waterfront Toronto pursue these proposals further?

Please place a sticky note in the box. You can also complete a feedback form or take the online survey.

## Explainer: How the smart disposal chain works



Sidewalk Labs' Concept for Smart Disposal

# Volume 2 Urban Innovations: Digital Innovation

## What Waterfront Toronto asked for:

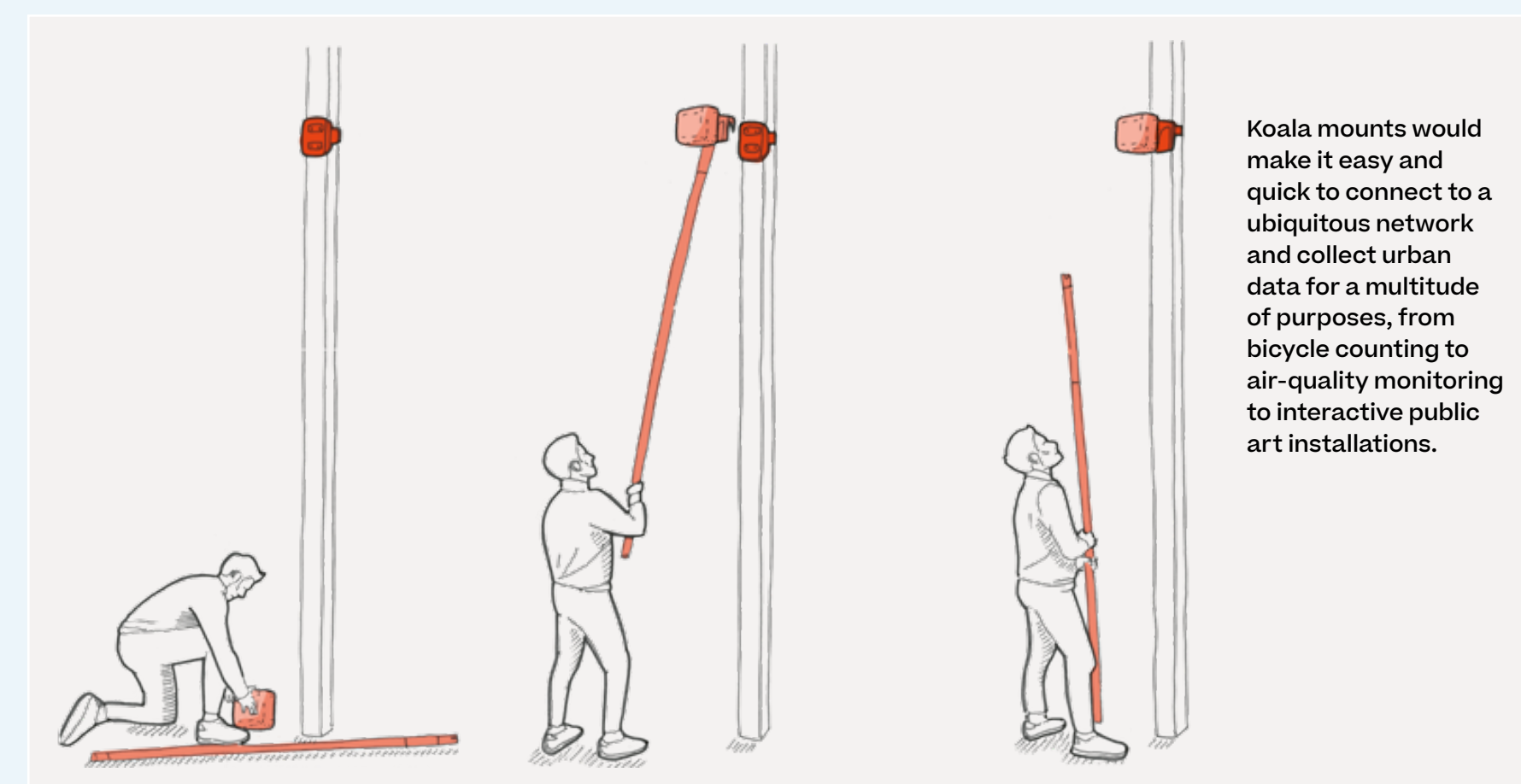
- World-class digital infrastructure that advances sustainability, improved mobility, and economic development and supports data-informed decision-making.

## Sidewalk Labs' Proposal

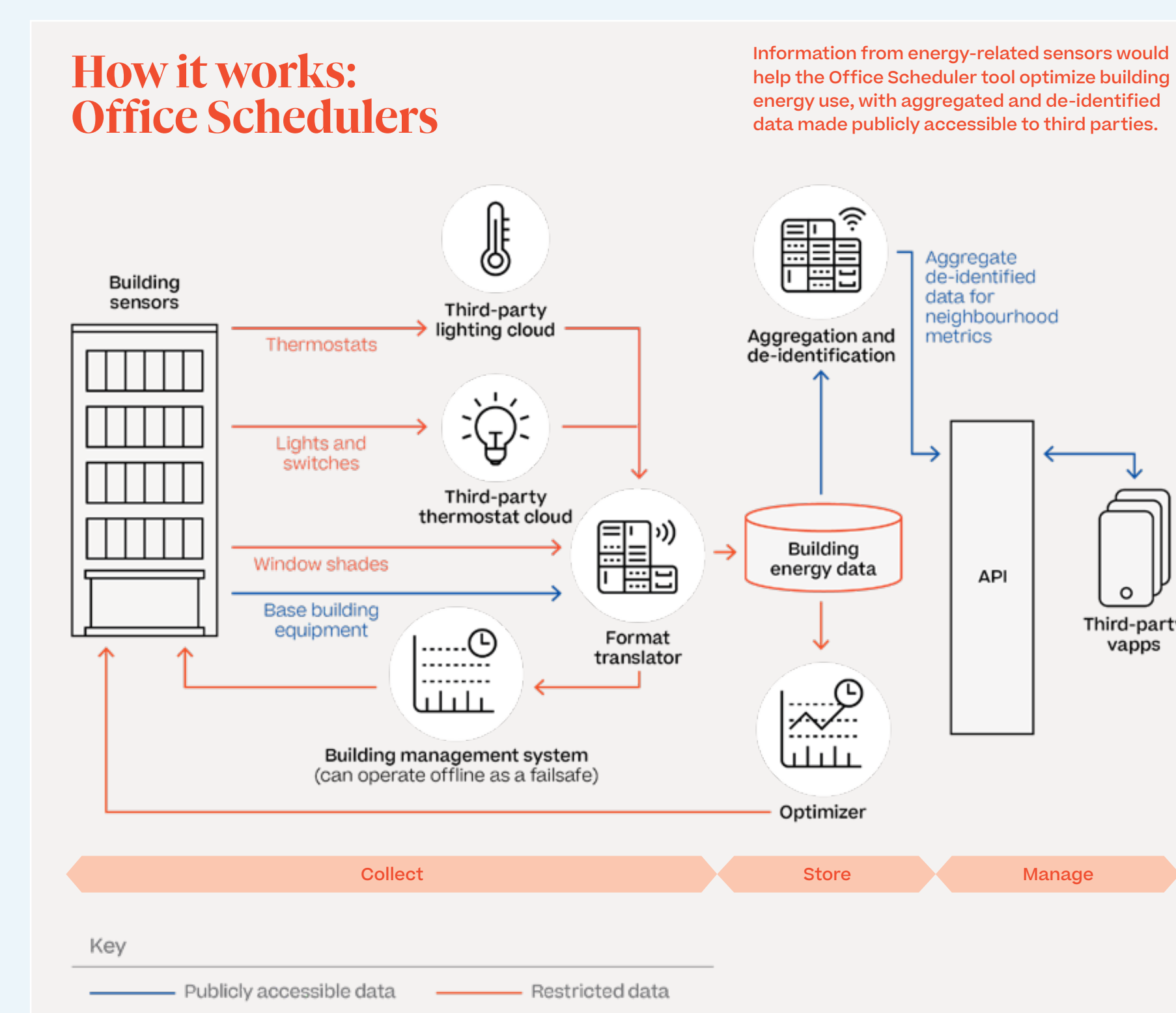
- Ubiquitous internet connectivity including WiFi access throughout the neighbourhood, and the ability for residents, workers and visitors to securely remain connected to their home or office network at any location using "software-defined networking."
- Use of "Super-PON (Passive Optical Network)" technology to create higher fibre optic internet bandwidth.
- To deploy a standardized mount (an "urban USB"), called Koala or a Koala standardized mount, on street fixtures like light poles that would allow sensors and devices to be installed and connected to power and internet.
- A decentralized digital credential system to allow individuals to be identified with minimal necessary information.

## Other elements of Sidewalk Labs' Proposals

- There is no privatization of public assets or roles explicitly proposed, though this may occur if: (i) Sidewalk Labs retains an operational interest in Koala mounts, rather than selling them outright; and/or (ii) a decentralized credential system encourages or promotes reliance on privately-issued, rather than government-issued, credentials.
- Proposed solutions are intended to be complementary to, and not exclusive of, existing practices.



Sidewalk Lab's Illustration of a Koala Mount



Sidewalk Lab's Office Schedulers Concept

## Waterfront Toronto's Note to Reader Review

- The Sidewalk Labs proposal primarily sets out potential updates and/or improvements to existing practices (for example internet access, sensor installation, proving a credential), as opposed to net-new practices. Each of these proposals is presented as being complementary to, not exclusive of, existing practices.
- Since 2008, Waterfront Toronto has had an agreement with Beanfield Metroconnect as the non-exclusive provider for connectivity in all new neighbourhoods. Beanfield is obligated to maintain the network's service among the best in the world for at least 10 years after the completion of the final building in the waterfront. Sidewalk Labs would be obligated to work with Beanfield Metroconnect in the provision of its ubiquitous network connectivity.

## Early thinking on risks to consider

- Reliance on third party decisions (such to create Koala-compatible devices or integrate with a digital credential system) to achieve benefits.
- Potential creation of a preferential environment for vendors who have partnerships or capacity to create Koala-compatible devices or integrate with credential system.
- Potential that a bad actor could gain access to data flowing through Koala mounts or prevent public realm data from being shared in an open, non-discriminatory manner.
- Potential that reducing the burden of installing devices that collect personal information could lead to increased surveillance.
- Potential that Koala mounts or other Sidewalk Labs-installed technology could be a target for malicious activity that disrupts infrastructure.

## Waterfront Toronto's Questions for You

1. How receptive are you to exploring this proposal from SWL? Why?
2. What do you see as the risks with Sidewalk Labs' Digital Innovation proposals?
3. Under what conditions, if any, would you want to see Waterfront Toronto pursue these proposals further?

Please place a sticky note in the box. You can also complete a feedback form or take the online survey.

# Volume 2 Urban Innovations: Privacy and Digital Governance



## What Waterfront Toronto asked for:

- Urban innovation, including technology-enabled, inclusive, connected communities.
- The required governance constructs to stimulate the growth of an urban innovation cluster, including legal frameworks (e.g. Intellectual Property, privacy, data sharing).

## Sidewalk Labs' Proposal

- A new data/digital governance framework that would be applied and incorporated into the development plan for the project and applied to all parties proposing to collect and use data (before the collection and use of data can begin)
- To adopt, promote, and/or develop “clear standards that make data publicly accessible, secure, and resilient” in order to:
  - allow individuals, researchers, and organizations to more easily access properly protected open data from Quayside;
  - inform decision-making;
  - promote use of this data in the creation of new or competing services; and
  - increase security and resiliency for critical infrastructure.

## Other elements of Sidewalk Labs' Proposals

- Sidewalk Labs is proposing to the creation of an Urban Data Trust: a “steward of urban data and the public interest without stifling innovation.” The Urban Data Trust would oversee a responsible data use process, including by drafting “responsible data use guidelines” that are assessed using a “responsible data use assessment”.
- Sidewalk proposes that all entities – including public and private sector actors – would be subject to this process and that the trust would have the authority to approve or reject any proposed collection or use of urban data. The Urban Data Trust would apply in addition to, and not replace, existing privacy laws.

## Waterfront Toronto's Note to Reader Review

- There is no concept of “urban data” in Canadian privacy law. Data that is captured in urban spaces is protected by privacy law where it can be linked to an individual (e.g. security cameras) and it falls outside of privacy law when it does not (e.g. sensors that detect the presence of a pedestrian and nothing else, or air quality readings that do not relate to any individual).
- The responsible data use process would be similar to a “privacy impact assessment” mandated for many public sector entities, which requires a full privacy analysis as part of a given project's decision-making process.
- Sidewalk Labs has initial proposals relating to data collection, data use and digital governance and it is proposing a framework that would apply to any proposals to collect and use data in the project area. It would be premature to make any evaluation of the proposed innovations as they are still under development and not yet at a stage that can be assessed for full compliance with Waterfront Toronto's principles and the governing legislative and regulatory frameworks.
- Work is ongoing at all levels of government, among academia and in civil society to address digital governance concerns. Waterfront Toronto is monitoring these developments.

## Early thinking on risks to consider

- Waterfront Toronto has undertaken a preparatory review to identify privacy risks and mitigations for all proposed innovations in the MIDP.
- Waterfront Toronto recognizes that many of the ideas proposed in the MIDP rely on technologies that are still under development. Should the project move forward to an implementation phase, additional evaluation related to privacy and/or digital governance will need to be conducted with additional detailed information.

## Waterfront Toronto's Questions for You

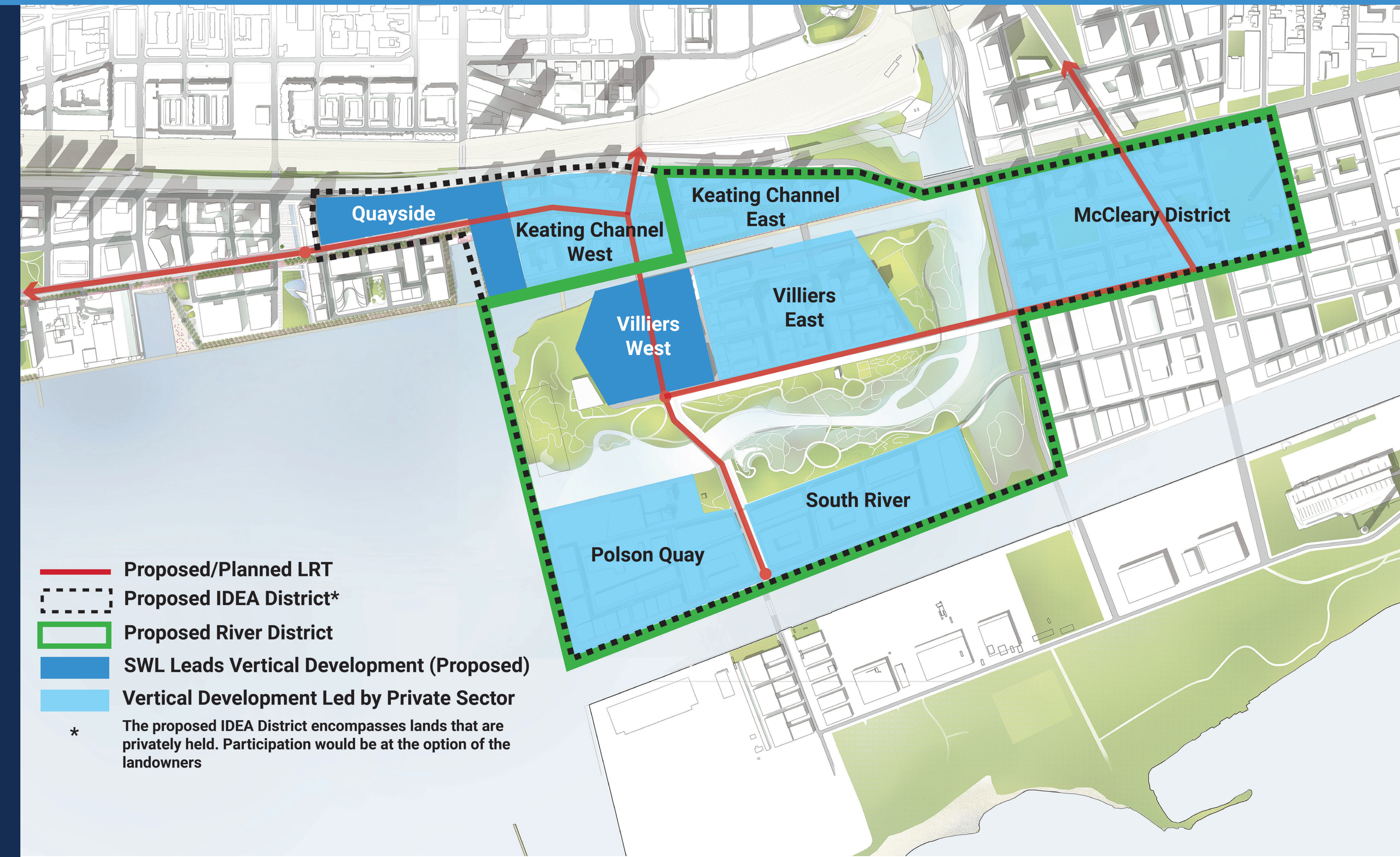
1. How receptive are you to exploring this proposal from SWL? Why?
2. What do you see as the risks with Sidewalk Labs' Digital Governance proposals?
3. Under what conditions, if any, would you want to see Waterfront Toronto pursue these proposals further?

*Please place a sticky note in the box. You can also complete a feedback form or take the online survey.*

# Volume 3 The Partnership

## Things to consider as you review and consider Volume 3:

- While Volumes 1 and 2 propose plans for development and innovation (mostly things that we can see and touch), in Volume 3 of the MIDP, Sidewalk Labs describes what they think is required to make those plans happen
- When reviewing Volume 3, it's important to note that Sidewalk Labs puts forward proposals that, if implemented, would introduce major changes to how waterfront revitalization is currently governed, regulated, and funded over a much larger scale than the 12 acres of Quayside. In the Draft MIDP, Sidewalk Labs states that these proposals are required to achieve Waterfront Toronto's priority outcomes
- While Sidewalk Labs identifies Waterfront Toronto as a potential Public Administrator, our current mandate enables us to perform some of these roles, but not all. To realize this proposal, additional public sector involvement would be needed
- Waterfront Toronto, working with the public and external experts, will be reviewing and evaluating the Draft MIDP to determine whether we agree with these proposals, and the conditions under which (if any) we would be interested in exploring them further. Any further work on Volume 3 proposals would require a decision by Waterfront Toronto to raise these proposals for consideration to all three levels of government, who would be the ultimate decision-makers
- Specifically related to the geographic scope of the proposals, Waterfront Toronto has told Sidewalk Labs that the concept of the IDEA District is premature and that Waterfront Toronto must first see its goals and objectives achieved at Quayside before deciding whether to work together in other areas. Even then, we would only move forward with the full collaboration and support of the City of Toronto, particularly where it pertains to City-owned lands



## Sidewalk Labs' Proposal

The ideas in Volume 3, including the Supplementary Tables, reflect four overarching elements of the Draft MIDP that frame and connect the entire proposal. They include:

- A proposed IDEA District that is 190 acres and which comes with a governance construct and a phased approach for its expansion that would be subject to government approvals
- Roles for Sidewalk Labs as a developer, advisor, tech deliverer, and provider of optional financing
- Financial streams for the public sector related to real estate, infrastructure, and Intellectual Property
- Government commitments (including potential future investments) required and areas of necessary public policy and regulatory reform

# Volume 3 The Partnership: The IDEA District



## Sidewalk Labs' Proposal

### The Public Administrator:

Sidewalk Labs proposes roles for the public sector in establishing and operating the IDEA District, as follows:

- Set Innovation and Development Objectives for the IDEA District
- Consistent with those objectives, impose additional requirements on developments within the IDEA District
- Determine whether new developments can access the regulatory relief
- Perform precinct and infrastructure planning for waterfront development
- Certify development and construction permit applications before submission to City agencies
- Develop a master transportation and infrastructure plan for approval by relevant City authorities, in phases, and give final approval before construction
- Receive and direct infrastructure charges for the infrastructure proposed for, or built in, the IDEA District
- Enter into and oversee agreements with developers, vendors, and partners, including Sidewalk Labs as Innovation and Funding Partner

Sidewalk Labs has also proposed several new entities that would be established within the purview of the Public Administrator:

- *Waterfront Transportation Management Association:* This division of the Public Administrator would be responsible for coordinating mobility systems within the IDEA District
- *Waterfront Sustainability Association:* This division of the Public Administrator would be responsible for administering private delivery entities and reporting on sustainability performance and GHG emissions
- *Waterfront Housing Trust:* With the Public Administrator as the sole trustee, this new entity would collect revenues from the 1% Condo Resale Fee and allocate it towards new affordable housing initiatives

### Questions to Consider – Public Administrator

1. What information would you need to assess whether these governance proposals would work well for Toronto?
2. What do you see as their potential benefits and risks? And under what conditions, if any, do you think they could be useful to consider?
3. How open are you to discussing changes to governance?

*Please place a sticky note in the box. You can also complete a feedback form or take the online survey.*

### Innovation Framework:

The Innovation Framework is proposed as a package of targeted regulatory adjustments and enhanced requirements on development (the Innovation Design Standards and Guidelines) that would apply in the IDEA District. Requiring more than business-as-usual from private sector developers is a common practice for Waterfront Toronto. However, the concept of certain adjustments to regulatory requirements necessary to implement the MIDP, depending on the specific details, may be beyond Waterfront Toronto's standard practices and authority.

### Questions to Consider – Innovation Framework

1. What do you see as the potential benefits and risks of moving forward with Sidewalk Labs' proposals for targeted regulatory adjustments and enhanced requirements on development?
2. Under what conditions, if any, do you think they could be useful to consider?

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### Financing Mechanisms:

Several of the financing tools proposed by Sidewalk Labs align with existing practices, including city fee and development charge credits, and the reinvestment of land proceeds into continued revitalization in the waterfront. However, the proposed municipal and local infrastructure contributions, and the potential use of tax increment financing is beyond the authority and typical practices of Waterfront Toronto. Tax-increment financing is rarely used in Canada.

Additionally, Sidewalk Labs proposes that the IDEA District could be established through existing legislative tools, including the use of Section 28 of the Planning Act to establish a *Community Improvement Project Area*.

### Questions to Consider – Financing Mechanisms

1. What do you see as the potential benefits and risks of moving forward with financing mechanisms proposed by Sidewalk Labs?
2. Under what conditions, if any, do you think they could be useful to consider?

*Please place a sticky note in the box. You can also complete a feedback form or take the online survey.*

# Volume 3 The Partnership: Roles for Sidewalk Labs



## What Waterfront Toronto asked for:

- In 2017, Waterfront Toronto issued a Request For Proposal (RFP) seeking an Innovation and Funding Partner. The opportunity was to help Waterfront Toronto develop a guiding vision by identifying and defining the necessary technologies, infrastructure and strategies that could lead to the delivery of a globally significant demonstration project that addresses challenges regarding Sustainability, Complete Communities, and Economic Development and Prosperity.
- Waterfront Toronto's intention was for the focus of this vision to be on Quayside, a 4.9 hectare (12 acre) testbed site at the base of Parliament Street at Queens Quay East. This testbed could then be used to inform how project successes might be scaled elsewhere on the eastern waterfront, subject to applicable government approvals and procurement processes.
- Sidewalk Labs was awarded the Innovation and Funding Partner opportunity in September 2017, and several steps in the process have unfolded since then. In brief, Waterfront Toronto and Sidewalk Labs worked together early in the process to do research, generate ideas and consult the public. The roles of the two organizations then separated, with Waterfront Toronto focused on creating a robust framework for review and evaluation of the MIDP. Sidewalk Labs prepared and submitted the Draft MIDP. The MIDP is ultimately subject to the approval of both Waterfront Toronto's Board of Directors and Sidewalk Labs.

## Sidewalk Labs' Proposal

### Role 1: Development of Real Estate and Advanced Systems

Sidewalk Labs proposes to lead the development, with a commitment to work with local partners, solely on the Quayside and Villiers West parcels (13 hectares or 32 acres) within the IDEA District.

- At Quayside, Sidewalk Labs proposes a development with cutting-edge design and technology to improve urban life and meet project objectives
- At Villiers West, they propose to continue, and amend as appropriate, the innovations at Quayside to develop an urban innovation campus anchored on an expanded Canadian headquarters for Google, an Urban Innovation Institute, and residential housing
- Sidewalk Labs proposes to serve as lead developer for advanced infrastructure systems at Quayside and Villiers West that it has identified as essential to meet the project objectives
- They emphasize that their role at Quayside and Villiers West is necessary in proving the market viability of the innovations and advanced infrastructure systems proposed in the MIDP
- Beyond Quayside and Villiers West, Sidewalk Labs proposes no role for themselves with respect to development of real estate and advanced infrastructure elsewhere in the IDEA District. Rather they propose development would be led by third party developers and operators procured by Waterfront Toronto or the Public Administrator

### Role 2: Innovation Planning, Design and Implementation

- Sidewalk Labs proposes they would provide advisory, technical, and management services to support and carry out the strategies and innovations proposed in the MIDP
- These advisory services would focus on refining the Innovation Design Standards and Guidelines as necessary throughout the development of the IDEA District

### Role 3: Technology Deployment

Sidewalk Labs proposes to deliver new technological approaches for solving urban challenges. They:

- Set fourth principles for technology deployment
- Identify purposeful solutions (technology that doesn't current exist)
- Propose a profit-sharing deal with the public sector on certain technologies
- Put forth a patent pledge to allow third parties to develop solutions to build on certain of Sidewalk Labs' Canadian patents

### Role 4: Optional Enabling Infrastructure Financing

- Sidewalk Labs proposes optional financing support to accelerate the delivery of municipal and advanced infrastructure, and the Waterfront East LRT
- This proposal is at the option of Waterfront Toronto and governments to pursue

## Waterfront Toronto's Questions for You

1. What information would you need to assess whether these proposals would work well for Toronto?
2. Under what conditions, if any, do you think they could be useful to consider?
3. What advice do you have for Waterfront Toronto as they review and evaluate these overarching proposals that frame the entirety of the Draft MIDP?

*Please place a sticky note in the box. You can also complete a feedback form or take the online survey.*

# Volume 3 The Partnership: Transaction Economics Real Estate



## What Waterfront Toronto asked for:

Instead of seeking a traditional real estate developer, Waterfront Toronto's RFP sought an Innovation and Funding Partner that would help to create a vision and business model for a transformational, mixed-use project.

## Sidewalk Labs' Proposal

- Sidewalk Labs is proposing the lands in Quayside and Villiers West be sold or leased directly to them with Sidewalk Labs acting as the lead developer, in partnership with other developers and investors
- In the MIDP Sidewalk Labs outlines three scenarios for calculating the land value:
  1. "Highest and best use", which is a real estate industry term and seeks to maximize profit within the allowable land use policy
  2. "Policy proposal" scenario that aligns with Waterfront Toronto's existing practice (Waterfront Toronto's traditional approach to land valuation begins with a fair market value assessment of the land and allows for deductions based on achieving agreed to public policy objectives)
  3. "Innovation" scenario, in which the innovations Sidewalk Labs intends to implement at Quayside would likely increase construction cost beyond the "policy proposal" and reduce land value to an even greater extent. Sidewalk Labs states that they are prepared to fund this category of innovations and is proposing that the land be sold under the "policy proposal" value
- Sidewalk Labs indicates that they are intending to calculate land value using scenario 2 "Policy proposal"
- Lastly, should Sidewalk Labs turn greater than expected profits, they are proposing that these profits would be shared with Waterfront Toronto and its government partners

## Waterfront Toronto's Note to Reader Review

- Waterfront Toronto's mandate is to revitalize the former industrial lands on the waterfront, which requires bringing these lands to market while achieving public policy objectives, including sustainability, affordable housing, design excellence and digital inclusion
- Waterfront Toronto will be undertaking a comprehensive review to assess the extent to which the adjustments to land value proposed by Sidewalk Labs are aligned with Waterfront Toronto's priority outcomes as well as whether the financial tradeoffs to land value are financially justifiable
- Should the MIDP go forward, it would be on the basis that Waterfront Toronto lead a competitive, public procurement process for developer(s) to partner with Waterfront Toronto and Sidewalk Labs (as our Innovation and Funding Partner)

## Early thinking on risks to consider:

Within the real estate proposal, examples of risks to consider include:

- If Waterfront Toronto transacts at the "policy proposal" value, we need to be confident that the purchaser of the land can deliver on the agreed to policy objectives
- There is a risk that there will be insufficient market interest from private sector developers to partner with Waterfront Toronto and Sidewalk Labs (as our Innovation and Funding Partner) given the lower than average developer profits that the Quayside project is currently expected to generate

## Waterfront Toronto's Questions for You

1. What do you see as the potential benefits and risks of moving forward with the economics proposed by Sidewalk Labs for the real estate transaction?
2. What suggestions, if any, do you have for Waterfront Toronto as they review this proposal?

*Please place a sticky note in the box. You can also complete a feedback form or take the online survey.*

# Volume 3 The Partnership: Transaction Economics Infrastructure



## What Waterfront Toronto asked for:

- Waterfront Toronto's RFP called for an Innovation and Funding Partner to advance a new market model for climate-positive urban developments, including new partnership models to secure funding for the infrastructure required to support future phases of revitalization
- We set out to explore alternative types of infrastructure that would achieve our policy objectives, and to develop funding and investment models with the private, public and not-for-profit sectors that could enable our projects and achieve these ambitious outcomes

## Sidewalk Labs' Proposal

In the MIDP Sidewalk Labs identifies two major types of infrastructure. There is municipal infrastructure, which includes things such as parks, water mains, sewers, and light-rail transit (LRT). There is also advanced infrastructure that focuses on new types of private infrastructure that would be dedicated to issues such as mobility and sustainability.

Sidewalk Labs has proposed optional models for financing for both the municipal infrastructure and advanced infrastructure required for the next phase of waterfront revitalization and to meet the project objectives.

### i. Upfront Optional Financing for Municipal Infrastructure

- Sidewalk Labs indicates a willingness in the MIDP to explore various options with governments for implementing enabling infrastructure, such as the LRT
- In one option, Sidewalk Labs offers upfront financing for the municipal infrastructure at a fixed rate of return to be negotiated in the future
- In the MIDP, Sidewalk Labs reinforces that any such financing is presented as optional
- Sidewalk Labs has proposed various value capture mechanisms to fund infrastructure. The proposed value capture mechanisms would be administered by the Public Administrator. It is important to note that the value capture mechanisms and the role of the Public Administrator are outside of Waterfront Toronto's mandate and need to be explored further

### ii. Implementation and Optional Financing for Advanced Systems

In order to achieve the project objectives, Sidewalk Labs proposes that the following advanced infrastructure systems are required, and they are proposing to procure third-party operators for each.

- **Advanced power grid:** Complementing Toronto Hydro's electricity distribution, including rooftop solar photovoltaic generation, battery energy storage and energy management
- **Stormwater management upstream of municipal sewers:** Sensors and controls of private stormwater systems from private buildings. This infrastructure would be in the public realm
- **Fiber-optic network:** With existing partners, deliver Super-PON for internet connectivity
- **District parking management:** New system to manage stacked parking equipment, EV charging, and attendant-based retrieval from off-site parking
- **Dynamic streets:** Paving technology featuring lighting, heating during the winter and digital infrastructure for traffic management
- **Freight system:** Underground self-driving dollies for the delivery of packages that would be connected to a consolidation centre
- **Vacuum waste system:** A pneumatic waste collection system from buildings and public spaces, accompanied by a pay-as-you-throw waste chute with downstream monitoring
- **Thermal network:** A fossil-fuel-free district energy network connecting buildings to low-grade waste heat sources such as Lake Ontario, or industrial facilities in the area

Sidewalk Labs proposes a framework for oversight of these companies to ensure they are acting in the best interest of the residents, including several management entities, some of which would fall under Public Administrator to fulfill that role, while others would be managed by a separate public body. These proposed entities include the Waterfront Transportation Management Association and Waterfront Sustainability Association.

At Quayside and Villiers West, Sidewalk Labs is proposing to design and construct the advanced infrastructure before transferring to the private operators. Throughout the remainder of the IDEA District, the advanced infrastructure would be constructed and operated by private operators selected by the Public Administrator.

The proposal outlines how these advanced systems would replace typical business-as-usual utility systems, such as natural gas distribution, and this would result in a payment (a local infrastructure charge) being made by vertical developers to the third-party advanced system operators to offset cost premiums.

## Waterfront Toronto's Note to Reader Review

- There is no privatization of public roles or assets proposed for infrastructure development or operations
- The Sidewalk Labs proposal follows existing models where private operators, such as Enwave, Enbridge, Rogers, Bell and Beanfield Metroconnect, deliver certain infrastructure services with oversight by a public regulator (for example, the Ontario Energy Board and the CRTC)
- The proposal from Sidewalk Labs indicates that the dynamic streets (including LED lighting, heating and digital traffic management) would replace typical municipal streets, however they would be owned by the City of Toronto as a public right-of-way and operated under the WTMA with oversight by the Public Administrator
- The proposed municipal infrastructure would remain as municipal systems, with typical City of Toronto operations and maintenance
- In order to achieve the project objectives, Sidewalk Labs proposes residents of the IDEA District would be required to use the services provided by the advanced infrastructure operators
- The design, construction and approval of these systems would be funded by Sidewalk Labs and other private sector operators, but future user rates for utilities, such as electricity and thermal energy, would need to be paid for by consumers
- Currently, Sidewalk Labs' analysis show that they would need to make a Supplemental Innovation investment for Quayside and Villiers West, in order to maintain user rates within 5% to 10% of business-as-usual
- Additionally, the proposed advanced infrastructure systems could be financed through Sidewalk Infrastructure Partners, a new infrastructure fund supported by Alphabet Inc. (the parent company of Sidewalk Labs) and Sidewalk Labs

## Early thinking on risks to consider

Within the infrastructure proposal, examples of risks to consider include:

- Escalation of user utility rates beyond the projected 5% to 10%, as a result of cost overruns or failed infrastructure systems that must be replaced
- Inherent complexities of the proposed governance model for mobility and sustainability infrastructure systems, which could affect viability of integrated infrastructure systems

Waterfront Toronto will ensure that concerns are captured in relation to the infrastructure proposal, and that mitigation measures and conditions for potential approval are explored

## Waterfront Toronto's Questions for You

1. What do you see as the potential benefits and risks of moving forward with the economic transactions proposed by Sidewalk Labs for municipal infrastructure and advanced infrastructure?
2. What suggestions, if any, do you have for Waterfront Toronto as they review these infrastructure proposals?

Please place a sticky note in the box. You can also complete a feedback form or take the online survey.



# Volume 3 The Partnership: Transaction Economics Intellectual Property



## What Waterfront Toronto asked for:

The 2017 RFP stated that Waterfront Toronto and the selected Innovation and Funding Partner would lead development of an investment strategy for the Project. As part of this, the strategy was to address “ownership and sharing of intellectual property resulting from the Project,” and the Partner was required to submit “a preliminary framework for a potential management approach for Intellectual Property introduced to or developed through the Project, and any revenue sharing between Waterfront Toronto and the Partner.”

## Sidewalk Labs’ Proposal

The framework put forward by Sidewalk Labs has two principal elements:

### i. Profit Sharing / Testbed

- In the MIDP, Sidewalk states that “neither Waterfront Toronto nor the public is primarily a technology developer,” and asserts that co-created technology (for which there would be co-owned Intellectual Property) is not likely to arise
- To address Waterfront Toronto’s objectives, Sidewalk Labs has proposed that the public sector receive 10% of Sidewalk Labs’ global profits from “Testbed-Enabled Technologies” for a period of 10 years, starting when each technology is sold to a second customer
- A “Testbed-Enabled Technology” is defined as a technology that is first deployed at scale in the project area, and for which the following conditions are established by the relevant stakeholders, as and if applicable to each technology:
  - Access to mount or deploy the technology in physical spaces;
  - Sufficient scale for efficacy or to otherwise achieve desired outcomes; and
  - A mandate to use common software standards that enable compatibility and interoperability (for instance, all building access systems must use the same open standard);
  - An ecosystem that provides the opportunity for all the physical, software and regulatory conditions simultaneously.
  - Approvals in place, up front, and regulatory conditions that support the physical, digital and operational conditions required;
- Implementation agreements would establish a process to determine, prior to deployment, whether the product is a Testbed-Enabled Technology

### ii. Patent Pledge

- Sidewalk Labs proposes to pledge not to assert any granted patents in Canada which cover the software or hardware that enable digital innovations related to the project, so long as companies using those patents do not assert their own patent rights against Sidewalk Labs or its affiliated companies
- The intent of such a pledge is to facilitate innovation and collaboration by third parties, including Canadian technology companies, in Quayside free of the threat of patent litigation
- Sidewalk Labs states that it will publish the full content of the pledge on its website, along with a list of patents included in the pledge as they are developed

## Waterfront Toronto’s Note to Reader Review

- Waterfront Toronto has given significant preparatory consideration to the issue of Intellectual Property and how value can be appropriately captured

### Early thinking on risks to consider:

Waterfront Toronto has identified a number of challenges and risks associated with the sharing framework in the MIDP. For instance:

- Will the project area be sufficient to meet the scale requirement for a “Testbed-Enabled Technology”?
- A profit-sharing model creates challenges related to calculation or audit, as opposed to a revenue sharing model
- While the Patent Pledge is useful, it does not obviate the need for other technology companies, including Canadian companies, operating in Quayside to obtain appropriate intellectual property protection when they sell into markets outside of Canada
- What will the impact of the Patent Pledge be in helping to create a competitive innovation environment in Quayside, particularly for those suppliers who choose to take advantage of the patent pledge for their own Intellectual Property strategy?

## Waterfront Toronto’s Questions for You

1. What do you see as the potential benefits and risks of moving forward with the intellectual property transactions proposed by Sidewalk Labs?
2. What suggestions, if any, do you have for Waterfront Toronto as they review these intellectual property proposals?

*Please place a sticky note in the box. You can also complete a feedback form or take the online survey.*

# Volume 3 The Partnership: Government Obligations



## Sidewalk Labs' Proposal

The MIDP proposal sets out initiatives that require future commitments by the public sector in order to realize the project objectives. Waterfront Toronto has identified these initiatives and places them into two categories – Government Investment and Policy/Regulatory Reform.

### Government Investment

Future government investment needed to achieve the outcomes proposed in the MIDP has been identified through Waterfront Toronto's initial review of the proposal. Further assessment of the MIDP is required to better understand the details of the required government investment and how it may impact the final evaluation of the MIDP. Examples of these potential future investments include, but are not limited to:

- **Municipal infrastructure (incl. the LRT):** There is a significant investment in municipal infrastructure required to advance the plan proposed in the Draft MIDP
- **Below market housing program:** Through National Housing Strategy Contributions and City Incentives, the public sector would need to support Sidewalk Labs' private sector funding proposal with an estimated \$77 million in public funding to realize the affordable housing proposal. At the IDEA District scale, an additional \$920 million could be required
- **Not-for-profit/third-party management entities:** It is expected that certain management entities would require ongoing operating capital from government, namely, the Open Space Alliance and the Urban Data Trust

### Policy/Regulatory Reform

Sidewalk Labs proposes areas of needed government policy and regulatory reform in order to realize the project objectives. The MIDP proposes that these areas of reform fall into two categories:

#### Regulatory/Targeted Adjustments

- Sidewalk Labs proposes elements of the MIDP would require targeted adjustments from existing legislation, regulation or policy
- The MIDP proposal includes a total of 15 proposals that require targeted adjustments and the authorization implicated
- The MIDP proposes that the targeted adjustments would require government action such as administrative agreements or legislation changes

#### Initial Innovation Design Standards and Guidelines

- Sidewalk Labs has proposed a series of enhanced requirements, the Innovation Design Standards and Guidelines, that would apply to new development in the proposed IDEA District (in line with the IDEA District governance) in order to meet the project objectives
- The Innovation Design Standards and Guidelines require no change in law or regulation and would apply to lands that are publicly owned or where landowners opt in. The MIDP proposes 20 of such requirement

## Waterfront Toronto's Questions for You

1. What do you see as the potential benefits and risks of moving forward with government investments and regulatory reforms proposed by Sidewalk Labs?
2. What suggestions, if any, do you have for Waterfront Toronto in terms of how they consider / mitigate these risks?

*Please place a sticky note in the box. You can also complete a feedback form or take the online survey.*

# Waterfront Toronto's Risk Assessment

Waterfront Toronto is currently undertaking a thorough risk assessment that is being led by KPMG. After a preliminary exercise, we have identified risks of varying degrees associated with the MIDP proposal including, but not limited to, risks associated with project delivery, privacy, project governance, accessibility, funding/financing and partnership.

Waterfront Toronto is seeking the public's input to inform the next phase of the risk assessment. We want to ensure the public's concerns are captured, mitigation measures are explored and, where appropriate, conditions under which the public would consider proceeding with the project are identified.

Examples of overarching risks being considered by Waterfront Toronto include:

- Feasibility/viability of MIDP proposals in achieving the project objectives: As with any innovative and complex project, we must pay close attention to the likelihood of certain innovations being successful and the roadblocks they may encounter, ensuring the appropriate backstops and mitigation measures are properly considered and included
- Private sector vs. public sector interests: Waterfront Toronto was created by three orders of government to work in the public interest. Sidewalk Labs is a subsidiary of Alphabet Inc., which is a publicly traded company with a mandate to generate a profit for its shareholders. There is a risk that the different goals and obligations of the public and private sectors could create issues that make the project, or some aspects of it, untenable for Waterfront Toronto and/or Sidewalk Labs
- Data governance and privacy: There is a risk that resident user data is leaked due to a data breach, as well as a risk of secondary, unethical uses of technologies developed/data collected at Quayside

Examples of more specific risks, and questions for the public related to those risks, have been provided throughout the Note to Reader to provoke thought and discussion.

# Waterfront Toronto's Evaluation

Quayside RFP Objectives

- 1. Sustainability, Resiliency and Urban Innovation:** Create a globally significant demonstration project that advances a new market model for climate-positive urban developments
- 2. Complete Communities:** Establish a complete community that emphasizes quality of place, and provides a range of housing types for families of all sizes and income levels within a robust mix of uses, including public open space, culture, recreation, vibrant retail, education-related activities and offices
- 3. Economic Development and Prosperity:** Provide a testbed for Canada's cleantech, building materials and broader innovation-driven sectors to support their growth and competitiveness in global markets
- 4. Partnership and Investment:** Develop a new partnership model that ensures a solid financial foundation, manages financial risk and secures revenue that funds future phases of waterfront revitalization

**In addition to those RFP Objectives, Waterfront Toronto has identified five Priority Outcomes that the MIDP must address:**

- Job Creation and Economic Development
- Sustainability and Climate Positive Development
- Housing Affordability
- New Mobility
- Urban Innovation

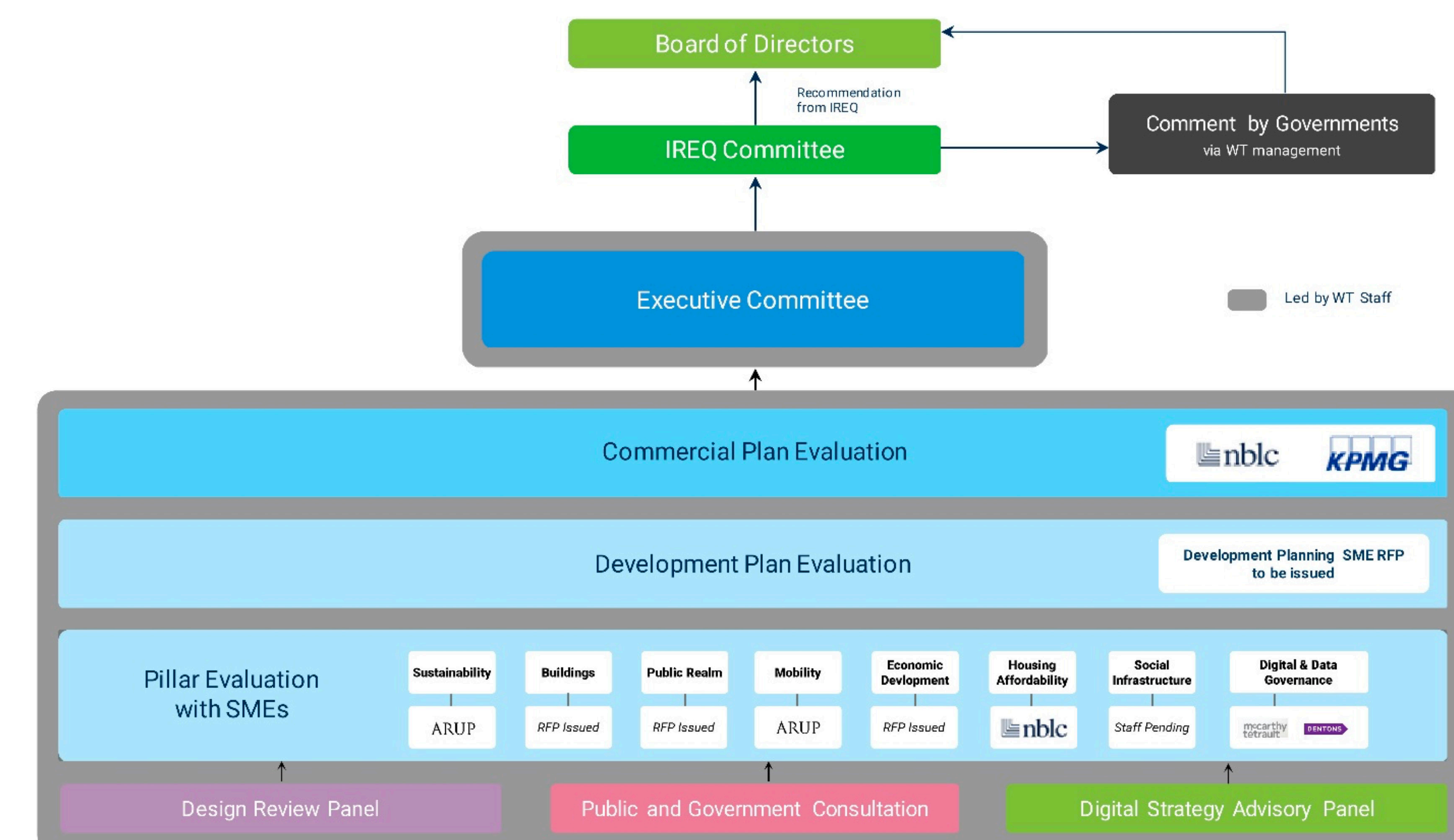
*Robust Data Privacy and Digital Governance are central to success and to the realization of all Goals and Objectives*

**Waterfront Toronto's evaluation of the MIDP will determine:**

- Does the MIDP meet the RFP goals and objectives? How well does it meet those targets?
- Does the MIDP align with the planning framework for the waterfront?
- Is the proposed business plan viable and in the public interest?
- Does the proposal satisfy our Priority Outcomes?

**Accountability and transparency remain at the core of Waterfront Toronto's work.**

Waterfront Toronto has sought feedback on our approach to evaluating the proposed plan for Quayside, the evaluation criteria, and our goals and objectives from: Members of the public, Quayside Stakeholder Advisory Committee, Tri-level government partners, Waterfront Toronto's expert advisory panels: Digital Strategy Advisory Panel & Design Review Panel, Waterfront Toronto's Board of Directors & Investment, Real Estate and Quayside Committee.



# Pre-MIDP Feedback

## Overview of what Waterfront Toronto has learned over the last 18 months



Waterfront Toronto has been listening to and learning from the public over the last 18 months, prior to receiving the Draft MIDP from Sidewalk Labs. Starting with the first Town Hall related to Quayside in 2017, we have been identifying the range of thoughts and feedback being shared, including: issues and concerns, questions, potential opportunities and benefits, and thoughtful recommendations. See below for a list of these pre-MIDP consultation activities.

Across all of these activities, there were nine themes that emerged in people's feedback about this project. They consistently identified:

1. The need for strong public oversight.
2. The importance of a trusted data framework and the protection of privacy.
3. The need to be able to understand and communicate the business model for Quayside.
4. The importance of a social infrastructure strategy that provides for accessible and inclusive spaces and services.
5. The importance of affordable housing in creating a diverse community.
6. The importance of sustainability in all aspects of the future of Quayside, including the environment.
7. The importance of communication and transparency in building trust.
8. How important it is for residents and citizens to be in control of the use of their data and to be able to give meaningful consent.
9. The importance of being able to communicate what's being proposed in a clear and transparent way

Beyond these themes there are much more detailed reflections on a range of issues discussed prior to submission of the Draft MIDP by Sidewalk Labs.

### Activities to date:

- 4 public roundtables
- 3 Civic Labs
- Public Meeting on Digital Neighbourhoods
- Residents Reference Panel
- Community Services Advisory Working Group
- Data Governance Advisory Working Group
- Housing and Affordability Advisory Working Group
- Mobility Advisory Working Group
- Public Realm Advisory Working Group
- Sustainability Advisory Working Group
- Quayside Stakeholder Advisory Committee
- Sidewalk Toronto Fellows Report
- Design Jams
- 2017 Town Hall

Summaries from all of this work are all available at [QuaysideTO.ca](http://QuaysideTO.ca).



## Digital Strategy Advisory Panel

Waterfront Toronto's Digital Strategy Advisory Panel (DSAP) is an arms-length body that helps guide Waterfront Toronto on how best to incorporate data privacy, digital systems, and the safe and ethical use of new technologies in the next phase of waterfront revitalization. The Panel was formed in April 2018 and advises Waterfront Toronto on policies and strategies related to the Quayside project.

The mandate of the Panel is to provide Waterfront Toronto with objective, expert advice to ensure that principles of ethical use of technology, accountability, transparency, protection of personal privacy, data governance and cyber security are upheld. The Panel will further ensure that intellectual property and data are safeguarded while encouraging innovation and economic development. Waterfront Toronto will continue to work closely with governments and policy makers, the public, and industry experts to help coordinate the rules and accountability protocols that will be integral to the success of these initiatives.