

would support the land use and programming plans without further demands on federal funds.

The acceptance of the corporation's land use plan by the City on 14 July 1989, after three-and-a-half months of intensive negotiations, represents progress towards the Minister's objectives. However, City Council expressed reservations about the plan and apparently feels it had little choice but to accept it. Furthermore, although the land uses may now be settled, Harbourfront's overall plans do not end federal involvement — in fact, they increase and perpetuate it.

Under the plans put forward by Harbourfront Corporation, the Government of Canada will continue to have obligations (and costs) for 60 years or more, and will have heavily increased programming obligations (and potential costs), but even less control over how they are discharged than it now has. These liabilities appear to have no relationship to any regular program within the federal jurisdiction.

Furthermore, both governments and the public feel the same degree of vagueness and confusion over accountability that has characterized the issue of how Harbourfront carries out development, an issue that will not go away.

The City apparently believes it has no real control over Harbourfront's land use planning because, by law, the federal government is not subject to its jurisdiction. The Government of Canada, having established Harbourfront as an arm's-length entity to achieve its objectives, and having delegated control of land use planning to the City through the Master Agreement between the corporation and the City, does not consider it appropriate to second-guess either its corporation or the City on land use decisions.

The federal government has been extremely uncomfortable when faced with disagreement between the corporation and the City, particularly when issues involve

changing conceptions of land use that have financial implications for the government.

Residents and community groups have not known which agency to turn to, or which to hold accountable when their legitimate community needs have not been considered or met. The continued presence of the federal government (as represented by Harbourfront Corporation) inhibits the evolution of the normal relationship between neighbourhoods and local governments that should exist between the Harbourfront community and the City. The lack of consideration for neighbourhood needs was one of the most telling points raised during the Commission's hearings.

One of the developers of the pipeline projects, Bathurst Quay Place Ltd., made a detailed presentation to the Royal Commission describing its experiences in trying to obtain approval to build condominiums on Harbourfront parcels BQ5 and BQ6. It said that, despite continued attempts to respond "favourably to (their) various, ever-changing requirements", it "and the purchasers of the units in this project have been caught [at increasing expense] in the middle of a power struggle between the City, Harbourfront, and the Government of Canada".

Nor have the media and the public at large been able to grasp the facts precisely: some television stations, even after years of following the Harbourfront story, still show pictures of the Central Bayfront when covering Harbourfront news items. A vast majority of the public (97 per cent, according to Harbourfront Corporation's own public surveys) do not know that the corporation is a federal entity.

The proposed settlement between the City and Harbourfront Corporation will not end the confusion; some City councillors predicted during their July debate that Harbourfront issues will again become matters of public concern, perhaps when the pipeline projects are built or

when people realize that, in addition to the pipeline projects, the settlement permits an extensive building program of another 16 buildings allowing heights that exceed 21 storeys.

In assessing this situation, the Royal Commission has come to the conclusion that further federal involvement and the continued existence of a federal agency with a dual mandate are no longer necessary. The original purpose of federal intervention — protecting the public interest in the waterfront and revitalizing the area — have been sufficiently, if not completely, achieved and it is now time to revert to a more normal institutional arrangement.

The federal government should stop playing the land development role it has carried out through Harbourfront Corporation and should withdraw from direct involvement in programming, which is essentially a local, not a federal, responsibility.

Much of what the federal government set out to do in 1972, Harbourfront Corporation has accomplished: it has begun opening up the waterfront to public access and has developed some of the parks and facilities that were envisaged; it has created the basis for a waterfront community through a mix of housing for a range of income groups and household types; and it has established year-round events and activities that attract many visitors to the area.

Policy Options

“Normalization” of the Harbourfront area — i.e., reverting to the customary institutional arrangements — has implications for both the Government of Canada and the City of Toronto. The challenge for the Government is to find an orderly way to withdraw without damaging the value of

what has been created at Harbourfront. The challenge for the City is how to integrate plans for completing Harbourfront's development with those of adjacent areas and the financial district.

The Commission considered several options for "normalization" before arriving at its recommendations. It would have preferred to recommend that the Government transfer the shares of the corporation to the City of Toronto, to consummate the promise made by federal ministers in 1972, when they declared that Harbourfront was a gift to the people of Toronto.

Among other things, this would permit the City to guide all further land use planning for the site, if it felt that further amendments would be desirable. And it would be able to exercise complete control of the public nature and uses of the water's edge, including, if it wished, acquisition of any of the pipeline project sites south of Queen's Quay West. It would have control of programming, and the financial capacity, based on site revenues, to complete the parks program.

To date, however, the City has given no sign that it is interested in owning the corporation, perhaps because, until now, the Government of Canada has given no real indication that it would be amenable to such a suggestion. It may be that, if the Government gave the City any reason to believe that it would seriously consider such a possibility, the City would find the idea worth pursuing.

In the meantime, the Commission is recommending an alternative course that will achieve the same end: convert Harbourfront Corporation to a community foundation with an endowment, and transfer the 16.8 hectares (41.5 acres) of parkland and any other remaining land to the City.

The Commission is making that recommendation for several reasons and in tandem with other suggestions. First, the federal government should ensure that the current level, variety, and quality of programming continue into the

future, even though it will no longer be directly involved. This should be possible, considering the rich variety of cultural, sports, and educational groups and organizations in Toronto.

Under normal institutional arrangements, cultural activities are carried out through not-for-profit community organizations with boards of directors composed of artists, patrons, business people, and other volunteers. The norm for recreational activities is through private clubs, commercial enterprises, and/or municipal agencies. Educational activities are usually provided by educational agencies (such as boards of education), and sometimes by commercial agencies.

The special feature that has distinguished Harbourfront's programming record has been the mix, variety, and overall quality of events and activities it has generated. The synergy of the programming has been strongly dependent on certain factors, including:

- the non-bureaucratic nature of the Harbourfront organization as an arm's-length agency of government;
- the creativity and initiative shown by Harbourfront's professional staff;
- the close physical concentration of a variety of cultural and recreational facilities;
- Harbourfront's links with the cultural and recreational communities;
- the network of artists and volunteers it has been able to attract.

Harbourfront's strengths have not been based on links between the programming and development sides of the organization, as has sometimes been claimed — although the relatively secure financial situation dependent on development revenues has contributed to the build-up of programming. Programming has flourished over the past

two years, for example, even while the corporation's development arm has been dormant because of the freeze.

Conversion of Harbourfront Corporation to a community-based foundation with a mandate to continue programming would enable the positive features described above to be preserved and enhanced and would bring programming more into line with normal institutional arrangements. The endowment of a trust fund for the foundation, with lands or funds derived from the realization of capital and/or revenues from the Harbourfront site, would give the foundation a secure financial base. Among other things, a trust fund would allow the new foundation to continue to offer the same sort of free and low-cost events and activities that Harbourfront Corporation currently sponsors.

The land and property holdings (including air rights) held by Harbourfront should also be "normalized"; that is, the 16.8 hectares (41.5 acres) of water's edge promenade, parklands, and buildings the corporation has agreed to convey to the City should be transferred; the new foundation should hold the lands and properties it needs to operate its programs, either on its own account or by leasing them back from the City; and remaining lands should be transferred to the City and/or appropriate community agencies for community purposes (e.g., a school).

The foundation will not be in the property development or property management business. For the interim period, until arrangements have been made with the City to convey the lands and properties — and no longer than that — Public Works Canada, as the federal government's manager of surplus federal lands, should carry out property management responsibilities.

The challenge for the City will be to fully integrate plans for the Harbourfront site with those for adjacent areas and the financial district. Although considerable progress has been made in this regard, both by Harbourfront Corporation

in its 2000 plan, and in the negotiations between the City and the corporation, there are a number of issues that may need further review.

The disposition of the lands and properties should be planned with the City in accordance with a number of principles articulated in the recommendations that follow. Most important, these principles are intended to ensure that all land south of Queen's Quay West remains in public ownership in perpetuity, in the City's hands.

Withdrawing the federal government from the role of developer, as well as from further direct involvement in programming, will clarify responsibilities and the accountability of all concerned. A new relationship will emerge between the Government of Canada and the City. A new and clearer relationship should also emerge between the new Harbourfront foundation and the City. These will have to be established in appropriate letters of understanding and/or agreements, which will obviate the need for the Master Agreement between Harbourfront corporation and the City, and the Management Agreement between the corporation and the Minister of Public Works. These should be terminated and replaced by other agreements as appropriate.

The new agreements could include:

- an agreement to convey to the City the 16.8 hectares (41.5 acres) of parkland and other property, as contemplated under the proposed City–Harbourfront deal; the agreement would be concluded by the appropriate Minister on behalf of the federal government, conveyancing to occur as soon as the legal documents are completed;
- an operating agreement between the new Harbourfront Foundation and the City of Toronto, to control the foundation's lease and use of the waterfront promenade and other parklands, open space, and/or buildings needed to operate its programs;

- a property management agreement between the foundation and Public Works Canada, at least in the interim, under which that department would manage any lands or properties that remain in the custody of the foundation pursuant to its programming mandate;
- such other agreements, either between the Government of Canada and the City of Toronto, or between the federal government and other parties, as are necessary to conclude arrangements for the orderly federal withdrawal from Harbourfront.

In summary, the Royal Commission has reached the conclusion that the Government of Canada, through Harbourfront Corporation, has accomplished what it set out to do in 1972: to protect a portion of the Central Waterfront in the public interest, and to revitalize the site. It is now time to take the next step and normalize the administration of the area in full co-operation with the City of Toronto. The Commission's recommendations for achieving this task follow.

B. Recommendations

The Royal Commission makes the following recommendations:

1. Harbourfront Corporation should be converted immediately to a new entity, Harbourfront Foundation, whose mandate will be to continue the provision of Harbourfront's wide variety of outstanding cultural, recreational, and educational programs, generally by
 - a) programming its own activities;
 - b) providing facilities and support to other organizations who wish to use its amenities and expertise;
 - c) funding other organizations' programs which, in the opinion of the Board of Directors, are in the public interest and are compatible with a waterfront environment;

- d) placing a stronger emphasis on marine and water-related programs and activities;
- e) reflecting, maintaining and preserving Toronto's waterfront and marine heritage;
- f) endowing the Foundation sufficiently to sustain the continuation of Harbourfront's programming activities;

The Commission also recommends that the Board of Directors and staff of Harbourfront Corporation be invited to become the Board and staff of the new foundation; and that the Board be expanded to include community representatives, representatives of user groups and appropriate municipal government representatives.

2. The Harbourfront lands and properties should be planned with the City in accordance with the following principles:
 - a) A minimum of 16 hectares (40 acres) of land be made available immediately for parkland and be conveyed to the City, including a continuous waterfront promenade along the water's edge.
 - b) Provision of a community school site (acceptable to the appropriate school board) to serve the Harbourfront community and the surrounding area, for conveyance to the school board.
 - c) Provision of community facilities, including, but not necessarily limited to a community centre, medical clinic, library facilities, day-care and play space for children, and a place to worship.
 - d) The completion of Harbourfront Corporation's commitments with respect to assisted housing.
 - e) The allocation of sufficient lands and properties to support the Harbourfront Foundation's programming mandate, as defined in recommendation 1 above, and including additional program facilities, such as:
 - (i) a nautical centre, with sufficient space to provide permanent accommodation for the sailing clubs and

schools currently operating out of makeshift facilities at Harbourfront; and

(ii) preservation of the Canada Malting silos, and consideration of their conversion to a civic museum.

f) The further planning and development of the Harbourfront lands including links to adjacent areas such as Coronation Park, Molson's, Dylex, Loblaws, SkyDome, the Railway Lands, the financial district, and the Central and East Bayfront be included in the City's review of the Central Area Plan.

g) No further building south of Queen's Quay West with the exception of low-rise buildings considered by the City to be in the public interest.

Note: Ongoing Commission research appears to support the argument that the pipeline projects are essentially completed deals creating irrevocable property rights that were agreed to by Harbourfront, the federal government, and the City more than two years ago.

Recognizing the City's responsibility in planning matters, and the fact that it has retained legal advice concerning the "pipeline projects", should City Council decide that changes in these projects can be negotiated through redesign or removing one or more of them by relocation to the north side of Queen's Quay West, or by the acquisition of property rights thereof, then such changes should be the first priority in the consideration of any building program for the balance of the Harbourfront lands.

h) An urban design plan be established as an integral part of Harbourfront's Official Plan amendments. This plan should incorporate ideas such as those proposed by Gary Hack in a report to the Minister of Public Works addressing the need for visual coherence; proposals put

forward by Harbourfront's design panel concerning the need for a distinctive architecture appropriate to a setting along the water's edge and for special treatment of Queen's Quay West and attempt to capture the principles of Eberhard Zeidler in a submission to the Commission which spoke of bringing back the "romance that is the key draw of the Harbour, the age-old fascination of mankind with water".

3. The federal government should work with the City, the Harbourfront Foundation, and other appropriate bodies to give effect to the changes arising from these recommendations. The lands, properties, and residual interests now managed by Harbourfront Corporation, and those still in the inventory of Public Works Canada should be held and administered by PWC on a temporary basis until appropriate agreements with the City are implemented.