



OUR TORONTO

Canada Gateway to the New Canada Gateway to the New Canada

WATERFRONT

The Right Honourable Jean Chrétien
Prime Minister of Canada

The Honourable Michael D. Harris
Premier of Ontario

His Worship Mel Lastman
Mayor of Toronto

Gentlemen:

It is my honour to report to you that the Toronto Waterfront Revitalization Task Force has completed the mandate you set for it.

We have concluded that there is a strong business case for the revitalization of Toronto's waterfront. We are of the opinion that the revitalization is necessary and will have a major, positive economic impact on the City, the region and the country.

The revitalization of Toronto's waterfront is an almost unprecedented development opportunity. We do not, however, see the undertaking as a public megaproject, but rather as an integrated partial solution to the environmental, transportation, infrastructure, housing, economic and tourism challenges confronting the City.

The Task Force has prepared a Development Concept, Organizational Concept and Financial Concept to realize the potential of nearly 2,000 acres of undeveloped, misused or derelict lands in Toronto's Central Waterfront. A significant portion of the land is environmentally degraded, lacks infrastructure and has totally outmoded plans and regulations.

Many of the world's great waterfront cities have overcome impediments to revitalization and economic transformation. They have lessons for Toronto. Barcelona, Spain is a good example. The combination of the 1992 Olympics and urban revitalization catapulted Barcelona from its ranking as a 20+ European tourist destination to third, in the company of London and Paris. The revitalization also sparked investments in the waterfront and downtown core at an unprecedented level in the history of Barcelona.

The current impetus for revitalization of the Toronto waterfront comes, not only from a desire to support Toronto's Bid to host the 2008 Summer Olympics, but also from the strict timelines dictated by the Bid.

But apart from the Olympic Bid, the reality is the status quo is not a real option for Toronto.

The Task Force believes the prospect of economic decline of Toronto's downtown core and its eroding position as a tourism destination must not be allowed to persist.

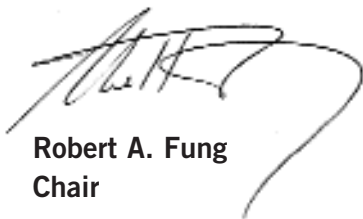
The challenge of revitalization requires action on some tough decisions. The history of inaction on Toronto's waterfront is rooted in inter-governmental gridlock. Ironically, this gridlock has preserved a huge tract of land for regeneration.

The current support by you, the leaders of the three levels of government, for a revitalization action plan will serve as the real catalyst for change. With or without a successful Olympic bid, the time to act is now. This plan required a vision, but it will take leadership to ensure we don't lose another opportunity to get Toronto's waterfront right.

I would like to take this opportunity to thank the members of my volunteer Task Force for their time, unselfish dedication and support. I would like to acknowledge my two right-hand private sector executives Tony Coombes, Principal of City Formation International (CFI) Inc. and Gordon Thompson, Director of The CIT Group, and all of the consultants listed at the end of this Report for their diligence, loyalty and dedication to try to create a conceptual blueprint for the waterfront of Toronto, this City in which we all live, work and love.

Please accept the report and its recommendations which follow.

Respectfully submitted,



Robert A. Fung
Chair

RECOMMENDATIONS

If Toronto is to maintain its role as a major world city and act as a gateway or portal on the Canada of tomorrow, it must confront some serious challenges and grasp enormous opportunities. On one hand, Toronto must address the challenges to the vitality of its downtown core presented by high taxes on commercial properties, declining tourism and restructuring in the financial services industry. On the other hand, Toronto's waterfront has the potential to help Toronto revitalize its tourism industry and to attract the high-quality jobs and economic spin-offs generated by the new creativity, New Media, biotechnology and knowledge-based economy conceptually centred in an area of the Portlands referred to as Toronto's Convergence Centre.

The Toronto Revitalization Task Force has devised a strategic business plan, with a development concept, an operational concept and a financial concept, to grasp those opportunities. The Task Force's recommendations are to:

- Make the water's edge an accessible, public amenity from Etobicoke through the Central Waterfront to Scarborough;
- Reconnect the City of Toronto with its waterfront from a physical, economic and social point of view. The waterfront must be a place of fun, excitement and entertainment for all year round;
- Remove the elevated Gardiner Expressway in the Central Waterfront and provide a new road and transportation network to better serve Toronto's downtown and revitalized waterfront;
- Create in the core of the City major new neighbourhoods for working, living and recreation, resulting in a substantial increase in the City's stock of affordable and market housing; and
- Create a "convergence community" that crosses all

disciplines of creativity to take advantage of Toronto's unique position in New Media, communications, music, biotechnology, software and high technology.

- Provide a clean environment by improving water quality, cleaning up contaminated soils, eliminating the risk of flooding and naturalizing appropriate areas.

After examining how other major cities have moved ahead to realize the kinds of opportunities which Toronto possesses, the Task Force has concluded that the following actions are necessary to provide the best chance for doing something important and valuable for the Toronto waterfront.

- The creation of a small, efficient, action oriented corporation with a sunset clause by the City of Toronto, the Province of Ontario, and the Government of Canada.
- The corporation should have a sunset after 15 years. By that time the mandate of the corporation should have been substantially completed, and the ongoing development of the Central Waterfront can continue thereafter in a financially self-sustaining manner, and without further action or involvement by the corporation. All of the remaining infrastructure assets should then be transferred back to normal government management.
- The new corporation, called the Toronto Waterfront Development Corporation, should have all of the powers necessary to implement the Development Concept proposed by the Task Force, including the disposition and use of all lands described in the mandate.
- This Corporation would have primacy over the existing government organizations on the waterfront on any matter relating to the Corporation's

revitalization mandate, including the ability to direct any such organization on the disposition and use of land.

- The three levels of government should enter into a series of agreements with the Corporation to establish clear, certain and concise regulatory regimes and fast approval systems.
- The adoption of this concept admittedly requires careful consideration. The Task Force has concluded, however, that following the necessary consultation process, the Corporation should be incorporated as quickly as possible and should set about developing a detailed “Master Plan”, using the Development Concept as a foundation, with the deadline for completion within 60 days of the date when agreement to proceed is reached.

The infrastructure costs associated with implementation of the Development Concept are estimated to be in the order of \$5.2 billion. Additional private sector spending is estimated to be in the order of \$7 billion for a total project in the order of \$12 billion. The Task Force aimed for private participation to fund at least 70% of the total project cost. A number of “public/private partnerships” are proposed to achieve this percentage.

In developing the Financing Model, the Task Force considered a number of revenue sources, including debt and equity financings, such as:

- Tolling the Gardiner Expressway;
- A parking surcharge;
- Sales and leases of residential and non-residential lands;
- Easements and “utility corridors”;
- A range of tax-related revenue streams, such as GST and the PST rebates, land transfer tax rebates, development charges, an area specific gas tax, and

hotel, food and beverage improvement taxes;

- Development charges on landowners who benefit from infrastructure improvements;
- Union Station development lease income;
- Cruise ship terminal concessions; and
- A hotel and entertainment complex with or without a casino.

All of these provide, in addition to government funding, a potential source of revenue for Governments to consider. Some of these potential sources of revenue are politically controversial. However, no one should underestimate the benefit to the City, the Province and Canada when this revitalization plan becomes a reality. Independent consultant analysis also shows that over the life of the project, the three levels of government would receive in the order of \$4.9 billion in direct and indirect soft revenues from land development and construction.

The Task Force recommends that the three levels of government should begin consulting among themselves, and that public consultations begin immediately on this report and its recommendations, as part of the process for developing and implementing a Master Plan for the revitalization of Toronto’s waterfront.

There is a definitive time line if we are to assist and be complimentary with a serious Toronto Bid for the 2008 Olympics.

The time to act is now !

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INTRODUCTION

On November 3rd, 1999, the formation of a Toronto Waterfront Revitalization Task Force was announced by Mayor Lastman, Premier Harris and Prime Minister Chrétien, with the mandate to develop a business plan and make recommendations for the development of the Toronto waterfront.

The magnitude of the task and the reporting deadline would have been intimidating if it were not for the fact that a substantial body of work already existed. Toronto's Waterfront has been the focus of numerous studies, beginning with the 1911 plan prepared by the Toronto Harbour Commission. These include the solid and comprehensive body of reporting by the Royal Commission on the Future of the Toronto Waterfront and its successor agency, The Waterfront Regeneration Trust; the Gardiner/Lakeshore Task Force; and the Task Force to Bring Back the Don and related initiatives. Of great importance was the work of the City's Department of Urban Planning and Development Services, including its recent report, "Unlocking Toronto's Port Lands".

The Task Force was asked to:

- Review existing plans for the waterfront;
- Prepare an inventory of waterfront assets held by the three levels of government;
- Develop a strategic master plan to combine open space, recreational, residential, commercial and entertainment uses;
- Examine infrastructure enhancement requirements, including transportation, services, parks and environmental remediation;
- Determine the required investment to implement the waterfront vision;
- Determine participation and partnership opportunities with the private sector through various partnership structures;
- Integrate 2008 Olympic bid requirements; and
- Recommend a process to oversee and co-ordinate the waterfront development.

This revitalization plan supports the vision expressed in the City of Toronto report, "Our Toronto Waterfront! the wave of the future":

"Our new Waterfront will be a model to the world of how economic development, environmental protection, and cultural and recreational growth can complement each other...Toronto's waterfront will offer something to everybody; A place to play, live and work."

THE TASK FORCE

The composition of the Task Force involved a small team of business-focussed individuals with a strong, civic commitment. Members included:

Robert A. Fung

Task Force Chair

Mr. Fung is a senior partner of Capital West Group, a team of senior investment bankers providing corporate and financial advice in the areas of mergers, acquisitions and capital markets. From 1980 to 1997 he was Vice Chairman and a Director of Gordon Capital Corporation, where he participated in many of Canada's largest corporate transactions. He was Vice President and Director of Dominion Securities Limited. Mr. Fung is a director of numerous private and charitable organizations, including Mt. Sinai Hospital, the Lunenfeld Institute, the Asia Pacific Foundation of Canada and the Export Development Corporation. He is also a member of the Prime Minister's Advisory Committee on Asia Pacific Economic Co-operation, and a member of the Department of Foreign Affairs and International Trade Advisory Body to Team Canada in advising on Canada's foreign trade policy.

Steven Hudson

Chair of the Executive Committee for the Toronto 2008 Olympic Bid

In 1984 Mr. Hudson founded Newcourt Credit Group, one of the world's largest corporate and commercial finance companies. In addition to his duties as Chair of the TO-Bid Executive Committee, he is also a member of the University Health Network Board.

William Farlinger

Chair of Ontario Power Generation Inc.

William Farlinger became the Chair of Ontario Power Generation Inc. this year and was previously Chair of its predecessor organization, Ontario Hydro. Inducted into the Order of Canada in 1995, his many public affiliations include the Royal Canadian Golf Association and the Japan Society.

Ruth Grant

Past Vice Chair of the Waterfront Regeneration Trust

Ruth Grant has an extensive career in the voluntary sector. She is a director of The Maritime Life Assurance Company, Wycliffe College at the University of Toronto and an executive of the Toronto Olympic Bid. Ms. Grant is also a trustee of the Hospital for Sick Children and a member of the selection committees for the Peter F. Drucker Award for Canadian Non-profit Innovation and the Terry Fox Hall of Fame. She has also served as Vice Chair of the Waterfront Regeneration Trust and Chair of the United Way of Greater Toronto.

Rod Phillips

Chief of Staff for Mayor Mel Lastman

An active participant in the political process at all levels of government; Mr. Phillips has also specialized in public and private sector restructuring at the management consulting firm KPMG. He previously served as senior political advisor to the Minister of Labour and represented Canada on international election observation teams in El Salvador and Romania.

Mark J. Wilson

Chair of the Don Watershed Regeneration Council

A 30-year veteran of the information technology industry and currently a Project Executive with IBM, Mr. Wilson has worked as an environmental volunteer for 10 years. In 1989, he was a charter member of the Task Force to Bring Back the Don, a Lower Don River renewal effort and served as its Chair until 1997. He continues to serve on the Task Force, the Board of Evergreen and, since 1992, as Chair of the Don Watershed Regeneration Council which promotes renewal efforts for the entire Don watershed. He has received numerous awards for his environmental service.

Robert Wright

Chairman of Teck Corporation

Mr. Wright has practiced and taught corporate and

environmental law for more than three decades in Toronto. A former Chairman of the Ontario Securities Commission, he became a Member of the Order of Canada in 1997. He is the Chairman of the Toronto Port Authority, counsel to Lang Michener, and currently serves on the Board of Directors of the Mutual Fund Dealers Association, among others. He has served as a member of the Board of Governors of the University of Toronto, Toronto Western Hospital, Lyndhurst Hospital and the Lyndhurst Hospital Foundation.

Under the leadership of the Task Force Chairman, Robert A. Fung, two private sector executive directors, Tony Coombes, Principal of City Formation International (CFI) Inc. and Gordon Thompson, Director of The CIT Group, worked full time with teams of consultants having special expertise and knowledge to develop quickly a Business Plan by bringing together the best ideas from past studies with new opportunities, ideas and challenges.

Representatives of the City, the Olympics Bid Committee and other interested parties were consulted and provided advice. Given the time constraints, an extensive public consultation process was not possible. In any event, the Report contemplates an extensive consultative process before implementation commences.

At the outset, the Task Force determined to examine a wide range of circumstances where other great cities acted when faced with waterfront decay and inertia and the prospect of renewal. The Task Force wanted to know what development, managerial and financial strategies had proven effective. It therefore examined fifteen cities in these respects, such as London, New York, Manchester, Dublin, Barcelona and Cape Town, and some of its proposals are based on this analysis.

The Business Plan recommended in this report has three inter-dependent parts: The Development Concept, the Operational Concept and the Financial Concept. They are described in Section 3.



Barcelona: *public promenade*



Barcelona: *downtown waterfront*



London Docklands: *cafés along Butler's Wharf*

1. TORONTO'S WATERFRONT ON THE WORLD STAGE

Toronto is one of an elite group of world cities which act as gateways to commerce, culture and tourism for their respective countries. Older European cities, such as Paris, London and Amsterdam, and Rome and Athens before them, are testaments to the importance of a long-term process of coordinated investment and development. More recently other cities, including Sydney, Berlin, Barcelona, Boston, New York and San Francisco, have launched major programs of investment and renewal. Each city has a population of between three and eight million, possesses a sophisticated and educated citizenry and has defined its place in an emergent world urban culture.



Battery Park City, New York: waterfront promenade

Although differing in national character and geographical situation, each city endeavours to present its best self to the world. In recent decades the development of major parks, cultural assets and transport systems, and the remediation of environmental blight have been undertaken by each competing city. Urban waterfronts have normally been the focus of renewal, since they possess the scale and energy to define and give character to major urban settlements. The waterfront is our civic living room where we, as hosts, entertain the world. Great capital cities are undertaking major waterfront enterprises.

- London is entirely transforming its evacuated docklands for living, working and leisure;
- Rotterdam and Amsterdam are making comprehensive docklands renewals;
- New York has replaced decayed piers with the hugely successful and profitable Battery Park City, and is replacing its West Side Highway expressway with parkland and urban development;
- Cape Town has built a vital new entertainment and retail area in its operating portlands;
- Beirut's Solidere Corporation is rapidly rebuilding its war-torn central area with extraordinary new mixed-use districts;
- Barcelona used a comprehensive and continuing renewal of its waterfront, in association with the 1992 Olympic Games, as a hugely successful spur to the economic recovery of the city;
- Boston is undertaking a \$17 billion CDN demolition of its elevated expressway and rebuilding it underground;
- Shanghai revived its once-great riverfront as a first initiative in the city's revival;
- Sydney is reconstructing the central ex-industrial Pyrmont peninsula as an urban district; and

- San Francisco has replaced its Embarcadero expressway with an extraordinary new landscaped plaza.

All of these cities have overcome impediments to the transformation of their waterfronts. Chief among the problems have been:

- Conflicting governance and ownership;
- Residual industrial activity of a previous period;
- Soil contamination resulting from previous industrial activity; and
- Transportation facilities constructed in an expedient way, with a negative impact on the quality of the public realm.

As cities have addressed these issues, various models for action have been devised. Extraordinary outcomes have been fashioned which literally refocus and renew the entire urban area. Toronto alone has been virtually inert compared to its sister cities, who are inevitably its competitors.

Most amazing in its unrealized potential is Toronto's Central Waterfront, with some 2,000 acres of largely undeveloped land, at the heart of the City, region and Province. Visitors from other great cities are shocked by our failure to realize the value of this asset.

The Waterfront Task Force, on behalf of the three levels of government, has sought to devise a Toronto-specific concept, which will, at last, unlock the future of the waterfront. The Task Force has benefited from the examples provided by cities that have gone before us, as well as the decades of activity on the part of consultants, public interest groups and government. What is new is the prospect of hosting the 2008 Olympic Games, providing a spark plug and a specific timetable. The Task Force addressed:

- What should be done in concept;
- How it can be achieved; and
- How it might be paid for.

Success in other cities underlines the need for unified action. Citizens and the three governments must work as one towards a common goal. Although Toronto has been able to do this at other times, in other undertakings, the evolution of Toronto's waterfront has not been characterized by unified action. Uncoordinated private investment alone will not overcome the major impediments now existing. What the Task Force is presenting here is a plan to position Toronto at the forefront of modern cities. The potential is fabulous, the undertaking is affordable, and the obligation to act on behalf of those who come after us is undeniable.

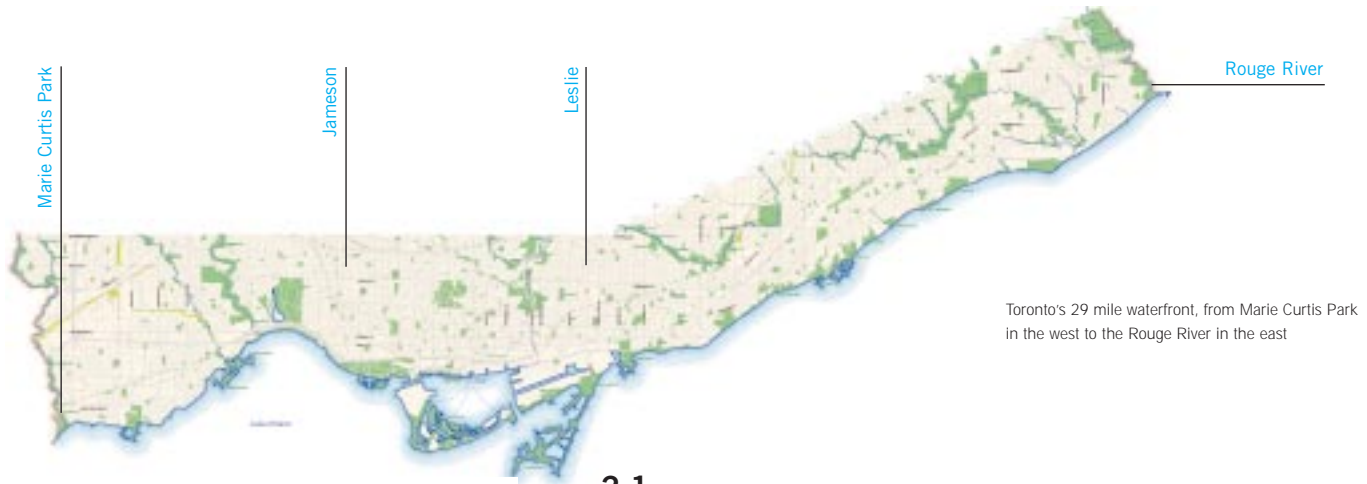


Cape Town: retail and entertainment in an operating port



Darling Harbour, Sydney

2. TORONTO'S WATERFRONT TODAY



2.1 THE WATERFRONT SCENE

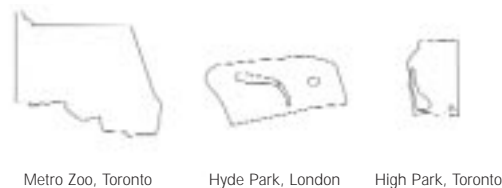
When we look down upon the City of Toronto's entire 29 mile waterfront, we see a lake-edge that is remarkably green and accessible, from Marie Curtis Park in the west to the Rouge River in the east. Outside of the Central Waterfront, the 6 mile section from Jameson Avenue to Leslie Street, there are numerous places for public enjoyment on the Lake, and also many opportunities for preservations and enhancement. The western and eastern waterfronts offer many opportunities to enhance and protect their distinct character.



Central Waterfront

The Central Waterfront is a different story, a place of extraordinary circumstances, problems and opportunities in both local and world environments. We see here the magnificent island parkland, boating and shipping activity, an outgrowth of high-rise tower development from the regional core to the water at Yonge Street, a more recent concentration of mainly residential development between Yonge and Bathurst Streets, and the giant platform of the Gardiner Expressway snaking throughout. But, generally, we see vast areas of unused or under-used land, from Exhibition Place in the west to Ashbridges Bay in the east.

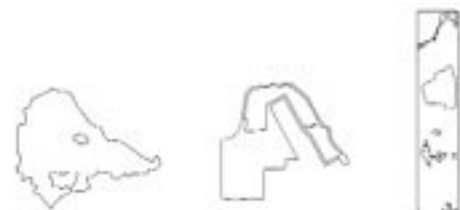
In a city that has undergone much recent redevelopment, there has been almost no new building east of Yonge Street in the Central Waterfront for decades, and no residential development. The Portlands alone, from Ashbridges Bay to Toronto's Inner Harbour, contain a thousand acres of under-used industrial land, much of which lies mainly fallow. The East Bayfront, three times as large as the western Harbourfront area, contains scattered industrial and other activities but is largely vacant and unattractive



Metro Zoo, Toronto

Hyde Park, London

High Park, Toronto



Stanley Park, Vancouver

Downsview, Toronto

Central Park, New York

Relative size of the Toronto Central Waterfront

to investment, settlement and activity that might be expected on prime waterfront land in a great city. The 80-acre West Donlands area is vacated, awaiting reinvestment. In the west, Exhibition Place and Ontario Place are experiencing declining use and are isolated from the rest of the city. Exhibition Place has large areas of vacant land used only for parking.

Overall, the Central Waterfront has some 2,000 acres of largely vacant land at the City's doorstep. Although they are the last remaining large undeveloped areas on the entire Toronto waterfront and could, therefore, be expected to be among the nation's most valuable, they have very low current value.

2.2 AN ASTONISHING OPPORTUNITY

The existence of extensive areas of abandoned land left behind by vacated industry, shipping and railways, and by the mid-20th century incursion of expressways, is typical in virtually all of the waterfronts of large global cities. But the Task Force's research of other cities make it clear that Toronto's situation is distinct in a number of respects. These add up to a superb opportunity.

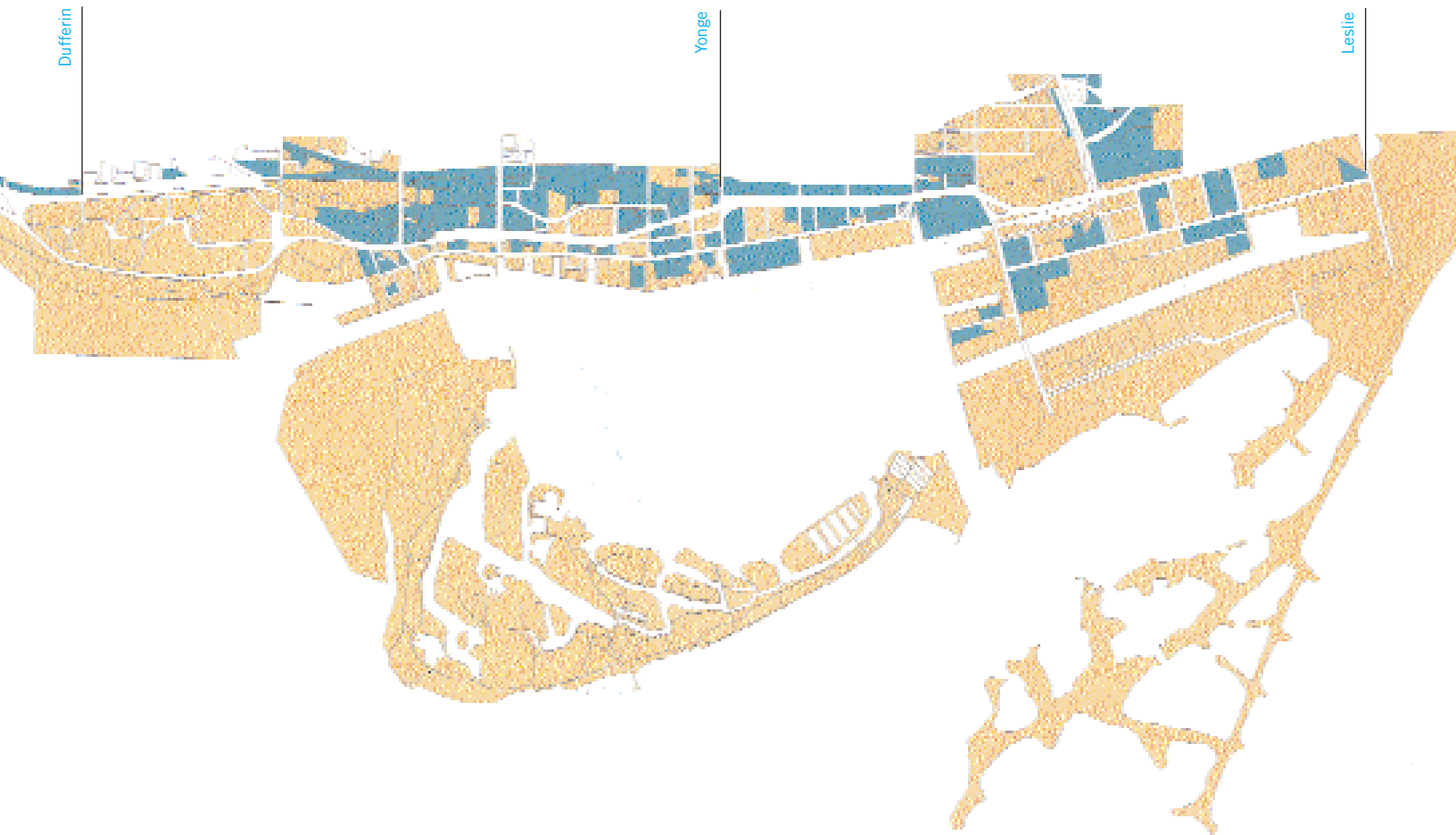
First, the overall size of lands that are in need of revitalization is unusually large. Perhaps only the London Docklands had greater areas of vacancy and dereliction, when the British Government began their renewal in the 1980's. By and large, the redevelopment areas of great cities, such as New York's Battery Park, Sydney's City West, Beirut's city-centre, or Manchester's Salford Quays, have been in the order of hundreds of acres, not thousands.

Second, Toronto appears to be virtually alone among the world cities in still possessing such widespread land abandonment and opportunity in its Central Waterfront. Other cities have already taken measures to restructure their lands and institutions to induce revitalization. This situation of widespread dereliction is, on one hand, a national and regional embarrassment, in that we have been unable to move deliberately to confront the situation. On the other hand, it also presents an extraordinary opportunity to move forward now. Toronto has a magnificent tradition of city-building at a local scale. The Central Waterfront must be restructured to make excellent local development attractive, and so that, in the end, the whole is more than the sum of the parts.

The third distinct aspect of Toronto's situation is that a very large proportion of the land is owned by one government or another. As part of its mandate, the Task Force has catalogued the ownership of lands



among Federal, Provincial, City and private ownerships, as well as the status of leases on public lands. In the Portlands, for example, approximately 80% of the developable lands is in public ownership. In the East Bayfront, the figure is about 40%, and in Exhibition Place, Ontario Place and the West Donlands virtually total. This high percentage of public ownership represents a special opportunity for the public to catalyze reinvestment and recapture costs. It is a great advantage that many cities have lacked when they faced the prospect of waterfront renewal.



The land ownership illustrated on this plan shows the magnitude of lands in public and private ownership. The determination of ownership of individual parcels is still in some cases subject to specific research. Individual properties may be subject to leases of various terms.

Finally, the lands are vacant to a degree that is highly unusual at this point in time in relation to other world waterfront cities. This condition represents another potent advantage in that there are commensurately large opportunities for renewal and turnaround. Analysis by the Task Force indicates that the Central Waterfront could comfortably accommodate a population in the order of that of present-day Oshawa or Brampton. An emerging policy of the City of Toronto is to seek the relatively intensive re-use of large vacant ex-industrial areas of the City.

What we now have, therefore, are Central Waterfront lands that are potentially among the most valuable in Canada. The area is:

- vast – with some 2,000 acres of land that is clearly underused or vacant;
- unique in that there are no other remaining lands of really substantial size anywhere along the Toronto waterfront;
- in the centre of the city, adjacent to Toronto’s downtown core, to the intermodal transportation hub of Union Station, and extendable transit links;
- surrounded and permeated by some 25 kilometres of harbour, channel and lake edge, including the ship channel, which is one of North America’s great man-made artifacts and a powerful armature for development;
- excellently served by regional highways;
- connected to a municipal infrastructure system capable of accommodating at least the early phases of development in each area;
- mainly in public ownership;
- bordered by parkland along its southern edge;
- imbued with stunning and unusual landscapes and views back to the City and to the Lake; and
- large enough to accommodate a full variety of urban uses— for commerce, residence, leisure and recreation, transportation, industry and education- situated in a public and parkland environment.

2.3 WHY RENEWAL HAS NOT OCCURRED

Why do the conditions of perpetual vacancy, under-use and under-valuation exist in the Central Waterfront today? The Task Force has examined the question in a global context of waterfront revitalization, and also in the context of our waterfront’s history. There are a number of potent factors that now prevent revitalization in the Central Waterfront. Without their removal, renewal of any appropriate kind cannot occur.

- Although a number of excellent concepts and proposals have been formulated, including and most notably the ecosystems approach developed by the Waterfront Regeneration Trust, there is no agreed vision of the Central Waterfront’s future among governments or in the public mind. From Barcelona to Cape Town to New York, experience shows that such an agreed vision is required to galvanize energies and investment.
- There is no vehicle for comprehensive management of renewal in areas that require it. This results in random and uncoordinated dispositions of public assets. Investment cannot be attracted unless such a mechanism is present to coordinate, phase, promote and integrate



West Donlands



Front Street: looking west to the downtown core



West Donlands



public and private actions. It is required for excellence of renewal, but it is also vital for developers and investors who, most of all, require clarity, certainty and the knowledge that their efforts and those of others will together create value.

- The regulatory regimes in most of the area are vestigial, outmoded and inappropriate to the accommodation of modern urban needs.
- There is no authority to define, sort out and manage the risks of polluted soil, and competing environmental requirements of industry and human settlement.
- In many parts of the area, both public transportation and service infrastructure are inadequate.
- Major infrastructure investments are required to support full build out and to achieve community objectives.
- A number of environmental factors, including the Gardiner Expressway/Lake Shore Corridor as presently constituted, mitigate heavily against revitalization and against the assumption of these lands into the fabric of the city.
- No mechanism exists for reversing what has been described as a condition of gridlock among the City, Provincial and Federal governments, and their agencies, each with differing objectives, assets, responsibilities and powers.

These conditions appear to have been widely prevalent before comprehensive renewal was undertaken in major urban waterfronts studied by the Task Force, including the conditions of sclerosis and competing jurisdictions. At some point in all of these examples, governments have realized that conditions cannot be reversed without effective new vehicles for intergovernmental action. Renewal can only be achieved through such vehicles and collaboration.

In the time available, the Task Force reviewed the history of the Toronto waterfront, particularly the previous attempts at regeneration, and took several lessons from this review.

First, there has been a set of common themes, objectives and principles, enunciated at every stage of the area's evolution: the desire to accommodate nature and parkland; the need to reconcile the imperatives of the environment, human settlement and economic activity, and to realize that they are all interconnected, as is the waterfront to its watershed; the need for coordinated public and private investment and cooperation among the three levels of government; and the ambition to accommodate both urban settlement (including residence and work) and industry.

Second, many large-scale plans have not transpired, or have been achieved only partially. As early as 1911, the Toronto Harbour

Commission's grand plan created huge areas for industry, much of which did not materialize. (It also advocated housing at Cherry Beach.) In the 1950's and 1960's, the expected boom in shipping did not transpire, and it has declined to the point where now it is confined mainly to relatively low-volume deliveries of bulk items.

However, throughout the century there has been no agency or level of government able to restructure and manage major shifts in priorities and development. While the Toronto Harbour Commission had primary ownership and powers, it also lacked the comprehensive responsibilities and authorities needed to deal with change. But, at the same time, its powers prevented other governments or agencies from doing so.

These historical threads need to be recognized, and new courses of action designed.

2.4 THE PRESSURES FOR ACTION NOW

Several factors or circumstances suggest that action is needed now to turn around the dilapidation of Toronto's Central Waterfront.

Inevitable Results of Further Inaction

The first, but not necessarily the most obvious, is that unless the governments deliberately choose and act to revitalize the area, other choices effectively will be made. An example is current pressure for "big box" retail developments in valuable Central Waterfront land. The Ontario Municipal Board recently rejected an application because such a use is not appropriate for prime waterfront land adjacent to downtown. However, pressures on the Portlands, particularly, to adopt the role of regional retail and distribution will continue. Once established, these essentially exurban building forms with large areas of surface parking will establish precedents that exclude a host of denser urban functions that are an essential part of city building. There are areas such as the West Donlands that are of prime urban importance, where there are clearly identifiable obstacles to welcome changes that might otherwise occur. Here, public soil reclamation and flood-prevention actions must take place before private investment can be attracted. Inaction will surely condemn the lands to storage and other radically inappropriate use.

The Olympic Games

Bidding for the 2008 Olympic Games produces general and specific requirements and opportunities for major actions and changes in the



Toronto's downtown core



Central Waterfront. A central notion of a Toronto bid would be that the accommodation of the Games would be an integral part of a general Toronto waterfront revitalization. If that is to occur, then concerted action and enabling is required among governments to produce the long-term infrastructure. Revitalization of the Toronto waterfront is necessary and must be undertaken even if Toronto is not designated to host the 2008 Olympics. But, the Toronto bid provides a focus and sense of urgency which should be seized.

The Core of the Growing Region

More broadly, there is an urgent need to ensure that Toronto endures as a city and region with a healthy core. With a population growing at almost 100,000 people a year, the Toronto region is one of the fastest growing in North America, with a projected population in 2021 of 6.8 million.¹ Toronto is part of one of the largest urban agglomerations on the continent, which includes the Golden Horseshoe and contiguous areas of New York State. Such growth places great premium on the value of the Central Waterfront. It makes no sense to have idle or underutilized land at one of Toronto's best functional and symbolic locations. Opening up the waterfront lands assists in redirecting the relentless sprawl of the urban region by providing more accessible and more attractive locations close to the downtown core for participants in the new economy. Almost all the new employment spaces in the region are now being created in the urban fringe. This constitutes a very worrisome, long-term threat to recreational and farm land. The waterfront offers an opportunity to counterbalance these centrifugal forces, by creating a very large supply of living and working space at the core of the region.

A Downtown in Decline

There are many factors that contribute to a city's quality of life: A healthy downtown core, convenient and diverse commercial neighborhoods, efficient, modern and safe transportation and infrastructure, available employment and a supply of affordable rental housing. Although the Greater Toronto Area is currently experiencing an economic boom, the future of the City of Toronto's quality of life is at risk without a resurgent commercial and industrial sector to fuel development and employment.

The warning signs are evident. Since the beginning of the 1990's, new office and hotel development has been stalled. No major office tower has been built in the downtown core since 1995, and virtually no new rental accommodation. The majority of commercial and industrial construction activity, and new jobs, have shifted outside the City of Toronto's boundaries.²

¹Strategic Projections Inc., *Toronto's Market Today: Canada's Metropolitan Area Prospects 2021*, February, 2000

²City of Toronto, Department of Economic Development, Culture and Tourism, *Toronto Economic Indicators*, December, 1999

The focus of new office and industrial space has significantly shifted from the downtown to the suburban “905” region. Between 1983 and 1995 the downtown share of office absorption in the Toronto Census Metropolitan Area (“CMA”) fell by 12%, while the share of the suburban areas increased 57%. Of 1.3 million square feet of office development projected in the Toronto region for the year 2000, none is anticipated to be developed in the downtown. Similarly, virtually all of the 24.5 million square feet of new industrial space in the GTA over the past two years was developed in the 905 area.³

Two factors appear to be the major contributors to these employment and development trends: the retrenchment of the financial services industry and the property tax burden.

Financial Services Industry: The continuing consolidation in the financial services industry worldwide suggests that employment downtown in this sector is not likely to increase (and could in fact decrease significantly) as the non-retail part of the financial services industry moves out of downtown Toronto and perhaps out of Canada. The attraction of lower-cost suburban office venues could also increase as structural changes in the financial services industry prompt more cost conscious operations. Class A office rental rates in downtown Toronto, although high by Canadian standards, are already among the lowest of any major world financial centre and are indicative of a troubling lack of demand.

Property Taxes: According to a Board of Trade study⁴, Toronto’s commercial and industrial tax rates average 200% higher than those of Mississauga and Markham. The removal of temporary property tax caps will only exacerbate this situation by increasing taxes on more than half of the commercial properties by up to 100%. The remainder would experience increases of up to 75%. During the recession in the early ‘Nineties, owners of commercial properties had to offer deep discounts to secure long-term leases. Those leases are now approaching expiry. A study conducted for the Toronto Board of Trade indicates that 22% of all “A” office leases will expire by 2003 and 50% will expire by the end of 2005. That encompasses approximately 13 million square feet of office space housing over 50,000 employees.

Both these trends show worrying dynamics in the under-pinnings of the downtown economy. While they require their own solutions, part of the role of the new Central Waterfront is to provide a place for new types of industrial and commercial uses required by the new economy to flourish. The provision of such new employment space is a crucial element in the overall desire to intensify and refresh the central city.

³Julian Coleman, Royal LePage Advisors Inc. Telephone interview of January 26, 2000

⁴The Toronto Board of Trade, “*Why Grow Elsewhere? Recommendations for Property Tax Reform in the City of Toronto*”, February, 2000

The New Economy

Grasping opportunities in the new economy requires any city to provide new types of commercial and residential venues and services. Such has been the underpinning of the revitalization efforts being undertaken in other cities.

The old boundaries between living and working environments and the old assumptions about the nature of work and workplace are changing rapidly. Tomorrow's successful cities will be those that can provide technologically modern, flexible live/work space in an attractive and interesting context. While Toronto has been successful in providing such an environment in the Kings districts, it will need to provide additional areas in which new live/work venues of this type can be developed. The vast majority of high-tech growth is occurring in the 905 region. This is in contrast to many other waterfront cities, such as San Francisco, Seattle or Vancouver, where high-tech campuses are being developed on former portlands. The University of California at San Francisco is developing a new research campus at the core of a \$4 billion (USD) mixed use development on derelict portlands in its central waterfront. Such initiatives are a critical part of the regeneration of the central city.

Tourism

For the third year in a row, Toronto's leisure market is under-performing. According to Statistics Canada, visits to the City by Canadian, U.S. and overseas tourists have decreased by 12.9% since 1996. Almost 90% of all tourism visits to Toronto originate from the U.S. border states. Leisure visits from the U.S. alone have declined 29.1 per cent since 1996.⁵ Notwithstanding, Toronto has experienced an increase in tourism dollars spent over the past few years with a record high in 1998 of \$5.34 billion.⁶ Hotel occupancy rates have been on the rise, increasing from 60% in the early 1990's to 75% in 1998. These increases have been due to business trips. While construction activity of new hotels has been stagnant, the industry has invested close to \$100 million on refurbishment of existing properties in recent years, most of those being in the downtown.⁷ Although these are promising signs, it is clear that Toronto's tourism potential is not being maximized to the extent suggested by world trends. Toronto competes for both leisure and convention business in a very competitive North American marketplace. While Toronto is a major city in terms of the number of hotel rooms and meeting facilities it has to offer, its budgets for advertising and promoting the city are very low when compared to other tourism and convention bureaus.⁸

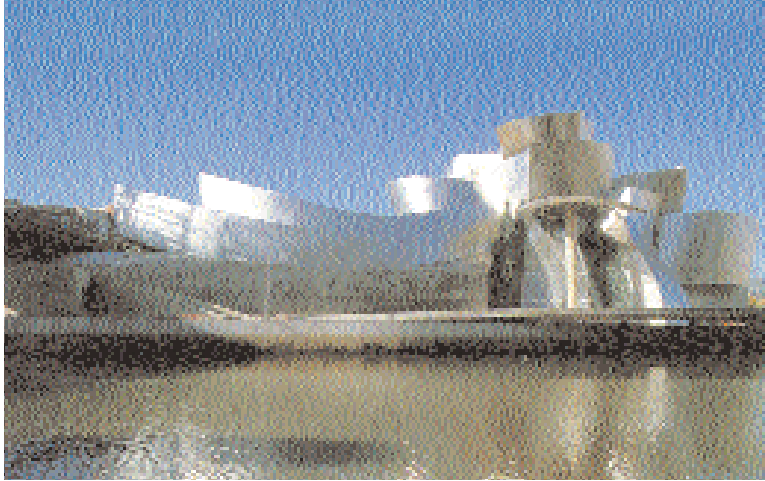
Waterfront revitalization projects elsewhere reflect the increasing

⁵ City of Toronto, Department of Economic Development, Culture and Tourism, *Staff Report to Economic Development and Parks Committee: Tourism Toronto Budget for Year 2000*. November 24, 1999

⁶ Tourism Toronto, *Facts and Figures About Toronto's Visitors*. October, 1999

⁷ Tom Weisner. Telephone interview of January 25, 2000

⁸ City of Toronto, Department of Economic Development, Culture and Tourism, *Op Cit*



"...the new Guggenheim Museum on Bilbao's waterfront increased the total GDP of its province by 0.5%."

importance of tourism, leisure and entertainment. These place very particular demands to provide competitive attractions and environments. Yet, many of Toronto's existing waterfront attractions are tired and in decline with no new investment planned. Major waterfront revitalization also attracts major new initiatives for the regional economy that require prominence and world presence. For example, the new Guggenheim Museum on Bilbao's waterfront increased the total GDP of its province by 0.5 %.⁹

2.5 THE BIG CHALLENGES

If the Toronto waterfront is to be revitalized, and if that should occur in a manner that will elevate it to one of worldwide recognition, interest and quality, then a series of key issues or challenges must be confronted now.

ESTABLISHING A GALVANIZING CONCEPT

The review of other cities that have revitalized their waterfronts reveals the paramount need for a compelling comprehensive concept of the future that people embrace and are excited by. It is necessary that people perceive the waterfront as public territory, an asset that is widely held. Part of this challenge is for the citizens of Toronto, Ontario and Canada to foresee a revolution in the quality of the area's environment, and to partake in it.

CONSTRUCTING A VEHICLE FOR ACTION

A vehicle or vehicles must be constructed with specific authorities and

⁹KPMG. *Impact of the Activities of the Fundacion del Museo Guggenheim Bilbao on the Basque Country*, October, 1998

responsibilities for successful corporate action among governments. Only that will enable the planning, coordinating, financing and other actions required over time.

RESPONDING TO THE ECONOMIES OF THE FUTURE

Within these vast lands, encouragement must be given to the development of new areas that flexibly accommodate new and emerging economic endeavours, as they develop. Such accommodation needs to be founded on new formulations of cluster enterprises.

PLANNING FOR QUALITY AND EXCITEMENT

The fact that little renewal has occurred to date affords the opportunity to build places of coordinated quality, including the kinds of spectacularly important structures that have provided other cities with enduring landmarks. Further, it is crucial to make places all throughout the waterfront that provide diverse pleasure and excitement.

GUARANTEEING A PUBLIC WATERFRONT

This waterfront must be, and be seen and understood to be, public to the greatest extent possible, with no new impediments to public access created. The water's edge is important, and so is the development of numerous paths to it. Building form must enhance, not impede, this public quality.

DEVELOPING EXCELLENT TRANSPORTATION

The Central Waterfront is superbly located in relation to city and regional public transport and roads. One challenge is to extend those systems into the area in logical, digestible phases, so as to promote an area that is comprehensively served, but has a high degree of reliance on public transportation. Further, the basic public transportation system that serves the Central Waterfront, including importantly Union Station's GO train and TTC capacity, must be fortified through reinvestment. Pedestrian and bicycle travel must be accommodated and fostered, as well as ferries and water taxis. A second vital transportation challenge is the resolution of the problems of the Gardiner corridor, described below.

REDESIGNING AND RECONSTRUCTING THE GARDINER CORRIDOR

There is a stark contrast in Toronto's central area between the developed urban area north of the rail and expressway corridors and the under-utilized areas to the south. The elevated Gardiner deck is a massive structure

that commands the landscape all across the Central Waterfront, rendering what should be nationally prized lands as a remote and exposed terra incognito. The structure is also a costly one to maintain. It should be dismantled now, while there is the space and latitude to do it economically and when surrounding lands can be enhanced in value.

The challenge is to transform what seems to be an urban design liability into an urban asset; to provide a suitable environment for the comprehensive development of thousands of acres of Toronto's Central Waterfront. Creative solutions are required to achieve this while coping with necessary traffic access for cars and trucks, improving the level of service for motorists, providing a thoroughly accessible water's edge, and doing it all in a very cost-effective manner.

MAKING EXCELLENT LIVING ENVIRONMENTS

A challenge is to settle wide areas of the Central Waterfront in excellent, livable, water-side communities, thus putting the lands to proper use and stimulating year-round and round-the-clock activity. Part of this is to provide a range of housing types and tenures, including affordable housing in accordance with City policies.

MAKING GOOD THE NATURAL ENVIRONMENT

Revitalization will require the establishment of processes that can deliver, in a comprehensive and coordinated fashion, improvements to water quality, the remediation of polluted soils and the necessary flood protection actions. The necessary broad measures and risk management strategies can only be achieved through government action. Private sector investment will then follow. Natural linkages, such as the Don River valley as it connects to the Lake, must be restored. Water quality improvements will encourage development and public activity at, and near, the water's edge. Water quality should be appropriate for sailing, swimming and other water based activities. Current initiatives should be encouraged, coordinated and funded.

INCREASING PUBLIC OPEN SPACE

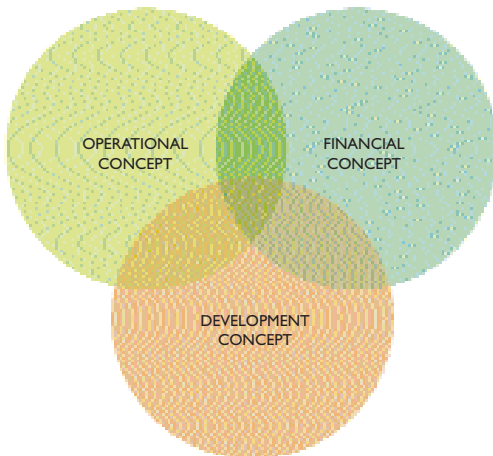
In numerous ways, highly accessible parkland, plazas, walkways, and promenades need to be developed to build on the base of the trails and of the island, shore and wilderness park now available.

"Our vision will give us a new waterfront for a new millenium. We'll reshape this front porch to our city as a seamless whole instead of a patchwork quilt. It's going to happen! We have the will, and with the co-operation and investment of the three levels of government and the private sector, we'll have the way. It's a once-in-a-lifetime opportunity. Our new waterfront will be a valuable resource for this generation, and an invaluable one for generations to come."

Mayor Mel Lastman, in "Our Toronto Waterfront! the wave of the future", October, 1999

3. A STRATEGIC BUSINESS PLAN

3.1 THE THREE PART PLAN



The Task Force has essentially been charged with providing a Business Plan for realizing the new waterfront for Toronto. The Task Force believes that such a Plan, to be successful, must be constructed of three constituent, highly inter-dependent concepts for renewal: a development concept; an operational concept; and a financial concept.

The Development Concept addresses the large-scale challenges identified in the previous Chapter. In an area so broad, generally stagnant and radically resistant to appropriate renewal, the Task Force is of the view that ad hoc or accidental planning is no longer an option, because it would foreclose the opportunity for grand and comprehensive revitalization.

The Task Force has devised a picture of what a coordinated strategy can produce, namely a waterfront from which everyone benefits and which everyone can enjoy. It is flexible enough to respond to the changes in opportunities and circumstances that arise during its entire lifetime. Its development took the following into account:

- The City of Toronto report, “Our Toronto Waterfront! the wave of the future”, published last Fall, setting out a broad range of objectives, including opportunities for people to be able to enjoy the waterfront, as well as the need to develop underused lands and to improve the connection between the City and its waterfront;
- The special requirements of the Olympic Games, recognizing that the Concept must be able to be implemented with or without the Games;
- The numerous studies that have been undertaken over the years for various aspects of the Waterfront, including proposals for the West Donlands, Exhibition Place, the Garrison Common area, and the Portlands; the future of the Gardiner Corridor; and proposals for cleaning up and naturalizing the Don River. A key recent document is “Unlocking Toronto’s Portlands”, produced by the City of Toronto’s Urban Planning and Development Services Department;
- The emerging objectives of the City’s Official Plan, including encouraging intensification of development in the City and a greater reliance on the use of public transportation;
- New opportunities such as the new role of Union Station as an inter-

modal station and reconsideration of the future of Ontario Place and Exhibition Place;

- Current private sector proposals for development in the area;
- Current global and regional issues and trends, such as the increase in importance of employment in the high-tech fields and the lack of government funding for affordable housing;
- The last Throne Speeches of the Government of Canada and the Government of the Province of Ontario, that stressed the importance of intellectual capital in the 21st Century; and
- The waterfront renewal strategies of other primary world cities.

The **Operational Concept** addresses the question of how the Development Concept's implementation can be organized and managed most effectively: the required organizational structure, the objectives, the governmental and corporate relationships, the powers, mandates and modes of operation. To a large degree, these flow from the common experiences of other cities, and from the scale and complexity of the Development Concept.

The **Financial Concept** is rooted in both the Development and Operational Concepts. The infrastructure requirements of the Development Concept were outlined and generally costed. The potential scope of new residential and other development has been assessed, as has the potential for land value creation. Initiatives have been outlined for drawing in private investment through public and private partnerships. Such partnerships will be entirely dependent on the quality and substance of detailed development plans, and on the public sector's ability to provide vision, coordination, clarity and certainty for private sector participation.

3.2 THE DEVELOPMENT CONCEPT

In reviewing the opportunities and challenges established in the previous chapter, the Task Force has identified six major development initiatives, all of which need to be advanced together in a logical and digestible development phasing strategy. These six initiatives are outlined below. Their application in the whole waterfront and in various sub-areas, or precincts, is briefly described in section 3.2.2 – A Picture of the New Waterfront.



The Green Border: public space around the entire Central Waterfront edge, defined by a waterfront boulevard



Winter canal skating



3.2.1 SIX MAJOR DEVELOPMENT INITIATIVES

Numerous courses of action will be required to establish an extraordinary capital waterfront over a period of perhaps twenty or twenty-five years, but they can be grouped into these six development initiatives. All of these initiatives can and must be undertaken together.

i Building a Waterfront for Public Enjoyment

The image of such a waterfront is already expressed in the City's document "Our Toronto Waterfront! the wave of the future".

"Our new Toronto Waterfront will offer the quiet joy of strolling along miles of wetlands, parks, boardwalks, promenades and heritage foot trails. It will offer the excitement of arts festivals, bike and boat races and activity-filled public squares, a butterfly sanctuary and a lakeside aquarium. Toronto's waterfront will offer something for everyone. A place to play, work and live."

The Development Concept provides the framework for realizing this image of public enjoyment, with a number of key components.

New Living, Working and Leisure

The Concept provides throughout the Central Waterfront for new mixed-use communities, accommodating in total perhaps 100,000 residents and 25,000 employees over the development period. These communities will provide a range of housing opportunities, including affordable housing. This infusion will stimulate and support the creation of a lively all-year domain. The Concept contains a great range of places for varied leisure and tourist activity. For example, the whole water's edge is a public domain and would contain a series of plazas at the ends of streets, places that could accommodate waterfront wide festivals.

The Green Border

The Development Concept proposes a "green border" along the entire length of the Central Waterfront, from Leslie Street to Jameson Avenue. It would be defined as public territory by a waterfront boulevard, formed by extending Queen's Quay to the east and west. This public border will include walkways, parks, promenades, piers and other public open space elements. It would also be an extraordinary domain for the location of major new public buildings such as an aquarium, concert hall, museum or cruise-ship terminal. It would contain more local but important public

elements such as band shells and boat docking.

New Public Open Space

The Development Concept would add over 450 acres of new public open space in the Central Waterfront. Depending on decisions on the future of the Port, large new areas of parkland can be located in areas of the Outer Harbour. Additional public space and parkland is created at Exhibition Place, including an urban entertainment park, and at Coronation Park. As well, the Mouth of the Don River would be re-made to include a large naturalized delta. Trails and walkways will be expanded, linking the whole waterfront.

Excellence and Beauty

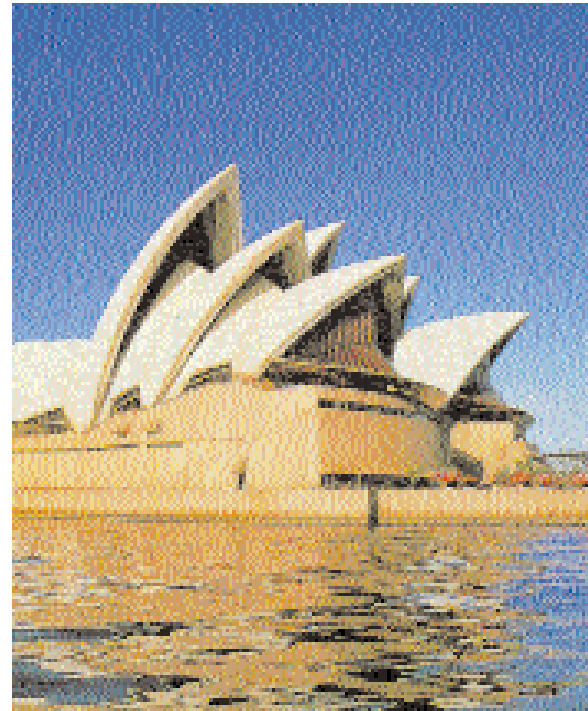
The Development Concept is built around the enhancement of many of the waterfront's unique assets, including the Inner Harbour, Cherry Beach and the Ship Channel. The removal of the Gardiner Expressway deck is an essential step in creating a waterfront of international stature.

The corporate mechanisms proposed in this report allow the achievement of special quality in many respects. Environmental clean-up can be expedited. Comprehensive energy efficiency programs can be implemented. Development can be coordinated, so as to ensure a built environment with a scale and character appropriate to a waterfront of real consequence, and to prevent building that privatizes the public waterfront. A coherent landscape of public places and plazas can be designed and made over time, in accordance with a guiding Master Plan, and through innovative regulatory mechanisms. Finally, real excellence can be obtained in the design of landmark buildings by important architects, including the use of design competitions.

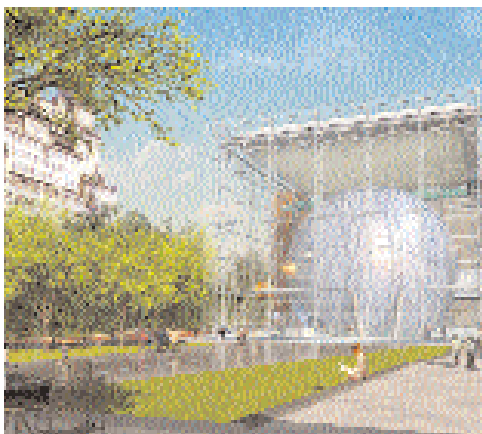
ii Accommodating Business, Employment and the New Economy

The Development Concept accommodates substantial business and employment opportunities, particularly for the new economy, by providing for a new Convergence Centre, Trade Marts, office space in new neighbourhoods, and increased tourism, as well as the potential of major education/technological institutions.

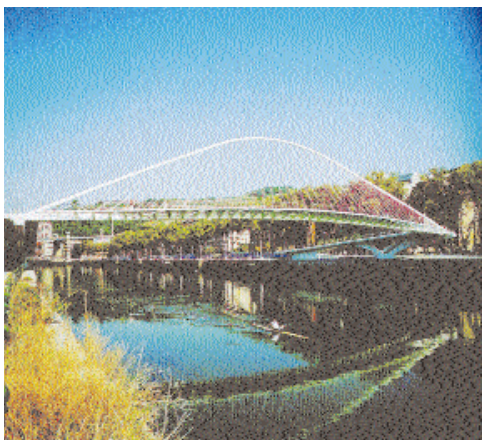
In total, the Concept provides for 9 to 10 million square feet of new non-residential space in mixed-use neighbourhoods throughout the Central Waterfront. Experience in comparable waterfront locations suggests that space of this quantity might accommodate up to 40,000 jobs over a 20 to 25 year period.



"...real excellence can be obtained in the design of landmark buildings by important architects..."



New York: Hayden Planetarium, a new landmark building



Bilbao: Volantin Bridge, a memorable crossing in a public promenade

The Task Force believes that the Central Waterfront location can be extremely attractive to businesses and employees, and that this activity and new residence will be mutually supportive, particularly with pervasive new telecommunications infrastructure. But, they can only succeed if a high degree of public transportation convenience is provided.

Convergence Centre

The Development Concept provides for the creation of a “convergence” community in the Portlands to help Toronto more fully realize opportunities for interaction between the new media and the new high-technology and knowledge-based economy. It would foster interactions between activities such as music, film, TV, communications, software development, biotechnology and publishing, in a live/work environment. These opportunities have been made possible by technological advances, telecommunications deregulation and industry restructuring. For example, the volume of internet activity is thought to be doubling every 100 days. By the end of 2000, 8 % of the world’s retail transactions will be via the internet.¹⁰

Service and knowledge industries have already become the new core of the Toronto economy, an extraordinary base for expansion through convergence.¹¹ For example, the report “Economic Development in the Global Knowledge Economy: A Challenge to the City of Toronto”, makes these points:

- The **Biomedical and Biotechnology** cluster (pharmaceuticals, medical equipment and biotechnology) in the Toronto region is the single largest cluster in any metropolitan area in North America in job terms. The City of Toronto has more Biomedical and Biotechnical jobs than any U.S. city, and the University of Toronto has the largest faculty of medicine in North America.
- The **Business and Professional Services** cluster is one of the largest in North America and is growing more rapidly in the Toronto region than in New York, Los Angeles, Philadelphia, Boston or Washington. After nearly a decade of decentralization from cities to suburban locations across North America, since 1994 this cluster has grown faster in the City of Toronto than the surrounding regions.
- The GTA’s **Information Technology and Telecommunications** cluster is larger than New York’s or Los Angeles’s. Our software industry is among the fastest growing in North America, well ahead of New York, Boston, Dallas, Washington, Chicago and Los Angeles, along

¹⁰ Meeting with Jeff Papows, Chief Executive Officer, Lotus

¹¹ ICF Consulting, Economic Development in the Global Knowledge Economy: A Challenge to the City of Toronto, January, 2000

with Seattle (Microsoft), San Jose (Silicon Valley) and Atlanta. The GTA IT&T cluster is unique in its strength in both hardware and software

- The Toronto region **Media** cluster is the 4th largest in North America, behind Los Angeles, New York and Chicago.

Toronto was once the clear favourite in Canada for domestic and foreign film production but is now starting to lose market share to Vancouver and Montreal. This trend can be reversed.

The competition for the entrepreneurs and workers of the new economy is fierce and will only increase. Cities around the world such as San Francisco, Shenzhen, Singapore and Hong Kong are redefining themselves as “Smart Communities”, “Intelligent Islands” or “Cyber Cities”. Connectivity, new generation facilities, infrastructure and creativity have become their hallmarks. Toronto has the opportunity to leverage its high-technology expertise and creative and entrepreneurial talent by providing state-of-the art facilities with the required broadband network to house converging businesses.

It is essential that all new mixed districts, including the Convergence Centre, have access to the latest telecommunications infrastructure. Accordingly, the Task Force proposes a full and flexible communications supporting infrastructure throughout the new neighbourhoods, as well as a potential “utility corridor” along the Don Valley Parkway and the Lake Shore for installation of fibre-optic cable and other connections to the waterfront.

Trade Marts

A real opportunity may exist to take advantage of the successes of the National Trade Centre and of the recently expanded Convention Centre, to secure Toronto’s position as a leading North American and global business city. This role could be considerably augmented by innovative relaxation of customs and other tariff restrictions, to create, in effect, a “free trade zone” for the trade centre and trade mart area. The Development Concept, therefore, proposes approximately three million square feet of new trade mart space. Trade marts are permanent show-rooms managed by individual suppliers, product designers and trade associations, as well as by associated professions and services. In Dallas, Atlanta and several European cities, clusters of trade mart buildings have supported the temporary or rotating exhibition functions provided by the large exhibition halls. Frequently, individual buildings are themed to a specific product grouping (e.g. information technology, toys, design



Two possible options for port relocation in the outer harbour

"...enter into a consultative process...with respect to the future of the Port of Toronto..."

products or fashion). Hotel development is also typically associated with such complexes.

Tourism

The Development Concept has at its core the enhancement of the waterfront as a public space with new attractions and places. For example, there will be increased space for cruise ships and boating, and family entertainment generally. Also, legacy facilities provided by the Olympics should be successful attractions. Increased tourism has been a key spin off of the revitalization of other waterfronts, such as Barcelona.

The Port

The Task Force has concluded that the use of the federal lands of the Toronto Port Authority is a key component of any plan to develop the Toronto waterfront and particularly the redevelopment of the entire Portlands area.

It is the recommendation of the Task Force that Transport Canada enter into a consultative process with the City of Toronto, the present users of the Port and other interested parties, to consider and make recommendations to the Government of Canada with respect to the future of the Port of Toronto and specifically whether the Port should remain in its present location, or should be moved to a different location in the Toronto Harbour or elsewhere. A decision by the Government of Canada is of critical importance to a full determination of the utilization of the Portlands area.

The Toronto City Centre Airport

The time constraints and the number and complexity of the issues involved precluded the Task Force from addressing the future of the City Centre Airport. The Task Force did make a point of doing nothing in its Strategic Business Plan that would impact on the airport. If Toronto is awarded the 2008 Olympic Games, the Airport would be required for hosting them. A comprehensive study should be undertaken immediately, however, in order to devise a plan for the airport that meshes with the vision for the waterfront. Specific attention should be paid to the noise cone of airport operations with respect to housing.

iii Developing Comprehensive Transportation Networks

The Development Concept is based on an integrated and comprehensive systems of streets and public transportation. Fundamental to the new



street system is the web of streets that will carry and disperse the traffic loads of the Gardiner/Lake Shore and southern Don Valley Parkway systems. The reconfiguration of the Gardiner Expressway is dealt with in v below. In the East Bayfront area, while these streets will carry substantial traffic, some in coupled one-way systems, they will be designed with traffic signals and wide sidewalks to act as excellent, traversable urban boulevards. In the new areas of development, particularly in the Portlands, the present major road system, designed for industry and transport, will require elaboration with local grids to serve their residential and work communities. Of major importance throughout is the creation of a waterfront boulevard, as discussed in i above.

As development is undertaken, early transportation service will likely be by buses. However, the orders of intensity assumed for new development in this Development Concept will likely support streetcar/LRT service. Provision has been made in this plan for the accommodation of LRT lines across the Central Waterfront. The use of bicycles should be encouraged through design.

The revitalization of the Central Waterfront has implications in a wide area with respect to transportation. The expansion of GO and TTC facilities at the intermodal Union Station is regarded as a critical element of the concept. Further, historical data shows that, for 20 years, the total vehicular flows into the downtown during the morning peak period have been relatively constant, despite increases in employment. These increases have been absorbed by public transport, particularly GO transit, and support to these systems is required for the future. In addition, there is the mooted LRT link from the new intermodal Union Station to Pearson International Airport, being studied by the Minister of Transport for Canada. The link would enable air passengers to check in at Union Station.

iv Providing A Clean Environment

It is the opinion of the Task Force that the challenges to development posed by environmental constraints must be addressed, and that this can best be done as an element of an encompassing waterfront strategy.

Water Quality

The water in the Don River and Toronto Harbour is in a degraded state as a result of the impacts on urban runoff and combined sewer overflows. Water quality and the factors that influence it have been the subject of numerous studies and actions over the last 30 or so years. One of the key studies was the Toronto Area remedial action plan. Proposed between



"Through the work of groups and organizations such as the City of Toronto, the Waterfront Regeneration Trust, and the Task Force to Bring Back the Don, a strategy has been developed to naturalize the River..."



1988 and 1991, this initiative was spearheaded by the federal and provincial governments in response to the International Joint Commission designation of “area of concern” under the Great Lakes Water Quality Agreement. While this work has resulted in significant water quality improvements, it is the opinion of the Task Force (and many others) that further water quality improvements are still required. It is the Task Force’s objective that the water quality be improved to the point that it is more aesthetically pleasing, the Harbour and Don River fishery is enhanced in terms of diversity, and ideally that Toronto Bay meets provincial swimming and water contact activity standards. Recognizing the importance of River and Lake water quality, the City is already working with a number of stakeholders to address water quality through the preparation of a Wet Weather Master Plan. This activity is applauded. The Task Force has included funding in its budget to accelerate the study and it’s implementation.

Soils

The environmental condition of the soils in portions of the Toronto waterfront, particularly the West Donlands and the Portlands, has been a major impediment to the redevelopment of these lands. The soils were contaminated mainly as a result of previous industrial uses on the lands and in some cases adjacent or nearby lands. In order to facilitate the orderly and most economical development of these lands, it is necessary that the nature and extent of contamination be better understood for all sites, an orderly strategy for remediation be established and issues of long-term liability be addressed. Relatively recent changes to the Guideline for Use at Contaminated Sites in Ontario published by the Ministry of the Environment are helpful in establishing an appropriate and efficient clean-up program.

Flooding

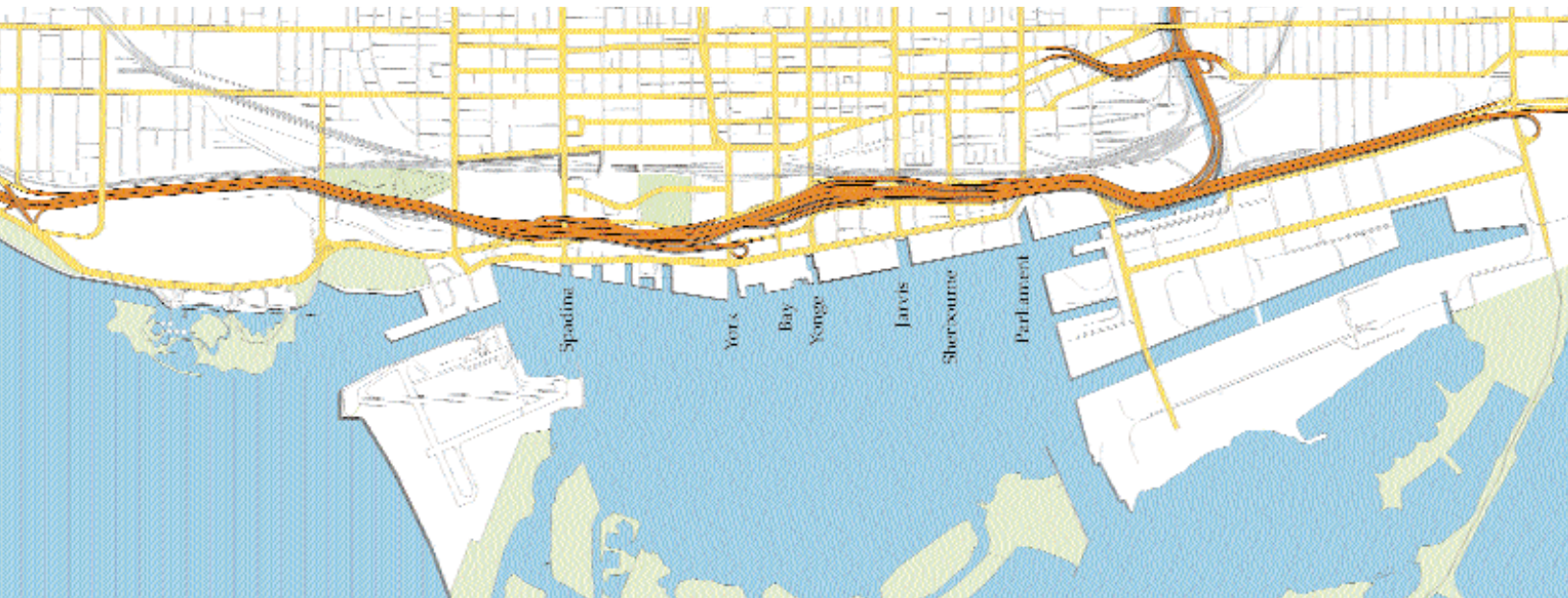
Land in the vicinity of the current terminus of the Don River (at the Keating Channel), and to an even greater degree north of the main railway crossing of the Don River are subject to flooding during major storm events. This is principally a result of constraints imposed by man as the area has been developed. Until the flooding ‘problem’ is solved, it imposes a nearly total constraint on the appropriate development of the West Donlands and portions of the Portlands. The problem and preferred solutions are well understood and generally accepted. While they are expensive to implement, the benefits to the West Donlands and other areas, included and not included in the waterfront plan, are significant. The major elements of the preferred solution include increasing the capacity of the culvert under the railroad crossing, constructing a berm

on the west side of the Don River across the West Donlands and improving the hydraulics of the river downstream of the railway.

Don River Mouth

The southern reach of the Don River, particularly south of the railway crossing is contained in a man-made channel that discharges to the Keating Channel before it reaches the lake. This current configuration is problematic from a hydraulic, environmental and access perspective.

Through the work of groups and organizations such as the City of

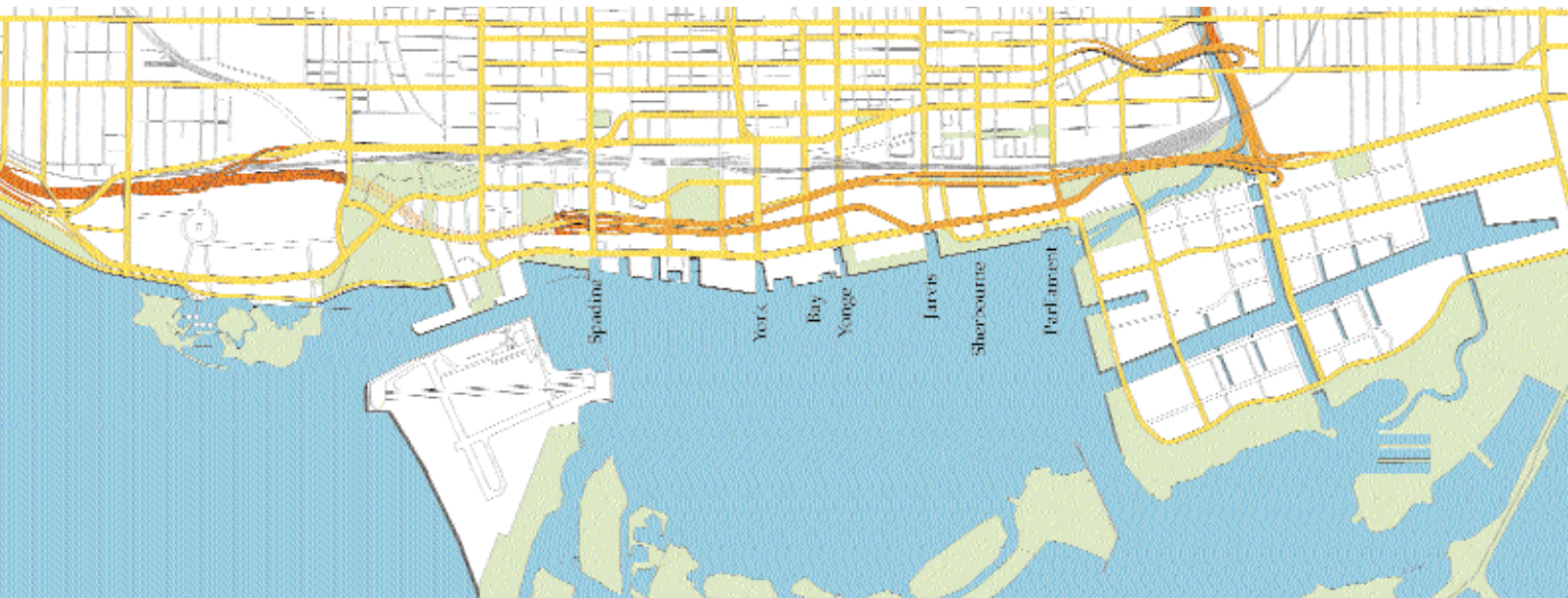


Toronto, the Waterfront Regeneration Trust, and the Task Force to Bring Back the Don, a strategy has been developed to naturalize the River in this area. The implementation of this strategy is a high priority for the Task Force (and also the 2008 Olympic Bid Committee). Implementation of this strategy would create a meandering low flow channel in a wide floodplain, natural wildlife and fish habitat and some opportunities for improving stormwater quality. It would also allow for the integration of existing Don River trails and bicycle paths with a new and expanded waterfront trail system and provide an educational resource. Development in the vicinity of the mouth would relate to the River and crossings of the River would be undertaken in an aesthetically pleasing and hydraulically appropriate fashion to create a natural gateway to the Portlands. The Development Concept reflects this approach.

The Central Gardiner/Lakeshore Corridor today

v Reconfiguring and Integrating the Gardiner Expressway Corridor

The Task Force has invested considerable time and resources in this initiative, because it is considered a primary issue – practically and symbolically. The redesign of the corridor can be revolutionary in the complexion and future of the waterfront, and also emblematic of renewal. The purpose of this effort was to determine if the challenge can be met cost-effectively, with quantum environmental improvement and without unreasonable disruption, while achieving transport and operational objectives. We find that it can be. Though further engineering and data is required, the Task Force’s advisors’ work in advancing



The proposed reorganized distribution system

earlier analysis has produced an approach that give the Task Force confidence that the elevated expressway platform can be removed and the required traffic accommodated by substitute road systems.

Lessons From Other Cities

As more and more cities around the world tackle the revitalization of their waterfronts, most face the challenge presented by barriers erected in previous decades in the form of freeways and expressways. The Task Force wanted to learn from others’ successes and mistakes.

In North America, the most frequently cited examples are the West Side Highway in New York, the Embarcadero Freeway and Central Skyway in

San Francisco and the Central Artery project in Boston. In New York and San Francisco, the freeways were essentially feeding traffic into the urban cores, and were removed without undue impact on automobile access to the central city. In Boston, where approximately 70% of the freeway traffic is 'through traffic', it was obviously not possible to eliminate the freeway. Instead, it is being reconstructed underground at an extremely high cost (about \$17 billion CDN). To a great extent, this cost results from the need to construct a tunnel under the existing elevated freeway, as there is nowhere else to locate it in the built up Boston waterfront. Fortunately, Toronto's situation is more like New York's and San Francisco's than Boston's, in that relatively little traffic on the Gardiner Expressway in the Central Waterfront is through-traffic, and in the fact that substitute systems can be built while the present elevated system is in operation. Notwithstanding this, Boston provides an important lesson to us that we should act now before incremental development leaves no room for a substitute surface roadway system to be built primarily off the current Gardiner alignment.



Barcelona: *Gran Via*, a high traffic boulevard

A Toronto Solution

The Gardiner/Lake Shore structure is largely outmoded in its present design. It was intended to be a link in a large-scale expressway system that would have included a Scarborough Expressway. In fact, relatively little traffic is through traffic and, the expressway acts effectively as two expressways, one from the east and one from the west that terminate in a handful of exits in the middle (Spadina, York, Yonge, Jarvis) to provide access to the downtown area.



View of John Quay through Gardiner/Lakeshore at Roundhouse Park today



View of Gardiner at Fort York



View with Gardiner removed: pedestrian bridge constructed



View of proposed: Gardiner removed, Expressway below, Fort York Boulevard in the background



View of Gardiner/Lakeshore at Parliament Street today

The very nature of expressways entails limited access and egress points. Congestion results from traffic trying to get on and off at a few ramps. To solve the Gardiner problem, the Task Force recommends a dramatic solution that requires a comprehensive approach to enhance distribution of traffic throughout the downtown core, as noted previously, including enhancements to the GO and other public transport systems.

The Task Force recommends 'taking down' the Gardiner expressway from west of Strachan Avenue to its east limit. Traffic will be distributed from the Gardiner Expressway and the southern reaches of the Don Valley Parkway to downtown streets at as many points as possible, including the long proposed Front Street Extension and improvements to the Richmond/Adelaide interchange, thus eliminating the need for an expressway through the core. From west of Strachan Avenue to Spadina Avenue, the expressway will be constructed below grade. East of that point, having distributed much of its traffic, it will become a surface arterial road system. Burying the roadway between Fort York and the Lake frees the Fort from its entrapment and permits a continuous flow of parkland between Fort York and the Lakefront via Coronation Park. It also frees the future redevelopment areas of the Molson and West Railway lands from the constraints imposed by the Gardiner.

Bringing the Gardiner traffic to ground level throughout the central portion of the City removes its sterilizing influence, eliminates the debilitating effect of the overhead structure, allows attractive new neighbourhoods, improves access to the core, provides important new waterfront streets and unifies, rather than divides, Toronto with its waterfront. It also eliminates the not insignificant costs of maintenance.



View of Gardiner removed and East Bayfront developed

vi Creating a Waterfront for the 2008 Olympic Games

Accommodating and Enhancing the Olympic Games Environment

The Development Concept provides for the needs of the Games. The Athletes' Village is located on the south side of the ship channel. The "Eastern Ring" is centred on a medals plaza to the east of Cherry Street and includes a stadium, aquatic centre, and Broadcast Centre. The "Central Ring" makes use of the SkyDome and Convention Centre, and the Roundhouse Park is its medals plaza. The "Western Ring" makes use of an expanded Trade Centre at Exhibition Place, and adds a Tennis Centre and a Velodrome. The existing GO station at Exhibition Place would be enhanced by a supplementary station on the Georgetown/Milton corridor, and a new eastern station at Cherry Street, with its new plaza, help bring visitors to the games.

It is also important to stress that this Development Concept provides for the revitalization of the waterfront, whether or not Toronto is successful in its Olympic Bid. But winning the Games would provide a powerful additional impetus for revitalization efforts and a definitive time line.

The Legacy of the Olympics

The Olympics Plan provides that a number of facilities will remain for the people of the City, Province and country, as well as visitors, to use and enjoy. The Portlands stadium will become a centre for the new district. The aquatics centre is also to remain. In Exhibition Place, the new Tennis Centre will remain, and the Velodrome will become a multi-sport training centre for future summer Olympians, much the same as the Calgary Oval at the University of Calgary is used by many sports. The medals plazas will be incorporated into the neighbourhood public open space networks.

3.2.2 A PICTURE OF THE NEW WATERFRONT

The picture on the following page and the illustrations throughout this Section show how the six initiatives outlined in the previous Section can be implemented in the various precincts of the Central Waterfront. While the concept is coherent in its totality it is only a pictorial representation in its details. The details of the concept across the area will be developed further and, in fact, will evolve over the full course of planning and implementation.

What the concept plan shows is an elaborate public realm of access-ways, open space and parks, framed by new city blocks designed for diverse



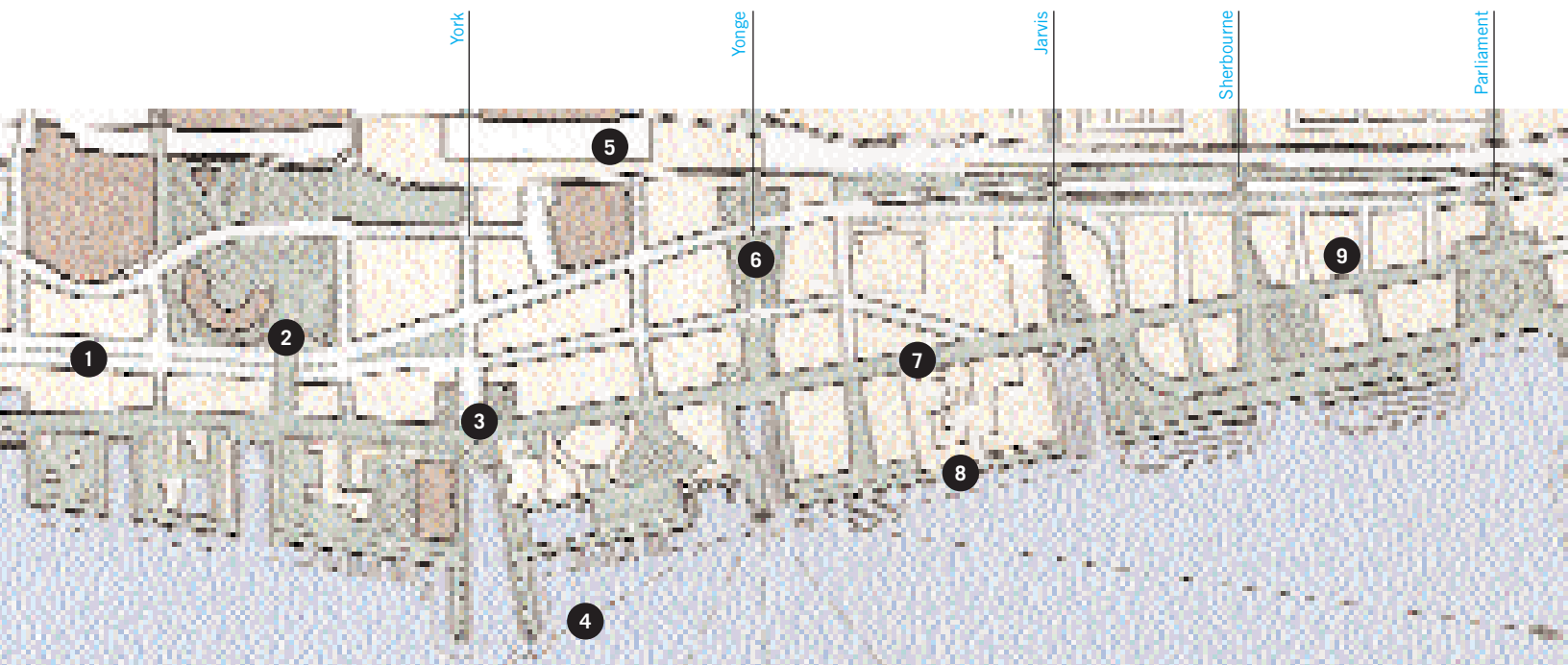
The Central Harbour: *concept*

- 1 New Gardiner
- 2 Olympic Bridge
- 3 York Plaza
- 4 York Piers
- 5 Intermodal Union Station
- 6 Yonge Promenade
- 7 Queens Quay
- 8 Boardwalk Promenade
- 9 East Bayfront Precinct

urban development. The fundamental principle is to elaborate and enhance the public realm, through transformation of the Gardiner corridor, the creation of networks of public space and parks, of developing park streets to the water that arrive at extraordinary waterfront plazas, of creating a public water edge from Leslie Street to Jameson Avenue, and enlivening the whole waterfront with new mixed-use residence and work environments.

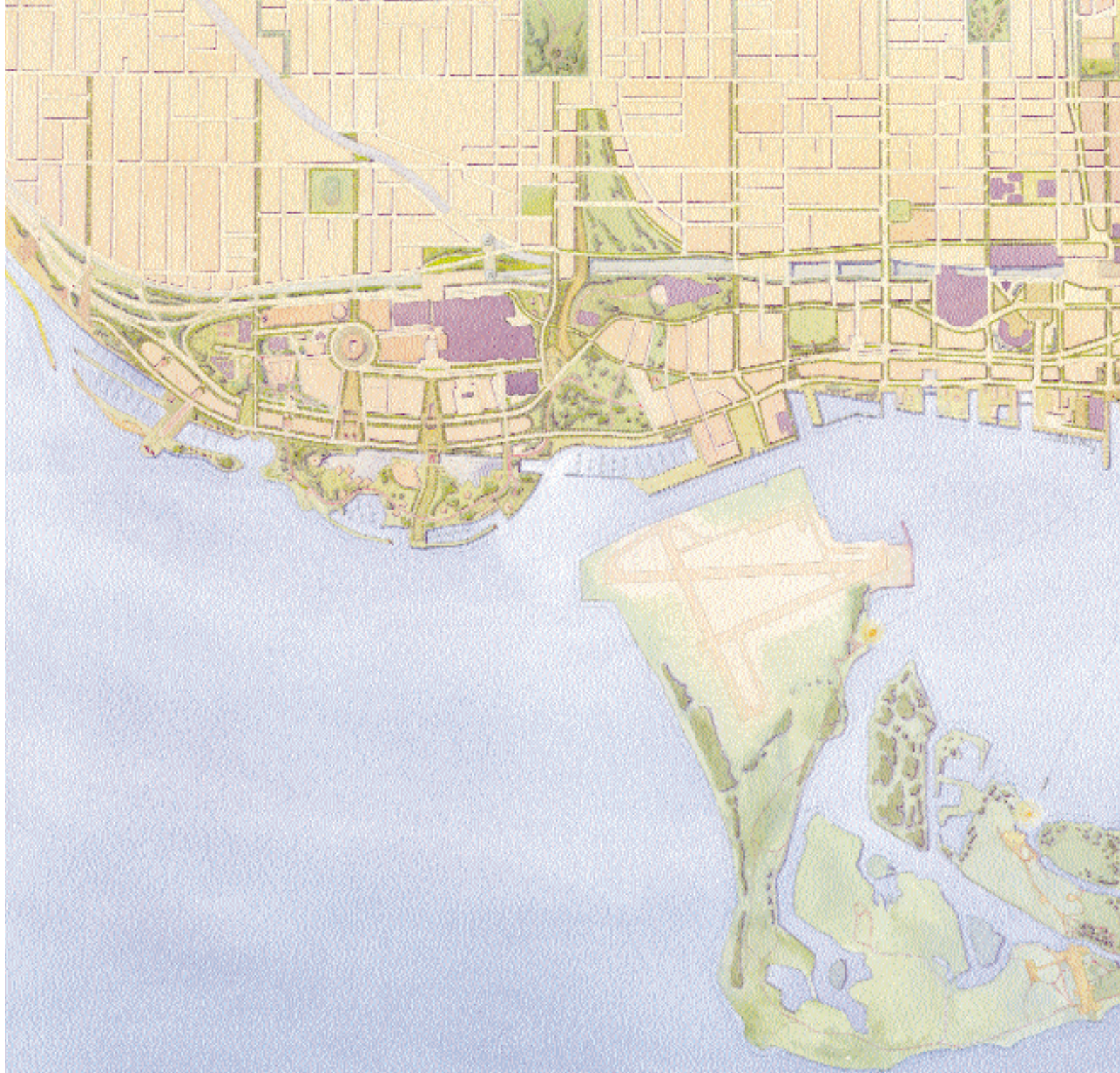
i The Central Harbour

The Central Harbour is the northern perimeter of Toronto's Inner Harbour. It includes the West Bayfront, between Bathurst and Yonge Streets, and the East Bayfront, between Yonge and Parliament Streets. With the institution of a public water's edge along its eastern edge, the Inner Harbour is reinforced in its totality as a kind of central park for Toronto; a great water body surrounded by public open space.



Parts of the centre and western areas of the Central Harbour now have buildings that obscure or compromise the public access to the water's edge. A number of measures are introduced in the Development Concept to combat this perceived privatization.

A series of park plazas would be constructed at the conjunction of major



The Central Waterfront Development Concept

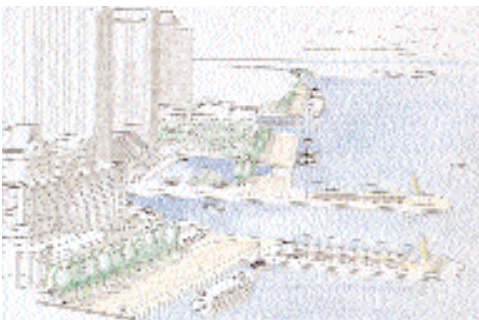
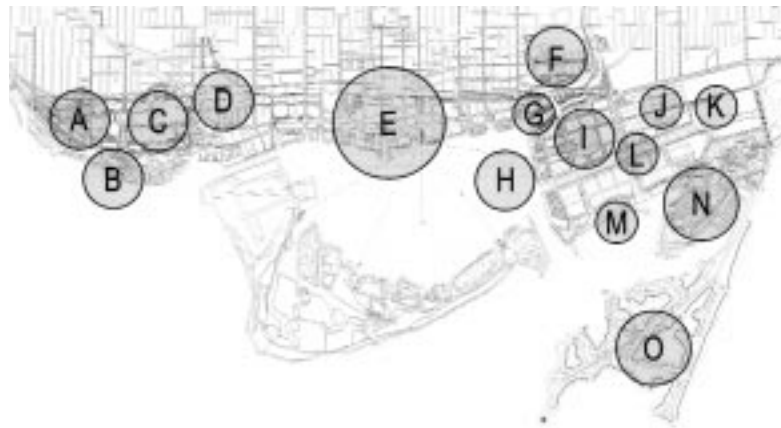
This drawing shows the waterfront in the context of the entire development concept.
See pages 32/33 for schematic drawings of potential new port locations in the harbour area.





Key to districts

- A Exhibition Gardens
- B Marina Island
- C Trade Centre
- D Garrison Common
- E Central Harbour
- F West Donlands
- G Mouth of the Don
- H East Harbour
- I Olympic District
- J Convergence District
- K Turning Basin District
- L Grand Channel
- M Cherry Beach
- N Lake Ontario Park
- O Leslie Spit



Waterfront promenade and pier enhancements

landscaped streets and the water's edge at Spadina Avenue, and Portland, John, York, Bay, Yonge, Jarvis, Sherbourne and Parliament Streets. A wide new boardwalk promenade, about 70 feet wide, is suggested for the Harbour edge as a major new public space. This will allow the public to experience the water's edge in a close-up and intimate way from Bathurst Street to Parliament Street. Strategically placed piers would allow greater public contact with the water. Lighthouse lantern structures around the Inner Harbour would define the space at night.

The East Bayfront

The East Bayfront from Parliament Street to Yonge Street links the Downtown to the Portlands. The Marine Terminals to the south of Queen's Quay are publicly owned and used for film production, storage and recreational uses. Land to the north is mainly privately owned and used for a range of service industries, car dealerships, a new Loblaws, the LCBO warehouse and the Toronto Star building. The Redpath Sugar Refinery is located on the south side of Queen's Quay. Further west, a large residential project has planning approval but the site remains vacant. Throughout the length of the East Bayfront, the elevated Gardiner Expressway is a formidable overshadowing presence.

The area has tremendous potential for mixed development, given its proximity to the downtown and to the waterfront and its views across the Harbour. The Redpath Sugar Refinery, which relies on delivery by ship, can remain and coexist with adjacent redevelopment with appropriate interface measures. The water's edge can house facilities for cruise ships that are coming to Toronto in increasing numbers and other tourist facilities.

The West Bayfront

The West Bayfront, from Yonge to Bathurst Streets, hosts a concentration of cultural and recreational activities, residential and tourism developments, key development sites and the intermodal Union Station. The area is segmented by the elevated Gardiner Expressway, its ramps and the associated Lakeshore Boulevard, that collectively degrade the street and pedestrian environment.

The district contains major regional recreation and tourism facilities such as the SkyDome, the Air Canada Centre, the CN Tower and the Convention Centre. In addition, Harbourfront Centre located at York Quay is a national cultural hub that provides public programming for cultural, recreation and educational activities. The waterfront area includes the Marine Museum, a hotel, marina and mooring locations for tourist boats and visitors, public open space and parkland. This area is to be the Central Ring in the Olympics.

Most of this area is either already developed or has planning approval for high-density residential or commercial development. Radical improvement of the surrounding urban environment by accommodating the Gardiner Expressway at ground level will greatly facilitate bringing the downtown and the waterfront together. The proposed new walkways and boardwalks will increase public space at the water along York and Maple Leaf Quays, with enlarged public plazas at York and Yonge Streets. This area of the waterfront is Toronto's most public face to the world and requires a commensurate standard of design excellence and programming originality.

ii The Portlands

The thousand acres of the Portlands represent perhaps the largest resource in any city of centrally located yet under-utilized land. It is close to the downtown, surrounded on three sides by water with seventeen kilometres of shoreline and the Ship Channel at its centre. A comprehensive resolution of the jurisdictional, environmental and functional impediments to its most productive use as a new, central urban district of the City is essential. The Portlands, now a void in the life of the City, can become a unique, mixed waterfront area offering many types of venues to live, work and play. Magnificent new parks along the water's edge can provide locations for a memorable experience for families, tourists and everyone who wants to be on the City's lakefront.

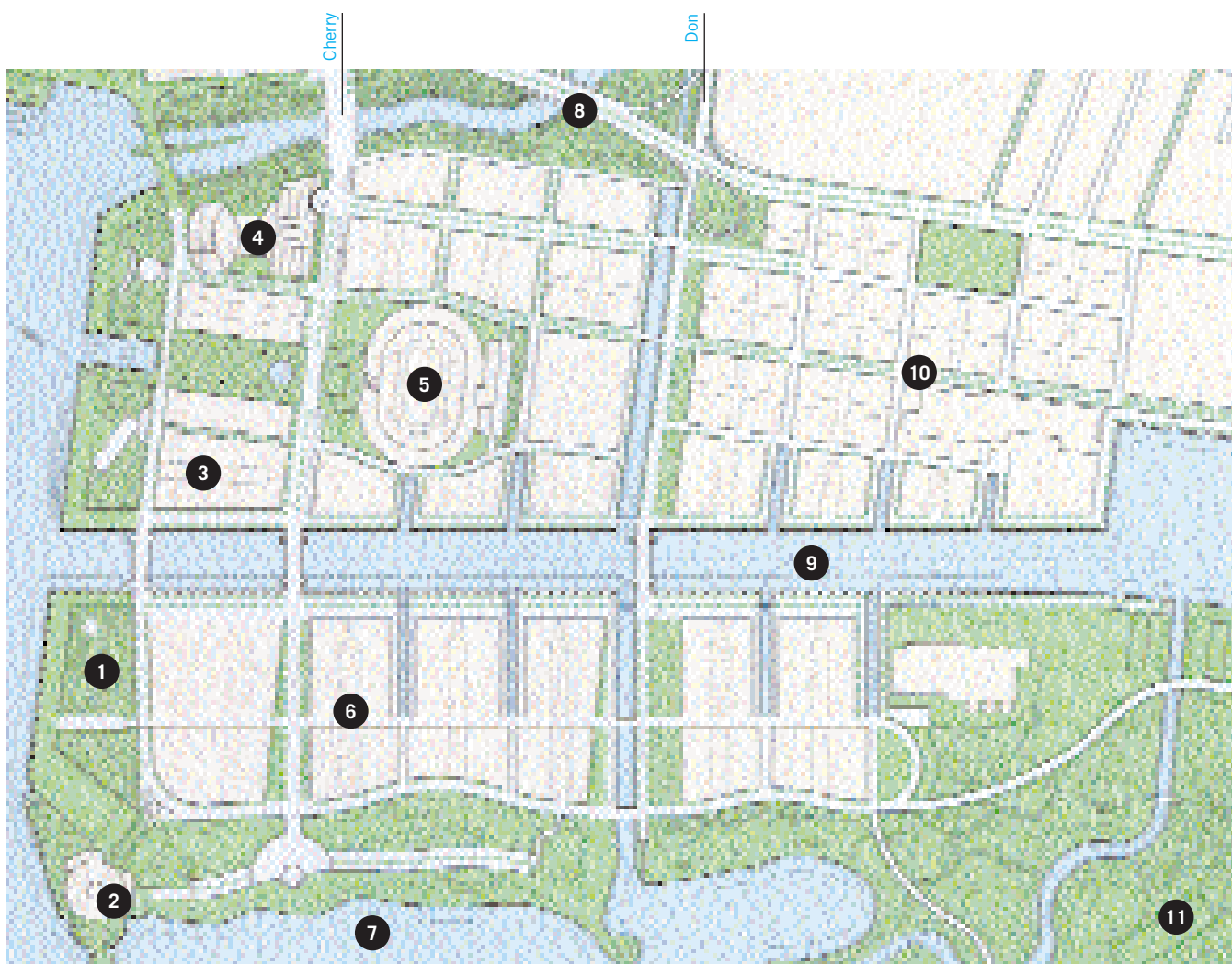
The Toronto 2008 Olympic Bid can provide the catalyst for the transformation of the Portlands. If the Bid is successful the Western Portlands



Grand Channel: north side looking east



Commissioners Street: Convergence Centre looking east



The Portlands: *concept*

- 1 Waterfront parks
- 2 Landmark site
- 3 East Harbour District
- 4 Olympic Aquatic Centre
- 5 Olympic Stadium
- 6 Cherry Beach District
- 7 Outer Harbour
- 8 New Lakeshore Bridge
- 9 Grand Channel
- 10 Convergence Centre
- 11 Lake Ontario Park

will represent the east “ring” of Toronto’s 2008 Olympic Plan that includes a new Stadium for 100,000 spectators during the Olympics and 20,000 seats afterwards, the Aquatic Centre and the Broadcast Centre, as well as other facilities that will be removed after the Games. The Ship Channel will be the home of rowing events. The Athletes’ Village will be located on the south side of the Ship Channel.

Solutions to the issues of soil remediation and flooding and to the area’s relative inaccessibility are all resolvable and must be addressed to unlock the remarkable development and parks potential. Accessibility to the Portlands at the Don River will be enhanced by replacement of the Gardiner fly-over with conventional roads and inspiring new bridges. The naturalised mouth of the Don River, instead of the concrete Keating Channel, will provide great opportunities for a green entrance to this new urban district.



East Harbour: view west towards the city centre



Grand Channel: south side terrace housing



Village Street: Convergence Centre



A new canal

Depending on decisions with respect to the future of the Port, as noted previously, the Ship Channel could be transformed into a “Grand Channel” and the heart of the new Portlands, edged with public walkways linked to possible new canals and open spaces. A system of new canals and waterways will provide radically increased land areas overlooking water, making the Portlands a series of connected islands with associated promenades. The new waterfront boulevard will define a wide strip of public open space along the water’s edge, with magnificent locations for waterfront attractions, new performance venues, tourism facilities, museums and galleries in dramatic settings.

New City Neighbourhoods

Within the Portlands, several new neighbourhoods and districts are envisaged. The Toronto 2008 Olympic Bid contemplates locating the 2000 unit Athletes’ Village in the Cherry Beach and Grand Channel neighbourhoods on the south side of the channel. The Eastern Channel Neighbourhood will take advantage of dramatic views of the City skyline, the harbour and the Lake. Open space areas along the water’s edge and the new waterfront boulevard will provide public access to the water. Cherry Street will be the Portland’s “Main Street”, providing a pedestrian-friendly street of shopping and services for this new quarter of the City.

The Olympic District

The large Olympic District will contain the post-Olympics legacy facilities: the Olympic Stadium, the Aquatic Centre and other facilities that in future will become community uses. This section of Cherry Street could become an “avenue of sports” for the City. After the Olympics, this prominent site provides a remarkable opportunity for important city building projects (connected to the Convergence Centre to the east), such as a major corporate campus, new-high tech educational, institutional or world-class research facility, as well as for associated housing, offices and retail uses.

The Convergence Centre

The Task Force recommends the creation of a “convergence” community as a striking innovation in the Portlands. As noted earlier, it combines new media, communications, software development, biotechnology and other activities in the new economy with film, television, publishing and other assets. Located along Commissioners Street, the Convergence Centre would help Toronto more fully realize the opportunities for convergence in arts, science and technology. The Convergence Centre would include a community with attractive loft and other residential

housing for the entrepreneurs and creative people working in the Centre, who are urban people by nature.

Lake Ontario Park

Depending on whether or not the Port is relocated, a large, new, waterfront park, larger than High Park, could be developed along the Outer Harbour, connecting the park at Cherry Beach to the Ashbridges Bay sewage treatment plant. The current community sailing clubs could be incorporated into the park or be relocated to adjacent areas. Park roads would provide access through the park so that everyone can enjoy the park and views. The Leslie Street Spit would remain natural open space. The new park could include reforestation projects, botanical gardens, a butterfly house, trails and formal gardens.

Grand Channel District

Depending on decisions with respect to the future of the Port, the Grand Channel can represent a transformation of the present Ship Channel. It is an extraordinary artifact, one of Canada's great man-made localities. With the development of its perimeter for public use and access, and for the location of a variety of residential and other uses, it can become a place of special local and international presence. Associated lateral canals could spread this water amenity for boating and skating. The future of the Hearn Plant has not yet been determined. Given its location on the Outer Harbour, the site and building presents interesting possibilities for resort-type recreation, major institutional or other facilities.

iii The Mouth of the Don River

The restoration of the Don River Valley has been one of the City's most imaginative and rewarding urban regeneration initiatives. The Development Concept proposes resolving one of the last major impediments to the restoration of the river and valley. The ugly and undignified Keating Channel would be replaced along with the removal of the Gardiner platform, by a naturalized river mouth, bordered by park spaces. This new river bed for the Don offers a wealth of environmental benefits that will be felt throughout the valley. A strong set of greenway connections can be developed between the valley and the Leslie Street Spit and a new waterfront park system. The mouth itself can be designed with new islands and pools and different depth and flow conditions to provide aquatic habitats and complement the reintroduction of fish stocks to the river. As noted previously, the up-stream flood risks (particularly to the West Donlands neighbourhood) that were compounded by the barriers created by the road and rail corridors, and by the shape of the



The West Donlands: view up Front Street showing park lands with berm



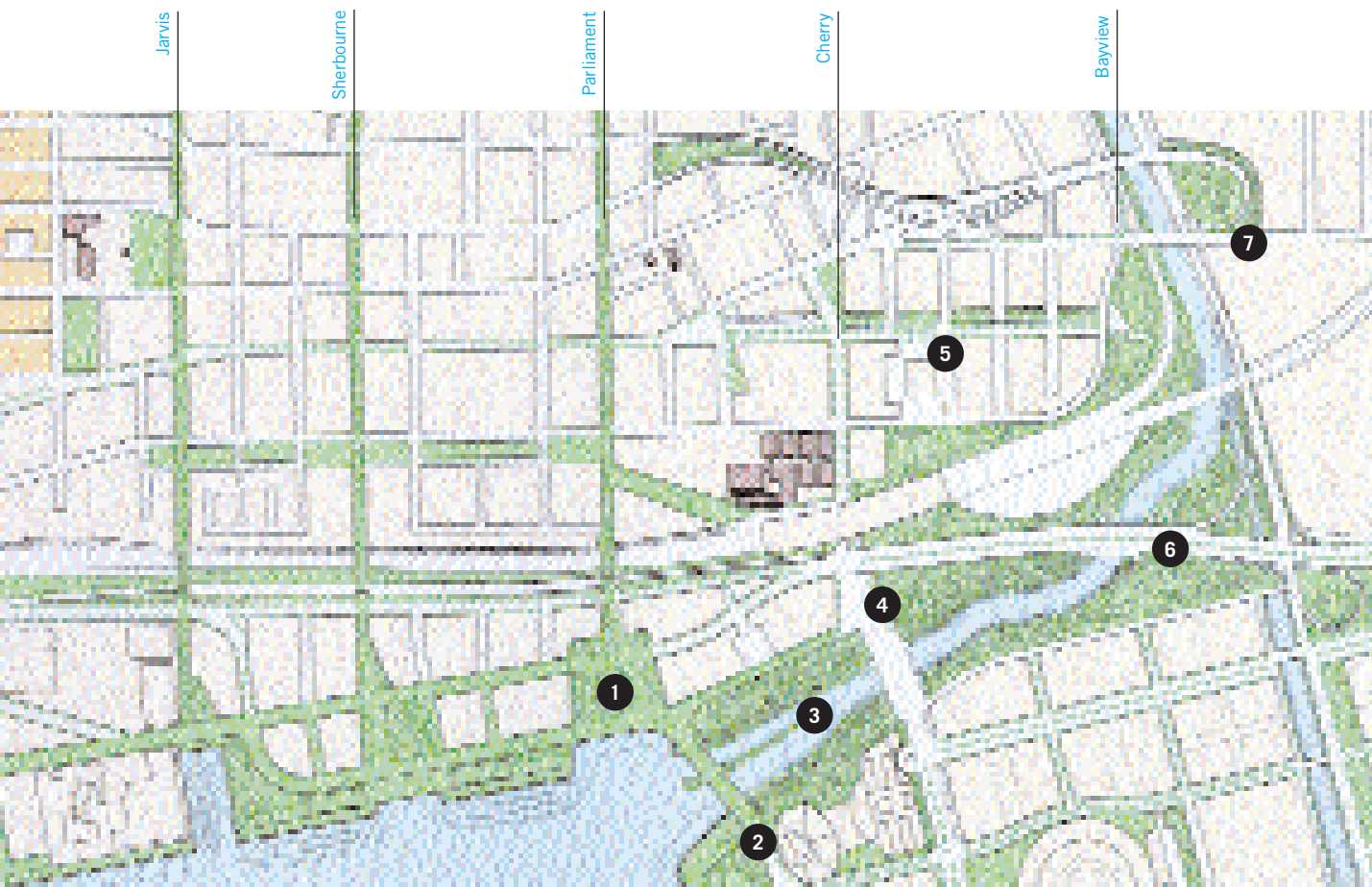
The West Donlands: view from park showing Mill Street commercial frontage



Melbourne: Mixed use development along the waterfront

Keating Channel, can be mitigated by the proposed river flow patterns.

The new environment created by this regeneration initiative would provide a unique introduction to the new urban district of the Portlands. Bridges to carry the new waterfront boulevard and Cherry Street over the river mouth can be designed as signature entrances and the river setting provides some highly visible and accessible locations for new gateway buildings.



The Mouth of the Don River and West Donlands: concept

- 1 Parliament Plaza
- 2 New Waterfront Boulevard
- 3 Mouth of the Don
- 4 Olympic Gateway Plaza
- 5 West Donlands District
- 6 Lakeshore Boulevard
- 7 Eastern Avenue connection

iv The West Donlands

The West Donlands area, now largely vacant, was publicly purchased for the development of a new, mixed use, urban neighbourhood. This Business Plan will provide the necessary framework for development to proceed at last. A berm can be built along the River to provide flood control, as well as some parkland. New techniques and regulatory environments are now available to reduce the costs of soil remediation. As an

early program element, the area is proposed to include an Olympic Media Village, consisting of 2,000 residential units. The urban design character of the area is related to the successful development in the neighbouring St. Lawrence district, namely medium rise and townhouse forms aligned along a central open space. Extensive planning, including a recent community design review, indicates that some 5,000 residential units could be accommodated. Commercial development, primarily local retail and office space would be built along the easterly extension of the Esplanade Park.

New local roads will be added by extending the pattern of roads in surrounding areas and connecting to the Bayview Extension. Eastern Avenue will be extended across the Don River as part of the new road infrastructure to increase access to the downtown.

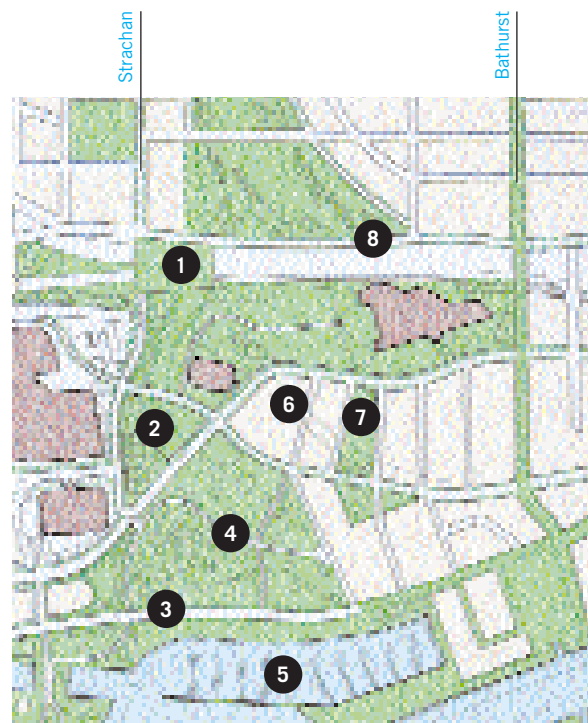
v Garrison Common

Garrison Common is the area between Bathurst Street and Strachan Avenue that includes Coronation Park, Old Fort York and the Molson's/Wittington lands. The district will change dramatically when the Gardiner Expressway is buried under Fleet Street. The new Garrison Creek open space will provide a strong north-south connection from the Lake to north of the rail corridor. Old Fort York will be linked to this open space system and, for the first time since the Expressway was built, will also be linked to the City. The new waterfront boulevard extension would cross from Stadium Road along a southern extension of Coronation Park to Ontario Place. This waterfront drive with its new associated park will increase the park size by almost 10 acres. The Park's regimental memorial trees, located at the west end, currently one of the most beautiful and solemn places on the waterfront, will be enhanced by giving it a wider park context and connection to the surrounding city. With the major realigned open space, this area will become attractive for the development of housing along its edges.

vi Exhibition District

Ontario Place and Exhibition Place, with their combined prime waterfront location of 270 acres, are desperately in need of new direction. With the exceptions of the new investments in the National Trade Centre and the Molson's Amphitheatre both Ontario Place and Exhibition Place are losing market share and public attractiveness and must have a new vision.

Many recent attempts have been made to re-energize these lands, with limited success. The new vision for this area builds on its extraordinary



Garrison Common: concept

- 1 Garrison Land Bridge
- 2 Princes Plaza/Bremner Promenade
- 3 New waterfront boulevard
- 4 Enlarged Coronation Park
- 5 Marina
- 6 Gardiner below grade
- 7 York Park vista
- 8 Front Street extension

Exhibition District: concept

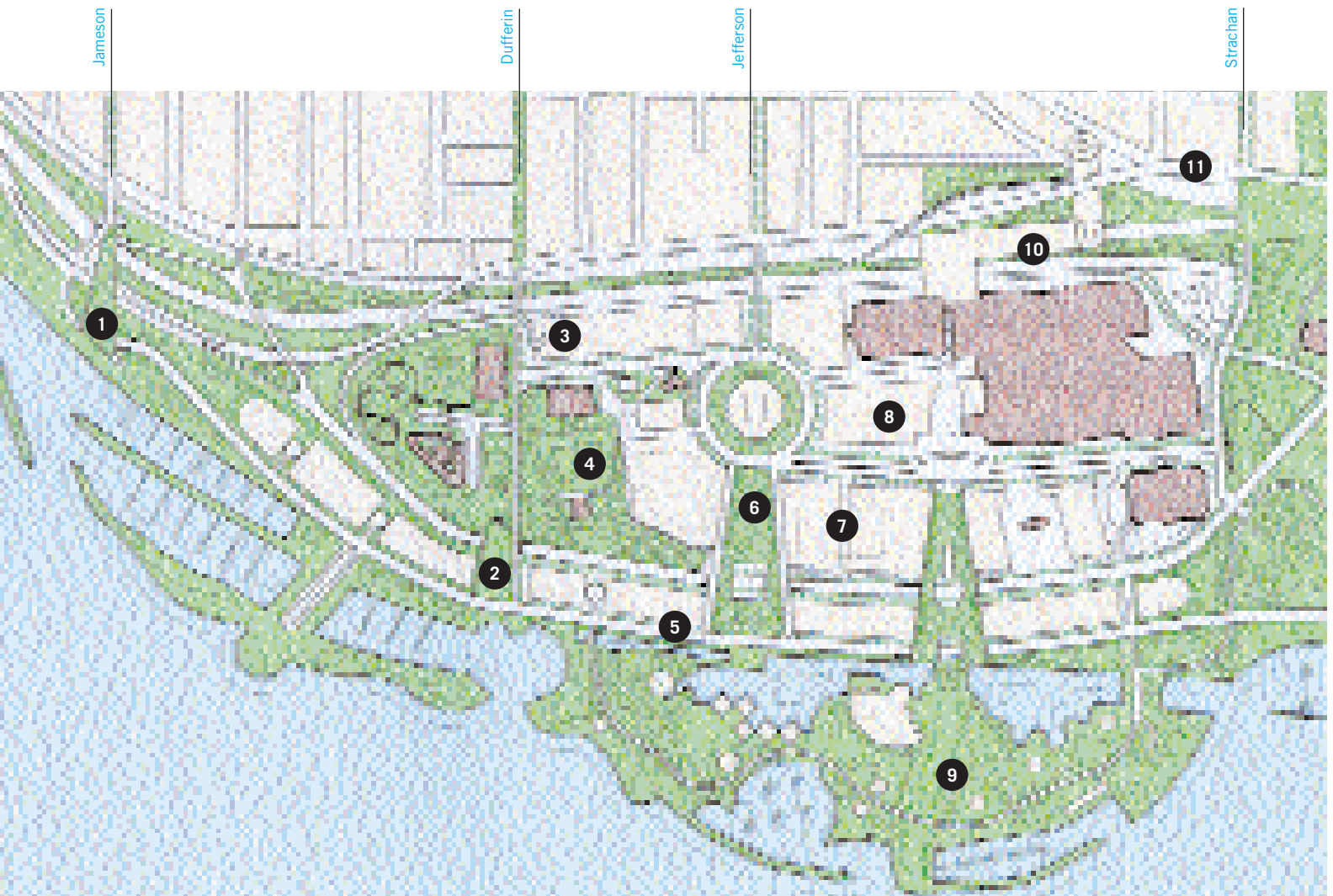
- 1 Jameson Land Bridge
- 2 Dufferin Plaza
- 3 Tennis over parking
- 4 Exhibition Gardens Precinct
- 5 New Waterfront Boulevard
- 6 Exhibition Court
- 7 Trade Centre Precinct
- 8 Trade Centre enlarged
- 9 Marina Island Precinct
- 10 GO Station
- 11 Front Street extension



New waterfront boulevard

location on the Lake, its proximity to a city core whose development is spreading inexorably in this direction. The Development Concept suggests normalizing this area as a part of the City, while still maintaining and enhancing the several healthy activities to be found within its precincts. These areas would accommodate the western “ring” of Olympic Games facilities.

The “green border” is extended through these lands, connecting to Dufferin Street and Jameson Avenue. Jefferson Street could be extended south over the railroad and road corridor. This, and the removal of the street/train grade conflict on Strachan Avenue could reverse the isolation of this area.



A series of north/south plazas could link the city with the Lake. Princes Boulevard could be a series of linked plazas providing some 44 acres in total for public festivities, such as the CNE and Caribana.

The area between Lake Shore Boulevard and the new waterfront boulevard offers the greatest potential for introducing permanent population to ensure year round activity for this section of the City. A band of housing development, with retail and entertainment uses at the street level, could create a lively new waterfront district.

In addition, the Exhibition and Ontario Place sites offer substantial opportunities for locating some of the major destination tourism infrastructure that Toronto is sorely lacking: a major entertainment complex, urban resort hotels and for new ventures for family waterfront entertainment, such as winter gardens, butterfly houses, museums, aquaria and the like. The district is comprised of three parts: the Trade Centre Precinct, the Exhibition Gardens Precinct and the Marina Island Precinct.

Trade Centre Precinct

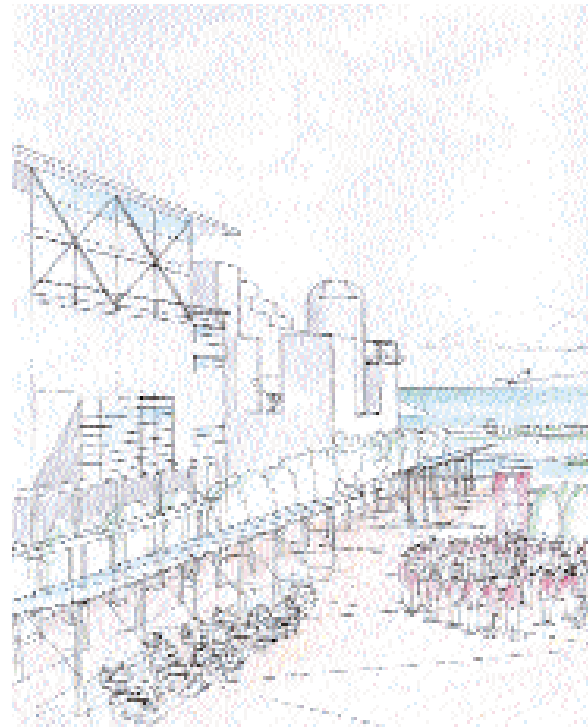
The National Trade Centre is the anchor for this District. Since opening, the National Trade Centre has exceeded expectations in terms of the number of event days, suggesting the medium to long-term expansion of this facility is possible up to one million square feet. The Olympics could provide a catalyst for this. South of Princes Boulevard trade marts could be developed as well as hotels and housing, with underground parking.

Marina Island Precinct

The land currently occupied by Ontario Place is proposed in the Development Concept as a marine-oriented all-year open public park. The number of mooring spaces are greatly increased, onshore services are provided, including boat supply and servicing, restaurants and related accommodations. Access is provided by a new local road and land bridges, and possibly water-taxi service.

Exhibition Gardens Precinct

At the western end of Exhibition Place, an urban park is proposed. It includes the existing green area with its Victorian and historic buildings. Fashioned after Copenhagen's Tivoli Gardens, museums, restaurants, clubs and other entertainment uses will provide for year-round use. Permanent rides could be a feature. New housing can be provided here, with linkages to the neighbourhoods to the north.



Exhibition Court looking south



Princes Boulevard festival looking west



Tivoli Gardens, Copenhagen



3.2.3 THE EASTERN AND WESTERN WATERFRONTS

While the Task Force's mandate focuses on the Central Waterfront, it appreciates that Toronto's waterfront is part of a watershed for six major rivers - Etobicoke Creek, Mimico Creek, Humber River, Don River, Highland Creek and Rouge River, and that the Mayor's waterfront vision extends along the entire lakefront. The Eastern and Western Waterfronts exhibit their own pattern of large regional parks separated by stretches of private ownership. For the Central Waterfront the development focus is on significant change and revitalization, but in the Eastern Waterfront (Scarborough) and Western Waterfront (Etobicoke) the emphasis is on protection and enhancement. The proposed revitalization will reconnect the Eastern and Western Waterfronts to the new Central Waterfront.

The Mayor's vision, expressed in the document "Our Toronto Waterfront! the wave of the future", includes a number of initiatives for the Eastern and Western Waterfronts. The main objectives for these areas are to enhance current green spaces, to increase public access to the waterfront, with public trails along the edge of the lake, and to improve the environment.



Arrival at Dufferin Plaza



Marina Island Promenade

Most of these initiatives have been developed with the local communities and are underway as part of existing City, or Toronto Region Conservation Authority (TRCA) programs. Generally, in contrast to the Central Waterfront, the Eastern and Western Waterfronts do not require major greening efforts. Nor are there large areas of public land suitable for major redevelopment. There are, however, complex issues of public accessibility because of private land ownership of sections of the water's edge. The proposed waterfront corporation should work with the City on its priorities and the Task Force has allocated funding to support these initiatives. In particular, opportunities should be sought that will help achieve continuous public access across the entire 29 mile Toronto waterfront.

The initiatives for the Eastern and Western Waterfronts include environmental improvements, such as erosion controls, increasing public access through the creation of parkettes at the Lake in unopened street allowances, and improving streetscapes along their main streets, Kingston Road and Lake Shore Boulevard West, as well as specific projects described below.

i Eastern Waterfront

Port Union

The City and TRCA have an ambitious plan to reconnect the developing residential community with the waterfront. It involves the development of a Village Common and a pedestrian connection under the CNR tracks linking with the TRCA Port Union waterfront project. This is a \$16 million capital project for trail connections and bank stabilization from the Rouge River (more or less) west to the mouth of the Highland Creek and provides for a bridge across the Creek.

East Point Park

The City owns approximately 60 hectares of largely undeveloped open space to the west of the Highland Creek. This area currently has a large baseball complex but little, if anything, else. The TRCA has a concept plan for a marina at East Point, similar to Bluffers, Humber Bay and Colonel Samuel Smith. This, along with Port Union, represents the two most significant opportunities in the East Waterfront for active recreational opportunities.

The Guild Inn

The property surrounding The Guild Inn comprises 36 hectares of culturally significant landscape. Although the existing buildings are not in good condition, there are opportunities for theatre space, both indoor and open-air. The City's Department of Economic Development Culture and Tourism is preparing feasibility studies for a multi-purpose arts and culture centre. This project could be pursued jointly with the Task Force.

Bluffers Park

This is a TRCA facility which houses a commercial marina, restaurants and private yacht clubs. It is highly prized as a summer recreation destination and heavily used during peak periods.

Connections/Linkages

The primary objective for the East Waterfront is to provide for linkages between waterfront sites (i.e. Waterfront Trail) and connections to the City (i.e. Kingston Road streetcar). The Kingston Road streetcar is a powerful and generating initiative to achieve an east/west linkage along the 29 mile waterfront. The linkages between open space areas can be achieved with strategic purchases of private property and by utilizing var-

ious local roads where topography makes waterfront linkages unfeasible, as is often the situation in the Eastern Waterfront. These were critical and supported the overall goal of a passive waterfront with several areas of enhanced recreational opportunities.



The Western
Waterfront

The Eastern
Waterfront

ii The Western Waterfront

Mimico Waterfront Trail Extension

The continuation of the Waterfront Trail, from Humber Bay Shores through to Norris Crescent Park, is a long standing objective. This trail extension has been identified by the Etobicoke Community as the next logical step in the continuation of this important waterfront amenity. The former City of Etobicoke's Waterfront Planning Committee initiated this half-mile trail extension in 1991. Since then both the Toronto and Region Conservation Authority and City staff have been given direction to proceed with the project. Preliminary property negotiations have commenced and the TRCA along with the City/community are proceeding to obtain all environmental approvals.

The project is at the conceptual stage and includes a 10 metre wide multi-use trail with a small boat day mooring facility located at Superior Avenue Park. The day mooring facility, while still conceptual, was originally supported by the Mimico Businesses and the Humber Bay West boating community. The project lands include approximately 15 private properties. The cooperation of these landowners is an important part of the implementation of the project.

The implementation of this trail is the next step in the western extension of this important amenity and will help to facilitate not only increased

recreational enjoyment of the City's waterfront amenity but also will be an added benefit to the Lake Shore business community. This project will also complete the vision for the Humber Bay West harbour area and its sailing focus.

Mimico Creek/Etobicoke Creek Restoration

Just west of Park Lawn Road the Mimico Creek valley runs north/south and flows into Lake Ontario. A short distance north of Lake Shore Boulevard the creek forks to the west and has created a small wetland area. As part of studies undertaken by the former City of Etobicoke, this area has been identified as an open space with the potential for creating significant connections and providing the habitat linkages between the waterfront and the remaining watershed. The Mimico Creek valley has also been identified as a flood plain. The design and management of this park system has been seen as an opportunity to support the natural environment of the major river valleys, enhance the aesthetic of the area and provide year round opportunities for education and recreation. A significant percentage of the land required for the restoration is already in public ownership.

Community groups in South Etobicoke have identified the restoration of the Mimico Creek wetland and the regeneration at the mouth of Etobicoke Creek as important projects. These restoration projects have many similarities to the Bring Back The Don initiative and its implementation would be a welcome improvement to this Lake Shore community. Watershed management strategy development has been initiated for the Etobicoke and Mimico Creek Watersheds. A Task Force has been developed to prioritize opportunities for enhancement, regeneration and celebration of these watersheds. The strategy will support the initiatives identified along the waterfront and build important community partnerships.

Enhancements to Colonel Samuel Smith Park

Ongoing initiatives are transforming the area, including renovations to change the Lakeshore Assembly Hall into a cultural centre for the community, recently announced by the City. The building, situated on the south-east corner of Lake Shore Boulevard West and Kipling Avenue on the Lakeshore Grounds, formerly known as the Lakeshore Psychiatric Hospital, has been a prominent and distinctive feature of the Etobicoke area for over 100 years. When completed, the Assembly Hall will provide facilities for a wide range of arts and cultural programs and gatherings, including exhibitions, community meetings, conferences, plays, presentations, and workshops.

3.2.4 PHASING OF IMPLEMENTATION

The Development Concept is intended to be implemented over a period of 25 years. The phasing of development will be affected by the following key factors, assuming the organizational, approval and financing structures are in place.

- The timing required for completion of Olympic related facilities, including the development of the Athletes' and Media Villages, the new Olympic facilities and open spaces such as the medals plazas, and the infrastructure to support this development.
- The impact of the Olympics on the scheduling of other development initiatives so that the City will appear in complete condition, with no disturbances due to construction activities during the Olympics.
- The ability of the market to absorb the proposed 40,000 new housing units, which is assumed to be at a steady rate, except for the 4,000 units required for the Olympic Villages in August 2008, and for the inevitable ups and downs of the economy.
- The need to jump start the Convergence Centre as a focus for the new economy in the Portlands.
- The need to coordinate the demolition of the elevated Gardiner Expressway from Exhibition Place and the Don Valley Expressway with the approved demolition of the Gardiner to the east of the Don Valley.
- The need to expedite soil remediation projects and flood control measures through the realignment of the Don River and development of berms along the river, prior to redevelopment of much of the West Donlands and Portlands areas.
- The need to coordinate and expedite environmental approvals so that the reconstruction of the Gardiner corridor, estimated to take 6 years, will be completed by 2008 for the Olympics. Careful coordination is required to ensure that disruption to traffic is minimized. The plan for rebuilding the Gardiner provides for the construction of new routes prior to demolition of the elevated roadway.

It is understood that plans are underway for improvements to Union Station to increase GO and TTC capacity and develop an intermodal station, a key to transportation access for the Central Waterfront.

3.3 THE OPERATIONAL CONCEPT

3.3.1 ORGANIZATIONAL STRUCTURE, POWERS AND GOVERNANCE

Previous attempts to revitalize Toronto's waterfront failed, in part, because there has never been a realistic and effective operational mechanism for the financing and management of the redevelopment. One of the principal objectives of the Task Force has been to devise effective operational and financial strategies.

A review of successful developments that other countries have undertaken revealed that they had in common the formation of a mandate specific "development corporation". The corporation was formed by the governments involved for the specific purpose of developing a designated area. The corporation would act in a business like way but possess key government powers for catalysing development.

Each of these corporations was a function of their individual circumstances, yet common themes can be identified:

- All corporations had the authority to sell, lease or mortgage their land assets.
- They operated in a business model, with the requisite real estate and management skills.
- They offered investors or partners a greatly simplified planning process.
- Their governance structure was efficient and action-orientated.
- The corporations also received government financial assistance, not only by way of grants, but also in the form of tax abatements, credits and other programs.
- All were intergovernmental in their ownership and support.

The conclusion is that once the consultative process is completed and the public policy objectives established, the management of the revitalization of the Toronto waterfront must ultimately be consolidated within one entity. By necessity, that entity must be a Corporation with its own legal persona, with an ability to acquire, hold and dispose of property, raise financing and be a party to transactions and legal proceedings in its own name. The corporation must have effective control of the development of all waterfront lands, implementing a previously agreed overall plan. The corporation would have a 'sunset' clause. For purposes of the financing model the Task Force recommends the incorporation of a non-share capital corporation under the *Canada Corporations Act* of which the Government of Canada, the Government of Ontario and the City of Toronto would be members. The "Toronto Waterfront Development Corporation" (TWDC), thus constituted, would be what is known in government parlance as a "joint enterprise".

Although the federal and provincial governments would be members of the Corporation the TWDC would not be listed in the Schedules to the (federal) *Financial Administration*

Act and, otherwise, would not be a federal Crown corporation. Likewise, the Corporation would not be scheduled as an agency, board, or commission of the Government of Ontario.

The Task Force recommends that the Corporation be incorporated as soon as practicable. Legislative authority exists for the federal government to become a member of the Corporation, as long as the federal government does not acquire a control position.¹² Specific statutory authority appears to be required for the Ontario government to become a member of, or shareholder in, a corporation. Furthermore, the current *Municipal Act* does not contain any authority for a municipality such as Toronto to be a member of a non-share capital corporation.¹³ Proposals to amend the *Municipal Act* released by the Ontario government in the Spring of 1998 include provisions specifically prohibiting municipalities from “incorporating a corporation” or “acquiring or guaranteeing any interest in a security of a corporation”.¹⁴ It is not clear whether these proposed prohibitions would apply to a municipality becoming a member of a non-share capital corporation. If they do, the Task Force recommends that Ontario provide the necessary statutory authority for the City of Toronto to become a member of the Corporation.

The concept of this corporation is perhaps the key recommendation of the Task Force. The Task Force, therefore, strongly recommends that the three levels of government forthwith set up a working group to develop a specific acceptable proposal for the Toronto Waterfront Development Corporation. The Task Force has done significant research relating to corporations which other cities—such as London, New York, Detroit, Baltimore, etc.—have used to advance their plan, and would be prepared to assist in developing the concept if requested to do so.

3.4 THE FINANCIAL CONCEPT

In order to develop a conceptual framework plan, a detailed study of the Development Plan as conceived was undertaken and subsequently costed by Marshall Macklin Monaghan. The cost estimates were then verified by Tempest Management Corporation SNC Lavalin. On the revenue, and potential P3 partnerships, advice was sought from RBC Dominion Securities, TD Securities and KPMG LLP. Values with respect to real estate were compiled by Barry Lyon Consultants Ltd. and Trustco Property Corporation. Based on input from the above, a financing model was built which served as the template for the financial concept.

3.4.1 INTRODUCTION

The infrastructure costs (see Figure 1: Infrastructure Cost Estimates) associated with implementation of the Development Concept proposed by the Task Force are estimated to be in the order of \$5.2 billion. Additional spending for the construction of buildings etc. by the

¹² Subsection 92.(1)(1.1), (federal) *Financial Administration Act*

¹³ Corporations such as TEDCO and Exhibition Place were created by Provincial statute, but are operated by the City.

¹⁴ Government of Ontario, *Consultation Document, “A Proposed New Municipal Act, Draft Legislation Including Explanatory Notes”*, Spring 1998

private sector exclusively is estimated to be in the order of \$7 billion, bringing the total project all-in cost to the order of \$12 billion.

In order to fund the \$5.2 billion, the Task Force has provided the government with Revenue Generation options that range between \$3.42 billion and \$5.5 billion. Private debt financing utilizing the cash flow stream from some of these revenue options can be arranged for \$1.99 billion to \$3 billion. (These numbers are described in Figures 1, 2 and 3 which follow.)

Figure 1: Infrastructure Cost Estimate *

Element	Cost (\$ million)
Gardiner	\$ 1,200
Environment	\$ 1,150
Parks and Open Space	\$ 500
Land, Servicing and Roads	\$ 1,550
Public Transportation	\$ 800
Total	\$ 5.2 Billion

* Notes to Figure 1:

1. Excludes the cost of lands already owned by the government.
2. Costs are to provide development/building ready sites.
3. The capital cost estimate includes the actual cost of construction, engineering costs, a reasonable contingency allowance, the cost of administration of the TWDC, professional fees, financing costs and an allowance for inflation.

Figure 2: Revenue Generation Possibilities

Revenue Generation Possibilities	Range (\$ million)
Land Sales/Lease Residential	\$ 1,300 - \$ 1,500
Land Sales/Lease Non-residential	\$ 50 - \$ 100
Tax Related Revenue	\$ 700 - \$ 1,000
Entertainment Complex	\$ 100 - \$ 800
Easements and Utility Corridor	\$ 75 - \$ 100
Toll Road or Parking	\$ 1,200 - \$ 2,000
Total Estimated Revenue	\$ 3,425 - \$ 5,500

Figure 3: Private Debt Financing

Revenue Item	Range (\$ millions)	Assumed Financing Terms
Tolling and/or Parking Surcharge	\$1,209 to \$2,000*	<ul style="list-style-type: none"> • 30 year term • assumed interest rate of 7.5% • accretion during construction • cash flow lending (no sale of concession) • available in year 1 of project life
Entertainment Complex	\$ 781 to \$1,000**	<ul style="list-style-type: none"> • 15 year term • assumed interest rate of 8.0% • cash flow lending (no sale of concession) • available in year 5 of project life
Total Private Dept Financing	\$ 1,990 - \$3,000	

* Depending on the toll or parking surcharge.

** Depending on the nature of the cash flow stream.

To raise financing, the Task Force recommends the adoption of a series of “public-private partnerships” (P3). P3 partnerships will help ensure maximum private sector contribution and could transfer all or part of the risk from the public sector to the private sector. The phrase “public private partnership” refers to a broad and varied set of arrangements under which the public and private sector come together to pursue a common purpose. Most of the individual components of the development concept provide opportunities to incorporate P3 approaches. Structuring these components as separate P3’s appears to be the best way to ensure early and maximum private sector contribution and, at the same time, transfer the greatest amount of risk from the public sector to the private sector.

For this to occur the TWDC must be able to ensure that the private sector has the flexibility it requires, together with regulatory certainty and fast-tracked regulatory approvals. That, in turn, will create the investment environment necessary to generate private sector financing for the many components of the Development Plan that are amenable to such funding.



Confederation Bridge, P.E.I.: a public and private partnership

Based on experience with waterfront redevelopment projects elsewhere and after consultation with our financial advisors, the Task Force has concluded that at least 70% of the costs of the project can be financed by the private sector. To achieve this, consideration was given

to a range of private sector revenue generation possibilities (see Figure 2: Revenue Generation Possibilities) to finance (see Figure 3: Private Debt Financing) the \$5.2 billion. Among the revenue sources considered were:

- Tolling of Gardiner traffic;
- A surcharge on parking;
- Sales and leases of residential and non-residential lands;
- Easements and utility corridors;
- A range of tax-related revenue streams, such as GST and PST rebates, land transfer tax rebates, development charges, and hotel, food and beverage improvement taxes;
- A development charge from landowners benefiting from infrastructure improvements;
- Union Station development lease income;
- Cruise ship terminal concessions;
- Area specific gas taxes; and
- A hotel and entertainment complex with or without a casino.

3.4.2 ASSUMPTIONS AND CONSIDERATIONS UNDERLYING THE FINANCING MODEL

The first set of revenue generating possibilities examined by the Task Force related to the concepts of tolling and a parking surcharge in the City of Toronto.

Tolling

The Task Force examined several concepts stemming from the need to transform the Gardiner corridor in the Central Waterfront. As indicated earlier in this Report, only about 20 percent of total Gardiner traffic is “through” traffic. The rest is destined for downtown Toronto. Tolling could be justified on the basis of accessing a modernized Gardiner road system and resuscitating downtown Toronto, as well as for using a through route to circumvent Toronto. Tolling the Gardiner could also be, in part, a manifestation of a “polluter pay” principle relating to automobile emissions. Close to 50% of emissions that cause summertime smog in Toronto comes from auto emissions. As the Gardiner Expressway is transformed from a single highway to a series of expanded roads as proposed, the only practical way to identify vehicles using the Gardiner may be to establish tolling points at each point of access and egress.

It would be possible to have tolls that vary by time of day and between entry and exit. For example, the greatest charges might be for entry during the morning rush hour and exit during

the afternoon rush hour. Overall, charges might be calibrated to relieve congestion in the downtown core during peak hours, to encourage traffic at other times and to encourage use of public transit.

There are, however, several obvious difficulties inherent in tolling the Gardiner: In the first place a toll, by increasing commuters' costs, could act as a disincentive to people entering Toronto for work, shopping, and entertainment. Elasticity studies would have to be conducted, but a toll that is competitive with public transit rates may, at least partially, address this issue.

Parking Surcharge

Revenue might also be generated by placing a levy or surcharge on parking in the downtown. Parking charges could be levied in a number of ways including rates that vary by time of day in order to address congestion problems.

A parking levy is more egalitarian than a toll, in that a levy would be paid by every person parking in the City for any purpose, not just by persons who work in downtown Toronto. For some taxis, couriers, delivery trucks and similar vehicles, a parking surcharge would be clearly preferable over a Gardiner toll. From the perspective of administrative overhead in collections, a parking surcharge might be substantially more efficient than tolling. It may also create greater elasticity, for example by permitting parking surcharge rates that vary by zone.

Throughout this Report, the Task Force has called attention to the need to reduce property taxes in the downtown core to spur investment and business activity. The fundamental problem with both a Gardiner toll and a parking surcharge is that they add to the cost of doing business in downtown Toronto.

The Financing Model assumes either a toll or a parking surcharge, or a combination of both. Either or both, a Gardiner toll and a Downtown Parking surcharge provides opportunities to the TWDC to raise capital through debt or equity. (See Figure 3: Available Financing.)

Debt Financing does not require that the Corporation (and eventually the City) give up any control over the management of capital or operating expenditures. A debt offering, without recourse to government (i.e. a government guarantee), would require certain covenants, however, primarily a covenant to set rates at adequate or predetermined levels, together with appropriate assurances to mitigate any completion delays or related problems, technology or policy risks. Available financing would likely be based on near-term projections of available funds for debt service, with limited acknowledgement of future growth through toll rate and traffic increases or operating expense declines.

Equity Financing could be achieved through either a strategic sale, a long-term lease of the Gardiner, or a broad-based public offering. To-date, strategic sales or long-term leases have been preferred over public offerings for toll-based financing. The strategic buyer or leasee

would typically manage the construction and operation of the Expressway, as well as the collection of tolls.

The Task Force suggests further study of the various mechanisms to generate revenue from vehicular traffic into the downtown core as part of the Master Plan. The selection of any specific mechanism will depend on a combination of policy issues and considerations of relative value. Depending on the mechanism selected and the manner in which it is financed, between \$1 billion and \$2 billion in revenues could be generated.

Land Sales/Leases (Residential)

The Toronto condominium apartment market has expanded and diversified considerably over the past 20 years. Condominia are increasingly accepted as a lifestyle-oriented form of housing. In the area demarcated by the boundaries of the former City of Toronto in which the waterfront lands are located, a sustainable level of condominium apartment sales appears to be in the range of 3,000 to 4,000 units annually. For the four main redevelopment districts across the waterfront (Exhibition Place/Garrison, East Bayfront, West Donlands, Portlands), average sales in the range of 1,100 units per year appear to be reasonable.

Based on a land-use concept prepared for the Task Force, the Task Force has estimated the residential development capacity of each of the available land parcels in the four main waterfront districts. That capacity is estimated to total about 38,700 residential units. Based on estimated absorption rates, the Task Force anticipates that the build out program would be completed by 2022. Revenues generated by the sale or lease of waterfront lands are estimated, for purposes of the Financing Model, to be in the range of \$1.3 billion to \$1.5 billion.

The strength of the home-buying market is geared to the state of the job market. For the condominium and rental apartment market an added element is the fact that apartment occupants are largely motivated by convenience factors, considering the relatively high prices they pay for their relatively small living spaces. For many, being close to their places of work, if possible within walking distance, is a critical amenity. Accordingly, creation of the nearby employment envisaged by the Development Concept is critically important to maximizing the value of the residential land components. New employment in the range of 15,000 to 25,000 has been assumed for purposes of the Financing Model.

Land Sales/Leases (Non-Residential)

For purposes of the Financing Model, revenue from non-residential land sales and leases in the Central Waterfront are estimated to be in the range of \$50 to \$60 million. An average absorption rate of 500,000 square feet per annum (with the Portlands moving faster than average) has been put to the Task Force as a reasonable assumption. The Exhibition District, which will include the National Trade Centre expansion and the Trade Marts, constitute a third of the total commercial yield on the waterfront and are included in the Financing Model at zero value. Furthermore and as indicated elsewhere in this Report, the

commercial market in the downtown core is currently somewhat depressed and this condition is expected to continue. Accordingly, actual revenues may vary from this assumption and those variations may be material.

Easements and Utility Corridor

The Corridor would be leased to utility companies. The Financing Model assumes revenue generation in the range of \$75 to \$100 million over 15 years.

The Entertainment Complex

The degree of revenue available from an entertainment complex ranges from \$100 million, if the entertainment complex encompasses only a hotel, restaurants and entertainment, to \$800 million to \$1 billion over 15 years if a casino is incorporated into the complex.

Tax-Related Revenues

The Financial Model considers several tax-related revenue streams over the life of the revitalization project. The timing of the receipt of revenues is driven by the expenditure model:

Development Charge Credits (\$22.2 million) are received during the year in which the lands are sold and a credit of 25% is applied.

GST Rebates (\$327.6 million) are received on land sales at 100% of GST payable and rebates on building construction, also at 100% of GST, are payable two years following land sale.

PST Rebates (\$229.5 million) are received on building construction at 100% of PST payable, two years following land sale.

Land Transfer Tax Rebates (\$21.2 million) are received when payment for land sale received at 100% of Transfer Tax payable. The Land Transfer Tax applied is averaged at a rate of 1.95%.

Payments from Benefiting Land Owners

Payments from Benefiting Land Owners (\$60 million) are linked to the development rate of the waterfront. These payments are based on the assumption that the services to make development of the waterfront lands in public ownership possible will also benefit private landowners in the area. The “pure” servicing costs are in the order of \$7,500 per unit, which amounts to \$300 million for the entire waterfront. For purposes of the Financing Model a recapture rate of 20% has been assumed.

3.4.3 SOFT REVENUES AND EMPLOYMENT IMPACTS

The Task Force commissioned an analysis from independent experts. The results are sum-

marized in this section. The analysis estimated selected “soft” revenues to all three levels of government generated by implementation of the Development Plan. (“Soft” government revenues are those revenues, such as taxes, that will flow to governments as governments per se, rather than as owners of the proposed redevelopment.)

Estimates were made for three types of soft revenues:

- “Direct”, meaning those revenues generated on the site, including fees and indirect taxes paid to governments as a consequence of development and construction activity, taxes on the Labour income earned by construction workers and on business income earned by builders.
- “Indirect”, meaning those taxes generated and incomes earned off-site by suppliers to the direct project participants.
- “Induced”, meaning employment and associated personal and corporate taxes generated as a result of the spending of the direct and indirect incomes earned.

The Construction Impacts

The aggregate construction activity associated with the project (from the time work commences to the year 2023) and associated impacts were categorized as follows:

- **Buildings**, namely the sale of developed land to builders, who will proceed to build and sell residential and non-residential building in the Central Waterfront.
- **Infrastructure**, namely government infrastructure spending.

Buildings

Over the life of the construction project, the three levels of government would receive in the order of \$3.9 billion in direct soft revenues (Year 2000 dollars) from land development, construction and from the sale of buildings on the site, calculated as follows:

- Federal government - \$1.3 billion (primarily GST on the sale of completed buildings, corporate income taxes on builders’ profits and personal income taxes on construction workers’ wages).
- Provincial government - \$1.5 billion (primarily PST on building materials, land transfer taxes, and corporate and personal income taxes).
- Municipal government - \$1.1 billion (primarily increased property taxes resulting from the higher value of redeveloped land and buildings).

In addition, governments will receive approximately \$1.0 billion in indirect and induced soft revenues, as the increased economic activities cycle through the economy.

Spending on buildings is calculated to exceed \$7 billion and to generate as many as 55,000 person-years of direct employment and an additional 54,000 person-years of indirect and induced employment, primarily in the GTA.

Infrastructure Spending

Many of the lands to be developed are publicly owned and governments will undertake much of the infrastructure activity. Since the details have yet to be fleshed out, the implications for tax revenues such as GST and PST, land transfer tax and property taxes cannot be estimated with any precision. Total direct, indirect, and induced soft revenues associated with the infrastructure spending will be in the order of \$0.9 billion, the largest component of which will be personal income taxes on increased incomes.

Infrastructure spending is calculated to generate approximately 26,000 person-years of direct employment, primarily as on-site construction employment and an additional 30,000 person-years of indirect and induced employment.

End-State Impacts

Soft revenues associated with the residential/business/land use mix of the Central Waterfront for the projected end-state year (2023) were also estimated. End state revenues include:

- Additional property taxes generated by the 40,000 residential units and non-residential development in the Central Waterfront; and
- Direct, indirect, and induced effects of the 24,000 jobs expected to be located in the Central Waterfront.

Total direct, indirect and induced soft revenues associated with the end-state were estimated to be in the order of \$0.6 billion annually.

Existing economic activity and soft revenues on the site were not quantified, but the amounts are relatively small compared to the end-state outcomes already described.

The analysis provided to the Task Force focused on the six zones that constitute the Central Waterfront. It developed no estimates of soft revenues associated with additional economic activity elsewhere in the GTA or the Province and made no adjustments for possible diversion of economic activity from other parts of the GTA to the Area as a result of its redevelopment.

It is clear, however, that this Business Plan, if implemented, could have a significant impact on the economy of the city, and would enhance existing tourist draws and create new ones, thereby renewing the City's somewhat aging portfolio of destination attractions and offsetting the decline in tourism visitation to the City.

Respectfully submitted,

Robert A. Fung

William Farlinger

Ruth Grant

Steven Hudson

Rod Phillips

Mark J. Wilson

Robert Wright



New waterfront boulevard

APPENDIX

Waterfront Revitalization Task Force Consultants and Advisors

Senior Executives:

Tony Coombes, *Executive Director - Principal, City Formation International (CFI Inc.)*
Gordon Thompson, *Executive Director - Director, The CIT Group*

General Advice:

Professor Joan Busquets, *Barcelona, Spain*
Bill Longden, *Olympic Facilities Liaison - Executive Vice President, Corporate Development, Marshall Macklin Monaghan*

Urban Design:

Michael Kirkland, *Project Co-ordinator - Architect Partner, The Kirkland Partnership*
Steven Fong, *The Kirkland Partnership*
John van Nostrand, *Partner, Architects Alliance*
Bob Allsopp, *Partner, du Toit Allsopp Hillier*
Roger du Toit, *Partner, du Toit Allsopp Hillier*
Fred Koetter, *Partner, Koetter Kim*
Susie Kim, *Partner, Koetter Kim*
Joe Berridge, *Partner, Urban Strategies*

Transportation:

Ed Levy, *Senior Consultant, BA Consulting*
Robert McBride, *President, BA Consulting*
David Jull, *Vice President, Transportation Engineering, Marshall Macklin Monaghan*
Rob Wanless, *Vice President, Transportation Planning, Marshall Macklin Monaghan*
Richard Soberman, *Advisor, Transportation Planning, University of Toronto*

Environmental / Municipal Engineering:

Rob Bishop, *Vice President, Water Resources, Marshall Macklin Monaghan*
Steven Willis, *Senior Environmental Planner, Marshall Macklin Monaghan*
Robert Webb, *Senior Vice President, Municipal Engineering, Marshall Macklin Monaghan*

Corporate Strategy:

Jeff Barnes, *Fraser Milner*
Alan Leibel, *Goodman, Phillips & Vineberg*
Joe Berridge, *Partner, Urban Strategies*
Melanie Hare, *Urban Strategies*

Finance and Financial Analysis:

Barry Lyon, *Principal, N. Barry Lyon Consultants Ltd.*
Will Dunning, *N. Barry Lyon Consultants Ltd.*
Hans van Poorten, *Vice President, Senior Financial Analyst, Marshall Macklin Monaghan*
Robert Webb, *Senior Vice President, Municipal Engineering, Marshall Macklin Monaghan*
Duncan McCallum, *Vice President and Director, RBC Dominion Securities Inc.*
Moya Greene, *Managing Director, Investment Banking, TD Securities*
Robbie Manis, *Government Infrastructure Projects, Investment Banking, TD Securities*
Paul Snyder, *President, Truscan Property Corporation*
Michael J. Ross, *KPMG LLP*
Will Lipson, *KPMG LLP*

Costing:

Brenda Jamieson, *Project Manager, Marshall Macklin Monaghan*
Craig Rose, *Project Manager, Marshall Macklin Monaghan*
Robert Webb, *Senior Vice President, Municipal Engineering, Marshall Macklin Monaghan*
Feroz Ashraf, *Vice President, Tempest Management Corporation/ SNC Lavelin*
Keith Carrier, *Infrastructure Projects, Tempest Management Corporation/ SNC Lavelin*
Camil Kourany, *President, Tempest Management Corporation*
Bhagwan Uttanchandani, *Cost Estimation, Tempest Management Corporation/ SNC Lavelin*

Communications and Production Consultants:

Patricia Goodwin, *City Formation International (CFI Inc.)*
Steven Fong, *The Kirkland Partnership*
Patrick Gossage, *Principal, Media Profile*
David Israelson, *Director Client Services, Media Profile*
Catherine Shepherd, *Media Profile*

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Cape Town, Cathie Macdonald

Gateway to the New Canada Gateway to the New Canada Gateway

