

East Harbour Transit Oriented Communities Proposal

Date: June 14, 2021

To: Planning and Housing Committee

From: Chief Planner and Executive Director, City Planning Division

Wards: Ward 14 - Toronto-Danforth

SUMMARY

As directed by City Council in May 2021, this report provides an overview of the Provincial government's new proposal for mixed use development at East Harbour. The report also outlines City staff recommendations on parameters for engaging with the Province and Cadillac Fairview on the proposal, in order to protect and advance City interests related to the proposal. City staff are seeking direction to report back to Planning and Housing Committee in November and Council in December 2021 with the outcomes of that engagement with the Province and Cadillac Fairview.

In June 2018, City Council adopted the Unilever Precinct Secondary Plan and associated Zoning By-laws to establish a major new employment area at East Harbour. The approved plan allows for 10 million square feet of commercial development for up to 50,000 jobs, in an area well served by expanded transit service. In May 2021, City Council reaffirmed its position that the lands south of Eastern Avenue form an important employment area for the City.

In April 2021, the Province announced a Transit Oriented Communities (TOC) partnership with Cadillac Fairview, the owners of the East Harbour site, to design and construct the East Harbour Transit Hub (SmartTrack and Ontario Line stations). The partnership also includes a Cadillac Fairview contribution toward related capital costs of development in the area, contingent on changes to the City's approved planning framework to permit the addition of 3.25 million square feet of residential development to existing development permissions. The partnership is also based on an expectation that the design and construction of the Broadview Avenue extension and the Broadview Eastern Flood Protection landform will be advanced and implemented in concert with the construction of the Transit Hub.

City staff received a detailed submission on the updated East Harbour TOC proposal in late May 2021. Discussions between the Province and the City leading up to this were focused largely on general parameters that would guide the City's ability to consider the proposal. The full engagement of the City on the proposed changes to East Harbour was premised on a public process and the submission of a more detailed proposal,

including the rationale for the land use changes. The detailed submission that was provided in May 2021 enabled City staff to begin understanding and reviewing the proposal in more detail.

In order to conclude their commercial arrangement and advance the construction of the East Harbour Transit Hub, the Province and Cadillac Fairview are seeking "zoning certainty" for these changes by the end of 2021. To meet timelines for the transit projects and achieve zoning certainty, City staff expect the Province will advance a Minister's Zoning Order (MZO) to put in place the necessary zoning. The Province has made a number of changes to planning legislation and introduced the Transit Oriented Communities Act that give the Province additional authorities to advance this proposal.

Adding residential permissions to the East Harbour area represents an employment land conversion. Although this proposal is following a separate process from the City's process for receiving and reviewing employment land conversion requests in the Municipal Comprehensive Review ("MCR") of the Official Plan, the proposal does constitute a conversion request and the City should consider this proposal in the context of the ongoing MCR. The Growth Plan (2020) and the City's Official Plan contain policies for the consideration of conversions of Employment Areas. These policies should be addressed as part of the proposal to inform staff's review of the potential conversion of Employment Areas.

In addition, the City and Province have entered into an MOU on Transit Oriented Development. This MOU outlines a partnership approach to considering transit oriented development proposals associated with Provincial transit projects. The SmartTrack draft Agreement in Principle covers the City's investment in the SmartTrack component of the East Harbour Transit Hub, an investment aimed at unlocking the economic development potential of the East Harbour site.

To develop a new community of the scale proposed for East Harbour requires careful planning to ensure the required hard and soft infrastructure, including but not limited to parks, servicing, roads, schools and other community services and facilities, are in place to support the new residents. The City has a strong interest in ensuring the East Harbour development is well planned, and that the true costs of development are covered by Cadillac Fairview and the Province. City staff also want to ensure sufficient time is allotted to undertake the kind of due diligence necessary to plan for a complete community, following the conclusion of the transaction between the Province and Cadillac Fairview.

City staff are seeking Council direction on a proposed approach to engage with the Province and Cadillac Fairview to ensure the City's and community's interests are protected and advanced in this TOC proposal. In discussions with the Province, City officials have been careful to distinguish between those conditions that will be necessary for the Province and Cadillac Fairview to conclude a TOC agreement, and the broader planning review and approvals that will be required to follow beyond the end of 2021. The City will also seek to ensure its interests are reflected in any agreements that may be required coming out of this process of engagement.

Given extensive community engagement previously undertaken for the Secondary Plan and private applications for the site, staff are also recommending that Cadillac Fairview and the Province undertake a full and robust engagement process with the local councillor and community. The consultation process should extend beyond the end of 2021, given the significance of the proposed changes and the time that will be required to fully address all planning issues.

The report recommendations include parameters to guide City staff in negotiations with the Province and Cadillac Fairview. The parameters relate to planning and financial conditions that will need to be addressed in the negotiations to reflect City interests. The report also proposes an approach to a fiscal impact assessment of the TOC proposal for the City.

The City has discussed the need for additional dedicated staff for the East Harbour project with the Province. The report seeks authority for staff to conclude negotiations with the Province about supporting the costs of the dedicated staff team. The issue of staffing requirements across Divisions for the broader TOC program will be addressed in a Fall report to Council.

Staff are seeking Council direction to report back in December 2021 with an update on negotiated conditions for advancing zoning certainty, the conditions for the transaction, the fiscal impact assessment and the further planning work that will follow.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning Division recommends that:

1. City Council communicate to the Province and Cadillac Fairview its expectation that consideration of the updated East Harbour proposal will include robust and timely engagement with the local community and local Councillor, to be led and paid for by Cadillac Fairview and with input and direction from City staff, and that such engagement will be a component of all subsequent planning approvals required for the site.
2. City Council direct the Chief Planner and Executive Director, City Planning Division and the Executive Director, Transit Expansion in consultation with other affected City divisions to engage with the Province and Cadillac Fairview on the modified East Harbour development proposal, subject to the following conditions:
 - a. the City will be the planning approval authority for any required changes to the Official Plan and Secondary Plan, the subsequent plan of subdivision and future site plans;
 - b. any agreements that may be required between the Province and Cadillac Fairview, or that involve the City related to modifications to the approved land use planning framework for East Harbour will address the interests of the City, the Province and Cadillac Fairview;

c. initial negotiations will address City interests and focus only on those matters deemed essential for concluding the Transit Oriented Communities commercial transaction between the Province and Cadillac Fairview, including any agreement required on how to advance design and construction of the Broadview Avenue extension and the Broadview Eastern Flood Protection landform;

d. the development of the East Harbour site will be phased to ensure employment development happens prior to or concurrently with any residential development that may be added, and the advancement of each phase will be subject to all conditions being met for earlier phases;

e. the residential development of East Harbour will include a significant component of affordable housing, consistent with City policy and practice, and to be confirmed as part of the negotiations on the essential matters for the Transit Oriented Communities commercial transaction;

f. Cadillac Fairview will cover the normal costs of development, including servicing, transportation network requirements and public realm elements associated with the development;

g. hard and soft services, including parkland and community services and facilities will be augmented beyond that secured in prior approvals, to be provided at a level appropriate to now also serve the additional residential density proposed and be appropriately built and allocated as phases of residential development advance, and the Province and Cadillac Fairview will make contributions appropriate to ensure the development and sustainability of a complete community;

h. streets, boulevard setbacks, parkland, POPS and open spaces which together create the public realm will be augmented beyond that secured in prior approvals, to be provided at a level appropriate to now also serve the additional residential density proposed, and be appropriately built and allocated as phases of residential development advance, and the Province and Cadillac Fairview will be expected to build out the public realm at an appropriate scale to ensure the development and sustainability of a complete community;

i. the City will not assume financial costs for hard and soft infrastructure, parks and services required solely to serve the new East Harbour residential community, and any financial contributions from the City related to infrastructure improvements, services and facilities will be related to costs associated with benefits to the broader community and City.

3. City Council direct the Chief Financial Officer and Treasurer and the Chief Planner and Executive Director, City Planning Division, in partnership with other affected City divisions, to undertake detailed financial analysis of the proposed Transit Oriented Communities development proposal and report back to City Council on the financial implications of a proposed agreement for the City.

4. City Council direct the Executive Director, Transit Expansion and the Chief Planner and Executive Director, City Planning Division to conclude negotiations with the Province related to establishing a dedicated team to address the East Harbour Transit Oriented Communities proposal, both the initial negotiations and the longer term planning review and approvals process.

5. City Council direct the Chief Planner and Executive Director, City Planning Division to report back to Council in December 2021 on the progress on negotiated conditions related to the Province's and Cadillac Fairview's request to establish zoning certainty, including any financial terms, and the next steps on planning approvals for East Harbour.

FINANCIAL IMPACT

EAST HARBOUR TRANSIT INVESTMENT

On February 2 2021, City Council adopted EX20.2 Advancing the SmartTrack Stations Program, approving a contribution of up to \$1.463 billion for the five-station SmartTrack Stations Program. Through this program the City is making a substantial investment in the East Harbour Transit Hub which is a critical component of the proposed Transit Oriented Communities proposal.

FISCAL IMPACT ANALYSIS

City staff will conduct a detailed review of the East Harbour TOC proposal to identify any financial impact concerns for the City of Toronto. In particular, City staff will engage an independent fiscal impact advisor to assist with the evaluation of all available details of the proposed commercial transaction between the Province of Ontario and Cadillac Fairview. This work will be accommodated inside existing budgets and authorities.

The commercial arrangement as negotiated between the Province and Cadillac Fairview would change the way in which the City secures a community benefits agreement with the developer. For East Harbour, this will be addressed in the context of negotiations with the Province and Cadillac Fairview related to both the value of Cadillac Fairview's contributions and the allocation of those funds.

The results of that detailed fiscal impact analysis will be included in the December 2021 report to City Council, and are expected to include:

- a. A forecast of cost differentials to the City that are likely to occur as a result of proposed changes to the planned East Harbour development, including consideration of matters such as operating costs, property tax revenues, and other fiscal matters;
- b. A comparative analysis (against the in-force East Harbour plan) of the financial commitments and contributions of all parties (the Province of Ontario, the City of Toronto, and Cadillac Fairview) in delivering various components of the overall

East Harbour plan (inclusive of the construction and long-term maintenance of hard services such as transit infrastructure, roads and/or enabling works such as flood protection; and any potential increased costs to the City to provide additional community services and programs);

c. A determination of any undue cost implications for the City resulting from a commercial transaction between the Province of Ontario and Cadillac Fairview; and

d. High level commentary on the possible collateral effect of the proposed employment land conversion, with an estimation of potential impact to employment uses and jobs in the surrounding area.

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

DECISION HISTORY

On February 24, 2016, Planning and Growth Management Committee adopted PG10.7 The Preliminary Report on First Gulf's application for an Official Plan Amendment for their initial development concept on the former Unilever Soap Factory site. City staff were directed to prepare a community consultation work plan in consultation with the Ward Councillor, integrating economic development considerations, and to report back to the Planning and Growth Management Committee on a recommended process to undertake comprehensive planning for the precinct in collaboration with the applicant, landowners and stakeholders.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PG10.7>

On March 28, 2017, City Council adopted PG18.6 Status Update Report on the Unilever Precinct Planning Study, and related zoning amendment and subdivision applications. City staff were directed to commence the Eastern and Broadview Flood Protection Municipal Class Environmental Assessment, and to report to the Government Management Committee on active investigations to consolidate municipal yard functions, including those provided out of the Booth Yard.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG18.6>

On December 5 2017, City Council adopted PG24.1 Unilever Precinct Planning Study and East Harbour Application Review - Update. The report provided updated information on First Gulf's revised development proposal, information regarding ongoing public consultation activities, as well as information regarding consultation with Enbridge Gas.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG24.1>

On March 26, 2018, City Council adopted, as amended, PG 27.3 21 Don Valley Parkway, 30 Booth Avenue, and 375 and 385 Eastern Avenue - Proposed Modifications to Official Plan Amendment 231 Site and Area Specific Policy (SASP) 426. The report recommended modifications to SASP 426 to modernize the language of that SASP in support of continued employment land use in that area, to be forwarded to the Minister of Municipal Affairs for approval.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.PG27.3>

On April 27, 2018, the Mayor and the Minister of Municipal Affairs and Housing and Minister of Natural Resources and Forestry entered into the Protocol Regarding the Lower Don Special Policy Area ("Protocol"), which applies to the lands affected by the existing flood plain. The Protocol is intended to address land use planning and development approvals in the Lower Don Special Policy Area in a manner that is consistent with the Provincial Policy Statement.

On June 26 2018, City Council adopted, as amended, PG30.5 Unilever Precinct Planning Study Secondary Plan and Planning Framework, and East Harbour Official Plan and Zoning By-law Amendment Applications - Final Report for an office employment hub supported by transit, flood protection and other infrastructure.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.PG30.5>

On July 23, 2018, Council also adopted associated Zoning By-laws for the developer-owned portion of the Precinct to enable their proposed East Harbour development, having received the necessary land use policy approvals associated with SASP 426 on July 20, 2018 via correspondence from the Ministries of Municipal Affairs and Housing and Natural Resources and Forestry.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.MM44.121>

On January 29 2020, City Council adopted, as amended, EX12.3 Toronto-Ontario Transit Partnership - Status Update, which included the Ontario-Toronto Memorandum of Understanding on Transit-Oriented Development ("MOU on TOD", now known as the "MOU on TOC") as Attachment 1. The MOU on TOC established a series of shared objectives for TOC and identified the roles and responsibilities of the City and Province for TOC specific to the Province's Subway Program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX12.3>

On February 2 2021, City Council adopted EX20.2 Advancing the SmartTrack Stations Program, which updated terms that will be incorporated into a revised Agreement in Principle to advance the SmartTrack Stations Program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX20.2>

On April 8, 2021, City Council adopted IE20.11 Broadview and Eastern Flood Protection Environmental Assessment, directing staff to finalize the Environmental Study Report and issue a Notice of Study Completion, to be placed on the public record for minimum 30 day review period. Staff were also directed to initiate cost-sharing and implementation discussions with stakeholders and report back to the Infrastructure and Environment Committee with a funding and implementation strategy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.IE20.11>

On May 5 2021, City Council adopted, as amended, EX23.3 Provincial Transit-Oriented Communities Program, which reaffirmed its position on employment south of Eastern and supported the designation of this area as a Provincially Significant Employment Zone.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX23.3>

COMMENTS

THE EAST HARBOUR TRANSIT ORIENTED COMMUNITIES PROPOSAL

On April 12, 2021, the Province announced its intention to enter into a commercial arrangement with Cadillac Fairview under the Transit Oriented Communities (TOC) program to have Cadillac Fairview deliver the East Harbour Transit Hub and make a financial contribution to other infrastructure, services and facilities in the area. Cadillac Fairview purchased the entirety of the 15 hectare East Harbour site from First Gulf in September 2019.

In the context of its TOC program, the Province is putting forward mixed use development proposals for all TOC sites. While the Unilever Precinct Secondary Plan establishes East Harbour as an employment hub, and the area is designated as a Provincially Significant Employment Zone (PSEZ) under the Growth Plan, the East Harbour TOC proposal is a mixed-use community of residential and employment uses.

This TOC proposal is meant to accelerate the delivery of the East Harbour Transit Hub and infrastructure on the site, linked to the inclusion of a significant new residential development component on top of existing planning permissions for the employment uses in the precinct. The Provincial proposal represents a significant change from Council's approved planning framework for the Unilever Precinct.

As part of the expected commercial arrangement between the Province and Cadillac Fairview, the company will design and deliver the East Harbour Transit Hub and make a financial contribution to other infrastructure and community services and facilities related to East Harbour. The final value of the contribution and its allocation to different projects is to be determined through further negotiations between the Province and the City. In exchange for Cadillac Fairview's commitment, the Province has agreed to provide zoning permissions for 3.25 million square feet of residential density. The Province and Cadillac Fairview also propose that construction of the Broadview Avenue extension (between Eastern Avenue and Lakeshore Boulevard East) and Broadview Eastern Flood Protection projects begin in 2022. The details related to these two infrastructure projects need to be confirmed with the City.

The costs of the East Harbour Transit Hub will be shared by the City and the Province, with the City's contribution to SmartTrack covering a significant share of the costs of the station. Consistent with the SmartTrack term sheet approved by Council and agreed to by the Province, all benefits resulting from any TOC in the vicinity of the Stations will be accrued to the City based on the principle that the City, as the primary funder of the transit infrastructure, should benefit from the TOC value created.

The TOC proposal would increase the overall Gross Floor Area (GFA) of the East Harbour site from 10 million square feet of commercial development to approximately 13.25 million square feet of mixed use development, with the addition of the 3.25 million square feet of residential permissions. Cadillac Fairview will still deliver the approved

10 million square feet of commercial development. The table below, provided by Cadillac Fairview, indicates how the additional GFA is proposed to be distributed across The table also proposes an updated parkland dedication figure, to be confirmed with the City.

Table 1: Proposed Updated Distribution of Gross Floor Area (Cadillac Fairview)

	APPROVED MASTER PLAN (m2)	UPDATED MASTER PLAN (m2)
Quadrant 1 GFA	314,400	388,000
Quadrant 2 GFA	342,600	469,000
Quadrant 3 GFA	92,600	180,000
Quadrant 4 GFA	176,400	194,000
Non-Residential	926,000	926,000
Residential GFA	0	302,000
Parkland Dedication	2,300	6,820
TOTAL GFA	926,000 (~10M sqft)	1,228,000 (~13,25M sqft)

Cadillac Fairview would still provide the contributions outlined in the existing Section 37 agreement for the East Harbour employment development. The new residential development would be subject to Development Charges and the additional parkland dedication requirements resulting from the additional residential GFA. The approved plan includes 2,300 m2 of new parkland, a quantum of parkland associated with the non-residential character of the approved 2018 vision. However, the additional residential permissions would not be subject to an additional Section 37 agreement. Rather, a negotiated capital contribution from Cadillac Fairview is meant to cover elements that might be included in a typical Section 37 agreement.

Many elements from the approved East Harbour development concept for the site would be maintained, including the use of Broadview Avenue as a commercial spine, the general street and block structure, and some of the building footprints and locations.

The proposal includes the addition of nine new residential towers, in addition to nine commercial towers. Cadillac Fairview proposes to demolish rather than reuse the Soap Factory building as part of the updated proposal. In order to accommodate the additional development permissions on the East Harbour site, heights for buildings would be increased on several parts of the site, with the most substantial building height deviations planned for parcels adjacent to the Transit Hub and site of the former Soap Factory building (see A1, D3 and B6 on Map 1: East Harbour Zoning Areas).

Map 1: East Harbour Zoning Areas

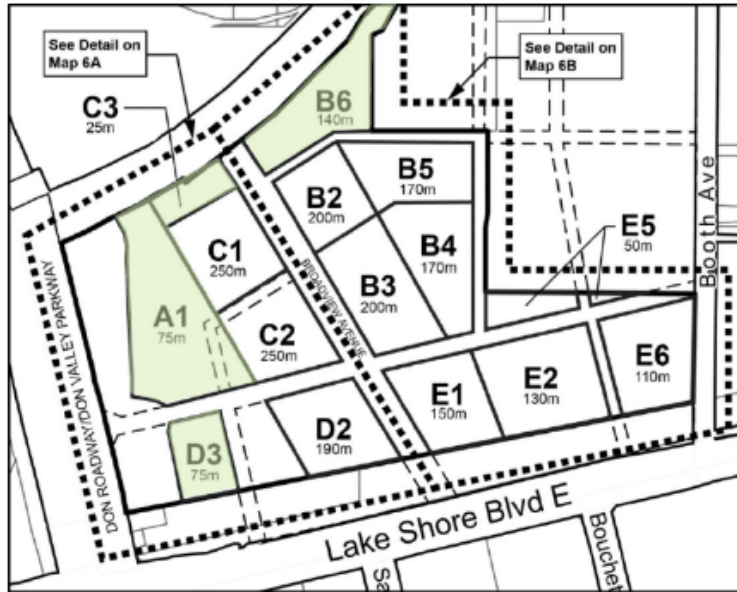


Table 2: Proposed Modified Building Heights

ZONING AREA	BUILDING	CURRENT MASTER PLAN (m)	PROPOSED MASTER PLAN (m)
A1	1A	75	210
C3	1B	25	235
C1/C2	1C	250	250
C2/A1	1D	250/75	250
B6	2A	140	225
B2	2B	200	210
B3	2C	200	200
B3/B4	2D	200/170	200/185
B4/B5	2E	170	185
D2/D3	3A	190/75	190
D3	3B	75	210
E1	4A	150	165
E2	4B	130	140
E6	4D	110	115

EXISTING PLANNING FRAMEWORK

In October of 2015, City Planning received an Official Plan Amendment application from First Gulf for the entire Unilever Precinct Area. In December of 2016, City Planning received applications for rezoning and subdivision from First Gulf just for the lands in their ownership. Parallel to these applications, in 2016 the City of Toronto initiated the Unilever Precinct Planning Study to guide the transformation of the Unilever Precinct.

The Study resulted in the development of the Unilever Precinct Secondary Plan, the Unilever Precinct Planning Framework, and the East Harbour Zoning By-laws.

In 2018, City Council adopted the Unilever Precinct Secondary Plan, endorsed the non-statutory Unilever Precinct Planning Framework, and enacted implementing zoning for the portion of the Unilever Precinct that forms the East Harbour site. Collectively, the City's statutory and non-statutory planning framework provides the in-force, City Council-approved planning framework. The Unilever Precinct Secondary Plan sets out policies in support of the 25-hectare precinct, including the 15 hectare East Harbour development, as a 25-hectare block of predominantly office employment lands located directly east of downtown Toronto. It forms the westerly extent of the South of Eastern Employment Area.

The area has very limited existing accessibility and integration with its surrounding neighbourhood and commercial context. Streets terminate at its boundaries, and visual and physical barriers are found along the southern and western edges. Building out the transit network through the site is critical to unlocking its full economic development potential. The plan for the development of East Harbour is based on establishing transit as the most important mode of travel for people to get to and from the area.

The East Harbour development sits at the centre of a broader planned mixed use context including Queen Street East's retail area and existing neighbourhoods to the north, the emerging West Don Lands communities to the west, the planned redevelopment in the Port Lands to the south, and further employment development in the South of Eastern area. In the next 20 years, 60,000+ jobs and 55,000+ residents are planned within an 8 minute walk to the proposed transit hub.

The approved plan divides the East Harbour precinct into quadrants and sets out a phasing plan for the development of the site. The phasing conditions are implemented through holding provisions in the zoning by-law, and are also linked to community benefits delivered through the Section 37 agreement.

INITIAL PLANNING ASSESSMENT OF CURRENT PROPOSAL

The following is a brief, high-level summary of the Cadillac Fairview proposal assessed against the key planning, economic development, place-making and city-building issues and objectives identified in the in-force planning framework for East Harbour. The City's full assessment of the TOC proposal will need to be undertaken in relation to this planning framework and the City's objectives related to East Harbour, the Unilever Precinct, and the South of Eastern Employment Area. These matters will influence the City's engagement with the Province and Cadillac Fairview in the initial discussions about the terms required for them to conclude their commercial transaction, and the broader planning assessment and approvals that may be required beyond that initial work. This fuller assessment will be covered in the December 2021 report to Council.

Land Use and Employment Conversion

The current planning framework was established to guide the transformation of the Unilever Precinct from an industrial area to an office employment node, which is consistent with and supportive of both provincial and municipal land use policies. The

Unilever Precinct is intended to be developed with employment uses, with the majority of new development being office oriented. The density of new office buildings planned for the area is supported by a generous public realm network of streets, parks, privately owned, publicly-accessible spaces (POPS), plazas and the flood protection landform. The Precinct is also planned to retain and expand on spaces for culture sector employment and business. Finally, a variety of retail uses is also intended to be concentrated along the New Street E to provide amenities for current and future workers and the broader community. These remain important objectives for the City.

The proposed addition of residential permissions to the East Harbour employment lands is the equivalent of a conversion request. The City has established a formal process for receiving and considering employment land conversion requests in the current Municipal Comprehensive Review of the Official Plan. Consideration of the land use conversion proposed in the East Harbour TOC proposal will be aligned with the approach established in the Municipal Comprehensive Review. In particular, the implications of a land use change in East Harbour on surrounding employment lands will be an important consideration for the City.

Lower Don Special Policy Area ("SPA")

The Provincial Policy Statement Policy 3.1.4 requires that any changes or modifications to official plan policies, land use designations, or boundaries within the Lower Don SPA must first be approved by the Minister of Municipal Affairs and Housing, and Minister of Natural Resources and Forestry. This approval acknowledges the public interest to coordinate land use planning approvals with flood protection infrastructure initiatives. The Mayor entered into the Lower Don SPA Protocol in 2018, which identifies the subject property as a Priority Project. To be consistent with the Provincial Policy Statement (2020), the TOC proposal will require approval by both Ministers and be acknowledged in the Lower Don SPA Protocol.

Long Term Development

The planning framework includes both consideration of development potential on the lands purchased by Cadillac Fairview, as well as longer term master plan-level consideration of the broader precinct. Key structural parameters of master planning – the systems of streets, blocks, open spaces, and general built form requirements – must be considered comprehensively within the precinct and along its edges and connections.

Infrastructure Investment

Comprehensive redevelopment of the Unilever Precinct will be enabled by new infrastructure as part of the broader waterfront revitalization, which also includes the East Bayfront, West Don Lands and Port Lands. Several of these infrastructure projects that support area development also serve the wider city. Careful coordination of enabling infrastructure, including transportation and transit projects (such as the SmartTrack/GO station transit hub; the Broadview Avenue extension through the site; and the realignment and improvement of Lake Shore Boulevard to the south), critical flood mitigation (including the Port Lands Flood Protection project; and the Broadview and Eastern Flood Protection landform), and site servicing (including stormwater and sanitary management infrastructure) is needed to unlock the redevelopment potential of

the site. The importance of these critical enabling investments is reinforced by their inclusion within current Zoning By-law holding provisions for the subject property.

The Broadview Avenue extension (between Eastern Avenue and Lakeshore Boulevard East) and the Broadview Eastern Flood Protection Landform projects have been identified by the Province and Cadillac Fairview as priority related projects. These two projects have direct impacts on both the design and the delivery of the East Harbour Transit Hub and are necessary to unlock full development of the site as an employment area. The extension of Broadview Avenue, and the associated streetcar route, through the site will provide multimodal access to the transit hub and serve as the key transportation spine for East Harbour development. The flood protection landform identified as the preferred solution in the recently completed Broadview Eastern Flood Protection Environmental Assessment would facilitate the removal of the lands from the regulatory Flood Plain.

Neither the Transit Hub nor the new East Harbour buildings will be able to open for use in their planned form while they remain in the Flood Plain. City staff are coordinating with Metrolinx, Infrastructure Ontario and Cadillac Fairview on the further design and implementation of these projects. Key issues to resolve include the coordination of design and construction, negotiation of cost sharing for the infrastructure, and approaches to meet the timelines for construction proposed by the Province and Cadillac Fairview.

Street Design & Hierarchy

The Precinct's street network will be structured around the transit hub, supporting connectivity and access between development and the station. All buildings and open spaces developed within the precinct should be publicly accessible through the at-grade street network. Street design shall reflect Complete Street principles in order to accommodate different functions and users. Final cross-sections and designs of key streets will be secured through the Transportation and Servicing Master Plan process.

Active Transportation

Generous public sidewalks and a system of internal plaza and POPS connections will support the substantial pedestrian movements anticipated in the Unilever Precinct. Further, protected bicycle lanes (cycle tracks) will be provided on all major streets in the Unilever Precinct, connecting to the cycling infrastructure around the Precinct, and a multi-use path will be developed along the flood protection landform east of the Don River.

Travel Demand Management

A high mode share for transit and a low automobile mode share must be achieved in the Unilever Precinct. Travel Demand Management plans employing policy, pricing, operational, management and design strategies will be implemented to increase the mode share of transit and active transportation modes, reduce automobile mode share, spread out the peak travel period, and minimize the use of single-occupant vehicles. The introduction of residential development at East Harbour may change projections of overall travel to and from the site, and the travel patterns related to the site. However, the necessity of achieving a high transit mode share remains. The TOC proposal reinforces the need for a strong Travel Demand Management strategy.

Parks, Public Realm & Open Spaces

Parks and open spaces are expected to be designed to accommodate a range of experiences and activities to help animate the public realm beyond traditional office hours and in all seasons. The precinct's parks, open spaces, and pedestrian connections will establish an attractive, safe, and inviting public realm network throughout the precinct, linking it to surrounding parks and communities, and complementing the re-naturalized Don River. Transit plazas on either side of Broadview Avenue will also ensure efficient circulation and access while offering a memorable arrival space. The TOC proposal will increase the need for parks and open space at East Harbour.

In order to support the proposed mixed-use development of East Harbour, a hierarchy of parks in the precinct, including a large park focal point, will be necessary to provide residents and workers with space to gather, recreate, and relax. Although a site of this size would typically be required to provide a parkland dedication of up to 20% of the site, the mix of uses results in a parkland dedication of approximately 7%, less than the 10% typically required of far smaller development sites of less than one hectare. Such a quantum of parkland will be inadequate to serve the proposed scale of the community.

This may be one of the few opportunities for a sizable parkland dedication that could support the demand derived on-site and ensure that the current parkland deficiencies in the surrounding communities are not further exacerbated. Staff will apply the lessons learned with other master-planned communities in Toronto, including development of a network of parks and application of parkland dedication requirements that support the range of proposed activities. Staff will evaluate parkland dedication approaches with reference to the ongoing Section 42 review and master plan parkland frameworks, such as the in-force alternative parkland dedication rate which applies in the adjacent Port Lands. Parkland dedication should also create opportunities to locate some of the recreational facilities that may be needed to serve the increased residential population and address provision gaps in the area, as guided by the Council approved Parks and Recreation Facilities Master Plan.

Environmental Policies

The Unilever Precinct Secondary Plan has policies related to environment and resiliency, encouraging new development to achieve the highest levels of the Toronto Green Standard and to target near zero emissions. New development is to pursue enhanced building energy performance, support biodiversity, and employ green infrastructure. East Harbour's prior landowner chose to further these initiatives by pursuing EcoDistricts Certification, a certification program that measures performance against equity, resilience and climate protection imperatives and monitors district performance over time. Numerous community and business stakeholder workshops were held to collaboratively develop the EcoDistricts approach for East Harbour following the 2018 policy and zoning approvals, leading up to its sale to Cadillac Fairview.

Built Heritage

The Unilever Precinct is rich in history, and there is a civic responsibility to reflect that history when advancing new development. The planning framework promotes the

celebration and commemoration of industrial history in this Precinct, and states that the adaptive reuse of the former Unilever Soap Factory building will be strongly encouraged.

Implementation

Consistent with holding provisions contained within the approved Zoning By-laws for the precinct, development of the precinct is required to be coordinated with the delivery of supporting infrastructure, and will be implemented in a manner that minimizes impacts to surrounding neighbourhoods. Phasing requirements will be secured with each development application to ensure that offices, post-secondary colleges/universities/trade schools, hotels, studios, and research facilities are constructed in a timely manner relative to entertainment uses, fitness centres, major retail uses, recreation uses, retail uses and service commercial uses.

Any change to permit residential development at East Harbour will require the phasing plan to be renegotiated. The TOC proposal should not push all employment development to follow residential development. The City will be looking for commitments on advancing employment development in the first phase and concurrently with residential development.

Community Benefits, Services and Facilities

There is a negotiated Section 37 agreement for this employment development which secures provisions of public art, public realm enhancements on the flood protection landform, the creation of 1400 m² of incubator employment space, and the creation of 2800 m² of community/cultural space on site, in addition to funding for offsite affordable housing and community services and facilities.

Where secured through development approvals, new community services and facilities will be developed in the Unilever Precinct in a timely manner, to provide those services and facilities necessary to serve worker growth at each phase of redevelopment. The development approval process will be used to determine the location of community services and facilities. Development that is phased should, where possible, include required facilities as part of the first phase of development.

The introduction of a large residential population in this area will create additional demands for community services and facilities. This will be an essential element of negotiations with the Province and Cadillac Fairview.

Affordable Housing

Residential uses are not permitted by the in-force planning framework at East Harbour. The introduction of residential permissions would be expected to include a benchmark target for the provision of affordable housing, particularly in light of the significant municipal investment committed to construction of the transit hub. Land Use conversions approved by the City have all typically considered the provision of affordable housing over and above other community services and facilities.

COMMUNITY CONSULTATION

Broad-based engagement with the local community and key stakeholders was central to the development of the Unilever Precinct Secondary Plan, and all aspects of the approved East Harbour development. Given the significance of the changes being proposed at East Harbour, including the introduction of a large residential population, a robust community engagement process will be essential to shape the TOC proposal.

City staff raised this expectation in discussions with the Province related to the East Harbour TOC proposal over the past several months. City Council further reinforced this position with its recent request that the Province include robust engagement with the community and local Councillor for all TOC proposals, including the East Harbour proposal. Public engagement is an important condition for the City in considering the East Harbour TOC proposal.

Cadillac Fairview is planning to undertake public consultations on the revised East Harbour proposal, beginning shortly after the City Council meeting in July. They will include further opportunities for public engagement in the fall. City staff will be directly involved in the consultations, and will continue to advise Cadillac Fairview on their approach. City staff have also advised the Province and Cadillac Fairview that this engagement should extend beyond the end of 2021, to allow the public to have further input in more detailed planning for East Harbour that is expected to follow.

In addition, the City will explore opportunities to coordinate this engagement with public consultation required for the completion of the Broadview Avenue Extension Municipal Class Environmental Assessment process.

DEDICATED CITY STAFF TEAM

City Planning Division established a dedicated staff team in the initial work with First Gulf on the approved East Harbour plan. That dedicated team was supported through the application fees from First Gulf.

In the context of the Provincial TOC program, the City will not receive formal applications related to TOC proposals. Rather the anticipated process with all Provincial TOC proposals is that a submission will be made that mirrors the contents of a formal planning application. City staff have had initial discussions with the Province about supporting the costs of a dedicated City staff team across several divisions to support the overall TOC program. This matter will be brought to Council in a future transit report.

Given the extent of the changes involved in the East Harbour TOC proposal and the short timelines to address some more immediate elements of the proposal, as well as planning work that will extend beyond 2021, City Planning Division has determined that a dedicated staff team will be required for East Harbour for one to two years. A full time Project Manager will lead a broader team over a period of one to two years. The requirements for this team will be framed as part of the broader TOC program requirements.

PARAMETERS FOR ENGAGEMENT WITH THE PROVINCE

City staff recommend that City Council endorse further engagement with the Province and Cadillac Fairview on the East Harbour TOC proposal for several reasons. Through this engagement, City staff will be in a better position to advance the City's essential land use planning and financial interests in the context of any Provincial action to implement the East Harbour TOC proposal.

The City has an obligation to consider employment land conversion requests in the context of the Municipal Comprehensive Review (MCR) of the Official Plan. The proposal to add residential permissions to the East Harbour precinct represents an employment land conversion request. Although this proposal is not following the City's process for receiving and reviewing employment land conversion requests in the MCR, the East Harbour TOC proposal would have the same effect as other requests, and should be reviewed against the applicable Official Plan and Growth Plan conversion policies, against which all other conversion requests are being reviewed.

In addition, the City and Province have entered into several MOUs and agreements related to the Province's transit program, SmartTrack, and associated Transit Oriented Communities proposals. These documents include commitments by both parties to work together to advance TOC proposals that meet our shared interests and that have regard to the City's planning framework.

In order to conclude their commercial arrangement and advance the construction of the East Harbour Transit Hub, the Province and Cadillac Fairview are seeking zoning certainty by the end of 2021. To meet timelines for the transit projects, City staff expect the Province will advance a Minister's Zoning Order to put in place the necessary zoning. The City has a strong interest in working with the Province to shape any MZO in a manner that addresses City interests and preserves the integrity of the City's zoning by-laws. This would also set up longer term processes into 2022 and beyond which would deal with the Plan of Subdivision, Site Plan Approvals and other related city processes.

To develop a new community of the scale proposed for East Harbour requires careful planning to ensure the required community services and facilities are in place to support the new residents. The City needs to ensure the East Harbour development is well planned to create a liveable community. City staff would work to ensure that Cadillac Fairview will cover the full costs of its development.

City staff are seeking Council direction on a proposed approach to engage with the Province and Cadillac Fairview to ensure the City's and community's interests are fully considered in this TOC proposal. In discussions with the Province, City officials have been careful to distinguish between those conditions that will be necessary for the transaction between the Province and Cadillac Fairview, and the broader planning review and approvals that will be required into 2022. This is fundamental to the City's engagement on the East Harbour proposal.

The following parameters, if approved by City Council, will guide City staff in negotiations with the Province and Cadillac Fairview:

1. The City will be the planning approval authority for any required changes to the Official Plan and Secondary Plan, the subsequent plan of subdivision and future site plans. The further planning review and approvals will follow the conclusion of the initial negotiations.

2. Any agreements that may be required between the Province and Cadillac Fairview, or that involve the City related to modifications to the approved land use planning framework for East Harbour should address the interests of the City, the Province and Cadillac Fairview. A successful TOC development needs to address interests of all involved parties.

3. Initial negotiations to the end of 2021 should focus only on those matters deemed essential for concluding the Transit Oriented Communities commercial transaction between the Province and Cadillac Fairview. The Province has indicated a key condition relates to providing zoning certainty for the residential permissions in East Harbour by the end of 2021. An agreement on how to advance the further design and construction of the Broadview Eastern Flood Protection landform and the Broadview Avenue extension will also form part of this initial phase of negotiations. City staff will also seek a financial arrangement related to the TOC proposal that addresses City interests.

4. The development of the East Harbour site will be phased to include employment development prior to or concurrent with any permitted residential developments, and subsequent phases will be subject to all conditions being met for earlier phases. Maintaining a strong employment base in this area is a priority for the City. As with other major mixed use developments across the City, City staff will seek to negotiate commitments on the phasing of employment development to coincide with any residential development. The City would not support a development scenario that would see all residential development happen in advance of the employment development.

5. Any residential development of East Harbour will be expected to include a significant component of affordable housing consistent with City policy. Expanding the supply of affordable housing is one of City Council's key priorities. Private development is often expected to include a component of affordable housing. The City holds itself to a higher standard for the provision of affordable housing in projects involving government lands and investments. The City is making a significant investment in the East Harbour Transit Hub and other elements of infrastructure to unlock the employment potential of this area.

6. Cadillac Fairview will be expected to cover the normal costs of development. They will be expected to pay for the development of infrastructure to make their development function, as with any comparable private development. This would not be considered part of their capital contribution. The commercial arrangement between the Province and Cadillac Fairview should not transfer these costs to the City.

7. Community services and facilities will be provided at a level appropriate to serve a residential development of the proposed scale. The Province and Cadillac Fairview will

be expected to make contributions appropriate to ensure the development of a complete community at East Harbour.

8. Streets, boulevard setbacks, parkland, POPS and open spaces which together create the public realm will be augmented beyond prior approvals, to be provided at a level appropriate to now also serve the additional residential density proposed. They will be appropriately built and allocated as phases of residential development advance, and the Province and Cadillac Fairview will be expected to build out the public realm at an appropriate scale to ensure the development and sustainability of a complete community

9. The City will not assume financial costs for services and facilities required solely to serve the new East Harbour residential community. Any financial contributions from the City related to infrastructure improvements, services and facilities will be related to costs associated with benefits to the broader community and City.

This report was prepared with input from Transit Expansion Office, Transportation Services Division, Parks, Forestry and Recreation Division, Corporate Finance, Legal Services, and Economic Development and Culture Division.

City staff will report back to City Council in December 2021 on the outcomes of the negotiations with the Province and Cadillac Fairview, addressing the issues outlined above.

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SIGNATURE

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