



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.

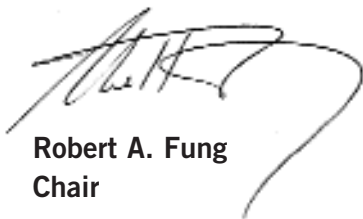
The challenge of revitalization requires action on some tough decisions. The history of inaction on Toronto's waterfront is rooted in inter-governmental gridlock. Ironically, this gridlock has preserved a huge tract of land for regeneration.

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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t a b l e o f



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.

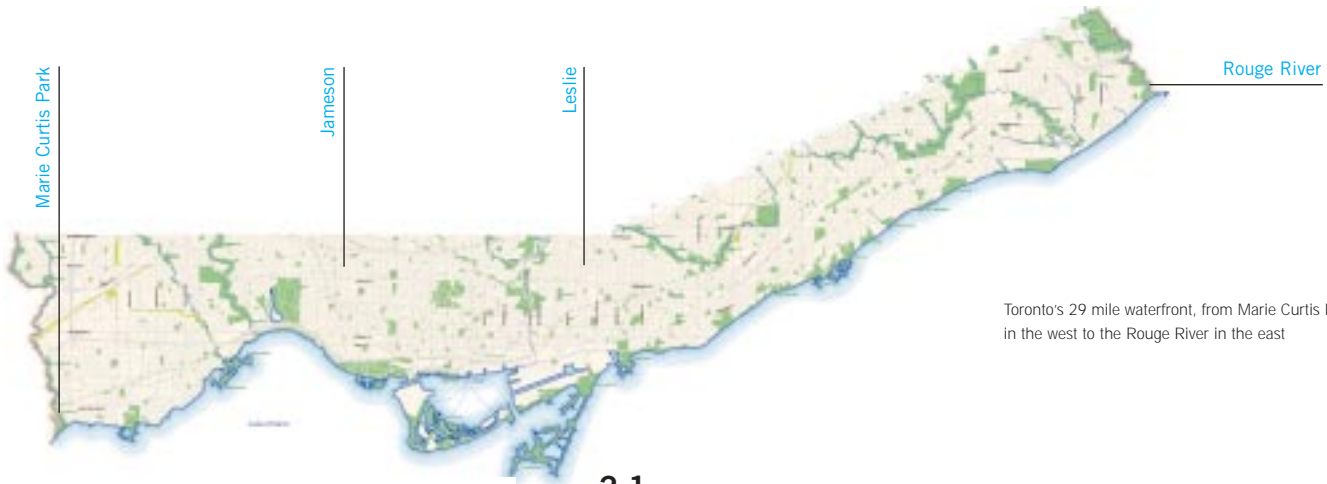


Cape Town: retail and entertainment in an operating port



Darling Harbour, Sydney

2. TORONTO'S WATERFRONT TODAY



Toronto's 29 mile waterfront, from Marie Curtis Park in the west to the Rouge River in the east

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.

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



Central Waterfront



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.

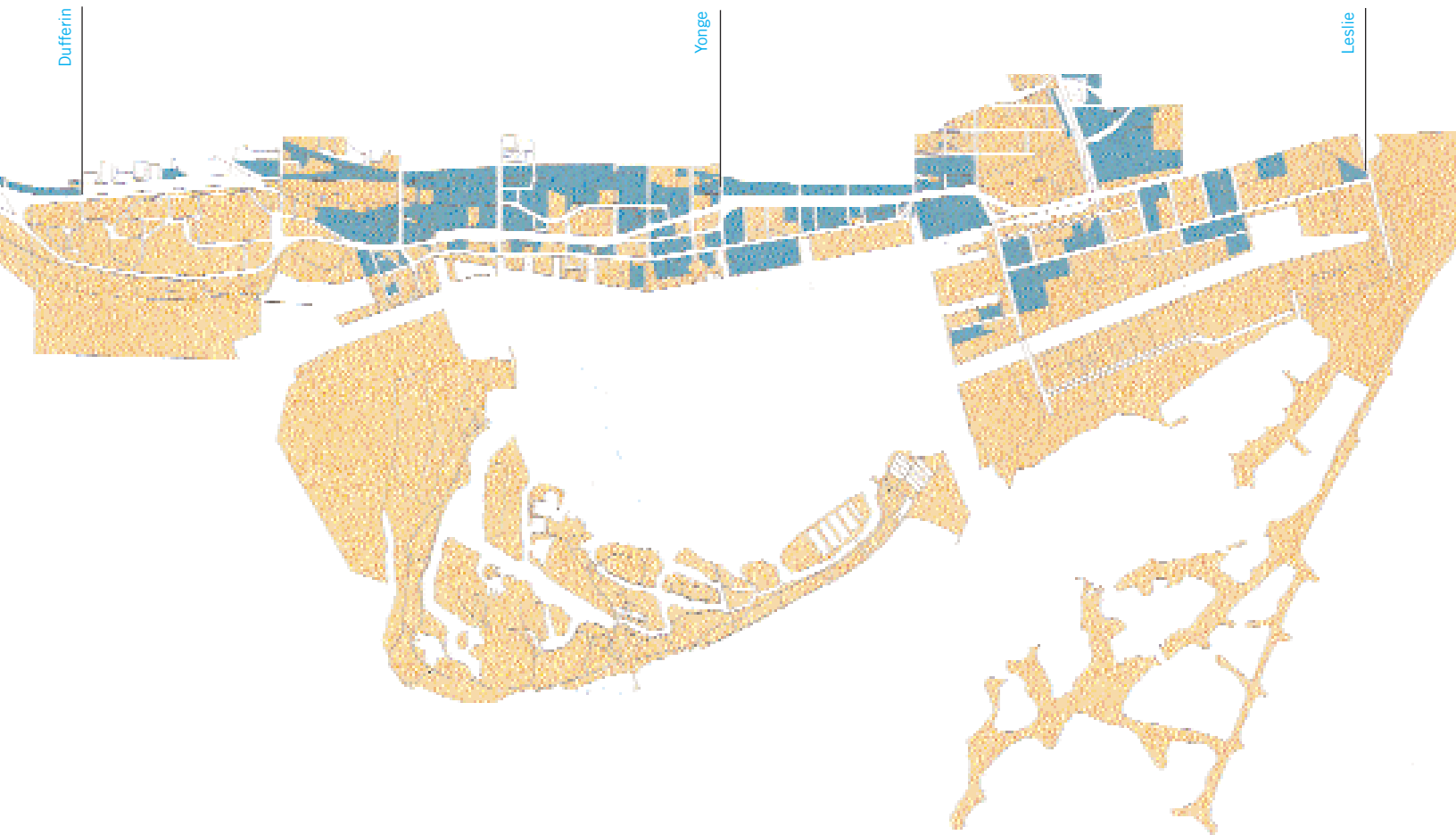
First, the overall size of lands that are in need of revitalization is unusually large. Perhaps only the London Docklands had greater areas of vacancy and dereliction, when the British Government began their renewal in the 1980’s. By and large, the redevelopment areas of great cities, such as New York’s 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.

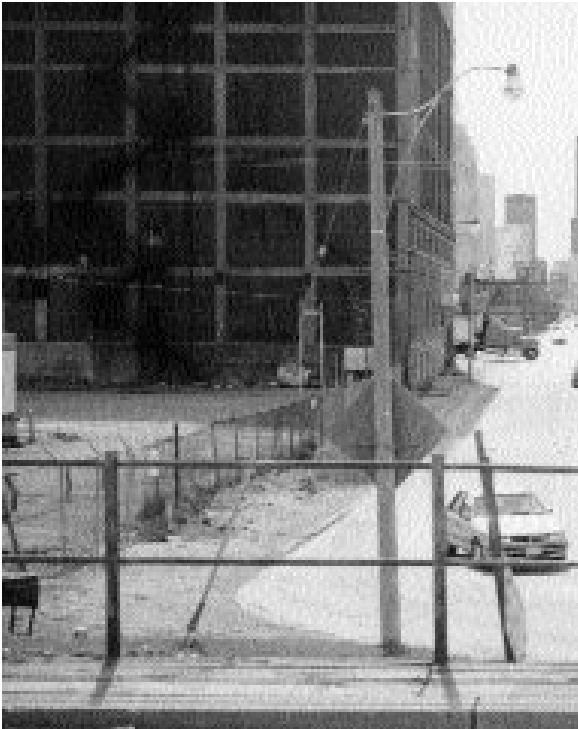
2.3 WHY RENEWAL HAS NOT OCCURRED

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

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

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.

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

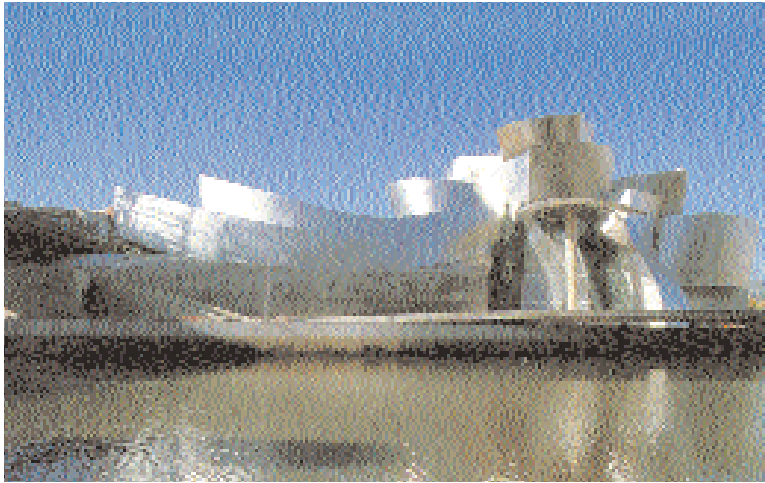
Waterfront revitalization projects elsewhere reflect the increasing

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 incognita. 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