

August 8, 2012

Port Lands Acceleration Initiative

Background:

- Last September City Council directed Waterfront Toronto, the City and TRCA to create a business and implementation plan for the Port Lands, that would:
 - Explore opportunities to accelerate Port Lands development while building on the large body of work produced to date on the Port Lands and Lower Don Lands
 - Examine further the options for the Don Mouth Naturalization and Port Lands Flood Protection Environmental Assessment within the EA's terms of reference
 - Ensure the process was shaped by extensive public and stakeholder consultation
 - Explore opportunities to increase private sector investment

Process:

- The Port Lands Acceleration Initiative has been a comprehensive process that has:
 - Included retaining expert advisors in real estate development, planning, design, construction and estimating
 - Determined infrastructure, geological and environmental requirements, constraints and costs
 - Revisited flood protection requirements
 - Established potential cost saving and phasing opportunities to allow for earlier development at a lower initial cost
 - Included more than a dozen public and stakeholder meetings, interviews with developers, financiers and contractors and Councillor briefings

Key outcomes – overview:

- The Port Lands area-wide work sets the direction as we move forward. The work to date includes:
 - A preliminary open space network, which includes green corridors that connect the city to the lake and integrates the proposed new river into that broader network
 - A phased mobility strategy that includes streets, transit, biking and walking
 - A development phasing strategy, based on input from the business plan
- Phasing is the only way to practically develop the Port Lands. The area is vast and it is a high cost site to develop – more so than other parts of the City. It will likely take many years to build out the area

- The area was created as an industrial district by lake fill decades ago and is a brownfield site, in a flood zone that has poor ground conditions for building
- It lacks development enabling infrastructure such as roads and services and it is poorly tied to the rest of the City
- Overall infrastructure costs to develop the Port Lands north of the shipping channel is estimated to be in the range of \$1.9 billion in 2012 dollars
- Following an extensive analysis and an in-depth public consultation process, the Port Lands Acceleration Initiative has made redevelopment of the Port Lands more achievable by:
 - Creating a peer reviewed financial analysis that demonstrates that there is a business case for redeveloping the Port Lands
 - Revitalization is possible, but there are some challenges
 - The consultant's modeling has found that the net present value of developing the Port Lands is nearing the breakeven point
 - The challenge will be to connect costs with revenues within the development program
 - Confirming that the Port Lands are a major long-term employment and residential growth area for downtown
 - Identifying alternative ways to help fund redevelopment and minimize public sector funding
 - Through minor modifications to the flood protection strategy for the Lower Don Lands reduce the cost and allow for phased implementation so that the cost of flood protection can be borne incrementally

Flood protection, phasing and financing:

- Key findings confirm that the basic flood protection and naturalization strategy developed by Michael Van Valkenburgh Associates is the right direction for the Port Lands. Through the Port Lands Acceleration Initiative opportunities to make it more attainable have been identified:
 - A realigned version of the EA preferred alternative (4WS) for flood protection and re-naturalization remains the best approach to flood protection from development, construction, city building and financial perspectives
 - By modifying the design we have brought costs down, while maintaining many of the benefits of the original proposal
 - Equally as important, we have determined a way to phase its implementation
 - Phasing will allow development in some areas that could potentially help pay for the building of the river
- The realigned plan makes the flood protection more efficient and makes the development parcels more rational
- The realigned flood protection plan also addresses concerns raised during the EA comment period with respect to the original plan's promontories and the need to phase construction to maintain the operation of the Lafarge slip for the foreseeable future.
- These modifications were expected and would have occurred within the normal course of finalizing the EA

- An area comparison of the original flood protection plan with the realigned flood protection plan is as follows:

4ws original:	4ws realigned:
Total Area: 84.7 ha	Total Area: 80.6 ha
Park: 14.4 ha	Park: 10.8 ha
Floodplain: 29.3 ha	Floodplain: 23.1 ha
Road ROW: 4.8 ha	Road ROW: 5.1 ha
Development: 36.2 ha	Development: 41.6 ha

- The realigned plan enables cost savings of about \$130 million, achieved through:
 - Removal of the promontories: \$33.5 million
 - Elimination of bridges and utilidors: \$36.5 million
 - Simplified construction detailing: \$43.5 million
 - Reduced floodplain: \$10 million
 - Use of the Lafarge slip: \$7.5 million
- Required public sector investment can be minimized by utilizing available mechanisms to secure private sector contributions for municipal infrastructure and public amenities:
 - City-wide development charges, local improvement charges, area rate (property tax surcharges) and transit funding options should all be considered and explored for redeveloping the Port Lands
 - A public/private sector partnership model is required to accelerate revitalization
 - Key to that will be land owner groups, as part of the precinct planning to establish and negotiate private sector funding and financing for development enabling infrastructure
- Throughout phasing, the vast majority of existing Port Lands users can continue to go about their business; we recognize how important so many of those uses are to the functioning of our city
- The Port Lands will take many decades to develop. We have reserved spaces for potential transformational uses, in order to ensure future opportunities that may be difficult to anticipate today, can be fulfilled

Next steps:

- The final public consultation meeting takes place Wednesday August 8, 6:30p.m. to 9:00 p.m. at the Toronto Reference Library. Information about the meeting, or to join the webcast, visit: www.portlandsconsultation.ca
- Findings from the Port Lands Acceleration Initiative will be reported to the City's Executive Committee at its meeting on Monday September 10, 2012

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