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CITY CLERK'S OFFICE  
SECRETARIAT SECTION

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Dear Mayor Rob Ford and Members of Council,

*Re: Item EX22.1, Port Lands Acceleration Initiative – Final Report*

The Port Lands Acceleration Initiative (PLAI) process has made significant strides in trying to unlock the Port Lands. While very supportive of the work completed to date, on behalf of Castlepoint Group, we request that further information be provided on the recommendations and next steps coming out of this process.

As you are aware, Castlepoint Group has actively participated in the PLAI process and with its partners is heavily invested in the Port Lands as its largest private sector stakeholder. As we outlined at the September 10, 2012 Executive Committee meeting, we applaud and support the direction coming out of the PLAI process. We have concerns however with the following: a. how specific precinct boundaries are drawn; b. the transit solution put forward; c. access to information and modeling for flood protection; d. potential revisions to the policy framework and, e. conclusions regarding market absorption.

#### Confirmation of Precinct Boundaries

We are pleased with the recommendation at Executive Committee to revisit the precinct boundaries to include both sides of a main street. This will successfully prevent a one-sided street condition leading to inward facing development and will support full realization of infrastructure and land value.

The Executive Committee recommendation states that 'submissions regarding the expansion of the precinct boundaries will be referred to the Deputy City Manager responsible for the Waterfront Initiative for consideration in the Precinct Planning Process.' Although we are supportive of this review, the recommendation itself does not clearly articulate how this issue will be engaged within a precinct planning process or the anticipated timing for initiating this process. We respectfully request further information on this matter be provided.

#### Transit Solution

Like many stakeholders and Torontonians in general, we support introducing higher order transit in the Port Lands. We look forward to reviewing the findings on the physical works that would be required to introduce higher order transit on Commissioners Street, which was a recommendation put forward by Executive Committee. However, in order to ensure that the findings are clear, we request additional information on proposed transit technology (i.e. LRT,

BRT or bus) and phasing, as well as the criteria and methodology the evaluation is to be based upon. Further, we suggest that the proposed Port Lands transit strategy explore how it will connect to current transit investments on Toronto's waterfront. We believe that higher order transit will be necessary to fulfill the commercial and employment aspirations in the Port Lands.

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#### Access to Information and Modeling for Flood Protection

We understand from our hydrology consultant, Sabourin Kimble & Associates Ltd., that TRCA is suggesting a Regional Storm flood protection for the flood area within the Port Lands. Based on information received from our consultants, a reduced (but safe) level of protection may be a consideration in areas where Regional Storm protection is overly onerous to implement in early phases of development.

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We believe that to properly 'accelerate' development in the Port Lands, members of the development and consulting community should be given access to the flood-proofing model. Open information will allow for the ability to test findings and determine potential alternative solutions. We have concern that the TRCA floodplain model used in the PLAI process is subject to proprietary rights, which restrict any form of widespread use.

Flood modeling information should be publicly accessible and as such we request that TRCA explore methods of simplifying and distributing floodplain model information that can be freely disseminated to all stakeholders.

#### Potential Revisions to Policy Framework

Executive Committee recommended that 'City Council request Waterfront Toronto to revise, as necessary, the Lower Don Lands Class EA Infrastructure Master Plan (May 2010) and Keating Channel Precinct Class EA Environmental Study Report (May 2010) to align with the direction for the Port Lands.' We would like to receive information on what these revisions are to the above noted policy documents and how the changes reflect the PLAI conclusions.

#### Market Absorption Conclusions

We believe that the market and land economics review completed for the PLAI process does not properly capture the unique opportunity to redevelop the Port Lands or the rates of uptake and amount of development required to ensure that a mixed-use development thrives.

The PLAI findings do not reflect the uniqueness of the Port Lands and does not capture the character and attributes of the area. As noted by our market consultant, the PLAI review provides a generic analysis that could be undertaken for any real estate development anywhere in the metropolitan Toronto area. The PLAI review has not fully factored in the area specific attributes, including:

- a) Significant land area that could support a development at various scales;
- b) A diverse waterfront landscape with parks, open spaces and heritage assets;
- c) Existing facilities and amenities including the Ship Channel, Cherry Beach and film studio that are extremely attractive to a very large market;
- d) A prime location with key views to the downtown and Lake Ontario;

- e) A short commute to Toronto's downtown financial district;
- f) Close proximity to established neighbourhoods such as Leslieville, Distillery District and the Beach, as well as the future developments and investments taking place elsewhere along Toronto's waterfront;
- g) Access to Toronto's major east west arterial, Lake Shore Boulevard, and one of the city's most prominent addresses;
- h) Potential expansion opportunities that build on the existing assets and ongoing investments, such as Pinewood Toronto Studios and the retail shopping centre at the foot of Leslie Street; and,
- i) Waterfront access and frontage, offering a range of recreational and commercial opportunities.

We also believe that the 30-year market demand projections do not properly anticipate how mixed-use development works in this context, particularly the residential and retail components. As you are aware, in a true mixed-use community, critical mass of uses is vital to success. As such, the formula used in the PLAI analysis that caps land uses by acreage and not by existing investment and location underestimates potential.

Specific to the residential market projections, we believe that the estimate, even at the 'aggressive demand' forecast, is far too low. The review does not properly recognize the uniqueness of the Port Lands and the fact that the available waterfront properties are depleting. There are numerous examples across the City of Toronto where individual projects have exceeded the PLAI projections, including, but not limited to, Liberty Village and the Humber Bay Shores community.

In addition, the retail demand does not adequately reflect the fact that this area of the city is underserved by retail uses. The findings ignore what is needed to make a commercial heart thrive. The PLAI analysis has merely spread convenience retail out over the Port Lands. Retail can only be absorbed and work in clusters with other uses in tow and in sufficient density to ensure place-making and economic viability. Even at the higher number identified in the PLAI analysis, it is difficult to attract viable retail investment on this basis.

We suggest that market demand projections continue to be revisited at the time that the high-level planning framework is prepared for the entire Port Lands, a framework document recommended by the Executive Committee.

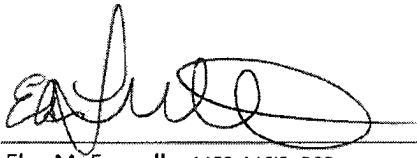
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While fully supportive of the PLAI process, we believe that additional information and clarity on the issues outlined above and the next steps for how to unlock the Port Lands is needed. We look forward to continuing to work with the PLAI team to realize the vast and underutilized potential for this area.

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Yours very truly,

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