



November 19, 2019

Quayside Public Briefing

Waterfront Toronto

Joe Cressy

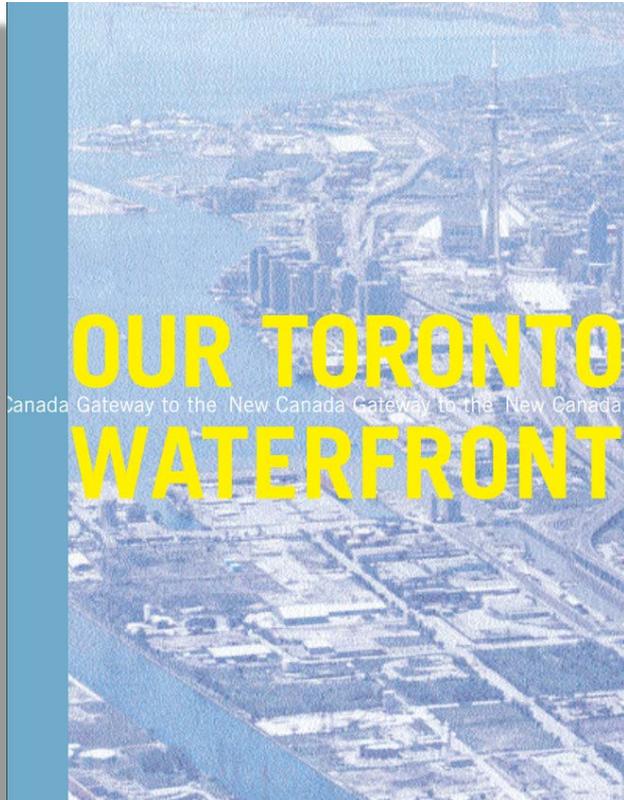
City Councillor Ward 10 Spadina-Fort York

Director Waterfront Toronto Board of Directors

George Zegarac

Chief Executive Officer Waterfront Toronto

The original vision for Waterfront Toronto



- Create major new neighbourhoods for working, living and recreation, resulting in a substantial increase in the City's stock of affordable and market housing
- 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
- Establish a corporation separate from government to oversee the revitalization

Quayside

A new type of mixed-use, complete community

Focused on sustainability, resilience, affordable housing, transit, and economic opportunity

Potential to transform the approach to urban revitalization



Meg Davis

Chief Development Officer Waterfront Toronto

Quayside RFP Objectives



1. Sustainability, Resiliency and Urban Innovation:

Create a globally significant demonstration project that advances a new market model for climate-positive urban developments



2. Complete Communities:

Establish a complete community that emphasizes quality of place, and provides a range of housing types for families of all sizes and income levels within a robust mix of uses, including public open space, culture, recreation, vibrant retail, education-related activities and offices



3. Economic Development and Prosperity:

Provide a testbed for Canada's cleantech, building materials and broader innovation-driven sectors to support their growth and competitiveness in global markets



4. Partnership and Investment:

Develop a new partnership model that ensures a solid financial foundation, manages financial risk and secures revenue that funds future phases of waterfront revitalization

MIDP Release + Open Letter on Threshold Issues

- June 24, 2019 public release of draft MIDP
- Open Letter outlining key **threshold issues**
- **October 31, 2019** date for resolution of issues



June 24, 2019

Open Letter from Waterfront Toronto Board Chair, Stephen Diamond regarding Quayside

To all members of the public interested in the future of Toronto's waterfront,

Waterfront Toronto has received the draft Master Innovation and Development Plan (MIDP) proposed by Sidewalk Labs. The review and evaluation process now begins. It is Waterfront Toronto's responsibility, informed by consultation with the public, technical experts, and all three levels of government to determine if the ideas in this proposal are in the public interest and respond to the objectives for Quayside that we agreed to with Sidewalk Labs in July 2018 (as reflected in the Plan Development Agreement).

It is important to know that Waterfront Toronto did not co-create the MIDP. While Waterfront Toronto and Sidewalk Labs did work together earlier in the process to do research, generate ideas, and consult the public, the roles of the two organizations then separated, allowing Waterfront Toronto to focus on creating a robust framework for review and evaluation of the MIDP. Sidewalk Labs' responsibility is to prepare and submit the MIDP. The MIDP is subject to the approval of Waterfront Toronto's Board of Directors and Sidewalk Labs.

Based on our initial review of the MIDP, there are a number of exciting ideas that respond to challenges we face, particularly related to environmental sustainability and economic development. There are also proposals where it is clear that Waterfront Toronto and Sidewalk Labs have very different perspectives about what is required for success. Here are early examples of what concerns us:

- Sidewalk Labs proposes the up-front creation of an IDEA District that covers a much larger area than the 12 acres of Quayside. Waterfront Toronto has told Sidewalk Labs that the concept of the IDEA District is premature and that Waterfront Toronto must first see its goals and objectives achieved at Quayside before deciding whether to work together in other areas. Even then, we would only move forward with the full collaboration and support of the City of Toronto, particularly where it pertains to City-owned lands.
- Sidewalk Labs proposes to be the lead developer of Quayside. This is not contemplated in the PDA. Should the MIDP go forward, it should be on the basis that Waterfront Toronto lead a competitive, public procurement process for a developer(s) to partner with Sidewalk Labs.
- Sidewalk Labs' proposals require future commitments by our governments to realize project outcomes. This includes the extension of public transit to Quayside prior to development, new roles for public administrators, changes to regulations, and government investment. These proposals raise important implementation concerns. They are also not commitments that Waterfront Toronto can make.
- Sidewalk Labs has initial proposals relating to data collection, data use, and digital governance. We will require additional information to establish whether they are in compliance with applicable laws and respect Waterfront Toronto's digital governance principles.

Threshold Issues Identified



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1. IDEA District @ 190 acres
2. Lead developer
3. Transit as condition precedent
4. New public administrators
5. Details required for data use and collection to understand and verify compliance with Canadian law

Round One Public Consultations



Round one gave voice to 3 positions:

SUPPORTIVE

See great opportunity associated with individual innovations and/or the value of innovation in general

CAUTIOUS “MAYBE”

See both great opportunity and great risk, and who have said in the broadest of terms “if the MIDP moves forward, it has to be on terms that work for Toronto”

AGAINST

See major risks, including (but not limited to) lack of trust in Sidewalk Labs, Google, and Alphabet.

Participant Conditions:

1. Limiting the geography of the project to Quayside (12 acres);
2. Ensuring strong public control and oversight;
3. Ensuring strong controls on all things digital (including data collection and governance); and,
4. Making it fair financially for Toronto, and fair economically for the Canadian economy and supportive of Canadian businesses.

“

We are pleased to report that we have reached alignment on the critical issues...[and] that we are now able to move to the evaluation stage...

— **Stephen Diamond** Chair, Waterfront Toronto Board of Directors (*Open Letter, October 31, 2019*)

Resolution of Threshold Issues

Erik Cunningham Director, Development

Kristina Verner VP, Innovation, Sustainability & Prosperity

Issue

Project Boundaries

Sidewalk Labs (SWL) proposed
190-acres “IDEA District”

Realignment

- 12-acre area at Quayside
- Opportunity to expand
- Competitive procurement processes

Issue

Public Administrators

MIDP proposed new public administrators with management entities:

- Open Space Alliance
- Urban Data Trust
- Waterfront Housing Trust
- Waterfront Sustainability Association
- Waterfront Transportation Management Association

Realignment

- Future innovations in Quayside will be subject to existing public bodies and governments, with task forces to address approval issues.

Issue

Transit

MIDP proposed transit to the eastern waterfront as a “must have” condition

Realignment

- WT to support and advocate for public transit
- No liability for WT
- SWL has until Dec 31, 2020 to be satisfied with prospects for transit

Issue

Development Role

MIDP proposed SWL as lead
“vertical developer”

Realignment

- WT will competitively procure development team(s), with SWL’s support, to partner with SWL

Issue

Digital Protections & Privacy

Details required for data use and collection to understand and verify compliance with Canadian law

Realignment

- Conform with all existing and future legislation and regulations
- Personal data collected in Quayside to be stored in Canada
- Term "urban data" and the Urban Data Trust removed
- Comply with WT Digital Principles & Guidelines
- Digital Innovation Appendix published on November 15

Other

Roles and Responsibilities

SWL proposed roles for themselves regarding the design and implementation of infrastructure as well as advisory services related to innovation planning and design.

Realignment

- Municipal Infrastructure – Waterfront Toronto will lead planning, design, delivery, and funding.
- Advanced Infrastructure – Sidewalk Labs will lead implementation in accordance with the Innovation Plan, subject to WT review and approval.

Other

Land Value

Need alignment on the valuation of Quayside Lands

Alignment

- WT land valuation begins with fair market value at the time of sale or lease
- Current fair market value for Quayside is \$590 million, assuming fully serviced land

Other

Ecosystem Development

Though SWL made both funding and Intellectual Property (IP) commitments, it was unclear on whether these would effectively meet WT's ecosystem development objectives.

Alignment

- SWL's contribution will invest in local startups focused on urban innovation with significant Canadian participation in the investment decisions.
- A business plan for the Urban Innovation Institute will be prepared by WT and SWL, and will not create a financial burden on the public sector.

Other

Intellectual Property/Data Ownership

Alignment

- Global patent pledge allows innovators to have the right to use Sidewalk Labs' Canadian and foreign patents without fear of patent assertion.
- Revenue share on IP from testbed-enabled hardware and software based on percentage of revenues, rather than profits.
- Confirmed Waterfront Toronto's licensing rights to site specific IP developed thus far.

Other

Waterfront Toronto Investments

Need to understand trade-offs associated with WT public policy objectives

Alignment

- Investments could be made to support WT's objectives, including in affordable housing, sustainability and innovation as outlined in the RFP
- WT will continue to work with governments and others to secure funds in support of WT priority outcomes and the Innovation Plan

Next Steps for Evaluation Process

What is being evaluated?

Based on the October 31, 2019 realignment, Waterfront Toronto is evaluating a subset of the ideas put forward by Sidewalk Labs in the Draft MIDP. This means that:



Volume 1 (The Plans) Only proposals that are focused on the 12 acres of Quayside will be evaluated;

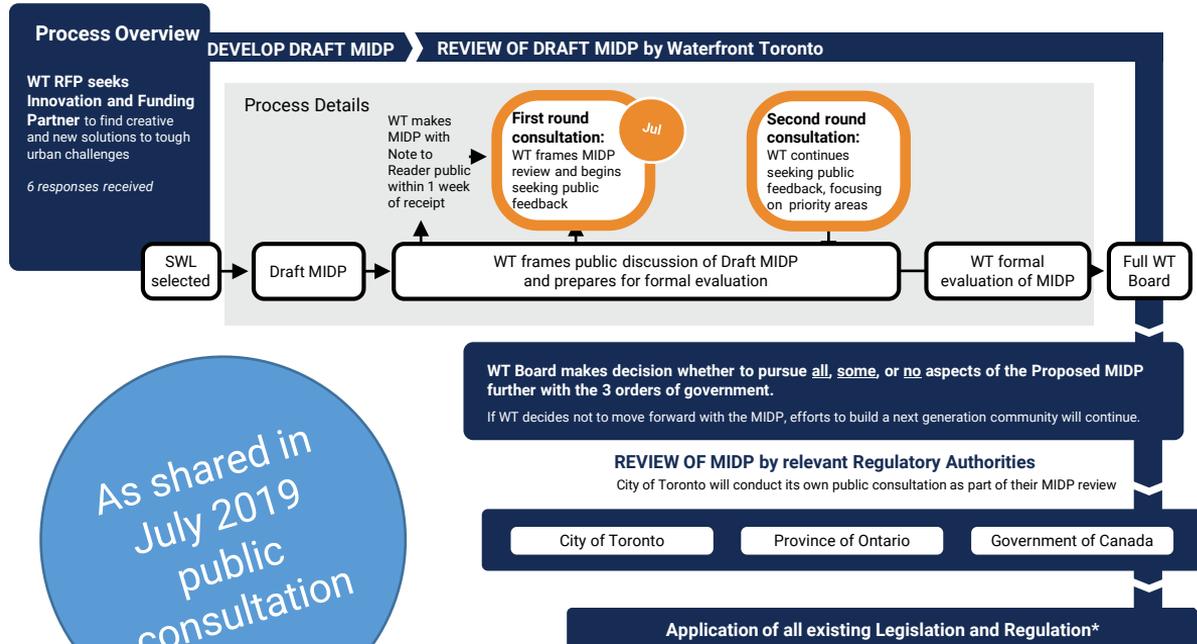


Volume 2 (The Urban Innovations) The innovations will only be evaluated in terms of how they perform against Waterfront Toronto's objectives when implemented at the 12 acres of Quayside. Sidewalk Labs has also submitted a Digital Innovation Appendix, which elaborates on the digital elements of the proposals; and



Volume 3 (The Partnership) The bulk of the material is no longer applicable and will not be evaluated. Certain priorities remain, such as the Venture Capital Fund and the Urban Innovation Institute. Commercial terms, including funding obligations, roles and responsibilities, regulatory compliance and approval, will be addressed through new documents created by WT.

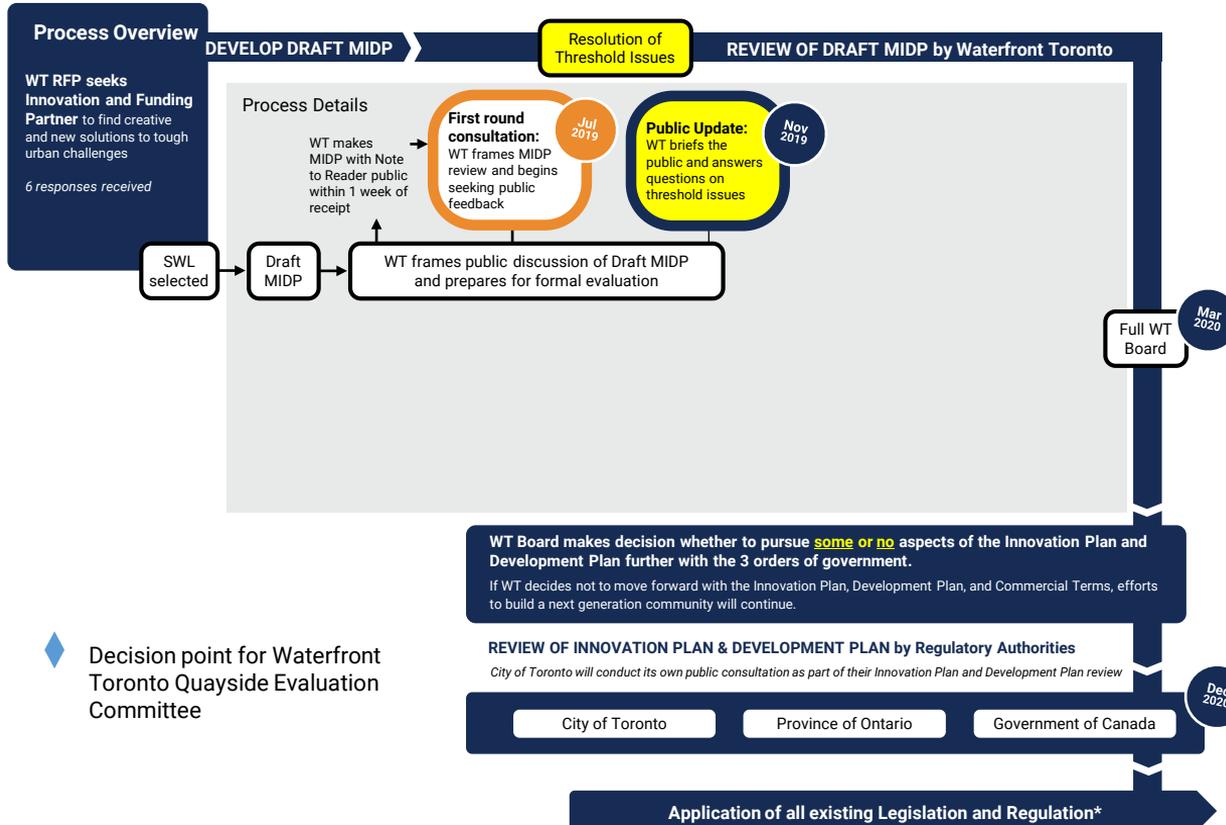
Process Overview



As shared in July 2019 public consultation

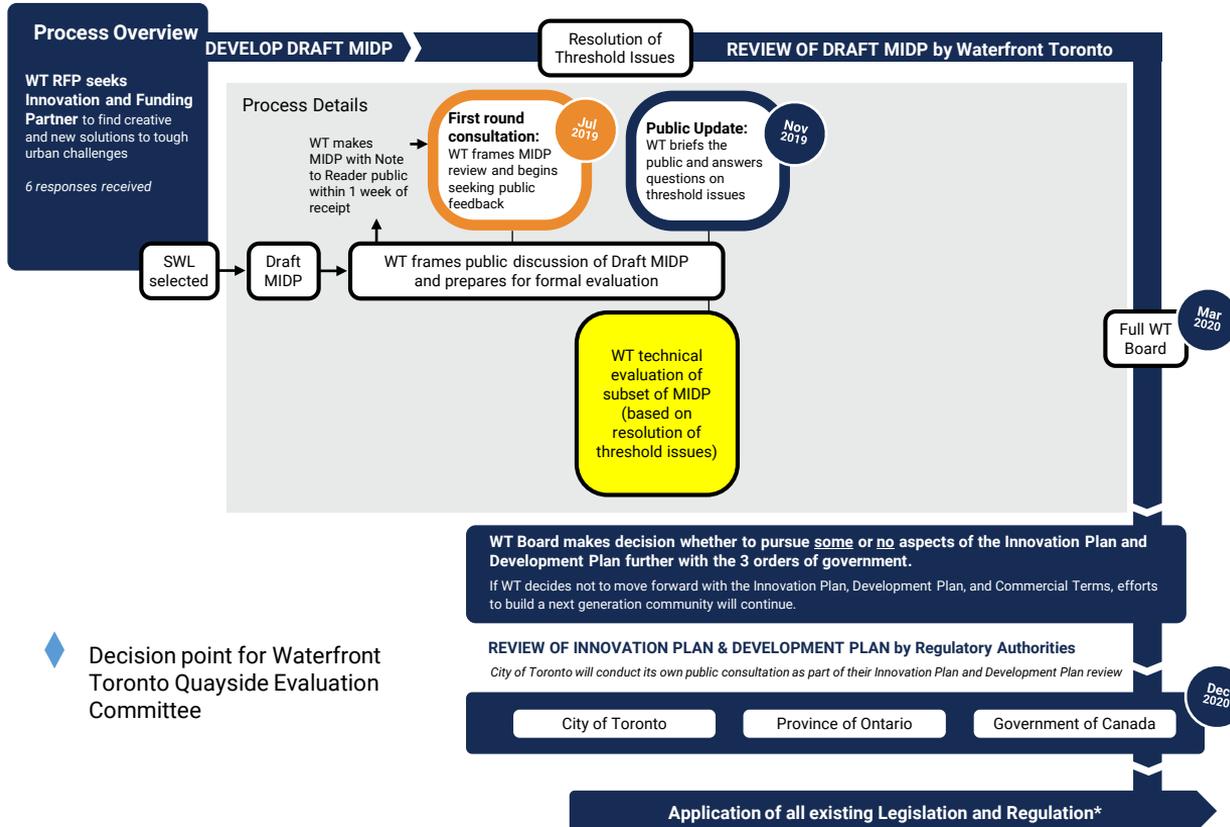
*Including Development Applications, Building Codes, Environmental Assessments, etc. governed by the appropriate levels of government and informed by public consultation.

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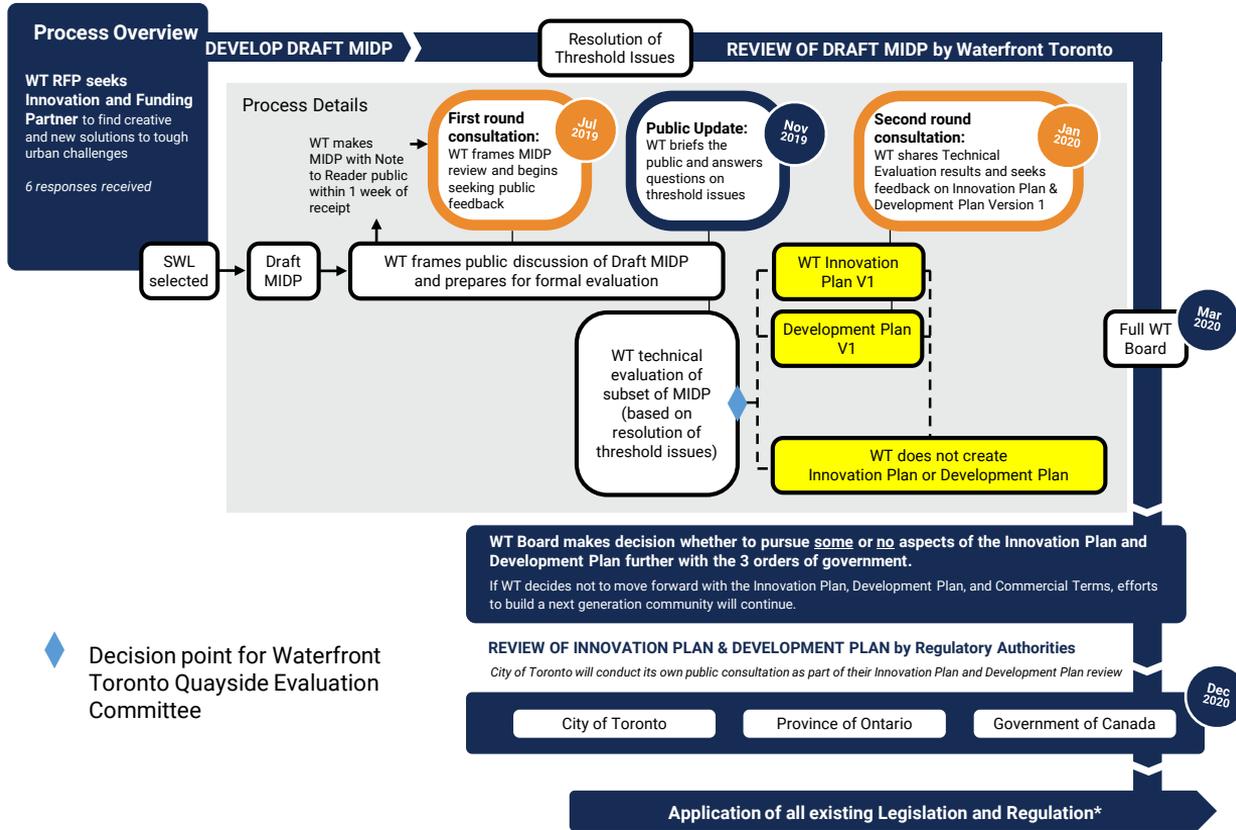
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◆ Decision point for Waterfront Toronto Quayside Evaluation Committee

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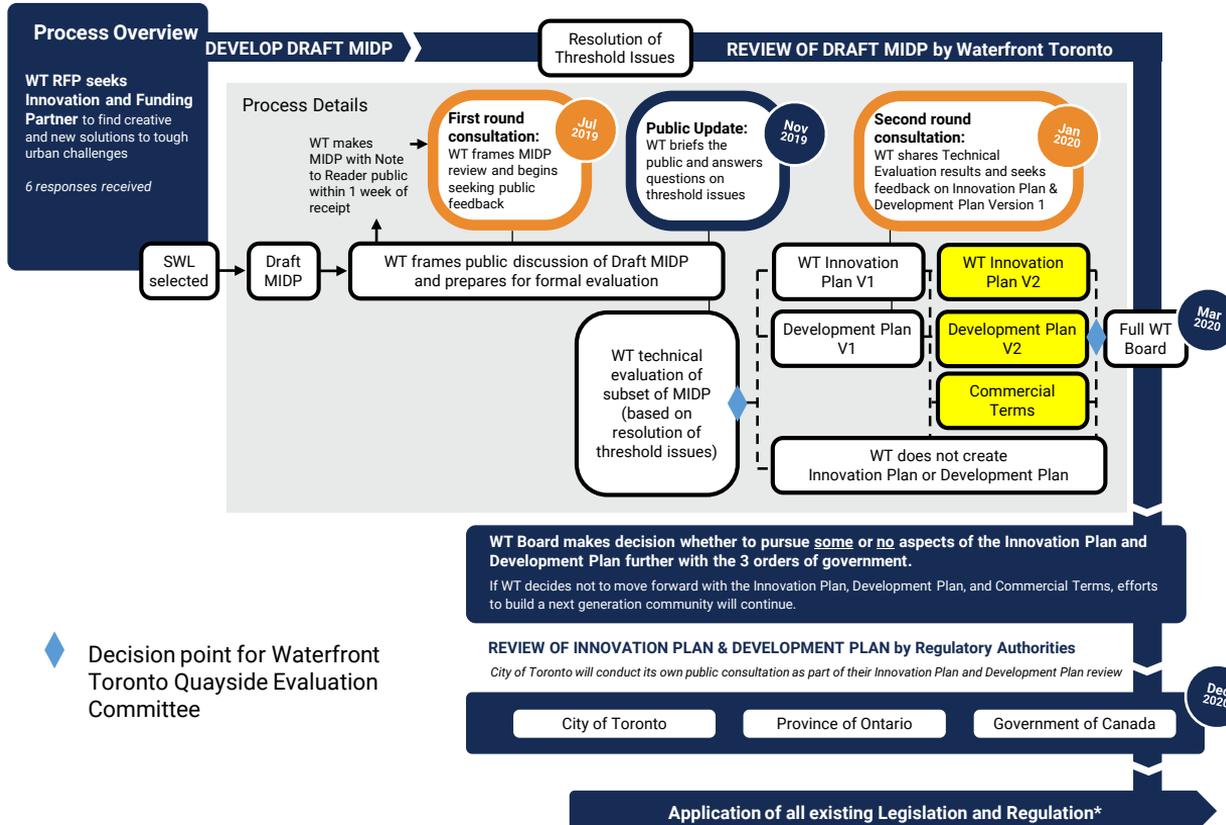
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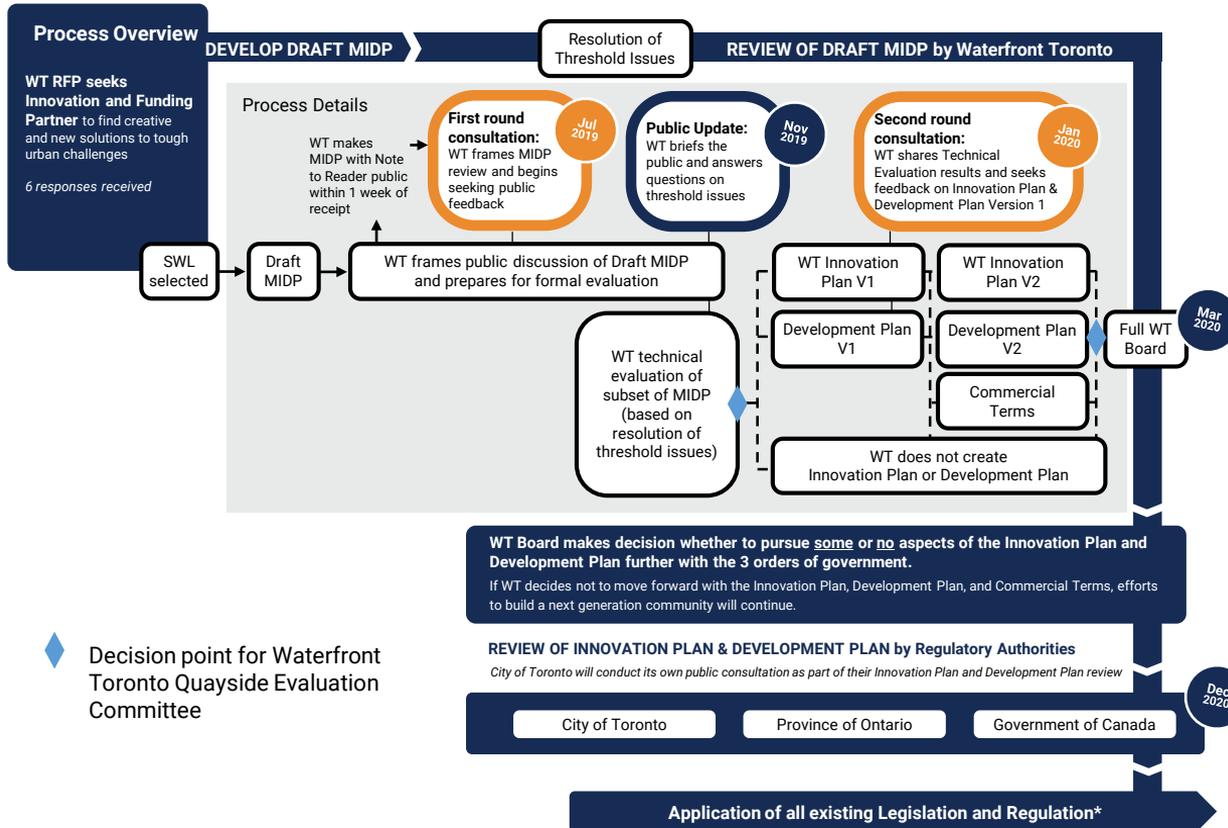
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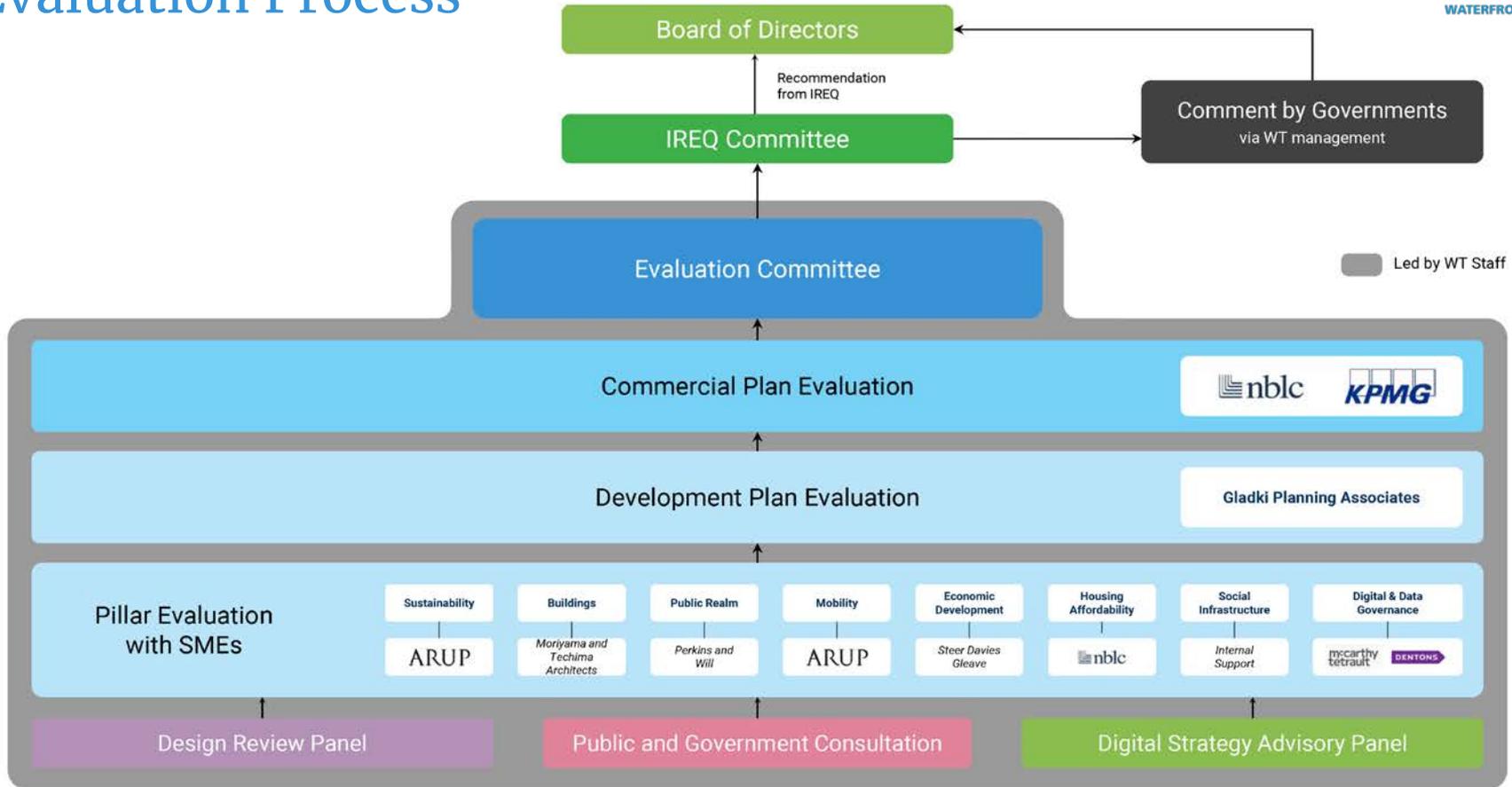
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Evaluation Process



Evaluation Criteria – Priority Outcomes



From our list of Goals and Objectives, we have identified five overarching Priority Outcomes:



➤ Job Creation and Economic Development



➤ Sustainability and Climate Positive Development



➤ Housing Affordability



➤ New Mobility

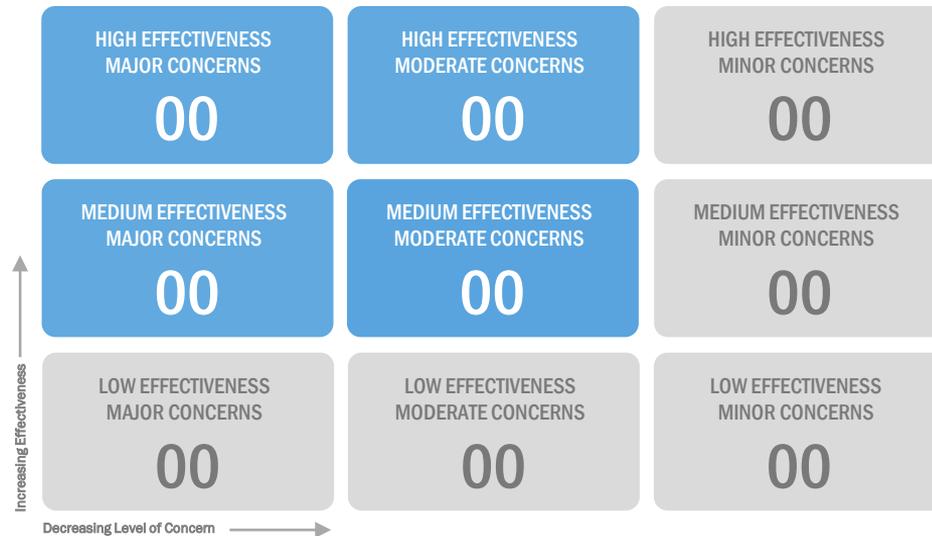
➤ Urban Innovation

Robust Data Privacy and Digital Governance are central to success
and to the realization of all Goals and Objectives

Sustainability - Evaluation Dashboard

Sustainability	Mobility	Public Realm	Buildings
Housing	Economic Development	Social Infrastructure	Digital Governance

1.1	Climate Positive	☆☆☆
1.2	Exemplary Green Building Standards	☆☆☆
1.3	Sustainable Mobility	☆☆☆
1.4	Affordable Utilities	☆☆☆
1.5	Circular Economy	☆☆☆
1.6	Resilient Infrastructure	☆☆☆



Notes:

- Highlight key viability concerns or overall impressions, with additional context around the proposal, our overall evaluation and specific highlights/issues.
- Indicate any WT objectives that have not been addressed by the proposal.
- Indicate how many (if any) solutions are not aligned with our objectives.

DRAFT

What is the Innovation Plan?



The Innovation Plan is the document that would set out the proposed innovations to achieve the objectives that Waterfront Toronto has established for Quayside.

How will this plan come together?

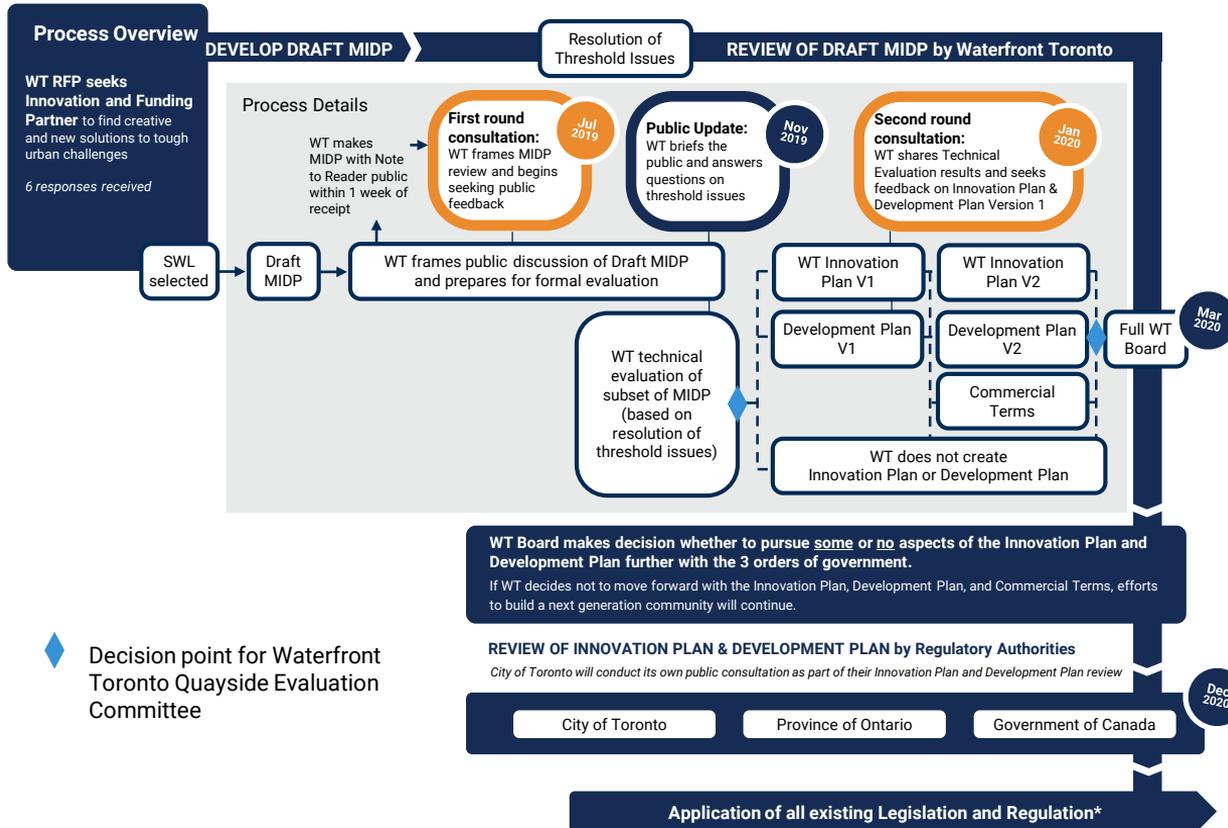
- A first draft of the Innovation Plan will emerge from our Technical Evaluation.
- Those proposals that meet our project objectives would form the first draft of the Innovation Plan for Quayside.
- Feedback from our second round of consultations, as well as expert input including from our Digital Strategy Advisory Panel, will inform refinements as we work with Sidewalk Labs to address unanswered questions, risks, and roles and responsibilities, etc.

Potential Staff Recommendation to Board of Directors



1. Innovation Plan	<p>Innovation Plan will be an output from the Technical Evaluation – informed by both public consultation and expert input – that sets out the innovations for the Quayside project that are required to achieve Waterfront Toronto’s priority outcomes.</p>
2. Development Plan	<p>Development Plan for Quayside will reflect feedback from Waterfront Toronto, including public and expert input.</p>
3. Commercial Terms	<p>The high-level legal structure under which the detailed Implementation Agreements would be negotiated. This structure would include agreement on commercial terms which will be informed by the resolution of the threshold issues, the evaluation, and public and expert engagement.</p>

Process Overview



◆ Decision point for Waterfront Toronto Quayside Evaluation Committee

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City of Toronto Digital Infrastructure Plan

- City is developing a Digital Infrastructure Plan
 - Will guide City response to “Smart City” proposals, including Quayside
- October: City of Toronto joined Cities Coalition for Digital Rights (citiesfordigitalrights.org)
- December: Public Consultation meetings on draft Digital Infrastructure Plan principles
- January 2020: Report to Executive Committee - principles, existing policies, emerging issues, initial consultation results

City of Toronto Digital Infrastructure Plan - Consultations

- December 7, 2019 - McGregor Park Community Centre (2231 Lawrence Ave E.), 10 a.m. - 12:30 p.m.
- December 9, 2019 - Toronto City Hall, Council Chamber (100 Queen St W.), 6:30 - 9 p.m.
Consultation will be livestreamed at youtube.com/thecityoftoronto
- December 12, 2019 - North York Central Library (5120 Yonge St), 1:30 - 4 p.m.
- Web Site: toronto.ca/connectedcommunity
- Email: digitalfeedback@toronto.ca



Quayside

- City staff reported on process that will be used to review Quayside proposals in June 2019 (EX 6.1)
- Digital Infrastructure Plan will be an input for this review
- In addition:
 - Spring 2020: City consultation on Quayside proposals and Waterfront Toronto Board decision
 - Summer 2020: City staff report to Executive Committee on Quayside proposals and Waterfront Toronto Board decision

Participant Discussion + Question Period

1. Identify participant questions in small group discussion (30 min.)
2. Response to participant questions from small group discussion (45 min.)
3. Identify and answer questions in open-plenary (40 min.)

Wrap Up + Next Steps

Nicole Swerhun Swerhun Inc.



a waterfront for everyone

