

MINUTES of the 106th meeting of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at the offices of Toronto Waterfront Revitalization Corporation, 20 Bay Street, Suite 1310, Toronto, Ontario on Wednesday, December 18, 2013 at 8:00 a.m. local time.

PRESENT: Mark Wilson, Chair
Jack Cockwell
Michael Copeland (via teleconference)
Sue Dabarno
Kevin Garland
Janet Graham
David Johnson
Sheldon Levy (via teleconference)
Ross McGregor
Joe Pantalone
Gary Wright

ABSENT: Councillor Jaye Robinson

The following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and Chief Executive Officer; Chad McCleave, Chief Financial Officer; David Kusturin, Chief Operating Officer; Marisa Piattelli, Chief Administrative Officer; Meg Davis, V.P. Development; Chris Glaisek, V.P. Planning and Design; Ian Beverley, Legal Counsel.

The Chairman, Mark Wilson, took the chair, and with the consent of the Directors, appointed Ann Landry to act as secretary of the meeting.

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

Jack Cockwell declared a conflict with regard to Enwave, and the Request for Qualifications ("RFQ") for the Waterfront Innovation Centre. It was agreed that he would leave the meeting prior to any material discussions regarding Enwave or the RFQ.

1. Approval of Consent Agenda

ON MOTION duly made, seconded and carried, it was **RESOLVED** that the Consent Agenda for the 106th meeting of the Board, held on Wednesday, December 18, 2013 be and is hereby accepted and approved.

2. CEO Report

John Campbell tabled reports and information on various matters, which included the following subjects and information and on which the following Board and Management comments were made:

- *Construction Progress* – A slide presentation of progress to date was provided.
- *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 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 (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 519 proposal is to acquire the site upon completion of the Pan Am 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 emphasized the need for satisfaction of Waterfront Toronto’s objectives such as Precinct Plan compliance, design excellence, sustainability, open access, etc. and a development agreement will be executed with The 519 to ensure these deliverables. 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. It is understood 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. Waterfront Toronto will be involved in the negotiations throughout the process to ensure Waterfront Toronto objectives are met.

The Board raised concerns with regard to open access to the facility. Management advised that the 519 proposal indicates that the facility will be open to the general public and reiterated that the Corporation will have a development agreement with The 519 to ensure compliance with this requirement and others.

Woonerf Construction - is nearing completion.

Public Art - Sumach and Eastern (identified in the WDL Public Art Strategy as the Cherry Street Gateway) Procurement process in 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).

- *Pan Am Athlete's Village* - Progress on the Village continues.
- *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.

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.

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.

It was noted that due to a conflict, Jack Cockwell recused himself as a member of the Innovation Centre Executive Steering Committee and Gary Wright stepped in to replace him.

- *Central Waterfront (“CWF”)*

Queens Quay Construction - In order to complete the project in time for 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 a result, 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. The Corporation continues to work with residents and the Business Improvement Area (“BIA”) to support their ongoing business requirements and resolve issues.

- *Health and Safety* - There have been two incidents since the previous report however none have resulted in injury or lost time.
- *Don Mouth Naturalization and Port Lands Flood Protection Project (“DMNP”) & Lower Don Lands (“LDL”) Environmental Assessments (“EAs”)* - Waterfront Toronto, the City of Toronto and Toronto and Region Conservation (“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.

Other work actively underway includes the Film Studio precinct plan, Cousins Quay precinct plan, and Lake Ontario Park and Tommy Thompson Park quick starts.

On November 28, 2013 Waterfront Toronto, the City of Toronto and TRCA held a public meeting to introduce the planning initiatives currently underway as part of Phase 2 of the PLAI.

- *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 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. 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.

- *East Bayfront Transit*

This continues to be a priority for Waterfront Toronto. 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.

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 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 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.

Ministers Murray and Sousa met on December 12, 2013 along with staff to discuss the importance of this issue.

- *Communications and Marketing* - Waterfront Toronto continues to receive positive exposure in both traditional and social media on issues such as Intelligent Communities, Affordable Housing, the Gardiner EA and the Billy Bishop Toronto City Airport (“BBTCA”).
- *Ontario Place Park and Trail* - 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 and were engaged, positive and provided the team with feedback.

- *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.

It was agreed that a special meeting of the Board would be scheduled in January to discuss this issue.

- *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 until either February 4, 2014 or a special meeting earlier than that, likely January. Waterfront Toronto will depute at that time.

- *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.

3. Corporate Social Responsibility and Sustainability Report ("CSRSR")

Lisa Prime provided an overview of the CSRSR highlighting the following:

- Corporate objectives and sustainability framework;
- Process to Waterfront Toronto corporate reporting;
- Purpose of sustainability reporting;
- Waterfront Toronto as market leader in sustainability reporting;
- Global Reporting Initiative ("GRI") requirements;
- Structure of the report;
- Performance measures - environmental, social, economic;
- Microsite usage;
- Outreach;
- Future data reporting objectives; and
- Next steps.

Ms. Prime then responded to questions from the Board and agreed to report back on how Waterfront Toronto compares with other international cities with regard to performance.

Michael Copeland left the meeting (ended the teleconference call) at 9:15am.

4. Strategic Business Plan

Chad McCleave tabled a report and advised that the Toronto Waterfront Revitalization Corporation Act, 2002 requires that the Corporation prepare a Strategic Business Plan every five years for the following five years. He advised that since approval of the last Strategic Business Plan in June of 2011, the following significant events occurred resulting in a new Strategic Business Plan for 2013:

- A new City of Toronto Development Charges By-law (By-law 1347-2013) came into force on November 1, 2013. The new By-law provides a significant potential new funding source for Waterfront Toronto infrastructure previously unfunded.
- Potential additional land sales revenue from the Province of Ontario, namely the LCBO site.
- Adoption by Toronto City Council of the Port Lands Acceleration Initiative in September, 2011.
- Recent climate change/extreme weather events which have captured the focus of senior governments.

Mr. McCleave then provided a brief overview of the plan highlighting the following:

- The Plan covers the 10 year period 2014 – 2023 and identifies the remaining projects required to realize the full vision of the Corporation’s mandate;
- The Plan was reviewed by the Finance, Audit and Risk Management (“FARM”) Committee on November 28th and reflects suggestions and revisions per the Committee;
- The Communications staff are in the process of reviewing the document to enhance it prior to making it public;
- It is intended that the Plan be approved by the Board of Directors, then shared with the public and used as a tool to secure additional funding and financing from governments and other third parties;
- The planned additional investments of \$1.65 billion almost double the Corporation’s original plan of \$1.9 billion to \$3.5 billion. The additional investments are broken into four categories:
 - Transit (\$450 million)
 - Flood Protection and Enabling Infrastructure (\$750 million)
 - Land Servicing (\$150 million)
 - Public Realm (\$300 million);
- Management will develop an implementation strategy with the Board of Directors in February, 2014 to secure the required funds for this Plan; and
- The Corporation’s 2015/16 Annual Corporate Plan which will be developed over the summer of 2014, will formally document management’s implementation strategy for the coming year.

A robust discussion ensued and Management responded to questions from the Board. Suggestions and revisions were also duly noted. It was agreed that Management would approach the three orders of government to ensure that Waterfront Toronto’s priorities are aligned with the governments prior to making the document public. It was further agreed that Management would continue to develop an implementation strategy identifying funding options/sources and table the strategy at the February Board Retreat.

Further discussion was not required and **ON MOTION**, duly made, seconded and carried, be it **RESOLVED** that the Board approves Management reviewing the draft 2014-2023 Strategic Business Plan (with changes as noted) with the three orders of government to ensure Waterfront Toronto’s priorities are aligned with those of the governments.

5. Interim Financial Statements

Janet Graham, Chair of the FARM Committee, tabled the September 30, 2013 unaudited, interim financial statements. She responded to questions from the Board and **ON MOTION**, duly made, seconded and carried, it was **RESOLVED** that the unaudited, interim financial statements for the period ended September 30, 2013, be and are hereby approved.

Ms. Graham advised that in 2012 Waterfront Toronto engaged MNP as the Corporation's internal auditor for a two year initial term to undertake four audits and to date have completed three internal audits. She advised that a cash handling and reporting audit was recently completed on the Corporation's 7 Queen's Quay East property (parking lot) resulting in three high priority findings. She advised that the FARM Committee reviewed the findings with Management and the internal auditor and given the significance of the findings, it was agreed that the contract with the operator of the parking lot be terminated and Management was directed to do so.

6. Environmental Issues

Ian Beverley advised that there were no environmental issues to be reported.

7. Adjournment of the Public Session

There being no further business other than matters to be considered in-camera, **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that in accordance with Section 190 of the *City of Toronto Act*, in-camera matters were now to be considered. The Chair indicated to members of the public present that it was now in order for them to depart from the meeting. Members of public then left the meeting. The meeting then adjourned at 9:45 a.m. local time, to be momentarily reconvened as an in-camera meeting.

10 Minute Recess

In Camera Session

10:00 a.m.

1. CEO Report

John Campbell tabled reports and information on various confidential matters, including:

- West Don Lands – Corktown Common, Flood Protection Landform, Underpass Park, Re kai Centre;
- East Bayfront – Bayside, Private Lands and Ontario Municipal Board Appeals, George Brown College, Blocks 1&2 – Innovation Centre;
- Captain John; and
- Iconic/Catalytic Use.

2. Gardiner Expressway - Land Value Impact

Chris Glaisek provided the Board with a confidential update on the Gardiner East and Lake Shore Boulevard Reconfiguration Environmental Assessment and Urban Design Study.

3. Queens Quay - Contract Status

David Kusturin provided the Board with a confidential update on the status of the Queens Quay contract.

4. Human Resources Issue

A consulting proposal was tabled and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Board of Directors approves the consulting proposal and authorizes the Chair of the Board to execute the necessary contractual documents with the support of the Chair of the Human Resources and Compensation Committee and the assistance of independent counsel.

5. Termination of the Meeting

There being no further business, **ON MOTION**, duly made, seconded and carried, it was **RESOLVED** that the meeting be terminated at 12:30 p.m. local time.

Chairman

Secretary of the Meeting