

**FROM RHETORIC TO REALITY: TRANSFORMING TORONTO'S WATERFRONT**

**An Evaluation of the Toronto Waterfront Revitalization Corporation**

**by**

**Stephanie M. Stasyna**

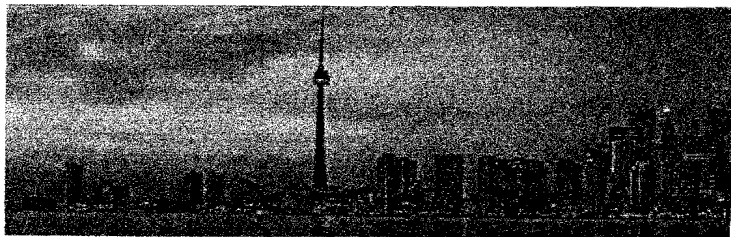
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***From Rhetoric to Reality: Transforming Toronto's Waterfront***

**FROM RHETORIC TO REALITY: TRANSFORMING TORONTO'S WATERFRONT**  
**Executive Summary**

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The plans to redevelop Toronto's waterfront are enticing and may stimulate this city's rejuvenation. The idea of revitalization was linked to Toronto's bid for the 2008 Olympic Games with much fanfare. A development corporation, complete with independent powers and strong financial backing, was seen as the means for achieving this vision. Unfortunately, the loss of Toronto's Olympic bid has slowed the momentum of this project (Figure A).

The Toronto Waterfront Revitalization Corporation (TWRC) was created with an interim status in November 2001 and granted full legislative approval in December 2002. The *Development Plan and Business Strategy* (Development Plan) was released in October 2002, outlining both the design and financial goals of the Corporation. This report reviews the legislative structure of the TWRC as well as its plans for the start-up phase of this initiative. The start-up phase represents the first six to eight years of the project, as measured through the time between the first political announcement and the approval of the development plan. The end of the start-up phase is intentionally not linked to the first groundbreaking ceremony in order to provide some separation from the real estate cycle. Since TWRC's Development Plan has yet to receive approval from the provincial and federal levels of government, this analysis reflects Toronto's actions to date rather than an examination of the entire start-up phase.

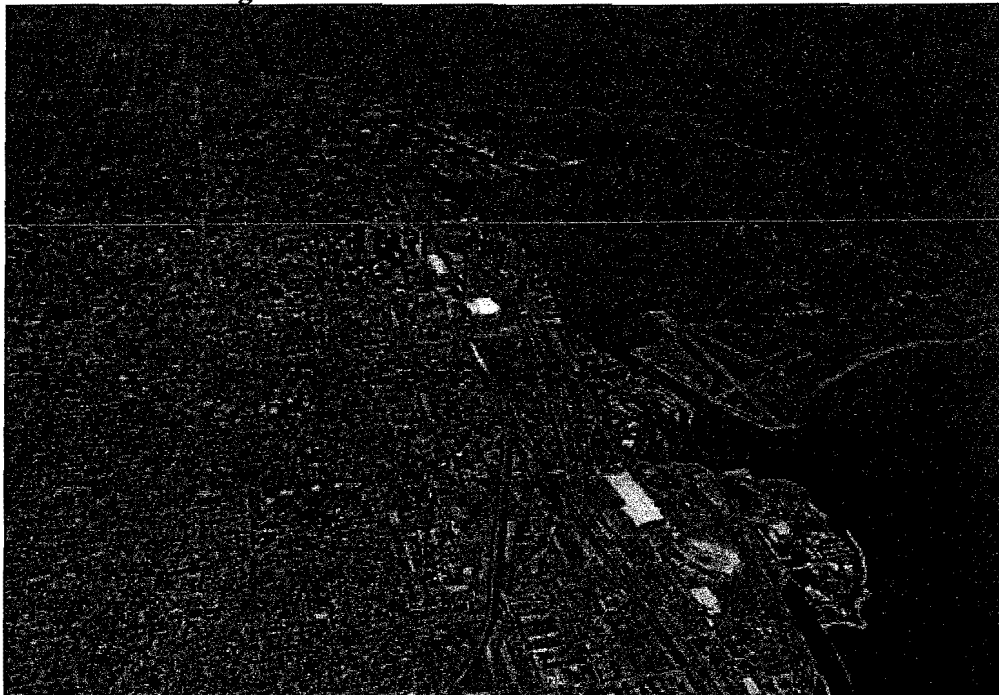
The intent of this report is to review the strengths and weaknesses of the TWRC and its plans so that the Corporation may avoid mistakes and/or adopt successful strategies previously used by other cities for waterfront revitalization.

This will be accomplished through a limited case comparison: the lessons previously learned through New York City's Battery Park City, London's Docklands and Toronto's Harbourfront will be applied to the new Toronto case. A balance was struck between the need for consistency (limiting all analysis to the

four cases' start-up phases only) with the need to include important lessons that were learned in later development periods. For clarity's sake, only essential lessons from later phases in New York, London and Toronto's Harbourfront were included.

Battery Park City is an exemplary model of waterfront revitalization for its agency's independent powers, creative financing strategies and impressive design results. The London Docklands should be studied because of the massive site size as well as the contrasts between its two redevelopment agencies. Finally, Toronto's Harbourfront should be included as it is essentially TWRC's predecessor and provides an understanding of the Canadian context. While there are both positive and negative lessons to be learned from these cases, it should be noted that all of the waterfront agencies experienced a long and turbulent start-up phase. Therefore, although the results of this report show many weaknesses in the new Toronto project, all hope should not be lost.

**Figure A: Aerial View of Toronto's Waterfront**



Source: TWRC 2003.

An evaluative framework was devised from previous research. The following criteria was applied to the political, financial and design elements of TWRC and its plans:

**Table A: Evaluation Criteria**

<b>Criterion</b>	<b>Best Practice</b>	<b>TWRC Result to date</b>
<b>POLITICAL MANAGEMENT</b>		
Was a major political announcement made to 'start' the project?	✓	✓
Has a comprehensive plan been approved?	✓	✗
Was a semi-independent agency set up that was responsible for the project?	✓	✓
How many levels of government are involved in this negotiation?	2	3
Do board appointments reflect a variety of interests?	●	●
Are the terms of office for Board Members staggered and longer than the regular electoral cycle?	✓	✓
Does the agency have complete land ownership?	✓	✗
Must the agency seek approval from outside bodies for its major decisions?	✗	✓
If yes, can this approval be granted in a timely manner?	●	○
What is the agency's relationship with the mayor?	●	○
Does the agency's relationship with the mayor harm the agency in terms of public opinion and other levels of government?	○	○
What is the agency's level of support from City Council?	●	○
What is the agency's level of support from municipal civil service?	●	●
Does the agency include local leaders on the Board?	●	●
Does the agency recruit local staff for key agency positions?	●	⊖
Does the agency retain trusted local consultants?	●	●
Does the agency explicitly state public benefits?	●	●
Does the agency build consensus in order to avoid unilateral action?	●	●
<b>DESIGN CONCEPT</b>		
Are there plans for phasing the first projects?	✓	✓
Are these phasing plans being followed?	✓	✗
<b>FINANCIAL PLANS</b>		
Is the agency granted strong financial powers from the enacting legislation?	✓	✗
What are the promised amounts of government grants?	Case dependent	\$1.5 billion (1999 \$Cdn)
Does this funding fully materialize?	✓	✗
Does the agency have access to cash?	✓	✗

✓ = yes   ✗ = no   ● = strong   ⊖ = moderate   ○ = weak

Analysis was conducted on the political, design and financial elements of the TWRC case.

*Political Management*

Positive results for political management include:

- Diverse Board of Directors;

- Strong emphasis on public consultation, as evidenced in both the TWRC plans and its actions;
- Mutually supportive relationship with City staff at this time; and
- Strong strategies for developing good local relations, such as the use of trusted local consultants.

Elements that require further attention include:

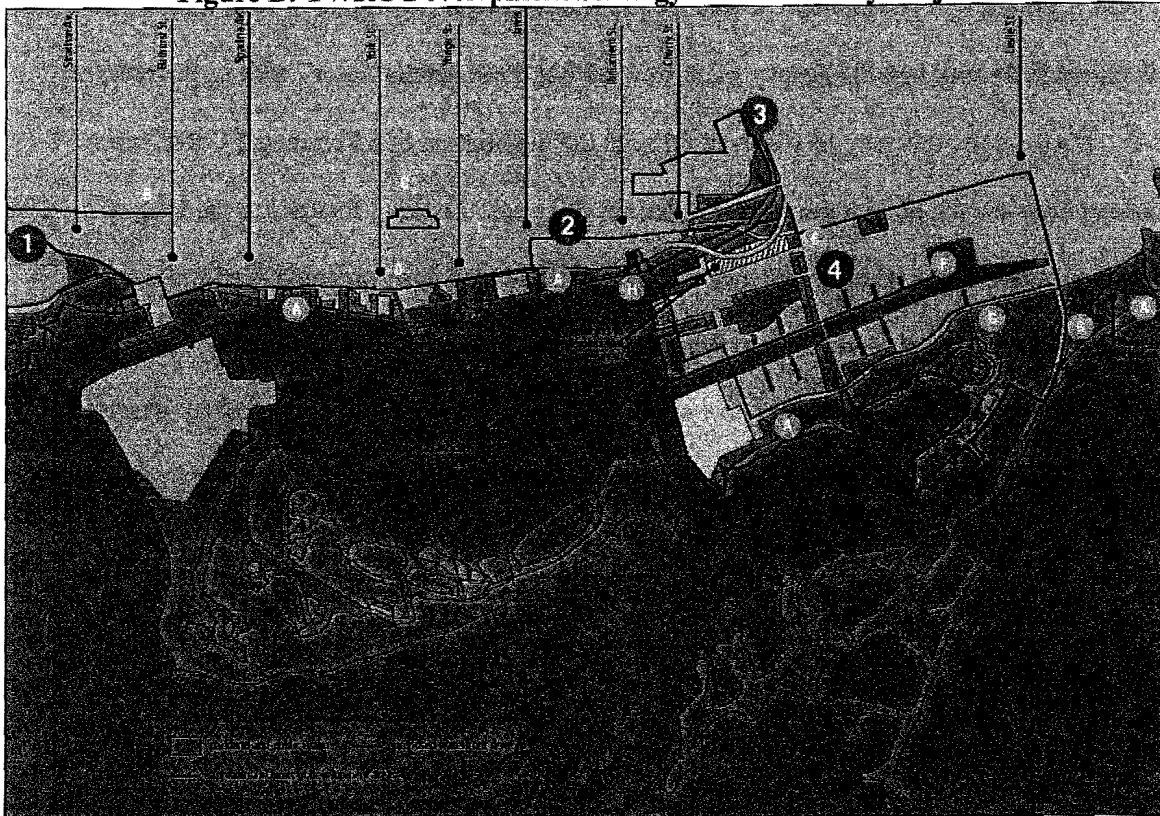
- Weak powers granted to the agency, particularly its lack of decision-making authority and financial dependence;
- Lack of Development Plan approval by federal and provincial governments;
- Failure to own the entire site prior to release of the Development Plan;
- Board member terms are not staggered nor are they longer than the political cycle;
- Provincial controls over regulations adds uncertainty to the process;
- Inconsistencies over the agency's sunset clause; and
- Lack of support from City Council and Mayor, especially through reluctance to dismantle the Gardiner Expressway.

With the billion-dollar investment associated with this project, the hesitation by politicians to transfer control to the TWRC is understandable. This can be attributed further to the public backlash experienced during the Harbourfront project as well as the lack of impetus from losing the Olympic bid. As it is currently structured, however, TWRC may become a coordinating body such as London's failed Docklands Joint Committee instead of a strong redevelopment agency like New York's Battery Park City Authority. TWRC should use section 16 of *Bill 151*, which allows the agency to suggest changes to its structure, to reverse the above weaknesses.

### *Design Concept*

Since completed projects are required for an in-depth design critique, this analysis is shorter than the political and financial analyses. At the start-up phase, it is important for construction to be concentrated in one area and that projects are built to a high standard. This will maximize the generation of excitement for the project as a whole. The TWRC has chosen to start with four priority projects, as seen in Figure B. Unfortunately, these projects are scattered across the site and are infrastructure-related, rather than a public-relations bonanza. This approach contradicts the 'precinct-by-precinct' phasing proposed in the Development Plan and is unlikely to produce immediate public benefits. City Council has also recently asked TWRC to start on two projects that are outside of the Designated Waterfront Area: while this may boost Council's appeal with suburban voters, it is inconsistent with the implementation approach used by successful agencies.

**Figure B: TWRC Development Strategy – Four Priority Projects**



**Major Elements**

- A = Continuous public lakefront promenade with parks and plazas
- B = Front Street Extension
- C = Union Station (new platform)
- D = Harbourfront
- E = Portlands District for Creativity and Innovation
- F = Channel District
- G = Lake Ontario Park
- H = The Mouth of the Don River

**Primary Development Areas**

- 1 = Exhibition Place and Ontario Place District
- 2 = East Bayfront District
- 3 = West Donlands District
- 4 = Portlands District

Source: TWRC 2003.

The initial promise of \$1.5 billion was a noble political commitment four years ago. The agency, however, is experiencing tremendous difficulties in obtaining these funds. The infrastructure-intensive nature of the start-up phase requires cash for completion. The municipal partner is already seeking to minimize its financial role by promoting private sector involvement for land acquisition. In addition, the City understands that its \$500 million contribution can be fulfilled through land transfer, instead of cash. An examination of the TWRC's financial projections indicates that even if the agency receives the entire promised commitment in cash, it will be spent by 2005. With revenues not anticipated until 2007, at least

two years of deficit will accumulate. Under *Bill 151*, however, it seems that TWRC must be debt-free. It also does not bode well that the agency plans to work out these details “later” with its government partners. Fortunately, this may be resolved through the negotiation of a Permanent Contribution Agreement between the three partners scheduled for this year. Looking forward to the long-term, TWRC must have stronger financial independence through abilities such as mortgaging land and issuing debentures. The agency should use its powers from section 16 of *Bill 151* to negotiate increased financial freedom. Since the three governments may not be able to fully afford the entire start-up phase cost, TWRC should be able to generate revenue on its own.

Final recommendations include:

*Political Management*

1. Federal and provincial approval of the Development Plan should be granted as soon as possible.
2. Following the Development Plan approval, changes to the Official Plan and zoning by-laws must be proposed immediately. The Corporation should make a special effort to work **with** City Staff in order to have these passed. Use of the special development approvals process is ideal in this case.
3. Board Members’ terms should be changed to staggered six-year terms.
4. TWRC should use the review power granted in section 16 of *Bill 151* to request changes to its power structure. Lobbying for stronger financial freedoms should be its priority.
5. The Corporation must **own** most of the land before proceeding with development plans. The approval of its development plan by the government levels should suffice for the City’s need to approve the rationale, scope, phasing, and procurement practices for private lands. The Corporation must have the ability to respond to market opportunities in a timely manner, rather than seeking tri-partite approval over minor decisions.
6. Provincial control over regulations should be one of the issues clarified through the Permanent Contribution Agreement. It should be stated whether or not the province can overrule the federal and/or municipal preferences.
7. The Permanent Contribution Agreement should also include a timeline for required government approval (ie: must be within three months of TWRC’s submission). This will increase certainty for TWRC decision-making thereby improving the chances of successful implementation.
8. Inconsistencies regarding the sunset clause should be reviewed and changed. This could be solved by allowing for the creation of a subsidiary corporation to continue the affairs of the Corporation.

9. The two new projects outside of the Designated Waterfront Area should be planned, but not implemented, until at least one precinct is complete. The mandate of TWRC should not be expanded until it has widely completed its original purpose.
10. Corporation should sustain the goodwill from City Staff and build a better relationship with key Councillors. The new political leaders (mayor, premier and prime minister) should also be lobbied for support.
11. A decision must be made by Council regarding the Gardiner Expressway.

*Design Concept*

12. A few small projects, which will stimulate excitement in the area, should be started. These should be done in addition to the four current projects, in a concentrated location and with significant public benefits. The TWRC's plans for rehabilitating Cherry Beach are an excellent first step.

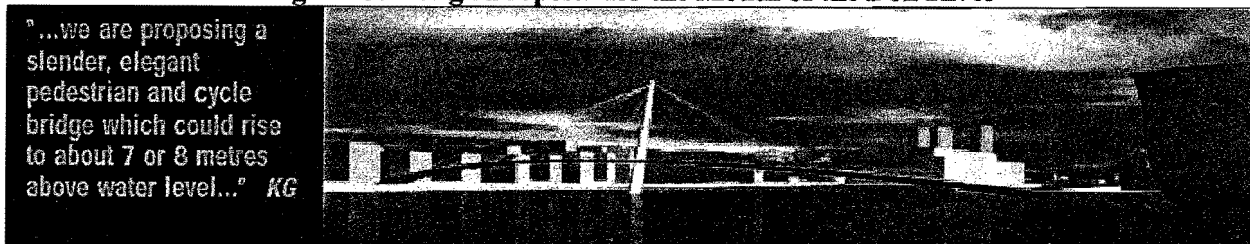
*Financial Plans*

13. The inconsistency over TWRC's ability to carry debt should be clarified by the province. This could be done while negotiating the Permanent Contribution Agreement.
14. Government financial pledges should be in the form of cash, and be delivered when promised.
15. The Corporation should plan for the effect of recessions upon its cash flow projections in a manner similar to the City of Toronto's sensitivity analysis.
16. Firmer commitments from the government partners in the case of financial shortfall should be sought by TWRC, especially in the means for attaining revenue.
17. The long-term benefits of leasing should be publicized by the Corporation, in order to begin promoting this strategy.

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TWRC has proposed an exciting and pragmatic vision for Toronto's waterfront (Figure C). It must be granted political and financial independence so that this plan can be transformed into reality.

**Figure C: Design Proposal for the Mouth of the Don River**



Source: City of Toronto 2003d: 12.