

THE LAND ECONOMIST GRAND PRIX OF CANADA SEPT. 22-23-24

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Carlo Fidani and Ron Fellows

Zoom into the fast track with their transformation of Mosport

FEATURES

PROFESSIONAL JOURNAL



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Mr Christie makes way for a Spectacular new Etobicoke Waterfront Community

By Pat Brennan



Humber Bay Shores, Etobicoke.

Mr. Christie you made good cookies and thanks for that.

nd now your 70-year-old cookie factory has been knocked down to make way for a spectacular new community on the Etobicoke waterfront.

Eventually 15 high-rise condos – ranging in height from 28 to 70 storeys – will occupy the 28-acre site. Plus, there'll be two grade schools and a 2.4-acre park that started out as a 1-acre park until folks from the region told municipal planners they deserve a much larger park.

The elementary schools will back onto the park as will a day-care centre to accommodate 65 youngsters and a public library.

A pedestrian walkway lined with restaurants and commercial/retail shops winds through the project for the residents occupying the 7,500 housing units.

The intersection of Lakeshore Blvd. and Park Lawn Rd. is no longer bathed in the delicious odour of fresh cookies coming out of Mr. Christie's big industrial ovens.



The iconic Mr. Christie 's water tower.



Mr Christe water Tower as it currently stands.

But one reminder of those days remains. The iconic Mr. Christie's water tower - a land mark spotted for 60 years by commuters on GO Trains, QEW and Lakeshore Blvd. - still stands on Mr. Christie's campus.

Jodi Shpigel, First Capital's project manager for the Christie site, will eventually hire an engineering firm to move the 100-foot-high water tower to a new location within the project. It is proposed to stand next to a new combined GO and TTC transit station within the community.

First Capital is one of Canada's largest retail landlords. It's a publicly traded company that has shopping malls in 150 different Canadian neighbourhoods two of which are The Shops at King Liberty in Liberty Village and Hazelton Lanes in Yorkville Village.

Its tenant groups include grocery stores that account for 16.9 per cent of its rental income last year, restaurants at 12.9 per cent, pharmacies/medical at 15 per cent and banks at 8.3 percent. First Capital's



Historical photo of Mr. Christie Plant.



Rendering of 24 acre park with relocated Mr. Christie Water Tower.



Rendering of the development at the former Mr. Christie site.

top 10 tenants in 2020 were Loblaws, Sobeys, Metro, Canadian Tire, Walmart, TD Canada Trust, RBC, Goodlife Fitness, Dollarama, and Save on Food

The renowned London-based urban design firm <u>Allies and Morrison</u> - working in conjunction with <u>Adamson Associates of Toronto</u> - designed the master-planned community. The firm is also expanding Canary Wharf - London's global financial centre - to the east along the Thames River to be a more people-oriented place with

Rendering of the back alley of the Galleria.



Rendering of the devlopment overlooking Humber Bay.

restaurants, retail outlets, entertainment venues and commercial office space.

Adamson Associates is also involved with Allies and Morrison in the expansion of Canary Wharf that is getting 2.5 million square feet of commercial and retail space, plus 1.6 million square feet of residential development. The All England Lawn Tennis Club - which operates the world famous Wimbledon tennis site - has purchased the Wimbledon Park Golf Course next door and hired Allies and Morrrison to double the size of its tennis facilities.

At Mr. Christie's site the 15 residential towers – now called 2150-2194 Lake Shore Blvd – will marry up with the existing 15 residential towers sitting on the water side of Lakeshore Blvd. to create Humber Bay



Illustration of Entertainment Square at 2150 Lakeshore Blvd West.



Shores. The neighbourhood has hundreds of acres of waterfront parkland and is intersected by the Martin Goodman Trail, a popular pedestrian/ bicycle trail that sweeps across the waterfront face of all of Metro Toronto. The 66-storey Eau du Soleil condo tower built by Empire Communities at the corner of Lakeshore Blvd. and Marine Parade Drive is the tallest waterfront building in Canada.



Pat Brennan is a freelance writer and former real estate editor at the Toronto Star. You can reach Pat by phone at 647-898-9717 or at travelswithlefty@gmail.com

AOLE Invites you to a live Zoom Webinar Tuesday June 29th at Noon till 1pm

featuring

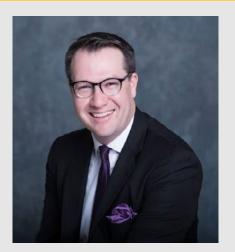
Ben Myers

of Bullpen Research & Consulting Inc. who will give a presentation on The High-Density Housing Market - New Condo Activity and Land Prices.

Ben will dive into the latest data on the apartment market by tenure, as well as the latest data from the GTA High-Rise Land Insights Report from Batory Management and Bullpen Consulting.

We hope that you can join us. For more information and to register click here to go to AOLE Once you are in the AOLE Site , log in then click the green "Register" button.

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Ben Myers Bio

Ben is the President of Bullpen Research & Consulting Inc., a boutique real estate consulting firm founded in 2017. Ben has 20 years of real estate research experience in both the United States and Canada.

Ben and the team at Bullpen Consulting provides market research, feasibility, valuation, and macro-economic advisory services to developers, lenders, and land owners in Ontario. Ben provides statistical analysis and writes the Rentals.ca National Rent Report, co-authors the GTA High-Rise Land Insights Report with Batory Management, and is the host of Coast to Coast, a rental housing segment on RHBTV. Ben is also the Special Market Advisor to Baker Real Estate and helps them price new condominium and townhouse developments in Ontario.

Ben's professional career includes stints at the largest market research company serving the US homebuilding industry at the time, the urban economics team at Clayton Research Associates, and he served as the Executive Vice President of a condo data tracking firm.

Toronto Under Construction

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A RESIDENTIAL **REAL ESTATE PODCAST** HOSTED BY BEN MYERS AND CO-HOSTED BY STEVE CAMERON.

The Toronto Under Construction podcast dives into the nitty-gritty of Toronto real estate. No topic is off limits as Ben and Steve discuss the important issues around development, with a specific focus on housing policy and economics. A monthly podcast where Ben and Steve interview developers and market experts about their projects, passions and insights on all things real estate.



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"The Well" The Largest Construction Project in Ontario

By PatBrennan

The basement pool will be six storeys deep - but there'll be no swimming.

Construction site of The Well where the Globe and Mail once stood.

he Well, a luxury condominium Tridel is building on Front Street where the Globe and Mail dwelt for years, will have the deepest swimming pool in Canada.

The basement pool will be six storeys deep - but there'll be no swimming. Its 2 million gallons of water will be used instead to cool and heat a dozen other buildings in the neighbourhood.

The Tridel condo is one segment of what may be the largest construction project in Ontario.

Four large developers are creating the mixed-use complex with at least 3 million square feet.

It'll have seven different tall towers for rental apartments, ownership suites, office towers, interior park space and a mall with retail space and entertainment facilities. And Enwave Energy Corp. has gouged out a six-storey reservoir below The Well's six-storey-deep parking garage and truck delivery ramps to hold 2 million gallons of cold water from deep in Lake Ontario. The reservoir is lined with concrete. The lake water will cool and heat the floor space in the complex, plus it will do the same for future buildings, plus existing buildings in the city's King/Spadina quadrant.

Enwave's lake water already cools heats and supplies drinking water to 700 customers in 95 large buildings in the city core, said company president Carlyle Coutinho. "There is going to be a lot of new development in the King/Spadina district and the entertainment district so we are adding new technology and resources with our reservoir at The Well to service those potential new clientele," said Coutinho.

Enwave first put three pipes five kilometres out into Lake Ontario in 1980 to a depth of 43 metres (271 feet) to draw in cold water to cool Toronto's principal hospitals stretched



Rendering of the development's proposed Union Park,

along University Ave. The firm has since expanded to service most major buildings in the city's core. The system has reduced the electrical bills of those buildings by up to 80 per cent and eliminated massive tonnage of CO2 pollution from the atmosphere.

As well as Tridel creating two residential towers 33 and 38 storeys tall at The Well complex, RioCan REIT is putting up two rental buildings including the tallest in the entire project at 46 storeys, Allied also has a rental tower. There'll be more than 1,700 residences in the finished project as well as a large retail mall with restaurants and entertainment facilities.

The Well gets its name partially from the project's north side fronting onto Wellington Street and the developers contending you'll live well in the community they've planned at 440 Front Street from where the Globe and Mail was published for years.

The Globe and Mail took over the property and its presses with the demise of the Toronto Telegram in 1971. Telegram owner John Bassett had built new headquarters for his 95-year-old newspaper in 1963 at 440 Front Street. Today the Globe and Mail operates out of 351 King Street East. Currently the south side of The Well faces onto Front Street and beyond that onto the expansive rail corridor feeding into Union Station. The city proposes to cover the wide railway corridor with a magnificent 20acre park running from Bathurst Street east to Blue Jays Way just before the trains enter Union Station.

And on the north side of Rogers Place where the Blue Jays will eventually again play baseball, Oxford Properties proposes to create a \$3.5 billion mixed-use development called Union Park.

Included in the Oxford design is yet another rail deck park. The 3-acre park covering the rail yard in front of the Oxford site would actually be a contiguous addition to a 20acre park starting at Bathurst.

The 4-acre Union Park site is proposed to have four towers 58 and 48-storey office buildings connected by a central atrium — and two residential rental buildings with about 800 units in 54 and 44-storey towers.



Carlo Fidani and Ron Fellows Zoom into the fast track with their transformation of Mosport

By Mike O'Dwyer

Magazine cover of the 1972 Canadian Grand Prix,- Formula One held at Mosport Park on September 24th, won by Jackie Stewart.

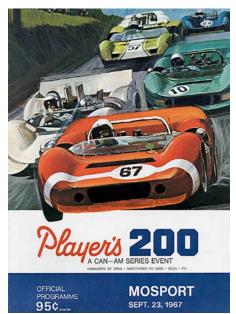


Carlo Fidani and Ron Fellows when the track was purchased in 2011.

arlo Fidani is passionate about racing. As the chairman and CEO of Orlando Corporation, Canada's largest privatelyowned industrial real estate developer and landlord, he knows that every successful development is a race to be won. A race against deadlines and budgets to drive large tracts of undeveloped land through all the phases of development, design, leasing, construction and management to the checkered flag of fully-leased quality properties in premium locations.

In this issue of The Land Economist, you'll find an intriguing snapshot of Fidani as a successful developer. But this story is about his other racing life. To say that Fidani is a motorsport enthusiast is an understatement.







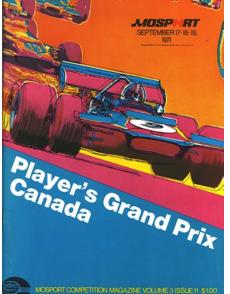




He's an avowed NASCAR fan and in his spare time (such as it is) he enjoys piloting his Porsche around his favourite race track. (Which track is his favourite? Read on.)

And Fidani's motorsports focus runs in the family: His son, Orey, is an accomplished professional driver, most recently co-piloting a McLaren 570S GT4 for the AWA team in the Michelin Pilot Challenge Series.

In fact, it was while Carlo and his sons Orey and Robert were honing their ontrack skills at Ron Fellows racing school in Las Vegas, that he took his racing passion to another level.





Ludwig Heimrath 's Porsche.



From left to right the image shows: Ron Fellows, Lynda Fellows, Carlo Fidani, and Myles Brandt.

As Canadian Motorsport Hall of Fame inductee Ron Fellows remembers it: "We were at my school in Nevada back in 2010 and Carlo said, 'We should buy a track. Do you think Mosport is for sale? 'I said, I don't think it is but I know who we should call."



MOSPORT SEPT. 24, 1966



At that time. Mosport Park. Canada's iconic Grand Prix circuit, was owned by Don Panoz, an American motorsport legend, whose acquisition of the International Motorsports Association (IMSA) in 1998 also included Mosport - and that's who Fellows called: "Panoz wasn't looking to sell," says Fellows. "But he liked us. He liked Carlo and they hit it off. He thought it was a good idea to get the track back in the hands of Canadians. And that was how it started. On June 1, 2011, we took over."

Located in rolling rural hills north of Bowmanville, just an hour from Toronto, Mosport has been Canada's Home of Motorsports since 1961. But the 900acre site was also in desperate need of an overhaul and expansion when it was purchased by Canadian Motorsport Ventures Ltd. (CMVL) comprised of partners Carlo Fidani and Ron and Linda Fellows. "We were excited to pour our racing passion and business expertise into Mosport," Fellow says. "Over the next few years, we invested heavily to take this historic race facility to the next level by transforming a single use facility into a multifaceted entertainment venue offering a wide range of racing opportunities as well as attractions beyond car racing."

Now re-branded as Canadian Tire

Motorsport Park (CTMP), the venue includes three professional-grade race tracks: the world-famous Grand Prix Circuit, the Driver Development Track and a karting facility. A striking 23,000-square-foot Event Centre overlooks the Grand Prix Circuit, provides marvelous views down to Lake Ontario, and can be transformed for a variety of functions from conferences and hospitality suites to weddings and exhibitions. Even the family-friendly camping facilities have been improved, providing accommodations for many of the 500,000 visitors drawn annually to CTMP by a calendar of worldclass events.



1974 Canadian Grand Prix,FIA Formula One World Championship at Mosport Park on September 22nd won by Emerson Fittipaldi,

"None of this would have been possible without Carlo's commercial real estate capability," says Fellows. "From the architects and builders, to the paving and landscaping, every aspect of the CTMP development was sourced through, and directed by the Orlando Corporation.



"From the first day we assumed the venue, Carlo was invaluable. He looked at it with fresh eyes – a developer's eyes – and said, 'We should do this ... We can do that.' We did it all – and look at where we are now!"

As with every aspect of our personal and professional lives over the past (too many) months, COVID has had its way with CTMP activities and plans. "We've essentially been shut down for over a year," says Fellows. "But we're hoping to get club racing going again soon, although without spectators. And by Labour Day, we are planning on hosting a special event with at least limited spectators.

George Eaton driving for Formula 1 team Yardley BRM and Lis Blackburn at Monza Italian Grand Prix 1970,(the car in the background belongs to Lis).





Canadian Motorsport Hall of Fame Drivers at CTMP Canada's greatest drivers have burnished their racing reputations on Canada's greatest race track. Here are just a few.



George Eaton - inducted 1994

Canada's first full-time in Formula One driver. Before going to Formula One, he was also a standout on the Can-Am circuit and absolutely unbeatable in a Shelby-Cobra in sports car races.



Ludwig Heimrath Sr. - inducted 2000

One of the most famous names in Canadian auto racing, Heimrath won the Canadian Sports Car Racing Championship in 1961 and in 1964. He was the second Canadian to race in Formula 1. His son, Ludwig Jr. raced in the CART series.



Ron Fellows – inducted in 2012

Few Canadians have raced in NASCAR's top division. Few Canadians have raced in the iconic Le Mans 24-hours. And even fewer Canadian racers have cars named after them. Ron Fellows has accomplished all of the above, and a whole lot more.

As a patron of Canadian motorsport, he has counseled and mentored young racers, and of course, has been instrumental in the rejuvenation of one of Canada's most iconic road racing tracks, Canadian Tire Motorsports Park.

And the car named after him? The Ron Fellows edition Corvette ZO6 of 2008, the first signed special edition in the history of the car.

Gilles Villeneuve - inducted 1993



Gilles Villeneuve became a legend in his own time, a driver whose skill and daring personified the ideals of Grand Prix racing, the pinnacle of motor sport. Canada's current Grand Prix circuit, in Montreal, is named for him and there are statues commemorating him in Europe where he is revered as one of the greatest racing heroes in the history of the sport.

Eppie Wietzes - inducted 1993

A two-time Canadian Driving Champion, Eppie Wietzes won in everything he drove, from a Sunbeam Alpine to Comstock Mustangs and GT-40s and finally to a flock of very quick Formula 5000 cars.

Orlando Corp's new 2.5million square foot business park development in Milton.



Orlando's project site office in Milton,



TACC's Construction clearing the 148 acre site off James Snow Parkway in Milton.

arlo Fidani continues to add millions of square feet of office space to Toronto's western suburbs, but none of it brings as much joy as his investment east of Toronto,

Fidani is chairman of <u>Orlando Corp.</u>, Canada's largest landlord of industrial and commercial properties. His family's firm, launched by his grandfather in 1948, owns and manages 45 million square feet of industrial, commercial and retail space mostly in Peel and Halton Regions with a lot of it hugging Toronto International Airport.

Fidani likes having high-speed highways as close neighbours to his properties. They play a major role in making the GTA the third largest distribution hub in North America. And he likes a 4.2-mile stretch of highspeed pavement an hour east of Toronto, where there's no speed limit when diving his Porsche sports car.

You can read more about Fidani's passion for fast cars elsewhere in this edition of the AOLE journal.

Covid-19 has not impaired the growth of Orlando as a developer and landlord. Most of the office space built by Orlando usually includes a large warehouse operation behind the office space and the work done there can't be done from home.

Orlando has TACC Construction's heavy equipment clearing a 148acre site on James Snow Parkway in Milton, less than a mile south of the 401, where it is creating its newest business park. It'll be home to 2.5 million square feet, including one building with 1 million square feet.

The site could be mistaken as a GO Train Station. Railway tracks run along the north edge of the Milton South site, but they don't service the business park. GO Transit uses the track bed to sleep about a half dozen of its commuter trains during non rush hour periods.

Several of Orlando's business parks do have access to rail service – such as Millcreek Business Park in the Streetsville area of Mississauga. The 220-acre site was a deep quarry of red clay where Canada Brick made millions of red bricks for 50 years until the clay ran out.

Phillip King, president of Orlando Corp., said the quarry was 60 feet deep and Orlando had to fill in 30 feet of it before it could develop the site, which is mostly occupied today by Kuehne + Nagel pharmaceutical warehouses.

Carlo's father Orey headed up the firm for many years. Some believe the company name – Orlando – is a derivative of "Orey's Land Company." Orey died of cancer at age 70 in 2000. For many years he offered any of his employees a \$2,500 bonus if they would give up smoking for 3 months or more.

The Fidani name can be found on many hospital wings in Toronto and Peel Region. The family has donated many millions of dollars towards medical research in the Toronto area, plus medical treatment wings at various area hospitals. *****



Construction at Orlando's Milton South Business Park

David Wilkes, President of BILD

- Can the land development industry overcome current challenges to meet the projected housing demand of a rapidly growing Ontario population?

By Pat Brennan.



ore than 4 million new people are coming to Ontario over the next 30 years and they're going to need jobs and homes, members of the Association of Ontario Land Economists were told at their annual general meeting. And the land development industry will be called upon to satisfy those demands, said David Wilkes, president of BILD which represents 1,500 home building and land development firms in Metro Toronto.

Wilkes said the housing and land development industries face some current situations that limit that objective.

Wilkes said there is a shortage of raw land for development. There's a shortage of building materials, such as lumber and there is a shortage of skilled trades to build homes and other structures.

He said Ottawa is making moves to increase Canada's post-COVID immigration to 400,000 people annually and one-third-toone-half of these new Canadians will end up in the GTA. He said it is now time for the third level of government – municipal councils – to bring in policies that reduce the price of homes by speeding up the approvals process for new housing projects and eliminated other bottlenecks in the approval process.

Wilkes was a senior vice president in the Retail Council of Canada before his appointment as CEO of BILD. Retail buying was moving steadily more towards digital on-line buying before the arrival of COVID, said Wilkes, but the pandemic has significantly increased that procedure and it is going to have a big impact on bricks and mortar retail. He expects to see large shopping malls being knocked down and their expansive parking lots converted to housing land.

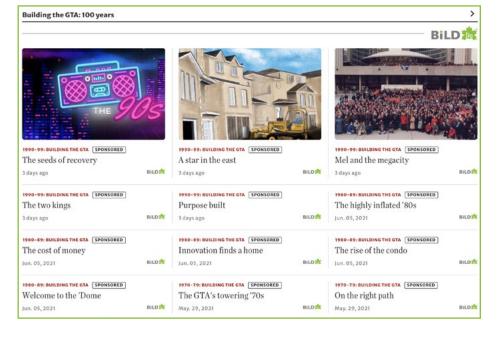
All those that attended AOLE annual general meeting were delighted for the opportunity to hear Mr. Wilkes keynote address, albeit virtually and hopefully in the future we will get the opportunity to hear him speak again at one of our association events but this time in person.

BILD's 100th Anniversary

David Wilkes Keynote address to AOLE's Annual General Meeting on April 28th coincided with BILD's 100th anniversary year. To mark this milestone BILD has sponsored a historical series in the Toronto Star looking back on the stories of development in the Greater Toronto Area, decade by decade.

Here are some of the stories found on the Toronto Star's website:

<u>Go to stories</u>



Carpenters College Graduates in great demand in this hot home building market.

By Pat Brennan.



Mike Yorke.

OVID-19 has shut down a lot of classrooms in Ontario this past year, including those at CCAT - the Carpenters College and Applied Trades.

The difference between CCAT and Jarvis Collegiate is that hundreds of employers are desperate to hire CCAT graduates who build houses and high-rise condominiums.

That market has never been hotter or their graduates in greater demand, says Mike Yorke, President of the Carpenters' District Council of Ontario.

Because the CCAT has a 113,000 sq-ft training centre on Roundtree Dairy Rd. in Woodbridge the college can isolated many of its students and still teach them carpentry skills, plus the vital health and safety features of working on a construction site. So, its classrooms are about 1/3 occupied with apprentices.

Yorke said carpenter students at the college, attached to the headquarters for Local 27 of the International Brotherhood of Joiners and Allied Trades, are now learning to work with mass timber.

Mass timber - also referred to as CLT cross laminated timber is wood used as a structural material used in framing for mid-rise and tall buildings in most cases replacing concrete and steel.

CLT has been making inroads into the construction business for the past dozen years or so. A \$50 million CLT plant in St. Thomas called Element 5 will start producing CLT panels this summer which can be used for structural walls, roofs, floors etc. in a building. The CLT panels are usually 2X6 boards that are glued and pressed together to make thick, stronger pieces of wood

General contractors and building firms are co-partners with Local 27 in financing CCAT. Yorke said the contractors are looking for CCAT graduates and senior students working on site as apprentices who have been trained in CLT applications so they can monitor sub trades erecting CLT components. 🍗



Michael Yorke, President of Local 27 of Carpenters & Allied Workers with one of the top students of a training class of 100 student graduates in York region last year.

Nicole Ross was a high school chemistry and French teacher who quit teaching to enter the four-year apprenticeship program with Local 27. She was first in her class of 100 graduating carpenters last year and earned a red seal designation that allows her to work anywhere in Canada and many parts of the U.S. without re-qualifying for a regional licence. Nicole has a black belt in karate.

has finished two Iron Man Triathlons, has biked coast-tocoast across Canada.



Nicole Ross

The phenomenal growth of Cross Laminated Timber in structural building.

By Pat Brennan



Chris Latour, V.P. Manufacturing Engineering, Element 5.

ruck loads of fashionable new homes and other attractive structures - even bridges - are rolling south down highways from Ontario's vast woodlands. And when they reach Metro Toronto, they just keep rolling west until they reach the town of St. Thomas. There, an ultra new factory converts those truck loads of birch, fir and pine trees into innovative construction products.

We are going to see many more houses, offices, libraries, apartments, banks, fire halls, schools, bus depots, etc. built entirely of wood - even up to 10 storeys high – because of the phenomenal growth of Cross Laminated Timber in structural building.

> CLT wood panels arrive at construction sites strong enough to replace steel and concrete, which eliminates many tons of CO2 harmful to the environment and human health.

The timber construction business got a big boost this past spring with the opening of a \$50 million factory by <u>Element 5</u> in St. Thomas that joins 2X6 wood slats, using glues and finger joints, into a variety of shapes and thicknesses of wood panels that can be walls, floors, roofs, beams, pillars and decorative finishes in residential, commercial and industrial buildings. Even railway and roadway bridges are also being proposed with CLT panels that offer the warm glow of wood. Wood structures are lighter in weight than concrete and steel structures and therefore require smaller foundations and footings.

Most of the wood being processed by the Element 5 factory comes from a lumber mill in White River in Northwest Ontario that had been standing idle for seven years after Domtar Inc. shut it down and eliminated 150 jobs.

The town of White River, joined with the local Indian tribe - Netamisakomik Anishinabek (Pic Mobert First Nation) and



Element 5 employees in St. Thomas, Ontario.



Chris Latour -in front of the Element 5 dust collec



St Thomas plant.



Element 5 finger joints for combining two pieces of wood.

some private investors to buy the mill from Domtar, invest in modern mill technology and get it operating again.

Frank Dottori, the founder of Tembec, one of the world's largest forestry companies, worked at a pulp and paper mill in Temiscaming, Quebec that went bankrupt 50 years ago. He organized his fellow mill workers to invest their savings in the mill, save its operation and created Tembec that today owns 55 lumber mills and forestry operations around the world.

Dottori is one of the private investors in Element 5 and White River Forest Products, plus the Ontario Government has invested \$5 million in the St. Thomas plant with 125,000 square feet.



Chris Latour. Element 5 plant in St Thomas Ontario

White River mayor Angelo Bazzoni said the mill in his town could double its current work force of 130, but the town has trouble attracting new employees into the small town of 650 people midway between Sault Ste. Marie and Thunder Bay.

White River is the hometown of Winnie the Pooh, the black bear cub adopted by soldiers from Winnipeg on a troop train passing through town on their way to fight in Europe during W.W. I. The bear became world famous when novelist A.A. Milne created a variety of children's books about Winnie's fictional adventures with his young son and his other toy friends. White River also claims to be the coldest community in Canada because it recorded a temperature -58.4C in 1935.

Element 5 derives its name from the four elements of nature – earth, fire, water, air and the fifth element being human spirit. The use of Cross Laminated Timber as engineered construction material started about 15 years ago in Europe, primarily in Slovenia and a Slovenia-based company - Ledinek - put together the automated factory in St. Thomas. Two dozen employees of Ledinek have been living in quarantine conditions in London and commuting daily to the St. Thomas site to equip the factory.

Element 5 will erect the new 5-storey headquarters of the Toronto Regional Conservation Authority on Shoreham Dr. just south of the Black Creek Pioneer Village, but the CLT panels will come from Slovenia as the St. Thomas plant won't be up and running soon enough.

Chris Latour, vice-president of manufacturing at Element 5, says a new hotel in Mont Tremblay, Quebec will be the first building to be erected using wood panels from St. Thomas. The University of Toronto proposes to erect a 14-storey building built entirely of CLT, according to Avison Young, a Toronto based commercial real estate firm with offices in 15 countries.

Microsoft founder Bill Gates in his latest book How to Avoid A Climate Disaster, says the current pandemic is a mere hiccup compared to the global damage of global warming, which is being driven by increased CO2.

> Gates says the manufacture of cement and steel and their use in buildings is one of the principal sources of CO2. Cross Laminated Timber is CO2 neutral.

Farm animals and amateur woodworkers will also benefit from the St. Thomas plant. Various trimming saws in the plant create a lot of dust and wood chips which are captured by a large vacuum system and dumped into a fleet of 18-wheel trailers outside the plant. The dust is sold to area farmers as bedding for animals. Pieces of finally sanded timber – up to 5 feet long - are cut off panels and considered scrap. They'll be placed in bins outside the pant and anyone is welcomed to come and pick through the free offerings.

Slovenia team that is working on setting up the Element 5 Plant in St Thomas, Ontario.





By Pat Brennan

French River Bridge structural Steele supports for new bridge to carry Highway 400 over the river.



Before igniting the first stick of dynamite to blast a path through the Precambrian Shield and extend Highway 400 north to Sudbury, the engineers sent in the dogs.

ntario's Ministry of Transportation (MTO) employs specially-trained dogs that sniff out buried nests of turtle eggs - an endangered species in Ontario.

When the eggs are detected, construction engineers either relocate the nest or mark out the area to protect it from construction activity.

The dogs were kept busy as heavy construction advanced the existing 400 north 14 kilometres from Parry Sound to north of the French River at a cost of \$200 million.

The Blanding's Turtle species in the Muskoka area - plus the other six species of fresh-water turtles across Canada - painted, snapping, musk, spotted and map – are in danger of extinction – primarily from road kills and loss of habitat.

It takes a lot of dynamite to push a four-lane highway through the toughest rock on earth.

The granite of the Precambrian Shield – also called the Canadian Shield - is estimated to be 4.5 billion years old and extends from the Severn River north to the Arctic Ocean.

Driving a deep cut through the Precambrian Shield.



The ministry built 10 bridges over the Highway 400 extension between Parry Sound and Highway 637 just north of the French River Gorge and one of them in particular has been very popular with nearby residents.

It's Ontario's first wildlife bridge.

Wolves, bears, moose, deer, bobcats, lynx, red fox, fishers, rabbits, raccoons and skunks - even wildlife that flies, like bald eagles, sandhill cranes and wild turkeys - have been captured by motion-sensor cameras using the overpass rather than challenging the open highway.

The 30-metre-wide roadbed of the \$2.3 million overpass is finished like a forest pasture with high grass, boulders, trees and shrubs. On the exterior of the bridge are concrete etchings depicting the animals that use the overpass.



From left to right, top to bottom. A moose uses the wildlife bridge near the Highway 637 turnoff for Killarney Provincial Park. Wolf on Highway 400 bridge. Deer on Highway 400 bridge. Movementactivated cameras capture bears at night along Highway 69.



Levesque Bros dump trucks ply their trade on Highway 400 near the French River, Ontario.

A 14-kilometre-long wire-mesh fence at least 3.5 metres high has been erected along both sides of the new highway to persuade animals large and small to use the overpass or four tunnels spread through the length of the extension to cross the highway.

Massasauga Rattlesnakes don't like Mississauga. They prefer to live in cottage country enjoying the comforts of the Great Canadian Shield.

Workers punching Highway 400 north through the Canadian Shield were instructed on what the Massasauga Rattler looks like and what to do when they encounter one on the job.

The first thing is to call in an MTO rattlesnake wrangler – a biologist who specializes in snakes who gently persuades the reptile to find a quieter and safer place to live after giving it a physical checkup.



French River Snakes sign.

Humans are rarely bit by rattlesnakes in Ontario because the snakes flee from the footfall of an approaching human. Their bite can be very painful and make a victim sick, but their venom is rarely fatal.

Rattlesnakes in Arizona are much more lethal and aggressive. Phoenix is the U.S. capital of rattlesnake bites and researchers found that most snake bites are on the victim's lips and most victims are men 18 to 34 who have been drinking alcohol.

Just south of the animal bridge the MTO has commissioned two spectacular new bridges to carry Highway 400 across the deep and wide French River Gorge.

The 110-kilometre-long French River, one of Canada's first Heritage Rivers, flows in almost a straight line from Lake Nipissing west to Georgian Bay. It was a principal thoroughfare for fur traders, missionaries and explorers heading west from Montreal.





Highway 400 - Levesque Bros. in action.

Sheer rock walls escort the river under Highway 400 and the ministry didn't want to spoil the impressive view by putting pillars into the water to support the new bridge. So engineers and designers devised a system to carry a steel bridge across the chasm. Steel arms were designed to attach to the rock walls of the gorge and support thick, steel girders that carry the bridge's concrete deck. Central Welding of North Bay and Canam Group of Mississauga fabricated the steel box girders that are 55 feet long and Canam also had to design and build a truck trailer that could carry the 200,000-pound girders to the construction site.

The Pickerel River is just south of the French River and it is damn near as pretty. Again Ontario's Ministry of Transport didn't want to ruin that attractive scenery with pillars plunging down into the river from the overhead bridge. The Pickerel eventually flows into the French just before reaching Georgian Bay.

Fishing fans from far and wide are attracted to the Pickerel River to try and land some of the river's record-size pickerel, also known as walleye. Some are 31 inches long and weigh 6 pounds or more. The world's largest snowmobile bridge also spans the French River a couple hundred metres downstream from the current Highway 69 and the new Highway 400 bridge. It's part of the Trans Canada Trail.

The existing bridges that carry Highway 69 across the French and Pickerel Rivers will remain intact. Highway 69 will eventually become a service road for the rural outposts along the highway. Vehicles are forecast to be using the new \$24 million French River Bridge by September.

PIER 8- Hamilton's New Waterfront Community

By Pat Brennan.



Rendering of Pier 8, Hamilton.

A high steel mesh fence bearing "keep out" signs kept Bruce Kuwabara from riding his bicycle around the warehouses and stacked shipping containers that made up a big piece of his North Hamilton neighbourhood.

But today Kuwabara is prowling every inch of that restricted area taking notes to convert it to an exciting new mixed-use community from its days as an industrial dock yard.



HMCS Haida, Pier 9, Hamilton is its new home.

Kuwabara grew up in the Hamilton neighbourhood to become a founding partner at <u>KPMB Architects of Toronto</u>, one of Canada's leading design firms.

> KPMB is the principal architectural firm designing Pier 8 – a new waterfront community of 1,500 homes, plus offices, restaurants, schools and parkland galore on the west end of Hamilton's industrial harbour.

Kuwabara considers himself the curator of the community's design as he is organizing four different design firms including <u>Omar</u> <u>Gandhi Architects Inc., gh3</u> and <u>Superkül</u>, to design various blocks of the community. "It's important that we have designs produced by different generations, from people of different backgrounds and different experiences," said Kuwabara. "It's going to be a showcase of innovative design."



Don't Miss this Video It's Great!

See Kuwabara speak about his inspiration for Pier 8 in this interesting video – <u>View Video</u>



And there'll be four different home builder/ developers erecting the structures for the 3,000 residents.

Fernbrook Homes Group and Cityzen Developments Corp, which together shaped the curvy "Marilyn Monroe" condos at Hurontario St. (Highway 10) and Burnhamthorpe Rd. in Mississauga have joined forces again to tackle Pier 8, along with GFL Environmental Inc. and Greybrook Realty Partners, a consortium of well known builders and developers, such as Fieldgate Homes, Tribute Homes, First Capital, Tercot Communities and Sorbara Group.

The Pier 8 consortium is known as The Waterfront Shores Corporation and was the unanimous choice of Hamilton Municipal Council to be the prime contractor for the waterfront project.

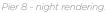
Kuwabara said most of the homes will be in mid to low rise townhomes on 9 short blocks on the pier which will be raised about 2.5 feet from it days as a shipping dock. He also hopes to get permission from Hamilton civic planners to design a 40-storey condominium tower at the west end of Pier 8.

On the seawall, where freighters from around the world used to tie up, there be a floating barge that'll host musical groups and other public activities, such as a tall ship festival. It'll also serve as a floating lounge with ice-cream vendors and Muskoka chairs. Pier 8 Rendering.



Rendering of the Pier 8 waterfront promenade.





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The Haida under Burlington Bridge.

The view across Hamilton Harbour looks at Burlington's very green shoreline and the iconic Burlington Skyway Bridge.

The seawall will be part of Pier 8 Promenade Park, a 1.6-kilometre stretch of landscaped pedestrian trails. More than 40 per cent of the 13-acre site will be open to public access.

Pier 9 is immediately east of Pier 8 and it is now the home of HMCS Haida, Canada's most decorated warship.

The retired destroyer had been involved in many firepower fights in WWII and Korea, but it's most dangerous assignment was a tow from Ontario Place, where it had sat for 32 years as a military museum, across Lake Ontario to Port Weller Dry Docks to get a new bottom for its hull.

Parks Canada officials feared it wouldn't survive the trip across Lake Ontario because its bottom plates were so thin. It got a new \$5 million bottom and was towed again to Pier 9 to launch Hamilton's campaign to turn the west end of is harbour into a people place.



HMCS - Haida with construction around it.



Twin naval guns of the HMCS Haida.



Viewpoint on deck of the Haida.

A thick urban forest will be planted at the east end of Pier 8 to separate it from HMCS Haida, a National Historic Monument. The 80-year-old Haida will be open to the public when the COVID lock down is lifted and still occasionally fires her big four-inch guns. There is no sales office, prices or information office yet opened at Pier 8, but some of its recreational facilities - such as a large concrete roller blade pad are already on the construction site and open to the public. East of HMCS Haida, Hamilton's industrial harbour and its famous steel mills area are a busy site. **>**

Pier 8 Rendering



Re-routing the mouth of the Don River leads to a spectacular new waterfront community – Introducing Villiers Island.

By Pat Brennan.

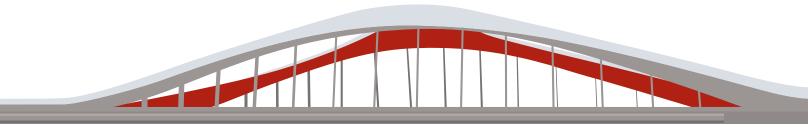


Illustration by Graphic Flow Design Ltd.

The colourful new bridge that'll cross the Don River arrived in Toronto last week from Nova Scotia.

But the Don River isn't there yet.



It still makes a sharp right turn into the Keating Channel as it has done for a century. Urban planner <u>Jed Kilbourn</u> at the Toronto Waterfront Commission says heavy earth-moving equipment is currently gouging out a new route for the river to follow through Toronto's Port Lands. It'll make a gentle turn to the west as it flows though a nature setting of wet lands to empty out into Toronto Harbour.

There'll be no right turn to the Keating Channel which created flood conditions each spring, Soil carved out for the Don's new route to follow will build up the Port Lands to be at least three metres higher than the river. The new route of the Don will create an island - to be called Villiers Island - at the east end of Toronto harbour. Four designerstyle bridges are being built in Nova Scotia to connect Villiers to the mainland.

They are assembled by Cherubini Bridges and Structures in Dartmouth, Nova Scotia using steel pillars, girders and plates cut and twisted into shape by CIG, a ship builder in the Netherlands.

Two bridges have arrived in Toronto after week-long barge trips up the St. Lawrence Seaway and two more are coming. They'll carry a newly aligned Cherry Street in a north-south route onto the island. An even larger bridge will carry Commissioners Road onto the island in an east-west route.

Various design, landscaping and environmental research firms have been invited to submit designs on what the new river route should look like both on shore and in the water itself. Three finalists will get \$10,000 each to complete their studies of the future river mouth and one will get \$30,000 to apply their proposal.

Villiers Island 2nd Bridge on it way from Halifax.



Villiers Island 2nd Bridge arriving in Toronto Harbour.

The 88-acre island will eventually be home to 8,000 residents and the island will include 34 acres of parkland backing on to water.

Creating the island community is a big part of a 25-year revitalization scheme for all of Toronto Harbour's nearly 2,000-acres of brownfield lands.

The new island is the largest urban redevelopment plan currently underway in North America, according to Kilbourn. He said the overall redevelopment of the entire harbour area will create 40,000 new residences and 40,000 new jobs.



2nd bridge under Cherry Street waiting to be installed in place.

The Government of Canada, the Province of Ontario and the City of Toronto created Waterfront Toronto in 2001 to oversee and lead the renewal of Toronto's waterfront. The waterfront commission hired Urban Strategies Inc. to design the Villiers Island community.

Internal combustion engines will not be welcomed on Villiers Island. Natural gas TTC buses and electric streetcars will service the island. And there'll be a ferry connection between the island and the ferry depot at the foot of Bay Street.

Kilbourn is an avid bicycle rider. He recently completed a charity bike ride to Montreal from Toronto that took six days. He said bikes will get their due respect on Villiers Island. There'll be plenty of wide bicycle and pedestrian trails throughout the island, including bikes lanes on the bridges. *****

Municipal Project Bundling

An effective way to accelerate infrastructure delivery?

ue to the COVID-19 pandemic, municipal finances are tight and even with funding support from senior orders of government, it will be difficult for local governments to address asset management priorities. The property tax base has always had its limits and is now being stretched by operational demands. Gas tax and other programs have played an important role in funding community infrastructure, but these are insufficient to meet the growing backlog of projects.

Are there alternate ways to promote stateof-good-repair or even replacement of aging structures in an expedited fashion and to achieve the multiple policy goals? Canada's infrastructure and communities minister, Catherine McKenna, has advocated for a "triple duty" approach where economic recovery imperatives are bolstered by greater resiliency and social inclusion considerations, including community benefits.

Project bundling provides an opportunity to fast-track construction delivery timelines and to do so at reduced costs. In the U.S., major bridge bundling programs have resulted in hundreds of aging or structurally deficient bridges being rehabilitated or replaced within a short period of time compared to traditional procurement methods.

In 2017 I was the kickoff speaker at an infrastructure forum hosted by S&P Global Ratings and the Canadian Council of Public-Private Partnerships (CCPPP) to discuss how the market potential of bundling could be unlocked and to explore solutions to fund smaller assets. Two major bridge bundles were discussed: Missouri's Safe and Sound Program where 802 bridges in poor condition were replaced (554) or rehabilitated (248) by late 2012, well ahead of schedule, and the in-progress Pennsylvania Rapid Bridge Replacement Project to address 558 structurally deficient bridges. This article expands on this presentation by examining recent experiences such as the move to bundle other asset classes.

What does "bundling" mean?

A straightforward explanation of project bundling is "awarding a single contract

for several preservation, rehabilitation, or replacement projects." According to a 2011 paper prepared by Infrastructure Ontario, bundling refers to "the grouping or consolidation of the procurement of two or more projects with the view of entering into a single contract with one vendor." IO's paper went on to say that the "projects that may be considered for bundling are those that are contiguous, of similar scope, grouped in a defined geographical area or in locations separated by a considerable distance." Translation: one municipality, region, or county could be part of an initiative to remediate similar assets or the contract could cover more than one jurisdiction.

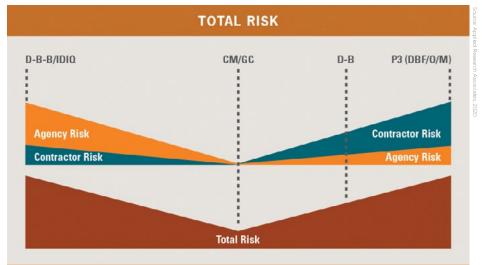
The U.S. Federal Highway Administration

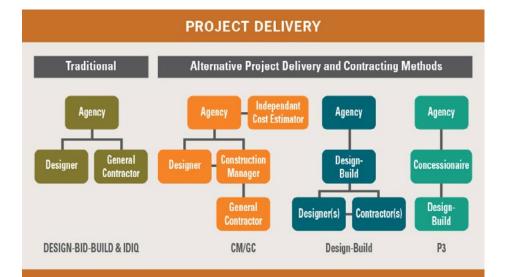
By Andy Manahan From the May/June 2021 Issue of the ReNew Canada magazine, published with permission.

notes that bundling can streamline environmental analysis and permits, design, contracting, and construction. To enhance successful outcomes, dealing with many projects such as bridges with similar designs and age profiles will result in greater cost effectiveness due to standardization.

Pennsylvania's bridge replacement project

The state chose Plenary Walsh Keystone Partners to deliver this U.S. \$1.12 billion project. Substantial completion was achieved in 2019 because the bulk of the bridges had similar dimensions and precast structures were used to minimize on-site time. At the outset, Pennsylvania provided





permit approvals for the first tranche of projects and made process modifications relating to the National Environmental Policy Act.

Maximizing local content was an objective so the state was divided into sub-regions where construction and design firms had access to the tenders. In total, 18 different Pennsylvania-based contractors were involved in completing this project, with most construction personnel from local trade unions. Further, there was a boost to the regional economy due to supply chain benefits. Construction materials were primarily sourced from suppliers and fabricators within the state.

A Design-Build-Finance-Operate-Maintain contract ensures that quality is high as the lead contractor is responsible for maintenance over a 25-year period following construction completion. When infrastructure is built to a high standard and properly maintained, it will have a longer lifespan. The consortium must hand back the bridges in a high condition rating. This was the first P3 project in the U.S. to utilize a performance bond with an accelerated adjudication period, which S&P credited in its ratings rationale azs providing greater certainty to investors.

In a "Lessons Learned" report, the transportation department estimated that replacing the structures using conventional contract procedures would have taken eight to 12 years. Instead, the construction program took about three and a half years, thus reducing impacts to the traveling public compared to a traditional delivery program.

Saskatoon's new bridge project

In 2018, the City of Saskatoon was honoured with a CCPPP gold award for the North Commuter Parkway & Traffic Bridge Project which was the first P3 bundled transportation project in Canada. This \$240 million project contract was not only innovative but also fostered a partnership with Indigenous communities.

A new six-lane, multi-purpose bridge was renamed during the construction phase and pays tribute to Chief Mistawasis, the Cree Chief who signed Treaty 6, and is intended to represent reconciliation with Saskatoon First Nations. Indigenous workers were also on construction crews. Road extensions connect to a rehabilitated traffic bridge where a new steel-truss structure preserves its early 20th-century character while adhering to more rigorous safety standards.

Indiana's infrastructure rehabilitation project

Louis Feagans, managing director of asset management for Indiana's Department of Transportation is a proponent of project bundling but is seeking to improve decision making by moving from spreadsheet-type analyses to taking advantage of artificial intelligence (AI) and machine learning to inform the bundling program. According to Feagans, when AI is blended with expert review and other inputs to provide insight on unstructured data there are numerous benefits.

Among his takeaways on this approach: it saves time, it improves project selection, and it results in cost optimization. In fact, he said that the significant cost savings—such as the 27 per cent savings for the U.S. 50 Bridge Rehabilitation Corridor—are being redirected to other construction work.

Bundling small structures, bridges, and road projects into a corridor contract has resulted in coordination and mobilization benefits. While Indiana's department was quite eager to be the leader in issuing bundling tenders, Feagans indicated that there was push back from the contractor community. When too many bundles were released, contractors expressed that they could not handle the size of the projects. In this instance, there is a parallel with Ontario's experience in 2013 when large bundles for the Eglinton Crosstown LRT resulted in a lack of bidders.

Feagans also warns not to mix interstate with non-interstate road projects; combining union and non-union workforces in a bundle can be problematic. He advises to select similar project types— historic bridges should be treated as standalone projects and be cognizant about scheduling on a concurrent or consecutive basis.

Beyond bridges to broadband

Bundling in the U.S. market has moved beyond bridges to other asset classes. Applied Research Associates (ARA), a leader in advancing the bundling model, lists the following types of projects: roads, traffic signals, fiber optic and broadband networks, travel plazas, alternative fueling stations, and parking facilities.

In Kentucky, a broadband bundling project was awarded to install a 3,000-mile (4,828-km) fiber optic network along roads throughout the state. The program is nearly complete, but the first segments were operational in less than two years, and 13 other states are bundling broadband and fiber optic projects.

Branded as "KentuckyWired," the program will help pay for its construction in two ways: it will own its middle mile network rather than paying private companies, and it will lease half of its fiber strands to private companies. Productivity in government offices has already dramatically improved in rural areas where connectivity was problematic.

Where do we go from here?

The Canada Infrastructure Bank (CIB) has reinvigorated its mandate and its Growth Plan focuses on five areas where a positive impact could be made. Could the CIB partner with sub-national jurisdictions and its agencies to deliver bridge, broadband, or other infrastructure in an accelerated way? To generate revenue, will better methods be found to charge users of infrastructure?

Even though project bundling is not held out as a panacea, it is worth pursuing on a pilot project basis. To underline the earlier statement about limited municipal funding, the risk of deferred maintenance will be evident across all jurisdictions, but perhaps more so for small towns and in rural areas. This is an ideal time for senior orders of government to assist the hard-pressed municipal sector. If the CIB provides funding and program support for a trial in one or two jurisdictions and it is successful, the bundling approach could be replicated elsewhere and across different asset types.

When I asked Dan D'Angelo, principal engineer with ARA what he expects with President Joe Biden's administration, he responded: "I do expect bundling to become more popular due to the fiscal constraints governments face and even more so if there is an infrastructure economic stimulus program."

Project bundling will allow us to build and rehabilitate municipal infrastructure faster than we would under traditional procurement models. It has the potential to be transformative as we build back better during this economic and social recovery.

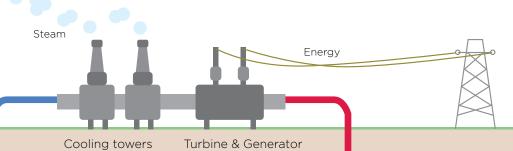


Andy Manahan is president of Manahan Consulting Services, a newly formed boutique firm with a goal of becoming a trusted advisor on infrastructure and development projects.

Is Geothermal Energy the way for the future?

By Pat Brennan.

The first 6 inches of the earth will feed your belly while the next 1,000 feet keep you warm or cool.



bout this time of year the earth is in the process of changing its role. For the past few months it has been keeping us warm by sending its internal warmth up to the surface to heat our homes, schools, churches, offices, stores, even our dog houses. Now it's keeping us cool by drawing our excess heat back down to store it in the bowels of the earth for next winter. And the nice thing is it does it all for free.

Yes, you'll have to pay out some big bucks to get on its delivery route, but after that the heating and cooling is free.

Many developers of large buildings are now opting for this method of cooling and heating because it eliminates the cost of installing a heating and cooling system, it significantly reduces maintenance costs, plus they can usually rent out the large areas that house mechanical equipment needed for traditional heating and cooling systems. Plus it feels good not pumping all that CO2 into the atmosphere. Geothermal heating and cooling creates no CO2. - and therefore is free from the dreaded carbon tax. Illustration by Graphic Flow Design Ltd.

To keep up with the increasing demand for geothermal heating and cooling, two Toronto firms have married their operations to create one company.

Turnkey Site Solutions that specialized in drilling and shoring procedures at construction sites has amalgamated with Subterra Renewables, a firm that specializes in geothermal heating and cooling to create STS Geothermal.

There are a variety of other geothermal companies servicing the Ontario construction industry and like STS Geothermal, they look after the cost of installing a geothermal system, which involves sinking plastic pipes four inches in diameter up to 1,000 feet deep into the ground, depending on the size of the building to be serviced.

STS and the others then recoup their installation costs by selling heating and cooling energy to the occupants of the building, says company president Lucie Andlauer.

She said STS doesn't do single family or small residential projects where the pipes are laid horizontally 3-to-10 feet below the surface and looped back and forth for about 600 feet. The single-family version requires a residential lot of 1/4 to 1/2 an acre.

Hot water



STS Geothermal drilling for Mattamy Homes.

"As the first geothermal company in Canada to offer comprehensive in-house drilling and shoring capabilities, STS Geothermal will lead the industry in delivering scalable, innovative solutions that geothermal clients can count on," said Andlauer.

Jessica Rowe Bald, vice-president of sales at STS, said the continual increase of taxes on carbon is one of the biggest driving forces getting developers to look at geothermal heating and cooling as an alternative. "There will be no price increase on the source for geothermal – the heated water in the ground – as" there's no carbon created or burned with our system so it's good for the ecology as well as the economy of the user.

"Some developers are concerned about using a new technology to heat and cool their buildings so the combination of two veteran companies in the business – Turnkey and Subterra – gives them more confidence in using a proven geothermal system," said Andlauer.

Veteran developer David Feldman, president of <u>Camrost Felcorp</u>, has opted to use a large geothermal system to heat and cool most of The Exchange District, a huge mixed-use community to be built at Mississauga's downtown core on Burnhamthorpe Rd. just west of Hurontario St. (Highway 10) adjacent to Square One Shopping Mall.

The Exchange District will comprise four high-rise residential towers, a boutique hotel and more than 2 million square feet of retail, entertainment and office space connected by park lands and a pedestrian promenade.

Diverso Energy has pioneered a different approach to the market acting more like a utility. With over 200 projects completed by the ownership team they leverage this experience to design, build own and operate the geothermal system. This approach removes the cost, risk and complexity from the developer making geothermal much more attractive. Because of this model they have partnered with Camrost and have already drilled over 200 boreholes at the site eliminating the need for heating boilers and cooling towers for two of the towers.. Company co-founder Tim Weber said the 66-storey Ex3 Condo tower at Exchange District will be the tallest building in Ontario using geothermal heating and cooling.

Branthaven Homes of Burlington hired STS Geothermal to supply geothermal heating and cooling to one of its two condo towers soon under construction on the east side of Trafalgar Rd., just north of Dundas St. One 14-storey tower will have 266 suites and 225,000 square feet. A second tower with 22 floors will have 356 residences and 270,000 square feet to heat and cool. Mattamy Homes also hired STS Geothermal to supply heat and cooling ground water for its 6-storey ClockWork condo at Joshua Creek on Dundas St. in Oakville.

Andlauer said existing buildings generate more than 60 per cent of the CO2 pumped into the atmosphere daily by the city of Toronto.

The city offers up to \$1 million in reduced development charges for developers that use geothermal systems, plus other building design or functions that significantly reduced green-house gases.

Bald said STS concentrates on installing geothermal systems for proposed buildings yet to be built. Retrofitting existing buildings is more expensive and more challenging.

Canada is expected to get its first geothermal power plant over the next two years. Geologist Catherine Hickson is president of <u>Tuya Terra Geo Corp.</u> and in March she drilled a hole nearly 12,400 feet deep into the earth near Grand Prairie, Alberta and encountered a source of water with a temperature of 118C. She says ground water with a minimum temperature of 100C is hot enough to produce steam to drive generators up on the surface of the earth to produce electricity.

The fuel costs to turn these generators is zero. Hickson said her single drill hole can produce 50mw of electricity – enough to power 3,000 homes. She expects to drill many more geothermal wells in Alberta.

Hickson is lucky to be doing any geothermal exploring in Alberta. When she was a geology graduate student at the University of British Columbia 41 years ago she went on a camping trip one weekend with her husband. Their camp site was on Mount St. Helens and they were 7 kilometres from the peak when the dormant volcano erupted on May 18th with a cataclysmic explosion. A 400-kph, rock-strewn wind raced down the mountain side flattening millions of large Douglas fir trees and burving dozens of structures under molten ash. More than 60 people were killed in the eruption some of whom were 13 kilometres from the mountain.

Hickson got spectacular photos of the eruption by shooting photos out the back window of her car as her husband drove wildly down a logging trail to escape the killer cloud of dust.

She wrote a book about her experience called Surviving The Stone Wind. 🎾



STS Geothermal drilling.

Microsoft buying land and retail in the GTA? What's up with that? Bill Argeropoulos

When you think of Microsoft in the context of commercial real estate, you think of them as a global technology player and as an occupier in gleaming downtown high-rise office towers or sprawling suburban office campuses. However, Microsoft Canada recently pivoted from occupier to investor – acquiring a parcel of land and a retail property a month apart in the Greater Toronto Area (GTA). This has raised the question: Why?

The Acquisitions

• 48 Lowe's Place & 50 Resources Road – Retail

The first acquisition took place in March 2021 and included a free-standing, 145,000-square-foot (sf) vacant retail property on a 13.5-acre site, owned by Lowe's Canada. Microsoft paid \$49 million or \$338 per square foot (psf) for the property that is near major highways and a large urban population. This type of site is highly coveted by e-commerce retailers, 3PL, logistics, and distribution players in what is arguably the hottest industrial and land market in North America.

•6100 Langstaff Road - Land

The second transaction concluded in April 2021 and involved a 28.2-acre site (vacant and unimproved) in the GTA's Vaughan market for \$95.7 million or \$3.4 million per acre from Zzen Group, a private developer. Some will argue Microsoft paid a hefty premium, given the highly competitive land market.

The race for cloud domination

The recent acquisitions may have to do with Microsoft's ambition to become the top cloud data service provider with its Microsoft Azure software-as-a-service offering – pitting the company head-to-head against Amazon Web Services.

Let's face it, the COVID-19 pandemic has fuelled Microsoft's cloud business as a multitude of enterprises use Microsoft Teams for remote work and, by all indications, this is expected to persist even after the pandemic.



In January 2020, Microsoft Canada announced it was undertaking the largest expansion of its Canadian-based cloud computing infrastructure since it launched two Canadian cloud data-centre regions in 2016. The announcement included plans to add Azure Availability Zones in the Azure Canada Central region (i.e. Toronto), increasing the region's "compute capacity" by more than 1300% since it was first brought online five years ago.

Furthermore, in March 2021, Microsoft announced investment geared towards the creation of a new Data Innovation Centre of Excellence to be housed within its new state-of-the-art headquarters in Downtown Toronto and the addition of a new Azure Edge Zone in Western Canada – further increasing the company's significant cloud footprint, nationally.

Microsoft has also been busy south of the border, acquiring a 22-acre development site in San Jose, California in early May for almost US\$79 million or \$3.6 million per acre.

Microsoft's data centres for Azure and Office365 offerings are in 50 regions, spanning 140 countries – two in Canada, Central (Toronto) and East (Quebec City) and soon to be in Vancouver, in Western Canada. According to the announcement, Azure Edge Zones are extensions of Azure's cloud services and are intended to place infrastructure close to customers to support latency-sensitive workloads and improve connectivity. Clearly, demand for cloudbased solutions is heating up in the fourth largest city in North America and a critical data centre market.

Not too long after the Microsoft acquisitions in the GTA, U.S.-based STACK Infrastructure announced a partnership with local developer First Gulf to develop a 56-MW data centre campus on a 19-acre site with a vacant 186,000-sf industrial building in Toronto's east end. The property was purchased by First Gulf from Eli Lilly Canada in December 2020 for \$24.6 million or \$133 psf - the building selling essentially for its land value. This is STACK's first international expansion, looking to provide what it calls hyperscale and enterprise solutions to its clients.

It looks like the playing field just became a lot more crowded in what already is a very tight industrial and land market with e-commerce and data centre demand – the virtual world – demanding more space in the physical world.

So, is it possible that these recent acquisitions will end up being Microsoft data centres? Stay tuned. **>**



Bill Argeropoulos is an Avison Young Principal and the firm's Canadian Research Practice Leader. He is based in the company's global headquarters in Toronto.

Cranes in the sky don't equal quality of life on the ground

With growth surging, action is needed

By John Sewell for TRNTO Posted: June 7, 2021 TRNTO.com & Post City Magazines where the article first appeared.

Vou would not be wrong for thinking Toronto is being overrun with new development projects.

An American company, Rider Levett Bucknall, does a count of building cranes every February in the two dozen largest cities in North America. This year it found there were 10 cranes in New York City, 11 in San Francisco, 12 in Chicago, 13 in Boston, 22 in Denver, 35 in Calgary, 43 each in Seattle and Los Angeles and 45 in Washington, D.C. In the city of Toronto, in February there were 208 building cranes. That's 20 times more than in New York City. Eight of those cranes were for transportation, surely for the Eglinton Crosstown, which will be completed ... let's just say it may be completed in the future. Nineteen were for commercial buildings, 32 for mixed use, and the majority, 125, were for residential, mostly new condos. Buildings only four or five storeys high do not require a crane, so they are not included in this compilation.

But 2021 is not a banner year for Toronto. The city outstripped the rest of North America each year from 2016, often having three or four times as many cranes as the next competitor, although the number has climbed from just over 100 cranes in Toronto five years ago, to double that this year. Our city is exploding as others are coasting or maybe even declining.

Virtually all of these larger buildings require zoning or other planning changes, which means studies must be done and reports prepared by city planning staff and by other departments before approval by city council. The workload has increased enormously, but city budgets have not. The gross spending by the planning and development de';I,m nt was spent in 2020; and \$54 million is budgeted for this year, although the crane count is double what it was in 2019.

The workload means staff is involved in development approval. Planning for the future seems to take a back seat given the number of development applications that must be addressed.



Toronto has 20 times more cranes in the air than New York City.

Two arguments are made in support of such significant growth. First, the population of the Toronto area is surging. The federal government has a target of 400,000 new immigrants and refugees in 2021, and since about half usually come to the GTA, that's pressure for new housing.

The second argument, made strongly by the development industry, is that the only way to moderate housing prices, which are going through the roof, is by increasing supply. That would mean instead of 125 residential cranes. Toronto should have 175 or more. Can you imagine a 50 per cent increase in apartment building activity? With the demand for skilled workers. construction costs would go up, which means the housing would not be any less expensive. The increase in new housing supply, both highrise and low-rise suburban, has been constant for the past 50 years, yet housing has never decreased in price. The only way more affordable housing will be built is through government interventions - subsidies and regulations requiring affordable units to be included in any development project.

The province adds to the pressure, whether through unilaterally increasing densities in the Eglinton and Yonge area, through ministerial zoning orders in Corktown or through decisions of the Local Planning Appeal Tribunal to refuse city council's request to keep 6.5 acres in the railway lands as parkland instead approving more development.

Strong development pressure is certainly a better problem for the city than stagnancy or decline. But all the big questions are there: Is this the kind of city we want? Would we be smarter pushing for five- or six-storey buildings made of wood, which are better for climate change issues, than bigger buildings made of concrete? How will affordability issues be addressed and who will put the money into housing that most families can afford? Are growth pressures simply beyond our control? Should we just go with the flow?



Post City Magazines' columnist John Sewell is a former mayor of Toronto and the author of a number of urban planning books, including The Shape of the Suburbs.

ASSOCIATION NEWS



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Annual General Meeting

The Association of Ontario Land Economists' Annual General Meeting was held April 28th, 2021 virtually over Zoom, President Andrea Calla presided.

Financial Statements

Stefan Krzeczunowicz, AOLE Treasurer, presented the highlights of the audited financial statements for the 2019-20 fiscal year, which ended March 31, 2020.

AOLE is in stable financial health and the Board intends to run the organization on a balanced budget for the upcoming year, he said. The organization ran a small surplus in 2019-20 (\$1,586) which left our fund balance at \$6,435 as of March 31, 2020 Krzeczunowicz reported. The Board recently put in place measures to reduce administration expenses to ensure we can continue to produce our journal at regular intervals and charge affordable admission prices to our events once COVID-19 restrictions are lifted, he added.

Membership

John Morrison, Registrar and Membership Chair, reported that membership numbers have basically remained unchanged during the past year and currently totals 214-191 full members, 12 retired members, 2 graduate members, and 9 honorary members. Our members are wellqualified and have a diverse background of skills, education, and experience with regards to real estate, primarily relating to land development. Fourteen new members joined the Association this fiscal year.

Program

Christina Kalt, Program Chair, reported that over the course of the past year, the AOLE has hosted the Annual General meeting and Dinner Event at the Royal Canadian Military Institute, which took place on February 20th, 2020. The keynote speaker was Mayor John Tory. His talk focused on his successes over the past five years in areas such as transit, housing and infrastructure, and his work ahead in protecting the success of North America's fastest growing city.

AOLE hopes to be able to return to hosting in person events soon and welcomes suggestions with respect to possible future speakers.

There was one question regarding whether AOLE plans to hold virtual events during the remaining period where we cannot gather in person. Christina replied that AOLE observed that there were a large number of similar virtual events at the start of the pandemic and chose not to host events at that time, but that virtual events will be planned for the future.

The Land Economist

John Blackburn, Journal Chair, reported that there were three very well-received issues of THE LAND ECONOMIST Journal in the 2020-21 year-the Spring, the mid-Summer and the mid-Winter.

John thanked the team-senior freelance writer, Pat Brennan, editorial consultant and honorary member, Rowena Moyes, as well as all the contributors. John reminded members that the Journal is always very interested in hearing from them.

Legislative Beat

Andy Manahan, Legislative Chair, reported that at the last AGM, there was growing awareness of COVID but it took place about a month before the lockdown went into effect. We are now in a completely different world. The pandemic has accelerated certain trends such as teleworking which has prompted a segment of the population to move to centres away from the GTA in search of more space. Price escalation in the residential market has been phenomenal. Of course, this is having repercussions on the broader real estate sector, including higher vacancy rates for commercial office space. No one knows for certain the full extent of these impacts.

In addition to the usual set of legislative matters, the pandemic has also expedited the turnover of politicians, with the most high-profile case being Ontario's Finance Minister who took a trip to the Caribbean over the Christmas holidays.

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Internet

Mike Real, Internet Chair, reported that over the course of the past year, Christina Kalt has led AOLE in the transition to a new website and association management software platform that was successfully launched this past March. This new platform has already helped improve and create efficiencies in the following areas:

Membership Automation-automated invoicing and payment system, online. membership applications, web-based membership directory

Event Management - web-based registration and promotion of Association events

Member Communication - professional event invitations, and branded email correspondence Please go to aole.org to have a look at the new AOLE website, and member feedback is always welcome.

Marketing

Michael Cane, Marketing Chair, reported that over the past year, the committee's mandate was to review and revitalize the Association from a branding perspective. AOLE recently introduced the AOLE 2021 Digital Brochure. This brochure has been sent out to all members together with a covering letter from our President, asking members to forward this brochure to prospective members. The Association strongly encourages all members to take the time to review their contacts and send a copy of the brochure to them.

Over the course of this coming year, the Marketing Committee's objective is to develop further programs that will add value to the association: Redesigning the ever-popular Journal (thanks to the members for the kind comments on the editorial content of our last Journal.)

Reviewing the various digital platforms that would assist in communicating to membership. For example, plans are in the works to consider a monthly Member's Newsletter, "The Company we Keep" allowing members to promote their company to the association.

Assessing the possibility of podcasting a series of current content, industry-related topics.

New Board of Directors

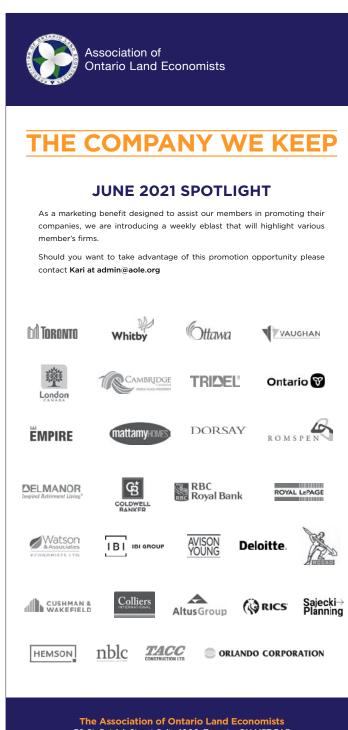
Andréa Calla noted that the report of the Nominating Committee was emailed to members prior to the AGM, then introduced Bonnie Bowerman, Nominations Chair.

Bonnie thanked AOLE's outgoing President, Andréa Callà, and outgoing Membership Chair, John Morrison, for their many years of service. Andréa will be Past President this year and John Morrison is stepping down from the board and becoming an honorary member of the association.

Bonnie announced that there were 3 vacancies. There is one volunteer from the membership - Matthew Cory, Principal, Malone Given Parsons. Bonnie asked if there were there any other nominations from the floor, then declared nominations closed. The members voted by Zoom poll to approve the nominated slate, including the addition of Matthew Cory.

Keynote Speaker:

Once the business part of the meeting was adjourned we had the pleasure of listening to our keynote speaker, David Wilkes, President and CEO of BILD. Read about the highlights of his remarks in a separate article in this edition of the Land Economist.



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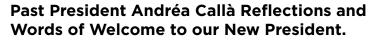


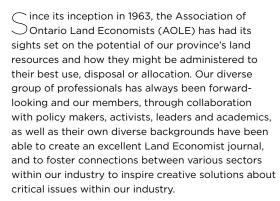
All about Our New President Stefan Krzeczunowicz and his aspirations for AOLE

ur new President, Stefan Krzeczunowicz, has served on the AOLE Board for ten years, including several years as Treasurer. He is an accomplished land economist, with a professional career that has spanned both the private sectorfifteen years and counting at Hemson Consultingand government, as a member of the Local Planning Appeal Tribunal. He joined the AOLE in 2009, after attending one of our dinners having been attracted to our diverse membership and the collegiality of our events. Stefan's mandate as President will be twofold: to continue, as best as possible, to ensure our members receive informative and high quality information about land development through our flagship Journal; and to ensure that the Association is on a firm financial footing so that when the COVID storm breaks we can once again provide our members the opportunity to exchange ideas among friends and colleagues, a privilege we've been denied through the pandemic. In this last respect, the Board have embarked on several important developments in the past year. We have enthusiastic new members on the AOLE team—a new administrator and Journal

editor—as well as new Board members in Christina Kalt, Jason Chee Hing, and Matthew Cory. All have thrown themselves vigorously into the task of advancing the goals of the Association.

The AOLE is a special organization, bringing together individuals from a range of disciplines whose common interest is the efficient use and development of land in Ontario. It's success can be measured by its longevity-we turned 56 on March 20th-and the spirited, enlightened, and enquiring exchanges that have taken place in print and in person over the years. Our membership has been steady at about 215 for about a decade. Stefan believes that with the exponential growth that is taking place in Ontario we too can grow. The reasons for bringing us together remain the same as they ever were. But Stefan is of the firm view that the need for our organization is greater than ever. Through our great journal and our collegial events we can continue to share our ideas and experience, for the benefit of each other, and for the common good.





This is no small feat when the urban environment is constantly shifting. It is an understatement to suggest that the pandemic has fundamentally changed our society. We have used the dreaded word "pivot" frequently in describing the rapid adaptations that have had to occur to meet the challenges of pandemic life, and we use the word again now as we look to the future and contemplate what is to come and what it might look like. The urban environment is constantly shifting. Remote work situations are likely here to stay. The needs of the various industry sectors will demand more of our membership and our particular areas of expertise to create solutions to new challenges. The pandemic has provided focus to some of the issues yet to overcome such as the limits of density, the lack of

affordable spaces, or the need to balance growth with sustainability.

Rather than seeing the future as a series of problems to fix, we can imagine this moment as an opportunity to make our society better. To dust off ideas that we might have set aside and thought unfeasible and conceive of a way to make them feasible within the new environment. Now is also a moment of great potential to recreate our province and its communities once more into something great, something inclusive, something that will endure.

I have spent my career in the real estate and development industry. From my time with Tridel to my own consulting company as well as my work on various Boards, including the AOLE. It has been a great reward to have worked with tremendous leaders to advocate for a livable city – for all.

As an example, I was honoured to be appointed by Mayor Bonnie Crombie as Chairperson of the Mississauga Affordable Housing Advisory Panel, and to work with our fellow AOLE Board member Ed Sajecki, then Mississauga's Commissioner, Planning and Building. Together, along with a group of over 20 housing professionals from the public, private and non-profit sectors were convened to share their knowledge, provide advice, and offer solutions. We delivered a report to Council, "Making Room



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for the Middle – A Housing Strategy for Mississauga." The report contains 4 Goals and 40 Actions, it is a blueprint for fostering a supportive development environment for the delivery of a range of housing that is affordable to low-and-moderateincome households. It is work like this that we undertake together that makes me immensely proud.

Read Report

In all of my endeavours throughout my career, I have firmly kept focus in driving innovative, practical and effective changes to improve the quality of life in our cities for all citizens. This requires a comprehensive understanding of practical issues and considerations coupled with an open-mindedness and creative spirit that can only be achieved through a diversity of experiences, and it is professional organizations like the AOLE where practical solutions and ideas can effect change and growth for our province for a bright and sustainable future. We cannot remain content with what was, but constantly strive for what can be.

The AOLE has a team of talented and experienced Board of Directors. It has been my good fortune to serve on this professionally diverse Board as its President. I wish to extend my thanks for all of the hard work of my colleagues as we have worked together for the best interest of our AOLE and its members.

Today, we remain in the steady hands of our new President, Stefan Krzeczunowicz. I have enjoyed working with Stefan for the past ten years and have every confidence in Stefan for his stewardship of this group

Welcome New Members

as we navigate a post-pandemic reality and continue to strive to create a better future. In him, our group's collegiality will be safeguarded as we once again can come together to exchange ideas to collaborate on future initiatives.

I have valued my time deeply. It is a testament to the work of a dedicated group of individuals who understand our land economy and to find ways to strengthen it. Although I am stepping down as President, however, I look forward to remaining active on our Board and engaged in the work and future of our esteemed Association of Ontario Land Economists.

> Andréa Callà BArch, MSc. RED, MBA, PLE President & CEO The Callà Group

Simon Bajt BComm, PLE Development Manager First Capital REIT sl.bajt@gmail.com

Robyn Brown MPI, PLE Director - Sr. Practice Lead - Planning IBI Group robyn.brown@ibigroup.com

Todd Crawford AACI, B.A. Vice President, Broker, Senior Appraiser, Partner Colliers I Canada todd.crawford@colliers.com Kate Hill-Montague MPlan, PLE Coordinator of Policy City of Burlington Kate.Hill-Montague@burlington.ca

Cameron Macdonald MCIP, RPP Associate N. Barry Lyon Consultants Ltd. cameron@nblc.com

Mark McLeod BCom, PGCV Candidate Research Analyst Legacy Realty markcmcleod@gmail.com Danielle Sbeiti AACI, PLE Coordinator Real Property Valuation City of Hamilton danielle.sbeiti@hamilton.com

Oksana Vialykh AACI, BBA, PLE AACI, Director of Operations D.Bottero & Associates Limited oksana@dbottero.com

Our New Board Member



Matthew Cory

Matthew Cory is a Principal member, Planner, Land Economist and Project Manager at Malone Given Parsons Ltd.

Matthew is responsible for guiding planning initiatives through municipal and regional approval processes. His work includes master planning and project management for landowner groups, growth management and policy creation for municipal clients, and the preparation and management of development applications for individual landowners. Matthew is familiar with best practices of sustainability in the planning process, smart growth and growth management techniques.

matthewjcory@gmail.com

ASSOCIATION NEWS



Profiling Andy Manahan, AOLE's Legislative Chair

A fter a lengthy career as an association executive representing the development and construction sectors, long-time AOLE member Andy Manahan has formed his own consulting firm.

Manahan Consulting Services will focus on providing strategic advice to the broader construction sector and on government relations. Since formation in early 2021, projects have included assisting a group home provider to rationalize its real estate portfolio of residential properties and to find a new site for those with developmental disabilities. In March, Andy joined workXid as a consultant and will be encouraging construction sites to use digital solutions to manage skills credentials. He sees great opportunities in mobile identity services to advance project safety and workplace productivity. Most recently, he has taken on an assignment related to skills development to increase the capacity of the construction trades in Ontario.

Andy has been contributing to the Legislative Beat since the Fall of 1996 (Vol. 26, No. 3) when he was director of industry relations at the Ontario Home Builders Association. He took over from Andy Morpurgo so the next contributor will have to have the same first name. In fact, the only issue he missed was Vol. 51, No. 1 which was a transition period from his role as executive director of the Residential and Civil Construction Alliance of Ontario. While helming RCCAO, the alliance produced 58 independent research reports that helped to advance the construction industry's agenda with decision-makers and the public. In 2010, a series of ground-breaking infrastructure modelling reports was launched, with the last one being released in 2020 where risk scenarios were produced to show how targeted investments by Ottawa and Queen's Park could help to navigate the socio-economic shock precipitated by Covid-19.

To reach Andy, use LinkedIn, andy@manahanconsultingservices.com or mobile 416 904-7013.



Association of Ontario Land Economists

WHAT IS AOLE?

YOUR MEMBERSHIP TO OVER

\$50 BILLION IN NEW DEVELOPMENTS

The Association of Ontario Land Economists (AOLE) is a membership based group of real estate professionals that offers the opportunity to connect with other professionals in related fields, share knowledge, learn and network with potential clients, partners, mentors and more. Currently the group proudly represents most of the significant developments in Southern Ontario and its members are active in many various roles across the vast real estate industries.

You can make a difference today by joining AOLE. Members have the benefit of broadening and enriching their professional development ensuring high-ethical work standards and making submissions to the government for improvements in both the law and public administration in relation to land economics. This year, our members will be involved in over \$50 billion dollars in Ontario real estate initiatives.

Read about membership qualifications

Apply for Membership

What careers are represented within AOLE? To get an idea of the professionals that are members of AOLE, we have compiled a list of some of the most strongly represented professionals.

If you need more information email us at <u>admin@aole.org.</u>

BILD is celebrating its 100th Anniversary

and to mark this milestone they have published in the Toronto Star's website a historical series decade by decade about our region's growth over this period. In the Listen up Section they also have audio summaries of the significant project, buildings and events that developed and defined the region for each decade.

Go to Anniversary Series

This is Where Canadian Millennials Want to Live in 2021

Originally Published: May 19, 2021 by Storeys Real Estate News

Written By Ainsley Smith

It's definitely an interesting time to be a Canadian millennial — especially after spending over a year mostly indoors amid the pandemic.

The pandemic has not only changed the way millennials live, but it's also changed where they want to call home and what they expect to come with it. Case in point, access to more living and green space as they work from home now represents more of a need than a want.

So, where exactly are young people looking to live these days? It turns out, Québec City is the most popular spot in 2021, according to a new report which ranks the best and worst cities in Canada for milennials from real estate portal <u>Point2</u> <u>Homes</u>

The report, which looks at Canada's 85 largest municipalities, considers all of the factors that millennials care about when deciding where to live. While affordable housing, reliable income, and good healthcare are mainstays, factors such as life satisfaction and climate are also important for those looking for the ideal place to call home. *Read the full Article*

Avison Young First Quarter 2021 Greater Toronto Industrial Market Report states

that "The Greater Toronto Area (GTA) industrial market remains resilient, despite the pandemic and challenges in the broader economy. Growing e-commerce sales coupled with the need for greater inventory levels continue to fuel demand for industrial space across the GTA. Tight market conditions are reflected in an availability rate of just 1.6% – below the national average (2.4%) and making the GTA among the tightest, if not the tightest, markets in North America. Developers are challenged to keep pace with the ongoing demand. The majority of new space is leased up before completion. In the first quarter, 2.6 million square feet (msf) was delivered, of which 2.2 msf (87%) was leased. The 10.3 msf currently under construction, of which 7.1 msf (69%) has already been leased, represents a mere 1.2% of the GTA's existing industrial stock." *Read the full Report*

Avison Young First Quarter 2021Greater Toronto Area Office Market Report:

According to Avison Young "The ongoing COVID-19 pandemic continued to cloud the already subdued Greater Toronto Area (GTA) office market in first-quarter 2021. The onset of a third wave, fueled by variants of concern, and perpetual lockdowns suggest that growth will be slower than was anticipated at the close of 2020. Given market risks, occupiers in general are taking a wait-and-see approach. Notwithstanding this, the hope is that the market is poised to recover strongly once vaccinations reach a critical mass, leading to a widespread reopening of many offices in fall 2021 or early 2022."

Read the full Report

Avison Young First Quarter 2021 Greater Toronto Area CRE Investment Review:

According to Avison Young 's report that eager investors "Flush with cash and supported by favourable borrowing costs.... continue to seek out opportunities in what is shaping up to be another unpredictable year for the commercial real estate market in the Greater Toronto Area (GTA). Unlike 2020, 2021 opened with variants of concern and another round of business closures which continue to impact day-to-day life and cloud investor sentiment. However, mass vaccinations offer a ray of hope and the prospect of an eventual return to pre-pandemic capital flows into what is otherwise a relatively sound property market."

Read the full Report

Location, location: Value of GTA multifamily land sales dips

A decline in the value of Greater Toronto Area land transactions for multifamily development sites during Q1 2020 can be attributed to the location of the properties, not the COVID-19 pandemic, according to market expert Ben Myers.

Read the full article

The Future of Real Estate AR

A conceptual video on AR technology transporting viewers to the not-so-distant future of home buying by LNG Studios. *View Video*

The Design Difference Summit - Building the New Normal

PMA Brethour Realty Group in conjunction with CIBC Mortgage created a PMA-CIBC Summit Series with innovative and informative speakers. They are now available on YouTube.

View Building the New Normal

What will Toronto Look Like when the pandemic is Over?

Toronto Life exams this issue in their may article **"The Downtown Rebound"** In Luc Rinaldi's introduction he asks" What will downtown look like when the pandemic is over? Optimistic investors, condo buyers, hoteliers and restaurateurs are betting big on a post-pandemic comeback. Are they crazy? Brilliant? Both?"

Read the Article

Italy: The land the property bonanza forgot

The Globe and Mail has a look at how Italy's home prices have barely moved over the last 20 years in comparison to the Western World and how foreigners may be tempted to buy property in Italy but they shouldn't expect to make money on their investment in this interesting article by Eric Reguly.

Read the Article

Minister's Zoning Orders'(MZOs) Controversy

The Toronto Star looks at MZOs in a article published on June 14th titled "How the Ford government's love of MZOs is increasingly benefiting private developers with ties to PC and local politicians"

Read the Article



The Legislative Beat

By Andy Manahan, PLE

Provincial Budget

Finance Minister Peter Bethlenfalvy's first Budget is branded "Protecting People's Health" and stresses that a healthy economy requires a healthy population. The projected 2021-22 deficit is \$33.1B based on planned expenditures of \$180B+. StrategyCorp, a government relations firm, described the 2021 Budget as follows: "This spending lays the groundwork for a concerted economic recovery effort where the government has clearly chosen to put the recovery of the province's economy ahead of recovery of its own finances."

As there is great uncertainty around Covid, the Province put forward three recovery scenarios - faster, slower and planned - which depend on factors such as the vaccine rollout and the reopening strategy. Based on the planned scenario, Ontario will return to a balanced budget in 2029-2030.

The creation of an Ontario Growth Plan was tabled in the Budget. A consultation process will be held to chart a recovery over the next five years which will ask questions around how targeted spending can shape success. In June, economic development minister Vic Fedeli announced that the <u>Ontario Capital</u> <u>Growth Corporation</u> will provide venture capital funding to assist high-potential technology companies to access \$100 million in funding.

GTHA Transit Projects

After more than two years of asking the federal government to contribute to Toronto's subway building program, a joint announcement was made in May where Ottawa will contribute up to 40 per cent of the capital costs of the four subway projects. This amounts to \$10.4B. It was later revealed by Min. Catherine McKenna that this funding was contingent on Queen's Park coming up with more money for the Hamilton LRT.

In late May, a fixed-price contract of \$757 million was awarded by Infrastructure Ontario and Metrolinx to design, build and finance the tunnel for the Scarborough Subway Extension project. Major tunnel boring is expected to begin in 2022.

An advance tunnel contract is also in process for the western extension of the Eglinton Crosstown LRT which will link to Pearson airport. Although it would be more cost effective to build this suburban project above ground, most of it is proposed to be underground. According to transit guru Steve Wickens this extension is slated to cost 57 per cent more per km than the main part of the Crosstown, which includes three costly subway interchange stations, traverses a more complex urban corridor and includes the maintenance and storage facility.

Rail Deck Park

Toronto Mayor John Tory's plan for a Rail Deck Park, west of Union Station, has been derailed by an Ontario tribunal's ruling. The Local Planning Appeals Tribunal (LPAT) sided with a developer that owns the air rights over the rail corridor.

Ministerial Zoning Orders (MZOs)

Section 47 of the Planning Act gives the Minister of Municipal Affairs and Housing authority to use Ministerial Zoning Orders to protect provincial interests and overcome delays to critical projects. For example, through Transit Oriented Communities, the province wishes to maximize real estate at key stations and has used its powers to ensure that mixed use developments can proceed faster. Further, as part of the Covid Economic Recovery legislation, the Minister can require that affordable housing be supplied in proposed developments. This can be achieved through inclusionary zoning (IZ) mechanisms, even if the municipality does not refer to IZ in its official plan.

Controversy has swirled around the increasing application of MZOs. First, there is no statutory requirement to engage in public consultation. Second, MZOs cannot be appealed to LPAT, except at the Minister's discretion, where, for instance, a request has been received to amend or revoke the MZO. At a recent Urban Land Institute Toronto webinar, Mandy Ng of Loopstra Nixon LLP commented on the surge in MZOs: 2017: 0, 2018: 0; 2019: 5, 2020: 32 and 2021: 7 (to May). She focused on two prominent cases:

Durham Live: Minister Steve Clark issued the MZO for a mixed-use entertainment zone. plus warehouse lands, at the request of Pickering Council. Concerns were expressed that part of the project encroached upon provincially significant wetlands in Lower Duffins Creek. In mid-March, the Toronto and Region Conservation Authority (TRCA) issued a permit with conditions and under duress. Due to public pressure, Pickering Council unanimously passed a resolution in late March requesting that the Minister revoke the MZO for the western portion of the property. A week earlier Amazon announced that it was pulling out of the deal for the distribution centre.

West Don Lands: Last October the Minister issued three MZO's for provincial lands in eastern downtown Toronto, with the highest profile site being the Dominion Foundry Complex. Local politicians and the public were disappointed that these heritage buildings were being torn down to create space for tall towers before a plan had even been submitted to the City of Toronto. Judge D. L. Corbett of the Ontario Divisional Court deemed that the province had made "serious mistakes" as the demolition had begun even though a separate agreement existed between the City and the province covering development on the property.

Beyond the logistical issues of the extent of provincial intervention in land use planning, we already have many provincial statutes concerning growth, the environment and local planning matters. What does this say about the future of MZOs in relation to municipal autonomy in setting strategic direction in the context of official plans and provincial policy statements?

Highway 413:

In early 2018, the previous Liberal government heeded advice delivered by an advisory panel that there are alternatives to proceeding with the GTA West, a 59-km corridor extending from the north end of Vaughan at Hwy. 400 to Milton, where the 407ETR meets Hwy. 401. The Panel found four specific alternatives that can provide travel benefits comparable to the proposed new highway: (1) highway extensions or expansions of existing highways, (2) congestion pricing, (3) truck priority on the 407 to achieve efficient goods movement, and (4) different land use and growth planning scenarios.

The Ford government decided in late 2018 to reopen study of this highway but provided for a streamlined environmental assessment.

Controversy has swirled around the project because it would cut across parts of the Greenbelt and prime farmland. Initially, protests were led by environmental and citizen groups, but then municipal councils began to weigh in. In some cases, municipalities within the study area such as Peel Region, Mississauga, Brampton and Halton Hills formally voted against the proposal despite previously expressing support.

It is worthwhile to note that Brampton Council had approved an urban boulevard concept for the northwest part of the municipality, but transportation minister Caroline Mulroney said to the Brampton Board of Trade that this concept did not meet Ministry standards. TRCA found that over 1,000 hectares of land "identified as important for local wildlife movement ... will either be removed or intersected by the proposed highway."

Although the budget tabled by Bethlenfalvy contained 40 mentions of highway infrastructure projects, there was no line item for the GTA West corridor.

While many organizations such as BILD continue to advocate for the project, the municipally based Ontario Good Roads Association questions whether \$6B+ is the best use of scarce public funds, especially when there is a backlog of \$34.7B worth of local road, bridge and culvert infrastructure projects.

Federal environment and climate change minister Jonathan Wilkinson announced in May that a more stringent impact assessment process would be conducted, citing concerns about species at risk. All provincial opposition parties have pledged to scrap the project if elected when the next election is held in June 2022.

Supreme Court Ruling

The Supreme Court of Canada, in a 6-3 decision, ruled that the federal carbon pricing scheme is constitutional. Provinces such as Ontario, Alberta and Saskatchewan viewed Ottawa's intrusion as unconstitutional, with Premier Ford telling the public that drivers would face higher prices at gas stations, without mentioning that rebates would be offered (see Vol. 49, No. 2). In its decision, the Court found that reducing greenhouse emissions is a matter of national concern but confirmed that provinces can develop sub-national solutions as long as federal standards are met.

Writing for the majority, Chief Justice Richard Wagner underscored the gravity and existential nature of the matter: "Climate change is real ... and it poses a grave threat to humanity's future." The decision noted that floods, forest fires and severe heat waves will continue if no action is taken.

Ontario's environment minister Jeff Yurek noted the government's disappointment but said that the court's ruling will be respected. Both NDP leader Andrea Horwath and Green leader Mike Schreiner focused on the public money that has been wasted fighting this, with Schreiner saying that the Ford government has been sabotaging climate solutions. Liberal leader Steven Del Duca said that the Premier's posturing was "nothing more than a political power play at the taxpayers' expense."

USP Framework

With Covid straining the province's finances, different ways of delivering infrastructure must be looked at. Fortunately, Ontario announced an <u>Unsolicited Proposals (USP)</u> <u>Framework</u> in October 2019 which provides for an online portal for the private sector to submit proposals.

According to Ministry of Infrastructure staff, since the launch the province has received many proposals. While some are small in nature, others represent significant undertakings. Sectors include transit, transportation, long-term care, housing and broadband. USPs must align with government priorities and provide clear benefits to the people of Ontario.

Stay safe, get vaccinated and enjoy the outdoors this summer. \gg



Andy Manahan is President of Manahan Consulting Services and a member of AOLE's Board of Directors



What careers are represented within AOLE?

To get an idea of the professionals that are members of AOLE, we have compiled a list of some of the most strongly represented professionals below:

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Certified Property Managers

Economists

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Municipal Assessors

Ontario Land Surveyors

Engineers

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Real Estate Brokers

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