

Waterfront Toronto Strategic Business Plan 2014 - 2023



December 18, 2013

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Introduction

This document sets out Waterfront Toronto’s priorities for next 10 years as we continue to work towards making our Waterfront vision a reality. We want to finish what we started; to revitalize Toronto’s Waterfront and create great new areas for residents, businesses and visitors. This Strategic Business Plan is meant to detail the overall objectives for Waterfront Toronto, explain why we have prioritized them, how they will create exponential value for Toronto, and, finally, how much they will cost and how they can be financed.

Mandate

Waterfront Toronto is mandated “*to oversee and manage the revitalization of Toronto’s waterfront over 20 years*”.

The revitalization of Toronto’s waterfront is an opportunity to transform Toronto and to ensure that it remains among the best places in the world to live, work, invest and visit. Many cities around the world have used waterfront revitalization to enhance their economic competitiveness and create an improved quality of life. Time and time again, it has been demonstrated that countries that make a focused investment in their urban waterfronts have delivered strong economic, social and cultural benefits.

Mission

Waterfront Toronto’s mission is to “*Transform Toronto’s waterfront for the people of Toronto, Ontario and Canada, to foster economic growth and to ultimately re-define how the city, province and country are perceived by the world*”.

By creating iconic parks and public spaces, new dynamic and diverse mixed-use communities, Waterfront Toronto is helping to attract the best and brightest talent and industries to locate on the waterfront. Like other successful waterfront revitalizations, Waterfront Toronto is using a massive infrastructure project to deliver on an economic agenda.

Revitalization of the waterfront represents over 800 hectares or 2000 acres of land and is one of the world’s largest waterfront brownfield revitalization projects.



History

In 1999, the Mayor of Toronto, Premier of Ontario, and Prime Minister of Canada announced the creation of a Task Force to undertake a review of the existing plan for Toronto's waterfront, and to develop a strategic business plan that would make recommendations for accelerated development. The Task Force recommended the creation of a new "development corporation" with a strong mandate to coordinate and oversee an integrated strategy for making waterfront revitalization a reality.

As a result, the City of Toronto ("the City"), Province of Ontario ("the Province") and Government of Canada (Federal government) jointly announced their support for the creation of the Toronto Waterfront Revitalization Corporation (now Waterfront Toronto or the Corporation) to oversee and lead the City's waterfront revitalization. The Toronto Waterfront Revitalization Corporation Act, 2002 sets out a clear 20-year mandate for Waterfront Toronto, including the objectives, structure, powers and accountabilities of the corporation.

In 2001 the three orders of government pledged \$1.5 billion (\$500 million each), as seed capital to help catalyze waterfront revitalization. In addition, Waterfront Toronto has up to \$376 million in other revenues (total \$1.9 billion), largely comprising proceeds from the sale and/or lease of lands in the Designated Waterfront Area for investment in revitalization. Waterfront Toronto's business model is based on strategic investment in enabling infrastructure, transforming brownfields and other underutilized lands to attractive development opportunities and reinvesting land sale proceeds into further revitalization.

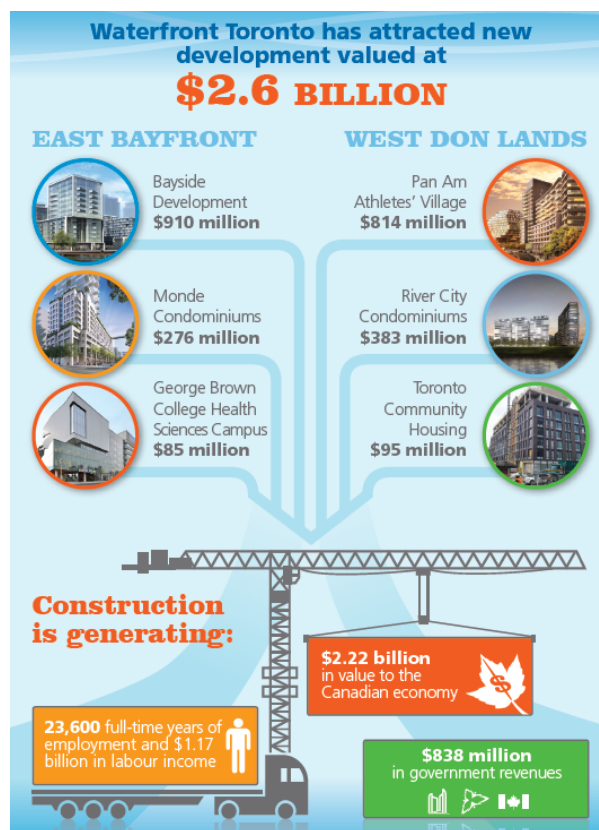
Why Waterfront Toronto? Revitalization vs. Redevelopment

Waterfront Toronto's role as master developer provides a unique approach to strategic and public-policy oriented revitalization, as opposed to simple real estate development. Waterfront Toronto provides the framework that ensures that private sector development proceeds on the basis of sound community-oriented plans. By revitalizing the waterfront and not merely redeveloping it, Waterfront Toronto is ensuring that key government public policy objectives are achieved, including:

- Reducing urban sprawl;
- Developing sustainable communities;
- Increasing the supply of affordable housing;
- Creating more parks and public spaces;
- Expanding public transit; and
- Increasing economic competitiveness.

Waterfront Toronto has effective planning and development controls over the undervalued and underutilized publicly-held waterfront lands. This approach has increased land values and positioned waterfront lands as key investment opportunities, as Waterfront Toronto undertakes the upfront work of establishing precinct plans, ensuring that zoning and planning approvals are in place, building major parks, public spaces and infrastructure such as flood protection, roads and services.

This approach provides the private sector a high level of certainty in undertaking development on the waterfront and leaves them to manage only market and construction risks. Waterfront Toronto's business model is based on a phased development schedule to allow current land sale revenues to



fund future land development needs. The formula is working; to date, Waterfront Toronto has concluded deals for development projects valued at \$2.6 billion in both private and public sector investment. These development deals will contribute \$838 million in incremental revenues to the three orders of government.

Waterfront Toronto, by building parks and public spaces and providing continuous public access to the waterfront as an early step in revitalization, creates extra value to public lands and provides an incentive to the private sector to invest. Specifically, this approach:

- *Demonstrates that revitalization is happening after years of false starts;*
- *Provides a higher quality of design excellence and quality of place; and*
- *Raises the land value of the surrounding public lands, which translates into more revenues to be reinvested back into waterfront revitalization.*

Waterfront Toronto's development approach is predicated on partnering with private sector companies that share the vision and values of waterfront revitalization; partners who are passionate and committed to building a better city and raising the bar for development in Toronto. Waterfront Toronto's unique approach to development agreements ensures that developers deliver projects in accordance with prescribed precinct plans, design excellence objectives and sustainability requirements, among other city-building goals.



Waterfront Objectives

The governing legislation sets five core objectives for the Corporation. Ten years through its mandate Waterfront Toronto has made significant progress in meeting those objectives, as listed below:

Objective	Strategy to Achieve	Economic Impact/ Results
<p>To implement a plan that enhances the economic, social and cultural value of waterfront land.</p>	<p>Master planning for West Don Lands, East Bayfront, Central Waterfront, Lower Don Lands including municipal zoning, by laws, Official Plan Amendments, environmental remediation / assessments and implementation agreements negotiated by Waterfront Toronto.</p> <p>Waterfront Toronto is providing a key intelligent community infrastructure component to support innovation: Canada's first open-access, ultra-high-speed broadband community network.</p>	<p>Concluded deals with the private sector for development projects valued at \$2.6 billion with its first six development projects in two key precincts:</p> <ul style="list-style-type: none"> • East Bayfront \$1.3 billion (three developments) • West Don Lands \$1.3 billion (three developments) <p>These projects will contribute \$838 million in revenues to the three levels of government.</p> <p>Toronto has been shortlisted to the world's 21 smartest cities by Intelligent Communities Forum, building on the previous success as a global Top 7 in 2013. This is due in part to Waterfront Toronto's intelligent community programs. Toronto's new waterfront communities will be among the most connected in the world, with a cloud-based community platform and applications that will help residents and businesses make use of the data at their fingertips.</p>
<p>To create an accessible and active waterfront for living, working, and recreation in a fiscally and environmentally responsible manner.</p>	<p>Waterfront Toronto's parks and open spaces have become iconic in public consciousness. They have branded the waterfront in a highly positive manner.</p> <p>Waterfront Toronto is targeting 20 per cent of all residential units to be affordable rental units to ensure that waterfront communities are socially inclusive.</p> <p>Waterfront Toronto requires that all buildings built on publicly owned land in the designated waterfront area comply with Minimum Green Building Requirements related to energy, water, waste, transportation and materials.</p>	<p>Construction or revitalization of over 23 new or improved parks and public spaces representing 28 hectares (70 acres). Created 8 km of lakefront trails and promenades in key areas of the waterfront.</p> <p>Triggered the development of 496 affordable rental housing units in West Don Lands plus 100 additional affordable ownership units. In addition, sufficient land will be set aside for future affordable rental housing so that upon completion of West Don Lands and East Bayfront, 20 per cent of all residential units on public land will be affordable rental housing units.</p> <p>East Bayfront, West Don Lands and Lower Don Lands have achieved Stage 1 LEED Neighbourhood Gold</p>

Objective	Strategy to Achieve	Economic Impact/ Results
		certification under the pilot program established by the U.S. Green Building Council.
To promote and leverage private sector investment in the revitalization of waterfront land.	Waterfront Toronto utilizes a robust development model to attract innovative and experienced development teams that share its commitment to sustainable development and design excellence.	<p>Beyond Waterfront Toronto’s development deals, waterfront revitalization has been a catalyst for development projects on adjacent privately owned lands valued at \$9.6 billion. When complete, these developments will create approximately:</p> <ul style="list-style-type: none"> ▪ 16,600 residential units ▪ 4 million sq ft of office space ▪ 1.4 million sq ft of retail and commercial space ▪ 150,000 sq ft of institutional space <p>When complete, the development projects will generate \$3.4 billion in revenues to the three orders of government.</p>
Ensure the revitalization of the waterfront is financially self-sustaining.	<p>Aim to complete land servicing in areas most likely to attract private sector investment.</p> <p>Aim to complete a preliminary feasibility study on revenue and financing strategies which explores alternative revenue sources to ensure the long-term feasibility of revitalization.</p>	<p>Concluded deals with the private sector for development projects valued at \$2.6 billion with its first six development projects in two key precincts:</p> <ul style="list-style-type: none"> • East Bayfront \$1.3 billion (three developments) • West Don Lands \$1.3 billion (three developments) <p>These projects will contribute \$838 million in revenues to the three levels of government.</p> <p>This study will support Waterfront Toronto in the implementation of its priority projects and further its capital program in order to fulfill its mandate.</p>
To promote and encourage public input into the development of Toronto’s waterfront.	Waterfront Toronto’s Precinct Plans and other master plans emerge from extensive public and stakeholder engagement and community planning efforts. This approach includes the use of Stakeholder Advisory Committees, social and digital media tools and project liaison committees, among others. Waterfront Toronto is seen as a leader in its public consultation approach, an approach based on timely, transparent and accountable	Waterfront Toronto has developed a reputation for strong community consultation, having exceeded its legislative requirement for consultation and since 2006, has conducted over 200 public and stakeholder meetings. Regular public consultation generates efficiencies for construction coordination for major infrastructure and development projects.

Objective	Strategy to Achieve	Economic Impact/ Results
	<p>consultation. This is a model that has been adopted by many other public agencies.</p> <p>Waterfront Toronto’s independent Design Review Advisory Panel meets in public and provides input and advice on all Waterfront Toronto projects to ensure design excellence.</p>	<p>A majority of developments in the designated waterfront area and all of Waterfront Toronto’s developments have participated in the design review panel process.</p>

Half-way to Realizing the Waterfront Vision

Revitalization of Toronto’s waterfront is well underway and the visible transformation of the waterfront is apparent. At the midpoint of Waterfront Toronto’s 20-year mandate, the Corporation has invested over 80 per cent (\$1.3 billion) of its government seed capital. Waterfront Toronto has attracted extraordinary commercial and residential developments, designed by some of the most celebrated architects in the world. It is also working with renowned designers and landscape architects to create award-winning and iconic public spaces, such as Canada’s Sugar Beach, Sherbourne Common, Corktown Common, Underpass Park and the Central Waterfront wavedecks. Waterfront Toronto has undertaken the upfront work of establishing precinct plans, ensuring zoning and planning approvals are in place and has also constructed substantial infrastructure including flood protection, roads and services within two of the priority precincts, East Bayfront and West Don Lands.

The true value and return on investment of completing the project will be exponential, not incremental. The returns on public investment to date are impressive and catalytic. Waterfront Toronto invested \$1.3 billion for pre-construction planning and implementation of revitalization projects from its inception to 2013. This investment has generated \$3.2 billion in economic output for the Canadian economy and 16,200 full-time years of employment. In addition, it has resulted in revenues of \$348 million to the federal government, \$237 million to the provincial government, and \$36 million to the City of Toronto. Sustained investment will foster future economic growth, while building places for tens of thousands to live, work, play and learn. Realizing the complete waterfront vision will be transformative for Toronto.

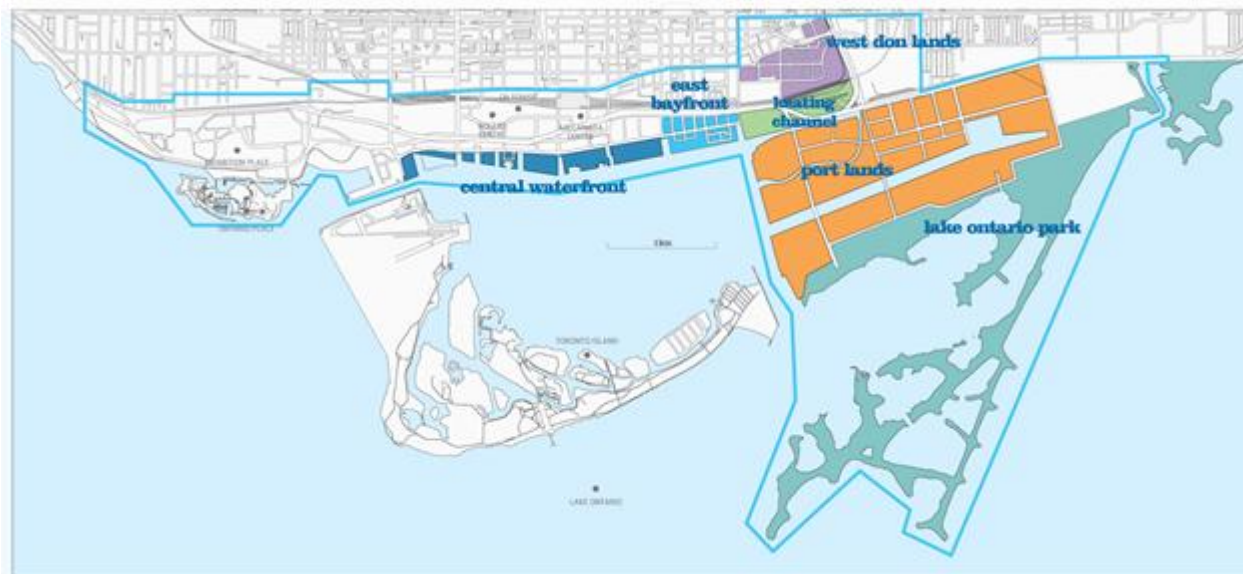
The current capital plan to be completed by 2023 will result in the new waterfront communities of East Bayfront and West Don Lands. Both communities will become mixed-use neighbourhoods with first-class public spaces, supported by state-of-the-art open access broadband infrastructure. Waterfront Toronto is also implementing a remarkable design for the most heavily-used part of Toronto’s waterfront, Central Waterfront. That area will feature a grand waterfront boulevard with three wavedecks providing public access to the water’s edge. In addition, Waterfront Toronto has also constructed or revitalized over 23 parks and public spaces representing almost 30 hectares.

However, the funding in the current capital plan is insufficient to fulfill Waterfront Toronto’s vision for the priority precincts. Specifically, the current plan does not include construction of a light rail transit service for East Bayfront, making timely commercial development in East Bayfront more challenging. Further, the current capital plan does not include flood protection and enabling infrastructure work for the Port Lands.

This Strategic Business Plan focuses on realizing the full vision of waterfront revitalization, which was always anticipated to exceed the initial \$1.5 billion government seed capital amount¹. Over the next ten years (2014-2023), Waterfront Toronto will invest an additional \$1.65 billion to complete the priority precincts of Central

¹ Total cost of \$17 billion comprising \$4.3 billion from public sector and \$12.7 billion from private sector, as per the Development Plan and Business Strategy for the Revitalization of the Toronto Waterfront, 2002 (2002 Development Plan).

Waterfront, East Bayfront and West Don Lands, as well as unlock the development potential of North Keating and the Lower Don Lands / Port Lands. Waterfront Toronto is focusing on projects that leverage private investment, deliver critical infrastructure, have high community usage and increase connections across the waterfront and the rest of the city.



Priority Precincts

Waterfront Toronto's Strategic Priorities

Waterfront Toronto has classified its priority projects over the next 10 years into four categories:

1. Transit
2. Flood Protection and Enabling Infrastructure
3. Land Servicing
4. Public Realm

1. Transit – Eastern Waterfront

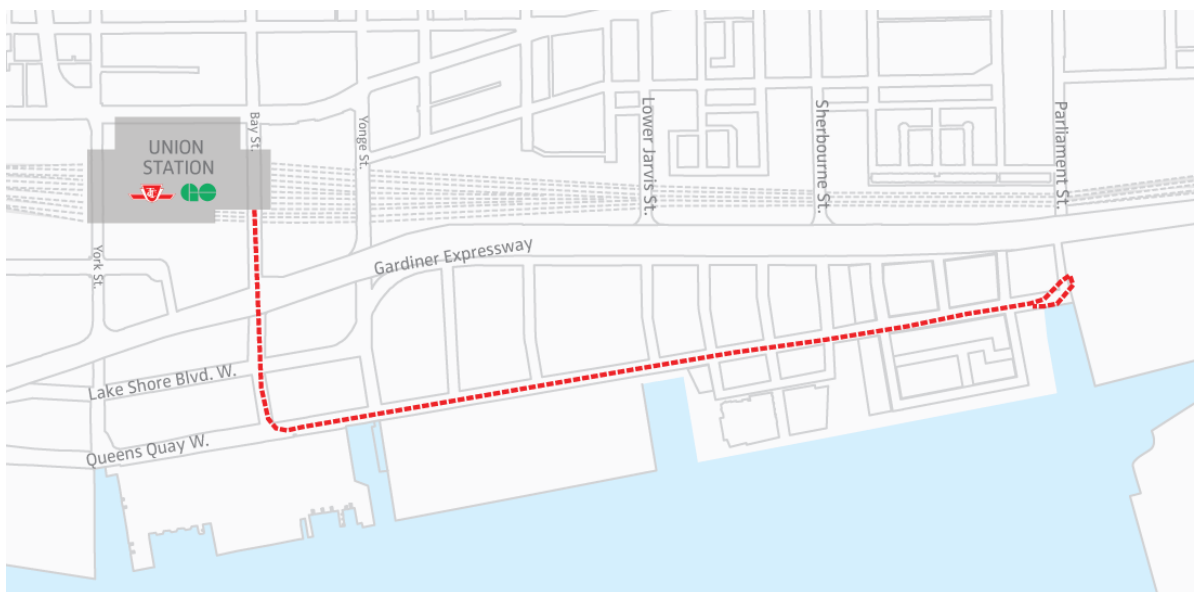
Communities that are accessible through public transit are more attractive places to live, work and play. By integrating transit with how we plan and build new neighbourhoods, the value of lands to developers and residents increases. New waterfront neighbourhoods have been designed with public transit as the primary mode of transportation, contributing to Waterfront Toronto's objective of creating an accessible, active and sustainable waterfront for living, working and recreation. A transit-early approach ensures frequent and reliable transit services are in place when the developments are occupied, thereby encouraging use of transit and minimizing auto use. East Bayfront, one of the first new neighbourhoods to be developed on Toronto's waterfront, will feature 11,000 residential units, including 2,100 affordable residences, and millions of square feet of employment space able to accommodate 15,000 jobs.

The start of 2014 is an ideal time to commit to the East Bayfront LRT, as Waterfront Toronto's existing development partners will begin construction in the next 12-18 months. These development partners and developers of privately owned land have identified implementation of the LRT, as critical for attracting office tenants and key to achieving residential sales targets and ensuring the timely achievement of commercial developments.

Waterfront Toronto, in conjunction with Toronto Transit Commission, completed the East Bayfront Transit Environmental Assessment in 2010. This determined that the best option to provide high quality transit services for the eastern waterfront area was a dedicated right of way light rail transit line along Queens Quay East connecting to Union Station. The East Bayfront LRT will be the first piece of light rail transit to service the eastern waterfront area. Future East Bayfront LRT extensions can be integrated with the redevelopment plans for the West Don Lands, Port Lands and future commercial development centred along the Don Valley Parkway and Lake Shore Boulevard.

As such, the East Bayfront LRT line, at an order of magnitude investment of \$450 million and a four year time horizon (2014-2017), was identified as a key priority project required for realizing Waterfront Toronto's full revitalization mandate.

Eastern Waterfront Light Rail Transit, Phase 1



2. Flood Protection and Enabling Infrastructure

The Port Lands – a massive underutilized area with extensive waterfront access – represent unprecedented future development opportunity and a tremendous opportunity for Toronto. Unlocking the Port Lands, however, requires addressing some serious challenges, chiefly the threat of catastrophic flooding and the high public costs from flooding. Most of the Port Lands are within the flood plain of the Don River and must be flood protected before the area can be fully developed. Without flood protection, governments assume the risk of incurring substantial costs related to disaster recovery. More frequent extreme weather events within Canada and globally indicate that the risk of flooding is more prevalent. The flooding of western parts of Toronto in July of 2013 was among the most costly natural disasters in the city's history, with insurance claims totaling close to \$1 billion. The flood protection of the more than 200 hectares (500 acres) of land in the Port Lands area east of the Don Roadway, and in the South Riverdale and Eastern Avenue Employment Areas – including more than 600 single family homes – would mitigate flood damages in the event of a regulatory event. Given that the federal government reimburses up to 90 per cent of claims under its disaster assistance agreement with the provinces, the lower preventative cost of flood protection far outweighs the higher potential cost of flood damage in the Port Lands and surrounding areas.

By undertaking flood protection and strategic infrastructure investment, Waterfront Toronto will unlock development potential and open private sector investment into the area. The plan for the Port Lands will

provide generous public parks and open spaces and ensures that the water's edge is preserved for public use. The plan permits development in four phases, allowing the site's considerable infrastructure costs to be progressively offset by development revenues. Landowners in the area are eager to proceed.

Phase 1 flood protection and enabling infrastructure will remove Cousins and Polson Quay precincts from the flood zone and unlock the Cousins precinct for development through raising the elevation of the area relative to the water and reconstructing bridges over the Keating Channel. The initial estimate of developable density for these two precincts is 7.8 million square feet.

Phase 2 will help to reduce flooding by creating a green floodway through to the Shipping Channel. It will remove the Film Studio District and lands east of the Don roadway to Leslie Street from the flood zone. The Film Studio District will benefit from mixed use development, which is currently restricted due to its location in a spill zone.

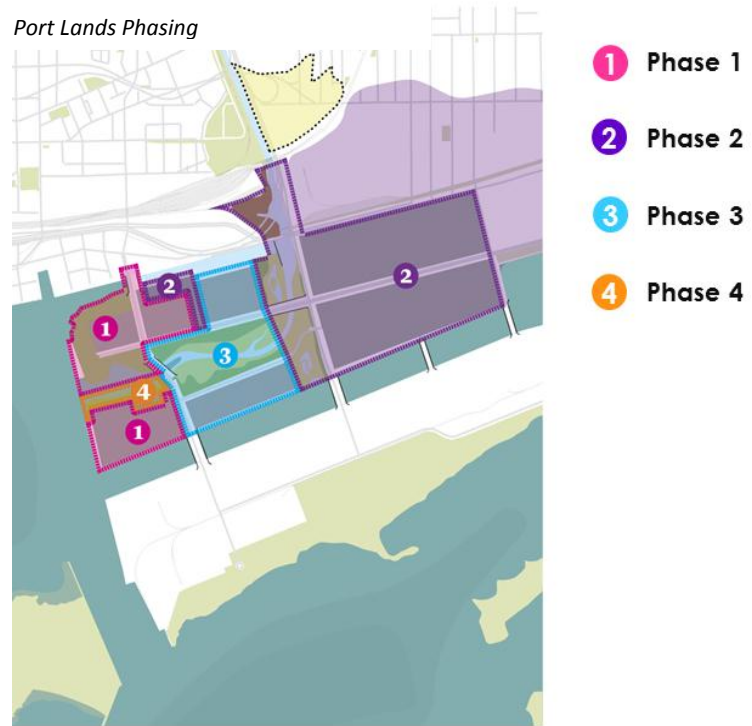
Phase 3 activities involve flood protection of the river valley precincts through a renaturalization of the river. The initial estimate of the developable area for the river valley precincts is 7 million square feet. Naturalizing the mouth of the Don River and providing flood protection to the Port Lands were identified as top priorities for all three levels of government when they first established Waterfront Toronto. A naturalized Don River mouth will enhance water and land habitat for natural species and create the potential to re-establish wetlands in the area that were lost 100 years ago.

Phase 4 would see the northern edge of Polson Quay naturalized if the current owner of the highlighted land, Lafarge Cement, relocates its operations. In the meantime, Lafarge will continue its operations as part of a mixed-use Port Lands.

The implementation of Phases 1 to 3 of flood protection and enabling infrastructure as identified in the Port Lands Acceleration Initiative (approved by Council on October 2, 2012), at total order of magnitude investment of \$750 million, with a nine-year horizon (2015-2023). Completing Phases 1 and 2 only (due to limited available funding) would result in a total order of magnitude investment of \$530 million and a five year time horizon (2015-2019). Consolidating Phase 3 into the construction schedule is preferred, as it would result in cost savings up to \$100 million associated with a consolidated construction schedule. The source of the savings would include reduced mobilization/demobilization, permitting and overhead costs, increased economies of scale, and sequencing efficiencies in pricing a large contract.

3. Land Servicing

Land servicing is the upfront work of ensuring that appropriate municipal zoning requirements are in place, required land remediation is undertaken, and the core municipal infrastructure such as roads and services (hydro, sanitary and stormwater treatment systems) are constructed. As master developer for the designated waterfront area, Waterfront Toronto has substantially completed land servicing requirements in East Bayfront (Parkside, Dockside and Bayside developments) and West Don Lands (area east of St. Lawrence and south of King Street and the area east of Cherry and south of Eastern Avenue).



There are three additional waterfront land parcels to service in order to realize Waterfront Toronto’s mandate. These include Quayside within East Bayfront, the western portion of North Keating precinct and Phase 3 of West Don Lands.

By carrying out the necessary land servicing in the remaining land parcels in East Bayfront, West Don Lands and the western portion of North Keating, Waterfront Toronto will complete the work it has started in these communities, unlocking development potential and opening these publicly-owned land parcels for future private sector investment. The value enhancement achieved from servicing the land for these areas will result in increased land values, which can then be reinvested into revitalization efforts. Waterfront Toronto estimates land values will increase by 25 per cent per square foot on Quayside and North Keating with land servicing in place. Furthermore, some of the land servicing work for the North Keating parcel will facilitate development on privately owned land in the area.

The implementation of the remaining land servicing represents a total order of magnitude investment of \$150 million and a five year time horizon (2016-2020).

Remaining Areas Requiring Land Servicing



4. Public Realm

A fundamental objective of Waterfront Toronto’s original Development Plan is the principle of an accessible and public waterfront, including generous and attractive public access to and along the water’s edge.

Planned or Existing Parks/Public Spaces in East Bayfront & West Don Lands



Waterfront Toronto has led with investment in parks and public realm in the first phase of revitalization. Since 2004, Waterfront Toronto has opened over 23 new or improved award winning parks or public spaces, including Sherbourne Common, Canada’s Sugar Beach, Corktown Common, York and John Quays, Mimico Waterfront Park, and Port Union Waterfront Park.

There are a number of important remaining public realm projects required to complete a contiguous, revitalized waterfront. Four priority initiatives are outlined below:

- *Waterfront North-South Connections.* While Waterfront Toronto has improved the east-west connections along the waterfront (such as the Queens Quay revitalization project and the continuous Martin Goodman Trail along the waterfront), the current north-south connections from the city core are unwelcoming and act as a physical barrier to the waterfront. Using public art and improved streetscaping along the major north-south arteries to the waterfront, Waterfront Toronto will provide an inviting and attractive experience to access Toronto’s waterfront.
- *Central Waterfront Continuous Water’s Edge Promenade.* The construction of five footbridges (and related boardwalks) carrying pedestrians over water barriers throughout the Central Waterfront precinct will allow people to stroll across the inner harbour’s slip basins and slips, creating direct connectivity between major destinations along the water’s edge.

Rendering of Peter Slip Footbridge



- *Foot of Yonge Street Park.* The foot of Yonge Street park will continue Waterfront Toronto’s vision of great public spaces along the waterfront at the foot of major streets leading to the lake. In conjunction with the Toronto Port Authority, an iconic design to host large ships will be built at the water’s edge.
- *Jack Layton Memorial Ferry Terminal.* Updating the Jack Layton ferry terminal continues the public realm improvements Waterfront Toronto has begun in Central Waterfront. The water’s edge surrounding the ferry terminal will be improved to have the same look and feel as the water’s edge promenade in neighbouring precincts. The terminal has not been updated since the 1970s and a modernized terminal with an improved waiting area, amenities and streamlined ticket purchase facilities will also increase passenger capacity.

The implementation of additional public realm initiatives represents a total order of magnitude investment of \$300 million and an eight-year time horizon (2014 – 2022).

Overview of Strategic Priorities by Precinct

East Bayfront

East Bayfront is one of the first new neighbourhoods to be developed on Toronto’s waterfront. For years, the area bounded by Lake Shore Boulevard south to the Ship Channel and from Lower Jarvis Street east to the Don Roadway had been a reminder of Toronto’s industrial past. Now, the transformation of this underutilized area is well underway.

East Bayfront will feature approximately 8,000 residential units, including approximately 1,600 affordable residences, and millions of square feet of employment space able to accommodate 15,000 jobs. A key part of Waterfront Toronto’s vision and economic development objectives is to make Toronto’s waterfront synonymous with innovation. With new residential, commercial and institutional development connected to a network equipped with advanced fibre-optic technology, East Bayfront will be an intelligent community attractive to employers that value collaborative environments, new technology and high quality public realm and amenities for employees.

Waterfront Toronto will complete the following projects over the short term (1-3 years) using the remaining government seed capital funding:

- Bayside servicing including soil remediation, local streets and services;

- Construction of East Bayfront’s stormwater quality management facility and sanitary sewer;
- Complete public realm projects such as the water’s edge promenade, Aitken Place Park located in the Bayside development;
- Select the development partner and initiate development of the Waterfront Innovation Centre; and
- Close the land sale transaction for the Monde development; commence construction of Monde development.

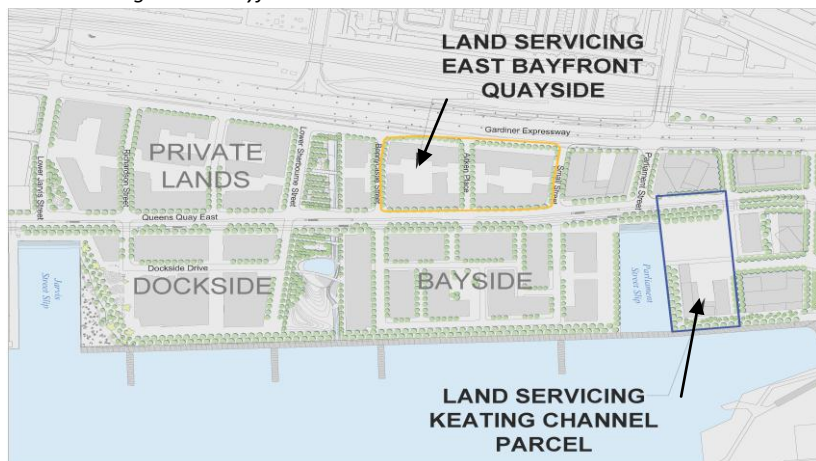
The following projects were identified as the remaining key revitalization initiatives for Waterfront Toronto to realize the full vision in East Bayfront, requiring additional funding outside of the initial seed capital.

- *East Bayfront LRT.* The East Bayfront LRT will add 1.6 km of rapid transit to the Eastern waterfront, connecting riders from Union Station to Queens Quay East to a terminus loop at Small Street. In addition, Queens Quay from Bay to Parliament will be revitalized at the same time as at-grade track construction. At completion, Queens Quay East will feature a signature waterfront boulevard with a generous, tree-lined promenade for pedestrians and cyclists that will help stimulate the economic vibrancy on the waterfront, similar to the portion of Queens Quay located in Central Waterfront.

East Bayfront Land Servicing

- *Quayside.* Waterfront Toronto acquired several properties in the north east corner of East Bayfront to assemble the block now known as Quayside. Waterfront Toronto will undertake the following to service the Quayside precinct:
 - Secure additional municipal approvals and undertake any required studies;
 - Install water, sanitary and stormwater services on the perimeter right of way (Queens Quay East, Bonnycastle, Lake Shore Boulevard and Small Street); and
 - Design and construct Quayside’s neighbourhood park.
- *North Keating.* Located east of East Bayfront, Waterfront Toronto will undertake the following to service the North Keating precinct:
 - Re-align Queens Quay East at Parliament and extension east to Cherry including land reclamation and expropriation at Parliament Slip. Currently Queens Quay turns northward and ends at Lake Shore Boulevard. The Queens Quay extension will act as the main road throughout the Keating Channel precinct;
 - Evaluate the dockwall surrounding the area east of Parliament and Queens Quay East and rebuild areas as required;
 - Design and construct Parliament WaveDeck at Parliament Slip; and
 - Undertake soil remediation as required and install municipal services including storm water, sanitary and water.
- *Engage private sector developers.* For both Quayside and North Keating, Waterfront Toronto will undertake request for qualification / request for proposal processes to bring private sector investment to these publically owned sites.

Land Servicing in East Bayfront



East Bayfront Public Realm

- *Waterfront North-South Connections.* North-south connections between the downtown core and the lake act as physical barriers to the waterfront. The north-south connections located at Jarvis, Sherbourne and Parliament will be improved through public art and streetscaping.
- *Bunge Park.* Waterfront Toronto will design and construct a park located at Parliament and Queens Quay East in accordance with the North Keating precinct plan.

West Don Lands

West Don Lands will be one of Toronto's next great neighbourhoods. At the original mouth of the Don River, the West Don Lands is being transformed from former industrial lands into a sustainable, mixed-use, pedestrian-friendly, riverside community, supported by state-of-the-art open access broadband infrastructure.

The 32 hectare (80 acre) area will feature 6,000 new residential units, and ample space for employment and commercial uses, all surrounded by nearly 9.3 hectares (23 acres) of parks and public spaces. Environmental sustainability is a core feature of the area's development.

Waterfront Toronto will complete the following projects and/or milestones over the short term (1-3 years) using the remaining government seed capital funding:

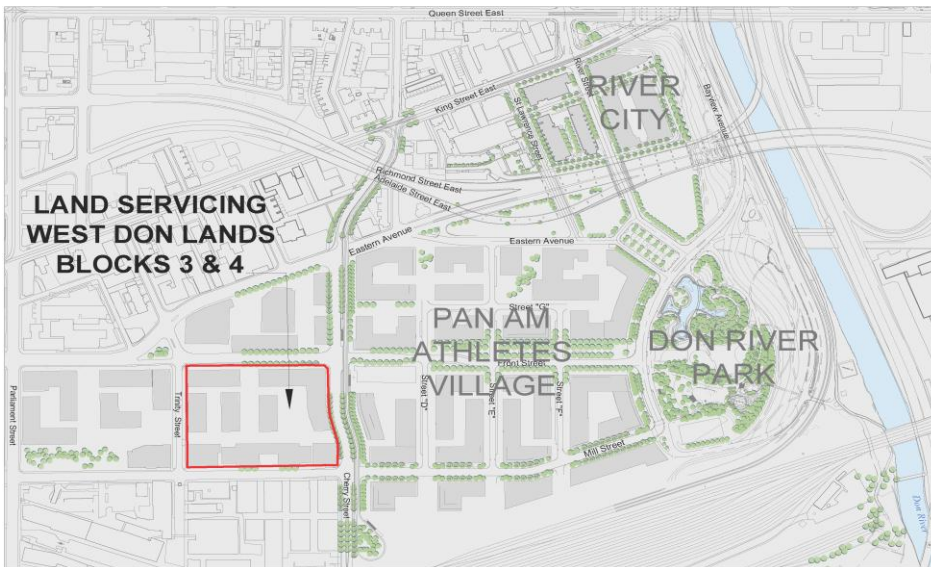
- Completion of Corktown Common 7.25 hectares (18 acres) park and public space (wet side);
- Construction of all remaining woonerfs (a woonerf is the Dutch term for "living street" and it is a space where pedestrians take priority and vehicles act as guests);
- Occupancy for Urban Capital's River City Phase 1 and Phase 2 developments;
- Occupancy for Toronto Community Housing Corporation's affordable rental housing development complex;
- Public art installations on all major West Don Lands streets;
- Construction of a wastewater treatment system to serve both West Don Lands and East Bayfront; and
- In partnership with Infrastructure Ontario, construction of a new YMCA recreational facility, George Brown College's first ever student residence, two affordable housing residential buildings and two market residential development sites (The Canary District), as well as the surrounding infrastructure and roads. These facilities will be built prior to the 2015 Pan Am/Parapan Am Games and used as the Athletes' Village.

The following projects were identified as the remaining key revitalization initiatives for Waterfront Toronto to complete its mandate in West Don Lands, requiring additional funding outside of the initial seed capital.

West Don Lands Land Servicing

- *Phase 3 (blocks 3 and 4)*. Located west of Cherry Street and south of Front Street, land servicing works will include:
 - Installation of services such as water, sanitary and storm water on Front and Trinity Streets;
 - Streetscaping and public realm improvements on Front and Trinity streets; and
 - Construction of a Woonerf south of Blocks 3 and 4 for pedestrian and waste management access.
 - *Engage private sector developers*. For blocks 3 and 4, Waterfront Toronto will undertake request for qualification / request for proposal processes to bring private sector investment to these publically owned land parcels.

Land Servicing in West Don Lands



Central Waterfront

Waterfront Toronto is implementing a remarkable vision for the most heavily used part of Toronto’s waterfront – from Spadina to Bay – that will link major waterfront destinations, create new public spaces and give the city the grand waterfront boulevard it deserves. Ultimately, the goal is to create a powerful, world-class identity for the central waterfront provides the public with access to the water’s edge and celebrates the Canadian lakefront experience.

In addition to the uniquely Canadian wavedecks at the Spadina, Simcoe and Rees slips already built, Waterfront Toronto is currently revitalizing the central waterfront by:

- Completing revitalization of Queens Quay to create a signature waterfront boulevard; and
- Creating a contiguous Martin Goodman Trail along Queens Quay.

The following projects were identified as the remaining key revitalization initiatives for Waterfront Toronto to complete its mandate in Central Waterfront, requiring additional funding outside of the initial seed capital:

Central Waterfront Public Realm

- *Waterfront North–South Connections;*
- *Footbridges;*
- *Waterfront boardwalk;*
- *Foot of Yonge Park;*
- *Jack Layton Memorial Ferry Terminal and Water’s Edge Promenade.*

Please see project descriptions under Public Realm on pages 11-12 of document.

Port Lands

The Don Mouth Naturalization and Flood Protection Project Environmental Assessment (DMNP EA) was initiated in 2005 by Toronto and Region Conservation Authority (TRCA) and Waterfront Toronto. The DMNP EA will transform the existing mouth of the Don River into a more naturalized river outlet, and eliminate the risk of flooding from the Don River to lands east, west and south of the river. In September 2011, Toronto City Council adopted the Port Lands Acceleration Initiative (PLAI) to review the City’s priorities for the Port Lands. The purpose of the PLAI was to refine the DMNP EA and to develop a business and implementation plan with the objective of accelerating revitalization in the Port Lands.

Waterfront Toronto will complete the following projects and/or milestones over the short term (1-3 years) using the remaining government seed capital funding:

- Obtain the Ontario Ministry of Environment (MOE) approval of the revised PLAI Don Mouth and Lower Don Lands environmental assessments;
- Complete Port Lands Framework Plan in cooperation with the City of Toronto; and
- Complete Cousins Quay precinct plan.

The following projects were identified as the remaining key revitalization initiatives for Waterfront Toronto to complete its mandate in the Port Lands, requiring additional funding outside of the initial seed capital:

Port Lands Flood Protection

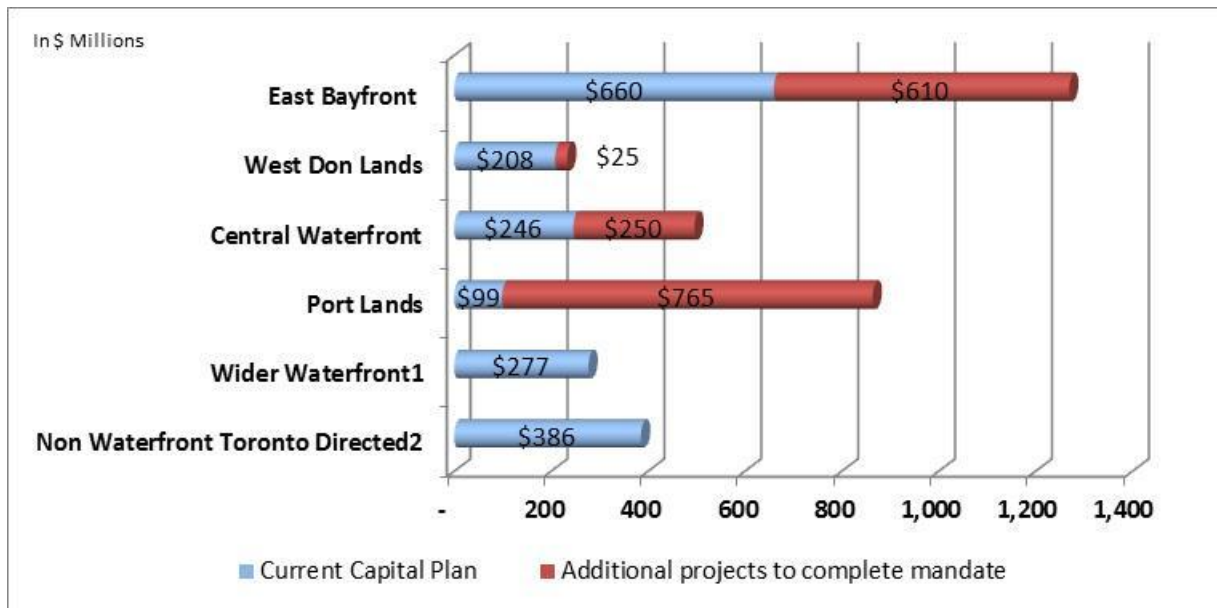
To begin the flood protection and enabling infrastructure works in the Port Lands, the following project work is required:

- *Phase 1 - Cousins and Polson Quay precincts*
 - Construct new Keating Channel bridge;
 - Remove old Keating Channel bridge and abutments;
 - Raise the land in the Cousins Precinct;
 - Realign and reconstruct Cherry Street;
 - Fill Essroc Quay; and
 - Construct Promontory Park.
- *Phase 2 Film Studio District and lands east of the Don roadway*
 - Construct Greenway, including Ship Channel wetland;
 - Construct flood protection landform on First Gulf site;
 - Construct valley wall feature between Lake Shore Boulevard to Ship Channel from Don Roadway to approximately Saulter Street;

- Construct sediment and debris management area including lengthening of Lake Shore Keating Rail Spur bridges; and
 - Remove utility bridge and relocate infrastructure north of Lake Shore bridge.
- *Phase 3 The River Valley Precincts are flood protected*
 - Construct Polson Slip bridge;
 - Construct river valley system, including the low flow channel and flood control weirs;
 - Raise lands north and south of river valley; and
 - Construct Basin Street bridge.

Financials

The graph below summarizes Waterfront Toronto’s current Capital Plan along with the additional projects identified by Waterfront Toronto to complete its projects by precinct. Waterfront Toronto’s current Capital Plan totals \$1.9 billion. With the additional project investments of \$1.65 billion the overall waterfront revitalization strategic business plan totals \$3.5 billion



Notes:

¹Wider waterfront includes Waterfront-wide initiatives such as Union Station Second Platform, Mimico Waterfront Park and Port Union Waterfront Park.

²Non Waterfront Toronto Directed programs are waterfront revitalization projects funded from the Corporation’s \$1.5 billion government seed capital but funding for which is flowed directly to other government agencies. For example, West Don Lands Flood Protection, Go Transit Expansion, Union Pearson Rail Link, Fort York Pedestrian Bridge and government waterfront secretariat costs.

The proposed revenue sources to fund the additional \$1.65 billion of additional investments are summarized as follows:

(\$Millions)	Order of Magnitude	Revenue Source:					Borrowing Required?
		Land Sales	Development Charges	Government Funding	Philanthropic / Sponsorship Revenue and Private Sector Contribution	Public Private Partnership Canada	
Transit	\$450	✓	✓		✓	✓	✓
Flood Protection	\$750	✓	✓	✓			✓
Land Servicing	\$150	✓	✓				✓
Public Realm	\$300			✓	✓		
Grand Total	\$1,650						

Waterfront Toronto understands government revenue and spending challenges, and has developed, where possible, alternative funding solutions to implement the projects to complete waterfront revitalization.

1. *Land sale proceeds*

The City and Province have substantial additional land holdings within Toronto’s designated waterfront area. Waterfront Toronto has identified a number of land parcels that are currently being considered for sale from which sale or lease revenues could be dedicated to waterfront revitalization. Waterfront Toronto will explore these opportunities with our government stakeholders.

2. *City-wide and Area Specific Development Charges (DCs)*

The City of Toronto’s new Development Charges By-law (approved October 2013) includes projects that facilitate growth, such as the East Bayfront LRT, Port Lands flood protection and enabling infrastructure and land servicing. Waterfront Toronto will continue to work with City officials to determine the optimal structure for securing development charges as a source of funding specific projects. Waterfront Toronto is also exploring with federal officials a tri-government approach to the crucial issue of protecting downtown Toronto from catastrophic flooding.

3. *Public Private Partnership (P3) Canada Fund*

The P3 Canada Fund can contribute up to 25 per cent of a project’s construction costs. Waterfront Toronto will explore opportunities to obtain funding through P3 Canada.

4. *Government, Philanthropic / Sponsorship Funding and Private Sector Contribution*

Waterfront Toronto has identified government funding, philanthropic and private sector contributions to support key priority projects required to realize Waterfront Toronto’s mandate. Completing the vision means delivering on key government policy priorities, including job creation, infrastructure, transit, innovation, economic growth and competitiveness.

Waterfront Toronto will also investigate philanthropic and sponsorship revenue opportunities. Working collaboratively with the City of Toronto, the Corporation would solicit sponsorship contributions from

individuals and corporations for specific waterfront projects. In addition, there may be opportunities to accelerate local private sector contributions to support projects in the completion phase of the mandate. Waterfront Toronto will work with the relevant parties to investigate this option further.

Financing Plan

In order to cover the anticipated cash deficiencies associated with the timing of the capital investments relative to the realization of revenues over the Corporation's remaining nine year life, Waterfront Toronto requires a Financing Plan. The Financing Plan comprises:

- a) Short term line of credit to finance day to day working capital; and
- b) Various long term loan structures to address construction cash flow needs that would be serviced from annual contributions and one time land proceeds.

In order to implement this Financing Plan the Corporation requires the power to borrow and encumber assets

Governance

Operational governance – the ability to borrow, encumber its assets, receive revenues and create subsidiaries - is critical for Waterfront Toronto to deliver on the completion of its mandate.

- The ability to borrow provides the Corporation the ability to finance capital investments in order to optimize project build out during periods of cash flow shortfall.
- Expanded revenue authority provides the Corporation the ability to receive revenues from other sources such as philanthropic.
- The ability to create subsidiaries provides the Corporation the ability to create a separate entity for issuing tax receipts for philanthropic purposes, as well as for segregating particular real estate transactions.

While Toronto City Council approved this governance framework in 2008, it requires the concurrence by all three orders of government, together with a change to the Corporation's enabling legislation² and/or regulations. Waterfront Toronto is cognizant of the fiscal challenges facing all orders of government, however, all governments have recognized the need to continue to enable the delivery of key infrastructure projects, jobs and human capital that are both in the public interest and stimulate economic growth.

Moreover, throughout the last 10 years Waterfront Toronto, its Board and several independent audits have all routinely made the case that the Corporation requires the operational governance powers normally associated with similar agencies. The governance powers contemplated are consistent with both the mandate, scope of responsibility, and caliber of Waterfront Toronto's Board of Directors and consistent with the management and accountability structure currently in place at Waterfront Toronto.

Waterfront Toronto requires the implementation of a governance and accountability framework in order to realize this Strategic Business Plan. The continued absence of normal, operational governance places at risk Waterfront Toronto's ability to fulfill the remainder of its mandate – realizing the ultimate vision of waterfront revitalization.

² Toronto Waterfront Revitalization Act, 2002

Risks

There are a number of risks associated with the foregoing revenue opportunities that Waterfront Toronto and its stakeholders will need to address appropriately. These include:

- **Magnitude.** Not all revenue opportunities may be available, and those that are may not generate as much revenue as anticipated. As the various revenue opportunities are explored in greater detail, more reliable revenue estimates will be established, and Waterfront Toronto will set its detailed plans accordingly.
- **Timing.** Some revenue opportunities will be available only after significant spending is made. The profile of revenue and spending over time will need to be managed to avoid temporary shortfalls, through appropriate phasing of infrastructure development and appropriate monetizing of revenue opportunities.
- **Approval.** The various revenue opportunities require consultation with and approvals from one or more orders of government. City Council and Ministry approvals will need to be addressed. Waterfront Toronto will need to further develop its relationships with its government stakeholders and pursue the required approvals effectively.
- **Current fiscal climate.** Given the prevailing fiscal constraint at all orders of government, governments may be less willing to direct funding to Waterfront Toronto initiatives.
- **Construction Risk.** Budget and schedule risks related to cost overruns or project scheduling changes resulting in a variance to the required work may impact Waterfront Toronto's ability to deliver and complete projects as planned. For example, delays in approvals from the various orders of government and their agencies will impact schedules and could impact project completion timing. Waterfront Toronto will need to continue to monitor or consider actions that may mitigate this risk. Program management of the budget, schedule, forecast and scope will assist in minimizing the impact of cost overruns or schedule risks.

With strong political commitment, Waterfront Toronto believes these risks to be effectively manageable.