

Planning in Toronto: What's the problem?

**a presentation by Julie Di Lorenzo, President, Diamante Development Corporation
to the *All About Planning* symposium at the Munk Centre for International Studies
December 6, 2006**

Good afternoon, esteemed friends and colleagues. This subject is so very important to me and the debate and discussion is so fundamental to our future. I want to be clear that planners are not to blame for the current political system that is suffocating our planning. I hope that this meeting acts as a seed for a new approach and attitude to putting the city back on track toward the greatness its citizens deserve and the positive, creative, inspired vision to which we are all committed.

I will break the discussion down into a few parts. First will be my opinion on why planning is doomed in the hands of political agendas; the second is how we need to change our approach to design review; and the last should be called "Where is the Private Sector in the Future of Economic Development, and Where is Economic Development in the Future of Planning?"

It is my opinion that decisions today regarding planning are often not being made by planners together with economists, designers, architects and stakeholders, but planning is being dumbed down and filtered into political sound bites and short-term agendas. Its failure starts with the lack of a cohesive, proactive, positive message from the city to its citizens about the needs and benefits of efficient land use. On the other hand, the province has done an incredibly good job of educating the public through growth management. Citizens deserve to know, for example, that residential property taxes on low-rise communities are probably lower than they should be for the services they get, and that one major, positive force to keep those taxes lower is efficient land use through multi-unit residential housing. Reliable, informed gossip is that the City of Toronto has about \$25 million a year of new revenue, not including fees, from new condo projects that are built on existing infrastructure, with small environmental footprints. These buildings usually have their own secondary security and amenities and stimulate renewal in other areas. This built form is also the built form of choice for an aging population not yet dependent on community services. It can increase quality of life and extend independent living of our aging population, hence, lessening the potential burden on social services.

Here is an example of obvious savings and benefits: 135 new suites constructed at Bay and College on the lot size of two houses in the Annex creates over \$400,000 in annual taxes as opposed to \$10,000 from those same two homes. Instead of the bus weaving through the low-rise city to pick up passengers, the building streams 150 people from only 100 feet of sidewalk right onto the door of public transit. One garbage truck drives 100 feet to pick up the garbage of 135 families instead of travelling 4,000 feet to provide the same service.

I'm shocked when I hear politicians speaking on the impacts of new housing using 1960s rhetoric based on low-rise statistics. They are misinformed.

Because of political pressure, planners are not able to be planners. It can be proven that inconsistent criteria are applied in different circumstances depending on political pressure.

Minimal shadow impacts that were created by, for example, 76 Davenport were unacceptable, but much more extensive shadow by a neighbouring building at a Church Street site, with the same schoolyard relationships, was deemed acceptable. Planners are being forced to retool and reposition their planning opinion to meet the needs of council members. It happens all over the city. One project takes five years to obtain 22 floors; another gets approved in six months. One modest, eight-storey building that would otherwise be automatically approved is opposed by hundreds of residents, and, of course, the political rhetoric becomes about protecting the neighbourhood from Disney-like vampires instead of people being told the benefits to the neighbourhood's future.

And the situation, unfortunately, can get worse. Everyone pre-empts the negativity and the relationship breaks down. Inevitably, it becomes a game where there is no relationship, but each side postures, and the proponent goes for broke, proposing, for example, 80-storey buildings no one may want to live in, in anticipation of the automatic floor chop. There are great examples of when it works, like the wonderful 1 Bedford project. But let's not exaggerate the love-in. That project was an exception. There were fewer impacts on the stakeholders.

Saying that 1 Bedford did it better is also insulting to people who care just as much about their city and their projects. People like Daniels in Oakville, Cohen on Yorkville, Tribute on Avenue Road, and Diamante on Davenport are no less responsible or passionate or dedicated. It was simply the case that the politics on these files was far more sensitive.

I don't think we have yet seen the physical built form impact of this erratic, unstable system. What it does, in my opinion, is ghettoize client groups. That means small units in large projects will proliferate in peripheral locations where there is less controversy, but greater need for new infrastructure. On the other hand, in established neighbourhoods, on existing underutilized infrastructure, smaller projects will be the result of the negative pressure and by nature of their size and economic principles those smaller projects will be very expensive.

That may suit the neighbourhood in which they are located, but it isn't great city building. Davenport could have had 25% affordable units by size, and after five years it is a high-end luxury building, with units starting at \$700,000, and no one is complaining. The city lost the opportunity to mix housing forms and have 25% affordable units by size.

I remember when one of today's wonderful panel members asked me to present to his staff 25 massing models we had done for Bay and College, and it was brilliant, and it was fun and it was free of political pressure. He and his staff enjoyed being engaged in the decision-making and the deeper understanding of what makes the massing work for everyone – for the best quality of life for occupants, for better neighbourhoods with renewed amenities. We shared the rationale for this successful financial model in a trusting way. How cool was that when a planning team asked to know why we do what we do and really cared about it. That was fun and it makes you want to contribute even more.

A few minutes on design review. As president of the Greater Toronto Home Builders, I was able to send two wonderful government relations people to Vancouver to see how they do it. And although we haven't yet had a provincial government with the will to create a system as

exists in Vancouver of council at large -- the only real way to get us out of this short-term thinking -- we went proactively as an industry to find out how to do things better. Since that visit, I understand that some sort of panel has been set up for the city. As a builder-developer who is recognized by her own peer group for making better quality buildings, I believe the criteria are wrong. Why not have a task force on the future of the quality of our city buildings? Not a committee that meets and talks and reviews projects, but one that acts as a resource? I will not accept a panel imposing subjective criteria on design, but I would be delighted with proactive, positive resource material and I would be delighted to work on a task force on how to improve the public realm in a city-wide consistent fashion, not in a haphazard area by area fashion project.

Ask us what we know and let's work together to find solutions. Great leadership isn't about telling people what to do. Instead, a good leader absorbs the contributions of the best minds and hearts, and then you lead with their energy and will behind you. For example, where is the discussion about what are the best exterior materials at the best prices? Or whose projects are in line for deep water cooling and how can we all get together to get it sooner? Or who knows the best building science out there for the environment? The only proactive task force body I've seen recently is the wonderful Green Initiatives and the Leeds Initiative that somehow started somewhere else.

I remember very well watching the festival of fashion show and asking my friend Stephen Levy why different designers used the same colour fabric. He said to me it wasn't just the same colour. The smaller designers got together and bought whole lots of the best product they could buy and they shared it and they worked together. Instead, what has been created is a system where, after the relationship between bureaucrat and private sector broke down, private sector became each man for himself in a race to win at the city. Eight storeys, 70 storeys, 90 storeys. We are going into a milieu founded on subjective political design opinion.

I could have shown you a hundred slides today of various buildings and I bet most of the negative comments would have been on buildings that are 30 years old or older, not current ones. So whose opinion is right? There are basic inherent design controversies, like when architects hate balconies because they disrupt elevations, and clients want balconies for quality of life. Who better than the developer, who has actually had to complete the project, to know what is good for the overall plan for the site?

We need a task force made up of engineers and experts in material science and industrial design, businesses that make the components, the skilled workers that build and preserve our buildings, developers who have done it right by example and even stakeholders like Tarion who insure our customers and new home purchasers. Has anyone at the City other than a condo client ever read a performance guideline? Quality is more fact-based, where beauty is subjective. We want the best quality buildings in the city. Give more architects the resources with great materials and building systems, and they will design good buildings.

The business minds on the task force would also remind us that Toronto is no longer the first choice for clients wanting multi-unit residential product and that suburban markets are growing fast in multi-residential product. Has anyone considered how important it is to maintain

affordability of new housing product? I have not heard one discussion about this. Does anyone wonder why units get smaller? Small units are prolific in order to meet affordability thresholds as buildings get more expensive. If we work proactively together as a resource, we can build better and better housing and share our ideas on the economic delivery. Where people live is where jobs move, and where jobs move is where people live, which leads me into: Where is economic development in planning?

Very recently, someone in economic development said to me that if I would have had half the density at my 1 City Hall project, someone would have built the building eventually. That is probably true, except that we already bought the site under power of sale, reduced from \$60 million to \$50 million, and the previous developer went bankrupt, and the site was vacant for 20 years, and we decontaminated a brownfield site. And half the density would mean half the tax revenue for the city and the province, and a deteriorating tax base. Waiting 20 years meant lost tax revenue of \$25 million of money that could have been used to repair infrastructure. Someone tell me what the point of that comment was and why someone in economic development is saying something like that?

Unlike in the late 1980s, developers are not repairing pro forma vulnerability on land prices, since land prices have been pretty much flat for ten years. The pressure now is from construction costs, and levies and fees and the length of time it takes to get approvals. It's about time that planning and economic development started working again with the development and real estate community and not against it. We lost CitiBank's head office to Peel; we lost Royal Bank's head office, and even if we would like to delude ourselves that the same amount of people would fill their offices, let's start to understand that when a name brand moves out, it still means something.

When was the last time City of Toronto called up the wonderful minds at Schulich or at this Institute, where most of the kids have double degrees in planning, architecture or engineering, and business; they're travelled, they're educated, they see the new world, they taste it every day. What does the City know about reserve fund studies for condos? Not because we need more regulation, but because something strange happened after the proactive era of the Kings. It seems we all went our own way, in silos, instead of following the conversion thinking that came out of the recession. For example, what are employment lands in 2007? A condo project like 801 Bay would employ more people than a modern factory. Does a modern industrial factory on a few acres, with operations manned by a few people, qualify as employment lands? That's not economic development and that's not keeping jobs in Toronto.

Where are the personalities and what does that have to do with planning? Everything. Stakeholders who create the housing and the jobs and bring in the ideas, in my opinion, are overlooked. That is a systemic problem. Why do new businesses that do not compete on cheap labour, that are located in places that have similar standards of living, keep evolving in other places? Example: Ugg. Who ever thought you could call a boot after "ugly"? In Australia, a great branding story, great economic development. Geox from Northern Italy, who were able to revolutionize the shoe industry and compete head-on with the big names. Or a crane manufacturer like Lieber who makes wine fridges for cool people? We can't delude ourselves that this is about cheap labour anymore. It's about ideas in convergent thinking. These businesses

create new jobs, brand their locations, and their principles and customers are ambassadors for their home towns. Has anyone in planning and economic development seen the Canadian House and Home Toronto Home Design Shopping Guide? I think it's as fantastic or better for a tourist than a CN Tower Map or Casa Loma.

How is this relevant? Well, it seems while we spend years of lost economic prosperity and intellectual goodwill on local political fights over eight-story buildings on main streets, the rest of the world is working together on planning the future with new quality jobs, better green buildings and better public spaces. Time for the ostrich to take its head out of the sand. Thank you.