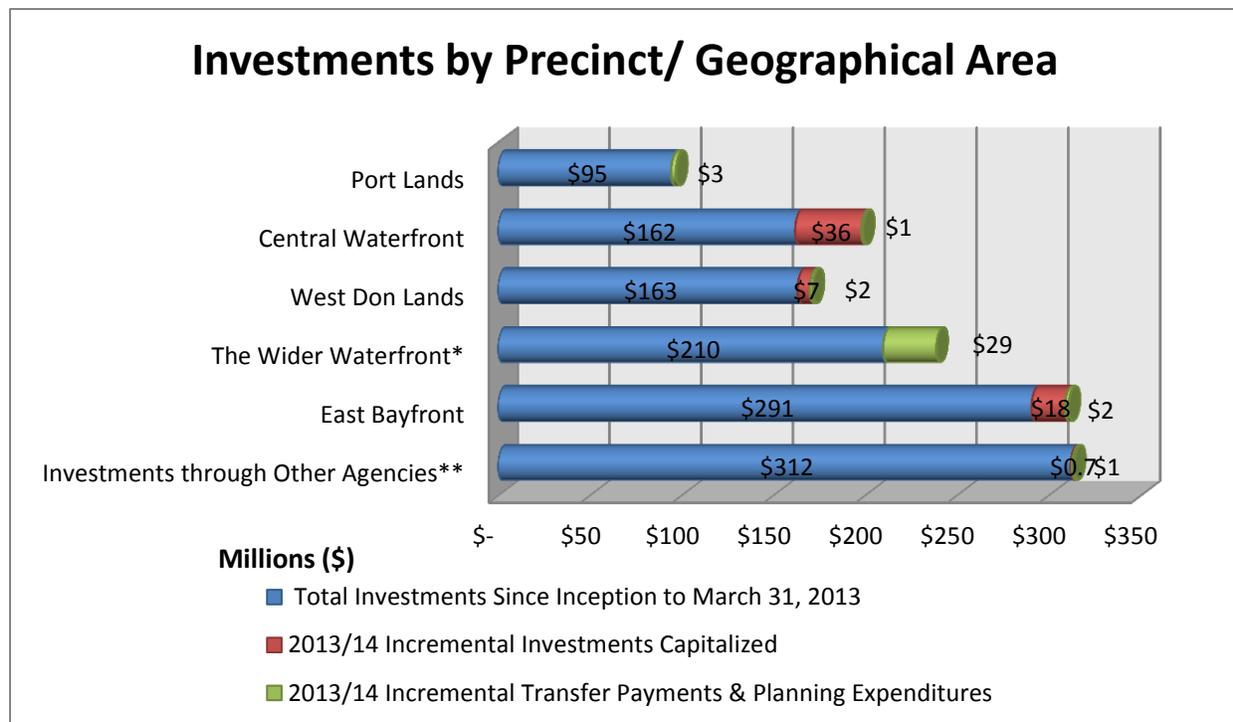


2013/14 Management Report

RESULTS FOR THE YEAR

During the year ended March 31, 2014 Waterfront Toronto (the Corporation) continued with the implementation of its mandate to oversee and manage the revitalization of Toronto's waterfront.

Waterfront Toronto and other government agencies have invested over \$1.3 billion over the last thirteen years (2001-2014) in capital projects on Toronto's waterfront. These are revitalization initiatives that the citizens of Toronto, Ontario and Canada will enjoy and benefit from for generations to come. The following graph illustrates investments by precinct/ geographical area, with investments for the period April 1, 2013 – March 31, 2014 (2013/14) totaling \$99 million split between those capitalized, and those reflected as transfer payments and project planning expenditures per the Corporation's financial statements:



* The Wider Waterfront includes primarily construction of Union Station Second Platform, Mimico Park and Port Union Waterfront Park.

** Investments through other agencies relate to government funding which is flowed directly to other government agencies (not through Waterfront Toronto) for projects such as the flood protection landform in West Don Lands, GO Transit expansion, Union Pearson rail link and government secretariat costs.

The major activities of the Corporation for 2013/14 included:

Port Lands:

- Completed the Don Mouth Naturalization Environmental Assessment (EA) as approved and directed by Toronto City Council and continue to work on the Port Lands Framework Plan;
- Continued to provide oversight and co-ordination for stakeholders in West Keating development projects;
- Lead development of precinct plans for Villiers Island (Cousin's Quay);
- Continued to coordinate with other stakeholders on the development of the Port Land's funding strategy.

Central Waterfront:

- Continued construction on Queens Quay with substantial completion of all deep services (storm and sanitary sewer installation), and commencing construction of Queens Quay Boulevard improvements (north side) and replacement of Queens Quay streetcar tracks; and
- Completed construction of the Portland slip promenade.

West Don Lands:

- Completed construction and opened two signature parks – Corktown Common (west side) and Underpass Park;
- Substantially completed construction of the woonerfs in River City development;
- Continued to work with Infrastructure Ontario in delivery of the Pan American Games athletes' village;
- Developed a land disposition strategy for future development blocks; and
- Continued to work with the Province and Rekaï Centres on a potential long term care facility.

Wider Waterfront Initiatives:

- Waterfront Toronto has substantially funded its share of the continued construction work for Union Station Second Platform;
- Initiated installation planning for the Intelligent Community Wi-Fi Network Services for public realm spaces; and
- Created the portal and middleware to support intelligent community initiatives.

East Bayfront:

- Commenced construction of Bayside local streets (Phase 1), dockwall reinforcement and water's edge promenade as well as storm water infrastructure;
- Initiated the competitive process to select a developer for Dockside's Blocks 1 and 2 including the Innovation Centre;
- Executed an Option Agreement with George Brown College for Dockside Block 3 and continue to work on plans for the potential delivery of a recreation centre and child care facility;
- Received in-principle Council approval for the Bayside Affordable Rental Housing Pilot project;
- Commenced development planning for Quayside district; and
- Registered the Bayside Phase 1 Plan of Subdivision.

Corporate:

- Implemented the Carbon tool and launched Waterfront Toronto's Corporate Social Responsibility Report as a microsite.

Capital expenditures have been incurred in the following geographical areas:

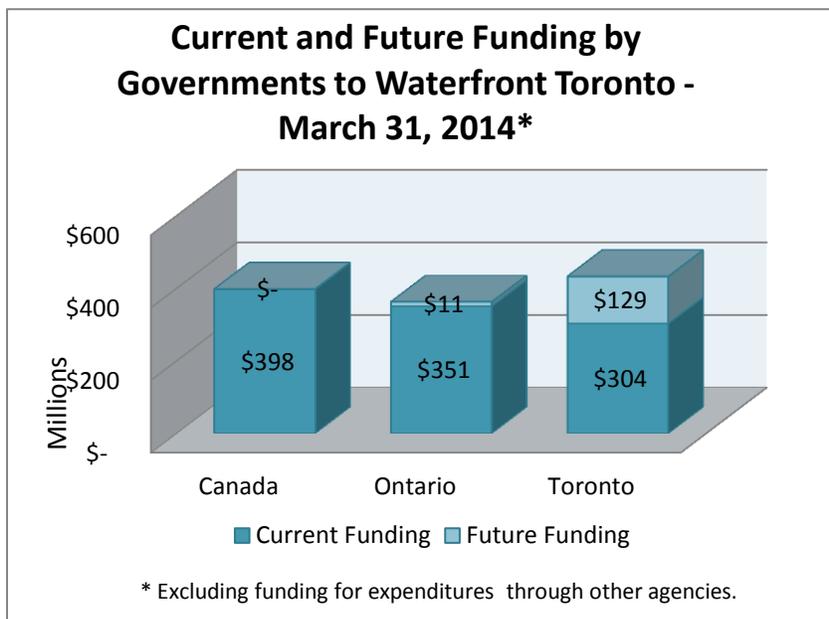


RESOURCES

In 2001, the three orders of government pledged \$1.5 billion (\$500 million each), subsequently increased to \$1.579 billion, as initial capital for waterfront initiatives. From the government funding, approximately \$1.2 billion has been or will be made available to Waterfront Toronto through government contributions and the balance has been or will be flowed directly to other government agencies for projects in the designated waterfront area.

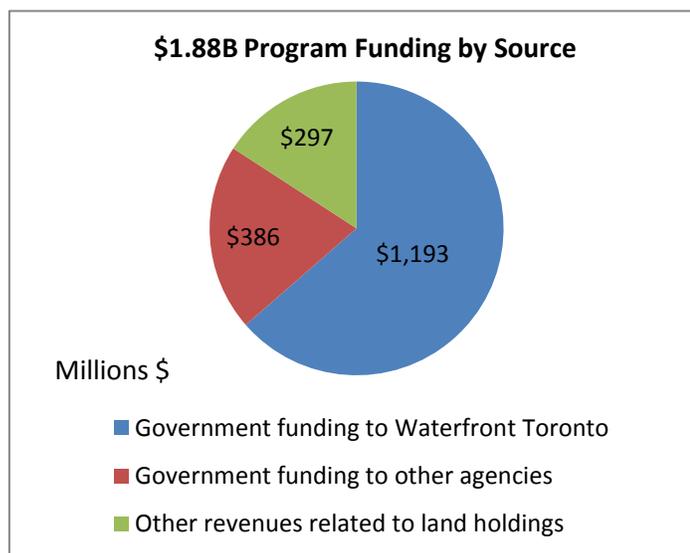
As of March 31, 2014, approximately \$1.1 billion (88%) has been received by Waterfront Toronto with the majority of the remaining balance of \$0.1 billion to be received over the next two years.

The initial funding pledged by the three governments was intended to be a catalyst for the private sector to complete the remaining revitalization of the waterfront.



Now at the halfway mark of its 20 year mandate, the Corporation, through the use of private public partnerships, has attracted private development projects valued at nearly \$2.6 billion¹ to the first new waterfront neighbourhoods of East Bayfront and West Don Lands – more than double the value of government investments to date.

Based on government funding and other revenues, Waterfront Toronto has developed a \$1.88 billion capital expenditure program. Of this, Waterfront Toronto is currently directly managing \$1.5 billion comprised of government funding (\$1.2 billion) and other revenues related primarily to land proceeds (\$297 million). The balance of \$386 million is being flowed directly to other government agencies for projects in the designated waterfront area, such as for the flood protection landform in West Don Lands, GO Transit expansion, Union Pearson rail link, and government secretariat costs.



¹ Economic Impact Analysis study by urbanMetrics Inc., April 2013.

GOING FORWARD

As detailed in the Corporation's 2014/15 Annual Corporate Plan, East Bayfront , Central Waterfront, West Don Lands and Waterfront-wide initiatives continue to be the focus of Waterfront Toronto's implementation efforts for the 2014/15 fiscal year.

In East Bayfront, the key deliverables relate to substantial completion of construction of Bayside Phase 1 local streets and services as well as public realm (namely construction of Bayside dockwall reinforcement and water's edge promenade) as well as commencing soil remediation. In addition, achievement of a record of site condition on Bayside Phase 1 to enable commencement of construction of the first residential condominium building will be a significant focus.

In West Don Lands, the key deliverables relate to completion of construction of all remaining woonerfs, public art installation on Mill Street, completion of Pan Am/Parapan Am Games Athletes Village, commencing public art installation on Front Street, as well as potentially a transaction with Re kai Centres.

In Central Waterfront, the key deliverables relate to completion of Queens Quay improvements (north side), substantial completion of construction of Queens Quay (south side), complete replacement of Queens Quay streetcar tracks

Under Waterfront-wide initiatives, the key deliverables include completion of the Union Station Second Platform.