

MINUTES of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at 20 Bay Street, Suite 1310, Toronto, Ontario on Monday, December 12, 2016 at 8:30 a.m. local time.

PRESENT: Mark Wilson, Chair
Helen Burstyn
Steve Diamond
Denzil Minnan-Wong
Mohamed Dhanani
Susan Henderson
David Johnson
Sevaun Palvetzian
Janet Rieksts-Alderman
Meric Gertler
Julie Di Lorenzo

ABSENT: Ross McGregor

The following additional persons were in attendance throughout the meeting, unless otherwise indicated: Will Fleissig, President and Chief Executive Officer; Marisa Piattelli, Chief Administrative Officer; David Kusturin, Chief Operating Officer; Meg Davis, Chief Development Officer; Chris Glaisek, Vice President Planning & Design; Ian Beverley, General Counsel; Lisa Taylor, Interim Chief Financial Officer; Andrew Hilton, Director Communications and Public Engagement; Kristina Verner, Director Intelligent Communities; and Sonya Pead, Associate Legal Counsel;

Also in attendance was Siri Agrell and Irene Bauer of the City of Toronto and Tara Dobson of the Province of Ontario.

The Chair, Mark Wilson, took the chair and appointed Ann Landry to act as secretary of the meeting.

The Chair introduced and welcomed four new Board members - provincial appointee Meric Gertler and federal appointees Sevaun Palvetzian, Janet Rieksts-Alderman and Mazyar Mortazavi (appointment effective January 1, 2017).

With notice of the meeting having been sent to all Directors in accordance with the Corporation's By-laws and a quorum of Directors being present, the Chair declared the meeting duly constituted for the transaction of business.

1. Motion to Approve Agenda

ON MOTION duly made, seconded and carried, it was **RESOLVED** that the Meeting Agenda for the December 12, 2016 Board meeting, as tabled, was approved.

2. Declaration of Conflicts of Interest

There were no conflicts declared.

3. Consent Agenda

ON MOTION duly made by Steve Diamond, seconded by Mark Wilson and carried, it was **RESOLVED** that the Consent Agenda comprising the minutes of the October 25, 2016 meeting of the Board of Directors was approved.

4. CEO Report

Will Fleissig referred to his report which updated the Board on the following matters and which is posted publicly on the Corporation's website:

West Don Lands ("WDL")

- West Don Lands Development
- Construction Liaison Committee ("CLC")
- WDL Memorandum of Understanding ("MOU")

East Bayfront

- Bayside
- Waterfront Innovation Centre (Blocks 1 &2)
- George Brown College ("GBC") Block 3
- Quayside

Port Lands

- Port Lands Flood Protection Due Diligence Report
- Early Works – Essroc Quay Lakefilling Project
- Government Relations with regard to a tri-government funding commitment to Port Lands flood protection

Other

- Expo 2025
- Health and Safety
- The Bentway
- Jack Layton Ferry Terminal and Harbour Square Park Master Plan
- East Bayfront Transit
- Gardiner East EA
- Lower Yonge Precinct
- Central Waterfront – Waterfront Public Realm Standards and Portland Slip Sidewalk Extension
- Design Review Panel Visioning Session
- Public Engagement – Ice Breakers
- "Going to Scale" Summit

Mr. Fleissig also provided a verbal report on the Going to Scale Summit, which was held on November 11, 2016 with 55 participants from across industry, academia, Toronto's innovation ecosystem and the not-for-profit sectors. He advised that the summit highlighted the opportunity Toronto's waterfront presents in terms of overcoming the national productivity gap and barriers Canadian firms face in going to scale.

Kristina Verner provided a brief overview of key discoveries made at the Summit including:

- Support for scaling up – support for entrepreneurial companies;
- Transformation of traditional procurement models;
- Potential creation of a distinct Waterfront Zone which has a different regulatory framework and risk model;
- The need for innovative financial models to support growth;
- The urgency of helping to overcome the productivity gap;
- Potential for Toronto to be recognized as a World Design Capital;
- The need for demonstration spaces and environments;
- A need to address reskilling and inequality in today's economy;
- The opportunity to harness data and analytics;
- How to prevent companies from leaving Canada (and to repatriate those that have already left).

Ms. Verner discussed next steps and responded to questions from the Board.

Mr. Fleissig responded to questions from the Board regarding the full report and advised that the items were tabled for information purposes only.

5. Committee Chair Reports

Finance, Audit and Risk Management (“FARM”) Committee

Unaudited Financial Statements

The Chair of the FARM Committee, David Johnson, tabled the unaudited Financial Statements for the period ended September 30, 2016. He provided an overview of said Financial Statements including Statement of Financial Position and Statement of Financial Activities. He responded to questions from the Board and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the unaudited Financial Statements for the period ended September 30, 2016 were approved.

Quarterly Board Report

David Johnson tabled the Quarterly Financial Variance Report and Work Package Risk/Status Report. He advised that the reports summarize the budget, commitment, current costs, forecast costs, budget variance and risk status of each active project at the close of each fiscal quarter.

Questions/queries were tabled and Management responded - items included:

- The Stormwater Management System and the funding required to complete the project;
- The number of projects (if any) that Waterfront Toronto is responsible for completing, but are presently unfunded;

- How the work on the Jack Layton Ferry Terminal (“JLFT”) is being funded - Management advised that the City of Toronto asked Waterfront Toronto to assist in creating a long-term strategy for the JLFT, however the project is not a capital obligation of Waterfront Toronto.

Quarterly Cash Flow Report

David Johnson tabled the Quarterly Cash Flow Report advising that as of November 30, 2016 the Corporation has not drawn on the loan with CIBC and the full \$40,000,000 remains available. He advised that the cash flow forecast was updated to reflect the 2017/18 Long Term Plan which includes a potential land acquisition anticipated to close within Fiscal 2018. He advised that the next forecasted borrowing requirement is projected in August 2017 totaling approximately \$4M and is anticipated to be repaid in September 2017. He further advised that additional borrowing of \$5.5M will be required in October 2017. A brief discussion ensued and it was agreed that going forward, cash flow reports will show the actual cash balance since the last reported quarter end and looking forward, forecast cash flows for a period of 18 to 24 months.

2016/17 Corporate Plan Progress Report

Mr. Johnson referred to two new reports (Key Deliverables and Budget) that track investments against the Corporate Plan. He advised that overall the Corporation is on track to complete 10 out of 16 key deliverables as per the approved 2016/17 Corporate Plan with six deliverables deferred to 2017/18. He further advised that the Corporation is on track to invest 94% of its total 2016/17 Capital Investment Plan (\$63 million vs. \$67 million, exclusive of government flow-throughs).

Partnership Committee

Helen Burstyn, Chair of the Partnership Committee, provided a brief overview of the Committee’s last meeting held on December 5, 2016 where the preliminary projects were discussed including the Jack Layton Ferry Terminal and Quayside Development, along with an update on the Memorandums of Understanding currently being discussed. She further advised that representatives from MaRS presented their thinking on social impact investing which could be a new avenue to obtaining capital for the affordable housing component of Waterfront Toronto’s development projects.

6. Bayside Phase 2 Capital Approval

David Kusturin advised the Management is seeking capital approval for the municipal services, roads and public realm in Bayside amounting to \$42.03 million in order to provide the necessary infrastructure to serve Bayside Phase II (a commercial and residential development), the next phase of the Bayside development. He advised that the \$42.03 million is in addition to the \$2.67 million capital approval obtained in April 2016 for Bayside Phase II early works dockwall reinforcing which is associated with the above municipal services. He advised that the projects are to be delivered by Waterfront Toronto by September, 2017 in part, and by September 2018 in full, as part of the Project Agreement between Hines and Waterfront Toronto.

He advised that the Phase 2 infrastructure work involves dockwall reinforcement & balance of the Water's Edge Promenade (to Parliament), internal municipal services & public realm (public and private streets), and hydro connections.

Mr. Kusturin then provided an overview of the project including the following:

- Scope of Work;
- Risks;
- Contracting Strategy;
- Design and Construction Schedule;
- Capital Budget Estimate; and
- Funding.

Mr. Kusturin responded to questions from the Board regarding the terms of the Bayside deal vis-à-vis revenues, closing dates, extensions, and infrastructure and services requirements. The Board also asked and Management confirmed that at the present time, the contingency is believed to be sufficient to complete the project.

ON MOTION duly made by David Johnson, seconded by Steve Diamond, and carried, it was **RESOLVED** that the Board of Directors hereby approve a capital expenditure of \$42.03 million to complete the municipal services, roads and public realm necessary to service Bayside Phase II, the next phase of the Bayside Development.

7. Environmental Issues

Ian Beverley advised that there were no new environmental issues to report.

8. 2017/18 Annual Corporate Plan

Lisa Taylor advised that the 2017/18 Corporate Plan has evolved from previous years to make it more accessible to broader audiences. She advised that from a transparency and accountability perspective, considerable effort was made to present Waterfront Toronto's strategy and goals in a more visually appealing and easy-to-read format. She further advised that the annual Corporate Plan must be approved by the Board 90 days prior to the start of the Corporation's fiscal year (by December 31st for April 1st fiscal year beginning) but is not intended to be a static document - Management intends to revisit this plan at the beginning of the fiscal year in the Spring of 2017.

Ms. Taylor tabled the 2017/18 Corporate Plan which reflects the Corporation's refreshed vision, mandate, challenges, opportunities and strategic priorities, developed through an in-depth visioning process undertaken by the Corporation in 2016.

Ms. Taylor then provided highlights of the plan including the following:

- Key messages from the Corporation's CEO, Will Fleissig, and Chair of the Board, Mark Wilson, together with the composition of the Corporation's Board of Directors.

- Who we are, our evolving challenges and opportunities (the environmental scan) together with our five strategic objectives – the Waterfront Toronto Plus.
- Three transformational projects that are key priorities for Waterfront Toronto moving forward – Jack Layton Ferry Terminal; Quayside; and Port Lands Flood Protection.
- Specific Key Deliverables for 2017/18 – 10 key projects are profiled together with their respective spend for the year, accounting for 87% of the total Capital Investment Plan for 2017/18.
- Capital Investment Plan for 2017/18 of \$135 million focused primarily in:
 - East Bayfront \$60 million - local public streets and public realm for Bayside Phases 1 and 2; construction of the storm water quality management facility and securing lands related to the Queens Quay Parliament Street realignment;
 - Port Lands \$43 million – largely construction of Essroc Quay lakefilling project;
 - The Bentway \$13 million – substantial construction of this project
 - West Don Lands \$12 million – largely construction of the storm water quality management facility.
- Staff and corporate resources plan of \$12.1 million, representing an overall reduction from the prior year’s budget of 2.4% (\$0.3 million).
- This plan has been developed based on an analysis of the HR resources and skill sets required to deliver the 2017/18 strategic objectives, while at the same time identifying opportunities to streamline staff functions and operations.
- Accordingly, the 2017/18 HR budget in this plan is \$9.6 million, which is approximately 4% lower than the approved HR budget for 2016/17 of \$10 million.
- The plan reflects an increased investment in IT costs both in the revised forecast for 2016/17 and the 2017/18 budget. This increase is directly related to the replacement of end-of-life equipment required to ensure a secure, reliable and high performance IT infrastructure. Significant investments include replacement of:
 - The Corporation’s servers, switches and related application (2016/17);
 - Replacement of the Corporation’s financial system with an off-the-shelf, cloud based Enterprise Resource Planning/Project Management Information System (2017/18);

All investments are scalable to sustain and meet the growing needs of the Corporation for the next five years.
- Funding Plan which highlights greater reliance on non-government revenues, together with borrowing up to \$25 million in 2017/18, planned to be fully repaid in 2019/20.
- Cash Flow Management and Risk Management processes.
- Next Steps.

Ms. Taylor responded to questions from the Board and the following suggestions and clarifications were noted:

- A note at the start of the 2017/18 Key Deliverables section that provides clarity regarding the order of the projects being geographic, from west to east, and not in order of priority.
- A note on 2017/18 Key Deliverables No. 3 (Jack Layton Ferry Terminal) clarifying that this deliverable is a first phase only and a step in the overall project, and that Waterfront Toronto is working with the City to develop and explore new partnerships and funding opportunities to complete the project.
- Relevant aspects of cash flow included in Appendix 2 (Capital Investment Plan & Funding Summary) should be reflected earlier in the Plan, particularly as pertaining to repayment of the 2017/18 borrowing requirement.
- Waterfront Toronto's work on community engagement should be highlighted in future revisions to the Plan, particularly its public engagement and outreach plan.
- Adjustment to the rendering of Quayside on page 11/17 or a clarifying note to specify that the height/massing displayed is not final.

Further discussion was not required and **ON MOTION** duly made by Steve Diamond, seconded by Julie Di Lorenzo and carried, be it **RESOLVED** that the Board of Directors hereby approve the 2017/18 Corporate Plan with the above noted suggestions and clarifications incorporated.

9. Motion to go into Closed Session

ON MOTION duly made, seconded and carried, the Board **RESOLVED** to go into closed session in accordance with Section 190.2(a, b and c) of the City of Toronto Act ("COTA") and Section 6.1.1(a, b and c) of By-Law No. 2 of the Corporation (*the security of the property of the Corporation, personal matters about an identifiable individual, including employees of the Corporation, and a proposed or pending acquisition or disposition of land*).

The Chair indicated to members of the public present that it was in order for them to depart the meeting. Members of the public left the meeting at 11:00 a.m.

Closed Session
11:05 a.m.

10. Committee Chair Reports – Quayside Development

A confidential report in accordance with Section 190.2(c) of COTA and Section 6.1.1(c) of By-Law No. 2 (A proposed or pending acquisition or disposition of land)

Meg Davis provided a confidential overview of the project, including the project objectives, and responded to questions from the Board. Ms. Davis advised that the presentation was for information purposes only.

11. Port Lands Funding

A confidential discussion in accordance with Section 190.2(a) of COTA and Section 6.1.1(a) of By-Law No. 2 of the Corporation (the Security of the Property of the Corporation)

Will Fleissig provided the Board with an update on confidential discussions with governments regarding funding for the Port Lands. He responded to questions from the Board and a fulsome discussion ensued.

At this time the Chair indicated to Management present that it was in order for them to depart the meeting. Management left the meeting at 9:40 a.m.

12. President and CEO Contract Amendment

A confidential discussion in accordance with Section 190.2(b) of COTA and Section 6.1.1(b) of By-Law No. 2 of the Corporation (personal matters about an identifiable individual, including employees of the Corporation)

Mark Wilson tabled an amendment to the President and CEO's contract regarding a revision to the vacation entitlement to make it consistent with the contract of the previous CEO. Discussion ensued and Mr. Wilson responded to questions from Board members.

A motion will be tabled during the Open Session of the meeting.

13. Motion to go into Open Session

In accordance with Section 190 of COTA and By-Law No. 2 of the Corporation, and the closed session discussions having been completed, **ON MOTION** duly made, seconded and carried, the Board **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for Management and members of the public to return to the meeting. Management and members of the public returned to the meeting at 11:45 a.m.

Public Session

12:00 noon

14. Resolutions Arising during the Closed Session

As a result of the closed session discussion, the following resolution was proposed and voted on in the open session:

ON MOTION duly made by Mark Wilson, seconded by Helen Burstyn and carried, be it **RESOLVED** that the Board of Directors hereby approve the amendment to the CEO's contract regarding a revision to the vacation entitlement, making it consistent with the contract of the previous CEO.

15. Designation of a Chair

Helen Burstyn was nominated as Chair of the Board by Deputy Mayor Minnan-Wong. Several Board members expressed their support for the nomination and **ON MOTION**, duly made by Deputy Mayor Minnan-Wong, seconded by Steve Diamond and carried, it was unanimously **RESOLVED** that Helen Burstyn is designated to serve as Chair of the Board of Directors, with all the rights and powers afforded to the Chair under the Toronto Waterfront Revitalization Corporation Act, until such time as a Chair is appointed in accordance with the provisions of the Act or until a further designation is made by the Board.

16. Termination of the Meeting

There being no further business, **ON MOTION**, duly made by Helen Burstyn, seconded by Mark Wilson and carried, it was **RESOLVED** that the meeting be terminated at 12:15 p.m. local time.

Chairman

Secretary of the Meeting