

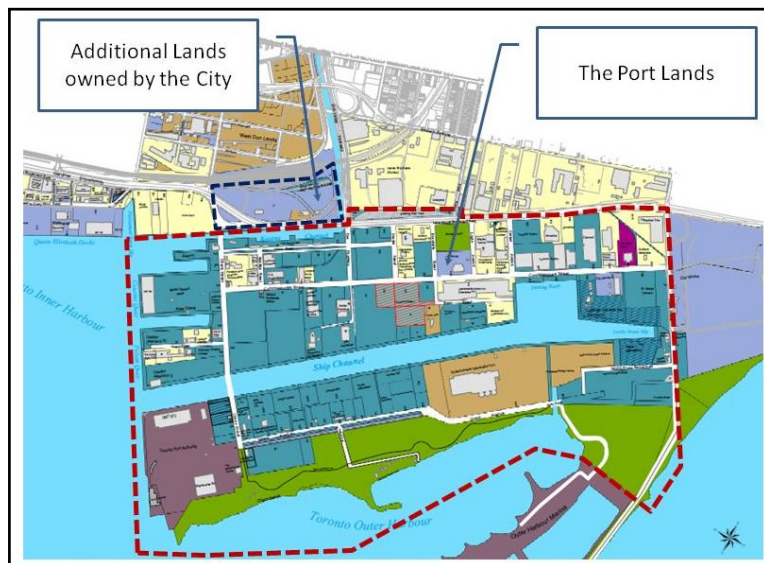
## Port Lands Acceleration Initiative – Update and Summary of Anticipated Costs and Funding Sources

<b>Date:</b>	January 11, 2012
<b>To:</b>	Executive Committee
<b>From:</b>	Deputy City Manager, Cluster B
<b>Wards:</b>	Ward 28 Toronto-Centre Rosedale, Ward 30 Toronto-Danforth Ward 32 Beaches-East York
<b>Reference Number:</b>	P:\2012\Cluster B\WF\ex12001

### SUMMARY

The purpose of this report is to provide an update on the Port Lands Acceleration Initiative (PLAI) and to report on the anticipated costs of completing the review of the Port Lands for 2012 as directed by City Council at its meeting on September 21 and 22, 2011.

The area subject to the Port Lands Acceleration Initiative is defined as the Keating Channel/Lake Shore Boulevard East to the north, the Inner Harbour to the west, the Outer Harbour to the south, and Leslie Street to the east. City-owned lands located at 480 Lake Shore Boulevard East will also be considered as part of this review process.



## **Financial Impact**

There are no additional financial implications resulting from this report other than what has already been committed to Waterfront Toronto.

The Port Lands Acceleration Initiative is being accommodated with existing city staff resources. Expected costs to complete the review of the Port Lands Acceleration Initiative by June 2012 include: consulting contracts (\$825,000), project expenses (\$510,000), and un-awarded contracts (\$250,000) for an anticipated total cost of \$1,575,000. Waterfront Toronto, through the Waterfront Revitalization Project Long Term Funding Plan, has secured funding of \$1.6 million for the retention of consultants to assist with the review, and therefore there are no financial impacts on the City other than what has already been committed to Waterfront Toronto.

As the total project costs for the Port Lands Acceleration Initiative are unknown at this moment, any additional costs for work beyond June 2012 will be identified in the future staff report. This is discussed further in this report.

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

## **DECISION HISTORY**

On September 21 and 22, 2011, City Council adopted a supplementary report dated September 21, 2011. A link to this report is below:

<http://www.toronto.ca/legdocs/mmis/2011/cc/bgrd/backgroundfile-41080.pdf>

In adopting the report City Council:

- Endorsed a protocol for the revitalization of the Port Lands;
- Requested staff to report no later than the January 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
- Requested the City Manager to submit a report to Executive Committee within six to eight months on the business and implementation plan and related progress to date.

This report is in response to the City Council request for information on the costs of completing the review. The report does not include details on the costing of the Don Mouth Environmental Assessment Refined List of Alternatives, since the request for this information related to the pre-September 2011 work. Further review of the Don Mouth

Environmental Assessment is a key component to the on-going initiative and updated information will be included in the next report to Executive Committee.

## ISSUE BACKGROUND

On September 21 and 22, 2011, City Council endorsed a protocol for the revitalization of the Port Lands. This protocol provides a framework for collaboration between agencies responsible for the Port Lands, namely: the City of Toronto, Waterfront Toronto, the Toronto and Region Conservation Authority (TRCA), and the Toronto Port Lands Company (TPLC). This protocol incorporates two pieces of work that the City views as vital to the review of the Port Lands: (i) a further examination of the Don Mouth Environmental Assessment, and (ii) the completion of an economic analysis and business and implementation plan. The protocol also establishes key roles for each agency. It is anticipated that the protocol will expedite the review process for the Port Lands while balancing redevelopment and community interests and ensuring a robust and comprehensive public consultation process.

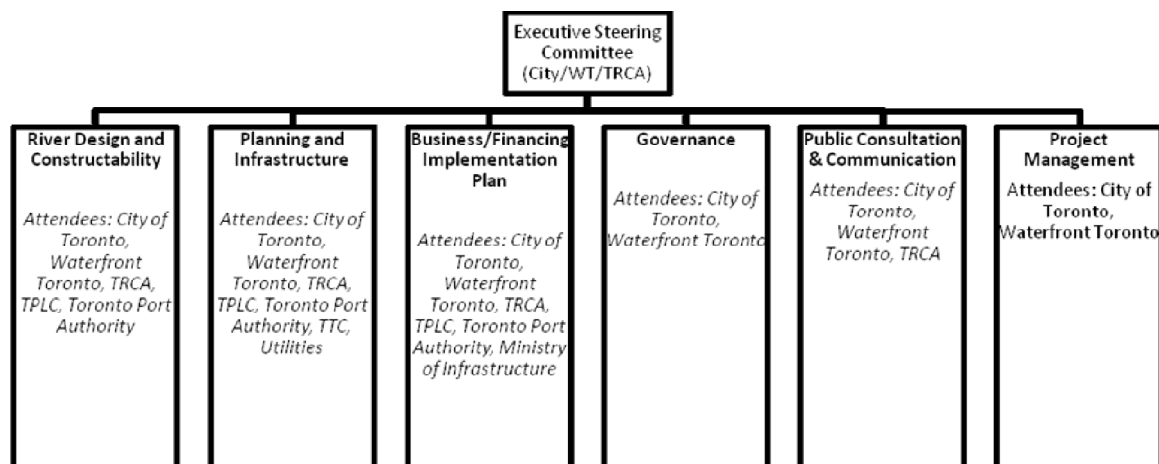
## COMMENTS

A summary of the organization, community consultation to date and anticipated costs of the Port Lands Acceleration Initiative is below.

### Project Organization:

An organizational framework for the project was established by the City and Waterfront Toronto in October 2011. An Executive Steering Committee co-chaired by the Deputy City Manager for Cluster B and the CEO of Waterfront Toronto provides oversight for 6 sub-committees that focus on different aspects of the project. These sub-committees are outlined in the chart below:

### Port Lands Acceleration Initiative Project Team Organization



PLAI Sub-Committees effective January 2012

These groups have been meeting on a bi-weekly basis. The structure of these groups will be further refined as the project progresses.

Work completed by the sub-committees includes: defining the scope of work for consulting services RFPs issued by Waterfront Toronto on behalf of the project, providing background information on the project area, and identifying key issues to be examined as part of the review. It is anticipated that most of the consultant work will be concluded by the end of April 2012 in anticipation of City staff reporting to the June 2012 Executive Committee meeting.

#### Community Consultation:

On December 12, 2011, the City and Waterfront Toronto held the first public consultation meeting on the Port Lands Acceleration Initiative to provide an overview of the project and solicit initial feedback from the community and stakeholders. The meeting was held at the Toronto Reference Library and was attended by approximately 575 people from across the city. The meeting was also broadcast via the internet with approximately 75 people viewing and providing feedback through an interactive webcast. Initial feedback on the project was strong and will be posted to the project website in mid-January 2012. It is anticipated that further consultation will occur between January and April 2012.

A project website will be launched in January 2012 at the following address:  
<http://www.portlandsconsultation.ca/>

#### Project Budget:

As Executive Steering Committee partners, the City, TRCA and Waterfront Toronto are working collaboratively to determine the need for outside expertise, drafting Requests for Proposals, evaluating RFP submissions and managing the work program. Waterfront Toronto is the coordinating body for the procurement process with input from the City and TRCA. Consulting services that have been retained include: development and economic analysis, market sounding, legal advice for environmental assessment matters, and public consultation. In addition, existing consultants with expertise related to the Lower Don Lands and Don Mouth EA will be utilized when necessary. Additional consulting services related to heavy civil costing for flood protection and infrastructure engineering, planning and visualization are under review.

The scope of work to be undertaken by outside consultants is required to fully understand the constraints and opportunities of development in the Port Lands. The work is intended to outline a development program that is financially feasible and consistent with City Council's direction. To date, much of the consulting work within the Port Lands has focused on land use planning for the Lower Don Lands and Don Mouth flood protection. The Port Lands Acceleration Initiative's focus now includes the entire Port Lands which

requires the City and its partners to analyze a broad range of issues in order to determine a critical path for moving forward with development in the entire Port Lands. The proposed scope of work is consistent with the protocol that was endorsed by City Council in September 2011 and agreed to by the City, Waterfront Toronto, TRCA and TPLC.

The anticipated cost to complete the report for the June 2012 City Council meeting is \$1.6 million. This amount does not include staff time provided by each of the agencies participating in the project (with the exception of TRCA). Waterfront Toronto has confirmed that they are able to fund this amount and that any costs to the City are not beyond existing City financial commitments. As the total project costs for the Port Lands Acceleration Initiative are as of yet unknown, any additional costs for work beyond June 2012 will be identified in a future staff report.

#### Summary of Retained Consulting Services and Costs:

This chart summarizes confirmed and anticipated consulting services retained by Waterfront Toronto and costs as part of the work program for the Port Lands Acceleration Initiative. Significant contracts and scopes of work include the Development/Economic Analysis and Financial Advisory (\$425,000) and Optimization of Don Mouth Naturalization and Flood Protection EA Options (\$450,000). These two items are key objectives of the Port Lands Protocol endorsed by City Council on September 21, 2011.

<b>Required Service:</b>	<b>General Scope of Work:</b>	<b>Budget:</b>
<i>New Awarded Contracts:</i>		
Development / Economic Analysis and Financial Advisory	Research and provision of data for: market demand/trends, absorption rates, strategic development advice, financial analysis, proforma preparation, and identification of financing options and structures.	\$425,000 – contract awarded to Cushman & Wakefield, Scotia Capital and Urban Strategies
Market Sounding	Formal market sounding with development and finance industries to consider development potential and innovative financing options.	\$125,000 – contract award to PricewaterhouseCoopers LLC
Optimization of Don Mouth Naturalization and Flood Protection EA Options	Further input, modeling and analysis into Don Mouth EA from TRCA staff and EA consultants.	\$450,000 – Supplementary delivery agreement between Waterfront Toronto and TRCA to cover staff time and consulting costs.

<b>Required Service:</b>	<b>General Scope of Work:</b>	<b>Budget:</b>
Environmental Assessment and Land Use Legal Advice	Legal advice related to EA process matters, land use and development opportunities.	\$50,000 – Contract awarded to Goodmans LLP
Third Party Facilitation	Planning, facilitation and follow-up on public meeting and Strategic Advisory Committee. Communication support for project website and social media.	\$125,000 – Contract awarded to LURA Consulting
Public Meeting Advertising (Newspaper)	Advertising for all public meetings in City-wide and community newspapers.	\$60,000
<i>Existing Contract Extensions/Amendments:</i>		
Cost Estimation	Infrastructure cost estimating.	\$50,000 – Amendment to existing Waterfront Toronto contract with Hanscomb.
Optimization of Don Mouth Naturalization and Flood Protection EA Options	Further input from specialist river hydraulics consultant to EA option review/optimization and phasing scenarios.	\$50,000 – Amendment to scope of existing Waterfront Toronto contract to provide for continued technical specialist input to optimization work, as needed. (Estimated)
<i>Un-awarded Contracts (as of January 10, 2012):</i>		
Infrastructure Engineering Services/Planning/Visualization	<i>Scope of work to be confirmed.</i>  Testing of built-form assumptions, creation of visualizations, infrastructure planning.	\$250,000 (Estimated)
Flood Protection Constructability and Value Engineering Advice	Provide expert input from heavy civil constructor on flood protection construction methods, phasing, and estimated costs.	
	<b>Total:</b>	<b>\$1,585,000</b>

The City and Waterfront Toronto are reviewing the level of consulting work required for the Infrastructure Engineering Services/Planning/Visualization RFP. The overall budget includes an allocation for this RFP.

The Request for Proposal for Flood Protection Constructability and Value Engineering was due January 6, 2012. At the time of writing of this report, the RFP had not been awarded to a successful proponent.

#### Next Steps:

The sub-committees will continue to work with the consulting teams in anticipation of a final report to the Executive Committee in June 2012. The City and Waterfront Toronto will conduct further public consultation between February and April as new information and concepts are conceived by the sub-committees and consulting teams. The Stakeholder Advisory Committee will be established by the end of January and is expected to meet over the course of the project to provide advice to the City and Waterfront Toronto.

City staff expect to report back in June 2012 on the business and implementation plan for the Port Lands. It is anticipated that this report will provide a strategy for accelerating development within the Port Lands that is responsive to the concerns of the public and based on a viable financial model based on input from staff, the public and the consulting teams.

## **CONTACT**

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## **SIGNATURE**

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Deputy City Manager