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Absorption. Creating a space for regeneration, recreation, and reflection. Absorption is a project that seeks to create the East Don Banklands community as a mixed-use, transit-oriented development that aims to transform East Toronto's local ecology and community into a smart, healthy, and equitable transit center. The development addresses four challenges that Toronto faces in its evolution to become one of the Rockefeller Foundation's 100 Resilient Cities: a lack of ecological renewal, social equity, a vibrant economy, and authentic cultural identity.

Conveniently situated along the Don River at the confluence of tech-savvy Port Lands and West Don Lands neighborhoods, East Don Banklands strives to participate with the local ecology and socioeconomic landscapes of adjacent developments. With respect to Toronto's commitment to sustainability and existing Don River naturalization initiatives, East Don Banklands reinforces the need for flood adaptation and mitigation through strategic regenerative design. In an era of climate uncertainty and increasingly intense rain events, the development operates on sustainable systems that blend the needs of society with the integrity of nature.

A myriad of ecological design interventions incorporated into the master plan illustrate the necessity for Torontonians to *embrace* the inevitable flooding that accompanies low-lying, flood-prone areas. Serving as a quiet sanctuary from bustling city life, the publicly accessible flood-resistant landform on the Don River's edge predominately functions as a buffer from rising water levels. Native vegetation dominates the riparian system along the riverbank, serving as both a natural purification and absorptive mechanism that revives the community's relationship with the river, and eventually the historic ecology of the watershed prior to industrialization. Residents and visitors of the East Don Banklands can always have the peace of mind that their homes and favorite urban places will not be destroyed, while simultaneously knowing that their community is contributing to the overall health of Toronto.

Consideration of Toronto's goals to reduce greenhouse gas emissions are reflected in the structure of the buildings. Each building is mounted with PV-array pergolas that can deliver a total of 2.2 megawatts of power to the site. Upon revision of the Toronto Building Ordinance, heavy timber/glulam structures will sequester carbon dioxide, while triple-paned glass panels and heavily insulated building envelopes prevent thermal breaks. Additionally, the residents participate in district energy sharing during peak production.

Absorption fosters an equitable, diverse community through improved access to transit, affordable housing, food, and healthy spaces. Public space is accentuated with a walkable street grid and reasonable block sizes. Employment opportunities attract a variety of local services, including condominium, commercial retail, office, hotel, medical, and a state-of-the-art flex venue space for community events. The development at East Don Banklands contributes to the authentic cultural identity of Toronto by responsibly highlighting the Don River and the rich multicultural atmosphere that has surrounded it for generations.

A truly net-positive and resilient district, the development at East Don Banklands is a unique eco-cyclical asset that redefines Toronto's relationship with the Don River while creating a smart, healthy, and diverse urban experience.

Financial Narrative

The primary theme of Absorption is to mitigate the damages and costs associated with flooding along the Don River for the new development, the East Don Banklands. Absorption's first goal, from a developmental and financial standpoint, is to put in place a resilient integrated water system to absorb any floodwater accumulated during a flood event, and prevent damage to the site. According to WATERFRONToronto, a C\$1 investment in flood-prevention infrastructure will mitigate C\$5 return in flood damage. By investing C\$4.4 million in cisterns and retaining walls to collect floodwater, Absorption is set to generate a future savings of almost C\$22.2 million.

Another critical goal of Absorption is to create a green and sustainable development. By building every building with green material options and installing solar panels on almost every building, the project is assuming a 25 percent reduction in operating costs, which returns a savings of C\$28.1 million over ten years.

In addition to the flood-protection cisterns and retaining walls being installed in Phase 1, the Absorption development of the East Don Banklands will start with several mixed-use buildings that contain residential, retail, and parking areas, as well as a grocery store. As the East Harbour development progresses, the need for more housing and highly profitable parking in the area will increase. Phase 2 includes the development of office space, retail space, additional parking, and a hotel. In order to accommodate the businesses that will be flocking to the site and East Harbour, a market analysis shows that the hotel will be highly valuable. Finally, Phase 3 comprises mostly of the development of medical offices, which market research has shown is in high demand in the area along with residential homes.

Absorption will offer 1,281 new residential units, with one-third of the units being offered for sale and two-thirds being offered as rental units. Of the 1,281 new units, 10 percent will be priced as affordable units. With this designation, we anticipate a grant from the Toronto Community Housing Committee valued around C\$1.2 million.

According to data collected concerning the needs of Toronto residents, the Toronto area only scored a 31.7/100 for access to available medical facilities. Thus, we will offer approximately 700,000 square feet of medical-office space. We are anticipating a grant from Infrastructure Ontario of C\$6.5 million for the addition of this asset based upon other partnerships that Infrastructure Ontario has undertaken. In addition, since Absorption will drastically reinforce flood protection in the area, we envision a partnership with WATERFRONToronto valued at C\$1.5 million.

Factoring in grants and funding, which make up approximately 1 percent of our capital stack, Absorption will be primarily funded by a 65 percent loan-to-cost financing, which equates to C\$592 million. In addition, we will seek 15 percent equity financing, leaving the developer equity contribution at C\$83.3 million, or 9.15 percent of the total development cost.

The value of the four sites before construction begins is estimated to be C\$158.5 million. After development, the value grows to C\$1.7 billion, which equates to a 28.15 percent levered IRR.