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PROFESSIONAL JOURNAL



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Essencia art collective has painted four striking murals on pillars of the Corktown area's Adelaide underpass, through STart-UP (Toronto's Street Art - Underpass Program)

PHOTO: Katie FitzRandolph

NEWS BRIEFS

GTA NEW CONDO SUPPLY DROPPED TO 11 MONTHS

A Special Edition of Altus Group's Housing Market Report gives the Greater Toronto Area condominium market a cautious thumbs up.

2014 saw a 39% rebound in sales, the report says. With new supply being below sales levels, that reduced the number of unsold units by more than 2,000 to about 20,000. That translated to less than 11 months' unsold supply at the end of 2014, down sharply from the almost 17 months' supply at the end of 2013.

"Nevertheless," it continues, "18 buildings across the GTA (mostly outside the former City of Toronto) were cancelled for various reasons in 2014." Several of them now are planned or being considered for purpose-built rental instead.

Things to watch for in 2015? The report points to a dip in new condo sales this year, more competition from new purpose-built rentals, impacts of the high number of 2014 completions, emerging interest in family-focused condo units as urban singles transition into families, how many 6-storey wood projects actually come onto the market, and the extent of niche products.

OTTAWA-GATINEAU PROJECT LAUNCHED AS 'ZIBI'



The Windmill Developments project featured in the Summer 2014 Journal as *The Isles / Les Iles* was renamed before its late February launch.



Royal Canadian Yacht Club
141 St. George Street
Toronto, M5R 2L8
5:30 Networking
6:30 Dinner
8:00 Keynote Address
\$60 + HST, Guests Welcome
www.aole.org > events

Ian Graham *Navigating Toronto's New Zoning Bylaw*

Thurs, May 7, 2015
5:30 - 9:00 p.m.

Ian A. R. Graham, MCIP, RPP, is a director of R. E. Millward & Associates Ltd., and publisher and sole owner of NRU Publishing. As former Acting Project Manager with Toronto's City Planning Division, he worked on the new harmonized Zoning Bylaw, enacted by Council in 2013.

Zibi is the Algonquin word for River — a key element of the development near Chaudiere Falls on the Ottawa River. The launch was accompanied by some impressive video. You can check it out here: <https://www.youtube.com/channel/UCaQwHwgIygnVnt1VYoOSS2w>

COURTS OF THE FUTURE

In Fasken Martineau's Spring 2015 Capital Perspectives newsletter, articling student Andrea VanderHeyden describes how technology is being used in a very complex bid rigging case. "In many ways," she says, "this trial is a window into the future of oral advocacy".

Everyone has a computer screen to see the million-plus pages of documents; it is easier to access them, direct people to references, and search. With WiFi, the lawyers have been able to keep in touch with the office, and look up information about case law and witnesses, she said. As well, they could get transcriptions from the court reporter in real time, making it possible to check what was said earlier — and to send an unofficial transcript to the office each day.

"Years ago, the amount of disclosure would have resulted in a much lengthier and expensive trial," she said. While currently used for this type of case, "it may soon be used on a more regular basis, as the legal world continues to employ new technology to facilitate proceedings." See original at <http://www.fasken.com/en/capital-perspectives-spring-2015/>

RICS-CIQS-AOLE 2015 Golf Day

May 21, 2015



Spend a day on the fairways with fellow property professionals

Date: Thursday, May 21, 2015
Place: Cherry Downs Golf Club (Pickering)
Time: 1:30pm modified shotgun start
Cost: \$140 per golfer, includes boxed lunch, 18 holes of golf, golf cart, dinner **Dinner Only:** \$40
Golf club rentals are available for \$65.

For more information about registration or sponsorship, please see <https://www.eventbrite.com/e/rics-ciqs-aole-2015-golf-day-tickets-16112217075> and/or contact Silvana Curlo at scurlo@rics.org.

Whither Big Boxes?

It has been a tough few years for retailers around the world. Here in Canada, the recent closures of 66 Future Shop and 133 Target stores has focused attention on the challenges in this sector, and the spin-off challenges and opportunities for its related bricks and mortar.

It's telling that the Retail Council of Canada's annual conference this June is titled "Harnessing Disruption".

"I have never seen so much change in retail as we are seeing right now," says RCC President and CEO Diane Brisebois. "It's bricks and mortar, omni-channel, online, digital, social media, web-based ... the biggest challenge is to find the place to connect with the customer."

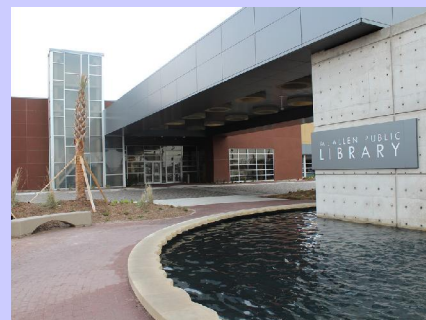
And that place may not be the big box store. A recent Canadian Press article quotes David Bell, a retail planning consultant at Colliers International, saying the most vulnerable property types are the power malls of the 1990s that were built purely on the big-box format.

Retail Prophet website founder Doug Stevens posted an item in early April titled "The Fall of the Retail Empire". Wal-Mart and other large retailers are doomed, he says. And not from the failure to master new technologies, but because as empires "the very business structure that has made them so powerful now renders them slow moving targets, ripe for eradication". The business approach of Empires, cornering markets with massive capital investment, marketing spend and infrastructure development, is now "corporate suicide".

Stevens says dependence on stores to serve as distribution points for products is rapidly diminishing. "The retailer/vendor relationship will begin to look a lot more like a media buy than the wholesale purchase agreement of today." Instead, a new breed of "experiential retailers" will become an immersive advertisement for products. They will charge vendors a fee based on volume of positive experience, measured by anonymous facial recognition, video analytics, mobile ID tracking, etc.



Almost 10 years ago, the Wal-Mart store in McAllen Texas moved from its approx. 125,000 sf big box to an even bigger box nearby. Some time later, the municipality bought the old vacant store and five acres for \$5 million, to be repurposed as their new main library. The resulting award-winning project divided the huge space to fulfill the many information and gathering space functions of a contemporary library opened in 2012. It is reputed to be the largest one-storey library in the US.



PHOTOS: (left) Eric Sierra Photography, (right) McAllen Library

"regardless of how, when and through whom they occur."

That could still leave a lot of old vacant big box stores across North America.

Already, there have been some really interesting projects to repurpose them. In McAllen, Texas, one has been transformed into the largest single-storey library in the U.S. (See above.)

Last December, Rachel Kaufman posted a piece on Urbanful.org titled "The ways we're repurposing abandoned malls and big-box stores are much cooler than you think".

One was made into a Spam museum in Austin Minnesota (but, Kaufman says, it is moving to another location closer to the downtown in 2016). Other new uses include churches, senior centres, charter schools, indoor sports facilities, (such as ice rinks or go-cart tracks), fitness centres/gyms, and medical centres.

"And it's not just big box stores," Kaufman says. "Entire malls are being reinvented." New tenants include indoor surfing(!), community colleges, and medical facilities. The upper section of the oldest outdoor mall in the US was partially converted last year into micro-units with tiny balconies overlooking the still-active ground floor mall.

Of course, well-located big box stores and power malls could offer great redevelopment opportunities to those able to

go through the required rezonings. Like brownfield redevelopments, they could revitalize communities with mixed uses and neighbourhood-scale planning.

Not everyone believes the retail giants are doomed. One commenter with the handle Markwilk_uf noted on the businessinsider.com site last year that "The correction we are seeing in retail is less a sign of a cultural shift than it is a contraction effect related to a far too aggressive retail expansion distorted by cheap capital, and consumer spending fueled by fake equity in their homes".

It was interesting to see the news release from Calloway REIT in mid April on its \$1.16-billion deal to purchase Smart Centres Retail from Mitchell Goldhar.

The acquisition will give Calloway 24 shopping centres, 16 of which are anchored by Wal-Mart stores, the release says. The properties are 99.7% occupied and existing leases average 12.6 years. The purchase price represents a cap rate of 5.9%. In addition, Calloway is buying SmartCentres' platform of development, leasing, planning, engineering, architecture and construction capabilities.

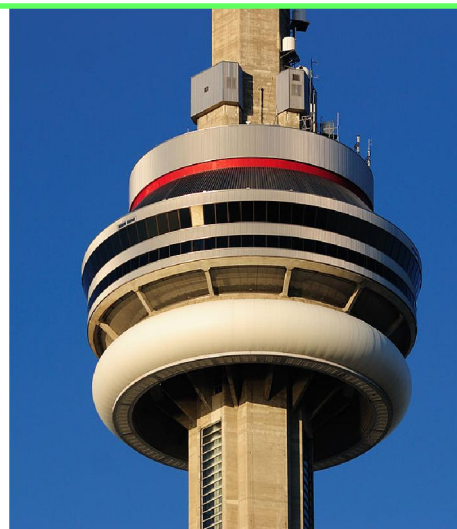
The deal will transform Calloway into a fully integrated real estate developer and operator, able to take on greenfield development and site intensification. Goldhar will become Chairman of the Board of Directors, give strategic advice for five years and increase his stake in the REIT to 24%. RM

On Average, Toronto is Best

Toronto often scores in the top five or ten in city rankings around the world -- but rarely makes it to the first-place "podium".

For example, in the various City reports from the Economist Intelligence Unit (EIU), Toronto has recently been ranked:

- in fourth place (out of 140 large cities around the world) in the 2014 Liveability Ranking
- much more affordable than its competitors (70 out of 131) in Worldwide Cost of Living, 2014 and
- in eighth place (out of 50) in the 2015 Safe Cities Index.



Focus on: The Economist Intelligence Unit's Index of Indexes

The Safe Cities Index, released at the end of January, also included a new metric to help define *Where is the best place to live?* "Deciding where to live is a personal choice for many city residents," the EIU report says.

"For some, safety will be paramount. Others will prioritise culture and creativity. Two neighbours may hold opposite views on democracy and the cost of living. But often choice will be based on a mixture of reasons."

So the EIU devised a new "Index of Indexes" to assess how the 50 cities in the Safe Cities report perform when you add in Liveability and Cost of Living information, as well as their country's rankings for Business Environment (2014), Democracy, and Global Food Security (both 2013).

That overall ranking put Toronto squarely in first place. Montreal was right behind it in second. Maybe the whole really is greater than the sum of its parts. (Vancouver and Calgary -- which placed third and fifth in the EIU's 2014 Liveability Ranking -- were not included in the Safe Cities study, so not considered for the Index of Indexes.)

Details of Metrics and Commentary follow on the next two pages

#	Index of Indexes	Safe Cities	Liveability	Most Expensive	Democracy	Business Climate	Food Security
1	Toronto	Tokyo	Melbourne	Singapore	Norway	Singapore	USA
2	Montreal	Singapore	Vienna	Paris	Sweden	Switzerland	Norway
3	Stockholm	Osaka	Vancouver	Oslo	Iceland	Hong Kong	France
4	Amsterdam	Stockholm	Toronto	Zurich =	New Zealand	Canada	Austria
5	San Francisco	Amsterdam	Adelaide	Sydney =	Denmark	Australia	Switzerland =
6	Melbourne	Sydney	Calgary	Caracas =	Switzerland	Sweden	Netherlands =
7	Zurich	Zurich	Sydney	Geneva =	Canada	USA	Belgium
8	Washington	Toronto	Helsinki	Melbourne =	Finland	New Zealand	Canada
9	Sydney	Melbourne	Perth	Tokyo =	Australia	Finland	New Zealand
10	Chicago	New York	Auckland	Copenhagen	Netherlands	Denmark	Denmark

SOURCE: Economist Intelligence Unit / Land Economist Journal. The = symbol shows ties. Highlights of the six reports and paid copies of the full documents are available through www.eiu.com. News coverage can also be found at www.economist.com, or media websites.

Very satisfying, but does it really mean anything?

In a superficial sense, rankings like the EIU's Index of Indexes should make Torontonians glow with satisfaction. The rankings provide independent confirmation of the city's dynamism, good governance and planning, and attractiveness for immigrants, businesses, and tourists alike.

Of course, in typical Toronto fashion we question its merit because of the ranking's obvious shortcomings.

Apart from concerns about data and methodology, the overall premise—that one can accurately sum up the complexity of city life using empirical and so called objective measures — is problematic.

Is the fact that Toronto is safe, liveable, business-friendly and relatively affordable really enough to convince people this is the place to immigrate, establish a business, buy a home, start a family, or take a holiday? Other than corporate types who subscribe to *The Economist*, who would be excited about beating Norway, Sweden, Iceland, New Zealand, Denmark, and Switzerland on the Index of Democracy?

It might be argued that Neighbourhood rather than City is the appropriate scale to measure liveability but, other than fairly nebulous metrics on education and health care, the rankings aren't granular enough to address the density of development, cyclability and walkability, air quality, the number of trees, parks, green spaces per person or per square mile, or the level of income disparity.

Nor does the index measure the effects of more prosaic factors such as a city's weather or remoteness, unquestionably important considerations for anyone thinking of settling in,

say, Oslo or Auckland, and (given last February's temperatures) probably Toronto too.

On purely aesthetic grounds, Toronto's natural setting on the shores of a Great Lake, often unappreciated, is surpassed by Vancouver's ocean views and mountain backdrop.

The art and architecture of Paris and New York draw a number of visitors that our city's tourist board can only dream of. In what way does *Carnival* affect Rio's ranking or the thousands of years of settlement affect that of Cairo or Istanbul?

Given its intended audience, such qualitative measures are understandably not considered but nevertheless they undoubtedly influence the liveability of those places.

At the end of the day the question "*who cares?*" is a legitimate one. If we were not number one in the "Index of Indexes" would it change anybody's decision about coming to Toronto — for business or otherwise? I suspect not.

So let's respond to our ranking as a restaurant might respond to a good review: publicize it discreetly, keep doing what we're doing, and hope that success doesn't ruin us.



**STEFAN
KRZECZUNOWICZ**
Senior Consultant
Hemson Consulting Ltd.

Thoughts from two more Commentators continue on next page

More about the Metrics of the Indexes

Safe Cities Index (2015) measures the relative level of safety of a diverse mix of the world's leading cities using four main categories: digital security, health security, infrastructure safety and personal safety.

Each category uses between three and eight sub-indicators, which are divided between security inputs, such as policy measures and level of spending, and outputs, such as the frequency of vehicular accidents.

The **Liveability Index** (Aug 2014) assesses locations around the world based on 30 factors in five categories: stability, health care, culture and environment, education, and infrastructure.

The **Worldwide Cost of Living survey** (2014) compares more than 400 individual prices across 160 products and services in 131 cities, including food, drink, clothing, household supplies and personal care items, home rents, transport, utility bills, private schools, domestic help and recreational costs.

In the chart on page 4, results for this index are greyed out, because scoring at or near the top is not an advantage. In fact, Toronto's ranking (not far from the mid-point for all

131 cities) can probably be credited with putting it in first place in the Index of Indexes.

The EIU's **Index of Democracy** (2013) is based on the ratings for 60 indicators grouped in five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture.

The **Business Environment rankings** model (2014) is based not only on historical conditions but also on expectations about conditions prevailing over the next five years. It examines ten separate criteria or categories, covering the political environment, the macroeconomic environment, market opportunities, policy towards free enterprise and competition, policy towards foreign investment, foreign trade and exchange controls, taxes, financing, the labour market and infrastructure.

The **Global Food Security Index** (2013) assesses three categories — affordability and financial access, availability, and food quality and safety. It uses a series of indicators to evaluate programs, policies or practices that influence food security.



**DAVID
SAJECKI**
Associate &
Senior Transportation & Land
Use Planner
Brook McIlroy

Let's Celebrate This Boost to our Global Reputation

In a world where the movement of people, capital and ideas is increasingly fluid, a strong message to the rest of the world that Toronto is a great

place to live is more important than ever. We live in a competitive knowledge-based economy where businesses and people can locate where they choose. Hence, articulating our positive attributes and high quality of life is critical to attracting talent and investment.

When outside media and organizations do the publicizing for us, even better: that's why I welcome as great news the Economist Intelligence Unit's "Index of Indexes" in its Safe Cities report, ranking Toronto as the best place to live in the world.

For the "Index of Indexes", the Economist Intelligence Unit ranked Toronto against 50 global cities based on a broad picture of how they perform across a range of its other indexes and rankings. The three indexes at the city level and three at the national level are described in the article on page 5.

The methodology comes up short in a few areas, such as not incorporating both a regional and granular / neighbourhood perspective and some may say it fails to measure the softer side of what makes a great city great. Important quality-of-

life factors such as a city's history, natural setting and weather may not be properly accounted for as part of the ranking.

But in this case, so what? That's not the point. We live in a social media world where the medium is the message. Toronto is a great city and successes such as this ranking are noticed. They increase our global stature and help attract talent and investment; in turn, this increased social and economic investment improves the quality of place in our city and neighbourhoods.

Reputations, like cities, are living and breathing organisms that change over time. Producing a positive image is essential for cities to promote themselves. A positive image can change perception both internally and externally, compelling us to strive for better.

The methodology and data in the study isn't perfect. Neither is Toronto. Our job is City Building. After all, if Toronto were perfect we'd all be out of a job.

Toronto is young, dynamic, diverse, consisting of great neighbourhoods and communities, and an international centre of good governance (most of the time). While only beginning to realize our potential, we've already been named the best place in the world to live by a major influencer. Striving to improve our city and transforming it into truly the best place to live will only help us realize this potential.

Let's celebrate the successes along the way. *The Economist* certainly thinks we should.



**IAN J.
BROWN**
Economic
Development
Specialist

Businesses and Investors Look Far Beyond Indexes

The Economist Intelligence Unit is a respected source of information for business people and investors, but businesses are looking for consid-

erably more. Informed investment decisions take into account numerous complex factors adjusted to the unique requirements of a business or individual.

The EIU ratings will, nevertheless, be promoted by economic development professionals seeking consideration by potential investors. Attracting business investment is globally competitive, and getting on short lists, or even long lists of locations being considered requires awareness on the part of those doing the review, or site selection. Ratings help, but the much talked-about "brand image" is the sum of many complex, rapidly changing factors, as reflected in recent fluctuations in our currency, exports and input costs such as energy.

In this world of big data, companies, investors, consultants and analysts expect jurisdictions they are considering to provide extensive, accurate information on all aspects of availability, costs, markets and regulations that will impact their success. This information will be checked and augmented through extensive research and customized to the particular specifications of the search.

For companies seeking a new location, realtors, site selectors and consultants are normally employed. Companies, or those they hire, often approach economic developers at all levels of government. Depending on resources, government economic development initiatives will uncover some of these opportunities that might not have otherwise come to light. Each of these professions has representation among the membership of the AOLE.

The EIU's Business Environment rating provides a broad overview, but businesses have specific needs and wants including costs, and more importantly availability/accessibility of skills, suitable facilities, utilities and other services, suppliers and of course customers. These are interrelated, such that simple labour rates are often less important than the combination of factors including availability, productivity and benefit costs such as health care. Quality and reliability of services such as utilities can be more important than cost per unit. Transportation, including road congestion and transit, impacts not only supply chain costs, but also labour availability.

Will the Index of Indexes help Ontario attract new business investment, jobs and taxes needed for a growing economy? Will it help us retain the businesses we have and encourage them to grow here?

It can help, but is only the beginning of a very complex process in which Professional Land Economists play a number of important roles.

Sustainable Neighbourhood Development in the 21st Century

by Robert W Hughes, AACI, PApp, SRA, SRPA, PLE

ABSTRACT

This article examines the critical features of urban development necessary to achieve sustainable neighbourhoods in the 21st Century. These include: suitable infrastructure and creative building design, which are incorporated into interconnected, safe and aesthetically pleasing urban districts.

INTRODUCTION

The primary focus here is on how to develop core area urban neighbourhoods in mid-sized and smaller cities. London, Ontario has been selected as the focus of this discussion because of its size, growth rate, location, population base, and diversified workforce.

It is currently Canada's 15th largest city with a 2011 population of approximately 366,000. Its growth rate is approximately 1% per annum, which is typical of many Canadian cities. To a large degree, London's location in rural south-western Ontario isolates the city from major outside influences such as those emanating from much larger municipalities like Toronto. Demographically, London is diversified and has a broad spectrum of ethnic groups, job types, and income levels. Hence, numerous companies such as Tim Hortons, Home Depot, the Body Shop, McDonalds and Rogers Cable have reportedly used it as a test market for their products and services.

PRINCIPAL ISSUES

Four principal factors have a significant socioeconomic bearing on the sustainability of mid-sized and smaller urban core areas as we move forward into the 21st Century:

1. creative, aesthetically pleasing and functionally flexible building design to which people can relate;
2. people-friendly and safe pedestrian walkways and streetscapes that effectively link all of a neighbourhood's components;
3. modern physical and social infrastructure that sustains progressive 21st Century communities; and
4. effective integration of individual neighbourhood developments and

facilities into self-contained, safe and people-friendly districts.

DISCUSSION

These are not new concepts. Nevertheless, we all too often continue to foster "One-Off", "Stand-Alone" structures that function as formidable monoliths rather than aesthetically pleasing developments which are effectively interconnected with their surrounding neighbourhood.

Short term, narrowly-focused interests too often override the need for more progressive core area neighbourhood development. While costs are always a significant consideration, failure to appreciate the need for and value of high quality developments and neighbourhoods will result in on-going sustainability problems.

Furthermore, because the cost of correcting problems after the fact is usually uneconomically high, there is an urgent need to address these issues before it is too late, and before we find our communities in the backwaters of the emerging global market.

The lifestyle expectations of the people who live and work in urban neighbourhoods must be the primary focus in the planning, design and development stages of new structures.

We need to take into account where the world is going, and our role in it. Too often the importance of innovative, creative and aesthetically pleasing design becomes lost due to the myopic restrictions imposed by existing regulations and personal preferences that inhibit the creation of high quality, fully integrated neighbourhood development.

Aesthetically pleasing neighbourhoods supported by adequate infrastructure will have a much better chance of attracting and retaining the well-educated, high income professionals that cities need to ensure their long-term socioeconomic sustainability. These people have a broad spectrum of choices of where they can live and work, and they have the education, skills and mobility to be very selective.



PHOTO: Hughes and Associates

One London Place

SUSTAINABILITY IN LONDON'S CORE AREA

The city of London has recently proposed subsidizing the installation of fibre optic cabling in its downtown core area with the hope of attracting new high-tech businesses. It has also recently subsidized *Fanshawe College* for the redevelopment of existing main street buildings to create a core area community college campus. In addition, there are currently four high rise developments proposed for the city's downtown neighbourhood that would add approximately 2,000 new residential units to the core area. How these new developments are designed and integrated into the existing City's core area will dictate, to a very large degree, the direction and quality of its future for decades.

London is not without good precedents. For example, in the early 1990s the 24-storey ultramodern *One London Place* office building (above) was constructed in the City's core area. This building and its pedestrian-friendly streetscape became the city's core area focal point

Continued on page 8

and set a new high standard for the city. This building shows how a good development can maximize a project's integration into a neighbourhood. For example, the building's glass exterior curtain-walls reflect both the sunlight and the images of adjacent buildings to create a greater openness than would a building with a masonry and concrete facade. The triangular shape of this building and its pleasing design soften the visual impact of the structure and



PHOTO: Hughes and Associates

Queens Avenue streetscape adjacent to One London Place

greatly increase its aesthetic appeal. At the street level, the building has been set well back from the roadway to permit the retention of a wide and attractively landscaped pedestrian walkway. It is this quality of pedestrian walkway that is needed to connect all of the neighbourhood facilities to create a cohesive and invitingly walkable core area. Developers have a good example to follow here and if the city is to compete effectively in the global marketplace all those involved must come to recognize the ultimate long term value of developments of this quality.

EXAMPLES FROM TORONTO

With its focus on high density, core area residential development, Toronto offers some excellent examples that can also be used as guidelines for smaller cities on a proportionate scale.

In many cases core area sites cannot accommodate large setbacks. Nevertheless, there are at least two ways to create openness. One is to reduce the footprint of a building and adjust for the related loss of building space by erecting a taller structure. Another is to minimize the building setback and recess the building's façade for the first two or three storeys, thereby creating a wider and more inviting pedestrian walkway. Also, by enhancing the building's ground floor space with cafés and attractive shops, pedestrian-friendly walkways can be created where a large building setback cannot be accommodated.

SPRING 2015 / Vol 45, No 1

The following two photographs of the Great Gulf *Monde* development at Queens Quay and Lower Sherbourne in Toronto provide a good example of how this effect can be achieved through the creation of a spacious streetscape.



Great Gulf's Monde, designed by Moshe Safdie with Quadrangle architects, ties into the urban waterfront neighbourhood and park in Toronto's East Bayfront community.



PHOTOS: Great Gulf

Monde development's four-storey structurally open podium provides a pedestrian-friendly entrance that links the project to its surrounding neighbourhood. Like parks, such walkways greatly enhance the long-term sustainability of urban neighbourhoods, and comprise a critical component of a neighbourhood's socioeconomic infrastructure.

Another Toronto project, the *Eau Du Soleil*, being developed by Empire Communities, provides an excellent example of creative design with aesthetically pleasing and transitional architecture by E I Richmond Architects and Zeidler Partnership. Although not in a core area neighbourhood, this development exemplifies the type of world-class features that are needed to make our cities suc-



At the west end of the waterfront, Eau du Soleil will be a creative landmark for its Humber Bay neighbourhood.

PHOTO: Empire Communities

cessful competitors in the emerging global market.

The buildings are visually elegant. The structures feature seamless natural transitions from one area to another. Also, the offsetting of the towers minimizes view and shadow issues, and the building's pedestal interacts openly in a non-inhibitive way with adjacent developments and provides a welcoming well landscaped entrance.

When completed, the development's high quality pedestrian access and supporting social infrastructure will contribute to both its own and its neighbourhood's long-term sustainability.

CONCLUSION

We have the technology and skills to create unique and liveable neighbourhoods that can compete globally in the 21st Century. However, a much broader vision is required to prevent the construction of one-off, unattractive, stand-alone projects that are totally lacking in effective pedestrian links between themselves and the entire neighbourhood.

Ideally, such desirable features would be incorporated into the original design of large urban developments. However, this is often not the case because the parties involved lack the vision and an appreciation of the need for high quality, long term developments to satisfy the lifestyle expectations of urban sophisticates. This shortcoming can be corrected through more effective and constructive team work between planners, architects, developers and politicians.

The critical factor here is the need to recognize that cities are both economic and social entities that require inspired developments, which go beyond the bricks and mortar. In other words, they require two kinds of infrastructure – one of them physical, the other social.

Robert W. Hughes is founding partner and president of Hughes & Associates — land economics/property investment advisors throughout North America.

www.hughesassociates.ca

Details of Planning Act, DC proposals

On March 5, the Ontario Ministry of Municipal Affairs and Housing's Bill 73, the *Smart Growth for Our Communities Act*, received first reading in the Legislature.

The result of a province-wide consultation last fall, this Bill proposes some significant changes to current planning and development charges processes.

Planning Act

Official Plan (OP) Review: Currently mandatory every five years, this would be increased to 10 years. Provincial Policy Statements would also be reviewed on a ten-year basis.

Amendment Applications:

- Applications to amend a new **Official Plan** or **Comprehensive Zoning Bylaw** will be prohibited for the two years after the OP or bylaw comes into effect.
- Where a property owner has been given a zoning amendment, application for a **Minor Variance** will also be prohibited for two years.
- **Community Planning Permit Systems** can set out as-of-right development standards based on extensive community consultation. Bill 73 would prohibit applications to amend a CPPS bylaw for five years after its passage.

Appeal to the Ontario Municipal Board: Some significant issues could **no longer be appealed** to the OMB:

- global appeals of entire OPs
- any portion implementing legislation to protect vulnerable lands and environment, such as the Clean Water Act, Greenbelt, Oak Ridges Moraine, etc.
- population and employment Growth Plan forecasts
- settlement area boundaries in lower-tier OPs
- any amendment to a lower-tier OP where the approving authority determines the amendment would not be in conformity with the upper tier OP

Alternative Dispute Resolution: For some other disputes, including appeals relating to official plan or zoning bylaw amendments, consents or subdivision approvals, municipal Councils and other decision makers could choose to first refer the appeal to mediation or

another form of ADR. If so, the deadline for forwarding documents to the OMB goes to 75 days, from 15.

Failure to make a decision:

This would allow people to add an extension of 90 days to the 180 days currently set out for decisions on OPs and OP amendments before appealing.

Parkland Dedication and Section 37:

- Before requiring cash-in-lieu payments for parkland, a municipality would have to have a plan in place, based on a study of the need for parkland.
- Current parkland dedication and cash-in-lieu (CIL) rates are five percent of the land area or one hectare for each 300 dwelling units. Bill 73 would reduce that to one hectare for each 500 dwelling units.
- Municipalities would have to place the money collected under Section 37 into a special account and report how it is spent.

The Act would also allow the Minister to add new criteria for approval of minor variances.

Development Charges (DCs)

Transit: Bill 73 would add transit to the list of services where full capital costs are used for calculating DCs, and remove the 10-year average service level limitation.

Area-specific DCs: This would allow Councils to pass area-specific bylaws specifying services to be funded through DCs.

Voluntary Payments: Use of voluntary payments would be restricted.

Asset Management Plans: Municipalities would have to prepare a plan on asset management and financial sustainability of all assets to be funded by DCs.

Transparency: The Municipal financial statements would have to include details on the use of DC funds.

For more information:

[Bill 73](#) (first reading), [Ministry of Housing announcement](#), [Borden Ladner Gervais article](#), [Weir Foulds article](#).

Welcome New Members!

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LEGISLATIVE UPDATE

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the end of March stated that the "narrow focus on the higher tangible costs of P3s does a disservice to an innovative model of government procurement" and recommended that "the expertise and project management discipline of the private sector" should continue to be used.

Construction sector representatives also contended that the AG focused only on financing terms and did not take into account that in many P3 projects the private sector is responsible for maintaining the infrastructure in a good state of repair. Although warranties for initial work are standard in a traditionally-procured project, the provision of a multi-year maintenance contract is a feature not found in non-P3 government projects.

Andy Manahan is Executive Director of the Residential and Civil Construction Alliance of Ontario. He is also a member of AOLE's Board of Directors, and its Legislative Chair.



The Legislative Update

By Andy Manahan, PLE

Tsunami of Consultation Papers

The Province released a tsunami of consultation papers in the early part of 2015:

Community Smart Growth:

Municipal Affairs Minister McMeekin is seeking to reform the Planning Act and the Development Charges Act. The Province is proposing that municipalities engage the public in more up-front planning and that potential planning disputes be resolved earlier by municipalities in order to reduce the involvement of the Ontario Municipal Board.

Municipalities would also be given expanded powers to pay for transit projects using DCs. If implemented, this would increase the cost of new housing considerably and make it even more difficult for buyers to purchase a home.

Two working groups have been established, to report back later this year.

Co-ordinated Review:

The Ministry of Municipal Affairs and Housing has also released a discussion paper to review the following:

- Growth Plan for the Greater Golden Horseshoe
- Greenbelt Plan
- Oak Ridges Moraine Conservation Plan and
- Niagara Escarpment Plan.

In addition to these four plans, reference is also made to other provincial initiatives such as The Big Move plan by Metrolinx. Comments can be sent to landuseplanningreview@ontario.ca by May 27, 2015.

Climate Change Discussion Paper:

The Minister of the Environment and Climate Change, Glen Murray, released a paper in February in which he

states that storm weather events are "severely damaging our infrastructure." The report calls for existing and new infrastructure to be well-built and "climate-smart."

It is clear from the announcement made on April 13th between Quebec Premier Philippe Couillard and Ontario Premier Kathleen Wynne that discussions on a cap and trade system on carbon emissions were already well-advanced prior to the end of March when comments on the CC paper were due. As there remain many details to sort out in how the new system will work, the cap and trade program will not be announced until well after the spring provincial budget.

PROVINCIAL BUDGET

Ontario's Budget will be tabled by finance minister Charles Sousa on April 23rd, two days after the federal budget. (Due to the projected revenue decline as a result of the precipitous drop in world oil prices, federal finance minister Joe Oliver announced in January that he would be postponing his budget. This would allow Ottawa to figure out how to deliver on the government's promises to both balance the budget and deliver on measures such as income splitting for families.)

The Ontario Budget is expected to be influenced by the final report of the Premier's Advisory Council on Government Assets which is chaired by former TD Bank President and CEO Ed Clark. Since the release of the Clark Panel interim report last November, there has been much discussion with Queen's Park about how provincial assets can be better leveraged to help fund large scale infrastructure investment programs. Although recommendations in the interim report

were acknowledged by Mr. Clark to be incremental in nature, the release of the final report on April 16th took a somewhat more aggressive stance to alcohol sales and Hydro One.

ASSET RECYCLING

As indicated in the previous Legislative Update, RCCAO provided input to the Clark Panel by submitting a report "*Unlocking Ontario's Advantages: Building New Infrastructure on the Foundation of Existing Public Assets*" by Michael Fenn, a former Ontario deputy minister.

Ontario taxpayers and consumers have spent billions accumulating government business assets over the years. Fenn argues that while some of these legacy assets made sense being in government hands at one time, there is merit in assessing whether the value of these assets can be unlocked. This could be achieved by either selling an interest in these assets to the private sector, or providing the opportunity to manage these assets.

The report also states that Queen's Park has correctly placed a priority on making significant infrastructure investments but that these cannot be financed through traditional sources of capital investment by the public sector. Other sources such as taking advantage of P3 approaches, encouraging more infrastructure investment from public pension funds, and adopting a revolving fund mechanism (aka "National Infrastructure Bank") are highlighted at http://www.rccao.com/news/files/RCCAO_Infrastructure-Investment-Study_Dec2014.pdf

AUDITOR GENERAL'S REPORT

Ontario's Auditor General Bonnie Lysyk released a report last December which called for a return to traditional government procurement based on what she calculated to be an \$8 billion overspend using the province's AFP approach.

That report did recognize that using traditional delivery methods would have cost the province more in cases where projects are delayed.

A TD Economics report "Ontario P3s - Cost Does Not Equal Value", released at

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