

West Don Lands (“WDL”)

Urban Capital

Construction of Urban Capital's Phase 2 building continues on schedule. After receiving support from Waterfront Toronto's Design Review Panel in October, Urban Capital is preparing their submission for municipal approvals for their Phase 3 building.

Toronto and Community Housing (“TCH”)

TCH continues to target occupancy of the buildings in early 2014.

The 519 Church Community Centre

Waterfront Toronto has been included in discussions with the Province, the City and the 519 Church Street Community Centre (“The 519”) with regard to a potential recreation centre in WDL. City Staff prepared a report for the December Council meeting recommending that negotiations with The 519 be undertaken to secure the facility on the Foundry site Blocks 17 and 26 (Eastern Avenue and St. Lawrence). The 519 is interested in establishing a community/recreation centre that is open to the general public, but which would focus on the provision of space and programming that is targeted to the LGBTQ community. The centre is envisioned to be an expansion of the existing 519 Community Centre on Church Street. The 519 is a City owned agency that operates the facility on Church Street.

The Foundry complex is to be used for the Pan/Parapan American Games Athletes' Village operations for the period of the games. The 519 proposal is to acquire the site upon completion of the Games. The project is estimated to cost approximately \$100M to build and is proposed to be funded with a large philanthropic donation (1/3), fundraising (1/3) and through public sector contributions (1/3). The City will fund the operations of the facility on an ongoing basis. Waterfront Toronto has indicated that the heritage components of the Foundry complex are to be incorporated into, and repurposed for, any redevelopment proposal, and has emphasized the need for satisfaction of Waterfront Toronto's objectives such as Precinct Plan compliance, design excellence, sustainability, etc. Waterfront Toronto is also encouraging the inclusion of a daycare in the centre to serve the WDL community. The proponents of the 519 proposal have indicated that they will work closely with the YMCA to ensure complementary programming and services to effectively service the local community and the broader LGBTQ communities.

The WDL precinct plan has always anticipated a recreation centre for the community. Currently, Block 9 (at the south end of Corktown Common) has been set aside for such a facility. Through discussions, Waterfront Toronto has indicated that should the City and Province decide to provide the Foundry complex to The 519, it will effectively become the community/recreation centre for WDL and the reserve on Block 9 will be released. Both the City and the Province have agreed to this stipulation. Waterfront Toronto will be involved in the negotiations throughout the process to ensure Waterfront Toronto objectives are met. Management will brief the Board on an ongoing basis as negotiations progress.

Woonerf Construction

Construction of the east half of the woonerf south of Urban Capital's King Street building is nearing completion, with final paver installation expected before the end of the year.

The public TCH woonerf (south end of the site) is 98% complete as required for occupancy, and has been turned over to TCH for use in completing construction of the buildings.

TCH will complete the private woonerf through their site as construction progresses, as per Waterfront Toronto specifications.

Public Art

Sumach and Eastern (identified in WDL Public Art Strategy as the Cherry Street Gateway) Procurement process is underway for a permanent artwork commission at this site, which will also include an Education and Outreach component with the neighbouring high school (Inglenook Community High School). This is the site of the old residence of Lucie and Thornton Blackburn, so artists short listed for this opportunity are being asked to develop proposals that somehow reflect this history. The short list for this project was selected December 16, 2013 by Waterfront Toronto's independent jury of art experts.

Construction Liaison Committee ("CLC")

The WDL CLC continues to meet on a 6-week schedule. The meeting gives the community an ongoing, regular opportunity to meet with Waterfront Toronto's developer and construction partners, which allows Waterfront Toronto to resolve issues related to noise, dust, traffic, etc., in a coordinated fashion before they become items of significance. No issues of significance were raised at the last meeting. The next meeting is scheduled for December 17, 2013.

Pan/Parapan American Games Athletes' Village

Construction continues on track and Dundee Kilmer continues to work towards site turn-over to TO 2015 in early 2015.

East Bayfront ("EBF")

Servicing

Waterfront Toronto and the City continue to develop a delivery agreement for the funding and construction of the long term sanitary and stormwater servicing to Cherry Street that will service both the EBF and North Keating Precincts. The agreement is anticipated to be executed by the end of the year. The engineering and design consultant has been selected and design will commence in December. Construction is scheduled to commence in the Spring of 2014.

Bayside

Sales of the first residential condominium at Bayside (Aqualina) have reached 85%. Tridel and Hines are looking to advance their designs and marketing for the second building shortly.

Waterfront Toronto continues to work towards registration of the final Plan of Subdivision which is required to transfer lands to Hines.

Construction of the local municipal services continues on site.

Dockside

The Request for Qualifications for a developer for the Waterfront Innovation Centre on Blocks 1 and 2 in Dockside closed on December 2, 2013. Waterfront Toronto and the City are currently evaluating the submissions in order to short-list proponents for the Request for Proposals, which will be issued to that list early in 2014.

Communications

On December 4, 2013 Waterfront Toronto held a Community Update meeting at George Brown College to provide an update on projects underway in East Bayfront. More than 150 people attended the meeting which included an overview presentation from Waterfront Toronto and detailed presentations from West 8+DTAH and Hines/Tridel.

Central Waterfront Report

Queens Quay Design and Construction

Varcon (site service contractor) continued work associated with sanitary sewer installation between York and Rees Streets. Varcon completed the sanitary sewer installation from Bay to York Street and continues with installation from Simcoe to Rees on the south side of the Toronto Transit Commission (TTC) ROW. Work on manholes, catch basins, and fire hydrants continues.

Stacey Electrical continued caisson installation for TTC, traffic, and light poles along the south side of the street between Rees and Spadina, and completed trenching and conduit work next to Rees parking lot, and along the north side of Queens Quay, between York to Simcoe. In addition, Stacey continued with work associated with TTC splicing chamber installations west of Rees Street.

Installation of granite pavement east of Rees WaveDeck was completed. The landscape contractor also began granite installation from Spadina WaveDeck to Robertson Crescent, and at the north side of Queens Quay at the Rees Street parking lot, and will begin landscape work at the northeast corner of the York/Queens Quay intersection.

Installation of sub-base and track bed is underway at the Spadina loop. Rebuild of the civil work (work associated with splicing chambers, hydro) within the loop is well underway.

Toronto Hydro continued work to complete chambers and duct banks along the south side of Queens Quay, and have completed work at Spadina intersection in order to facilitate the acceleration of the TTC Spadina Loop construction. It is expected that Toronto Hydro will continue to work across Queens Quay throughout the fall in order to complete its full civil program along Queens Quay.

In order to complete the Queens Quay revitalization in sufficient time to showcase and fully utilize the new grand boulevard during the 2015 Pan/Parapan American Games, it has been necessary to accommodate the delayed hydro utility relocations by advancing underground services construction in parallel with work by Hydro forces. While this approach will reduce the overall duration of construction, it is far less efficient than the ideal situation, in which construction crews are able to sequence work to maximize their productivity and the final location of potential obstacles can be known in advance.

Waterfront Toronto has been working closely with the construction manager and consultant team to minimize the additional investment required to complete the in-ground works coincident with hydro infrastructure by continually redeploying the civil and electrical sub-contractors' crews so as to maximize progress. Such strategies are necessary to limit the ultimate public cost as a result of

delays - the constraints posed by working around third-party operations and the redesign of underground services “on the go” as required to thread around and fit alongside utilities that are not yet ready to be moved from their original location.

As we approach the half-way mark of this highest risk construction phase, it appears likely that the contingency built into the currently approved budget will be insufficient to cover these unforeseen cost impacts. Management continues to identify and follow up on all cost containment opportunities and to review cost sharing allocations between ourselves and our third party partners to ensure that they remain appropriate.

Communications

Waterfront Toronto coordinated an extensive communications campaign to publicize required closures to Lake Shore Boulevard (at Lower Spadina) as we proceeded with the reconstruction of the Spadina Loop over two weekends in November. Special Notices about the closures were distributed to our Queens Quay database and promoted heavily on social media. We also coordinated with all appropriate City of Toronto agencies and drafted a News Release which the City disseminated to traffic reporters/general news outlets. Electronic digital sign boards were also deployed on major routes.

Waterfront Toronto continues to work closely with the Waterfront Business Improvement Area to support businesses during construction. We participate in monthly meetings with their Area Planning Committee and Event Committee to help mitigate construction impacts for both day-to-day business operations and the many special events on the waterfront (e.g., Winterfest).

Portland Slip Waters Edge

Construction is substantially complete and we are waiting for the Record of Site to be complete. The park should be open early next year.

Queens Quay Martin Goodman Trail Connection

Construction is substantially complete with some minor ongoing works being managed such as the relocation of a bell utility pole at Yonge.

Jarvis Dockwall Reinforcement

Construction is substantially complete including installation of the granite mosaic. The Waterfront Secretariat is coordinating the land transfer and the license agreement between the City and Redpath.

Planning and Design

Front Street - Block 4

Revised procurement process for this site has recommenced, with a prequalification document having been sent to artists on December 13, 2013. A shortlist will be selected by the end of January. Front Street is being built as a grand promenade from downtown to the new 18 acre park, Corktown Common, and Don River system. The public realm design for this area sets up this site as a threshold between the street and the park. A successful artwork at this site will enrich the activity of the street (which will be intensively animated with retail, restaurants and residences) and invite informal gathering and direct engagement with the artwork.

Health and Safety

There have been two incidents since the previous report however none have resulted in injury or lost time.

On November 10, 2013 a pedestrian stepped across the delineated work zone into a small section of fresh concrete contrary to the directions provided by the Paid Duty police officer who was controlling traffic. She was attended-to by the site crew but later asked for an ambulance to take her to Mount Sinai Hospital to have her ankle examined.

On November 12, 2013 a 2" water pipe was struck while Varcon was excavating, resulting in a temporary water shut-off to several properties. Service was reinstated later the same morning.

Don Mouth Naturalization and Port Lands Flood Protection Project ("DMNP") & Lower Don Lands ("LDL") EAs

Waterfront Toronto, the City of Toronto and the Toronto Region and Conservation Authority ("TRCA") continue to work towards the implementation of Phase 2 of the Port Lands Acceleration Initiative ("PLAI").

A meeting with the Ministry of Municipal Affairs and Housing ("MMAH") and the Ministry of Natural Resources was held on October 18, 2013 where both entities confirmed they are generally in concurrence with the phasing strategy being proposed in the DMNP EA. The DMNP EA has undergone final review and the draft submission to the Ministry of the Environment ("MOE") and other stakeholders was made earlier this month. The final submission to the MOE is anticipated to be made in late January or early February depending on the extent of comments received and approval is expected by the end of 2014.

The draft LDL Infrastructure Master Plan EA was circulated to the Project Team for review and comment in mid-October. Finalization of the EA amendment and submission to the MOE is anticipated in Q1 2014. Posting to the Environmental Registry for the required 30-day comment period is expected in the spring of 2014.

Port Lands Planning Framework/Transportation and Servicing Master Plan

Waterfront Toronto and the City of Toronto have been directed by City Council to develop a high-level planning framework for the Port Lands to establish a comprehensive plan that will guide investment and revitalization in the area. The Port Lands Profile (now complete) documents existing conditions and provides background information that will be used to develop the Port Lands Planning Framework.

The City has initiated the Transportation and Servicing Master Plan ("TSMP") project and Waterfront Toronto is assisting in these efforts, which will support the extensive planning work that is taking place in the Port Lands and South of Eastern areas. The TSMP will identify the servicing infrastructure required to facilitate revitalization and will also supplement the sanitary sewer network analysis completed through the development of the Waterfront Sanitary Master Servicing Plan. The TSMP will identify the major street and transit network required to support revitalization of the Port Lands and continued economic growth in South of Eastern while ensuring a high-quality public realm, and identifying the servicing infrastructure to supplement previous EAs and accommodating future development.

Film Studio Precinct Plan

The Project Team continues to work with Du Toit Allsopp Hillier (“DTAH”) and R.E. Millward and Associates on the Film Studio Precinct Plan. A series of stakeholder discussions were held on December 5, 2013 with various Land Users in the precinct to get their ideas on the type of revitalization they are hoping to see on their respective parcels.

Cousins Quay Precinct Plan

The Cousins Quay Precinct Planning contract has been awarded to a consulting team consisting of Urban Strategies, W Architecture and Landscape Architecture, ARUP, and RWDI. A kick-off meeting was held on November 8, 2013 followed by a Technical Briefing meeting with the DMNP and LDL EA Teams on November 26, 2013. The Project Team held a meeting on December 5, 2013 with the Landowner at 309 Cherry Street to get their ideas and opinion on the kind of revitalization they are proposing for their site.

Lake Ontario Park and Tommy Thompson Park

The Project Team held a workshop on November 27, 2013 to refine and prioritize the quick start list. The list will be used to develop design and costing information required in order to determine potential avenues for funding for the work. The Project Team is also developing an overall public consultation strategy and process for this project.

Communications

On November 28, 2013 Waterfront Toronto, the City of Toronto and TRCA held a public meeting at Riverdale Collegiate Institute to introduce the following planning initiatives currently underway as part of Phase 2 of the PLAI:

- Port Lands Planning Framework;
- Cousins Quay Precinct Plan;
- Film Studio Precinct Plan;
- Port Lands and South of Eastern Transportation and Servicing Master Plan and EA; and
- South of Eastern Strategic Direction.

Approximately 100 people attended the meeting and the overall response was positive. Participants were provided with a Workbook to provide comments and feedback. The Participant Workbook was also available on line until December 12, 2013.

Environment and Innovation

Tulip Bulb Planting at Underpass Park

The Dutch Consulate provided Waterfront Toronto with 500 tulip bulbs as a gesture of friendship between the Netherlands and Canada, signifying the collaboration between Waterfront Toronto, the City of Toronto and the Netherlands over many years. These bulbs were planted in Underpass Park in an area of future community gardens, by a volunteer planting group comprised of staff from Waterfront Toronto and the Dutch Consulate.

Intelligent Communities

Waterfront Toronto's Intelligent Community efforts were featured in a number of media outlets as a result of the portal launch. In addition, IBM Canada President, Dan Fortin featured Waterfront Toronto in his remarks at the Forum of the Americas. Additional outreach was conducted through presentations at and/or participation in the ICF Symposium at Walsh University, the University of Western Ontario Masters of Public Administration Alumni Conference, CASCON 2013 and Technicity 2013.

A significant focus for this quarter has been, and will continue to be, the RFQ process for the Innovation Centre.

East Bayfront Transit

The technical team continues to conduct due diligence on the feasibility and costs of the expanded LRT platform options that are currently under consideration. Meetings have been held with the developers representing 45 Bay Street, the Air Canada Center, Metrolinx and the TTC to evaluate the layout, phasing, constructability and operating impacts of the alternatives, which include:

1. The approved Environmental Assessment ("EA") option providing for the expansion of the existing station and construction of new LRT platforms below the rail corridor.
2. Relocating the turning loop approximately 150 metres to the south so that it is not below the rail corridor and constructing all new LRT platforms under Bay Street.
3. Constructing two new LRT platforms under Bay Street south of the rail corridor while continuing to utilize the existing turning loop and protecting for the future construction of additional platforms under the rail corridor at Union Station in accordance with the approved EA.

The project team expects to select the preferred option by the end of 2013 in order to allow for the completion of the P3 Canada business case by the end of Q1, 2014.

The Project Charter detailing the project delivery model, organization, team roles and responsibilities and project scope and budget will also be confirmed by year end.

The 2013 Fall Economic Outlook and Fiscal Review (Fall Statement) by the Province of Ontario announced the creation of the Ontario Trillium Trust. The Trillium Trust would see revenue gains from asset sales placed into a consolidated trust and used to finance key public infrastructure priorities. In addition, the fall statement also identified the building of transit by the Ontario government as an "economic priority" as increased transit creates jobs and spurs economic growth.

The fall statement also committed that the one-time proceeds from the sale of the LCBO head office location be placed into the new Trillium Trust (as the first deposit) to fund priority infrastructure projects. This is a positive development in so far as the province has decided not to direct the revenues to the consolidated revenue fund (to fund other operating or capital priorities) leaving the option available for the funds to be directed to EBF transit.

We continue to have regular meetings with Minister Murray who is very supportive in helping to find a permanent transit solution in EBF and a broader waterfront east LRT. We also continue to follow up with MOI staff for updates on the meeting between the Ministry of Finance and MOI which is required to ensure that LCBO land sale revenues will be committed to EBF transit.

We are also moving ahead with the development of the P3 Canada business case model in partnership with Infrastructure Ontario ("IO") and the City as required under the application process. The contract for the financial advisor has been awarded to a team led by Ernst & Young with technical advisors CH2M Hill. The kickoff meeting with the consultants was held December 11, 2013.

Communications and Marketing

Media Relations

Late October into early November featured wide trade and business media coverage of Toronto's inclusion in the "Smart 21", the Intelligent Community Forum's list of the world's "smartest" cities. Waterfront Toronto's press release, tweets and Facebook posts generated positive coverage that frequently mentions Waterfront Toronto's role in integrating intelligent infrastructure into developments and building the New Blue Edge portal.

Waterfront Toronto's Intelligent Community initiative has also recently been featured on a number of tech and real estate blogs, including InsightaaS, MyCondoLife, ReNew Canada, ExecutiveBiz, NetNewsLedger, TechVibes, and Shpot.

Planned affordable housing in East Bayfront was the subject of brief but intense coverage in the Toronto media; the City's Housing Committee passed a motion to fund the housing.

The Toronto Sun ran a Sunday feature story on the options presented by Waterfront Toronto and the City on the future of the Gardiner East, including the public consultation on each of the options.

After extensive public debate and media coverage on the proposal to expand the BBTCA, Waterfront Toronto received solid media coverage – including Toronto dailies, CBC and CFRB – on the presentation of its opinion on the proposed expansion after a Special Board Meeting on December 2, 2013.

Co-Producing an Exhibition with the Toronto Reference Library

Waterfront Toronto has begun talks with the Toronto Reference Library to co-produce an art and artifacts exhibition to be presented from August 2014 to October 2014. The content of the exhibit will be drawn from Waterfront Toronto's archives and the Toronto Reference Library's collections to tell the story of waterfront development, from Jon Graves Simcoe's early idyllic vision of the Walks & Gardens Trust through industrialization, to the revitalization process underway today.

Social Media

We continue to see steady growth in our follower base on Facebook and Twitter.

Facebook

Likes on the Waterfront Toronto fan page have increased to 1934, up 42% from 1366 at the beginning of January. The most popular posts were about Waterfront Toronto's position on the proposed expansion of Billy Bishop Toronto City Airport ("BBTCA") and Toronto's recent recognition in the Smart21 Intelligent Communities for 2014. The two top posts alone reached more than 9,500 fans.

Twitter

The number of followers has increased to 6,319, up 62% from 3902 at the beginning of January. The top retweeted posts were about the proposed expansion of BBTCA, Ontario Place and the skating rink at Sherbourne Common. Waterfront Toronto continues to actively engage with social media influencers to help keep our follower base growing, promote more sharing of our content and cultivate new relationships.

LinkedIn

For the third quarter of 2013, Waterfront Toronto has begun to scale up activity on the LinkedIn Company page. We have been sharing employment opportunities, project updates, and articles that support thought leadership in city building. The LinkedIn followers have increased to 772, up 20% from 641 on September 1, 2013. In that time, posts about the CSRSR Town Hall, Innovation Centre RFQ, job postings and Waterfront Toronto's Statement on the Expansion of BBTCA have generated over 12,000 impressions. Waterfront Toronto used LinkedIn's sponsored story feature to promote the Innovation Centre RFQ and generated 6,204 impressions for this post alone, which translated into 46 new leads for the opportunity.

Ontario Place Park and Trail

The design of Ontario Place Park and Trail is off to a successful start with Waterfront Toronto leading the design management of the project. A joint venture of West 8 and Land Inc. was selected as the design consultant in October. On December 4, 2013 the Ministry of Tourism Culture and Sport, Waterfront Toronto and IO held the first in a series of public meetings on the new Park. This first meeting outlined the project, introduced the design team and sought ideas and feedback from the public on what they'd like to see in the park. Approximately 100 people attended in person. Participants were engaged, positive and provided the team with great feedback and a range of interesting ideas on what could be included in the park. The joint venture is expected to come back with a schematic design proposal in early January in order to meet the aggressive delivery schedule for the park.

Lower Yonge Precinct

The Lower Yonge Urban Design Guidelines and Transportation Master Plan EA have been drafted and are currently being reviewed by City staff. Additionally, Waterfront Toronto and the City are jointly developing the Precinct Plan which will set out the policy framework for the area building upon the work of the Urban Design Guidelines and Transportation Master Plan.

Gardiner East EA

The Gardiner East EA and Urban Design Study team is currently evaluating the alternative solutions (Improve, Replace, and Remove) along with the baseline City of Toronto capital rehabilitation plan (Maintain). A public meeting to consult on the draft evaluation of the alternative solutions will be scheduled for early in the New Year.

Billy Bishop Toronto Community Airport

The Board of Director's discussed the issue at the December 2, 2013 Special Board Meeting. At the December 3, 2013 meeting of the Toronto East York Community Council, Waterfront Toronto's Board Chair and the CEO had the opportunity to restate the Board's position in answering questions posed by Community Council members. Waterfront Toronto was also scheduled to depute December 5, 2013 at the Executive Committee of City Council. No deputations were heard as Executive Committee voted to defer a debate on airport expansion. The committee approved a motion from Deputy Mayor Norm Kelly to postpone the discussion and vote until either February 4, 2014 or a special meeting earlier than that, likely January. Waterfront Toronto will depute at that time. City Council will consider the matter after the Executive votes. The City's Board of Health Report will go to Council as scheduled on December 16, 2013.

Essroc

The arrangement to extend Essroc's occupancy of its existing premises on Cherry Street from November 30, 2013 to May 31, 2014 was completed on December 2, 2013 on the terms reported at the in-camera portion of the October Board meeting. Essroc has a further right to extend this occupancy to the end of 2014. Essroc has prepared a Phase 1 environmental report and an updated dockwall study and will be working with its landlord, TPLC, over the next couple of months to determine the work required to be completed to meet the requirements of its license agreement when it vacates the property.