



STAFF REPORT ACTION REQUIRED

Rail Deck Park: Work Plan for Official Plan Amendments and an Implementation Strategy

Date:	September 15, 2016
To:	Executive Committee
From:	Deputy City Manager, Cluster B Deputy City Manager, Cluster A Deputy City Manager & Chief Financial Officer
Wards:	Ward 20 – Trinity-Spadina
Reference Number:	P:\2016\Cluster B\DCM\EX16005

SUMMARY

This report seeks Council direction to initiate planning for a significant new park over the rail corridor between Bathurst Street and Blue Jays Way called "Rail Deck Park." It outlines a proposed work plan, to be completed by the end of 2017, for (i) Official Plan Amendments to establish a park above the rail corridor and (ii) an Implementation Strategy for Rail Deck Park.

Rail Deck Park is an ambitious civic infrastructure project. If fully realized, it will involve the development of approximately 8.5 hectares (21 acres) of new park and open space in the heart of Toronto. It has the potential to significantly alter the western area of Downtown by connecting neighbourhoods currently divided by the rail corridor. The park will serve as a city-wide asset accessible to all Torontonians. It will be a high-profile visitor attraction, comparable to large urban parks in other major cities. Based on precedent projects elsewhere in North America, Rail Deck Park is anticipated to generate economic, social and environmental benefits.

Downtown Toronto is currently home to approximately 250,000 residents, increasing to more than 830,000 when daytime employment and tourism-related populations are included. Downtown has grown strongly over the past twenty-five years and this growth is accelerating. Between 1991 and 2016, Downtown grew by about 122,000 residents, with approximately 50,000 of that growth occurring in the past five years alone. By 2041, the Downtown population is projected to more than double from 2011 levels (increasing from 200,000 to 475,000 residents), representing a potential of 158,000 new residential

units. Recent trends indicate that the Downtown could realize even more growth than anticipated.

Addressing the shortage of parks in the Downtown area is a priority infrastructure need, most recently identified in the City's "TOcore: Planning Downtown" study. Existing parks and open space in Downtown Toronto is increasingly strained by rapid residential and employment growth in the core. Downtown has been identified among the areas with the lowest levels of park provision in the city and expected growth will compound this issue over the coming decades. New parkland is required to support future development in the Downtown area. If this cannot be achieved, it may be necessary for the City to reconsider the pace and amount of future development in the Downtown. Balancing growth and infrastructure provision in the Downtown will be comprehensively addressed through TOcore.

The rail corridor is the last opportunity to secure space for a major park to serve the Downtown area. Through the advancement of the work plan described in this report, staff will identify options to enhance growth-oriented revenues so that local development activity can fund a significant portion of the Rail Deck Park project.

A cross-divisional project team will be tasked with implementing a proposed work plan for Rail Deck Park. A corporate structure will be established, involving a number of City divisions, to ensure long-term capacity and a comprehensive approach to project management. The Deputy City Manager, Cluster B will be the corporate lead for the project team and City Planning will provide project coordination support. As necessary, external consultants will be engaged to provide expertise for components of the work plan. This report identifies a budget of \$2.423 million to support the first phase of work on the Rail Deck Park project in 2017.

Official Plan Amendments (OPAs) to the Railway Lands Central and Railway Lands West Secondary Plans will be initiated to support development of a park above the rail corridor. Consultations will be undertaken to solicit public input to the OPAs. Planning policies for the rail corridor will give consideration to enhanced transportation connectivity between adjacent neighbourhoods and the opportunity for a potential Regional Express Rail station at Spadina Avenue and Front Street and appropriate facilities to access the rail corridor.

The project team will also undertake development of a comprehensive Implementation Strategy for Rail Deck Park that includes real estate analysis and engagement with property owners; structural design and engineering analysis, including a design concept and phasing options; financial analysis, including detailed project costs and potential funding sources; and a partnership strategy to support community and corporate involvement in the development and funding of the park, including programming, operations and maintenance.

In order to determine the feasibility of the Rail Deck Park proposal, the Implementation Strategy will address project costs, appropriate funding options, permissions and/or agreements with property owners and various technical and design considerations.

This report provides initial information concerning comparable projects and development typologies to support discussion regarding potential costs. Further analysis will be undertaken through the Implementation Strategy which will support development of a Class 4 cost estimate (i.e., based on 10 percent or greater design). Any cost figures used prior to the completion of this due diligence work are for illustrative purposes only.

Given the significant development projected for the Downtown, growth-oriented revenues will be targeted as the primary funding source for Rail Deck Park. Through the Implementation Strategy, staff will analyze cash-in-lieu of parkland dedication ("Section 42") funds, Section 37 benefits, Development Charges as well as other options to support Rail Deck Park. The analysis will also consider partnership funding opportunities including donations and sponsorships and grant funding from other orders of government for capital and long-term programming, operations and maintenance costs.

The Implementation Strategy will be developed with substantial public and stakeholder involvement. In addition to engaging with the rail companies and other parties with property interests in the rail corridor, input will be gathered from local resident associations, Business Improvement Areas, parks users, adjacent landowners and the broader public. The project team will seek out new ideas for the design and operations of Rail Deck Park through workshops, stakeholder and special interest group engagement, town hall forums and other tactics. A key focus will be bringing together the broad range of stakeholders, from potential corporate sponsors, foundations and other philanthropic organizations to design experts and community groups to advance Rail Deck Park as a partnership-based city building project.

Staff will report back to City Council in 2017 with an update and for approval of the proposed Official Plan Amendments and the Rail Deck Park Implementation Strategy.

RECOMMENDATIONS

The Deputy City Manager, Cluster B, the Deputy City Manager, Cluster A and the Deputy City Manager & Chief Financial Officer recommend that:

1. City Council request the Chief Planner and Executive Director, City Planning to initiate Official Plan Amendments for both the Railway Lands West and Railway Lands Central Secondary Plans, informed by community and stakeholder consultation, to provide a planning framework for park use over the rail corridor.
2. City Council request the Chief Planner and Executive Director, City Planning to initiate amendments to the applicable Zoning By-laws as necessary to implement

the Official Plan Amendments for both the Railway Lands West and Railway Lands Central Secondary Plans.

3. City Council request the Deputy City Manager, Cluster B in consultation with the Deputy City Manager, Cluster A and the Deputy City Manager & Chief Financial Officer report back in 2017 with an Implementation Strategy for a major park space above the rail corridor between Bathurst Street and Blue Jays Way ("Rail Deck Park") which addresses the following:
 - a. Feasibility and options for securing air rights above the rail corridor for the purposes of parkland development;
 - b. Class 4 cost estimates and phasing options for development and construction of Rail Deck Park;
 - c. Funding options, with an emphasis on growth-related revenue sources that minimize debt-financing requirements for Rail Deck Park;
 - d. Partnership strategy to encourage corporate and community partners to participate in the planning and funding for the construction, programming, operations and maintenance of Rail Deck Park.

4. City Council approve a Rail Deck Park capital project with a project cost of \$2.423 million be created within the Corporate Initiatives Capital Program with cash flow approvals of \$78,000 in 2016 and \$2.345 million in 2017, funded through the following adjustments:
 - a. \$400,000 transfer of 2017 approved cash flow from the City Planning Growth Studies capital project, with \$360,000 in Development Charge funding and the remaining \$40,000 CFC funded;
 - b. \$1,200,000 funding from the Section 42 reserve fund (XR2209);
 - c. \$202,300 funding from Development Charges (XR2114); and
 - d. \$621,000 in CFC funding available from closed capital projects.

5. City Council approve an increase to the 2016 Operating Budget of \$78,000 gross and \$0 net, and an increase of 7 temporary positions, fully funded from a contribution from the Rail Deck Park capital project, between the following City Programs:
 - a. \$41,000 gross and \$0 net increase in City Planning's Operating Budget for 2016 part year funding of 4 new positions;
 - b. \$25,000 gross and \$0 net increase in Legal Services' Operating Budget for 2016 part year funding of 2 new positions; and
 - c. \$12,000 gross and \$0 net increase in Parks, Forestry and Recreation's Operating Budget for 2016 part year funding of 1 new position.

Financial Impact

The proposed work plan outlined in this report for Rail Deck Park will require current funding of \$2.423 million with recommended cash flow of \$78,000 in 2016 and \$2.345 million in 2017. Staffing costs to support the capital project in 2017 will be reflected in

the 2017 Operating Budget and will continue to be funded from the capital project (Figure 1).

Figure 1: Summary of Work Plan Budget

Corporate Initiatives Capital Program (000s)		2016	2017	Total
Rail Deck Park				
City Planning	Consultant / Engagement		\$400	\$400
	Project Manager	\$12	\$147	\$159
	Senior Planner	\$11	\$130	\$141
	Sr. Urban Designer	\$11	\$130	\$141
	Assistant Planner	\$7	\$89	\$96
Legal Services	Solicitor 1	\$18	\$218	\$236
	Conveyancer / Title Searcher	\$7	\$84	\$91
Real Estate Services	Title Search and Appraisal		\$300	\$300
	Consulting		\$200	\$200
Parks, Forestry & Recreation / Engineering & Construction Services	Landscape Architect and Technical Engineering		\$400	\$400
	Project Manager - PFR	\$12	\$147	\$159
Corporate Finance	Consulting		\$100	\$100
Total		\$78	\$2,345	\$2,423

This initial funding for the Rail Deck Park capital project will be drawn from a combination of capital transfers; Development Charge (DC) and Section 42 reserve draws; and Capital from Current (CFC) savings from completed capital projects. Staff are still reviewing the eligible DC component for these requirements and will make any necessary funding adjustments through 2017 Budget process.

Subject to the completion of the work plan, project implementation will require funding commitments from Council. Funding options will be identified through the development of the Implementation Strategy outlined in this report. There will be an emphasis on growth-related tools that best align revenues with those activities, such as downtown land development, which will benefit from the investment in Rail Deck Park.

The fiscal capacity of the City, including the funding for large city building initiatives, will be considered within the context of the City's Long Term Financial Plan (LTFP) to come forward this fall. The financial analysis for Rail Deck Park will be consistent with the principles and objectives of the LTFP.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact statement.

DECISION HISTORY

In May 2014, Toronto and East York Council considered a staff report to launch the TOcore: Planning Downtown study. (re: TE32.47 Comprehensive to the Core: Planning Toronto's Downtown.)

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.TE32.47>

In addition to the staff report, a background report entitled, "Trends, Issues, Intensification – Downtown Toronto" was considered by Council which provided background information and data on the Study building blocks. This background study, which provides an initial profile of Downtown parks in the context of growth, can be found at the following link:

<http://www.toronto.ca/legdocs/mmis/2014/te/bgrd/backgroundfile-69192.pdf>

In July of 2014 City Council adopted the report of the Chief Planner and Executive Director, on the Condominium Consultations which examined the specific challenges, concerns and opportunities linked to living in condominiums. The Final Report for these consultations can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.PG34.19>

In December 2015, City Council adopted a staff report entitled "TOcore: Planning Toronto's Downtown – Phase 1 Summary Report and Phase 2 Directions." The report provided an overview on the first phase of the study and provided a comprehensive overview of the study direction including the development of a Secondary Plan for Downtown and five infrastructure strategies to better align growth with the provision of infrastructure. The report identified the need to explore parkland acquisition opportunities in unlikely spaces including utilizing the rail corridor. The report can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.TE12.43>

TOcore was initiated in response to a series of earlier motions related to the intensification of growth in the Downtown, promoted in part by the Provincial "Growth Plan for the Greater Golden Horseshoe", the need to update the parkland acquisition strategy and the desire to identify policy options related to tall buildings. These motions can be found in the Decision History section of the report adopted by Toronto and East York Community Council in May 2014.

BACKGROUND

Population and Employment Growth

Toronto's Downtown neighbourhoods are experiencing an unprecedented period of growth. Since the last census in 2011, the Downtown population has grown by 25 percent, adding approximately 50,000 new residents. According to City projections, the population in the core is expected to more than double from 200,000 in 2011 to a potential of 475,000 in 2041.

Downtown Toronto represents the largest share of proposed development in the City's growth management areas. Currently, 40 percent of residential development and 43 percent of non-residential development proposed citywide is in the Downtown area.

In the neighbourhoods immediately adjacent to the rail corridor – King-Spadina and the Railway Lands – the combined population has increased from approximately 1,000 in 1996 to just under 40,000. An additional 30,000 residents are expected as development applications in the approvals pipeline are constructed. These neighbourhoods have experienced levels of growth in the past decade well beyond that contemplated in the local Secondary Plans.

Growth in Downtown employment has also been substantial. Approximately half a million jobs are located in the core, with average annual growth of 17 percent or 75,000 jobs since 2010. The daytime population of Downtown Toronto, including resident, employment and visitor populations, exceeds 830,000 (estimated as of 2011).

Planning Context: Secondary Plans and Zoning

The downtown area, including the rail corridor, between Bathurst Street and Blue Jays Way is subject to the Railway Lands West and Railway Lands Central Secondary Plans, both approved by the Ontario Municipal Board in 1994 and amended in 1997.

Both Secondary Plans contemplate some form of rail decking and provide for a process by which an Official Plan Amendment may be enacted to permit development over the rail corridor.

The plans state that only by-laws that permit transportation and related ancillary uses in the rail corridor (referred to as "Future Development Area" or "Utility Corridor A" in the Secondary Plans) may be approved prior to the completion of a comprehensive study or studies to evaluate land use and decking considerations.

Development is restricted in its land use permissions by both Official Plan policies and zoning. The rail corridor is currently zoned "T" Transportation which only permits transportation-related infrastructure to a height of 15 metres. While a public park is not specifically listed as a permitted use within the related zoning by-laws, each of the applicable by-laws permit the rail corridor to be used by the City for any public purpose. Amendments to the Zoning By-Law may be appropriate depending on the ultimate list of proposed uses and will be reviewed.

There is one development site at the southwest corner of Front Street and Spadina Avenue which permits a 76-metre tall non-residential building. This site is wholly owned by Metrolinx.

Railway Lands West Secondary Plan:

<http://www1.toronto.ca/planning/19-railway-lands-west.pdf>

Railway Lands Central Secondary Plan:
<https://www1.toronto.ca/planning/18-railway-lands-central.pdf>

Parks and Open Space Needs

Downtown Toronto has been identified as one of the areas with the lowest level of park provision in the city. Downtown Toronto has 121 parks covering 100 hectares (247 acres) or approximately 6 percent of the land area excluding the Toronto Islands. With population of 250,000, Downtown Toronto is in one of the lowest percentiles for parkland provision in the city. In order to increase this to Toronto's median provision rate of 0.78 ha (1.9 acres) of parkland per 1,000 residents for the estimated 2041 population of 475,000, the City would need to acquire an additional 256 ha (633 acres) of new parkland. This is equivalent to 1.5 times the size of High Park.

Almost three quarters of existing Downtown parks are smaller than 0.5 hectares (1.2 acres). These smaller parks provide valuable open space but limited opportunity for the range of recreation, sports, and community programming typical of larger community parks. Five Downtown parks are district-sized parks over 5 hectares (12 acres) (e.g., Corktown Common, Queen's Park and Allan Gardens) and only one of these parks exceeds 6 hectares (Corktown Commons at 7.3 hectares).

There are no district-sized parks within the Waterfront West and King-Spadina neighbourhoods where the Rail Deck Park is being proposed. Larger district-sized parks including Coronation Park and Trinity Bellwoods Park are a considerable walking distance from this area of the Downtown.

There is a high demand for Downtown parks by both local residents and daytime workers and visitors in the area. In 2001, City Council adopted the Parkland Acquisition Strategic Directions Report which identified Downtown as a priority for a large-sized park.

A Park User and Asset Survey conducted by Parks, Forestry and Recreation in the summer of 2015 indicates that there is high use of Downtown parks. A quarter of downtown parks users originate from the two neighbourhoods (Waterfront West and King-Spadina) immediately adjacent to the proposed Rail Deck Park project area. This demand is anticipated to increase as a result of continued development in the area.

Existing Downtown parks and open space will increasingly be strained as demand increases in the future. Based on current estimates, the average allocation of park space per resident is expected to decline from 0.45 hectares (1.1 acres) per thousand residents in 2011 to 0.25 hectares (0.6 acres) per thousand residents over the next decade and beyond.

The "TOcore: Planning Downtown" study identifies long-term planning policies and infrastructure needs. The study indicates that a large park, which can accommodate active and passive recreation activities, is an urgent infrastructure need for the Downtown area.

Parkland Acquisition & Development

There are two interrelated challenges for future parkland acquisition in Downtown Toronto: (i) the increasingly limited space available for new park development and (ii) the high cost for acquiring and, as necessary, remediating Downtown properties.

Over the past ten years, the City has secured 21 new or expanded parks in Downtown neighbourhoods or the equivalent of 19.6 hectares (48.4 acres) through parkland and cash-in-lieu dedications. These dedications are made in accordance with City policies under Section 42 of the *Planning Act, 1990*.

All of the larger parks acquired since 2005 have been secured through master planned communities such as Corktown Common in the Canary District, as part of the Waterfront redevelopment or through revitalization initiatives such as Regent Park. The majority of future development in the Downtown area will not be master planned communities and will occur in small infill sites, limiting the ability to secure larger parks through parkland dedication.

The City frequently negotiates cash-in-lieu payments for Downtown developments to acquire and develop parkland elsewhere in the Downtown area and the rest of the city. As a result of the increased density in the Downtown area and a highly competitive real estate market, the cost of Downtown land acquisition is exceptionally high when compared to other areas of Toronto. The current cost of land is approximately \$30 to \$60 million in the Downtown area. This is in addition to potential costs for site remediation, demolition, site servicing and parkland development. Development in the Downtown area often occurs on former industrial and commercial (i.e., "brownfield") sites requiring remediation work to treat hazardous contaminants.

COMMENTS

Rail Deck Park Proposal

The Rail Deck Park proposal, announced by the Mayor in August 2016, is for the development of a major new park above the rail corridor between Bathurst Street and Blue Jays Way in Downtown Toronto. The park would be made possible by a deck structure to support new above-deck uses while maintaining current and planned rail service below.

Rail Deck Park would provide the necessary critical mass to support a range of large-scale park and recreation facilities. At approximately 8.5 hectares (21 acres), it represents the last remaining opportunity to acquire large-scale parkland in the Downtown area. The park would accommodate a range of uses including active and passive recreation, special events, cultural programming and others.

Rail Deck Park would also support new connections between the King-Spadina neighbourhood, City Place (the Railway Lands) and the Waterfront, which are currently divided by the rail corridor. Knitting these adjacent communities together would

increase accessibility to community assets in each neighbourhood and offer a seamless connection from north to south. The park would also create active transportation linkages to augment heavily-used local roadways and transit routes.

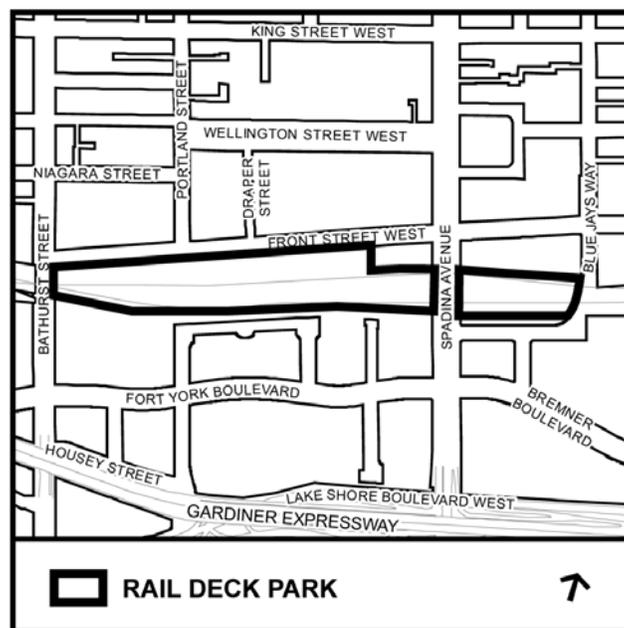
Securing the air rights over the rail corridor will protect for a future park to serve anticipated growth in Downtown Toronto over the coming decades.

Initiating Official Plan Amendments will establish a Council-endorsed planning framework for the area above the rail corridor between Bathurst Street and Blue Jays Way, including principles for development of park and recreation facilities, connections between adjacent communities and appropriate supporting land uses. The planning framework will also support the opportunity for a proposed Regional Express Rail station at Spadina Avenue and Front Street, and accommodate the facilities and infrastructure necessary to maintain an active rail corridor including electrification, traction power, communication, ventilation and emergency exits.

Project Area

The project area is the rail corridor between Bathurst Street to the west and Blue Jays Way to the east. From Bathurst Street to Spadina Avenue, the extent of the project area is Front Street to the north and approximately Northern Linear Park and Iceboat Terrace to the south. From Spadina Avenue to Blue Jays Way, the extent of the project area is the southern edge of the properties at 397 Front Street West and 373 Front Street West to the north and Northern Linear Park to the south (Figure 2).

Figure 2: Diagram of Rail Deck Park project area



A deck structure would create an estimated 8.5 hectares (21 acres) of area (to be confirmed through the study process), comparable in size to Eglinton Park or Christie Pits Park. The project area is approximately 850 metres in length. The rail corridor ranges in width from approximately 50 metres at Blue Jays Way to 125 metres in the Bathurst North Yard just west of Spadina Avenue.

This portion of the rail corridor comprises active rail lines and switches, along with an adjacent train yard on the north side of the corridor between Bathurst Street and Spadina Avenue (supporting light maintenance and off-peak storage of commuter trains). Blue Jays Way, Spadina Avenue and Bathurst Street cross the rail corridor and the "Puente de Luz" pedestrian bridge connects Portland Street to the north to Dan Leckie Way to the south.

Precedent Projects and Costs

Various rail deck projects in North America have been completed or are under construction, including Millennium Park in Chicago and the Hudson Yards and Manhattan West projects in New York City. The Ivanhoe Cambridge and Metrolinx development at 45 and 141 Bay Street in Toronto involves partial decking of the rail corridor east of Union Station.

The land uses, construction methods and costs of the precedent rail deck projects described below vary widely. Therefore, the costing information should be considered as order of magnitude and for illustrative purposes, not as estimates for the Rail Deck Park proposal.

Millennium Park, Chicago

Millennium Park is a 24-acre public park in the Loop District of Chicago that opened in 2004. Previously, the area was 16.5 acres of commuter rail lines, a parking lot and parkland. Its enhanced landscape and structural design and iconic public art (e.g., the Cloud Gate sculpture known as "the Bean") has earned multiple urban design awards and made Millennium Park a major tourist attraction, with over three million visitors in its first year.

The park was constructed on a platform above a renovated and expanded rail yard, the Millennium Station commuter rail terminal, two multi-level parking structures and a busway. It is supported by a massive bridge-like structure, spanning up to 37 metres in places, constructed from steel and pre-cast concrete.

The average construction cost for the Millennium Park, involving open space and a pavilion, was approximately \$33 million/acre, shared between the City and private donors. (All figures presented in this section are converted to 2016 Canadian Dollars.)

Hudson Yards, New York City

The project involves the construction of a 26-acre column-supported podium over the Metropolitan Transit Authority (MTA) Hudson Yards track facility, located on the west side of Manhattan. Launched in 2012, construction is anticipated to occur over two phases and is being coordinated with ongoing active transit operations below. Once completed the project will encompass up to 28 acres of multi-use development, including approximately 50 percent open space. The Hudson Yards project is a private development, led by the Oxford Properties Group Incorporated and The Related Companies L.P. It is anticipated to be completed in 2024.

The projected average construction cost for Hudson Yards is approximately \$77 million/acre. As there are greater foundation and engineered structure requirements to support the development's taller buildings, the projected cost exceeds that which would be anticipated to support open space uses alone.

Manhattan West, New York City

Immediately to the east of the Hudson Yards, the Manhattan West project is a large-scale real estate development involving platform construction over a 5-acre area of the rail corridor. The development is expected to include four new towers of mixed-use development and 1.5 acres of open space. The platform is supported by a clear span girder system across the rail corridor. Manhattan West is a private development led by Brookfield Office Properties Incorporated. Project construction began in 2012.

The projected average construction cost for Manhattan West is approximately \$86 million/acre. Similar to the Hudson Yards project, this figure reflects the higher costs associated with supporting significant build-out of the site, including four planned buildings of 40-, 62-, 62- and 67-stories. In addition, the developer was required to span the rail corridor without columns, thus adding to the project costs.

Ivanhoe Cambridge / Metrolinx development at 45 and 141 Bay Street, Toronto

Ivanhoe Cambridge purchased air rights from Canadian National Railway and Toronto Terminals Railway for approximately 4 acres above the rail corridor east of Union Station bounded by Bay Street to the west, Yonge Street to the east and the properties known as 45 Bay to the south and 141 Bay Street to the north.

The proposed development at 45 and 141 Bay Street includes two office towers that are connected by a publically-accessible open space that spans the rail corridor. Ivanhoe Cambridge is developing the proposed development with Metrolinx. The proposal involves the relocation of the existing GO bus terminal located at 141 Bay Street to a new indoor facility as part of the 45 Bay Street development.

As a part of this development, Ivanhoe Cambridge will invest \$50 million towards the provision of a privately-owned, publicly-accessible open space above the rail corridor.

This cost is affected by the design requirements of the overall project, including the two office towers, and is not necessarily comparable.

Preliminary Assessment of Project Area & Development Typologies

A preliminary assessment has been done for the project area and potential typologies for parkland development above the rail corridor.

This preliminary analysis indicates that the project is technically feasible. The geotechnical conditions throughout the project area are relatively uniform and indicate necessary soil bearing capacity. Pending feasibility considerations for the project include project costs and real estate and property ownership matters, which will be examined as a part of the Rail Deck Park Implementation Strategy.

Seven initial development typologies were examined on a preliminary basis. A comprehensive design and engineering study will be initiated for Rail Deck Park to further develop the typologies. The preliminary design considerations and cost estimates described below will be further analyzed. All cost estimates are based on the assumption of a "light weight" deck structure to support parkland and a limited number of park-related facilities (i.e., one- to two-storey structures). The seven development typologies include the following:

- **Narrow Shoulder Park (1.4 acres):** extending approximately 12 metres south from Front Street which would be constructed through landfill and a retaining wall with minimal impact to existing rail operations. This option provides for a small park space roughly equivalent to Northern Linear Park. The preliminary cost estimate of \$4 million/acre for construction is significantly lower than the alternative options given the absence of a deck structure.
- **Wide Shoulder Park (2.7 acres):** extending roughly 19 metres south from Front Street would involve a modest deck structure over part of the Bathurst Yard with a preliminary construction cost estimate of \$26 million/acre.
- **Long Span Park over the Bathurst Yard (5.8 acres):** a slightly larger version of Wide Shoulder Park, extending up to 30 metres south over the rail corridor with a preliminary construction cost estimate of \$24 million/acre.
- **Structural Park over the Extended Yard (8.5 acres):** ranging in width from 30 to 60 metres south of Front Street and would cover the entire Bathurst Yards with a preliminary construction cost estimate of \$36 million/acre.
- **Long Span Park over Corridor (8.6 acres):** a 40- to 50-metre wide deck structure located on the south edge of the rail corridor with a preliminary construction cost estimate of \$32 million/acre.
- **Combination Full Cover Park (17.1 acres):** extending over the entire rail corridor (including the Bathurst Yard) between Bathurst Street and Spadina Avenue with a preliminary construction cost estimate of \$34 million/acre.
- **Park over Transition Corridor to Yard (4.2 acres):** extending over the entire rail corridor between Spadina Avenue and Blue Jays Way with a preliminary construction cost estimate of \$29 million/acre.

Taken together, "Combination Full Cover Park" and "Park over Transition Corridor to Yard" represent the full project area for Rail Deck Park.

In addition, an average of \$2 million/acre for below-deck ventilation and safety systems, \$3 million/acre for above-deck landscaping costs and approximately 30 percent of construction costs to support soft costs (e.g., design, engineering, contract management) should be included for all development typologies. Other considerations that may impact the cost of development, including costs related to securing properties and/or air rights and impacts to below-deck operations (e.g., track relocation), will be explored as a part of the development of the Implementation Strategy.

"Growth-oriented" and Other Funding Options / Planning Tools

A range of tools will be considered for the purposes of funding Rail Deck Park. These include "growth-oriented" sources that leverage the value of development activity to fund necessary supporting infrastructure investments, such as cash-in-lieu of parkland dedication ("Section 42") funds, Section 37 benefits and Development Charges. There is also an opportunity to attract donations and sponsorships as well as grant funding from other orders of government for both capital and long-term programming, operating and maintenance of the park. These options are summarized in this section and will be analyzed in further detail as a part of the financial analysis for the Rail Deck Park Implementation Strategy.

Cash-in-lieu of Parkland Dedication ("Section 42") Funds

Costs associated with securing the property/air rights and development of Rail Deck Park would be eligible for cash-in-lieu of parkland dedication funds received by the City under Section 42 of the *Planning Act, 1990*. Section 42 is a planning tool for acquiring new parkland as a condition for approving a development application and provides for either the conveyance of land or cash-in-lieu payment for the purpose of acquiring and developing park land or other public recreation facilities.

A cash-in-lieu payment is based on the value of the land that would have otherwise been conveyed and is collected by the City at building permit issuance. In accordance with Section 42, the Toronto Municipal Code requires that a higher "alternative rate" be applied for the calculation of cash-in-lieu dedications in parkland priority areas such as Downtown Toronto. The incremental revenue (i.e., above the base five percent dedication) collected through the alternative rate is allocated to the local area of the development.

It may be appropriate to examine how the City's alternative rate policies can be enhanced to better address parkland needs in high growth, high land value areas such as Downtown Toronto. For example, the City imposes limits or "caps" in calculating the alternative rate based on the size of development sites. As a result, this significantly constrains the potential for securing contributions associated with small infill development, notwithstanding the typically higher densities on these sites. This restricts the ability of

the City to appropriately fund the parkland acquisition needs of these areas. The City's policies regarding the alternative rate do not fully optimize the provisions provided for under the Planning Act.

A review of these provisions will be undertaken as a part of the financial analysis for Rail Deck Park. This will involve assessing the opportunity to enhance the incremental revenues collected through the alternative rate provision. The base five percent secured through cash-in-lieu contributions would continue to be used to support funding needs both locally and citywide. Any changes made to the City's cash-in-lieu policies could be applied to other high growth areas in Toronto to address parkland acquisition needs.

Section 37 Benefits

Section 37 of the Planning Act provides for the voluntary provision of community benefits by a landowner in return for additional height and/or density. Official Plan policies define a range of capital facilities that are eligible for community benefits under Section 37 including parkland acquisition and park improvements.

The potential to secure Section 37 benefits to support eligible costs for Rail Deck Park will be evaluated as a part of the financial analysis for the project. The analysis will also evaluate a potential incremental contribution from developments around Rail Deck Park.

Development Charges

Development charges (DCs) are imposed on land development and redevelopment projects to help pay for capital costs or infrastructure that is needed to service new development.

DC revenues may be used to partially fund the growth-related share of eligible project costs for Rail Deck Park. Park development and construction costs are eligible for DC funding. Costs associated with park acquisition are not eligible. Project costs that are eligible for DC funding will be determined as further details around the project become available.

In addition, consideration will be given towards an area-specific DC for the Rail Deck Park development. Although Toronto has historically adopted a city-wide charge, it is appropriate to consider an area-specific DC in Downtown to support a park development of this scale. Consideration will be given to the advantages and disadvantages of the two approaches in the context of the Rail Deck Park project, and opportunities to maximize the ability for development to contribute funding to the park.

Donations & Sponsorships

Contributions through donations and sponsorships will also be explored for funding Rail Deck Park.

There are recent examples for third party contributions to major city building projects in Toronto, including the Bentway (previously known as "Project: Under Gardiner"). The Bentway, which involves the development of up to 10 acres of public open space below the elevated section of the Gardiner Expressway, was made possible in large part by a private donation of \$25 million to support capital development and ongoing programming, operations and maintenance associated with the site.

Opportunities for corporate support that align with the City's sponsorship policies will also be considered.

Provincial & Federal Grants

Given its scale, profile and impact, there may be opportunities to access grant funding from other orders of government to support Rail Deck Park. For example, the 2016 Federal Budget announced \$60 billion in new infrastructure spending over ten years for public transit, green and social infrastructure, to be released in two phases. Phase two consultations are ongoing with details to be announced in the 2017 federal budget.

City of Toronto priorities for federal funding are identified based on Council directions and alignment with the City's financial and strategic plans. As a part of the work plan, Rail Deck Park will be considered for eligibility for infrastructure and other grant funding.

Community Improvement Project

The Community Improvement provisions of the Planning Act give the City a range of tools to actively stimulate revitalization and address deficiencies in an area designated as a Community Improvement Project Area. Plans would be prepared setting out the planning issues needing to be addressed (e.g., adequacy of infrastructure) and provide direction on specific strategies to achieve targeted outcomes (e.g., public private partnerships). There may be an opportunity to define a Community Improvement Project Area to support development of Rail Deck Park, including leveraging public-private partnerships.

Rail Deck Park Work Plan

The following section describes the proposed Rail Deck Park work plan including (i) a Planning Framework for the West and Central Railway Lands to establish a parks focused planning vision for development above the rail corridor and (ii) an Implementation Strategy for the Rail Deck Park project. The work plan will be led by the Deputy City Manager, Cluster B in collaboration with Deputy City Manager, Cluster A and the Deputy City Manager & Chief Financial Officer (Figure 3).

Given the scale and complexity of the project, a multi-disciplinary project team will be established to develop and provide feedback to the work plan. The work plan will be coordinated through the City Planning division, with involvement from Parks, Forestry and Recreation; Real Estate Services; Engineering and Construction Services;

Transportation Services; Toronto Water; Toronto Office of Partnerships; Legal Services; City Manager's Office; Corporate Finance and Financial Planning, among others. City agencies, such as Build Toronto, will be consulted as appropriate. The cross-divisional structure will support a broadly-focused project management approach and ensure that capacity exists to continue planning for this project over a multi-year period.

The Implementation Strategy will be developed with substantial public and stakeholder involvement. In addition to engaging with the rail companies and other parties with property interests in the rail corridor, input will be gathered from local resident associations, Business Improvement Areas, parks users, adjacent landowners and the broader public.

The project team will seek out new ideas for the design, programming and maintenance of Rail Deck Park using a range of tactics including workshops, stakeholder and special interest group engagement and town hall forums. A key focus will be bringing together the broad range of stakeholders, from potential corporate sponsors, foundations and other philanthropic organizations to design experts and community groups.

Staff will report back to Executive Committee on the outcomes of the work plan in 2017.

Figure 3: Work Plan Summary

Component	Activities	Lead Divisions
Project Coordination	Support overall coordination and accountability for the work plan	Deputy City Manager, Cluster B; City Planning
Planning Framework for West and Central Railway Lands	Initiate Official Plan and Zoning By-Law Amendments	City Planning; Legal Services
	Public consultation	City Planning; Parks, Forestry & Recreation
Implementation Strategy	Real Estate & Property Ownership Matters	Real Estate Services; Legal Services
	Structural Design & Engineering Analysis	Parks, Forestry & Recreation; Engineering & Construction Services
	Partnership Strategy	Toronto Office of Partnerships
	Financial Analysis	Financial Planning; Corporate Finance

1. Planning Framework for the West and Central Railway Lands

Official Plan Amendments should be initiated and a comprehensive study undertaken to review Secondary Plans to provide for the future decking of the rail corridor for parks purposes.

As part of the City initiated Official Plan Amendments (OPAs), staff will consider the evaluative framework in the existing Secondary Plans, as amended, and applicable Official Plan policies. The work will also be informed by the comprehensive planning review underway through the TOcore study. This includes technical reviews to ensure that the functionality, capacity, safety and flexibility of the rail corridor and the provision of rail transportation services are not compromised and that any environmental concerns are addressed.

Approved by the OMB in 1994 and amended in 1997, the Railway Lands Central and West Secondary Plans predate all the private development that has occurred south of the rail corridor with the exception of the CN Tower and Rogers Centre (SkyDome). It also precedes "the Kings" planning framework that spurred significant reinvestment in the King-Spadina Secondary Plan area and population growth to the north of the corridor. Development in these areas has far exceeded the growth contemplated by these Secondary Plans. These plans are outdated and, in the case of King-Spadina, currently under review.

The proposed OPAs will provide an updated planning framework for decking over the rail corridor for parks purposes. The vision, land use recommendations and policies will be informed by global precedents and consultation with the public, key stakeholders and landowners. The OPAs will be predicated on land use compatibility and protection of the existing and future transportation function of the lands. It would also set out policies which provide for the creation of an urban open space including supportive land uses, connections, community services and facilities, heritage considerations and the provision of public art. The development of the OPAs will also incorporate key outcomes flowing from the Implementation Strategy and put in place the regulatory mechanisms that may be required to finance and construct the Rail Deck Park.

The OPA process will provide the enabling framework for the implementation of the park but will not include a detailed design for any future park. Detailed park design, review and consultation will be undertaken at a later date. An Environmental Assessment process will be required prior to the construction of Rail Deck Park.

The Secondary Plan Amendments to the Railway Lands West and Railway Lands Central Plans will be undertaken as a coordinated exercise concurrent to the Implementation Strategy for Rail Deck Park. This process will culminate in a final report, draft Official Plan Amendments and draft Zoning By-law Amendments to be considered by Toronto and East York Community Council, anticipated for 2017.

2. Implementation Strategy

The project team will undertake development of an Implementation Strategy to advance planning and negotiations for Rail Deck Park. The strategy will provide detailed information concerning critical project requirements (e.g., cost, legal and technical elements) as well as options and timelines for implementation. As necessary, external consultants will be engaged to support work for the strategy. The strategy will be brought forward for Council's consideration in 2017.

The Implementation Strategy will address the following key considerations for Rail Deck Park:

- **Real Estate & Property Ownership Matters:** Ownership and land values for impacted properties.
- **Structural Design & Engineering Analysis:** Design concept, a Class 4 construction cost estimate, risk analysis, project phasing and procurement options to be undertaken by an external consultant.
- **Partnership Strategy:** To support outreach and engagement with community, government and corporate partners in the development and funding of Rail Deck Park.
- **Financial Analysis:** Summary of project costs and a review of potential funding sources.

Real Estate & Property Ownership Matters

Property ownership and interest within and adjacent to the project area is complex. Different elements of the rail corridor, including the rail lines and stratified air rights, are owned or controlled by various entities including Canadian National Railway (CN), Toronto Terminals Railway (TTR), Metrolinx, the City of Toronto and, potentially, other parties.

Extensive research will be required to assess the various interests attached to the properties. Title to the various parcels, including the adjacent lands is multi-layered. This research will inform options to move forward the agreements and/or permissions necessary to advance this initiative.

Legal Services and Real Estate Services will prioritize this work in order to determine how best to advance discussions around securing an interest in these lands and/or obtaining permissions to construct over the rail corridor. This information will be clarified and included in the report back to City Council in 2017.

A private developer has met with City Planning staff for some initial pre-application discussions concerning potential mixed used development in the rail corridor and indicated they had secured property interests in the area. Staff advised them that a City initiated planning process should guide future land use considerations in the area. City

staff have also yet to be provided with any documentation confirming what these property interests may be.

Structural Design & Engineering Analysis

A preliminary structural design and engineering analysis will be undertaken to identify technical requirements and constraints, as well as design options for Rail Deck Park. The procurement of a qualified engineering consultant to complete this component of the work plan will be competitively tendered.

The scope of work will include a design concept, including options for the decking structure, potential column placement, foundational elements, below-deck ventilation and life safety systems, landscaping (e.g., drainage and storm water management), and groundwater management, among other considerations. This design concept will form the basis for a Class 4 cost estimate (i.e., based on at least 10 percent design). The scope of work will include appropriate analysis for possible construction phasing and staging options that are responsive to both technical constraints and a range of funding scenarios for the project. It will include consultation with property owners to obtain input on constructability and impacts.

The scope of work will investigate geotechnical, environmental and hydro-geological conditions and recommend appropriate measures and identify associated cost implications. It will also consider approaches to minimize or otherwise mitigate any impacts related to ongoing and planned operations within the rail corridor (e.g., electrification infrastructure). It will address other risk factors including accessibility to and within the site, fire protection, emergency access, security, avoiding increases to operational cost and complexity, and limiting impacts to adjacent properties including noise and vibrations.

The analysis will provide a summary of project delivery and procurement options that balance the need for appropriate oversight of a project of this complexity with expectations for timely and cost-effective delivery.

Partnership Strategy

Local corporate and community stakeholders have recently shown an unprecedented level of interest in supporting investments in the urban public realm. Rail Deck Park has an opportunity to be a "partnership-based" city building project, bringing together community, government and corporate partners to advance the vision and identify the resources to make it a reality. The City has already received inquiries from interested partners.

The Toronto Office of Partnerships will support a partnership strategy to engage sponsors and donors to contribute to the development and construction and long-term operations and maintenance of Rail Deck Park. The strategy will identify specific opportunities and

parameters for engagement in the project. It will also support outreach and communication with interested third parties.

This proactive approach to partnerships is being developed at the outset to support early stage involvement of potential corporate and community partners in the planning process for Rail Deck Park. It will bring together and encourage involvement from diverse communities including philanthropic entities, foundations, Business Improvement Areas, corporate partners and other interested parties. It will encourage the sharing of ideas for park design and use.

The partnership strategy will also support an innovative approach to long-term programming, operations and maintenance of Rail Deck Park to ensure it is built to and maintained as a best-in-class public space.

The partnership strategy will support the project team in taking an outward looking perspective to project planning in order to draw on precedents and experience available locally and internationally.

Financial Analysis

The financial analysis will be critical to determining the financial feasibility and timelines for the development of Rail Deck Park.

Cost estimates for the project will be developed once design concepts have been developed and related information has been collected. The preliminary cost figures outlined in this report were calculated prior to this due diligence work and should be considered as initial estimates for illustrative purposes only. More detailed cost estimates will be developed for property/air rights acquisition and/or obtaining permissions to construct over the rail corridor; project management, design and other costs; various phasing options for construction; as well as projections for programming, operations and maintenance.

Staff will analyze options to enhance the value of "growth-oriented" funding tools and other funding options described earlier in the report including Cash-in-lieu of Parkland Dedication ("Section 42") funds, Section 37 funds, Development Charges. Additional opportunities will be explored including donations and sponsorships as well as grant funding from other orders of government. For a project of this scale and complexity a range of funding solutions will likely be necessary.

The financial analysis will be consistent with the requirements and expectations of the City's Long-Term Financial Plan coming forward this fall, including any new approaches to funding major capital projects.

Conclusion

The rail corridor is the last opportunity to secure space for a major park in the Downtown area. Rail Deck Park would provide much needed parkland to serve the

residential and employment growth that has happened in the area over the past twenty-five years as well as the significant growth anticipated over the decades to come.

Rail Deck Park represents a vital investment in growth-supporting infrastructure that would go a long way to addressing the shortage of parkland in Downtown neighbourhoods. New parkland development is a fundamental requirement to maintaining the livability and economic competitiveness of Downtown Toronto. As such, it is appropriate to emphasize growth-oriented revenues to support the funding of this project.

Rail Deck Park is a complex and long-term planning and infrastructure project. In order to advance the project, a review of the Railway Lands West and Central Secondary Plans will be undertaken. Significant work is also required to understand the real estate interests and property ownership in the project area, the design and engineering requirements for the deck structure, detailed costs and appropriate funding options. Rail Deck Park will involve substantial public and stakeholder involvement and will be treated as a partnership-based city building project. The Implementation Strategy will recommend next steps.

The work plan proposed in this report will address these requirements over the next year and provide the information necessary for Council to make a decision on the next phase of the project in 2017.

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