

Item 9.4.

Section III – Items for the Information of the Board

TO: Chair and Members of the Board of Directors
Meeting #5/19, Friday, May 24, 2019

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **PORT LANDS FLOOD PROTECTION AND ENABLING INFRASTRUCTURE PROJECT**

KEY ISSUE

A progress update on the Port Lands Flood Protection and Enabling Infrastructure Project.

RECOMMENDATION

THAT the update on staff progress on the collaborative development of the Port Lands Flood Protection and Enabling Infrastructure Project be received.

BACKGROUND

Approximately 290 hectares of the Port Lands at the mouth of the Don River at Lake Ontario in the City of Toronto are vulnerable to flooding under a Regulatory flood event (a Hurricane Hazel-scale storm). In 2004, Toronto and Region Conservation Authority (TRCA) and the Toronto Waterfront Revitalization Corporation (now Waterfront Toronto) initiated the Don Mouth Naturalization and Port Lands Flood Protection Project Environmental Assessment (DMNP EA) to explore opportunities to provide Regulatory flood protection, establish a naturalized river mouth, and facilitate redevelopment of the Port Lands.

In September 2011, the City of Toronto became a co-proponent on the DMNP EA and City Council unanimously approved the Port Lands Acceleration Initiative (PLAI) to develop a business and implementation plan to accelerate development opportunities. The DMNP EA was put on hold while the PLAI examined whether the Lower Don Lands could be developed more affordably and faster than previously anticipated. Ultimately, the PLAI indicated that large scale revitalization could occur based on phased implementation of the required flood protection and infrastructure. The DMNP EA was then completed and approved by the Ministry of the Environment and Climate Change in January 2015.

Following approval, TRCA, with the support of Waterfront Toronto, began preliminary studies to inform project implementation and ensure compliance with the EA conditions set by the Ministry. At Authority Meeting #3/15, on March 27, 2015, Resolution #A38/15 provided staff direction to work in conjunction with the City of Toronto, Waterfront Toronto, Toronto Port Lands Company (now CreateTO), and others to further develop project schedules, budgets, and the planning approach for preliminary design and due diligence studies related to the Lower Don Lands, Don Mouth Naturalization and Port Lands Flood Protection Project.

At Authority Meeting #7/16, held on September 23, 2016, staff provided an update on the status of funding to proceed with detailed design and the construction. The report included information on the Port Lands Flood Protection and Enabling Infrastructure (PLFPEI) Due Diligence Report which was completed to provide greater certainty on the costs, risks, scheduling and implementation strategy associated with the proposal to naturalize the mouth of the Don River and provide flood protection to the area. The due diligence phase was completed in 2016 and resulted in a comprehensive plan based on the DMNP EA integrated with the outcomes of the approved Lower Don Lands Environmental Assessment.

Item 9.4.

In keeping with the goals of the PLAI, Waterfront Toronto developed an ambitious plan to complete all 23 sub-projects comprising the PLFPEI by 2024 (Map 1, attached). TRCA has executed two Delivery Agreements with Waterfront Toronto to enable continued staff involvement in the design and implementation of the Cherry Street Lake Fill Project (Phase 1 of the PLFPEI), and the remainder of the PLFPEI sub-projects. Ongoing staff collaboration with Waterfront Toronto and City of Toronto during the design and permit review process is key to the success of the project. Waterfront Toronto has recognized their appreciation for TRCA's continued support and commitment to advancing the revitalization of the Toronto waterfront.

RATIONALE

Providing flood protection to the Port Lands has been identified as a TRCA priority since the 1980s, and TRCA's interest in naturalizing the Don River mouth has been a shared priority with the City of Toronto and the broader community as identified by the Task Force to Bring Back the Don's report "Taking Back the Don" in 1991. The 1992 "Regeneration: Royal Commission on the Future of the Toronto Waterfront" report also outlined the federal interest in the Lower Don, and provincial support aligned with these initiatives when all three levels of government jointly established the Toronto Waterfront Revitalization Corporation in 2001. As such, the current detailed design and implementation of Waterfront Toronto's 23 enabling infrastructure sub-projects of the PLFPEI is the culmination of close to 40 years of consultation and planning, with TRCA at the forefront throughout the process.

Central to the Port Lands project, naturalizing the mouth of the Don River will not only facilitate flood protection for more than 240 hectares of land including parts of the Port Lands, South Riverdale, Leslieville south of Eastern Avenue, and the First Gulf (former Unilever) development site, but will also result in the creation of over 1,000 metres of new river channel and establish and enhance 30 hectares of new aquatic, wetland, and terrestrial habitat in the river valley. New parks and public realm features on lands outside the floodplain will comprise an additional 16 hectares of public greenspace. Together, these works will unlock the development potential of this prime waterfront area by transforming the underutilized, post-industrial site into a vibrant, mixed-use, sustainable community which will support Toronto's growth and economic competitiveness.

TRCA has a significant stake in the Port Lands project due to our role as co-proponent of the original DMNP EA, and continued strong partnerships with the major stakeholders such as the City of Toronto, Ports Toronto, and Waterfront Toronto which has federal and provincial representation. Further, TRCA's extensive expertise and long history in managing flood prone lands, the lower Don area, and the Lake Ontario waterfront, as well as significant experience completing major ecological restoration projects, make TRCA uniquely and strategically positioned to provide input and promote innovation as part of the Port Lands re-development.

TRCA also has a legislated responsibility to issue permits under Ontario Regulation 166/06 "Regulation of Development, Interference with Wetlands, and Alterations to Shorelines and Watercourses" (O. Reg. 166/06), and to monitor compliance with the conditions of the DMNP EA. Finally, TRCA's anticipated future ownership of the new river valley water lots and adjacent floodplain lands necessitates TRCA's vested interest in the long-term success and viability of the PLFPEI project.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategies set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 2 – Manage our regional water resources for current and future generations

Strategy 4 – Create complete communities that integrate nature and the built environment

Strategy 7 – Build partnerships and new business models

Item 9.4.

FINANCIAL DETAILS

The current delivery agreement between TRCA and Waterfront Toronto is in effect from 2018-2023 for the sum of \$7,315,000, under account 191-20.

DETAILS OF WORK TO BE DONE

To support Waterfront Toronto's plans to complete the enabling infrastructure works and commission the new Don River mouth by the end of 2024, TRCA's fee for service delivery agreement includes a variety of activities. Under this agreement, staff provide technical support and expertise to Waterfront Toronto and its sub-contractors related to hydrology, ecology, geotechnical, fluvial geomorphology, groundwater remediation, storm water management, flood protection and conveyance, archaeology, habitat restoration, environmental monitoring, permitting and construction considerations to inform the detailed design and implementation of the project.

Planning staff worked with Waterfront Toronto to identify permit requirements under Ontario Regulation 166/06, and to streamline the permit process by simplifying, expediting and aligning our review process and timelines with the project construction schedule, to the extent possible. The majority of the infrastructure permits to allow for the construction of new and replacement roads, utilities, sewers, bridges, community and pedestrian amenities will be reviewed and permitted under the current delegated permit approval process, per Authority Resolution #B138/13.

Key permits relating to construction of the new Don River mouth and valley, new Don greenway and spillway, as well as the future sediment and debris management area will be recommended to TRCA's Executive Committee for approval once all technical concerns have been addressed to the satisfaction of staff. We anticipate that staff will recommend and seek Executive Committee approval for the new river valley, greenway and spillway in the summer of 2019. Based on current Waterfront Toronto schedules, the design for the sediment management area will be completed next year (July or August 2020), at which time staff will seek Executive Committee approval of the permit to allow construction to begin. Staff will also oversee the requisite enforcement of TRCA's permit conditions.

With regards to affected development planning and permits, TRCA staff worked on a cross-disciplinary team which included the Ontario Ministries of Municipal Affairs and Housing and Natural Resources and Forestry, and the City of Toronto to develop a Protocol for the Lower Don Special Policy Area (SPA) which streamlines and coordinates development approvals in the Special Policy Area. The Protocol allows for accelerated redevelopment of the Port Lands and Unilever Precinct by sequencing new intensified development with the construction of the PLFPEI Project, a process that would not normally be allowed within a floodplain until the flood protection works are complete. Essentially, the Protocol allows approval and construction of the development blocks within the Lower Don Special Policy Area to proceed subject to the occupancy of the new development being controlled until the flood protection, or phases thereof, is fully complete. The Protocol and extensive input from TRCA staff recently resulted in the adoption of the Official Plan Amendment and Zoning By-law Amendment for First Gulf's East Harbour project, a sustainable employment and transit hub which will house 50,000 jobs, and which will begin construction in late 2019 or 2020.

In support of Waterfront Toronto's construction activities, TRCA conducts environmental monitoring and completes EA compliance reporting to the provincial Ministry of the Environment, Conservation and Parks. Under the existing delivery agreement, pre-construction and construction phase monitoring will continue until 2023. A new delivery agreement will be required

Item 9.4.

for post-construction EA compliance monitoring, which is expected to continue for an additional two to five years after the new river valley is operational.

TRCA staff also support the development of land transfers, easements, and operations and maintenance plans. Staff are in discussions with the City of Toronto, Waterfront Toronto, Ports Toronto, and other government agencies regarding the anticipated future ownership and management of the Port Lands river valley and parks and public realm spaces. It is currently anticipated that the newly constructed river channel, adjacent wetlands, and ecological features within the new floodplain will be transferred to TRCA following completion, whereby TRCA will be responsible for operations and maintenance into the foreseeable future. An assessment of potential risks, as well as property ownership, roles and responsibilities, details regarding long-term operations and maintenance costs, and an accompanying funding model, have yet to be finalized and will be the focus of a future report to the Board.

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Attachments: 1

Attachment 1: Port Lands Flood Protection Enabling Infrastructure Project