

The Opportunity of Rail Deck Park

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On November 28th, the City of Toronto's Executive Committee will consider a report on the feasibility and implementation of Rail Deck Park: a proposal to deck over the rail corridor between Bathurst Street and Blue Jays Way to create a new 20-acre urban park. The estimated total cost of the park is \$1.665 billion—less than the cost of acquiring 20 acres of land in downtown Toronto. The \$1.665 billion includes the cost of acquiring air rights.

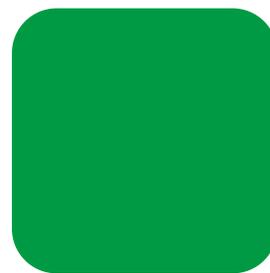
Downtown Toronto already has less parkland—on both an area and per person basis—than the city-wide average. With downtown growing faster than the rest of the city, this differential will only be exacerbated. The high (and rising) cost of land downtown necessitates creative solutions, such as Rail Deck Park.

Rail Deck Park offers the City its last opportunity to access a large, contiguous piece of parkland in the core. The park would help address downtown's

parkland shortfall and serve the immediate needs of downtown's growing population, while also building a park of regional significance.

This paper examines the challenges the City has faced in providing parkland downtown, and the opportunity presented by Rail Deck Park.

City Average



28 m²

Downtown



4.2 m²

Figure 1: Toronto parkland provision rates per person (2016 Census population)

Key findings:

- 1. A park-starved core:** Parkland comprises only 6.9% of all land downtown, with only 7 parks larger than 5 hectares in size. Downtown currently has approximately 1/7th the amount of parkland per person as the rest of the city.
- 2. Rapid growth:** From 2011 to 2016, the residential population in the downtown core grew by 20%, while the rest of the city only grew by 3%.
- 3. Park dependent:** 90% of downtown’s population lives vertically and does not have access to backyards, making them reliant on parks for outdoor space.
- 4. Collecting cash:** Due to exponential growth and development over the past decade, Toronto’s South District has contributed approximately 66% of all parkland dedication cash-in-lieu funds collected across the city.
- 5. Under-spending:** Meanwhile, over the past decade, only 42% of district-specific parkland dedication funds collected in the South District were actually spent.
- 6. Paying the park bill:** Over the next five years, parkland dedication funds are expected to grow,

with an additional \$200 million anticipated by 2021. These funds, in combination with other revenue tools and value capture tools, could cover a significant portion of Rail Deck Park’s total price tag.

- 7. Cost-efficient:** At \$1.665 billion, Rail Deck Park is less than the cost to acquire 20 acres of land in the western portion of downtown Toronto (\$1.9-2.3 billion). If the City were to acquire 20 acres of land, additional funding would also be needed, beyond the land cost, to fund the development of park space.
- 8. Think locally:** Using a phased approach, the City could introduce a 3.9-hectare segment of the park first to meet the immediate needs of the local community, while managing timelines and budgets.

	City-Wide	Downtown
Total area of parkland	7,705 ha	100 ha
Parkland as a % of total area	12.7 %	6.9 %
Parkland provision per resident	28.0 m ²	4.2 m ²

Figure 2: Parkland provision in Toronto

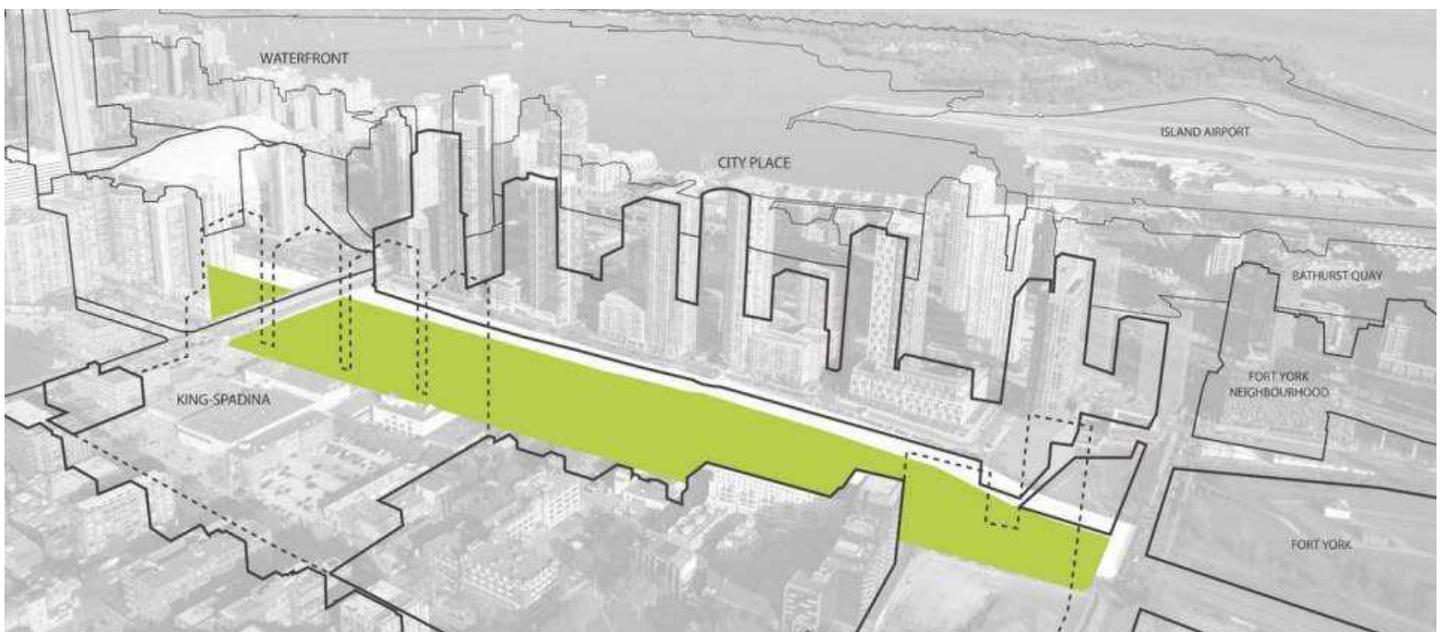


Image source: City of Toronto

The need for downtown park space

Parkland comprises 12.7% of the City of Toronto's total land area.¹ However, downtown Toronto is much less rich in parkland than the city as a whole. If you exclude the Toronto Islands (which is more of a destination than a park for local residents, given the time and cost of the ferry service), downtown Toronto has 100 hectares of parkland to accommodate local residents and workers.² This parkland comprises just 6.9% of the downtown core's total land area—about half the proportion of parkland on an area basis as the rest of the city.

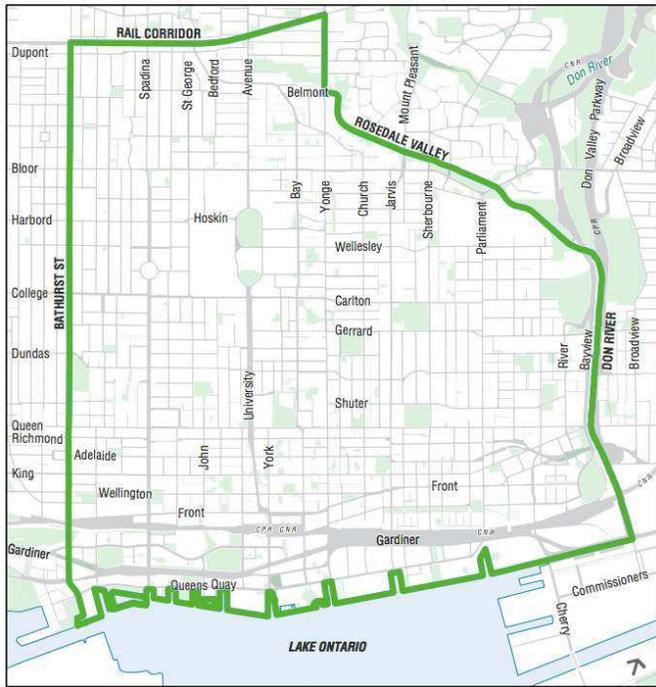


Figure 3. Downtown boundaries. Image adapted from City of Toronto.

Downtown is defined by Dupont Street and the Rosedale Valley to the north, the lake to the south, Bathurst Street to the west and the Don Valley to the east.

On a per person basis, the numbers are even starker. Downtown Toronto has approximately 1/7th the city-wide average rate of parkland per person. The City of Toronto has 28 m² of parkland per resident—about the size of a garage.³ With its 100 hectares of parkland, downtown has only 4.2 m² of parkland per resident—about the size of a ping pong table.⁴

Growing vertical

Downtown Toronto is growing at a much faster pace than the rest of the city, underscoring the need for more park space downtown. From 2011 to 2016, residential population in the downtown core grew by 20%, while the rest of the city only grew by 3%.

This is not expected to be a short-lived trend—the City's TOcore plan anticipates that downtown Toronto will grow to 475,000 residents by 2041, doubling its current population.⁵ By 2041, 140,000 to 180,000 new residential units are expected, and downtown's density is projected to jump from the current 399 people and jobs per hectare to 729.⁶

This growth will have negative impacts on parkland provision rates; without significant investment in park space, the already large disparity of parkland provision between downtown and the rest of the city will continue to grow.

Not only does downtown Toronto have less parkland per person than the rest of the city, but the majority of residents in the downtown live vertically and do not have backyards or other outdoor amenities. Only 10.6% of households in downtown have backyards, compared to 47.5% in the rest of the city outside of the downtown.^{7, 8}

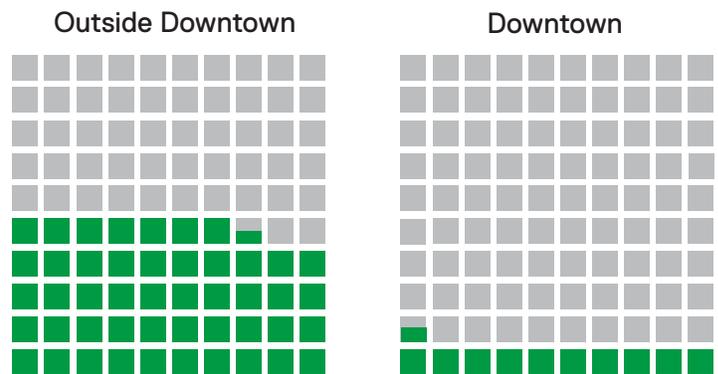


Figure 4: Percentage of households with a backyard

How parkland stacks up with other cities

At 12.8%, Toronto's parkland as a per cent of its total area is comparable to other North American cities. Chicago, Toronto's frequent comparator in geography and scale, has 9.4% of total city land area as parkland.⁹ In Vancouver, a large and growing Canadian city like Toronto, parkland comprises 11.7% of total area.¹⁰ New York City, a major American metropolis, has one of the highest rates of parkland as a percent of total land area, with 21.2%.¹¹

When density is considered, things look different. New York City, which is denser than Toronto, has a parkland provision rate of only 19 m² per resident—on par with Chicago.¹² Vancouver has a rate of 26 m² per resident—just less than Toronto's 28 m².

	Toronto	Vancouver	Chicago	New York
Parkland as a % of total area	12.7 %	11.7%	9.4%	21.2%
City-wide parkland provision per person	28.0 m ²	26.0 m ²	19.0 m ²	19.0 m ²

Figure 5: Parkland provision by city

The parkland puzzle

As downtown Toronto grows and densifies, new park space is increasingly difficult to acquire, due to the size and fragmentation of available land for park space, the high cost of land, and challenges allocating the City's parkland dedication budget.

Size and scale of available land

The TOcore Proposed Downtown Plan for parks and public realm focuses on supporting neighbourhood-level networks with access to a range of public spaces, including smaller parks, open spaces, laneways, squares, and POPS (Privately-Owned, Publicly-Accessible Spaces).¹³ These smaller spaces

are all important to knit together communities and provide different types of space for different needs.

However, the Plan also recognizes that large parks are an important component of a healthy public space network, and can provide local residents with access to active recreation and programming opportunities in their neighbourhood that cannot be accommodated in small-scale parks.

Two-thirds of the parks downtown are less than one hectare in size, and there are only seven parks of 5 hectares or greater—mostly located at the edges of downtown.¹⁴ As a result, downtown's rate of large park provision is less than half the city-wide average (Figure 3 illustrates the composition of downtown's parkland).¹⁵ Downtown has a deficit of large parks, and this format of park space has proven to be difficult to add.

The price of parkland

One of the challenges of downtown's rapidly growing population is the increasing cost of land. With strong demand for condos, it has been difficult even for commercial developers to purchase land in the core. With a high premium on land, it is a challenge for the City to find affordable spaces for new parks.

Free and unencumbered land the western portion of downtown ranges in price from \$95 to \$115 million per acre.¹⁶ Due to these high land values, the City has settled for creating smaller parks and parkettes either on lands already owned by the City, like the proposed 3.4 acre park at 28 Bathurst, or on portions of a development site, like the 130 m² Grasett Park, currently under construction at Adelaide and Widmer.^{17, 18}

While small parks are important components of downtown's park network, they do not supply residents with the scale of space needed to provide a range of functions, experiences, and recreational activities—space that will be critical as more families begin to call downtown home.

The trouble with parkland dedication

The City's ability to acquire parkland of any significant size downtown is further constrained by Ontario's Parkland Dedication Policy, under Sections 42 and 51 of the Planning Act. Under this policy, new residential development is generally subject to a parkland dedication rate of 5% of lands. In the downtown, and other designated Parkland Acquisition Priority Areas, an Alternative Rate of 0.4 hectares per 300 units is applied.¹⁹

Dedicating parkland on- or off-site is the most effective way to link the benefits of development to its impacts, so that densifying neighbourhoods are provided with adequate park space to accommodate growth. But securing parkland on- or off-site is particularly challenging in the downtown, where development parcels tend to be much smaller than in other areas of the city. On-site parkland dedication may yield only a sliver of space, or space that is not of a functional size or shape to support use as a park.

So while the City aims to prioritize on- and off-site parkland dedication through its "land first" policy, many downtown development sites are simply too small to allow for a park on-site, and submit cash-in-lieu (CIL) instead.²⁰

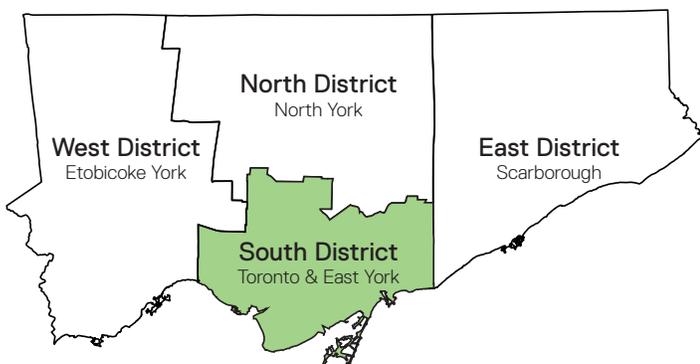


Figure 6: Toronto District Boundaries

Toronto's South District (Toronto & East York) stretches from High Park in the west to Victoria Park in the east, and from roughly Eglinton Avenue to Lake Ontario.

Spending limits

The City collects and holds CIL in reserve funds for future park acquisition and development. Generally, CIL funds must be allocated to four main pools:

- 25% for parkland acquisition in the district in which it was collected
- 25% for parkland development in the district in which it was collected
- 25% for parkland acquisition city-wide
- 25% for parkland development city-wide^{21, 22}

In effort to support equitable park development throughout the city, the Parkland Dedication Policy intentionally redistributes CIL funds collected in high-growth areas towards city-wide park development and acquisition. But given the difficulty of dedicating parkland on-site, cash-in-lieu is disproportionately collected from areas that need parks the most—like downtown—and then directed towards the creation of parks in other locations where parks may not be needed to the same degree, outside the core.

For example, in Toronto's South District, CIL contributions far outpace the rest of the city, largely due to downtown's exponential growth in condo development. Over the past decade, the South District alone contributed approximately \$318 million, or 66%, of all CIL collected throughout the city.²³

Despite the significant CIL collected from the South District, the City has not been able to use these funds for their intended purpose. Between 2006 and 2016, only 42%, or about \$95 million, of district-specific funds collected in the South District were actually spent. This represents the lowest proportion of CIL spending to collection of any district, due to the onerous cost of land where parks are needed most.

These spending challenges are particularly stark when it comes to parkland acquisition. Despite growing population and employment pressures, the City has only spent \$27 million on parkland acquisition in the entire South District, including the downtown, since 2006.²⁴ Prohibitively high land

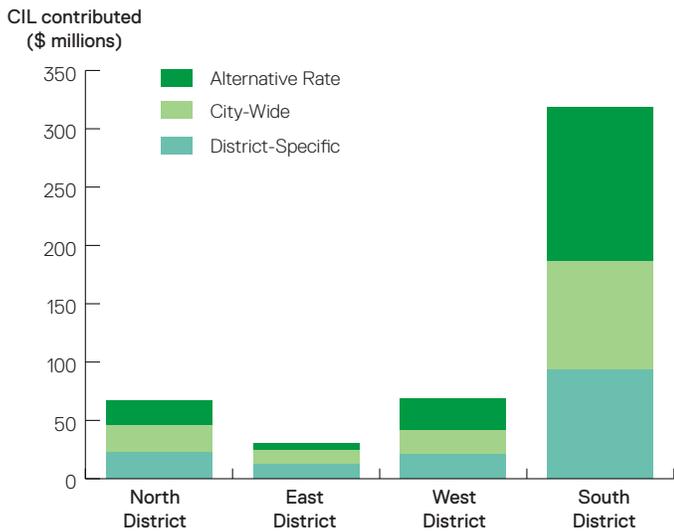


Figure 7: Cash-in-Lieu of Parkland Dedication contributed, by district, 2006-2016

values, as well as a lack of available land that is appropriately located and sized, limit opportunities for the City to actual spend its CIL funds to acquire new parkland downtown.

Cash backlog

Given these spending constraints, much of the CIL collected remains uncommitted in reserves, its relative value decreasing over time as land values increase.²⁵

As of September 2016, the City had a balance of over \$128 million remaining for parkland acquisition.²⁶ Another \$103 million remains in the Alternative Rate reserve, which must be spent in the vicinity of the contributing development. A significant portion of these funds were collected in the downtown.

As growth continues downtown, the City is anticipating that more funds will flow into reserves; nearly \$200 million in CIL revenues are projected for 2017-2021 (a conservative estimate, based on historical growth).²⁷

These existing and projected CIL revenues—which will likely continue to grow on pace with downtown development—could fund a small but important portion of the cost to acquire the air rights and develop Rail Deck Park.

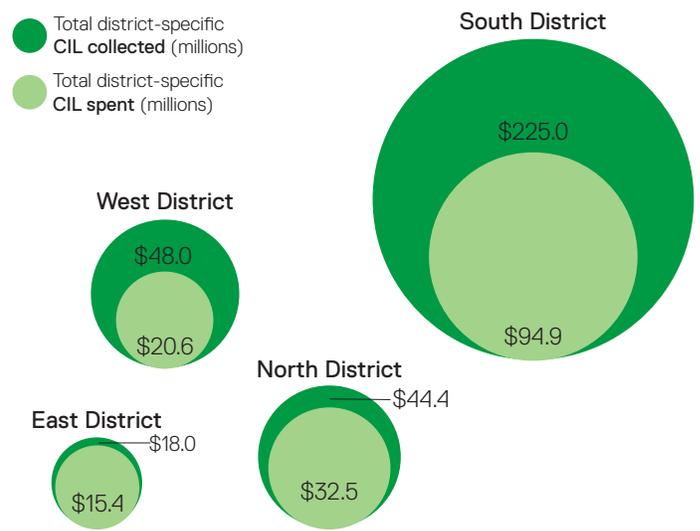


Figure 8: District-specific Cash-in-Lieu of Parkland Dedication collected and spent, by district, 2006-2016

The City is currently considering changes to its Alternative Parkland Dedication rate, which is over a decade old and no longer responsive to present-day vertical growth or development intensity.²⁸ If approved, these changes to the Alternative Rate could provide significant additional funding capacity for downtown park acquisition.²⁸

Given the complex challenges of acquiring parkland downtown, Rail Deck Park seizes a rare opportunity to secure the last remaining site in the core suitable for a major park. It also provides a creative outlet to direct parkland acquisition and development dollars sitting in reserves and to be collected over the coming years.



Image source: PUBLIC WORK, for TOcore

Considering costs

The total preliminary capital cost estimate for the 20-acre Rail Deck Park is \$1.665 billion, or approximately \$83 million per acre. This price tag includes estimated costs to acquire land and/or air rights and to design and construct the park, as well as contingencies.

In the rapidly growing western portion of downtown, the cost to acquire available and unencumbered land ranges from \$95 to \$115 million per acre.³⁰ At these prices, the cost to purchase outright 20 acres of land—not including additional costs to develop the land as park space—would be between \$1.9 to \$2.3 billion. This is considerably more than the full cost of Rail Deck Park, including design and construction.

The cost of Rail Deck Park should be weighed against the cost of other major infrastructure items being considered by the City. For example, at \$1.665 billion, Rail Deck Park is less than half the \$3.623 billion cost to rehabilitate the entire Gardiner Expressway.

Of this total, \$1.492 billion is budgeted specifically to reconstruct the Gardiner portion east of Jarvis as part of the “Hybrid” option for the Gardiner.³⁰ Had the City adopted the Remove/Boulevard instead, it would have saved approximately \$1.03 billion—enough to fund a significant portion of the full cost of Rail Deck Park.^{32, 33}

The cost of Rail Deck Park is high. But the cost of not providing this much-needed park space may be even higher. Currently, without access to a large-format park in their neighbourhood, downtown’s

238,000 residents are critically underserved, and this park deficiency will only become more acute as downtown grows.

There is pressing need to seize opportunities for park space throughout the urban core in the more immediate future to serve this population and support livability today and for decades to come. The short- and long-term social cost of not investing in Rail Deck Park—in terms of limits on the well-documented environmental, social, and economic benefits of urban parks—must be considered alongside the price tag.

Phasing Rail Deck Park

To align with the availability of potential funding, the City has proposed a phased approach to implementation for Rail Deck Park. The priority Phase 1 would span from Spadina Avenue to the Puente de Luez pedestrian bridge, totaling 3.9 hectares at an estimated cost of \$872 million.³⁴

In addition to managing costs over the course of the project, this phased approach offers an opportunity to more immediately meet the recreation space needs of park-starved downtown residents with a large, contiguous park, before expanding its scope and scale to the east and west.

Like all public parks in Toronto, Rail Deck Park will welcome visitors, workers, and tourists. And given its location in the downtown core, the park is sure to take on city-wide significance. But given the critical lack of access to parkland downtown, providing access to much-needed large-format park space for



Figure 9: Cost comparison of the Gardiner Expressway Rehabilitation and Rail Deck Park

area residents is an important objective to achieve as quickly as possible. The plans for Rail Deck Park should reflect this by ensuring that it is, first and foremost, a place for area residents.

A phased approach will help with this; the scale of the investment could be expanded as the project progresses, ensuring that both local needs and broader economic development objectives can be met over time.

Funding major park investments

As with all major City projects, property tax revenue is sure to be a key source of funding, but the City has a number of additional tools at its disposal to help fund Rail Deck Park. Cash-in-lieu of parkland dedication funds, which have proven difficult to spend in the downtown core, could be a key early source of funding.

With its ongoing growth-based financial strategy for Rail Deck Park, the City is evaluating other revenue tools, including Section 37 funding and development charges, and considering contributions from other orders of government. The City is also considering area-specific “value uplift capture” tools, which would leverage the economic benefits created through Rail Deck Park.³⁵

Spin-off benefits

Major park investments in other cities have shown that such projects can result in significant spin-off benefits, including increased local land values and property taxes, additional commercial activity in the direct vicinity of the investment, and a boost to tourism. These benefits could help the City recapture value from the investment in Rail Deck Park over time.

Millennium Park, a 24.5-acre park in Downtown Chicago is a useful comparison through which to understand the potential of these spin-off benefits; built over an active transportation corridor in downtown Chicago, it is similar to Rail Deck Park in scale, context, and complexity.



Millennium Park in Chicago (Attribution: DDima)

Millennium Park was completed in 2004, funded through a combination of city funds (\$270 million), and philanthropic contributions (\$220 million).³⁶ The park catalyzed additional development and economic benefits in the area, including an estimated \$1.4 billion increase in the value of adjacent properties.³⁷ The park also helped draw new customers to local businesses and attracted tourists to the city.

Philanthropic funding

Rail Deck Park is a high-profile opportunity poised to attract major philanthropic contributions. In Toronto, donors are demonstrating a growing appetite to help fund prominent park and public realm projects. Notably, The Bentway was made possible through a \$25-million donation. Philanthropic contributions have also helped to support the revitalization of Grange Park and the redesigned St. George Street public realm through the University of Toronto.

Beyond funding capital expenditures, philanthropy also offers opportunities to support ongoing maintenance and operations in public parks. Park conservancy models, which are common in the United States, thrive on major gifts and charitable donations. 98% of the annual budget for New York City’s High Line is funded by the Friends of the High Line conservancy.³⁸

Here in Toronto, The Bentway Conservancy recently launched as a non-profit charged with leading the ongoing programming, operations, and maintenance of The Bentway.

Conclusions

As downtown faces critical growth pressures, Toronto finds itself in a key moment—one in which the planning decisions made today will significantly shape the future possibilities for our city. Rail Deck Park offers the last opportunity to access a large, contiguous piece of land in the downtown core and transform it into public space.

While the cost of Rail Deck Park will raise questions about how Toronto should prioritize its budget, it is important to keep in mind that effective city building is not about moving forward one big idea at the expense of all others; an attractive and liveable region involves making investments across all priority areas.

At this moment in Toronto, one of those key priority areas is ensuring liveability and quality of life for downtown families today and in the future through the provision of high-quality, accessible, and programmable park space.

The opportunity presented by Rail Deck Park is once in a generation, offering the potential to provide much-needed park space to support liveability in Toronto's rapidly growing downtown. Given this singular opportunity, and the critical need to develop large format parks to serve downtown residents and families, the City would be remiss to let it pass by solely based on a fear of the cost.



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