

2012/13

# Waterfront Toronto Annual Corporate Plan



## **Introduction**

In accordance with the Toronto Waterfront Revitalization Corporation Act, 2002 (TWRC Act), Waterfront Toronto (the Corporation) is required to prepare an annual business plan. Waterfront Toronto's 2012/13 plan is a subset of its 5 year Strategic Business Plan approved in 2011/12. The key elements of the Corporation's 2012/13 Annual Corporate Plan include:

- Major Deliverables
- Budget
- Business Development Initiatives
- Governance
- Risks and Challenges
- Appendices

The Annual Corporate Plan ensures the Corporation aligns its resources to meet project and corporate objectives, and manages and mitigates risks associated with delivery and implementation.

## **Major Deliverables**

Waterfront Toronto will continue to design, develop and construct significant projects within the four precincts in accordance with the Corporation's Strategic Business Plan. Strategies to support the achievement of the key deliverables include execution of funding agreements, timely contract commitments, and implementation of program and risk management practices.

The following is a list of key precinct and corporate deliverables for the 2012/13 fiscal year.

### ***East Bayfront***

Key deliverables for East Bayfront:

- Complete construction of George Brown College campus parking facilities, local streets and public realm which will assist with the College's campus opening in September 2012;
- Complete engineering design of Bayside;
- Draft plan approval for the Bayside Plan of Subdivision;
- Complete engineering design and commence construction of Bayside local streets;
- Extend hydro services from Dockside to Bayside; and
- Commence construction of Bayside dockwall reinforcement and water's edge promenade.

### ***West Don Lands***

Key deliverables for West Don Lands:

- Complete construction of storm water outfall tunnel and shafts;
- Commence construction of storm water treatment facility;
- Complete construction of two signature parks - Don River Park & Underpass Park; and
- Continue to work with Infrastructure Ontario in delivery of the Pan American Games athletes' village.

### ***Central Waterfront***

Key deliverables for Central Waterfront:

- Complete construction of York Quay parking structure;
- Commence construction of Queens Quay Boulevard and complete early utility works; and
- Commence construction of Portland Slip promenade.

### ***Port Lands***

Key deliverables for Port Lands:

- Produce an overall concept plan for the Port Lands that optimizes the net economic value and identifies financing opportunities for an accelerated development schedule;
- Re-examine the Lower Don Lands Environmental Assessment (EA) identifying any value improvement options for the river configuration within the terms of reference; and
- Deliver on a robust public consultation process with a broad range of stakeholders.

### ***Other Projects***

Key deliverables for Other Projects:

- Provide funding and financial oversight to complete the shoring and excavation work for Union Station Second Platform; and
- Complete construction of Mimico Waterfront Park and Port Union Waterfront Park.

### ***Corporate***

Key Corporate deliverables include:

- Develop an online corporate sustainability report;
- Develop key performance indicator and dashboard reporting through internal SharePoint portal; and
- Expanding Waterfront Toronto's social media presence and audience interaction with waterfront revitalization.

## Budget

The 2012/13 capital investment budget of \$138M (including \$12.4M for corporate costs) is presented below by precinct, funded from government contribution agreements.

### *Waterfront Toronto 2012/13 Annual Corporate Plan (in \$millions)*

Projects	Long Term Capital Investment			
	Estimated Investment to March 31, 2012	Planned Investment 2012/13	Balance of Capital Investment	Total Capital Investment
East Bayfront	\$241.1	\$33.9	\$333.7	\$608.7
West Don Lands	150.2	21.9	10.9	183.0
Central Waterfront	116.6	33.5	71.3	221.4
Port Lands	82.2	1.5	6.0	89.7
Other <sup>1</sup>	229.3	45.5	68.8	343.6
<b>Waterfront Toronto Total</b>	<b>\$819.4</b>	<b>\$136.3</b>	<b>\$490.7</b>	<b>\$1,446.4</b>
Non Waterfront Toronto Directed <sup>2</sup>	314.6	1.7	69.3	385.6
<b>Total Long Term Plan</b>	<b>\$1,134.0</b>	<b>\$138.0</b>	<b>\$560.0</b>	<b>\$1,832.0</b>

Capital investments for 2012/13 and total amounts are based on 2011/16 Long Term Plan.

Included in the above 2012/13 expenditures are the allocation of corporate costs by precinct, as follows:

### *Allocation of 2012/13 Corporate Costs to Precincts (in \$millions)*

	East Bayfront	West Don Lands	Central Waterfront	Port Lands	Other	Total
Salaries and benefits	\$3.0	\$2.5	\$3.4	\$0.5	\$0.4	\$9.8
General and office administration	0.4	0.3	0.4	0.1	0.1	1.3
Communication, marketing and government relations	0.2	0.2	0.3	0.1	-	0.8
Information technology	0.2	0.1	0.2	-	-	0.5
<b>Total corporate costs</b>	<b>3.8</b>	<b>3.1</b>	<b>4.3</b>	<b>0.7</b>	<b>0.5</b>	<b>12.4</b>
<b>Direct project costs</b>	<b>30.1</b>	<b>18.8</b>	<b>29.2</b>	<b>0.8</b>	<b>45.0</b>	<b>123.9</b>
<b>Waterfront Toronto Total</b>	<b>\$33.9</b>	<b>\$21.9</b>	<b>\$33.5</b>	<b>\$1.5</b>	<b>\$45.5</b>	<b>\$136.3</b>

The 2012/13 corporate costs budget of \$12.4M is 4% lower than the 2011/12 budget as a result of Waterfront Toronto's austerity program.

<sup>1</sup> Includes waterfront wide initiatives such as District Energy, Union Station Second Platform, Mimico Waterfront Park and Port Union Waterfront Park.

<sup>2</sup> Non Waterfront Toronto directed programs are waterfront revitalization projects funded from the Corporation's \$1.5 billion government seed capital but funding for which is flowed directly to other government agencies. For example, West Don Lands' Flood Protection, Go Transit Expansion, Union Pearson Link, Fort York Pedestrian bridge and government waterfront secretariat costs.

## **Business Development Initiatives**

In 2012/13 Waterfront Toronto will lay the foundation for a number of business development initiatives which will be required to support implementation of Waterfront Toronto's Strategic Business Plan in future years.

### ***Business Implementation Plan - Port Lands***

At the direction of the City of Toronto, Waterfront Toronto has expanded its analysis of the Lower Don Lands to include all of the Port Lands. The Corporation, in partnership with the City of Toronto, Toronto Region Conservation Authority and other stakeholder partners, will be developing a "Business Implementation Plan" to strategically outline how to revitalize the Port Lands under an accelerated schedule. This includes engagement of subject matter experts to formulate estimates for the size, type and ratio of the development mix, costs for infrastructure, and phasing opportunities to allow financing and investments from the public and private sectors. An investigation of near term opportunities will be considered and included as part of the alternatives. Waterfront Toronto will examine the viability of financing alternatives and other innovative tools to accelerate required infrastructure and flood related investments in the Port Lands. In addition, Waterfront Toronto will continue to engage key stakeholders through a robust consultation process to ensure that major concerns and issues are resolved in the proposed alternatives and options for acceleration.

Waterfront Toronto will seek support from all orders of government and their associated agencies to leverage the opportunity to develop and implement various types of financing tools. Moreover, the Corporation will engage experts in the field who have successfully worked on implementing tax increment and other financing tools used elsewhere.

### ***Revenue Initiatives***

With the majority of committed government funding already deployed, Waterfront Toronto's reliance on land sales and other revenues becomes more critical to the organization's ability to successfully deliver its mandate. The reinvestment of land proceeds associated with East Bayfront and the Port Lands have been committed by the City of Toronto and Toronto Economic Development Corporation and are evidenced by a signed Memorandum of Understanding. In addition, Waterfront Toronto will also develop similar agreements with the City and Province of Ontario to secure additional contributions for special purposes such as (but not limited to), public art, parks dedication and new land parcels. Waterfront Toronto will continue to research other revenue opportunities with a view to expediting and enhancing Waterfront Toronto's long term capital program.

The Corporation will identify other opportunities to increase revenues such as:

- Completing a feasibility study to assess sensitivities to potential changes in density, development mix and the percentage of affordable housing units and the merits of each. Waterfront Toronto will develop a preliminary plan to identify whether any of these options can be successfully implemented.
- Investigating signage, sponsorship and naming rights revenue opportunities.

## **Governance**

Waterfront Toronto requires enhanced governance powers to deliver on its mandate in the most effective and efficient manner. Waterfront Toronto's current Long Term Plan, as negotiated with all orders of government requires the ability to borrow to deliver key precinct objectives.

Moreover, in order for Waterfront Toronto to be able to implement the next phase of its business plan and with the Port Lands accelerated revitalization objective in mind, broader governance authorities will be required including the ability to enter into joint venture business arrangements through real estate subsidiaries for potential development transactions, to borrow, mortgage, and earn revenue. Waterfront Toronto will also require a variety of financing tools to facilitate the implementation of the broader revitalization vision, most notably Tax Increment Financing.

Waterfront Toronto continues to work with the three orders of government to ensure the implementation of enhanced governance through a change in regulation to the TWRC Act.

### ***Role of Future Federal Government Involvement***

Despite the federal government's funding sunset (fully funded) date of March 31, 2012, their continued involvement in the waterfront revitalization initiative, namely from a policy perspective, is essential in order to allow Waterfront Toronto to effectively and efficiently deliver on its mandate. Given the tri-partite framework of the waterfront revitalization initiative, it is critical to have ongoing federal involvement, including federal representation on the Waterfront Toronto Board, to ensure that the interests and priorities of all orders of government are maintained. There continue to be important areas that require a strong federal role in waterfront revitalization. These include regulating and legislative approvals and financing models and tools.

## **Risks and Challenges**

### ***Funding Risk***

One of the challenges associated with delivering projects on a timely and efficient basis is the impact of funding. Approved funding is assumed to be in place for achievement of key deliverables. Moreover, in later years, Waterfront Toronto will need to borrow to complete the projects as per the Long Term Plan. The Corporation will be focusing on revenue management and establishing a sufficient reserve to mitigate situations that are impacted by funding risks.

### ***Approval Risk***

Approval risk may impact Waterfront Toronto's ability to deliver its objectives due to delays in approvals from the various orders of government and their agencies. Waterfront Toronto will need to continue to monitor or consider actions that may mitigate this risk. For example, Ministry of the Environment or municipal development approvals are expected to be obtained as per the project schedule. Delays could impact project completion timing.

***Construction Risk***

Budget and schedule risks related to cost overruns or project scheduling changes resulting in a variance to the required work may impact Waterfront Toronto's ability to deliver and complete projects as planned. Program management of the budget, schedule, forecast and scope will assist in minimizing the impact of cost overruns or schedule risks.