PORT LANDS ACCELERATION INITIATIVE

Appendix 6
Port Lands Development Demand and Revenue Projections, Economic Analysis, and Financing Options

Photo of Cycling on the Spit by Mary Crandall

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SUMMARY REPORT

PORT LANDS DEVELOPMENT DEMAND AND REVENUE PROJECTIONS, ECONOMIC ANALYSIS, AND FINANCING OPTIONS

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TABLE OF CONTENTS

INTRODUCTION

Toronto's Port Lands is an area of about 316 hectares (780 acres) that stretches from the Inner Harbour on the west to Leslie Street in the east, and from Lake Shore Boulevard in the north to the Outer Harbour in the south. At the direction of Toronto City Council, a group consisting of Waterfront Toronto and the City of Toronto, together with the Toronto and Region Conservation (TRCA) and the Toronto Port Authority – collectively the "Project Team" – is preparing a high-level Port Lands Development Plan, for consideration by Council's Executive Committee. Cushman & Wakefield Valuation and Advisory (C&W V&A) was retained by the Project Team to provide various development, economic and financial advisory services, in accordance with RFP #2011 – 73 and the Scope of Work contained within C&W's Advisory Services Proposal dated December 6, 2011. The C&W Team, which included sub-consultants Scotia Capital and Watson and Associates Economists, was thus requested by the Project Team to complete the following:

- Toronto Port Lands – Area Competitive Analysis
- Toronto Port Lands – Global Port Lands Development Case Studies
- Toronto Port Lands – Market Forecast (20 year forecast)
- Addendum A to Toronto Port Lands – Market Forecast
  (30 Year Projections and Catalytic Investment Impact Assessment)
- Master Development Pro-Forma/Residual Land Value Projections
  (for various development scenarios, provided by the Project Team)
- Incremental Property Tax Assessment and Real Estate Tax Projections
- City Cash Flow Impact Projections
- Financial Business Case
- Review of Certain Infrastructure Financing Options for the Toronto Port Lands Acceleration Initiative

This report summarizes the approach and methodology, key findings, and conclusions of each of the above analyses and links them together, leading to overall Conclusions and Recommendations. Detailed reporting for each of the above Deliverables is appended.

TORONTO PORT LANDS - AREA COMPETITIVE ANALYSIS

OVERVIEW

Toronto has a diversified economy and any reuse of the Port Lands site should focus on industry segments where a dominant or fortified market position can be established. Accordingly, economic sector and subsector opportunities for the GTA, the City of Toronto and the Port Lands were identified. The extent of growth and concentration of employment in the sectors and sub-sectors that make up the GTA economy were key considerations. The GTA's performance was compared to that of other competing North American cities (peer locations) to identify gaps and opportunities.

As illustrated in the following table, the sectors/sub-sectors of professional and business services, public administration, information, finance, insurance and real estate, cultural industries, educational services, and health care show the most promise and should be targeted for additional development in the Port Lands. A survey of wages for prevalent occupations within each sector (appended) demonstrates competitive rates for the higher-skill occupations associated with the targeted industry sectors. The City of Toronto and the Port Lands are well positioned to attract the industry sectors (and sub-sectors) that will drive office and employment demand.

The Port Lands offer a unique opportunity to create a new office district in the central city, which could be of significant size and employment population. The space needed to support the rapidly growing core and the employment activities traditionally associated with suburban locations can be much more competitively, efficiently and attractively located here, within close proximity to the increasing downtown and central city population.

TABLE 1 - PORT LANDS OFFICE AND EMPLOYMENT OPPORTUNITIES (By Economic Sector/Sub-Sector)	
Professional and Business Services ■ Scientific Research & Development ■ Architectural/Engineering ■ Management and Scientific Consulting ■ Other Professional, Scientific and Technical Areas	**Finance, Insurance and Real Estate – "Back Office" Supportive Activities Related to:** ■ Insurance ■ Non-depository Credit Intermediation
Public Administration ■ Federal, Provincial, Municipal ■ International ■ Aboriginal	**Educational Services** ■ Universities ■ Community Colleges
Information/Arts, Entertainment and Recreation Services ■ Telecommunications ■ Software Publishing ■ Motion Picture and Sound Recording	**Health Care and Social Assistance** ■ Hospitals (unlikely within the Port Lands) ■ Outpatient Care ■ Child Day Care ■ Nursing and Residential Care ■ Individual/Family Social Service

ADDITIONAL PERSPECTIVES

- **Diversified and vibrant, Toronto's economy weathered the recession well:** .Since 2006 and despite the 2009 recession, only Manufacturing and Trade have experienced a decline in their employment base. Public Administration, Health Care, Professional and Business services and Information have grown by more than 20% in this well diversified economy.

- **Toronto Labour Market - Three key components are employment growth (vertical), concentration (horizontal) and market size**: Labour markets can be differentiated by size, growth and employment concentration. The Toronto economy is driven by employment in white-collar, knowledge-based industries such as Information, Professional and Business Services and Finance Insurance and Real Estate (FIRE). Transportation and Warehousing, and Manufacturing still play an important role and show some employment specialization. Industries including Trade, Health Care, and Education are slightly underdeveloped and show potential for expansion.

- **Toronto's wages are more competitive in skilled, white-collar professions:** The median wages for the most prevalent occupations in each industry sector were surveyed. For positions in higher-wage industry sectors such as Professional and Business Services, Educational Services, Information and FIRE, Toronto is in an advantageous position relative to the comparison group. Toronto's wages are more competitive in skilled, white-collar professions. Wage costs in Toronto, however, are disadvantageous (relative to the study areas) in lower-wage industry sectors.

- **Employment in the Professional and Business Services sector is vibrant and ideally positioned among peers:** Employment within Professional and Business Services is somewhat concentrated in Toronto, about 44% above the national average. This degree of specialization is aligned with the peer group, but is 20-40% lower than in Boston and San Francisco. Targeting of additional users in this sector is recommended for the Port Lands.

- **Employment in Educational Services is more developed in all peer locations, except Dallas**: Education represents possibly the greatest opportunity as an employment anchor in the Port Lands, as employment concentration appears just below the Canadian national average and 10-100% below comparative locations except Dallas – a surprising finding. The expansion of the employment base in this sector, by attracting additional educational institutions, is recommended for the Port Lands.

- **Toronto's financial services specialization can produce back office opportunities for the Port Lands:** Clearly, the FIRE industry sector is a strength and specialty of Toronto. More concentrated than New York City, it is the financial capital of Canada. The fact that the Port Lands is positioned 3-4 kilometers from the Financial District, however, likely means that potential firms will find it disadvantageous to recruit top talent for front office and leadership positions. Central Business District (CBD) advantages include the centrality of public transportation and ancillary benefits resulting from proximity to peers and business amenities. Back office services or support activities appear more likely as uses in the redevelopment and should be pursued as space demands potentially constrain users in the Financial District.

- **Specialized and still growing, a competitive labour market exists in the Information/Arts, Entertainment & Recreation sector:** Toronto is a leading location in North America for Information/Arts, Entertainment and Recreation Services. This sector, which includes Telecommunications, is increasingly important in the 21st Century economic landscape. Additions to the employment base should primarily be organic, given the high degree of specialization which already exists in the market.
- **Employment in Health Care is relatively underdeveloped:** Similarly to the Education sector and just as surprising, Health Care and Social Assistance is an underdeveloped employment sector in Toronto's economy. It employs nearly 25% fewer workers than expected (given the Canadian average) and 25-40% fewer than peer locations. Developing a more robust employment base in this sector by targeting additional Health Care institutions (non-hospital) is recommended for the Port Lands.
- **A diversified approach to Port Lands' job creation should include the public sector**: The Public Administration sector of Toronto's economy is relatively small but growing. There are nearly 118,000 people employed in this sector, which represents about 1 in 25 workers. Investment by the public sector through relocation of operations can serve as a catalyst in the Port Lands.

C&W's detailed Toronto Port Lands - Area Competitive Analysis Report is provided in Appendix 1.

Toronto Port Lands – Global Port Lands Development Case Studies

Scope Of Work

We completed a review of port lands development across the globe. For each case in point, we provided:

- a description of the development,
- applicability to the Port Lands,
- mix and scale of uses,
- transit access issues/solutions,
- accelerators,
- phasing,
- success drivers,
- challenges/obstacles, and
- solutions/lessons learned

The review includes:

	LAND AREA	DEVELOPMENT DENSITY	KEY LESSONS LEARNED
Mission Bay, San Francisco	• 303 acres	• 6,000 housing units • 4.4 million sf office • 2.65 million sf research campus • 500,000 sf retail • 500 room hotel	• Phasing allows each stage of development to proceed, without adversely affecting overall development uses, yields and funding.
North False Creek, Vancouver	• 80 hectares (204 acres)	• 10,154 units totaling 10.2 million sf • 1.7 million sf non-residential	• The value of institutional or public investment lays the foundation for future private development.
Canary Wharf, London	• 97 acres	• 1.3 million sm (14.0 million sf) office and retail space	• A positive development control regime that works with the applicants is important. • Development master planning should be flexible.
East River Science Park, New York City	• 3.7 acres	• 1.1 million sf life science and technology campus	• Effective utilization of an economic development investment fund to support corporate headquarters development, and a loan fund to aid laboratory space build out.
Tech City, Shoreditch, London	• Section of East London. No formal boundaries.	• No densities specified	• Effective utilization of an economic development investment fund.

Liverpool One, Liverpool	• 43 acres	• 2.6 million sf, including 600 residential units, retail and hotels	• The ability to secure institutional equity investment to reduce debt financing.
Barangaroo, Sydney	• 22 hectares (54 acres)	• 1,500 residential units • Passenger terminal	• Reliance solely on market forces can impede overall development success. An institutional anchor can foster (and is sometimes essential to) development success.
HafenCity, Hamburg	• 126 hectares (1,356 acres)	• 2.3 million sf, including 5,800 residential units	• The benefits of sufficient (but not excessive) development design guidelines to maintain project quality and enhance marketability.
Hammarby Sjöstad, Stockholm	• 200 hectares (494 acres)	• Approx. 10,000 to 11,000 apartment units • 200,000 sm (2.1 million sf) commercial space	• Sustainability can be branded and motivate marketing success.
Hudson Yards, New York City	• 300 acres	• 50.6 million sf, including 25.3 million sf office, 13.9 million sf residential, 2.3 million sf hotel and 1.8 million sf retail	• Anticipation of infrastructure enhancements can attract private investment. • Under appropriate market conditions, developers will pay for additional (bonus) density rights.
Queens West, New York City	• 74 acres	• 4.3 million sf residential • 174,000 sf retail • 140,000 sf public facilities	• Flexible official plan and zoning provisions are important in allowing for change over long (30 year +) development time horizons.
Atlantic Station, Atlanta	• 138 acres	• 15 million sf of office, residential, retail and hotel	• Innovative solutions to environmental and infrastructure challenges (capping the impaired soils; building a parking structure) can allow developments to proceed.

The following is a summary of the key findings arising from the above mentioned Scope of Work. A detailed Toronto Port Lands – Global Port Lands Development Case Studies Report is provided in Appendix 2.

Real Estate Markets

- The Port Lands will have a development phase that will last through numerous real estate cycles; the Project Team should contemplate a variety of development strategies that are flexible enough to respond to changing market conditions through these cycles. Specifically, the Port Lands' development plan should include a variety of real estate product types to offset market risk within each product type. For example, if at a particular time, there were no demand for office use yet demand for residential space, development could proceed through residential construction. Increasing the number of product types reduces the dependence upon a single market. A broad mix of land uses will ensure that infrastructure is and continues to be financeable through the peaks and valleys of individual asset class market cycles.

- Plans for short-term and medium term development should not come at the expense of long-term master planning.

- The Project Team should seek out major institutional and commercial anchors that, in turn, will support population and alternative commercial and entertainment uses. This being said, anchor tenants will need to be presented with a clear and compelling site selection business case, relative to other competing City of Toronto and suburban locations.

- Similarly, the Project Team should consider the creation of outward focused destination retail, which can create a sense of place and brand identity, and in turn attract private capital for development of a larger mixed-use district.
- To attract desired end users, the Project Team should consider a targeted industry and locational investment fund. This is a loan or grant fund designed for a specific industry cluster or need. For example, the East River Science Park in New York City established a loan fund targeted to aid the build-out of laboratory space and to assist the development of headquarters facilities for prospective development occupants.
- Subsidies and incentives have come from all levels of government, though primarily from municipal and state/provincial sources. One effective use of this support has been to reduce the risk of environmental remediation and infrastructure construction.

Infrastructure

- Judicious use of strategically placed infrastructure can be sufficient to support phased development.
- Given significant potential Port Lands infrastructure costs, municipal credit enhancements (such as the provision of municipal covenants and/or the pledging of municipal assets) may be the key to successful (and creative) infrastructure financing.
- For further information, please refer to the Scotiabank report summary, which addresses this topic in the context of the financial environment in Canada, Ontario and Toronto.

TORONTO PORT LANDS – MARKET DEMAND FORECAST

OVERVIEW

Market analysis identified a full range of private sector uses – office, retail, residential, hotel/hospitality, and industrial – and the respective amounts of space for each use that can feasibly be absorbed within the boundaries of the Port Lands within a 30-year period, based on normal economic conditions and assuming infrastructure to support these uses can be built. Each land use under consideration was modeled separately, according to its own appropriate methods, specific economic indicators, and historic trend data. Table 2 (following) summarizes the range of estimated incremental and cumulative space forecasts for each land use. The range covers potential outcomes under three market activity levels – Conservative, Moderate and Aggressive – and each level is shown for each 5-year increment with cumulative totals in the tables below. Such ranges are appropriate for long-term forecasting.

The Port Lands will develop over several business and real estate cycles and any estimates with a time horizon of ten years and beyond, must be treated with caution. This being said, the demand projections are believed to be realistic, as they are driven by current and anticipated demographic and economic realities and have been checked against historic demand and development precedents within the City of Toronto for comparable large-scale, complex, multi-year developments such as City Place, Harbourfront and Liberty Village. The demand projections are based in part upon a prediction of the market share of development and demand that can likely be achieved for the Port Lands, which although potentially a very attractive location, is still only one among many development opportunities in the GTA.

The below referenced retail forecast is for local retail demand only. As further detailed in this section, C&W additionally forecasts an opportunity to develop a further 800,000 sf to 1.5 million sf of major retail space within the Port Lands. Accordingly, for the purposes of this study, we have assumed a 1 million sf major retail component, over and above the local retail space. C&W's detailed 20 year forecast is provided in Appendix 3. Its detailed 30 year forecast and its assessment of the potential impact of a Catalytic development on demand is provided in Appendix 4.

Incremental Forecast

	Office (Sq Ft)			Retail (Sq Ft)			Residential (Units)			Hotel (Rooms)		
	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive
2012-2016	177,000	289,000	402,000	22,000	50,000	85,000	150	170	190	0	0	0
2017-2021	402,000	675,000	947,000	48,000	83,000	125,000	940	1,050	1,150	200	225	250
2022-2026	531,000	868,000	1,206,000	66,000	93,000	125,000	2,440	2,710	2,980	75	100	125
2027-2031	660,000	1,062,000	1,464,000	36,000	52,000	72,000	3,120	3,470	3,820	100	125	150
2032-2036	481,000	788,000	1,094,000	38,000	59,000	84,000	1,120	1,240	1,360	175	200	225
2037-2041	481,000	788,000	1,094,000	57,000	84,000	115,000	950	1,050	1,160	125	150	175

Cumulative Forecast

	Office (Sq Ft)			Retail (Sq Ft)			Residential (Units)			Hotel (Rooms)		
	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive
2016	177,000	289,000	402,000	22,000	50,000	85,000	150	170	190	0	0	0
2021	579,000	964,000	1,349,000	70,000	133,000	210,000	1,090	1,220	1,340	200	225	250
2026	1,110,000	1,832,000	2,555,000	136,000	226,000	335,000	3,530	3,930	4,320	275	325	375
2031	1,770,000	2,894,000	4,019,000	172,000	278,000	407,000	6,650	7,400	8,140	375	450	525
2036	2,251,000	3,682,000	5,113,000	210,000	337,000	491,000	7,770	8,630	9,500	550	650	750
2041	2,732,000	4,470,000	6,207,000	267,000	421,000	606,000	8,720	9,680	10,660	675	800	925

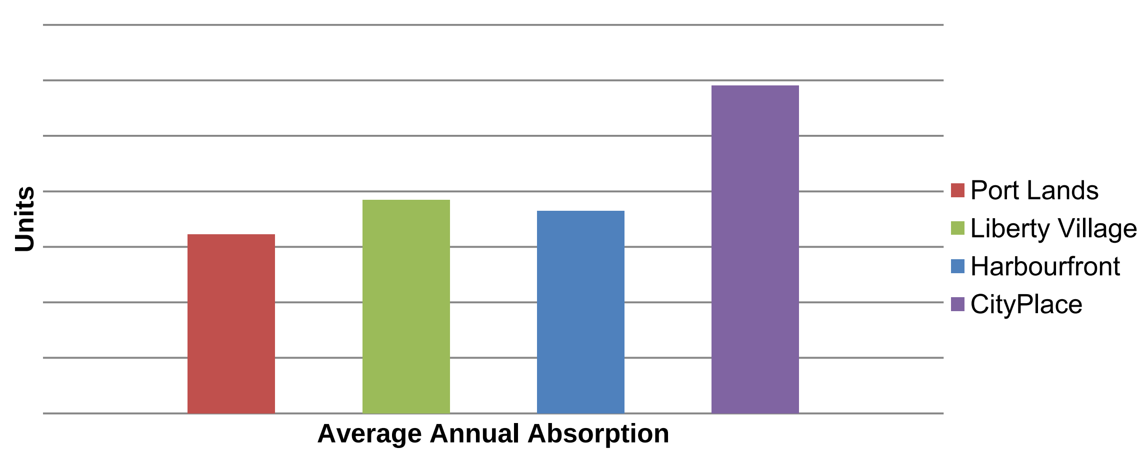
Residential Market Context

The City of Toronto currently has approximately 41,100 new residential condo units actively being marketed, of which 84% have been sold as of spring 2012. This compares to an average of 32,000 new units over the past 10 years. Approximately 13,500 units were sold in 2011, compared to a 10 year average of 9,500. Current unit selling prices average at $576 psf, well up from $488 psf in 2009 and $358 psf in 2005. The question of whether the City can sustain this momentum can only be answered in the fullness of time. The Port Lands have the potential to offer a uniquely attractive residential environment, but units are not delivered in isolation and are marketed within a wider regional and global market context.

Residential Market Forecast

A study of both demographic and competitive market trends in the GTA indicates a residential market potential for the Port Lands over the next thirty years, ranging from 8,720 units under the Conservative scenario, to 9,680 units within the Moderate scenario to 10,660 units under the Aggressive scenario. The Aggressive scenario is approximately 10% higher than the Moderate, while the Conservative scenario is 10% lower. By comparison, Liberty Village sold approximately 3,500 units in its first 9 years, and Harbourfront sold approximately 4,400 units over its first 12 years; the preceding equates to an average of 378 units per annum or 3,800 units every 10 years. The Moderate scenario in this forecast suggests that the Port Lands will sell an average of 330 units per year or 3,300 units for each successive 10 year period of the 30 year forecast, consistent with the experiences of Liberty Village and Harbourfront (3,800 units every 10 years). Liberty Village is a good precedent of a formerly industrial neighbourhood that has successfully transitioned to office and residential uses; Harbourfront is an excellent illustration of a new water's edge residential neighbourhood. Both are, however, much more proximate to established Downtown amenities and neighborhoods. Conversely, Cityplace is much closer to the Downtown Core (it literally abuts the core). This attribute, and Concord Adex's ability to expeditiously market and execute a large masterplan, largely to investors, resulted in well above average absorption levels. The more peripheral Port Lands would be challenged to replicate this performance.

AVERAGE ANNUAL RESIDENTIAL UNIT ABSORPTION
PORT LANDS FORECAST COMPARED TO ACTUAL MARKET PROJECT PERFORMANCE



Impacts on City of Toronto Residential Development

The potential impacts of development within the Port Lands on development elsewhere in the City of Toronto are well worth considering. This section addresses the question of whether development within the Port Lands will be net new demand or replace demand that would otherwise be accommodated elsewhere in the City of Toronto.

Prospective condominium purchasers will choose the Port Lands for similar location selection reasons that they might select other condominium development sites at the Waterfront and/or in Downtown Toronto. Proximity to the employers and amenities of the Downtown area is of paramount importance. In other words, if the Port Lands were not available, these purchasers would simply seek other options in the Downtown or proximate to the Downtown. If price point is an issue, they would seek other options within the broader City of Toronto. Overall, they would likely remain City of Toronto purchasers, and not look to Suburban options. Seen from this viewpoint, the development of the Port Lands will not likely result in significant net new demand to the City of Toronto. This being said, it can be argued that (if well master planned) the Port Lands will be an overall community and place that cannot be found elsewhere in Toronto, and that this may attract some degree of net new demand, from the Suburbs or even beyond.

Office Market Context

Given the Port Lands' unique location and opportunity, no immediately apparent precedent location exists within the City of Toronto on which to base the market absorption rate for office space in the Port Lands. If office space were built out in the Port Lands at the average Class A leasing activity rate of the immediately adjacent Downtown East (the area bounded by Queen Street East, The Esplanade, Don Valley Parkway and Spadina Avenue), an annual absorption of 35,000 to 40,000 sf would be anticipated. If the Port Lands lease space at the rate of King West (bounded by Bloor, Lake Shore, Bathurst and Jameson), average Class A leasing activity of 80,000 to 100,000 sf per annum could be anticipated. Conversely, if the Port Lands were to reach Downtown South's activity levels, an annual average leasing rate for Class A space of 300,000 to 350,000 sf could be anticipated. The Port Lands do not have, however, the location attributes of Downtown South, which has become an extension of the Downtown Financial Core.

Office Market Forecast

Due to the nature and capacity of the Downtown Toronto office market, the Port Lands are unlikely to become a "Canary Wharf" type of office location accommodating high-density, high-rise Class AA office buildings; a lower density, more back-office and support type space is anticipated. The Port Lands will therefore have to compete with other established and popular suburban office concentrations. Approximately one third of all jobs in the GTA are office-based jobs; 20% of current office space capacity is in Downtown Toronto, with the balance in the suburban region. The Port Lands will need to offer a competitive site selection proposition and/or a game changing catalyst if a larger regional share is to be attracted. Given the dynamic recent growth of the Downtown's employment and residential populations (providing access to a substantive and dynamic labour force), the increasing importance of Union Station as a regional transit hub and growing traffic congestion in the GTA suburbs, the accessibility and visibility of some areas of the Port Lands do suggest considerable market potential for a uniquely competitive new office district.

C&W's projections of 30 year office demand range from 2.7 million sf at the Conservative end, 4.4 million sf at the Moderate level and 6.2 million sf at the Aggressive end of the range. This office space would accommodate a sizable working population of between 10-24,000 employees. The incremental differences between the Conservative, Moderate and Aggressive office demand projections are driven by new GTA office employment capture rates that range from 5% (Conservative) to 7.5% (Moderate) and 10.0% (Aggressive). The aforementioned incremental differences are also driven by existing non-renewing GTA office tenant capture rates that range from 0.75% (Conservative) to 1.5% (Moderate) and 2.25% (Aggressive).

By comparison, Downtown South has seen development of 2.3 million sf over the last 10 years. The forecast projects an average of 1.4 million sf for each of the 10 year periods of its 30 year horizon. While this is 60% of the level experienced in Downtown South, the Port Lands will not achieve the locational advantage of Downtown South or the Downtown Financial Core.

Impacts On City Of Toronto Office Development

Demand Drivers

In C&W's opinion, the Port Lands are well positioned to attract office demand, drawing tenants from both the Suburbs and the Downtown. The Port Lands will be able to provide suburban quality office space in close proximity to Downtown. It will allow organizations to access a large and well educated Downtown workforce, and also attract suburban employees seeking an urban, cosmopolitan lifestyle. While the net and gross rents for these Port Lands office buildings will no doubt be somewhat higher than their counterparts available in the Suburbs, they will nevertheless be considerably more affordable than Downtown rents for buildings of similar "suburban Class A" quality. Consequently, Port Lands office development will in all likelihood attract both suburban tenants (and their employees) and existing City of Toronto tenants.

Demand Forecast Summary

According to C&W's forecast, the Port Lands' office demand is projected to range from 1.8 million sf (Conservative) to 2.9 million sf (Moderate) and 4.0 million sf (Aggressive) over 20 years. Our 30 year forecast totals 2.7 million sf (Conservative), 4.5 million sf (Moderate), and 6.2 million sf (Aggressive). Our forecasting methodology projects GTA new office employment and the Port Lands' share of that new employment, which has been termed "Capture of Office Market Growth". It also assumes that the Port Lands can attract a certain share of existing office space lease renewal activity, termed "Capture of Market Renewals". For example, our Conservative office demand forecast projects that the Port Lands will capture 1.3 million sf of new office market growth and 500,000 sf of existing market renewals over 20 years; conversely, our Aggressive office demand forecast projects that the Port Lands will capture 2.6 million sf of new office market growth and 1.4 million sf of renewals over 20 years. Over 30 years, our Conservative office demand forecast projects that the Port Lands will capture 2.0 million sf of new office market growth and 750,000 sf of existing market renewals; conversely, our Aggressive office demand forecast projects that the Port Lands will capture 4.0 million sf of new office market growth and 2.2 million sf of renewals.

Downtown/Port Lands Market Share

With regard to new office market growth, the Suburbs have attracted a 60% share of new office supply during the past two decades, while Toronto's Downtown and Midtown office markets have attracted a 40% share. (Please note that office inventory captured within C&W's Downtown and Midtown areas more or less corresponds to the office inventory within the City of Toronto – the minor exception being some buildings along Highway 427 and along Yonge Street in North York). A recent spike in Downtown office construction has been noted since 2009, marking a positive development in re-balancing office supply between the Downtown and Suburbs. This activity, however, cannot yet be deemed a trend; cost of occupancy concerns have in the past (particularly during periods of recession or weak growth) and may yet again shift demand to the Suburbs. Therefore, this longer term historic 60:40 Suburbs to Downtown ratio (which covers both soft and strong markets) has been retained for modeling purposes. The Port Lands are forecast to attract a share of the overall GTA office growth demand ranging from 5% (Conservative Capture) to 10% (Aggressive Capture), and a capture of renewal activity ranging from 0.75% (Conservative Capture) to 2.25% (Aggressive Capture).

Impacts of Port Lands Capture of New Office Market Growth on the City of Toronto

As noted above, the forecast of Port Lands office demand has two components: 1) the Port Lands' share of office demand arising from new office employment growth, and 2) the Port Lands' share of existing GTA office lease renewals. The following section deals with the first component.

To what extent does this Port Lands capture simply displace new office market growth that would otherwise occur elsewhere in Toronto? This question can be considered from two perspectives, looking at the next 30 years (through 2041):

1. According to our forecast, the GTA could conservatively capture 5% of new office demand. Applying the aforementioned 60% Suburbs/40% Downtown/Midtown to the above 5% share, 3 percentage points of this growth would be drawn from suburban demand, while 2 percentage points would be drawn from demand otherwise destined for other parts of the City of Toronto. This equates to approximately 800,000 sf in the Conservative Capture scenario that would otherwise locate elsewhere in Toronto. Therefore, 800,000 sf of the 2.0 million sf of projected new office demand will not likely be net new demand for the City of Toronto.

   Similarly, approximately 1.6 million sf of the 4.0 million sf of new office demand forecast under the Aggressive Capture scenario might theoretically not be net new demand for the City of Toronto. This being said, our Aggressive Capture scenario is underpinned by the view that this extent of Port Lands demand could only be achieved by attracting a much greater share of demand from the Suburbs (greater than projected under the Conservative scenario). If all of the of this increase in Port Lands demand (namely, the 2.0 million sf total difference between the Conservative and Aggressive scenarios) is captured from the Suburbs, then none of this increase will be taken from the City of Toronto. In summary, approximately 800,000 to 1.6 million sf of the 4.0 million sf of new office demand forecast under the Aggressive scenario may not be net new demand to the City of Toronto.

2. Our office demand model considers the Class A and B office segments of the Downtown, Midtown, and Suburban office markets to be the primary source of office demand for the Port Lands; notably, Class C office type tenants (either existing or future) are not seen as a potential source of demand. Accordingly, the model projects that the Suburbs has and will attain a 53% share of the total prospective office demand in the Class A and B markets, while the Downtown and Midtown office markets have and will achieve a 47% share. Given the preceding, over the next 30 years, approximately 950,000 sf of the forecast 2.0 million sf of new office space demand projected to flow to the Port Lands could potentially be attracted to other areas of the City of Toronto in the Conservative scenario, if Port Lands office space is not developed. Similarly, approximately 1.9 million sf of the 4.0 million sf of new office demand forecast under the Aggressive scenario might not be net new to the City of Toronto. Again, the attainment of the new office demand forecast under the Aggressive scenario will require a substantially higher market share, most of which will flow from the Suburbs. Hence, the proportion of new office demand that is not likely net new to the City of Toronto under the Aggressive scenario might be as low as 950,000 sf and likely not as high as 1.9 million sf.

IMPACTS OF PORT LANDS CAPTURE OF LEASE RENEWALS ON THE CITY OF TORONTO

Our office demand forecasts include a projection of yearly lease renewals within the GTA – the proportion of these leases that will not likely be renewed, but could potentially relocate elsewhere (based upon norms), and the potential Port Lands share of this non-renewing pool of leases. In C&W's opinion, it is projected that the Port Lands could potentially attain a 0.75% (Conservative), 1.5% (Moderate) to 2.25% (Aggressive) share of this pool. As a result, the Port Lands are forecast to capture approximately 750,000 sf of this non-renewing pool under the Conservative scenario, increasing to 1.5 million sf under the Moderate scenario and 2.25 million sf under the Aggressive scenario.

Our submarket analysis identifies that the Suburbs are home to 44% of this prospective pool of potential non-renewing leases, while the Downtown and Midtown markets (which house most of the City of Toronto's office inventory) represent a 56% share of that prospective pool. It is therefore possible to apply the Downtown/Midtown percentage (56%) to this component of the Port Lands demand forecast, to determine the square footage of projected Port Lands demand that is projected to be taken from other areas of the City of Toronto. In the Conservative Capture scenario, this "cannibalization" amounts to approximately 420,000 sf of the approximately 750,000 sf accruing to the Port Lands; in the Aggressive Scenario, this represents approximately 1.25 million sf of space out of 2.25 million sf, through 2041.

RETAIL MARKET CONTEXT

Population and employment growth in the GTA has and will continue to spur new retail supply. Yorkdale Shopping Centre is seeing its second expansion in five years; developers have announced plans for at least three new outlet malls in the GTA, specifically designed to attract high-end US retailers; and a new 600,000 sf shopping centre is under construction at the former stock yards in West Toronto. Several such proposals have been made for sites in or close to the Port Lands in recent years, suggesting a specific local demand for large floor plate retail uses in the area east of the Don River/south of the Danforth.

RETAIL MARKET FORECAST

The retail demand for the Port Lands can therefore be assessed at two levels. First, the substantial new living and working population anticipated for the Port Lands (and the immediate surrounding trade area) will generate its own retail demand; at the Conservative end of the range some 267,000 sf of new retail space can be anticipated, at the Moderate estimate 421,000 sf, and at the Aggressive end of the range, 606,000 sf. The incremental differences between the Conservative, Moderate and Aggressive retail demand scenarios are driven by the local retail spending that is projected to occur, as a result of the population and employment generated through office and residential development. Scenarios with lesser or greater levels of residential population and office employment generate proportionately lesser or greater levels of local retail demand.

Second, our analysis of GTA economic and demographic trends suggests demand for 800,000 to 1.5 million sf of additional large format retail development somewhere in the GTA. Accordingly, our revenue projection model assumes the development of 421,000 sf of neighbourhood retail and 1 million sf of major retail, over the 30 year projection time horizon.

The Port Lands is competitive with the best locations in the GTA, placing it in theory in an excellent position to capture a substantial share of regional growth. Quite apart from any other planning and urban design issues, however, the site lacks any higher order transit and access to the Gardiner/Don Valley Parkway is inadequate, both expensive infrastructure deficits. Any large floor plate retail development will have to have sufficient critical mass to attract and retain tenancy, in competition with other centres. At maturity, a regional centre reaches 1.2 to 1.5 million sf. If large floor plate retail were contemplated, this extent of density (and land area) would have to be reserved to ensure future competitiveness.

That being said, there are few (if any) development sites within the surrounding neighbourhoods that could be developed into competing centres. On the other hand, such urban retail tenants have reduced their store sizes. Toronto and other major cities in North America have successfully accommodated large floor plate retailers in urban environments, with an overall trend that such urban retail units are typically smaller in floor plate size. In fact, mixed-use centres sometimes include residential and/or office space above 1-2 floors of large floor plate retail tenants. Given the preceding, an initial 800,000 to 1 million sf is likely to be sufficient to establish and maintain a position as a dominant centre in central Toronto.

It must be stressed that these market conclusions are not informed by any analysis of the site or access requirements for such uses in a specific area like the Port Lands. Whether accommodating such a major retail use in the Port Lands is appropriate is a major policy issue to be determined within a City-wide and broader local context.

Impacts on City of Toronto Retail Development

The population associated with the abovementioned residential development will require retail goods and services, in local proximity. If this residential development does not occur in the Port Lands, but instead happens elsewhere in the City of Toronto, then this population will seek retail goods and services in these areas. Accordingly, it is C&W's opinion that there is no net new retail demand to the City of Toronto. Our retail demand forecast is simply placing retail demand in the Port Lands that would otherwise occur elsewhere in the City of Toronto, either in a concentrated or dispersed pattern of development.

The 800,000 to as much as 1.5 million sf of major retail uses forecast for the Port Lands will likely be supported by retail sales from a trade area that is within the City of Toronto. It is unlikely that demand will be attracted from as far as Richmond Hill, Vaughan, Markham or Mississauga. Accordingly, any major retail development that occurs within the Port Lands will be at the expense of other retail development sites within the City of Toronto. This being said, there are few retail development sites of equal size and opportunity within the City. Furthermore, it is possible that a substantive and unique destination retail use would attract net new demand.

Employment Definitions

For purposes of this report, "industrial" is defined as space that takes an industrial built form (typically one to two stories, with 14 feet to 32 feet floor-to-ceiling heights), occupied largely for industrial purposes (typically manufacturing or warehousing and distribution) with a minor proportion of office or retail space. There are, however, built forms and occupancy types that blur the lines. For example, Allied Properties owns a portfolio of former "brick and beam" industrial buildings that have been renovated for office occupancy by the design and media sector; these are classified as office space. Similarly, the Corus Building and a significant proportion of the Film Studios can be considered to be office. While the Port Lands would be a very attractive location for many of the lower-rent creative sector, including arts, media, and design activities now increasingly being priced out of the central area with few exceptions, it lacks a stock of suitable older buildings to accommodate such uses.

EMPLOYMENT MARKET CONTEXT

Almost no new industrial space was built in the former City of Toronto in 2011. This compares to an average of 23,000 sf of new industrial construction over the past 5 years and 31,000 sf over the past 10 years. Net absorption is the change in occupied space, which can be positive if space occupancy grows or negative if it declines (if tenants shrink or move elsewhere). In 2011, net absorption was only 840 sf. This compares to an average of negative 85,000 sf of absorption over the past 5 years and negative 58,000 sf over the past 10 years. While there was some (albeit limited) new construction, this was offset by increased vacancy within existing buildings, resulting in low or negative net absorption.

The analysis at this level suggests there is no evidence for any significant industrial space demand. The planning of appropriately designed “flex” industrial space within the Port Lands space providing goods and services to the Downtown and astute market sub-sector targeting (branding) could enhance the current estimated absorption rate. It is, however, not possible to make an estimate of what such demand might be and it is unlikely to be a significant user of Port Lands sites or buildings over the next two decades.

EMPLOYMENT MARKET FORECAST

The Greater Toronto Area has been losing manufacturing jobs since 2004. On a net basis, the Toronto CMA had approximately the same number of jobs pre-recession in 2007 (400,000) as it did in 1996 (395,000). This trend is echoed within the overall City of Toronto and the former City of Toronto in particular. It has resulted in the above mentioned decline in industrial occupancy. Moreover, there is an adequate supply of vacant employment land (almost 600 hectares) in established Employment Districts and Areas to accommodate future industrial-type demand, based upon nominal rates of recent land absorption. And within the Port Lands, a history of relatively unencumbered industrial land availability has not produced substantive industrial demand. Such uses should not, however, be prohibited, provided they can be appropriately integrated with non-industrial land uses. Depending on the types of office and retail uses that emerge in the Port Lands, some complementary forms of industrial or quasi-industrial/flex office may be attracted, such as local supply warehousing serving nearby offices and residences, as well as for quasi-retail uses such as automotive, multi-tenant tradecrafts, wholesale and construction. Employment demand will likely further be driven by potential growth in commercial port uses, as global warming opens up the seaway. Shipping will likely further be spurred by higher oil prices (motivating truck shippers to seek more cost effective alternatives) and the increasing containerization of commodities. All of the preceding will likely result in greater demand for Port employment uses.

The arts, media and information technology sectors are also possible candidates, as their work place environments vary and are flexible allowing them to locate in both office and industrial built forms. Cost of occupancy is a driving factor, which is directly co-related to land value. Given the flexible and varied nature of demand from these sectors, it is not possible to empirically and reliably forecast this demand. In light of the anticipated pattern of development across the Port Lands, it does, however, seem likely that some extent of land will be reserved within the Port Lands for this land use, and existing heavy industrial and outside storage uses will not disappear, and could even expand marginally. These functions provide space for utilities, storage, logistics, energy, maintenance, construction support and similar functions needed by the whole city, and specifically the downtown; as such, these functions play an important role and are not easily relocated.

Impacts On City Of Toronto Employment Development

The development of Employment Space within the Port Lands will, to some degree, capture market share from other existing City of Toronto employment locations. This being said, there is the potential to generate net new employment demand, within the above mentioned sectors, captured from suburbs outside of the City of Toronto.

Hotel Market Context

There are presently approximately 42,800 hotel rooms in the GTA, of which 16,800 are located in Downtown Toronto. Hotel occupancy levels are currently healthy, at 67% in the GTA and 75% in Downtown Toronto. Average daily room rates (at $129 in the GTA and $161 in Downtown Toronto) have not returned, however, to pre-recession levels. There have been and will be a number of luxury hotel openings in Downtown Toronto, including the Four Seasons (379 rooms), Hazelton Hotel (77 rooms), Trump International (261 rooms), and the Shangri-La (202 rooms). This has caused an oversupply of luxury rooms, with an associated trickle-down effect on pricing.

Hotel Demand Forecast

The development of office and residential uses in the Port Lands may generate some demand for hotel rooms in the immediate area. The increased level of business activity in the Port Lands that emanates from office development will create a proportionate level of corporate hotel demand. The vast majority of this demand, however, will flow to the existing and expanding hotel inventory in the Financial Core and Downtown West, supported by the retail and entertainment amenities available in these areas. The projected residential development will also bring visitors to the area and add to overall interest in the GTA as a tourist destination. Most visitors will continue to choose downtown hotels for their proximity to major attractions, although potential exists for long-term stay hotels related to the film studio. It is estimated that approximately 20% of projected incremental hotel demand will be captured within the Port Lands over the next twenty years.

When there is sufficient demand from the endemic population and employment, the Port Lands could likely first support a 100-150 room mid-priced corporate hotel. As office uses develop, an Executive Retreat centre offering proximity to Downtown could support about 75-125 rooms. In addition to demand generated by increasing use of the Port Lands, its physical location within the GTA suggests that a waterfront resort could anchor recreational uses and support 200 to 250 rooms. Hotel demand is therefore projected at 675 rooms (under the Conservative scenario) to 800 rooms (under the Moderate scenario) to as high as 925 rooms (under the Aggressive scenario). The primary driver of the differences between the Conservative, Moderate and Aggressive hotel demand scenarios is the lesser or greater level of residential population and office employee base available to drive local hotel demand (as forecast under the residential and office demand models).

Impacts On City Of Toronto Hotel Development

The limited amount of hotel demand forecast for the Port Lands will serve local office and residential needs, and also water-centric tourism. The aforementioned office demand will create limited hotel demand. As described above, a proportion of this office demand will be net new demand to the City of Toronto; similarly, a proportion of the forecast hotel demand will be net new to the City. Any destination hotel uses, such as a water-centric tourism use, may as well be net new. Overall, the amount of hotel demand and development forecast for the Port Lands is very limited, with equally modest impacts on the City of Toronto.

CATALYTIC DEMAND FORECAST

OVERVIEW

Cushman & Wakefield was asked how absorption rates would be impacted by a significant project, i.e., a major “catalyst” development (such as a university expansion or satellite campus, a research lab, business incubator, technology center, or a major public sector facility or complex) that would serve as an early catalyst to spur development at a faster pace. Without modeling every possible iterative type of catalyst development, C&W has included a catalyst scenario for each use type for comparison to non-catalyzed scenarios within the same land use. It is assumed within each use that the catalyst scenario would have a strong impact.

KEY ASSUMPTIONS

RESIDENTIAL

Our non-catalytic residential demand forecast used two approaches: Method A – the modeling of the pace of sales, based upon comparable projects and Method B – the projection of a market share of new household formation. Both Methods produce similar results. For the Catalytic Demand Forecast, we relied on Method A, accelerating development during the “Start-Up”, “Developing” and “Peak” phases of development, which allowed the earlier commencement and extension of the “Leveling” phase. The Startup phase was reduced to two years and the subsequent Developing and Peak Phases occurred earlier as well. The result was that the amount of development (i.e. number of projects) in the first 15 years increased from 14 to 22 in the event of an anchor development or other significant event that would spur interest in the Port Lands.

RESIDENTIAL	NON-CATALYTIC	CATALYTIC
Length of Start Up Phase	5 years	2 years
Number of Projects 2012-2026	14	22
Year 1 of Peak Phase	2024	2022
Cum. Unit Sales (2012-2026)	3,931	6,104

OFFICE

The aforementioned catalytic event is assumed to similarly accelerate the pace of office development, but not the overall (30 year total) extent of office demand. As illustrated in the following table, the pace of office development during the first 15 years (2012-2026) is higher in the catalytic scenario (45% of total estimated 30 year demand) than the non-catalytic scenario (41% of total 30 year demand).

OFFICE	NON-CATALYTIC (2012 TO 2026 PERIOD – 15 YEARS)	CATALYTIC (2012 TO 2026 PERIOD – 15 YEARS)
Projected Development (stated as % of Total 30 Year “Medium Demand”)	41%	45%
Projected Development (stated in sf for “Medium Demand”)	1,832,244	2,025,816

RETAIL

The pace and extent of increase in local retail demand resulting from a catalytic event is forecast to be commensurate and consistent with the pace and extent of residential population and office employment increase resulting from that catalytic event. In short, the incremental increase in the pace and extent of residential and office development results in a commensurate increase in the pace and extent of local retail development.

RESULTS

The following table compares the ranges of projected development, with potential impact from catalyst developments highlighted in bold. A catalyst development will foster either a faster pace of development or a greater extent of development (through higher market share), or both, depending upon the nature and size of the catalyst. The upper end of the aforementioned range reflects a greater degree of catalytic impact. In addition to the local retail space forecast below, for the purposes of this Report, C&W has forecast the development of 1 million sf of major retail use, which is consistent with the appended report identifying an opportunity for the development of 800,000 to 1.5 million sf of major retail space. Please refer to Appendix 4 for further detail.

ORIGINAL CUMULATIVE PROJECTIONS

Forecast Year	Office (Sq Ft)	Retail (Sq Ft)	Residential (Units)	Hotel (Rooms)
2016	177,000 – 402,000	22,000 – 85,000	150 – 190	0
2021	579,000 – 1,349,000	70,000 – 210,000	1,090 – 1,340	200 – 250
2026	1,110,000 – 2,555,000	136,000 – 335,000	3,530 – 4,320	275 – 375
2031	1,770,000 – 4,019,000	172,000 – 407,000	6,650 – 8,140	375 – 525
2036	2,251,000 – 5,113,000	210,000 – 491,000	7,770 – 9,500	550 – 750
2041	2,732,000 – 6,207,000	267,000 – 606,000	8,720 – 10,660	675 – 925

CATALYTIC CUMULATIVE PROJECTIONS

2016	177,000 – 402,000	22,000 – 85,000	**190 – 230**	0
2021	**619,000 – 1,407,000**	**74,000 – 215,000**	**1,580 – 1,920**	200 – 250
2026	**1,238,000 – 2,813,000**	**154,000 – 361,000**	**5,500 – 6,720**	**300 – 400**
2031	1,770,000 – **4,019,000**	172,000 – **407,000**	**8,020 – 9,800**	**425 – 575**
2036	2,251,000 – **5,113,000**	210,000 – **491,000**	**9,230 – 11,270**	**600 – 800**
2041	2,732,000 – **6,207,000**	267,000 – **606,000**	**10,180 – 12,430**	**725 – 975**

MARKET SOUNDINGS

OVERVIEW

The market context for the Port Lands was also tested by PricewaterhouseCoopers through an outreach directly to those who would be involved in realizing those market opportunities. Over thirty individual and group interviews were conducted with developers of different types of real estate, financial institutions, pension and sovereign funds and others to gain their perspectives on the opportunities and challenges for Port Lands development. Such an outreach process is important to identify specific development problems and approaches perceived by those who could be actively engaged in delivering the vision for the area.

KEY MESSAGES

The development, investment and financing community imparted the following key messages:

- An overall master development strategy and phasing plan must be defined.
- Provision of adequate transit service is critical for development to take place.
- Residential and some retail development could commence relatively quickly from existing built-up areas at Cherry Street and along Lake Shore Boulevard.
- Provision of adequate servicing is seen as a prerequisite for development to take place.
- The Port Lands themselves have significant environmental and infrastructure hurdles that must be overcome in order for development to take place.
- Public investment in the lands would be required in order to resolve these issues and ready the lands for their eventual revitalization.
- Providing specifics on project financing opportunities at this time is difficult given the current uncertainty regarding the amount and timing of capital needed to be invested in the property.
- Alternative Financing Procurement (AFP – 3P) opportunities are potentially limited, with the possible exception of a Special Purpose Vehicle (“SPV”).
- Other financing options that could be considered include Tax Increment Financing (“TIF”), Community Revitalization Levies (“CRL”) or Area Better Taxes (“ABT”).
- Various other development revenues should be considered (within economic reason), including development charge levies, area specific development charges, Section 37 contribution and cash-in-lieu payments.
- Development finance interviewees indicated return expectations of 8% to 10% on funds advanced.

FINANCIAL PROJECTIONS

OVERVIEW AND METHODOLOGY

MASTER DEVELOPMENT PRO-FORMA / RESIDUAL LAND VALUE

Cushman & Wakefield completed Master Development Pro-Forma and Residual Land Value Projections for numerous development scenarios identified by the Project Team. It is important to understand that the financial projections take the perspective and position of a Master Land Developer, who would construct all major and local infrastructure, and sell serviced lands (density) at market values, for a market return on investment. This allows us to evaluate and understand the viability of the Project from an overall developer/investor perspective, and assess development scenarios accordingly. The Master Development Pro-Forma relied upon the Demand Forecast, which is summarized in the preceding section and appended to this Report. This forecast projected the demand for office, residential, retail and hotel space (asset classes) over 20 and 30 year time horizons. The retail demand forecast includes both local serving retail and provision for 1 million sf of major retail.

The Master Development Pro-Forma also relied upon Major, Local, and Unique Flood Protection Infrastructure Cost Estimates, which were provided by the Project Team, based upon reporting received from engineering and cost consultants. Major Infrastructure costs include such items as transit, bridges, dock walls, major arterial roads (and associated sewer and water mains), and supporting trunk sewer and water main expansions, as well as soft development costs (such as architectural and engineering fees). Local infrastructure costs include such items as local roads, sidewalks, sanitary sewers and water mains, as well as soft development costs.

The Master Development Pro-forma financial models provided 30 year projections of the following:

- Serviced land (development density) sales revenues, which were based upon the above described demand projections and serviced land density value benchmarks (after adjustment for Area Specific DCs, which negatively affect the price that building developers will pay for serviced lands).
- Flood Protection, major and local infrastructure development cost projections.

The following table summarizes the cash inflows and outflows incorporated into the Master Development Pro-Forma:

MASTER DEVELOPMENT PRO-FORMA CASHFLOWS	
Serviced Land Sales Revenues (office, residential, retail and hotel)	Inflow
Flood Protection and Major Infrastructure Costs	Outflow
LocalInfrastructure Costs	Outflow
Development Costs Paid for by Building Developers (through Area Specific Development Charges)	Inflow
Net Cashflow	Net flow

The resultant net cash flows were discounted to a present (current) value at a rate of 10%, which is judged to be a reasonable private sector internal rate of return. It is also a fair rate of return for the City of Toronto to use in its evaluation, as it reflects not only the City's opportunity cost of capital (i.e., the rate of return on its debt) but the risks inherent in investing that capital in land development.

It is worth noting that the most recent (Q4 2011) Altus Insite Survey of suburban Toronto office building development yields indicates an average yield (cap rate) of 8.0%, to which we would add 150 basis points for land development risk, for a total of a 9.5% required return on investment (cap rate). The most recently surveyed (Q3 2011) Altus Insite Toronto suburban office discount rate is 7.6% average, approximately 1.1% higher than the suburban capitalization rate. Discount rates (IRR's) are thereby approximately 100 basis points above capitalization rates at present. The addition of 100 basis points to the aforementioned 9.5% required land development return on investment (cap rate) produces a discount rate (IRR) of 10.5%. We further note that PricewaterhouseCoopers, in its Market Sounding of development land financiers, was advised of yield expectations ranging from 8% to 10%. In C&W's analysis, however, it was presumed that a land developer would require a somewhat higher return than a financier, given the efforts, risks and costs inherent in land development. The addition of 150 basis points to the preceding 8% to 10% would indicate a 9.5% to 11% discount rate range. All of the preceding would indicate a land development discount rate ranging from 9.5% to 11.0% (10.25% mid-point). For the purposes of this analysis, a rounded 10% discount rate was therefore used.

The present value results were used to compare development scenarios, and to broadly determine whether a scenario provided a positive residual value (i.e., surplus of land development revenues over costs). It is important to note that the present value results are *not* appraised values, as would be completed by an Accredited Appraiser of the Canadian Institute (AACI) under Uniform Standards of Professional Appraisal Practice (USPAP) guidelines. Nor are they indications or opinions of value. Rather, they are simply financial analytical comparators.

The results of the preceding Master Development Pro-Forma/Residual Land Value analysis are provided in the following Financial Business Case sub-section. Detailed projections (for the Master Development Pro-Forma and each of its precincts) are provided in Appendices 5A and 5B.

City Cash Flow Model

Cushman & Wakefield also prepared a "City Cashflow Model", which projects revenues and costs to the City over 30 years, as a result of Port Lands development. These revenues and costs are compared on a total inflated dollar and present value dollar basis (the present value calculation reflects the fact that a dollar received today is worth more than a dollar not receivable until tomorrow, thereby reflecting the opportunity cost of money). Key cash inflows and outflows are summarized in the following table:

CITY CASHFLOW MODEL INFLOWS / OUTFLOWS	
Land Sale Revenues from City Owned Lands	Inflow
Land Sales Revenues from City Owned Long-Term Leased Lands (Reduced By 50%, for conservatism)	Inflow
Area Specific Development Charge Revenue	Inflow
Flood Protection, Major and Localr Development Costs for City Owned Lands	Outflow
Major Development Costs on All Lands	Outflow
Net Cashflow	Net flow

At the direction of the City of Toronto, real estate tax revenues from the development of the Port Lands have not been included, as it is the City's perspective that all of this revenue will be fully offset by increased City operating costs to serve new Port Lands employees and residents. Similarly, standard DC revenue has not been included (in accordance with current City by-laws), as it is the City's perspective that all of this revenue will be required to cover the capital costs associated with serving the needs of the new Port Lands employees and residents. All cash flows are discounted to a present value at a rate of 10%, which reflects a market return on investment for development land, and for the City of Toronto.

An executive summary of the above City Cash Flow analysis is provided in the following Financial Business Case sub-section. More detailed City Cash Flow summaries and projections (for the Preferred Development Scenario) are provided in Appendices 9A and 9B.

Development Scenarios

A wide variety of development scenarios were analyzed, allocating development densities to various Port Lands precincts, as well as a pair of "gateway" precincts, which lie just north of the Keating Channel, outside the boundaries of the official Port Lands study area. We note that Precincts A and B are outside of the Port Lands Study Area. The following precinct combinations were tested:

- Keating West, Keating East, Cousins Quay, Film Studio, and Lakeshore South (Precincts A, B, E1, F and G)
- Keating West, Keating East, Cousins Quay (Precincts A, B and E1)
- Keating West, Keating East, and Film Studio (Precincts A, B and F)
- Keating West, Keating East, Cousins Quay and Film Studio (Precincts A, B, F and G)
- Keating West, Cousins Quay, Polson Quay, Film Studio, and Lakeshore South (Precincts A, E1/E3, F and G)
- Keating West, Cousins Quay, and Polson Quay (Precincts A and E1/E3)
- Keating West, Cousins Quay, Polson Quay, and Film Studio (Precincts A, E1/E3 and F)
- Cousins Quay, Polson Quay, and Film Studio (Precincts E1/E3 and F) (the "Preferred Development Scenario").

All scenarios were subject to sensitivity testing, for various levels of demand (Conservative, Normal, Aggressive, Catalytic and/or Best Case). The Best Case scenario is a sensitivity test that arbitrarily and theoretically assumes that all available development density (supply) is absorbed within 30 years; it is not based upon economic or market forecasting. All scenarios were projected over 30 year time horizons.

It is important to note that the modeling was evolutionary, with issues being identified and addressed as the modeling proceeded. Hence, the later models are improvements to the earlier models. The final model (the Preferred Development Scenario, which allocates demand to Precincts E1/E3 and F in proportion to their respective shares of the available supply of development density) is thereby the most current model. It covers all of the 152 acres of publicly and privately owned lands in Precincts E1, E3 and F. The development densities (gross building areas) associated with the Preferred Scenario 1 (E1, E3 and F) are summarized later in this section and are also provided in Appendix 10 of this Report.

KEY REVENUE ASSUMPTIONS

OVERVIEW

C&W's revenue assumptions for the Master Development Pro-Forma are based upon its market demand forecast and order-of-magnitude estimates of serviced land values, for each asset class, assuming that all major and minor infrastructure is completed and the Port Lands are ready for development. The following 2012 land values were utilized:

BENCHMARK SERVICED LAND VALUES			
	GROSS BENCHMARK LAND DENSITY VALUE	AREA SPECIFIC DEVELOPMENT CHARGE	NET BENCHMARK LAND DENSITY VALUE
Office	$20.66	($9.40)	$11.26
Residential	$40.00	($6.20)	$33.80
Retail	$68.87	($9.40)	$59.47
Hotel (per room)	$15,000	($4,700)	$10,300

The above Land Values are assumed to increase at a 2.5% compound annual rate per year. Additionally, the aforementioned benchmark land value appreciation rate is adjusted to reflect the positive impacts of a growing critical mass of building development on land values. Accordingly, additional 10% increases in benchmark land values (over and above the 2.5% compound annual rate of value growth) are assumed to occur in 2018, 2021 and 2027, as the development gains critical mass. The following paragraphs provide further justification for the above mentioned value benchmarks, for residential, office, retail and hotel.

RESIDENTIAL VALUE BENCHMARKS

As illustrated by the High Density Residential Land Sales (Appendix 6) (within the City of Toronto over the past 12 months), residential land sales have transacted at $26 to $132 psf of density (gross building area) over the past 12 months; the average is $64 psf of density. The Waterfront Land Sales (Appendix 7) from January 1, 2010 to date shows a range from $24 to $51 psf of density, with an average of $37 psf of density. C&W assumed a $2012 residential value of $40 psf of density, which is in the middle of the Waterfront land sales range.

For further information, please refer to the attached Port Lands 2012 Value Benchmark Assumptions (Appendix 8), which provide value benchmark assumptions from 2012 to 2031. As illustrated in the chart, the above mentioned $40 psf residential land value grows to $62 psf within 10 years (6 years after the initial round of infrastructure construction), representing a full 55% increase. So our projected 2021 (2012 + 10 years) benchmark serviced residential land value (of $62 psf of density) is projected to exceed the $51 psf high end of the current Waterfront land sales transaction range, and in fact almost equal the current $64 psf of density City of Toronto average. Looking at this from another perspective, if one inflates the current high end of Waterfront lands sales at 2.5% per annum to 2021 (10 years), that density value would grow from $51 psf to $65 psf, as compared to our projected density value of $62 psf. All of the preceding confirms the reasonableness of our residential market value benchmark assumptions. The preceding was further verified through consultation with C&W Capital Markets representatives, in particular Mr. Noah Rechtsman, who has acted in the disposition of over $250 million of urban development land totaling over 3.5 million sf of residential and commercial development density on behalf of public, private and institutional clients.

OFFICE VALUE BENCHMARKS

Office lands in Downtown markets trade on a price per sf of total buildable area (density) basis. Office lands in Suburban markets trade on a price per acre basis. Office land values within Downtown South currently range from \$40 to \$50 psf of density. Office land values within prime suburban office parks trade at \$800,000 to \$1 million per acre. There have been ample trades within GTA office parks at these values; they are common typical benchmarks in the industry. Office parks with surface parking are typically developed at 0.75x density. Office parks with a mix of decked and surface parking are able to achieve about 1.0x density.

The Port Lands are not yet in any way comparable to Downtown South, nor will they be for many years to come. Therefore, it is more realistic to see the Port Lands attaining suburban serviced office land market values, commencing at \$20.66 psf of density (\$900,000 per acre divided by 43,560 sf of density).

RETAIL AND HOTEL VALUE BENCHMARKS

Suburban retail lands typically trade on a price per acre basis. Prices vary widely, but prices of \$800,000 to \$1 million per acre are common. Retail land development densities also vary significantly. Automotive oriented shopping centres typically require 5 parking stalls per 1,000 sf. The placement of this parking at grade results in a Floor Space Index (FSI) of 0.25 to 0.30x. The assumption of a \$900,000 per acre value and 0.30 x density produces a value benchmark of \$68.87 psf of density. The retail development community is able to proceed with retail development at these land prices, which are therefore judged to be reasonable.

A hotel land value of \$15,000 per room was utilized in our analysis, which is (in the opinion of the Hospitality Consulting Group of C&W) reasonable.

KEY DEVELOPMENT/COST ASSUMPTIONS

The development metrics for each of the scenarios were prepared by the Planning Alliance, in consultation with the Project Team. The development metrics were also informed by C&W's demand projections. It is therefore important to note that the models allow for the absorption of space (based upon C&W demand projections) until the available supply (defined by Planning Alliance) is taken up; no further absorption (or land sales absorption) then occurs. The infrastructure development costs for the scenarios were provided by the Project Team, in consultation with various costing and engineering consultants to the Project Team. The initial models allocated the total major and local infrastructure cost estimates (supplied by the Project Team) proportionately to each Precinct, based upon their allocated development density. The later models (particularly the Preferred Development Scenario (E1/E2 and F) used costs provided by the Project Team specifically for each Precinct. In some instances, the Project Team wished to test the impacts of removing a Precinct from the development mix. Accordingly, theannual demand (and thereby land density sales revenues) was reallocated to the remaining Precincts, and also major and local infrastructure costs associated with that removed Precinct were removed, at the specific instruction of the Project Team.

INFRASTRUCTURE COST ASSUMPTIONS

The Infrastructure Cost Estimates for this Scenario are summarized below and are also provided in Appendix 11 (Development Cost Summary).

CAVEATS AND LIMITING CONDITIONS

It is important to note that the serviced land sale prices utilized in our analysis assume that there are no environmental remediation costs or above normal geotechnical costs (over and above those normally encountered in the development of waterfront property) for the lands. Similarly, environmental remediation costs have not been included in the development cost projections. We were and are not in receipt of sufficient information, to accurately reflect these costs. Furthermore, we are not experts in these matters and are therefore unable to estimate or opine on environmental or geotechnical costs.

FINANCIAL BUSINESS CASE RESULTS

MASTER DEVELOPMENT PRO-FORMA RESULTS

The following "*Port Lands Revenue, Cost and Residual Land Value Indication Summary*" table (and the more detailed tables provided in Appendix 5) illustrates that the development of Precincts E1, E3 and F under the Preferred Development Scenario results in a deficit (revenues less costs) of:

$2012	Negative $328 million (negative $1.0 million per acre)
Total Inflated $	Negative $131 million (negative $0.4 million per acre)
Present Value $	Negative $95 million (negative $0.3 million per acre)

If (hypothetically and most optimistically) all of the 19.9 million sf of development density associated with Supply Driven Development Scenario 1 is absorbed over 30 years, then the abovementioned deficit is reduced to the following:

$2012	Negative $351 million (negative $1.0 million per acre)
Total Inflated $	Negative $146 million (negative $ 0.4 amount per acre)
Present Value $	Negative $83 million (negative $0.2 million per acre)

PORT LANDS REVENUE, COST AND RESIDUAL VALUE INDICATION SUMMARY
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)
(Assumes that the Master Developer Pays Area Specific Development Charges)

			$2012		Inflated $		Present Value $	
	Density Available	Density Absorbed	Total	$psf of Absorbed Density	Total	$psf of Absorbed Density	Total	$psf of Absorbed Density
Revenues (1)								
Office	8,570,000	4,470,022	$50	$11.26	$118	$26.31	$23	$5.22
Residential	9,675,000	9,675,000	$327	$33.80	$713	$73.75	$154	$15.96
Retail	1,401,000	1,401,000	$83	$59.47	$131	$93.54	$39	$27.72
Hotel	225,000	225,000	$5	$20.60	$6	$26.74	$2	$10.82
Total	**19,871,000**	**15,771,022**	**$465**	**$29.50**	**$968**	**$61.39**	**$219**	**$13.88**
Per Acre			$1.4		$2.9		$0.6	
Development Costs								
Major	19,871,000	15,771,022	($739)	($46.83)	($1,024)	($64.94)	($285)	($18.09)
Local	19,871,000	15,771,022	($178)	($11.31)	($247)	($15.69)	($69)	($4.37)
Total	**19,871,000**	**15,771,022**	**($917)**	**($58.14)**	**($1,272)**	**($80.64)**	**($354)**	**($22.46)**
Per Acre			($2.7)		($3.8)		($1.1)	
Development Costs								
Paid For By Developer (2)	19,871,000	15,771,022	$124.2	$7.87	$172.2	$10.92	$40.2	$2.55
Per Acre			$0.4		$0.5		$0.1	
Net Cash Flow	**19,871,000**	**15,771,022**	**($328)**	**($20.77)**	**($131)**	**($8.33)**	**($95)**	**($6.03)**
Per Acre			($1.0)		($0.4)		($0.3)	

(1) Assumes that Master Developer pays Area Specific DC's, which reduces land sales revenues
(2) Area Specific DC's Paid By Developer

City Cashflow Results

The following *Projected Cashflows to the City of Toronto* table (and the more detailed tables provided in Appendix 9) illustrate that the development of Precincts E1, E3 and F under the Preferred Development Scenario 1 results in a deficit of cash flow to the City of Toronto (revenues less costs) of:

Total Inflated $ - negative $540 million
Present Value $ - negative $189 million

If (hypothetically and most optimistically) all of the 19.9 million sf of development density associated with the Preferred Development Scenario 1 is absorbed over 30 years, then the abovementioned deficit is only marginally reduced to the following (due to higher revenue but also higher infrastructure costs):

Total Inflated $ - negative $548 million
Present Value $ - negative $181 million

It is worth emphasizing that the timing of revenues and costs is a critical financial analytical factor. The determination of the Present Value of these cash flows (reflecting the time/value of money) is the best way to evaluate scenarios on an "apples to apples" basis. Comparisons using $2012 or Total Inflated $ are misleading.

PROJECTED CASHFLOWS TO THE CITY OF TORONTO
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)
(Assumes that the Master Developer Pays Area Specific Development Charges)

	Total (Inflated) $ ($millions)	PV $ ($millions)
LAND SALES REVENJUES FROM CITY OWNED LANDS	$299.19	$67.96
LAND SALES REVENUES FROM LONG TERM LEASED LANDS (REDUCED BY 50%)	$167.88	$37.88
AREA SPECIFIC CHARGE REVENUE	$172.22	$40.20
DEVELOPMENT COSTS ON CITY OWNED LANDS	($826.22)	($231.47)
MAJOR DEVELOPMENT COSTS ON BALANCE OF LANDS	($353.45)	($103.78)
NET CASH FLOW	**($540.37)**	**($189.21)**

Offsetting Real Estate Taxes

A projection of the incremental increase in property tax assessment and real estate taxes that would theoretically occur, if the Port Lands were developed in accordance with the Demand Forecast, has been completed. The following assessment assumptions were used:

Office	$250 psf
Residential	$450 psf
Retail	$350 psf
Hotel	$150,000 per room

The preceding are order-of-magnitude benchmarks only, and do not represent a formal opinion of property tax assessment, as might be completed by a professional property tax consultant.

Property taxes were then projected, using current City, Education and Total mill rates. Again, these are order-of-magnitude projections for analytical purposes only, and are not formal property tax opinions, as might be completed by a professional property tax consultant.

The development of Precincts E1, E3 and F of the Port Lands (under the Preferred Development Scenario) will result in substantive real estate taxes, as follows:

PROPERTY ASSESSMENT AND TAX IMPACTS			
	CITY	EDUCATION	TOTAL
2041 Assessment	$17.7 billion	$17.7 billion	$17.7 billion
Annual 2041 Taxes (in total inflated $)	$151.1 million	$93.6 million	$244.7
Present Value (of 30 years tax revenue)	$246.5 million	$155.4	$401.9

While recognizing that the vast majority of these tax revenues will be required to fund ongoing City and Education costs, it is possible that there will be some net incremental benefit to the City, which could be used to support financing.

Furthermore, the development and sale of residential condominium units will generate substantial initial (first transfer) land transfer taxes. In broad strokes, this is estimated at $12 to $24 million in Present Value, which is 1% to 2% of $1.2 billion PV (the sum of the condominium market value assessment projected to be generated each year). Re-trades (over the 30 year forecast time horizon) will generate further land transfer taxes.

Further detail on the property tax impacts of the development of the Port Lands, in accordance with the Preferred Development Scenario, is provided in Appendix 12 (Real Estate Tax Projections). The City portion of these projections is also utilized by Scotiabank, in its analysis of infrastructure financing options.

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CITY (ONLY) REAL ESTATE TAX SUMMARY (Upon Build Out of Projected Demand in 2041) ($ Millions)		
	ASSESSMENT	ANNUAL TAXES
Office	$3,099	$99
Residential	$13,252	$102
Retail	$1,239	$39
Hotel	$142	$5
Total	$17,732	$245

INFRASTRUCTURE FINANCING OPTIONS

Based on the analysis provided in the above sections, it can be assumed that some form of government financial support will be required to fund a portion of the infrastructure costs ("Publically Funded Infrastructure") in order to make it economically viable for private development to proceed. From a government perspective, the overall evaluation of the financial feasibility of tPort Lands revitalization requires an evaluation of the total sources available to the government and the total expenditures required to be made by government as represented in the following diagram.

The analysis contained herein does not address this broader question of feasibility of Port Lands revitalization t from a government perspective (or the relative desirability of government investment in Port Lands revitalization versus other projects that will require government financial support); rather, it exclusively addresses the ability of Port Lands revitalization to support debt financing on a recourse and non-recourse basis. In particular, ouranalysis is focussed on the options available to the government in the context of the available sources of tax and other revenue available to the government from the Port Lands area.

The two main sources of public revenue available to support the repayment of debt used to fund the Publically Funded Infrastructure are:

1. Local Property tax paid to the City and the Province; and
2. Area Specific Development Charges ("ADCs") or other special charges levied in respect of Port Lands revitalization.

The opportunity to utilize property tax to repay debt raised to pay for the Publically Funded Infrastructure is obviously constrained by the requirement of the City and the Province to use some or all of those funds to pay for core services in the Port Lands. The government may also consider funding the Publically Funded Infrastructure through some form of grant or direct subsidy to the extent that that there is a broader economic case to do so. This report does not address that approach.

With respect to debt financing, the government broadly speaking can take one of two approaches to financing the Publicly Funded Infrastructure:

1. Issuance of public debt ("Recourse Debt") which would be repaid through tax and other revenues associated with the Project but that is ultimately guaranteed by the Government;

2. Issuance of non-recourse debt which is secured and repaid through public revenues ("Non-Recourse Debt") where the risk of repayment of the debt is transferred to the debt providers.

The government's ability to raise Recourse Debt will be limited by broader fiscal and operating budgetary constraints. In particular, the City is constrained by City Council policy which limits its total debt capacity such that the total annual debt charges, including interest and principal amortization, cannot exceed 15% of the property taxes for the tax supported debt.

The ability to raise Non-Recourse Debt, particularly in the early years of Port Lands revitalization, will be limited by the start-up nature of the development, given that debt investors will not typically accept the "ramp-up" associated with the uncertain government revenue from the development, which would be used to secure the debt. In order to attract debt investors in the Canadian debt capital market, Non-Recourse Debt would likely have to be rated by the rating agencies as investment grade (BBB- for higher from Standard & Poor's or the equivalent rating from Moody's or Fitch). In general, rating agencies expect debt repayment to be based on proven sources of revenue rather than speculative revenue based on projected increases in property values. As a result, the ability to raise Non-Recourse Debt to fund infrastructure costs prior to the commercial development is very limited.

The following quantitative analysis has been prepared by Scotiabank, based upon Cushman and Wakefield's real estate absorption and tax revenue projections C&W and the ADC estimates prepared by Watson and Associates Economists. The following tables summarize the estimated debt capacity today of the Project on a recourse and non-recourse basis based. The non-recourse scenario assumes that the City and the Province participate on an equal basis, whereas the recourse scenario assumes that only City tax is available to support the repayment of the debt financing.

Recourse			
($000)	City	Province	Total
Tax Supported Debt	175,032	-	175,032
Area DC Supported Debt	116,886	-	116,886
Total	291,919	-	291,919

Non-Recourse			
($000)	City	Province	Total
TIF Bond Issuance	22,790	17,358	40,148
Area DC Supported Debt	-	-	-
Total	22,790	17,358	40,148

Conclusions and Recommendations

Conclusions

Given all of the above analysis, the following conclusions are offered:

- There will likely be solid demand for residential condominium development within the Port Lands, provided that sufficient major and local infrastructure is constructed and funded. Port Lands residential demand will be driven by GTA population growth, a demand shift from the Suburbs to the Downtown and investor demand.

- Toronto has a diversified economy and any reuse of the Port Lands site should focus on industry segments where a dominant or fortified market position can be established. The Port Lands offer a unique opportunity to create a new office district in the central city, which could be of significant size and employment population. The space needed to support the rapidly growing core and the employment activities traditionally associated with suburban locations can be much more competitively, efficiently and attractively located here, within easy distance of the increasing downtown and central city population.

- There will be significant demand for office uses, with occupants seeking proximity to Downtown Toronto's population and employment base (and/or their Downtown head offices), at comparatively cost effective gross rents (relative to the Financial Core and Downtown South or West). In order to be competitive with suburban options, these office buildings will likely be lower rise (5 to 7 stories) and lower cost (of comparable cost to "speculative suburban Class A buildings").

- Office development within the Port Lands will rely on the completion of aforementioned infrastructure, inclusive of a reasonable level of dedicated transit service including direct and expeditious linkage to Union Station. The best office sites will offer visibility from the Gardiner Expressway and the bottom of the Don Valley Parkway. Sites offering direct egress from the DVP and proximate access will also be preferred.

- There will be a need for local retail space, providing goods and services serving the residents and employees of the Port Lands.

- Economic/demographic analysis and market soundings have confirmed a need for 800,000 sf to 1.5 million sf of major retail space that will serve a broader City of Toronto trade area.

- There is some but limited opportunity for hotel uses within the Port Lands, including corporate retreat and water based tourism related space. A limited amount of hotel space can be developed to serve local residents and employees; however, most of this demand will likely be accommodated within established Downtown hotel concentrations.

- In terms of employment, depending on the types of office and retail uses that emerge in the Port Lands, some complementary forms of industrial or quasi-industrial/flex office may be attracted, such as local supply warehousing serving nearby offices and residences, as well as quasi-retail uses such as automotive, multi-tenant tradecrafts, wholesale and construction.

- The arts, media and information technology sectors are also possible candidates, as their work place environments vary and are flexible allowing them to locate in both office and industrial built forms.

- Existing heavy industrial and outside storage uses could expand marginally. These functions, providing space for utilities, storage, logistics, energy, maintenance, construction support and similar functions needed by the whole city, and specifically the downtown, play an important role and are not easily relocated.

- The Port Lands will have a development phase that will last through numerous real estate cycles; the Port Lands Acceleration Initiative should contemplate a variety of development strategies that are flexible enough to respond to changing market conditions.

- The Port Lands' development will have some net real estate demand benefit to the City, attracting Suburban office tenants that would not otherwise consider the City of Toronto. Conversely, other Suburban office prospects will seek City of Toronto sites, irrespective of whether the Port Lands proceed or not. The Port Lands will not likely result in net new residential or retail demand for the City; these residents and shoppers would seek other City of Toronto locations, were the Port Lands not available. In short, the development of the Port Lands will create some, but not extensive, net new real estate demand for the City of Toronto.

- C&W has tested an extensive number of development scenarios. The Preferred Development Scenario has succeeded in narrowing the deficit gap (between the present value of revenues and infrastructure costs) to $95 million, from a Master Development perspective. From a City Cash Flow perspective, the gap is somewhat wider, with a deficit of $189 million.

- The incremental increase in real estate taxes generated by Port Lands development can be used to support both recourse and non-recourse financing. Scotiabank estimates that $175 million of recourse bond financing or $40 million of non-recourse bond financing can be secured by a modest proportion of the incremental real estate tax revenue generated by the Preferred Development Scenario. Area Specific Development Charge Revenue can also be levered, to generate $117 million in recourse bond financing. The preceding would either fully (through recourse financing) or significantly (through non-recourse financing) close the aforementioned gap. To be clear, however, under a non-recourse financing scenario, the investors would have first claim over the incremental tax revenue and surplus tax revenues would only flow back to the City once repayment obligations to the investors had been satisfied.

- It is important to recognize that Recourse Financing is exactly that; the Bond Holders will have recourse to covenant of the City of Toronto, inclusive of all of its assets and revenues. Non-Recourse Financing is secured by the specific assets that are financed (and not the covenant of the City of Toronto), which in this case are revenues from the disposition of the lands to be developed, a portion of the real estate taxes that they will generate following their build-out and the Area Specific Development Charges that the land developers will pay. Accordingly, the bond holders will have first claim on these assets and revenues, to secure their principle and cover their debt service.

- The City is constrained by City Council policy which limits its total debt capacity such that the total annual debt charges, including interest and principal amortization, should not exceed 15% of the property taxes for the tax supported debt. The additional assessment and property tax revenue generated through the development of the Port Lands will thereby increase the amount of recourse debt that can be taken by the City. This is an underlying tenet of Scotiabank's analysis.

- Accordingly, a combination of recourse or non-recourse financing and/or government investment can close the infrastructure gap and accelerate the Port Lands' development.

- It is important to understand that the development community cannot alone close the gap, based upon the assumptions used in (and as demonstrated by) the Financial Business Case model. The Financial Business Case analysis assumes market serviced land values. Any further taxation, beyond the Area Specific Development Charge included in the C&W analysis, will serve only to reduce achievable City land sales revenues.

- Development is not without risk. Economies and real estate markets have up and down cycles, which can adversely impact land development revenues. Infrastructure construction can be subject to cost overruns. Environmental issues and geotechnical costs need to be studied in greater detail and will add a currently unknown degree of cost. Risks, however, can be mitigated or managed in a number of ways.

RECOMMENDATIONS

Based upon the preceding analysis and conclusions, the following Recommendations are offered:

- Project Team plans for short- and medium-term development should not come at the expense of long-term master planning.

- The Project Team should seek out major institutional and commercial anchors that, in turn, will support population and alternative commercial and entertainment uses. This being said, anchor tenants will need to be presented with a clear and compelling site selection business case, relative to other competing urban and suburban locations.

- Similarly, the Project Team should consider the creation of outward focused destination retail which can create a sense of place and brand identity, in turn attracting private capital for development of a larger mixed-use district.

- To attract desired end users, the Project Team should consider a targeted industry and locational investment fund. This is a loan or grant fund designed for a specific industry cluster or need.

- There is a substantial financial shortfall (a difference between revenues and infrastructure costs) from both a Developer and City perspective, that needs to be addressed. The shortfall can partially be addressed by recourse or non-recourse debt financing. The development community cannot economically close this gap. Some extent of government (Municipal, Provincial or Federal) infrastructure funding will likely be required and should be considered.

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APPENDICES

Appendix 1: Toronto Port Lands – Area Competitive Analysis

Subsectors within Professional and Business Services, Public Administration, Information, Finance, Insurance and Real Estate, Educational Services and Health Care and Social Assistance are recommended as targeted employment sectors in developing the Port Lands.

These recommendations include considerations such as employment fundamentals of an active and developed labour market, moderate to high wage levels which may generate substantial tax revenues and the alignment of basic economic functions with the general character of the planned redevelopment.

- Toronto is a diversified economy and any reuse of the Port Lands site should focus on industry segments where a dominant or fortified market position can be established.
- Employment is analyzed by CMA (and corresponding CBSA for peer U.S. locations) at the two-digit NAICS industry level and four-digit subsector level for recommended industries.
- Wages were surveyed for prevalent occupations within each Industry sector using Economic Research Institute data. This data reflects Toronto's competitive positioning for higher-skill occupations typically associated with the targeted industry sectors.
- Economic sectors which show the most promise and should be targeted for additional development include:
  - Professional and Business Services
    - Scientific Research &Development
    - Architectural/Engineering
    - Management and Scientific Consulting
    - Other Professional, Scientific and Technical
  - Public Administration
    - Federal
    - International
    - Aboriginal
  - Information / Arts, Entertainment and Recreation Services
    - Telecommunications
    - Software publishing
    - Motion Picture and Sound Recording
  - Finance, Insurance and Real Estate – "Back office" supportive activities related to
    - Insurance
    - Non-depository credit intermediation
  - Educational Services
    - Universities
    - Community Colleges
  - Health Care and Social Assistance
    - Hospitals
    - Outpatient care
    - Child day care
    - Nursing and Residential Care
    - Individual / Family social services

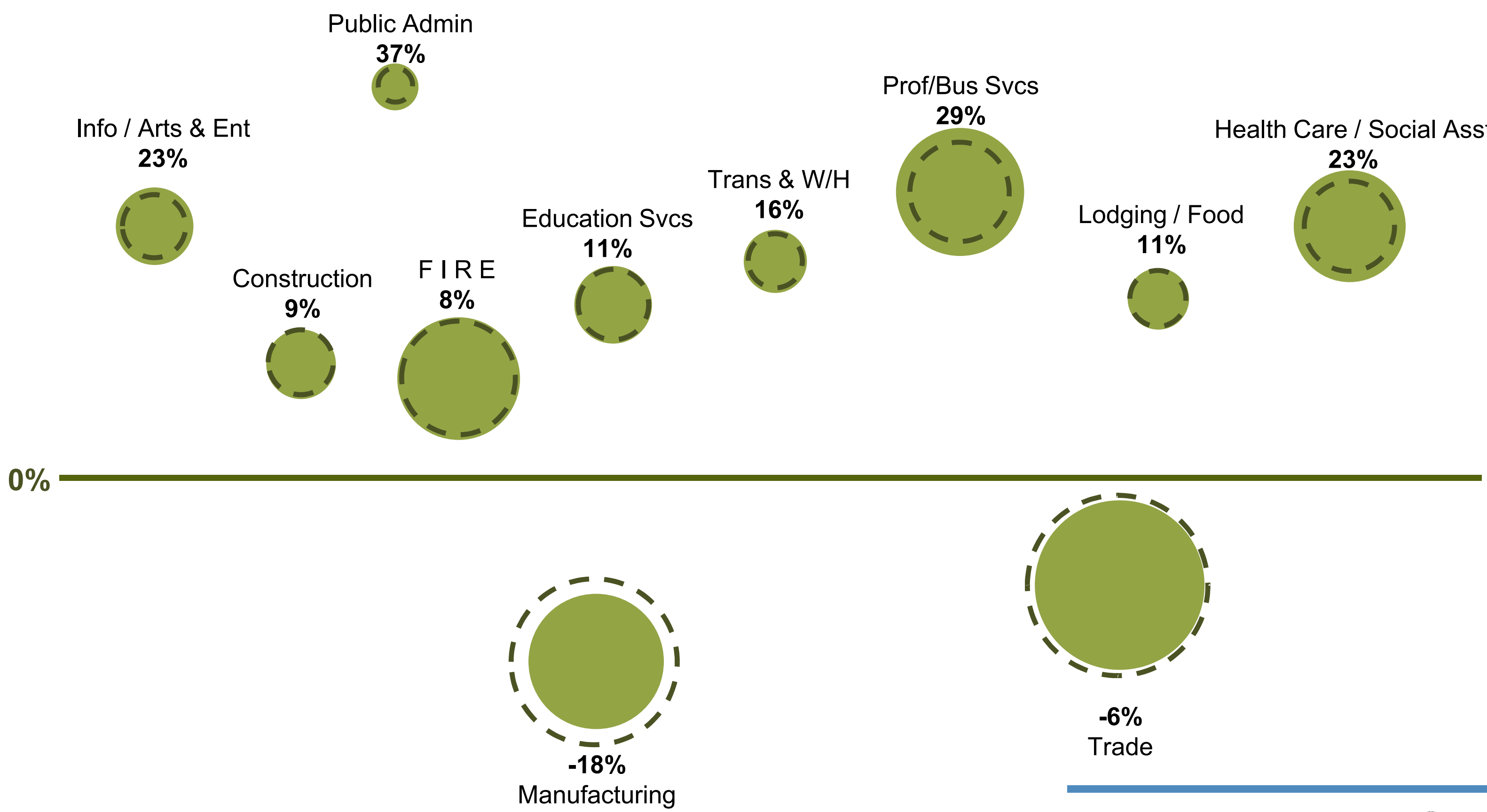
Employment by Industry Sector, 2006-2011

Diversified and vibrant, Toronto's economy weathered the recession well.

- Since 2006 and despite the 2009 recession, only Manufacturing and Trade have experienced a decline in their employment base. Public Administration, Health Care, Professional and Business services and Information have grown by more than 20% in this well-diversified economy. The industry sectors displayed account for more than 90% of all employment in the Toronto CMA.

Industry Sector Snapshot (NAICS two-digit)

Circle size represents labor market size Employment 2006 Employment 2011 Percent changes are over 5 years



Source: Table 282-0112: LFS estimates employment by Census Metropolitan Area and NAICS

Toronto Labour Market: Quadrant Chart

Three key components are employment growth (vertical), concentration (horizontal) and market size.

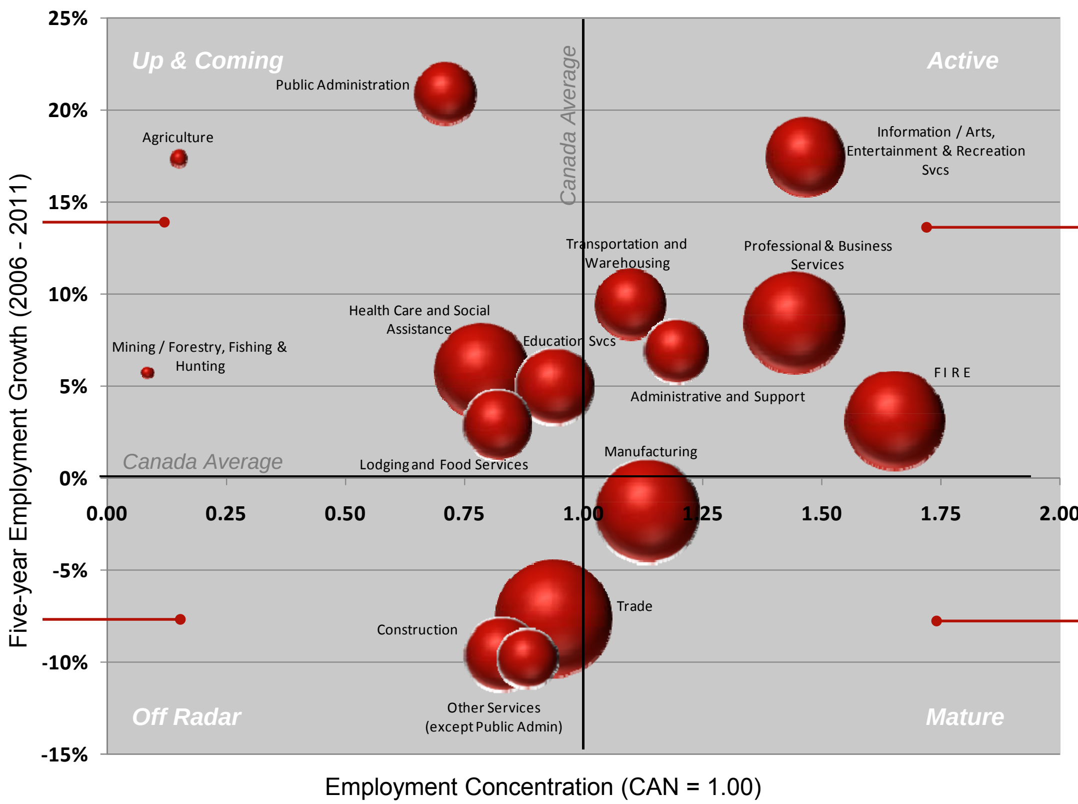
- Labour markets can be differentiated by size, growth and employment concentration. The Toronto economy is driven by employment in white-collar, knowledge-based industries such as Information, Professional and Business Services and Finance, Insurance and Real Estate (FIRE). Transportation and Warehousing and Manufacturing still play an important role and show some employment specialization. Industries including Trade, Health Care and Education are slightly underdeveloped and show potential for expansion.

Up & Coming – above average growth; below average concentration

Markets with a critical mass in this quadrant tend to be in the early part of their lifecycle and have room to grow before they reach the saturation point.

Off Radar – below average growth and concentration.

These are markets that are not seeing activity for targeted skill sets. Markets in this quadrant are often small without a critical mass of talent. This type of market can work if a company wants to train a workforce and be isolated from competition.



Active – above average growth and concentration.

Often markets with the deepest talent pools and brightest growth forecasts are in this quadrant. If a market is too concentrated or growing too fast, however, a new company may face fierce competition for labor causing upward wage pressure.

Mature – below average growth; above average concentration

Markets in this category typically are either very large and experiencing slow percentage growth or simply decreasing in overall competitiveness (high costs and loss of companies are two example causes of competitive decline).

Source: Table 282-0112: LFS estimates employment by Census Metropolitan Area and NAICS

Map & Description of Comparison Cities

We compared economic performance of Toronto to peer cities.

- Eleven metropolitan areas in North America are referenced as comparison areas in the Industry Sector analysis for contextual purposes. They are the locations with whom Toronto typically competes for business investment and prestige on the international stage.

Comparison Cities

Insights

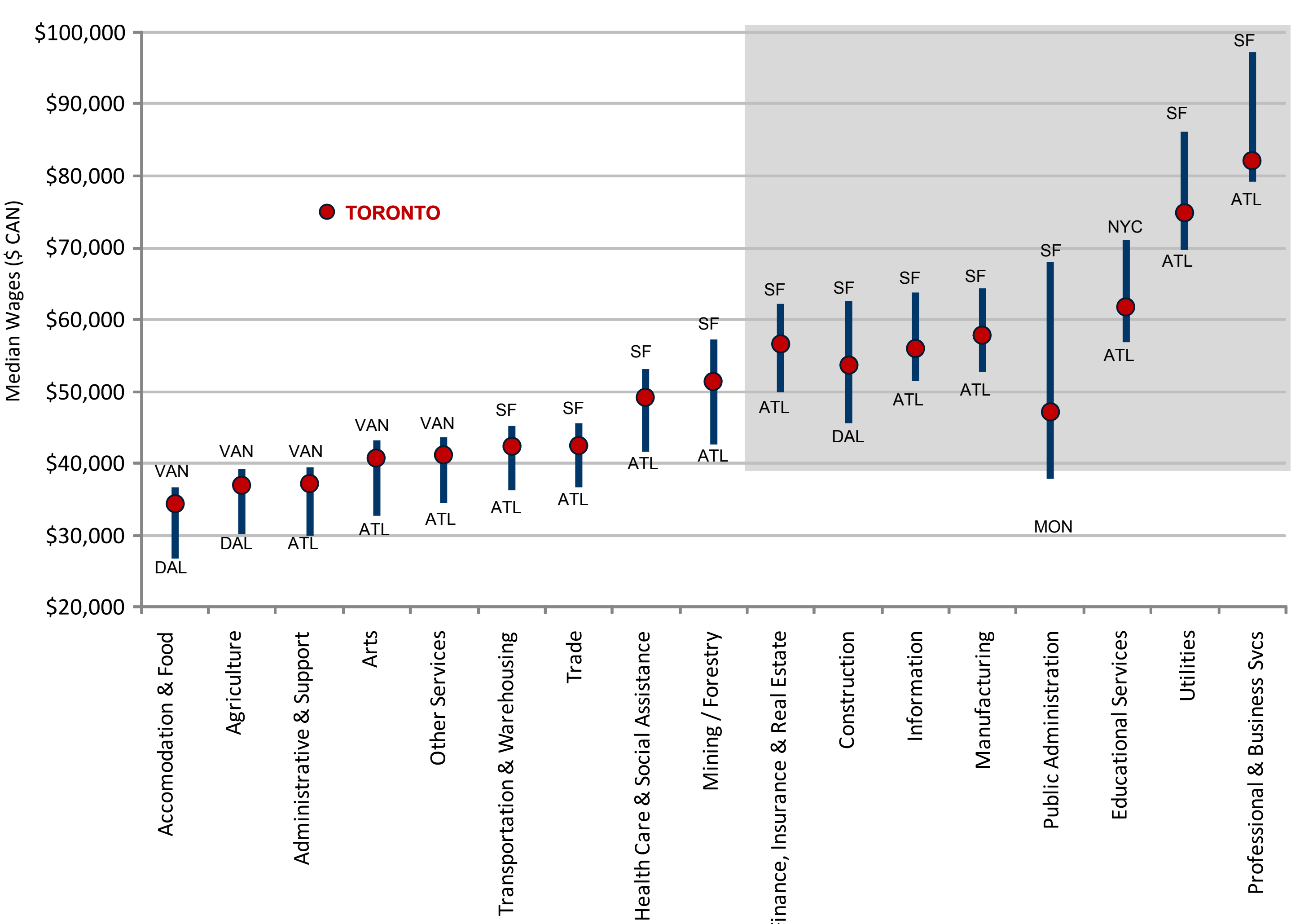
- Using a derivation popularized by the Global and World Cities Network (GaWC), ten metropolitan areas were chosen as comparable locations to add context to the interpretation of Industry Sector and cost performance.
- The GaWC hierarchy* and peer locations chosen are as follows:
  - New York (Alpha ++)
  - Chicago (Alpha +)
  - **Toronto,** Los Angeles, San Francisco and Washington (Alpha)
  - Atlanta, Boston, Dallas and Philadelphia (Alpha -)
  - Vancouver, Montreal (Beta +)

* According to GaWC: Alpha are very important world cities that link major economic regions and states into the world economy, Beta are important world cities that are instrumental in linking their region or state into the world economy and Gamma are cities which are not advanced global producers of services

Wage Costs by Industry Sector: Toronto and Peers

Toronto's wages are more competitive in skilled, white collar professions.

- The median wages* for the most prevalent occupations in each industry sector were surveyed. For positions in higher-wage industry sectors (highlighted in gray) such as Professional and Business Services, Educational Services, Information and FIRE, Toronto is in an advantageous position relative to the comparison group. However, wage costs in Toronto are disadvantageous(relative to study areas) in lower-wage industry sectors.



Insights

- Toronto has a 4-7% cost advantage relative to east-coast peers New York and Boston. Among targeted industry sectors, the surveyed cost delta demonstrates a competitive advantage:
  - Professional & Business Svc 11-14%
  - Educational Services 8-15%
  - Information 6 – 10%
  - Finance, Insurance and RE 3-7%
- Vancouver and San Francisco are consistently the highest-wage locations , along with New York in the Education sector
- Atlanta and Dallas are consistently the lowest cost major metro areas within the comparison group, with the exception of Public Administration

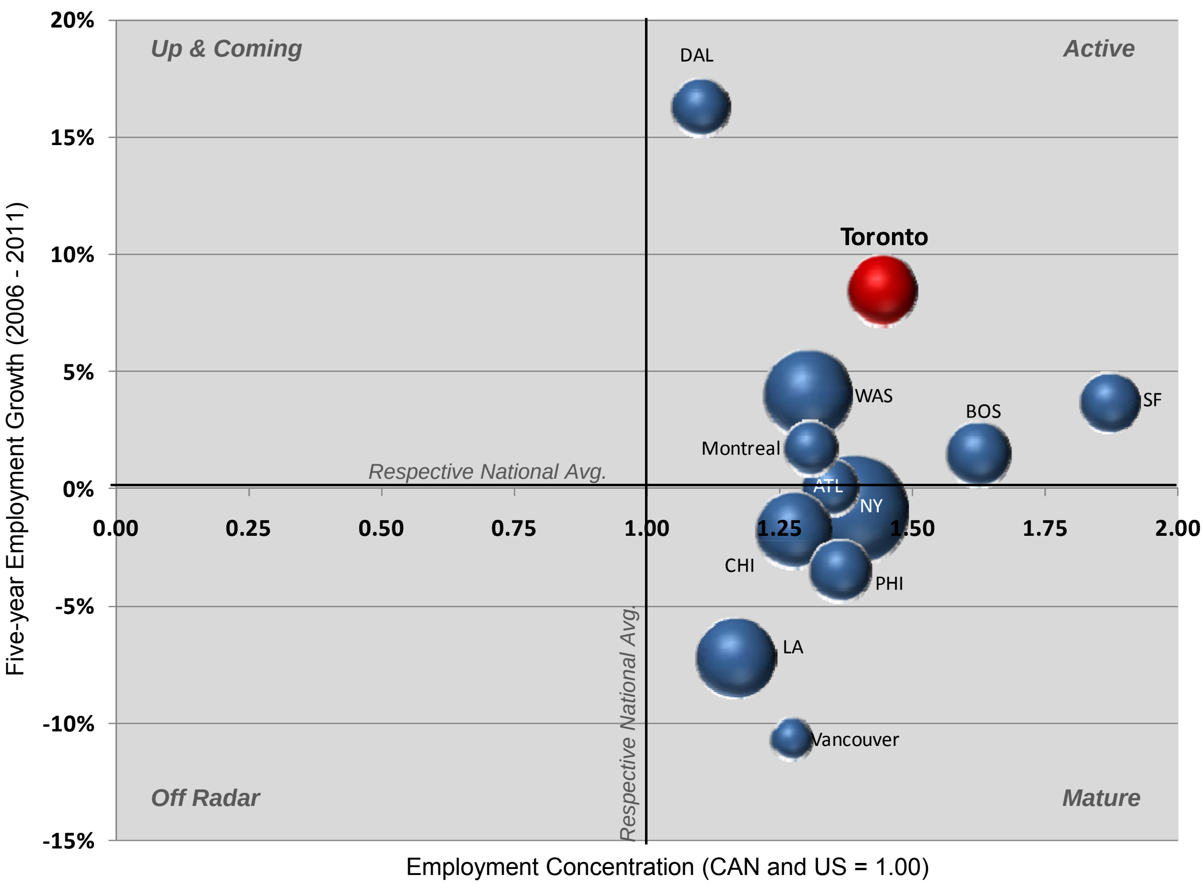
CUSHMAN & WAKEFIELD

* Source: Economic Research Institute; all occupations converted to $Cdn, from published rates on January 17, 2012.

Employment in this sector is vibrant and ideally positioned among peers.

- Employment within Professional and Business Services is somewhat concentrated in Toronto, about 44% above the national average. This degree of specialization is aligned with the peer group and is 20-40% lower than Boston and San Francisco. Targeting of additional users in this sector is recommended for the Port Lands in the detailed subsector analysis on the following page.

Quadrant Chart: Professional and Business Services



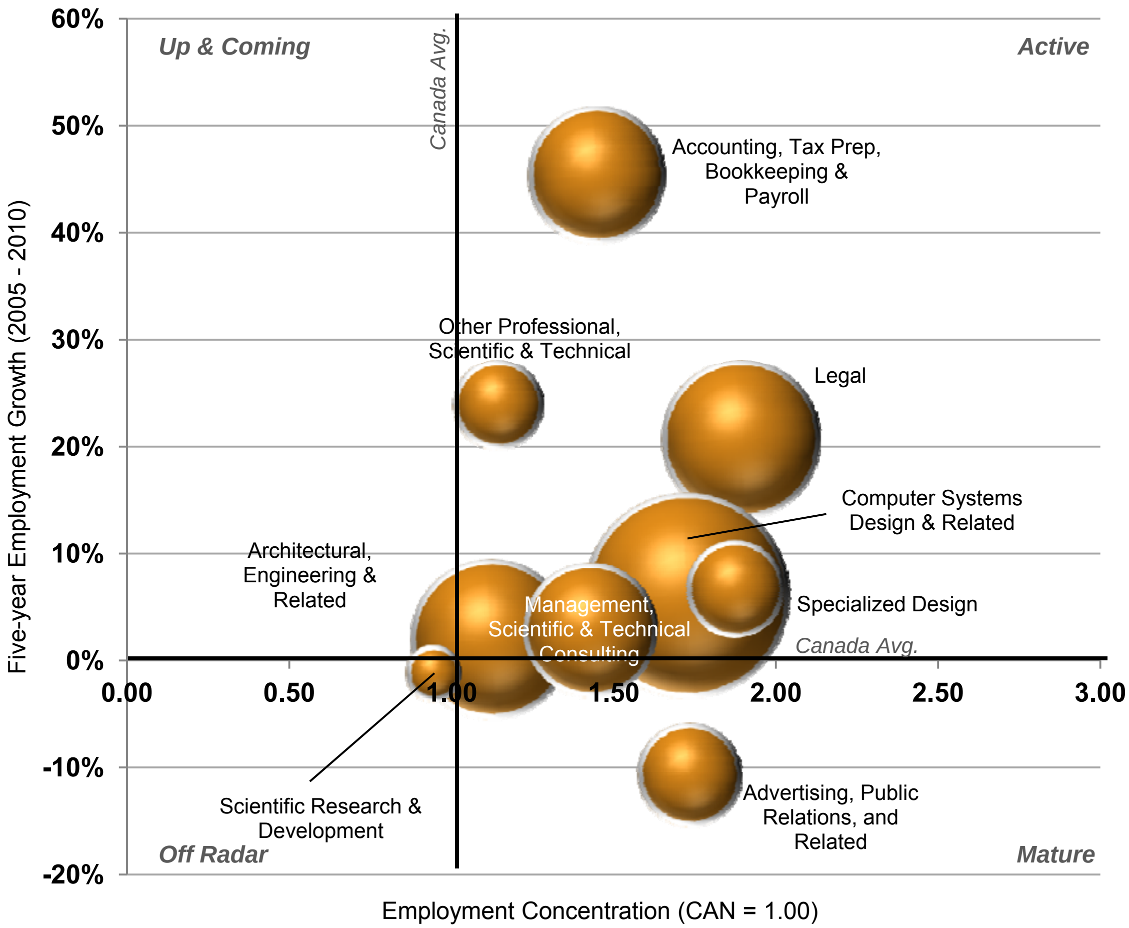
Insights

- The ideal positioning of Toronto's labour market for Professional and Business Services indicates the health of this market sector
- Only Dallas grew employment at a higher rate than Toronto in this sector over the past five years
- There are about 323,000 Torontonians employed in Professional and Business Services, nearly 11% of the workforce. Leading occupations include:
  - Accountants and Auditors
  - Attorney
  - Engineers
  - Management analysts

Technically-oriented services are less developed in Toronto and provide an opportunity to add jobs.

- A large majority of subsectors within Professional & Business Services exhibit an above-average degree of employment specialization (horizontal) and employment growth (vertical). As such, firms within all subsectors appear to be strong targets for employment in the Port Lands. Notably, the labour market for technical subsectors such as Architectural, Engineering and Related, Management, Scientific and Technical Consulting and Other Professional, Scientific and Technical are substantial, but not overly competitive. They constitute strong target industry sectors.

Quadrant Chart: Professional & Business Services Subsectors



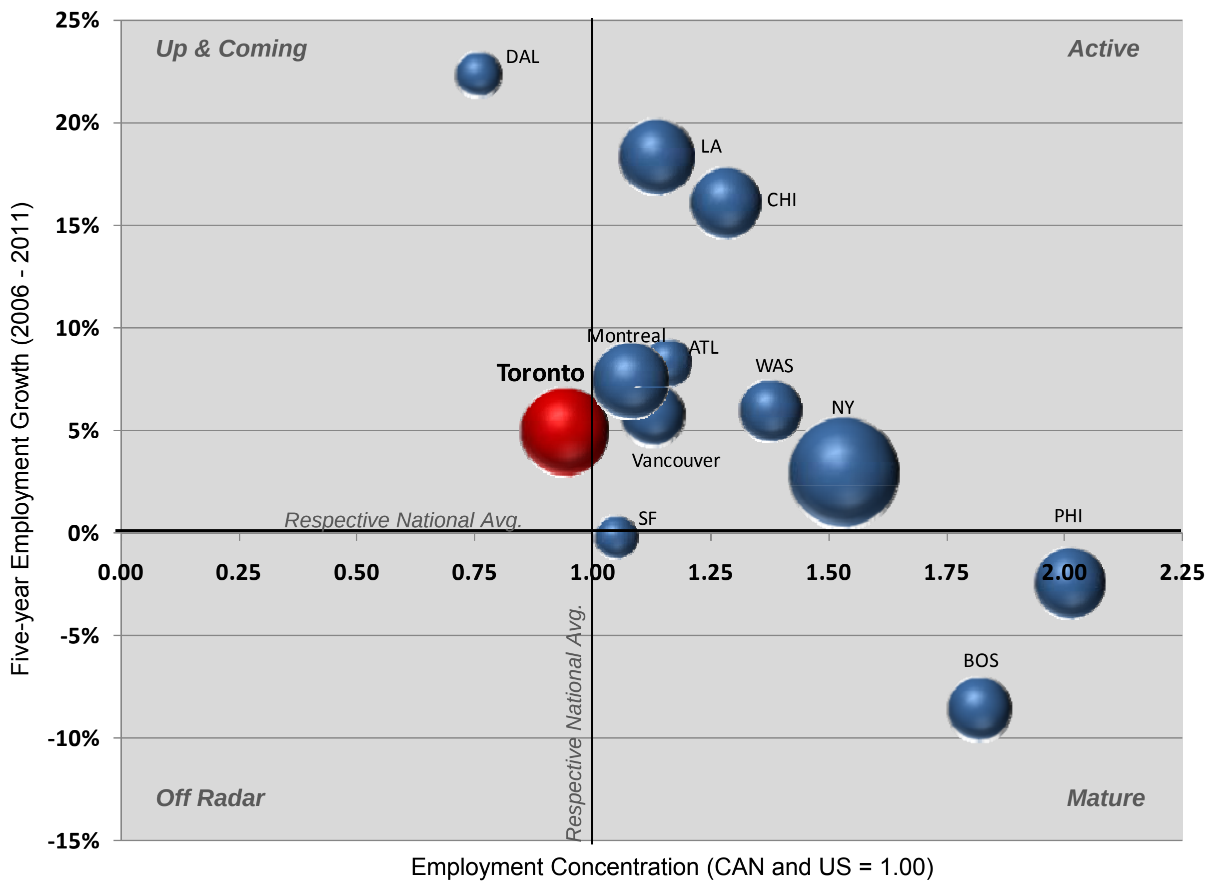
Insights

- Scientific Research and Development has a relatively small employment base and falls just below the expected level of 1.00
- Advertising, Public Relations and Related Services has shed about 5,000 job in the past five years
- The labour market for Legal talent is nearly twice as concentrated as the Canadian average
- Employment growth in Accounting, Tax Prep, Bookkeeping and Payroll has been very strong – nearly 50% - in the past five years

Employment in Educational Services is more developed in all peer locations, except Dallas.

- Education represents possibly the greatest opportunity as an employment anchor in the Port Lands, as employment concentration appears just below the Canadian national average and 10-100% below comparative locations (except Dallas), a surprising finding. The addition of employment base in this sector by targeting additional educational institutions is recommended for the Port Lands.

Quadrant Chart: Educational Services



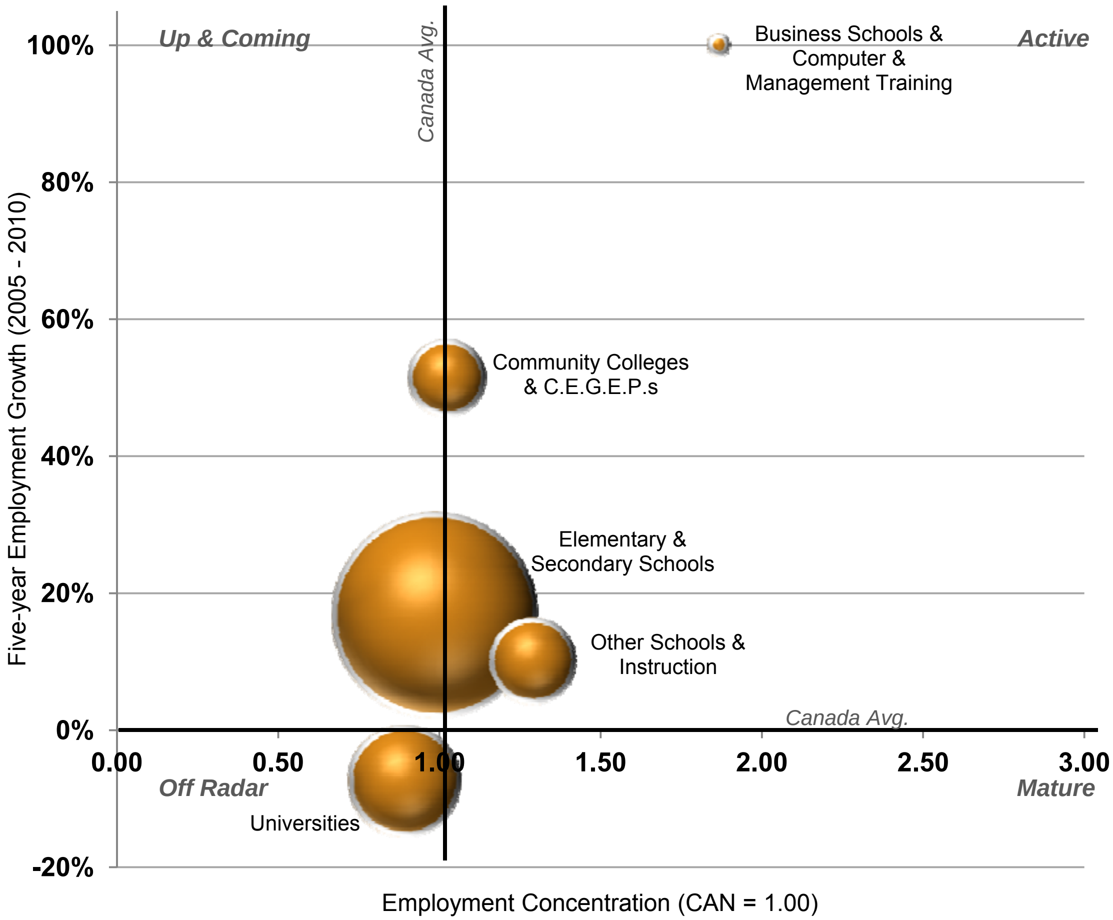
Insights

- Although Toronto displays strong job growth characteristics over a fifteen year horizon averaging about 3.7% annually, it still trails peer locations (except Dallas) in relative employment concentration
- Boston and Philadelphia are world-recognized centers of education and enjoy many partnerships and alliances with the private sector
- Prevalent occupations within Education include:
  - Elementary, Secondary, Middle School Teachers
  - Educational Administrators
  - Postsecondary instructors

Surprisingly, University employment appears to be relatively underemployed.

- Given the proportion relationship of residential population and Elementary and Secondary school employment , industry subsector performance for those two large classifications are understandably reflective of the Canadian average. High growth is present in post-secondary educational institutions such as Business schools and Computer and Management Training. However, the opportunity to develop the labour market for University talent appears favourable comparable North America labour markets are much larger, in a relative sense..

Quadrant Chart: Education Subsectors



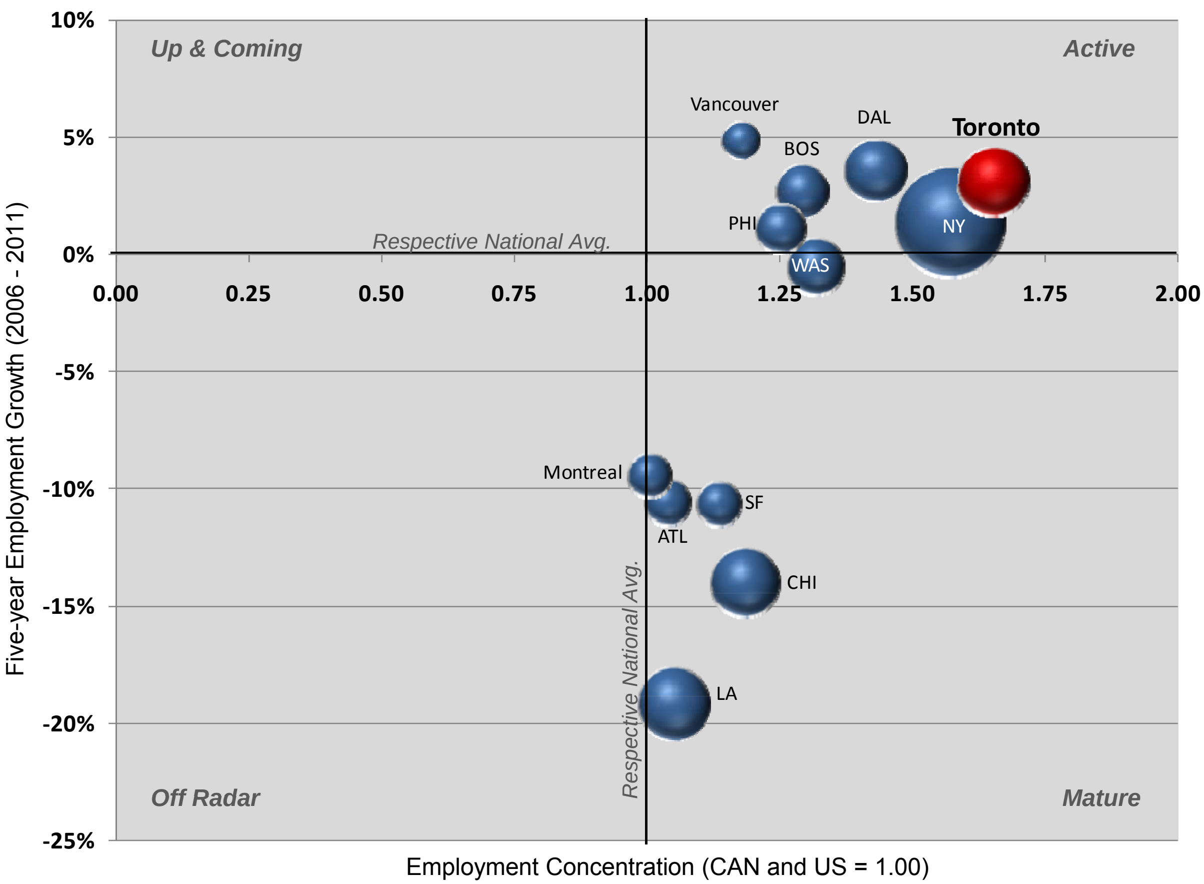
Insights

- On a relative basis, employment in Universities falls below the Canadian national average and well below peers.
- Employment in Business Schools, Computer and Management Training has exploded over the past five years, doubling in size and becoming a regional specialty
- Community Colleges, Elementary and Secondary schools anchor the Education Sector and display strong labour market characteristics

Toronto's financial services specialization can produce back office opportunities for the Port Lands.

- Clearly, the FIRE industry sector is a regional specialty of Toronto. More concentrated than New York City, it is the financial capital of Canada. However, the Port Lands positioning 3-4 kilometers from the Financial District likely means that potential firms will find it disadvantageous to recruit top talent for front office and leadership positions. CBD advantages include public transportation centrality and ancillary benefits resulting from proximity to peers and business amenities. Back office services or support activities appear more likely as uses in the redevelopment and should be pursued as space demands potentially constrain users in the Financial District.

Quadrant Chart: FIRE



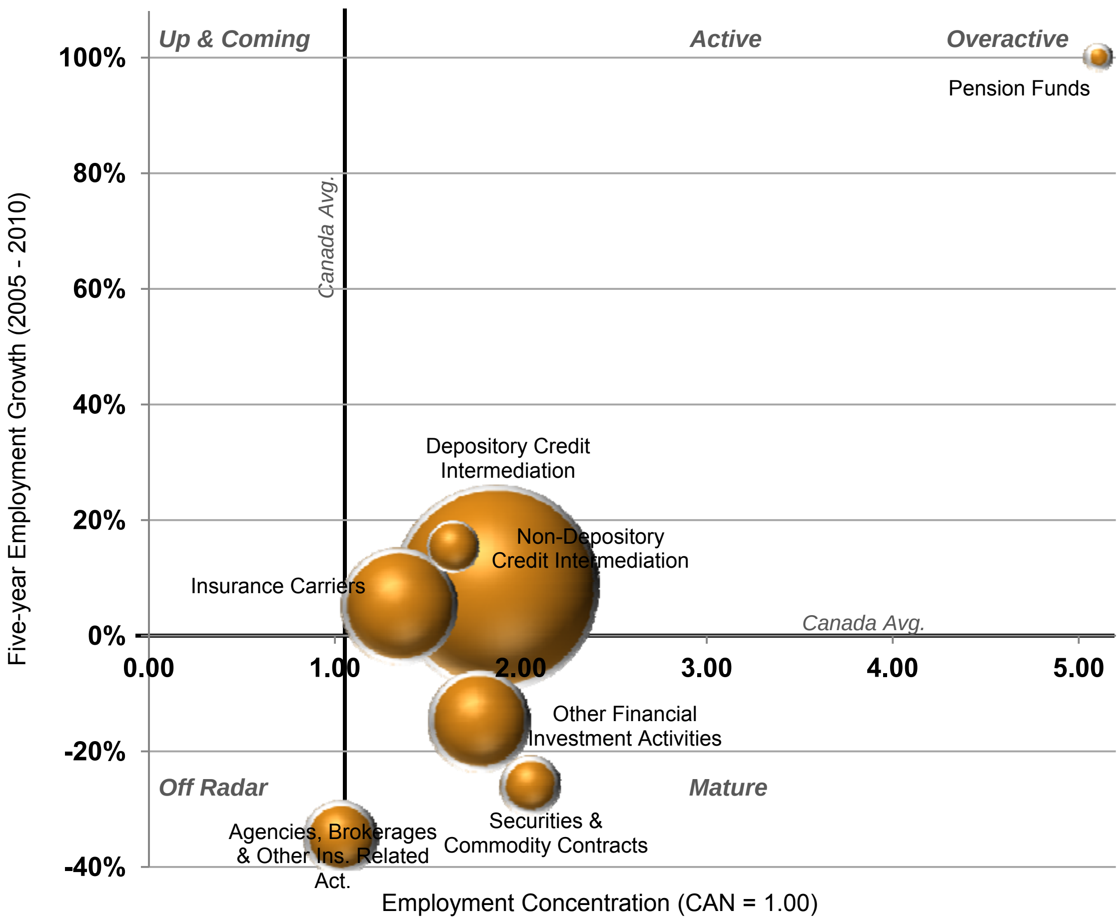
Insights

- Despite having half of the population base, Toronto's FIRE employment is nearly equal to Los Angeles and larger than every peer city with the exception of New York
- All comparison locations display an above-average employment specialization in Finance, Insurance and Real Estate activities
- Prevalent occupations within FIRE include:
  - Financial analysts, sales agents
  - Customer service representatives
  - Tellers, loan officers, loan interviewers
  - Insurance sales agents, claims processing clerks, claims adjuster

Insurance and credit card (Non-depository) activities offer the greatest opportunity.

- Among FIRE subsectors, Insurance related activities (Carriers and Agencies, Brokerages) and non-Depository Credit Intermediation (credit card companies) display the most favorable characteristics for additional employment share. These uses appear to align well with the Port Lands as their labor tends to be less specialized and more prone to competitive influence.

Quadrant Chart: Finance and Insurance Subsectors



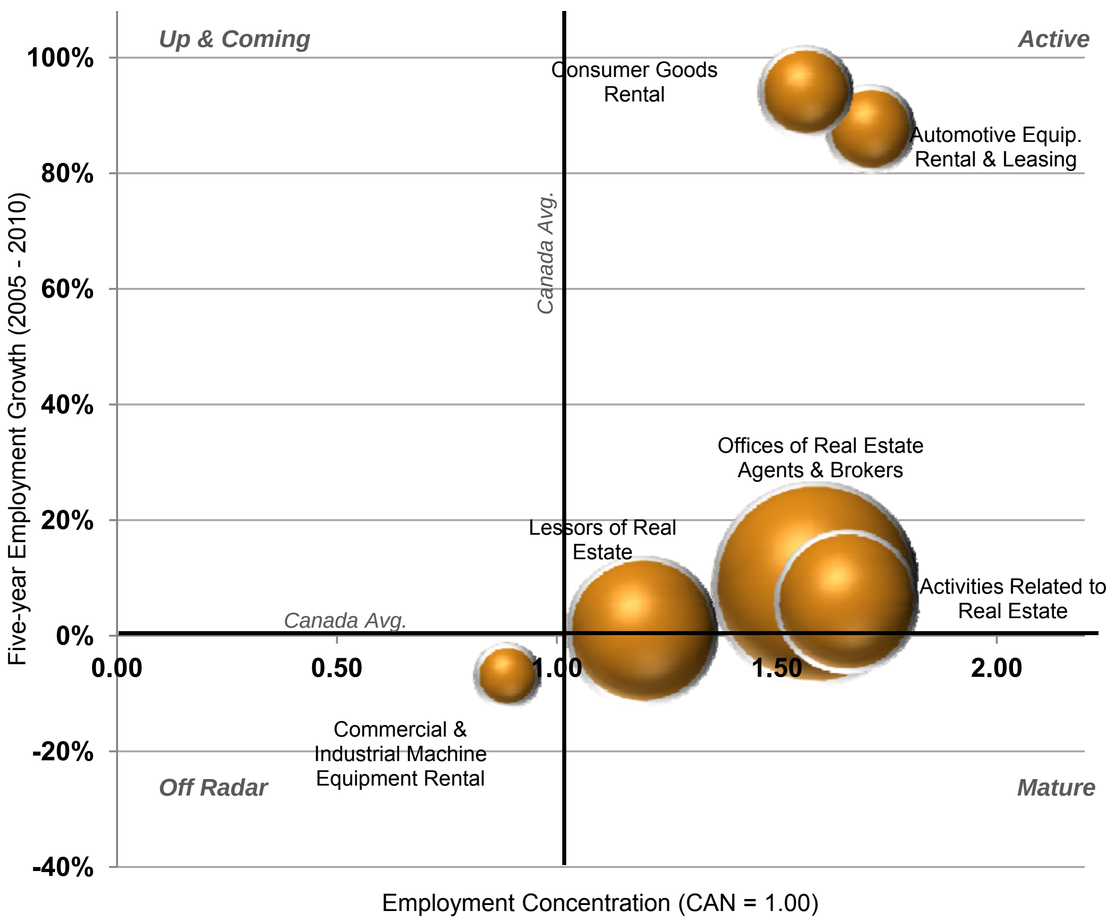
Insights

- Pension Fund management is exhibiting warning signs of heightened specialization, as it has doubled in size since 2005 and is five times more concentrated than the Canadian average
- Depository Credit Intermediation, primarily banking institutions, constitutes a majority of all FIRE employment (~52%)
- The global recession in 2009 has negatively impacted Financial Investment Activities and Securities & Commodities Contracts, which have experienced 15-25% job losses in Toronto

Real Estate Rental and Leasing subsectors offer little opportunity for the Port Lands.

- Subsectors relating to Real Estate are well-developed in the Toronto economy, however employment additions from this subsector are more likely to be organic, if any. Other classifications within this subsector including rental of consumer goods, automotive and commercial/industrial equipment feature low wages and uses that appear misaligned with the Port Lands.

Quadrant Chart: Real Estate Subsectors



Insights

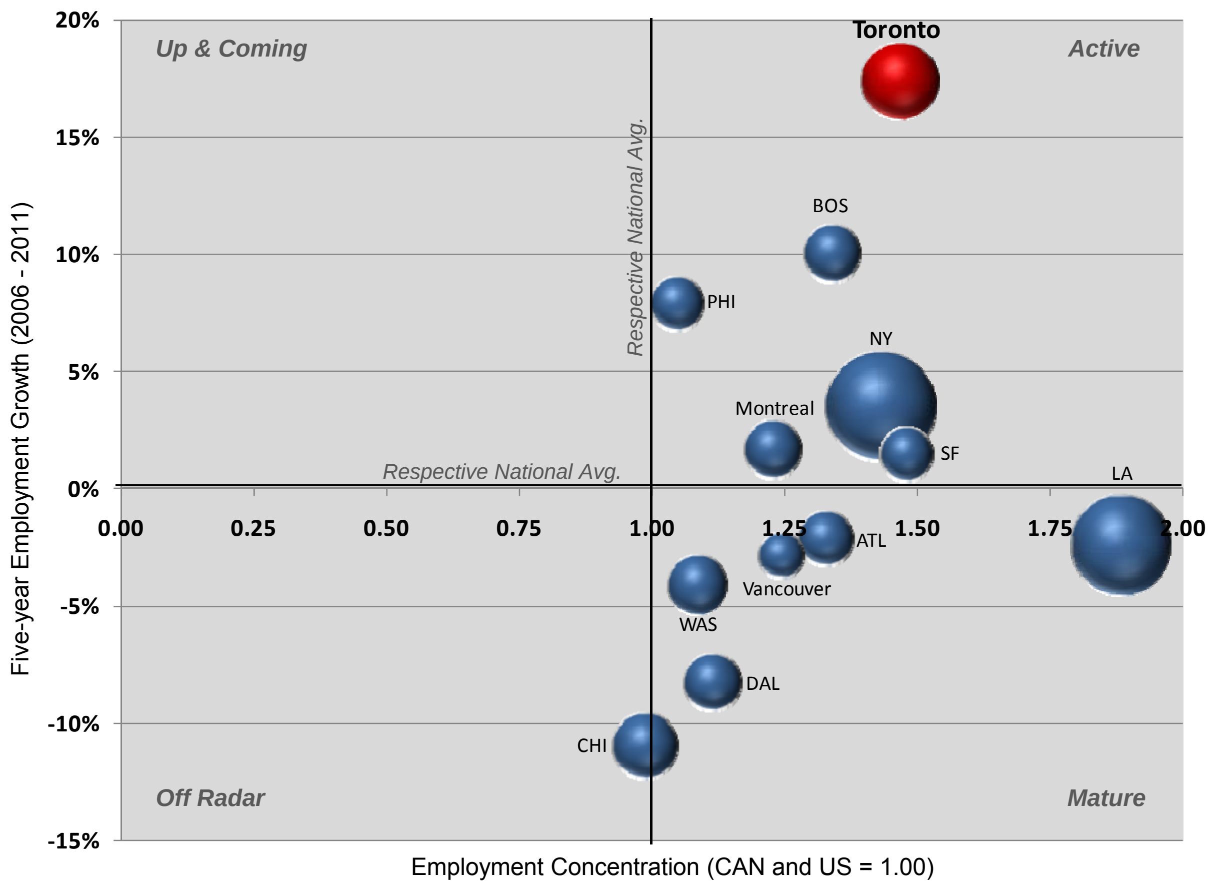
- There is no employment in the category of General Rental Centres
- Rental and leasing activities within Consumer Goods and Automotive Equipment have shown impressive employment additions since 2005, nearly doubling their size
- Commercial and Industrial Equipment Machine rental is somewhat underdeveloped in the economy and could represent a short-term opportunity

Information / Arts, Entertainment & Recreation

Specialized and still growing, a competitive labour market exists in this sector.

- Toronto is a leading location in North America for Information / Arts, Entertainment and Recreation Services. This sector, which includes Telecommunications, is increasingly important in the 21st Century economic landscape. Additions to the employment base should primarily be organic, given the high degree of specialization which already exists in the market.

Quadrant Chart: Information / Arts, Entertainment and Recreation Services



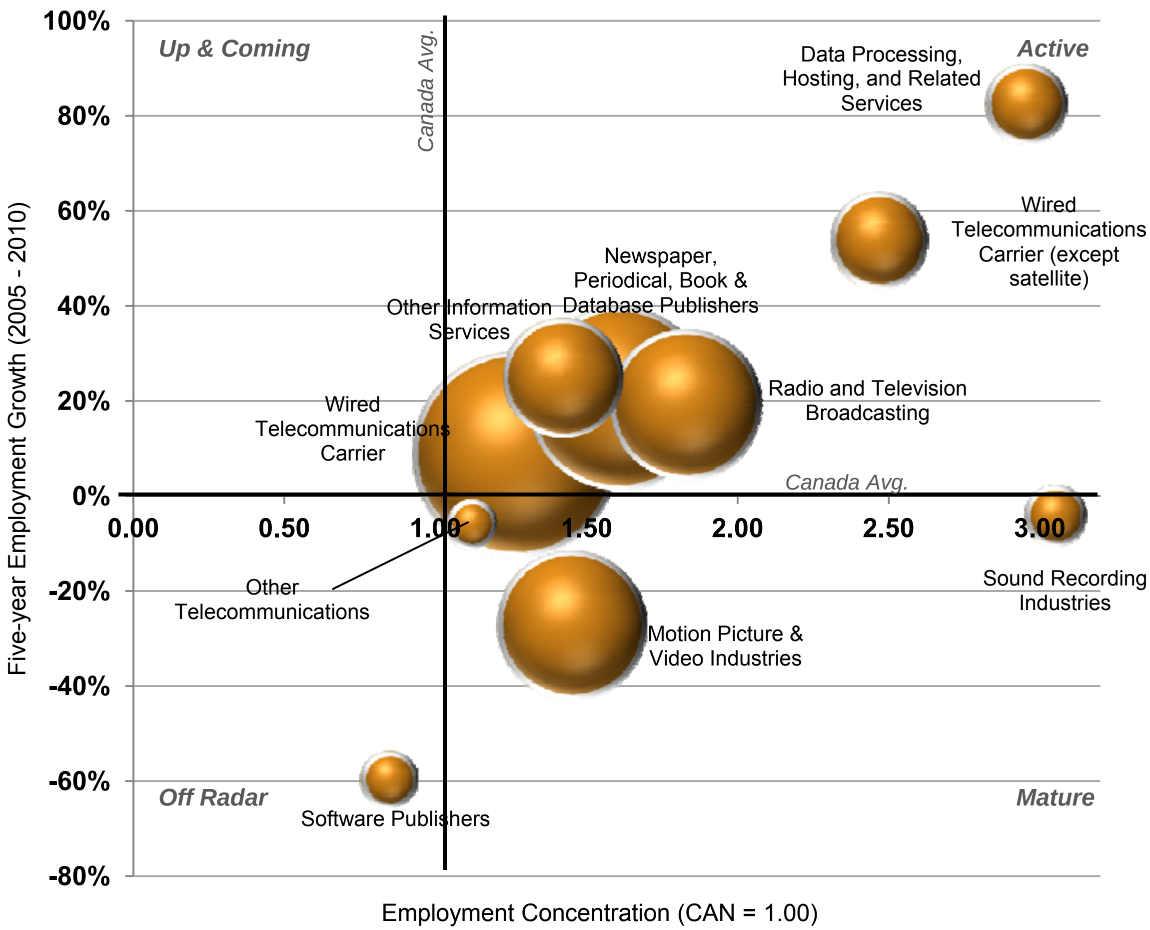
Insights

- Toronto was the fastest growing economy for occupations in this industry sector since 2006, nearly twice as fast as any other peer location.
- This sector is a clear driver for the economy of Los Angeles and the film/media industry
- Prevalent occupations within Information include:
  - Computer support specialists
  - Network systems analysts
  - Software engineers
  - Telecommunications equipment installers
- Prevalent occupations within Arts, Entertainment and Recreation include:
  - Producer / Director
  - Artist / Writer
  - Service related attendants

Although regionally specialized, continued job growth should benefit the Port Lands.

- Most employment subsectors within Information are sufficiently developed in Toronto's economy. From a site selector's viewpoint, Data Processing & Hosting and Wired Telecommunications display some characteristics of an overheated labour market. Despite this, employment in Information is fundamental to Toronto's economy and organic additions should be encouraged in the Port Lands.

Quadrant Chart: Information Subsectors



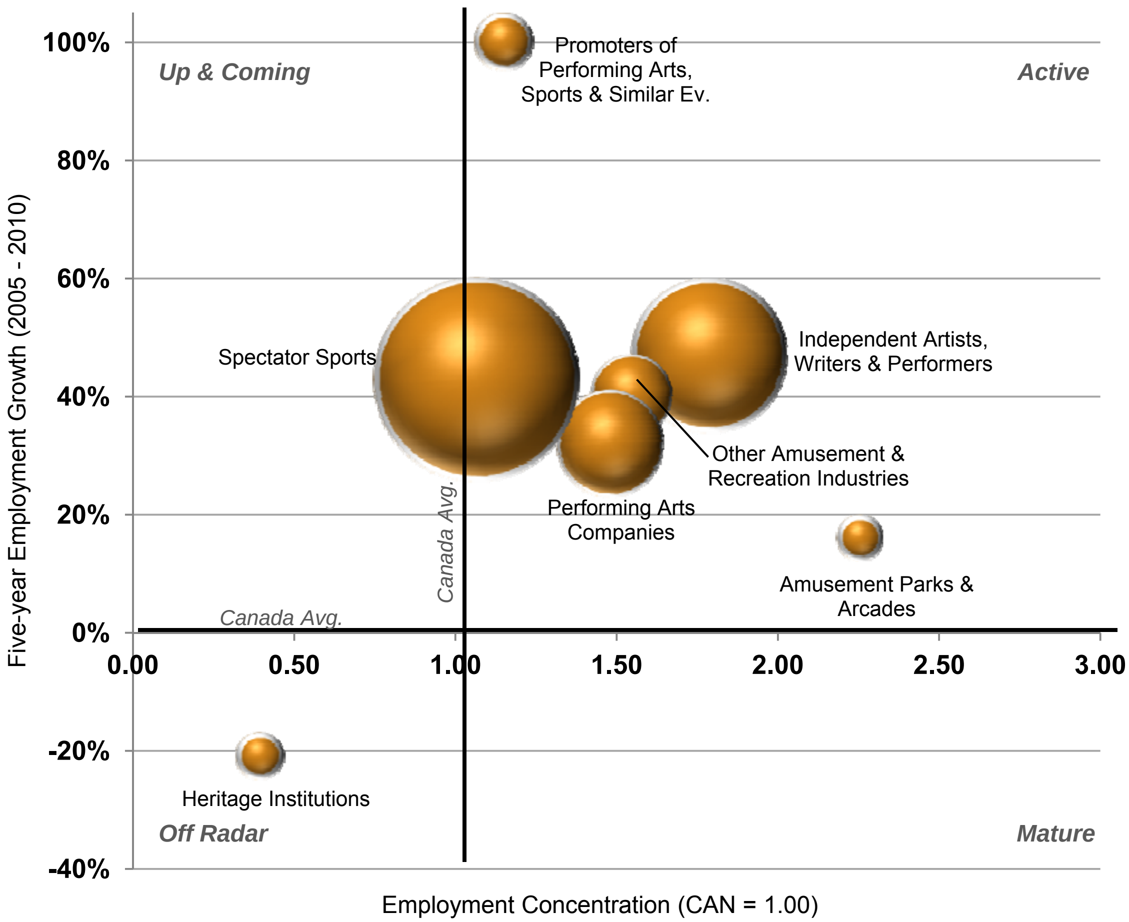
Insights

- Most employment in the Information subsector can be found in traditional media including print and broadcasting
- Despite some erosion of employment base, Motion Picture Video and Sound Recording industries are regional specialties
- There is no employment in the category of Satellite Telecommunications
- Software Publishers, a relatively small industry sector prone to large rate changes, is slightly underdeveloped in the Toronto economy and could be bolstered in the Port Lands

Although inherently political, the absence of Gambling and scarcity of Museums are notable.

- Employment targets within the subsector of Arts, Entertainment & Recreation are scarce. Heritage Institutions, which includes establishments engaged in historical, cultural and educational endeavours, are relatively underserved in Toronto.

Quadrant Chart: Arts, Entertainment & Recreation Subsectors



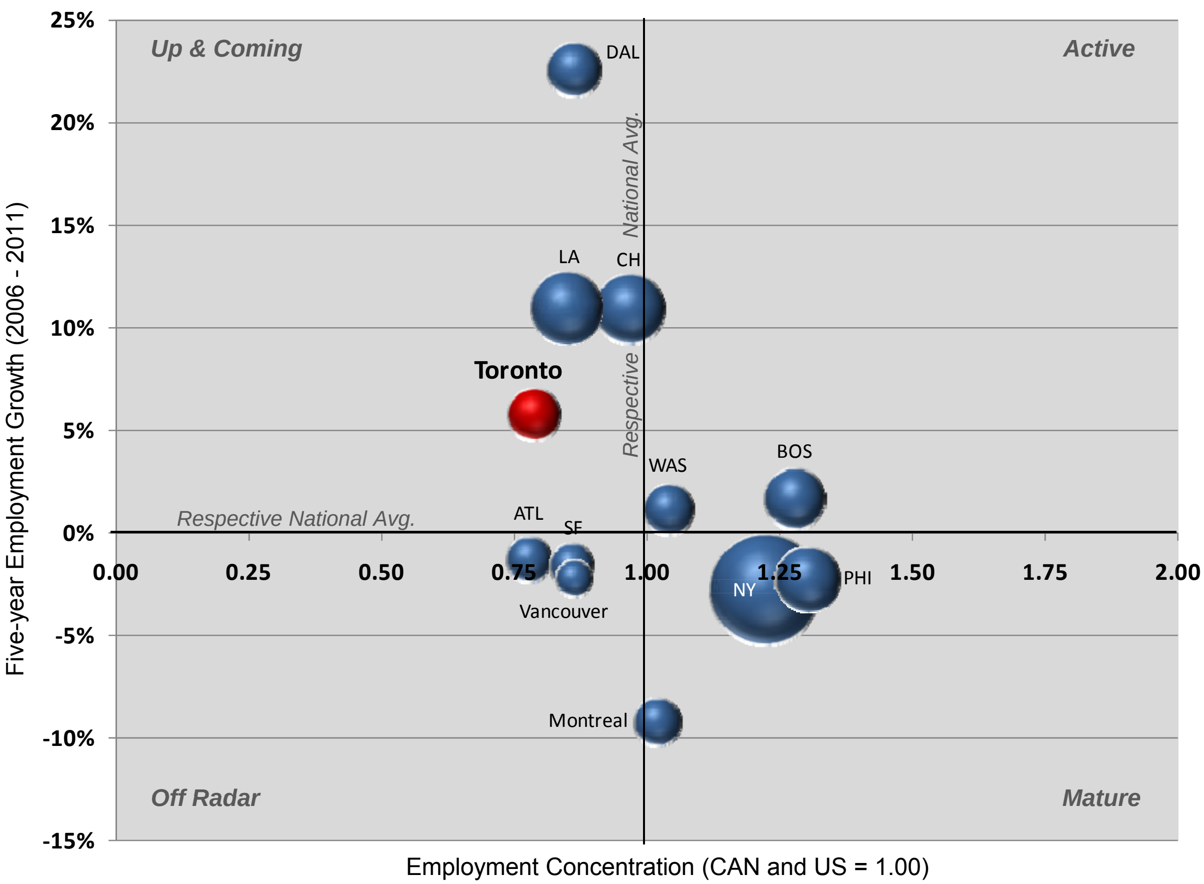
Insights

- There is no employment in the category of Gambling Industries, although rumours of a casino to anchor the Ontario Place redevelopment abound
- Performing Arts and Independent Artists, Writers and Performers are 50-80% more prevalent in Toronto than Canada, on average
- Employment in Spectator Sports (and their promotion) are the largest subsectors in Arts, Entertainment and Recreation

Employment in Health Care &Social Assistance is relatively underdeveloped.

- Similar to the Education sector and just as surprising, Health Care and Social Assistance is an underdeveloped employment sector in Toronto's economy. It employs nearly 25% fewer than expected (given the Canadian average) and 25-40% less than peer locations. The addition of employment base in this sector by targeting additional Health Care institutions is recommended for the Port Lands.

Quadrant Chart: Health Care and Social Assistance



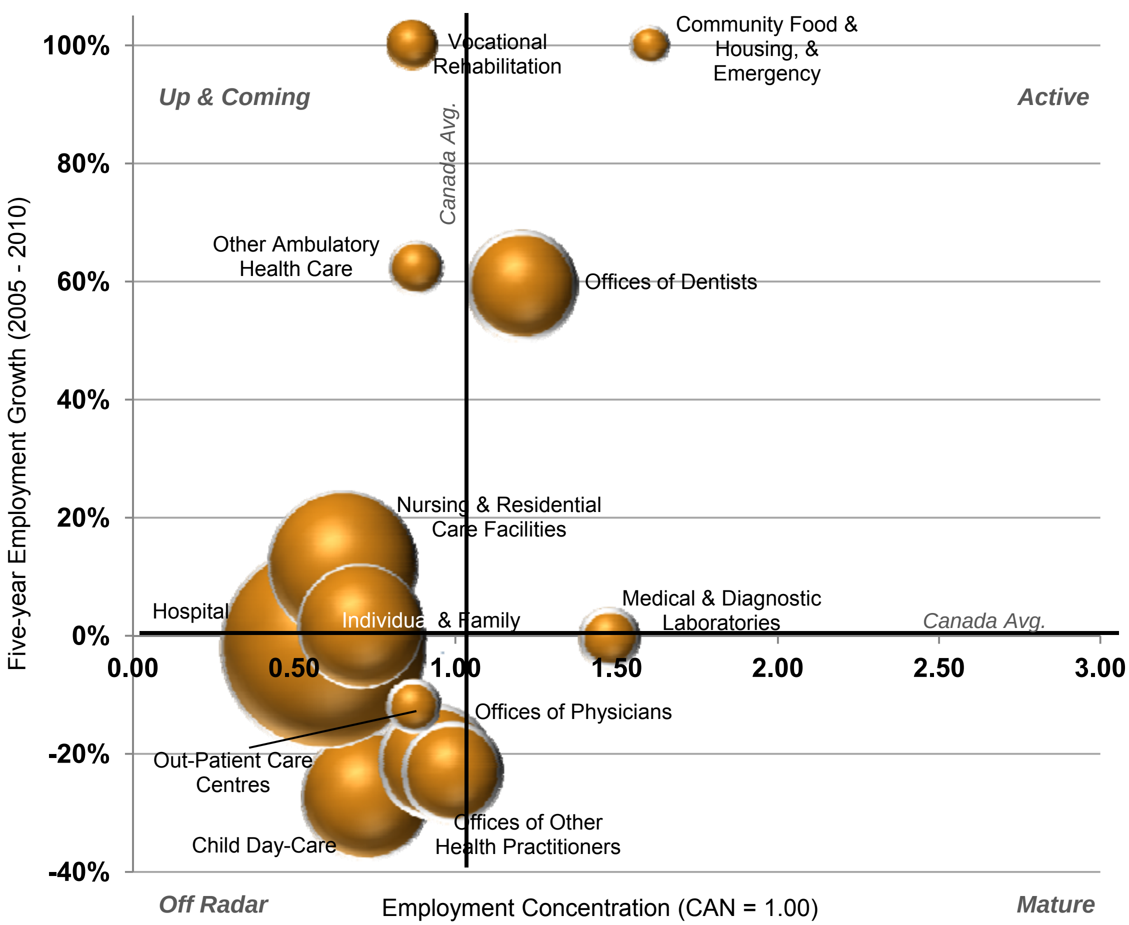
Insights

- Toronto has created about 8,000 jobs annually in Health Care over the past decade, yet trails the concentration level of the peer group. Had 16,000 jobs been created annually in the same timeframe, employment would reflect the Canadian average (1.00), so potential exists to aggressively add to the Health Care talent base
- Projects which will significantly impact the labour market when completed include Mars Phase II and SickKids Research and Learning Tower.
- Prevalent occupations in Health Care and Social Assistance include:
  - Healthcare practitioner and support
  - Registered nurses, Licensed practical and vocational nurses
  - Community and social services
  - Medical assistants, secretaries

Practically all Health and Social-related industries offer opportunities for additions to the job base.

- By and large, subsectors within the Health Care & Social Assistance sector are underdeveloped, relative to the national economy, and represent a strong opportunity for an institutional anchor in the Port Lands. The four largest subsectors (Hospital, Nursing, Child Day Care and Individual & Family Social Assistance) employ more than 166,000 yet remain 28 – 41% less concentrated than expected on a relative basis.

Quadrant Chart: Health Care & Social Assistance Subsectors



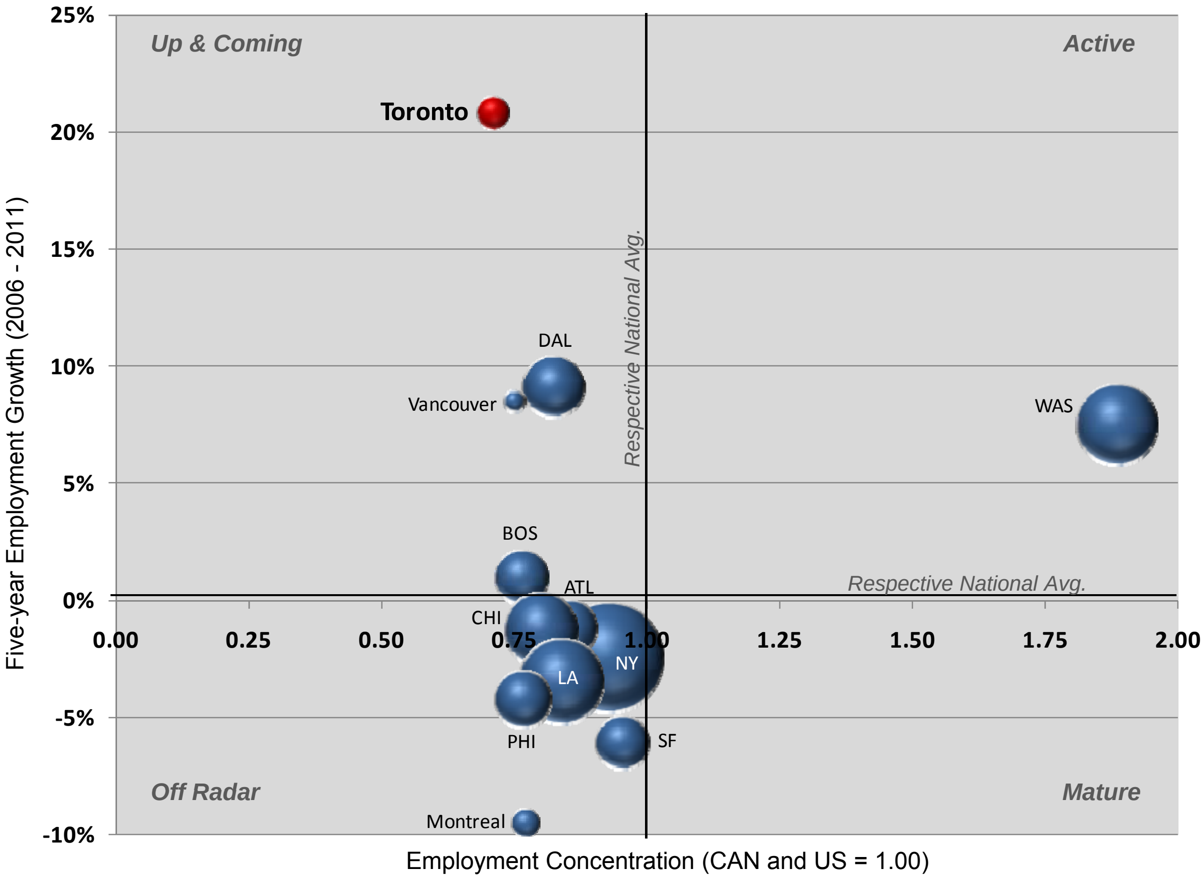
Insights

- Employment in Hospitals lags the Canadian average by 41%
- Industry subsectors such as Ambulatory Care, Dentists and Vocational Rehabilitation are growth areas in the economy, but tend to align with residential densities
- Although characterized by lower wages, Child Day Care may be a viable use as the proximity to the dense employment centre of the central business district appears underserved

A diversified approach to Port Lands' job creation should include the public sector.

- The Public Administration sector of Toronto's economy is relatively small but growing. There are nearly 118,000 people employed in this sector, which represents about 1 in 25 workers. Investment by the public sector through relocation of operations could serve as a catalyst in the Port Lands.

Quadrant Chart: Public Administration



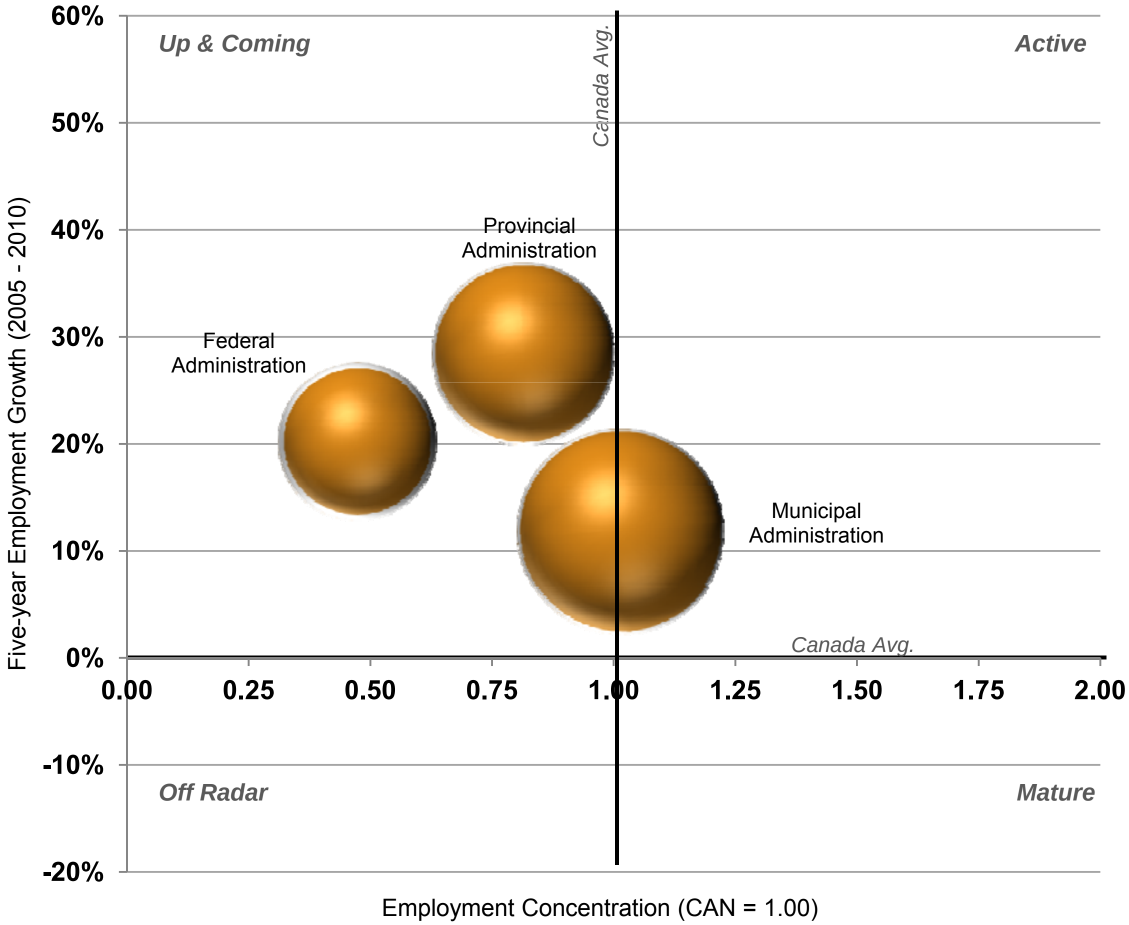
Insights

- Toronto been pursuing the privatization and rationalization of government services
- Toronto is still about 25% less concentrated than the Canadian average
- As home to the federal government of the U.S., Washington is clearly specialized in employment for Public Administration
- Toronto has added about 32,000 Public Administration jobs since 2006, resulting in a growth rate more than twice that of any other peer location
- Prevalent occupations within the Other Services industry sector include:
  - Police and Corrections officers
  - Fire fighters
  - Community and social services occupations
  - Highway maintenance workers

Federal, International and Aboriginal public administration are underrepresented in the economy.

- Employment in Federal Administration and Provincial Administration both fall below the Canadian average, a very surprising characteristic which we are continuing to investigate. No employment was identified relating to Aboriginal or International Public Administration. Therefore, it appears that most public administration subsectors display opportunities to bolster employment in the Port Lands.

Quadrant Chart: Public Administration Subsectors



Insights

- Employment in Provincial Administration has risen by nearly 30% since 2005, yet it still falls 20% below the Canadian average which is surprising considering it is the seat of provincial government
- There is no employment in the categories of Aboriginal or International Public Administration
- Federal Administration employment is predictably low, given Toronto's relative proximity to Ottawa

Contents

- Industry Sectors not recommended for targeted recruiting and rationale

  Likely to experience organic job growth through the redevelopment of the Port Lands
  - Accommodation and Food Services
  - Construction
  - Trade

  Potential to add port-related employment
  - Transportation and Warehousing

  Lower wage industries better located in a low cost location
  - Administrative and Support Services
  - Other Services

  Misaligned Industry Sector
  - Mining / Forestry, Fishing and Hunting
  - Agriculture
  - Manufacturing
  - Utilities

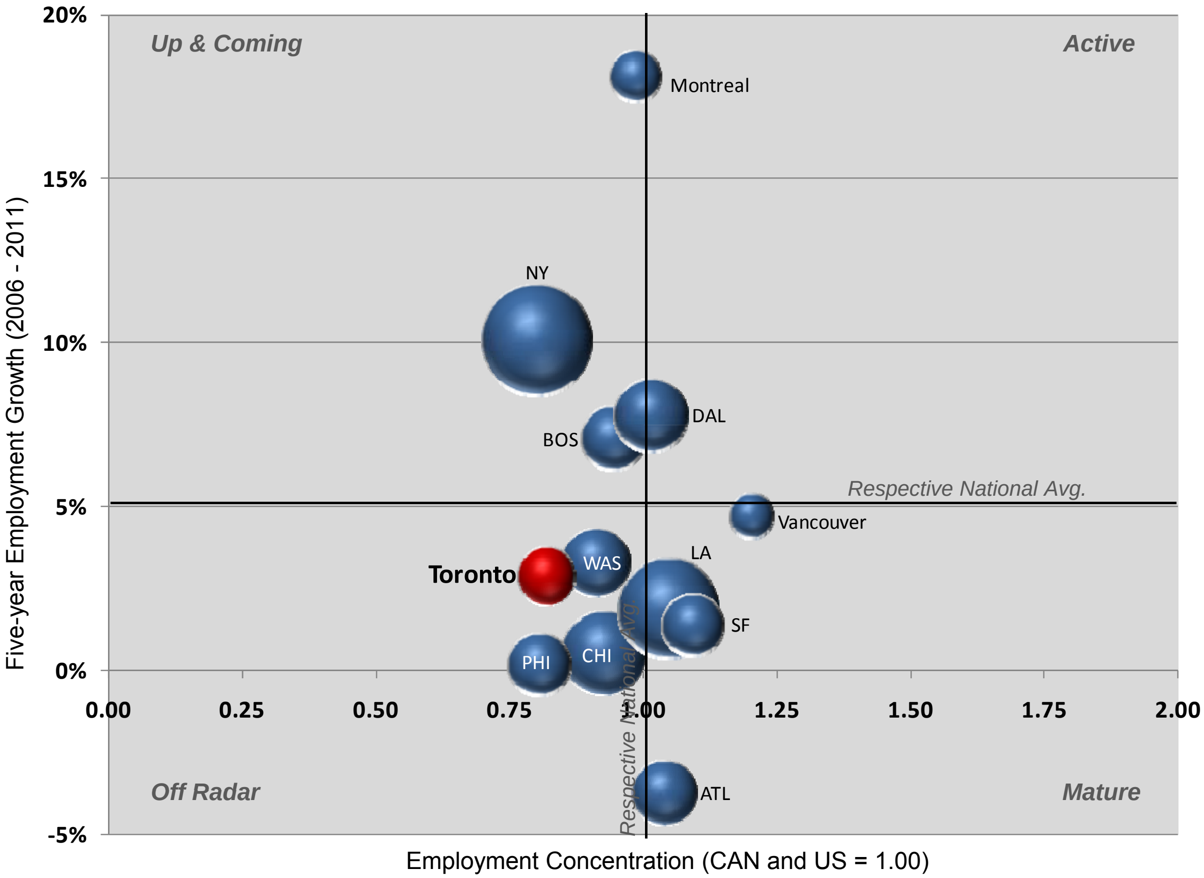
- Chart of Wages indexed against the Canadian national average

Accommodation and Food Services

Organic employment growth in this subsector is a likely outcome of a mixed-use development.

- As retail becomes developed in the Port Lands, it is expected that Accommodation and Food Services would experience a degree of employment growth. Among peer cities, only Vancouver – a much smaller metro area - has fewer residents employed in this market sector which is characterized by low wages.

Quadrant Chart: Accommodation and Food Services



Insights

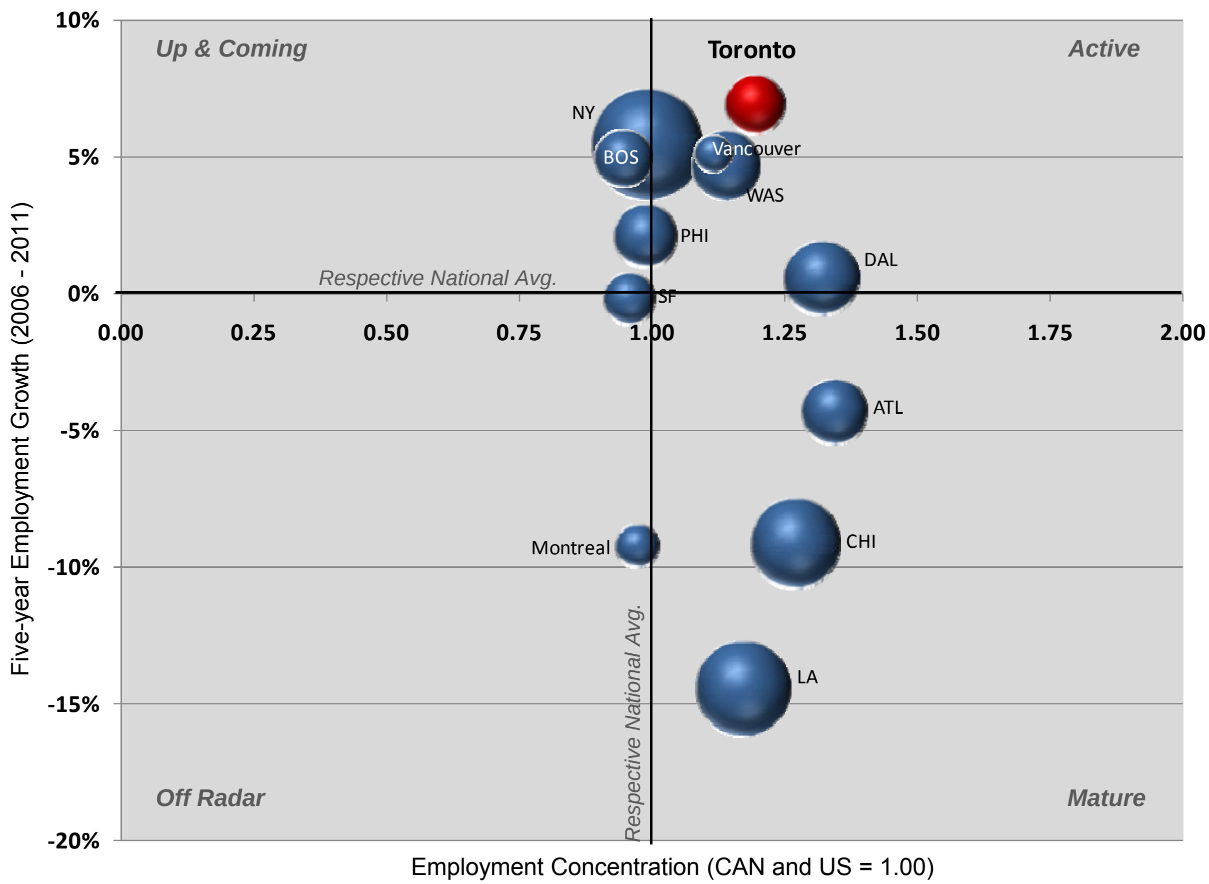
- Noted tourist destinations Vancouver and San Francisco are the most specialized labour markets for this industry sector
- Service-driven industries have experienced strong growth in the past five years as only Atlanta has downsized
- Prevalent occupations within Food Services and Accommodations include:
  - Food preparation, cooks
  - Server
  - Dishwashers
  - Housekeeping
  - Bartenders

Administrative and Support Services

While prevalent, employment in this sector is widespread across establishments.

- Employment within the industry sector of Administrative and Support Services, which includes activities such as Business Process Outsourcers (BPO), temporary workforce agencies, travel arrangement and building services is well-positioned within Toronto's economy. It is relatively large, growing and moderately concentrated. However, there is little relative wage advantage and the overall lower wage positions are misaligned with the redevelopment. Future targeting of firms within this sector is not recommended for the Port Lands.

Quadrant Chart: Administrative and Support Services



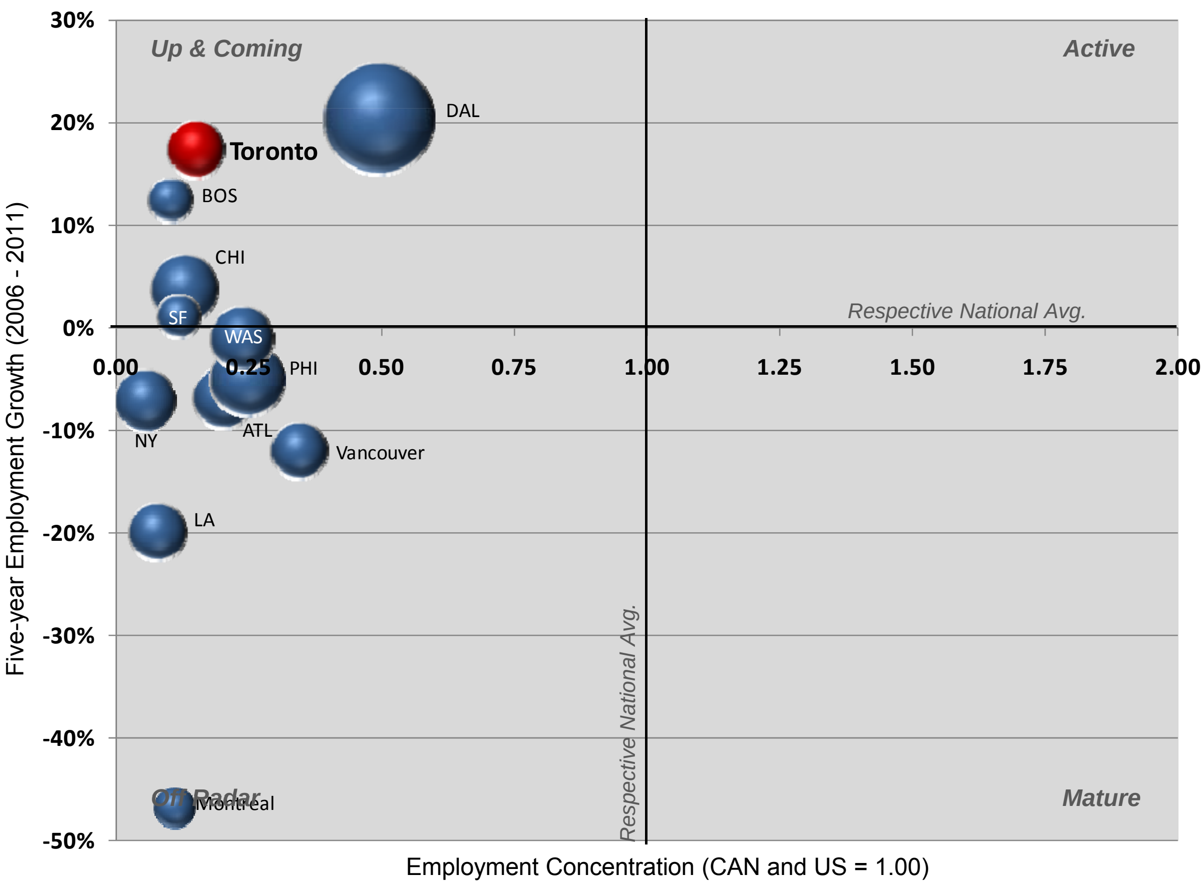
Insights

- Toronto has shown solid growth of occupations in Administrative and Support services since 2006, adding nearly 8,000 jobs.
- Prevalent occupations within the Administrative and Support Services industry sector include:
  - Building and Grounds maintenance
  - Office and administrative support
  - Janitors
  - Security Guards
  - Landscaping

Agricultural pursuits are incongruous with dense urban economies.

- Although growing, the Agriculture sector of Toronto's economy is small and lacking employment concentration, consistent with the comparison group of highly urbanized cities. There are an estimated 7,800 people employed in this sector, which has grown by 18% in the past five years. Employment in this industry sector is incompatible with activities conceived for the Port Lands.

Quadrant Chart: Agriculture



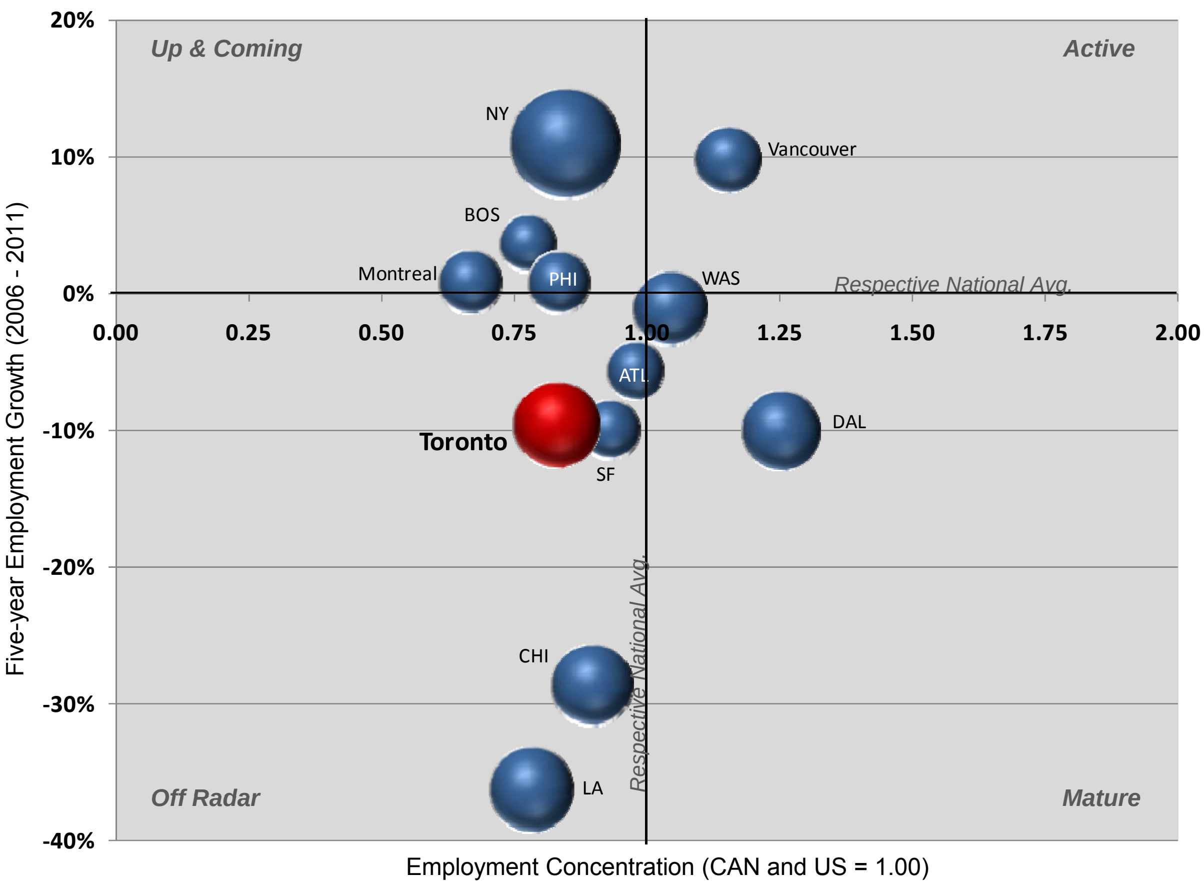
Insights

- No market in the comparison group of highly urbanized cities displays a significant labour market size or specialization for Agricultural activities.
- Dallas, which is the most concentrated employment market for Agriculture, remains at 50% of the expected employment level.
- Prevalent occupations within the Agriculture sector include:
  - Laborers
  - Equipment operators
  - Hand packagers

Redevelopment activity in the Port Lands will spur this industry in the short term.

- Moderate employment in the Construction sector is common to all locations, Toronto included. Ultimate build-out of the Port Lands will increase both the workforce size and concentration of this sector, but additional recruiting of construction firms to occupy real estate within the development is not recommended unless partnered with Architectural interests.

Quadrant Chart: Construction



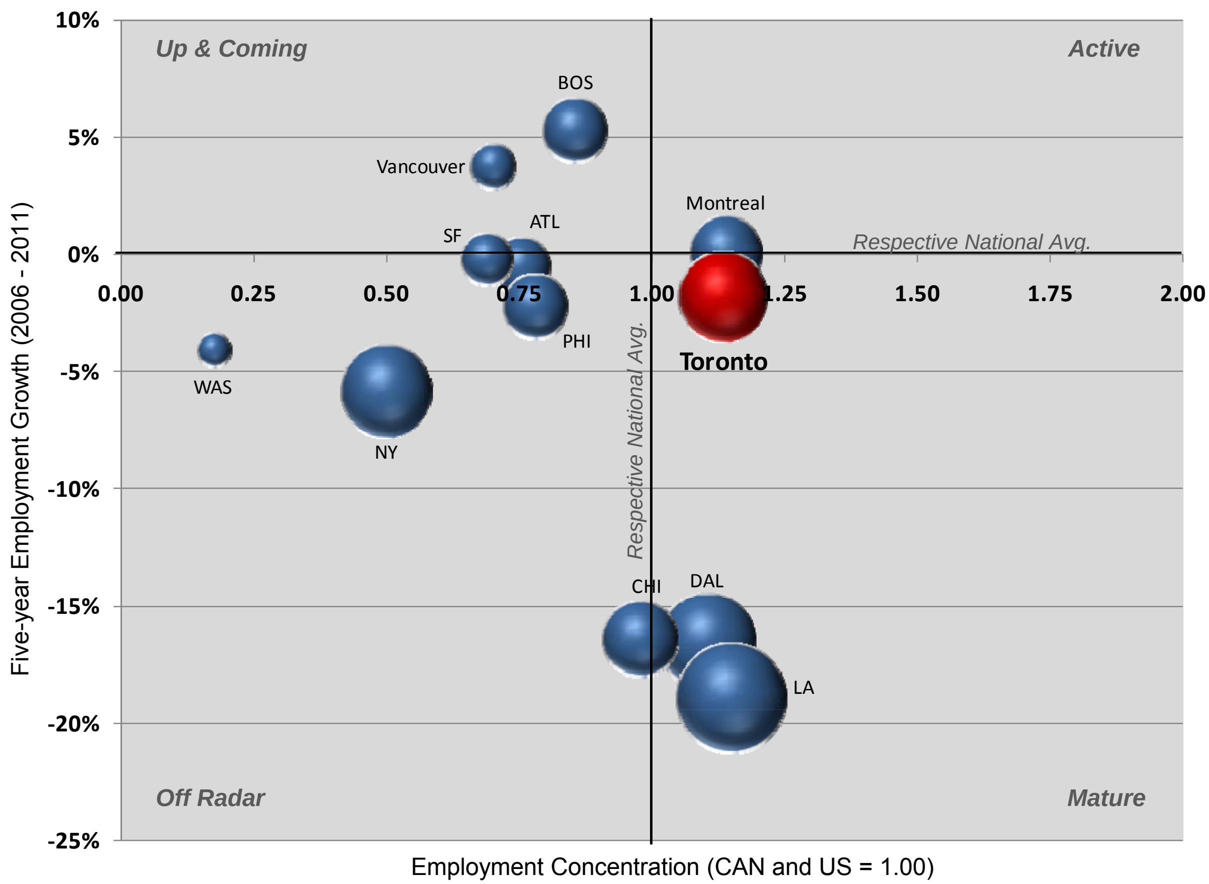
Insights

- Chicago and Los Angeles both experienced severe decreases in Construction employment over the past five years as they appear to have been disproportionately impacted by the U.S. housing market collapse
- Prevalent occupations within the Construction industry sector include:
  - Laborers
  - Carpenters
  - Electricians

Manufacturing operations tend to be land-intensive and misaligned with Port Lands goals.

- By and large, employment in the Manufacturing sector is not a regional specialty of urbanized areas as it had been mid-century. However, about 11.5% of Toronto's workforce (340,000 people) are still employed in Manufacturing and it remains a important linchpin in the regional economy. As the Port Lands are transitioning from a heritage rooted in Manufacturing toward knowledge-based activities, specific targeting of manufacturing employment is not recommended.

Quadrant Chart: Manufacturing



Insights

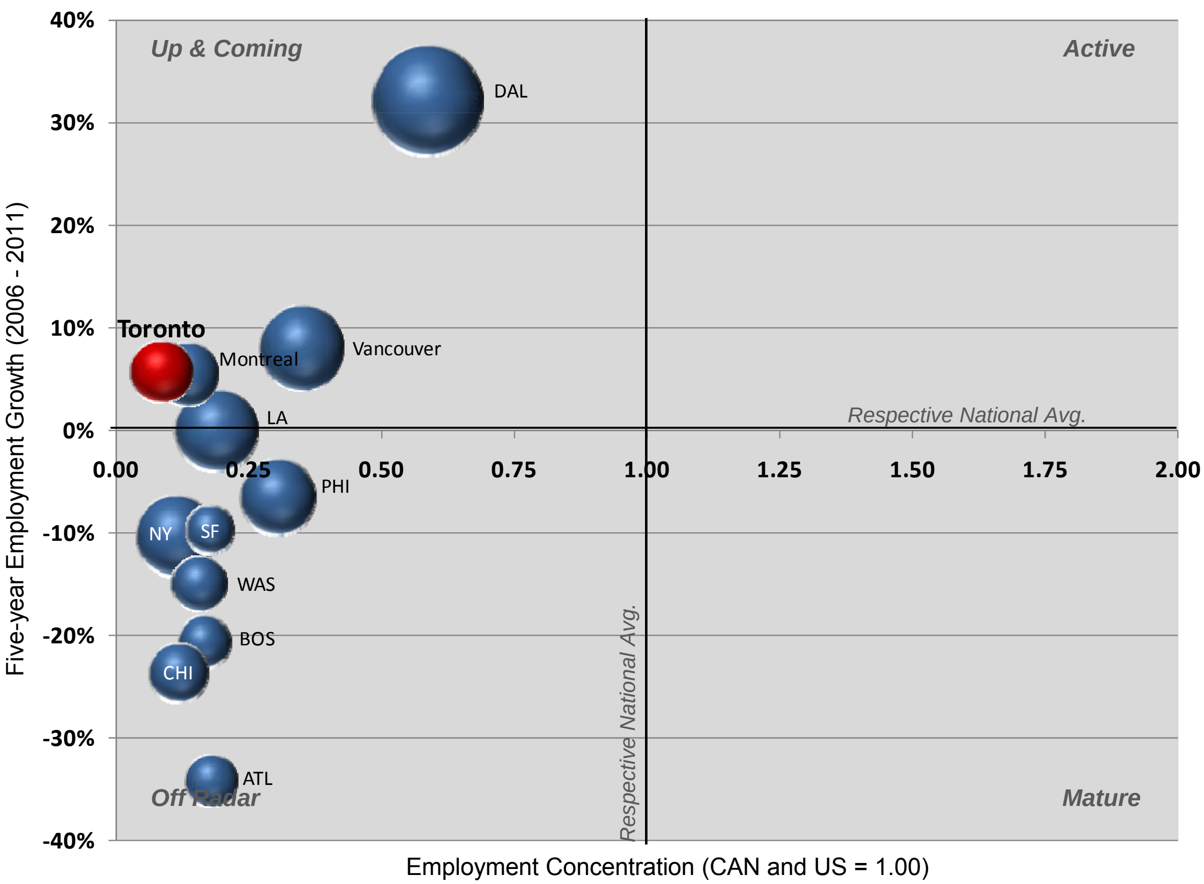
- Toronto's manufacturing sector employment peaked in 2004 at about 487,000 workers and has been declining by 4.3% annually
- Among peer locations, only Los Angeles Dallas and New York still retain more manufacturing workers than Toronto
- As key input costs such as wage and power continue to rise, manufacturers have relocated to less expensive suburban locations in the interest of competition
- Prevalent occupations within Manufacturing include:
  - Assemblers
  - Production workers, Supervisors
  - Machinists
  - Inspectors, testers, weighers
  - Welders, cutters, brazers

Mining / Forestry, Fishing & Hunting

Mining operations are misaligned with Port Lands goals.

- The Mining / Forestry, Fishing and Hunting sector of Toronto's economy is small and lacking employment concentration, again consistent with the comparison group of highly urbanized cities. There are an estimated 4,800 people employed in this sector, which has grown by about 6% in the past five years. Employment in this industry sector is incompatible with activities conceived for the Port Lands.

Quadrant Chart: Mining / Forestry, Fishing & Hunting



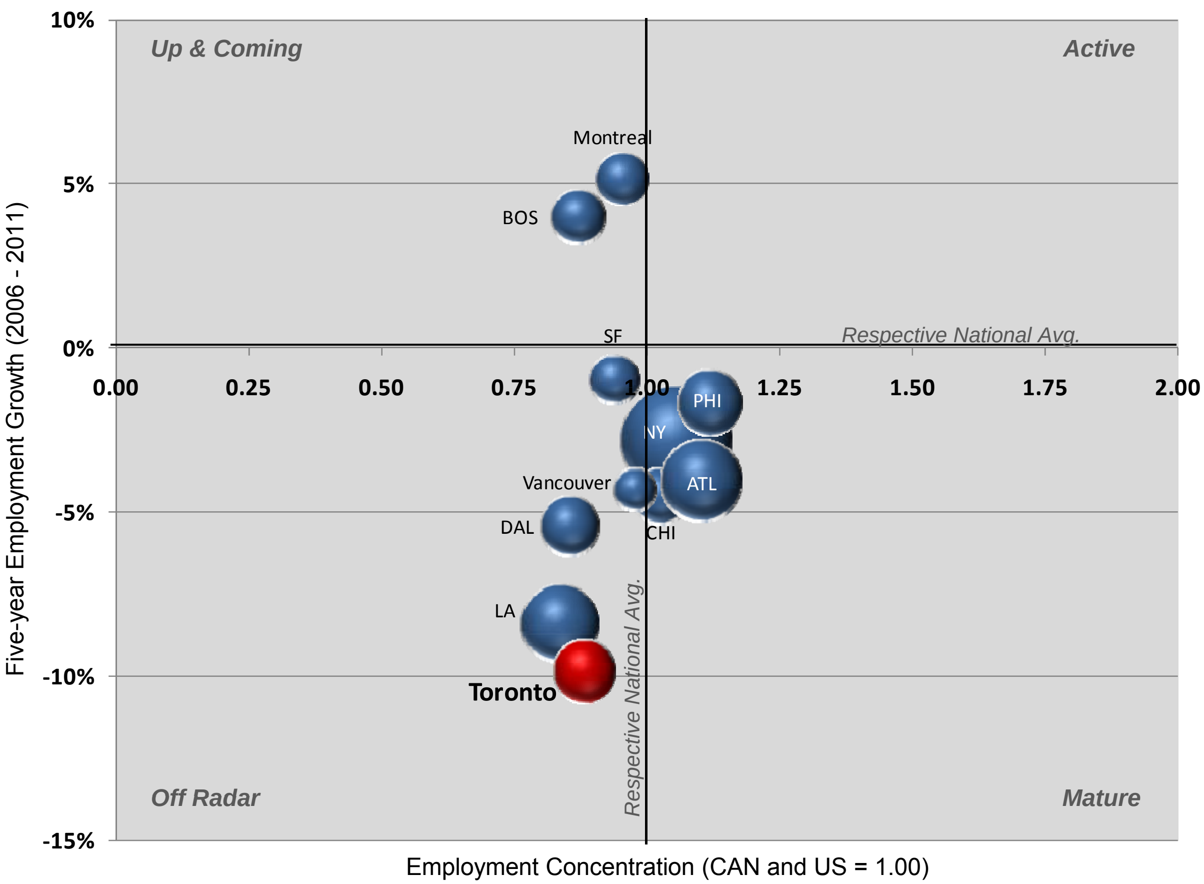
Insights

- No market in the comparison group of highly urbanized cities displays a significant labour market size or specialization for related activities.
- Although still below national average, Dallas is the largest and most concentrated employment market for primary activities, driven by oil and gas extraction.
- Prevalent occupations within the Mining / Forestry industry sector include:
  - Oil & Gas roustabouts
  - Service operators
  - Operating engineers

Employment in Other Services are ubiquitous and not recommended as target industries.

- Employment within the industry sector of Other Services includes activities such as automotive repair, personal services such as dry cleaning and funeral and religious/social advocacy. These functions are largely misaligned with the redevelopment and targeting of firms within this sector is not recommended for the Port Lands.

Quadrant Chart: Other Services



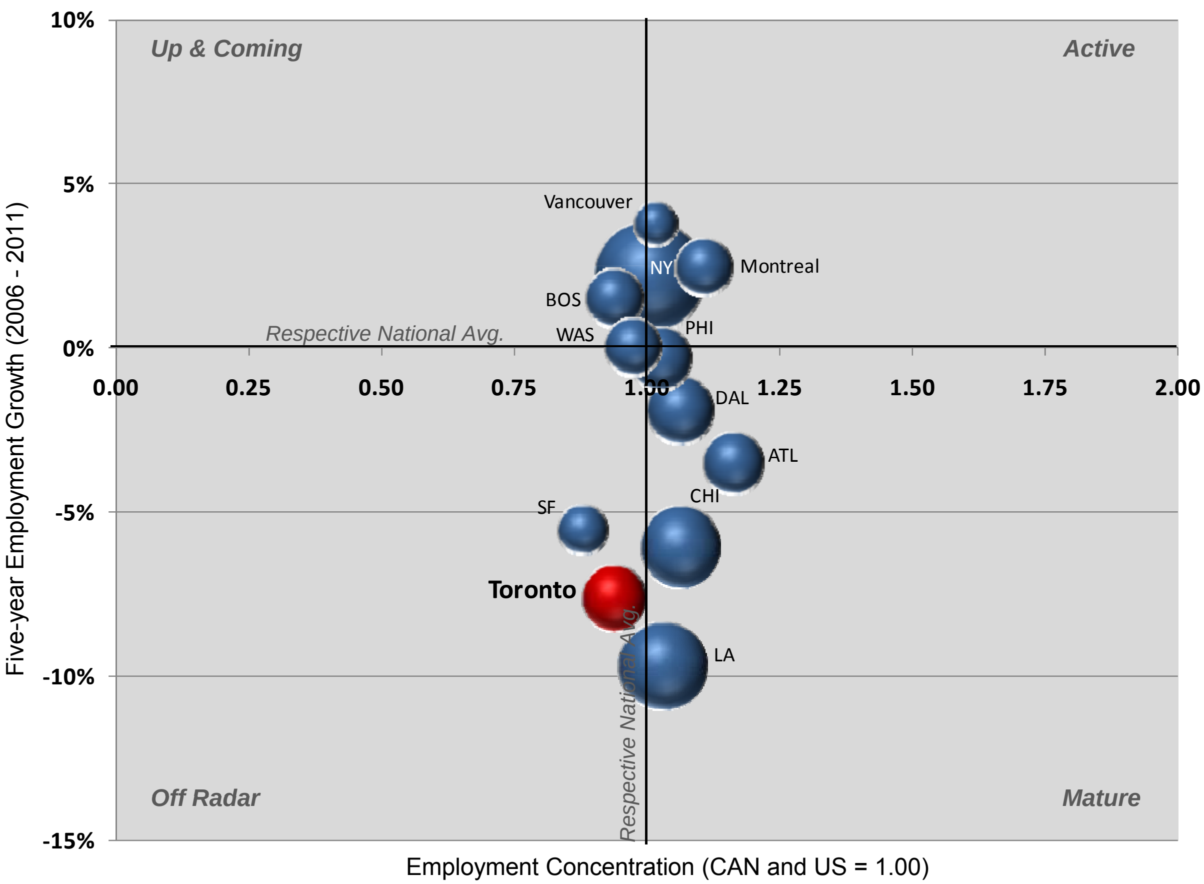
Insights

- All locations display a moderate level of employment concentration and growth within a reasonable range
- Prevalent occupations within the Other Services industry sector include:
  - Personal care and services occupations
  - Installation, maintenance and repair occupations
  - Automotive service technicians

Some employment recovery in Trade is likely and should be allowed to grow organically.

- Trade is the largest industry sector in Toronto's economy, accounting for more than 14% of the workforce. Although job growth has declined modestly (7%) in the past five years, the longer term growth is more positive as 34% more jobs exist in Trade now than in 1996. Retail trade is likely to become a component of virtually any mixed use development in the Port Lands.

Quadrant Chart: Trade



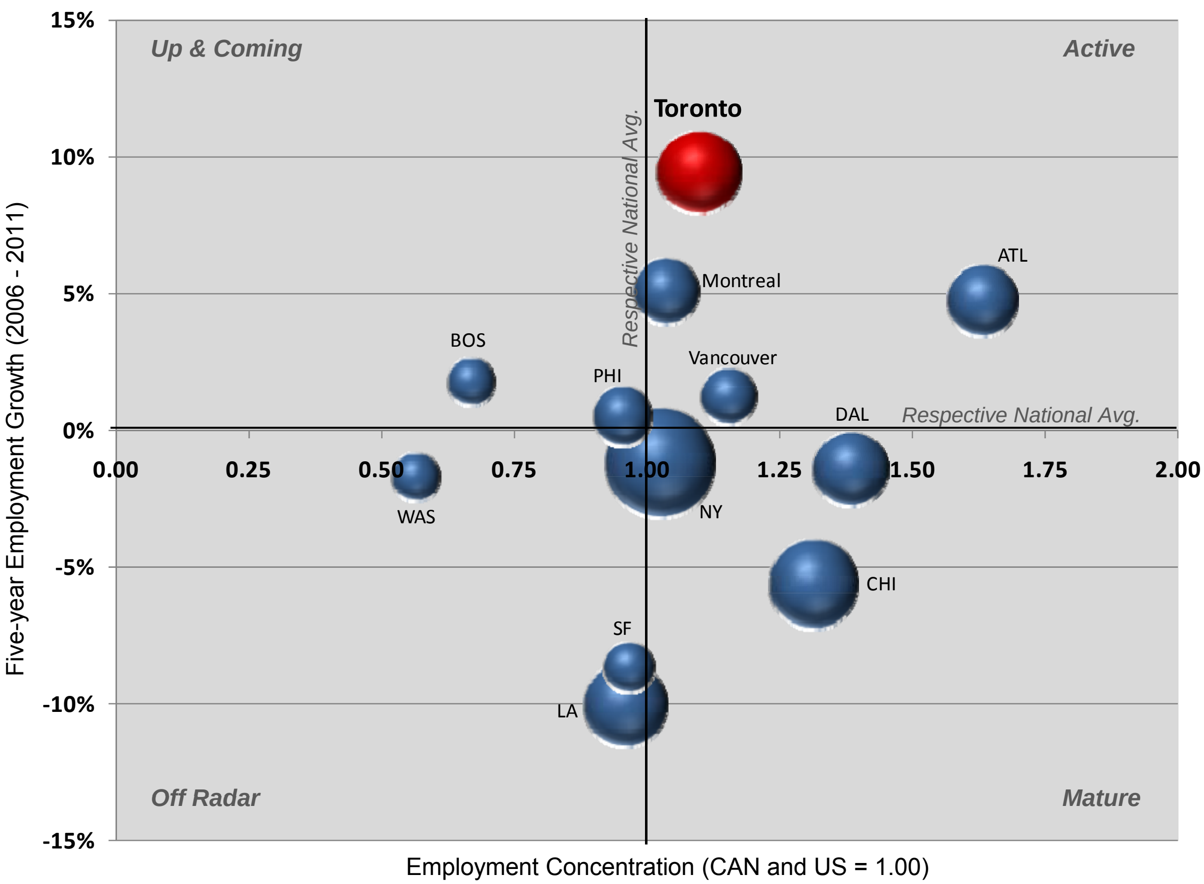
Insights

- The employment in Retail and Wholesale Trade are within 20% of the expected level in all locations.
- Prevalent occupations within Retail Trade include:
  - Sales representatives
  - Cashiers
  - Stock clerks
- Common occupations within Wholesale Trade include:
  - Sales representatives
  - Administrative support
  - Transportation operators
  - Laborers and freight, stock and material movers

Traffic congestion and damage to infrastructure restrain prospects for growth.

- Employment in this sector is not typically associated with high-wage occupations. The Port Lands proximity to downtown and DVP/Gardiner expressway are an impediment to fundamental activities of material transport. Only on a limited basis, might logistics firms gravitate to the Port Lands. Targeting firms in this sector for relocation to the site is not recommended, competitive advantages may entice organic growth.

Quadrant Chart: Transportation & Warehousing



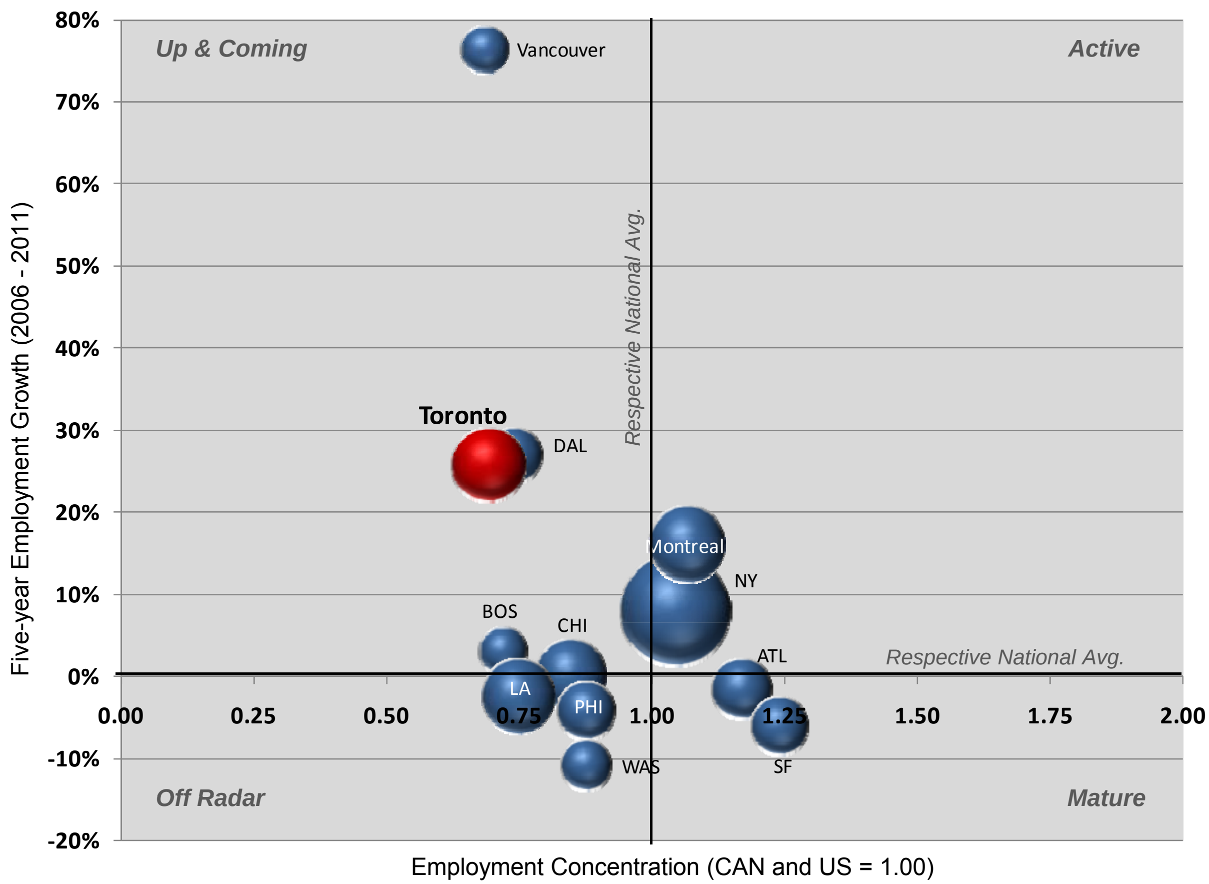
Insights

- Toronto has exhibited strong growth in the Transportation and Warehousing sector since 2006
- Positioning near large centers of population and access to the busiest airport in North American have created Atlanta as a regional U.S. specialist market in logistics (transportation and warehousing) activities
- Prevalent occupations within the Transportation and Warehousing sector include:
  - Laborers and freight, stock and material movers
  - Truck drivers
  - Postal service clerks and mail carriers

Employment spikes in Utilities are typically project-based and short-lived.

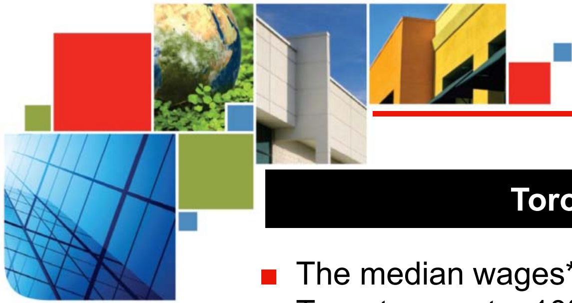
- The Utilities sector is ubiquitous as all areas are within 30% of the expected level of employment concentration. Wages in this sector are relatively high and the growth and concentration characteristics suggest the ability to create additional employment without incurring wage pressure in Toronto. Less than 1% of Toronto's workforce (16,500) are classified within the Utilities sector, but an expansion of the employment base could positively impact the Port Lands.

Quadrant Chart: Utilities



Insights

- Vancouver is a relatively small market for Utilities labour and is subject to more distinct growth rate changes. However, the noteworthy employment surge may be partly attributable to recent public works projects including:
  - 2010 Winter Olympics
  - Waterfront development project
  - City Center Vision project (began in 2007)
- Toronto displays a strong level of job growth in Utilities since 2006, adding nearly 5,000 jobs
- Prevalent occupations within the Utilities industry sector include:
  - Electrical installers
  - Customer service representatives
  - Power plant operators



Wage Cost Index

Toronto's wages are more competitive in skilled, white collar professions.

- The median wages* for the most prevalent occupations per industry sector were surveyed. On average, wages in Toronto are at a 10% premium relative to Canada. However, this cost is more competitive in the context of the comparison cities where it is situated between San Francisco (10% more expensive) and Atlanta (15% less expensive).

Wage Cost Index* (Canada Avg. = 100)

	SF	NYC	VAN	BOS	Toronto	CHI	LA	DC	PHI	MON	DAL	ATL
Accomodation & Food	109	105	117	105	111	95	96	97	95	107	86	86
Admin & Support	115	110	116	108	110	100	103	101	99	104	90	89
Agriculture	113	110	117	108	111	102	99	102	102	106	90	90
Arts	112	107	116	106	110	97	100	98	96	100	89	88
Construction	127	124	115	119	110	119	110	103	108	104	93	93
Educational Services	124	125	115	118	110	111	116	113	108	104	102	100
Finance, Insurance & Real Estate	121	117	115	113	110	105	107	107	102	104	100	97
Health Care & Social Assistance	118	110	115	109	110	100	104	103	99	104	95	93
Information	124	120	115	116	110	109	111	109	106	104	103	100
Manufacturing	121	119	115	115	110	107	109	109	108	105	100	99
Mining / Forestry	121	118	115	114	110	113	106	101	104	104	91	91
Other Services	116	110	116	109	110	102	102	102	99	104	92	92
Professional & Business Svcs	129	124	114	121	110	112	119	117	109	104	109	105
Public Administration	146	132	104	135	98	129	113	139	121	84	102	110
Trade	117	113	116	110	110	102	104	103	102	104	96	110
Transportation & Warehousing	117	114	116	111	110	105	105	104	103	107	95	95
Utilities	125	120	114	117	110	112	113	111	108	97	104	102
Average Wage Index (CAN=100)	**120.9**	**116.4**	**114.8**	**113.8**	**109.4**	**107.0**	**106.9**	**106.9**	**104.0**	**102.6**	**96.2**	**96.6**
Percent Difference from TOR	**(11.6)**	**(7.1)**	**(5.4)**	**(4.4)**		**2.4**	**2.4**	**2.4**	**5.4**	**6.7**	**13.1**	**12.8**

Insights

- Toronto has a 4-7% cost advantage relative to east-coast peers New York and Boston among most targeted industry sectors:
  - Professional & Business Services: 11-14%
  - Educational Services: 8-15%
  - FIRE: 3-7%
  - Health Care: 0%
- Among comparison cities, San Francisco (120.9) has the highest average wages across all industry sectors, about 21% above the Canadian national average
- Atlanta and Dallas are among the lowest cost major metro areas in the US, and about 13% below Toronto, on average

* Source: Economic Research Institute; all occupations converted to $Cdn, from published rates on January 17, 2012.

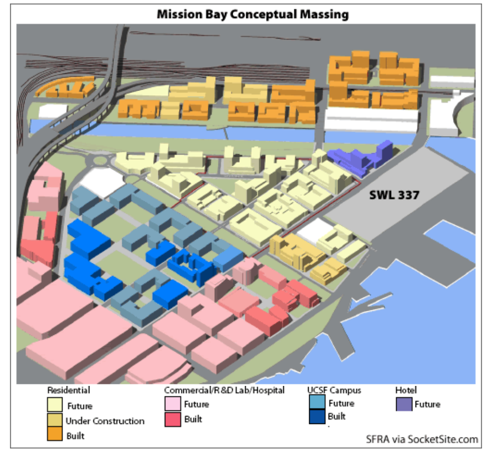
CUSHMAN & WAKEFIELD.

Appendix 2: Toronto Port Lands – Global Port Lands Development Case Studies

WATERFRONToronto

CUSHMAN & WAKEFIELD

UCSF



Anchored by a major university/research campus, it has successfully attracted other major employers

Waterfront lands close to, but not part of, the central Financial District

Description of development	■ 303 acres bounded by King Street and AT&T Park on the north, San Francisco Bay and I-280 on the east and west, and Mariposa Street on the south. ■ The area is a former Santa Fe rail yard, built on landfill. In 1990, Santa Fe Pacific transferred title to Catellus Development Corporation, a publicly traded real estate company. In 2004, Catellus sold its remaining interest in the undeveloped property to an affiliate of Farallon Capital Management (FOCIL-MB, LLC), who now serves as primary developer.
Applicability to Port Lands	■ Major anchors in institutional and commercial will support population and alternative commercial, and entertainment uses. ■ Phase in major development stages to secure TIF financing and municipal involvement. ■ Dedicate municipal funds to environmental remediation prior to development, separate from TIF financing which should be negotiated between city and redevelopment agency for phased tax allocation.

Mission Bay, San Francisco

Detail

Mix and scale of uses	■ 6,000 housing units, with 1,700 (28%) affordable to moderate, low, and very low-income households. ■ 4.4 million SF of office/life science/ biotechnology commercial space. Salesforce.com is a major tenant. ■ A new University of California – San Francisco (UCSF) research campus containing 2.65 million sq. ft. of building space on 43 acres of land donated by the master developer and the City ■ New UCSF laboratory and research complex, 500,000 sq. ft. of retail space, and 500-room hotel ■ 49 acres of new public open space; a new 500-student public school, a new public library and new fire and police stations and other community facilities.
Success drivers	■ A Brownfield development in strong regional market ■ After 30 years of disuse and several plans for reuse the railroad company transferred property rights to a public real estate firm. ■ Mission Bay attracted two major anchors in UCSF research life sciences and biotech and Salesforce.com, one of San Francisco's largest and fastest growing technology companies.
Challenges/obstacles	■ Opponents claim that Mission Bay development opportunity created by borrowing against future tax increases or existing tax budgets for education and other services. ■ Politically charged by mayoral appointees. ■ Working with local governments to address a large redevelopment effort slows large phasing.
Solutions/lessons learned	■ Continued communication with the Board of Supervisors, the Redevelopment Agency, the community and stakeholders. ■ A major phased development has lets each stage of development incur own process and integrated step, without reducing the site's overall productivity, use and funding.

Transit Access	■ T-Line – Third Street light rail stops at the Mission Bay UCSF Campus (The UCSF/Mission Bay Stop is between the 4th Street & King and 3rd Street & 20th Stops shown in the T-Line Schedule). ■ There are multiple UCSF shuttles that provide access to the Mission Bay Conference Center (Green, Red, Gold, Blue, Gray, Lilac). The most frequently used are the Green Shuttle from Caltrain (commuter rail) at 4th & King and the Red Shuttle from 16th Street BART station (heavy rail).
Accelerators	■ Mission Bay attracted two major anchors in UCSF research life sciences and biotech and Salesforce.com, one of San Francisco's largest and fastest growing technology companies.
Phases	■ A major phased development has let each stage of development incur own process and integrated step, without reducing the site's overall productivity, use and funding.

Very dense, high-rise residential came first; attracting retail and employment in later phases

Adaptive re-use of lands first developed for Expo86 and redeveloped for 2010 Olympic Games

Description of development	■ Area: 80 hectares (204 acres) on the north shore of False Creek. ■ Granville, waterfront and shoreline development and centrally located in downtown Vancouver, transit and airports and ports. The area contains BC Place Stadium and GM Place (the Vancouver Canucks' arena).
Applicability to Port Lands	■ As is the case for the Pan Am Games Village in the West Don Lands, institutional or public investment can successfully lead private development, ■ Public access to waterfront is essential.

North False Creek, Vancouver

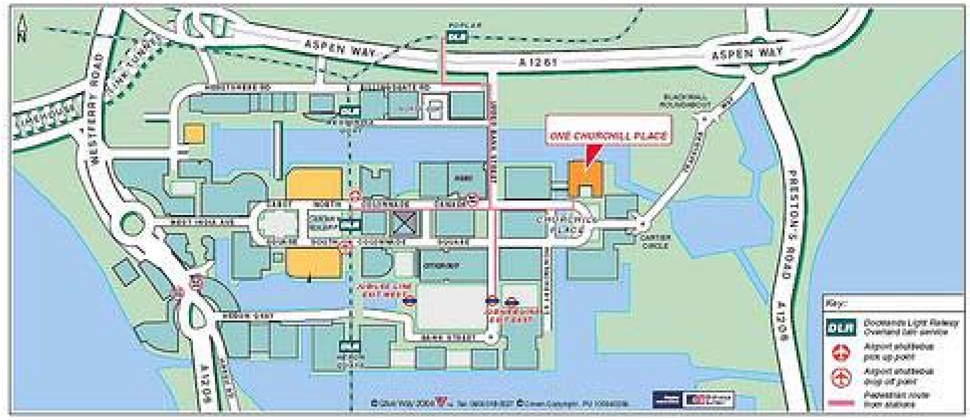
Detail

Mix and scale of uses	■ Approved for 10,154 unit of residential totaling 10.2 million square feet. ■ Approved for 1.7 million square feet of non-residential "employment lands" development, including five sites approved: ■ 224,000 square feet ■ 517,000 square feet ■ 82,000 square feet ■ 797,000 square feet ■ 879,000 square ■ The City is contemplating adding a 320,000 square foot art gallery.
Success drivers	■ Able to leverage firm deadline of 2010 Olympics to drive infrastructure and private investment in the area ■ Adjacent to thriving downtown Vancouver condominium market driven greatly by foreign investment, primarily from China.
Challenges/obstacles	■ Large existing public assembly facilities (stadium and arena) provide both physical and use constraints on developers. ■ Changing public sector requirements (province) for provision of public amenities. ■ Developer Li Ka-shing wanted to develop "islands" of market condos on the waterfront but did not win approval from the City which insisted on the extension of a 100% publicly accessible waterfront and seawall.
Solutions/lessons learned	■ First as the Expo86 site and then as the 2010 Olympic Village, North False Creek demonstrates the value in public investment to set the foundation for future private development.

North False Creek, Vancouver

Detail

Transit Access	■ It is adjacent to the downtown core and has good pedestrian access to SkyTrain (Yaletown – Roundhouse Station across Pacific Bvld. on the Canada Line) and bus transit. ■ Additionally, a street car line is planned, while public transit access is currently supplemented by ferries.
Accelerators	■ North False Creek was originally the site of Expo 86 which was the rationale for a lot of the original infrastructure. The 2010 Olympics was the stimulus for additional infrastructure linking other False Creek developments.
Phases	■ A major phased development includes North False Creek and Southeast False Creek.



Successfully created a new CBD featuring high-rise, AAA office space unavailable elsewhere in London

Attracted major employers and front-office headquarters into a new submarket

Description of development	■ Canary Wharf contains around 14,000,000 square feet (1,300,000 m2) of office and retail space, of which around 7,900,000 square feet (730,000 m2) is owned by Canary Wharf Group. ■ 90,000 people work in Canary Wharf and it is home to the world or European headquarters of numerous major banks, professional services firms and media organisations including Barclays, Citigroup, Clifford Chance, Credit Suisse, HSBC, KPMG, MetLife, Skadden, State Street, and Thomson Reuters.
Applicability to Port Lands	■ Mature development that demonstrates that early public investment in remediation and infrastructure and risk assumption will lead to private investment.

Mix and scale of uses

- THE Corporation was at work for 17 years. In its final Annual Report in 1998 it headlined its achievements as follows:
  - £1.86 billion in public sector investment
  - £7.7 billion in private sector investment
  - 1,066 acres of land sold for redevelopment
  - 144 km of new and improved roads
  - the construction of the Docklands Light Railway
  - 25 million sq feet of commercial /industrial floors pace built
  - 1,884 acres of derelict land reclaimed
  - 24,046 new homes built
  - 2,700 businesses trading
  - contributions to 5 new health centres and the redevelopment of 6 more
  - funding towards 11 new primary schools, 2 secondary schools, 3 post-16 colleges and 9 vocational training centres
  - 94 awards for architecture, conservation and landscaping
  - 85,000 now at work in London Docklands

Success drivers

- Excellent access to transportation including aviation, light rail, subway, bus and river services.
- After 30 years of disuse and several plans for reuse the railroad company transferred property rights to a public real estate firm.

Solutions/lessons learned

- The LDDC worked with huge energy, flexible staffing, and no time wasted on drawing-up new town style master plans. Development frameworks were ready to respond to unexpected opportunities (e.g. Canary Wharf)
- Positive development control regime -LDDC worked with applicants and tried to say “yes”
- Effective marketing and PR
- Effective project management –ability to soak up under-spends in other DoE programmes

Challenges/obstacles	■ The area experienced catastrophic job losses over a short period of time, as the Docks closed. Between 1978 and 1983, over 12,000 jobs were lost. The skills of the local population, directed at blue collar work, were inappropriate for many of the growth areas of the London economy. ■ A high proportion of land was held by public bodies who had neither the will nor the capital to make it available for redevelopment. Relatively little land was in private holdings. Thus the supply of land was constrained by a pattern of ownership which was not market sensitive. ■ The extent of dereliction in parts of Docklands was so severe that the costs of development would be very high and uncertain, lowering the attractiveness of the area to investors. External intervention was needed to meet extra-ordinary land reclamation costs and to improve developer confidence more generally. ■ Many development sites were poorly served by the local infrastructure - the provision of which would be essential for these sites to be developed. Poor strategic links between Docklands and the rest of London, the country and internationally, would have created additional costs for employers thus depressing the potential returns on investment. ■ The market alone was unlikely to provide the environmental improvements (including landscaping, refurbishment of the dock estate or restoration of prominent landmarks) or the provision of infrastructure and amenities that were essential if Docklands was to cast off its run-down image and become an attractive place in which to live and conduct business. ■ There were certain gaps in available information that were hindering the operation of markets - for example, the almost complete absence of private house-building in the area for years meant that housing developers had no idea on the potential return for new-build, thus magnifying the risk to developers and deterring investment. ■ This combination of factors made it difficult for the market, without external intervention, to reverse the steep cycle of decline experienced by Docklands before the establishment of LDDC.

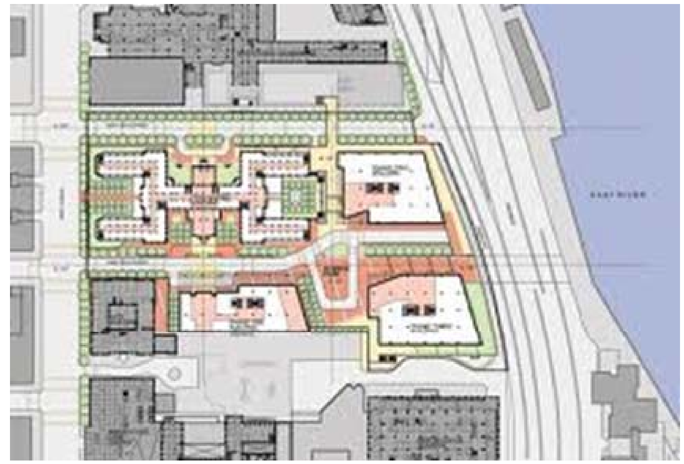
Canary Wharf, London

Detail 3

Transit Access	■ Excellent access to transportation including aviation, light rail, subway, bus and river services. ■ The Dock lands Light Railway is now 19 miles (31 km) long, with 45 stations along the route. ■ Heavy Rail: Canary Wharf tube station is a London Underground station on the Jubilee Line, between Canada Water and North Greenwich ■ Commuter Rail: Canary Wharf station is a railway station currently under construction on the Isle of Dogs in east London, being built as part of the Crossrail project. It was known as Isle of Dogs station during the project's development. Construction began in May 2009 and it is expected to open in 2018.
Accelerators	■ The Docklands Light Railway was an initial stimulation to development. ■ The creation of the London Docklands Development Corporation in 1981 and granting the Isle of Dogs Enterprise Zone status in 1982 (which conveyed certain tax benefits) ■ The selection of Olympia & York as developer.
Phases	■ Phases can be tied to market cycles and ownership turnover. With the London commercial property market collapse in 1992, Olympia and York Canary Wharf Limited filed for bankruptcy. In 1995, the former owners of Olympia & York and other investors, Canary Wharf Limited purchased the development. ■ In March 2004 Canary Wharf Group plc was taken over by a consortium of investors backed by its largest shareholder Glick Family Investments and led by Morgan Stanley using a vehicle named Songbird Estates plc.

East River Science Park, New York City

Summary



Specialized medical, research, and laboratory space centrally located among a cluster of hospitals

Building on existing employment and industry clusters

Description of development	■ The Alexandria Center for Life Science®–NYC (formerly known as the East River Science Park), a collaboration between the New York City Economic Development Corporation and Alexandria Real Estate Equities, is poised to become one of the world's leading centers for life science and technology commercialization in the heart of New York City.
Applicability to Port Lands	■ Single developer with tech/lab specialty created strong brand for location that had no identity. ■ Private Master Developer can transfer development risk.

East River Science Park, New York City

Detail

Mix and scale of uses	■ Strategically located along Manhattan's East Side Medical Corridor, will capitalize on its proximity to the city's top academic/medical institutions and major hospitals ■ New, state-of-the-art life science and technology campus that will be able to accommodate up to 1.1 million rentable square feet (RSF) of commercial office and laboratory space. ■ Phase I will consist of approximately 330,000 SF along with a 3,300 SF publicly-accessible glass-enclosed pavilion and 1 acre campus
Success drivers	■ New York City is the world's largest cluster of academic institutions and a leading life sciences cluster ■ Proximity to three international airports with more than 1,600 daily flights to over 217 cities
Challenges/obstacles	■ Complex regulatory environment ■ New York City is traditionally high barrier to entry market
Solutions/lessons learned	■ Established a loan fund targeted to aid development of lab space build out. ■ Investment fund created to assist development of HQ facilities of prospective development occupants

East River Science Park, New York City

Detail

Transit Access	■ Good bus access, remote from the Lexington Ave. subway line. Second Ave. , when complete (date not certain), will provide nearer access. ■ A stop on the new East River ferry service currently in three year trial period.
Accelerators	■ The selection of Alexandria Real Estate Equities as developer created strong brand. ■ The City funded loan fund for end users.
Phases	■ The individual buildings are being phased to react to market demand.

Established an industry cluster as the best home for tech startups in the UK

Building on existing employment and industry clusters & providing capital for end users

Description of development	■ Originally a small cluster of high-tech firms, Tech City has grown dramatically to become the capital's leading destination for digital, creative and high-technology companies. In just three years, it has expanded naturally from around 15 companies to over 300 – growth that is set to continue, with the UK Government actively supporting the area's development.
Applicability to Port Lands	■ Official recognition of "below the radar" market trends jump started industry cluster. ■ Dedicate municipal funds to environmental remediation prior to development, separate from TIF financing which should be negotiated between city and redevelopment agency for phased tax allocation.

Tech City, Shoreditch, London

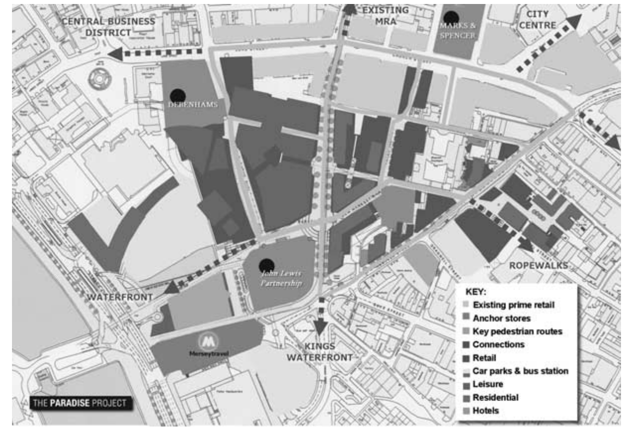
Detail

Mix and scale of uses	■ Alongside the numerous start-ups and small medium-sized businesses who have built their success within Tech City's unique environment, the area is host to many of the world's leading technology companies. Household names such as Cisco, Vodafone, Google, Facebook and Intel are increasingly recognizing the advantages offered by Tech City and the significant potential benefits of being part of this thriving centre of technological excellence. ■ Stretching from the vibrant districts of Old Street and Shoreditch to the heart of the 2012 Games at the Olympic Park in Stratford, Tech City offers opportunities for technology companies and investors of all sizes.
Success drivers	■ Low cost urban location ■ Established a loan fund targeted to aid development of lab space build out.
Challenges/obstacles	■ Widespread political support for development and investment ■ No single master development organization to coordinate development
Solutions/lessons learned	■ Tech City has an investment fund that was created to assist development of headquarters facilities of prospective development occupants. It is both locationally and industry centered.

Tech City, Shoreditch, London

Detail

Transit Access	■ The Old Street Station on the Northern Line is the main tube station in Shoreditch ■ Commuter Rail is provided at the Shoreditch High Street Station on the London Overground Line, while numerous bus lines service the area.
Accelerators	■ The Government's East London Tech City fund.
Phases	■ The individual businesses are being phased to react to market demand



Redevelopment of destitute waterfront urban core	
Destination Retail created sense of place and bran identity attracting greater private development	
Description of development	■ The development was completed in 2009 regenerating 43 acres (7 hectares) of Liverpool City Centre. Comprising 2.6 MM square feet, it includes some 1.2m square feet of new city centre retail space.
Applicability to Port Lands	■ In an urban area of derelict and underused lands, the creation of outward focused destination retail created a sense of place and brand identity, which in turn has attracted private capital for development of a larger mixed-use district. ■ Judicious use of strategically placed infrastructure (15MM pounds) can be sufficient to support phase development (1B pounds).

Liverpool One, Liverpool

Detail

Mix and scale of uses	■ Built around the existing streets of Liverpool, the development includes over 100 shops, plus 24 cafes, restaurants & bars, two new hotels, a 14-screen ODEON cinema, 600 apartments and a five-acre park. Parking for Liverpool ONE is located at three secure Q-Park car parks. The multi-storey Q-Park John Lewis offers 580 spaces and links direct to the John Lewis store via an eye-catching bridge; Q-Park Liverpool ONE (previously known as Strand Street) is a 2000-space underground car park beneath Chavasse Park; and Q-Park Hanover Street, a 560-space multi-storey car park on the edge of Liverpool ONE, opposite BBC Radio Merseyside.
Success drivers	■ Retail tapped into unmet market demand. ■ Inward looking shopping mall proposal was recast a shopping district based on the traditional street grid. ■ Development built upon successful redevelopment of adjoining historic district – the first large scale adaptive reuse in Liverpool – creating a strong urban theme ■ A new City-sponsored development structure with a clear vision.
Challenges/obstacles	■ This was an unsafe area, not just in perception, but in reality. It was the site of notorious Toxteth riots in 1981. ■ No single master development organizational structure
Solutions/lessons learned	■ Well managed, focused development that responds to market conditions will be successful. ■ Though entirely a private development, what was originally going to be a bank debt-funded proposal now has significant equity investment from a number of UK and European Institutions.

Liverpool One, Liverpool

Detail

Transit Access	■ Liverpool ONE is accessible by Bus, Train or the Mersey Ferry. The nearest bus interchanges are the Liverpool ONE Bus Station and Queen Square Bus Station, all main bus routes stop here. ■ The nearest train stations are James Street, Moorfields and Central for local and Wirral lines, and for national lines, Lime Street Station is within walking distance. ■ Of note is the availability of ample parking, since this is primarily a retail development.
Accelerators	■ The selection of a deep pocket retail developer. ■ The change from an inward looking (enclosed mall) to outward looking retail format.
Phases	■ Liverpool One is the first phase of a larger waterfront development district.

Proposal for massive waterfront redevelopment including recreation and passenger ship terminal

Current market conditions has caused leasing to be slow, therefore commercial core not yet started

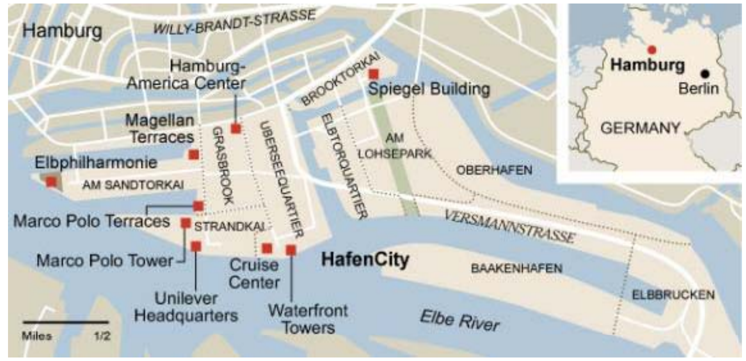
Description of development	■ Barangaroo is located on the western edge of Sydney's CBD, on the shores of our world famous harbour. It is currently 22 hectares of disused container wharves. Concept approval is granted for a mixed use development of commercial, residential, tourist, retail and community uses.
Applicability to Port Lands	■ A contaminated waterfront port facility adjacent to downtown Sydney it has many of the characteristics of Waterfront Toronto Port Lands, including environmental remediation, transport and market acceptance challenges.

Barangaroo, Sydney

Detail

Mix and scale of uses	■ Valued at over $6 billion AUD, Barangaroo is Sydney's largest redevelopment project this century and will evolve over the next 10 to 20 years, injecting more than $1.5 billion AUD into the NSW economy annually. ■ Up to 1,500 residential units ■ New public open space / public domain, with a range of formal and informal open spaces serving separate recreational functions and including a 1.4km public foreshore promenade ■ A passenger terminal and a maximum of 3000 m^2 GFA for active uses that support the public domain within the public recreation zone ■ Public domain landscape concept, including parks, streets and pedestrian connections ■ Creation of a partial new shoreline to the harbour and alteration of the existing sea walls ■ Retention of the existing Sydney Ports Corporation Port Safety Operations and Harbour Tower Control Operations including employee parking.
Success drivers	■ Proximity to downtown Sydney will drive demand. ■ Choice waterfront location will drive demand.
Challenges/obstacles	■ Failure to sign an anchor tenant has prevented construction of the office component by the designated developer, Lend Lease. ■ New height restriction may reduce financial viability of office towers.
Solutions/lessons learned	■ Even with a major developer in place (Lend Lease), without an institutional anchor success of the project will be dependent upon market forces.

Transit Access	■ Heavy rail via existing Wynyard station will be the main form of transport for commuters (approx .three block from edge of site). ■ A new pedestrian connection from Wynyard Station, called Wynyard Walk, will provide commuters and visitors with a high quality route to Barangaroo, the waterfront and a new ferry hub ■ The city's new light rail network will service Barangaroo and provide a major new visitor experience for Sydney by linking Barangaroo with other key visitor destinations ■ New bus routes into Barangaroo ■ A new ferry hub for Sydney, located at Barangaroo, with significant service increase over the King St wharf.
Accelerators	■ Even with a major developer in place (Lend Lease), without an institutional anchor success of the project will be dependent upon market forces.
Phases	■ The project is divided into phase by product type (office, residential ,etc.) to that appear to be moving independently.



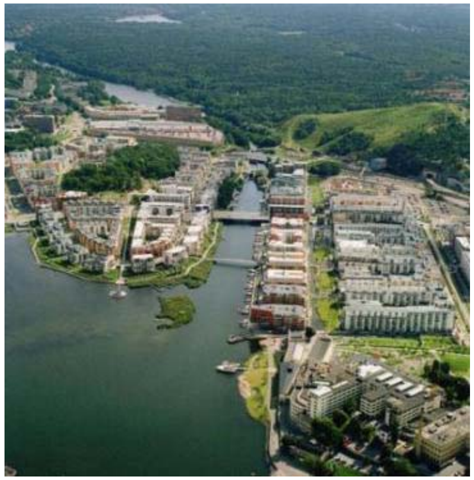
Redevelopment of destitute waterfront urban core	
A focused long term plan produced significant long term development	
Description of development	■ Between the historic warehouse district and the Elbe, a new city is created with a cosmopolitan mix of residential, service, culture, leisure, tourism and trade. The typical port structures are preserved. For development management, HafenCity Hamburg GmbH, a 100 percent subsidiary of the Free and Hanseatic City of Hamburg. The development period for the whole area extends to approximately 2025.
Applicability to Port Lands	■ This project has had a long gestation period (by design), strict design guidelines and conservative financing structures.

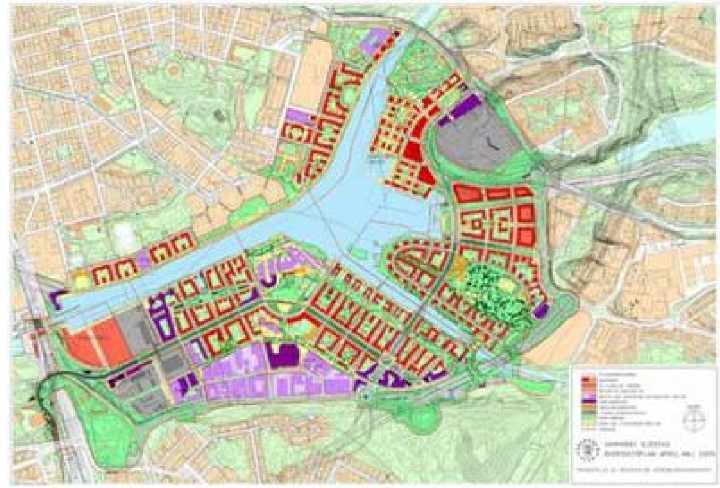
HafenCity, Hamburg

Detail

Mix and scale of uses	■ Total area: 157 ha. Land Area: 126 ha ■ Gross floor area (GFA): 2.32 million square meters built, including 5,800 residential units. ■ HafenCity has expanded Hamburg City by 40%. Currently 47 projects are completed, 37 projects under construction or in planning ■ Approx. 26 hectares of public parks, plazas and promenades and 10.5 km new waterfront locations with promenades and squares ■ 99% of arable land areas are in public ownership before the sale (special fund "and the port city", represented by the HafenCity Hamburg GmbH) ■ Investment: Private investment around 8 billion euros, public investment: € 2.4 billion, financed mainly from land sale proceeds of the assets of land in the port city (about €1.5 billion)
Success drivers	■ Well paced, balanced approach to absorption and infrastructure expenditures.
Challenges/obstacles	■ The City had to be very discrete in it land acquisition to avoid creating a market for higher prices.
Solutions/lessons learned	■ Strict guidelines can maintain project quality and drive a market.

Transit Access	■	By fall 2012, the new U4 subway will have two stations, Überseequartier and HafenCity University serving HafenCity. Two long-established underground stops on the U1 and U3 lines are immediately within reach on the northern edge of HafenCity. Another U4 station is to be built north of the Elbe bridges, where it could also join with the rapid transit (S-Bahn) rail line in the medium term.
	■	Bus and ferry services provide access to HafenCity.
Accelerators	■	In 1997 a port and location development company (GHS) was set up to manage the development of HafenCity by the City – since 2004 it has been known as HafenCity Hamburg GmbH. **It is the master developer of the site.** In addition to sourcing financing HafenCity Hamburg GmbH also clears and prepares sites, plans and builds infrastructure and public spaces, acquires and contracts real estate developers and larger users, and is responsible for public relations and communication.
Phases	■	Since the City owns most of the site, development phases are timed so that land sales and phase specific revenue anticipation notes are used to fund the phase's infrastructure.





Proposed Olympic Site was developed as extension of dense urban fabric

Emphasis on green building and environmental sustainability

Description of development	■ Hammerby Sjöstad is a new district to the south of Stockholm, which extends the inner city beyond Hammarby Lake for the first time. Located on a former industrial-use Brownfield site and initially intended as a location for the 2004 Summer Olympics, Hammarby Sjostad is being developed as one of Stockholm's largest urban development projects.
Applicability to Port Lands	■ A site perceived as remote was successfully developed with sustainability as the brand.

Hammarby Sjöstad, Stockholm

Detail

Mix and scale of uses	■ Site size: 200 hectares, brownfield land (incl. 50 ha water) ■ Project type: Mixed Use ■ Development size: 10,000-11,000 apartments housing population of 25,000; 200,000 sq m of commercial floor space creating 5,000-10,000 jobs ■ The name 'Hammarby Sjöstad' means 'city surrounding Hammarby Lake'. Approximately half of the total area has been developed to date and it is anticipated that the final scheme will be completed by 2015.
Success drivers	■ The core area of Hammarby Sjöstad was envisaged as an Olympic Village with a strong emphasis on ecology and environmental sustainability, which was promoted as one of Stockholm's unique selling points as an Olympic city. Although the bid was unsuccessful, development was already underway and the momentum for change had been established. ■ Hammarby Sjostad's success can be attributed to strong environmental goals that shaped the development plan, incorporating land use, transportation, building materials, energy, water and sewage, and solid waste. All of the authorities and administrations normally involved in the development process collaborated to create a plan and conceptual approach to the project with a focus on sustainable resource use
Challenges/obstacles	■ Failed Olympic bid to host 2004 Games ■ Was brownfields site across lake from real estate market
Solutions/lessons learned	■ Sustainability can be a successful brand.

Hammarby Sjöstad, Stockholm

Detail

Transit Access	■ With sustainability as the theme, this is a development built along a street car (tram) spine. Public transit modal split is 52%. ■ Bus and ferry services also provide access to Hammerby Sjostad.
Accelerators	■ This is a multi-family residential development with some retail that is taking advantage of a strong rental market. ■ In the early 1990's, Impetus was gained for development and infrastructure in the area when plans for Stockholm's bid for the 2004 Olympic Games were being prepared. ■ When the market-oriented right coalition won the 1998 municipal elections it reversed the previous government's policies and started to sell publically-owned land to private housing and construction companies which jump started development. ■ In order to attract the numerous shops and services to the area as mentioned above, Hammarby has adopted a strict land use policy to secure space for ground floor commercial uses along the main streets. In addition, it has offered a two-year rent-free subsidy in order to attract commercial operators and ensure service provision is established even in the early phases of the development.
Phases	■ This is an eleven phase development.

Massive development on the last large open space in Midtown Manhattan

Innovative finance structure enabled infrastructure to built at start of project driving private investment

Description of development	▪ Retail, office, residential, and hotel development totaling 50.6 million square feet for a large 45-block area (300+ acres) of underutilized land on the west side of Midtown Manhattan fronting the Hudson River that was originally targeted as the primary site for New York's 2012 Olympic bid.
Applicability to Port Lands	▪ Innovative special assessment district financing structure that utilizes recurring (PILOTs, TEPs) as well as one-time upfront payments (payments for additional density – "DIBs," and transferred development rights from MTA-LIRR West Side Yards) from developers and building owners. ▪ Diversified product mix mitigated development market risk.

Hudson Yards, New York City

Detail

Mix and scale of uses	■ Hudson Yards Development Corporation (HYDC) has projected that by 2041, future demand would support approximately: ■ 50.6 million square feet ("msf ") of development within the Project Area, including: ■ 7.3 msf of developments (6.2 msf of residential and 1.1 msf of hotel) built to date ■ New office space (25.3 msf) ■ New residential space (13.9 msf) ■ New hotel space (2.3 msf) ■ New retail space (1.8 msf)
Success drivers	■ Innovative special assessment district financing mechanism for infrastructure that captured both one time and recurring revenue streams. ■ Mixed use plan allowed for robust residential and hotel sectors to offset weak office market to provide funding to district in line with projections. ■ City of New York credit back stop for infrastructure financing in early years of project.
Challenges/obstacles	■ Much of the development has to occur before infrastructure improvements (i.e., #7 Subway *extension).* ■ Neighborhood notorious for difficult entitlement and project approval process. ■ Market acceptance of "pioneering" area.
Solutions/lessons learned	■ With reasonable market conditions, developers will pay for additional development rights. ■ Municipal credit enhancements may be key to successful infrastructure financing. ■ Anticipation of infrastructure enhancements can attract private investment.

Transit Access	■ The Number 7 subway line is being extended from 7th Avenue and 42nd St. to 34th Street and 11th Avenue within the district. ■ Penn Station and the Port Authority Bus Terminal are on the eastern edge of the district. ■ Bus and ferry services also provide access to Hudson Yards.
Accelerators	■ Innovative special assessment district financing mechanism for infrastructure that captured both one time and recurring revenue streams. ■ Mixed use plan allowed for robust residential and hotel sectors to offset weak office market to provide funding to district in line with projections.
Phases	■ Though there are no specific phases , the build out is project to continue for 40 years.

Once intended to be the central business district of Queens, emphasis has shifted away from office	
Overlooked environmental issues and inflexible master plan inhibited development	
Description of development	■ A subsidiary of the Empire State Development Corporation, QWDC is a successful partnership between New York State, New York City, and the Port Authority (PA) to remediate and redevelop 74 acres of former industrial waterfront property into a residential waterfront community that will include housing, parks, schools, and a library.
Applicability to Port Lands	■ Port Lands will have a development phase that will last through numerous real estate cycles, WT should contemplate a variety of development strategies that can respond to changing market conditions. ■ Port Lands is impaired - perform adequate environmental due diligence.

Queens West, New York City

Summary

Mix and scale of uses	■ Originally conceived to include roughly 50% office space, the project has evolved in response to market forces to include development rights for approximately 4.3 million square feet of residential space, 174,325 square feet of retail space and 140,000 square feet of public facilities.
Success drivers	■ Waterfront location and proximity to Manhattan market. ■ Tripartite governing structure City/State/Bi-State Authority with clear processes and governing structures..
Challenges/obstacles	■ Inflexible entitlements (uses) that did not reflect market realities until changed well into second decade of project. ■ Inflexible design guidelines that didn't change until well into second decade of project. ■ No large institutional anchor tenant/end user. ■ For product type and time (1980s), a remote location. ■ Environmental impairment (coal tar pit) that resulted in remediation costs ten times greater than the value of the liability risk transfer facility in place.
Solutions/lessons learned	■ Markets change over the lifecycle of large projects (Queens West is nearly 30 years old and still unfinished), entitlements and design guidelines must flexible enough to anticipate changes with market conditions. Queens West missed two market cycles. ■ Have sufficient environmental liability risk transfer facilities in place before remediation.

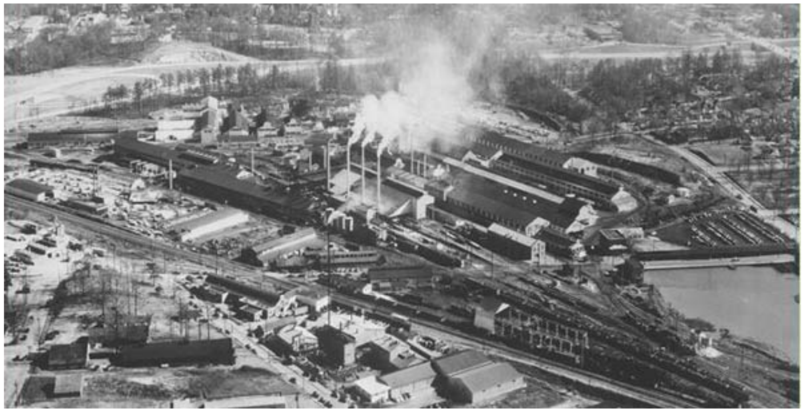
Queens West, New York City

Detail

Transit Access	■ The Number 7 subway line at the Vernon/Jackson stop (four blocks east) services the site. ■ The Hunterspoint Ave. LIRR stop provides weekday commuter rail service east to Long Island. ■ Bus and ferry services also provide access to Queens West.
Accelerators	■ Changes of the inflexible entitlements (uses) that did not reflect market realities jump started the project in its second decade of project. ■ Changes in the inflexible design guidelines jump started the project in its second decade of project.
Phases	■ There are three major phases with individual master developers.

Atlantic Station, Atlanta

Summary



Largest Urban Brownfield Redevelopment in Atlanta utilizing Tax Allocation District funding

Innovative remediation approach reduced cost allowing for development to proceed

Description of development	■ The developer is Atlantic Station, LLC., formerly known as Atlantic Redevelopment LLC., an affiliate of Jacoby Development, Inc. The project consists of remediation and development of 138 acres near Atlanta's central business district. At completion, the redevelopment is ultimately projected to include 15,000,000 sf of retail, office, residential and hotel space as well as 11 acres of public parks.
Applicability to Port Lands	■ WT has a large flood remediation cost hurdle . Utilizing creative construction techniques like plinths or parking structures to elevate buildings above flood plain may allow development to go forward with out fully constructing the infrastructure.

Atlantic Station, Atlanta

Summary

Mix and scale of uses	■ The District consists of one million square feet of open-air retail and entertainment, including six mixed-use retail buildings with entertainment, shops and restaurants. The District will also include six million square feet of office space in mid-to high-rise office buildings and more than300 two-story loft apartments directly above retail shops and restaurants and over 200 townhomes and single-family homes.
Success drivers	■ Tax Allocation District formed in 1999. As of the end of 2005, multiple phases of residential development built and sold. Additional security pledged by City of Atlanta and Fulton County of tax increments and sales tax (sales tax pledged from 2001 – 2009).
Challenges/obstacles	■ Retail initially struggled before being repositioned as a result of a branding exercise. ■ Although the parking structure was an innovative environmental solution, its configuration has been a deterrent to retail users. ■ Access by car and transit is an issue.
Solutions/lessons learned	■ By capping the impaired soils and building a parking structure, Atlantic Station was able to develop the site with no further remediation, substantially reducing costs. Innovative solutions to environmental and infrastructure challenges can allow for otherwise infeasible to proceed. ■ Have sufficient environmental liability risk transfer facilities in place before remediation.

Transit Access	■ Access by car and transit is an issue.
Accelerators	■ By capping the impaired soils and building a parking structure, Atlantic Station was able to develop the site with no further remediation, substantially reducing costs. Innovative solutions to environmental and infrastructure challenges can allow for otherwise infeasible to proceed. ■ Retail initially struggled before being repositioned as a result of a branding exercise. ■ In 2001 the Atlanta City Council issued a $75 million Tax Allocation Bond to pay for the first phase of infrastructure development. The 17th Street Bridge was completed in 2004, providing a much-needed connection to Midtown Atlanta and leading the way for subsequent development .
Phases	■ The Atlantic Station project currently represents $2 billion in new construction and is divided into three phases: The District (primarily retail), The Commons (primarily high density residential) and The Village (mixed-use midrise).

Location	Applicability to Port Lands
Mission Bay, San Francisco	■ Major anchors in institutional and commercial will support population and alternative commercial, and entertainment uses. ■ Phase in major development stages to secure TIF financing and municipal involvement. ■ Dedicate municipal funds to environmental remediation prior to development, separate from TIF financing which should be negotiated between city and redevelopment agency for phased tax allocation.
North False Creek, Vancouver	■ As is the case for the Pan Am Games Village in the West Don Lands, institutional or public investment can successfully lead private development, ■ Public access to waterfront is essential.
Canary Wharf, London	■ Mature development that demonstrates that early public investment in remediation and infrastructure and risk assumption can lead to private investment.

Location	Applicability to Port Lands
East River Science Park, New York City	■ Single developer with tech/lab specialty created a strong brand for location that had no identity. ■ Private Master Developer can transfer development risk. ■ Established a loan fund targeted to the build out of lab space.
Tech City, Shoreditch, London	■ Official recognition of “below the radar” market trend s (the emerging software companies) jump started expansion of this industry cluster. ■ A dedicated industry and locational investment fund can be used to attract desired end users.
Liverpool One, Liverpool	■ In an urban area of derelict and underused lands, the creation of outward focused destination retail created a sense of place and bran identity, which in turn has attracted private capital for development of a larger mixed-use district. ■ Judicious use of strategically placed infrastructure can be sufficient to support phased development.

Location	Applicability to Port Lands
Barangaroo, Sydney	▪ A contaminated waterfront port facility adjacent to downtown Sydney, it has many of the characteristics of Waterfront Toronto Port Lands, including environmental remediation, transport and market acceptance challenges. This is a project to watch in real time. ▪ Even with a major developer in place (Lend Lease), without an institutional anchor success of the project will be dependent upon market forces.
HafenCity, Hamburg	▪ Strict guidelines can maintain project quality and drive a market.
Hammarby Sjöstad, Stockholm	▪ A site perceived as remote was successfully developed with sustainability as the brand.
Hudson Yards, New York City	▪ Diversified product mix mitigated development market risk. ▪ With reasonable market conditions, developers will pay for additional development rights. ▪ Municipal credit enhancements may be key to successful infrastructure financing. ▪ Anticipation of infrastructure enhancements will attract private investment.

Location	Applicability to Port Lands
Queens West, New York City	■ Port Lands will have a development phase that will last through numerous real estate cycles, WT should contemplate a variety of development strategies that can respond to changing market conditions. ■ Port Lands is impaired - perform adequate environmental due diligence.
Atlantic Station, Atlanta	■ WT has a large flood remediation cost hurdle . Utilizing creative construction techniques like plinths or parking structures to elevate buildings above flood plain may allow development to go forward with out fully constructing the infrastructure.

Key Findings from Case Studies

Real Estate Markets:

- Port Lands will have a development phase that will last through numerous real estate cycles; WT should contemplate a variety of development strategies that are flexible enough to respond to changing market conditions.
- WT plans for short-term and medium term development should not come at the expense of long term development.
- WT should seek out major institutional and commercial anchors that, in turn, will support population and alternative commercial, and entertainment uses.
- Similarly, WT should consider the creation of outward focused destination retail which can create a sense of place and bran identity, which in turn can attract private capital for development of a larger mixed-use district.
- To attract desired end users, WT should consider a targeted industry and locational investment fund .

Infrastructure:

- WT has a large flood remediation cost hurdle . Utilizing creative construction techniques like plinths or parking structures to elevate buildings above flood plain may allow development to go forward with out fully constructing the costly flood remediation infrastructure.
- Further, judicious use of strategically placed infrastructure can be sufficient to support phased development.
- With a significant potential Port Lands infrastructure cost, Municipal credit enhancements may be key to successful (and creative) infrastructure financing.

Environmental:

- Port Lands is impaired – WT should perform adequate environmental due diligence and have sufficient environmental risk-transfer mechanisms in place.

APPENDIX 3: TORONTO PORT LANDS – MARKET FORECAST (20 YEAR FORECAST)

- Cushman & Wakefield, Scotia Capital, and Urban Strategies were selected by Waterfront Toronto to create recommendations for accelerating the pace of development at the Lower Don Lands and Port Lands.
- The Global Business Consulting Group within Cushman & Wakefield participated in the study, assigned to estimate overall market growth and forecast potential absorption over a 20-year period, in 5-year increments.
- The goal of this section of the study is to identify a realistic amount of space that feasibly can be built within the boundaries of the Port Lands and absorbed within a 20-year period, based on economic conditions and assuming infrastructure to support these uses can be built.
- The potential land uses under consideration in this forecast are office, retail, residential, hotel/hospitality, and industrial. Land uses *not* incorporated into this forecast include public (government or school), institutional (except as office or research tenants), recreation, open space, infrastructure, and transit and parking.
- Each land use under consideration was modeled separately, according to its own appropriate methods, specific economic indicators, and historic trend data, described in detail in each respective section. C&W utilized internal research, publicly available Census and housing data, and best-in-class third-party estimates and forecasts where necessary. The following table summarizes cumulative space forecasts for each land use:

Forecast Year	Office (Sq Ft)	Retail (Sq Ft)	Residential (Units)	Hotel (Rooms)
2016	177,000 – 402,000	22,000 – 85,000	150 – 190	0
2021	579,000 – 1,349,000	70,000 – 210,000	1,090 – 1,340	200 – 250
2026	1,110,000 – 2,555,000	136,000 – 335,000	3,530 – 4,320	275 – 375
2031	1,770,000 – 4,019,000	172,000 – 407,000	6,650 – 8,140	375 – 525

- These forecast values will provide inputs that guide an overall area design, space and potential rental revenue volumes, and estimates of infrastructural requirements to support projected densities of uses.
- These values will also become inputs into financial models that will model TIF and other financing vehicles to fund infrastructure, subsequent deliverables within the scope of further phases of this project.

Incremental

	Office (Sq Ft)			Retail (Sq Ft)			Residential (Units)			Hotel (Rooms)		
	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive
2012-2016	177,000	289,000	402,000	22,000	50,000	85,000	150	170	190	0	0	0
2017-2021	402,000	675,000	947,000	48,000	83,000	125,000	940	1,050	1,150	200	225	250
2022-2026	531,000	868,000	1,206,000	66,000	93,000	125,000	2,440	2,710	2,980	75	100	125
2027-2031	660,000	1,062,000	1,464,000	36,000	52,000	72,000	3,120	3,470	3,820	100	125	150

Cumulative

	Office (Sq Ft)			Retail (Sq Ft)			Residential (Units)			Hotel (Rooms)		
	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive
2016	177,000	289,000	402,000	22,000	50,000	85,000	150	170	190	0	0	0
2021	579,000	964,000	1,349,000	70,000	133,000	210,000	1,090	1,220	1,340	200	225	250
2026	1,110,000	1,832,000	2,555,000	136,000	226,000	335,000	3,530	3,930	4,320	275	325	375
2031	1,770,000	2,894,000	4,019,000	172,000	278,000	407,000	6,650	7,400	8,140	375	450	525

- Population and employment forecasts
  - Hemson 2005 Report: ”Growth Outlook for the Greater Golden Horseshoe Area”
- Historical and current market data, space inventory, new supply, construction pipeline
  - Cushman & Wakefield Research
- Retail supply
  - Ryerson University, CSCA (Centre for the Study of Commercial Activity)
- Retail demand, household expenditure, and average income/expenditure ratios
  - Environics Research Group, Toronto
- Wage growth
  - CSLS (Centre for the Study of Living Standards), “Median Wages and Productivity Growth in the United States and Canada” 2009, Ottawa, Canada

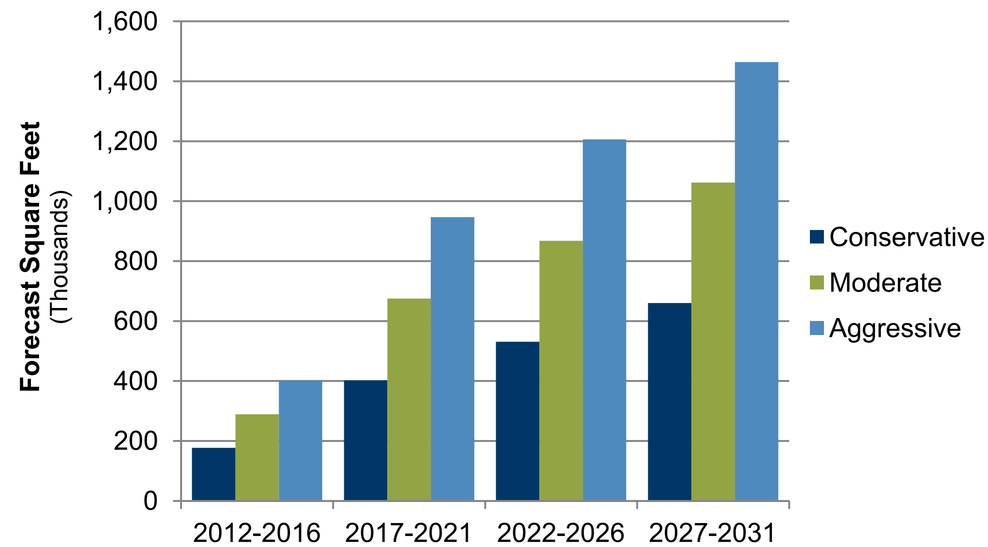
- Office absorption forecasts are based on adding together estimated capture of demand for new supply (business and employment growth) and capture of demand for renewals (existing companies moving).
- **A : Capture of Growth (details in Appendix 3A)**
  - Employment growth is allocated to each neighbourhood based on whether the employees are likely work in Class A (e.g., financial and law), B (e.g., back office and accounting) or C (e.g., non-profit and startup) space, based on historic data. The Port Lands will feature new (Class A) space in a peripheral location, making it competitive for the types of business and employees located in the Downtown Fringe (Class A and B), Financial Core (Class A and B), Midtown (Class A and B) and suburban markets (Class A).
  - Estimates of the portion of new businesses and employees that are likely to locate in the Port Lands are based on nearby neighbourhoods. At the low end, Downtown East captures 3% of GTA total new supply, while the Financial Core is at the high end with 13%. Within these limits, capture rates for the Port Lands were determined to be: Conservative (5%), Moderate (7.5%), and Aggressive (10%).
  - New developments under construction were subtracted from the total square footage expected to be demanded by new businesses and employees.
- **B: Capture of Expiring Leases (details in Appendix 3B)**
  - As above, the markets considered for tenants most likely to occupy Port Lands office space are the Downtown Fringe (Class A and B), Financial Core (Class A and B), Midtown (Class A and B) and the suburban markets (Class A).
  - Based on historical trends, 10% of total space is expected to be up for renewal in any given year, and only 25% of those tenants actually move. Effectively, about 2.5% of businesses that are considering moving or renewing are available to move into a new submarket. Based on this overall trend, the capture rates for renewals are estimated at Conservative (0.75%), Moderate (1.5%), and Aggressive (2.25%).
  - Of the 0.75%, 1.5%, or 2.25% of renewals that will move, the Port Lands is estimated to effectively compete for about 30% of lease expirations (movers) (except in the first 5-year period, as there will not be any construction until 2015, which reduces capture to 10% for 2012-2016). The Port Lands is expected to be ~~an~~ competitive alternative to older, more expensive space in the Downtown Fringe.
  - Capture from expiring leases as vacancy created in other markets will cause rents to decrease, making them more competitive to “steal back” market share over time.

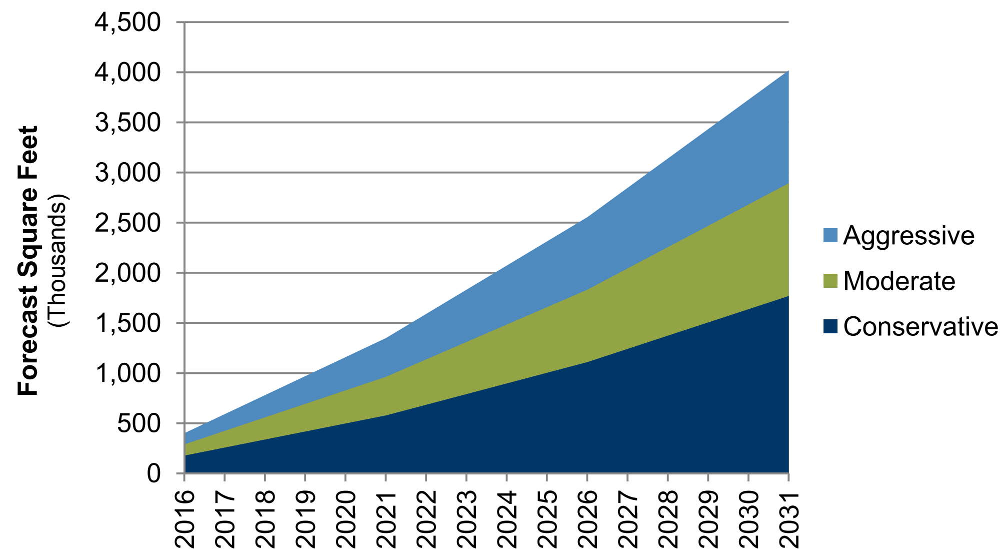
- Projected employee growth over the 2012-2031 period is based on forecasts from the Hemson 2005 Report.
- The City of Toronto's CMA Labour Force Survey data was used to understand the percentage of total employees in office-type occupations, which is 35%. This forecast establishes the universe of new employment generating demand for office space as 35% of projected future employees.
- On average, businesses are assumed to require 180 square feet per employee. This ratio establishes the amount of office space new employment is expected to demand.
- Historic share of new supply was used to determine what share of the growth in office employees could be attributed to Downtown Fringe (25% of new supply) , Financial Core (12%), Midtown (3%) and the Suburbs (60%).
- Future market share is based on these ratios and summarized below, adjusted for market share of projects in the pipeline (currently under construction and proposed). The capture of space demanded by new employees is allocated based on these percentages. Then the allocation for the Port Lands (conservative, moderate, or aggressive, depending upon the scenario) is "captured" equally from all of them.

Submarket	Share of Historic New Supply	Share of Proposed/ Construction Pipeline
Downtown Fringe	**25%**	**27%**
Downtown East	0%	3%
Downtown North	3%	0%
Downtown South	7%	21%
Downtown West	14%	3%
King West	1%	0%
Financial Core	**12%**	**12%**
Midtown	**3%**	**0%**
Suburbs	**60%**	**61%**
Total	**100%**	**100%**

Forecast Office Space (Sq Ft)

Incremental	Conservative	Moderate	Aggressive
2012-2016	177,000	289,000	402,000
2017-2021	402,000	675,000	947,000
2022-2026	531,000	868,000	1,206,000
2027-2031	660,000	1,062,000	1,464,000
Cumulative	**Conservative**	**Moderate**	**Aggressive**
2016	177,000	289,000	402,000
2021	579,000	964,000	1,349,000
2026	1,110,000	1,832,000	2,555,000
2031	1,770,000	2,894,000	4,019,000



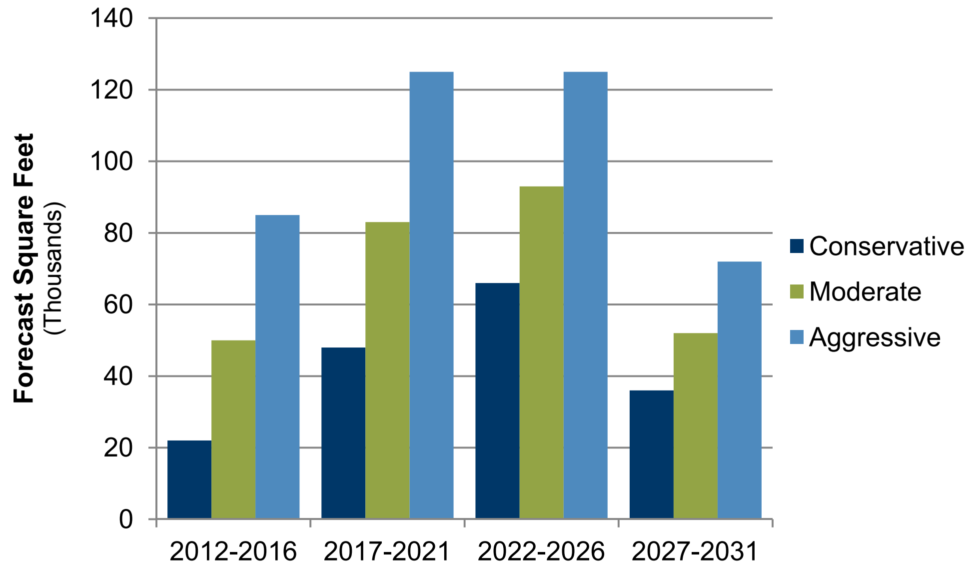


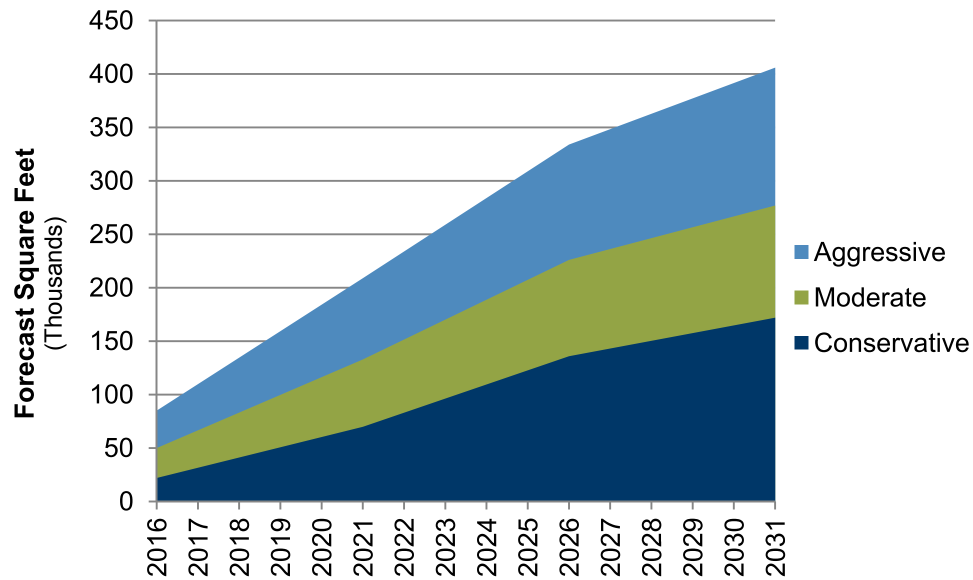
- Retail forecasts are the weighted average of three separate approaches to predicting the demanded amount of retail space.
- **Approach A (20%):** Market share of future retail to be built
  - Overall growth rate of retail supply established for the entire GTA based on Census projections and currently proposed projects.
  - Port Land's ability to capture some of Downtown's share of that growth is estimated based on historic patterns of the central area's share of total GTA retail. This takes into account the way major retail (Eaton Centre), urban street front retail (e.g., Queen Street, Yonge & Dundas, Danforth Avenue), and retail in the PATH system have grown and compete in the region.
  - Port Lands experiences increasing capture of new retail as residents and employees arrive, beginning with 7% in 2016 and peaking at 15% in 2026. The establishment of successful retail will attract more traffic and more retail use in a self-reinforcing loop, until capacity is reached and growth slows down.
  - As retail grows at the overall rate, these percentages of that growth are forecast to occur in the Port Lands
- **Approach B (40%):** Increasing population and wage growth demands more retail
  - Current household expenditure ($214 billion in 2011) compared to current retail supply (223 million SF) establishes a ratio of $962 household expenditure per square foot of retail space.
  - An estimate of spending capacity for only households in the immediate local trade area of the Port Lands (Don Valley Parkway to Woodbine; Gerrard Street East to the Lake, mapped in Appendix 6) provides the current base of household spending power.
  - As population and income increase in the local trade area, 1 new square foot of retail space is forecast to be added for every $962 dollars in additional spending power this growth creates.
- **Approach C (40%):** Future space demanded by on-site office and residential development
  - The overall ratio of retail space per capita in the GTA is applied to the results of the Residential Forecast for each 5-year period, estimating retail serving the future residents of the Port Lands at that same ratio.
  - The overall ratio of retail space per employee in the GTA is applied to the results of the Office Forecast for each 5-year period, estimating retail serving the future employees of the Port Lands at that same ratio.

- Economic assumptions
  - Market share of Port Lands peaks at 15% in 2026, after the user base builds during a ramp-up period as office and residential projects are completed.
  - Real wage growth (minus inflation) from 1980 to 2005 was only $51 over 25 years, representing 0.012% compound annual growth. This growth rate is projected as steady in the future to derive future household spending power.
  - Future household counts based on the Hemson study for 2021 and 2031. The projections for 2016 and 2026 are based on midpoints between Hemson's forecast years.
- Local Retail
  - Trade area includes population and employment growth within the Port Lands, but will also serve nearby residents in Leslieville, southern Riverdale, and some of the Beaches neighbourhoods (see map in Appendix 5).
  - Assumes future supply will be located within the Port Lands (instead of Gerrard or Queen Streets East). Leslieville is a mature neighbourhood with no major parcels available. Smart Centre's Wal-Mart based proposal was denied, although it remains under appeal to the OMB.

Forecast Retail Space (Sq Ft)

Incremental	Conservative	Moderate	Aggressive
2012-2016	22,000	50,000	85,000
2017-2021	48,000	83,000	125,000
2022-2026	66,000	93,000	125,000
2027-2031	36,000	52,000	72,000
Cumulative	**Conservative**	**Moderate**	**Aggressive**
2016	22,000	50,000	85,000
2021	70,000	133,000	210,000
2026	136,000	226,000	335,000
2031	172,000	278,000	407,000





- Economic analysis was conducted on the feasibility of locating a major retail destination such as a super-regional mall, outlet mall, or urban power centre at the Port Lands
  - Overall economic and population growth in the region is sufficient to support several major shopping centre developments in addition to expansion of current super-regional centres. Through 2021, the GTA is forecast to add 40-42 million sf of new retail space (including all new shopping centres, grocery stores, car dealerships, etc). A new urban power centre represents 4% - 5% of that forecast growth.

Regional Growth Projections

Year	Projected Inventory	GTA Forecast Growth
Current	223,000,000	
2021	263,849,000	40,849,000
2031	292,512,000	28,663,000

Source: Cushman & Wakefield

- The Port Lands is competitive with the best locations in the GTA for accessibility and trade area, placing it in an excellent position to capture 4-5% of regional growth.

35-Minute Drive Time Analysis

Location:	2011 Population	2011 Households	2011 Median Household Income
Port Lands	5,050,992	1,838,538	$66,362
404 & 407	5,131,898	1,866,043	$66,304
400 & 407	5,540,385	1,989,643	$68,309
401 & 403	5,022,438	1,819,086	$68,721
427 & 401	5,356,414	1,935,836	$67,753
403 & 407	4,118,184	1,527,459	$67,214

Source: MagnifyMaps.com

- A new center at the Port Lands would have to compete with those locations listed on the previous page and other sites with large trade areas to establish its market dominance by building a critical mass of retail brands that attracts traffic, which in turn attracts more tenants.
  - Any format (power centre, big-box, outlet mall, etc.) that relies on significant catchment areas beyond the local neighborhood must be sufficiently large to attract a wide range of tenants, creating a destination that attracts shoppers by offering the most brands in a single location.
  - At maturity, a regional centre reaches 1.2–1.5 million sf or more. If pursuing a major retail destination strategy, the Port Lands *must* reserve enough space to grow to this size, or another location of this size will eventually become the superior destination and cannibalize tenants.
  - A PwC market sounding study found that developers surveyed reported that 1.5 million sf is the necessary size to be successfully competitive in the regional marketplace, and that extending transit infrastructure is a prerequisite before a developer will be willing to go forward.
- Surrounding neighbourhoods are mature residential areas, leaving very little room for competing developments
  - A market opportunity study for the Foundry District, conducted by Malone Given Parsons, reports that there are very few locations in the area that could be developed into major (1 million+ sf) shopping centres.
  - The lack of competitive opportunities suggests that a power centre development at the Port Lands would not necessarily have to be repeatedly expanded in order to maintain its position as the largest centre with the most tenants.
  - Big-box tenants have been steadily reducing their store sizes since 2008-2009. With their reduced requirements, it is possible to maintain a wide variety of brands in less overall space.
  - With a larger number of tenants in smaller units and a lack of major competition nearby, a size range of 800,000 to 1 million sf is likely to be sufficient to establish and maintain a position as the dominant centre in central Toronto (old city).

- Other major cities in North America have successfully accommodated big-box retailers in urban environments.
- Mixed-use centers sometimes include residential and/or office space above 1-2 floors of large format, big-box, and junior big-box retail tenants.

Center	City	Stories	Site Area (acres)	Gross Leasable Area (sf)
DC-USA	Washington, DC	3	4.25	546,000
Atlantic Terminal Mall	Brooklyn, NY	5	1.50	370,000
Gateway Center	Bronx, NY	4	17.25	913,000
Bay Street	Emeryville, CA	3	18.50	400,000
555 Ninth	San Francisco, CA	2	3.50	150,000

- These developments also accommodate multi-level parking garages in the rear, balancing vehicular access with urban street fronts and pedestrian access
- They are accessible via transit, with rail stations either below or adjacent


DC-USA, Washington, DC


Atlantic Terminal, Brooklyn, NY

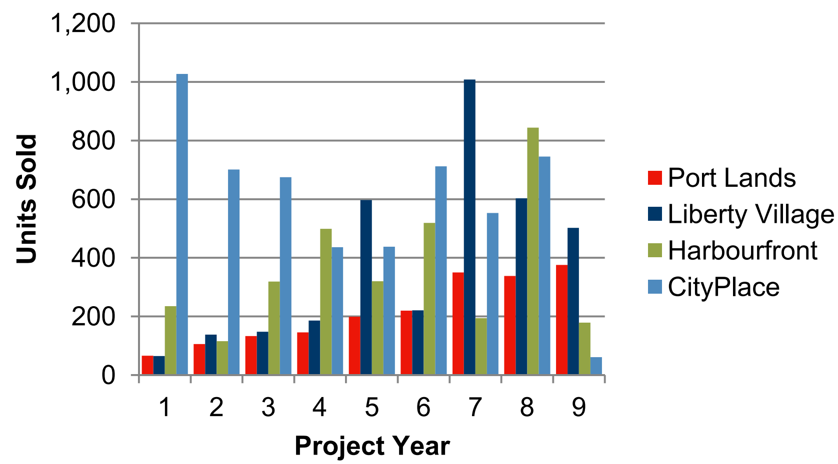
Gateway Center, Bronx, NY

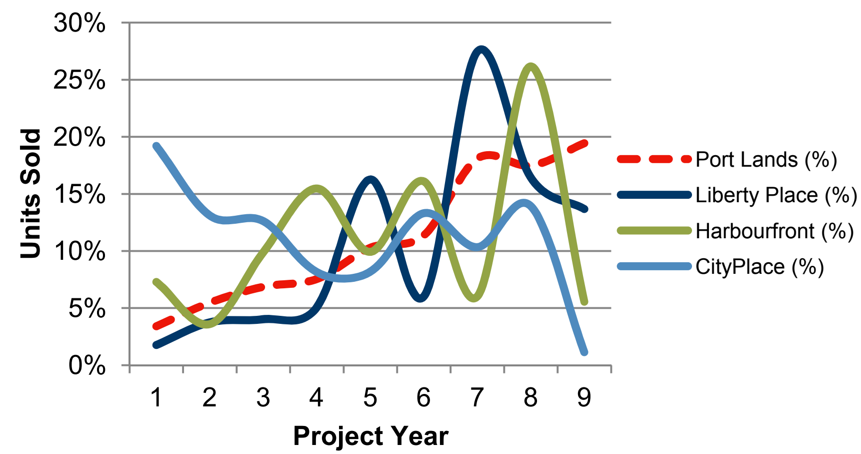

Bay Street, Emeryville, CA


555 Ninth St, San Francisco, CA

- Based on the annual pace of sales at comparable, multi-tower projects, C&W estimated the number of units that can be built and sold within the 20 years (detailed table in Appendix 6).

- **Method A:** Model of sales pace based on comparable projects
  - Selected comparable projects:
    - **Liberty Village**, is the closest comparable in a similar perimeter location
    - **Harbourfront** has a comparable lakefront location
    - **CityPlace** is an aggressive comparable, featuring an expert developer with a direct sales channel to foreign investors
  - Examined pace of unit sales from each project's First Year through up to 15 years
  - As illustrated in the chart on the right, Port Lands forecast to slowly ramp up sales over first 10 years (note: pipeline developments in the West Don and Lower Don coming online)
  - 4 phases of development: Start-Up, Developing, Peak, and Leveling, with highest absorption in Peak phase (see Appendix 6)
- **Method B:** Market share of new household formation
  - Population projections based on Hemson 2005 report
  - Household formations rates based on Census, CMHC historical data, and Environics forecasts
  - Assignment of market share to Port Lands
- 7,500 units by 2031 is less than 17,500 projected in previous plans
  - 17,500 total can be achieved, but it will most likely take longer than 20 years

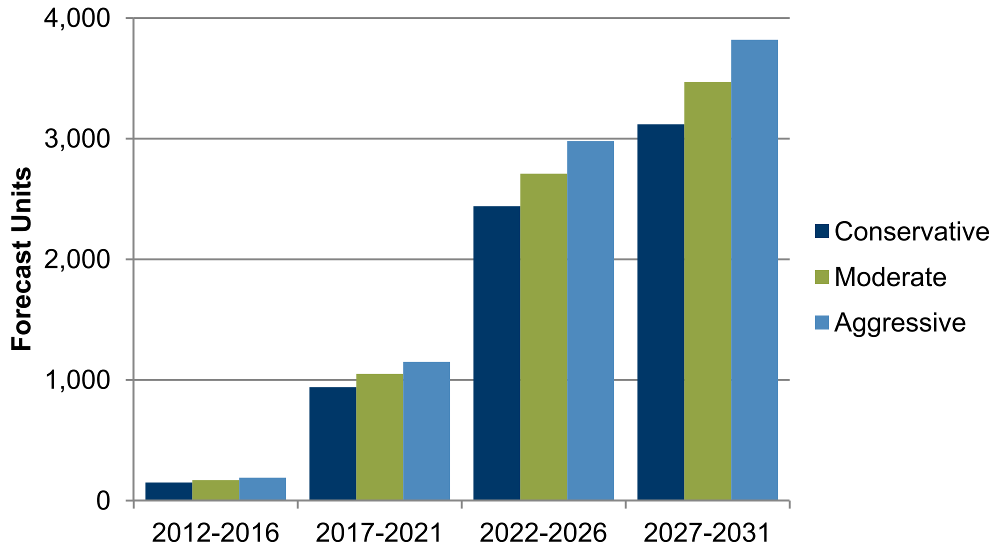


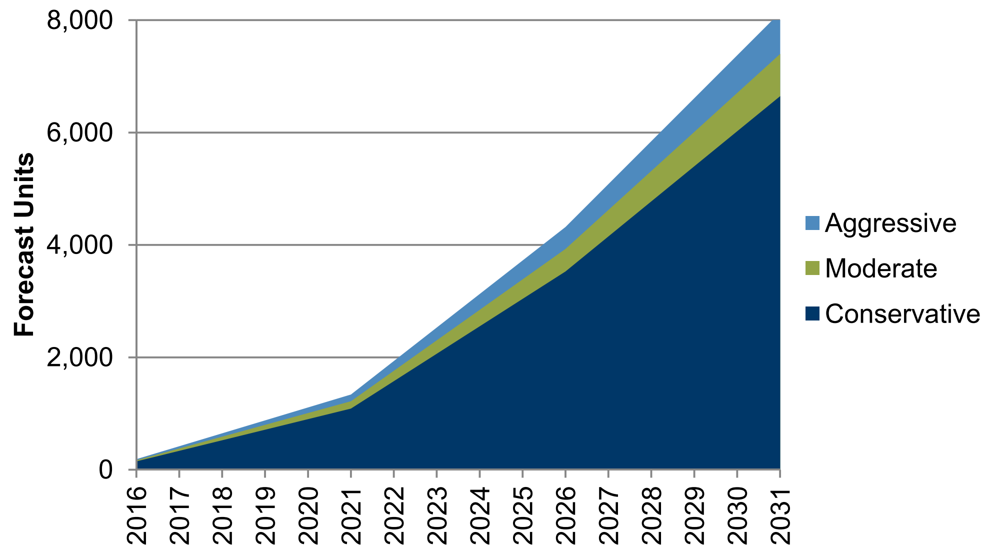


- Starting year 2015
- Continued regional planning emphasis on increasing share of multi-family units
- High-density, condominium residential is most likely form of residential development
  - Regulatory restrictions impact the economics of rental development
- 4 phases of development based on percent of newly activated units sold within first year
  - Phase 1: 1 project released at a time; 25% of units sold within first year
  - Phase 2: 1-2 projects simultaneously; 50% of units sold within first year
  - Phases 3 and 4: 2-3 projects simultaneously; 75% of units sold within first year
- Key factors that influenced the assumptions
  - 2015 is first project year, as infrastructure needs to be in place beforehand
  - Condo influx from other projects coming online in 2015 will slow initial pace (Note: in the long-run, these developments will serve as an asset to the Port Lands as connectors and extensions of the developed perimeter)
    - Conversion of the Athletes' Village into up to 6,000 units in West Don Lands
    - Up to 4,000 units in the Keating Channel precinct in Lower Don Lands; development of Underpass Park
  - Potential for the Toronto condo market arriving at a cyclical peak
  - Long-term plan may be adjusted for market timing in coming cycles

Forecast Residential Units

Incremental	Conservative	Moderate	Aggressive
2012-2016	150	170	190
2017-2021	940	1,050	1,150
2022-2026	2,440	2,710	2,980
2027-2031	3,120	3,470	3,820
Cumulative	**Conservative**	**Moderate**	**Aggressive**
2016	150	170	190
2021	1,090	1,220	1,340
2026	3,530	3,930	4,320
2031	6,650	7,400	8,140





- Development of office and residential uses in the Port Lands may generate some demand for hotel rooms in the immediate area
  - Contribution of increased business activity to the market will also add to demand for additional hotel rooms in the Financial Core
  - This development will also add to overall interest in the GTA as a tourist destination, but most visitors will continue to choose downtown hotels for their proximity to major attractions
  - About 20%, as shown in the table at right, will be captured within the Port Lands
  - When there is sufficient demand from the endemic population and employment, the Port Lands could support a 100-150 room mid-priced corporate hotel.
  - As office uses develop, an Executive Retreat center offering proximity to Downtown could support about 75-125 rooms.
- *In addition* to demand generated by increasing use of the Port Lands, its physical location within the GTA suggests that a waterfront resort (such as Great Wolf Lodge) could anchor recreational uses and support 200 to 250 rooms.
- Overall estimate that 400 – 500 hotel rooms are feasible, built to coincide with the pace of the other types of development

Locally Generated Hotel Demand

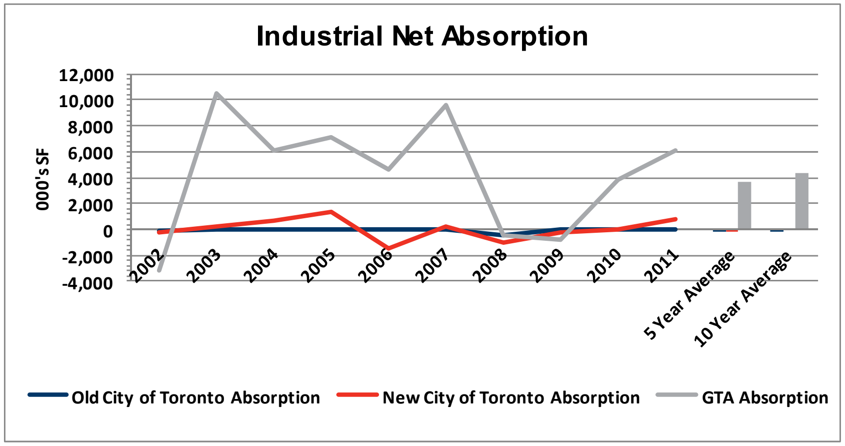
(Waterfront/Recreational Demand Drivers Not Included)

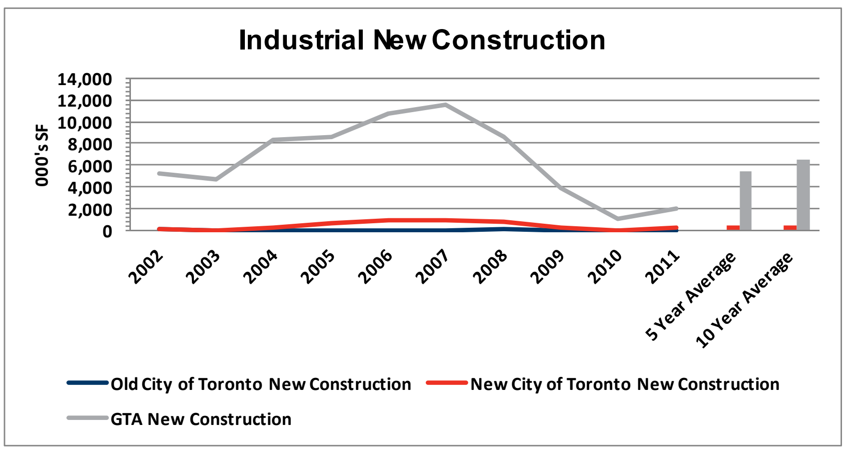
Forecast Year	Forecast Type	Office Forecast	Direct Demand for Rooms	Share of Direct Development Demand	Forecast Rooms
2016	Conservative	175,052	37	15%	6
	Moderate	285,581	60	20%	12
	Aggressive	396,109	83	25%	21
2021	Conservative	396,109	83	15%	13
	Moderate	663,171	140	20%	28
	Aggressive	930,232	196	25%	49
2026	Conservative	525,157	111	15%	17
	Moderate	856,743	180	20%	36
	Aggressive	1,188,328	250	25%	63
2031	Conservative	654,205	138	15%	21
	Moderate	1,050,314	221	20%	44
	Aggressive	1,446,424	305	25%	76
Total	Conservative	1,750,524	369	15%	55
	Moderate	2,855,809	602	20%	120
	Aggressive	3,961,093	834	25%	209

Employment (Industrial/Technical/Creative)

Land Use Definitions

- Cushman & Wakefield maintains a statistical inventory of "industrial" building supply, demand, vacancy and pricing in each market and sub-market across the GTA.
- We define "industrial" as space that takes an industrial built form (typically one to two stories, typically with 14 feet to 32 feet + clear ceiling heights), occupied largely for industrial purposes (typically manufacturing or warehousing and distribution) with a minor proportion of office or retail space.
- There are however built forms and occupancy types that blur the lines. For example, Allied Properties owns a portfolio of former "brick and beam" industrial buildings that have been renovated for office occupancy by the design and media sector; these are classified as office space. Similarly, the Corus Building and much of the Film Studios can be considered to be office.
- Conversely, discount or warehouse retail uses that occupy multi-tenant industrial buildings are generally considered to retail, if that occupancy represents the large majority of the building space and the building is obviously retail (and not industrial) in form and function.
- Municipal planners often use the word Employment in lieu of Industrial. Employment can encompass a variety of built forms and occupant / tenant types. However, real estate practitioners segment their analysis into office and industrial. Employment can occur in both categories.





GTA

- There was approx. 2 million of new industrial space built in the GTA in 2011.
- This compares to an average of 5.4 million sf over the past 5 years and 6.5 million sf over the past 10 years.
- 2011 net absorption was approximately 6.1 million sf.
- This compares to an average of 3.7 million sf over the past 5 years and 4.4 million sf over the past 10 years.

OLD CITY OF TORONTO

- There was almost no new industrial space built in the Old City of Toronto in 2011.
- This compares to an average of 23,000 sf new industrial construction over the past 5 years and 31,000 sf over the past 10 years.
- 2011 net absorption was only 840 sf (the good news is that it was not negative).
- This compares to an average of negative 85,000 sf absorption over the past 5 years and negative 58,000 sf over the past 10 years

Employment (Industrial/Technical/Creative)

Demand

- **The GTA has been losing manufacturing jobs**
  - The Greater Toronto Area has been losing manufacturing jobs since 2004. On a net basis, the Toronto CMA had approximately the same number of jobs pre-recession in 2007 (400,000) as it did in 1996 (395,000). This level had declined to 336,000 jobs in 2010.
- **The has been and is very limited new construction of industrial space within City of Toronto**.
  - Only 20,000 to 30,000 square feet of new supply has been built annually (on average) over past 10 years, as tracked by Cushman & Wakefield.
  - Net absorption has been and remains negative; the City is losing industrial occupied space.
  - Relatively stable vacancy rates indicate that existing industrial stock continues to meet the needs of tenants/users; there is no statistical evidence of significant new demand. Despite manufacturing sector layoffs, worker productivity has increased, resulting in no or limited net new demand.
- **Current industrial uses present a "natural case" of demand at the Port Lands**.
  - A history of relatively unencumbered industrial land availability has not produced major warehousing, manufacturing, or wholesale uses in the Port Lands.
  - Currently vacancy lands within established employment areas are adequate to meet future space requirements.
- **Apart from manufacturing, other types of industry sectors that require industrial-type space include transportation and warehousing, wholesale trade and construction.** Due to traffic congestion on local roads and nearby highways, transportation and warehousing is not likely to be attracted to the Port Lands. – certainly not large-scale facilities.

Employment (Industrial/Technical/Creative)

Opportunities

SUPPLY

- **There is an adequate land supply of employment lands across the City.**
  - There is an adequate supply of vacant land (almost 600 hectares) in established Employment Districts and Areas to accommodate future industrial-type demand, based upon nominal rates of recent land absorption. The Port Lands is not needed to accommodate aggregate growth.
  - The City of Toronto is currently examining employment land needs as part of its Official Plan review. These conclusions will provide greater guidance regarding industrial land needs.

EMPLOYMENT LAND OPPORTUNITY

- This being said, **Employment land uses should be accommodated,** provided they can be appropriately integrated with non-industrial land uses.
- **Depending on the types of office and retail uses that emerge in the Port Lands, some complementary forms of industrial or quasi-industrial/flex office may be attracted**. We foresee needs for local supply warehousing serving nearby offices and residences, as well as for quasi-retail uses such as automotive, multi-tenant tradecrafts, wholesale and construction.
- **The arts, media and information technology sectors are also possible candidates**, as their work place environments vary and are flexible; they have located in both office and industrial built forms. However, cost of occupancy is a driving factor, which is directly co-related to land value.
- **Given the flexible and varied nature of demand from these sectors, it is not possible to empirically and reliably forecast the above demand**. It is sufficient to say that this demand definitely exists and some extent of land should be reserved within the Port Lands for this land use.

- Our economic and market analyses conclude that the following ranges of space are most likely to be feasible for the Port Lands project site over the 20 year period of 2012-2031:
  - Office: 1.75 M – 4 M SF
  - Retail: 175,000 – 400,000 SF
  - Residential: 6,700 – 8,100 units
  - Hotel: 375 – 525 rooms
  - Industrial: no additional demand
  - Other Employment: ongoing opportunity
- These forecasts are intended to represent the most likely scenarios of the absorption of new space, based upon economic forecasts, publicly available population and employment projections, and historical rates of growth and market absorption in the GTA and central Toronto.
- As a market-based "reality-check", the following observations are presented in context:
  - **Office**: Downtown South has captured 7% of new supply, adding a total of 2.3 million square feet over the last 10 years. Our forecast projects an average of 1.4 million sf for each of the 10 year periods of its 20 year horizon. While this is 60% of the level experienced in Downtown South, the Port Lands do not have the location attributes of Downtown South, which has become an extension of the Downtown Financial Core.
  - **Retail**: The Harbourfront and CityPlace areas (Bathurst to York; Front to the Lake) are supported by 165,000 square feet of retail space serving 8,000 residents and 9,000 employees. This forecast calls for 300,000 square feet serving 14,000 residents and 16,000 employees.
  - **Residential**: Liberty Village sold approximately 3,500 units in its first 9 years, and Harbourfront sold approximately 4,400 units over its first 12 years. By comparison, the moderate scenario of this forecast suggests that the Port Lands will sell an average of 3,700 units for each of the 10 year periods of the 20 years forecast, which is consistent with the experiences of Liberty Village and Harbourfront.
  - Liberty Village is an excellent example of a formerly industrial neighbourhood that has successfully transitioned to office- and residential-focused uses

APPENDIX

Appendix 1: Office Space Forecast

Port Lands - Potential Capture of Market Growth

	TOTAL (SF)	Employees	Market Share - % of Projected New Supply	Market Share - % of GTA Total Inventory (2011)	2012 - 2016	2017 - 2021	2022 - 2026	2027 - 2031
					10%	*20%*	*30%*	*40%*
Conservative	**1,290,479**	**7,169**	**3.6%**	**0.8%**	129,048	258,096	387,144	516,192
Medium	**1,935,719**	**10,754**	**5.4%**	**1.1%**	193,572	387,144	580,716	774,288
Aggressive	**2,580,959**	**14,339**	**7.2%**	**1.5%**	258,096	516,192	774,288	1,032,383

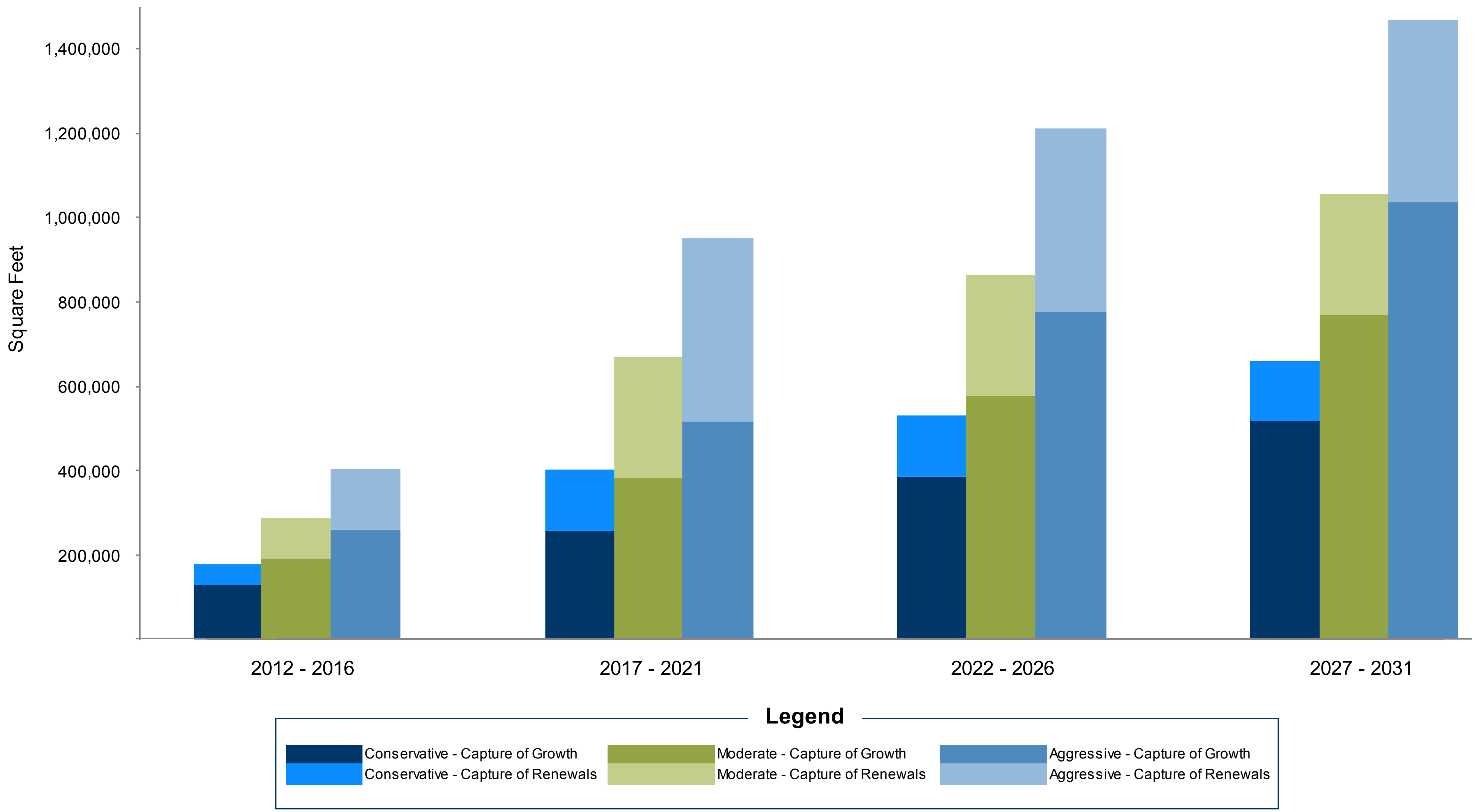
Port Lands - Potential Capture of Market Renewals

	TOTAL (SF)	Employees	Market Share - % of Projected New Supply	Market Share - % of GTA Total Inventory (2011)	2012 - 2016	2017 - 2021	2022 - 2026	2027 - 2031
					10%	*30%*	*30%*	*30%*
Conservative	**479,152**	**2,662**	**1.3%**	**0.3%**	47,915	143,746	143,746	143,746
Medium	**958,303**	**5,324**	**2.7%**	**0.6%**	95,830	287,491	287,491	287,491
Aggressive	**1,437,455**	**7,986**	**4.0%**	**0.9%**	143,746	431,237	431,237	431,237

Port Lands - Total Potential Capture

	TOTAL (SF)	Employees	Market Share - % of Projected New Supply	Market Share - % of GTA Total Inventory (2011)	2012 - 2016	2017 - 2021	2022 - 2026	2027 - 2031
					10%	*23%*	*30%*	*37%*
Conservative	**1,769,631**	**9,831**	**5%**	**1.1%**	76,963	401,841	530,889	659,937
Medium	**2,894,022**	**16,078**	**8%**	**1.7%**	289,402	674,635	868,207	1,061,779
Aggressive	**4,018,414**	**22,325**	**11%**	**2.4%**	401,841	947,428	1,205,524	1,463,620

Port Lands Projected Capture of Office Space



Appendix 3A: Growth Capture

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Employment Growth in Benchmark Areas, UNITS = NEW EMPLOYEES																					
Downtown Fringe - Class A		1,556	1,573	1,590	1,608	1,625	1,643	1,661	1,679	1,697	931	1,136	1,144	1,152	1,160	1,169	1,177	1,185	1,194	1,202	838
Downtown Fringe - Class B		1,343	1,357	1,372	1,387	1,402	1,417	1,433	1,448	1,464	803	980	987	994	1,001	1,008	1,015	1,023	1,030	1,037	723
Downtown Fringe - Total		**3,263**	**3,299**	**3,335**	**3,371**	**3,408**	**3,445**	**3,482**	**3,520**	**3,559**	**1,952**	**2,381**	**2,399**	**2,416**	**2,433**	**2,450**	**2,468**	**2,486**	**2,503**	**2,521**	**1,757**
Financial Core - Class A		599	606	612	619	626	633	640	647	654	358	437	440	444	447	450	453	456	460	463	323
Financial Core - Class B		268	271	274	277	280	283	286	289	292	160	196	197	198	200	201	203	204	206	207	144
Financial Core - Total		**1,469**	**1,485**	**1,502**	**1,518**	**1,534**	**1,551**	**1,568**	**1,585**	**1,602**	**879**	**1,072**	**1,080**	**1,088**	**1,096**	**1,103**	**1,111**	**1,119**	**1,127**	**1,135**	**791**
Midtown - Class A		176	178	180	182	184	186	188	190	192	106	129	130	131	132	133	133	134	135	136	95
Midtown - Class B		169	170	172	174	176	178	180	182	184	101	123	124	125	126	127	128	128	129	130	91
Midtown - Total		**395**	**399**	**404**	**408**	**412**	**417**	**421**	**426**	**431**	**236**	**288**	**290**	**292**	**294**	**297**	**299**	**301**	**303**	**305**	**213**
Suburbs - Class A		4,661	4,712	4,763	4,815	4,867	4,920	4,974	5,028	5,082	2,788	3,401	3,426	3,450	3,475	3,500	3,525	3,550	3,575	3,601	2,509
Suburbs - Total		7,822	7,907	7,993	8,080	8,168	8,257	8,347	8,438	8,530	4,679	5,708	5,749	5,790	5,832	5,873	5,915	5,958	6,000	6,043	4,211
Total Additional Employees Considered		8,772	8,868	8,964	9,062	9,161	9,260	9,361	9,463	9,566	5,247	6,401	6,447	6,494	6,540	6,587	6,634	6,682	6,729	6,778	4,723
Additional SF for Additional Employees		**1,579,032**	**1,596,216**	**1,613,586**	**1,631,146**	**1,648,897**	**1,666,840**	**1,684,980**	**1,703,316**	**1,721,852**	**944,456**	**1,152,267**	**1,160,519**	**1,168,830**	**1,177,201**	**1,185,632**	**1,194,123**	**1,202,676**	**1,211,289**	**1,219,964**	**850,165**
SF Assumption (per employee)	*180*																				
New Developments Under Construction		1,203,402		300,000																	
SF NEEDED BY BENCHMARK MARKETS		**375,630**	**1,596,216**	**1,313,586**	**1,631,146**	**1,648,897**	**1,666,840**	**1,684,980**	**1,703,316**	**1,721,852**	**944,456**	**1,152,267**	**1,160,519**	**1,168,830**	**1,177,201**	**1,185,632**	**1,194,123**	**1,202,676**	**1,211,289**	**1,219,964**	**850,165**
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Potential Capture Rates for Port Lands																					
Conservative Capture	**5.0%**	18,782	79,811	65,679	81,557	82,445	83,342	84,249	85,166	86,093	47,223	57,613	58,026	58,442	58,860	59,282	59,706	60,134	60,564	60,998	42,508
Middle Capture	**7.5%**	28,172	119,716	98,519	122,336	123,667	125,013	126,373	127,749	129,139	70,834	86,420	87,039	87,662	88,290	88,922	89,559	90,201	90,847	91,497	63,762
Aggressive Capture	**10.0%**	37,563	159,622	131,359	163,115	164,890	166,684	168,498	170,332	172,185	94,446	115,227	116,052	116,883	117,720	118,563	119,412	120,268	121,129	121,996	85,017
SF Captured (2012 - 2031)																					
Conservative Capture		-	-	-	64,524	64,524	64,524	-	64,524	-	129,048	-	64,524	129,048	64,524	129,048	193,572	-	258,096	-	64,524
Middle Capture		-	-	-	96,786	96,786	96,786	-	96,786	-	193,572	-	96,786	193,572	96,786	193,572	290,358	-	387,144	-	96,786
Aggressive Capture		-	-	-	129,048	129,048	129,048	-	129,048	-	258,096	-	129,048	258,096	129,048	258,096	387,144	-	516,192	-	129,048

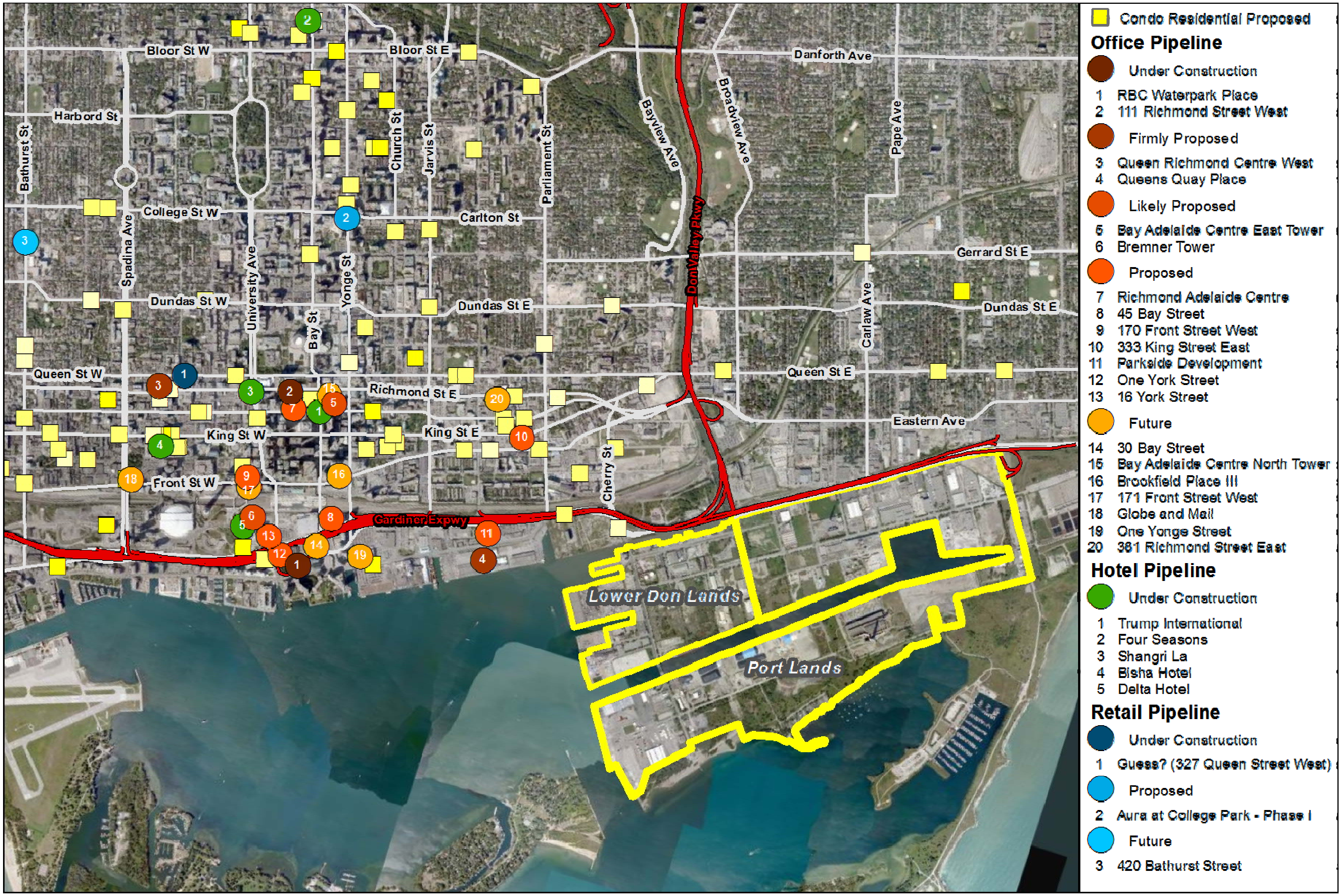
Appendix 3B: Non-Renewal Capture

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Movement of Existing Tenants in Benchmark Areas, UNITS = SF SUPPLY IN THOUSANDS																					
Downtown Fringe - Class A	16,797	16,980	17,164	17,351	17,540	17,731	17,924	18,119	18,316	18,515	18,625	18,758	18,893	19,028	19,164	19,301	19,440	19,579	19,719	19,860	19,959
Downtown Fringe - Class B	13,156	13,300	13,444	13,591	13,739	13,888	14,039	14,192	14,346	14,503	14,588	14,693	14,798	14,904	15,011	15,118	15,226	15,335	15,445	15,556	15,633
Downtown Fringe - Total	33,479	33,844	34,212	34,584	34,961	35,341	35,726	36,114	36,507	36,905	37,123	37,389	37,656	37,926	38,198	38,471	38,747	39,024	39,304	39,585	39,781
Financial Core - Class A	13,841	13,992	14,144	14,298	14,454	14,611	14,770	14,931	15,093	15,258	15,348	15,458	15,568	15,680	15,792	15,905	16,019	16,134	16,249	16,366	16,447
Financial Core - Class B	6,192	6,259	6,327	6,396	6,466	6,536	6,607	6,679	6,752	6,825	6,865	6,915	6,964	7,014	7,064	7,115	7,166	7,217	7,269	7,321	7,357
Financial Core - Total	34,360	34,734	35,112	35,494	35,880	36,271	36,665	37,064	37,468	37,875	38,099	38,372	38,647	38,924	39,202	39,483	39,766	40,051	40,337	40,626	40,828
Midtown - Class A	7,529	7,611	7,694	7,778	7,862	7,948	8,034	8,122	8,210	8,299	8,348	8,408	8,468	8,529	8,590	8,652	8,714	8,776	8,839	8,902	8,946
Midtown - Class B	7,190	7,269	7,348	7,428	7,509	7,590	7,673	7,756	7,841	7,926	7,973	8,030	8,088	8,145	8,204	8,263	8,322	8,381	8,441	8,502	8,544
Midtown - Total	16,823	17,007	17,192	17,379	17,568	17,759	17,952	18,148	18,345	18,545	18,654	18,788	18,922	19,058	19,194	19,332	19,470	19,610	19,750	19,892	19,990
Suburbs - Class A	50,692	51,243	51,801	52,365	52,935	53,511	54,093	54,682	55,277	55,878	56,208	56,611	57,016	57,425	57,836	58,250	58,667	59,087	59,511	59,937	60,234
Suburbs - Total	83,793	84,705	85,627	86,559	87,501	88,453	89,415	90,388	91,372	92,366	92,912	93,577	94,247	94,922	95,602	96,287	96,976	97,671	98,370	99,075	99,566
Total Under Consideration (*1,000)	115,397,808	116,653,608	117,923,073	119,206,354	120,503,600	121,814,962	123,140,596	124,480,655	125,835,297	127,204,682	127,955,805	128,872,199	129,795,157	130,724,724	131,660,949	132,603,879	133,553,562	134,510,046	135,473,381	136,443,614	137,119,748
Approximately 10% of Inventory up for Renewal	11,539,781	11,665,361	11,792,307	11,920,635	12,050,360	12,181,496	12,314,060	12,448,066	12,583,530	12,720,468	12,795,580	12,887,220	12,979,516	13,072,472	13,166,095	13,260,388	13,355,356	13,451,005	13,547,338	13,644,361	13,711,975
25% Move (instead of Renew in Place)	2,884,945	2,916,340	2,948,077	2,980,159	3,012,590	3,045,374	3,078,515	3,112,016	3,145,882	3,180,117	3,198,895	3,221,805	3,244,879	3,268,118	3,291,524	3,315,097	3,338,839	3,362,751	3,386,835	3,411,090	3,427,994
TOTAL SF NEEDED		**2,916,340**	**2,948,077**	**2,980,159**	**3,012,590**	**3,045,374**	**3,078,515**	**3,112,016**	**3,145,882**	**3,180,117**	**3,198,895**	**3,221,805**	**3,244,879**	**3,268,118**	**3,291,524**	**3,315,097**	**3,338,839**	**3,362,751**	**3,386,835**	**3,411,090**	**3,427,994**

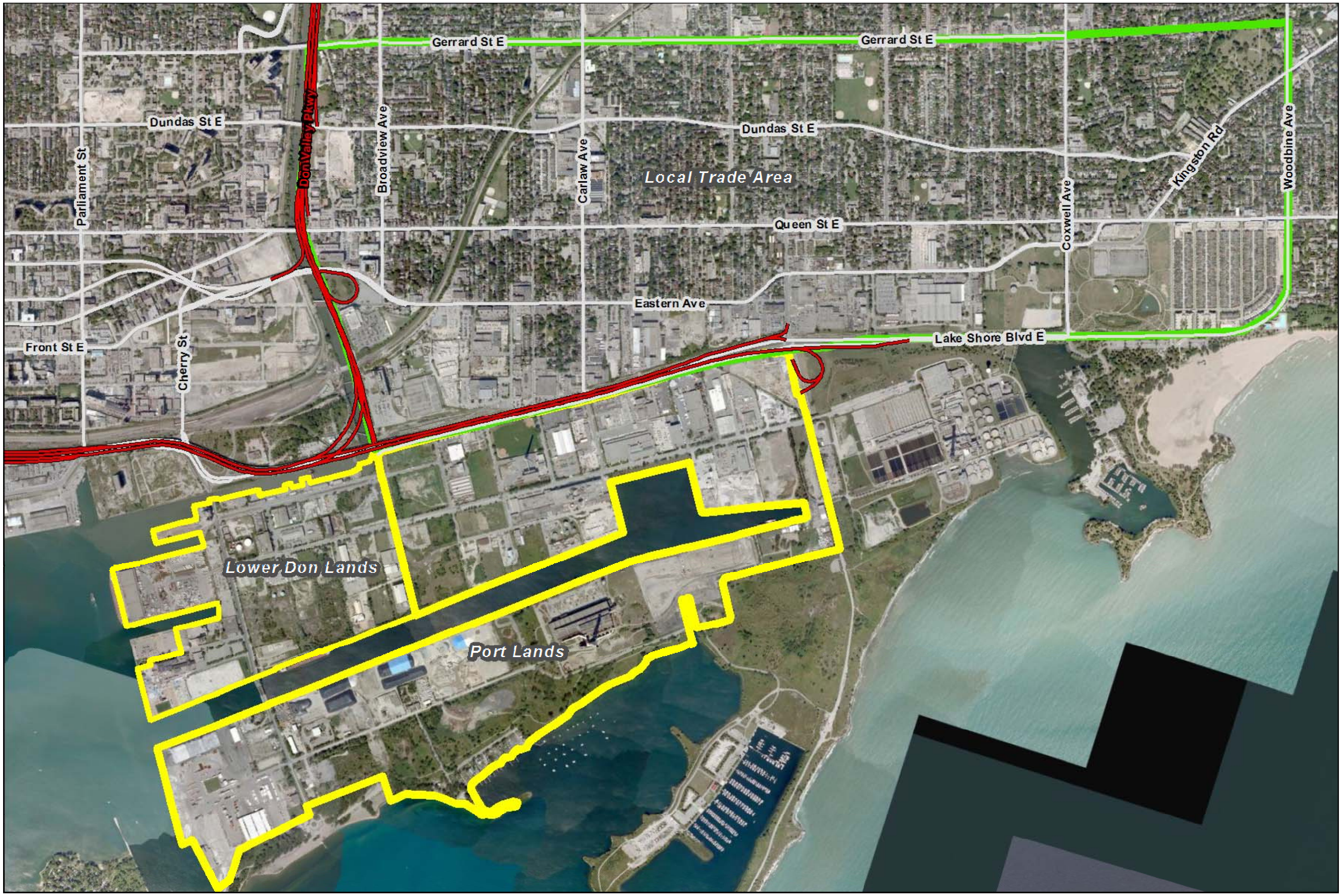
REVISED SF NEEDED BY BENCHMARK MARKETS **2,916,340** **2,948,077 2,980,159 3,012,590 3,045,374 3,078,515 3,112,016 3,145,882 3,180,117** **3,198,895 3,221,805 3,244,879 3,268,118 3,291,524 3,,** **315,097 3,338,839 3,362,751 3,386,835 3,411,090 3,427,994**

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Capture Rate for Port Lands																						
Conservative Capture	**0.75%**		21,873	22,111	22,351	22,594	22,840	23,089	23,340	23,594	23,851	23,992	24,164	24,337	24,511	24,686	24,863	25,041	25,221	25,401	25,583	25,710
Middle Capture	**1.5%**		43,745	44,221	44,702	45,189	45,681	46,178	46,680	47,188	47,702	47,983	48,327	48,673	49,022	49,373	49,726	50,083	50,441	50,803	51,166	51,420
Aggressive Capture	**2.25%**		65,618	66,332	67,054	67,783	68,521	69,267	70,020	70,782	71,553	71,975	72,491	73,010	73,533	74,059	74,590	75,124	75,662	76,204	76,750	77,130
Total (2012 - 2031)																						
Conservative Capture	479,152		-	-	-	23,958	23,958	23,958	23,958	47,915	23,958	23,958	23,958	23,958	47,915	23,958	23,958	23,958	23,958	47,915	23,958	23,958
Middle Capture	958,303		-	-	-	47,915	47,915	47,915	47,915	95,830	47,915	47,915	47,915	47,915	95,830	47,915	47,915	47,915	47,915	95,830	47,915	47,915
Aggressive Capture	1,437,455		-	-	-	71,873	71,873	71,873	71,873	143,746	71,873	71,873	71,873	71,873	143,746	71,873	71,873	71,873	71,873	143,746	71,873	71,873

Appendix 4: Development Pipeline



Appendix 5: Retail Local Trade Area



Appendix 6: Residential Buildup Model

Unit Sales				PHASE I - START UP					PHASE II - DEVELOPING				PHASE III - PEAK				PHASE IV - LEVELING				TOTALS		
Start Date				2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031			
Year	Month	mths b/n	Project/Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Sold	Unsold	Total
1	1		A	66	106	66	13	13	0	0	0	0	0	0	0	0	0	0	0	0	265	0	265
3	1	24	B			66	133	53	8	5	0	0	0	0	0	0	0	0	0	0	265	0	265
5	1	24	C					133	80	40	8	5	0	0	0	0	0	0	0	0	265	0	265
6	1	12	D						133	80	40	8	5	0	0	0	0	0	0	0	265	0	265
7	1	12	E							225	158	45	23	0	0	0	0	0	0	0	450	0	450
8	1	12	F								133	93	27	13	0	0	0	0	0	0	265	0	265
9	1	12	G									225	158	45	23	0	0	0	0	0	450	0	450
10	1	12	H										199	40	13	13	0	0	0	0	265	0	265
11	1	12	I											338	68	23	23	0	0	0	450	0	450
11	1	-	J											199	40	13	13	0	0	0	265	0	265
11	1	-	K											124	25	8	8	0	0	0	165	0	165
12	1	12	L												338	68	23	23	0	0	450	0	450
12	1	-	M												199	40	13	13	0	0	265	0	265
12	1	-	N												124	25	8	8	0	0	165	0	165
13	1	12	O													338	68	23	23	0	450	0	450
13	1	-	P													199	40	13	13	0	265	0	265
13	1	-	Q													124	25	8	8	0	165	0	165
14	1	12	R														338	68	23	23	450	0	450
14	1	-	S														199	40	13	13	265	0	265
14	1	-	T														124	25	8	8	165	0	165
15	1	12	U															199	40	13	252	13	265
15	1	-	V															199	40	13	252	13	265
16	1	12	W																199	40	239	26	265
16	1	-	X																199	40	239	26	265
17	1	12	Y																	199	199	66	265
17	1	-	Z																	199	199	66	265
Projected Unit Sales - Port Lands				66	106	133	146	199	220	350	338	376	411	758	828	850	880	618	565	548	7,390	210	7,600
Cumulative Unit Sales - Port Lands				66	172	305	451	650	870	1220	1558	1934	2345	3103	3931	4781	5661	6279	6844	7392			
Projected Condo Sales - GTA				25,667	26,788	27,082	27,589	28,337	29,040	29,734	25,088	25,648	26,208	26,721	27,268	27,832	28,388	28,942	29,494	30,044	469,871		
Percent to Port Lands Total ('15-'23)				3.4%	5.5%	6.9%	7.5%	10.3%	11.4%	18.1%	17.5%	19.4%									100%		
Market share of total GTA				0.3%	0.4%	0.5%	0.5%	0.7%	0.8%	1.2%	1.3%	1.5%	1.6%	2.8%	3.0%	3.1%	3.1%	2.1%	1.9%	1.8%	1.6%		

Appendix 7: Office Space to Hotel Room Ratio

Variable	Geography	Source	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Average
Hotel Rooms	GTA	Smith Travel Research	30,973	31,678	32,093	32,609	34,308	34,919	35,646	36,034	36,715	37,846	
Hotel Rooms	Downtown	Smith Travel Research	12,005	12,005	12,219	12,316	12,825	12,825	13,249	13,249	13,354	13,838	
Office SF (000s)	GTA	C&W Research	155,075	157,277	160,475	161,765	160,519	162,706	162,465	166,677	167,536	168,456	
Office SF (000s)	Downtown	C&W Research	50,154	51,966	52,931	53,263	52,327	52,175	52,158	54,187	55,028	55,743	
SF per Room	GTA		5007	4965	5000	4961	4679	4660	4558	4626	4563	4451	4747
		Variance	5%	5%	5%	5%	-1%	-2%	-4%	-3%	-4%	-6%	4%
SF per Room	Downtown		4178	4329	4332	4325	4080	4068	3937	4090	4121	4028	4149
		Variance	1%	4%	4%	4%	-2%	-2%	-5%	-1%	-1%	-3%	3%

APPENDIX 4: ADDENDUM A TO TORONTO PORT LANDS – MARKET FORECAST (30 YEAR PROJECTIONS AND CATALYTIC INVESTMENT IMPACT ASSESSMENT)

Addendum A To
Port Lands Land Use Demand Forecast
(30 Year Projections and Catalytic Investment Impact Assessment)

Global Business Consulting Group

Cushman & Wakefield

March 30, 2012

Executive Summary

- Cushman & Wakefield was asked to extend to 30 years its estimates for overall market growth and forecasts for potential absorption in the Port Lands.
- The goal of this section of the study is to identify a realistic amount of space that feasibly can be built within the boundaries of the Port Lands and absorbed within a 30-year period, based on economic conditions and assuming infrastructure to support these uses can be built.
- The potential land uses under consideration in this forecast are office, retail, residential, hotel/hospitality, and industrial. Land uses *not* incorporated into this forecast include public (government or school), institutional (except as office or research tenants), recreation, open space, infrastructure, and transit and parking.
- Each land use under consideration was modeled separately, according to its own appropriate methods, specific economic indicators, and historic trend data, described in detail in each respective section. C&W utilized internal research, publicly available Census and housing data, and best-in-class third-party estimates and forecasts where necessary. The following table summarizes the range of estimated, cumulative space forecasts for each land use. The range covers potential outcomes under three levels – conservative, moderate and aggressive – and each level is shown for each 5-year increment and cumulative total in the extended tables on the next page.

Forecast Year	Office (Sq Ft)	Retail (Sq Ft)	Residential (Units)	Hotel (Rooms)
2016	177,000 – 402,000	22,000 – 85,000	150 – 190	0
2021	579,000 – 1,349,000	70,000 – 210,000	1,090 – 1,340	200 – 250
2026	1,110,000 – 2,555,000	136,000 – 335,000	3,530 – 4,320	275 – 375
2031	1,770,000 – 4,019,000	172,000 – 407,000	6,650 – 8,140	375 – 525
2036	2,251,000 – 5,113,000	210,000 – 491,000	7,770 – 9,500	550 – 750
2041	2,732,000 – 6,207,000	267,000 – 606,000	8,720 – 10,660	675 – 925

- These forecast values will provide inputs that guide an overall area design, space and potential rental revenue volumes, and estimates of infrastructural requirements to support projected densities of uses.
- These values will also become inputs into financial models that will model TIF and other financing vehicles to fund infrastructure, subsequent deliverables within the scope of further phases of this project.

Results Summary

Incremental

	Office (Sq Ft)			Retail (Sq Ft)			Residential (Units)			Hotel (Rooms)		
	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive
2012-2016	177,000	289,000	402,000	22,000	50,000	85,000	150	170	190	0	0	0
2017-2021	402,000	675,000	947,000	48,000	83,000	125,000	940	1,050	1,150	200	225	250
2022-2026	531,000	868,000	1,206,000	66,000	93,000	125,000	2,440	2,710	2,980	75	100	125
2027-2031	660,000	1,062,000	1,464,000	36,000	52,000	72,000	3,120	3,470	3,820	100	125	150
2032-2036	481,000	788,000	1,094,000	38,000	59,000	84,000	1,120	1,240	1,360	175	200	225
2037-2041	481,000	788,000	1,094,000	57,000	84,000	115,000	950	1,050	1,160	125	150	175

Cumulative

	Office (Sq Ft)			Retail (Sq Ft)			Residential (Units)			Hotel (Rooms)		
	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive	Conservative	Moderate	Aggressive
2016	177,000	289,000	402,000	22,000	50,000	85,000	150	170	190	0	0	0
2021	579,000	964,000	1,349,000	70,000	133,000	210,000	1,090	1,220	1,340	200	225	250
2026	1,110,000	1,832,000	2,555,000	136,000	226,000	335,000	3,530	3,930	4,320	275	325	375
2031	1,770,000	2,894,000	4,019,000	172,000	278,000	407,000	6,650	7,400	8,140	375	450	525
2036	2,251,000	3,682,000	5,113,000	210,000	337,000	491,000	7,770	8,630	9,500	550	650	750
2041	2,732,000	4,470,000	6,207,000	267,000	421,000	606,000	8,720	9,680	10,660	675	800	925

- Cushman & Wakefield was asked how absorption rates would be impacted by a significant project, i.e. a major “catalyst” development (such as a university expansion or satellite campus, a research lab, business incubator, technology center, or a major public sector facility or complex) that would serve as an early catalyst to spur development at a faster pace.
- Without modeling every possible iterative type of catalyst development, C&W has included a catalyst scenario for each use type for comparison to non-catalyzed scenarios within the same land use. It is assumed within each use that the catalyst scenario would have a strong impact.
- The following table compares the ranges of projected development, with potential impact from catalyst developments highlighted in **bold.** A catalyst development will foster either a faster pace of development or a greater extent of development (through higher market share), or both, depending upon the nature and size of the catalyst. The upper end of the aforementioned range reflects a greater degree of catalytic impact.

Original – Cumulative Projections

Forecast Year	Office (Sq Ft)	Retail (Sq Ft)	Residential (Units)	Hotel (Rooms)
2016	177,000 – 402,000	22,000 – 85,000	150 – 190	0
2021	579,000 – 1,349,000	70,000 – 209,000	1,090 – 1,340	200 – 250
2026	1,110,000 – 2,555,000	141,000 – 340,000	3,530 – 4,320	275 – 375
2031	1,770,000 – 4,019,000	172,000 – 407,000	6,650 – 8,140	375 – 525
2036	2,251,000 – 5,113,000	210,000 – 491,000	7,770 – 9,500	550 – 750
2041	2,732,000 – 6,207,000	267,000 – 606,000	8,720 – 10,660	675 – 925

Catalyst Scenario – Cumulative Projections

2016	177,000 – 402,000	22,000 – 85,000	**190 – 230**	0
2021	**619,000 – 1,407,000**	**74,000 – 215,000**	**1,580 – 1,920**	200 – 250
2026	**1,238,000 – 2,813,000**	**154,000 – 361,000**	**5,500 – 6,720**	**300 – 400**
2031	1,770,000 – **4,019,000**	172,000 – **407,000**	**8,020 – 9,800**	**425 – 575**
2036	2,251,000 – **5,113,000**	210,000 – **491,000**	**9,230 – 11,270**	**600 – 800**
2041	2,732,000 – **6,207,000**	267,000 – **606,000**	**10,180 – 12,430**	**725 – 975**

Note: Each type of catalyst would have its own unique impact:. For example, a retail development would boost sales of residential units while having less of an impact on office, or a research lab could encourage a specific subset of office tenants.

Sources

- Population and employment forecasts
  - Hemson 2005 Report: ”Growth Outlook for the Greater Golden Horseshoe Area”
  - Strategic Projections: a leading demographic and economic forecasting firm
- Historical and current market data, space inventory, new supply, construction pipeline
  - Cushman & Wakefield Research
- Retail supply
  - Ryerson University, CSCA (Centre for the Study of Commercial Activity)
- Retail demand, household expenditure, and average income/expenditure ratios
  - Environics Research Group, Toronto
- Wage growth
  - CSLS (Centre for the Study of Living Standards), “Median Wages and Productivity Growth in the United States and Canada” 2009, Ottawa, Canada

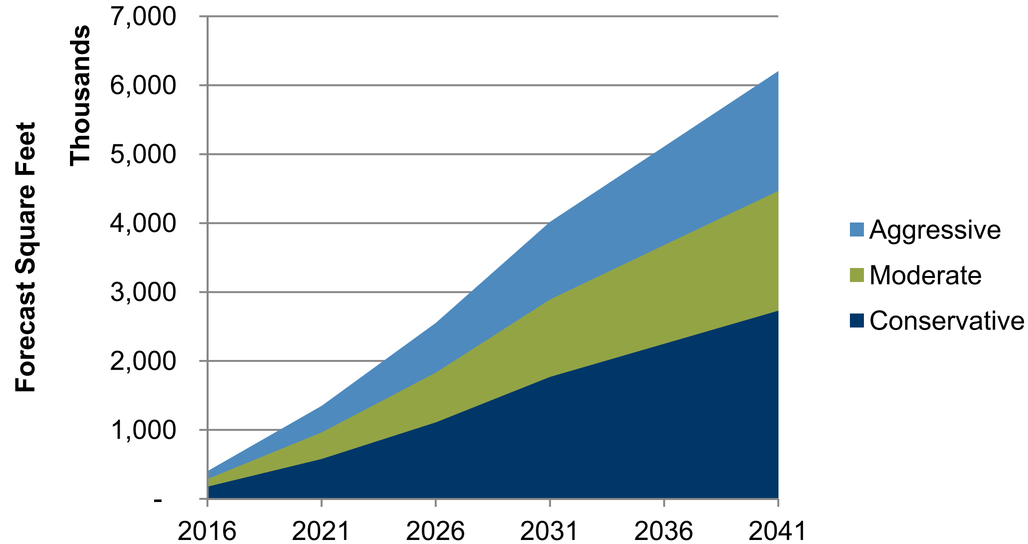
- Office absorption forecasts are based on adding together estimated capture of demand for new supply (business and employment growth) and capture of demand for renewals (existing companies moving).
- **A: Capture of Growth (details in Appendix 3A)**
  - Employment growth is allocated to each neighbourhood based on whether the employees are likely work in Class A (e.g., financial and law), B (e.g., back office and accounting) or C (e.g., non-profit and startup) space, based on historic data. The Port Lands will feature new (Class A) space in a peripheral location, making it competitive for the types of business and employees located in the Downtown Fringe (Class A and B), Financial Core (Class A and B), Midtown (Class A and B) and suburban markets (Class A).
  - Estimates of the portion of new businesses and employees that are likely to locate in the Port Lands are based on nearby office concentrations. At the low end, Downtown East captures 3% of GTA total new supply, while the Financial Core is at the high end with 13%. Within these limits, capture rates for the Port Lands were determined to be: Conservative (5%), Moderate (7.5%), and Aggressive (10%).
  - New developments under construction were subtracted from the total square footage expected to be demanded by new businesses and employees.
- **B : Capture of Expiring Leases (details in Appendix 3B)**
  - As above, the markets considered for tenants most likely to occupy Port Lands office space are the Downtown Fringe (Class A and B), Financial Core (Class A and B), Midtown (Class A and B) and the suburban markets (Class A).
  - Based on historical trends, 10% of total space is expected to be up for renewal in any given year, and only 25% of those tenants actually move. Effectively, about 2.5% of businesses that are considering moving or renewing are available to move into a new submarket. Based on this overall trend, the capture rates for renewals are estimated at Conservative (0.75%), Moderate (1.5%), and Aggressive (2.25%).
  - Of the 0.75%, 1.5%, or 2.25% of renewals that will move, the Port Lands is estimated to effectively compete for about 30% of lease expirations (movers) (except in the first 5-year period, as there will not be any construction until 2015, which reduces capture to 10% for 2012-2016). The Port Lands is expected to be a competitive alternative to older, more expensive space in the Downtown Fringe.
  - Capture from expiring leases as vacancy created in other markets will cause rents to decrease, making them more competitive to “steal back” market share over time.

- Projected employee growth over the 2012-2041 period is based on forecasts from the Hemson 2005 Report and the Strategic Projections report. For the period 2032-2041, the cumulative employee growth rate from the Strategic Projections forecast data from 2031 to 2041 was applied to the 2031 projected numbers from the Hemson report and carried forward on a straight-line basis.
- The City of Toronto's CMA Labour Force Survey data was used to understand the percentage of total employees in office-type occupations, which is 35%. This forecast establishes the universe of new employment generating demand for office space as 35% of projected future employees. On average, businesses are assumed to require 180 square feet per employee.
- Historic share of new supply was used to determine the share of office employee growth that could be attributed to Downtown Fringe (25% of new supply) , Financial Core (12%), Midtown (3%) and the Suburbs (60%).
- Future market share is based on these ratios and summarized below, adjusted for market share of projects in the pipeline (currently under construction and proposed). The capture of space demanded by new employees is allocated based on these percentages. Then the allocation for the Port Lands (conservative, moderate, or aggressive, depending upon the scenario) is "captured" equally from all of them.

Submarket	Share of Historic New Supply	Share of Proposed/ Construction Pipeline
Downtown Fringe	**25%**	**27%**
Downtown East	0%	3%
Downtown North	3%	0%
Downtown South	7%	21%
Downtown West	14%	3%
King West	1%	0%
Financial Core	**12%**	**12%**
Midtown	**3%**	**0%**
Suburbs	**60%**	**61%**
Total	**100%**	**100%**

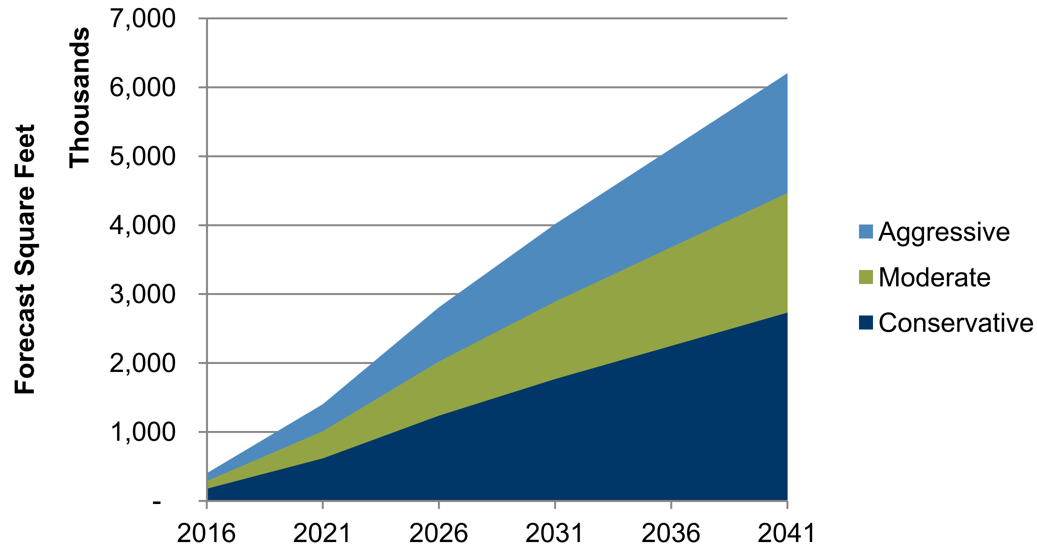
Original Projections (Sq. Ft.)

Cumulative	Conservative	Moderate	Aggressive
2016	177,000	289,000	402,000
2021	579,000	964,000	1,349,000
2026	1,110,000	1,832,000	2,555,000
2031	1,770,000	2,894,000	4,019,000
2036	2,251,000	3,682,000	5,113,000
2041	2,732,000	4,470,000	6,207,000



Catalyst Scenario(Sq. Ft.)

Cumulative	Conservative	Moderate	Aggressive
2016	177,000	289,000	402,000
2021	**619,000**	**1,013,000**	**1,407,000**
2026	**1,238,000**	**2,026,000**	**2,813,000**
2031	1,770,000	2,894,000	**4,019,000**
2036	2,251,000	3,682,000	**5,113,000**
2041	2,732,000	4,470,000	**6,207,000**



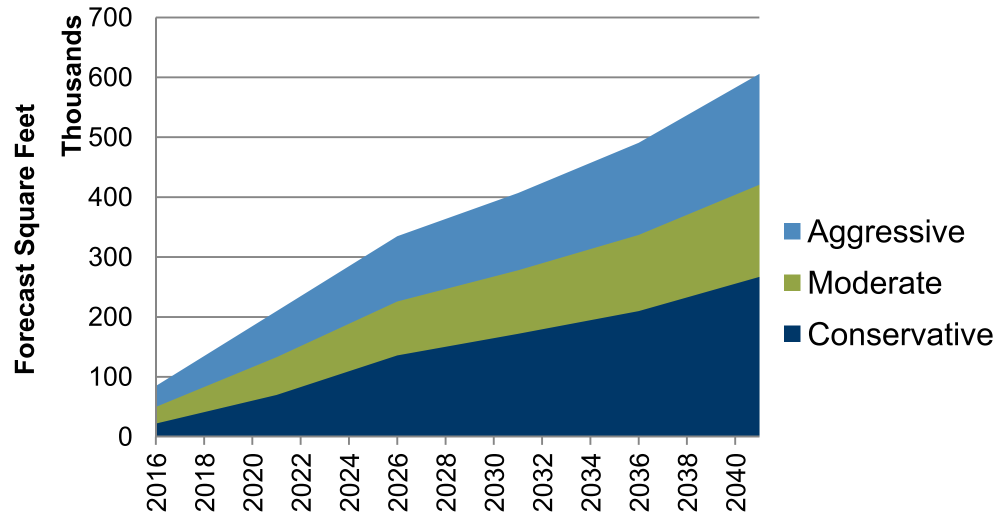
- Under the catalyst scenario, pace of absorption in the Port Lands increases during the period 2017-2026 due to increased capture of growth in the market, and in later stages the anchor or catalyst development improves the chances that the aggressive levels of activity are achieved.

- Retail forecasts are the weighted average of three separate approaches to predicting the demanded amount of retail space.
- **Approach A (20%):** Market share of future retail to be built
  - Overall growth rate of retail supply established for the entire GTA based on Census projections and currently proposed projects.
  - Port Land's ability to capture some of Downtown's share of that growth is estimated based on historic patterns of the central area's share of total GTA retail. This takes into account the way major retail (Eaton Centre), urban street front retail (e.g., Queen Street, Yonge & Dundas, Danforth Avenue), and retail in the PATH system have grown and compete in the region.
  - Port Lands experiences increasing capture of new retail as residents and employees arrive, beginning with 7% in 2016 and peaking at 15% in 2026. The establishment of successful retail will attract more traffic and more retail use in a self-reinforcing loop, until capacity is reached and growth slows down.
  - As retail grows at the overall rate, these percentages of that growth are forecast to occur in the Port Lands
- **Approach B (40%):** Increasing population and wage growth demands more retail
  - Current household expenditure ($214 billion in 2011) compared to current retail supply (223 million SF) establishes a ratio of $962 household expenditure per square foot of retail space.
  - An estimate of spending capacity for only households in the immediate local trade area of the Port Lands (Don Valley Parkway to Woodbine; Gerrard Street East to the Lake, mapped in Appendix 6) provides the current base of household spending power.
  - As population and income increase in the local trade area, 1 new square foot of retail space is forecast to be added for every $962 dollars in additional spending power this growth creates.
- **Approach C (40%):** Future space demanded by on-site office and residential development
  - The overall ratio of retail space per capita in the GTA is applied to the results of the Residential Forecast for each 5-year period, estimating retail serving the future residents of the Port Lands at that same ratio.
  - The overall ratio of retail space per employee in the GTA is applied to the results of the Office Forecast for each 5-year period, estimating retail serving the future employees of the Port Lands at that same ratio.

- Economic assumptions
  - Market share of Port Lands peaks at 15% in 2026, after the user base builds during a ramp-up period as office and residential projects are completed.
  - Real wage growth (minus inflation) from 1980 to 2005 was only $51 over 25 years, representing 0.012% compound annual growth. This growth rate is projected as steady in the future to derive future household spending power.
  - Future household counts based on the Hemson study for 2021 and 2031. The projections for 2016 and 2026 are based on midpoints between Hemson's forecast years. For the period 2032-2041, the cumulative employee growth rate from the Strategic Projections forecast data from 2031 to 2041 was applied to the 2031 projected numbers from the Hemson report and carried forward on a straight-line basis.
- Local Retail
  - Trade area includes population and employment growth within the Port Lands, but will also serve nearby residents in Leslieville, southern Riverdale, and some of the Beaches neighbourhoods (see map in Appendix 5).
  - Assumes future supply will be located within the Port Lands (instead of Gerrard or Queen Streets East). Leslieville is a mature neighbourhood with no major parcels available. Smart Centre's Wal-Mart based proposal was denied, although it remains under appeal to the OMB.

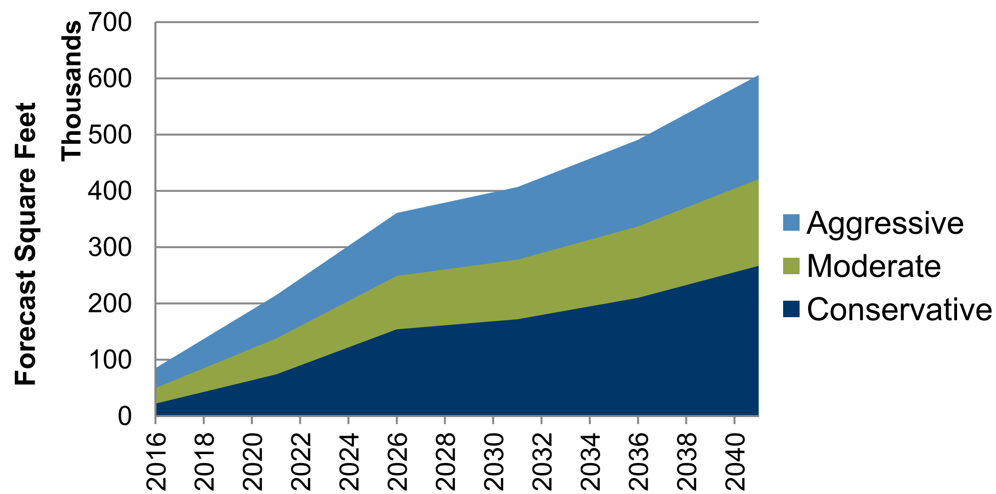
Original Projections (Sq. Ft.)

Cumulative	Conservative	Moderate	Aggressive
2016	22,000	50,000	85,000
2021	70,000	133,000	210,000
2026	136,000	226,000	335,000
2031	172,000	278,000	407,000
2036	210,000	337,000	491,000
2041	267,000	421,000	606,000



Catalyst Scenario(Sq. Ft.)

Cumulative	Conservative	Moderate	Aggressive
2016	22,000	50,000	85,000
2021	**74,000**	**138,000**	**215,000**
2026	**154,000**	**249,000**	**361,000**
2031	172,000	278,000	**407,000**
2036	**210,000**	**337,000**	**491,000**
2041	267,000	421,000	**606,000**



- Under catalyst scenario, pace of retail development in the Port Lands picks up during the period 2017-2026 as a direct result from the increased pace of office and residential development. Opportunity to reach the higher bound of the overall projected demand increases as well.

- Economic analysis was conducted on the feasibility of locating a major retail destination such as a super-regional mall, outlet mall, or urban power centre at the Port Lands
  - Overall economic and population growth in the region is sufficient to support several major shopping centre developments in addition to expansion of current super-regional centres. Through 2021, the GTA is forecast to add 40-42 million sf of new retail space (including all new shopping centres, grocery stores, car dealerships, etc). A new urban power centre represents 4% - 5% of that forecast growth.

Regional Growth Projections

Year	Projected Inventory	GTA Forecast Growth
Current	223,000,000	
2021	263,849,000	40,849,000
2031	292,512,000	28,663,000

Source: Cushman & Wakefield

- The Port Lands is competitive with the best locations in the GTA for accessibility and trade area, placing it in an excellent position to capture 4-5% of regional growth.

35-Minute Drive Time Analysis

Location:	2011 Population	2011 Households	2011 Median Household Income
Port Lands	5,050,992	1,838,538	$66,362
404 & 407	5,131,898	1,866,043	$66,304
400 & 407	5,540,385	1,989,643	$68,309
401 & 403	5,022,438	1,819,086	$68,721
427 & 401	5,356,414	1,935,836	$67,753
403 & 407	4,118,184	1,527,459	$67,214

Source: MagnifyMaps.com

Major Retail Destination

Competitive Position

- A new center at the Port Lands would have to compete with those locations listed on the previous page and other sites with large trade areas to establish its market dominance by building a critical mass of retail brands that attracts traffic, which in turn attracts more tenants.
  - Any format (power centre, big-box, outlet mall, etc.) that relies on significant catchment areas beyond the local neighborhood must be sufficiently large to attract a wide range of tenants, creating a destination that attracts shoppers by offering the most brands in a single location.
  - At maturity, a regional centre reaches 1.2–1.5 million sf or more. If pursuing a major retail destination strategy, the Port Lands *must* reserve enough space to grow to this size, or another location of this size will eventually become the superior destination and cannibalize tenants.
  - A PwC market sounding study found that developers surveyed reported that 1.5 million sf is the necessary size to be successfully competitive in the regional marketplace, and that extending transit infrastructure is a prerequisite before a developer will be willing to go forward.
- Surrounding neighbourhoods are mature residential areas, leaving very little room for competing developments
  - A market opportunity study for the Foundry District, conducted by Malone Given Parsons, reports that there are very few locations in the area that could be developed into major (1 million+ sf) shopping centres.
  - The lack of competitive opportunities suggests that a power centre development at the Port Lands would not necessarily have to be repeatedly expanded in order to maintain its position as the largest centre with the most tenants.
  - Big-box tenants have been steadily reducing their store sizes since 2008-2009. With their reduced requirements, it is possible to maintain a wide variety of brands in less overall space.
  - With a larger number of tenants in smaller units and a lack of major competition nearby, a size range of 800,000 to 1 million sf is likely to be sufficient to establish and maintain a position as the dominant centre in central Toronto (old city).

- Other major cities in North America have successfully accommodated big-box retailers in urban environments.
- Mixed-use centers sometimes include residential and/or office space above 1-2 floors of large format, big-box, and junior big-box retail tenants.

Center	City	Stories	Site Area (acres)	Gross Leasable Area (sf)
DC-USA	Washington, DC	3	4.25	546,000
Atlantic Terminal Mall	Brooklyn, NY	5	1.50	370,000
Gateway Center	Bronx, NY	4	17.25	913,000
Bay Street	Emeryville, CA	3	18.50	400,000
555 Ninth	San Francisco, CA	2	3.50	150,000

- These developments also accommodate multi-level parking garages in the rear, balancing vehicular access with urban street fronts and pedestrian access
- They are accessible via transit, with rail stations either below or adjacent


DC-USA, Washington, DC


Atlantic Terminal, Brooklyn, NY

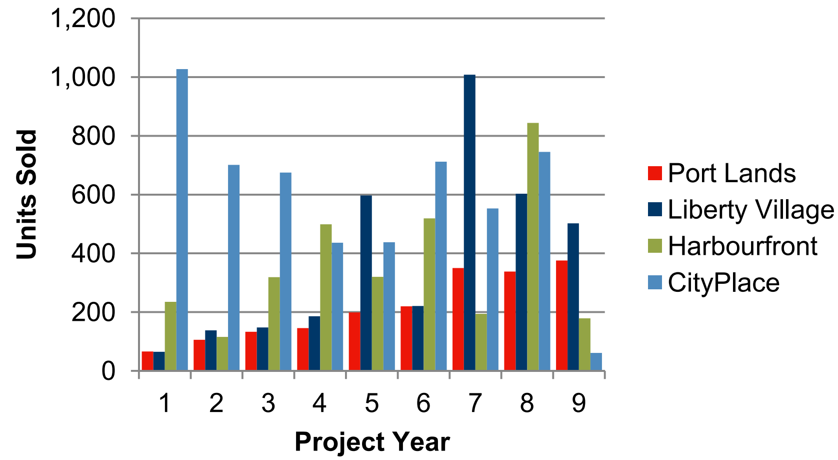

Gateway Center, Bronx, NY

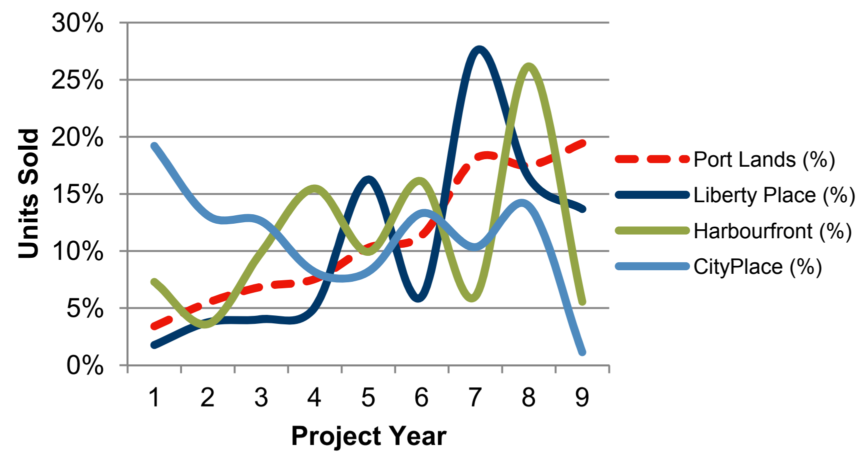

Bay Street, Emeryville, CA


555 Ninth St, San Francisco, CA

- Based on the annual pace of sales at comparable, multi-tower projects, C&W estimated the number of units that can be built and sold within the 30 years (detailed table in Appendix 6).

- **Method A:** Model of sales pace based on comparable projects
  - Selected comparable projects:
    - **Liberty Village**, is the closest comparable in a similar perimeter location
    - **Harbourfront** has a comparable lakefront location
    - **CityPlace** is an aggressive comparable, featuring an expert developer with a direct sales channel to foreign investors
  - Examined pace of unit sales from each project's First Year through up to 15 years
  - As illustrated in the chart on the right, Port Lands forecast to slowly ramp up sales over first 10 years (note: pipeline developments in the West Don and Lower Don coming online)
  - Five phases of development: Start-Up, Developing, Peak, Leveling and Steady State, with highest absorption in Peak phase (see Appendix 6)
- **Method B:** Market share of new household formation
  - Population projections based on Hemson 2005 and Strategic Projections reports; similar methodology applied from 2031 to 2041 as that performed for employee and household projections
  - Household formations rates based on Census, CMHC historical data, and Environics forecasts
  - Assignment of market share to Port Lands
- Approximately 10,000 units by 2041, up to almost 11,000 under more aggressive assumptions

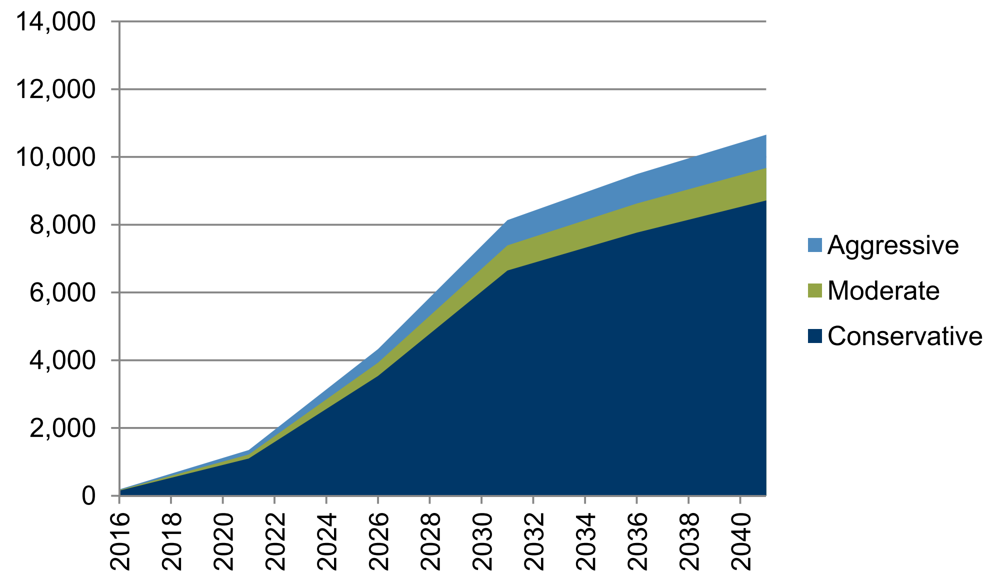




- Starting year 2015
- Continued regional planning emphasis on increasing share of multi-family units
- High-density, condominium residential is most likely form of residential development
  - Regulatory restrictions impact the economics of rental development
- Five phases of development based on percent of newly activated units sold within first year
  - Phase 1: 1 project released at a time; 25% of units sold within first year
  - Phase 2: 1-2 projects simultaneously; 50% of units sold within first year
  - Phases 3 and 4: 2-3 projects simultaneously; 75% of units sold within first year
  - Phase 5: 1 project at a time, 75% of units sold within first year
- Key factors that influenced the assumptions
  - 2015 is first project year, as infrastructure needs to be in place beforehand
  - Condo influx from other projects coming online in 2015 will slow initial pace (Note: in the long-run, these developments will serve as an asset to the Port Lands as connectors and extensions of the developed perimeter)
    - Up to 6,000 units in West Don Lands
    - Up to 4,000 units in the Keating Channel precinct in Lower Don Lands; development of Underpass Park
  - Potential for the Toronto condo market arriving at a cyclical peak
  - Long-term plan may be adjusted for market timing in coming cycles

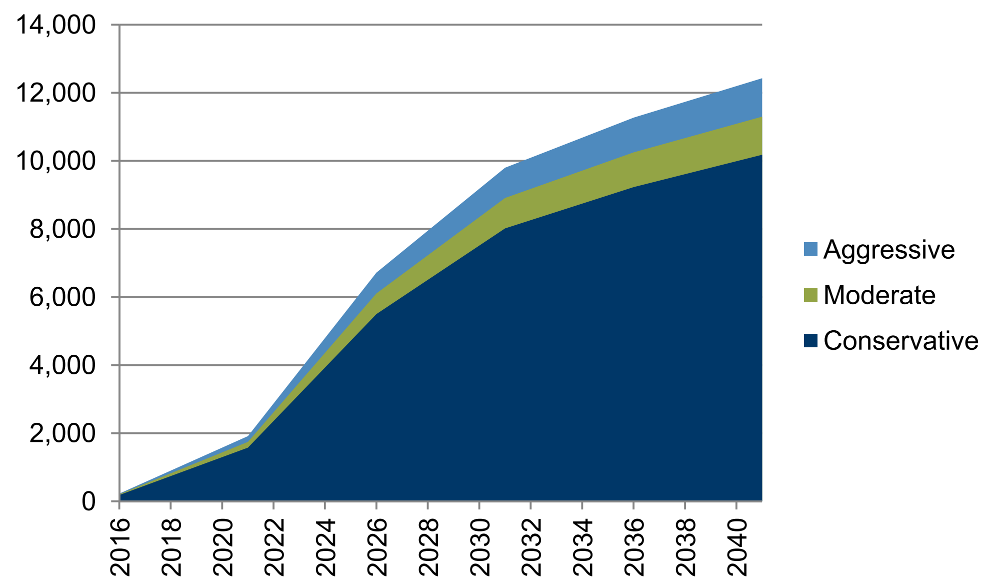
Original Projections (Units)

Cumulative	Conservative	Moderate	Aggressive
2016	150	170	190
2021	1,090	1,220	1,340
2026	3,530	3,930	4,320
2031	6,650	7,400	8,140
2036	7,770	8,630	9,500
2041	8,720	9,680	10,660



Catalyst Scenario(Units)

Cumulative	Conservative	Moderate	Aggressive
2016	**190**	**210**	**230**
2021	**1,580**	**1,750**	**1,920**
2026	**5,500**	**6,110**	**6,720**
2031	**8,020**	**8,910**	**9,800**
2036	**9,230**	**10,250**	**11,270**
2041	**10,180**	**11,300**	**12,430**



- Under catalyst scenario, the pace of residential development in the Port Lands increases as marketing and sales pace are positively impacted by the presence of the anchor development. The Developing and Peak phases of activity occur earlier, allowing for cumulative increases of development to be carried through to 2041. A “super catalyst” might increase demand levels to those shown in the “aggressive” column.

- Development of office and residential uses in the Port Lands may generate some demand for hotel rooms in the immediate area
  - Contribution of increased business activity to the market will also add to demand for additional hotel rooms in the Financial Core
  - This development will also add to overall interest in the GTA as a tourist destination, but most visitors will continue to choose downtown hotels for their proximity to major attractions
  - About 20%, as shown in the table at right, will be captured within the Port Lands
  - When there is sufficient demand from the endemic population and employment, the Port Lands could support a 100-150 room mid-priced corporate hotel.
  - As office uses develop, an Executive Retreat center offering proximity to Downtown could support about 75-125 rooms.
- *In addition* to demand generated by increasing use of the Port Lands, its physical location within the GTA suggests that a waterfront resort (such as Great Wolf Lodge) could anchor recreational uses and support 200 to 250 rooms.
- Overall estimate is that 800 – 900 hotel rooms are feasible, built to coincide with the pace of the other types of development. A catalyst scenario would increase probability for slightly larger hotel developments (+25-50 rooms), thus a providing a greater chance to achieve the upper bound or aggressive estimates in the forecast (see summary on page 3).

Locally Generated Hotel Demand

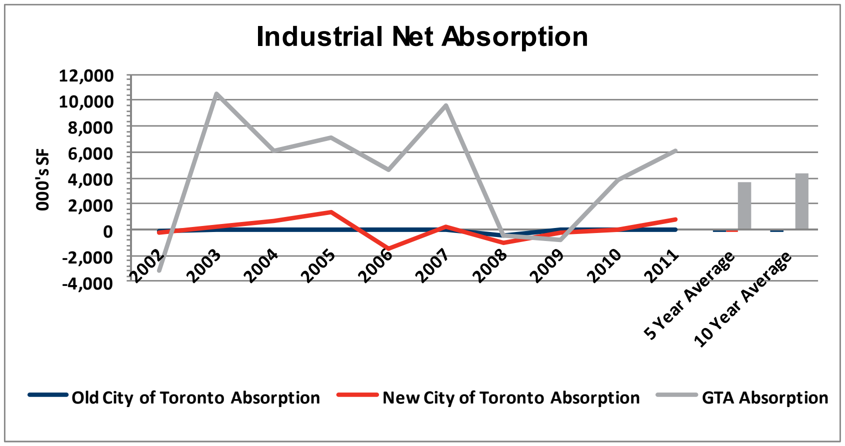
(Waterfront/Recreational Demand Drivers Not Included)

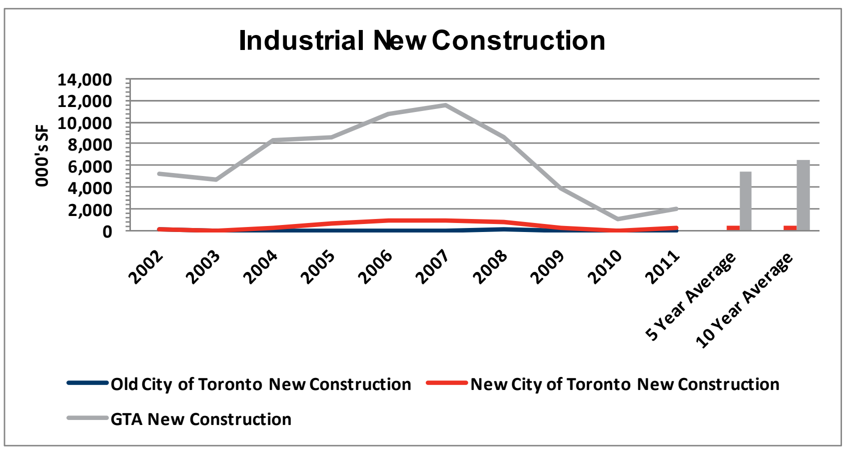
Forecast Year	Forecast Type	Office Forecast	Direct Demand for Rooms
2016	Conservative	177,000	37
	Moderate	289,000	61
	Aggressive	402,000	85
2021	Conservative	402,000	85
	Moderate	675,000	142
	Aggressive	947,000	200
2026	Conservative	531,000	112
	Moderate	868,000	183
	Aggressive	1,206,000	254
2031	Conservative	660,000	139
	Moderate	1,062,000	224
	Aggressive	1,464,000	308
2036	Conservative	481,000	101
	Moderate	788,000	166
	Aggressive	1,094,000	230
2041	Conservative	481,000	101
	Moderate	788,000	166
	Aggressive	1,094,000	230
Total	Conservative	2,732,000	576
	Moderate	4,470,000	942
	Aggressive	6,207,000	1308

Employment (Industrial/Technical/Creative)

Land Use Definitions

- Cushman & Wakefield maintains a statistical inventory of "industrial" building supply, demand, vacancy and pricing in each market and sub-market across the GTA.
- We define "industrial" as space that takes an industrial built form (typically one to two stories, typically with 14 feet to 32 feet + clear ceiling heights), occupied largely for industrial purposes (typically manufacturing or warehousing and distribution) with a minor proportion of office or retail space.
- There are however built forms and occupancy types that blur the lines. For example, Allied Properties owns a portfolio of former "brick and beam" industrial buildings that have been renovated for office occupancy by the design and media sector; these are classified as office space. Similarly, the Corus Building and much of the Film Studios can be considered to be office.
- Conversely, discount or warehouse retail uses that occupy multi-tenant industrial buildings are generally considered to retail, if that occupancy represents the large majority of the building space and the building is obviously retail (and not industrial) in form and function.
- Municipal planners often use the word Employment in lieu of Industrial. Employment can encompass a variety of built forms and occupant / tenant types. However, real estate practitioners segment their analysis into office and industrial. Employment can occur in both categories.





GTA

- There was approx. 2 million of new industrial space built in the GTA in 2011.
- This compares to an average of 5.4 million sf over the past 5 years and 6.5 million sf over the past 10 years.
- 2011 net absorption was approximately 6.1 million sf.
- This compares to an average of 3.7 million sf over the past 5 years and 4.4 million sf over the past 10 years.

OLD CITY OF TORONTO

- There was almost no new industrial space built in the Old City of Toronto in 2011.
- This compares to an average of 23,000 sf new industrial construction over the past 5 years and 31,000 sf over the past 10 years.
- 2011 net absorption was only 840 sf (the good news is that it was not negative).
- This compares to an average of negative 85,000 sf absorption over the past 5 years and negative 58,000 sf over the past 10 years

Employment (Industrial/Technical/Creative)

Demand

- **The GTA has been losing manufacturing jobs**
  - The Greater Toronto Area has been losing manufacturing jobs since 2004. On a net basis, the Toronto CMA had approximately the same number of jobs pre-recession in 2007 (400,000) as it did in 1996 (395,000). This level had declined to 336,000 jobs in 2010.

- **The has been and is very limited new construction of industrial space within City of Toronto**.
  - Only 20,000 to 30,000 square feet of new supply has been built annually (on average) over past 10 years, as tracked by Cushman & Wakefield.
  - Net absorption has been and remains negative; the City is losing industrial occupied space.
  - Relatively stable vacancy rates indicate that existing industrial stock continues to meet the needs of tenants/users; there is no statistical evidence of significant new demand. Despite manufacturing sector layoffs, worker productivity has increased, resulting in no or limited net new demand.

- **Current industrial uses present a "natural case" of demand at the Port Lands**.
  - A history of relatively unencumbered industrial land availability has not produced major warehousing, manufacturing, or wholesale uses in the Port Lands.
  - Currently vacancy lands within established employment areas are adequate to meet future space requirements.

- **Apart from manufacturing, other types of industry sectors that require industrial-type space include transportation and warehousing, wholesale trade and construction.** Due to traffic congestion on local roads and nearby highways, transportation and warehousing is not likely to be attracted to the Port Lands. – certainly not large-scale facilities.

SUPPLY

- **There is an adequate land supply of employment lands across the City.**
  - There is an adequate supply of vacant land (almost 600 hectares) in established Employment Districts and Areas to accommodate future industrial-type demand, based upon nominal rates of recent land absorption. The Port Lands is not needed to accommodate aggregate growth.
  - The City of Toronto is currently examining employment land needs as part of its Official Plan review. These conclusions will provide greater guidance regarding industrial land needs.

EMPLOYMENT LAND OPPORTUNITY

- This being said, **Employment land uses should be accommodated,** provided they can be appropriately integrated with non-industrial land uses.
- **Depending on the types of office and retail uses that emerge in the Port Lands, some complementary forms of industrial or quasi-industrial/flex office may be attracted**. We foresee needs for local supply warehousing serving nearby offices and residences, as well as for quasi-retail uses such as automotive, multi-tenant tradecrafts, wholesale and construction.
- **The arts, media and information technology sectors are also possible candidates**, as their work place environments vary and are flexible; they have located in both office and industrial built forms. However, cost of occupancy is a driving factor, which is directly co-related to land value.
- **Given the flexible and varied nature of demand from these sectors, it is not possible to empirically and reliably forecast the above demand**. It is sufficient to say that this demand definitely exists and some extent of land should be reserved within the Port Lands for this land use.

Conclusion

- Our economic and market analyses conclude that the following ranges of space are most likely to be feasible for the Port Lands project site over the 30 year period of 2012-2041:
  - Office: 2.7 – 6.2 million sq. ft.
  - Retail: 251,000 – 586,000 sq. ft.
  - Residential: 8,700 – 10,700 units
  - Hotel: 675 – 925 rooms
  - Industrial: no additional demand
- These forecasts are intended to represent the most likely scenarios of the absorption of new space, based upon economic forecasts, publicly available population and employment projections, and historical rates of growth and market absorption in the GTA and central Toronto.
- The “catalyst scenario” has the most profound potential impact on the initial stages of development and if effective as a draw, could allow development levels to reach the aggressive, or upper bound limits of the ranges for residential, office, retail and hotel development as listed above.
- As a market-based “reality-check”, the following observations are presented in context: JC1
  - Office: Downtown South has captured 7% of new supply, adding a total of 2.3 million square feet over the last 10 years. This forecast expects about 1 million square feet in the first 10 years and 1.9 million sf over the second 10 years.
  - Retail: The Harbourfront and CityPlace areas (Bathurst to York; Front to the Lake) are supported by 165,000 square feet of retail space serving 8,000 residents and 9,000 employees. This forecast calls for 400,000 square feet serving over 18,000 residents and almost 25,000 employees.
  - Residential: Liberty Village sold approximately 3,500 units in its first 9 years, and Harbourfront sold approximately 4,400 units over its first 12 years. This forecast suggests that the Port Lands will sell approximately 1,220 units in its first 10 years.
  - Liberty Village is an excellent example of a formerly industrial neighbourhood that has successfully transitioned to office- and residential-focused uses

APPENDIX

Appendix 1: Office Space Forecast

Port Lands - Potential Capture of Market Growth

	TOTAL (SF)	Employees	Market Share - % of Projected New Supply	Market Share - % of GTA Total Inventory (2011)	2012 - 2016	2017 - 2021	2022 - 2026	2027 - 2031	2032 - 2036	2037 - 2041
					6%	*13%*	*19%*	*26%*	*18%*	*18%*
Conservative	**1,290,479**	**7,169**	**3.6%**	**0.8%**	129,048	258,096	387,144	516,192	348,933	348,933
Medium	**1,935,719**	**10,754**	**5.4%**	**1.1%**	193,572	387,144	580,716	774,288	523,400	523,400
Aggressive	**2,580,959**	**14,339**	**7.2%**	**1.5%**	258,096	516,192	774,288	1,032,383	697,867	697,867

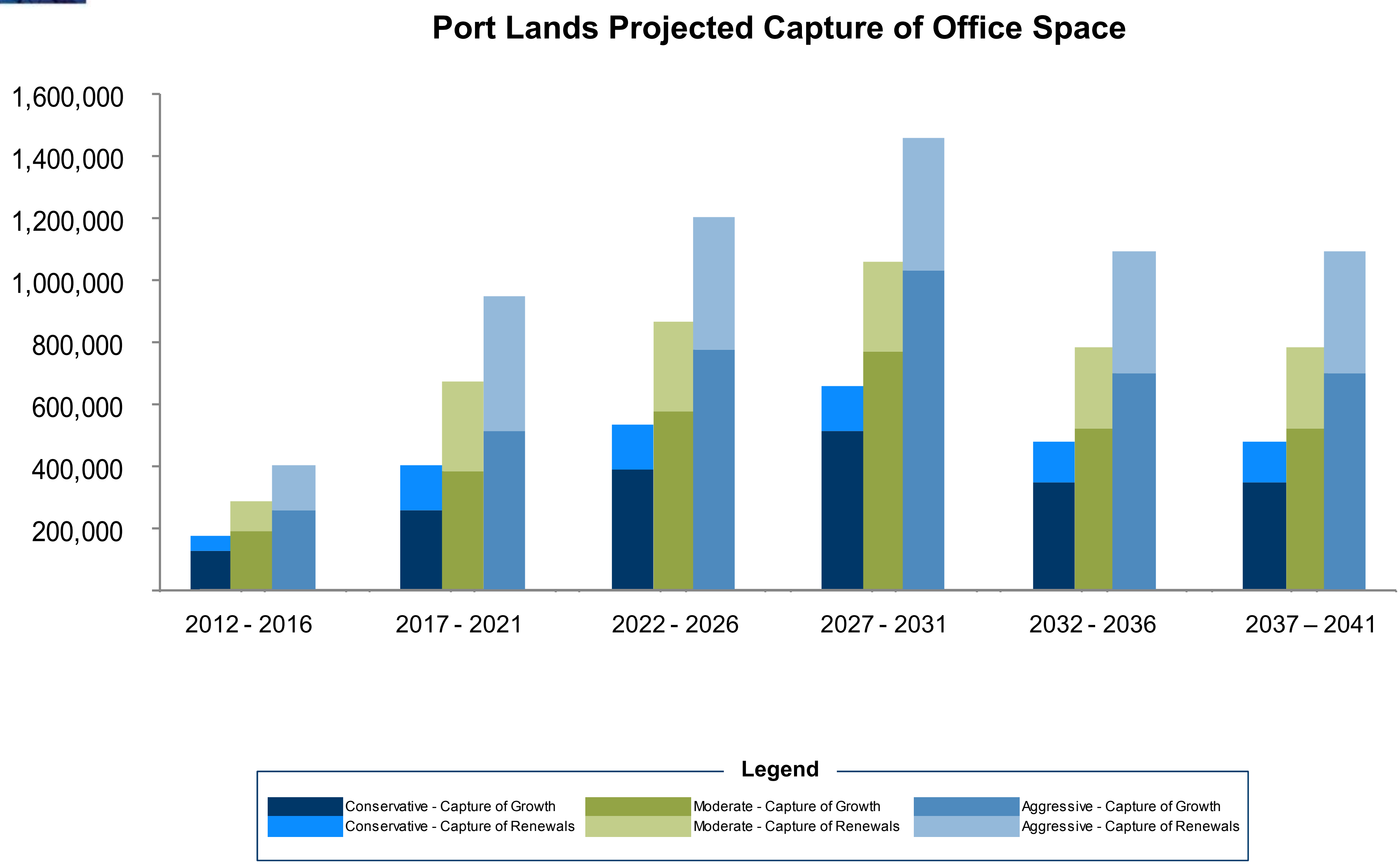
Port Lands - Potential Capture of Market Renewals

	TOTAL (SF)	Employees	Market Share - % of Projected New Supply	Market Share - % of GTA Total Inventory (2011)	2012 - 2016	2017 - 2021	2022 - 2026	2027 - 2031	2032 - 2036	2037 - 2041
					6%	*19%*	*19%*	*19%*	*18%*	*18%*
Conservative	**479,152**	**2,662**	**1.3%**	**0.3%**	47,915	143,746	143,746	143,746	132,106	132,106
Medium	**958,303**	**5,324**	**2.7%**	**0.6%**	95,830	287,491	287,491	287,491	264,212	264,212
Aggressive	**1,437,455**	**7,986**	**4.0%**	**0.9%**	143,746	431,237	431,237	431,237	396,318	396,318

Port Lands - Total Potential Capture

	TOTAL (SF)	Employees	Market Share - % of Projected New Supply	Market Share - % of GTA Total Inventory (2011)	2012 - 2016	2017 - 2021	2022 - 2026	2027 - 2031	2032 - 2036	2037 - 2041
					6%	*15%*	*19%*	*24%*	*18%*	*18%*
Conservative	**1,769,631**	**9,831**	**5%**	**1.1%**	176,963	401,841	530,889	659,937	481,039	481,039
Medium	**2,894,022**	**16,078**	**8%**	**1.7%**	289,402	674,635	868,207	1,061,779	787,612	787,612
Aggressive	**4,018,414**	**22,325**	**11%**	**2.4%**	401,841	947,428	1,205,524	1,463,620	1,094,185	1,094,185

Appendix 2: Projected Capture of Office Space



Appendix 3A: Growth Capture

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Employment Growth in Benchmark Areas, UNITS = NEW EMPLOYEES																
Downtown Fringe - Class A		1,556	1,573	1,590	1,608	1,625	1,643	1,661	1,679	1,697	931	1,136	1,144	1,152	1,160	1,169
Downtown Fringe - Class B		1,343	1,357	1,372	1,387	1,402	1,417	1,433	1,448	1,464	803	980	987	994	1,001	1,008
Downtown Fringe - Total		**3,263**	**3,299**	**3,335**	**3,371**	**3,408**	**3,445**	**3,482**	**3,520**	**3,559**	**1,952**	**2,381**	**2,399**	**2,416**	**2,433**	**2,450**
Financial Core - Class A		599	606	612	619	626	633	640	647	654	358	437	440	444	447	450
Financial Core - Class B		268	271	274	277	280	283	286	289	292	160	196	197	198	200	201
Financial Core - Total		**1,469**	**1,485**	**1,502**	**1,518**	**1,534**	**1,551**	**1,568**	**1,585**	**1,602**	**879**	**1,072**	**1,080**	**1,088**	**1,096**	**1,103**
Midtown - Class A		176	178	180	182	184	186	188	190	192	106	129	130	131	132	133
Midtown - Class B		169	170	172	174	176	178	180	182	184	101	123	124	125	126	127
Midtown - Total		**395**	**399**	**404**	**408**	**412**	**417**	**421**	**426**	**431**	**236**	**288**	**290**	**292**	**294**	**297**
Suburbs - Class A		4,661	4,712	4,763	4,815	4,867	4,920	4,974	5,028	5,082	2,788	3,401	3,426	3,450	3,475	3,500
Suburbs - Total		7,822	7,907	7,993	8,080	8,168	8,257	8,347	8,438	8,530	4,679	5,708	5,749	5,790	5,832	5,873
Total Additional Employees Considered		8,772	8,868	8,964	9,062	9,161	9,260	9,361	9,463	9,566	5,247	6,401	6,447	6,494	6,540	6,587
Additional SF for Additional Employees		**1,579,032**	**1,596,216**	**1,613,586**	**1,631,146**	**1,648,897**	**1,666,840**	**1,684,980**	**1,703,316**	**1,721,852**	**944,456**	**1,152,267**	**1,160,519**	**1,168,830**	**1,177,201**	**1,185,632**
New Developments Under Construction		1,203,402		300,000												
SF NEEDED BY BENCHMARK MARKETS		**375,630**	**1,596,216**	**1,313,586**	**1,631,146**	**1,648,897**	**1,666,840**	**1,684,980**	**1,703,316**	**1,721,852**	**944,456**	**1,152,267**	**1,160,519**	**1,168,830**	**1,177,201**	**1,185,632**
Potential Capture Rates for Port Lands		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Conservative Capture	**5.0%**	18,782	79,811	65,679	81,557	82,445	83,342	84,249	85,166	86,093	47,223	57,613	58,026	58,442	58,860	59,282
Middle Capture	**7.5%**	28,172	119,716	98,519	122,336	123,667	125,013	126,373	127,749	129,139	70,834	86,420	87,039	87,662	88,290	88,922
Aggressive Capture	**10.0%**	37,563	159,622	131,359	163,115	164,890	166,684	168,498	170,332	172,185	94,446	115,227	116,052	116,883	117,720	118,563
SF Captured (2012 - 2041)																
Conservative Capture		-	-	-	64,524	64,524	64,524	-	64,524	-	129,048	-	64,524	129,048	64,524	129,048
Middle Capture		-	-	-	96,786	96,786	96,786	-	96,786	-	193,572	-	96,786	193,572	96,786	193,572
Aggressive Capture		-	-	-	129,048	129,048	129,048	-	129,048	-	258,096	-	129,048	258,096	129,048	258,096

		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Employment Growth in Benchmark Areas, UNITS = NEW EMPLOYEES																
Downtown Fringe - Class A		1,177	1,185	1,194	1,202	838	1,422	1,422	1,422	1,422	1,422	1,329	1,329	1,329	1,329	1,329
Downtown Fringe - Class B		1,015	1,023	1,030	1,037	723	1,227	1,227	1,227	1,227	1,227	1,147	1,147	1,147	1,147	1,147
Downtown Fringe - Total		**2,468**	**2,486**	**2,503**	**2,521**	**1,757**	**2,982**	**2,982**	**2,982**	**2,982**	**2,982**	**2,787**	**2,787**	**2,787**	**2,787**	**2,787**
Financial Core - Class A		453	456	460	463	323	548	548	548	548	548	512	512	512	512	512
Financial Core - Class B		203	204	206	207	144	245	245	245	245	245	229	229	229	229	229
Financial Core - Total		**1,111**	**1,119**	**1,127**	**1,135**	**791**	**1,343**	**1,343**	**1,343**	**1,343**	**1,343**	**1,255**	**1,255**	**1,255**	**1,255**	**1,255**
Midtown - Class A		133	134	135	136	95	161	161	161	161	161	151	151	151	151	151
Midtown - Class B		128	128	129	130	91	154	154	154	154	154	144	144	144	144	144
Midtown - Total		**299**	**301**	**303**	**305**	**213**	**361**	**361**	**361**	**361**	**361**	**337**	**337**	**337**	**337**	**337**
Suburbs - Class A		3,525	3,550	3,575	3,601	2,509	4,259	4,259	4,259	4,259	4,259	3,980	3,980	3,980	3,980	3,980
Suburbs - Total		5,915	5,958	6,000	6,043	4,211	7,148	7,148	7,148	7,148	7,148	6,680	6,680	6,680	6,680	6,680
Total Additional Employees Considered		6,634	6,682	6,729	6,778	4,723	8,016	8,016	8,016	8,016	8,016	7,492	7,492	7,492	7,492	7,492
Additional SF for Additional Employees		**1,194,123**	**1,202,676**	**1,211,289**	**1,219,964**	**850,165**	**1,442,956**	**1,442,956**	**1,442,956**	**1,442,956**	**1,442,956**	**1,348,512**	**1,348,512**	**1,348,512**	**1,348,512**	**1,348,512**
New Developments Under Construction																
SF NEEDED BY BENCHMARK MARKETS		**1,194,123**	**1,202,676**	**1,211,289**	**8219,964**	**0,165**	**1,442,956**	**442,956**	**1,442,956**	**,442,956**	**1,442,956**	**348,512**	**1,348,512**	**348,512**	**1,348,512**	**1,348,512**
Potential Capture Rates for Port Lands		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Conservative Capture	**5.0%**	59,706	60,134	60,564	60,998	42,508	72,148	72,148	72,148	72,148	72,148	67,426	67,426	67,426	67,426	67,426
Middle Capture	**7.5%**	89,559	90,201	90,847	91,497	63,762	108,222	108,222	108,222	108,222	108,222	101,138	101,138	101,138	101,138	101,138
Aggressive Capture	**10.0%**	119,412	120,268	121,129	121,996	85,017	144,296	144,296	144,296	144,296	144,296	134,851	134,851	134,851	134,851	134,851
SF Captured (2012 - 2041)																
Conservative Capture	1,988,346	193,572	-	258,096	-	64,524	69,787	69,787	69,787	69,787	69,787	69,787	69,787	69,787	69,787	69,787
Middle Capture	2,982,519	290,358	-	387,144	-	96,786	104,680	104,680	104,680	104,680	104,680	104,680	104,680	104,680	104,680	104,680
Aggressive Capture	3,976,693	387,144	-	516,192	-	129,048	139,573	139,573	139,573	139,573	139,573	139,573	139,573	139,573	139,573	139,573

Appendix 3B: Non-Renewal Capture

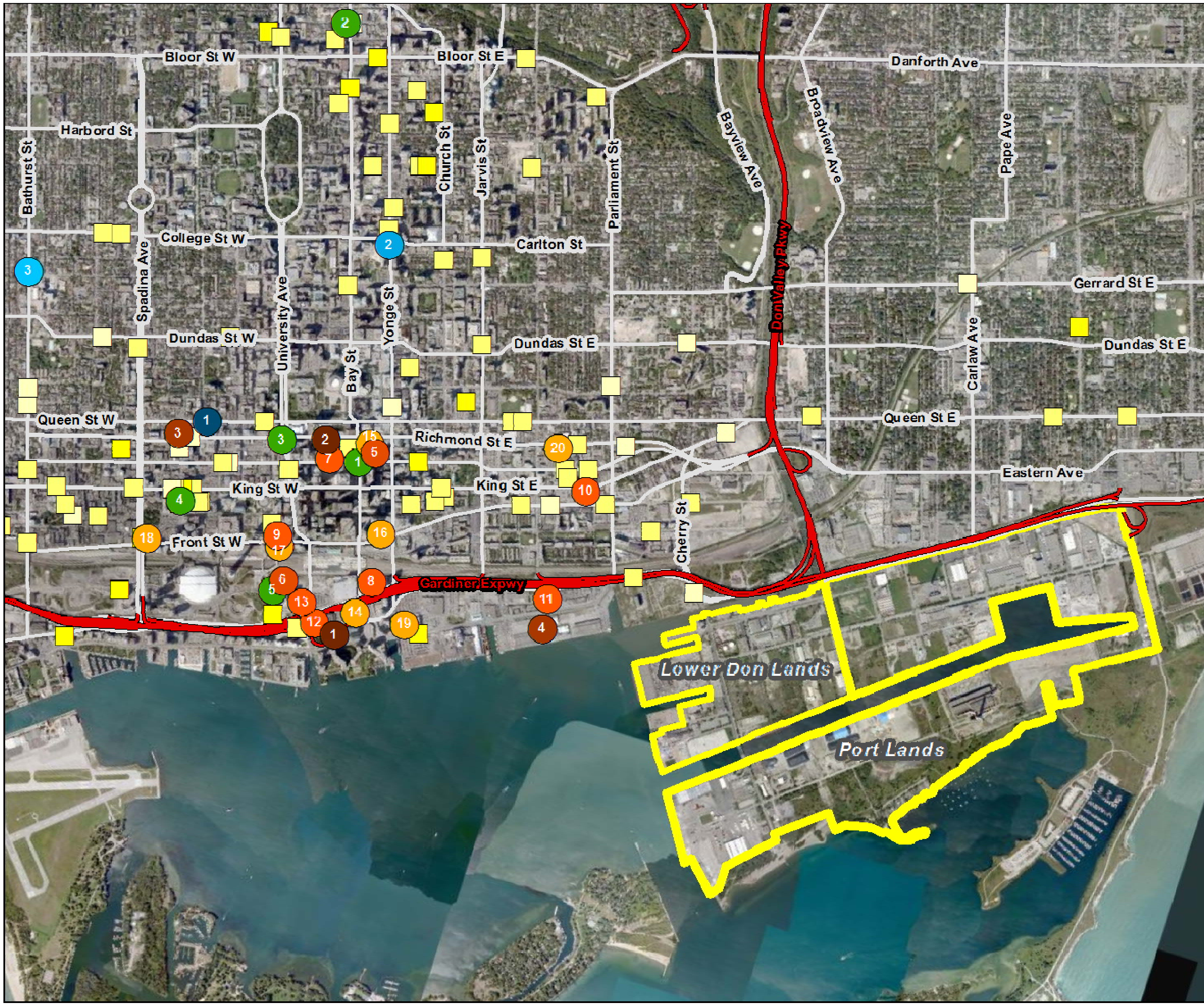
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Movement of Existing Tenants in Benchmark Areas, UNITS = SF SUPPLY IN THOUSANDS															
Downtown Fringe - Class A	16,980	17,164	17,351	17,540	17,731	17,924	18,119	18,316	18,515	18,625	18,758	18,893	19,028	19,164	19,301
Downtown Fringe - Class B	13,300	13,444	13,591	13,739	13,888	14,039	14,192	14,346	14,503	14,588	14,693	14,798	14,904	15,011	15,118
Downtown Fringe - Total	33,844	34,212	34,584	34,961	35,341	35,726	36,114	36,507	36,905	37,123	37,389	37,656	37,926	38,198	38,471
Financial Core - Class A	13,992	14,144	14,298	14,454	14,611	14,770	14,931	15,093	15,258	15,348	15,458	15,568	15,680	15,792	15,905
Financial Core - Class B	6,259	6,327	6,396	6,466	6,536	6,607	6,679	6,752	6,825	6,865	6,915	6,964	7,014	7,064	7,115
Financial Core - Total	34,734	35,112	35,494	35,880	36,271	36,665	37,064	37,468	37,875	38,099	38,372	38,647	38,924	39,202	39,483
Midtown - Class A	7,611	7,694	7,778	7,862	7,948	8,034	8,122	8,210	8,299	8,348	8,408	8,468	8,529	8,590	8,652
Midtown - Class B	7,269	7,348	7,428	7,509	7,590	7,673	7,756	7,841	7,926	7,973	8,030	8,088	8,145	8,204	8,263
Midtown - Total	17,007	17,192	17,379	17,568	17,759	17,952	18,148	18,345	18,545	18,654	18,788	18,922	19,058	19,194	19,332
Suburbs - Class A	51,243	51,801	52,365	52,935	53,511	54,093	54,682	55,277	55,878	56,208	56,611	57,016	57,425	57,836	58,250
Suburbs - Total	84,705	85,627	86,559	87,501	88,453	89,415	90,388	91,372	92,366	92,912	93,577	94,247	94,922	95,602	96,287
Total Under Consideration (*1,000)	116,653,608	117,923,073	119,206,354	120,503,600	121,814,962	123,140,596	124,480,655	125,835,297	127,204,682	127,955,805	128,872,199	129,795,157	130,724,724	131,660,949	132,603,879
Approximately 10% of Inventory up for Renewal	11,665,361	11,792,307	11,920,635	12,050,360	12,181,496	12,314,060	12,448,066	12,583,530	12,720,468	12,795,580	12,887,220	12,979,516	13,072,472	13,166,095	13,260,388
25% Move (instead of Renew in Place)	2,916,340	2,948,077	2,980,159	3,012,590	3,045,374	3,078,515	3,112,016	3,145,882	3,180,117	3,198,895	3,221,805	3,244,879	3,268,118	3,291,524	3,315,097
TOTAL SF NEEDED	**2,916,340**	**2,948,077**	**2,980,159**	**3,012,590**	**3,045,374**	**3,078,515**	**3,112,016**	**3,145,882**	**3,180,117**	**3,198,895**	**3,221,805**	**3,244,879**	**3,268,118**	**3,291,524**	**3,315,097**
REVISED SF NEEDED BY BENCHMARK MARKETS	**2,916,340**	**2,948,077**	**2,980,159**	**3,012,590**	**3,045,374**	**3,078,515**	**3,112,016**	**3,145,882**	**3,180,117**	**3,198,895**	**3,221,805**	**3,244,879**	**3,268,118**	**3,291,524**	**3,315,097**

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Capture Rate for Port Lands																
Conservative Capture	0.75%	21,873	22,111	22,351	22,594	22,840	23,089	23,340	23,594	23,851	23,992	24,164	24,337	24,511	24,686	24,863
Middle Capture	1.5%	43,745	44,221	44,702	45,189	45,681	46,178	46,680	47,188	47,702	47,983	48,327	48,673	49,022	49,373	49,726
Aggressive Capture	2.25%	65,618	66,332	67,054	67,783	68,521	69,267	70,020	70,782	71,553	71,975	72,491	73,010	73,533	74,059	74,590
Total (2012 - 2041)																
Conservative Capture		-	-	-	23,958	23,958	23,958	23,958	47,915	23,958	23,958	23,958	23,958	47,915	23,958	23,958
Middle Capture		-	-	-	47,915	47,915	47,915	47,915	95,830	47,915	47,915	47,915	47,915	95,830	47,915	47,915
Aggressive Capture		-	-	-	71,873	71,873	71,873	71,873	143,746	71,873	71,873	71,873	71,873	143,746	71,873	71,873

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Movement of Existing Tenants in Benchmark Areas, UNITS = SF SUPPLY IN THOUSANDS															
Downtown Fringe - Class A	19,440	19,579	19,719	19,860	19,959	20,058	20,157	20,257	20,357	20,458	20,559	20,661	20,764	20,867	20,970
Downtown Fringe - Class B	15,226	15,335	15,445	15,556	15,633	15,710	15,788	15,866	15,945	16,024	16,104	16,183	16,264	16,344	16,425
Downtown Fringe - Total	38,747	39,024	39,304	39,585	39,781	39,978	40,177	40,376	40,576	40,777	40,979	41,182	41,386	41,591	41,797
Financial Core - Class A	16,019	16,134	16,249	16,366	16,447	16,528	16,610	16,693	16,775	16,858	16,942	17,026	17,110	17,195	17,280
Financial Core - Class B	7,166	7,217	7,269	7,321	7,357	7,394	7,430	7,467	7,504	7,541	7,579	7,616	7,654	7,692	7,730
Financial Core - Total	39,766	40,051	40,337	40,626	40,828	41,030	41,233	41,438	41,643	41,849	42,057	42,265	42,475	42,685	42,897
Midtown - Class A	8,714	8,776	8,839	8,902	8,946	8,991	9,035	9,080	9,125	9,170	9,216	9,261	9,307	9,353	9,400
Midtown - Class B	8,322	8,381	8,441	8,502	8,544	8,586	8,629	8,672	8,715	8,758	8,801	8,845	8,889	8,933	8,977
Midtown - Total	19,470	19,610	19,750	19,892	19,990	20,089	20,189	20,289	20,389	20,490	20,592	20,694	20,797	20,900	21,003
Suburbs - Class A	58,667	59,087	59,511	59,937	60,234	60,532	60,832	61,134	61,437	61,741	62,047	62,354	62,663	62,974	63,286
Suburbs - Total	96,976	97,671	98,370	99,075	99,566	100,059	100,555	101,053	101,554	102,057	102,563	103,071	103,582	104,096	104,611
Total Under Consideration (*1,000)	133,553,562	134,510,046	135,473,381	136,443,614	137,119,748	137,799,233	138,482,085	139,168,320	139,857,956	140,551,010	141,247,498	141,947,437	142,650,845	143,357,738	144,068,134
Approximately 10% of Inventory up for Renewal	13,355,356	13,451,005	13,547,338	13,644,361	13,711,975	13,779,923	13,848,208	13,916,832	13,985,796	14,055,101	14,124,750	14,194,744	14,265,084	14,335,774	14,406,813
25% Move (instead of Renew in Place)	3,338,839	3,362,751	3,386,835	3,411,090	3,427,994	3,444,981	3,462,052	3,479,208	3,496,449	3,513,775	3,531,187	3,548,686	3,566,271	3,583,943	3,601,703
TOTAL SF NEEDED	**3,338,839**	**3,362,751**	**3,386,835**	**3,411,090**	**3,427,994**	**3,444,981**	**3,462,052**	**3,479,208**	**3,496,449**	**3,513,775**	**3,531,187**	**3,548,686**	**3,566,271**	**3,583,943**	**3,601,703**
REVISED SF NEEDED BY BENCHMARK MARKETS	**3,338,839**	**3,362,751**	**3,386,835**	**3,411,090**	**3,427,994**	**3,444,981**	**3,462,052**	**3,479,208**	**3,496,449**	**3,513,775**	**3,531,187**	**3,548,686**	**3,566,271**	**3,583,943**	**3,601,703**

		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Capture Rate for Port Lands																
Conservative Capture	0.75%	25,041	25,221	25,401	25,583	25,710	25,837	25,965	26,094	26,223	26,353	26,484	26,615	26,747	26,880	27,013
Middle Capture	1.5%	50,083	50,441	50,803	51,166	51,420	51,675	51,931	52,188	52,447	52,707	52,968	53,230	53,494	53,759	54,026
Aggressive Capture	2.25%	75,124	75,662	76,204	76,750	77,130	77,512	77,896	78,282	78,670	79,060	79,452	79,845	80,241	80,639	81,038
Total (2012 - 2041)																
Conservative Capture	743,364	23,958	23,958	47,915	23,958	23,958	26,421	26,421	26,421	26,421	26,421	26,421	26,421	26,421	26,421	26,421
Middle Capture	1,486,727	47,915	47,915	95,830	47,915	47,915	52,842	52,842	52,842	52,842	52,842	52,842	52,842	52,842	52,842	52,842
Aggressive Capture	2,230,091	71,873	71,873	143,746	71,873	71,873	79,264	79,264	79,264	79,264	79,264	79,264	79,264	79,264	79,264	79,264

Appendix 4: Development Pipeline



Condo Residential Proposed

Office Pipeline

Under Construction

1 RBC Waterpark Place
2 111 Richmond Street West

Firmly Proposed

3 Queen Richmond Centre West
4 Queens Quay Place

Likely Proposed

5 Bay Adelaide Centre East Tower
6 Bremner Tower

Proposed

7 Richmond Adelaide Centre
8 45 Bay Street
9 170 Front Street West
10 333 King Street East
11 Parkside Development
12 One York Street
13 16 York Street

Future

14 30 Bay Street
15 Bay Adelaide Centre North Tower
16 Brookfield Place III
17 171 Front Street West
18 Globe and Mail
19 One Yonge Street
20 361 Richmond Street East

Hotel Pipeline

Under Construction

1 Trump International
2 Four Seasons
3 Shangri La
4 Bisha Hotel
5 Delta Hotel

Retail Pipeline

Under Construction

1 Guess? (327 Queen Street West)

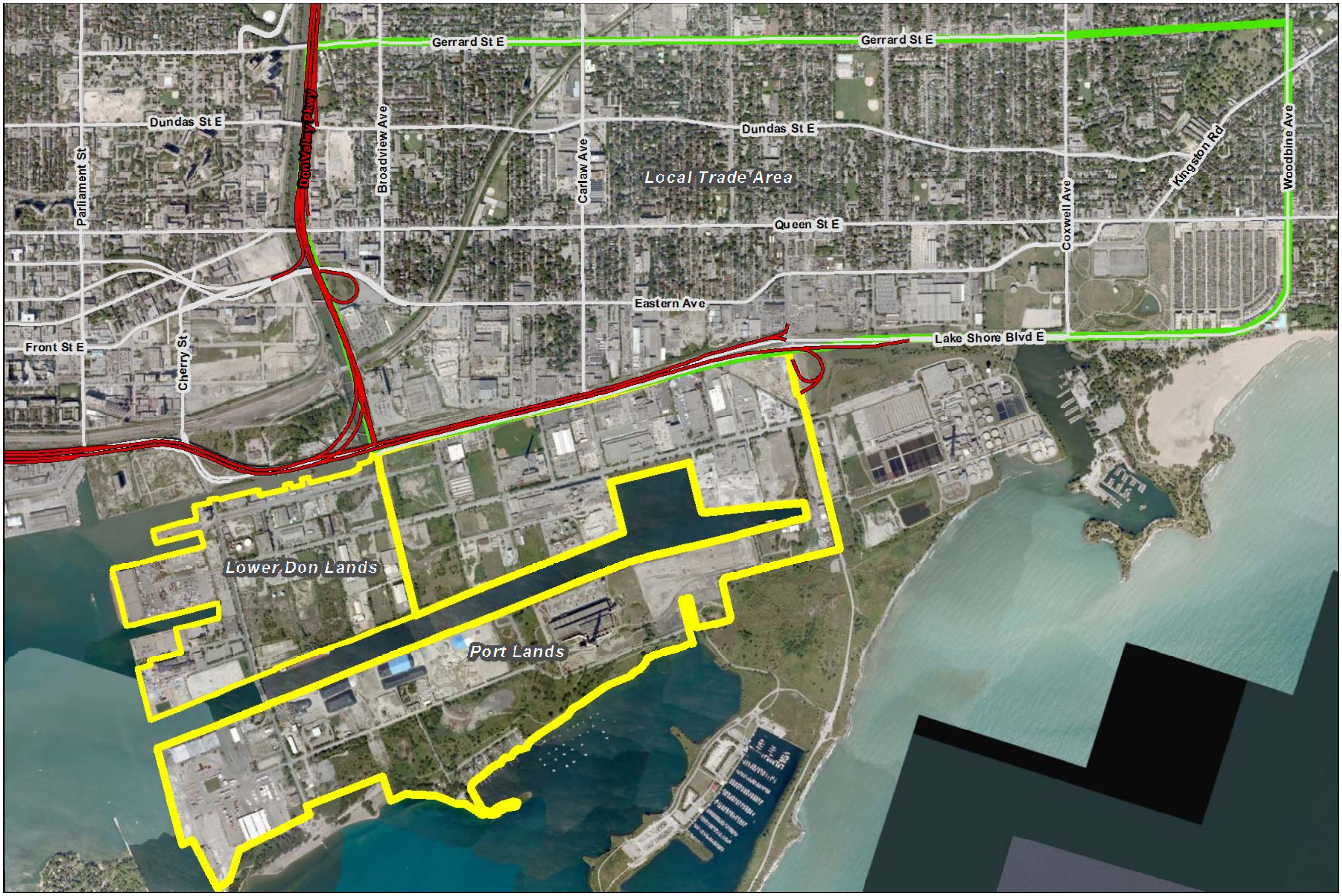
Proposed

2 Aura at College Park - Phase I

Future

3 420 Bathurst Street

Appendix 5: Retail Local Trade Area



Appendix 6: Residential Buildup Model

Unit Sales				PHASE I - START UP					PHASE II - DEVELOPING				PHASE III - PEAK				PHASE IV - LEVELING				LONG-TERM STEADY STATE										TOTALS		
Start Date				2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041			
Year	Month	mths b/n	Project/Yea	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	Sold	Unsold	Total
1	1		A	66	106	66	13	13	0	0	0	0	0	0	0	0	0	0	0	0											265	0	265
3	1	24	B			66	133	53	8	5	0	0	0	0	0	0	0	0	0	0											265	0	265
5	1	24	C					133	80	40	8	5	0	0	0	0	0	0	0	0											265	0	265
6	1	12	D						133	80	40	8	5	0	0	0	0	0	0	0											265	0	265
7	1	12	E							225	158	45	23	0	0	0	0	0	0	0											450	0	450
8	1	12	F								133	93	27	13	0	0	0	0	0	0											265	0	265
9	1	12	G									225	158	45	23	0	0	0	0	0											450	0	450
10	1	12	H										199	40	13	13	0	0	0	0											265	0	265
11	1	12	I											338	68	23	23	0	0	0											450	0	450
11	1	-	J											199	40	13	13	0	0	0											265	0	265
11	1	-	K											124	25	8	8	0	0	0											165	0	165
12	1	12	L												338	68	23	23	0	0											450	0	450
12	1	-	M												199	40	13	13	0	0											265	0	265
12	1	-	N												124	25	8	8	0	0											165	0	165
13	1	12	O													338	68	23	23	0											450	0	450
13	1	-	P													199	40	13	13	0											265	0	265
13	1	-	Q													124	25	8	8	0											165	0	165
14	1	12	R														338	68	23	23											450	0	450
14	1	-	S														199	40	13	13											265	0	265
14	1	-	T														124	25	8	8											165	0	165
15	1	12	U															199	40	13	13										265	0	265
15	1	-	V															199	40	13	13										265	0	265
16	1	12	W																199	40	13	13									265	0	265
16	1	-	X																199	40	13	13									265	0	265
17	1	12	Y																	199	40	13	13								265	0	265
17	1	-	Z																	199	40	13	13								265	0	265
18	1		AA																		199	40	13	13							265	0	265
19	1		BB																			124	25	8	8						165	0	165
20	1		CC																				199	40	13	13					265	0	265
21	1		DD																					124	25	8	8				165	0	165
22	1		EE																						199	40	13	13			265	0	265
23	1		FF																							124	25	8	8		165	0	165
24	1		GG																								199	40	13	13	265	0	265
25	1		HH																									124	25	8	157	8	165
26	1		II																										199	40	239	26	265
27	1		JJ																											124	124	41	165
			36 projects																														
Projected Condo Sales - Port Lands				66	106	133	146	199	220	350	338	376	411	758	828	850	880	618	565	548	332	217	264	185	245	185	245	185	245	185	9,675	75	9,750
Proj. Condo Sales: Port Lands (cumulative)				66	172	305	451	650	870	1,220	1,558	1,934	2,345	3,103	3,931	4,781	5,661	6,279	6,844	7,392	7,724	7,941	8,205	8,390	8,635	8,820	9,065	9,250	9,495	9,680			
Proj. Condo Sales - GTA				25,667	26,788	27,082	27,589	28,337	29,040	29,734	25,088	25,648	26,208	26,400	26,400	26,400	26,400	26,400	26,400	26,400	25,074	25,074	25,074	25,074	25,074	17,128	17,128	17,128	17,128	17,128	666,993		
Percent to Port Lands Total ('15-'23)				3.4%	5.5%	6.9%	7.5%	10.3%	11.4%	18.1%	17.5%	19.4%																			100%		
Market share of total GTA				0.3%	0.4%	0.5%	0.5%	0.7%	0.8%	1.2%	1.3%	1.5%	1.6%	2.9%	3.1%	3.2%	3.3%	2.3%	2.1%	2.1%	1.3%	0.9%	1.1%	0.7%	1.0%	1.1%	1.4%	1.1%	1.4%	1.1%	1.5%		

Appendix 7: Office Space to Hotel Room Ratio

Variable	Geography	Source	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Average
Hotel Rooms	GTA	Smith Travel Research	30,973	31,678	32,093	32,609	34,308	34,919	35,646	36,034	36,715	37,846	
Hotel Rooms	Downtown	Smith Travel Research	12,005	12,005	12,219	12,316	12,825	12,825	13,249	13,249	13,354	13,838	
Office SF (000s)	GTA	C&W Research	155,075	157,277	160,475	161,765	160,519	162,706	162,465	166,677	167,536	168,456	
Office SF (000s)	Downtown	C&W Research	50,154	51,966	52,931	53,263	52,327	52,175	52,158	54,187	55,028	55,743	
SF per Room	GTA		5,007	4,965	5,000	4,961	4,679	4,660	4,558	4,626	4,563	4,451	4,747
		Variance	5%	5%	5%	5%	-1%	-2%	-4%	-3%	-4%	-6%	4%
SF per Room	Downtown		4,178	4,329	4,332	4,325	4,080	4,068	3,937	4,090	4,121	4,028	4,149
		Variance	1%	4%	4%	4%	-2%	-2%	-5%	-1%	-1%	-3%	3%

Appendix 5a: Master Development Pro-Forma/Residual Land Value Projections: Moderate Demand

PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

	Total Supply			1	2	3	4	5	6	7	8	9	10	11	12	13
	(per Planning Alliance Development Densities)	Total Absorbed	Sensitivity Analysis - % Increase In Annual Demand	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Office (sf)	8,570,000	4,470,022	0.0%													
Annual				-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641
Cumulative				-	-	-	144,701	289,402	424,329	559,256	694,183	829,110	964,037	1,137,678	1,311,320	1,484,961
Residential (units)	9,675	9,675														
Annual				-	-	-	66	106	133	146	199	220	350	338	376	411
Cumulative				-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345
Residential (sf)	9,675,000	9,675,000	0.0%													
Annual				-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880
Cumulative				-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600
Retail (sf)	1,401,000	1,401,000	0.0%													
Annual				-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558
Cumulative				-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468
Hotel (units)	450	450	0.0%													
Annual				-	-	-	-	-	225	-	-	-	-	100	-	-
Cumulative				-	-	-	-	-	225	225	225	225	225	325	325	325
Total (sf)	19,871,000	15,771,022														

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PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
173,641	173,641	212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
1,658,602	1,832,244	2,044,600	2,256,955	2,469,311	2,681,667	2,894,022	3,051,622	3,209,222	3,366,822	3,524,422	3,682,022	3,839,622	3,997,222	4,154,822	4,312,422	4,470,022	
758	828	850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
3,103	3,931	4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
818,640	894,240	918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
3,351,240	4,245,480	5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
18,558	18,558	10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
1,207,026	1,225,584	1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
-	-	125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
325	325	450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	
																	15,771,022

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PORT LANDS REVENUE PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

	End f ear o Y #	1	2	3	4	5	6	7	8	9	10	11	12	13
	End of Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Office														
Current $ psf density (at 1.0X FAR)	$21													
Per Acre at 1X density		$900,000												
Normal Land Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%
Overall Land Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66
Projected $ psf density (at 1.0X FAR)		$21.18	$21.71	$22.25	$22.81	$23.38	$23.96	$26.96	$27.63	$28.32	$31.86	$32.66	$33.47	$34.31
Density Value (adjusted for Area Specific DC)		$11.78	$12.07	$12.37	$12.68	$13.00	$13.33	$16.05	$16.46	$16.87	$20.12	$20.62	$21.14	$21.67
Density Absorption		-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641
Total Revenue		$0	$0	$0	$1,835,285	$1,881,167	$1,797,952	$2,166,194	$2,220,349	$2,275,857	$2,714,871	$3,581,191	$3,670,721	$3,762,489
Cumulative Present Value	10%	$0	$0	$0	$1,253,524	$2,421,581	$3,436,478	$4,548,078	$5,583,887	$6,549,072	$7,595,773	$8,850,958	$10,020,563	$11,110,422
NPV		$23,325,912												
Residential														
$ psf density	$40													
Per Acre at 1X density														
Normal Land Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%
Overall Land Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82
Projected $ psf density (at 1.0X FAR)		$41.00	$42.03	$43.08	$44.15	$45.26	$46.39	$52.19	$53.49	$54.83	$61.68	$63.22	$64.80	$72.90
Density Value (adjusted for Area Specific DC)		$34.80	$35.67	$36.56	$37.47	$38.41	$39.37	$44.99	$46.12	$47.27	$53.93	$55.28	$56.66	$64.56
Density Absorption		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880
Total Revenue		$0	$0	$0	$2,670,926	$4,396,910	$5,654,800	$7,094,155	$9,911,166	$11,230,994	$20,386,681	$20,179,902	$23,009,865	$28,657,066
Cumulative Present Value	10%	$0	$0	$0	$1,824,278	$4,554,413	$7,746,401	$11,386,824	$16,010,456	$20,773,493	$28,633,442	$35,706,374	$43,038,026	$51,338,958
NPV		$154,387,444												
Retail														
$ psf density (at 0.3X FAR)	$69													
Per Acre		$900,000												
Normal Land Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Land Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51
Projected $ psf density (at 1.0X FAR)		$70.59	$72.36	$74.17	$76.02	$77.92	$79.87	$81.87	$92.10	$94.40	$96.76	$99.18	$101.66	$104.20
Density Value (adjusted for Area Specific DC)		$61.19	$62.72	$64.29	$65.90	$67.54	$69.23	$70.96	$80.92	$82.95	$85.02	$87.15	$89.33	$91.56
Density Absorption		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558
Total Revenue		$0	$0	$0	$1,631,059	$1,671,836	$1,153,305	$1,182,137	$1,348,064	$1,381,765	$1,416,310	$1,617,280	$90,983,704	$1,699,155
Cumulative Present Value	10%	$0	$0	$0	$1,114,036	$2,152,114	$2,803,125	$3,409,748	$4,038,630	$4,624,633	$5,170,682	$5,737,529	$34,727,741	$35,219,925
NPV		$38,832,913												
Hotel ($ per unit)	$15,000													
Normal Land Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Land Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38
Projected $ psf density (at 1.0X FAR)		$15,375	$15,759	$16,153	$16,557	$16,971	$17,395	$17,830	$18,276	$18,733	$19,201	$19,681	$20,173	$20,678
Density Value (adjusted for Area Specific DC)		$10,675	$10,942	$11,215	$11,496	$11,783	$12,078	$12,380	$12,689	$13,006	$13,332	$13,665	$14,007	$14,357
Density Absorption		-	-	-	-	-	225	-	-	-	-	100	-	-
Total Revenue		$0	$0	$0	$0	$0	$2,717,501	$0	$0	$0	$0	$1,366,490	$0	$0
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$1,533,959	$1,533,959	$1,533,959	$1,533,959	$1,533,959	$2,012,905	$2,012,905	$2,012,905
NPV		$2,433,489												
Total Revenue		$0	$0	$0	$6,137,270	$7,949,913	$11,323,558	$10,442,486	$13,479,578	$14,888,617	$24,517,862	$26,744,863	$117,664,290	$34,118,710
Cumulative Present Value		$0	$0	$0	$4,191,838	$9,128,108	$15,519,961	$20,878,608	$27,166,931	$33,481,158	$42,933,855	$52,307,766	$89,799,235	$99,682,210
NPV		$218,979,758												

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS REVENUE PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.70	1.74	1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	55.6063315
$35.17	$36.05	$40.55	$41.57	$42.61	$43.67	$44.76	$45.88	$47.03	$48.20	$49.41	$50.65	$51.91	$53.21	$54.54	$55.90	$57.30	
$22.21	$22.77	$26.94	$27.61	$28.30	$29.01	$29.74	$30.48	$31.24	$32.02	$32.82	$33.64	$34.48	$35.35	$36.23	$37.14	$38.06	
173,641	173,641	212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
$3,856,551	$3,952,965	$5,720,640	$5,863,656	$6,010,247	$6,160,503	$6,314,516	$4,803,482	$4,923,569	$5,046,658	$5,172,825	$5,302,145	$5,434,699	$5,570,566	$5,709,831	$5,852,576	$5,998,891	$117,600,395
$12,125,973	$13,072,281	$14,317,259	$15,477,352	$16,558,348	$17,565,639	$18,504,252	$19,153,349	$19,758,190	$20,321,791	$20,846,965	$21,336,332	$21,792,333	$22,217,243	$22,613,182	$22,982,125	$23,325,912	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.87	2.10	2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	59.7252019
$74.73	$84.07	$86.17	$88.32	$90.53	$92.80	$95.12	$97.49	$99.93	$102.43	$104.99	$107.61	$110.30	$113.06	$115.89	$118.79	$121.76	
$66.17	$75.30	$77.18	$79.11	$81.09	$83.12	$85.20	$87.33	$89.51	$91.75	$94.04	$96.39	$98.80	$101.27	$103.80	$106.40	$109.06	
818,640	894,240	918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$54,173,012	$67,337,617	$70,854,951	$75,189,607	$54,123,700	$50,719,074	$51,158,939	$31,311,847	$20,977,523	$26,159,068	$18,789,444	$25,505,401	$19,740,659	$14,255,068	$0	$0	$0	$713,488,374
$65,604,405	$81,724,495	$97,144,597	$112,020,460	$121,755,083	$130,048,057	$137,652,507	$141,883,695	$144,460,699	$147,382,095	$149,289,705	$151,643,751	$153,300,100	$154,387,444	$154,387,444	$154,387,444	$154,387,444	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.70	1.74	1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	51.7926316
$117.23	$120.16	$123.16	$126.24	$129.40	$132.63	$135.95	$139.35	$142.83	$146.40	$150.06	$153.81	$157.66	$161.60	$165.64	$169.78	$174.02	
$104.27	$106.87	$109.55	$112.29	$115.09	$117.97	$120.92	$123.94	$127.04	$130.22	$133.47	$136.81	$140.23	$143.73	$147.33	$151.01	$154.79	
18,558	18,558	10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$1,935,010	$1,983,385	$1,134,686	$1,163,053	$1,192,129	$1,221,933	$1,252,481	$1,462,517	$1,499,080	$1,536,557	$1,574,971	$1,614,346	$2,355,850	$2,414,746	$2,475,115	$2,148,289	$0	$131,048,765
$35,729,474	$36,204,280	$36,451,221	$36,681,325	$36,895,740	$37,095,535	$37,281,709	$37,479,340	$37,663,496	$37,835,095	$37,994,995	$38,143,993	$38,341,662	$38,525,853	$38,697,486	$38,832,913	$38,832,913	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.41	1.45	1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	45.0002707
$21,195	$21,724	$22,268	$22,824	$23,395	$23,980	$24,579	$25,194	$25,824	$26,469	$27,131	$27,809	$28,504	$29,217	$29,947	$30,696	$31,464	
$14,716	$15,083	$15,461	$15,847	$16,243	$16,649	$17,066	$17,492	$17,930	$18,378	$18,837	$19,308	$19,791	$20,286	$20,793	$21,313	$21,845	
-	-	125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
$0	$0	$1,932,573	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,016,564
$2,012,905	$2,012,905	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	
$59,964,573	$73,273,967	$79,642,849	$82,216,315	$61,326,077	$58,101,510	$58,725,936	$37,577,846	$27,400,172	$32,742,283	$25,537,240	$32,421,891	$27,531,209	$22,240,381	$8,184,946	$8,000,866	$5,998,891	$968,154,098
$115,472,756	$133,013,961	$150,346,566	$166,612,625	$177,642,659	$187,142,720	$195,871,957	$200,949,872	$204,315,873	$207,972,471	$210,565,155	$213,557,566	$215,867,584	$217,564,029	$218,131,600	$218,635,970	$218,979,758	

PORT LANDS MASTER DEVELOPMENT PROFORMA
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

	Total Supply (sf - per Planning Alliance Development Densities)	Infrastructure Costs ($2012)	Year # / Year	1	2	3	4	5	6	7	8	9	10	11	12	13
			Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Construction Cost Inflation	2.50%															
Land Revenues																
Office	8,570,000			$0	$0	$0	$1,835,285	$1,881,167	$1,797,952	$2,166,194	$2,220,349	$2,275,857	$2,714,871	$3,581,191	$3,670,721	$3,762,489
Residential	9,675,000			$0	$0	$0	$2,670,926	$4,396,910	$5,654,800	$7,094,155	$9,911,166	$11,230,994	$20,386,681	$20,179,902	$23,009,865	$28,657,066
Retail	1,401,000			$0	$0	$0	$1,631,059	$1,671,836	$1,153,305	$1,182,137	$1,348,064	$1,381,765	$1,416,310	$1,617,280	$90,983,704	$1,699,155
Hotel	225,000			$0	$0	$0	$0	$0	$2,717,501	$0	$0	$0	$0	$1,366,490	$0	$0
Total	19,871,000			$0	$0	$0	$6,137,270	$7,949,913	$11,323,558	$10,442,486	$13,479,578	$14,888,617	$24,517,862	$26,744,863	$117,664,290	$34,118,710
Cumulative Present Value			10%	$0	$0	$0	$4,191,838	$9,128,108	$15,519,961	$20,878,608	$27,166,931	$33,481,158	$42,933,855	$52,307,766	$89,799,235	$99,682,210
NPV				$218,979,758												
Infrastructure Costs																
Phase I		$58,000,000		$0	$19,816,667	$20,312,083	$20,819,885	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase II		$564,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$240,655,894	$246,672,292	$252,839,099
Phase III		$128,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase IV		$167,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total		$917,000,000		$0	$19,816,667	$20,312,083	$20,819,885	$0	$0	$0	$0	$0	$0	$240,655,894	$246,672,292	$252,839,099
Cumulative Present Value			10%	$0	$16,377,410	$31,638,179	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$130,206,864	$208,804,258	$282,042,739
NPV				$354,213,440												
Infrastructure Cost Adjustment (for Area Specific DC's)																
Total				$0	$0	$0	$2,191,596	$2,542,248	$3,816,943	$2,787,014	$3,278,849	$3,532,273	$4,708,487	$5,813,608	$18,009,984	$6,133,698
Cumulative Present Value			10%	$0	$0	$0	$1,496,889	$3,075,425	$5,229,990	$6,660,169	$8,189,776	$9,687,804	$11,503,130	$13,540,764	$19,279,300	$21,056,014
NPV				$40,196,873												
Net Cash Flow																
Total				$0	($19,816,667)	($20,312,083)	($12,491,020)	$10,492,161	$15,140,501	$13,229,500	$16,758,427	$18,420,890	$29,226,349	($208,097,423)	($110,998,018)	($212,586,691)
Cumulative Present Value			10%	$0	($16,377,410)	($31,638,179)	($40,169,714)	($33,654,907)	($25,108,490)	($18,319,664)	($10,501,735)	($2,689,479)	$8,578,543	($64,358,334)	($99,725,723)	($161,304,515)
NPV				($95,036,809)												

PORT LANDS MASTER DEVELOPMENT PROFORMA
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
$3,856,551	$3,952,965	$5,720,640	$5,863,656	$6,010,247	$6,160,503	$6,314,516	$4,803,482	$4,923,569	$5,046,658	$5,172,825	$5,302,145	$5,434,699	$5,570,566	$5,709,831	$5,852,576	$5,998,891	$117,600,395
$54,173,012	$67,337,617	$70,854,951	$75,189,607	$54,123,700	$50,719,074	$51,158,939	$31,311,847	$20,977,523	$26,159,068	$18,789,444	$25,505,401	$19,740,659	$14,255,068	$0	$0	$0	$713,488,374
$1,935,010	$1,983,385	$1,134,686	$1,163,053	$1,192,129	$1,221,933	$1,252,481	$1,462,517	$1,499,080	$1,536,557	$1,574,971	$1,614,346	$2,355,850	$2,414,746	$2,475,115	$2,148,289	$0	$131,048,765
$0	$0	$1,932,573	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,016,564
$59,964,573	$73,273,967	$79,642,849	$82,216,315	$61,326,077	$58,101,510	$58,725,936	$37,577,846	$27,400,172	$32,742,283	$25,537,240	$32,421,891	$27,531,209	$22,240,381	$8,184,946	$8,000,866	$5,998,891	$968,154,098
$115,472,756	$133,013,961	$150,346,566	$166,612,625	$177,642,659	$187,142,720	$195,871,957	$200,949,872	$204,315,873	$207,972,471	$210,565,155	$213,557,566	$215,867,584	$217,564,029	$218,131,600	$218,635,970	$218,979,758	
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$60,948,635
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$740,167,285
$0	$0	$61,794,055	$63,338,906	$64,922,379	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$190,055,341
$0	$0	$0	$0	$0	$0	$0	$91,216,315	$93,496,723	$95,834,141	$0	$0	$0	$0	$0	$0	$0	$280,547,179
$0	$0	$61,794,055	$63,338,906	$64,922,379	$0	$0	$91,216,315	$93,496,723	$95,834,141	$0	$0	$0	$0	$0	$0	$0	$1,271,718,440
$282,042,739	$282,042,739	$295,490,926	$308,022,191	$319,699,051	$319,699,051	$319,699,051	$332,025,164	$343,510,860	$354,213,440	$354,213,440	$354,213,440	$354,213,440	$354,213,440	$354,213,440	$354,213,440	$354,213,440	
$9,492,376	$10,392,460	$12,132,078	$11,861,659	$9,486,789	$9,170,049	$9,302,888	$6,254,700	$5,116,774	$5,786,890	$4,997,427	$5,849,569	$5,337,557	$4,774,888	$3,193,145	$3,224,668	$3,031,630	$172,220,246
$23,555,653	$26,043,525	$28,683,819	$31,030,585	$32,736,867	$34,236,244	$35,619,059	$36,464,260	$37,092,835	$37,739,104	$38,246,471	$38,786,363	$39,234,213	$39,598,430	$39,819,854	$40,023,135	$40,196,873	
$69,456,948	$83,666,427	$29,980,872	$30,739,067	$5,890,487	$67,271,559	$68,028,824	($47,383,769)	($60,979,777)	($57,304,968)	$30,534,667	$38,271,461	$32,868,766	$27,015,269	$11,378,091	$11,225,533	$9,030,521	($131,344,096)
($143,014,330)	($122,985,252)	($116,460,541)	($110,378,980)	($109,319,525)	($98,320,087)	($88,208,036)	($94,611,032)	($102,102,152)	($108,501,865)	($105,401,815)	($101,869,512)	($99,111,643)	($97,050,981)	($96,261,986)	($95,554,335)	($95,036,809)	

PORT LANDS MASTER DEVELOPMENT PROFORMA
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)
PRECINCT E1 E3

	Total Supply sf	Precinct E1 E3 Only sf	%	Infrastructure Costs ($2012)	Year #	1	2	3	4	5	6	7	8	9	10	11	12
					Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Construction Cost Inflation	2.50%																
Land Revenues																	
Office	8,570,000	980,000	11%			$0	$0	$0	$209,869	$215,116	$205,600	$247,709	$253,902	$260,250	$310,452	$409,518	$419,756
Residential	9,675,000	5,880,000	61%			$0	$0	$0	$1,623,260	$2,672,231	$3,436,716	$4,311,486	$6,023,530	$6,825,659	$12,390,045	$12,264,375	$13,984,290
Retail	1,401,000	980,000	70%			$0	$0	$0	$1,140,927	$1,169,450	$806,737	$826,906	$942,971	$966,545	$990,709	$1,131,288	$63,643,133
Hotel	225,000	0	0%			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	19,871,000	7,840,000	39%			$0	$0	$0	$2,974,056	$4,056,796	$4,449,053	$5,386,101	$7,220,403	$8,052,454	$13,691,206	$13,805,180	$78,047,179
Cumulative Present Value					10%	$0	$0	$0	$2,031,320	$4,550,272	$7,061,646	$9,825,568	$13,193,939	$16,608,966	$21,887,518	$26,726,150	$51,594,386
NPV						$123,660,278											
Infrastructure Costs																	
Phase I				$58,000,000		$0	$19,816,667	$20,312,083	$20,819,885	$0	$0	$0	$0	$0	$0	$0	$0
Phase II				$273,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$116,487,694	$119,399,886
Phase III				$32,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase IV				$65,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total				$428,000,000		$0	$19,816,667	$20,312,083	$20,819,885	$0	$0	$0	$0	$0	$0	$116,487,694	$119,399,886
Cumulative Present Value					10%	$0	$16,377,410	$31,638,179	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$86,686,667	$124,731,150
NPV						$183,029,514											
Infrastructure Cost Adjustment (for Area Specific DC's)																	
Total						$0	$0	$0	$632,215	$827,831	$900,837	$984,755	$1,265,942	$1,401,791	$2,098,014	$2,157,167	$11,041,516
Cumulative Present Value					10%	$0	$0	$0	$431,811	$945,829	$1,454,328	$1,959,663	$2,550,234	$3,144,730	$3,953,605	$4,709,679	$8,227,846
NPV						$17,440,234											
Net Cash Flow																	
Total						$0	($19,816,667)	($20,312,083)	($17,213,615)	$4,884,627	$5,349,890	$6,370,856	$8,486,345	$9,454,245	$15,789,220	($100,525,346)	($30,311,191)
Cumulative Present Value					10%	$0	($16,377,410)	($31,638,179)	($43,395,310)	($40,362,341)	($37,342,467)	($34,073,211)	($30,114,268)	($26,104,745)	($20,017,318)	($55,250,838)	($64,908,918)
NPV						($41,929,001)											

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS MASTER DEVELOPMENT PROFORMA
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)
PRECINCT E1 E3

13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
$430,250	$441,006	$452,031	$654,169	$670,523	$687,286	$704,468	$722,080	$549,290	$563,022	$577,097	$591,525	$606,313	$621,471	$637,008	$652,933	$669,256	$685,988	$13,447,886
$17,416,388	$32,923,753	$40,924,567	$43,062,234	$45,696,629	$32,893,784	$30,824,616	$31,091,944	$19,029,836	$12,749,130	$15,898,224	$11,419,321	$15,500,957	$11,997,424	$8,663,545	$0	$0	$0	$433,623,942
$1,188,559	$1,353,540	$1,387,379	$793,713	$813,556	$833,895	$854,742	$876,111	$1,023,032	$1,048,607	$1,074,822	$1,101,693	$1,129,235	$1,647,918	$1,689,116	$1,731,344	$1,502,729	$0	$91,668,658
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$19,035,196	$34,718,299	$42,763,977	$44,510,116	$47,180,708	$34,414,965	$32,383,826	$32,690,135	$20,602,157	$14,360,759	$17,550,144	$13,112,539	$17,236,505	$14,266,813	$10,989,669	$2,384,277	$2,171,985	$685,988	$538,740,486
$57,108,205	$66,250,618	$76,487,974	$86,174,672	$95,509,123	$101,698,957	$106,993,972	$111,853,152	$114,637,133	$116,401,295	$118,361,262	$119,692,521	$121,283,381	$122,480,444	$123,318,711	$123,484,045	$123,620,965	$123,660,278	
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$60,948,635
$122,384,883	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$358,272,462
$0	$0	$0	$15,448,514	$15,834,727	$16,230,595	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$47,513,835
$0	$0	$0	$0	$0	$0	$0	$0	$35,503,356	$36,390,940	$37,300,714	$0	$0	$0	$0	$0	$0	$0	$109,195,010
$122,384,883	$0	$0	$15,448,514	$15,834,727	$16,230,595	$0	$0	$35,503,356	$36,390,940	$37,300,714	$0	$0	$0	$0	$0	$0	$0	$575,929,943
$160,181,692	$160,181,692	$160,181,692	$163,543,738	$166,676,555	$169,595,770	$169,595,770	$169,595,770	$174,393,359	$178,863,839	$183,029,514	$183,029,514	$183,029,514	$183,029,514	$183,029,514	$183,029,514	$183,029,514	$183,029,514	
$2,666,198	$4,680,902	$5,200,727	$5,442,687	$5,760,123	$4,280,571	$4,050,945	$4,093,624	$2,620,249	$1,899,146	$2,276,145	$1,765,326	$2,251,421	$1,915,647	$1,540,477	$545,133	$524,971	$346,674	$73,171,033
$9,000,149	$10,232,777	$11,477,789	$12,662,277	$13,801,886	$14,571,785	$15,234,146	$15,842,638	$16,196,713	$16,430,016	$16,684,211	$16,863,437	$17,071,234	$17,231,968	$17,349,472	$17,387,273	$17,420,367	$17,440,234	
($100,683,488)	$39,399,200	$47,964,704	$34,504,289	$37,106,104	$22,464,941	$36,434,771	$36,783,759	($12,280,951)	($20,131,035)	($17,474,425)	$14,877,865	$19,487,926	$16,182,460	$12,530,146	$2,929,410	$2,696,957	$1,032,662	$35,981,576
($94,073,338)	($83,698,297)	($72,215,928)	($64,706,790)	($57,365,545)	($53,325,028)	($47,367,652)	($41,899,980)	($43,559,512)	($46,032,529)	($47,984,040)	($46,473,556)	($44,674,899)	($43,317,102)	($42,361,331)	($42,158,196)	($41,988,182)	($41,929,001)	

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS MASTER DEVELOPMENT PROFORMA
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)
PRECINCT F

	Total Supply sf	Precinct F Only sf	Precinct F Only %	Infrastructure Costs ($2012)	Year #	1	2	3	4	5	6	7	8	9	10	11	12
					Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Construction Cost Inflation	2.50%																
						1	1.025	1.050625	1.076890625	1.103812891	1.131408213	1.159693418	1.188685754	1.218402898	1.24886297	1.280084544	1.312086658
Land Revenues																	
Office	8,570,000	7,590,000	89%			$0	$0	$0	$1,625,416	$1,666,051	$1,592,352	$1,918,484	$1,966,446	$2,015,608	$2,404,419	$3,171,673	$3,250,965
Residential	9,675,000	3,795,000	39%			$0	$0	$0	$1,047,665	$1,724,680	$2,218,084	$2,782,668	$3,887,636	$4,405,336	$7,996,636	$7,915,528	$9,025,575
Retail	1,401,000	421,000	30%			$0	$0	$0	$490,133	$502,386	$346,568	$355,232	$405,093	$415,220	$425,601	$485,992	$27,340,571
Hotel	225,000	225,000	100%			$0	$0	$0	$0	$0	$2,717,501	$0	$0	$0	$0	$1,366,490	$0
Total	19,871,000	12,031,000	61%			$0	$0	$0	$3,163,214	$3,893,117	$6,874,505	$5,056,385	$6,259,175	$6,836,163	$10,826,656	$12,939,683	$39,617,111
Cumulative Present Value					10%	$0	$0	$0	$2,160,518	$4,577,837	$8,458,315	$11,053,040	$13,972,991	$16,872,192	$21,046,337	$25,581,617	$38,204,849
NPV						$95,319,480											
Infrastructure Costs																	
Phase I				$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase II				$291,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$124,168,201	$127,272,406
Phase III				$96,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase IV				$102,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total				$489,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$124,168,201	$127,272,406
Cumulative Present Value					10%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$43,520,197	$84,073,108
NPV						$171,183,926											
Infrastructure Cost Adjustment (for Area Specific DC's)																	
Total						$0	$0	$0	$1,559,381	$1,714,417	$2,916,106	$1,802,259	$2,012,907	$2,130,481	$2,610,473	$3,656,441	$6,968,469
Cumulative Present Value					10%	$0	$0	$0	$1,065,078	$2,129,597	$3,775,662	$4,700,506	$5,639,542	$6,543,074	$7,549,524	$8,831,085	$11,051,454
NPV						$22,756,639											
Net Cash Flow																	
Total						$0	$0	$0	$4,722,595	$5,607,534	$9,790,611	$6,858,644	$8,272,081	$8,966,645	$13,437,129	($107,572,077)	($80,686,826)
Cumulative Present Value					10%	$0	$0	$0	$3,225,596	$6,707,433	$12,233,978	$15,753,546	$19,612,534	$23,415,266	$28,595,861	($9,107,496)	($34,816,805)
NPV						($53,107,808)											

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS MASTER DEVELOPMENT PROFORMA
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)
PRECINCT F

13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
1.344888824	1.378511045	1.412973821	1.448298166	1.484505621	1.521618261	1.559658718	1.598650186	1.63861644	1.679581851	1.721571398	1.764610683	1.80872595	1.853944098	1.900292701	1.947800018	1.996495019	2.046407394	
$3,332,239	$3,415,545	$3,500,934	$5,066,471	$5,193,133	$5,322,961	$5,456,035	$5,592,436	$4,254,192	$4,360,547	$4,469,561	$4,581,300	$4,695,832	$4,813,228	$4,933,559	$5,056,898	$5,183,320	$5,312,903	$104,152,509
$11,240,679	$21,249,259	$26,413,050	$27,792,717	$29,492,977	$21,229,917	$19,894,459	$20,066,995	$12,282,011	$8,228,393	$10,260,844	$7,370,123	$10,004,444	$7,743,235	$5,591,523	$0	$0	$0	$279,864,432
$510,595	$581,470	$596,007	$340,973	$349,497	$358,234	$367,190	$376,370	$439,486	$450,473	$461,735	$473,278	$485,110	$707,932	$725,630	$743,771	$645,560	$0	$39,380,107
$0	$0	$0	$1,932,573	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,016,564
$15,083,513	$25,246,274	$30,509,990	$35,132,734	$35,035,607	$26,911,112	$25,717,684	$26,035,801	$16,975,690	$13,039,413	$15,192,139	$12,424,701	$15,185,387	$13,264,396	$11,250,712	$5,800,669	$5,828,880	$5,312,903	$429,413,612
$42,574,005	$49,222,138	$56,525,987	$64,171,894	$71,103,502	$75,943,702	$80,148,749	$84,018,805	$86,312,739	$87,914,579	$89,611,209	$90,872,634	$92,274,184	$93,387,140	$94,245,318	$94,647,556	$95,015,005	$95,319,480	
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$130,454,216	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$381,894,823
$0	$0	$0	$46,345,541	$47,504,180	$48,691,784	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$142,541,506
$0	$0	$0	$0	$0	$0	$0	$0	$55,712,959	$57,105,783	$58,533,428	$0	$0	$0	$0	$0	$0	$0	$171,352,169
$130,454,216	$0	$0	$46,345,541	$47,504,180	$48,691,784	$0	$0	$55,712,959	$57,105,783	$58,533,428	$0	$0	$0	$0	$0	$0	$0	$695,788,498
$121,861,047	$121,861,047	$121,861,047	$131,947,187	$141,345,636	$150,103,281	$150,103,281	$150,103,281	$157,631,805	$164,647,021	$171,183,926	$171,183,926	$171,183,926	$171,183,926	$171,183,926	$171,183,926	$171,183,926	$171,183,926	
$3,467,500	$4,811,474	$5,191,733	$6,689,391	$6,101,536	$5,206,218	$5,119,104	$5,209,264	$3,634,452	$3,217,629	$3,510,745	$3,232,101	$3,598,149	$3,421,910	$3,234,411	$2,648,012	$2,699,696	$2,684,956	$99,049,214
$12,055,865	$13,322,876	$14,565,736	$16,021,542	$17,228,699	$18,165,083	$19,002,097	$19,776,421	$20,267,547	$20,662,819	$21,054,893	$21,383,034	$21,715,128	$22,002,245	$22,248,959	$22,432,581	$22,602,768	$22,756,639	
($111,903,202)	$30,057,748	$35,701,723	($4,523,417)	($6,367,037)	($16,574,454)	$30,836,787	$31,245,064	($35,102,818)	($40,848,741)	($39,830,543)	$15,656,802	$18,783,535	$16,686,306	$14,485,123	$8,448,681	$8,528,577	$7,997,859	($167,325,672)
($67,231,177)	($59,316,032)	($50,769,324)	($51,753,751)	($53,013,435)	($55,994,497)	($50,952,435)	($46,308,056)	($51,051,520)	($56,069,623)	($60,517,825)	($58,928,258)	($57,194,613)	($55,794,541)	($54,689,650)	($54,103,790)	($53,566,153)	($53,107,808)	

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS REVENUE, COST AND RESIDUAL VALUE INDICATION SUMMARY
tw9C9ww95 DEVELOPMENT SCENARIh 1 (30 YEAR MODERATE DEMAND)
(Assumes that the Master Developer Pays Area Specific Development Charges)

			$2012		Inflated $		Present Value $	
	Density Available	Density Absorbed	Total (millions)	$psf of Absorbed Density	Total (millions)	$psf of Absorbed Density	Total (millions)	$psf of Absorbed Density
Revenues (1)								
Office	8,570,000	4,470,022	$50	$11.26	$118	$26.31	$23	$5.22
Residential	9,675,000	9,675,000	$327	$33.80	$713	$73.75	$154	$15.96
Retail	1,401,000	1,401,000	$83	$59.47	$131	$93.54	$39	$27.72
Hotel	225,000	225,000	$5	$20.60	$6	$26.74	$2	$10.82
Total	**19,871,000**	**15,771,022**	**$465**	**$29.50**	**$968**	**$61.39**	**$219**	**$13.88**
Per Acre			$1.4		$2.9		$0.6	
Development Costs								
Major	19,871,000	15,771,022	($739)	($46.83)	($1,024)	($64.94)	($285)	($18.09)
Local	19,871,000	15,771,022	($178)	($11.31)	($247)	($15.69)	($69)	($4.37)
Total	**19,871,000**	**15,771,022**	**($917)**	**($58.14)**	**($1,272)**	**($80.64)**	**($354)**	**($22.46)**
Per Acre			($2.7)		($3.8)		($1.1)	
Development Costs								
Paid For By Developer (2)	19,871,000	15,771,022	$124.2	$7.87	$172.2	$10.92	$40.2	$2.55
Per Acre			$0.4		$0.5		$0.1	
Net Cash Flow	**19,871,000**	**15,771,022**	**($328)**	**($20.77)**	**($131)**	**($8.33)**	**($95)**	**($6.03)**
Per Acre			($1.0)		($0.4)		($0.3)	

(1) Assumes that Master Developer pays Area Specific DC's, which reduces land sales revenues

(2) Area Specific DC's Paid By Developer

CUSHMAN & WAKEFIELD®
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PORT LANDS REVENUE, COST AND RESIDUAL VALUE INDICATION SUMMARY
tw9C9ww95 DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)
(Assumes that the Master Developer Pays Area Specific Development Charges)

PRECINCT	**LAND SALES REVENUES (1)**		**ALL INFRASTRUCTURE COSTS**		**INFRASTRUCTURE COST ADJUSTMENT (2)**		**RESIDUAL VALUE INDICATION**	
	**Inflated $** ($millions)	**PV $** ($millions)	**Inflated $** ($millions)	**PV $** ($millions)	**Inflated $** ($millions)	**PV $** ($millions)	**Total** ($millions)	**PV** ($millions)
E1 / E2	$539	$124	($576)	($183)	$73	$17	$36	($42)
F	$429	$95	($696)	($171)	$99	$23	($167)	($53)
Sum Total	**$968**	**$219**	**($1,272)**	**($354)**	**$172**	**$40**	**($131)**	**($95)**
Master Pro-Forma	**$968**	**$219**	**($1,272)**	**($354)**	**$172**	**$40**	**($131)**	**($95)**

(1) Assumes that Master Developer pays Area Specific DC's, which reduces land sales revenues
(2) Area Specific DC's Paid By Developer

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APPENDIX 5B: MASTER DEVELOPMENT PRO-FORMA/RESIDUAL LAND VALUE PROJECTIONS: SUPPLY-DRIVEN DEMAND

PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

	Total Supply			1	2	3	4	5	6	7	8	9	10	11	12	13
	(per Planning Alliance Development Densities)	Total Absorbed	Sensitivity Analysis - % Increase In Annual Demand	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Office (sf)	8,570,000	8,569,927	91.7%													
Annual Calc				-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641
Annual				-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905
Cumulative				-	-	-	144,701	422,122	680,804	939,486	1,198,168	1,456,850	1,715,532	2,048,437	2,381,342	2,714,248
Residential (units)	9,675	9,675														
Annual				-	-	-	66	106	133	146	199	220	350	338	376	411
Cumulative				-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345
Residential (sf)	9,675,000	9,675,000	0.0%													
Annual				-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880
Cumulative				-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600
Retail (sf)	1,401,000	1,401,000	0.0%													
Annual				-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558
Cumulative				-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468
Hotel (units)	450	450	0.0%													
Annual				-	-	-	-	-	225	-	-	-	-	100	-	-
Cumulative				-	-	-	-	-	225	225	225	225	225	325	325	325
Total (sf)	19,871,000	19,870,927														

PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
	173,641	173,641	212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
	332,905	332,905	407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
	3,047,153	3,380,058	3,787,186	4,194,315	4,601,443	5,008,571	5,415,700	5,717,851	6,020,001	6,322,152	6,624,303	6,926,453	7,228,604	7,530,755	7,832,906	8,135,056	8,437,207	
	758	828	850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
	3,103	3,931	4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
	818,640	894,240	918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
	3,351,240	4,245,480	5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
	18,558	18,558	10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
	1,207,026	1,225,584	1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
	-	-	125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
	325	325	450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	
																		19,870,927

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PORT LANDS REVENUE PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

		1	2	3	4	5	6	7	8	9	10	11	12	13
End of Year #		1	2	3	4	5	6	7	8	9	10	11	12	13
End of Year		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Office														
Current $ psf density (at 1.0X FAR)	$21													
Per Acre at 1X density		$900,000												
Normal Land Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%
Overall Land Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66
Projected $ psf density (at 1.0X FAR)		$21.18	$21.71	$22.25	$22.81	$23.38	$23.96	$26.96	$27.63	$28.32	$31.86	$32.66	$33.47	$34.31
Density Value (adjusted for Area Specific DC)		$11.78	$12.07	$12.37	$12.68	$13.00	$13.33	$16.05	$16.46	$16.87	$20.12	$20.62	$21.14	$21.67
Density Absorption		-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905
Total Revenue		$0	$0	$0	$3,518,608	$3,606,573	$3,447,033	$4,153,027	$4,256,852	$4,363,274	$5,204,951	$6,865,859	$7,037,506	$7,213,444
Cumulative Present Value	10%	$0	$0	$0	$2,403,257	$4,642,655	$6,588,415	$8,719,575	$10,705,428	$12,555,882	$14,562,616	$16,969,058	$19,211,424	$21,300,901
NPV		$44,720,439												
Residential														
$ psf density	$40													
Per Acre at 1X density														
Normal Land Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%
Overall Land Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82
Projected $ psf density (at 1.0X FAR)		$41.00	$42.03	$43.08	$44.15	$45.26	$46.39	$52.19	$53.49	$54.83	$61.68	$63.22	$64.80	$72.90
Density Value (adjusted for Area Specific DC)		$34.80	$35.67	$36.56	$37.47	$38.41	$39.37	$44.99	$46.12	$47.27	$53.93	$55.28	$56.66	$64.56
Density Absorption		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880
Total Revenue		$0	$0	$0	$2,670,926	$4,396,910	$5,654,800	$7,094,155	$9,911,166	$11,230,994	$20,386,681	$20,179,902	$23,009,865	$28,657,066
Cumulative Present Value	10%	$0	$0	$0	$1,824,278	$4,554,413	$7,746,401	$11,386,824	$16,010,456	$20,773,493	$28,633,442	$35,706,374	$43,038,026	$51,338,958
NPV		$154,387,444												
Retail														
$ psf density (at 0.3X FAR)	$69													
Per Acre		$900,000												
Normal Land Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Land Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51
Projected $ psf density (at 1.0X FAR)		$70.59	$72.36	$74.17	$76.02	$77.92	$79.87	$81.87	$92.10	$94.40	$96.76	$99.18	$101.66	$104.20
Density Value (adjusted for Area Specific DC)		$61.19	$62.72	$64.29	$65.90	$67.54	$69.23	$70.96	$80.92	$82.95	$85.02	$87.15	$89.33	$91.56
Density Absorption		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558
Total Revenue		$0	$0	$0	$1,631,059	$1,671,836	$1,153,305	$1,182,137	$1,348,064	$1,381,765	$1,416,310	$1,617,280	$90,983,704	$1,699,155
Cumulative Present Value	10%	$0	$0	$0	$1,114,036	$2,152,114	$2,803,125	$3,409,748	$4,038,630	$4,624,633	$5,170,682	$5,737,529	$34,727,741	$35,219,925
NPV		$38,832,913												
Hotel ($ per unit)	$15,000													
Normal Land Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Land Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38
Projected $ psf density (at 1.0X FAR)		$15,375	$15,759	$16,153	$16,557	$16,971	$17,395	$17,830	$18,276	$18,733	$19,201	$19,681	$20,173	$20,678
Density Value (adjusted for Area Specific DC)		$10,675	$10,942	$11,215	$11,496	$11,783	$12,078	$12,380	$12,689	$13,006	$13,332	$13,665	$14,007	$14,357
Density Absorption		-	-	-	-	-	225	-	-	-	-	100	-	-
Total Revenue		$0	$0	$0	$0	$0	$2,717,501	$0	$0	$0	$0	$1,366,490	$0	$0
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$1,533,959	$1,533,959	$1,533,959	$1,533,959	$1,533,959	$2,012,905	$2,012,905	$2,012,905
NPV		$2,433,489												
Total Revenue		$0	$0	$0	$7,820,593	$9,675,319	$12,972,639	$12,429,319	$15,516,082	$16,976,033	$27,007,942	$30,029,532	$121,031,075	$37,569,665
Cumulative Present Value		$0	$0	$0	$5,341,570	$11,349,182	$18,671,899	$25,050,105	$32,288,471	$39,487,967	$49,900,698	$60,425,865	$98,990,096	$109,872,689
NPV		$240,374,285												

PORT LANDS REVENUE PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.70	1.74	1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	55.6063315
$35.17	$36.05	$40.55	$41.57	$42.61	$43.67	$44.76	$45.88	$47.03	$48.20	$49.41	$50.65	$51.91	$53.21	$54.54	$55.90	$57.30	
$22.21	$22.77	$26.94	$27.61	$28.30	$29.01	$29.74	$30.48	$31.24	$32.02	$32.82	$33.64	$34.48	$35.35	$36.23	$37.14	$38.06	
332,905	332,905	407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
$7,393,780	$7,578,624	$10,967,610	$11,241,801	$11,522,846	$11,810,917	$12,106,190	$9,209,236	$9,439,467	$9,675,453	$9,917,340	$10,165,273	$10,419,405	$10,679,890	$10,946,887	$11,220,559	$11,501,073	$225,463,477
$23,247,915	$25,062,177	$27,449,049	$29,673,179	$31,745,664	$33,676,843	$35,476,351	$36,720,801	$37,880,401	$38,960,938	$39,967,802	$40,906,016	$41,780,261	$42,594,898	$43,353,992	$44,061,329	$44,720,439	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.87	2.10	2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	59.7252019
$74.73	$84.07	$86.17	$88.32	$90.53	$92.80	$95.12	$97.49	$99.93	$102.43	$104.99	$107.61	$110.30	$113.06	$115.89	$118.79	$121.76	
$66.17	$75.30	$77.18	$79.11	$81.09	$83.12	$85.20	$87.33	$89.51	$91.75	$94.04	$96.39	$98.80	$101.27	$103.80	$106.40	$109.06	
818,640	894,240	918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$54,173,012	$67,337,617	$70,854,951	$75,189,607	$54,123,700	$50,719,074	$51,158,939	$31,311,847	$20,977,523	$26,159,068	$18,789,444	$25,505,401	$19,740,659	$14,255,068	$0	$0	$0	$713,488,374
$65,604,405	$81,724,495	$97,144,597	$112,020,460	$121,755,083	$130,048,057	$137,652,507	$141,883,695	$144,460,699	$147,382,095	$149,289,705	$151,643,751	$153,300,100	$154,387,444	$154,387,444	$154,387,444	$154,387,444	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.70	1.74	1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	51.7926316
$117.23	$120.16	$123.16	$126.24	$129.40	$132.63	$135.95	$139.35	$142.83	$146.40	$150.06	$153.81	$157.66	$161.60	$165.64	$169.78	$174.02	
$104.27	$106.87	$109.55	$112.29	$115.09	$117.97	$120.92	$123.94	$127.04	$130.22	$133.47	$136.81	$140.23	$143.73	$147.33	$151.01	$154.79	
18,558	18,558	10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$1,935,010	$1,983,385	$1,134,686	$1,163,053	$1,192,129	$1,221,933	$1,252,481	$1,462,517	$1,499,080	$1,536,557	$1,574,971	$1,614,346	$2,355,850	$2,414,746	$2,475,115	$2,148,289	$0	$131,048,765
$35,729,474	$36,204,280	$36,451,221	$36,681,325	$36,895,740	$37,095,535	$37,281,709	$37,479,340	$37,663,496	$37,835,095	$37,994,995	$38,143,993	$38,341,662	$38,525,853	$38,697,486	$38,832,913	$38,832,913	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.41	1.45	1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	45.0002707
$21,195	$21,724	$22,268	$22,824	$23,395	$23,980	$24,579	$25,194	$25,824	$26,469	$27,131	$27,809	$28,504	$29,217	$29,947	$30,696	$31,464	
$14,716	$15,083	$15,461	$15,847	$16,243	$16,649	$17,066	$17,492	$17,930	$18,378	$18,837	$19,308	$19,791	$20,286	$20,793	$21,313	$21,845	
-	-	125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
$0	$0	$1,932,573	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,016,564
$2,012,905	$2,012,905	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	$2,433,489	
$63,501,801	$76,899,627	$84,889,820	$87,594,460	$66,838,675	$63,751,924	$64,517,609	$41,983,600	$31,916,070	$37,371,078	$30,281,755	$37,285,019	$32,515,914	$27,349,705	$13,422,002	$13,368,849	$11,501,073	$1,076,017,180
$126,594,698	$145,003,857	$163,478,356	$180,808,452	$192,829,976	$203,253,925	$212,844,056	$218,517,324	$222,438,085	$226,611,618	$229,685,991	$233,127,249	$235,855,512	$237,941,684	$238,872,410	$239,715,175	$240,374,285	

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

PORT LANDS MASTER DEVELOPMENT PROFORMA
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

	Total Supply		Year #	1	2	3	4	5	6	7	8	9	10	11	12	13
	(sf - per Planning Alliance Development Densities)	Infrastructure Costs ($2012)	Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Construction Cost Inflation	2.50%															
Land Revenues																
Office	8,570,000			$0	$0	$0	$3,518,608	$3,606,573	$3,447,033	$4,153,027	$4,256,852	$4,363,274	$5,204,951	$6,865,859	$7,037,506	$7,213,444
Residential	9,675,000			$0	$0	$0	$2,670,926	$4,396,910	$5,654,800	$7,094,155	$9,911,166	$11,230,994	$20,386,681	$20,179,902	$23,009,865	$28,657,066
Retail	1,401,000			$0	$0	$0	$1,631,059	$1,671,836	$1,153,305	$1,182,137	$1,348,064	$1,381,765	$1,416,310	$1,617,280	$90,983,704	$1,699,155
Hotel	225,000			$0	$0	$0	$0	$0	$2,717,501	$0	$0	$0	$0	$1,366,490	$0	$0
Total	19,871,000			$0	$0	$0	$7,820,593	$9,675,319	$12,972,639	$12,429,319	$15,516,082	$16,976,033	$27,007,942	$30,029,532	$121,031,075	$37,569,665
Cumulative Present Value			10%	$0	$0	$0	$5,341,570	$11,349,182	$18,671,899	$25,050,105	$32,288,471	$39,487,967	$49,900,698	$60,425,865	$98,990,096	$109,872,689
NPV				$240,374,285												
Infrastructure Costs																
Phase I		$58,000,000		$0	$19,816,667	$20,312,083	$20,819,885	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase II		$564,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$240,655,894	$246,672,292	$252,839,099
Phase III		$128,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase IV		$275,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total		$1,025,000,000		$0	$19,816,667	$20,312,083	$20,819,885	$0	$0	$0	$0	$0	$0	$240,655,894	$246,672,292	$252,839,099
Cumulative Present Value			10%	$0	$16,377,410	$31,638,179	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$130,206,864	$208,804,258	$282,042,739
NPV				$376,534,123												
Infrastructure Cost Adjustment (for Area Specific DC's)																
Total				$0	$0	$0	$3,535,089	$3,919,328	$5,133,107	$4,136,082	$4,661,643	$4,949,637	$6,161,285	$7,729,997	$19,974,283	$8,147,105
Cumulative Present Value			10%	$0	$0	$0	$2,414,513	$4,848,108	$7,745,613	$9,868,077	$12,042,768	$14,141,897	$16,517,339	$19,226,656	$25,591,078	$27,951,004
NPV				$52,894,477												
Net Cash Flow																
Total				$0	($19,816,667)	($20,312,083)	($9,464,204)	$13,594,647	$18,105,746	$16,565,401	$20,177,725	$21,925,671	$33,169,227	($202,896,366)	($105,666,934)	($207,122,330)
Cumulative Present Value			10%	$0	($16,377,410)	($31,638,179)	($38,102,358)	($29,661,151)	($19,440,930)	($10,940,260)	($1,527,202)	$7,771,423	$20,559,596	($50,554,343)	($84,223,084)	($144,219,045)
NPV				($83,265,361)												

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS MASTER DEVELOPMENT PROFORMA
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
$7,393,780	$7,578,624	$10,967,610	$11,241,801	$11,522,846	$11,810,917	$12,106,190	$9,209,236	$9,439,467	$9,675,453	$9,917,340	$10,165,273	$10,419,405	$10,679,890	$10,946,887	$11,220,559	$11,501,073	$225,463,477
$54,173,012	$67,337,617	$70,854,951	$75,189,607	$54,123,700	$50,719,074	$51,158,939	$31,311,847	$20,977,523	$26,159,068	$18,789,444	$25,505,401	$19,740,659	$14,255,068	$0	$0	$0	$713,488,374
$1,935,010	$1,983,385	$1,134,686	$1,163,053	$1,192,129	$1,221,933	$1,252,481	$1,462,517	$1,499,080	$1,536,557	$1,574,971	$1,614,346	$2,355,850	$2,414,746	$2,475,115	$2,148,289	$0	$131,048,765
$0	$0	$1,932,573	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,016,564
$63,501,801	$76,899,627	$84,889,820	$87,594,460	$66,838,675	$63,751,924	$64,517,609	$41,983,600	$31,916,070	$37,371,078	$30,281,755	$37,285,019	$32,515,914	$27,349,705	$13,422,002	$13,368,849	$11,501,073	$1,076,017,180
$126,594,698	$145,003,857	$163,478,356	$180,808,452	$192,829,976	$203,253,925	$212,844,056	$218,517,324	$222,438,085	$226,611,618	$229,685,991	$233,127,249	$235,855,512	$237,941,684	$238,872,410	$239,715,175	$240,374,285	
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$60,948,635
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$740,167,285
$0	$0	$61,794,055	$63,338,906	$64,922,379	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$190,055,341
$0	$0	$0	$0	$0	$0	$0	$150,206,507	$153,961,670	$157,810,711	$0	$0	$0	$0	$0	$0	$0	$461,978,888
$0	$0	$61,794,055	$63,338,906	$64,922,379	$0	$0	$150,206,507	$153,961,670	$157,810,711	$0	$0	$0	$0	$0	$0	$0	$1,453,150,149
$282,042,739	$282,042,739	$295,490,926	$308,022,191	$319,699,051	$319,699,051	$319,699,051	$339,996,542	$358,910,113	$376,534,123	$376,534,123	$376,534,123	$376,534,123	$376,534,123	$376,534,123	$376,534,123	$376,534,123	
$11,556,117	$12,507,795	$14,783,713	$14,579,585	$12,272,664	$12,025,570	$12,229,798	$8,481,214	$7,398,951	$8,126,121	$7,395,139	$8,307,224	$7,856,653	$7,356,962	$5,839,771	$5,937,459	$5,812,241	$230,814,534
$30,994,091	$33,988,358	$37,205,724	$40,090,218	$42,297,564	$44,263,841	$46,081,722	$47,227,794	$48,136,725	$49,044,235	$49,795,031	$50,561,755	$51,220,971	$51,782,143	$52,187,092	$52,561,386	$52,894,477	
$75,057,919	$89,407,422	$37,879,478	$38,835,139	$14,188,960	$75,777,494	$76,747,407	($99,741,693)	($114,646,649)	($112,313,512)	$37,676,894	$45,592,243	$40,372,568	$34,706,666	$19,261,773	$19,306,308	$17,313,314	($146,318,435)
($124,453,950)	($103,050,524)	($94,806,846)	($87,123,520)	($84,571,511)	($72,181,286)	($60,773,272)	($74,251,424)	($88,335,304)	($100,878,270)	($97,053,100)	($92,845,119)	($89,457,640)	($86,810,296)	($85,474,620)	($84,257,562)	($83,265,361)	

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS MASTER DEVELOPMENT PROFORMA
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS
PRECINCT E1 E3

	Total Supply sf	Precinct E1 E3 Only sf	%	Infrastructure Costs ($2012)	Year #	1	2	3	4	5	6	7	8	9	10	11	12
					Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Construction Cost Inflation	2.50%																
Land Revenues																	
Office	8,570,000	980,000	11%			$0	$0	$0	$402,361	$412,420	$394,176	$474,909	$486,781	$498,951	$595,199	$785,127	$804,756
Residential	9,675,000	5,880,000	61%			$0	$0	$0	$1,623,260	$2,672,231	$3,436,716	$4,311,486	$6,023,530	$6,825,659	$12,390,045	$12,264,375	$13,984,290
Retail	1,401,000	980,000	70%			$0	$0	$0	$1,140,927	$1,169,450	$806,737	$826,906	$942,971	$966,545	$990,709	$1,131,288	$63,643,133
Hotel	225,000	0	0%			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total	19,871,000	7,840,000	39%			$0	$0	$0	$3,166,548	$4,254,101	$4,637,629	$5,613,300	$7,453,283	$8,291,155	$13,975,953	$14,180,790	$78,432,179
Cumulative Present Value					10%	$0	$0	$0	$2,162,795	$4,804,257	$7,422,078	$10,302,588	$13,779,600	$17,295,859	$22,684,193	$27,654,474	$52,645,383
NPV						$126,106,794											
Infrastructure Costs																	
Phase I				$58,000,000		$0	$19,816,667	$20,312,083	$20,819,885	$0	$0	$0	$0	$0	$0	$0	$0
Phase II				$273,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$116,487,694	$119,399,886
Phase III				$32,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase IV				$65,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total				$428,000,000		$0	$19,816,667	$20,312,083	$20,819,885	$0	$0	$0	$0	$0	$0	$116,487,694	$119,399,886
Cumulative Present Value					10%	$0	$16,377,410	$31,638,179	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$45,858,441	$86,686,667	$124,731,150
NPV						$183,029,514											
Infrastructure Cost Adjustment (for Area Specific DC's)																	
Total						$0	$0	$0	$785,846	$985,303	$1,051,343	$1,139,024	$1,424,068	$1,563,870	$2,264,145	$2,376,311	$11,266,138
Cumulative Present Value					10%	$0	$0	$0	$536,743	$1,148,539	$1,741,995	$2,326,495	$2,990,833	$3,654,066	$4,526,992	$5,359,875	$8,949,613
NPV						$18,892,236											
Net Cash Flow																	
Total						$0	($19,816,667)	($20,312,083)	($16,867,491)	$5,239,404	$5,688,973	$6,752,324	$8,877,350	$9,855,025	$16,240,098	($99,930,593)	($29,701,569)
Cumulative Present Value					10%	$0	($16,377,410)	($31,638,179)	($43,158,903)	($39,905,645)	($36,694,368)	($33,229,358)	($29,088,009)	($24,908,516)	($18,647,256)	($53,672,319)	($63,136,154)
NPV						($38,030,485)											

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS MASTER DEVELOPMENT PROFORMA
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS
PRECINCT E1 E3

13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
$824,875	$845,496	$866,634	$1,254,172	$1,285,527	$1,317,665	$1,350,607	$1,384,372	$1,053,098	$1,079,426	$1,106,411	$1,134,071	$1,162,423	$1,191,484	$1,221,271	$1,251,803	$1,283,098	$1,315,175	$25,782,288
$17,416,388	$32,923,753	$40,924,567	$43,062,234	$45,696,629	$32,893,784	$30,824,616	$31,091,944	$19,029,836	$12,749,130	$15,898,224	$11,419,321	$15,500,957	$11,997,424	$8,663,545	$0	$0	$0	$433,623,942
$1,188,559	$1,353,540	$1,387,379	$793,713	$813,556	$833,895	$854,742	$876,111	$1,023,032	$1,048,607	$1,074,822	$1,101,693	$1,129,235	$1,647,918	$1,689,116	$1,731,344	$1,502,729	$0	$91,668,658
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$19,429,821	$35,122,789	$43,178,580	$45,110,119	$47,795,712	$35,045,344	$33,029,965	$33,352,427	$21,105,965	$14,877,163	$18,079,458	$13,655,085	$17,792,615	$14,836,826	$11,573,932	$2,983,147	$2,785,827	$1,315,175	$551,074,888
$58,273,510	$67,522,438	$77,859,047	$87,676,323	$97,132,450	$103,435,663	$108,836,326	$113,793,952	$116,646,013	$118,473,613	$120,492,693	$121,879,034	$123,521,221	$124,766,112	$125,648,945	$125,855,806	$126,031,423	$126,106,794	
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$60,948,635
$122,384,883	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$358,272,462
$0	$0	$0	$15,448,514	$15,834,727	$16,230,595	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$47,513,835
$0	$0	$0	$0	$0	$0	$0	$0	$35,503,356	$36,390,940	$37,300,714	$0	$0	$0	$0	$0	$0	$0	$109,195,010
$122,384,883	$0	$0	$15,448,514	$15,834,727	$16,230,595	$0	$0	$35,503,356	$36,390,940	$37,300,714	$0	$0	$0	$0	$0	$0	$0	$575,929,943
$160,181,692	$160,181,692	$160,181,692	$163,543,738	$166,676,555	$169,595,770	$169,595,770	$169,595,770	$174,393,359	$178,863,839	$183,029,514	$183,029,514	$183,029,514	$183,029,514	$183,029,514	$183,029,514	$183,029,514	$183,029,514	
$2,896,436	$4,916,896	$5,442,620	$5,745,908	$6,070,924	$4,599,142	$4,377,481	$4,428,324	$2,874,856	$2,160,118	$2,543,642	$2,039,510	$2,532,459	$2,203,712	$1,835,743	$847,781	$835,185	$664,644	$79,871,430
$9,788,608	$11,083,380	$12,386,300	$13,636,777	$14,837,877	$15,665,073	$16,380,826	$17,039,068	$17,427,549	$17,692,911	$17,976,980	$18,184,043	$18,417,779	$18,602,682	$18,742,708	$18,801,496	$18,854,146	$18,892,236	
($100,058,626)	$40,039,685	$48,621,200	$35,407,513	$38,031,910	$23,413,891	$37,407,445	$37,780,750	($11,522,535)	($19,353,659)	($16,677,614)	$15,694,596	$20,325,075	$17,040,538	$13,409,676	$3,830,928	$3,621,012	$1,979,819	$55,016,374
($92,119,574)	($81,575,873)	($69,936,345)	($62,230,638)	($54,706,228)	($50,495,033)	($44,378,617)	($38,762,749)	($40,319,796)	($42,697,315)	($44,559,840)	($42,966,437)	($41,090,514)	($39,660,720)	($38,637,861)	($38,372,212)	($38,143,945)	($38,030,485)	

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS MASTER DEVELOPMENT PROFORMA
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS
PRECINCT F

	Total Supply sf	Precinct F Only sf	Precinct F Only %	Infrastructure Costs ($2012)	Year # / Year	1 / 2012	2 / 2013	3 / 2014	4 / 2015	5 / 2016	6 / 2017	7 / 2018	8 / 2019	9 / 2020	10 / 2021	11 / 2022	12 / 2023
Construction Cost Inflation	2.50%																
Land Revenues																	
Office	8,570,000	7,590,000	89%			$0	$0	$0	$3,116,247	$3,194,153	$3,052,857	$3,678,118	$3,770,071	$3,864,323	$4,609,753	$6,080,732	$6,232,750
Residential	9,675,000	3,795,000	39%			$0	$0	$0	$1,047,665	$1,724,680	$2,218,084	$2,782,668	$3,887,636	$4,405,336	$7,996,636	$7,915,528	$9,025,575
Retail	1,401,000	421,000	30%			$0	$0	$0	$490,133	$502,386	$346,568	$355,232	$405,093	$415,220	$425,601	$485,992	$27,340,571
Hotel	225,000	225,000	100%			$0	$0	$0	$0	$0	$2,717,501	$0	$0	$0	$0	$1,366,490	$0
Total	19,871,000	12,031,000	61%			$0	$0	$0	$4,654,045	$5,421,219	$8,335,010	$6,816,018	$8,062,799	$8,684,879	$13,031,989	$15,848,742	$42,598,896
Cumulative Present Value					10%	$0	$0	$0	$3,178,775	$6,544,925	$11,249,821	$14,747,516	$18,508,872	$22,192,108	$27,216,504	$32,771,392	$46,344,713
NPV						$114,267,491											
Infrastructure Costs																	
Phase I				$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase II				$291,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$124,168,201	$127,272,406
Phase III				$96,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Phase IV				$210,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total				$597,000,000		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$124,168,201	$127,272,406
Cumulative Present Value					10%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$43,520,197	$84,073,108
NPV						$193,504,609											
Infrastructure Cost Adjustment (for Area Specific DC's)																	
Total						$0	$0	$0	$2,749,243	$2,934,025	$4,081,763	$2,997,058	$3,237,576	$3,385,767	$3,897,141	$5,353,686	$8,708,145
Cumulative Present Value					10%	$0	$0	$0	$1,877,770	$3,699,568	$6,003,617	$7,541,582	$9,051,935	$10,487,831	$11,990,347	$13,866,781	$16,641,465
NPV						$34,002,242											
Net Cash Flow																	
Total						$0	$0	$0	$7,403,288	$8,355,244	$12,416,773	$9,813,076	$11,300,375	$12,070,646	$16,929,130	($102,965,773)	($75,965,365)
Cumulative Present Value					10%	$0	$0	$0	$5,056,545	$10,244,494	$17,253,439	$22,289,098	$27,560,807	$32,679,939	$39,206,851	$3,117,976	($21,086,930)
NPV						($45,234,876)											

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PORT LANDS MASTER DEVELOPMENT PROFORMA
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS
PRECINCT F

13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
$6,388,569	$6,548,283	$6,711,990	$9,713,438	$9,956,274	$10,205,181	$10,460,310	$10,721,818	$8,156,138	$8,360,041	$8,569,042	$8,783,268	$9,002,850	$9,227,921	$9,458,619	$9,695,084	$9,937,462	$10,185,898	$199,681,189
$11,240,679	$21,249,259	$26,413,050	$27,792,717	$29,492,977	$21,229,917	$19,894,459	$20,066,995	$12,282,011	$8,228,393	$10,260,844	$7,370,123	$10,004,444	$7,743,235	$5,591,523	$0	$0	$0	$279,864,432
$510,595	$581,470	$596,007	$340,973	$349,497	$358,234	$367,190	$376,370	$439,486	$450,473	$461,735	$473,278	$485,110	$707,932	$725,630	$743,771	$645,560	$0	$39,380,107
$0	$0	$0	$1,932,573	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,016,564
$18,139,843	$28,379,012	$33,721,047	$39,779,701	$39,798,748	$31,793,332	$30,721,959	$31,165,183	$20,877,635	$17,038,907	$19,291,620	$16,626,669	$19,492,404	$17,679,089	$15,775,772	$10,438,856	$10,583,022	$10,185,898	$524,942,293
$51,599,179	$59,072,260	$67,144,810	$75,802,032	$83,676,002	$89,394,313	$94,417,598	$99,050,104	$101,871,311	$103,964,472	$106,118,925	$107,806,957	$109,606,028	$111,089,400	$112,292,739	$113,016,605	$113,683,752	$114,267,491	
$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
$130,454,216	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$381,894,823
$0	$0	$0	$46,345,541	$47,504,180	$48,691,784	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$142,541,506
$0	$0	$0	$0	$0	$0	$0	$0	$114,703,151	$117,570,730	$120,509,998	$0	$0	$0	$0	$0	$0	$0	$352,783,878
$130,454,216	$0	$0	$46,345,541	$47,504,180	$48,691,784	$0	$0	$114,703,151	$117,570,730	$120,509,998	$0	$0	$0	$0	$0	$0	$0	$877,220,206
$121,861,047	$121,861,047	$121,861,047	$131,947,187	$141,345,636	$150,103,281	$150,103,281	$150,103,281	$165,603,184	$180,046,274	$193,504,609	$193,504,609	$193,504,609	$193,504,609	$193,504,609	$193,504,609	$193,504,609	$193,504,609	
$5,250,669	$6,639,222	$7,065,174	$9,037,806	$8,508,661	$7,673,522	$7,648,089	$7,801,474	$5,606,358	$5,238,833	$5,582,480	$5,355,629	$5,774,765	$5,652,942	$5,521,218	$4,991,990	$5,102,273	$5,147,597	$150,943,104
$18,162,396	$19,910,711	$21,602,058	$23,568,948	$25,252,341	$26,632,491	$27,883,015	$29,042,654	$29,800,245	$30,443,814	$31,067,255	$31,610,989	$32,143,976	$32,618,289	$33,039,435	$33,385,596	$33,707,240	$34,002,242	
($107,063,704)	$35,018,234	$40,786,221	$2,471,965	$803,229	($9,224,931)	$38,370,049	$38,966,657	($88,219,158)	($95,292,990)	($95,635,898)	$21,982,298	$25,267,169	$23,332,030	$21,296,990	$15,430,845	$15,685,295	$15,333,495	($201,334,809)
($52,099,472)	($42,878,076)	($33,114,179)	($32,576,208)	($32,417,293)	($34,076,478)	($27,802,668)	($22,010,523)	($33,931,628)	($45,637,988)	($56,318,429)	($54,086,663)	($51,754,605)	($49,796,920)	($48,172,435)	($47,102,409)	($46,113,617)	($45,234,876)	

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PORT LANDS REVENUE, COST AND RESIDUAL VALUE INDICATION SUMMARY
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS
(Assumes that the Master Developer Pays Area Specific Development Charges)

SUPPLY-DRIVEN SCE SUPPLY-DRIVEN SCENARIO			$2012		Inflated $		Present Value $	
	Density Available	Density Absorbed	Total (millions)	$psf of Absorbed Density	Total (millions)	$psf of Absorbed Density	Total (millions)	$psf of Absorbed Density
Revenues (1)								
Office	8,570,000	8,569,927	$97	$11.26	$225	$26.31	$45	$5.22
Residential	9,675,000	9,675,000	$327	$33.80	$713	$73.75	$154	$15.96
Retail	1,401,000	1,401,000	$83	$59.47	$131	$93.54	$39	$27.72
Hotel	225,000	225,000	$5	$20.60	$6	$26.74	$2	$10.82
Total	**19,871,000**	**19,870,927**	**$511**	**$25.74**	**$1,076**	**$54.15**	**$240**	**$12.10**
Per Acre			$1.5		$3.2		$0.7	
Development Costs								
Major	19,871,000	19,870,927	($739)	($37.17)	($1,047)	($52.69)	($271)	($13.65)
Local	19,871,000	19,870,927	($286)	($14.42)	($406)	($20.44)	($105)	($5.30)
Total	**19,871,000**	**19,870,927**	**($1,025)**	**($51.58)**	**($1,453)**	**($73.13)**	**($377)**	**($18.95)**
Per Acre			($3.0)		($4.3)		($1.1)	
Development Costs								
Paid For By Developer (2)	19,871,000	19,870,927	$162.8	$8.19	$230.8	$11.62	$52.9	$2.66
Per Acre			$0.5		$0.7		$0.2	
Net Cash Flow	**19,871,000**	**19,870,927**	**($351)**	**($17.65)**	**($146)**	**($7.36)**	**($83)**	**($4.19)**
Per Acre			($1.0)		($0.4)		($0.2)	

(1) Assumes that Master Developer pays Area Specific DC's, which reduces land sales revenues
(2) Area Specific DC's Paid By Developer

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

PORT LANDS REVENUE, COST AND RESIDUAL VALUE INDICATION SUMMARY
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS
(Assumes that the Master Developer Pays Area Specific Development Charges)

PRECINCT	LAND SALES REVENUES (1)		ALL INFRASTRUCTURE COSTS		INFRASTRUCTURE COST ADJUSTMENT (2)		RESIDUAL VALUE INDICATION	
	Inflated $ ($millions)	PV $ ($millions)	Inflated $ ($millions)	PV $ ($millions)	Inflated $ ($millions)	PV $ ($millions)	Total ($millions)	PV ($millions)
E1 / E2	$551	$126	($576)	($183)	$80	$19	$55	($38)
F	$525	$114	($877)	($194)	$151	$34	($201)	($45)
Sum Total	**$1,076**	**$240**	**($1,453)**	**($377)**	**$231**	**$53**	**($146)**	**($83)**
Master Pro-Forma	**$1,076**	**$240**	**($1,453)**	**($377)**	**$231**	**$53**	**($146)**	**($83)**

(1) Assumes that Master Developer pays Area Specific DC's, which reduces land sales revenues
(2) Area Specific DC's Paid By Developer

CUSHMAN & WAKEFIELD® VALUATION & ADVISORY

Appendix 6: High Density Residential Land Sales

REALNET

INVESTMENT PARAMETERS ANALYSIS

Report for Residential Land Sales
Analysis Date: 2012-04-12
Record Set Total: 66 records

	Average	Low	High	Total
Sale Date		2011-04-15	2012-04-03	
Land Area (Acres)	0.54	0.04	5.31	35.24
Total Price	$15,477,831	$1,440,000	$142,500,000	$1,021,536,820
Price/Acre	$0	$0	$0	
Price/Sf Buildable	$64.28	$26.00	$132.00	
Price/Unit Buildable	$62,824	$17,695	$207,143	

Status	Date	Transaction Name	Municipality	Price	Size (Acres)	Price/Acre	Price/Sf Buildable	Price/Unit Buildable	Land Use
Final	2011-04-15	324 & 332 Richmond Street West	Toronto	$10,400,000.00	0.293		$60.00	$44,915.00	High Density
Final	2011-04-20	326 Richmond Street West	Toronto	$1,500,000.00	0.037		$60.00	$44,915.00	High Density
Draft	2011-04-27	581 Wellington Street West	Toronto	$2,390,000.00	0.108				High Density
Final	2011-05-09	250 Front Street East	Toronto	$27,300,000.00	1.226		$51.00		High Density
Final	2011-05-17	8,10 & 12 Gladstone Avenue	Toronto	$3,670,000.00	0.348		$48.00	$42,674.00	High Density
Final	2011-05-24	306, 310, 318 & 322 Richmond Street West	Toronto	$20,800,000.00	0.359		$64.00	$55,764.00	High Density
Final	2011-06-02	200 Bloor Street West	Toronto	$6,180,000.00	0.1		$57.00	$80,689.00	High Density
Final	2011-05-31	434 - 436 Adelaide Street West	Toronto	$2,000,000.00	0.076				High Density
Final	2011-06-13	11 Peel Avenue	Toronto	$11,500,000.00	1.48		$30.00	$28,465.00	High Density
Final	2011-06-17	297 College Street	Toronto	$11,000,000.00	0.553		$55.00	$47,009.00	High Density
Final	2011-06-21	460 Yonge Street	Toronto	$22,000,000.00	0.44		$49.00	$36,728.00	High Density
Draft	2011-06-21	145 Davenport Road	Toronto	$4,760,000.00	0.287				High Density
Final	2011-06-29	635 King Street East	Toronto	$13,000,000.00	1.868		$32.00	$32,249.00	High Density
Draft	2011-06-30	625 Yonge Street	Toronto	$11,500,000.00	0.22				High Density
Final	2011-06-24	263 Adelaide Street West	Toronto	$16,500,000.00	0.355		$32.00		High Density
Final	2011-07-05	837 Broadview Avenue	Toronto	$2,900,000.00	0.408		$118.00	$207,143.00	Low Density
Final	2011-07-15	90 Harbour Street	Toronto	$76,000,000.00	2.494		$37.00	$27,507.00	High Density
Final	2011-07-21	103 - 111 Bathurst Street	Toronto	$17,910,000.00	0.459		$83.00	$70,235.00	High Density
Final	2011-07-28	183 Front Street East	Toronto	$20,000,000.00	1.035				High Density
Final	2011-08-02	1495 - 1499 Yonge Street	Toronto	$12,000,000.00	0.173				High Density
Draft	2011-08-08	2273 - 2279 Yonge Street	Toronto	$10,200,000.00	0.143				High Density
Final	2011-08-17	2360 - 2378 Yonge Street	Toronto	$16,500,000.00	0.364		$52.00		High Density
Final	2011-07-28	170 Spadina Avenue	Toronto	$7,110,000.00	0.323		$40.00	$38,226.00	High Density
Final	2011-09-09	215, 219 & 223 St. Clair Avenue West and 270 Poplar Plains Road	Toronto	$10,000,000.00	0.592		$66.00	$58,140.00	High Density
Final	2011-09-08	81 Wellesley Street East	Toronto	$4,500,000.00	0.233		$82.00		High Density
Final	2011-09-16	1000 Bay Street	Toronto	$20,000,000.00	0.294		$117.00	$75,314.00	High Density
Final	2011-09-26	60 & 70 Colborne Street & 101 King Street East	Toronto	$19,250,000.00	0.423		$91.00	$68,505.00	High Density
Draft	2011-09-27	10 Eglinton Avenue East	Toronto	$8,500,000.00	0.121				High Density
Final	2011-10-04	2803 Dundas Street West	Toronto	$2,775,000.00	0.431		$26.00	$25,935.00	High Density
Draft	2011-10-12	2281 - 2285 Yonge Street	Toronto	$8,600,000.00	0.343				High Density
Draft	2011-10-12	40 - 42 Westmoreland Avenue	Toronto	$1,900,000.00	0.359			$111,765.00	High Density
Final	2011-10-17	177, 183 & 197 Front Street East	Toronto	$70,000,000.00	2.645		$58.00		High Density
Draft	2011-10-27	2131 Yonge Street & 32 Hillsdale Avenue East	Toronto	$40,360,800.00	1.569				High Density

Draft	2011-10-31	25 Roehampton Avenue	Toronto	$5,950,000.00	0.262				High Density
Draft	2011-11-16	31-35 Helendale Avenue	Toronto	$5,700,000.00	0.333				High Density
Final	2011-11-18	984 Bay Street	Toronto	$10,750,000.00	0.141		$117.00	$75,314.00	High Density
Final	2011-06-29	990 Bay Street	Toronto	$5,250,000.00	0.072		$117.00	$75,314.00	High Density
Draft	2011-11-16	185 Davenport Road	Toronto	$5,801,000.00	0.076				High Density
Final	2011-06-07	161 Eglinton Avenue East	Toronto	$12,601,000.00	0.32		$56.00	$48,415.00	High Density
Final	2011-09-02	173 Eglinton Avenue East	Toronto	$5,700,000.00	0.242		$56.00	$48,415.00	High Density
Final	2011-11-02	355 King Street West & 119 Blue Jays Way	Toronto	$71,250,000.00	0.897		$118.00	$131,458.00	High Density
Draft	2011-12-15	543 - 553 Richmond Street West	Toronto	$25,581,520.00	1.351				High Density
Draft	2011-12-15	120 Grangeway Avenue	Toronto	$22,600,000.00	5.31				High Density
Draft	2011-12-16	2 Cusack Court	Toronto	$2,100,000.00	0.139				High Density
Final	2011-12-15	716 Sheppard Avenue West	Toronto	$1,440,000.00	0.285		$46.00	$48,093.00	High Density
Draft	2011-12-16	45 Camden Street	Toronto	$2,300,000.00	0.067		$26.00	$17,695.00	High Density
Draft	2011-12-19	90 Eglinton Avenue West	Toronto	$14,500,000.00	0.431				High Density
Final	2011-12-30	66 - 70 Temperance Street	Toronto	$39,000,000.00	0.279		$72.00		High Density
Draft	2012-01-06	74 Bathurst Street	Toronto	$2,600,000.00	0.143				High Density
Draft	2012-01-04	846 Yonge Street	Toronto	$3,700,000.00	0.05				High Density
Draft	2011-12-29	709 Queen Street East	Toronto	$2,050,000.00	0.083				High Density
Draft	2012-01-12	16 Widmer Street	Toronto	$2,150,000.00	0.059				High Density
Final	2011-11-01	998 College Street	Toronto	$2,200,000.00	0.254		$42.00	$39,286.00	High Density
Draft	2012-01-20	313-315 Adelaide Street West	Toronto	$8,000,000.00	0.181				High Density
Final	2012-01-20	197 Yonge Street	Toronto	$23,500,000.00	0.464		$45.00	$34,207.00	High Density
Draft	2011-12-02	202 Bathurst Street	Toronto	$1,446,000.00	0.089				High Density
Final	2012-01-25	81 Peter Street	Toronto	$27,512,500.00	0.398		$60.00	$50,389.00	High Density
Final	2011-08-12	81 Peter Street	Toronto	$7,450,000.00	0.158				High Density
Draft	2012-01-31	109-117 Ossington Avenue	Toronto	$3,300,000.00	0.315				High Density
Final	2012-01-10	140 Yorkville Avenue	Toronto	$4,218,000.00	0.074				High Density
Final	2012-02-22	1060 Sheppard Avenue West	Toronto	$3,180,000.00					High Density
Draft	2012-03-09	759 - 763 Queen Street East	Toronto	$2,226,000.00	0.148				High Density
Final	2012-03-16	282 St. Clair Avenue West	Toronto	$7,750,000.00	0.551		$64.00	$59,160.00	High Density
Final	2012-03-29	21 Avenue Road	Toronto	$142,500,000.00	0.962		$132.00	$161,382.00	High Density
Final	2012-03-29	40 Scott Street	Toronto	$30,000,000.00	0.815		$55.00	$62,241.00	High Density
Draft	2012-04-03	426-432 Adelaide Street West	Toronto	$4,225,000.00	0.134				High Density

APPENDIX 7: WATERFRONT LAND SALES

WATERFRONT LAND SALES (January 1, 2010 to Date)												
#	PROPERTY ADDRESS	MUNICIPALITY	ESTATE TYPE	SALE DATE	VENDOR	PURCHASER	SALE PRICE	ACRES	GFA	$/ACRE	$/SF BUILDABLE	NOTES
1	2 Eastern / 90 Trinity	Toronto	Fee Simple	October 13, 2010	NBEG Technologies	Streetcar Developments	$3,400,000	0.267	66,984	$12,734,082	$51	Residential Land Sale
2	2 Eastern / 90 Trinity	Toronto	Fee Simple	March 2, 2011	Goldero Properties	NBEG Technologies	$2,200,000	0.267	66,984	$8,239,700	$33	Residential Land Sale
3	629 Eastern	Toronto	Fee Simple	November 24, 2010	Rose Eastern Strata Ltd.	Calloway REIT	$24,650,393	18.47	85,003	$1,334,618	n/a	Commercial Land Sale (Auto Dealerships)
4	90 Harbour	Toronto	Fee Simple	July 15, 2011	Province of Ontario	Menkes Developments	$76,000,000	2.494	2,072,299	$30,473,136	$37	Residential, Office and Retail land sale
5	162 Queens Quay East	Toronto	Fee Simple	January 19, 2011	Gerness Investments	R. Eric Feige, ASO	$8,100,000	0.691	n/a	$11,722,142	n/a	Residential Land Sale
6	21 Don Valley Parkway	Toronto	Fee Simple	January 20, 2010	Unilever Canada	First Gulf	$22,000,000	28.81	n/a	$763,624	n/a	Residential / Mixed Use Land Sale
7	Unwin Avenue	Toronto	Fee Simple	October 28, 2011	Ontario Power Generation	Hydro One Networks	$1,973,750	0.52	n/a	$3,795,673	n/a	Insitutional Land Sale
8	18 Lower Jarvis1 & 3 Market Street	Toronto	Fee Simple	May 31, 2010	Gross Realty Corporation	Context Developments	$14,950,304	1.425	611,976	$10,491,441	$24	Residential Land Sale
	Source: RealNet Canada											

APPENDIX 8: PORT LANDS 2012 VALUE BENCHMARK ASSUMPTIONS

CURRENT SERVICED LAND VALUE BENCHMARKS - PORT LANDS

	Value Per Acre	FAR	Equivalent $psf of Density		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Normal Land Value Growth					2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium					0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%
Overall Land Value Growth Factor				1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58
Office	$900,000	1.00	$20.66		$21.18	$21.71	$22.25	$22.81	$23.38	$23.96	$26.96	$27.63	$28.32	$31.86	$32.66
Residential	n/a	n/a	$40.00		$41.00	$42.03	$43.08	$44.15	$45.26	$46.39	$52.19	$53.49	$54.83	$61.68	$63.22
Retail	$900,000	0.30	$68.87		$70.59	$72.36	$74.17	$76.02	$77.92	$79.87	$81.87	$92.10	$94.40	$96.76	$99.18
Hotel (per room)	n/a	n/a	$15,000		$15,375	$15,759	$16,153	$16,557	$16,971	$17,395	$17,830	$18,276	$18,733	$19,201	$19,681

	2023	2024	2025	2026	2027	2028	2029	2030	2031
Normal Land Value Growth	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium	0%	0%	0%	0%	10%	0%	0%	0%	0%
Overall Land Value Growth Factor	1.62	1.66	1.70	1.74	1.96	2.01	2.06	2.11	2.17
Office	$33.47	$34.31	$35.17	$36.05	$40.55	$41.57	$42.61	$43.67	$44.76
Residential	$64.80	$72.90	$74.73	$84.07	$86.17	$88.32	$90.53	$92.80	$95.12
Retail	$101.66	$104.20	$117.23	$120.16	$123.16	$126.24	$129.40	$132.63	$135.95
Hotel (per room)	$20,173	$20,678	$21,195	$21,724	$22,268	$22,824	$23,395	$23,980	$24,579

APPENDIX 9A: CITY CASH FLOW IMPACT PROJECTIONS: MODERATE DEMAND

PROJECTED CASHFLOWS TO THE CITY OF TORONTO
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

		City Owned Share (%)	Year #	1	2	3	4	5	6	7	8	9	10	11	12	13
			Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
LAND SALES REVENUES																
(from City Owned Lands, excluding long term leased lands)																
Precincts E1 E3		38%		$0	$0	$0	$1,130,141	$1,541,583	$1,690,640	$2,046,718	$2,743,753	$3,059,932	$5,202,658	$5,245,968	$29,657,928	$7,233,375
Precinct F		22%		$0	$0	$0	$695,907	$856,486	$1,512,391	$1,112,405	$1,377,018	$1,503,956	$2,381,864	$2,846,730	$8,715,764	$3,318,373
Total				$0	$0	$0	$1,826,048	$2,398,068	$3,203,031	$3,159,123	$4,120,772	$4,563,888	$7,584,523	$8,092,699	$38,373,692	$10,551,748
Cumulative Present Value	10%			$0	$0	$0	$1,247,216	$2,736,227	$4,544,255	$6,165,385	$8,087,755	$10,023,289	$12,947,451	$15,783,893	$28,010,933	$31,067,399
NPV				$67,961,191												
LAND SALES REVENUES																
(from City Owned long term leased lands, at 50% of benchmark value)																
Precincts E1 E3		30%		$0	$0	$0	$449,377	$612,977	$672,247	$813,834	$1,090,995	$1,216,717	$2,068,726	$2,085,948	$11,792,843	$2,876,197
Precinct F		40%		$0	$0	$0	$637,036	$784,030	$1,384,449	$1,018,300	$1,260,528	$1,376,727	$2,180,368	$2,605,908	$7,978,446	$3,037,652
Total				$0	$0	$0	$1,086,413	$1,397,008	$2,056,696	$1,832,134	$2,351,523	$2,593,444	$4,249,094	$4,691,856	$19,771,289	$5,913,849
Cumulative Present Value	10%			$0	$0	$0	$742,035	$1,609,467	$2,770,418	$3,710,592	$4,807,595	$5,907,468	$7,545,678	$9,190,145	$15,489,887	$17,202,919
NPV				$37,881,216												
AREA SPECIFIC CHARGE REVENUE																
(From All Lands)																
Precincts E1 E3				$0	$0	$0	$632,215	$827,831	$900,837	$984,755	$1,265,942	$1,401,791	$2,098,014	$2,157,167	$11,041,516	$2,666,198
Precinct F				$0	$0	$0	$1,559,381	$1,714,417	$2,916,106	$1,802,259	$2,012,907	$2,130,481	$2,610,473	$3,656,441	$6,968,469	$3,467,500
Total				$0	$0	$0	$2,191,596	$2,542,248	$3,816,943	$2,787,014	$3,278,849	$3,532,273	$4,708,487	$5,813,608	$18,009,984	$6,133,698
Cumulative Present Value	10%			$0	$0	$0	$1,496,889	$3,075,425	$5,229,990	$6,660,169	$8,189,776	$9,687,804	$11,503,130	$13,540,764	$19,279,300	$21,056,014
NPV				$40,196,873												
DEVELOPMENT COSTS																
(Major and Local Costs for City Owned Lands, proportionally allocated)																
Precincts E1 E3		68%		$0	($13,518,886)	($13,856,859)	($14,203,280)	$0	$0	$0	$0	$0	$0	($79,467,649)	($81,454,340)	($83,490,698)
Precinct F		62%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($77,329,196)	($79,262,426)	($81,243,987)
Total				$0	($13,518,886)	($13,856,859)	($14,203,280)	$0	$0	$0	$0	$0	$0	($156,796,845)	($160,716,766)	($164,734,685)
Cumulative Present Value	10%			$0	($11,172,633)	($21,583,496)	($31,284,528)	($31,284,528)	($31,284,528)	($31,284,528)	($31,284,528)	($31,284,528)	($31,284,528)	($86,240,865)	($137,450,180)	($185,167,950)
NPV				($231,471,877)												
DEVELOPMENT COSTS																
(Major Costs for Non-City Owned Lands)																
Precincts E1 E3		32%		$0	$ (6,297,780)	$ (6,455,225)	$ (6,616,605)	$0	$0	$0	$0	$0	$0	$ (30,506,958)	$ (31,269,632)	$ (32,051,373)
Precinct F		38%		$0	$ -	$ -	$ -	$0	$0	$0	$0	$0	$0	$ (45,436,249)	$ (46,572,155)	$ (47,736,459)
Total				$0	($6,297,780)	($6,455,225)	($6,616,605)	$0	$0	$0	$0	$0	$0	($75,943,207)	($77,841,787)	($79,787,832)
Cumulative Present Value	10%			$0	($5,204,777)	($10,054,683)	($14,573,913)	($14,573,913)	($14,573,913)	($14,573,913)	($14,573,913)	($14,573,913)	($14,573,913)	($41,191,544)	($65,994,336)	($89,106,029)
NPV				($103,776,975)												
NET CASHFLOW																
Total				$0	($19,816,667)	($20,312,083)	($15,715,828)	$6,337,324	$9,076,670	$7,778,271	$9,751,144	$10,689,605	$16,542,104	($214,141,889)	($162,403,587)	($221,923,221)
Cumulative Present Value	10%			$0	($16,377,410)	($31,638,179)	($42,372,302)	($38,437,322)	($33,313,778)	($29,322,296)	($24,773,315)	($20,239,879)	($13,862,182)	($88,917,608)	($140,664,396)	($204,947,648)
NPV				($189,209,572)												

PROJECTED CASHFLOWS TO THE CITY OF TORONTO
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total	PV
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041		
$13,192,954	$16,250,311	$16,913,844	$17,928,669	$13,077,687	$12,305,854	$12,422,251	$7,828,820	$5,457,089	$6,669,055	$4,982,765	$6,549,872	$5,421,389	$4,176,074	$906,025	$825,354	$260,675	$204,721,385	$46,990,906
$5,554,180	$6,712,198	$7,729,201	$7,707,834	$5,920,445	$5,657,890	$5,727,876	$3,734,652	$2,868,671	$3,342,271	$2,733,434	$3,340,785	$2,918,167	$2,475,157	$1,276,147	$1,282,354	$1,168,839	$94,470,995	$20,970,286
$18,747,134	$22,962,509	$24,643,045	$25,636,503	$18,998,131	$17,963,744	$18,150,127	$11,563,471	$8,325,759	$10,011,325	$7,716,199	$9,890,657	$8,339,556	$6,651,231	$2,182,172	$2,107,708	$1,429,514	$299,192,379	$67,961,191
$36,004,105	$41,501,147	$46,864,192	$51,936,237	$55,353,218	$58,290,434	$60,988,335	$62,550,913	$63,573,699	$64,691,746	$65,475,137	$66,388,005	$67,087,740	$67,595,080	$67,746,399	$67,879,268	$67,961,191		
$5,245,897	$6,461,590	$6,725,430	$7,128,953	$5,200,063	$4,893,161	$4,939,443	$3,112,963	$2,169,895	$2,651,807	$1,981,290	$2,604,417	$2,155,700	$1,660,527	$360,262	$328,185	$103,652	$81,403,095	$18,684,932
$5,084,319	$6,144,373	$7,075,342	$7,055,782	$5,419,599	$5,179,256	$5,243,321	$3,418,715	$2,625,993	$3,059,528	$2,502,197	$3,058,168	$2,671,302	$2,265,768	$1,168,190	$1,173,872	$1,069,960	$86,479,130	$19,196,284
$10,330,216	$12,605,963	$13,800,772	$14,184,735	$10,619,662	$10,072,416	$10,182,764	$6,531,679	$4,795,888	$5,711,336	$4,483,487	$5,662,585	$4,827,002	$3,926,295	$1,528,452	$1,502,056	$1,173,612	$167,882,226	$37,881,216
$19,923,187	$22,940,955	$25,944,405	$28,750,779	$30,660,818	$32,307,739	$33,821,342	$34,703,972	$35,293,127	$35,930,958	$36,386,147	$36,908,781	$37,313,793	$37,613,282	$37,719,270	$37,813,958	$37,881,216		
$4,680,902	$5,200,727	$5,442,687	$5,760,123	$4,280,571	$4,050,945	$4,093,624	$2,620,249	$1,899,146	$2,276,145	$1,765,326	$2,251,421	$1,915,647	$1,540,477	$545,133	$524,971	$346,674	$73,171,033	$17,440,234
$4,811,474	$5,191,733	$6,689,391	$6,101,536	$5,206,218	$5,119,104	$5,209,264	$3,634,452	$3,217,629	$3,510,745	$3,232,101	$3,598,149	$3,421,910	$3,234,411	$2,648,012	$2,699,696	$2,684,956	$99,049,214	$22,756,639
$9,492,376	$10,392,460	$12,132,078	$11,861,659	$9,486,789	$9,170,049	$9,302,888	$6,254,700	$5,116,774	$5,786,890	$4,997,427	$5,849,569	$5,337,557	$4,774,888	$3,193,145	$3,224,668	$3,031,630	$172,220,246	$40,196,873
$23,555,653	$26,043,525	$28,683,819	$31,030,585	$32,736,867	$34,236,244	$35,619,059	$36,464,260	$37,092,835	$37,739,104	$38,246,471	$38,786,363	$39,234,213	$39,598,430	$39,819,854	$40,023,135	$40,196,873		
$0	$0	($10,538,942)	($10,802,416)	($11,072,476)	$0	$0	($24,220,312)	($24,825,819)	($25,446,465)	$0	$0	$0	$0	$0	$0	$0	($392,898,141)	($124,862,332)
$0	$0	($28,862,973)	($29,584,548)	($30,324,161)	$0	$0	($34,696,793)	($35,564,213)	($36,453,318)	$0	$0	$0	$0	$0	$0	$0	($433,321,614)	($106,609,545)
$0	$0	($39,401,915)	($40,386,963)	($41,396,637)	$0	$0	($58,917,104)	($60,390,032)	($61,899,783)	$0	$0	$0	$0	$0	$0	$0	($826,219,756)	($231,471,877)
($185,167,950)	($185,167,950)	($193,742,955)	($201,733,300)	($209,178,849)	($209,178,849)	($209,178,849)	($217,140,351)	($224,559,024)	($231,471,877)	($231,471,877)	($231,471,877)	($231,471,877)	($231,471,877)	($231,471,877)	($231,471,877)	($231,471,877)		
$0	$0	($76,712)	($78,630)	($80,596)	$0	$0	($9,095,870)	($9,323,267)	($9,556,348)	$0	$0	$0	$0	$0	$0	$0	($141,408,995)	($48,002,464)
$0	$0	($9,906,789)	($10,154,458)	($10,408,320)	$0	$0	($13,598,696)	($13,938,663)	($14,287,130)	$0	$0	$0	$0	$0	$0	$0	($212,038,918)	($55,774,511)
$0	$0	($9,983,501)	($10,233,088)	($10,488,915)	$0	$0	($22,694,566)	($23,261,930)	($23,843,478)	$0	$0	$0	$0	$0	$0	$0	($353,447,913)	($103,776,975)
($89,106,029)	($89,106,029)	($91,278,730)	($93,303,292)	($95,189,815)	($95,189,815)	($95,189,815)	($98,256,545)	($101,114,179)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)		
$38,569,726	$45,960,932	$1,190,479	$1,062,845	($12,780,970)	$37,206,210	$37,635,780	($57,261,820)	($65,413,540)	($64,233,710)	$17,197,113	$21,402,811	$18,504,115	$15,352,414	$6,903,770	$6,834,432	$5,634,755	($540,372,818)	($189,209,572)
($194,791,034)	($183,788,352)	($183,529,269)	($183,318,991)	($185,617,761)	($179,534,248)	($173,939,929)	($181,677,752)	($189,713,542)	($196,887,044)	($195,141,097)	($193,165,703)	($191,613,107)	($190,442,060)	($189,963,330)	($189,532,491)	($189,209,572)		

PROJECTED CASHFLOWS TO THE CITY OF TORONTO
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

(Assumes that the Master Developer Pays Area Specific Development Charges)

	Total (Inflated) $ ($millions)	PV $ ($millions)
LAND SALES REVENJUES FROM CITY OWNED LANDS	$299.19	$67.96
LAND SALES REVENUES FROM LONG TERM LEASED LANDS (REDUCED BY 50%)	$167.88	$37.88
AREA SPECIFIC CHARGE REVENUE	$172.22	$40.20
DEVELOPMENT COSTS ON CITY OWNED LANDS	($826.22)	($231.47)
MAJOR DEVELOPMENT COSTS ON BALANCE OF LANDS	($353.45)	($103.78)
NET CASH FLOW	($540.37)	($189.21)

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PROJECTED CASHFLOWS TO THE CITY OF TORONTO PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND) (Assumes that the Master Developer Pays Area Specific Development Charges)		
	Total (Inflated) $ ($millions)	**PV $ ($millions)**
LAND SALES REVENUES (from City Owned Lands)		
Precincts E1 E3	$204.7	$47.0
Precinct F	$94.5	$21.0
Total	**$299.2**	**$68.0**
LAND SALES REVENUES (from City Owned long term leased lands, at 50% of benchmark value)		
Precincts E1 E3	$81.4	$18.7
Precinct F	$86.5	$19.2
Cumulative Present Value	**$167.9**	**$37.9**
AREA SPECIFIC CHARGE REVENUE (From All Lands)		
Precincts E1 E3	$73.2	$17.4
Precinct F	$99.0	$22.8
Total	**$172.2**	**$40.2**
DEVELOPMENT COSTS ON CITY OWNED LANDS (for City Owned Lands, proportionally allocated)		
Precincts E1 E3	($392.9)	($124.9)
Precinct F	($433.3)	($106.6)
Total	**($826.2)**	**($231.5)**
MAJOR DEVELOPMENT COSTS ON BALANCE OF LANDS		
Precincts E1 E3	($141.4)	($48.0)
Precinct F	($212.0)	($55.8)
Total	**($353.4)**	**($103.8)**
NET CASHFLOW		
Total	**($540.4)**	**($189.2)**

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APPENDIX 9B: CITY CASH FLOW IMPACT PROJECTIONS: SUPPLY-DRIVEN DEMAND

PROJECTED CASHFLOWS TO THE CITY OF TORONTO
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

	City Owned Share (%)	Year #	1	2	3	4	5	6	7	8	9	10	11	12
		Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
LAND SALES REVENUES														
(from City Owned Lands, excluding long term leased lands)														
Precincts E1 E3	38%		$0	$0	$0	$1,203,288	$1,616,558	$1,762,299	$2,133,054	$2,832,247	$3,150,639	$5,310,862	$5,388,700	$29,804,228
Precinct F	22%		$0	$0	$0	$1,023,890	$1,192,668	$1,833,702	$1,499,524	$1,773,816	$1,910,673	$2,867,038	$3,486,723	$9,371,757
Total			$0	$0	$0	$2,227,178	$2,809,226	$3,596,001	$3,632,578	$4,606,063	$5,061,312	$8,177,900	$8,875,423	$39,175,985
Cumulative Present Value	10%		$0	$0	$0	$1,521,193	$3,265,501	$5,295,350	$7,159,437	$9,308,200	$11,454,690	$14,607,624	$17,718,406	$30,201,082
NPV			$73,059,430											
LAND SALES REVENUES														
(from City Owned long term leased lands, at 50% of benchmark value)														
Precincts E1 E3	30%		$0	$0	$0	$478,462	$642,790	$700,741	$848,164	$1,126,183	$1,252,784	$2,111,751	$2,142,702	$11,851,016
Precinct F	40%		$0	$0	$0	$937,273	$1,091,773	$1,678,578	$1,372,670	$1,623,758	$1,749,038	$2,624,498	$3,191,760	$8,578,944
Total			$0	$0	$0	$1,415,735	$1,734,563	$2,379,319	$2,220,834	$2,749,941	$3,001,822	$4,736,249	$5,334,462	$20,429,960
Cumulative Present Value	10%		$0	$0	$0	$966,966	$2,043,993	$3,387,057	$4,526,696	$5,809,563	$7,082,629	$8,908,658	$10,778,355	$17,287,970
NPV			$42,066,801											
AREA SPECIFIC CHARGE REVENUE														
(From All Lands)														
Precincts E1 E3			$0	$0	$0	$785,846	$985,303	$1,051,343	$1,139,024	$1,424,068	$1,563,870	$2,264,145	$2,376,311	$11,266,138
Precinct F			$0	$0	$0	$2,749,243	$2,934,025	$4,081,763	$2,997,058	$3,237,576	$3,385,767	$3,897,141	$5,353,686	$8,708,145
Total			$0	$0	$0	$3,535,089	$3,919,328	$5,133,107	$4,136,082	$4,661,643	$4,949,637	$6,161,285	$7,729,997	$19,974,283
Cumulative Present Value	10%		$0	$0	$0	$2,414,513	$4,848,108	$7,745,613	$9,868,077	$12,042,768	$14,141,897	$16,517,339	$19,226,656	$25,591,078
NPV			$52,894,477											
DEVELOPMENT COSTS														
(Major and Local Costs for City Owned Lands, proportionally allocated)														
Precincts E1 E3	68%		$0	($13,518,886)	($13,856,859)	($14,203,280)	$0	$0	$0	$0	$0	$0	($79,467,649)	($81,454,340)
Precinct F	62%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($77,329,196)	($79,262,426)
Total			$0	($13,518,886)	($13,856,859)	($14,203,280)	$0	$0	$0	$0	$0	$0	($156,796,845)	($160,716,766)
Cumulative Present Value	10%		$0	($11,172,633)	($21,583,496)	($31,284,528)	($31,284,528)	($31,284,528)	($31,284,528)	($31,284,528)	($31,284,528)	($31,284,528)	($86,240,865)	($137,450,180)
NPV			($245,372,703)											
DEVELOPMENT COSTS														
(Major Costs for Non-City Owned Lands)														
Precincts E1 E3	32%		$0	$ (6,297,780)	$ (6,455,225)	$ (6,616,605)	$0	$0	$0	$0	$0	$0	$ (30,506,958)	$ (31,269,632)
Precinct F	38%		$0	$ -	$ -	$ -	$0	$0	$0	$0	$0	$0	$ (45,436,249)	$ (46,572,155)
Total			$0	($6,297,780)	($6,455,225)	($6,616,605)	$0	$0	$0	$0	$0	$0	($75,943,207)	($77,841,787)
Cumulative Present Value	10%		$0	($5,204,777)	($10,054,683)	($14,573,913)	($14,573,913)	($14,573,913)	($14,573,913)	($14,573,913)	($14,573,913)	($14,573,913)	($41,191,544)	($65,994,336)
NPV			($103,776,975)											
NET CASHFLOW														
Total			$0	($19,816,667)	($20,312,083)	($13,641,884)	$8,463,118	$11,108,427	$9,989,494	$12,017,648	$13,012,772	$19,075,434	($210,800,169)	($158,978,324)
Cumulative Present Value	10%		$0	($16,377,410)	($31,638,179)	($40,955,769)	($35,700,839)	($29,430,422)	($24,304,232)	($18,697,910)	($13,179,225)	($5,824,819)	($79,708,993)	($130,364,386)
NPV			($181,128,970)											

PROJECTED CASHFLOWS TO THE CITY OF TORONTO
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total	PV
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041		
$7,383,332	$13,346,660	$16,407,860	$17,141,845	$18,162,371	$13,317,231	$12,551,387	$12,673,922	$8,020,267	$5,653,322	$6,870,194	$5,188,932	$6,761,194	$5,637,994	$4,398,094	$1,133,596	$1,058,614	$499,767	$209,408,457	$47,920,582
$3,990,765	$6,243,383	$7,418,630	$8,751,534	$8,755,725	$6,994,533	$6,758,831	$6,856,340	$4,593,080	$3,748,559	$4,244,157	$3,657,867	$4,288,329	$3,889,399	$3,470,670	$2,296,548	$2,328,265	$2,240,898	$115,487,304	$25,138,848
$11,374,098	$19,590,043	$23,826,491	$25,893,379	$26,918,095	$20,311,764	$19,310,218	$19,530,262	$12,613,346	$9,401,881	$11,114,350	$8,846,800	$11,049,523	$9,527,393	$7,868,764	$3,430,144	$3,386,879	$2,740,664	$324,895,762	$73,059,430
$33,495,753	$38,654,424	$44,358,296	$49,993,450	$55,319,052	$58,972,301	$62,129,676	$65,032,725	$66,737,173	$67,892,157	$69,133,387	$70,031,564	$71,051,390	$71,850,790	$72,451,002	$72,688,859	$72,902,366	$73,059,430		
$2,935,825	$5,307,015	$6,524,236	$6,816,089	$7,221,880	$5,295,313	$4,990,791	$5,039,515	$3,189,088	$2,247,923	$2,731,786	$2,063,268	$2,688,445	$2,241,828	$1,748,808	$450,750	$420,935	$198,722	$83,266,810	$19,054,598
$3,653,163	$5,715,218	$6,791,044	$8,011,190	$8,015,026	$6,402,824	$6,187,061	$6,276,322	$4,204,524	$3,431,446	$3,885,118	$3,348,426	$3,925,554	$3,560,372	$3,177,065	$2,102,270	$2,131,303	$2,051,327	$105,717,545	$23,012,203
$6,588,988	$11,022,233	$13,315,280	$14,827,279	$15,236,905	$11,698,137	$11,177,853	$11,315,837	$7,393,612	$5,679,369	$6,616,904	$5,411,695	$6,613,998	$5,802,200	$4,925,874	$2,553,020	$2,552,238	$2,250,048	$188,984,355	$42,066,801
$19,196,565	$22,099,063	$25,286,635	$28,513,483	$31,528,024	$33,632,036	$35,459,705	$37,141,732	$38,140,835	$38,838,522	$39,577,486	$40,126,911	$40,737,357	$41,224,193	$41,599,927	$41,776,962	$41,937,854	$42,066,801		
$2,896,436	$4,916,896	$5,442,620	$5,745,908	$6,070,924	$4,599,142	$4,377,481	$4,428,324	$2,874,856	$2,160,118	$2,543,642	$2,039,510	$2,532,459	$2,203,712	$1,835,743	$847,781	$835,185	$664,644	$79,871,430	$18,892,236
$5,250,669	$6,639,222	$7,065,174	$9,037,806	$8,508,661	$7,673,522	$7,648,089	$7,801,474	$5,606,358	$5,238,833	$5,582,480	$5,355,629	$5,774,765	$5,652,942	$5,521,218	$4,991,990	$5,102,273	$5,147,597	$150,943,104	$34,002,242
$8,147,105	$11,556,117	$12,507,795	$14,783,713	$14,579,585	$12,272,664	$12,025,570	$12,229,798	$8,481,214	$7,398,951	$8,126,121	$7,395,139	$8,307,224	$7,856,653	$7,356,962	$5,839,771	$5,937,459	$5,812,241	$230,814,534	$52,894,477
$27,951,004	$30,994,091	$33,988,358	$37,205,724	$40,090,218	$42,297,564	$44,263,841	$46,081,722	$47,227,794	$48,136,725	$49,044,235	$49,795,031	$50,561,755	$51,220,971	$51,782,143	$52,187,092	$52,561,386	$52,894,477		
($83,490,698)	$0	$0	($10,538,942)	($10,802,416)	($11,072,476)	$0	$0	($24,220,312)	($24,825,819)	($25,446,465)	$0	$0	$0	$0	$0	$0	$0	($392,898,141)	($124,862,332)
($81,243,987)	$0	$0	($28,862,973)	($29,584,548)	($30,324,161)	$0	$0	($71,434,573)	($73,220,438)	($75,050,949)	$0	$0	$0	$0	$0	$0	$0	($546,313,251)	($120,510,370)
($164,734,685)	$0	$0	($39,401,915)	($40,386,963)	($41,396,637)	$0	$0	($95,654,885)	($98,046,257)	($100,497,413)	$0	$0	$0	$0	$0	$0	$0	($939,211,392)	($245,372,703)
($185,167,950)	($185,167,950)	($185,167,950)	($193,742,955)	($201,733,300)	($209,178,849)	($209,178,849)	($209,178,849)	($222,104,749)	($234,149,337)	($245,372,703)	($245,372,703)	($245,372,703)	($245,372,703)	($245,372,703)	($245,372,703)	($245,372,703)	($245,372,703)		
$ (32,051,373)	$0	$0	($76,712)	($78,630)	($80,596)	$0	$0	($9,095,870)	($9,323,267)	($9,556,348)	$0	$0	$0	$0	$0	$0	$0	($141,408,995)	($48,002,464)
$ (47,736,459)	$0	$0	($9,906,789)	($10,154,458)	($10,408,320)	$0	$0	($13,598,696)	($13,938,663)	($14,287,130)	$0	$0	$0	$0	$0	$0	$0	($212,038,918)	($55,774,511)
($79,787,832)	$0	$0	($9,983,501)	($10,233,088)	($10,488,915)	$0	$0	($22,694,566)	($23,261,930)	($23,843,478)	$0	$0	$0	$0	$0	$0	$0	($353,447,913)	($103,776,975)
($89,106,029)	($89,106,029)	($89,106,029)	($91,278,730)	($93,303,292)	($95,189,815)	($95,189,815)	($95,189,815)	($98,256,545)	($101,114,179)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)	($103,776,975)		
($218,412,327)	$42,168,392	$49,649,566	$6,118,956	$6,114,534	($7,602,989)	$42,513,640	$43,075,897	($89,861,278)	($98,827,985)	($98,483,516)	$21,653,634	$25,970,745	$23,186,247	$20,151,599	$11,822,935	$11,876,576	$10,802,953	($547,964,655)	($181,128,970)
($193,630,657)	($182,526,402)	($170,640,690)	($169,309,027)	($168,099,299)	($169,466,764)	($162,515,444)	($156,112,486)	($168,255,492)	($180,396,112)	($191,394,569)	($189,196,171)	($186,799,176)	($184,853,723)	($183,316,606)	($182,496,764)	($181,748,071)	($181,128,970)		

PROJECTED CASHFLOWS TO THE CITY OF TORONTO
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

(Assumes that the Master Developer Pays Area Specific Development Charges)

	Total (Inflated) $ ($millions)	PV $ ($millions)
LAND SALES REVENJUES FROM CITY OWNED LANDS	$324.90	$73.06
LAND SALES REVENUES FROM LONG TERM LEASED LANDS (REDUCED BY 50%)	$188.98	$42.07
AREA SPECIFIC CHARGE REVENUE	$230.81	$52.89
DEVELOPMENT COSTS ON CITY OWNED LANDS	($939.21)	($245.37)
MAJOR DEVELOPMENT COSTS ON BALANCE OF LANDS	($353.45)	($103.78)
NET CASH FLOW	($547.96)	($181.13)

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

APPENDIX 10A: DEVELOPMENT DENSITY: MODERATE DEMAND

PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND) Development Density	Residential			Parking	Office		Parking	Retail		Parking	Hotel		Parking
	sm	sf	units	stalls	sm	sf	stalls	sm	sf	stalls	sm	sf	stalls
Precinct E1 E3:	Precinct Area = 182,000 sm/ 1.96 million sf; 4.0 FSI (generally .75 residential; .125 office; .125 hotel)												
0-10 years													
10-20 years		3,480,000	3,480	1,740		580,000							
20+ years		5,880,000	5,880	2,940		980,000			980,000				
Precinct F:	Precinct Area = 432,000 sm/ 4.6 million sf; 2.5 FSI (generally .33 residential; .66 office; 0 retail; .01 hotel)												
0-10 years													
10-15 years											15,102	162,500	325
15-20 years		520,000	520	260		2,314,022	4,628				20,911	225,000	450
20+ years		3,795,000	3,795	1,898		7,590,000	15,180		421,000		20,911	225,000	450

APPENDIX 10B: DEVELOPMENT DENSITY: SUPPLY-DRIVEN DEMAND

SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS
Development Density

	Residential			Parking	Office		Parking	Retail		Parking	Hotel		Parking
	sm	sf	units	stalls	sm	sf	stalls	sm	sf	stalls	sm	sf	stalls
Precinct E1 E3:	Precinct Area = 182,000 sm/ 1.96 million sf; 4.0 FSI (generally .75 residential; .125 office; .125 hotel)												
0-10 years													
10-20 years		3,480,000	3,480	1,740		580,000							
20+ years		5,880,000	5,880	2,940		980,000			980,000				
Precinct F:	Precinct Area = 432,000 sm/ 4.6 million sf; 2.5 FSI (generally .33 residential; .66 office; 0 retail; .01 hotel)												
0-10 years													
10-15 years											15,102	162,500	325
15-20 years		520,000	520	260		2,314,022	4,628				20,911	225,000	450
20+ years		3,795,000	3,795	1,898		7,590,000	15,180		421,000		20,911	225,000	450

APPENDIX 11A: DEVELOPMENT COST SUMMARY: MODERATE DEMAND (BASE CASE)

BASE CASE DEVELOPMENT SCENARIO: Sub-totals per Phase (All Costs)

	Precinct	Years 0-10	Years 10-15	Cumulative	Years 15-20	Cumulative	Years 20-30	Cumulative
A	Keating Channel West	$ -	$ -	$ -	$ -	$ -	$ -	$ -
B	Keating Channel East							
E1	Cousins Quay	$ 58,000,000	$ 178,000,000	$ 236,000,000	$ -	$ 236,000,000	$ -	$ 236,000,000
E2	Keating-River (East of Cherry)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
E3	Polson Quay	$ -	$ 95,000,000	$ 95,000,000	$ 32,000,000	$ 127,000,000	$ 65,000,000	$ 192,000,000
E4	River-Ship Channel (East of Cherry)						incl. in E2	
F	Film Studio District	$ -	$ 291,000,000	$ 291,000,000	$ 96,000,000	$ 387,000,000	$ 102,000,000	$ 489,000,000
G	Lakeshore South	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Grand Total	**$ 58,000,000**	**$ 564,000,000**	**$ 622,000,000**	**$ 128,000,000**	**$ 750,000,000**	**$ 167,000,000**	**$ 917,000,000**

BASE CASE DEVELOPMENT SCENARIO: Sub-totals per Phase (Local Costs)

	Precinct	Years 0-10	Years 10-15	Cumulative	Years 15-20	Cumulative	Years 20-30	Cumulative
A	Keating Channel West	$ -	$ -	$ -	$ -	$ -	$ -	$ -
B	Keating Channel East							
E1	Cousins Quay	$ -	$ 32,700,000	$ 32,700,000	$ -	$ 32,700,000	$ -	$ 32,700,000
E2	Keating-River (East of Cherry)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
E3	Polson Quay	$ -	$ 15,330,000	$ 15,330,000	$ 31,500,000	$ 46,830,000	$ 12,600,000	$ 59,430,000
E4	River-Ship Channel (East of Cherry)						incl. in E2	
F	Film Studio District	$ -	$ 8,715,000	$ 8,715,000	$ 41,600,000	$ 50,315,000	$ 36,000,000	$ 86,315,000
G	Lakeshore South	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Grand Total	**$ -**	**$ 56,745,000**	**$ 56,745,000**	**$ 73,100,000**	**$ 129,845,000**	**$ 48,600,000**	**$ 178,445,000**

APPENDIX 11B: DEVELOPMENT COST SUMMARY: SUPPLY-DRIVEN DEMAND (BEST CASE)

BEST CASE DEVELOPMENT SCENARIO: Sub-totals per Phase (All Costs)

	Precinct	Years 0-10	Years 10-15	Cumulative	Years 15-20	Cumulative	Years 20-30	Cumulative
A	Keating Channel West	$ -	$ -	$ -	$ -	$ -	$ -	$ -
B	Keating Channel East							
E1	Cousins Quay	$ 58,000,000	$ 178,000,000	$ 236,000,000	$ -	$ 236,000,000	$ -	$ 236,000,000
E2	Keating-River (East of Cherry)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
E3	Polson Quay	$ -	$ 95,000,000	$ 95,000,000	$ 32,000,000	$ 127,000,000	$ 65,000,000	$ 192,000,000
E4	River-Ship Channel (East of Cherry)						incl. in E2	
F	Film Studio District	$ -	$ 291,000,000	$ 291,000,000	$ 96,000,000	$ 387,000,000	$ 210,000,000	$ 597,000,000
G	Lakeshore South	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Grand Total	**$ 58,000,000**	**$ 564,000,000**	**$ 622,000,000**	**$ 128,000,000**	**$ 750,000,000**	**$ 275,000,000**	**$ 1,025,000,000**

BEST CASE DEVELOPMENT SCENARIO: Sub-totals per Phase (Local Costs)

	Precinct	Years 0-10	Years 10-15	Cumulative	Years 15-20	Cumulative	Years 20-30	Cumulative
A	Keating Channel West	$ -	$ -	$ -	$ -	$ -	$ -	$ -
B	Keating Channel East							
E1	Cousins Quay	$ -	$ 32,700,000	$ 32,700,000	$ -	$ 32,700,000	$ -	$ 32,700,000
E2	Keating-River (East of Cherry)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
E3	Polson Quay	$ -	$ 15,330,000	$ 15,330,000	$ 31,500,000	$ 46,830,000	$ 12,600,000	$ 59,430,000
E4	River-Ship Channel (East of Cherry)						incl. in E2	
F	Film Studio District	$ -	$ 8,715,000	$ 8,715,000	$ 41,600,000	$ 50,315,000	$ 144,000,000	$ 194,315,000
G	Lakeshore South	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Grand Total	**$ -**	**$ 56,745,000**	**$ 56,745,000**	**$ 73,100,000**	**$ 129,845,000**	**$ 156,600,000**	**$ 286,445,000**

APPENDIX 12A: REAL ESTATE TAX PROJECTIONS: MODERATE DEMAND

PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Office (sf)															
Annual	-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641	173,641	173,641
Cumulative	-	-	-	144,701	289,402	424,329	559,256	694,183	829,110	964,037	1,137,678	1,311,320	1,484,961	1,658,602	1,832,244
Residential (units)															
Annual	-	-	-	66	106	133	146	199	220	350	338	376	411	758	828
Cumulative	-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345	3,103	3,931
Residential (sf)															
Annual	-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Cumulative	-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600	3,351,240	4,245,480
Retail (sf)															
Annual	-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Cumulative	-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468	1,207,026	1,225,584
Hotel (units)															
Annual	-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Cumulative	-	-	-	-	-	225	225	225	225	225	325	325	325	325	325

PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
2,044,600	2,256,955	2,469,311	2,681,667	2,894,022	3,051,622	3,209,222	3,366,822	3,524,422	3,682,022	3,839,622	3,997,222	4,154,822	4,312,422	4,470,022	
850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	

PORT LANDS REAL ESTATE TAX ASSESSMENT PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

	End of Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	End of Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office																
Current $ psf density (at 1.0X FAR)	$250															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$256.25	$262.66	$269.22	$275.95	$282.85	$289.92	$326.16	$334.32	$342.68	$385.51	$395.15	$405.03	$415.15	$425.53	$436.17
Density Absorption		-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641	173,641	173,641
Incremental Assessment		$0	$0	$0	$39,930,740	$40,929,009	$39,118,478	$44,008,288	$45,108,495	$46,236,208	$52,015,734	$68,614,038	$70,329,389	$72,087,624	$73,889,815	$75,737,060
Cumulative, Inflated Assessment		$0	$0	$0	$39,930,740	$81,858,018	$123,022,947	$182,409,103	$232,077,826	$284,115,980	$371,646,211	$449,551,405	$531,119,579	$616,485,193	$705,787,137	$799,168,876
Cumulative Present Value	10%	$0	$0	$0	$27,273,233	$78,100,622	$147,543,868	$241,148,580	$349,414,599	$469,907,509	$613,193,212	$770,758,237	$939,989,303	$1,118,563,104	$1,304,418,916	$1,495,733,591
NPV		$4,677,375,844														
Residential																
Current $ psf density (at 1.0X FAR)	$450															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%	0%	10%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82	1.87	2.10
Projected $ psf density (at 1.0X FAR)		$461.25	$472.78	$484.60	$496.72	$509.13	$521.86	$587.09	$601.77	$616.82	$693.92	$711.27	$729.05	$820.18	$840.68	$945.77
Density Absorption		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Incremental Assessment		$0	$0	$0	$35,405,902	$58,285,625	$74,960,263	$92,573,107	$129,332,873	$146,555,593	$262,301,203	$259,640,719	$296,051,873	$364,061,130	$688,217,262	$845,744,564
Cumulative, Inflated Assessment		$0	$0	$0	$35,405,902	$94,576,675	$171,901,355	$285,962,132	$422,444,058	$579,560,752	$914,307,049	$1,196,805,444	$1,522,777,453	$2,077,185,764	$2,817,332,671	$4,015,243,819
Cumulative Present Value	10%	$0	$0	$0	$24,182,708	$82,907,382	$179,941,216	$326,685,005	$523,758,276	$769,548,611	$1,122,053,558	$1,541,526,565	$2,026,730,390	$2,628,417,116	$3,370,308,862	$4,331,526,308
NPV		$20,473,904,324														
Retail																
Current $ psf density (at 1.0X FAR)	$350															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%	10%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$358.75	$367.72	$376.91	$386.33	$395.99	$405.89	$416.04	$468.05	$479.75	$491.74	$504.03	$516.63	$529.55	$595.74	$610.64
Density Absorption		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Incremental Assessment		$0	$0	$0	$9,562,359	$9,801,418	$6,761,442	$6,930,478	$7,796,787	$7,991,707	$8,191,500	$9,353,850	$526,221,818	$9,827,388	$11,055,812	$11,332,207
Cumulative, Inflated Assessment		$0	$0	$0	$9,562,359	$19,602,835	$26,854,348	$34,456,184	$46,559,995	$55,715,702	$65,300,094	$76,286,446	$604,415,425	$629,353,199	$719,078,161	$748,387,322
Cumulative Present Value	10%	$0	$0	$0	$6,531,220	$18,703,038	$33,861,617	$51,543,088	$73,263,669	$96,892,566	$122,068,579	$148,806,513	$341,391,894	$523,693,098	$713,048,852	$892,206,827
NPV		$2,590,552,003														
Hotel																
Current $ psf density (at 1.0X FAR)	$150,000															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.41	1.45
Projected $ psf density (at 1.0X FAR)		$153,750	$157,594	$161,534	$165,572	$169,711	$173,954	$178,303	$182,760	$187,329	$192,013	$196,813	$201,733	$206,777	$211,946	$217,245
Density Absorption		-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Incremental Assessment		$0	$0	$0	$0	$0	$39,139,653	$0	$0	$0	$0	$19,681,300	$0	$0	$0	$0
Cumulative, Inflated Assessment		$0	$0	$0	$0	$0	$39,139,653	$40,118,144	$41,121,098	$42,149,125	$43,202,853	$63,964,225	$65,563,330	$67,202,413	$68,882,474	$70,604,536
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$22,093,314	$42,680,265	$61,863,561	$79,738,904	$96,395,474	$118,814,545	$139,705,042	$159,171,188	$177,310,096	$194,212,261
NPV		$403,160,819														
Totals																
Incremental Assessment		$0	$0	$0	$84,899,001	$109,016,052	$159,979,836	$143,511,873	$182,238,156	$200,783,507	$322,508,436	$357,289,907	$892,603,080	$445,976,142	$773,162,889	$932,813,832
Cumulative, Inflated Assessment		$0	$0	$0	$84,899,001	$196,037,529	$360,918,303	$542,945,564	$742,202,977	$961,541,559	$1,394,456,207	$1,786,607,520	$2,723,875,788	$3,390,226,570	$4,311,080,443	$5,633,404,552
Cumulative Present Value		$0	$0	$0	$57,987,160	$179,711,042	$383,440,015	$662,056,938	$1,008,300,105	$1,416,087,590	$1,953,710,823	$2,579,905,860	$3,447,816,629	$4,429,844,506	$5,565,086,726	$6,913,678,987
NPV		$28,144,992,990														

CUSHMAN & WAKEFIELD®
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PORT LANDS REAL ESTATE TAX ASSESSMENT PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

16 2027	17 2028	18 2029	19 2030	20 2031	21 2032	22 2033	23 2034	24 2035	25 2036	26 2037	27 2038	28 2039	29 2040	30 2041	Total
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	
$490.69	$502.96	$515.53	$528.42	$541.63	$555.17	$569.05	$583.28	$597.86	$612.81	$628.13	$643.83	$659.92	$676.42	$693.33	
212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
$104,200,978	$106,806,003	$109,476,153	$112,213,057	$115,018,383	$87,495,026	$89,682,402	$91,924,462	$94,222,574	$96,578,138	$98,992,591	$101,467,406	$104,004,091	$106,604,194	$109,269,298	$2,195,959,636
$1,003,265,964	$1,135,153,615	$1,273,008,609	$1,417,046,880	$1,567,491,435	$1,694,173,748	$1,826,210,493	$1,963,790,218	$2,107,107,547	$2,256,363,373	$2,411,765,049	$2,573,526,581	$2,741,868,837	$2,917,019,752	$3,099,214,544	
$1,714,073,495	$1,938,657,587	$2,167,619,375	$2,399,317,863	$2,632,315,477	$2,861,250,142	$3,085,592,748	$3,304,905,222	$3,518,830,576	$3,727,083,886	$3,929,444,124	$4,125,746,773	$4,315,877,142	$4,499,764,342	$4,677,375,844	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	
$969.41	$993.65	$1,018.49	$1,043.95	$1,070.05	$1,096.80	$1,124.22	$1,152.33	$1,181.14	$1,210.66	$1,240.93	$1,271.95	$1,303.75	$1,336.35	$1,369.76	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$889,921,439	$944,363,692	$679,780,887	$637,019,589	$642,544,184	$393,269,399	$263,472,729	$328,551,707	$235,990,975	$320,341,804	$247,938,019	$179,040,287	$0	$0	$0	$9,015,364,825
$5,005,546,353	$6,075,048,704	$6,906,705,808	$7,716,393,043	$8,551,847,053	$9,158,912,628	$9,651,358,173	$10,221,193,835	$10,712,714,656	$11,300,874,326	$11,831,334,203	$12,306,157,845	$12,613,811,791	$12,929,157,086	$13,252,386,013	
$5,420,879,035	$6,622,795,035	$7,865,026,784	$9,126,718,707	$10,397,896,279	$11,635,545,371	$12,821,175,862	$13,962,659,960	$15,050,274,722	$16,093,300,198	$17,086,013,653	$18,024,698,877	$18,899,382,837	$19,714,429,254	$20,473,904,324	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	
$625.90	$641.55	$657.59	$674.03	$690.88	$708.15	$725.86	$744.00	$762.60	$781.67	$801.21	$821.24	$841.77	$862.81	$884.38	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$6,483,106	$6,645,183	$6,811,313	$6,981,596	$7,156,136	$8,356,194	$8,565,099	$8,779,227	$8,998,707	$9,223,675	$13,460,312	$13,796,820	$14,141,741	$12,274,400	$0	$756,500,276
$773,580,111	$799,564,797	$826,365,230	$854,005,957	$882,512,242	$912,931,242	$944,319,623	$976,706,840	$1,010,123,219	$1,044,599,974	$1,084,175,286	$1,125,076,489	$1,167,345,141	$1,208,803,170	$1,239,023,249	
$1,060,560,398	$1,218,750,031	$1,367,379,081	$1,507,015,879	$1,638,195,701	$1,761,560,621	$1,877,566,484	$1,986,643,305	$2,089,196,669	$2,185,609,066	$2,276,577,284	$2,362,395,514	$2,443,343,136	$2,519,545,373	$2,590,552,003	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	
$222,676	$228,243	$233,949	$239,798	$245,792	$251,937	$258,236	$264,692	$271,309	$278,092	$285,044	$292,170	$299,474	$306,961	$314,635	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
$27,834,480	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$86,655,433
$100,204,129	$102,709,233	$105,276,963	$107,908,888	$110,606,610	$113,371,775	$116,206,069	$119,111,221	$122,089,002	$125,141,227	$128,269,757	$131,476,501	$134,763,414	$138,132,499	$141,585,812	
$216,019,599	$236,340,073	$255,275,060	$272,919,025	$289,359,993	$304,679,986	$318,955,434	$332,257,555	$344,652,714	$356,202,749	$366,965,281	$376,994,004	$386,338,950	$395,046,741	$403,160,819	
$1,028,440,004	$1,057,814,878	$796,068,353	$756,214,242	$764,718,703	$489,120,620	$361,720,230	$429,255,396	$339,212,256	$426,143,617	$360,390,922	$294,304,514	$118,145,832	$118,878,593	$109,269,298	$12,054,480,170
$6,882,596,557	$8,112,476,349	$9,111,356,611	$10,095,354,768	$11,112,457,340	$11,879,389,393	$12,538,094,358	$13,280,802,114	$13,952,034,423	$14,726,978,900	$15,455,544,295	$16,136,237,416	$16,657,789,184	$17,193,112,506	$17,732,209,618	
$8,411,532,528	$10,016,542,725	$11,655,300,299	$13,305,971,474	$14,957,767,449	$16,563,036,120	$18,103,290,529	$19,586,466,043	$21,002,954,681	$22,362,195,898	$23,659,000,342	$24,889,835,168	$26,044,942,065	$27,128,785,710	$28,144,992,990	

MODERATE DEMAND

ASSESSED TAX –TOTAL

PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office (sf)															
Annual	-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641	173,641	173,641
Cumulative	-	-	-	144,701	289,402	424,329	559,256	694,183	829,110	964,037	1,137,678	1,311,320	1,484,961	1,658,602	1,832,244
Residential (units)															
Annual	-	-	-	66	106	133	146	199	220	350	338	376	411	758	828
Cumulative	-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345	3,103	3,931
Residential (sf)															
Annual	-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Cumulative	-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600	3,351,240	4,245,480
Retail (sf)															
Annual	-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Cumulative	-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468	1,207,026	1,225,584
Hotel (units)															
Annual	-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Cumulative	-	-	-	-	-	225	225	225	225	225	325	325	325	325	325

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PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
2,044,600	2,256,955	2,469,311	2,681,667	2,894,022	3,051,622	3,209,222	3,366,822	3,524,422	3,682,022	3,839,622	3,997,222	4,154,822	4,312,422	4,470,022	
850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	

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VALUATION & ADVISORY

PORT LANDS REAL ESTATE TAX PROJECTION - TOTAL
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

	End of Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	End of Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office																
Current $ psf density (at 1.0X FAR)	$7.95															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$8.15	$8.36	$8.57	$8.78	$9.00	$9.22	$10.38	$10.64	$10.90	$12.27	$12.57	$12.89	$13.21	$13.54	$13.88
Density Absorption		-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641	173,641	173,641
Incremental Property Tax		$0	$0	$0	$1,270,445	$1,302,207	$1,244,602	$1,400,178	$1,435,182	$1,471,062	$1,654,944	$2,183,040	$2,237,616	$2,293,556	$2,350,895	$2,409,667
Cumulative, Inflated Property Tax		$0	$0	$0	$1,270,445	$2,604,413	$3,914,126	$5,803,569	$7,383,840	$9,039,498	$11,824,379	$14,303,029	$16,898,220	$19,614,232	$22,455,482	$25,426,537
Cumulative Present Value	10%	$0	$0	$0	$867,731	$2,484,867	$4,694,289	$7,672,437	$11,117,053	$14,950,683	$19,509,493	$24,522,617	$29,906,911	$35,588,455	$41,501,686	$47,588,596
2031 Property Tax		$98,605,307														
NPV		$148,816,442														
Residential																
Current $ psf density (at 1.0X FAR)	$3.47															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%	0%	10%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82	1.87	2.10
Projected $ psf density (at 1.0X FAR)		$3.56	$3.65	$3.74	$3.83	$3.93	$4.02	$4.53	$4.64	$4.76	$5.35	$5.49	$5.62	$6.33	$6.48	$7.29
Density Absorption		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Incremental Property Tax		$0	$0	$0	$273,050	$449,498	$578,092	$713,922	$997,413	$1,130,234	$2,022,862	$2,002,344	$2,283,146	$2,807,633	$5,307,518	$6,522,366
Cumulative, Inflated Property Tax		$0	$0	$0	$273,050	$729,374	$1,325,700	$2,205,335	$3,257,881	$4,469,562	$7,051,119	$9,229,741	$11,743,631	$16,019,217	$21,727,216	$30,965,484
Cumulative Present Value	10%	$0	$0	$0	$186,497	$639,380	$1,387,703	$2,519,389	$4,039,214	$5,934,744	$8,653,256	$11,888,224	$15,630,106	$20,270,303	$25,991,758	$33,404,649
2031 Property Tax		$102,202,149														
NPV		$157,894,361														
Retail																
Current $ psf density (at 1.0X FAR)	$11.14															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%	10%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$11.41	$11.70	$11.99	$12.29	$12.60	$12.91	$13.24	$14.89	$15.26	$15.65	$16.04	$16.44	$16.85	$18.95	$19.43
Density Absorption		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Incremental Property Tax		$0	$0	$0	$304,238	$311,844	$215,124	$220,502	$248,064	$254,266	$260,623	$297,604	$16,742,392	$312,670	$351,754	$360,548
Cumulative, Inflated Property Tax		$0	$0	$0	$304,238	$623,688	$854,404	$1,096,266	$1,481,363	$1,772,663	$2,077,602	$2,427,147	$19,230,217	$20,023,643	$22,878,353	$23,810,859
Cumulative Present Value	10%	$0	$0	$0	$207,799	$595,060	$1,077,349	$1,639,906	$2,330,973	$3,082,756	$3,883,761	$4,734,461	$10,861,801	$16,661,937	$22,686,523	$28,386,653
2031 Property Tax		$39,421,042														
NPV		$82,421,585														
Hotel																
Current $ psf density (at 1.0X FAR)	$4,772															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.41	1.45
Projected $ psf density (at 1.0X FAR)		$4,892	$5,014	$5,139	$5,268	$5,400	$5,535	$5,673	$5,815	$5,960	$6,109	$6,262	$6,418	$6,579	$6,743	$6,912
Density Absorption		-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Incremental Property Tax		-	-	-	-	-	1,245,276	-	-	-	-	626,185	-	-	-	-
Cumulative, Inflated Property Tax		$0	$0	$0	$0	$0	$1,245,276	$1,276,408	$1,308,318	$1,341,026	$1,374,552	$2,035,100	$2,085,978	$2,138,127	$2,191,580	$2,246,370
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$702,926	$1,357,925	$1,968,265	$2,536,991	$3,066,940	$3,780,230	$4,444,887	$5,064,226	$5,641,338	$6,179,101
2031 Property Tax		$4,504,726														
NPV		$12,827,055														
Totals																
Incremental Property Tax		-	-	-	1,847,733	2,063,548	3,283,094	2,334,601	2,680,659	2,855,561	3,938,429	5,109,173	21,263,154	5,413,859	8,010,168	9,292,581
Cumulative, Inflated Property Tax		$0	$0	$0	$1,847,733	$3,957,475	$7,339,506	$10,381,577	$13,431,402	$16,622,749	$22,327,652	$27,995,016	$49,958,046	$57,795,219	$69,252,631	$82,449,250
% of 2031 Property Tax		0%	0%	0%	1%	2%	3%	4%	5%	7%	9%	11%	20%	24%	28%	34%
Cumulative Present Value	10%	$0	$0	$0	$1,262,027	$3,719,307	$7,862,267	$13,189,657	$19,455,506	$26,505,174	$35,113,450	$44,925,533	$60,843,706	$77,584,922	$95,821,304	$115,558,999
2031 Property Tax		$244,733,225														
NPV		$401,959,444														

PORT LANDS REAL ESTATE TAX PROJECTION - TOTAL
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

16 2027	17 2028	18 2029	19 2030	20 2031	21 2032	22 2033	23 2034	24 2035	25 2036	26 2037	27 2038	28 2039	29 2040	30 2041	Total
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	
$15.61	$16.00	$16.40	$16.81	$17.23	$17.66	$18.11	$18.56	$19.02	$19.50	$19.98	$20.48	$21.00	$21.52	$22.06	
212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
$3,315,282	$3,398,164	$3,483,118	$3,570,196	$3,659,451	$2,783,761	$2,853,355	$2,924,689	$2,997,807	$3,072,752	$3,149,571	$3,228,310	$3,309,018	$3,391,743	$3,476,537	$69,867,146
$31,920,136	$36,116,303	$40,502,328	$45,085,082	$49,871,660	$53,902,213	$58,103,124	$62,480,391	$67,040,208	$71,788,965	$76,733,259	$81,879,901	$87,235,916	$92,808,557	$98,605,307	
$54,535,348	$61,680,766	$68,965,466	$76,337,237	$83,750,341	$91,034,178	$98,171,913	$105,149,608	$111,955,905	$118,581,740	$125,020,078	$131,265,688	$137,314,918	$143,165,515	$148,816,442	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	
$7.48	$7.66	$7.85	$8.05	$8.25	$8.46	$8.67	$8.89	$9.11	$9.34	$9.57	$9.81	$10.05	$10.31	$10.56	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$6,863,057	$7,282,915	$5,242,457	$4,912,683	$4,955,289	$3,032,886	$2,031,897	$2,533,785	$1,819,958	$2,470,470	$1,912,093	$1,380,755	$0	$0	$0	$69,526,322
$38,602,678	$46,850,660	$53,264,384	$59,508,677	$65,951,682	$70,633,360	$74,431,091	$78,825,653	$82,616,252	$87,152,128	$91,243,025	$94,904,855	$97,277,477	$99,709,414	$102,202,149	
$41,805,716	$51,074,869	$60,654,937	$70,385,081	$80,188,379	$89,733,105	$98,876,665	$107,679,768	$116,067,433	$124,111,225	$131,767,013	$139,006,135	$145,751,681	$152,037,304	$157,894,361	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	
$19.91	$20.41	$20.92	$21.45	$21.98	$22.53	$23.09	$23.67	$24.26	$24.87	$25.49	$26.13	$26.78	$27.45	$28.14	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$206,268	$211,425	$216,710	$222,128	$227,681	$265,863	$272,509	$279,322	$286,305	$293,463	$428,256	$438,963	$449,937	$390,525	$0	$24,068,983
$24,612,399	$25,439,133	$26,291,822	$27,171,246	$28,078,208	$29,046,026	$30,044,686	$31,075,125	$32,138,308	$33,235,228	$34,494,365	$35,795,687	$37,140,516	$38,459,554	$39,421,042	
$33,743,028	$38,776,025	$43,504,841	$47,947,556	$52,121,203	$56,046,209	$59,737,078	$63,207,490	$66,470,351	$69,537,830	$72,432,095	$75,162,507	$77,737,955	$80,162,422	$82,421,585	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	
$7,085	$7,262	$7,443	$7,629	$7,820	$8,016	$8,216	$8,421	$8,632	$8,848	$9,069	$9,296	$9,528	$9,766	$10,011	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
885,588	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,757,049
$3,188,117	$3,267,820	$3,349,516	$3,433,253	$3,519,085	$3,607,062	$3,697,238	$3,789,669	$3,884,411	$3,981,521	$4,081,059	$4,183,086	$4,287,663	$4,394,855	$4,504,726	$74,411,817
$6,872,928	$7,519,449	$8,121,889	$8,683,253	$9,206,343	$9,693,767	$10,147,958	$10,571,181	$10,965,548	$11,333,027	$11,675,450	$11,994,526	$12,291,847	$12,568,896	$12,827,055	
11,270,195	10,892,503	8,942,285	8,705,007	8,842,421	6,082,510	5,157,761	5,737,796	5,104,069	5,836,684	5,489,920	5,048,028	3,758,954	3,782,268	3,476,537	166,219,500
$98,323,330	$111,673,917	$123,408,050	$135,198,258	$147,420,635	$157,188,661	$166,276,139	$176,170,838	$185,679,178	$196,157,842	$206,551,708	$216,763,529	$225,941,571	$235,372,379	$244,733,225	
40%	46%	50%	55%	60%	64%	68%	72%	76%	80%	84%	89%	92%	96%	100%	
$136,957,021	$159,051,110	$181,247,132	$203,353,128	$225,266,266	$246,507,259	$266,933,613	$286,608,048	$305,459,238	$323,563,821	$340,894,636	$357,428,856	$373,096,402	$387,934,137	$401,959,444	

MODERATE DEMAND
ASSESSED TAX – CITY

PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office (sf)															
Annual	-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641	173,641	173,641
Cumulative	-	-	-	144,701	289,402	424,329	559,256	694,183	829,110	964,037	1,137,678	1,311,320	1,484,961	1,658,602	1,832,244
Residential (units)															
Annual	-	-	-	66	106	133	146	199	220	350	338	376	411	758	828
Cumulative	-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345	3,103	3,931
Residential (sf)															
Annual	-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Cumulative	-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600	3,351,240	4,245,480
Retail (sf)															
Annual	-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Cumulative	-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468	1,207,026	1,225,584
Hotel (units)															
Annual	-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Cumulative	-	-	-	-	-	225	225	225	225	225	325	325	325	325	325

PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
2,044,600	2,256,955	2,469,311	2,681,667	2,894,022	3,051,622	3,209,222	3,366,822	3,524,422	3,682,022	3,839,622	3,997,222	4,154,822	4,312,422	4,470,022	
850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	

PORT LANDS REAL ESTATE TAX PROJECTION - CITY
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
End of Year #		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
End of Year		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office																
Current $ psf density (at 1.0X FAR)	$4.36															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$4.47	$4.58	$4.70	$4.82	$4.94	$5.06	$5.69	$5.84	$5.98	$6.73	$6.90	$7.07	$7.25	$7.43	$7.61
Density Absorption		-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641	173,641	173,641
Incremental Property Tax		$0	$0	$0	$697,001	$714,426	$682,823	$768,176	$787,380	$807,065	$907,948	$1,197,676	$1,227,617	$1,258,308	$1,289,766	$1,322,010
Cumulative, Inflated Property Tax		$0	$0	$0	$697,001	$1,428,853	$2,147,397	$3,183,997	$4,050,978	$4,959,317	$6,487,179	$7,847,034	$9,270,828	$10,760,906	$12,319,694	$13,949,697
Cumulative Present Value	10%	$0	$0	$0	$476,061	$1,363,266	$2,575,416	$4,209,310	$6,099,121	$8,202,355	$10,703,444	$13,453,782	$16,407,753	$19,524,804	$22,768,965	$26,108,411
2031 Property Tax		$54,097,580														
NPV		$81,644,788														
Residential																
Current $ psf density (at 1.0X FAR)	$2.48															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%	0%	10%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82	1.87	2.10
Projected $ psf density (at 1.0X FAR)		$2.54	$2.60	$2.67	$2.73	$2.80	$2.87	$3.23	$3.31	$3.39	$3.82	$3.91	$4.01	$4.51	$4.63	$5.20
Density Absorption		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Incremental Property Tax		$0	$0	$0	$194,803	$320,686	$412,430	$509,335	$711,587	$806,346	$1,443,176	$1,428,538	$1,628,872	$2,003,057	$3,786,558	$4,653,271
Cumulative, Inflated Property Tax		$0	$0	$0	$194,803	$520,359	$945,798	$1,573,358	$2,324,279	$3,188,732	$5,030,500	$6,584,801	$8,378,293	$11,428,637	$15,500,911	$22,091,795
Cumulative Present Value	10%	$0	$0	$0	$133,053	$456,155	$990,033	$1,797,415	$2,881,708	$4,234,042	$6,173,517	$8,481,450	$11,151,032	$14,461,501	$18,543,375	$23,831,975
2031 Property Tax		$72,914,376														
NPV		$112,647,033														
Retail																
Current $ psf density (at 1.0X FAR)	$6.11															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%	10%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$6.26	$6.42	$6.58	$6.74	$6.91	$7.08	$7.26	$8.17	$8.37	$8.58	$8.80	$9.02	$9.24	$10.40	$10.66
Density Absorption		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Incremental Property Tax		$0	$0	$0	$166,913	$171,086	$118,023	$120,973	$136,095	$139,497	$142,985	$163,274	$9,185,336	$171,540	$192,982	$197,807
Cumulative, Inflated Property Tax		$0	$0	$0	$166,913	$342,172	$468,749	$601,441	$812,717	$972,532	$1,139,830	$1,331,599	$10,550,225	$10,985,521	$12,551,693	$13,063,292
Cumulative Present Value	10%	$0	$0	$0	$114,004	$326,466	$591,063	$899,698	$1,278,836	$1,691,284	$2,130,738	$2,597,456	$5,959,083	$9,141,197	$12,446,450	$15,573,698
2031 Property Tax		$21,627,467														
NPV		$45,218,746														
Hotel																
Current $ psf density (at 1.0X FAR)	$2,618															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.41	1.45
Projected $ psf density (at 1.0X FAR)		$2,684	$2,751	$2,820	$2,890	$2,962	$3,036	$3,112	$3,190	$3,270	$3,352	$3,435	$3,521	$3,609	$3,700	$3,792
Density Absorption		-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Incremental Property Tax		-	-	-	-	-	683,193	-	-	-	-	343,542	-	-	-	-
Cumulative, Inflated Property Tax		$0	$0	$0	$0	$0	$683,193	$700,272	$717,779	$735,724	$754,117	$1,116,512	$1,144,425	$1,173,035	$1,202,361	$1,232,420
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$385,644	$744,995	$1,079,844	$1,391,863	$1,682,608	$2,073,938	$2,438,587	$2,778,374	$3,094,993	$3,390,025
2031 Property Tax		$2,471,416														
NPV		$7,037,275														
Totals																
Incremental Property Tax		-	-	-	1,058,717	1,206,199	1,896,468	1,398,485	1,635,062	1,752,908	2,494,109	3,133,030	12,041,825	3,432,905	5,269,306	6,173,087
Cumulative, Inflated Property Tax		$0	$0	$0	$1,058,717	$2,291,384	$4,245,137	$6,059,070	$7,905,753	$9,856,305	$13,411,626	$16,879,946	$29,343,770	$34,348,099	$41,574,659	$50,337,203
% of 2031 Property Tax		0%	0%	0%	1%	2%	3%	4%	5%	7%	9%	11%	19%	23%	28%	33%
Cumulative Present Value	10%	$0	$0	$0	$723,118	$2,145,887	$4,542,157	$7,651,417	$11,339,509	$15,519,545	$20,690,307	$26,606,625	$35,956,455	$45,905,875	$56,853,783	$68,904,109
2031 Property Tax		$151,110,839														
NPV		$246,547,841														

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PORT LANDS REAL ESTATE TAX PROJECTION - CITY
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	
$8.57	$8.78	$9.00	$9.22	$9.45	$9.69	$9.93	$10.18	$10.44	$10.70	$10.96	$11.24	$11.52	$11.81	$12.10	
212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
$1,818,855	$1,864,326	$1,910,934	$1,958,708	$2,007,675	$1,527,248	$1,565,429	$1,604,565	$1,644,679	$1,685,796	$1,727,941	$1,771,139	$1,815,418	$1,860,803	$1,907,323	$38,331,035
$17,512,263	$19,814,396	$22,220,690	$24,734,915	$27,360,963	$29,572,235	$31,876,970	$34,278,459	$36,780,100	$39,385,398	$42,097,974	$44,921,563	$47,860,020	$50,917,324	$54,097,580	
$29,919,590	$33,839,763	$37,836,349	$41,880,705	$45,947,738	$49,943,851	$53,859,808	$57,687,963	$61,422,085	$65,057,200	$68,589,449	$72,015,962	$75,334,736	$78,544,534	$81,644,788	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	
$5.33	$5.47	$5.60	$5.74	$5.89	$6.03	$6.19	$6.34	$6.50	$6.66	$6.83	$7.00	$7.17	$7.35	$7.54	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$4,896,331	$5,195,871	$3,740,142	$3,504,870	$3,535,266	$2,163,761	$1,449,622	$1,807,685	$1,298,418	$1,762,515	$1,364,150	$985,076	$0	$0	$0	$49,602,366
$27,540,421	$33,424,803	$38,000,564	$42,455,448	$47,052,100	$50,392,163	$53,101,589	$56,236,814	$58,941,152	$62,177,196	$65,095,776	$67,708,247	$69,400,953	$71,135,977	$72,914,376	
$29,825,573	$36,438,492	$43,273,228	$50,215,033	$57,209,028	$64,018,550	$70,541,866	$76,822,290	$82,806,326	$88,545,032	$94,006,922	$99,171,551	$103,984,045	$108,468,415	$112,647,033	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	
$10.93	$11.20	$11.48	$11.77	$12.06	$12.36	$12.67	$12.99	$13.31	$13.64	$13.99	$14.33	$14.69	$15.06	$15.44	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$113,164	$115,993	$118,893	$121,866	$124,912	$145,860	$149,506	$153,244	$157,075	$161,002	$234,953	$240,827	$246,848	$214,253	$0	$13,204,905
$13,503,038	$13,956,607	$14,424,416	$14,906,892	$15,404,476	$15,935,448	$16,483,340	$17,048,667	$17,631,958	$18,233,759	$18,924,556	$19,638,497	$20,376,307	$21,099,968	$21,627,467	
$18,512,352	$21,273,593	$23,867,951	$26,305,346	$28,595,124	$30,748,490	$32,773,402	$34,677,365	$36,467,461	$38,150,364	$39,738,237	$41,236,216	$42,649,177	$43,979,307	$45,218,746	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	
$3,887	$3,984	$4,084	$4,186	$4,290	$4,398	$4,508	$4,620	$4,736	$4,854	$4,976	$5,100	$5,227	$5,358	$5,492	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
485,858	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,512,593
$1,749,089	$1,792,816	$1,837,636	$1,883,577	$1,930,667	$1,978,933	$2,028,407	$2,079,117	$2,131,095	$2,184,372	$2,238,981	$2,294,956	$2,352,330	$2,411,138	$2,471,416	$40,824,367
$3,770,677	$4,125,376	$4,455,891	$4,763,871	$5,050,852	$5,318,267	$5,567,448	$5,799,640	$6,016,001	$6,217,610	$6,405,473	$6,580,526	$6,743,645	$6,895,642	$7,037,275	
7,314,208	7,176,190	5,769,969	5,585,443	5,667,853	3,836,868	3,164,557	3,565,494	3,100,172	3,609,312	3,327,044	2,997,043	2,062,266	2,075,056	1,907,323	102,650,899
$60,304,811	$68,988,622	$76,483,306	$83,980,831	$91,748,206	$97,878,779	$103,490,306	$109,643,057	$115,484,305	$121,980,725	$128,357,287	$134,563,262	$139,989,609	$145,564,406	$151,110,839	
40%	46%	51%	56%	61%	65%	68%	73%	76%	81%	85%	89%	93%	96%	100%	
$82,028,193	$95,677,224	$109,433,419	$123,164,956	$136,802,742	$150,029,157	$162,742,524	$174,987,259	$186,711,872	$197,970,205	$208,740,081	$219,004,255	$228,711,604	$237,887,898	$246,547,841	

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MODERATE DEMAND

ASSESSED TAX – EDUCATION

PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office (sf)															
Annual	-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641	173,641	173,641
Cumulative	-	-	-	144,701	289,402	424,329	559,256	694,183	829,110	964,037	1,137,678	1,311,320	1,484,961	1,658,602	1,832,244
Residential (units)															
Annual	-	-	-	66	106	133	146	199	220	350	338	376	411	758	828
Cumulative	-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345	3,103	3,931
Residential (sf)															
Annual	-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Cumulative	-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600	3,351,240	4,245,480
Retail (sf)															
Annual	-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Cumulative	-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468	1,207,026	1,225,584
Hotel (units)															
Annual	-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Cumulative	-	-	-	-	-	225	225	225	225	225	325	325	325	325	325

PORT LANDS DEMAND PROJECTION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

16 2027	17 2028	18 2029	19 2030	20 2031	21 2032	22 2033	23 2034	24 2035	25 2036	26 2037	27 2038	28 2039	29 2040	30 2041	Total
212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
2,044,600	2,256,955	2,469,311	2,681,667	2,894,022	3,051,622	3,209,222	3,366,822	3,524,422	3,682,022	3,839,622	3,997,222	4,154,822	4,312,422	4,470,022	
850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	

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PORT LANDS REAL ESTATE TAX PROJECTION - EDUCATION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

	End of Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	End of Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office																
Current $ psf density (at 1.0X FAR)	$3.59															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$3.68	$3.77	$3.87	$3.96	$4.06	$4.16	$4.68	$4.80	$4.92	$5.54	$5.67	$5.82	$5.96	$6.11	$6.26
Density Absortion		-	-	-	144,701	144,701	134,927	134,927	134,927	134,927	134,927	173,641	173,641	173,641	173,641	173,641
Incremental Property Tax		$0	$0	$0	$573,444	$587,780	$561,779	$632,002	$647,802	$663,997	$746,996	$985,364	$1,009,998	$1,035,248	$1,061,129	$1,087,658
Cumulative, Inflated Property Tax		$0	$0	$0	$573,444	$1,175,561	$1,766,729	$2,619,572	$3,332,863	$4,080,181	$5,337,200	$6,455,994	$7,627,392	$8,853,325	$10,135,788	$11,476,840
Cumulative Present Value	10%	$0	$0	$0	$391,670	$1,121,601	$2,118,873	$3,463,128	$5,017,933	$6,748,328	$8,806,049	$11,068,836	$13,499,158	$16,063,651	$18,732,721	$21,480,185
2031 Property Tax		$44,507,727														
NPV		$67,171,654														
Residential																
Current $ psf density (at 1.0X FAR)	$0.99															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%	0%	10%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82	1.87	2.10
Projected $ psf density (at 1.0X FAR)		$1.02	$1.04	$1.07	$1.10	$1.13	$1.15	$1.30	$1.33	$1.36	$1.53	$1.57	$1.61	$1.81	$1.86	$2.09
Density Absortion		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Incremental Property Tax		$0	$0	$0	$78,247	$128,811	$165,662	$204,587	$285,826	$323,888	$579,686	$573,806	$654,275	$804,575	$1,520,960	$1,869,095
Cumulative, Inflated Property Tax		$0	$0	$0	$78,247	$209,014	$379,902	$631,976	$933,601	$1,280,829	$2,020,619	$2,644,940	$3,365,338	$4,590,581	$6,226,305	$8,873,689
Cumulative Present Value	10%	$0	$0	$0	$53,444	$183,225	$397,670	$721,974	$1,157,506	$1,700,702	$2,479,738	$3,406,774	$4,479,074	$5,808,802	$7,448,383	$9,572,673
2031 Property Tax		$29,287,773														
NPV		$45,247,329														
Retail																
Current $ psf density (at 1.0X FAR)	$5.03															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%	10%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$5.15	$5.28	$5.41	$5.55	$5.69	$5.83	$5.97	$6.72	$6.89	$7.06	$7.24	$7.42	$7.60	$8.56	$8.77
Density Absortion		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Incremental Property Tax		$0	$0	$0	$137,325	$140,758	$97,101	$99,528	$111,969	$114,769	$117,638	$134,330	$7,557,056	$141,131	$158,772	$162,741
Cumulative, Inflated Property Tax		$0	$0	$0	$137,325	$281,516	$385,654	$494,824	$668,647	$800,132	$937,773	$1,095,547	$8,679,992	$9,038,122	$10,326,660	$10,747,568
Cumulative Present Value	10%	$0	$0	$0	$93,795	$268,594	$486,286	$740,209	$1,052,137	$1,391,471	$1,753,023	$2,137,006	$4,902,719	$7,520,741	$10,240,073	$12,812,955
2031 Property Tax		$17,793,576														
NPV		$37,202,840														
Hotel																
Current $ psf density (at 1.0X FAR)	$2,154															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.41	1.45
Projected $ psf density (at 1.0X FAR)		$2,208	$2,263	$2,320	$2,378	$2,437	$2,498	$2,561	$2,625	$2,690	$2,757	$2,826	$2,897	$2,970	$3,044	$3,120
Density Absortion		-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Incremental Property Tax		-	-	-	-	-	562,083	-	-	-	-	282,643	-	-	-	-
Cumulative, Inflated Property Tax		$0	$0	$0	$0	$0	$562,083	$576,135	$590,539	$605,302	$620,435	$918,588	$941,553	$965,092	$989,219	$1,013,950
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$317,281	$612,930	$888,421	$1,145,128	$1,384,333	$1,706,292	$2,006,300	$2,285,853	$2,546,345	$2,789,076
2031 Property Tax		$2,033,310														
NPV		$5,789,780														
Totals																
Incremental Property Tax		-	-	-	789,016	857,349	1,386,626	936,117	1,045,597	1,102,653	1,444,320	1,976,143	9,221,329	1,980,954	2,740,862	3,119,495
Cumulative, Inflated Property Tax		$0	$0	$0	$789,016	$1,666,091	$3,094,369	$4,322,508	$5,525,650	$6,766,444	$8,916,026	$11,115,070	$20,614,275	$23,447,120	$27,677,972	$32,112,047
% of 2031 Property Tax		0%	0%	0%	1%	2%	3%	5%	6%	7%	10%	12%	22%	25%	30%	34%
Cumulative Present Value	10%	$0	$0	$0	$538,909	$1,573,420	$3,320,110	$5,538,240	$8,115,996	$10,985,629	$14,423,143	$18,318,908	$24,887,251	$31,679,047	$38,967,522	$46,654,890
2031 Property Tax		$93,622,385														
NPV		$155,411,603														

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PORT LANDS REAL ESTATE TAX PROJECTION - EDUCATION
PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND)

16 2027	17 2028	18 2029	19 2030	20 2031	21 2032	22 2033	23 2034	24 2035	25 2036	26 2037	27 2038	28 2039	29 2040	30 2041	Total
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	
$7.05	$7.22	$7.40	$7.59	$7.78	$7.97	$8.17	$8.38	$8.59	$8.80	$9.02	$9.25	$9.48	$9.71	$9.96	
212,356	212,356	212,356	212,356	212,356	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	157,600	4,470,022
$1,496,427	$1,533,838	$1,572,184	$1,611,488	$1,651,776	$1,256,513	$1,287,926	$1,320,124	$1,353,128	$1,386,956	$1,421,630	$1,457,170	$1,493,600	$1,530,940	$1,569,213	$31,536,110
$14,407,872	$16,301,907	$18,281,638	$20,350,168	$22,510,697	$24,329,978	$26,226,154	$28,201,932	$30,260,108	$32,403,567	$34,635,286	$36,958,338	$39,375,896	$41,891,233	$44,507,727	
$24,615,758	$27,841,003	$31,129,117	$34,456,532	$37,802,604	$41,090,327	$44,312,105	$47,461,645	$50,533,820	$53,524,540	$56,430,629	$59,249,726	$61,980,182	$64,620,981	$67,171,654	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	
$2.14	$2.20	$2.25	$2.31	$2.36	$2.42	$2.48	$2.55	$2.61	$2.68	$2.74	$2.81	$2.88	$2.95	$3.03	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$1,966,726	$2,087,044	$1,502,316	$1,407,813	$1,420,023	$869,125	$582,275	$726,099	$521,540	$707,955	$547,943	$395,679	$0	$0	$0	$19,923,956
$11,062,257	$13,425,858	$15,263,820	$17,053,229	$18,899,582	$20,241,197	$21,329,502	$22,588,838	$23,675,099	$24,974,932	$26,147,249	$27,196,609	$27,876,524	$28,573,437	$29,287,773	
$11,980,143	$14,636,377	$17,381,709	$20,170,048	$22,979,351	$25,714,555	$28,334,799	$30,857,479	$33,261,107	$35,566,193	$37,760,090	$39,834,585	$41,767,636	$43,568,889	$45,247,329	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	
$8.99	$9.21	$9.44	$9.68	$9.92	$10.17	$10.42	$10.68	$10.95	$11.23	$11.51	$11.79	$12.09	$12.39	$12.70	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$93,104	$95,431	$97,817	$100,262	$102,769	$120,003	$123,003	$126,078	$129,230	$132,461	$193,303	$198,136	$203,089	$176,272	$0	$10,864,078
$11,109,361	$11,482,526	$11,867,406	$12,264,354	$12,673,732	$13,110,578	$13,561,346	$14,026,458	$14,506,349	$15,001,469	$15,569,809	$16,157,190	$16,764,209	$17,359,586	$17,793,576	
$15,230,676	$17,502,433	$19,636,890	$21,642,210	$23,526,079	$25,297,719	$26,963,676	$28,530,125	$30,002,891	$31,387,466	$32,693,858	$33,926,291	$35,088,777	$36,183,116	$37,202,840	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	
$3,198	$3,278	$3,360	$3,444	$3,530	$3,618	$3,709	$3,801	$3,896	$3,994	$4,094	$4,196	$4,301	$4,408	$4,518	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
399,730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,244,456
$1,439,028	$1,475,004	$1,511,879	$1,549,676	$1,588,418	$1,628,129	$1,668,832	$1,710,553	$1,753,316	$1,797,149	$1,842,078	$1,888,130	$1,935,333	$1,983,717	$2,033,310	$33,587,450
$3,102,251	$3,394,073	$3,665,997	$3,919,382	$4,155,490	$4,375,500	$4,580,509	$4,771,541	$4,949,547	$5,115,417	$5,269,977	$5,414,000	$5,548,202	$5,673,254	$5,789,780	
3,955,987	3,716,313	3,172,317	3,119,564	3,174,567	2,245,642	1,993,204	2,172,302	2,003,898	2,227,372	2,162,876	2,050,985	1,696,689	1,707,212	1,569,213	63,568,601
$38,018,519	$42,685,295	$46,924,744	$51,217,427	$55,672,429	$59,309,882	$62,785,833	$66,527,781	$70,194,873	$74,177,117	$78,194,421	$82,200,267	$85,951,962	$89,807,973	$93,622,385	
41%	46%	50%	55%	59%	63%	67%	71%	75%	79%	84%	88%	92%	96%	100%	
$54,928,828	$63,373,886	$71,813,713	$80,188,172	$88,463,524	$96,478,102	$104,191,089	$111,620,789	$118,747,365	$125,593,617	$132,154,555	$138,424,601	$144,384,798	$150,046,239	$155,411,603	

SUPPLY PREFERRED DEVELOPMENT SCENARIO 1 (30 YEAR MODERATE DEMAND) FORECAST

REVENUE PROJECTIONS SUMMARY Net Present Value ($Millions)			REAL ESTATE TAX SUMMARY (Upon Build Out of Projected Demand in 2041) ($ Millions)		
	TOTAL	NPV (@ 10%)		ASSESSMENT	ANNUAL TAXES
Office	$118	$23	Office	$3,099	$104
Residential	$713	$154	Residential	$13,252	$105
Retail	$131	$39	Retail	$1,239	$42
Hotel	$6	$2	Hotel	$142	$5
Total	$968	$219	Total	$17,732	$256

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APPENDIX 12B: REAL ESTATE TAX PROJECTIONS: SUPPLY-DRIVEN DEMAND

PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office (sf)															
Annual	-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905	332,905	332,905
Cumulative	-	-	-	144,701	422,122	680,804	939,486	1,198,168	1,456,850	1,715,532	2,048,437	2,381,342	2,714,248	3,047,153	3,380,058
Residential (units)															
Annual	-	-	-	66	106	133	146	199	220	350	338	376	411	758	828
Cumulative	-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345	3,103	3,931
Residential (sf)															
Annual	-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Cumulative	-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600	3,351,240	4,245,480
Retail (sf)															
Annual	-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Cumulative	-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468	1,207,026	1,225,584
Hotel (units)															
Annual	-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Cumulative	-	-	-	-	-	225	225	225	225	225	325	325	325	325	325

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PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
3,787,186	4,194,315	4,601,443	5,008,571	5,415,700	5,717,851	6,020,001	6,322,152	6,624,303	6,926,453	7,228,604	7,530,755	7,832,906	8,135,056	8,437,207	
850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	

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PORT LANDS REAL ESTATE TAX ASSESSMENT PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

	End of Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	End of Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office																
Current $ psf density (at 1.0X FAR)	$250															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$256.25	$262.66	$269.22	$275.95	$282.85	$289.92	$326.16	$334.32	$342.68	$385.51	$395.15	$405.03	$415.15	$425.53	$436.17
Density Absorption		-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905	332,905	332,905
Incremental Assessment		$0	$0	$0	$76,555,216	$78,469,096	$74,997,947	$84,372,690	$86,482,007	$88,644,058	$99,724,565	$131,546,834	$134,835,505	$138,206,393	$141,661,553	$145,203,092
Cumulative, Inflated Assessment		$0	$0	$0	$76,555,216	$156,938,192	$235,859,594	$349,714,733	$444,939,609	$544,707,156	$712,520,116	$861,879,953	$1,018,262,457	$1,181,925,412	$1,353,135,100	$1,532,166,569
Cumulative Present Value	10%	$0	$0	$0	$52,288,242	$149,734,512	$282,871,104	$462,330,058	$669,897,669	$900,906,677	$1,175,614,026	$1,477,697,692	$1,802,147,491	$2,144,509,182	$2,500,831,946	$2,867,620,440
NPV		$8,967,464,968														
Residential																
Current $ psf density (at 1.0X FAR)	$450															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%	0%	10%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82	1.87	2.10
Projected $ psf density (at 1.0X FAR)		$461.25	$472.78	$484.60	$496.72	$509.13	$521.86	$587.09	$601.77	$616.82	$693.92	$711.27	$729.05	$820.18	$840.68	$945.77
Density Absorption		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Incremental Assessment		$0	$0	$0	$35,405,902	$58,285,625	$74,960,263	$92,573,107	$129,332,873	$146,555,593	$262,301,203	$259,640,719	$296,051,873	$364,061,130	$688,217,262	$845,744,564
Cumulative, Inflated Assessment		$0	$0	$0	$35,405,902	$94,576,675	$171,901,355	$285,962,132	$422,444,058	$579,560,752	$914,307,049	$1,196,805,444	$1,522,777,453	$2,077,185,764	$2,817,332,671	$4,015,243,819
Cumulative Present Value	10%	$0	$0	$0	$24,182,708	$82,907,382	$179,941,216	$326,685,005	$523,758,276	$769,548,611	$1,122,053,558	$1,541,526,565	$2,026,730,390	$2,628,417,116	$3,370,308,862	$4,331,526,308
NPV		$20,473,904,324														
Retail																
Current $ psf density (at 1.0X FAR)	$350															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%	10%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$358.75	$367.72	$376.91	$386.33	$395.99	$405.89	$416.04	$468.05	$479.75	$491.74	$504.03	$516.63	$529.55	$595.74	$610.64
Density Absorption		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Incremental Assessment		$0	$0	$0	$9,562,359	$9,801,418	$6,761,442	$6,930,478	$7,796,787	$7,991,707	$8,191,500	$9,353,850	$526,221,818	$9,827,388	$11,055,812	$11,332,207
Cumulative, Inflated Assessment		$0	$0	$0	$9,562,359	$19,602,835	$26,854,348	$34,456,184	$46,559,995	$55,715,702	$65,300,094	$76,286,446	$604,415,425	$629,353,199	$719,078,161	$748,387,322
Cumulative Present Value	10%	$0	$0	$0	$6,531,220	$18,703,038	$33,861,617	$51,543,088	$73,263,669	$96,892,566	$122,068,579	$148,806,513	$341,391,894	$523,693,098	$713,048,852	$892,206,827
NPV		$2,590,552,003														
Hotel																
Current $ psf density (at 1.0X FAR)	$150,000															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.41	1.45
Projected $ psf density (at 1.0X FAR)		$153,750	$157,594	$161,534	$165,572	$169,711	$173,954	$178,303	$182,760	$187,329	$192,013	$196,813	$201,733	$206,777	$211,946	$217,245
Density Absorption		-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Incremental Assessment		$0	$0	$0	$0	$0	$39,139,653	$0	$0	$0	$0	$19,681,300	$0	$0	$0	$0
Cumulative, Inflated Assessment		$0	$0	$0	$0	$0	$39,139,653	$40,118,144	$41,121,098	$42,149,125	$43,202,853	$63,964,225	$65,563,330	$67,202,413	$68,882,474	$70,604,536
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$22,093,314	$42,680,265	$61,863,561	$79,738,904	$96,395,474	$118,814,545	$139,705,042	$159,171,188	$177,310,096	$194,212,261
NPV		$403,160,819														
Totals																
Incremental Assessment		$0	$0	$0	###########	$146,556,139	$195,859,305	$183,876,275	$223,611,668	$243,191,357	$370,217,267	$420,222,703	$957,109,196	$512,094,911	$840,934,627	$1,002,279,863
Cumulative, Inflated Assessment		$0	$0	$0	###########	$271,117,703	$473,754,950	$710,251,193	$955,064,760	$1,222,132,736	$1,735,330,112	$2,198,936,068	$3,211,018,666	$3,955,666,789	$4,958,428,405	$6,366,402,245
Cumulative Present Value		$0	$0	$0	$83,002,170	$251,344,932	$518,767,250	$883,238,416	$1,328,783,175	$1,847,086,758	$2,516,131,637	$3,286,845,315	$4,309,974,818	$5,455,790,584	$6,761,499,756	$8,285,565,836
NPV		$32,435,082,114														

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS REAL ESTATE TAX ASSESSMENT PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

16 2027	17 2028	18 2029	19 2030	20 2031	21 2032	22 2033	23 2034	24 2035	25 2036	26 2037	27 2038	28 2039	29 2040	30 2041	Total
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	
$490.69	$502.96	$515.53	$528.42	$541.63	$555.17	$569.05	$583.28	$597.86	$612.81	$628.13	$643.83	$659.92	$676.42	$693.33	
407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
$199,774,115	$204,768,468	$209,887,680	$215,134,872	$220,513,244	$167,745,464	$171,939,101	$176,237,579	$180,643,518	$185,159,606	$189,788,596	$194,533,311	$199,396,644	$204,381,560	$209,491,099	$4,210,093,814
$1,923,461,505	$2,176,316,511	$2,440,612,104	$2,716,762,279	$3,005,194,580	$3,248,069,909	$3,501,210,758	$3,764,978,605	$4,039,746,588	$4,325,899,859	$4,623,835,952	$4,933,965,162	$5,256,710,935	$5,592,510,268	$5,941,814,124	
$3,286,221,706	$3,716,794,325	$4,155,759,865	$4,599,972,207	$5,046,675,232	$5,485,588,773	$5,915,698,417	$6,336,164,292	$6,746,301,980	$7,145,565,226	$7,533,530,275	$7,909,881,713	$8,274,399,657	$8,626,948,197	$8,967,464,968	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	
$969.41	$993.65	$1,018.49	$1,043.95	$1,070.05	$1,096.80	$1,124.22	$1,152.33	$1,181.14	$1,210.66	$1,240.93	$1,271.95	$1,303.75	$1,336.35	$1,369.76	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$889,921,439	$944,363,692	$679,780,887	$637,019,589	$642,544,184	$393,269,399	$263,472,729	$328,551,707	$235,990,975	$320,341,804	$247,938,019	$179,040,287	$0	$0	$0	$9,015,364,825
$5,005,546,353	$6,075,048,704	$6,906,705,808	$7,716,393,043	$8,551,847,053	$9,158,912,628	$9,651,358,173	$10,221,193,835	$10,712,714,656	$11,300,874,326	$11,831,334,203	$12,306,157,845	$12,613,811,791	$12,929,157,086	$13,252,386,013	
$5,420,879,035	$6,622,795,035	$7,865,026,784	$9,126,718,707	$10,397,896,279	$11,635,545,371	$12,821,175,862	$13,962,659,960	$15,050,274,722	$16,093,300,198	$17,086,013,653	$18,024,698,877	$18,899,382,837	$19,714,429,254	$20,473,904,324	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	
$625.90	$641.55	$657.59	$674.03	$690.88	$708.15	$725.86	$744.00	$762.60	$781.67	$801.21	$821.24	$841.77	$862.81	$884.38	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$6,483,106	$6,645,183	$6,811,313	$6,981,596	$7,156,136	$8,356,194	$8,565,099	$8,779,227	$8,998,707	$9,223,675	$13,460,312	$13,796,820	$14,141,741	$12,274,400	$0	$756,500,276
$773,580,111	$799,564,797	$826,365,230	$854,005,957	$882,512,242	$912,931,242	$944,319,623	$976,706,840	$1,010,123,219	$1,044,599,974	$1,084,175,286	$1,125,076,489	$1,167,345,141	$1,208,803,170	$1,239,023,249	
$1,060,560,398	$1,218,750,031	$1,367,379,081	$1,507,015,879	$1,638,195,701	$1,761,560,621	$1,877,566,484	$1,986,643,305	$2,089,196,669	$2,185,609,066	$2,276,577,284	$2,362,395,514	$2,443,343,136	$2,519,545,373	$2,590,552,003	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	
$222,676	$228,243	$233,949	$239,798	$245,792	$251,937	$258,236	$264,692	$271,309	$278,092	$285,044	$292,170	$299,474	$306,961	$314,635	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
$27,834,480	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$86,655,433
$100,204,129	$102,709,233	$105,276,963	$107,908,888	$110,606,610	$113,371,775	$116,206,069	$119,111,221	$122,089,002	$125,141,227	$128,269,757	$131,476,501	$134,763,414	$138,132,499	$141,585,812	
$216,019,599	$236,340,073	$255,275,060	$272,919,025	$289,359,993	$304,679,986	$318,955,434	$332,257,555	$344,652,714	$356,202,749	$366,965,281	$376,994,004	$386,338,950	$395,046,741	$403,160,819	
$1,124,013,141	$1,155,777,344	$896,479,880	$859,136,057	$870,213,564	$569,371,058	$443,976,930	$513,568,513	$425,633,201	$514,725,085	$451,186,927	$387,370,419	$213,538,385	$216,655,960	$209,491,099	$14,068,614,348
$7,802,792,099	$9,153,639,245	$10,278,960,107	$11,395,070,167	$12,550,160,484	$13,433,285,554	$14,213,094,623	$15,081,990,501	$15,884,673,465	$16,796,515,386	$17,667,615,198	$18,496,675,997	$19,172,631,281	$19,868,603,023	$20,574,809,197	
$9,983,680,738	$11,794,679,463	$13,643,440,790	$15,506,625,818	$17,372,127,205	$19,187,374,751	$20,933,396,197	$22,617,725,113	$24,230,426,085	$25,780,677,238	$27,263,086,493	$28,673,970,108	$30,003,464,580	$31,255,969,565	$32,435,082,114	

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

SUPPLY -DRIVEN DEMAND
ASSESSED TAX –TOTAL

PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office (sf)															
Annual	-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905	332,905	332,905
Cumulative	-	-	-	144,701	422,122	680,804	939,486	1,198,168	1,456,850	1,715,532	2,048,437	2,381,342	2,714,248	3,047,153	3,380,058
Residential (units)															
Annual	-	-	-	66	106	133	146	199	220	350	338	376	411	758	828
Cumulative	-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345	3,103	3,931
Residential (sf)															
Annual	-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Cumulative	-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600	3,351,240	4,245,480
Retail (sf)															
Annual	-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Cumulative	-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468	1,207,026	1,225,584
Hotel (units)															
Annual	-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Cumulative	-	-	-	-	-	225	225	225	225	225	325	325	325	325	325

CUSHMAN & WAKEFIELD®
VALUATION & ADVISORY

PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
3,787,186	4,194,315	4,601,443	5,008,571	5,415,700	5,717,851	6,020,001	6,322,152	6,624,303	6,926,453	7,228,604	7,530,755	7,832,906	8,135,056	8,437,207	
850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	

PORT LANDS REAL ESTATE TAX PROJECTION - TOTAL
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

	End of Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	End of Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office																
Current $ psf density (at 1.0X FAR)	$7.95															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$8.15	$8.36	$8.57	$8.78	$9.00	$9.22	$10.38	$10.64	$10.90	$12.27	$12.57	$12.89	$13.21	$13.54	$13.88
Density Absorption		-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905	332,905	332,905
Incremental Property Tax		$0	$0	$0	$2,435,700	$2,496,593	$2,386,154	$2,684,423	$2,751,534	$2,820,322	$3,172,862	$4,185,328	$4,289,961	$4,397,210	$4,507,140	$4,619,819
Cumulative, Inflated Property Tax		$0	$0	$0	$2,435,700	$4,993,186	$7,504,169	$11,126,613	$14,156,312	$17,330,542	$22,669,722	$27,421,792	$32,397,298	$37,604,440	$43,051,691	$48,747,802
Cumulative Present Value	10%	$0	$0	$0	$1,663,616	$4,763,991	$8,999,899	$14,709,611	$21,313,635	$28,663,477	$37,403,636	$47,014,807	$57,337,584	$68,230,251	$79,567,107	$91,236,943
2031 Property Tax		$189,046,273														
NPV		$285,311,152														
Residential																
Current $ psf density (at 1.0X FAR)	$3.47															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%	0%	10%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82	1.87	2.10
Projected $ psf density (at 1.0X FAR)		$3.56	$3.65	$3.74	$3.83	$3.93	$4.02	$4.53	$4.64	$4.76	$5.35	$5.49	$5.62	$6.33	$6.48	$7.29
Density Absorption		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Incremental Property Tax		$0	$0	$0	$273,050	$449,498	$578,092	$713,922	$997,413	$1,130,234	$2,022,862	$2,002,344	$2,283,146	$2,807,633	$5,307,518	$6,522,366
Cumulative, Inflated Property Tax		$0	$0	$0	$273,050	$729,374	$1,325,700	$2,205,335	$3,257,881	$4,469,562	$7,051,119	$9,229,741	$11,743,631	$16,019,217	$21,727,216	$30,965,484
Cumulative Present Value	10%	$0	$0	$0	$186,497	$639,380	$1,387,703	$2,519,389	$4,039,214	$5,934,744	$8,653,256	$11,888,224	$15,630,106	$20,270,303	$25,991,758	$33,404,649
2031 Property Tax		$102,202,149														
NPV		$157,894,361														
Retail																
Current $ psf density (at 1.0X FAR)	$11.14															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%	10%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$11.41	$11.70	$11.99	$12.29	$12.60	$12.91	$13.24	$14.89	$15.26	$15.65	$16.04	$16.44	$16.85	$18.95	$19.43
Density Absorption		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Incremental Property Tax		$0	$0	$0	$304,238	$311,844	$215,124	$220,502	$248,065	$254,266	$260,623	$297,604	$16,742,408	$312,671	$351,755	$360,548
Cumulative, Inflated Property Tax		$0	$0	$0	$304,238	$623,689	$854,405	$1,096,267	$1,481,365	$1,772,665	$2,077,604	$2,427,149	$19,230,235	$20,023,662	$22,878,374	$23,810,882
Cumulative Present Value	10%	$0	$0	$0	$207,799	$595,061	$1,077,350	$1,639,908	$2,330,976	$3,082,759	$3,883,765	$4,734,466	$10,861,812	$16,661,953	$22,686,544	$28,386,680
2031 Property Tax		$39,421,080														
NPV		$82,421,663														
Hotel																
Current $ psf density (at 1.0X FAR)	$4,772															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.41	1.45
Projected $ psf density (at 1.0X FAR)		$4,892	$5,014	$5,139	$5,268	$5,400	$5,535	$5,673	$5,815	$5,960	$6,109	$6,262	$6,418	$6,579	$6,743	$6,912
Density Absorption		-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Incremental Property Tax		-	-	-	-	-	1,245,277	-	-	-	-	626,185	-	-	-	-
Cumulative, Inflated Property Tax		$0	$0	$0	$0	$0	$1,245,277	$1,276,409	$1,308,319	$1,341,027	$1,374,553	$2,035,102	$2,085,980	$2,138,129	$2,191,582	$2,246,372
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$702,927	$1,357,926	$1,968,267	$2,536,993	$3,066,943	$3,780,234	$4,444,891	$5,064,231	$5,641,343	$6,179,107
2031 Property Tax		$4,504,730														
NPV		$12,827,067														
Totals																
Incremental Property Tax		-	-	-	3,012,988	3,257,935	4,424,647	3,618,847	3,997,011	4,204,822	5,456,347	7,111,462	23,315,515	7,517,513	10,166,413	11,502,733
Cumulative, Inflated Property Tax		$0	$0	$0	$3,012,988	$6,346,248	##########	$15,704,623	$20,203,877	$24,913,796	$33,172,998	$41,113,784	$65,457,144	$75,785,448	$89,848,864	$105,770,540
% of 2031 Property Tax		0%	0%	0%	1%	2%	3%	5%	6%	7%	10%	12%	20%	23%	27%	32%
Cumulative Present Value	10%	$0	$0	$0	$2,057,912	$5,998,432	##########	$20,226,834	$29,652,091	$40,217,973	$53,007,599	$67,417,730	$88,274,393	###########	$133,886,752	$159,207,378
2031 Property Tax		$335,174,232														
NPV		$538,454,244														

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

PORT LANDS REAL ESTATE TAX PROJECTION - TOTAL
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

16 2027	17 2028	18 2029	19 2030	20 2031	21 2032	22 2033	23 2034	24 2035	25 2036	26 2037	27 2038	28 2039	29 2040	30 2041	Total
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	
$15.61	$16.00	$16.40	$16.81	$17.23	$17.66	$18.11	$18.56	$19.02	$19.50	$19.98	$20.48	$21.00	$21.52	$22.06	
407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
$6,356,064	$6,514,966	$6,677,840	$6,844,786	$7,015,906	$5,337,032	$5,470,458	$5,607,220	$5,747,400	$5,891,085	$6,038,362	$6,189,321	$6,344,054	$6,502,656	$6,665,222	$133,949,418
$61,197,342	$69,242,241	$77,651,137	$86,437,201	$95,614,037	$103,341,420	$111,395,414	$119,787,519	$128,529,608	$137,633,933	$147,113,144	$156,980,294	$167,248,856	$177,932,733	$189,046,273	
$104,555,268	$118,254,476	$132,220,716	$146,353,889	$160,566,306	$174,530,891	$188,215,369	$201,593,019	$214,642,064	$227,345,125	$239,688,720	$251,662,814	$263,260,409	$274,477,184	$285,311,152	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	
$7.48	$7.66	$7.85	$8.05	$8.25	$8.46	$8.67	$8.89	$9.11	$9.34	$9.57	$9.81	$10.05	$10.31	$10.56	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$6,863,057	$7,282,915	$5,242,457	$4,912,683	$4,955,289	$3,032,886	$2,031,897	$2,533,785	$1,819,958	$2,470,470	$1,912,093	$1,380,755	$0	$0	$0	$69,526,322
$38,602,678	$46,850,660	$53,264,384	$59,508,677	$65,951,682	$70,633,360	$74,431,091	$78,825,653	$82,616,252	$87,152,128	$91,243,025	$94,904,855	$97,277,477	$99,709,414	$102,202,149	
$41,805,716	$51,074,869	$60,654,937	$70,385,081	$80,188,379	$89,733,105	$98,876,665	$107,679,768	$116,067,433	$124,111,225	$131,767,013	$139,006,135	$145,751,681	$152,037,304	$157,894,361	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	
$19.91	$20.41	$20.92	$21.45	$21.98	$22.53	$23.09	$23.67	$24.26	$24.87	$25.49	$26.13	$26.78	$27.45	$28.14	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$206,268	$211,425	$216,710	$222,128	$227,681	$265,863	$272,509	$279,322	$286,305	$293,463	$428,257	$438,963	$449,937	$390,525	$0	$24,069,006
$24,612,422	$25,439,157	$26,291,847	$27,171,271	$28,078,235	$29,046,053	$30,044,714	$31,075,154	$32,138,338	$33,235,259	$34,494,397	$35,795,720	$37,140,551	$38,459,590	$39,421,080	
$33,743,060	$38,776,062	$43,504,882	$47,947,602	$52,121,252	$56,046,262	$59,737,134	$63,207,550	$66,470,414	$69,537,895	$72,432,163	$75,162,578	$77,738,028	$80,162,498	$82,421,663	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	
$7,085	$7,262	$7,443	$7,629	$7,820	$8,016	$8,216	$8,421	$8,632	$8,848	$9,069	$9,296	$9,528	$9,766	$10,011	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
885,589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,757,051
$3,188,120	$3,267,823	$3,349,519	$3,433,257	$3,519,088	$3,607,065	$3,697,242	$3,789,673	$3,884,415	$3,981,525	$4,081,063	$4,183,090	$4,287,667	$4,394,859	$4,504,730	$74,411,887
$6,872,935	$7,519,456	$8,121,896	$8,683,261	$9,206,351	$9,693,776	$10,147,967	$10,571,191	$10,965,559	$11,333,037	$11,675,461	$11,994,537	$12,291,859	$12,568,908	$12,827,067	
14,310,979	14,009,306	12,137,008	11,979,597	12,198,876	8,635,781	7,774,864	8,420,326	7,853,663	8,655,018	8,378,712	8,009,040	6,793,992	6,893,181	6,665,222	230,301,798
$127,600,562	$144,799,882	$160,556,887	$176,550,406	$193,163,042	$206,627,899	$219,568,461	$233,477,999	$247,168,612	$262,002,845	$276,931,629	$291,863,960	$305,954,550	$320,496,595	$335,174,232	
38%	43%	48%	53%	58%	62%	66%	70%	74%	78%	83%	87%	91%	96%	100%	
$186,976,979	$215,624,863	$244,502,431	$273,369,833	$302,082,288	$330,004,034	$356,977,135	$383,051,528	$408,145,469	$432,327,284	$455,563,357	$477,826,064	$499,041,978	$519,245,893	$538,454,244	

SUPPLY -DRIVEN DEMAND
ASSESSED TAX – CITY

PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office (sf)															
Annual	-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905	332,905	332,905
Cumulative	-	-	-	144,701	422,122	680,804	939,486	1,198,168	1,456,850	1,715,532	2,048,437	2,381,342	2,714,248	3,047,153	3,380,058
Residential (units)															
Annual	-	-	-	66	106	133	146	199	220	350	338	376	411	758	828
Cumulative	-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345	3,103	3,931
Residential (sf)															
Annual	-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Cumulative	-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600	3,351,240	4,245,480
Retail (sf)															
Annual	-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Cumulative	-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468	1,207,026	1,225,584
Hotel (units)															
Annual	-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Cumulative	-	-	-	-	-	225	225	225	225	225	325	325	325	325	325

PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

16 2027	17 2028	18 2029	19 2030	20 2031	21 2032	22 2033	23 2034	24 2035	25 2036	26 2037	27 2038	28 2039	29 2040	30 2041	Total
407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
3,787,186	4,194,315	4,601,443	5,008,571	5,415,700	5,717,851	6,020,001	6,322,152	6,624,303	6,926,453	7,228,604	7,530,755	7,832,906	8,135,056	8,437,207	
850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	

PORT LANDS REAL ESTATE TAX PROJECTION - CITY
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

End of Year #		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
End of Year		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office																
Current $ psf density (at 1.0X FAR)	$4.36															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$4.47	$4.58	$4.70	$4.82	$4.94	$5.06	$5.69	$5.84	$5.98	$6.73	$6.90	$7.07	$7.25	$7.43	$7.61
Density Absorption		-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905	332,905	332,905
Incremental Property Tax		$0	$0	$0	$1,336,291	$1,369,698	$1,309,108	$1,472,747	$1,509,565	$1,547,305	$1,740,718	$2,296,184	$2,353,588	$2,412,428	$2,472,739	$2,534,557
Cumulative, Inflated Property Tax		$0	$0	$0	$1,336,291	$2,739,396	$4,116,989	$6,104,360	$7,766,534	$9,508,002	$12,437,220	$15,044,334	$17,774,031	$20,630,809	$23,619,318	$26,744,358
Cumulative Present Value	10%	$0	$0	$0	$912,705	$2,613,654	$4,937,587	$8,070,089	$11,693,235	$15,725,556	$20,520,643	$25,793,590	$31,456,944	$37,432,955	$43,652,659	$50,055,046
2031 Property Tax		$103,715,881														
NPV		$156,529,388														
Residential																
Current $ psf density (at 1.0X FAR)	$2.48															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%	0%	10%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82	1.87	2.10
Projected $ psf density (at 1.0X FAR)		$2.54	$2.60	$2.67	$2.73	$2.80	$2.87	$3.23	$3.31	$3.39	$3.82	$3.91	$4.01	$4.51	$4.63	$5.20
Density Absorption		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Incremental Property Tax		$0	$0	$0	$194,803	$320,686	$412,430	$509,335	$711,587	$806,346	$1,443,176	$1,428,538	$1,628,872	$2,003,057	$3,786,558	$4,653,271
Cumulative, Inflated Property Tax		$0	$0	$0	$194,803	$520,359	$945,798	$1,573,358	$2,324,279	$3,188,732	$5,030,500	$6,584,801	$8,378,293	$11,428,637	$15,500,911	$22,091,795
Cumulative Present Value	10%	$0	$0	$0	$133,053	$456,155	$990,033	$1,797,415	$2,881,708	$4,234,042	$6,173,517	$8,481,450	$11,151,032	$14,461,501	$18,543,375	$23,831,975
2031 Property Tax		$72,914,376														
NPV		$112,647,033														
Retail																
Current $ psf density (at 1.0X FAR)	$6.11															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%	10%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$6.26	$6.42	$6.58	$6.74	$6.91	$7.08	$7.26	$8.17	$8.37	$8.58	$8.80	$9.02	$9.24	$10.40	$10.66
Density Absorption		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Incremental Property Tax		$0	$0	$0	$166,913	$171,086	$118,023	$120,973	$136,095	$139,497	$142,985	$163,274	$9,185,336	$171,540	$192,982	$197,807
Cumulative, Inflated Property Tax		$0	$0	$0	$166,913	$342,172	$468,749	$601,441	$812,717	$972,532	$1,139,830	$1,331,599	$10,550,225	$10,985,521	$12,551,693	$13,063,292
Cumulative Present Value	10%	$0	$0	$0	$114,004	$326,466	$591,063	$899,698	$1,278,836	$1,691,284	$2,130,738	$2,597,456	$5,959,083	$9,141,197	$12,446,450	$15,573,698
2031 Property Tax		$21,627,467														
NPV		$45,218,746														
Hotel																
Current $ psf density (at 1.0X FAR)	$2,618															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.41	1.45
Projected $ psf density (at 1.0X FAR)		$2,684	$2,751	$2,820	$2,890	$2,962	$3,036	$3,112	$3,190	$3,270	$3,352	$3,435	$3,521	$3,609	$3,700	$3,792
Density Absorption		-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Incremental Property Tax		-	-	-	-	-	683,193	-	-	-	-	343,542	-	-	-	-
Cumulative, Inflated Property Tax		$0	$0	$0	$0	$0	$683,193	$700,272	$717,779	$735,724	$754,117	$1,116,512	$1,144,425	$1,173,035	$1,202,361	$1,232,420
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$385,644	$744,995	$1,079,844	$1,391,863	$1,682,608	$2,073,938	$2,438,587	$2,778,374	$3,094,993	$3,390,025
2031 Property Tax		$2,471,416														
NPV		$7,037,275														
Totals																
Incremental Property Tax		-	-	-	1,698,007	1,861,471	2,522,754	2,103,056	2,357,247	2,493,148	3,326,879	4,231,538	13,167,796	4,587,025	6,452,279	7,385,634
Cumulative, Inflated Property Tax		$0	$0	$0	$1,698,007	$3,601,928	$6,214,729	$8,979,432	$11,621,309	$14,404,990	$19,361,667	$24,077,246	$37,846,973	$44,218,002	$52,874,283	$63,131,865
% of 2031 Property Tax		0%	0%	0%	1%	2%	3%	4%	6%	7%	10%	12%	19%	22%	26%	31%
Cumulative Present Value	10%	$0	$0	$0	$1,159,762	$3,396,275	$6,904,328	$11,512,196	$16,933,623	$23,042,745	$30,507,506	$38,946,434	$51,005,646	$63,814,026	$77,737,477	$92,850,744
2031 Property Tax		$200,729,140														
NPV		$321,432,441														

PORT LANDS REAL ESTATE TAX PROJECTION - CITY
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	Total
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	
$8.57	$8.78	$9.00	$9.22	$9.45	$9.69	$9.93	$10.18	$10.44	$10.70	$10.96	$11.24	$11.52	$11.81	$12.10	
407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
$3,487,108	$3,574,286	$3,663,643	$3,755,234	$3,849,115	$2,928,040	$3,001,241	$3,076,272	$3,153,179	$3,232,008	$3,312,808	$3,395,629	$3,480,519	$3,567,532	$3,656,721	$73,488,261
$33,574,511	$37,988,160	$42,601,507	$47,421,778	$52,456,438	$56,695,889	$61,114,527	$65,718,662	$70,514,807	$75,509,685	$80,710,236	$86,123,620	$91,757,230	$97,618,693	$103,715,881	
$57,361,838	$64,877,593	$72,539,848	$80,293,688	$88,091,003	$95,752,351	$103,260,024	$110,599,363	$117,758,421	$124,727,663	$131,499,692	$138,069,002	$144,431,756	$150,585,581	$156,529,388	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	
$5.33	$5.47	$5.60	$5.74	$5.89	$6.03	$6.19	$6.34	$6.50	$6.66	$6.83	$7.00	$7.17	$7.35	$7.54	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$4,896,331	$5,195,871	$3,740,142	$3,504,870	$3,535,266	$2,163,761	$1,449,622	$1,807,685	$1,298,418	$1,762,515	$1,364,150	$985,076	$0	$0	$0	$49,602,366
$27,540,421	$33,424,803	$38,000,564	$42,455,448	$47,052,100	$50,392,163	$53,101,589	$56,236,814	$58,941,152	$62,177,196	$65,095,776	$67,708,247	$69,400,953	$71,135,977	$72,914,376	
$29,825,573	$36,438,492	$43,273,228	$50,215,033	$57,209,028	$64,018,550	$70,541,866	$76,822,290	$82,806,326	$88,545,032	$94,006,922	$99,171,551	$103,984,045	$108,468,415	$112,647,033	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	
$10.93	$11.20	$11.48	$11.77	$12.06	$12.36	$12.67	$12.99	$13.31	$13.64	$13.99	$14.33	$14.69	$15.06	$15.44	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$113,164	$115,993	$118,893	$121,866	$124,912	$145,860	$149,506	$153,244	$157,075	$161,002	$234,953	$240,827	$246,848	$214,253	$0	$13,204,905
$13,503,038	$13,956,607	$14,424,416	$14,906,892	$15,404,476	$15,935,448	$16,483,340	$17,048,667	$17,631,958	$18,233,759	$18,924,556	$19,638,497	$20,376,307	$21,099,968	$21,627,467	
$18,512,352	$21,273,593	$23,867,951	$26,305,346	$28,595,124	$30,748,490	$32,773,402	$34,677,365	$36,467,461	$38,150,364	$39,738,237	$41,236,216	$42,649,177	$43,979,307	$45,218,746	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	
$3,887	$3,984	$4,084	$4,186	$4,290	$4,398	$4,508	$4,620	$4,736	$4,854	$4,976	$5,100	$5,227	$5,358	$5,492	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
485,858	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,512,593
$1,749,089	$1,792,816	$1,837,636	$1,883,577	$1,930,667	$1,978,933	$2,028,407	$2,079,117	$2,131,095	$2,184,372	$2,238,981	$2,294,956	$2,352,330	$2,411,138	$2,471,416	$40,824,367
$3,770,677	$4,125,376	$4,455,891	$4,763,871	$5,050,852	$5,318,267	$5,567,448	$5,799,640	$6,016,001	$6,217,610	$6,405,473	$6,580,526	$6,743,645	$6,895,642	$7,037,275	
8,982,461	8,886,150	7,522,678	7,381,969	7,509,293	5,237,660	4,600,369	5,037,201	4,608,671	5,155,524	4,911,912	4,621,532	3,727,367	3,781,785	3,656,721	137,808,125
$76,367,059	$87,162,385	$96,864,123	$106,667,695	$116,843,681	$125,002,433	$132,727,862	$141,083,260	$149,219,012	$158,105,012	$166,969,549	$175,765,320	$183,886,820	$192,265,775	$200,729,140	
38%	43%	48%	53%	58%	62%	66%	70%	74%	79%	83%	88%	92%	96%	100%	
$109,470,441	$126,715,054	$144,136,918	$161,577,938	$178,946,007	$195,837,657	$212,142,741	$227,898,659	$243,048,209	$257,640,668	$271,650,324	$285,057,296	$297,808,624	$309,928,944	$321,432,441	

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

SUPPLY -DRIVEN DEMAND
ASSESSED TAX –EDUCATION

PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Office (sf)															
Annual	-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905	332,905	332,905
Cumulative	-	-	-	144,701	422,122	680,804	939,486	1,198,168	1,456,850	1,715,532	2,048,437	2,381,342	2,714,248	3,047,153	3,380,058
Residential (units)															
Annual	-	-	-	66	106	133	146	199	220	350	338	376	411	758	828
Cumulative	-	-	-	66	172	305	451	650	870	1,220	1,558	1,934	2,345	3,103	3,931
Residential (sf)															
Annual	-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Cumulative	-	-	-	71,280	185,760	329,400	487,080	702,000	939,600	1,317,600	1,682,640	2,088,720	2,532,600	3,351,240	4,245,480
Retail (sf)															
Annual	-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Cumulative	-	-	-	24,752	49,503	66,161	82,819	99,478	116,136	132,794	151,352	1,169,910	1,188,468	1,207,026	1,225,584
Hotel (units)															
Annual	-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Cumulative	-	-	-	-	-	225	225	225	225	225	325	325	325	325	325

CUSHMAN & WAKEFIELD®
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PORT LANDS DEMAND PROJECTION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

16 2027	17 2028	18 2029	19 2030	20 2031	21 2032	22 2033	23 2034	24 2035	25 2036	26 2037	27 2038	28 2039	29 2040	30 2041	Total
407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
3,787,186	4,194,315	4,601,443	5,008,571	5,415,700	5,717,851	6,020,001	6,322,152	6,624,303	6,926,453	7,228,604	7,530,755	7,832,906	8,135,056	8,437,207	
850	880	618	565	556	332	217	264	185	245	185	245	185	245	172	9,675
4,781	5,661	6,279	6,844	7,400	7,732	7,949	8,213	8,398	8,643	8,828	9,073	9,258	9,503	9,675	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
5,163,480	6,113,880	6,781,320	7,391,520	7,992,000	8,350,560	8,584,920	8,870,040	9,069,840	9,334,440	9,534,240	9,675,000	9,675,000	9,675,000	9,675,000	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
1,235,942	1,246,300	1,256,658	1,267,016	1,277,374	1,289,174	1,300,974	1,312,774	1,324,574	1,336,374	1,353,174	1,369,974	1,386,774	1,401,000	1,401,000	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
450	450	450	450	450	650	650	650	650	650	800	800	800	800	800	

PORT LANDS REAL ESTATE TAX PROJECTION - EDUCATION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

	End of Year #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	End of Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Office																
Current $ psf density (at 1.0X FAR)	$3.59															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.66	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$3.68	$3.77	$3.87	$3.96	$4.06	$4.16	$4.68	$4.80	$4.92	$5.54	$5.67	$5.82	$5.96	$6.11	$6.26
Density Absortion		-	-	-	277,421	277,421	258,682	258,682	258,682	258,682	258,682	332,905	332,905	332,905	332,905	332,905
Incremental Property Tax		$0	$0	$0	$1,099,407	$1,126,892	$1,077,043	$1,211,674	$1,241,966	$1,273,015	$1,432,141	$1,889,140	$1,936,369	$1,984,778	$2,034,397	$2,085,257
Cumulative, Inflated Property Tax		$0	$0	$0	$1,099,407	$2,253,785	$3,387,173	$5,022,243	$6,389,764	$7,822,523	$10,232,480	$12,377,432	$14,623,237	$16,973,595	$19,432,333	$22,003,398
Cumulative Present Value	10%	$0	$0	$0	$750,910	$2,150,333	$4,062,303	$6,639,508	$9,620,380	$12,937,894	$16,882,958	$21,221,172	$25,880,586	$30,797,232	$35,914,373	$41,181,811
2031 Property Tax		$85,330,214														
NPV		$128,781,495														
Residential																
Current $ psf density (at 1.0X FAR)	$0.99															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	10%	0%	0%	10%	0%	0%	10%	0%	10%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.30	1.34	1.37	1.54	1.58	1.62	1.82	1.87	2.10
Projected $ psf density (at 1.0X FAR)		$1.02	$1.04	$1.07	$1.10	$1.13	$1.15	$1.30	$1.33	$1.36	$1.53	$1.57	$1.61	$1.81	$1.86	$2.09
Density Absortion		-	-	-	71,280	114,480	143,640	157,680	214,920	237,600	378,000	365,040	406,080	443,880	818,640	894,240
Incremental Property Tax		$0	$0	$0	$78,247	$128,811	$165,662	$204,587	$285,826	$323,888	$579,686	$573,806	$654,275	$804,575	$1,520,960	$1,869,095
Cumulative, Inflated Property Tax		$0	$0	$0	$78,247	$209,014	$379,902	$631,976	$933,601	$1,280,829	$2,020,619	$2,644,940	$3,365,338	$4,590,581	$6,226,305	$8,873,689
Cumulative Present Value	10%	$0	$0	$0	$53,444	$183,225	$397,670	$721,974	$1,157,506	$1,700,702	$2,479,738	$3,406,774	$4,479,074	$5,808,802	$7,448,383	$9,572,673
2031 Property Tax		$29,287,773														
NPV		$45,247,329														
Retail																
Current $ psf density (at 1.0X FAR)	$5.03															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	0%	10%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.34	1.37	1.40	1.44	1.48	1.51	1.70	1.74
Projected $ psf density (at 1.0X FAR)		$5.15	$5.28	$5.41	$5.55	$5.69	$5.83	$5.97	$6.72	$6.89	$7.06	$7.24	$7.42	$7.60	$8.56	$8.77
Density Absortion		-	-	-	24,752	24,752	16,658	16,658	16,658	16,658	16,658	18,558	1,018,558	18,558	18,558	18,558
Incremental Property Tax		$0	$0	$0	$137,325	$140,758	$97,101	$99,528	$111,969	$114,769	$117,638	$134,330	$7,557,056	$141,131	$158,772	$162,741
Cumulative, Inflated Property Tax		$0	$0	$0	$137,325	$281,516	$385,654	$494,824	$668,647	$800,132	$937,773	$1,095,547	$8,679,992	$9,038,122	$10,326,660	$10,747,568
Cumulative Present Value	10%	$0	$0	$0	$93,795	$268,594	$486,286	$740,209	$1,052,137	$1,391,471	$1,753,023	$2,137,006	$4,902,719	$7,520,741	$10,240,073	$12,812,955
2031 Property Tax		$17,793,576														
NPV		$37,202,840														
Hotel																
Current $ psf density (at 1.0X FAR)	$2,154															
Normal Property Value Growth		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Critical Mass Value Growth Premium		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Overall Property Value Growth Factor	1.00	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34	1.38	1.41	1.45
Projected $ psf density (at 1.0X FAR)		$2,208	$2,263	$2,320	$2,378	$2,437	$2,498	$2,561	$2,625	$2,690	$2,757	$2,826	$2,897	$2,970	$3,044	$3,120
Density Absortion		-	-	-	-	-	225	-	-	-	-	100	-	-	-	-
Incremental Property Tax		-	-	-	-	-	562,083	-	-	-	-	282,643	-	-	-	-
Cumulative, Inflated Property Tax		$0	$0	$0	$0	$0	$562,083	$576,135	$590,539	$605,302	$620,435	$918,588	$941,553	$965,092	$989,219	$1,013,950
Cumulative Present Value	10%	$0	$0	$0	$0	$0	$317,281	$612,930	$888,421	$1,145,128	$1,384,333	$1,706,292	$2,006,300	$2,285,853	$2,546,345	$2,789,076
2031 Property Tax		$2,033,310														
NPV		$5,789,780														
Totals																
Incremental Property Tax		-	-	-	1,314,979	1,396,461	1,901,890	1,515,789	1,639,761	1,711,671	2,129,465	2,879,919	10,147,699	2,930,484	3,714,130	4,117,094
Cumulative, Inflated Property Tax		$0	$0	$0	$1,314,979	$2,744,315	$4,714,812	$6,725,179	$8,582,551	$10,508,786	$13,811,306	$17,036,508	$27,610,120	$31,567,390	$36,974,517	$42,638,604
% of 2031 Property Tax		0%	0%	0%	1%	2%	4%	5%	6%	8%	10%	13%	21%	23%	28%	32%
Cumulative Present Value	10%	$0	$0	$0	$898,148	$2,602,152	$5,263,541	$8,714,621	$12,718,444	$17,175,195	$22,500,052	$28,471,244	$37,268,679	$46,412,627	$56,149,173	$66,356,516
2031 Property Tax		$134,444,873														
NPV		$217,021,444														

PORT LANDS REAL ESTATE TAX PROJECTION - EDUCATION
SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS

16 2027	17 2028	18 2029	19 2030	20 2031	21 2032	22 2033	23 2034	24 2035	25 2036	26 2037	27 2038	28 2039	29 2040	30 2041	Total
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.96	2.01	2.06	2.11	2.17	2.22	2.28	2.33	2.39	2.45	2.51	2.58	2.64	2.71	2.77	
$7.05	$7.22	$7.40	$7.59	$7.78	$7.97	$8.17	$8.38	$8.59	$8.80	$9.02	$9.25	$9.48	$9.71	$9.96	
407,128	407,128	407,128	407,128	407,128	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	302,151	8,569,927
$2,868,950	$2,940,674	$3,014,191	$3,089,545	$3,166,784	$2,408,988	$2,469,212	$2,530,943	$2,594,216	$2,659,072	$2,725,548	$2,793,687	$2,863,529	$2,935,117	$3,008,495	$60,461,031
$27,622,773	$31,254,016	$35,049,557	$39,015,342	$43,157,509	$46,645,435	$50,280,783	$54,068,745	$58,014,680	$62,124,118	$66,402,769	$70,856,526	$75,491,468	$80,313,872	$85,330,214	
$47,193,331	$53,376,772	$59,680,743	$66,060,063	$72,475,152	$78,778,376	$84,955,168	$90,993,465	$96,883,440	$102,617,248	$108,188,802	$113,593,574	$118,828,405	$123,891,344	$128,781,495	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
2.15	2.21	2.26	2.32	2.38	2.44	2.50	2.56	2.62	2.69	2.76	2.83	2.90	2.97	3.04	
$2.14	$2.20	$2.25	$2.31	$2.36	$2.42	$2.48	$2.55	$2.61	$2.68	$2.74	$2.81	$2.88	$2.95	$3.03	
918,000	950,400	667,440	610,200	600,480	358,560	234,360	285,120	199,800	264,600	199,800	140,760	-	-	-	9,675,000
$1,966,726	$2,087,044	$1,502,316	$1,407,813	$1,420,023	$869,125	$582,275	$726,099	$521,540	$707,955	$547,943	$395,679	$0	$0	$0	$19,923,956
$11,062,257	$13,425,858	$15,263,820	$17,053,229	$18,899,582	$20,241,197	$21,329,502	$22,588,838	$23,675,099	$24,974,932	$26,147,249	$27,196,609	$27,876,524	$28,573,437	$29,287,773	
$11,980,143	$14,636,377	$17,381,709	$20,170,048	$22,979,351	$25,714,555	$28,334,799	$30,857,479	$33,261,107	$35,566,193	$37,760,090	$39,834,585	$41,767,636	$43,568,889	$45,247,329	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.79	1.83	1.88	1.93	1.97	2.02	2.07	2.13	2.18	2.23	2.29	2.35	2.41	2.47	2.53	
$8.99	$9.21	$9.44	$9.68	$9.92	$10.17	$10.42	$10.68	$10.95	$11.23	$11.51	$11.79	$12.09	$12.39	$12.70	
10,358	10,358	10,358	10,358	10,358	11,800	11,800	11,800	11,800	11,800	16,800	16,800	16,800	14,226	-	1,401,000
$93,104	$95,431	$97,817	$100,262	$102,769	$120,003	$123,003	$126,078	$129,230	$132,461	$193,303	$198,136	$203,089	$176,272	$0	$10,864,078
$11,109,361	$11,482,526	$11,867,406	$12,264,354	$12,673,732	$13,110,578	$13,561,346	$14,026,458	$14,506,349	$15,001,469	$15,569,809	$16,157,190	$16,764,209	$17,359,586	$17,793,576	
$15,230,676	$17,502,433	$19,636,890	$21,642,210	$23,526,079	$25,297,719	$26,963,676	$28,530,125	$30,002,891	$31,387,466	$32,693,858	$33,926,291	$35,088,777	$36,183,116	$37,202,840	
2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05	2.10	
$3,198	$3,278	$3,360	$3,444	$3,530	$3,618	$3,709	$3,801	$3,896	$3,994	$4,094	$4,196	$4,301	$4,408	$4,518	
125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
399,730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,244,456
$1,439,028	$1,475,004	$1,511,879	$1,549,676	$1,588,418	$1,628,129	$1,668,832	$1,710,553	$1,753,316	$1,797,149	$1,842,078	$1,888,130	$1,935,333	$1,983,717	$2,033,310	$33,587,450
$3,102,251	$3,394,073	$3,665,997	$3,919,382	$4,155,490	$4,375,500	$4,580,509	$4,771,541	$4,949,547	$5,115,417	$5,269,977	$5,414,000	$5,548,202	$5,673,254	$5,789,780	
5,328,510	5,123,149	4,614,324	4,597,621	4,689,576	3,398,116	3,174,490	3,383,120	3,244,986	3,499,488	3,466,795	3,387,502	3,066,618	3,111,390	3,008,495	92,493,521
$51,233,420	$57,637,404	$63,692,663	$69,882,600	$76,319,241	$81,625,338	$86,840,462	$92,394,593	$97,949,445	$103,897,669	$109,961,905	$116,098,454	$122,067,534	$128,230,612	$134,444,873	
38%	43%	47%	52%	57%	61%	65%	69%	73%	77%	82%	86%	91%	95%	100%	
$77,506,401	$88,909,654	$100,365,339	$111,791,703	$123,136,072	$134,166,150	$144,834,152	$155,152,610	$165,096,985	$174,686,324	$183,912,728	$192,768,449	$201,233,021	$209,316,603	$217,021,444	

CUSHMAN & WAKEFIELD
VALUATION & ADVISORY

SUPPLY-DRIVEN SCENARIO 1 - 30 YEARS					
REVENUE PROJECTIONS SUMMARY Net Present Value ($Millions)			REAL ESTATE TAX SUMMARY (Upon Build Out of Projected Demand in 2041) ($ Millions)		
	TOTAL	NPV (@ 10%)		ASSESSMENT	ANNUAL TAXES
Office	$225	$45	Office	$5,942	$200
Residential	$713	$154	Residential	$13,252	$105
Retail	$131	$39	Retail	$1,239	$42
Hotel	$6	$2	Hotel	$142	$5
Total	$1,076	$240	Total	$20,575	$352

APPENDIX 13: REVIEW OF CERTAIN INFRASTRUCTURE FINANCING OPTIONS FOR THE TORONTO PORT LANDS ACCELERATION INITIATIVE

Review of Certain Infrastructure Financing Options for the Toronto Port Lands Acceleration Initiative

Prepared by Scotiabank for Waterfront Toronto

June 1, 2012

Scotiabank™

Table of Contents

1. Executive Summary

- Scotiabank has been engaged as a sub-advisor to Cushman & Wakefield to prepare this report (the "Report") which reviews certain financing options available for financing the public infrastructure expenditures required for the accelerated development of the Toronto Port Lands (the "Project").
- The Government of Canada (the "Federal Government"), the Province of Ontario (the "Province") and the City of Toronto (the "City") created Waterfront Toronto ("WT") in 2001. The redevelopment of the Toronto Port Lands falls under the mandate of WT.
- Toronto's Port Lands is an area of about 880 acres (356 hectares) that stretches from the Inner Harbour on the west to Leslie Street in the east, and from Lake Shore Boulevard in the north to the to the Outer Harbour in the south.
- Based on the analysis completed by the broader consultancy group (including Aecom and Cushman & Wakefield among others) in connection with the Project, as a starting point, it is assumed that some form of government financial support will be required to fund a portion of the infrastructure costs ("Publically Funded Infrastructure") in order to make the Project economically viable for private development.
- From a government perspective, the overall evaluation of the financial feasibility of the Project requires an evaluation of the total sources available to the government and the total expenditures required to be made by government as represented in the following diagram.

- The analysis contained herein does not address this broader question of feasibility of the Project from a government perspective (or the relative desirability of the Project versus other projects that will require government financial support), rather it exclusively addresses the ability of the Project to support debt financing on a recourse and non-recourse basis.
- In particular, this report analyses the options available to the government in the context of the available sources of tax and other revenue available to the government from the Project area.
- The two main sources of public revenue available to support the repayment of debt used to fund the Publically Funded Infrastructure are:

    1. Local Property tax paid to the City and the Province; and

2. Area Specific Development Charges (“ADCs”) or other special charges levied in respect of the Project.

- The opportunity to utilize property tax to repay debt raised to pay for the Publically Funded Infrastructure is obviously constrained by the requirement of the City and the Province to use some or all of those funds to pay for core services in the Project Area.
- The government may also consider funding the Publically Funded Infrastructure through some form of grant or direct subsidy to the extent that that there is a broader economic case to do so. This report does not address that approach.
- With respect to debt financing, the government broadly speaking can take one of two approaches to financing the Publically Funded Infrastructure:
    1. Issuance of public debt (“Recourse Debt”) which would be repaid through tax and other revenues associated with the Project but that is ultimately guaranteed by the Government;
    2. Issuance of non-recourse debt which is secured and repaid through public revenues (“Non-Recourse Debt”) where the risk of repayment of the debt is transferred to the debt providers.
- Government’s ability to raise Recourse Debt will be limited by broader fiscal and operating budgetary constraints.
- In particular, the City is constrained by City Council policy which limits its total debt capacity such that the total annual debt charges, including interest and principal amortization, cannot exceed 15% of the property taxes for the tax supported debt.
- The ability to raise Non-Recourse Debt, particularly in the early years of the Project, will be limited by the greenfield nature of the Project, given that debt investors will not typically accept the “ramp-up” associated with the uncertain government revenue from the Project which would be used to secure the debt.
- In order to attract debt investors in the Canadian debt capital market, Non-Recourse Debt would likely have to be rated by the rating agencies as investment grade (BBB- for higher from Standard & Poor’s or the equivalent rating from Moody’s or Fitch).
- In general, rating agencies expect debt repayment to be based on proven sources of revenue rather than speculative revenue based on projected increases in property values.
- As a result, the ability to raise Non-Recourse Debt to fund infrastructure costs prior to the commercial development is very limited.
- The quantitative analysis prepared by Scotiabank is based upon the real estate absorption and tax revenue projections prepared by Cushman & Wakefield Valuation and Advisory (“C&W”) and the ADC estimates prepared by Watson & Associates Economics.

- The following tables summarize the estimated debt capacity today of the Project on a recourse and non-recourse basis based. The non-recourse scenario assumes that the City and the Province participate on an equal basis, whereas the recourse scenario assumes that only City tax is available to support the repayment of the debt financing.

Recourse			
($000)	City	Province	Total
Tax Supported Debt	175,032	-	175,032
Area DC Supported Debt	116,886	-	116,886
Total	291,919	-	291,919

Non-Recourse			
($000)	City	Province	Total
TIF Bond Issuance	22,790	17,358	40,148
Area DC Supported Debt	-	-	-
Total	22,790	17,358	40,148

2. Introduction and Background

- Scotiabank has been engaged as a sub-advisor to Cushman & Wakefield to prepare a report (the “Report”) on the financing options available for financing the public infrastructure expenditures required for the accelerated development of the Port Lands (the “Project”).
- The Government of Canada (the “Federal Government”), the Province of Ontario (the “Province”) and the City of Toronto (the “City”) created Waterfront Toronto (“WT”) in 2001. The redevelopment of the Toronto Port Lands falls under the overall mandate of WT.
- Toronto's Port Lands is an area of about 420 hectares (1000 acres) that stretches from the Inner Harbour on the west to Leslie Street in the east, and from Lake Shore Boulevard in the north to the to the Outer Harbour in the south. With only a small portion in private hands, the majority of the Port Lands are owned by the following public agencies: Toronto Port Lands Company, City of Toronto, Province of Ontario, Toronto Port Authority, Federal Government and Waterfront Toronto.
- As noted, the work of the broader consultancy group studying the Project has concluded that there will be a gap between the infrastructure that can be commercially funded and that which is required. As such, the analysis contained herein does not address this broader question of feasibility of the Project from a government perspective, rather it exclusively addresses the ability of the Project to support debt financing on a recourse and non-recourse basis.
- From a government perspective, the overall evaluation of the feasibility of the Public Infrastructure requires an evaluation of the total sources available to the government (proceeds from the sale of public lands, development charges, property taxes) and the total expenditures required to be made my government (major, local and unique infrastructure costs and the provision of ongoing services). The analysis contained herein does not address this broader question of feasibility of the Project from a government perspective, rather it exclusively addresses the ability of the Project to support debt financing on a recourse and non-recourse basis.
- The remainder or the report is structured as follows:
    - Section 3 provides an overview of the certain funding models which could be employed for funding the Publically Funded Infrastructure along with a discussion of the opportunities and constraints of these models in the context of the Project;
    - Section 4 provides a review of certain global case studies, which have applicability to the funding of the Project;

- Section 5 presents Scotiabank's financial analysis of the debt capacity of the Project. This analysis builds upon the tax revenue forecasts and ADC forecasts that were completed by Cushman & Wakefield and Watson & Associates respectively; and
- Appendix A provides additional numerical support for the financial analysis.

3. Review of Potential Funding Alternatives

3.1. Overview

- The objective of the following section is to outline (i) the funding alternatives available to the Government; (ii) the financing considerations related to the alternatives; and (iii) the opportunities and constraints of the alternatives.
- In general terms, the Government can take two approaches to debt financing the Publically Funded Infrastructure.
    1. Funding the Publically Funded Infrastructure through public debt which is back-stopped or guaranteed by the Government ("Recourse Debt");
    2. Funding the Publically Funded Infrastructure through non-recourse debt which is secured and repaid through public revenues (Non-Recourse Debt").
- In both above cases, the two main sources of public revenue available to the Government which would be available as a source of debt repayment are:
    1. Property taxes paid to the City and the Province; and
    2. ADCs or other special charges levied in respect of the Project.
- However, the ability to utilize property tax to repay debt used to build the Publically Funded Infrastructure is obviously constrained by the requirements of the City and the Province to use the funds to pay for core services in the Project Area. As such, dedicating all public revenue for Publically Funded Infrastructure may not be feasible for the Government due to broader operating and capital budgeting constraints.
- With respect to Non-Recourse Debt, the ability to raise debt financing, particularly in the early years of the Project, will also be limited by the greenfield nature of the Project, given that debt investors will not typically accept the "ramp-up" associated with the uncertain Government revenue from the Project which would be used to secure the debt.
- Aside from debt financing, the Government may consider funding the Publically Funded Infrastructure through some form of grant or direct subsidy to the extent that that there is a broader economic case to do so. This report does not address that approach.

3.2. Recourse Debt

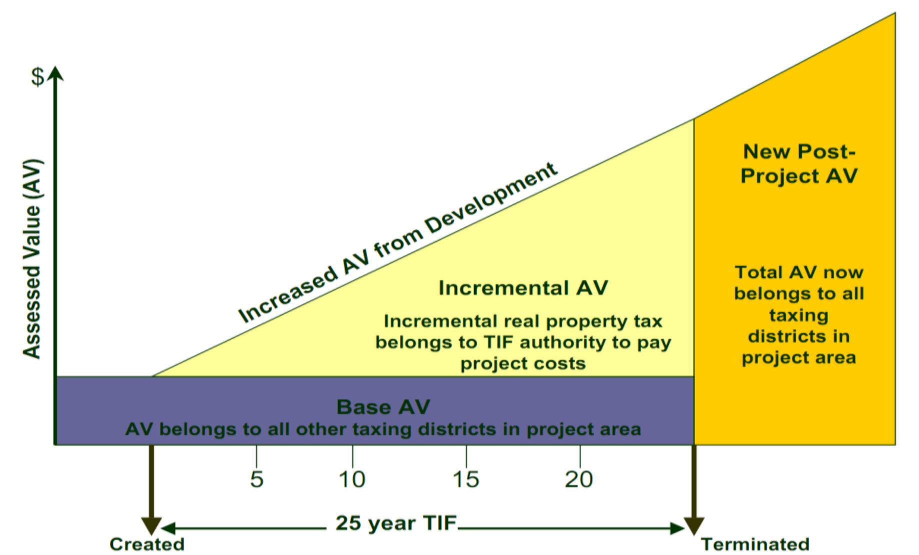
- Funding with Recourse Debt contemplates the City or the Province paying for the Publically Funded Infrastructure through the issuance of a bond under its overall borrowing and capital expenditure program in the normal course.

- The City's ability and appetite to do this would have to be considered in the context of their overall borrowing capacity, operating and capital budget, and potential tax and other revenues available in connection with the Project which could support the repayment of the debt.
- With respect to the City, the capacity to issue additional debt is limited by the City's regulation governing additional borrowing.
- The City of Toronto Act, 2006 ("COTA") sets out the framework under which the City can borrow to fund capital expenditures.
- The City's policy sets the limit of tax supported debt such that the total annual debt charges, including interest and principal amortization, cannot exceed 15% of the property taxes for the tax supported capital debt.
- This policy ensures that at least 85 cents of every property tax dollar raised is available to fund the operating cost of City programs and no more than 15 cents is dedicated to servicing the debt.
- This policy is viewed as a key component of the City's capital financing policy which helps in ensure a strong credit rating, providing access to lower interest rates.
- Under the COTA, the maximum term of for debt issuance by the City is 40 years or the useful economic life of the asset, whichever is less.
- A Recourse Debt approach offers certain important benefits when compared to Non-Recourse Debt including:
    - ❑ Access to lowest cost of capital by leveraging the credit rating of the City and/or the Province;
    - ❑ Avoidance of paying "risk premiums" on the cost of the debt associated with Non-Recourse Financing;
    - ❑ Ability to leverage a greater proportion of the tax revenue as a source of repayment for the debt thereby increasing the potential amount of debt that can be raised; and
    - ❑ Maintaining control over tax revenue and expenditures.

3.3. NON-RECOURSE DEBT

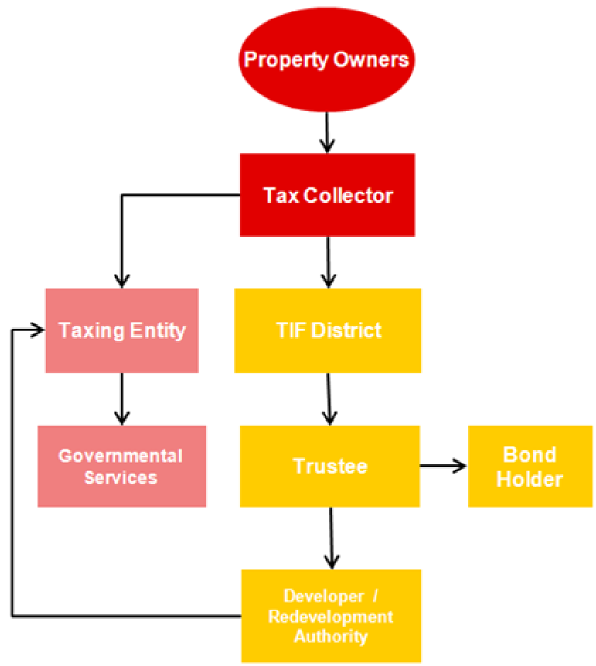
- Non-Recourse Debt refers to debt which is secured by and repaid from public tax revenue and/or other public sources of revenues such as development charges, area specific development charges or other government fees which are pledged to support repayment of a debt.

- The key feature of this type of financing is that it is non-recourse to the public sector: the purchaser of the debt (the "Bond Holders") assumes the risk associated with the materialization of the revenue. If revenues are not sufficient to repay the debt, the Government would have no obligation to make payments on the debt and the Bond Holders could suffer a loss.
- A common form Non-Recourse Debt used in the United States is tax increment financing ("TIF"). A bond issuance where the sole source of repayment and security for the bond is the pledged incremental tax revenue is herein referred to as a TIF Bond.
- Tax increment financing is a public finance technique used by local government jurisdictions to fund infrastructure initiatives and stimulate economic development in designated geographic areas.
- TIFs work by leveraging future tax revenue increases to finance current infrastructure projects through dedication of the incremental tax revenue represented by the difference between the assessed value of designated areas ("TIF zones") prior to the development and its assessed value after the developments are completed.
- The following graphic illustrates the basic functioning of a TIF financing.



- It is important to note that a TIF Bond can be secured against proven sources of revenue. For example, in the diagram above, at the only time in which the TIF district is created (year zero) the ability to raise non-recourse debt would be heavily limited given that there would be no proven incremental revenue.
- The typical flow of funds for a TIF Bond is as follows:

1. A TIF district is formed and development occurs in the district.
2. Property taxes are levied and collected in the same manner as a "non-TIF" property tax.
3. The base year taxes accrue to the benefit of the taxing jurisdiction.
4. The increase in taxes above the base amount accrues to the benefit of the TIF district for any permissible use (e.g repayment of debt raised to fund infrastructure).
5. Once the bonds are issued, the incremental property taxes flow to the trustee for payment to bondholders.
6. Annual tax increment not needed for debt service flows to either to the redevelopment authority or the developer per the provisions of the development agreement.
7. Excess tax revenue not used for the redevelopment may flow back to the taxing entity.



3.3.1. Rating Agency Considerations

- In order to attract debt investors in the Canadian debt capital market, a Non-Recourse Debt financing would likely have to be rated by the rating agencies as investment grade, which is defined as being greater than BBB- from Standard & Poors ("S&P") or equivalent from the other rating agencies.
- Scotiabank carried out preliminary discussion with two rating agencies, S&P and Moody's, both of whom are involved in rating Non-Recourse Debt in the United States to understand the parameters of an investment grade rating for Non-Recourse Debt.
- The rating agencies will evaluate a variety of risk factors in order to evaluate the credit quality of a project. Key areas of analysis include:
  - ❑ Project area analysis – this analysis will focus on the general economic factors that may affect the economic growth of the project area, such as a municipality's population, employment, and income level.
  - ❑ Assessment of historical property tax valuations and cash flows – this analysis will focus on the stability of the historical property values and the property tax received by the authority in the project area.

- Tax payer concentration – this analysis will concentrate on the level of concentration of the tax payers in the project area. The higher the level of concentration of the tax payers the lower the credit quality, since non-payment of taxes of smaller number of tax payers could impact the repayment of the debt.

- In general, rating agencies expect the debt repayment to be based on proven sources of revenue rather than more speculative revenue based on projected increases in property values and/or future developments.
- According to S&P's TIF criteria document (Public Finance Criteria: Special-Purpose Districts, June 14, 2007), "A typical investment-grade tax increment district already generates sufficient revenues to cover future maximum annual debt service ("MADS") at the time of the sale of bonds, a feature sometimes called coverage in the ground".
- The required minimum coverage ratio of tax revenue to debt service varies from project to project. Primary considerations are size, scope and type of development as well as the diversification of the tax base. Most financings have a ratio of 1.25x revenue to the maximum annual debt service.
- As a result, the ability to raise Non-Recourse Debt to fund infrastructure costs prior to the commercial development is very limited.

4. Review of Global Case Studies

4.1. Overview

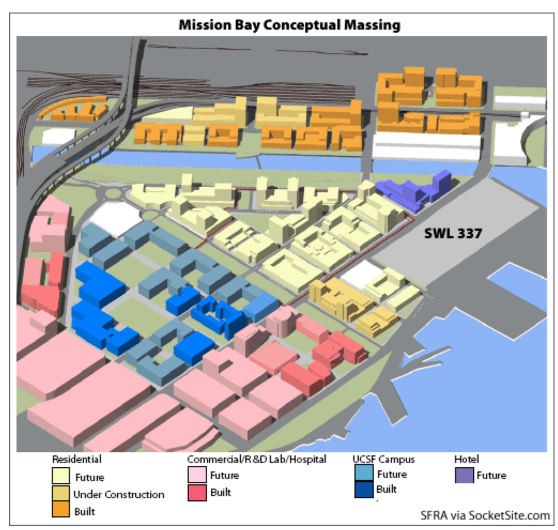
- Scotiabank has reviewed the approaches that have been taken in other jurisdictions with respect to tax supported debt financing. A summary of the following three projects which are relevant to the Project from a financing perspective is provided:
    1. Mission Bay, San Francisco, California;
    2. Hudson Yards, New York; and
    3. City of Calgary Rivers District Community Revitalization Plan, Calgary, Alberta.

4.2. Mission Bay, San Francisco

4.2.1. Background

- The Mission Bay Development is a 303 acres bounded by King Street and AT&T Park on the north, San Francisco Bay and I-280 on the east and west, and Mariposa Street on the south. The area is a former Santa Fe rail yard, built on landfill.
- In 1990, Santa Fe Pacific transferred title to Catellus Development Corporation, a publicly traded real estate company. In 2004, Catellus sold its remaining interest in the undeveloped property to an affiliate of Farallon Capital Management (FOCIL-MB, LLC), who now serves as primary developer. Upon completion, Mission Bay will include (i) 11.3 million square feet of residential, commercial and retail space (ii) a 43-acre research campus for the University of California and (iii) 42 acres of parks and open space.


UCSF



4.2.1. Financing Structure

- To date, over $280 million in tax increment bonds have been issued to fund Mission Bay infrastructure, including: a) 2005 Series D; 2) 2006 Series B; 3) 2009 Series C;4) 2011 Series C.
- The loan payments are secured by: a) a pledge of and first lien on the tax revenues allocated and paid to the agency from the project area; b) a pledge and first lien on all of the moneys in the reserve account established pursuant to the loan agreement.
- Highlights of the financing structure are as follows:
  - Term: 30 years
  - Debt rating: A- by S&P
  - Projected average coverage ratio: 1.34x
  - 20% of incremental revenue is used for affordable housing and is not available to bond holders
  - No additional bonds, notes or indebtedness payable out of the tax revenues will be issued. The agency may, however, issue or incur parity debt, subject to an addional bonds test which requires that the current revenues represent 125% of the maximum annual debt service over the life of the bond.
  - The public sector assumes no payment obligation over and above the pledged revenues. The bonds are not a debt of the agency, the city, the state, or any of their political subdivisions, other than the County of San Francisco Redevelopment Financing Authority.

4.2.1. Relavance to the Portlands

- The Mission Bay transaction provides a relevant framework for a Non-Recourse Debt in the context of the US bond market. It demonstrates that bondholders will accept TIF financing that is non-recourse to the taxing authority, however, stabilized and proven revenue is required to raise Non-Recourse Debt.
- In addition, it demonstrates a flexible financing structure can accommodate multiple bond issuances to better match the infrastructure financing needs of a project. This is an approach which is appropriate for a greenfield project such as the Port Lands, since its allow the issuer to access the raise funds as the tax revenue begins to ramp up and borrowing capacity is increased.

4.3. HUDSON YARDS, NEW YORK

4.3.1. Background

- The Hudson Yards is a retail, office, residential and hotel development totaling 50.6 million square feet for a 300+ acres of underutilized land in the west of Midtown Manhattan fronting the Hudson River.
- The Hudson Yards project utilized an issuance of tax and government revenue supported bonds to fund public infrastructure associated with the project.
- The bonds were intended to finance certain property acquisition and infrastructure work in the approximately 45 square block area including the (i) design and construction of an extension of the No. 7 subway line (ii) the construction of a system of parks, public open spaces and streets (iii) the acquisition of certain transferable development rights generated by the Eastern Rail yard and (iv) the property acquisition for the project.

4.3.2. Financing Structure

- Highlights of the financing structure are as follows:
  - ❑ $3 billion of bonds issued in several tranches: a) 2007 Series A - $2 billion; b) 2012 Series A - $1 billion.
  - ❑ Rated A2 by Moody's; A by S&P; and A by Fitch
  - ❑ Secured by: a) Interest Support Payment from New York City; b) Payments in lieu of real estate taxes (PILOT Payment") from property owners within the Special Assessment District ("SAD"); c) Increased density ("DIB") payments from property owners within the SAD and d) Payments in lieu of mortgage recording taxes ("PILOMRT Payment") from property owner within the SAD.
  - ❑ New York City pledges the securitized revenues as outlined above

- New York City agrees to make Interest Support Payments ("ISPs") until the conversion date equal to the interest payment due less other revenue available; the City provides no guarantee of the loan principal.
- The City's requirement to make ISPs ceases at the conversion date, which is the date that Net Recurring Revenues for the two preceding years is a) not less than 125% of the Maximum Annual Debt Service on all then Outstanding Senior Bonds and b) not less than 105% of the Maximum Annual Debt Service on all then Outstanding Bonds.

4.3.3. Relavance to the Portlands

- In this financing, Bond Holders did not accept ramp-up risk but did accept volume risk once the asset stabilized. To analogize to the Port Lands, this would suggest that the City would have to guarantee the debt until after the projected commercial development has occurred and the stability of tax revenues is demonstrated.

4.4. City of Calgary Rivers District Community Revitalization Plan

4.4.1. Background

- The Rivers District Community Revitalization Plan (the "Plan") is a public infrastructure program that will facilitate the reclamation, redevelopment and revitalization of this underdeveloped inner city area of Calgary. The Plan was needed because much of the area has been stagnant for many decades, even as the other parts of Calgary have redeveloped.
- The Plan is designed to have no impact on Calgary's operating and capital budgets over its 20 year timeframe and thereby provides self-sustaining funding for the Rivers District redevelopment. A significant component of the Plan involves allocating the Provincial portion of the property tax levies to the redevelopment (the Community Revitalization Levy or "CRL"). During the 20 year period of the CRL, Alberta has agreed to forgo a portion of their property tax revenues in the Rivers District, thereby enabling Calgary to leverage this contribution to fund redevelopment projects.
- A special purpose vehicle, the Calgary Municipal Land Corporation ("CMLC"), was established to implement and execute this Plan. The CRL will be levied and collected by Calgary through the property tax system. Certain responsibilities and authorities will be delegated by the City to CMLC in terms of administration, project management, and project delivery related to this Plan.
- The project is intended to be completed in two phases:

1. Initial Phase: $135 million covering infrastructure upgrading, including road raising and flood-proofing, and the regional pathway network; and
2. Other Projects: $715-$1,315 million covering four street connectors, environmental remediation, parking facility, central library, Calgary Police Head Quarters, Infrastructure in Beltline/Stampede Park, and Infrastructure in East Downtown.

4.4.2. Financing Structure

- The CRL funds will pay for, among other items:
  - Flood-proofing including the replacement of existing utilities and sidewalks.
  - Provision of new parks in the area, including the Riverfront Promenade.
- Private developers will fund the costs of upgrades to water and sanitary sewer systems, local roads and sidewalk improvements and shallow utilities.
- The CRL will front-end the cost of construction for these items where necessary, and recover the costs from the development proceeds. Any difference between the actual cost of construction and the amount recovered would remain a CRL cost.
- To bridge the timing of the CRL revenues, it is anticipated that the majority of borrowings will take place through Alberta Capital Finance Authority, but in specific circumstances if flexible borrowing arrangements are required, other financial institutions or capital markets may be utilized by Calgary.
- Over the course of the 20 year CRL, the tax revenue to flow to the CMLC is estimated to be between $725 million and $1,166 million.
- Borrowing capacity, given over the term of the 20 year CRL period, was estimated to be $495 million to $810 million.
- Calgary would provide a back-stop for any CRL loans.

4.4.3. Relavance to the Port Lands

- The Calgary model presents a practical mechanism for using Recourse Debt to effectively fund a revitalization program.
- However, the debt in this model is full recourse to the city of Calgary and therefore, the model is more of an exercise in budgeting rather than risk transfer.
- A feature of this approach was the fact that both Calgary and Alberta pledges their portion of the incremental tax revenue. This approach may not be feasible in the case of the Port Lands given the constraints specific to the City and Province.

5. Financial Analysis

5.1. Overview

- The objective of this section is to quantify the amount of debt financing that can be raised on both a recourse and non-course basis to support the Required Public Infrastructure under a realistic set of financing assumptions.
- The assumptions contained herein are made on the basis of discussions with rating agencies and the likely expectations Canadian debt capital markets.
- The analysis builds upon the real estate absorption and tax revenue projections prepared by Cushman & Wakefield Valuation and Advisory ("C&W") and the ADC estimates prepared by Watson & Associates Economics. A summary of these projections is provided below.

5.1.1. Real Estate Demand, Absorption, and Property Tax Projections Projections

- C&W prepared the real estate demand and absorption projections for a 30 year period.
- The table below summarizes C&W projections for office, residential, retail and hotel units.

Year	Office (sf)	Residential (Units)	Residential (sf)	Retail (sf)	Hotel (Units)
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	144,701	66	71,280	24,752	-
2016	144,701	106	114,480	24,752	-
2017	134,927	133	143,640	16,658	225
2018	134,927	146	157,680	16,658	-
2019	134,927	199	214,920	16,658	-
2020	134,927	220	237,600	16,658	-
2021	134,927	350	378,000	16,658	-
2022	173,641	338	365,040	18,558	100
2023	173,641	376	406,080	1,018,558	-
2024	173,641	411	443,880	18,558	-
2025	173,641	758	818,640	18,558	-
2026	173,641	828	894,240	18,558	-
2027	212,356	850	918,000	10,358	125
2028	212,356	880	950,400	10,358	-
2029	212,356	618	667,440	10,358	-
2030	212,356	565	610,200	10,358	-
2031	212,356	556	600,480	10,358	-
2032	157,600	332	358,560	11,800	-
2033	157,600	217	234,360	11,800	-
2034	157,600	264	285,120	11,800	-
2035	157,600	185	199,800	11,800	-
2036	157,600	245	264,600	11,800	-
2037	157,600	185	199,800	16,800	-
2038	157,600	245	140,760	16,800	-
2039	157,600	185	-	16,800	-
2040	157,600	245	-	14,226	-
2041	157,600	172	-	-	-
Total	4,470,022	9,675	9,675,000	1,401,000	450

- In order to calculate property tax revenue, the above absorptions are multiplied by the projected land value and by the property tax rates currently applicable.

5.1.2. Area Development Charge Projections

- Watson & Associates Economists prepared the forecast for the ADCs which could be levied on developers in respect of the Project.
- ADCs can be imposed by the City to defray capital costs that it has incurred or that have been included in a Council-approved capital forecast.
- ADCs can be based on capital costs if they are incurred or proposed to be incurred by the City or one of its local boards directly, or by others on behalf of, and as authorized by the City or local board.
- The table below provides a summary of the ADCs specific development charges applicable to the Project as projected by Watson & Associates.

Year	$000	Year	$000
2012		2027	12,132
2013		2028	11,862
2014		2029	9,487
2015	2,192	2030	9,170
2016	2,542	2031	9,303
2017	3,817	2032	6,255
2018	2,787	2033	5,117
2019	3,279	2034	5,787
2020	3,532	2035	4,997
2021	4,708	2036	5,850
2022	5,814	2037	5,338
2023	18,010	2038	4,775
2024	6,134	2039	3,193
2025	9,492	2040	3,225
2026	10,392	2041	3,032
			172,220

5.2. Recourse Financing

5.2.1. Methodology and Assumtions

With respect to the Recourse Debt, Scotiabank has analyzed the amount of debt that could be supported by i) City Tax Revenue; ii) Provincial Tax Revenue; and iii) ADCs making the following assumptions:

1. The amount of City property tax revenue available for the repayment of the debt would be equal to 15% of total available tax revenue in line with the City's debt ceiling policy.
2. Provincial tax revenue is not available to support the debt financing.
3. With respect to ADCs, it is assumed that 100% of the revenue will be available for repayment of debt, as these will be charges specific to the Project which will be available for Public Infrastructure Requirement. Standard development charges that are payable by developers are not considered in this analysis.
4. The term of the debt is assumed to be 30 years based on the assumption that this is in line with the average useful life of all of the assets. The City is constrained to a maximum debt term of the lesser of i) 40 years or ii) the useful life of the assets.
5. Debt pricing and terms are based on the cost of raising debt for the City under its traditional debt capital program.
6. The Recourse Debt is issued in 2016 once the first phase of the required infrastructure for the Project has been completed, and the Project area has started to generate property tax revenue.
7. For financial modeling purposes, interest is capitalized in early years until incremental tax revenue is sufficient to cover principal and interest of debt. In practicality, this would imply that the 15% of tax revenue would be insufficient to cover the debt service in the early years and there would be excess cash flow in the later years.

5.2.2. Summary of Results

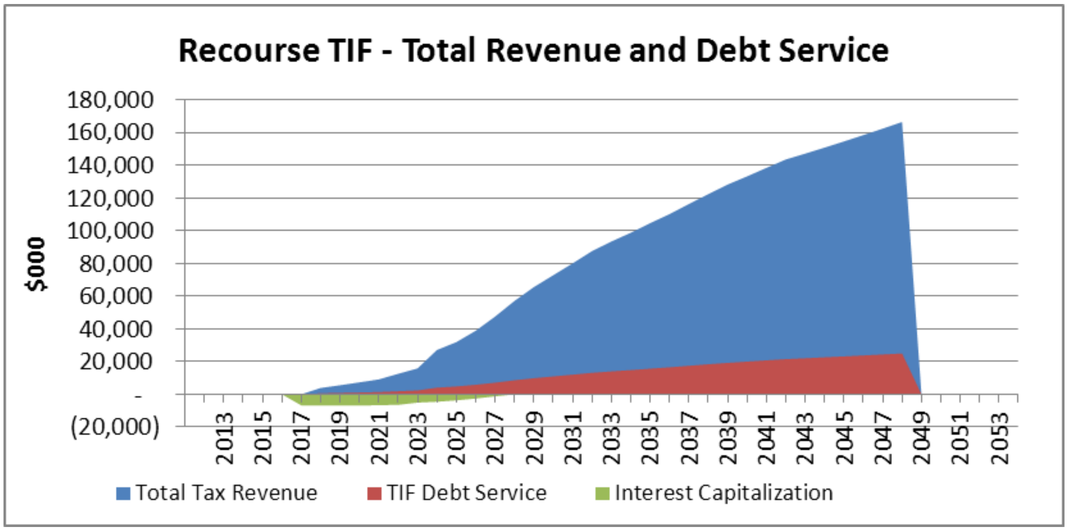
5.2.2.1. Net Proceeds at Issuance

- The following table shows the estimated net proceeds of the ADC and tax supported Recourse Bond issuance.

Sources and Uses At Issuance Date			($000)
($000)	Area DC Supported Debt		TOTAL
Gross Bond Proc	117,722	176,014	293,736
Upfront Fee on Fi	(294)	(440)	(734)
Financing Expens	(541)	(541)	(1,082)
Net Bond Proceed	116,886	175,032	291,919

5.2.2.1. *Debt Repayment Profile*

- The following graphs show the debt repayment profile for the Recourse Debt:



5.3. NON-RECOURSE DEBT

5.3.1. Methodology and Assumtions

With respect to the Non-Recourse Debt, Scotiabank has analyzed the amount of debt that could be supported by both i) City Tax Revenue; ii) Provincial Tax Revenue; and iii) ADCs, making the following assumptions:

1. Both City and Provincial property tax are available to repay the Non-Recourse Debt.
2. The debt is sized based on a debt service coverage ratio of 1.25x. The debt issuance takes into account the revenue at the time of the debt issuance and does not factor in the projected growth of tax revenue.

3. The bonds are issued in 2016.
4. ADCs are not assumed as a source of debt repayment that can be used for Non-Recourse Debt. This is because the ADCs are dependent on development occurring in the future, and as such, tax revenue is essentially speculative. As such, this is not a source of repayment which would be able to achieve an investment grade rating.
5. Debt pricing and terms are based on the cost of raising debt for the City and Province under their traditional debt capital program plus estimated risk/liquidity premiums based on relevant comparison transactions.

5.3.2. Summary of Results

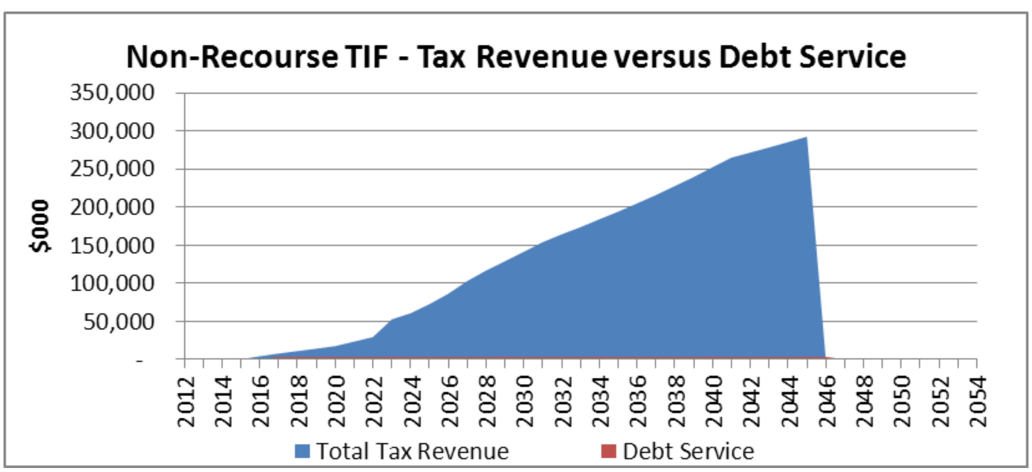
5.3.2.1. Net Proceeds at Issuance

- The following table shows the estimated net proceeds of the TIF Bond issuance under a non-recourse scenario.

($000)	Area DC	TIF Iss. 1
Gross Bond Proceeds	-	44,049
Upfront Fee on Financing	-	(220)
Financing Expenses	-	(1,082)
DSRA Funding	-	(2,599)
Net Bond Proceeds	-	40,148

5.3.2.2. Debt Repayment Profile

- The following graphs show the debt repayment profile for the Non-Recourse Debt.



5.4. SENSITIVITY ANALYSIS

- The following table shows the sources and uses during the term of the debt under a recourse and non-recourse financing.

Recourse Debt ('000)

#	Scenario	Area DC	TIF	Total	% vs Base
1	Base Case	116,886	175,032	**291,919**	
2	Debt Term (35 years)	116,886	207,700	**324,586**	11.19%
3	Debt Term (40 years)	116,886	237,501	**354,387**	21.40%
4	Interest Rate (+1%)	105,515	145,793	**251,308**	-13.91%
5	Interest Rate (+2%)	95,655	122,224	**217,879**	-25.36%
6	Province Included	116,886	284,230	**401,116**	37.41%

Non-Recourse Debt ('000)

#	Scenario	Iss #1	% vs Base
1	Base Case	40,148	
2	Debt Term (35 years)	42,390	5.58%
3	Debt Term (40 years)	44,073	9.78%
4	Interest Rate (+1%)	35,666	-11.16%
5	Interest Rate (+2%)	31,876	-20.60%
6	City Only	22,790	-43.23%

5.5. SUMMARY OF FINANCIAL ANALYSIS

5.5.1. Recourse Debt

- With respect to Recourse Debt you can access both the tax revenue and the ADCs. Because there is a government guarantee to the debt, the Government would have the discretion to borrow against future TIF revenue and ADCs even though these revenues are more speculative and uncertain. The Government obviously then takes the risk that development does indeed occur and at the pace projected.
- You can issue debt and therefore pay for infrastructure which is supported by the revenues earlier because you are not constrained by the requirement to have stabilized proven revenue as you would require for Non-Recourse Debt.

5.5.1. Non-Recourse Debt

- You cannot borrow against the ADCs because this revenue is entirely dependent on future commercial development which is not certain and therefore is not an appropriate source of repayment for non-recourse debt.
- You are very limited in the amount of debt that you raise in the early years before revenue is proven and stable. In fact, even under the constraint to borrow against 15% of City tax revenue under a Recourse Debt Scenario, you can raise almost seven time more Recourse Debt than Non-Recourse debt.

Appendix A – Summary of Financial Analysis

RECOURSE DEBT SUMMARY

Financing Assumptions

	Area DC	Tax Supported Debt
Year of Issuance	2016	2016
Debt Term	25 years	30 years
Interest Roll-Up Period	n/a	0 years
Debt Service Reserve Requirement	0 years	0 months
Coverage Ratio	1.00 x	1.00 x
Upfront Fee	0.25%	0.25%
Transaction Costs (real)	$ 500	500
Benchmark Rate	2.00%	3.00%
Credit Spread	1.40%	1.40%
All-in Rate	3.40%	4.40%

Bond Issuance Summary ('000)

	Area DC	Tax Supported Debt	TOTAL
Gross Bond Proceeds	117,722	285,485	403,207
Upfront Fee on Financing	(294)	(714)	(1,008)
Financing Expenses	(541)	(541)	(1,082)
DSRA Funding	-	-	-
Net Bond Proceeds	116,886	284,230	401,116

Bond Issuance - Sources and Uses

Souces			Uses		
Area DC	117,722	29.20%	Avail for Infra Costs	401,116	99.48%
Tax Supported Debt	285,485	70.80%	Upfront Financing Fee	1,008	0.25%
			Financing Expenses	1,082	0.27%
			DSRA Funding	-	0.00%
Total Sources	403,207	100.00%	Total Uses	403,207	100.00%
				-	

Sources and Uses During Debt Term ('000)

Souces			Uses		
City Tax	2,832,918	59.53%	Tax Supported Debt - Principal	380,962	8.01%
Provincial Tax	1,753,868	36.85%	Tax Supported Debt - Interest	307,056	6.45%
Development Charge Revenue	172,220	3.62%	ADCs - Principal Repayment	117,722	2.47%
ADCs	-	0.00%	ADCs - Interest Payments	54,498	1.15%
			Tax to Auth - Baseline Tax	-	0.00%
			Tax to Auth - Incremental Tax	3,898,768	81.92%
			Tax to Auth - ADCs	-	0.00%
Total Sources	4,759,006	100.00%	Total Uses	4,759,006	100.00%

NON-RECOURSE DEBT SUMMARY

Financing Assumptions

	Area DC	TIF Iss. 1	TIF Iss. 2	TIF Iss. 3	TIF Iss. 4
Year of Issuance	0	2016	0	0	0
Debt Term	0 years	30 years	23 years	0 years	0 years
Interest Roll-Up Period	n/a	0 years	0 years	0 years	0 years
DSR Requirement	0 months	12 months	12 months	0 months	0 months
Coverage Ratio	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x
Upfront Fee	0.50%	0.50%	0.50%	0.50%	0.50%
Transaction Costs (real)	1,000	1,000	1,000	-	-
Benchmark Rate	2.00%	3.00%	3.00%	3.00%	3.00%
Credit Spread	2.90%	2.90%	2.90%	2.90%	2.90%
All-in Rate	4.90%	5.90%	5.90%	5.90%	5.90%

Bond Issuance Summary ('000)

	Area DC	TIF Iss. 1	TIF Iss. 2	TIF Iss. 3	TIF Iss. 4	TOTAL
Gross Bond Proceeds	-	44,049	-	-	-	44,049
Upfront Fee on Financing	-	(220)	-	-	-	(220)
Financing Expenses	-	(1,082)	-	-	-	(1,082)
DSRA Funding	-	(2,599)	-	-	-	(2,599)
Net Bond Proceeds	-	40,148	-	-	-	40,148

Bond Issuance - Sources and Uses

Souces			Uses		
Area DC	-	0.00%	Avail for Infra Costs	40,148	91.14%
TIF Issuance 1	44,049	100.00%	Upfront Financing Fee	220	0.50%
TIF Issuance 2	-	0.00%	Financing Expenses	1,082	2.46%
TIF Issuance 3	-	0.00%	DSRA Funding	2,599	5.90%
TIF Issuance 4	-	0.00%			
Total Sources	44,049	100.00%	Total Uses	44,049	100.00%
				-	

Sources and Uses During Debt Term ('000)

Souces			Uses		
City Tax	2,488,999	59.23%	TIF - Principal Repayment	44,049	1.05%
Provincial Tax	1,541,036	36.67%	TIF - Interest Payments	50,930	1.21%
Development Charge Revenue	172,220	4.10%	DC - Principal Repayment	-	0.00%
	-	0.00%	DC - Interest Payments	-	0.00%
			Tax to Auth - Baseline Tax	-	0.00%
			Tax to Auth - Incremental Tax	3,935,055	93.64%
			Tax to Auth - ADCs	172,220	4.10%
Total Sources	4,202,255	100.00%	Total Uses	4,202,255	100.00%