



PORT LANDS ACCELERATION INITIATIVE

Appendix 1
Summary of Findings

Photo of Sailboat in the Toronto Outer Harbour by Arash Ghassabei

The Findings in Brief

This report summarises the conclusions of the analysis undertaken on the future of Toronto's Port Lands following the review process requested by City Council in September 2011. Staff of the City of Toronto, Waterfront Toronto and the Toronto and Region Conservation Authority managed an extensive program of research and analysis, supported by expert consultants. The boundaries of the Study Area are shown in Figure 1. The appendices which accompany this summary report detail the review and the protocol and terms of reference under which it was conducted.

A significant public consultation process was undertaken as part of this review; it included four well-attended public meetings, web-based information and outreach. Two working groups were established: a Stakeholder Advisory Committee (SAC) comprising area and City-wide residents associations and a diverse range of environmental, business and public interest groups; and a Landowners and Users Advisory Committee (LUAC) comprising Port Lands landowners, tenants and users of the Port of Toronto. Each group had a membership of approximately 50 people and each met five times during the study process with staff and consultants. In addition, many groups and individuals were consulted



Figure 1. Port Lands Study Area

separately over the course of the study. This input was extremely helpful to guide and critique the review process and is clearly reflected in its conclusions.

The essential conclusion of the review is that development of the Port Lands can be advanced in a direction consistent with the goals of the Don Mouth Naturalization and Port Lands Flood Protection Environmental Assessment (DMNP EA) and the Central Waterfront Secondary Plan (CWSP) and can provide effective flood protection, promote the naturalisation of the new mouth of the Don River and create a generous system of waterfront public spaces within a great new city district while minimising requirements for significant additional public investment.

The review presents a plan for the Port Lands that is a positive evolution of earlier proposals, and which can be implemented through the appropriate environmental and planning regulations, property management policies and public and private sector participation. The Port Lands offer a unique strategic opportunity for Toronto, both to advance its status as a dynamic global city and to create a great new waterfront district for its citizens.

The following findings are based on conclusions, which are considered in more detail in this summary report:

- i. The flood protection plan recommended in the DMNP EA is fundamentally sound. The plan can be modified to reduce costs while assuring its flood protection and naturalization qualities;
- ii. The revised plan for the Port Lands will provide generous public parks and open spaces and ensures that the water's edge is preserved for public use;
- iii. The flood protection, naturalization and open space plan provides the framework for the creation of a great new waterfront district that can exemplify excellence in urban design and sustainability;

- iv. A phased, transit-supported development strategy is essential for a successful Port Lands, from a sustainability and development perspective;
- v. The Port Lands is a working port whose functions are essential for the operation of the City and should be maintained in place;
- vi. There is strong market interest in the area and development interests are eager to proceed once flood protection, infrastructure, the planning framework and cost allocation issues are resolved;
- vii. The Port Lands plan permits phased development, allowing the site's considerable infrastructure costs potentially to be progressively offset by development revenues.
- viii. A long-term business case for proceeding with the Port Lands is supported by a mix of land revenues, development charges and other funding sources that will minimise if not eliminate required public funding;
- ix. The Port Lands can play an important role in the future of Toronto as a global city; and
- x. The development of the Port Lands is a major opportunity for Toronto that can now be successfully realised.

The principal steps to advance the recommendations of the Port Lands review involve the finalisation of the DMNP EA, the adoption of the modified plan through the appropriate planning mechanisms, the initiation of detailed precinct planning throughout the Port Lands and the establishment of land-owners groups to formalise cost sharing strategies.

1. The flood protection plan recommended in the DMNP EA is fundamentally sound. The plan can be modified to reduce costs while assuring its flood protection and naturalization qualities.

Without satisfactory flood protection no significant development can take place in the Port Lands. The flood risk that extends across the Port Lands and beyond is a public safety risk and regulatory reality that must be addressed. Considerable analysis of flood protection strategies was therefore undertaken. A number of the short-listed options identified in the DMNP EA were re-visited with respect to their functional effectiveness, naturalisation potential, provision for city building, cost and the ability to phase. The analysis concluded that the optimal solution is to re-direct the primary course of the Don River from Keating Channel to across the Lower Don Lands to the Inner Harbour, while constructing a greenway to the Ship Channel and maintaining the Keating Channel. The provision of these three elements provides the greatest flexibility and effectiveness in flood conveyance and provides the greatest opportunity for good city building. The analysis undertaken in the review therefore confirms the fundamental conclusions of the DNMP EA however, certain modifications to the previous design, technically described as 4WS (2010) are proposed. The option emerging from the review involves slight realignment of the river, the river mouth and the greenway. This modified option, known as 4WS (2012) and illustrated in Figure 1, still fully achieves the goals and objectives of the DMNP EA.

These modifications to the river and river mouth alignment achieve cost efficiencies, respond to land ownership issues, and accommodate re-configuration of Promontory Park to mitigate the impact on shipping activities in the harbour. They result in modest reductions to the area of park space and flood plains indicated in the 4WS (2010) but do not negatively impact either the flood protection or ecological functions of the river. This balanced approach enables more feasible phasing

scenarios, creation of neighbourhood and local parks, and an increase in the area available for development.

To arrive at this conclusion, three flood protection options were compared, each involving different designs for the existing Keating Channel, a new river course and in some options a new greenway (known as 2 Realigned, 4W Realigned and 4WS Realigned). 4WS Realigned was determined to be the superior option due to phasing potential as well as its yield of park space, flood plain and developable area. Of the three alternatives considered in detail, this option provides the largest area for naturalisation and habitat creation as well as optimising the potential for the creation of usable open space and development area.

This modified flood protection plan is capable of being built in cost-efficient phases, with each phase releasing a successive series of revitalisation areas from flood risk. Phasing would start with the construction of the greenway to the west of the Don Roadway, and raising of the grades to the west of Cherry Street (the Quays) which releases those lands for development. Subsequently (or potentially concurrently), the second phase of flood works would include the construction of a sediment management area, a raised Don Roadway and a widening of Lake Shore Boulevard bridge and additional works to the north of Lake Shore Boulevard could proceed, which would then remove the flood risk from an extensive area to the east, stretching north to Eastern Avenue and as far east as Leslie Street. Finally, the central Lower Don Lands, between the Don Roadway and Cherry Street, would be flood protected with the construction of the new Don River course, its mouth exiting into the Inner Harbour utilising the existing Lafarge Slip. Such phasing enables flood protection to be constructed in affordable stages, in concert with development that can contribute to defraying the costs. Construction of the greenway, indicated as the first phase, is also the least expensive element of the flood protection strategy and will release valuable land for development that can contribute to the funding of subsequent phases.



Figure 2. 4Ws Preferred Realigned

The new plan permits further cost reductions from the previously preferred flood protection plan. For example, bridge lengths across the new Don River channel have been reduced and a bridge eliminated; and the modified configuration permits more efficient development parcels, reducing servicing requirements. Finally, the modified configuration of the Polson and Cousins Quay promontories has resulted in substantial savings. Collectively these improvements have reduced costs by over one hundred and thirty million dollars without impacting the quality of the plan.

The DMNP EA process was put on hold during the review. Subject to City Council direction, that process can now resume expeditiously, incorporating the minor amendments necessary to implement the elements of the modified plan.

2. The revised plan for the Port Lands provides generous public parks and open spaces and ensures that the water's edge is preserved for public use.

The review covered the entire area of the Port Lands beyond those lands directly required for flood protection works in order to address city building and open space strategies across the wider 356 hectares (880 acres) area. Figure 2 illustrates the new design concept for the Lower Don Lands portion of the Port Lands that emerged through the review process, an evolution from previous designs. The modified plan provides a framework for re-designing the open space area of the Port Lands to achieve excellence in the creation of naturalisation areas and parks and meets the ecological and other waterfront planning objectives established in the DMNP EA and the CWSP. The new framework responds to a number of concerns raised

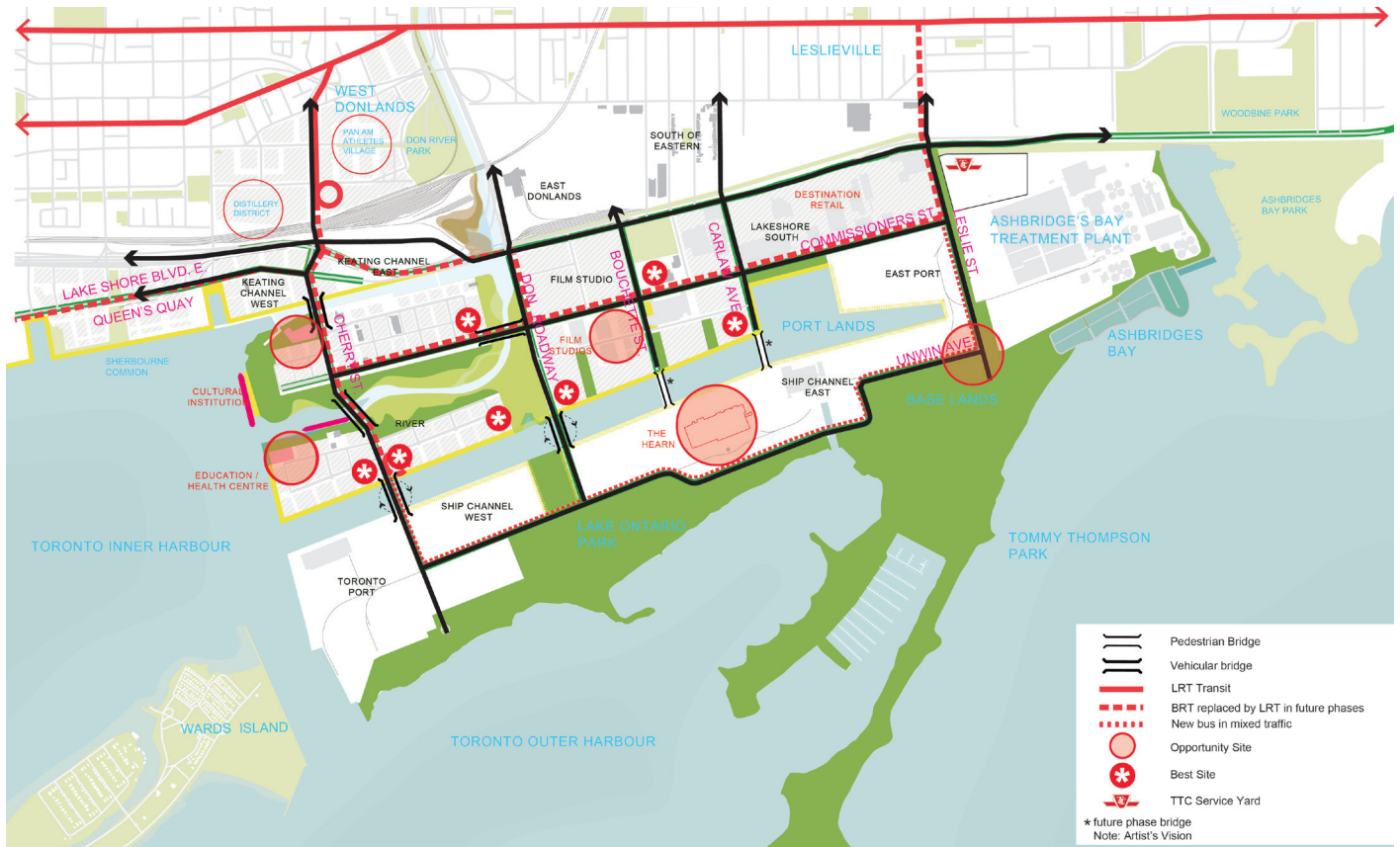


Figure 3. Overall Framework Plan



Figure 4. Open Space Network



Figure 5. Major Roads

since the earlier plan was developed. Both the Toronto Port Authority and various harbour users objected to the adverse impacts on navigation and the loss of important dock walls that would have resulted from the projection of Promontory Park into the Inner Harbour. The cement operations of Lafarge, owners of their property on the south side of Polson Slip, would also have had to be terminated by the previous river alignment.

These considerations, and the exploration of efficiencies in the river and greenway design, have allowed for a creative re-design of the overall open space system and its two primary elements, the river and the water's edge, while still meeting the long-established objectives for the Port Lands.

The area required for the naturalised flood plain is augmented by the provision of required park spaces for active recreational and community use, creating a large, consolidated block of

open space at the heart of the Port Lands around the river. This space offers rich opportunities for habitat creation and park design, their combination providing a sense of scale with both qualitative and functional advantages over the previous design.

The new plan ensures a generous and publicly accessible water's edge for the length of the waterfront. A major waterfront open space is being provided at Promontory Park, a central feature of the continuous and varied public spaces along the entire water's edge and comparable in scale to Don River Park, Withrow Park, and larger than Dufferin Grove Park. Moreover, the mouth of the river at Polson Slip offers a new design opportunity, complementing the open space design of the Keating Channel.



Figure 6. Major Transit



Figure 7. Key Precinct Opportunities



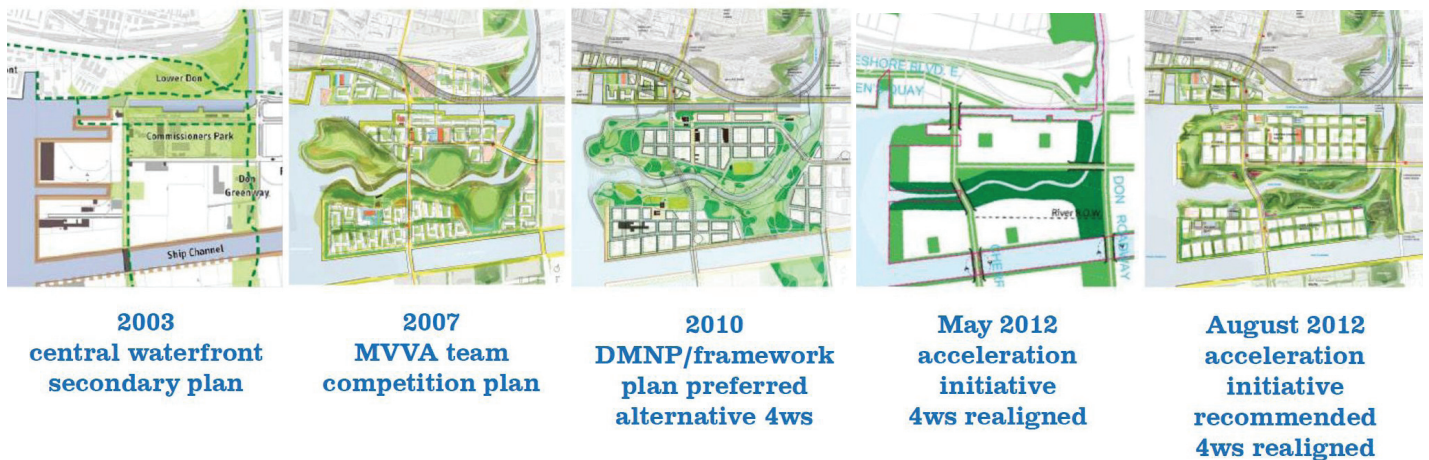
Figure 8. Precinct Plan

Parks and other spaces appropriate for active recreation will be located adjacent to new residential development areas. They will have a scale necessary to service the new local neighbourhoods and will also be enjoyed by the growing downtown population.

The current phasing strategy for the Port Lands suggests that the largely publicly-owned area between the Don Roadway and Cherry Street might be the last to develop, potentially providing a large area for major events such as a World’s Fair or Olympics, which could provide the impetus for the accelerated implementation of the new river course, and also offers great potential for appropriate interim active recreation and cultural uses.

The Port Lands is larger than just the areas involved in naturalisation and water’s edge creation. New directions for the wider district suggest significant open space features will be developed to the east of the Don Roadway, along the Ship Channel and on major streets like Leslie Street that connect the Port Lands to the wider city. The Port Lands also exist within a wider open space system; the role of Lake Ontario Park and the ecological and recreational connections up the Don Valley, as well as to the wider waterfront trail system, are a critical part of the open space design. As such, the phased implementation of Lake Ontario Park should parallel the progressive development of the Port Lands.

Figure 9. Evolution of Plans



3. The flood protection, naturalization and open space plan provides the framework for the creation of a great new waterfront district that can exemplify excellence in urban design and sustainability.

The development of new city districts within the Port Lands will continue to be governed by the provisions of the CWSP’s overall objectives for the revitalisation of the area, which are re-confirmed by this review and consistent with the proposed business and implementation strategy.

The new design direction for the completed Port Lands emerging from the review is illustrated in Figure 3. The proposed areas of open space and development, the public street and transit pattern, and the general intensity and mix of development will be defined in future, more detailed, precinct planning. The new plan is an evolution and extension of the

previous Lower Don Lands plan, maintaining a richness of ecological and open space design opportunities.

The Port Lands will become a new mixed-use area, with diverse precincts combining residential, employment, retail and port-related uses at an intensity appropriate to its central city location. It will provide housing for a full range of household types and a broad range of employment. It will be an exemplar in urban design and sustainability and will continue the standards of design excellence, quality and imagination of building and open space design already established for the Toronto waterfront. As the largest area of publicly owned development land remaining in the City, it will also meet the strategic needs of Toronto as a global city in providing premium waterfront locations for significant cultural, institutional and corporate facilities.



Figure 10. Green Corridors and Potential Activation Areas

The review developed several important directions for what constitutes the largest initiative in city building in Toronto in decades. The consolidation of the naturalisation and other open space areas to create a major central open space has significant beneficial impacts on surrounding real estate values. The design direction suggests that this city-scale open space be framed by development along single-loaded roads, much in the fashion of the great urban parks of New York or London, assuring public access and conveying great value on bordering properties. This major new city park, defined to the north by Commissioners Street, to the east by the Don Roadway, and to the south of the river by a new street, will become the central feature of the new Port Lands, which will benefit from the amenity and long views it establishes. New city districts are contemplated to the north and south of the central open space, with higher intensity development arranged along streets served by transit such as Cherry Street and Commissioners Street. The design also provides for potential greenway connections south of the Shipping Channel to Lake Ontario Park.

This design also provides greater prominence to the lands east of the Don Roadway, previously somewhat isolated from the central waterfront and the rest of the city. This area is envisaged as having a strong mix of employment uses, drawing on the catalytic effect of expanding Film Studio uses and on a stronger than anticipated potential demand for office and retail activity, uses that will require skillful precinct planning to meet wider planning and urban design objectives.

The Hearn Generating Station remains a considerable opportunity but also a complex one. The review confirmed the need for a flexible planning, land use and business strategy to facilitate the re-use of this remarkable structure.

Implementation of the new plan for the Port Lands will occur through necessary amendments to the CWSP and then through a phased process of precinct planning appropriately informed by private development interests.



Figure 11. Artist's impression of Commissioners Street

4. A phased, transit-supported development strategy is essential for a successful Port Lands, from a sustainability and development perspective.

The review re-confirmed that a phased, transit-supported development strategy is essential for a successful Port Lands, to meet sustainability goals and to help create the development value essential for a successful business plan. To a significant extent, transit will be the catalyst for development and City Council has endorsed a strategy that prioritizes waterfront transit investment within a discussion of the City-wide transit network. Initial transit service would most likely be provided by Bus Rapid Transit (BRT), i.e. buses running in separate, dedicated bus lanes, with routing dependent on the pattern of development over the long-term. As development and ridership increase, that system will evolve into Light Rail Transit (LRT) service along Cherry Street and Commissioners Street, connecting to the existing system on Leslie Street and across a new bridge over the Keating Channel at Cherry Street. The scheme has been progressively costed to assume that

there will be a transition from BRT to LRT sometime in the 20 to 30 year timetable as levels of development activity warrant.

5. The Port Lands a working port whose functions are essential for the operation of the City and should be maintained in place.

The review examined the appropriate future uses for all areas within the Port Lands. Many existing Port Lands uses are important for the successful functioning of the city and should be retained generally in place through the appropriate planning and property management policies. Much of the Port Lands to the south and east of the Ship Channel is used for bulk storage for sugar, salt and building materials. Several utility companies are based along Commissioners Street, along with logistics activities. These are important uses, essential to the functioning of the city, and many of these users take advantage of the water access provided by the port. The scale of the Port Lands and the projected level of demand suggest no immediate need for these lands to be redeveloped, and



Figure 12. Transit Network

no obvious, equivalently-sized alternative relocation sites exist in the urban area, so close to the downtown. The review confirmed the need for their continued use and operations for the foreseeable future. Indeed, the presence of continuing port-related industrial activity is part of the essential character of the Port Lands and can be creatively woven into its future.

6. There is strong market interest in the area and development interests are eager to proceed once flood protection, infrastructure, the planning framework and cost allocation issues are resolved.

A thorough analysis of the market in the Port Lands for all major land uses was undertaken, its findings tested through extensive outreach to local and selected international developers and investors, and then further refined through a peer review process. The conclusions of the market analysis, based on economic forecasting, demographic information and on market share within the GTA and the central downtown area, suggest a strong demand for residential, retail activity,

and good potential for Class A office demand, amounting to a total of approximately 16 million square feet over the next thirty years. The anticipated office demand is for 5 to 7 storey buildings, at a lower premium than downtown Class A space, which can be competitive with suburban office complexes, accommodating ICT, creative class expansion and downtown support activities. The primary demand identified was for residential development, although markets exist for office uses and for retail activity serving not only locally-generated demand but the wider urban region. Some hotel demand was also identified. There was little appetite for new industrial or related uses. The identified demand, if deployed at reasonable densities, would still only require approximately a quarter to a third of the development land inventory over the next twenty to thirty years. These findings confirm the strength of the market, the scale of the Port Lands opportunity, the necessity of prudent phasing and the length of time that can be expected for its full revitalisation.



Figure 13. Chiswick Park, London, UK

Despite the high level of interest in the Port Lands development from all sectors, no one interviewed was prepared to buy the entire site, even at a nominal cost, to proceed with significant development, in advance of both resolving the issues of flood protection, infrastructure investment, and associated cost and risk allocation, and establishing a clear planning framework to provide certainty about future development potential. The reality of site development costs and the lack of readily available public funds were well understood by the private sector, and they expressed interest in the ways they could most effectively contribute to both the delivery of enabling infrastructure and the development process. An important and universal message was also received from the development community: without good transit little development activity is likely to take place.

Developers, landowners and long-term tenants within the Port Lands expressed strong interest in advancing development and were eager to engage in a process in which precinct planning, phasing and timing, cost and other implementation issues could be discussed through the formation of landowners groups, leading to appropriate regulatory changes.

7. The new Port Lands plan permits phased development, allowing the site's considerable infrastructure costs potentially to be progressively offset by development revenues.

A review of the total costs of Port Lands development was undertaken to determine where cost efficiencies might be identified and to the extent possible to match the costs required to support development with the receipt of associated development-related revenues - a critical component of a viable business plan. The resulting phasing plan is described below and in Table 1 and Figure 14.

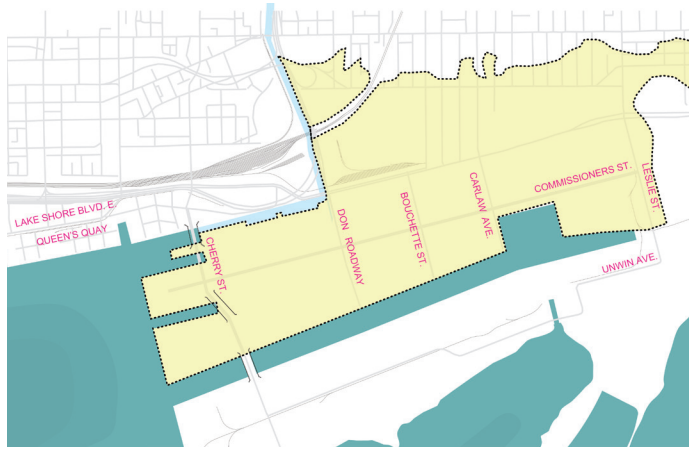
The review determined that some limited initial non-residential development in the Film Studio precinct may be possible prior to the implementation of area-wide flood protection

works, through site-by-site mitigation and by utilising some available capacity in existing infrastructure permitted under existing zoning and land lease arrangements. Large scale revitalisation across the entire port lands however requires the phased implementation of flood protection and the provision of substantial major and local infrastructure to replace what is in most cases, outdated or inadequate, having been designed for an industrial district. Figure 14 illustrates the flood protection phasing plan, the gradual reduction of areas subject to flooding and the corresponding release of additional development areas. Estimates were also prepared for local infrastructure costs required to enable development within development precincts. All flood protection, major and local infrastructure and transit costs were then phased in the order necessary to permit efficient and effective development.

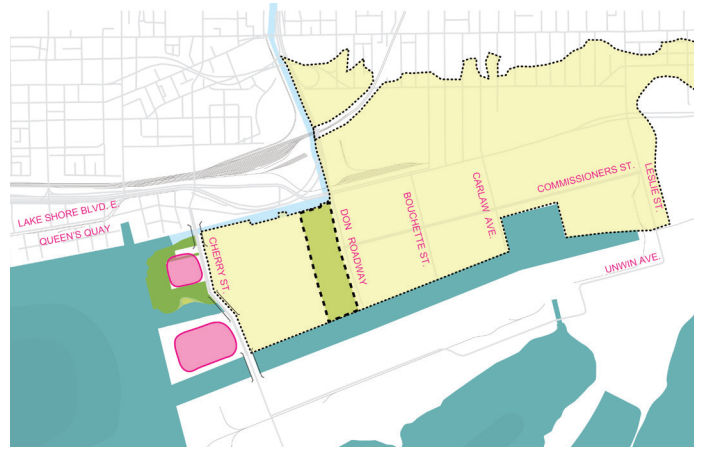
Phase 1 involves the construction of the greenway, which will permit development of lands to the west of Cherry Street. Transit service would be extended from the North Keating precinct across the Keating Channel on a new Cherry Street bridge, opening up the development potential of these lands. While still substantial, these costs are the least onerous of all the phases but yield considerable associated value potential on lands largely in public ownership. The budget also includes funds for the creation of Promontory Park.

Phase 2 involves the completion of the flood protection realised by the raising of the Don Roadway and the extension of flood protection north to the CPR tracks, the widening of the adjacent river channel, including the lengthening of the Lake Shore Boulevard Bridge, and the construction of the sediment management area. Once in place, these improvements provide flood protection to a very extensive area to the east of the Don Roadway in the Port Lands and to the South of Eastern district, opening up significant development potential inside the Port Lands and beyond to the north of Lake Shore Boulevard. The cost estimates for this phase allow for transit to be extended

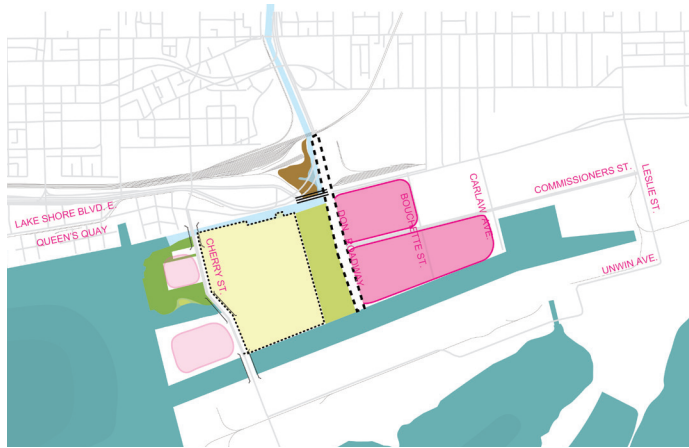
Figure 14. Phasing Plan



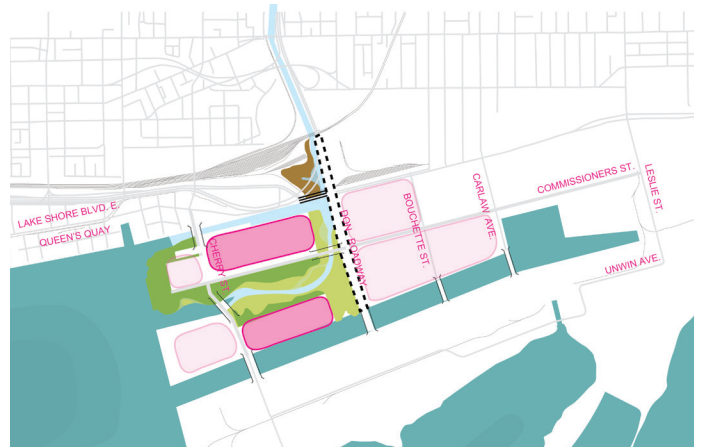
EXISTING



PHASE 1



PHASE 2



PHASE 3



PHASE 4

- Extent of Regulatory Flood
- Development areas released in particular phase
- Development areas released in previous phases

to the east and for substantial new infrastructure to be put in place, along with local and area parks and street and public realm improvements.

Phase 3 involves the construction of the new river course between the Keating Channel and Polson Slip as well as the provision of the required infrastructure, new parks and naturalisation areas. This improvement provides flood protection for the remaining development areas within the Lower Don Lands located around major new urban open space on the water's edge, the greenway and the new river channel.

Phases 4 and 5 involve the completion of the mouth of the river as it exits to the Inner Harbour. Construction of the north bank of the river mouth could proceed earlier, while the improvements of the south bank would be dependent on the availability of the site from Lafarge.

While improvement costs have been calculated for the entire Port Lands north of the Ship Channel, the market analysis indicated that the area has far greater capacity than required

to accommodate the identified demand for the next thirty years, and thus not all such costs need to be incurred at once. The development planning analysis, and associated financial modeling, indicated that Phases 1 and 2 can absorb the projected demand, leaving Phase 3 and south of the ship channel available for a subsequent generation of development. The actual timing of later phase development will of course be dependent on market strength, the success of early phases, the availability of external funding and other unpredictable events.

	Cousins & Polson Quays	Film Studio Precinct	Lower Don Lands	River Mouth Naturalization	Balance of PL North of Ship Channel	Total in 2012 \$ (\$Millions)
	Phase 1 (\$2012 Millions)	Phase 2 (\$2012 Millions)	Phase 3 (\$2012 Millions)	Phase 4 & 5 (\$2012 Millions)	(\$ Millions)	
Flood Protection	\$65	\$114	\$262	\$15	\$0	\$456
Major Infrastructure	\$267	\$226	\$178	\$0	\$72	\$743
Transit Infrastructure	\$26	\$82	\$70	\$0	\$20	\$198
Local Infrastructure*	\$89	\$194	\$200	\$0	\$20	\$503
Total Investment	\$447	\$616	\$710	\$15	\$112	\$1,900

*Local Infrastructure is generally paid for the developer

Table 1. Preliminary Phasing and Cost Summary

8. A long-term business case for proceeding with the Port Lands is supported by a mix of land revenues, development charges and other funding sources that will minimise if not eliminate required public funding.

Much of the review was focused on determining whether the business case for the development of the Port Lands could generate positive returns while minimising the amount of required public sector funding. Costs are substantial and potential revenues are spread out over a long period. The investigation involved a number of stages within which the level of private sector interest, conditions for their involvement and projected market demand were assessed. Area land values for different uses now and projected through the life of the project were determined. On this basis revenue streams could be derived for the period of development. These revenue streams were compared with the flood protection and other infrastructure investments necessary to enable that development.

Development of the site generates a number of potential revenue streams to the public sector, a complete menu of which were examined in detail. They include proceeds from land sales and increased returns on leased lands, city-wide development charges, area specific development charges, special improvement levies, rate based charges, Tax Increment Financing (TIF), allocation to other City-wide budgets and other funding and financing mechanisms.

Each of these public sector revenue sources was reviewed with respect to legalities, practicalities and policy implications, from which a potential business strategy has emerged. The strategy assumes that all proceeds from future land sales and land leases would be dedicated to Port Lands area investment. With respect to development charges, those costs, which are typically supported on the basis of City-wide budgeting, such as major road and utility infrastructure, or clearly provide benefit to an area larger than the Port Lands would be supported

Possible Revenue Sources	Peer Review Model
Land Sales	Increased value escalation
Area-specific Development Charge	Since offset, no change
City-wide Development Charge	Added
Local Improvement Charges	Should be considered
Area Rate (Property Tax Surcharge)	Should be considered
Transit Funding	Should be considered
Future Property Taxes	Required for City services
J/V development of City land	Use selectively
Section 37	Marginal application
General taxes (all orders of government)	If negative residual value

Table 2. Expanded Revenue Sources

by a city-wide development charge. Conversely, particular infrastructure investments, such as the implementation of flood protection measures, which only confers benefits to lands within the spill zone, would be supported by an area-specific development charge.

The financial modeling on which the review's conclusions are based assumed revenue streams only from public land proceeds and from City-wide and area-specific development charges to be paid by private developers. While thoroughly investigated, Tax Increment Financing (TIF) and similar mechanisms were not seen as productive for this scale of redevelopment as they would be very difficult to secure given the time periods and uncertainties of Port Lands development, they are more costly than conventional municipal borrowing, and they essentially pledge future tax revenues that will be required to provide the civic services to support the Port Lands population.

Other funding and financing mechanisms will continue to be explored, such as the allocation of certain costs to City-wide rates, or of transit costs to a larger City-wide transit strategy. Section 37 proceeds may be available for specific improvements within individual development projects within a consistent overall planning framework for the CWSP. Furthermore, opportunities for funding from other levels of government or philanthropic bodies cannot be discounted over the course of the project.

Numerous scenarios were tested involving different combinations of precincts, development timetables, phasing and revenue streams to determine the optimal development scenario. Analyses were undertaken for 20 and 30 year development periods and for the intervening years. For comparison purposes, these financial scenarios were brought back to present values to determine whether a prudent 'master developer' would incur a positive or negative cash



Figure 15. Artist's impression of Promontory Park

flow at the end of the development period, operating under standard real estate market assumptions and conditions.

The results of models such as these, extending over long time periods, covering large land areas with complex development programs, and involving numerous data, analytical and technical assumptions and substantial known and unknown risks, cannot accurately predict how development will actually unfold. Nonetheless, the initial results provided some level of assurance that the gap between costs and revenues is not insurmountable under an optimal scenario. These results were then subjected to a peer review to examine the reasonableness of the input data and the workings of the model. While this review confirmed the fundamental soundness of the initial analysis, it did suggest that the modeling might have been somewhat conservative with respect to certain assumptions, specifically the discount rate employed, the degree of residential price inflation and the overall level of residential and retail demand. All of these factors tend to improve the conclusions of the financial analysis in favour of the 'master developer', generating a more positive cash-flow and confirming the conclusion that development of the Port Lands, with a proper financial structure, could be a viable project without major public sector investment.

A strategy for financing the initial ten years of development, during which very substantial cost outlays must be made in advance of revenue streams, remains the most difficult task. Detailed work remains to be done to determine the level of infrastructure financing and cost-sharing that can be secured from private sector land owners and developers in the Port Lands, and appropriate groups need to be formed to provide certainty on these matters as a basis for proceeding. Such groups would be most appropriately formed on a precinct-by-precinct basis, since the underlying land ownership patterns and development opportunities of each of the priority precincts are quite different. Clear evidence of and commitment by the

private sector to ongoing cost-sharing at the scale required is the essential pre-condition to any progress in Port Lands development.

9. The Port Lands can play an important role in the future of Toronto as a global city.

The Port Lands is by far the largest, best located developable land area in the City, and is substantially in public ownership. Few, if any, global cities have a comparable resource to create a large-scale, complete and sustainable community with a generous range of living, working and recreational activities. The review therefore examined the Port Lands opportunity in the context of the experience of other global waterfronts and asked what strategic role this significant resource should play in Toronto's future. North American examples such as New York's Hudson Yards and San Francisco's Mission Bay, European examples such as Hamburg's HafenCity and Stockholm's Hammarby Sjöstad, and other world waterfronts were researched with respect to the key issues raised by the Port Lands – scale, financing techniques, catalytic projects, implementation tools, public and private roles, and governance.

Every city is different, each with a unique site, economy and culture, but the similarities are nonetheless striking. The primary motivation for waterfront development is typically a combination of the desire to provide public access to a formerly industrial water's edge and the ambition to use development to re-image and re-position the City in the global economy. Each site wrestled with the need to have both a long-term guiding vision and the flexibility to proceed in phases and respond to unique opportunities. They all labour under the same financial challenge of funding the necessary site improvements required before development and its associated revenues can be realised.



Figure 16. Hammarby Sjöstad, Stockholm, Sweden



Figure 17. Hafencity, Hamburg, Germany

Part of the unique skill in waterfront development is in 'making the market' where none previously existed. The dramatic investment in Bilbao's Guggenheim Museum transformed the perception of that city's riverfront as a place for private investment. Development of San Francisco's Mission Bay project, a project closely comparable to the Port Lands, languished until the critical mass of a campus of the University of California San Francisco and associated research and development space created a credible market context. Indeed, similar lessons have been learned from Toronto's waterfront experience: the development of the Corus Building and the new George Brown College created the confidence for strong private sector bidding for other areas of East Bayfront.

Global events such as a World's Fair or Olympics have been used in London, Vancouver, Barcelona and Sydney to 'jump start' both infrastructure and housing demand, just as the Pan-Am Village has allowed a 'leap-forward' in the development of the West Don Lands in Toronto. The London 2012 Olympics have fostered the ecological renewal of the Lower Lea Valley, a formerly derelict area with many similarities to the Port Lands, enabling infrastructure and transit funding and stimulating substantial private investment.

Successful waterfront precedents, by skillfully promoting major transformative projects, have generally managed to ensure demand is projected to the upper level of the estimates or beyond. The review examined the most likely and opportune transformative projects that could be pursued in the Toronto waterfront.

Toronto, uniquely among North American cities, has been steadily advancing its status as a global city, helped both by the resilience of the Canadian economy and by significant recent city building investments such as Toronto Pearson International Airport, the many new and re-invented cultural buildings, university expansions, hospital upgrading and related research space, expanding global financial hub, and

indeed by the ongoing improvement of the city's waterfront. There is every reason to feel confident about its continued global success, a dynamic which will both attract and self-generate new head offices, cultural buildings, research and development facilities, universities and the like that can take appropriate advantage of the best sites on the waterfront. The Port Lands must play an important role as a home for the expansion of the ever growing knowledge economy, as well as cultural, tourism and quality of life investments.

The sites along Cousins and Polsons Quays, around the new river channel and central park and along the Ship Channel rank among some of the most dramatic locations of any waterfront in the world and will be highly sought after properties. Transformative projects will also provoke the market enhancement typically found in comparable big city waterfronts, increasing the value of the public real estate asset in the Port Lands. Future land use planning will identify and reserve these key sites for such activities concurrently with a proactive economic development strategy that will identify the potential users and/or events.

The review also identified an opportunity to create a new office district in the Port Lands, which could be of significant size and employment population and would add to Toronto's strategic offer. The space needed to support the rapidly growing core and the employment activities traditionally associated with suburban locations can be more competitively, efficiently and attractively located here, within easy distance of a dynamic central city residential and employment population. The film studio district is already established and shows potential for expansion. Transit service will however, be an essential precondition for such development.

10. The development of the Port Lands is a major opportunity for Toronto that can now be successfully realised.

The review provided a basis on which development of the Port Lands can proceed despite its many challenges. The realities of its cost and other difficulties can only be overcome by attracting private investment of the scale and duration necessary to overcome these challenges. If public monies are available to the Port Lands in these constrained budgetary times, they will likely only be as an accompaniment to major private investment commitments. The City and Province have numerous competing requirements for major transit and other infrastructure investments, and any case for public investment in the Port Lands will have to be strongly advanced with demonstrable pay-backs in terms of tax revenues, job creation and economic growth, in addition to flood protection

and environmental benefits. Without significant investment, the current pattern of low intensity industrial development will likely continue, with continued pressure for one-off retail commercial redevelopment. A financial strategy that encourages private sector development coupled with the municipal funding tools previously described and a minimised level of public sector investment should be able to fund the flood protection, open spaces, public access and community facilities that all parties involved would like to see in the Port Lands.

Few other world cities have such an opportunity. The scale and location of the Port Lands are such that they can accommodate effectively a new waterfront city within a city. The new parks, open spaces and ecologically-innovative new river will fill the missing gap in the full extent of the waterfront.



Figure 18. Artist's impression of Trinity Street Bridge

The Port Lands will have a unique mix of operating port functions, new employment clusters and a series of distinctive new mixed-use neighbourhoods, a district at the same time local and international, with new cultural and institutional buildings framing the Inner Harbour. The strategy emerging from the review suggests new partnerships between public and private sectors that can realise what will become a new area of the city poised to play a significant role in its future success and a major asset for its citizens. The consequence for the Port Lands of doing nothing will be the continuation of low density, uncoordinated development and the loss of a unique strategic opportunity.

Next Steps

The Port Lands review summarised in these findings represents a critical point in the evolution of an environmental, planning, development and financing strategy for this important waterfront asset. Many detailed actions flow from these conclusions and are set out in the accompanying reports to City Council. The key actions can be summarised as follows:

- Endorsement by City Council of the environmental, planning, development and financing directions emerging from the review;
- Preparation and submission of an amended Environmental Assessment to the Ontario Ministry of the Environment and development of a phasing and regulatory framework for its implementation;
- Preparation of necessary amendments to the Central Waterfront Secondary Plan and management of planning and permit approvals by the City, Waterfront Toronto and the TRCA to ensure that the proposed new river course and associated wet lands and indicated park areas are preserved from encroachment;
- Further analysis by the City of the applicability of various funding techniques including area-specific development charges, City-wide rate charges and improvement levies, as well as the possible inclusion of Port Lands transit costs in an overall City-wide funding strategy;
- Formation of land-owner and major tenant groups to determine the basis and appropriate charges for a cost-sharing agreement for Port Lands site preparation;
- Subject to the endorsement of a detailed business and development plan, commencement of detailed precinct planning in priority precincts; and,
- Continuation of the publicly accessible process that has characterised previous stages of Port Lands planning and development activity.

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