

## Quayside – Update

**Date:** June 3, 2019

**To:** Executive Committee

**From:** Deputy City Manager, Infrastructure and Development Services

**Wards:** Wards 10 and 14

### **SUMMARY**

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The purpose of this report is to provide an update on Quayside, a project of Waterfront Toronto, working with Sidewalk Labs. It describes Waterfront Toronto's decision-making process for the upcoming Master Innovation and Development Plan (MIDP) being prepared by Sidewalk Labs. In addition, it outlines a proposed work plan for the City's review of the MIDP, as well as progress on a City-wide digital infrastructure policy framework and governance model, to be used in reviewing the MIDP.

The report is presented now so that there will be a City work plan in place when Sidewalk Labs provides the MIDP to Waterfront Toronto for its release. If adopted, the recommendations would enable the work plan proposed by City staff.

Quayside is a 4.8 hectare (12 acre) parcel of land on Toronto's waterfront, located at Queens Quay Boulevard East and Parliament Street. Through a competitive Request for Proposals (RFP) process, Waterfront Toronto has engaged Sidewalk Labs to develop a proposal for these lands – called a Master Innovation and Development Plan or MIDP. The MIDP is expected to outline a vision for the Quayside site and make specific proposals related to sustainability, buildings, public realm, mobility, economic development, housing affordability, social infrastructure, and digital infrastructure and data governance. Staff anticipate that the MIDP will also explore the potential of implementing selected technologies and innovations beyond the Quayside site, as contemplated in the Waterfront Toronto RFP. This may include a proposal for a Sidewalk Labs development in the western portion of Villiers Island, including an expanded Google Canada headquarters, as well as provision for other technology and innovation companies and organizations. Further, the MIDP may propose roles for Sidewalk Labs in advising Waterfront Toronto, on deploying technology and in financing infrastructure beyond the Quayside site.

Not unlike other large City-building initiatives, the Quayside project presents both opportunities and challenges. Quayside has the potential to accelerate the City's goals and objectives for the waterfront and the broader city through the implementation and demonstration of leading innovations in City-building. More broadly, the project may contribute to Toronto's business, government, academic and social sectors, bringing

ideas, investment and jobs to areas of innovation, such as information technology, planning, design and construction.

The project, however, is not without its challenges, including questions related to data privacy and governance, and the geographic scope of the project. City divisions and agencies would undertake a thorough review of the MIDP, identifying both its potential opportunities and challenges, using the evaluation criteria presented in this report. The City's analysis will build on the review that will be conducted by Waterfront Toronto, and it would be informed by public and stakeholder consultation.

Over the course of the drafting of the MIDP, staff of the City, Provincial and Federal governments have provided Waterfront Toronto and Sidewalk Labs with preliminary comments on work in progress. Meetings have been high level discussions based only on limited information, for the purpose of understanding, without prejudice, the proposals relative to applicable government legislation and regulation, City plans, policies and by-laws.

The process and anticipated timeline for Waterfront Toronto's review and consideration of the MIDP is expected to be:

- Sidewalk Labs will provide the MIDP to Waterfront Toronto;
- Waterfront Toronto will publicly release the document after completing an assessment to confirm that the MIDP submission is complete;
- Waterfront Toronto will host a series of public and stakeholder consultation meetings in Q3 2019;
- Waterfront Toronto will complete its evaluation of the MIDP by the end of Q4 2019; and
- Waterfront Toronto's Board of Directors will consider the MIDP, as well as recommendations from Waterfront Toronto management in late 2019 or early 2020.

If Waterfront Toronto's Board of Directors decides to pursue the MIDP in late 2019 or early 2020, in whole or in part, City staff would complete a work program that would culminate in a report to the Executive Committee, anticipated in Q2 2020.

The MIDP is expected to be large, complex and unique, and will require several months of analysis. The following inputs would inform the City's work program:

- Waterfront Toronto's MIDP evaluation and Board direction;
- Local and global precedents;
- Results of public and stakeholder consultation processes;
- Provincial and Federal government consultation;
- Comments from City divisions and agencies; and
- Where necessary, input from consultants and subject matter experts, particularly with respect to analysis of the MIDP business case, digital infrastructure and data governance.

See Figure 1, for a process map related to the above.

**Figure 1: Anticipated MIDP Review Process**



Staff would evaluate the MIDP and Waterfront Toronto Board decision based on the following criteria:

- a. Alignment with City plans, policies and guidelines;
- b. Alignment with procurement policies and best practices;
- c. Alignment with good governance best practices;
- d. Feasibility and desirability of business case proposals;
- e. Innovation in the achievement of City goals;
- f. Potential for community benefits; and
- g. Alignment with existing and emerging government digital infrastructure and data governance policies.

City staff anticipate hosting public and stakeholder consultations in Q1 2020 focussed on the City's interest, after the Waterfront Toronto Board has considered the MIDP. City staff would retain the services of a professional public consultation facilitator. Public meetings would be held throughout the City and would be webcast.

Given the significance of questions related to data privacy and governance, the City's review of the MIDP would also be informed by a City of Toronto digital infrastructure policy framework and governance model as well as Provincial and Federal policy frameworks on digital strategy and data governance as they become available. The City's policy framework is under development by the Chief Information Officer, working with the City Clerk, and will address these issues from a city-wide perspective. Public and stakeholder consultation meetings for this broader digital infrastructure policy context will begin in Q3 2019, and staff will report to the Executive Committee on progress by the end of Q4 2019. The digital infrastructure policy framework and governance model would therefore be an important tool in evaluating the MIDP.

Should Waterfront Toronto's Board decide to pursue the MIDP, in whole or in part, and should Council decide to pursue all or parts of the MIDP in response to the Q2 2020

staff report, implementation of the approved portions of the MIDP would still be subject to numerous phases of approvals by all three orders of government. This also may lead to legislative and policy changes from governments. The precise list of regulatory and non-regulatory application processes that would be required for the project to proceed would be determined by the City, Provincial and Federal governments as the MIDP is reviewed. Business and Implementation Plans for the affected areas would need to be prepared and considered by Council. In addition, beyond Quayside, any use of City-owned land would be subject to additional procurement; CreateTO, with support of applicable City staff, would work with Waterfront Toronto, as appropriate, to identify procurement options, and would report to Council Q2 2020 as part of the comprehensive review of the MIDP.

Staff anticipate that additional temporary staff and specialty consultants will be needed to assist in the areas of project management and public consultation, as well as research and analysis related to digital infrastructure, data management, financial and legal issues. The costs associated with this work would be addressed through the Waterfront Revitalization Initiative Capital Budget.

## **RECOMMENDATIONS**

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The Deputy City Manager, Infrastructure and Development Services recommends that:

1. Executive Committee direct the Deputy City Manager, Infrastructure and Development Services to undertake a comprehensive review of the Quayside Master Innovation and Development Plan, along with the related Waterfront Toronto Board decision, in consultation with relevant City divisions and agencies, and report back to the Executive Committee by the end of Q2 2020.
2. Executive Committee direct the Deputy City Manager, Infrastructure and Development Services to undertake a comprehensive public and stakeholder consultation program as part of the City's review of the Quayside Master Innovation and Development Plan, as outlined in this report.
3. Executive Committee direct the Chief Information Officer and City Clerk, in consultation with appropriate City staff, to report to the Executive Committee, by the end of Q4 2019 on the development of a City-wide policy framework and governance model associated with digital infrastructure and data, such as Smart Cities, and a work plan for implementation, to be used in evaluating the Quayside Master Innovation and Development Plan.

## **FINANCIAL IMPACT**

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In 2018, the City's involvement in Quayside was limited to staff time, including the equivalent of 2 FTEs in the Waterfront Secretariat (City Planning Division).

In 2019, staff anticipate that up to \$800,000 would be required for dedicated temporary staff positions and consulting projects related to project management, public consultation and research and analysis. As shown in Figure 1 below, the costs would be allocated towards external consultants and two temporary positions, one in Information and Technology Division, and the other in Waterfront Secretariat, to support the project for one year. The cost of the consultants and the two temporary positions would be fully funded by the 2019 Approved Waterfront Revitalization Initiative Capital Budget.

External consultants would be retained to manage the comprehensive public and stakeholder consultation program described later in this report. Information and Technology would retain a consultant to undertake research on precedents and best practices related to digital infrastructure. The City Clerk would retain a consultant to assist with data governance and privacy protection, to provide a foundational framework of policies, standards and systems that would reinforce public confidence and trust in the City's priorities on innovation and sustainability, as well as the well-being of residents and visitors. In addition, specialist financial and legal advisors would be retained to provide advice related to any financial and legal transaction mechanisms that staff are not familiar with.

**Figure 2: Summary of Work Plan Budget**

<b>Waterfront Revitalization Initiative Capital Budget (Waterfront Secretariat)</b>	<b>Total</b>
Public Consultation	\$200,000
Digital Infrastructure Research (Information & Technology) and Governance Research (City Clerk)	\$220,000
Financial and Legal Consultants	\$100,000
Planner (City Planning)	\$115,000
IT Specialist (Information & Technology)	\$165,000
<b>Total</b>	<b>\$800,000</b>

The \$800,000 of debt funding would be re-allocated from the Precinct Implementation Projects (CWR003-10) through the Capital Variance Report for the Four-Month Period Ended April 30, 2019. The funds were initially planned for the reconfiguration of the Parliament and Queens Quay East intersection which are now on hold pending future decisions related to Quayside, and would be referred to future budget processes.

Should additional financial resources be required in 2020 and beyond, staff would report on this through the 2020 and future Capital Budget processes which would be considered and prioritized against other City-wide capital projects, both funded and unfunded, as well as the City's financial and resource capacity to deliver additional infrastructure works.

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

## DECISION HISTORY

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On July 7, 2015, City Council approved a staff report on the Waterfront Strategic Review. The report detailed waterfront revitalization efforts to date, identified potential priority projects for the next phase of waterfront revitalization, and asked Council to affirm Waterfront Toronto as the preferred delivery entity assuming a second phase of tri-government funding and governance. The report also included a direction for staff to review the real estate development responsibilities of Waterfront Toronto in parallel with the City-wide Real Estate Review, to ensure that Waterfront Toronto's real estate development work is aligned with that of the City and its agencies. Staff are expected to report back on this in early 2020.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX7.6>

On December 8, 2017, City Council approved a Member's Motion requesting the Deputy City Manager, Cluster B, to report to the January 24, 2018 Executive Committee meeting on the agreement between Waterfront Toronto and Sidewalk Labs, including an analysis of key issues and City Council approval requirements.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.MM35.45>

On January 24, 2018 the Executive Committee considered a report that described the relationship initiated by Waterfront Toronto's Quayside Request for Proposals. The report described the Framework Agreement between Waterfront Toronto and Sidewalk Labs, and the proposed MIDP. The report discussed other key issues, including City of Toronto approval requirements, digital infrastructure, data governance and the project's geographic scope.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX30.9>

On February 26th, 2019 City Council approved a Member's Motion that directed staff to develop a City-wide policy framework and governance model associated with digital infrastructure and data, such as Smart Cities, and a work plan for implementation according to the following City of Toronto policy principles:

- a. Privacy, transparency, and accountability;
- b. Public ownership and protecting the public interest; and
- c. Equity and human rights.

To support this work, Council directed City staff to conduct a City-wide public consultation process on the data governance principles and proposed model to inform the implementation of the plan to be applied to Quayside and other Smart City developments.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM3.2>

## COMMENTS

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### 1. The Waterfront Toronto and Sidewalk Labs Relationship

In 2017, following a competitive Request for Proposals process, Waterfront Toronto selected Sidewalk Labs, an Alphabet Inc. company, as an "Innovation and Funding Partner" to create a plan for a "globally significant demonstration project", distinguished by innovative and measurable outcomes. Sidewalk Labs describes itself as an urban innovation firm with a mandate to "explore how new technologies can solve big urban problems and improve quality of life in cities."

The terms of the Waterfront Toronto/Sidewalk Labs relationship were first articulated in a Framework Agreement. This agreement was replaced by the two parties by a Plan Development Agreement on July 31, 2018. The Plan Development Agreement defined the roles of Sidewalk Labs and Waterfront Toronto in preparing a "Master Innovation and Development Plan (MIDP)". The parties agreed that the creation of the plan would not itself signal any right to implement all or any part of it; to the contrary, the parties acknowledged that the implementation of any plans contained in the MIDP would be subject to government approvals, clearances or agreements with landowners or other third-party consents. The agreement did not bind or otherwise encumber, or transfer any land ownership, or create any real property interest in any land.

None of the three orders of government are a party to the Plan Development Agreement between Waterfront Toronto and Sidewalk Labs. The Plan Development Agreement is not binding on the governments in any way; nor does it in any way change the prevailing relationships between Waterfront Toronto, the City of Toronto, the Ontario Government and the Federal Government; nor does it confer on Sidewalk Labs any authorities, roles and relationships accorded to Waterfront Toronto under the prevailing legislative framework created by the Ontario Government and by various Council decisions.

### 2. Site and Projects Beyond Quayside

Quayside is a 4.8 hectare (12 acre) parcel in the East Bayfront located at the foot of Parliament Street/Queens Quay Boulevard East, south of the Gardiner Expressway. The site is largely owned by Waterfront Toronto; however it also includes lands owned by the City of Toronto (1.5 acres), Ports Toronto and private landowners. The site consists of the Parliament Street right of way and three development blocks with the following primary addresses: Quayside (259-291 Lake Shore Blvd. E., 200 Queens Quay W., 2 Small St.), Parliament Development Lands (307 Lake Shore Blvd. E, 3-15 Parliament St.) and 333 Lake Shore Blvd. E. See Attachment 1 for a map of ownership in Quayside.

While the Waterfront Toronto Request for Proposals scoped the project to Quayside, it also identified the opportunity to advance "the solutions, processes, and partnerships proven successful through the project to subsequent developments on the eastern waterfront". In the Plan Development Agreement, the parties further articulated the desire for the MIDP to explore opportunities to implement certain technologies and

innovations beyond Quayside (for example, district energy). For this purpose, the context area for these explorations during the planning process was defined in the Plan Development Agreement as the Designated Waterfront Area, as set out in the *Toronto Waterfront Revitalization Corporation Act*. See Attachment 2 for a map of the Designated Waterfront Area.

As the project has progressed, a number of Sidewalk Labs' ideas for district level initiatives have been presented to the public, both informally, through media reports and, formally, through communications from Sidewalk Labs. Ideas presented in recent months have included proposals for a component of the Port Lands area. In communications with Waterfront Toronto and Sidewalk Labs, City staff have acknowledged the potential value of exploring the benefits of implementing technologies, programs, approaches, financial structures and other aspects of the plan beyond the Quayside site. Staff have also noted, however, the importance of focussing the project on the 4.8 hectare (12 acre) Quayside site. Staff have articulated the view that the MIDP be clear and explicit about the primacy of the Quayside site, and include a complete and comprehensive plan for this site.

Staff anticipate that the MIDP may contain a proposal for a Sidewalk Labs development in the western portion of Villiers Island. As described by Sidewalk Labs, the project would include an expanded Google Canada headquarters, as well as provision for other technology and innovation companies and organizations.

The MIDP may propose other roles for Sidewalk Labs beyond the Quayside site. This may include: advising Waterfront Toronto on planning and sustainability issues; being involved with the deployment of technology that would be used in municipal service delivery; and, on an optional basis, financing required infrastructure.

### **3. Outline of Master Innovation and Development Plan (MIDP)**

The MIDP is anticipated to be a proposal document, including a vision and concept plan supported by a business case. The goals for the MIDP, as outlined in Waterfront Toronto's Request for Proposals, are as follows:

- Creating a globally significant demonstration project for climate-positive urban development;
- Establishing a complete community that emphasizes quality of place, and provides a range of housing types for families of all sizes and income levels within a robust mix of uses, including public open space, culture, recreation, vibrant retail, education-related activities and offices;
- Providing a testbed for Canada's cleantech, building materials and broader innovation sectors to support their growth and competitiveness in global markets; and
- Developing a new partnership model that ensures a solid financial foundation, manages financial risk and secures revenue that funds future phases of waterfront revitalization.



Staff anticipate that the MIDP will make specific proposals under eight content areas or "pillars":

1. Sustainability;
2. Buildings (e.g., tall timber);
3. Public realm (including parks);
4. Mobility;
5. Economic development;
6. Housing affordability;
7. Social infrastructure; and
8. Digital and data governance.

Since launching the project in late 2017, Waterfront Toronto and Sidewalk Labs have conducted a series of public and stakeholder consultation meetings to present and gain feedback on work in progress. These consultations have come to a close as Sidewalk Labs completes the MIDP. Waterfront Toronto continues to consult on digital elements, including regular meetings of the Waterfront Toronto Digital Strategy Advisory Panel. As well, Waterfront Toronto has convened a stakeholder advisory committee that continues to provide input on the project.

Over the course of drafting the MIDP, City staff have provided Waterfront Toronto and Sidewalk Labs with preliminary comments on work in progress to encourage the creation of proposals that are consistent with applicable City plans, policies and by-laws. To-date, this has been presented at a higher concept level, and has evolved and changed over time. City staff feedback has been high-level and related to approval requirements and the identification of major concerns (for example, potential conflicts with approved plans and policies). Detailed comments have been appropriately reserved for any subsequent applications (e.g., development applications), if pursued. The Provincial and Federal governments have also engaged in high level discussions only, including for the purpose of understanding, without prejudice, the proposals relative to applicable government legislation and regulation.

#### **4. Digital Infrastructure and Data Governance Context**

The MIDP is expected to include proposals related to digital infrastructure and data governance, including ideas relating to:

- Physical infrastructure used for data gathering and storage;
- Applications and services employing this data; and
- Regulations, policies and agreements that govern how information can be gathered, accessed, controlled and used.

Issues related to these proposals have been at the forefront of public conversation regarding this project. Each order of government has its own role play in these matters.

The City currently addresses data and privacy issues from a number of perspectives including accountability, lifecycle management, and citizen engagement. The City Clerk is accountable for developing the framework of policies, standards, procedures, programs and systems, for information management at the City. There are roles and

responsibilities for managing information assigned to the Chief Information Officer, and the heads of City divisions embedded in policy and legislation.

In February 2019, Council directed staff to develop to a City-wide policy framework and governance model associated with digital infrastructure and data, such as Smart Cities. Council also directed that the development of this document be informed by a City-wide public consultation process.

The role of this policy framework and governance model in the assessment of proposals related to digital infrastructure, privacy and data use will be similar to the one played by the City's Official Plan in the context of traditional infrastructure and land use. It will articulate:

- A future vision and principles for the use of digital tools and data collection to advance City goals for the human, built, economic and natural environments;
- A description and definition of the City's digital infrastructure;
- A review of Provincial and Federal legislative regulatory and policy contexts;
- A governance model, including the roles of key groups and individuals;
- A set of existing and emerging regulations and policies to guide decision-making on internal and external proposals, such as those developed by Waterfront Toronto and Sidewalk Labs; and
- A work plan with priority areas for proactive future action.

Many components of this policy framework and governance model are already in place and are used today to inform internal operations and responses to external proposals.

The plan will build on these documents, and will also include:

- New ideas to advance City policies in this rapidly changing environment;
- The applicability and potential of extending internal City-wide policies to developments such as Quayside;
- Roles of different orders of government in policy application; and
- Supporting processes and tools required.

A city-wide public consultation process will begin in Fall 2019. Staff will highlight the particular role of the City of Toronto in addressing these issues, and will share a draft policy framework, currently in development, which will include a vision, principles and summary of existing policies and approaches in a broader Smart City context. Staff will also share the results of a research project examining international best practices for data governance models, such as data trusts, and potential applications within the Toronto context. Subsequent public meetings will discuss specific proposals, including those related to Quayside.

Through these processes, topics to be discussed with the public in a Smart City context may include: privacy, cybersecurity, ethical use of data and technology, data trust and other governance structures, artificial intelligence, ownership and intellectual property rights, equitable distribution of value, social inclusion, economic development, democratic accountability, data residency, digital equity and the digital divide, data gathering and consent, among other issues.

Provincial and Federal Governments and currently engaged in their own respective activities relating to digital infrastructure and data governance. At the Province, this includes recent consultations relating to the Ontario's Data Strategy as well as actions in response to the 2018 Annual Report of the Office of the Auditor General. On May 30<sup>th</sup>, the Province announced its "Smart City Principles". The principles will help Ontarians and businesses benefit directly from the data economy, while ensuring personal privacy is protected. Similarly, the federal government has recently announced a Digital Charter, as well as signaling an intention to bring forward proposals to modernize the *Personal Information Protection and Electronic Documents Act (PIPEDA)*. City staff have established an intergovernmental team with which to discuss these issues and coordinate respective actions.

## **5. MIDP Review by Waterfront Toronto**

### **Waterfront Toronto Review Process and Schedule**

Waterfront Toronto's evaluation and consideration of the MIDP will be led by Waterfront Toronto management, working with a number of consultants and external subject matter experts, including KPMG, Arup and N. Barry Lyons Consulting. This process will culminate in a report from management to the Waterfront Toronto Board of Directors, supported by the Board's Investment, Real Estate and Quayside Committee (IREQ). The Waterfront Toronto Board will decide which, if any, MIDP proposals will be carried forward for proposed implementation. According to the Plan Development Agreement, should Waterfront Toronto and Sidewalk Labs decide to move forward with implementing all or portions of the MIDP, the two parties will negotiate a number of "implementation agreements".

More information about Waterfront Toronto's MIDP review and evaluation process is available at the agency's project website: <https://quaysideto.ca/about/the-evaluation-process/>

Waterfront Toronto's MIDP review process will proceed according to the following schedule:

- Sidewalk Labs will provide the MIDP to Waterfront Toronto;
- Waterfront Toronto will publicly releases the document after completing an assessment to confirm that the MIDP submission is a complete;
- Waterfront Toronto will host a series of public and stakeholder consultation meetings in Q3 2019;
- Waterfront Toronto will complete its evaluation of the MIDP by the end of Q4 2019; and
- Waterfront Toronto's Board of Directors will consider the MIDP, as well as recommendations from Waterfront Toronto management in late 2019 or early 2020.

### **Waterfront Toronto MIDP Evaluation Framework**

In a December 2018 public meeting, Waterfront Toronto presented a draft evaluation framework against which the MIDP proposal will be assessed prior to it being

considered by the organization's Board of Directors. Waterfront Toronto has continued to develop and refine the evaluation framework since that time. The organization's stated aim is to determine if the proposed plan and all of its components serve the public interest, fulfill the agency's mandate, and meet the objectives set for Quayside. Overall, the framework for Waterfront Toronto's evaluation will look at how the MIDP addresses the following overall questions:

- How many of our goals and objectives does the MIDP meet, and how well does it meet those targets?;
- Does the MIDP align with the planning framework for the waterfront?; and
- Is the proposed business plan viable and in the public interest?

Waterfront Toronto has identified, among other objectives, five priority outcomes the MIDP must address:

- Job creation and economic development;
- Sustainability and climate positive development;
- Housing affordability;
- New mobility; and
- Urban innovation.

According to Waterfront Toronto, its data privacy and digital governance review will be grounded in their emerging digital principles and subject to legal and regulatory compliance review. The Waterfront Toronto digital principles include provisions regarding:

- Inclusivity, accessibility and shared benefit;
- Innovation, agility, flexibility;
- Transparency, accountability, responsibility;
- Privacy, data protection, cyber security and resiliency;  
and
- Architecture, ownership, and technological sovereignty.

## **6. MIDP Review by the City**

### **City of Toronto Review of MIDP: Process and Schedule**

If the Waterfront Toronto Board of Directors decides to pursue the MIDP (in whole or in part), City staff would complete a work program that would culminate in a report to the Executive Committee, likely in Q2 2020. The City's review of the MIDP and related Waterfront Toronto Board decision would be informed by a number of inputs:

- Waterfront Toronto's MIDP evaluation and Board direction;
- Local and global best practices;
- Results of Public and stakeholder consultation process;
- Provincial and Federal government consultation;
- Comments from City divisions and agencies; and
- Where necessary, input from consultants and subject matter experts, particularly with respect to analysis of the MIDP business case, digital infrastructure and data governance.

Upon receipt of the MIDP, the Waterfront Secretariat would coordinate an interdivisional/ agency review process which would benefit from the expertise of City Quayside Update

staff, many of whom are at the leading edge of innovation within their respective mandates. Commenting divisions and agencies would include, but not be limited to: City Planning; City Manager's Office; Information and Technology; City Clerk's Office; Transformation Office; Economic Development and Culture; Transportation Services; Parks, Forestry and Recreation; Toronto Water; Environment and Energy; Housing Secretariat; Solid Waste Management Services; Corporate Finance; Social Development, Finance and Administration, Toronto Building; Shelter, Support and Housing Administration; Real Estate Services and CreateTO.

Staff would be asked to comment on the opportunities and risks presented by the MIDP, as well as on how the proposals meet or conflict with City objectives. In some areas, particularly in relation to technology and business case review, staff resources would be augmented with expert advice, particularly with respect to international practice, emerging trends and value for money.

### **City of Toronto Review of the MIDP: Planning Framework and Evaluation Criteria – Subject to MIDP Approval by the Waterfront Toronto Board**

If Waterfront Toronto's Board of Directors decides to pursue the MIDP, in whole or in part, in late 2019 or early 2020, City staff would assess the proposals in the MIDP as per the following:

- City divisions and agencies would review Waterfront Toronto's MIDP evaluation analysis and conclusions;
- Staff would determine which proposals align with existing City policy frameworks and identify the formal regulatory approval processes required. The MIDP evaluation would include a preliminary assessment of the desirability of individual proposals; and
- Where proposals diverge from existing City policies and processes, staff would identify the proposals which warrant further examination and provide recommendations on next steps, including, for proposals that the City wishes to pursue further, resource requirements.

City staff would meet regularly with staff from the other orders of government to discuss the MIDP. The Intergovernmental Steering Committee would serve as an executive level focal point for MIDP discussions and would continue to manage and coordinate the broader Toronto Waterfront Revitalization Initiative. The City's MIDP evaluation would also reference consultations with our government partners on their respective legislative, regulatory and policy frameworks and appropriate jurisdiction, roles and responsibilities.

The following criteria would be used to evaluate the MIDP:

- a. Alignment with City plans, policies and guidelines;
- b. Alignment with procurement policies and best practices;
- c. Alignment with good governance best practices;
- d. Feasibility and desirability of business case proposals;
- e. Innovation in the achievement of City goals;
- f. Potential for community benefits; and
- g. Alignment with existing and emerging government digital infrastructure and data governance policies.

These criteria are expanded upon below.

#### **a. Alignment with City Plans, Policies and Guidelines**

A number of Council-adopted plans, policies and guidelines, taken together, constitute a broad framework for the City's evaluation of the MIDP.

Land use planning documents that are relevant to Quayside include: the City's Official Plan, the TOcore downtown plan, the Central Waterfront Secondary Plan, the East Bayfront Precinct Plan and the Keating Channel Precinct Plan. Applicable Zoning By-laws establish a detailed planning framework for Quayside as a mixed-use, medium density district.

Villiers Island is subject to the (former) City of Toronto Official Plan. Council has adopted the Port Lands Official Plan Modification to the Central Waterfront Secondary Plan, which is currently before the Local Planning Appeals Tribunal (LPAT). Council has also adopted the Port Lands Planning Framework and Villiers Island Precinct Plan, which direct future development within this area.

Beyond land use planning, a number of corporate and strategic documents are relevant to Quayside, including examples such as the City's Long Term Financial Plan, TO Prosperity: Toronto Poverty Reduction Strategy, TransformTO, the current and emerging Housing Opportunities Toronto Action Plan, Complete Streets Guidelines, Vision Zero Road Safety Plan; Parks & Recreation Facilities Master Plan and anticipated Community Benefits Framework.

Analysis of the MIDP would consider the degree to which the MIDP's proposals align or diverge from City policy. The City's review would consider the degree to which the detailed proposals under each MIDP pillar reflect divisional, agency and City priorities, as well as City of Toronto best practices. Questions to be answered include: the extent to which City policies, plans and guidelines are represented in the MIDP; the balance between detailed proposals; and finally, the trade-offs and "costs" associated with realizing these proposals.

In addition to the City's traditional authority (regulatory approval roles) and its oversight role with the other orders of government on broader waterfront revitalization, any future development of City-owned lands would require Council approval, including the approval of Business and Implementation Plans. City divisions and agencies, including CreateTO, would review proposals for the use of land owned by the City and its agencies. Any proposed real estate transactions would be subject to City Council consideration.

#### **b. Alignment with Procurement Policies and Best Practices**

Beyond Quayside, any use of City-owned land would be subject to additional procurement; CreateTO, with support of applicable City staff, would work with Waterfront Toronto, as appropriate, to identify procurement options, and would report to Council Q2 2020 as part of the comprehensive review of the MIDP.

In addition, the City's MIDP review would consider how procurement would be undertaken by Waterfront Toronto and Sidewalk Labs, for example, whether there would be opportunities for social procurement and green procurement.

### **c. Alignment with Good Governance Best Practices**

Over the 18 years that Waterfront Toronto has been in existence, a series of governance decisions have guided the tri-government revitalization partnership. The City's review of the MIDP would look at consistency with waterfront governance practices, however, it would also consider ways to make waterfront revitalization more efficient and effective. The review would examine the potential roles of the City, CreateTO, Waterfront Toronto, Sidewalk Labs, the other orders of government and the private sector, should there be agreement on moving forward with all or parts of the MIDP.

### **d. Feasibility and Desirability of Business Case Proposals**

The MIDP is expected to contain a business case supporting the proposal. City staff analysis of this business case would consider short-term and long-term costs and benefits, as well as long-term financial sustainability. Staff would consider the value of individual proposals in terms of their potential contribution to Council's city-building and service-delivery objectives. The review would examine whether any legislative or regulatory changes would be required to implement the business case.

Staff would consider that MIDP's approach to how services and infrastructure such as hard services, parks and community centres would be funded and cost-shared. Staff would examine whether proposed innovative infrastructure is more costly than traditional infrastructure, and whether the infrastructure would have to be accelerated to happen sooner than what is outlined in approved Precinct Plans.

### **e. Innovation in the Achievement of City Goals**

An underlying principle of the project is that the MIDP would propose new and better approaches to meeting today's urban challenges. New ideas and approaches are also regularly pursued today by Toronto's business, government, academic and social sectors as well as innovative organizations around the world. Staff will examine the MIDP in this context to understand how proposals compare against existing conventional solutions and how they fit into the broader innovation landscape – in Toronto and around the world.

### **f. Potential for Community Benefits**

Staff would review the degree to which the MIDP proposal includes benefits for the community, including those who may be impacted by related growth. Community benefits could include employment training/apprenticeships, opportunities for small and/or diverse businesses, and opportunities for third-party community organizations to sustain and replicate the innovations. Equally important would be any strategies for

social procurement and opportunities for the engagement of diverse communities and stakeholder groups.

#### **g. Alignment with Digital Infrastructure and Data Governance Policies**

City staff would evaluate proposals in the MIDP based on a combination of existing and emerging policies across all levels of government and our obligations under prevailing legislation such as the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA).

The overall approach to assessing these proposals would be articulated in a City-wide policy framework and governance model associated with digital infrastructure and data, such as Smart Cities, which is to be developed as directed by Council in February 2019.

Examples of City processes already in place include the use of Privacy Impact Assessments to evaluate new technologies and the Open Data Portal to share City data. As well, the City's information management, privacy and open data policies standards and applicable legislation are available on the City's website (<https://www.toronto.ca/city-government/accountability-operations-customer-service/access-city-information-or-records/city-information-management-policies-and-legislation/>).

### **7. City of Toronto MIDP Public and Stakeholder Consultation**

A key component of the MIDP Review would be a City-led public and stakeholder engagement process. This process would likely begin in early 2020, following Waterfront Toronto's MIDP evaluation process and Board decision.

The City's public and stakeholder consultation process would be distinct from Waterfront Toronto's completed public consultation process, but would be informed by the results of Waterfront Toronto's work.

City consultation would look at all pillars of the MIDP, including those related to the development plan, sustainability, buildings, public realm, mobility, economic development, housing affordability, social infrastructure, and digital infrastructure and data governance, as well as the business case for Quayside. These MIDP-focussed consultation meetings would also include discussions about digital infrastructure and data governance, in a manner that is coordinated with the city-wide consultation on the digital infrastructure policy framework and governance model, described above.

The consultation would, over time, provide the opportunity for the public to learn about and discuss:

- Background information and existing conditions;
- Key issues; and
- Emerging directions.



Each phase would include:

- Meetings of a consultation advisory committee of diverse skilled individuals to provide input on consultation design and implementation;
- Large scale public meetings in different parts of Toronto at locations that engage the community at large (e.g. academic institutions, Toronto Public Library);
- Outreach campaign with offers to attend events and meetings held by a diversity of organizations across the city; and
- Campaign of interaction through social media and printed materials.

The process would be supported by:

- Procurement of an engagement consultant to assist with the detailed design and execution of the consultation program; and
- Engagement of government partners, private and non-profit stakeholders to advise staff on the most effective methods to engage the public.

Social media would be used to provide appropriate platforms for regular project updates, avenues for public online feedback as well as real time Web casting of large public/community meetings.

It is the objective of this public engagement to obtain feedback that would inform the City's review of the MIDP and help shape staff recommendations to Council.

## **8. Canadian Civil Liberties Association**

The Corporation of the Canadian Civil Liberties Association (CCLA) recently commenced an application in the Superior Court of Ontario against Toronto Waterfront Revitalization Corporation, City of Toronto, Ontario, and Canada seeking, among other things, an order quashing the decisions of Waterfront Toronto to enter into the Framework Agreement and the Plan Development Agreement. The CCLA has also asked for a declaration from the Court that entering into these agreements has violated Canadians' personal and collective privacy rights under the Canadian Charter of Rights and Freedoms. The Application is at an early stage and no hearing dates have been scheduled.

## **9. Future City Approvals and Implementation**

If endorsed by Waterfront Toronto's Board, in whole or in part, implementation of proposals in the MIDP would be subject to numerous phases of approvals by all three orders of government, as appropriate. Municipally, Sidewalk Labs would have to initiate various application processes, given the City's authority as a regulator, landowner, and provider of municipal infrastructure and services. Staff also anticipate the need for coordination with the other government partners on matters of common interest to align resources, identify appropriate roles and responsibilities and to coordinate review.

The precise list of required regulatory and non-regulatory application processes would be determined through the MIDP review process. Going forward, many Council approvals and public processes would include planning, building and environmental approvals, real estate transactions, affordable housing agreements right-of-way permits, and, road closures. This is in addition to broader policy questions that would require

inter-governmental coordination and consideration, including, for example, those related to data privacy and building code changes related to timber construction.

Any proposals involving the use of City-owned land would be subject to the prior approval by Council of Business and Implementation Plans. Business and Implementation Plans are used in the build out of waterfront precincts; they include, generally, anticipated infrastructure costs, revenues and phasing, as well as implementation roles and responsibilities. In 2017, Council requested the Deputy City Manager, Infrastructure and Development Services and the Deputy City Manager and Chief Financial Officer to report back with a Business and Implementation Plan for the Port Lands. Work on this Business and Implementation Plan has not yet started, in part because staff have yet to review the real estate development responsibilities of Waterfront Toronto, to ensure that Waterfront Toronto's real estate development work is aligned with that of the City and CreateTO. For more information, please see: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG21.4>

While the 4.8 hectare/12 acre Quayside site is primarily owned by Waterfront Toronto, the majority of Villiers Island is owned by the City through CreateTO. Proposals related to the use of City-owned land would be subject to additional procurement; CreateTO, with support of applicable City staff, would work with Waterfront Toronto, as appropriate, to identify procurement options, and would report to Council Q2 2020 as part of the comprehensive review of the MIDP.

## 10. Conclusion

This report outlines a proposed work plan for the City's review of the upcoming Quayside MIDP, as well as consultations towards a City-wide policy framework and governance model associated with digital infrastructure and data. The report is presented now so that there will be a City work plan in place when Sidewalk Labs provides the MIDP to Waterfront Toronto for its release, as is expected in the coming weeks. If adopted, the recommendations in this report would advance the work plan, including public and stakeholder consultation.

## CONTACT

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## SIGNATURE

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Tracey Cook  
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Infrastructure and Development Services

## ATTACHMENTS

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Attachment 1: Quayside Project - Ownership Map

Attachment 2: Designated Waterfront Area

**City of Toronto project web page:**

<https://www.toronto.ca/city-government/planning-development/waterfront/initiatives/current-projects/quayside/>

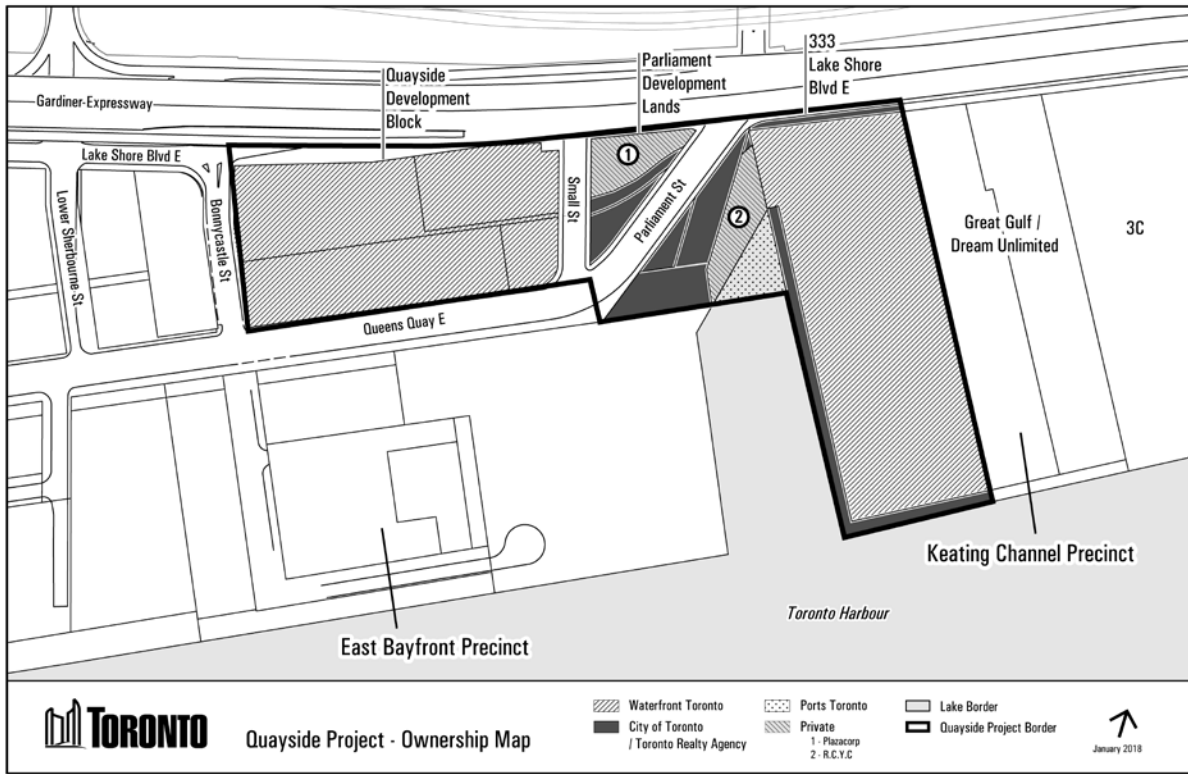
**Waterfront Toronto project website:**

<https://quaysideto.ca/>

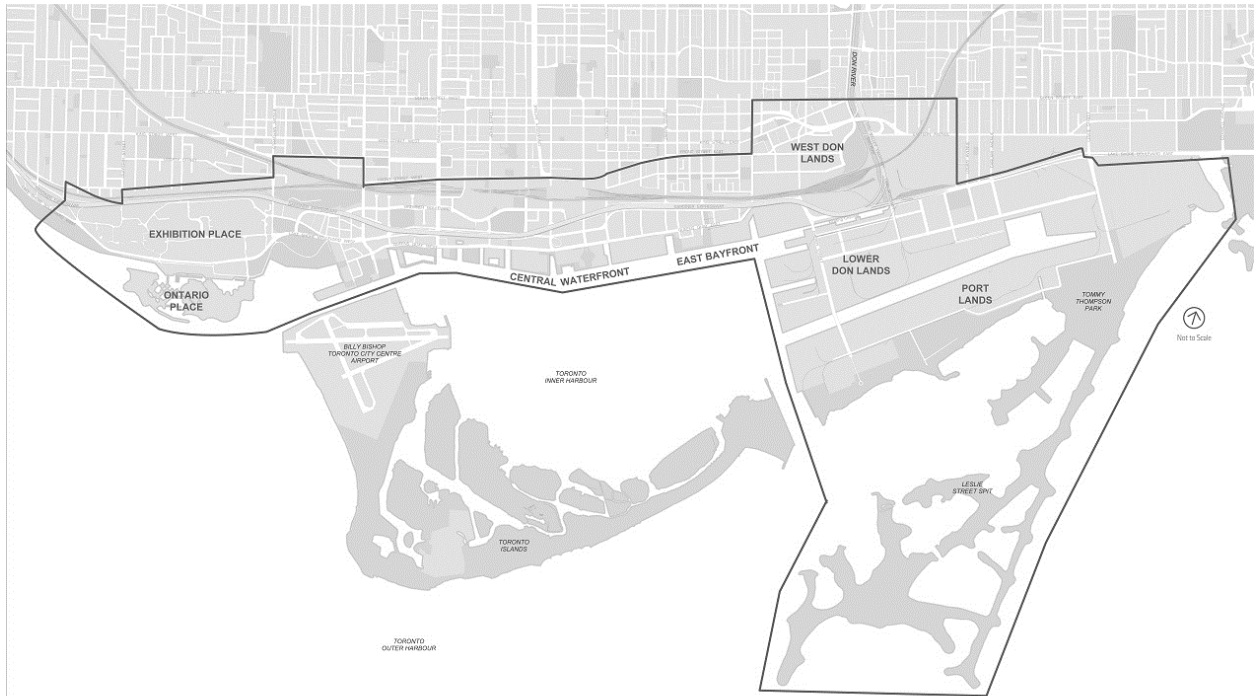
**Sidewalk Toronto website:**

<https://sidewalktoronto.ca/>

# Attachment 1: Quayside Project - Ownership Map



## Attachment 2: Designated Waterfront Area



### Designated Waterfront Area

