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SELLING PUBLIC ASSETS

Criteria needed

By Amy Lazar

Government decision-makers should use a checklist of financial and public policy criteria before selling public assets, recommends **Matti Siemiatycki**, assistant professor of geography and planning at the **University of Toronto**.

The sale of city assets is already a hot topic in this year's mayoralty, with at least one candidate pledging to put up the 'for sale' sign on **Toronto Hydro** to help balance the books of the municipal government.

Before taking any action, Siemiatycki said, officials should first ask the key financial question: does the one-time profit from the sale outweigh future profits received from ongoing ownership of the asset?

"Having looked at privatization around the world, this is only one argument in favour and often in fact, the most persuasive argument in favour," Siemiatycki told a group of professionals Thursday morning at a **Canadian Urban Institute** breakfast session.

For the discussion, Siemiatycki was joined by **Peter Tomlinson**, former city director of economic development and **C.D. Howe Institute** policy analyst **Benjamin Dachis**.

The session was organized well ahead of Toronto Mayor **David Miller's** announcement Wednesday morning that the city had found an additional \$100 million in savings that will ease pressure on the city's operating budget this year and next.

With the mayoral race still in its opening phase, questions are already being put to the top candidates about where they stand on selling all or part of Toronto Hydro or the city's minority share in **Enwave**.

But the fact remains that selling public assets is neither quick nor easy. In the case of Toronto Hydro, for example, any potential buyer would have to pay a stiff provincial tax.

Siemiatycki suggested other criteria for judging the merits of a possible sale of public assets. Among his recommendations:

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CUMBERLAND TERRACE

Eyesore revamp approved

The city has approved the large-scale redevelopment of a low-rise mall near one of the city's highest profile intersections.

Oxford Properties' plan to redevelop Cumberland Terrace northwest of Yonge and Bloor streets with two high-rise condo towers and new retail space got the nod from council at its February 22 and 23 meeting.

Several redevelopment plans have been put forward over the years. The latest one calls for two towers, 36- and 48-storeys respectively, above a three-storey retail podium and four floors of parking with a total of 556 condo units.

In addition, retail units will front onto Cumberland Street, creating a more appealing pedestrian environment. The current mall doesn't have an engaging presence on Cumberland.

When Oxford submitted its rezoning application almost two years ago, the taller tower was proposed at 45 storeys and the residential component set for 391 units.

At the time, Oxford's vice president of development **John Filipetti** told *NRU* that the developer wants to maximize the site's potential and add a street presence along Cumberland. Filipetti characterized the current building as

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- Look at relevant regulations to see what would happen if the asset is placed in private-sector hands.
- Assess the efficiency of placing an asset in private hands. “Where will the savings come from?” he asked. There is often a huge cost in structuring the deal, which could result in a loss to the seller.
- Analyze the competition. Ask if there will be long-term competition in the industry to ensure ongoing gains and if

there is volatility and uncertainty in the private sector? Is there risk the private owner will walk away from the asset?

- Weigh the public interest. Will loss of the asset negatively affect public policy? What role is there for community involvement in future decision-making if the asset moves into private hands?

The final criteria on his checklist are harder to analyze, he concedes, such as if the push to privatize is politically motivated and if the timing of a sale is right, given the economy and market conditions.

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an eyesore, stating that Oxford is looking to enliven the south side of Cumberland. (See *NRU-Toronto Edition*, October 10, 2008)

The approval includes a \$500,000 *Section 37* contribution and an agreement to include an underground pedestrian connection between the new retail space and Bay Station, much like the one that now connects Cumberland Terrace to the subway.

In a report approved by council last month, city officials concluded that the project “represents an opportunity to intensify and revitalize an underutilized site at an important intersection and improve the pedestrian realm along Bay, Cumberland and Yonge streets.”

The **Bloor-Yorkville BIA** also supports Oxford’s plans, but plans to address streetscape improvements on Cumberland during the site plan approval process. The BIA wants to ensure the same treatment and features on the north and south sides of the street.

In a letter to the city outlining the BIA’s concerns, board director **Ron Palmer** raised questions about the above ground parking levels, Palmer, chair of the BIA’s planning, preservation and urban design committee and a planner with **The Planning Partnership**, cited potential traffic issues and possible negative visual impacts of the parking facility.

The mass of the taller structure also raises some concerns for the BIA.

“While the Bloor-Yorkville BIA is not necessarily opposed to taller building elements,” Palmer states in the letter, “we certainly remain concerned about the impacts tall buildings, and buildings with large floor-plates may have on adjacent buildings, properties and businesses.”



• An early conceptual rendering of the Cumberland Terrace redevelopment. The project has seen some revisions since the rendering was created.

Source: Oxford Properties

To avoid future conflicts between residents and businesses, Palmer said the BIA wants assurance that new residents are aware of potential noise from the area’s outdoor bars and restaurants.

Bregman + Hamann Architects designed the building. Local councillor Kyle Rae is out of the country and was unable to comment. Calls to Oxford Properties were not returned.

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