



STAFF REPORT ACTION REQUIRED

Toronto Port Lands Company – Revitalization Opportunities for the Port Lands – Supplementary Report

Date:	September 21, 2011
To:	City Council
From:	City Manager
Wards:	Ward 28 Toronto-Centre Rosedale & Ward 30 Toronto-Danforth
Reference Number:	

SUMMARY

This supplementary report provides revised recommendations for the August 22, 2011 staff report titled "Toronto Port Lands Company – Revitalization Opportunities for the Port Lands" in response to the September 6, 2011 meeting of the Executive Committee.

To assist in moving forward with the revitalization of the Port Lands, the City Manager has developed a protocol that will provide a framework for collaboration between agencies responsible for the Port Lands: City of Toronto, Waterfront Toronto, Toronto Port Lands Company (TPLC), and the Toronto and Region Conservation Authority (TRCA). This protocol incorporates two pieces of work the City views as vital to the review of the Port Lands: (i) a further examination of the Don Mouth Environmental Assessment, (ii) the completion of the economic analysis and business and implementation plan, and if necessary incorporates a review of the planning framework to assess whether any changes will be required.

The protocol will establish clear roles for each agency. It is anticipated that the protocol will expedite the review process while balancing redevelopment and community interests and ensuring a robust and comprehensive public consultation process.

The City will become a co-proponent with Waterfront Toronto and TRCA on the Don Mouth Environmental Assessment to enhance the protection of City interests. In order to ensure that all agencies are providing their best efforts to assist with the review, staff is no longer recommending that notice be provided under the Memorandum of Understanding ("MOU") between the City, Waterfront Toronto and TPLC and that the review process continue under the current terms and conditions of the MOU.

All agencies have reviewed and endorsed the protocol.

RECOMMENDATIONS

The City Manager recommends City Council delete Executive Committee recommendations 1 to 5 and 8 and replace as follows:

1. City Council endorse the protocol for the revitalization of the Port Lands substantially in the form attached as Attachment 2 and authorize the City Manager to execute the protocol on behalf of the City;
2. City Council request the City Manager to report as soon as possible and no later than the January 3, 2012 Executive Committee meeting on the anticipated costs of completing the review of the Port Lands for 2012 and beyond and also include Waterfront Toronto's costing of the Don Mouth Environmental Assessment Refined List of Alternatives, including flood protection, soil remediation, infrastructure improvements and other matters related to the cost of implementation; and
3. City Council request the City Manager to prepare and submit a report to the Executive Committee within six to eight months on the business and implementation plan and related progress to date.

Financial Impact

The review of issues related to the waterfront and Port Lands will be accommodated with existing 2011 resources. The scope of work proposed by the protocol for 2012 will require the retention of consulting services and staff will report back on appropriate funding sources.

Staff is recommending that the City Manager report back as soon as possible and no later than the January 3, 2012 Executive Committee meeting on anticipated costs for 2012 and beyond.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

BACKGROUND

On September 6, 2011, the Executive Committee endorsed the staff report dated August 22, 2011 and provided additional recommendations (Attachment 1 includes all recommendations). The Executive Committee requested Waterfront Toronto to report back to the September 21 and 22, 2011 City Council meeting on the costs of the Don Mouth Environmental Assessment Refined List of Alternatives, including flood protection, soil remediation, infrastructure improvements and other matters related to the cost of implementation. This will be reported to Executive Committee and City Council no later than January 2012, together with a report on anticipated costs.

A link to the report is provided below:

<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-40318.pdf>

COMMENTS

In response to the discussion and recommendations put forward by the Executive Committee, the City Manager asked staff to have further discussions with all parties. The result is the attached protocol (Attachment 2) that assigns roles and responsibilities for each organization involved in the revitalization of the Port Lands. This protocol acknowledges the substantial set of skills, background and credibility that each organization provides which is essential to implement any plan for the Port Lands. The protocol has been agreed to in principle by all parties and is subject to City Council approval.

The protocol incorporates two pieces of work the city views as vital to the review of the Port Lands: (i) a further examination of the Don Mouth EA, (ii) the completion of the economic analysis and business and implementation plan, and if necessary incorporates a review of the planning framework to assess whether any changes will be required.

The protocol proposes that the City become an additional co-proponent with Waterfront Toronto and TRCA on the Don Mouth EA. This is to ensure that any revision to the EA is subject to a robust and comprehensive public consultation process and that all City issues and concerns are addressed prior to considering any alternatives.

The protocol establishes clear roles for the City, Waterfront Toronto, TRCA and TPLC. A detailed description of each party's roles and responsibilities and the overall objectives of the protocol is included in Attachment 2.

The review of the Port Lands will continue under the existing MOU and governance model. Upon completion of the review, staff will recommend whether any changes to the MOU or governance model are required to implement future development activity in the Port Lands.

Recommendations 6 and 7 from the Executive Committee meeting on September 6, 2011 still apply with this recommended approach. These recommendations include: directing an open and transparent public consultation program and a report back to the October 3, 2011 Executive Committee on any actions required to ensure that any development north of the Keating Channel is not delayed.

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SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Attachment 1 – Recommendations from Executive Committee

Attachment 2 – Outline of Protocol for Moving Forward

Attachment 1 – Recommendations from Executive Committee

The Executive Committee recommends that:

1. City Council direct the City Manager to:
 - a. Provide notice under the Memorandum of Understanding ("MOU") dated March 31, 2006 substantially in the form attached as Attachment 1 and enter into discussions with Waterfront Toronto, and the Provincial and Federal governments to review the revitalization delivery model for the Port Lands under the MOU;
 - b. Enter into discussions with Waterfront Toronto and the Toronto and Region Conservation Authority to re-evaluate the delivery of flood protection; and
 - c. Direct appropriate staff to pause any further actions that implement the Lower Don Lands framework as they relate to the Port Lands including any on-going Ontario Municipal Board processes.
2. City Council adopt the following as a resolution of the shareholder of Toronto Port Lands Company (TPLC):
 - a. Pursuant to paragraph 4.1 of the Shareholder Direction to TPLC dated November 13, 2008, the Board of Directors will be composed of 9 Directors comprised of 2 members of City Council, 5 citizens, and 2 members of City staff;
 - b. Council members will be nominated for appointment to the Board on the recommendation of the Striking Committee;
 - c. Citizen members will be nominated for appointment to the Board by recommendation of the Corporations Nomination Panel established by the Mayor; and
 - d. City staff members will be nominated for appointment to the Board by the Corporations Nominating Panel, upon receipt of recommendations made to the Panel by the City Manager.
3. City Council direct the Nominating Panel and the Striking Committee to provide their recommendations to enable the replacement Board of Directors to be appointed as soon as possible.
4. City Council direct the City Manager, in consultation with the Deputy City Manager responsible for the Waterfront Initiative, appropriate City staff and the new Board of TPLC, to review the Shareholder Direction for TPLC to recommend to Council the appropriate amendments to implement a revision to TPLC's mandate to:

- a. Be the lead agency for the revitalization of the Port Lands;
 - b. Pursue modifications of the Don Mouth Environmental Assessment; and
 - c. Secure private sector and other opportunities for the provision of flood protection and infrastructure improvements in the Port Lands and to bring forward amendments as soon as possible for approval by City Council.
5. City Council authorize, as part of the transition to the new Board, the current Board and staff of TPLC to undertake discussions and studies, within the current financial resources of TPLC, to enable the new Board to more quickly assess strategic and business options and to prepare and submit a business plan to City Council within six months that includes the identification of economic incentive tools for the revitalization of the Port Lands.
 6. City Council direct the City Manager to request that the Toronto and Region Conservation Authority, City staff and the Toronto Port Lands Company ensure an open and transparent public participation program for the review of the Don Mouth Environmental Assessment and the TPLC Port Lands Revitalization Business Plan.
 7. City Council request the Chief Planner and Executive Director, City Planning to report to the Executive Committee on October 3, 2011, on any actions required to ensure that development to the north of the Keating Channel is not delayed by the actions set out in the report (August 22, 2011) from the City.
 8. City Council request the City Manager to report to the Executive Committee on November 1, 2011, on the progress being made in the creation and execution of the Toronto Port Lands Company's proposed business plan.

Decision Advice and Other Information

The Executive Committee requested Waterfront Toronto to provide information to City Council, at its meeting on September 21, 2011, on the costs of the Don Mouth Environmental Assessment Refined List of Alternatives, including flood protection, soil remediation, infrastructure improvements and other matters related to the cost of implementation.

Attachment 2 – Outline of Protocol for Moving Forward

Approach Summary:

A Memorandum of Understanding ("MOU") between the City, Waterfront Toronto, and TPLC was executed March 31, 2006. This review of the Port Lands will be conducted within the terms of the MOU and will respect the existing governance model and roles including the relationship with the Provincial and Federal government partners.

All parties agree that:

- The Port Lands represent a unique opportunity for Toronto to create one of the world's great waterfronts
- They are open to looking at new ideas for development and opportunities to accelerate progress.

The MOU gives Waterfront Toronto the lead revitalization role in the Port Lands and outlines timeline expectations for Port Lands revitalization. Going forward Waterfront Toronto in conjunction with City of Toronto will review revitalization opportunities for the Port Lands and will look at opportunities to accelerate that time line.

To carry out this work, all parties involved will:

- ensure a robust and comprehensive public consultation process that is consistent with the standard and expectation set in the Designated Waterfront Area.
- further examine the options for the Don Mouth Environmental Assessment ("EA") and the Lower Don Lands to ensure that the plan, or any options to the plan, are accurately costed, funded and consistent with the Terms of Reference for the Don Mouth EA and look at other possible economic models.

Main Points:

1. Any review of the plans for the Port Lands will be a significant undertaking that requires the cooperation and collaboration of the City of Toronto, Waterfront Toronto, TPLC and TRCA. Each organization brings a substantial set of skills, background and credibility to the discussion that is essential to expedite the implementation of any plan for the Port Lands. Parties will participate in the review in good faith and work cooperatively to ensure the full potential of these waterfront lands is realized.
2. This review will look at two things:
 - The current EA and

- The economic model for development of the Port Lands including city-building objectives.

This will be done while recognizing financial constraints of the three orders of government and the basic objectives of the EA.

3. The TRCA, the City and Waterfront Toronto as co-proponents, with input from TPLC will undertake a re-examination of the EA. The EA re-examination will be informed by costing and economic analysis from the business and implementation plan referred to in Number 5 below. This analysis will use the existing adopted plans for the Lower Don Lands (Council endorsed/acceptance of Lower Don Lands Framework Plan, Don River Mouth EA Preferred Option, Lower Don Lands Infrastructure EA, West Keating Precinct Infrastructure EA, Council adopted Official Plan amendments 388 & 389 and the West Keating Precinct Plan Zoning By-law amendment) as a reference point for the economic analysis.
4. Consistent with the MOU and the protocol established herein, Waterfront Toronto will lead and coordinate all public consultation for the review of the Don Mouth EA and Lower Don Lands plan to ensure that public consultation is provided at a standard consistent with the EA Terms of Reference and consistent with the standard and expectation in the Designated Waterfront Area. Public consultation shall consider formats that were previously utilized (facilitation, working groups, sub-committees, etc.) and others as available. Waterfront Toronto will collaborate with the City and the TRCA in carrying out the consultations.
5. Consistent with the MOU, Waterfront Toronto in cooperation with the City will develop a business plan for the Port Lands with input from TPLC. This plan will be peer reviewed by an independent third party. The analysis will include a review of the development model, financial incentives and tools that could be used for the development of the Port Lands (TIF, TIGs, Development Charges, CIPs, etc.), and financing mechanisms (public and private) that are designed to offset the cost to the City of infrastructure requirements. Waterfront Toronto is preparing a Lower Don Lands business and implementation plan which will be input into the overall Port Lands business and implementation plan. The plan will include an analysis and recommendations of transportation options including the necessary transit infrastructure to accommodate the overall Port Lands business and implementation plan.
6. The Port Lands business and implementation plan will include:
 - a comprehensive public consultation process that is consistent with the standard and expectation in the Designated Waterfront Area;
 - an analysis of alternative financial scenarios to determine whether additional density and/or mix of uses and other factors and revenue sources can provide a financial return to offset the costs of development in the Port Lands;

- the existing adopted plans for the Lower Don Lands (Council endorsed/acceptance of Lower Don Lands Framework Plan, Don River Mouth EA Preferred Option, Lower Don Lands Infrastructure EA, West Keating Precinct Infrastructure EA, Council adopted Official Plan amendments 388 & 389 and the West Keating Precinct Plan Zoning By-law amendment) will be used as a base line in the financial analysis of the impacts of any additional density and/or mix of uses for the remainder of the Port Lands;
 - a review of other development models (i.e. making land available through RFI/RFP processes etc);
 - mechanisms for minimizing the City's obligation to fund the development of the Port Lands.
7. As the City and Waterfront Toronto work towards the completion of the Port Lands business and implementation plan, the City will undertake a review of the Port Lands planning framework to assess whether any changes will be necessary.

Process:

1. The City, Waterfront Toronto and the TRCA will establish an Executive Steering Committee to guide the review, with input from TPLC consistent with the roles established in this protocol and the MOU.
2. This protocol will ensure that the best resources are utilized from each party in order to expedite planning and development and ensure best efforts of all parties to develop the shortest time line possible while meeting all legislative requirements and public processes.
3. Any previously proposed TPLC governance enhancements are deferred as part of this re-examination. Similarly, any re-negotiation of the City/WT/TPLC MOU is also deferred.

Roles:

Role of City:

- To work in partnership with Waterfront Toronto to accelerate timelines and develop the business plan for the Port Lands;
- To act as a co-ordinating body with all agencies representing City interests;
- To be a co-proponent of the EA with TRCA and Waterfront Toronto;

- To coordinate with City Divisions and all agencies the review of the EA and economic analysis related to the EA, evaluate the EA options; and
- To author all staff reports to City Council (May/June 2012) on the results of the review with recommendations for moving forward with development of the Port Lands.

Role of Waterfront Toronto:

- To work in partnership with the City to accelerate timelines and to develop the business plan for the Port Lands;
- To lead the review process, in conjunction with the City, consistent with the MOU and the protocol established herein;
- To be a co-proponent of the EA with TRCA and the City;
- To lead the consultation process consistent with the MOU and the protocol established herein and to coordinate those efforts with the TRCA and the City;
- To provide expertise and information throughout this review and provide input into the TPLC work; and
- To continue to implement the approved plan for the Central Waterfront, East Bayfront and the West Don Lands mandate with the support of the City.

Role of TPLC:

- To provide the EA proponents input into an economic analysis of the current Lower Don Lands Plan and the Don Mouth EA; and
- To provide input into the Port Lands business and implementation plan including the development model.

Role of TRCA:

- To be a co-proponent of the EA with City and Waterfront Toronto; and
- To work with the City and Waterfront Toronto through the re-examination of the EA and provide expertise and information throughout.

CITY OF TORONTO

WATERFRONT TORONTO

Joseph P. Pennachetti
City Manager

John Campbell
President & CEO

TORONTO PORT LANDS COMPANY

TORONTO AND REGION
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