

World Expo Canada 2025 Feasibility Study Results presentation to Mayor Tory and Executive Committee

EX18.7.37

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October 26, 2016

***“What You Can Do, or Dream You Can, Begin It;
Boldness has genius, power and magic in it.” - Goethe***



Agenda

- Our Mandate
- What is an Expo?
- Why bid for an Expo?
- Feasibility Study Results: Site Analysis & Masterplan
- Feasibility Study Results: Financial Analysis And Economic Impact
- Next Steps
- Questions



Our Mandate

The World Expo Canada Bid Corporation (“WECBC”) prepared a Feasibility Study in relation to a potential future bid for a Registered 6-month Exposition in 2025 based on City Council’s motion of June 7, 2016

City Council consideration on June 7, 2016

EX15.7	ACTION	Adopted		Ward:All
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Implementation of the Mayor’s Advisory Panel Recommendations for Future “Mega” International Event Bidding and Hosting in the Toronto Region

5. City Council accept the offer of a privately funded feasibility report to determine the incremental cost and associated benefits with hosting Expo 2025 and request the City Manager to participate in the establishment of the Terms of Reference for the feasibility report, with the final report to be submitted to the City Manager by mid August 2016 for comment and analysis.
6. City Council request the City Manager to submit the feasibility report to the Executive Committee no later than its meeting of October 26, 2016.
7. City Council request the Government of Ontario and the Government of Canada to:
 - a. participate in the establishment of the Terms of Reference for the feasibility report; and
 - b. consider the feasibility report, and the possibility of a bid at the same time as the Executive Committee, in October 2016.
8. City Council require that any City of Toronto bid for Expo 2025 be contingent upon an agreement with the Federal and Provincial governments that any Expo funding by those governments be separate and in addition to any current and future funding allocations to transit, housing and other infrastructure provided to the City of Toronto by those governments.

The scope of work undertaken by the Feasibility Study team included research and analysis into:

- What is an Expo?
- Can we do it?
 - Site Analysis
 - Concept Masterplan
- Incremental Costs: Financial Analysis And Economic Impact
- Legacy Benefits
- Other considerations, including health & safety, security, fire and EMS



What is an Expo?: A Unique and Attractive Mega-Event

- A tool for international trade and economic development
- A tool for city building
- A relatively inexpensive and minimally disruptive mega-event



Climate Hack-to-Action winner, Team Best Practice:
connect young farmers to landowners with backyards to
rent for urban food production



Dusk Dances 20th
Anniversary Withrow Park
Toronto ON



Canadian Indigenous Innovation

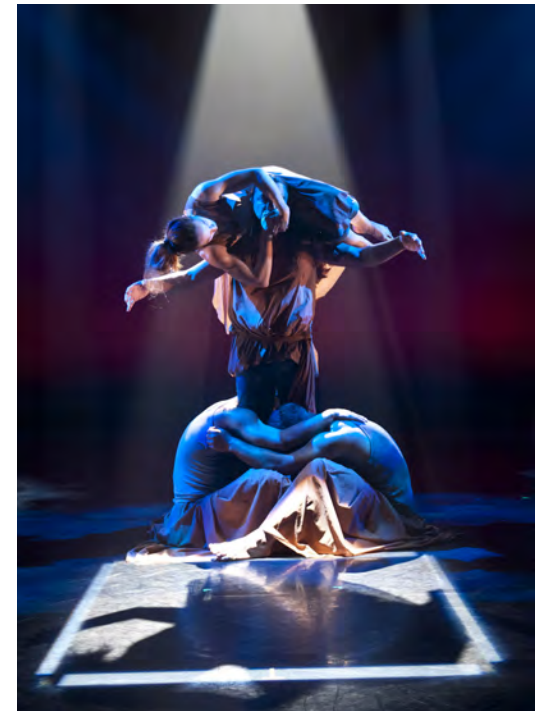
Why bid for Expo 2025?

A Nation, City Building Tool

Expo as a Catalyst and Accelerator for Government Agendas

Realizing the ambitious vision for the future Port Lands community based on the community building objectives of Waterfront Toronto and existing government agendas. These objectives and agendas that will be directly furthered by Expo 2025:

- Innovation/Smart Cities
- Economic Development / Jobs
- Affordable Housing
- Transit
- Climate Change
- Social Harmony/ Diversity
- Reconciliation with Indigenous Communities
- International Brand and Tourism



Red Sky Performance, Migration Photo Don Lee 2011

Expo 2025 : A Nation, City Building Tool



Innovation/Smart Cities

- Expo 2025 will be a mechanism to further government objectives on innovation:
- Support the realization of an innovation hub
- Provide an opportunity and greater exposure for SME's to grow
- A marketing tool to retain and attract human capital in the Technology Sector; repatriate from Silicon Valley
- Consolidate efforts and resources to create a model 'smart city' and sustainable, liveable community, connected with Toronto and the region through new and upgraded physical (rapid transit / cycling) and virtual corridors

Expo 2025 : A Nation, City Building Tool

Economic Development

Expo 2025 will facilitate achieving the objectives of Canada's Innovation, Trade and Investment strategy by:

- Strengthening the investment attraction of Toronto, Ontario and Canada by promoting Canada on a grander scale
- Increasing the exposure of Canadian businesses to broad global innovation
- Better promoting Free Trade Agreements (FTAs) to Canadian corporations, specifically Small and Medium Enterprises (SMEs) as they are not yet taking advantage of the FTAs Canada has to offer
- Facilitating the opportunity to engage in bilateral and multilateral discussions, and increasing Canada's international trade and investment opportunities
- Expo 2025 ties in with PMO Youth Agenda. An Expo will provide exposure to and help facilitate access for young entrepreneurs to people, ideas and global business opportunities, helping to drive growth.
- Being a catalyst to streamline immigration processes and policies to attract targeted talent and investors



Expo 2025 : A Province & City Building Tool



Affordable Housing Design, Seattle, WA

Affordable Housing

- Expo 2025 will require approximately 1000 units of housing to accommodate workers from foreign countries in the lead up to and during the event
- Based on past precedent and BIE guidelines, this housing can be located in different areas throughout the City, provided adequate transit is available
- Expo 2025 will therefore provide the impetus to develop 1000 units of affordable housing in targeted areas and communities

Expo 2025 : A Province & City Building Tool

Transit

- Transit needs for Expo align with Smart Track and the GO electrification
- Follows the 'transit first' approach of waterfront development
- Further cycling and active route networks from various parts of the city to the Eastern downtown



A conceptual rendering of the new transit hub at the Unilever site
Image courtesy of First Gulf



Transit hub at East Harbour
Image courtesy First Gulf

Expo 2025 : A Nation, City Building Tool

Climate Change/ Flood Protection



- Expo 2025 will further Toronto and Canada's climate change goals
e.g. Flood Protection
- Expo 2025 will provide the opportunity to engage in dialogue with climate change leaders throughout the world, employing their lessons in the future development of the site, while showcasing Toronto's investment in sustainable development along the waterfront

Expo 2025 : A Nation, City Building Tool

Canada welcomes the world: Diversity and Social Harmony



- Expo 2025 will showcase what “diversity as a strength” truly means
- **240 ethnic groups** from **169 BIE countries**, and over half of the population of Toronto born outside of Canada
- More than **150 languages** are spoken here
- Estimated **30 million visits** & benefit from 9 million incremental, unique visits i.e. people who are drawn to the city specifically to attend the event to the Expo site
- Toronto region’s diverse residents activated as **local cultural ambassadors** to attract visitors and investments from their country of origin



Expo 2025 : A Nation Building Tool

Reconciliation with Indigenous Communities

“The Canadian Council for Aboriginal Business (CCAB) fully supports the vision and commitment of the EXPO 2025 bid. We see this as an opportunity to proudly celebrate Canada’s First Peoples through not only a cultural and traditional perspective but also through the entrepreneurial spirit and growth of Aboriginal business in 21st Century Canada.”

~ JP Gladu, CEO
The Canadian Council for Aboriginal Business



*Golf Bag Totem
Artist: Brian Jungen , 2010*

Expo 2025 : A International Brand and Reputation Building Tool

Tourism

Estimated **30 million visits** & benefit from 9 million incremental, unique visits i.e. people who are drawn to the city specifically to attend the event to the Expo site

Canada's, Ontario's and Toronto's International Brand

It will provide the platform to re-brand as:

- A hub for investment within North America
- A leading tourist destination



Glacier- Skywalk, Jasper AB



World Expo Canada 2025 Feasibility Study

This Feasibility Study addressed a number of considerations across a wide array of relevant areas, as per the Terms of Reference. Two overarching considerations guided the study:

1. Can it be done? *Site Analysis*

A detailed site analysis proved **that it is feasible** for Expo 2025 to be hosted in the Port Lands given the numerous associated complexities. The Feasibility Study concludes that it would initially appear feasible for a World Expo in 2025 to be hosted in the Port Lands:

- The site is of sufficient size, and is comparable in size to previously held International Expositions;
- There are viable transport solutions with the necessary access points;
- Proximity to the city centre and waterfront location present an attractive event proposition with unique hosting opportunities and operational solutions;
- The alignment of existing city development plans and the Expo Master Plan facilitates a significant reduction in incremental cost; and
- The site provides the foundation for a compelling legacy vision.



Study site location – Toronto Port Lands



Land Availability

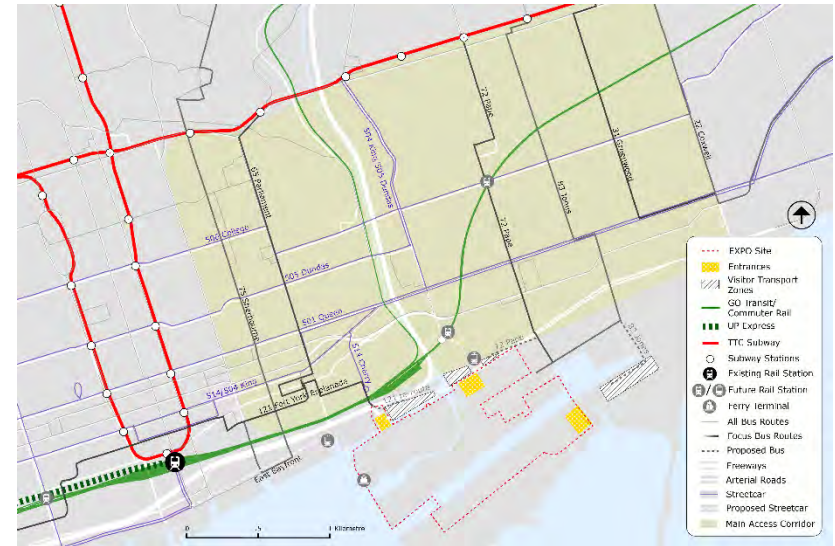
World Expo Canada 2025 Feasibility Study

Masterplanning

- The proposed masterplan is centered on Waterfront Toronto's existing framework plan; **all the major infrastructure will be 'what and where' as required to further Waterfront Toronto's development plan**
- By adopting this plan for the Expo, **it maximizes the amount of legacy infrastructure that could be delivered, activates a number of important heritage buildings and showcases this new city quarter while simultaneously minimizing incremental cost**

Infrastructure and Overlay

- Key factors in the suitability of the Port Lands as a site for Expo 2025 are **the timely completion of a number of planned critical infrastructure projects**
- The event infrastructure required to host a World Expo is a combination of temporary or "overlay" and permanent infrastructure
- **The preferred masterplan would maximize the amount of permanent infrastructure installed in order that the site can be transformed into its legacy state in as short a time frame as possible**



Transit Connectivity



Permanent Infrastructure

World Expo Canada 2025 Feasibility Study

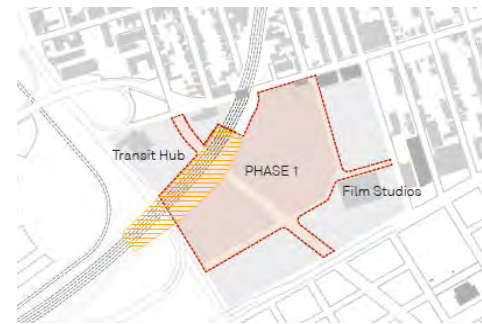
1. Can it be done? Site Analysis (continued)

It must be clear that this feasibility is contingent on the following conditional elements:

A. Lower Don River Flood Protection: must be completed in line with Waterfront Toronto's current timelines. Specifically, funding approval must be given by spring 2017. Any delays to this timetable for funding represents significant exposure to increase project costs and risks.



B. Unilever East Harbour RER station and rail link: must be complete to provide a mass transit solution.



C. The establishment of Expo 2025-specific planning bodies, in the City and Province: to expedite approvals in order to alleviate risks and pinch points with respect to project schedules.



World Expo Canada 2025 Feasibility Study

2. Incremental Capital Investment: Financial Analysis

Methodology

The financial analysis focused on identifying the **incremental cost** of the event to government:

- minimize incremental cost by aligning wherever possible the needs of the event with the City's existing assets and facilities and the City's long term plans
- The "**Incremental Costs**" are those exclusive to Expo 2025
- The "**Planned Costs**" are those which are included in the City or Waterfront Toronto's long-term plan; these conditional elements and many projects associated with "**Planned Costs**" are **not currently funded**.

Certain projects have been **explicitly excluded** from this assessment including:

- **Port Lands Flood Protection works**
- **Unilever Regional Express Rail (RER) Station**
- **Queens Quay LRT**
- **Broadview LRT**
- **Gardiner Expressway rehabilitation project**

These projects are assumed to have been funded and completed by 2025, independent of the Expo. Of the foregoing, only the Flood Protection and RER are essential for Expo 2025.

- Funding Mechanisms could include **borrowing against future development charge revenues (financing costs of advancing such expenses are included herein), pre-selling land, joint-ventures, etc.**
- **Note: the Feasibility Study did not set out to determine funding sources, as that is a government to government discussion. It only highlighted the incremental cost of the event and how it can align with the City, Province and Federal government long-term plans.**



World Expo Canada 2025 Feasibility Study

Capital Costs required to facilitate the World Expo

Site improvements have been classified into two distinct categories:

Planned Infrastructure Costs

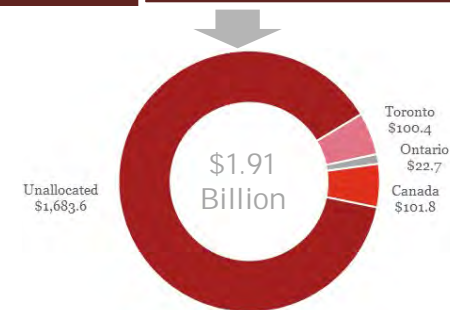
- Costs associated with projects included in the long-term plans of Waterfront Toronto and / or other levels of government.
- Though projects are required to facilitate the Master Plan for Expo 2025 that they will happen and their costs will be incurred regardless of Expo 2025 actually taking place
 - their costs are not directly attributable to Expo 2025, they will need to be advanced
 - these acceleration costs have been taken into consideration.
- Many of these costs could be recouped from future land and / or building sales (as future purchasers would be acquiring improved sites and therefore not be required to make some of these expenditures) or their cost could be recouped from future development charges.**
 - To acknowledge the early expenditure of these items, the Feasibility Study has also **included interest carrying costs.**

Incremental Costs: those costs which will be incurred solely as a result of Expo 2025 taking place and include costs for:

- internal site infrastructure;
- transit / traffic / access improvements;
- site overlay costs;
- Expo 2025 buildings and facilities, including 1,000 units of affordable housing; and
- post-Expo 2025 site conversion to facilitate its eventual reuse.

COST SUMMARY	TOTAL COST (\$2016 millions)	City	Province	Federal	C / P / F TBD	Other
Planned Infrastructure Projects						
Planned Infrastructure Projects	683.146	683.146	0.000	0.000	0.000	0.000
Permanent Building Works	377.318	94.025	0.000	94.025	189.268	0.000
TOTAL PLANNED INFRASTRUCTURE COSTS	1,060.464	777.171	0.000	94.025	189.268	0.000

COST SUMMARY	TOTAL COST (\$2016 millions)	City	Province	Federal	C / P / F TBD	Other
Incremental Costs						
2025 Expo Site Improvements	111.904	0.000	0.000	0.000	111.904	0.000
2025 Expo Transport Improvements	293.524	0.000	0.000	0.000	293.524	0.000
2025 Expo Site Overlay Equipment and Supplies	240.000	0.000	0.000	0.000	240.000	0.000
2025 Expo Buildings and Facilities	1,730.929	21.267	21.267	86.542	972.952	628.902
Post Expo Site Clean-up and Handback	97.839	1.445	1.445	5.881	46.334	42.734
Acceleration costs of "Planned Infrastructure Projects"	106.046	77.717	0.000	9.403	18.927	0.000
TOTAL INCREMENTAL COSTS	2,580.243	100.429	22.712	101.825	1,683.641	671.635



In total, a World Expo is estimated to require a total up-front expenditure of **\$1.91 billion from the Government of Canada, Province of Ontario and the City of Toronto.**

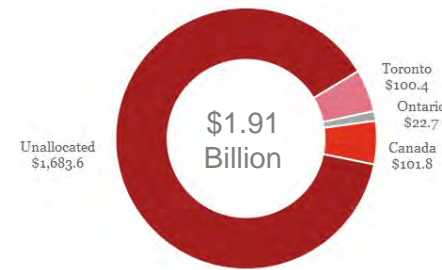
World Expo Canada 2025 Feasibility Study

Financial Conclusions

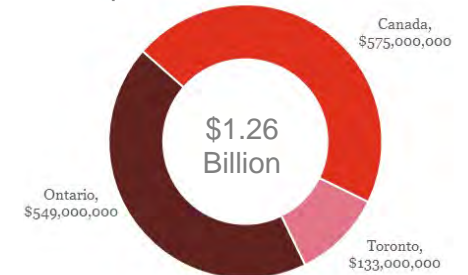
- Incremental Cost (to Government): \$1.91 billion
- Planned Costs: \$1.06 billion
- Direct Tax Revenues: \$1.26 billion

\$1.91 billion: Over a 7-year period (starting in Budget year 2019 and up to 2025 inclusive), shared by 3 levels, this works out to under \$93 million a yearover 7 years.

Expo 2025 Incremental Capital Expenditures



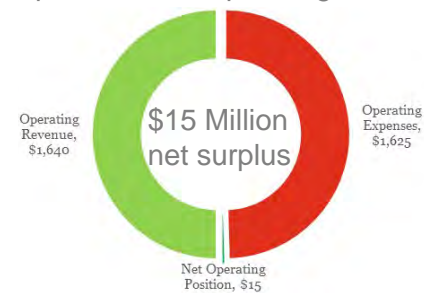
Expo 2025 Tax Revenue



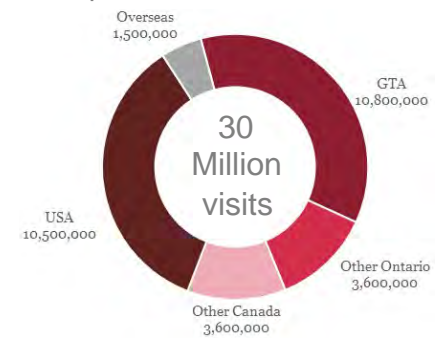
Bid Costs

Preparing and submitting a bid will require the completion of a number of studies and additional research, building on the preliminary observations and high levels plans and costings contained in this Feasibility Study. It is preliminarily estimated that a budget in the range of \$10 million to \$15 million should be reserved to prepare and submit a bid to host Expo 2025

Expo 2025 Net Operating Results



Expo 2025 Total Visitation



World Expo Canada 2025 Feasibility Study

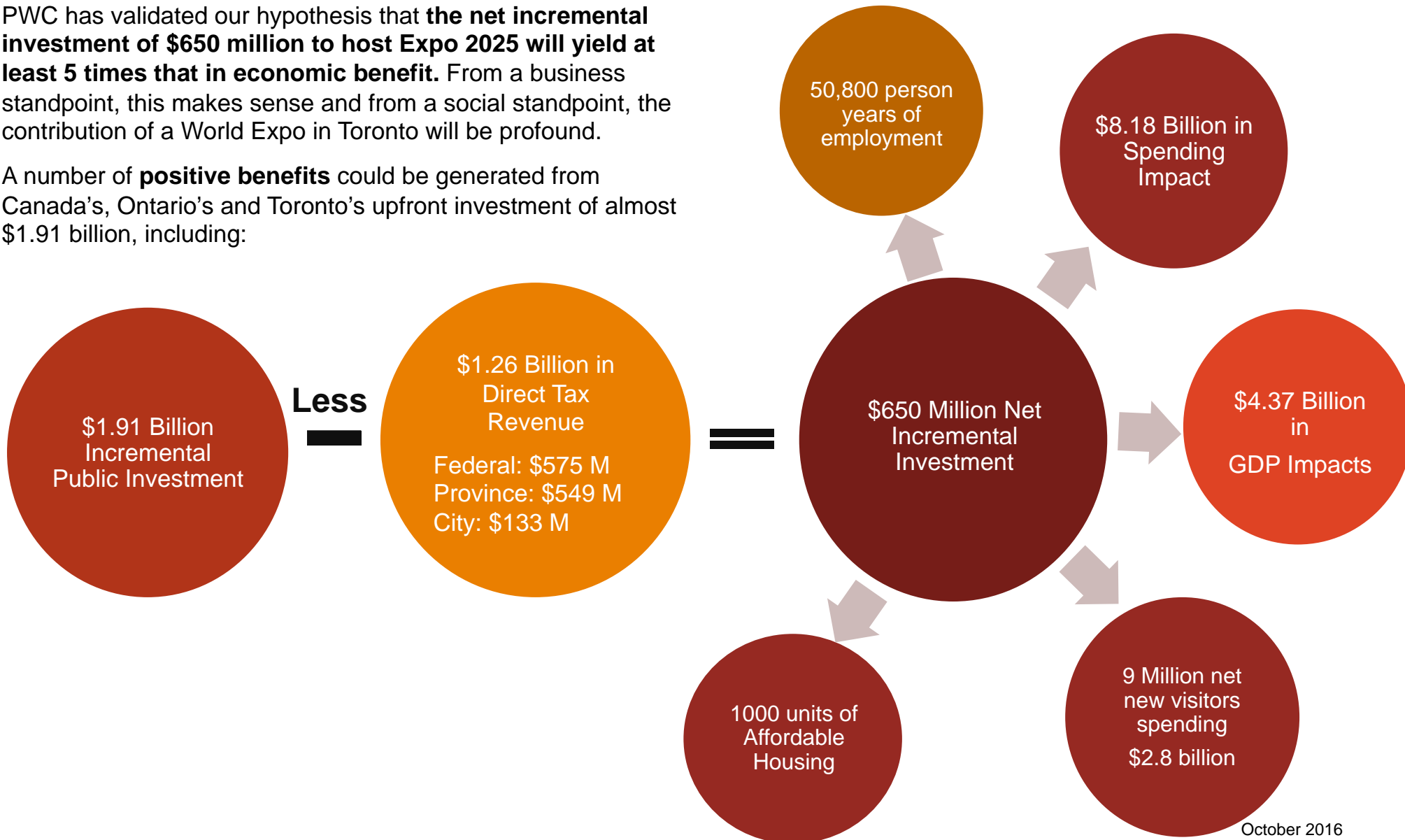
NET INCREMENTAL INVESTMENT

\$650 million The incremental and capital Expo investment (i.e., the direct Expo investments over and above existing transit, Port Lands and Waterfront investment already planned) once the tax generation back to all 3 levels is factored in.

RETURN ON INVESTMENT/ MULTIPLIER

PWC has validated our hypothesis that **the net incremental investment of \$650 million to host Expo 2025 will yield at least 5 times that in economic benefit.** From a business standpoint, this makes sense and from a social standpoint, the contribution of a World Expo in Toronto will be profound.

A number of **positive benefits** could be generated from Canada's, Ontario's and Toronto's upfront investment of almost \$1.91 billion, including:



World Expo Canada 2025 Feasibility Study

Social and Cultural Legacy Benefits

The social and cultural legacies of Expo 2025 will also need align with Waterfront Toronto's cultural initiatives and strategies. Parks, structures and existing heritage buildings will need to be used during the Expo as pavilions and public spaces and remain after the Expo for cultural uses.

The following are preliminarily suggested social, cultural and physical legacies for a World Expo held in Canada and staged in Toronto in 2025:

- ***Creative Community Hubs***
- ***Aboriginal Museum and Park***
- ***Hearn Generating Station – Community Cultural Hub***
- ***Marine Passenger Terminal***
- ***Pluralism Pavilion***
- ***Toronto – Waterloo Corridor***
- ***Don River Valley Park***
- ***Bike Share Toronto***



Expo 2025: Assessment - It's very winnable!

Expo 2025 is a winnable bid:

- Non-committed field of competitors with various issues relating to government and public support
- BIE wants to return to North America
- Expo '67 and '86 are two of the most well regarded Expos in history
- This is a unique moment in time: Canada's back!
- The Expo provides a cost-effective means to significantly further key government agendas in a timely manner



Next Steps

1. October 26, 2016: Executive Committee to receive the Feasibility Study results and vote
2. November 8, 2016: City Council to decide on whether to pursue a bid.
 - Once Toronto City Council approves moving forward, establish a tri-level government working group to advance the bid effort.
3. By Spring 2017: A formal letter to bid for Expo 2025 in Canada would need to be submitted to the 169 member-nation Bureau International des Expositions (BIE).
4. Prepare and submit a bid to host an International Exposition for 2025. The preliminarily estimated to require a total expenditure in the range of \$10 million to \$15 million
5. November 2018: Winning bid announced in Paris, France.

Questions?

