Qualms with Quayside: Public Engagement in the Toronto Smart City Project

Maha Al-Fahim and Sydney Frankenberg, with Michael Bennon
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Stephen Diamond’s Decision

In early 2020, Stephen Diamond, Chairman of the Board of Waterfront Toronto, faced an all-too-common decision for any major urban development – was his project proposal ready for a board decision or should it be delayed for more public consultation? Waterfront Toronto was evaluating a 1,500-page master plan, eighteen months in the making, titled ‘Toronto Tomorrow: A New Approach for Inclusive Growth.’ The plan was developed by Sidewalk Labs, which was Waterfront Toronto’s innovation and funding partner for the project and a sister company to Google. The smart city initiative, endorsed by the Canadian Prime Minister Justin Trudeau, would be among the largest and most technologically advanced urban development projects in North America.

In 2017, Diamond’s predecessor oversaw a request for a proposal to develop 12 acres of Toronto’s brownfield eastern waterfront land. That request for proposal hinted that the 12 acres would be a test run, with the much larger eastern waterfront open to development by a well-performing partner. Sidewalk Labs took these hints and bid on the project, since scale was exactly what the technology company needed for viability of many of its ideas.

The unprecedented scale of the project would cause some public and financial concerns, however. Waterfront Toronto needed to coordinate funding to meet the project milestones. Concerns over surveillance and the city’s corporatization also were filling newspaper headlines and dividing the population. Now Diamond’s board must decide whether and how to partner with Sidewalk, or to delay that decision while consulting the public in an effort to preserve trust.

Introduction

Toronto, located in the province of Ontario in southeastern Canada, is Canada’s most populous city (Figure 1). Its Financial District is Canada’s financial and commercial hub, home to the Toronto Stock Exchange (TSX), powerful legal and accounting firms, corporate headquarters, and the headquarters of major Canadian banks. Toronto is a global magnet, attracting newcomers who contribute to the city’s dynamic economy and bustling cosmopolitan atmosphere. According to a 2016 Census, approximately 51% of Toronto’s population is composed of minorities and immigrants born outside of Canada.1

However, while immigration and diversity have been key ingredients in Toronto’s economic success, the city is falling victim to its own success. Toronto is the fastest growing large metropolitan area in North America, and its downtown core is expanding towards the waterfront. Income inequality, city segregation, and stratification by income are rising (Figure 2). The city faces a severe shortage of affordable housing. Of the 82,000 households (approximately 177,000 persons) on Toronto’s waiting list for affordable housing, fewer than 2,600 are housed annually. As more people chose to reside farther from job centers, traffic congestion increased, and Toronto now has one of the longest commute times in North America. A dearth of green parks and common public spaces further threatens the cohesion and economic vibrance of Toronto’s communities. In the last two decades, Toronto has sought to alleviate some of these
problems by proposing city-wide projects. The Waterfront Toronto program was created in part to address these challenges.

The Request for Proposals

Waterfront Toronto (formerly Toronto Waterfront Revitalization Corporation) is a tripartite government agency – formed in 2001 and financially supported by the federal government of Canada, the Province of Ontario, and the City of Toronto. Its mandate is to revitalize 800 hectares (2,000 acres) of Toronto’s waterfront, into “beautiful, sustainable mixed-use communities and dynamic public spaces” that unlock the underutilized land’s economic, social, and cultural potential. All of its board members, except for one city councilor, are unelected government appointees. Over the last two decades, it has completed several waterfront development projects. These include the award-winning 7.3 hectare (18 acres) Corktown Common public park, a waterfront boulevard in Queens Quay, and the Toronto Community Housing development, notable for its gold-level rating in Leadership in Energy and Environmental Design (LEED), an internationally-recognized green building certification program. These infrastructure projects were largely developed through partnerships with private companies.

In March 2017, Waterfront Toronto issued a Request for Proposal (RFP) on bids to revitalize its next area, a 4.9 hectare (12 acre) brownfield land on the eastern waterfront, called Quayside – an underutilized parcel of land in an overcrowded city (Figure 3).

The RFP called for an innovation and funding partner to develop the land in a way that tackles Toronto’s emerging urban challenges. The first objective the RFP addressed was ‘Sustainability, Resiliency and Urban Innovation.’ Waterfront Toronto noted that to effectively address climate change, cities can no longer simply reduce CO₂ emissions. They must be climate positive. The project therefore sought to achieve below-zero carbon emissions, through energy-efficient buildings, waste management, green spaces, and resilience strategies and infrastructures. It also sought to leverage emerging technologies, such as the Industrial Internet of Things, analytics, and artificial intelligence to support environmentaly conscious and data-informed decision making for its residents and businesses.

The second objective of the RFP was ‘Complete Communities.’ Waterfront Toronto hoped this project would address Toronto’s issues of housing affordability and inclusivity by developing cost-effective quality rental housing, and inclusive mixed-use and mixed-income community spaces.

Finally, the RFP addressed ‘Economic Development and Prosperity.’ Toronto desired to compete with other global cities for investments, jobs, and talent to further its economic and employment growth. Waterfront Toronto hoped this project would foster an environment of urban innovation and entrepreneurial enterprise. Furthermore, throughout, the RFP shared its aspirations for the project as a global model of sustainable and innovative urban development.

For all three themes, Waterfront Toronto sought innovative solutions. As the RFP read, “Waterfront Toronto is seeking a unique partner, one with invention ingrained in its culture, which can transform conventional business practices and help to establish a benchmark climate
positive approach that will lead the world in city building practices.” Waterfront Toronto desired an innovative rather than traditional partner because it recognized that traditional urban development would not solve Toronto’s rising urban challenges. Furthermore, Waterfront Toronto had limited government funding for the project. It acknowledged that “limited government funding requires innovative business models.” The underdeveloped land on the eastern waterfront provided an opportunity to imagine a new model of development to meet 21st century urban challenges.

**Incentives for Private Partners**

The RFP gave several incentives for private actors to partner with Waterfront Toronto. Composed of over 300 hectares or 742 square acres (including the 12 acre Quayside parcel), the eastern waterfront represents “the city’s last great frontier for downtown growth and the largest underdeveloped parcel of urban land in North America.” Moreover, it is located just southeast of downtown, with a connection point to the city center and stretching alongside the inner harbor and industrial areas (Figure 4). It hence promised lucrative real estate transactions through property development. As the RFP noted, “The Partner has the opportunity to participate in traditional financial/revenue benefits from real estate transactions as they become available.” The partner was also promised global marketing and recognition, in addition to revenue-generating Intellectual Property (IP) from this unprecedented project. To entice big bidders, the RFP also contained several nudges and hints about more expansive commercial development opportunities beyond the 12 acre Quayside land, framing Quayside as simply a pilot project that could be scaled. For instance, the RFP stated, “it may be beneficial to advance the solutions, processes, and partnerships proven successful through the project to subsequent developments on the eastern waterfront.”

**Sidewalk Labs Wins the Bid**

Sidewalk Labs LLC, a wholly-owned subsidiary of Alphabet Inc. and a Google sister company, won the international bid in 2017, after passing a multi-stage selection process. At the first stage, Waterfront Toronto members and external subject matter experts evaluated all six of the proposals they received. Three shortlisted proponents were invited to the next stage – a Best and Final Offer (BAFO) phase. During this months-long process, four Confidential Meetings were held with each of the shortlisted proponents, clarifying the project objectives and allowing the proponents to clarify their submissions. (A Process Manager and a Fairness Advisor oversaw the meetings to ensure that each proponent had equal access to the information and time of the Evaluation Team.) Waterfront Toronto then issued the final BAFO submission requirements, and the proponents’ BAFO submissions were evaluated. The public and city staff had no input in the selection process, and the deliberations behind the partner selection were not made public. Nonetheless, Waterfront Toronto stated that the process that resulted in Sidewalk Labs’ selection “lasted 159 days, making it the second longest procurement in Waterfront Toronto’s history.”

Sidewalk Labs submitted a project proposal to turn Quayside into a Smart City. Sidewalk Labs was formed in 2015 with a mission to “combine forward thinking-urban design and cutting-edge technology to radically improve urban life.” Its CEO, Dan Doctoroff, was a former deputy mayor of New York City for Economic Development and Rebuilding in New
York City Mayor Michael Bloomberg’s administration. Its staff is multi-disciplinary and composed of both urbanists and technologists – a characteristic Sidewalk Labs promotes as uniquely positioning it to integrate urban planning and policy with technology. As an Alphabet Inc. subsidiary, it is also accredited to a plethora of human and capital resources. It committed to fund up to USD $50 million in the co-creation of a development plan for Quayside. In 2016, a year before the RFP was issued, Waterfront Toronto invited Sidewalk Labs for a guided tour as well as topographic illustrations of the waterfront. Canadian Prime Minister Justin Trudeau had earlier told Eric Schmidt, the executive chairman of Alphabet Inc., that he wanted Canada to be the next Silicon Valley – a comment that prompted Sidewalk Labs to bid on the Waterfront project. Other firms also responded to the bid, including a Canadian, Ontario-based consortium composed of OMERS, Manulife Financial, and Mattamy Homes. However, Waterfront Toronto’s then-CEO, Will Fleissig, an American and the president of a San Francisco-based development company favored Sidewalk Labs’ proposal. He was attracted by Sidewalk Labs’ plan to make the eastern waterfront “the global hub of a new industry focused on urban innovation to improve the quality of city life.” Fleissig, who had also largely influenced the RFP’s writing, was seen by many Torontonians as an opaque and evasive individual. The selection of an American rather than Canadian company fanned concerns about Canadian sovereignty and reduced Canadian trust in the project. Fleissig would later resign from Waterfront Toronto in 2018.

Nevertheless, on October 17, 2017, the leaders of Waterfront Toronto and Sidewalk Labs announced their joint partnership, and the name of their collaborative project – “Sidewalk Toronto.” Canadian Prime Minister Justin Trudeau, Ontario’s Premier, Kathleen Wynne, and Toronto’s mayor, John Tory, as well as Executive Chairman of Alphabet Inc. Eric Schmidt, were all present at the event and expressed enthusiasm for the project’s potential. Prime Minister Justin Trudeau termed the project a “test bed for new technologies,” technologies that will “help build smarter, greener, more inclusive cities which we hope to see scale across Toronto’s eastern waterfront and eventually in other parts of Canada and around the world.”

The announcement event was a high point for the proposed partnership and generated enormous fanfare that would lead to persistent media attention. The leadership of Sidewalk, its parent company Alphabet, and appointed or elected leaders at every level of government gathered to express support for the project.

The project was also poised to benefit from the investment of Google’s billionaire founders, who had for years dreamed of creating a space to implement new urban technologies free of the incrementalism of investing in existing cities. In 2013, Google’s then-CEO Larry Page mused about creating an experimental space for technologies, and by 2016 the idea evolved into what was originally “Project Sidewalk” and would become Sidewalk Labs. If the waterfront was their chosen city, the project could benefit not only from Sidewalk’s expertise but also potentially billions from Google’s founders, who sought to make their vision a reality.

A Smart City

In response to Waterfront Toronto’s RFP, Sidewalk Labs planned to create a full-fledged smart city unlike any other. When a reporter asked the Sidewalk Labs CEO Dan Doctoroff if
there was a smart city out there that Torontonians could view as a model of Sidewalk Toronto, Doctoroff replied,

“The answer is no. That’s why what we can do here is so historic. We literally over the last two years looked at one-hundred-and-fifty attempts to create a smart city or an urban innovation district. [...] At their very roots, what they didn’t do is thoughtfully combine urbanism, really how you plan and build cities, with really forward-looking technology.”

Sidewalk Labs, on the other hand, promised a smart city that more fully integrates technology with urban planning. In October 2017, it published a general 200-page “Project Vision” centered around the sustainability, affordability, mobility, and community issues raised in Waterfront Toronto’s RFP. In the plan, it painted a portrait of a sensor-laden city monitoring noise, traffic and pollution levels, and with data-driven social services, self-driving cars, energy-efficient timber-constructed buildings, and underground tunnels for delivery robots.

General Citizen Concerns Regarding Smart Cities

While smart cities promise numerous benefits in efficiency, sustainability, safety and living standards, as will be seen in the Sidewalk Toronto plan below, citizens harbor general concerns. First, there is low public trust in ‘smart’ initiatives due to issues of privacy, accountability, and security. The pervasive presence of sensors and surveillance raises public fears of an urban “panopticon,” and general unease over privacy and data collection. Citizens also have reservations about the corporatization of city governance, particularly for ‘smart’ initiatives that are led by private companies rather than by public administrations.

Moreover, as ‘smart’ cities facilitate data-driven decisions by the government, there is a danger of technocratic governance supplanting rather than supplementing democratic processes. This is particularly dangerous as data alone does not solve the root causes of structural problems, and is never truly neutral but biased by factors such as methods of collection and interpretation. There are also concerns that smart city initiatives might perpetuate stereotypes or inequity.

The dearth of established legislative framework on data governance exacerbates the above concerns. The security vulnerabilities of ‘smart’ cities further reduce public trust in ‘smart’ initiatives. Glitches or cyberattacks on the city’s power grids, autonomous vehicles, or traffic light controls could result in severe and cascading ramifications throughout the connected city. Social inclusion is another concern. ‘Smart’ cities require smart citizens capable of using the technology. However, given existing inequalities in digital access and literacy, a ‘smart’ city risks further dividing rather than connecting citizens.

The Public-Private Partnership

A challenging aspect of the Sidewalk Toronto project was creating a framework for the private company Sidewalk Labs to integrate with the existing decision-making bodies and culture within Toronto and Canada. The RFP referred to the winning bidder as ‘the Funding and Innovation Partner,’ and laid out some of its roles in working with Waterfront Toronto: to create the “overall vision and goals for the Project,” including “deep-dive workshops, industry
consultations, additional market sounding and community engagement efforts as appropriate;\(^\text{30}\) to define measurable outcomes and techniques to evaluate achievement of those outcomes; and “to analyze and articulate risks and barriers in implementing the vision.”\(^\text{31}\) But the RFP could not define every item expected of Sidewalk Labs. Among areas left open to discussion were the legal structure of the partnership, mechanisms to manage disagreements, the sharing of risks and benefits between the entities, the development plan budget, and guiding principles for bringing in additional partners.

Many of the core details of the partnership were to be explored following negotiation with the company and public. In October 2017, a Framework Agreement was established between Sidewalk Labs and Waterfront Toronto, further delineating each party’s role in the project.\(^\text{32}\) The Initial Plan Milestones laid out in the Framework Agreement highlights Sidewalk Labs’ early interest in developing the broader eastern waterfront. For instance, Sidewalk Labs sought a formal reaffirmation that it was within Waterfront Toronto’s mandate to “carry out the planning and implementation of the development of the Eastern Waterfront.”\(^\text{33}\) The agreement also called for a “unified master planning approach with respect to Quayside and the Eastern Waterfront, together with Additional Lands,” consolidating planning activities for the area.\(^\text{34}\) The details of the relationship were further revised in subsequent documents, such as the superseding Plan Development Agreement (PDA) approved on July 31, 2018,\(^\text{35}\) and the Sidewalk Lab’s Master Innovation Development Plan (MIDP) released in June, 2019.

**Sidewalk Leads a Pre-MIDP Consultation**

While Waterfront Toronto did not engage in much stakeholder consultation before selecting Sidewalk Labs’ smart city proposal, Sidewalk Labs began a public consultation and engagement process soon after its selection. As Sidewalk Labs’ master plan notes, “This type of extensive engagement from the outset is critical to designing a plan that truly reflects the aspirations and ideas of Torontonians.”\(^\text{36}\) That public engagement would run for nearly two years while Sidewalk Labs was developing the MIDP.

Sidewalk Labs dedicated $50 million towards a yearlong discussion with the community, starting with a November 1, 2017 public meeting, on what the project should be.\(^\text{37}\) For 18 months after that first meeting, it reportedly engaged in consultations with over 21,000 Torontonians, representing all levels of governments, local firms and experts, community stakeholders and non-profits. It documents: “100+ hours spent co-designing with communities; ~1,700 total hours volunteered by Resident Reference Panel members; ~2,300 total hours committed by Sidewalk Toronto fellows; Worked with 75 experts, across six expert advisory groups; ~280,000 online views of live-streamed events or videos; [and] more than 11,000 visitors to 307 [Sidewalk Labs’ on-site office] since June 16, 2018.”\(^\text{38}\)

In its public engagement, Sidewalk Labs reached out to diverse segments of the population, each on different specific issues. It commissioned ethnographic research to seek out “voices often missed in the traditional public engagement process for reasons such as geography, awareness, or access.”\(^\text{39}\) It developed the ‘Sidewalk Toronto Residents Reference Panel,’ a group of “36 residents from every corner of the city and diverse backgrounds,” which “received an in-depth look at many aspects of the Sidewalk Toronto project and provided a detailed set of recommendations, helping to shape the plan in the best interests of all Torontonians.”\(^\text{40}\)
Sidewalk Labs not only reached out to diverse sectors of the population, but also used diverse mediums of communication. In February 2018, Sidewalk Labs and Waterfront Toronto released a Public Engagement Plan, outlining dozens of ways in which Torontonians could engage in the project and provide feedback over the ensuing months. These included town hall meetings, four large public roundtables between March and December 2018, small one-on-one meetings with project members, public talks by local and global experts on urban design, three “design jams,” live-streaming videos, and the Sidewalk Toronto Fellows program.

All this public engagement would occur before Sidewalk published its 1,500-page Master Innovation Development Plan (MIDP) in mid-2019, which would itself go through a public review and consultation process led by Waterfront Toronto. Sidewalk Labs’ outreach efforts were reflected throughout the MIDP as well. In his foreword to the MIDP, Doctoroff described a well-attended community engagement meeting despite harsh Toronto weather, noting that “Torontonians challenged us at every step – and made the plan better” and that “the plans will continue to evolve and improve through extensive discussions with the public, community stakeholders, and government agencies.”

**Citizen Concerns During the Consultation**

While Sidewalk Labs noted its meaningful engagement with the public and its concerns, not all Torontonians shared that view. In fact, vocal opposition to various aspects of the project formed while the MIDP was in development and after it was published. Some Torontonians believed that the consultations did not engage the substantive issues of the smart city. Others alleged that Waterfront Toronto brought pre-planned questions, manipulating the discussion, and circumventing core questions. Waterfront Toronto’s Digital Strategy Advisory Panel (DSAP) likewise took issue with Sidewalk Labs’ one-sided consultation approach. As the Panel noted after the MIDP was published,

“while the MIDP speaks of co-creation, the actual development process described and/or followed tended to involve creation of a solution by Sidewalk Labs (perhaps following a problem definition session with the public), followed by public consultation on that solution. This is unsatisfactory - not the least because some Panelists have questioned whether Sidewalk Labs is fully capturing and addressing critical feedback from those consultations.”

Some accused Sidewalk officials of influencing the process not only through meeting agendas, but also through locations and times. Whereas the first round of consultations occurred over two to three weeks across the city, the second round of consultations happened on one day at one location, limiting demographic diversity in attendance and participation.

Sidewalk Labs was accused of other tactics in rushing the public consultation process and limiting public obstruction: releasing reports only shortly before the consultation, thereby allowing the public insufficient time to think through details; filling meetings with employees and supporters, quelling dissent; and making limited efforts to narrow the informational and expertise asymmetry between the general public and the urban technology company.
Concerns were raised about accountability in the partnership. Though Canada has conducted dozens of projects through public-private partnerships, many citizens were astounded that two organizations of such uneven scale – a small government agency and the subsidiary of an American tech behemoth – could enter into partnership and on a project of this magnitude. They saw the project as an unprecedented blurring of responsibility between the market and state, with the former dominating the latter. Potentially adding to public confusion was Sidewalk Labs’ CEO, Dan Doctoroff’s history as a political figure – New York City's Deputy Mayor for Economic Development and Rebuilding.

Sidewalk and Waterfront Toronto also fielded accusations of non-transparency throughout the MIDP development process, and these fueled public and media questions and concerns. For instance, under the clause of “commercially sensitive provisions,” the terms of the contract between the company and Waterfront Toronto were initially confidential.

The scale of proposed development was one area in which early ambiguity and perceived lack of transparency led to public suspicion. The initial RFP was a mandate for Sidewalk Labs to develop only the 12 acre Quayside lot, but the RFP highlighted a much larger waterfront development for potentially successful partnership. While not explicit, this larger development opportunity was clearly what attracted Sidewalk Labs’ interest in the partnership. Furthermore, Sidewalk Labs could logically and responsibly extend planning to the broader waterfront district, since the economic viability of many of its urban solution proposals would require a larger scale and integration across this district.

The ambiguity would generate a scandal, when documents leaked by the Toronto Star newspaper in mid-February, 2019, showed that Sidewalk Labs was also planning to develop about 350 acres beyond Quayside. The leak was framed as evidence that, in disregard of the original 12 acre mandate, Sidewalk Labs was nefariously and secretly planning beyond the Quayside, rather than simply including a degree of planning for the broader developments envisioned in the RFP. The controversy resulted in public pressure on Waterfront Toronto concerning scale.

In terms of data collection and usage, Sidewalk Labs’ plans were initially general or abstract. For instance, Sidewalk Labs notes, “We will seek meaningful consent from individuals and honour their choices,” or “We will conduct privacy impact and threat risk assessments.” However, Sidewalk did not specify how such consent would be attained, nor did it specify who would conduct the risk assessments, their frequency, the standards to be used, or the public’s enforcement mechanism over Sidewalk Labs. Regarding access to data, in 2018 Sidewalk Labs noted that it “envisioned a digital platform governed by open standards, providing well-designed, well-documented, and well-supported APIs to third-party developers.” However, these promising adjectives were not defined – what does “well-designed” or “well-documented” mean? Nor did it outline how they would be achieved.

In an October 30, 2017 issue of Torontoist, Bianca Wylie, a Torontonian who would become a vocal opponent of the project, published a list of questions for Sidewalk Labs. The list included questions on the project governance and business model (e.g. “How will Sidewalk Labs...
be held to account for any failures in meeting its goals?"; data governance (e.g. “Who will own/control/have access to the data that is captured by the sensors deployed in this project? Under what terms will that data be shared? For whom and for what purposes?”); compliance with privacy laws (e.g. “Which privacy (data protection) law will apply to the data collected, used and disclosed under this project?”); and hard infrastructure (e.g. “Who pays when the experimental technology doesn’t work?”). The article contained a public-version list of questions, allowing other Torontonians to add input; over time, the Google doc of questions has grown to include over a hundred questions.

In March 2018, Stephen Diamond replaced Will Fleissig as chair of Waterfront Toronto. Fleissig was seen as ingratiatingly obsequious towards Sidewalk Labs’ interests in Quayside. Diamond, it was believed, would take a harder line. Furthermore, in the summer of 2018, there were several high-profile resignations from the project. Ontario’s former Privacy Commissioner, Ann Cavoukian, resigned from her consulting role at Sidewalk Labs over data privacy concerns. Technology entrepreneur and founder of Tech Girls Canada, Saadia Muzaffar, resigned from the Waterfront Toronto Digital Strategy Advisory Panel, and published her resignation letter online. In her 2018 letter, she remarked on “Waterfront Toronto’s apathy and utter lack of leadership regarding shaky public trust and social license,” noting “squandered opportunities to take ownership of the narrative that would clarify the boundaries between who is in charge and how this ‘partnership’ unfolds” (Figure 6).

Such resignations occurred before the data privacy details in the MIDP were published by Sidewalk Labs and stirred public suspicions about the integrity of the project.

In September 2018, the ‘Sidewalk Toronto Residents Reference Panel,’ assembled by Sidewalk Labs, produced an interim report that expressed enthusiasm, but also concerns, about the project. Panel members feared that public regulations could not keep pace with the technological innovation adopted speedily and at scale in Sidewalk Labs’ development timeline. Furthermore, some technologies proposed by Sidewalk Labs (e.g. autonomous vehicles) were still experimental, raising safety and functionality concerns. There were also concerns that Quayside would be so distinctive that its residents would feel disconnected from the rest of Toronto. Furthermore, members worried that many Torontonians lacked a basic level of data literacy, impeding their ability to provide meaningful informed consent or to engage meaningfully in public dialogue about their neighborhood.

Organized Opposition

In late February 2019, after the leaked documents revealed Sidewalk Labs’ plans to develop beyond Quayside, a group of Torontonians formed the #BlockSidewalk public campaign. The campaign expressed some Torontonians’ mounting anger over the perceived lack of transparency and accountability in the project, even 16 months into the project, and “after having participated in all public roundtables and having persistently tried to get answers and clarity on what should be very basic facts about the project.” The project’s potential function as a test case for tech companies and a precedent for urban innovation elsewhere further alarmed them.
The #BlockSidewalk campaign, eventually numbering approximately 1,500 Torontonian members, sought to reset the smart city planning process, believing it undemocratic. Bianca Wylie, a prominent Block Sidewalk organizer and co-founder of Tech Reset Canada, stated, “The Sidewalk Toronto project is setting a dangerous precedent for local government. What has happened over the last 15 months cannot be normalized. There is nothing okay about how we got to where we are. The responsible thing to do right now is stop the project.” To thwart the project, Block Sidewalk members collected petitions, spoke to government officials, spoke up at Sidewalk Labs’ events, and organized public meetings.

Among the opposition’s most powerful mediums of protest were op-eds published in prominent newspapers. This ability to leverage the media (and thereby, public opinion) was facilitated by the media’s penchant for underdog-fights-tech-behemoth stories. Bianca Wylie, who has published dozens of news articles and blog posts fiercely warning against the Sidewalk Toronto, was quoted in The New York Times and was profiled in The Washington Post. One profile called her the new Jane Jacobs – a prominent 20th-century urbanist and activist for community-based cities.

It was a scathing October 2018 editorial by Jim Balsillie, former co-CEO of BlackBerry and one of Canada’s biggest tech names, however, that gave momentum and legitimacy to opponents of the project. In his editorial, Balsillie referenced several Sidewalk Toronto opponents, and called the project “a colonizing experiment in surveillance capitalism.” He accused the American company of controlling lucrative Canadian data and Intellectual Property (IP) arising from the project. Meanwhile, he accused Waterfront Toronto of developing an RFP that inaccurately framed Toronto’s urban problems, of “weaponize[ing] ambiguity,” and of lacking the necessary digital expertise or accountability to manage the project wisely. In line with the Block Sidewalk campaign, he called for the project’s reset.

In April 2019, the Canadian Civil Liberties Association (CCLA) announced its lawsuit against Waterfront Toronto and the federal, provincial, and municipal governments. The group stated that all three levels of government had “sold out” Quayside citizens’ rights to freedom from surveillance.

Despite the negative press, polls taken in February 2019 revealed low levels of opposition to the Sidewalk Toronto project. In an early February 2019 Environics Research survey, commissioned by the Toronto Region Board of Trade, 55% of Torontonians supported the Quayside project, with 14% strongly supporting it. Only 11% opposed it, with 3% strongly opposing it. Meanwhile, 34% didn’t know or had no opinion (Figure 7). Another Environics Research survey was taken between April 23 and May 11, after leaked documents revealed Sidewalk Labs’ ambitions to develop beyond Quayside; it still showed over half of Torontonians (54%) somewhat or strongly supporting the project, though the portion of those somewhat or strongly opposing it rose to 17%. Hence, until early 2019, a minority of Torontonians opposed the project, albeit a vocal and well-organized minority.

What is Sidewalk Proposing? The Master Innovation and Development Plan

Toronto Tomorrow: A New Approach for Inclusive Growth
After months of public consultations, Sidewalk Labs released its comprehensive project proposal, a 1,500-page ‘Master Innovation and Development Plan’ (MIDP), on June 24, 2019. Sidewalk Labs’ proposed smart city development would consist of several layers. At the subterranean level, a network of tunnels and channels would provide the infrastructure foundation. The street level would contain mixed-use, environmentally-friendly timber-constructed buildings, thermal grids, efficient lighting, and people-centered sidewalks. At the digital layer, a network of sensors would be embedded throughout, collecting data on traffic patterns and other urban fluctuations. The project was designed around five key themes, raised in the Waterfront Toronto RFP:

**Economy:** Sidewalk Labs’ plan projected generating 93,000 jobs, 44,000 of them direct, as well as $14.2 billion in GDP and $4.3 billion in annual tax revenue by 2040. This was considered “years faster than existing baseline plans” and a “178 percent increase in value added to the Canadian economy compared to status quo development at completion.” This growth would be achieved through two approaches: 1) new developments through upfront investments in critical infrastructure, such as light rail transit, and the relocation of Google’s Canadian headquarters, and 2) catalyzing urban innovation through $10 million in seed funds to create an Urban Innovation Institute research center, $10 million in venture funds to help Canadian companies scale, small business incubators, support for diverse populations through affordable housing, and employment of local companies in the smart city development process.

**Environment:** The plan promised a climate-positive neighborhood, reducing the city’s current average greenhouse gases by 89 percent. This would be achieved through innovations like energy-efficient building designs, thermal grids, the prioritization of walking, cycling, public transit, and electric vehicles, and smart disposal chains that provide real-time feedback to improve recycling rates.

**Housing:** The plan promised housing affordability, with 40% of housing developments below market rate, construction of over 13,600 below-market units, and at a pace 35% faster than normal construction time. The mixed-use buildings, up to thirty stories tall, would use modular components and be primarily made of Canadian timber, which would be produced at an Ontario-based factory owned by Sidewalk Labs. The plan also proposed efficient units with thoughtful design features like space-saving furniture and shared amenities to improve affordability (Figure 8).

**Mobility:** The plan projected improved mobility, with 77% of trips estimated to use public transit, walking or cycling. This would be achieved through initiatives including: a 91% increase in pedestrian space; the construction of a self-financing light rail transit extension connecting the waterfront to the rest of the city; new mobility services such as ride-hail, bikeshare, electric car-share, and e-scooters providing affordable alternatives to cars; a mobility management system using real-time data to coordinate traffic and travel; street accessibility initiatives, including wider, lighted, heated, snow-melting sidewalks (Figure 9); and adaptive traffic signals that “prioritize pedestrians who need more time to cross a street or public transit vehicles running behind schedule.”
**Urban innovation:** To optimize city operations, sensors and cameras would be embedded throughout the district’s infrastructure – from the pavements and sewer drains to the garbage cans and park benches – to collect data on energy use, traffic patterns and other urban fluctuations, which would be managed and analyzed by a software program. In addition, a ubiquitous connectivity network, and a real-time map of public assets (e.g. landscaped gardens or benches) would provide advanced information on any maintenance or repair needs. While using digital innovation to tackle urban challenges, the plan promised responsible data collection, storage, and use. For instance, it abstractly proposed making data publicly available, and controlled by a government-sanctioned independent third party, called the Urban Data Trust, which would balance between “personal privacy, public interest, and innovation,” and follow publicly auditable Responsible Data Use (RDU) assessment guidelines (incorporating globally recognized Privacy by Design principles).\(^8^0\)

Throughout its Master Plan, Sidewalk Labs showcased its responsiveness through a “What we learned/ How we responded” format (see Figure 10). Sidewalk Labs published several concerns raised by Torontonians, and beside each, noted how the master plan has addressed them.

For instance, Sidewalk Labs revealed plans to address public concerns over vendor lock-in through a phased, building-block approach. Sidewalk Labs would rely on local third-party services and technology whenever possible, and the use of adjustable (and reversible) digital infrastructure and open published standards. Parks, plazas and open spaces, for example, would be multi-purpose, and quickly reconfigurable by day or season. Community members could use the projection screens, universal mounts, and utility hook-ups placed in such open spaces to realize their own visions of these spaces rather than being locked into a vendor’s vision.

Additionally, Sidewalk Labs would follow the model of the World Wide Web by using a set of agreed-upon published standards on open-data architecture, access and sources (though who would agree upon those standards was unclear). Examples of proposed common standards for use by smart cities could include GTFS Realtime (for reporting real-time locations of public transit vehicles) and General Bikeshare Feed Specification (GBFS) (for reporting the availability of bike-share bikes and docks). Sidewalk Labs committed to continually publishing the list of standards, further empowering community members and third parties to build and improve upon the shared foundation and to ensure that no single company maintained a monopoly on provision of critical components.

Finally, Sidewalk Labs committed to prioritizing companies local to Toronto, Ontario, or Canada. Sidewalk Labs would build the necessary technology only in cases where it did not already exist.\(^8^1\) In any case, Sidewalk Labs notes, “other entities would be free to develop and provide competing services to those offered by Sidewalk Labs.”\(^8^2\) This would limit the city’s dependence on proprietary systems from any one private vendor, including Sidewalk Labs.

**Governance Structure**

Sidewalk Labs’ Master Plan also addressed fears of the city’s privatization even as it included proposals to develop an additional 153 acre ‘River District,’ which, combined with Quayside, would be called the ‘Innovative Design and Economic Acceleration (IDEA) District’
Sidewalk Labs proposed four main roles for itself. First, it would be the lead developer of real estate and advanced systems (i.e., non-traditional municipal infrastructure such as thermal grids and digital street infrastructure) in Quayside and Villiers West (a 20 acre neighborhood in the IDEA District). Development of the rest of the IDEA District would be led by third-party developers, procured competitively by Waterfront Toronto. Second, Sidewalk Labs would provide advisory, technical, and management services to carry out its Master Plan. Third, Sidewalk Labs would deliver new technological approaches where required to solve an urban challenge. Fourth, Sidewalk Labs would offer optional financing for Waterfront Toronto to accelerate the development of municipal and advanced infrastructure.

The scale and complexity of the project required expertise and oversight beyond the purview of general government practices. Hence, to allay public concerns over the city’s privatization, Sidewalk Labs called on the government to designate a “public administrator empowered to hold Sidewalk Labs and others working in the district accountable.” Several divisions within the Public Administrator (PA) would oversee different aspects of the project (so Sidewalk Labs would not privatize any public roles or assets):

- **The Waterfront Transportation Management Association (WTMA)** to coordinate, and invest in the capital improvements and operations of mobility systems within the IDEA District.

  Sidewalk Labs’ proposed dynamic streets (including LED lighting, unique modular pavers, and digital traffic management) would replace regular municipal streets. However, the streets would remain a public right-of-way owned by the City of Toronto, managed by the WTMA. The WTMA would serve as a division of the Public Administrator, with a steering committee composed of governments and agencies (i.e., Metrolinx, City of Toronto, Toronto Transit Commission, Ontario Ministry of Transportation) and private stakeholders. The WTMA would collect revenues from parking fees and curb pricing to manage a nonprofit budget.

- **The Waterfront Sustainability Association** to enforce service contracts with competitively procured private third-party operators of Sidewalk Labs’ proposed new sustainability systems (e.g. advanced thermal grid), and to report on sustainability performance. According to Waterfront Toronto, “existing municipal utility services, such as electricity distribution by Toronto Hydro, wastewater collection and water distribution by Toronto Water, would be unaffected,” and existing private utilities would remain private.

- **The Waterfront Housing Trust** to collect revenues from a 1% Condo Resale Fee, which would be allocated towards new affordable housing initiatives.

Outside the purview of the Public Administrator, Sidewalk Labs proposed establishment of the following two independent nonprofit organizations:

- **The Open Space Alliance (OSA)** to manage and maintain public spaces and digital assets in the IDEA District, given that Sidewalk Labs’ proposed spaces and technology-based tools extend beyond the Toronto government’s typical maintenance practices.
While the parks and public realm would remain under public ownership, the OSA’s operational roles “would replace certain roles of the City of Toronto Parks, Forestry & Recreation Division, including operations and maintenance of public spaces.” Hence, Sidewalk Labs proposed that a share of municipal park funding be accorded to the OSA. Other funding sources for the OSA would include maintenance fees from landlords or tenants in the IDEA District, and revenues from sponsored events and concessions.

- The Urban Data Trust (UDT) to responsibly govern the collection and use of urban data collected in the IDEA District. The government sanctioned UDT would be financially dependent on administration fees from applicants seeking to collect or use data (including Sidewalk Labs).

**Financing the Project**

The Master Innovation Development Plan (MIDP) included Sidewalk Labs’ proposal for financing the project. Their proposal – composed of city fees, development charge credits, and the reinvestment of land proceeds – largely aligned with Waterfront Toronto’s existing financing practices. However, the proposal also included municipal and local infrastructure contributions as well as the potential use of tax increment financing, both of which exceeded Waterfront Toronto’s authority and are rarely used in Canada.

Sidewalk Labs proposed three financing models for the following three separate types of infrastructure it identified in the project:

1. The extension of the Light-Rail Transit (LRT)
2. Municipal Infrastructure (such as parks, water mains, sewers)
3. Advanced Infrastructure, or new types of private infrastructure that Sidewalk Labs deemed necessary to attain the RFP objectives.

**Proposed LRT Financing**

To accelerate the extension of LRT to service the Waterfront, Sidewalk Labs offered up to $100 million in credit support at a market rate to be negotiated. Sidewalk Labs also noted that they were committed to working with government, pension funds, and other institutional investors to develop transaction structures to keep the rates low. Sidewalk Labs proposed that financing for the LRT could be borrowed against future increases in property taxes from the development through a tax-increment financing (TIF).

Sidewalk Labs agreed to provide the optional financing even if Waterfront Toronto did not agree to the TIF structure and committed to work with Waterfront to find an agreeable solution. The financing would allow significantly earlier completion of the LRT extension than would waiting for funding from the Toronto Transit Commission.

**Proposed Municipal Infrastructure Financing**

Sidewalk Labs offered to provide up to $300 million in financial support to accelerate the development of municipal infrastructure in Quayside and the broader IDEA District.
would enable the development of municipal infrastructure ahead of district development and avoid any delay due to municipal budgeting. Sidewalk Labs estimated the total cost of the municipal infrastructure to be $240 million for Quayside and $1.86 billion for the entire IDEA District. The MIDP proposed that most of this funding would come from municipal infrastructure contributions by real estate developers, who would “receive a credit against the standard city fees and development charges.”

If adopted by Waterfront, developers in the district would pay the same fees as they would outside the district, but the funding would be earmarked for municipal infrastructure in the district as opposed to citywide. Sidewalk Labs proposed several value capture mechanisms that could be administered by the Public Administrator (PA) to fund a portion of the infrastructure. However, both the value capture mechanisms and the role of a PA exceeded Waterfront’s mandate and would need approval by other authorities.

*Proposed Advanced Infrastructure Financing*

The Advanced Infrastructure proposed by Sidewalk Labs consisted of its digital communications networks, sustainability solutions such as its advanced power and thermal grids, and mobility solutions such as dynamic streets and its underground freight management system. Sidewalk Labs estimated the total cost of these systems to be approximately $2.07 billion for the whole IDEA district and $350 million for the Quayside and Villers West parcels. Sidewalk Labs proposed that capital costs for the systems would be reimbursed by developer fees from the vertical property developers, which would be roughly equivalent to developer fees elsewhere in the city, and user utility fees.

Sidewalk Labs also proposed making Supplemental Innovation Investments amounting to $45 million to make the technologies viable on initial phases like Quayside before they are scaled to the entire IDEA District. Due to the high technology risk associated with the advanced system infrastructure, the proposal also included an option for Sidewalk Labs’ new infrastructure fund, Sidewalk Infrastructure Partners (SIP), to invest in the systems or assist in raising capital.

The design and construction of the advanced infrastructure would be financed by SIP or other private sector operators, but the future use of the utilities thus provided, such as electricity and thermal energy, would be paid for by consumers.

Sidewalk’s Supplemental Innovation Investments were offered to prove the advanced infrastructure’s commercial viability and would have no direct rate of return. Instead, Sidewalk Labs sought future performance payments if its approach achieved project milestones such as growth and performance targets. Sidewalk Labs was also investing $65 million to develop the MIDP and granting $10 million in support of establishing a new non-profit think tank known as the Urban Innovation Institute in the IDEA District.

*Growing Rifts in the Sidewalk-Toronto Partnership*

By the time of publication, however, Sidewalk Labs’ 1,500-page MIDP masked a growing rift between Waterfront Toronto and Sidewalk Labs. The dynamics between the two
parties had shifted markedly over the course of Sidewalk Labs’ public consultation. Sidewalk Labs’ proposal exceeded the RFP request and what typical (i.e. non-Alphabet Inc. subsidiary) private partners could provide; Sidewalk Labs promised a new Google Canada headquarters, millions in venture funds, thousands of affordable housing units, additional financing, and more. However, it argued that for the project to be commercially and practically viable, Sidewalk Labs needed to eventually develop more than the 12 acres of Quayside land offered. Building upon hints within the RFP, Sidewalk Labs sought to scale the project and develop the additional 153 acre ‘River District,’ to create the ‘IDEA District.’ Hence, the MIDP included planning for a much broader area than the original Quayside mandate.

In addition to including the broader IDEA district in its MIDP, Sidewalk Labs asked for larger roles within each district. While the Request For Proposal (RFP) referred to the local government and Sidewalk Labs as co-masters in Quayside, Sidewalk Labs proposed to be the lead developer of Quayside, noting the informational and expertise asymmetry between its private company and the public sector. “It’s hard for government to have all of that expertise,” Dan Doctoroff said. A local journalist described Sidewalk Labs as patronizing in public presentations and meetings where the company “suggested that Toronto needed innovation, or, more aggressively, to be innovated, and that our cash-strapped, dysfunctional government wasn’t up to the task.”

When Stephen Diamond replaced Fleisseg as chair of Waterfront Toronto, he reversed the partnership narrative from Toronto needing Sidewalk Labs to develop its waterfront to Sidewalk Labs needing Toronto. “The city of Toronto could get by without Sidewalk Labs, to be quite frank,” Diamond said in an interview. “I believe that they are fortunate to be able to develop here — if we can make it all work.” He noted the young company’s need to prove itself: “I think it’s important for Sidewalk, which is a new company, to be able to find a project to move forward with. Having the opportunity to develop an innovative project in the city of Toronto, one of the best cities in the world ... they had to work with us and not be adversarial if they were going to be successful.”

On June 24, 2019, the same day that Sidewalk Labs released its master plan, Diamond issued an open letter to Torontonians. In it, he shared that he had “very different perspectives” on the company’s proposals, particularly on geographic size, data governance, and government regulations.

Another Consultation

Waterfront Toronto would run the Master Innovation Development Plan (MIDP) through an additional two-round public consultation process, but this time managed directly by Waterfront Toronto rather than Sidewalk Labs. It planned the first round in Summer 2019 after the MIDP was published and a second round in Fall 2019. It began by publishing a Note to Reader document, which both summarized the MIDP and included lists of questions for Toronto citizens to consider on various aspects of Sidewalk Labs’ proposal.

In each of the Urban Innovations proposed by Sidewalk, as well as sections on the structure of the partnership and privacy and digital governance, the Note to Reader was
organized under headers titled “What We Asked For” and “Sidewalk Labs Proposal.” For each of the Urban Innovations the Note to Reader also included a section discussing “Privatization of Public Roles or Assets.” Questions from citizens ranged from general public policy queries to requests for input on specific aspects of Sidewalk’s proposal.102

Waterfront Toronto would go on to publish a detailed summary of the first round of consultation. They estimated that they received input from 1,034 citizens, stemming from six drop-in sessions, four public meetings, an online survey, and written submissions. From the public meetings, which constituted most of Waterfront Toronto’s interactions, Waterfront Toronto summarized five themes from the feedback103:

1. **The Draft MIDP is difficult to get through and contains both too much, and too little, information.** Some citizens said that a shorter, simplified version is required, while at the same time saying more information is needed in key areas.
2. **There is huge potential, but also huge risk.** Citizens saw promise in the sustainability, economic development, and affordable housing aspects of the proposal, but had concerns regarding data collection, the scope of the development, and other factors like integration with the rest of the city and clarity of the governance proposals.
3. **There were several suggestions about how Waterfront Toronto could support responsible public reflection on the Draft MIDP.** Suggestions included the completion of a risk assessment by Waterfront Toronto and a reframing to integrate discussion of the digital topics into other aspects of the proposal in future rounds of consultation.
4. **There is a lack of trust in Sidewalk Labs.** Citizens expressed concerns regarding Sidewalk Labs’ ambitions, how it will profit, and the asymmetry of power and influence between Sidewalk Labs and Waterfront Toronto.
5. **There was a mix of appreciation and concern over Waterfront Toronto’s role.**

A quick online survey by Waterfront Toronto indicated that a majority of respondents were receptive to various proposals in the MIDP, with notably less support on the Privacy and Digital Governance section. Waterfront Toronto also received 34 written submissions from organizations or individuals, including one from #BlockSidewalk. While some of the written submissions included nuanced points to clarify or adjust, and some of them were even supportive of the project, most of the written feedback regarding the MIDP was negative. Many of the 34 respondents requested that the partnership be cancelled in its entirety. Others requested that future versions of the project be subject to significant oversight and additional public consultation.104

**A Divided Public Reaction**

On September 4, 2019, the *Toronto Life* news outlet posted several dozen articles both in favor of and against the Sidewalk Toronto project. Several of the supportive articles were written by individuals publicly affiliated with Sidewalk Labs, while many pieces written against it were penned by authors with companies, books, or employment based on technological surveillance. The pieces presented a broad spectrum of views on the project:
**Proponents’ Arguments**

Proponents saw the project as an unparalleled opportunity for Toronto to innovate on its waterfront, attract tech talent, and become a leading global city of the 21st century. They argued that in a competitive global environment, Toronto could not afford to stand still. Ambitious projects were necessary for the city to maintain its rank among high-tech global cities and lead the world in urban technological integration and innovation. Disruption, risk, and uncertainty were an intrinsic part of innovation, some argued. It was necessary to take large risks to reap large rewards. Sidewalk Labs would “reinvent how cities are constructed, right down to the roads,” allowing Toronto to offer a model of future urban development. Others saw Sidewalk Labs’ project and presence as enhancing Toronto’s ability to attract, employ, and retain tech talent for the whole gamut of Toronto’s technology firms. Still others saw the private company as providing Toronto with momentum to develop the needed infrastructure that the city cannot finance itself, leveraging the private sector for the public good. And finally, others argued that fears of an American company developing Canadian lands underestimated the strength of Canadian governance institutions. Rather than too little governance, the risk arises from too much regulation smothering innovation.

On July 4, the Toronto Region Board of Trade released an open letter, signed by thirty influential figures, including the former mayor of Toronto, the President Emeritus of the University of Toronto, and the CEOs of several Canadian companies, urging the public to “welcome and evaluate [Sidewalk Labs’] proposal for the many positives it can bring.” Though there may be areas of disagreement, the letter acknowledged, there was room for the government to negotiate with Sidewalk Labs rather than reject the plan outright. The letter quoted the late highly regarded urbanist and activist Jane Jacobs: “communities have a right to say ‘no’ to things that are going to harm them, but a responsibility to say ‘yes’ to things that will help.”

**Opponents’ Arguments**

Opponents highlighted the significance of a private sector corporation’s role in controlling the city’s infrastructure and emphasized that such privatization was unconstitutional. The project was a potential opportunity for a large technology company to exploit the Quayside community as a means of commercial data mining. Others noted that the affordable housing promised in the plan was a facade and, in practice, housing prices would remain high. Additionally, dissenters noted that the project was incompatible with Toronto’s technological ecosystem and would not support local industry so much as implant foreign industry into the heart of Canada.

In this battle of narratives, Sidewalk Labs allocated $11 million of its preliminary $50 million budget to “communications/engagement/and public relations.” It hired the Toronto-based and New York-based public relations firms, Navigator and BerlinRosen respectively, to counter negative press. A group of Sidewalk supporters also wrote a joint letter promoting the project.

Nevertheless, a July 9, 2019 public opinion poll by The Forum Poll found more mixed support for Sidewalk Toronto. Awareness of the project increased from around 30% on November 23, 2017 to around 40% in July 2019. However, a majority (60%) of respondents who
knew at least vaguely about the project said they did not want to live in Sidewalk Toronto, with certain demographics of the population (i.e. those aged 65 and over, female, college or university graduates, supporters of the right wing People’s Party of Canada, and/or those not very confident in their abilities to describe the project) less likely to want to live there. Toronto became more divided in its support for Sidewalk Labs; almost half (46%) of respondents supported Sidewalk Labs’ proposal, with one-fifth strongly supporting it while one-fifth strongly opposed it.118

Sidewalk Scaled Back

As the first public consultation was completed in September 2019, the Project Development Agreement between Sidewalk Labs and Waterfront Toronto was scheduled to expire at the end of October, unless the parties agreed upon a resolution of certain key threshold issues for the partnership. In late October, Waterfront Toronto published a letter entitled Re: Plan Development Agreement Threshold Issues for Sidewalk Labs’ immediate approval. The letter laid out how the project would proceed moving forward and delayed the next round of public consultation to early 2020.119

The resolution clarified that Sidewalk Labs’ initial footprint for the project would be limited to Quayside.120 The new framework restricted development to the 12 acre Quayside plot, acknowledged that a third-party developer would be used to build the infrastructure, and gave authority of all data collection governance to Waterfront Toronto. The potential Google headquarters development on the Villiers West parcel would be subject to a separate land acquisition and public consultation process by the City of Toronto as Waterfront Toronto did not own that property. Any development beyond Quayside would be subject to future approval. No further reference would be made to the IDEA district.

The agreement stated that Sidewalk Labs and Waterfront Toronto would further develop a new, separate “Innovation Plan” with the object of advancing the approval and implementation of core innovations. There would be no Public Administrator to oversee the development, though Waterfront Toronto agreed to advocate for creation of a government task force(s) to support the implementation of the new Innovation Plan. Waterfront Toronto likewise could not guarantee funding for the light rail extension to service the development.

Regarding data and privacy, the agreement stated that an Urban Data Trust would not be created and that Sidewalk would not use the term “Urban Data” but comply with existing Canadian privacy laws and regulations. Sidewalk Labs would publish a Digital Innovation Appendix to be evaluated by the Waterfront Toronto board with a plan to comply with their data and privacy requirements.

The agreement stated that the Waterfront Toronto board would approve Sidewalk Labs’ amended plans for the development by March 31st, 2020. In November, shortly after the threshold issues agreement, Sidewalk Labs published a nearly 500-page Digital Innovation Appendix regarding its technologies and data governance. The document specified all digital technologies at Quayside and the specific data they would collect through 18 systems with 52 subsystems. Of the subsystems, 82% had precedents and 75% of these would be substantially purchased from third parties rather than developed by Sidewalk Labs. Sixty percent of the
subsystems would generate no personal information, and those that did so would be furthering a Waterfront Toronto priority. No systems would use facial recognition, and no personal information would be sold, used for advertising, or shared with another company without individual explicit consent.121

Regarding the use of personal information, users could, for instance, opt into location data with the proposed dynamic curb system to receive assistance in locating nearby parking, and to opt into payment information to pay for parking online if they chose. Along with the Appendix, Sidewalk Labs posted a publicly available spreadsheet with every technology in their proposal, its objective, the sensor type if applicable, the data types it could collect, and any precedent.

Conclusion

In November 2019, Sidewalk also published a Public Participation Strategy Report for the project. The report documented public engagement and consultation efforts to date and included Sidewalk Labs’ planned participation in public consultation efforts regarding the MIDP and future developments associated with Waterfront Toronto. While Sidewalk had led the public consultation efforts leading up to the MIDP, the consultations would subsequently be led by Waterfront Toronto with Sidewalk Labs as an observer.

The report noted that Waterfront Toronto would be completing a further round of consultation in late 2019 and early 2020, and that the City of Toronto would also host a series of separate public consultation sessions on the MIDP after Waterfront Toronto’s evaluation and board decision were completed.122 The report also reflected on feedback and general lessons from Sidewalk’s public consultations to date:

“To varying degrees, all public consultations straddle a divide between expert knowledge, public perception, and the specialized expertise of some residents. In different ways, public consultations attempt to address this divide by creating a range of formats that allow for differing degrees of engagement and which assume different degrees of prior knowledge. This divide was exacerbated by the sheer range and variety of innovations – digital and otherwise – that were contemplated by the Sidewalk Labs team. The consequence was that staff sometimes struggled to obtain meaningful feedback on their proposals while members of the public felt frustrated that they didn’t have the ‘whole picture’ or ‘knew enough’ to comment on the implications of what was being proposed.”

In deciding how to proceed with the project as the Waterfront Toronto board chair, Stephen Diamond would need to take several factors into account. The board would eventually need to make a decision regarding the Master Innovation Development Plan, but the outreach and amendments to the MIDP were taking longer than originally foreseen. Waterfront Toronto staff were also completing a detailed evaluation that would approve or reject each specific proposal in Sidewalk Labs’ proposed innovations for the district.

The private partnership offered Toronto a financially feasible opportunity to develop needed infrastructure through innovation that addressed some of the city’s economic and
sustainability concerns and offered it the opportunity to become a leader in technology. Moreover, regardless of stance on Sidewalk Toronto, all Torontonians have found things they appreciated from the master plan, whether the paths prioritizing people or the cost-effective housing designs.

The question in early 2020 was whether the city should stand by its schedule from the threshold issues agreement and try to make the decision in late March, or publish its technical evaluation, conduct more consultation, and delay the decision several months in the hope of improving public trust in the process.
Appendices

Figure 1 - Toronto - a city in the province of Ontario in southeastern Canada

Figure 2 - Neighborhood Segregation by Income (Sidewalk Labs, MIDP_Volume0, 53.)
Figure 3 - Quayside – an under-developed 4.8 hectare (12 acre) parcel of land on Toronto’s eastern waterfront.123

Figure 4: Quayside, by the waterfront and southeast of Toronto’s downtown (Sidewalk Labs, MIDP_Volume1, 36-37.)
Figure 5: Sidewalk Labs Public Consultation Schedule Up Until MIDP Publication

(Sidewalk Labs, MIDP_Volume0, 71.)
October 04, 2018

Waterfront Toronto, and my fellow Digital Strategy Advisory Panel members,

It is with deep dismay and profound concern that I am resigning from Waterfront Toronto’s Digital Strategy Advisory Panel, effective today.

When I was asked to join the panel, my hope with this esteemed group of experts and city-builders was that we would be able to provide Waterfront Toronto with our advice on how to best engage in this high-potential and complex opportunity, and to help them gauge whether or not the proposed package of solutions from Sidewalk Labs is a sound and prudent deal in the short and long term for the City of Toronto and its residents.

In the last eleven months of the (now) approximately fifteen month consultation period, Waterfront Toronto’s apathy and utter lack of leadership regarding shaky public trust and social license has been astounding. There is a growing list of squandered opportunities to take ownership of the narrative that would clarify the boundaries between who is in charge of how this “partnership” unfolds; bewildering for a public corporation that has historically done such a thorough job of bridging with the public by truthfully engaging them in co-design and responding to their concerns and advice regarding the development of Toronto’s waterfront. And while a “smart city” venture might be new for Waterfront Toronto, we have example after example from New York, Seattle, and Westminster in the UK, to name but a few, of the lessons learned from Alphabet/Sidewalk Labs’ foray into selling tech solutions to cities, and the resulting serious reservations put forth by those standing up to safeguard public interest.

My gravest concern is that while the panel is showing up in good faith, I have yet to see evidence that Waterfront Toronto shares the urgency and concern that has been raised in multiple fora - as evident through how the public meetings continue to be run, who is running them, and what is consistently left unsaid and unaddressed. The most recent public roundtable in August displayed a blatant disregard for resident concerns about data and digital infrastructure. Time was spent instead talking about buildings made out of wood and the width of one-way streets, things no one has contested or expressed material concern for in this entire process.

Waterfront Toronto’s senior leadership is consistently dodging important questions from concerned residents and the media. The leadership has yet to comment on recent reports that Sidewalk Labs is asking potential local consultants to hand over any intellectual property that is developed to the Alphabet-owned company – and in cases where that’s not possible, to give Sidewalk Labs an exclusive, royalty-free, worldwide licence to use it - a brazen departure from Waterfront Toronto’s position on intellectual property as “TBD” in the shared planned
development agreement, and a slap in the face of their professed goal of "encouraging local innovation."

Each of the public meetings so far has been a massive lost opportunity to honestly and meaningfully engage with the public on things that it is rightfully concerned about. Instead of admitting that this project is much more complex than perhaps Waterfront Toronto realized at the outset, when it did not widely consult with the public prior to issuing the RFP for Quayside; and therefore warrants pause, reflection, and decisive courage focused on public safety and value-creation for innovative Canadian companies first - we find ourselves forced into a disorienting loop where resident and local, national, and global tech community concerns are ignored, and willful misdirection has thus far been endorsed through Waterfront Toronto's silence.

As a panel member who entered this engagement with great enthusiasm and even greater hope, this resignation is a difficult decision for me to make. As the only person of colour on a panel that doesn’t even have Indigenous representation to my knowledge, representing public interest for a city as diverse as Toronto, I do so with a very heavy heart. My intent from day one of this engagement was to contribute through my experience and expertise as a technologist, a Toronto resident, and a passionate advocate for public good. In the absence of even a single public record of any of our panel meetings and the myriad concerns raised within, I cannot in good conscience continue to participate in this advisory role when this continuation may imply to the public that I endorse and approve of Waterfront Toronto’s consistent inaction and approach on both the process and this project. I don’t.

In the last public roundtable meeting in August, a resident shared their serious concern with me about the fact that official Sidewalk Toronto materials and soundbites thus far do not address the blast radius of making mistakes on a city-scale. That is, a city’s infrastructure has an obsolescence of many decades, it is not like a new phone that we can change in a couple of years if we find it to be problematic. I emphatically agree with their concern. Broad licensing that does not prioritize digital rights of the public can mean that surveillance infrastructure and valuable public data can lay latent for long periods of time, and avoid scrutiny easily, tucked in a foreign-owned company’s proprietary vault. The question we need to be focused on is not how can we build a better monopoly-tech-company led, surveillance-based city (puzzlingly, something even some of my fellow panelists are lending their organizational credibility to) but the fact that we have enough evidence to know that we don’t want to build that at all. There is nothing innovative about city-building that disenfranchises its residents in insidious ways and robs valuable earnings out of public budgets, or commits scarce public funds to the ongoing maintenance of technology that city leadership has not even declared a need for. As a technologist I know there are other ways to do this and I will be committing my future efforts to
Further developing those alternatives with community partners to ensure the City of Toronto thinks about all of its options, not just this option.

If Waterfront Toronto truly believes that the goal for developing Quayside is to encourage local innovation and build a livable, affordable city that prioritizes public safety and interest, then no progress on this venture is possible without its leadership standing accountable to the residents on whose behalf it has been given the responsibility to act, and do so with humility and courage. And there is no version of being a good steward for the people of Toronto, where Waterfront Toronto does not ensure that both the data and the digital infrastructure in all its developments is controlled by our public institutions.

Sincerely,

Saadia Muzaffar
Toronto, Ontario

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**Figure 6: Saadia Muzaffar’s Public Resignation Letter**

![Chart showing public opinion poll results]

**Figure 7 – Public Opinion Poll in February 2019**

Demographic groups most likely to:

**Support:**
- Men (63% vs. 48% of women)
- Income $150K+ (70% vs. 40% with income <$40K)
- Post-graduate education (61% vs. 37% with high school/less)

**Oppose:**
- Opposition to Quayside is consistent across demographic groups.

**Don’t know:**
- Women (43% vs. 24% of men)
- 18-29 years old (43% vs. 30% of those 45-59 years old)
- Income <$40K (49% vs. 20% with income over $150K)
- HS/less education (59% vs. 26% with post-graduate education)

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Q4. Knowing what you know about Waterfront Toronto, Sidewalk Labs and the Quayside project, do you support or oppose the Quayside project? Base: full sample (n=600)
Figure 8: Efficient Units (Sidewalk Labs, MIDP_Volume2, 256.)

Figure 9: Innovative pavements for improved accessibility
(Sidewalk Labs, MIDP_Volume2, 136.)
Figure 10: Public Concerns/How we responded format (Sidewalk Labs, MIDP_Volume0, 80 – 81).
Figure 11 – The Proposed IDEA District (Sidewalk Labs, MIDP Volume1, 19.)
To all members of the public interested in the future of Toronto’s waterfront,

Waterfront Toronto has received the draft Master Innovation and Development Plan (MIDP) proposed by Sidewalk Labs. The review and evaluation process now begins. It is Waterfront Toronto’s responsibility, informed by consultation with the public, technical experts, and all three levels of government to determine if the ideas in this proposal are in the public interest and respond to the objectives for Quayside that we agreed to with Sidewalk Labs in July 2018 (as reflected in the Plan Development Agreement).

It is important to know that Waterfront Toronto did not co-create the MIDP. While Waterfront Toronto and Sidewalk Labs did work together earlier in the process to do research, generate ideas, and consult the public, the roles of the two organizations then separated, allowing Waterfront Toronto to focus on creating a robust framework for review and evaluation of the MIDP. Sidewalk Labs’ responsibility is to prepare and submit the MIDP. The MIDP is subject to the approval of Waterfront Toronto’s Board of Directors and Sidewalk Labs.

Based on our initial review of the MIDP, there are a number of exciting ideas that respond to challenges we face, particularly related to environmental sustainability and economic development. There are also proposals where it is clear that Waterfront Toronto and Sidewalk Labs have very different perspectives about what is required for success. Here are early examples of what concerns us:

- Sidewalk Labs proposes the up-front creation of an IDEA District that covers a much larger area than the 12 acres of Quayside. Waterfront Toronto has told Sidewalk Labs that the concept of the IDEA District is premature and that Waterfront Toronto must first see its goals and objectives achieved at Quayside before deciding whether to work together in other areas. Even then, we would only move forward with the full collaboration and support of the City of Toronto, particularly where it pertains to City-owned lands.
- Sidewalk Labs proposes to be the lead developer of Quayside. This is not contemplated in the PDA. Should the MIDP go forward, it should be on the basis that Waterfront Toronto lead a competitive, public procurement process for a developer(s) to partner with Sidewalk Labs.
- Sidewalk Labs’ proposals require future commitments by our governments to realize project outcomes. This includes the extension of public transit to Quayside prior to development, new roles for public administrators, changes to regulations, and government investment. These proposals raise important implementation concerns. They are also not commitments that Waterfront Toronto can make.
- Sidewalk Labs has initial proposals relating to data collection, data use, and digital governance. We will require additional information to establish whether they are in compliance with applicable laws and respect Waterfront Toronto’s digital governance principles.

Waterfront Toronto is preparing a “Note to Reader” to support the public review of the MIDP. It will be released shortly, and identifies a number of areas of the Sidewalk Labs proposal that we understand are of particular public interest. We want to know, what do you like about the MIDP? What concerns you? What risks would you like to see Waterfront Toronto consider? And under what conditions (if any) you would want to see these proposals explored further? We encourage you to participate in the upcoming public consultation process to share your thoughts on these questions with us, along with any other comments or advice you would like us to consider.

As we have said before, this project has stirred vigorous debate and, regardless of the outcome, raises issues to consider. Whether the Quayside project proceeds or not, the conversation we are having is important for all of Toronto.

Sincerely,

[Signature]

Stephen Diamond
Chairman of the Board of Directors,
Waterfront Toronto

Figure 12 - Open Letter from Toronto Board Chair, Stephen Diamond Regarding Quayside.125
Figure 13 - Divisions of Public and Private Roles in the Partnership, as outlined in Sidewalk Labs’ Master Plan (Sidewalk Labs, MIDP_Volume0, 210.)
Endnotes


8 Waterfront Toronto, Request for Proposals, 6.

9 Waterfront Toronto, Request for Proposals, 8 – 9.

10 Sidewalk Labs, MIDP_Volume0, 50.

11 Waterfront Toronto, Request for Proposals, 18.

12 Waterfront Toronto, Request for Proposals, 18.


29 Waterfront Toronto, Request for Proposals, 14.
30 Waterfront Toronto, Request for Proposals, 14 – 15.
35 Waterfront Toronto, Request for Proposals, 14.
36 Waterfront Toronto, Request for Proposals, 14 – 15.
38 Waterfront Toronto, Request for Proposals, 14 – 15.
43 Waterfront Toronto, Request for Proposals, 14.
44 Waterfront Toronto, Request for Proposals, 14 – 15.
49 “How the Sidewalk Labs Proposal Landed in Toronto.”
50 One project critic recalled the confusing experience of sitting in on a public event with the two partners: “The CEO of Sidewalk Labs was sitting on his stage and saying, “we are here to improve your quality of life,” “we are here to make housing affordable,” “we are here to do good things for the environment,” and if you would listen to it and wouldn’t know who was talking, you would be sure it was a politician [speaking].” (Tusikov, “Sidewalk Toronto's Master Plan Raises Urgent Concerns.”).
53 “How the Sidewalk Labs Proposal Landed in Toronto.”
54 One project critic recalled the confusing experience of sitting in on a public event with the two partners: “The CEO of Sidewalk Labs was sitting on his stage and saying, “we are here to improve your quality of life,” “we are here to make housing affordable,” “we are here to do good things for the environment,” and if you would listen to it and wouldn’t know who was talking, you would be sure it was a politician [speaking].” (Tusikov, “Sidewalk Toronto's Master Plan Raises Urgent Concerns.”).
Sidewalk Labs, Responsible Data Use, 4.
Sidewalk Labs, Responsible Data Use, 5.

Haggart, and Tusikov, “Quayside Toronto Project Proves That Smart City Talks Must Be Transparent.”


https://torontoism.com/2017/10/civic-tech-list-questions-wed-like-sidewalk-labs-answer/
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Ibid.

Ibid.


Ibid.


Ibid.


Sidewalk Labs, MIDP_Volume0, 170.

Sidewalk Labs, MIDP_Volume0, 170-173.


