



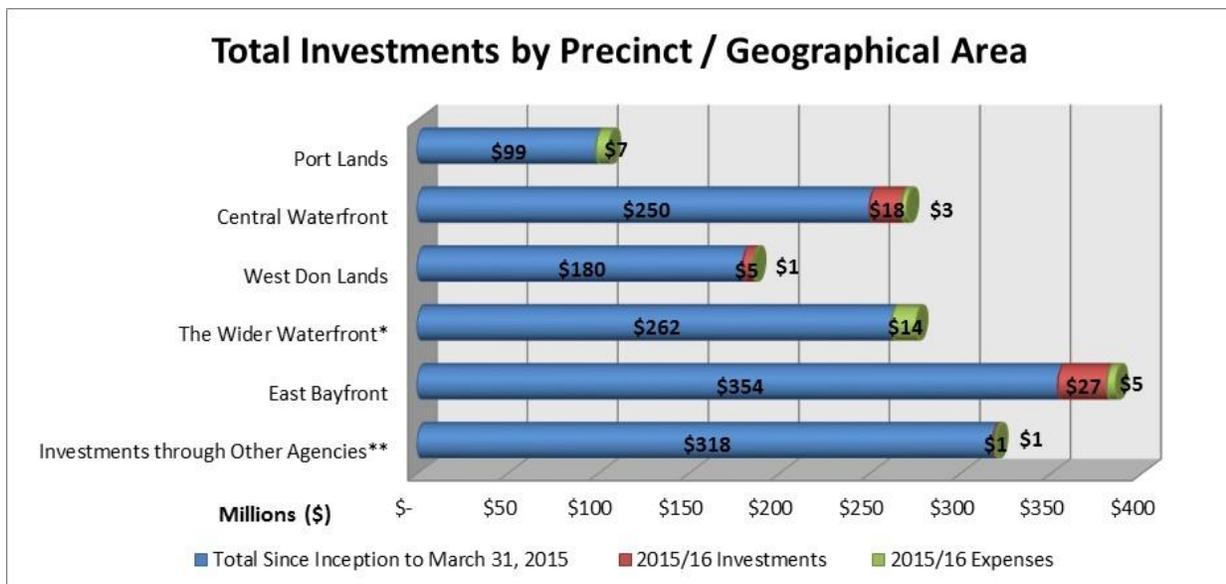
## 2015/16 Management Report

Waterfront Toronto (the Corporation) issues an annual management report to summarize the revitalization activities taken place over the year. The report addresses level of investment by precinct, provides an update on the Corporation’s resources for the overall revitalization program and discusses the Corporation’s results against annual deliverables outlined in our Corporate Plan.

### OVERVIEW FOR THE YEAR

Waterfront Toronto and the three orders of government have invested over \$1.5 billion over the last thirteen years (2003-2016) in capital projects on Toronto’s waterfront. These revitalization initiatives are producing economic, social and environmental benefits for the citizens of Toronto, Ontario and Canada – for generations to come.

The following graph illustrates total investments by precinct/ geographical area by the Corporation, and reflects \$1.46 billion invested from inception (April 2003) to March 31, 2015. For the period April 1, 2015 – March 31, 2016 (2015/16 fiscal year), investments total \$80.1 million (excluding Investments through Other Agencies) split between those capitalized and those reflected as project expenditures per the Corporation’s financial statements.



\* Wider Waterfront Initiatives 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 waterfront secretariat costs.

During 2015/16, Waterfront Toronto continued with the implementation of its mandate to oversee and manage the revitalization of Toronto’s waterfront. In the 2015/16 fiscal year, one of Waterfront Toronto’s larger capital projects, Queens Quay Revitalization, was completed on schedule after three

years of construction and in time for the opening of the Pan Am and Parapan Games. The revitalized Queens Quay has been transformed into a beautiful boulevard that includes an enlarged pedestrian promenade that reflects the central waterfront's importance as the second most visited area of the city. The waterfront boulevard also includes a new section of the Martin Goodman Trail connecting the Trail across the downtown waterfront. Cyclists can now traverse safely through the downtown waterfront on the separated Martin Goodman Trail with dedicated bicycle signals. The new bike path is especially popular with commuters - nearly 600 cyclists an hour are using the trail during the weekday rush<sup>1</sup>. Motorists will benefit from new features such as dedicated turning lanes and signals, along with lay-bys for car and bus passenger drop-offs. Under the boulevard, key infrastructure has been replaced or upgraded, including power, gas, water, sewage and telecommunications systems. The new waterfront boulevard links major destinations along the water's edge and supports an economically vibrant area that serves as a destination for locals and visitors alike. At substantial completion of completed portions of Martin Goodman Trail and Queens Quay, pursuant to handover documents executed with the City, assets totaling \$132.7 million were formally transferred to the City.

Waterfront Toronto's investments and implementation efforts are focused in the following geographical areas:



A full list of the major activities of the Corporation for 2015/16, along with the associated results, is outlined in the 2015/16 Key Deliverable Results section below.

## RESOURCES

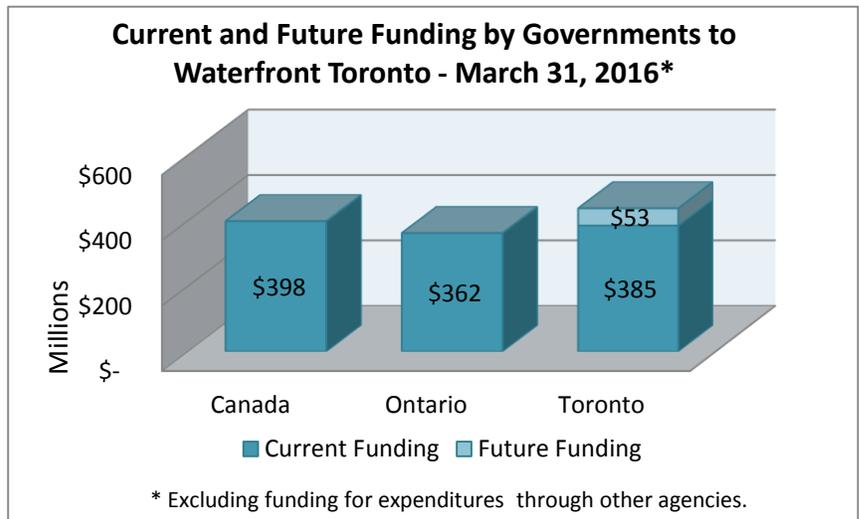
In 2001, the three orders of government pledged \$1.5 billion (\$500 million each), subsequently increased to \$1.579 billion, as initial capital for waterfront revitalization initiatives. From this government funding, approximately \$1.2 billion has been or will be made available to Waterfront Toronto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

---

<sup>1</sup> Cyclist hourly count compiled by City of Toronto, Cycling Infrastructure & Programs. Data compiled over 23 day period in August/September 2015 and represents east & westbound cyclists.

As of March 31, 2016, Waterfront Toronto has received approximately \$1.2 billion (96%) with the majority of the remaining balance of \$53 million to be received over the next four years.

The initial funding pledged by the three governments was intended to fund key revitalization projects that would leverage private sector investment into the continued development of the waterfront.



Now more than halfway through its 20-year mandate, the Corporation's investments in planning, infrastructure and public realm improvements have attracted private development projects valued at nearly \$2.6 billion<sup>2</sup> to the first six development projects on the waterfront; George Brown College Health Sciences campus, Corus Entertainment, Parkside (Monde), Bayside, River City and the Pan Am Athletes Village (Canary District).

Based on government funding and other revenues, Waterfront Toronto has developed a \$2.0 billion capital expenditure program. Of this, Waterfront Toronto is currently directly managing \$1.6 billion, comprised of government funding (\$1.2 billion) and other revenues related primarily to land sale proceeds (\$436 million). The balance of \$381 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, the Union Pearson rail link, and costs related to government waterfront secretariats.



<sup>2</sup> Economic Impact Analysis study by urbanMetrics Inc., April 2013.

## 2015/16 KEY DELIVERABLE RESULTS

The major deliverables were established in alignment with the 2015/16 Corporate plan and the legislated corporate objectives.

The legislated objectives of Waterfront Toronto are to:

- (A) implement a plan that enhances the economic, social and cultural value of the land in the designated waterfront area and creates an accessible and active waterfront for living, working and recreation, and to do so in a fiscally and environmentally responsible manner;
- (B) ensure the ongoing development in the designated waterfront area can continue in a financially self-sustaining manner;
- (C) promote and encourage the involvement of the private sector in the development of the designated waterfront area; and
- (D) encourage public input into the development of the designated waterfront area.

Details on the key deliverables for 2015/16, including the associated corporate objectives, and the results can be found in the appended table.

<b>2015/16 Major Deliverables</b> <i>(as outlined in 2015/16 Annual Corporate Plan)</i>	<b>2015/16 Results</b>	<b>Corporate Objective</b>
<b>East Bayfront</b> <ul style="list-style-type: none"> <li>• Complete construction of the Cherry Street stormwater concrete shell, located at 480 Lake Shore Boulevard East.</li> <li>• Complete construction of the sanitary sewage pumping station (480 Lake Shore East) to serve the East Bayfront (east of Sherbourne Street) and North Keating Precincts and associated sanitary sewer connections.</li> <li>• Complete construction of stormwater forcemains to convey flows between the East Bayfront Precinct and this new facility.</li> <li>• Complete construction of Phase 1 Bayside local streets and services.</li> <li>• Close on land sale for Monde Development.</li> </ul>	<ul style="list-style-type: none"> <li>• Tendered project received non-compliant bids. The design of the facility is currently being modified to reduce the anticipated construction cost and better align with the available budget.</li> <li>• Completed. Interim pumping bypass in place. Permanent pumps, controls, power will be completed when Cherry Street stormwater shell is constructed (see above bullet).</li> <li>• 75% of forcemains completed. Balance of scope deferred due to conflict with existing utility services. Remainder to be completed with Bayside Phase 2 servicing.</li> <li>• Deliverable achieved in December 2015.</li> <li>• Deliverable achieved; development now under construction.</li> </ul>	<p>A, C</p> <p>A, C</p> <p>A, C</p> <p>A, C</p> <p>A, B, C</p> <p>A, B, C</p>

<p align="center"><b>2015/16 Major Deliverables</b></p> <p align="center"><i>(as outlined in 2015/16 Annual Corporate Plan)</i></p>	<p align="center"><b>2015/16 Results</b></p>	<p align="center"><b>Corporate Objective</b></p>
<ul style="list-style-type: none"> <li>• Complete development strategy for Quayside.</li>   <li>• <b>Planned investment of \$24.9M</b></li> </ul>	<ul style="list-style-type: none"> <li>• Completed; We are exploring options to enhance the attractiveness of the land offer to the market. Management team and Board will review these options in Fall, 2016.</li>   <li>• <b>Actual amount invested: \$32M:</b> Variance due to investments expected in 2014/15 shifted into 2015/16 for several East Bayfront infrastructure projects (not itemized here).</li> </ul>	
<p><b>West Don Lands</b></p> <ul style="list-style-type: none"> <li>• Complete public art installations on Front Street and Eastern-Sumach.</li>   <li>• Close on land sale for River City Phase 3.</li>   <li>• Finalize post-Pan Am development process between developers and Waterfront Toronto.</li>   <li>• Execute development agreement with Anishinawbe Health Toronto.</li>   <li>• <b>Planned investment of \$3.3M</b></li> </ul>	<ul style="list-style-type: none"> <li>• Artworks installed at Eastern and Front Street East. Remaining installation for Front Street will be completed in June due to restricted site access (located in Pan Am Athletes' Village).</li>   <li>• Deliverable achieved - land sale closed in September 2015 and construction is underway.</li>   <li>• Deliverable achieved – land transferred to Dundee Kilmer and Development Agreements were registered on title in October 2015.</li>   <li>• Anishnawbe Health Toronto (AHT) granted a two-year extension by the Ministry of Economic Development, Employment and Infrastructure. The extension applies to the development agreement as well. Waterfront Toronto continues to work with AHT towards finalization of a development strategy.</li>   <li>• <b>Actual amount invested: \$6.2M:</b> Variance includes a credit from release of financial security (i.e. City warranty period for infrastructure projects) that did not occur.</li> </ul>	<p align="center"><b>A, C</b></p> <p align="center"><b>A, B, C</b></p> <p align="center"><b>A, B, C</b></p> <p align="center"><b>A, C</b></p>
<p><b>Central Waterfront</b></p> <ul style="list-style-type: none"> <li>• Complete Queens Quay street and public realm improvements, achieving readiness for Pan Am (summer 2015).</li>   <li>• Complete Precinct Plan for Lower Yonge taking into account the completed Urban Design Guidelines and Transportation Master Plan for Lower Yonge.</li> </ul>	<ul style="list-style-type: none"> <li>• Deliverable achieved - Queens Quay street and public realm completed in June 2015 for Pan Am Parapan Am Games.</li>   <li>• Deliverable achieved - Lower Yonge Precinct Plan completed. Plan to be considered at Community Council in May and City Council for endorsement in June, 2016.</li> </ul>	<p align="center"><b>A, C</b></p> <p align="center"><b>A, C, D</b></p>

<p align="center"><b>2015/16 Major Deliverables</b></p> <p align="center"><i>(as outlined in 2015/16 Annual Corporate Plan)</i></p>	<p align="center"><b>2015/16 Results</b></p>	<p align="center"><b>Corporate Objective</b></p>
<ul style="list-style-type: none"> <li><b>Planned investment of \$26.1M</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Actual amount invested: \$20.8M:</b> Variance due to lower than budgeted investments in Queen's Quay revitalization in 2015/16.</li> </ul>	
<p><b>Port Lands</b></p> <ul style="list-style-type: none"> <li>Complete Villiers Island Precinct Plan and submit for Council approval.</li> <li>Secure tri-government funding for flood protection to unlock economic potential of lands.</li> <li><b>Planned investment of \$1.8M</b></li> </ul>	<ul style="list-style-type: none"> <li>Precinct Plan completed; precinct plan's scope expanded to include a Sustainability Audit to ensure precinct plan can achieve climate positive policy objectives. Precinct plan will be at City Council for endorsement in Fall, 2016. Delay attributed to Precinct Plan being bundled with related reports to City Council.</li> <li>Target completion date extended to 2016/17 to coincide with the completion of the Port Lands flood protection due diligence report for consideration by new Federal government.</li> <li><b>Actual amount invested: \$7.1M:</b> Variance includes \$5M of government funding approved in 2015/16 to complete Port Lands flood protection due diligence report (not included in 2015/16 budget).</li> </ul>	<p><b>A, C, D</b></p> <p><b>A, C</b></p>
<p><b>Waterfront-wide Initiatives</b></p> <ul style="list-style-type: none"> <li>Complete finishing works on Union Station Second Platform.</li> <li>Complete work on the Gardiner East Expressway Environmental Assessment by further examining the recommended Boulevard concept along with the new proposed hybrid solution. Hold public consultations and submit solution for City Council endorsement.</li> <li><b>Planned investment of \$6.4M</b></li> </ul>	<ul style="list-style-type: none"> <li>Deliverable achieved; Second Platform opened in June, 2015.</li> <li>Deliverable achieved - completed Environmental Assessment (EA) with Boulevard concept and new Hybrid Design Alternative. Public consultations conducted and City Council endorsed EA with Hybrid 3 as the preferred alternative. EA will be filed with Ministry of Environment in summer, 2016.</li> <li><b>Actual amount invested: \$13.8M:</b> Variance due to shift in expected investment in 2014/15 for Union Station Second Platform (project managed by Toronto Transit Commission) into 2015/16.</li> </ul>	<p><b>A, C</b></p> <p><b>A, D</b></p>
<p><b>Corporate</b></p> <ul style="list-style-type: none"> <li>Host Intelligent Community Forum Global Summit &amp; Awards.</li> <li>Update Corporate Social Responsibility and Sustainability Reporting Metrics and Key Performance Measures.</li> </ul>	<ul style="list-style-type: none"> <li>Deliverable achieved; 600 international attendees participated at Summit in June, 2015.</li> <li>Deliverable achieved; Bi-annual Corporate Social Responsibility and Sustainability Report Metrics and Key Performance</li> </ul>	<p><b>D</b></p> <p><b>A, C</b></p>

<b>2015/16 Major Deliverables</b> <i>(as outlined in 2015/16 Annual Corporate Plan)</i>	<b>2015/16 Results</b>	<b>Corporate Objective</b>
<ul style="list-style-type: none"> <li>• Execute marketing campaigns to increase public awareness of the revitalization plan.</li>   <li>• Continued development of Waterfront Toronto’s social media platforms and capacity to allow public to engage more directly with revitalization initiatives.</li>   <li>• Implement new corporate accounting system.</li>   <li>• Complete philanthropic implementation plan to support public realm projects.</li>   <li>• <b><i>Planned investment of \$12.4M allocated to precinct figures above</i></b></li> </ul>	<p>Measures completed in November 2015. The report uses the latest Global Reporting Initiative’s guidelines and a triple bottom approach (environmental, social and economic).</p> <ul style="list-style-type: none"> <li>• Deliverable achieved - Eighteen public events were held during the 2015/16 year. Some events were targeted to increase public awareness of the revitalization plan (e.g. Town Hall, Revitalized Queens Quay Grand Opening, Port Lands flood protection funding). Others served to engage public input into specific revitalization projects (e.g. Lower Yonge Precinct, Gardiner East Expressway Environmental Assessment, Jack Layton Ferry Terminal &amp; Harbour Square Design Competition).</li>   <li>• Deliverable achieved – 3.9 million impressions across Facebook and Twitter during the year.</li>   <li>• Feasibility analysis of new accounting system presented to the Finance, Audit and Risk Management (FARM) Committee of the Board. FARM concluded an integrated system (accounting/project management) would ensure we have capabilities to meet current and future revitalization plans. Options for an integrated system will be addressed in 2016/17.</li>   <li>• Completed; third party report concluded challenging scenario for philanthropic opportunities for public realm projects. Report recommends pilot projects to implement philanthropic opportunities.</li>   <li>• <b><i>Actual amount invested of \$12.3M allocated to precinct figures above</i></b></li> </ul>	<p><b>D</b></p> <p><b>D</b></p> <p><b>B</b></p> <p><b>A, B, C</b></p>

## **RESULTS IN SUMMARY**

In fiscal year 2015/16, the Corporation's total planned investment was set at \$62.5M – including corporate costs of \$12.4M. The organization's actual investment and expenditure was \$80.1M – including corporate costs of \$12.3M – \$17.6M higher than planned (note: annual figures exclude Investments through Other Agencies). Approximately \$9.3M of the \$17.6M is due to a shift in investments between 2014/15 and 2015/16 (i.e. East Bayfront, Central Waterfront and Wider Waterfront Initiatives). An additional \$5M was approved in-year to complete the Port Lands flood protection due diligence report. The \$2.9M financial security release that did not materialize (West Don Lands) makes up the remainder of the higher than planned amount of \$17.6M.

Our 2015/16 investment of \$80.1M was primarily in roads, utilities infrastructure in East Bayfront and West Don Lands; public realm improvements through Queens Quay Revitalization and Martin Goodman Trail West; and transit improvement via the Union Station Second Platform project. Investments in precinct planning were also made. We completed the Gardiner Expressway East Environmental Assessment and the Villiers Island precinct plan will be at City Council for endorsement in fall of 2016.

## **OTHER ACCOMPLISHMENTS FOR 2015/16**

In support of Waterfront Toronto's mandate, additional corporate achievements for 2015/16 included:

- Groundbreaking of Aqualina, the first building at the Bayside Toronto Development;
- Federal, Provincial and City governments announced \$5 million in funding to complete the due diligence work that will provide greater certainty on costs and risks associated with the Port Lands Flood Protection and Enabling Infrastructure project;
- Announcement of a \$25 million philanthropic gift to the City of Toronto to create Project: Under Gardiner, a new trail, connections and cultural spaces under the Gardiner Expressway. Waterfront Toronto is managing the public consultation, design and construction of the project. The project is at 30% design completion as of March 2016;
- Waterfront Toronto hosted Sugar Beach – Sugar Shack, a free community event over the March break featuring a Quebec-style cabane sucre, musical performances and other family activities. The event drew approximately 10,000 visitors to Sugar Beach over one weekend, demonstrating the waterfront can be animated year-round with purposeful programming.

## **GOING FORWARD**

The 2015/16 fiscal year was a transition year for the Corporation as the CEO since 2004, John Campbell, retired in December 2015 and a new CEO, Will Fleissig, joined the Corporation in January 2016. The Board of Directors is also entering a new phase, with many new Directors coming in as the Corporation looks toward the next phase of waterfront revitalization.

As we enter this second phase, it is appropriate that we undertake a comprehensive exercise aimed at reviewing and refreshing our strategic direction in order to successfully finalize the first phase of waterfront revitalization (called Waterfront 1.0) and embark on the next phase – known as Waterfront 2.0. At this half-way point in the corporation's history, we have the unique opportunity to build on key successes to date and revisit the projects, strategies, priorities and activities for the next phase of work.

June 29, 2016

The exercise will allow us to reassess our key assumptions, challenges and opportunities, thereby enabling us also to confirm the organizational strength we need to deliver the next phase. A key outcome of the process will also be a refreshed and compelling vision and strategy -- a shared vision of success across the organization -- that will also shape how we engage with the public and our partners in government, civic organizations, academia and the private sector. Ultimately, the process is geared to ensure we enter our next phase of work as a credible and effective agency able to deliver on its mandate to build a 21st century city on Toronto's waterfront, and, in doing so, providing lasting economic, social and environmental benefits to the city, province and country.

A refreshed business plan, based on an updated planning vision, key priorities and public-private funding platform to support Waterfront 2.0 -- will be presented to the Board this Fall.