

WATERFRONTToronto

Board of Directors Meeting

Agenda and Meeting Book

MONDAY, JUNE 24, 2024 FROM 1:30 PM TO 4:00 PM

MICROSOFT TEAMS



WATERFRONToronto

Meeting Book - Board of Directors Meeting

Agenda - Monday, June 24, 2024

Open Session Agenda

1:30 p.m.	1. Land Acknowledgement	Acknowledgment	All
1:35 p.m.	2. Motion to Approve Meeting Agenda	Approval	J. Winberg
1:35 p.m.	3. Declaration of Conflicts of Interest	Declaration	All
1:35 p.m.	4. Chair's Opening Remarks	Information	J. Winberg
1:40 p.m.	5. Consent Agenda		
	a) Highlights of Key Messages - 4	Information	All
	b) Draft Minutes of the Open Session March 25, 2024 Meeting - 6	Approval	All
	c) CEO Report - 10	Report	G. Zegarac
	d) IREC Committee Chair's Open Session Report of the May 23, 2024 Meeting - 20	Information	A. Valenti
	e) FARM Committee Chair's Open Session Report of the June 6, 2024 Meeting - 21	Information	K. Sullivan
	f) HRGSR Committee Chair's Open Session Report of the June 10, 2024 Meeting - 24	Information	W. Cartwright
	g) Environmental, Social, and Governance (ESG) Update - 26	Information	L. Taylor
	h) Waterfront Toronto Insurance Program Report - 28	Information	L. Taylor/I. Ness
2:00 p.m.	6. Committee Composition	Approval	J. Winberg
	Coversheet - 31		
2:05 p.m.	7. Waterfront Toronto Priority Projects	Information	D. Kusturin
	Coversheet - 32		
	Presentation - 33		
2:15 p.m.	8. Broadview Eastern Flood Protection Supplemental Capital Approval	Approval	D. Kusturin / D. Forbes
	Coversheet - 52		
	Presentation - 54		
2:25 p.m.	9. Year-End Audited Financial Statements March 31, 2024	Approval	L. Taylor / S. Chandane
	Coversheet - 73		
	March 31, 2024 Financial Statements - 74		
2:35 p.m.	10. Motion to go into Closed Session	Approval	All

Closed Session Agenda

The Board will discuss items 11(a), (b), (c) & (d), 12 through 15 being, consideration of the draft Minutes of the Closed Session March 25, 2024 meeting, the IREC Committee Chair's Closed Session Report, the FARM Committee Chair's Closed Session Report, WT Insurance Program Report (continuation), 2023/24 Integrated Annual Report (IAR), Quayside Infrastructure and Public Realm, Business Case and Tri-Government Engagement, and Directors Only in Closed Session as permitted by By-Law No.2 of the Corporation. The exceptions relied for the discussion of item 11(a) in Closed Session is provided in the minutes of March 25, 2024 Board meeting contained in items 5(b) of this agenda, for items 11(b) is Section 6.1.1(k), for item 11(c) is Section 6.1.1(a & k), for item 11(d) is Section 6.1.1(a), for items 12, 13, & 14 is Section 6.1.1(k), and for item 15 is Section 6.1.1 (a, b & k) of By-Law No. 2. The Board will continue in Open Session at the end of the Closed Session to discuss and vote on any resolution(s) pertaining to the Closed Session.

Closed Session - 94

3:50 p.m.	16. Motion to go into Open Session	Approval	All
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Open Session Agenda

Open Session - 95

3:50 p.m.	17. Resolutions Arising from the Closed Session	Approval	All
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Form - 96

3:55 p.m.	18. Chair's Closing Remarks	Information	J. Winberg
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4:00 p.m.	19. Motion to Terminate the Meeting	Approval	All
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FYI	Next Meeting: Thursday, October 17, 2024	Information	All
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Upcoming Board & Committee Meeting Schedule - 98

Agenda Item	Key Message
5 (c) CEO Report	The quarterly CEO Report presents an overview of the Board meeting and of the work of the Corporation, highlighting key issues and matters of importance from the perspective of the CEO. The report includes updates on Government Engagement as it relates to the Next Phase of Waterfront Revitalization and our other projects such as Port Lands Flood Protection and Villiers Island Planning. A dashboard attached to the CEO Report illustrates the status of corporate, administrative and project matters and compares it to the preceding quarter.
5 (d) IREC Chair Report-Open session	The Chair of the IREC Committee will present her report on matters arising from the meeting of May 23, 2024. The Committee reviewed the quarterly development dashboard and received an update on public consultation and overall project progress for both Quayside and Villiers Island.
5 (e) FARM Chair Report-Open Session	The Chair of the FARM Committee will present his report on matters arising from the meeting of the Committee held on June 6, 2024. In addition to the regular risk, audit and financial quarterly reporting, the Committee reviewed the Corporation's year-end financial statements and auditors report, a project related approval, as well as the corporate insurance program renewal results. The Committee also received an update on the Port Lands Flood Protection (PLFP) project, including the Semi-Annual Cost and Risk Update which indicates that the probability of the project being completed on or under budget has risen to 96.5% (from 95.4% in September 2023).
5 (f) HRGSR Chair Report-Open session	The Chair of the HRGSR Committee will present her report on matters arising at the meeting held on June 10, 2024. The Committee received an update from Rose Desrochers on HR matters, including recruitment, organizational effectiveness, Learning and Development, Performance Management and Diversity, Equity and Inclusion across the organization. The committee also received a report from the CEO on corporate accomplishments for 2023/24.
5 (g) ESG update	The board will receive an update from our CFO on ESG reporting by the Corporation.
5 (h) Waterfront Toronto Insurance Program Review	The board materials contain an overview of WTs Corporate Insurance Program and outcome of 2024 renewals, including Directors & Officers insurance coverage.
6. Committee Composition	The Board Chair will present, for approval , recommendations on committee membership.
7. Waterfront Toronto Priority Projects- Construction Update	The Chief Project Officer will provide a presentation to the Board, for information, illustrating the work that has been undertaken over the past quarter on Waterfront Toronto priority projects.
8 BEFP Supplementary Capital Approval	Management will present, for approval , a request for a supplementary Capital approval relating to the Broadview Eastern Flood Protection Project (BEFP). This has been recommended for approval by FARM.
9. Year-End Audited Financial Statements	The Corporation will present, for approval , the Year End Audited Financial Statements for the year ending March 31, 2024. The Financial Statements have been recommended for approval by FARM.
11 (b) IREC Chair Report (Closed)	The committee chair will present a report on matters arising from the Closed Session of the committee meeting of May 23, 2024.
11 (c) FARM Chair Report (Closed)	The committee chair will present a report on matters arising from the Closed Session of the committee meeting of June 6, 2024.

11 (d) WT Insurance Report	The board will receive information relating to the 2024 renewals for certain insurance policies maintained by the Corporation.
12. 2023/2024 Integrated Annual Report	The Corporation’s Integrated Annual Report (IAR) will be presented for approval . The theme is <i>Our New Waterfront</i> . The IAR is recommended for approval by the FARM Committee.
13. Quayside Infrastructure and Public Realm Cost Update and Capital Approval	Management will provide a for information update on the cost estimate for the Quayside public realm and Infrastructure project and will present, for approval , a request related to the Phase 1 Implementation for the Project. The capital request has been recommended for approval by FARM.
14. Business Case and Tri-Government Engagement	Management will present an update on discussions with the three orders of government regarding our business case and the next phase of revitalization, including a capital approval request for \$20.4 million to advance critical works related to advancing housing on Villiers Island, for approval . In addition, we will be joined by representatives from each level of government to discuss the process underway and answer any questions.
15 (b) HRGSR Committee Chair’s Closed Session Report	The board will receive a report from the CEO concerning the year end performance assessment for Executives, and the Board Chair will seek approval of the year end performance assessment and compensation for the CEO.

**MINUTES of the Open Session Meeting of the Board of Directors of the
Toronto Waterfront Revitalization Corporation
Via Hybrid: In-Person and Microsoft Teams Teleconference
Monday, March 25, 2024 at 1:00 p.m. local time**

PRESENT: Jack Winberg (Chair)
Rahul Bhardwaj
Wende Cartwright
Drew Fagan
Paul Khawaja
Andrew MacLeod
Deputy Mayor Ausma Malik
Laurie Payne
Jeanhy Shim
Kevin Sullivan
Alysha Valenti
Leslie Woo

REGRETS: None

ATTENDANCE: WATERFRONT TORONTO
George Zegarac - CEO, Waterfront Toronto
Ian Ness - General Counsel
Meg Davis - Chief Development Officer
Christopher Glaisek - Chief Planning and Design Officer
Kevin Greene - Chief Operating Officer
David Kusturin - Chief Project Officer
Lisa Taylor - Chief Financial Officer
Julius Gombos - SVP, Project Delivery
Pina Mallozzi - SVP, Design
Kristina Verner - SVP, Strategic Policy & Innovation
Rose Desrochers - VP, Human Resources and Administration
Aaron Barter - Director, Innovation and Sustainability
Ed Chalupka - Director, Government Relations
Mira Shenker - Director, Communication & Public Engagement
Carol Webb - Senior Manager, Communications & Public Engagement
Catherine Murray - Associate General Counsel
Charmaine Miller - Executive Assistant to the CEO & Board Admin

Also, in attendance for part or all of the meeting were:

- Jennifer Côté, Vania Emerson, Anamika Srivastava, Jasmine Haghighi, Stephanie Alessi, Infrastructure Canada
- Bill Raymond, Jonathon Vita, Anna Golovkin, Ontario Ministry of Infrastructure
- Jay Paleja, Waterfront Secretariat, City of Toronto
- Tom Davidson, Office of Deputy Mayor Ausma Malik

Ian Ness acted as Secretary of the meeting. The Chair welcomed everyone to the Board of Directors meeting of the Toronto Waterfront Revitalization Corporation (“Waterfront Toronto” or the “Corporation”).

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 called the meeting to order at 1:03 p.m. and declared that the meeting was duly constituted for the transaction of business.

1. Land Acknowledgement

Jack Winberg acknowledged Indigenous Peoples’ presence and connections to lands under revitalization by Waterfront Toronto.

2. Motion to Approve Meeting Agenda

ON MOTION duly made by Wende Cartwright, seconded by Alysha Valenti and carried, it was **RESOLVED** that the Agenda for the March 25, 2024 meeting be approved, as presented.

3. Declaration of Conflicts of Interest

Wende Cartwright advised that “in accordance with our board policies, I have a declared conflict and will not be participating in item 11 on today’s agenda”.

4. Chair’s Opening Remarks

Jack Winberg welcomed and thanked everyone for joining the meeting, especially the government partners for their participation and their ongoing support of Waterfront Toronto.

Mr. Winberg also acknowledged Andrew MacLeod’s appointment term extension and expressed appreciation for his continued support and insight as a director of the Waterfront Toronto Board.

5. Consent Agenda

a) The **Highlights of Key Messages** were taken as read.

b) **Draft Minutes of the Open Session December 7, 2023 Meeting.**

ON MOTION duly made by Laurie Payne, seconded by Leslie Woo and carried, it was **RESOLVED** that the Minutes of the December 7, 2023, meeting of the Board of Directors be approved, as tabled.

c) In his CEO Report, George Zegarac presented on key issues and matters of importance from the perspective of the CEO. The report included updates on key corporate issues such as Government Engagement as it relates to the Next Phase of Waterfront Revitalization as well as our major projects including Port Lands Flood

Protection, and our Office Relocation. A dashboard attached to the CEO Report illustrated the status of corporate, administrative and project matters and compares it to the preceding quarter.

d)e)f) The Finance, Audit & Risk Management (FARM) Committee, the Human Resources, Governance & Stakeholder Relations (HRGSR) Committee, and the Investment and Real Estate Committee (IREC) Chairs Open Session Reports were provided for information, and primarily taken as read. Brief highlights of each meeting were shared by the respective committee chair.

g) The ESG material was taken as read and there were no questions raised by the Board.

6. Waterfront Toronto Priority Projects Update

David Kusturin, Chief Project Officer provided a visual progress report for all WT projects, including a drone video for the PLFP project which showed the new river had been filled with water.

7. Consideration of HRGSR Committee Mandate

The Board considered and approved a proposed change to the HRGSR Committee Mandate.

ON MOTION duly made by Wende Cartwright, seconded by Rahul Bhardwaj, and carried it was **RESOLVED** that the Board of Directors approve the revised mandate of the HRGSR Committee in the form presented at the meeting.

8. Motion to go into Closed Session

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** made by Drew Fagan and seconded by Leslie Woo and carried, the Board **RESOLVED** to go into Closed Session to discuss items 9 (a), (b), (c) & (d), 10, 11, 12 and 13. The exceptions relied for the discussion of item 9(a) in Closed Session is provided in the minutes of the December 7, 2023 Board meeting contained in item 5(b) of this agenda, for items 9(b), (c) & (d) is Section 6.1.1(l & k), for items 10 and 11 is Section 6.1.1(k), and for items 12 and 13 is Section 6.1.1(b) of By-Law No. 2. The Board will continue in Open Session at the end of the Closed Session to discuss and vote on any resolution(s) pertaining to the Closed Session.

9. Consent Agenda

- a) Draft Minutes of the Closed Session December 7, 2023 Meeting**
- b) FARM Committee Chair's Closed Session Report – February 22, 2024 meeting**
- c) HRGSR Committee Chair's Closed Session Report – March 7, 2024 meeting**
- d) IREC Committee Chair's Closed Session Report – March 14, 2024 meeting**

10. **Update on Quayside Matters**
11. **Business Case and Tri-Government Engagement – Next Phase of Waterfront Revitalization**
12. **HR Matters (Directors Only Discussion)**
13. **Directors Only Session**
14. **Motion to go into Open Session**

ON MOTION made by Rahul Bhardwaj, seconded by Drew Fagan and carried, the Board **RESOLVED** to go into Open Session.

15. **Resolution(s) Arising from the Closed Session**

1) **Item 9a) Draft Minutes of the Closed Session December 7, 2023 Meeting**

ON MOTION duly made by Alysha Valenti, seconded by Laurie Payne and carried, it was **RESOLVED** that the Minutes of the Closed Session of the Board of Directors meeting held on December 7, 2023 be approved, as tabled.

2) **Item 12 HR Matters**

ON MOTION duly made by Laurie Payne and seconded by Wende Cartwright and carried, it was **RESOLVED** that the Board of Directors approved the HR matters proposed by the CEO at the meeting.

16. **Chair's Closing Remarks**

Mr. Winberg thanked everyone for their participation in the meeting and extended his best wishes to those who observe Ramadan, Easter or Passover.

17. **Termination of the Meeting**

There being no further business, **ON MOTION** made by Laurie Payne, seconded by Wende Cartwright and carried, it was **RESOLVED** that the meeting be terminated at 4:20 p.m. local time.

Board Chair

Secretary

I am pleased to provide this CEO Report for the upcoming Board meeting on June 24, 2024. Since the last report, I have continued to be fully engaged with staff, governments and other stakeholders and agencies operating on the waterfront.

I would like to warmly welcome Michael Braithwaite as the new federal appointee to the Board of Directors. Mr. Braithwaite has over 30 years of senior management experience, and is a strong advocate on housing, and for the reduction of poverty and homelessness. He is currently the CEO of Blue Door, an organization in York Region that works to rapidly rehouse individuals in need of housing and support services. Over the years, he has built several successful partnerships with local communities, all orders of governments, school boards, partner agencies, and local businesses and is a most welcome addition to the Board of Directors.

I also wish to congratulate Rahul Bhardwaj, Leslie Woo and Drew Fagan on their reappointment as federal appointees to the Board.

Quayside

Waterfront Toronto and Quayside Impact Limited Partnership (QILP) continue to advance public engagement in support of the municipal development approvals for the project.

In April, Waterfront Toronto invited the City of Toronto to collaborate on an information session on affordable housing for the Quayside Stakeholder Advisory Committee. The purpose of the information session was to provide city-wide context on housing, an understanding of the different approaches to delivering affordable housing, and an overview of the planned affordable housing at Quayside.

On April 3, 2024, Quayside Impact Limited Partnership (QILP) submitted its revised rezoning application to the City of Toronto. Waterfront Toronto and QILP continue to address City comments while working towards Zoning By-Law Amendment approvals for Phase 1. It is anticipated that the zoning by-law approvals will be considered by City Council in July of this year.

The real estate market in Canada is currently experiencing a significant downturn given higher interest rates and increased project costs in general. We continue to look at all our developments and the impact of those current market conditions. We continue to work with QILP to advance the project.

Construction continues to fill in the head of Parliament Slip and create a new dockwall. Current work includes the placement of infill material and the installation of rock berm and will enable the extension of Queens Quay East and realignment of Parliament Street to

support the future road network and planned light rail transit in the area. Construction is expected to be complete by January 2025.

Port Lands Flood Protection

Waterfront Toronto is tracking the progress of the Port Lands Flood Protection (PLFP) program and all programs are expected to finish on schedule with substantial completion in December 2024 (with Promontory Park South finishes to be completed June 2025). Flood Protection itself is projected to be achieved by January 2025.

The Semi-Annual Cost Estimate Update is a key component of the Corporation's project risk management and governance framework. The purpose of this report is to provide a status update on the budget and schedule for the PLFP Project at March 31, 2024.

Based on the quantitative risk analysis there is a 96.5% probability that the PLFP project will be completed at or below the target budget (\$1,354 million), 1.1% higher than in the September 2023 update. The balance of unallocated contingency has also increased to \$39.5 million from the \$32.8 million available in September 2023.

The river has now been fully inundated (through the west plug) with the riverbed now at its intended natural state with the Don River now between two to three metres deep (depending on the location and the season).

The next project milestone in the Port Lands is quickly approaching with work already underway to prepare the removal of the west plug. The west plug is the concrete wall sitting under the Cherry South bridge at Polson and Cherry St. and will be lifted out in large pieces. It is anticipated that there will be an event to mark the occasion in July. Details to follow.

The key accomplishments for Q4 2023-2024 include:

- Completed preparation of semi-annual cost and risk update for the end of Q4, March 31, 2024
- Completed and opened new Cherry Street, north of Commissioners to Lake Shore Boulevard and handed over to the City
- Completed road works and opened Commissioners Street to vehicle, pedestrian, and cycle traffic as an interim construction detour
- Closed Cherry Street south of Lake Shore to Villiers Street
- Commissioned new Enbridge gas main along Villiers Street
- Opened New Cherry North vehicular bridge to traffic and handed over vehicular and LRT bridges to the City January 24, 2024
- Opened Commissioners Street bridge to vehicular traffic as a construction detour January 24, 2024

- Contractor commenced removal of bridge deck on old Cherry lift bridge
- River Valley flooding to lake elevation completed February 15, 2024
- Operation of water treatment plant completed and shut down February 29, 2024
- Completed removal of steel sheet pile, opening Canoe Cove to Polson Slip
- Completed construction of concrete foundations, footings and curbs for Swing Hill, Owl Nest and Cableway Canyon in River Park North

I also wanted to take a moment to congratulate the PLFP team. On May 9th the Association of Consulting Engineering Companies (ACEC) Ontario awarded the Port Lands Flood Protection and Enabling Infrastructure - Road Design & Civil Engineering with the 2024 Sustainable Development Impact Award. The award was presented to WSP Canada Inc. and Waterfront Toronto at the annual Ontario Engineering Project Awards gala.

As part of our ongoing public engagement on the project the PLFP Lookout Tower will be open to the public on various days this Spring and summer providing the public with a 360 degree view of the Port Lands and Villiers Island. The tower will be open to the public (subject to weather) on:

- Wednesday, July 10 from 4:00 p.m. - 6:30 p.m.
- Sunday, July 28 from 1:00 p.m. - 4:00 p.m.
- Wednesday, August 14 from 4:00 p.m. - 6:30 p.m.

Next Phase of Waterfront Revitalization/ Government Engagement

I continued to be fully engaged with governments, including senior staff through regular one-on-one meetings with Deputies and well as the Inter-governmental Steering Committee. In addition, our Chair, Jack Winberg, has had an introductory meeting with Deputy Minister Ali Veshkini (MOI) in May.

Waterfront Toronto staff continue to work collaboratively with all orders of government on the key issues for the next phase of Waterfront Revitalization, namely a mandate extension, continued funding from all orders of government and ongoing roles and responsibilities in Villiers Island/Port Lands. Waterfront Toronto has developed a business case for all orders of government that would define a potential path forward for the next phase of revitalization. The business case provides governments with detailed benefits and costs for the next phase of waterfront revitalization, including project priorities, rationale and background on alternatives considered.

We are also working closely with members of the Board and our government partners to identify opportunities to advance these issues earlier.

Minister Fraser (and Deputy Minister Gillis) joined senior Waterfront Toronto staff as well as Board Chair, Jack Winberg for a tour of the Port Lands Flood Protection Project on April 18, 2024. The tour was an opportunity to showcase how Waterfront Toronto's successful and innovative tri-government delivery model is delivering on all orders of government's priorities including housing, economic development, jobs and future-ready infrastructure as well as iconic parks and public spaces.

Waterfront Toronto, the City of Toronto and CreateTO are also working together to assess potential scenarios for an initial phase of revitalization on Villiers Island, including updating implementation costs and phasing options. In addition, Waterfront Toronto is developing an Early Activation Strategy whose aim is to increase visitation and activation as soon as possible following completion of the PLFP project in 2024/25.

Villiers Island

Waterfront Toronto, the City and Create TO staff have studied potential density increases on Villiers Island to help achieve the City's housing objectives (including more affordable housing). Based on public engagement and Design Review Panel feedback, staff are proposing updates to the massing on Villiers Island and increases to GFA (Gross Floor Area) by 60% above the 2017 Precinct Plan.

This work fits into the larger vision for the eastern waterfront for a mixed-use district that provides significant opportunities to help address the current housing crisis by adding residential market and affordable units as well as new non-residential uses, arts and culture facilities, and new park space, while preserving important port and industrial uses that support the downtown and broader city. The Eastern Waterfront is expected to be home to approximately 100,000 new residents and is an opportunity to continue delivering on the promise of long-term economic growth and increase Toronto's value as a destination draw for the people of Toronto, the region and country.

Public engagement on the massing options commenced in June 2023. Meetings held on March 26, 2024, and May 2, 2024, provided an opportunity for staff to report back to the public on the changes proposed to the 2017 Precinct Plan. Approximately 175 people attended the May 2nd drop in.

A report regarding amendments to the Precinct Plan, Official Plan, and Zoning By-Law was presented to Planning and Housing Committee on June 13th and was unanimously approved. The report goes to Toronto City Council June 26-28, 2024.

Next steps will include additional public and stakeholder engagement and will focus on the design for the streets and public realm. The project team will also work with the City of Toronto to engage Indigenous People as work progresses on long-term steps towards delivering new communities in the Port Lands.

Strategic Communications/Public Engagement

The release of three reports by the Waterfront BIA, the Toronto Region Board of Trade and Therme Canada as well as about the proposed amendments to the Villers Precinct Plan have driven recent media coverage.

Importantly, the Toronto Region Board of Trade's Ripple Report and the just released Great Waterfront/Great City report by Richard Florida identify our waterfront as a critical ingredient for the recovery and future prosperity of Toronto.

We expect to see continued media and public attention paid to the waterfront over the coming months and there will always be subjective views about the design of waterfront projects. We will use these opportunities, as well as leverage upcoming project milestones such as requests for proposals, release of our Integrated Annual Report among others to remind the public of the track record of success and what still has been done.

WT's focus over the last 20 years has been on remediating contaminated lands, constructing enabling infrastructure, flood protection and partnering with the development community to build sustainable mixed-use developments, as well as public realm to unlock these underutilized lands. The recent reports call for more active public realm and standout attractions. As the Waterfront Revitalization Task Force noted, at least 70% of waterfront investment should come from private sources and so this effort will require all hands-on deck.

For the third summer, Waterfront Toronto is hosting a series of free public boat tours to highlight the transformation of the waterfront. This year, with financial support from Nieuport Aviation and the Waterfront BIA, we are delivering 10 free tours. Two such tours were connected to Jane's Walk, with another two on the Waterfront BIA's "Waterfront Wednesdays". These popular 1-hour tours are largely sold out.

A viewing platform on the Port Lands Flood Protection Project site, dubbed 'The Lookout', provides visitors a bird's eye view of the project site. This tower is opened to the public twice a month throughout the summer. We also opened it as part of Doors Open Toronto this past May, drawing approximately 800 people. Feedback was overwhelmingly positive – public excitement for the transformative parkland PLFP is delivering is growing. Also, as part of Doors Open, Waterfront Toronto staff participated in a keynote panel discussion showcasing the complex engineering that is now hidden in the new riverbanks.

To showcase Waterfront Toronto's progress in building a connected, sustainable waterfront with affordable housing, community amenities and iconic parks we've designed and fabricated a new interactive display and will be taking it on the road. We will pop-up

at Jack Layton Ferry Terminal on various dates that coincide with events on the Toronto Islands throughout the summer and early fall .

Waterfront Toronto has a presence at the Indigenous Arts Festival this summer. The display will raise awareness for Indigenous design features in the Port Lands. We are being joined by members from MinoKamik Collective, Tawaw and Two Row, who will be highlighting their work. Staff from the City of Toronto are also participating and sharing details of the ongoing process to find a permanent name for Villiers Island.

Waterfront East LRT

The Waterfront East LRT is a planned light rail transit line extending from Union Station to Villiers Island, via Cherry Street and Commissioners Street; along with an extension of the existing 504A King Street streetcar from the current Distillery Loop to Villiers Island. This project will provide improved transit options to the Central Waterfront, Lower Yonge, East Bayfront, Quayside, Keating Precinct, Lower Don Lands, and the Port Lands communities and is an integral part of the future development of new communities on Villiers Island and the eastern waterfront.

When fully built, the Waterfront East LRT is proposed to extend over 3.8 kms, and is forecasted to provide over 50,000 daily trips, supporting an estimated 100,000 residents and 50,000 jobs in the Eastern Waterfront.

Waterfront Toronto, in partnership with the City and TTC, is advancing the design to 60% for two segments, comprising all above-ground components of the line. The required funding agreement with the City of Toronto has been completed, and design work is well underway. Our detailed design is expected to be complete in mid-2025, with potential early delivery of the Yonge Slip and Queens Quay extension early works.

Waterfront Toronto also continues to advance approvals for the Waterfront East LRT. The Transit and Rail Project Assessment Process consultation period is coming to a close, and on June 26th we plan to issue our notice of completion to begin the final 30-day public review period in advance of the Minister's decision.

As part of discussions with all orders of government as it relates to the Next Phase of Waterfront Revitalization, staff are also looking at phased solutions for advancing transit in the eastern waterfront prior to the full implementation of the WERLT in order to provide the required increased service in the area.

Integrated Annual Report

Waterfront Toronto's fifth Integrated Annual Report (IAR) covering the year ending March 31, 2024, and combines our environmental, social, governance and financial performance into one report, is being presented to the Board for approval later in the meeting.

The theme of this year's report is Our New Waterfront and was chosen as it conveys a confident declaration of accomplishment and success in the transformation of Toronto's waterfront — celebrating the water now in the river valley as part of the Port Lands Flood Protection Project. The theme also emphasizes the corporation's capability to deliver ambitious plans for the next phase of waterfront revitalization.

We have continued linking our work to ESG (Environmental, Social and Governance) reporting, as well as to WT's Key Performance Indicators (KPIs), the global Sustainable Development Goals, the Global Reporting Index (GRI), and the recommendations of the International Sustainability Standards Board (ISSB) on Climate-related Financial Disclosures.

The structure of the report retains past sections such as governance, financials and performance measurement, and the project-specific sections are integrated around three core sections:

- A strong economy
- A sustainable city
- Thriving communities

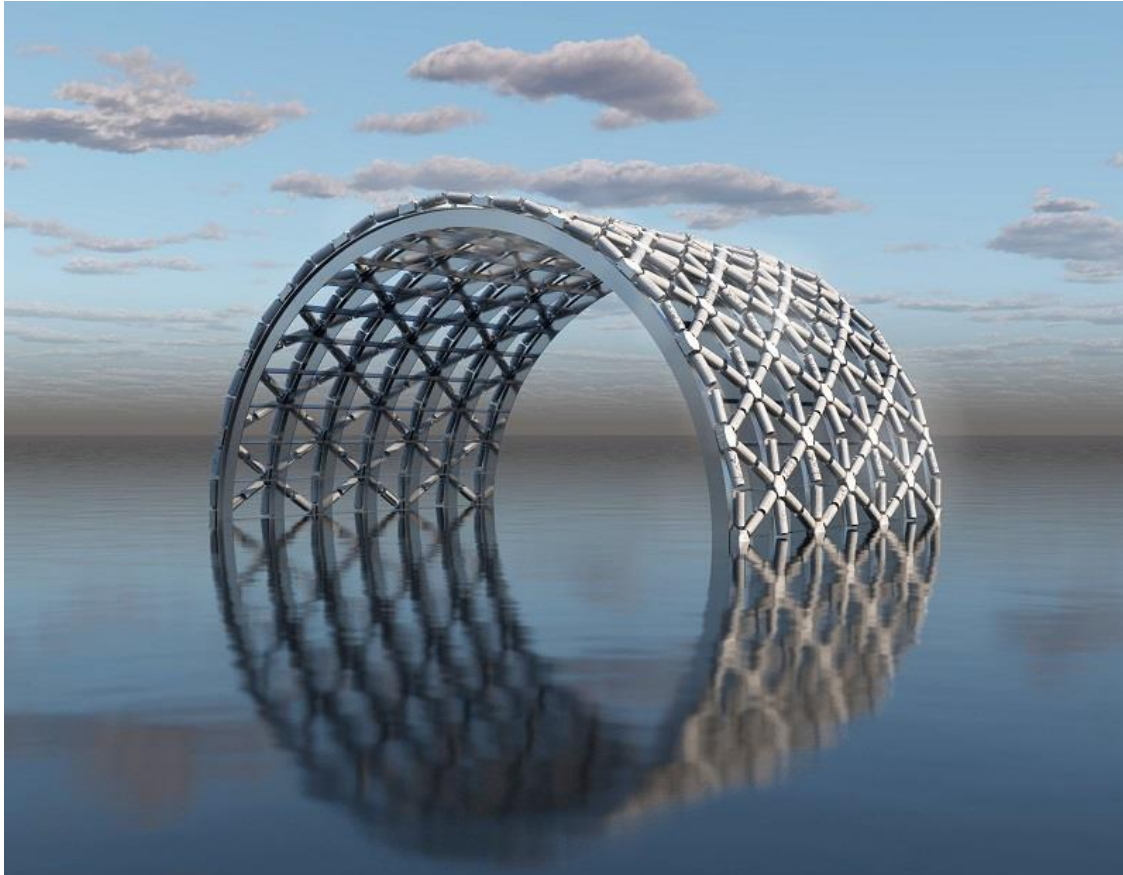
The report also highlights that we met or exceeded 84% of our mandate-driven KPI targets this year (IAR pages 80-81), slightly higher than last year's results of 75%.

Temporary Public Art Program

Waterfront Toronto's 2024 Temporary Floating Artwork is on view now in the Harbour Square Basin through the end of September. *Upcycle*, by Javid Jah explores our connections to nature through water, investigating environmental and spiritual impacts. *Upcycle* is the fourth installment of Waterfront Toronto's temporary floating art program, part of a broader temporary art program that creates dynamic cultural experiences by the lake, drawing visitors to the waterfront all year round.

The work's glowing cylindrical form is made up of 456 re-used plastic water bottles grouped in clusters of 6 bottles which form a star pattern. Inside the bottles are crowd-sourced stories of people's connections to water, which can be accessed via QR code in July.

Upcycle was among 30 submissions received to an open call for artists and artist teams and was chosen by an evaluation team, comprised of arts professionals and subject matter experts, and community members.



Keating Channel Pedestrian Bridge

On May 6, 2024, Waterfront Toronto Chair Jack Winberg and CEO George Zegarac, were joined by MP Dabrusin, Mayor Chow, Chief Sault (MCFN) and Councillor Paula Fletcher to announce the selection of Wilkinson Eyre’s design concept *Equinox Bridge* for the Keating Channel Pedestrian Bridge.

The *Equinox Bridge* is designed by a multi-disciplinary team, including UK-based WilkinsonEyre, local architect Zeidler Architecture and Indigenous consultants Two Row Architect. This selection follows a design competition that attracted submissions from leading local, national, and international firms.

The *Equinox Bridge* will connect the growing downtown and emerging neighbourhoods like Quayside with new housing and green space on Villiers Island, Toronto’s next

waterfront community. The *Equinox Bridge* will also provide a vital connection for thousands of new residents and estimated millions of visitors to a growing network of waterfront destinations and an expanded regional park system along the Don River.

The *Equinox Bridge* is characterized by a signature S-shaped suspended “arch bridge” connected by a sculptural array of fanning cables. The orientation of the bridge’s curves align with the summer solstice sunset and the winter solstice sunrise. The design team consists of recognized local and international firms, including WilkinsonEyre (design architect), Zeidler Architecture Inc. (local architect), Arup (engineer), Two Row Architect (Indigenous consultant), and PLANT Architect Inc. (landscape architect).



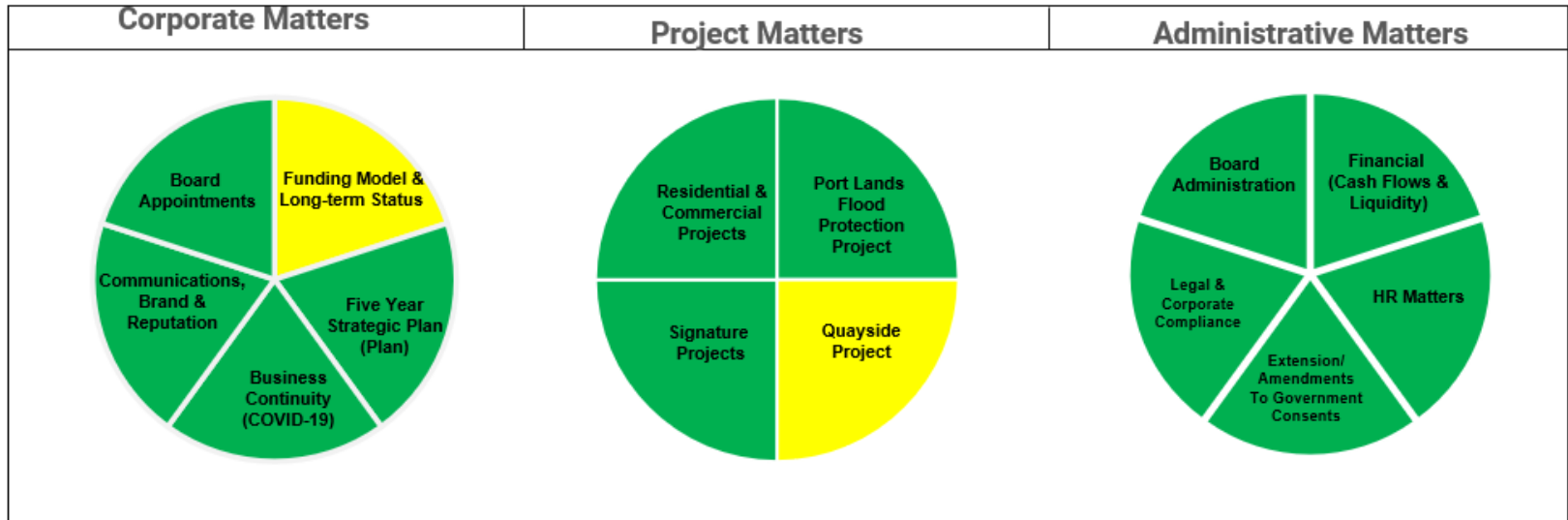
An aerial view of the Equinox Bridge looking southeast.

As part of the design competition, Waterfront Toronto heard from over 2,000 people through a virtual community consultation. An Evaluation Committee consisting of staff representatives from Waterfront Toronto, City of Toronto, and Mississaugas of the Credit First Nation (MCFN) reviewed the shortlisted submissions, and considered input from technical advisors, a community advisory committee, Indigenous communities and the public. After careful consideration of all the proposals *Equinox Bridge* was selected.

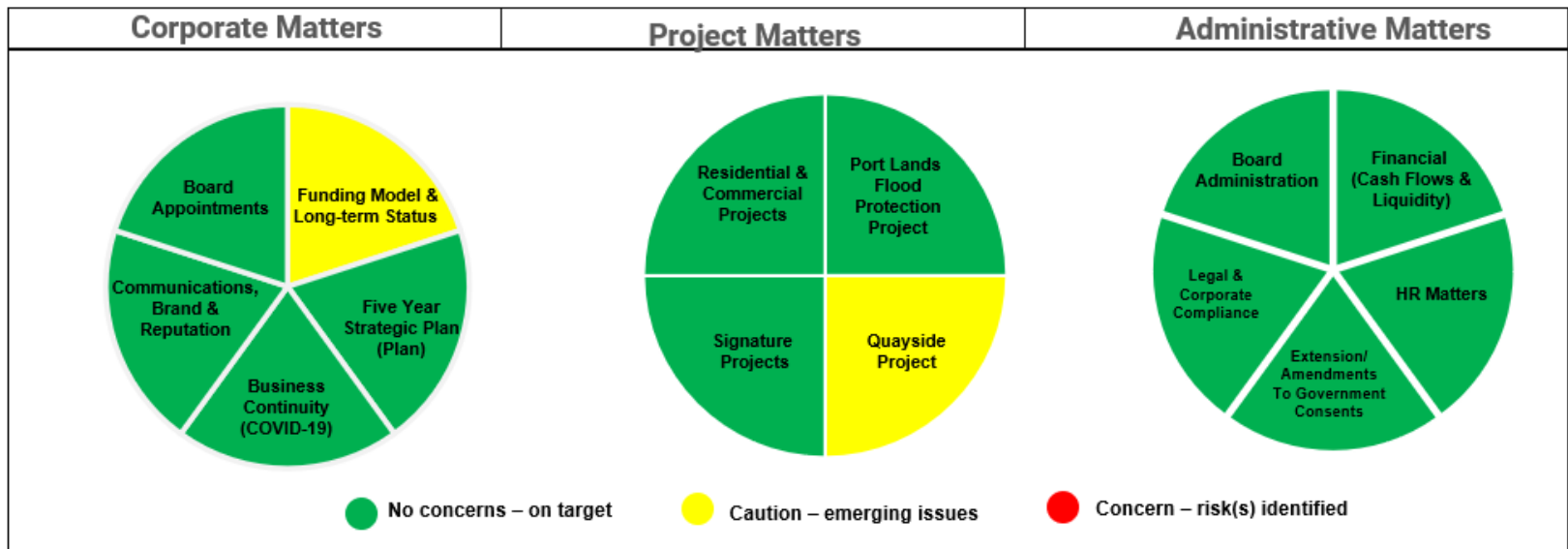
Sincerely,
George Zegarac
President and CEO

Corporate Dashboard

Current
17/06/2024



Previous
18/03/2024



The Investment and Real Estate Committee (“IREC” or the “Committee”) met on May 23, 2024. This report reflects a summary of the Committee’s discussions in the Open Session of the meetings. A quorum was achieved for each of the meetings.

I wish to report on the items set out below which were discussed at the May 23, 2024, Committee meeting:

1. Consent Agenda
 - Development Projects Dashboard & Statistics
 - ESG Update
2. Update on Quayside Matters
3. Update on Villiers Island Matters

1. **Consent Agenda**

- **Development Project Dashboard & Statistics**
The Development Project Dashboard & Statistics was taken as read. There were no items of concern to be highlighted.
- **Environmental, Social and Governance (ESG) Update**
An updated ESG report was provided for information to the Committee. The material was taken as read and there were no items of concern to be highlighted.

2. **Update on Quayside Matters**

Communications staff provided an update on efforts to advance public consultation in support of municipal approvals for the Quayside project.

3. **Update on Villiers Island Matters**

Communications staff provided an update on next steps for ongoing public and Indigenous engagement on Villiers Island planning and development.

The Finance, Audit & Risk Management (FARM) Committee met in person on June 6, 2024 at Waterfront Toronto’s T3 Bayside corporate office. Quorum was achieved with all three members in attendance.

This report covers the following five items, two of which are for Board approval and three for information:

1. Corporate and Project Reporting Dashboards
2. Year End Audited Financial Statements March 31, 2024 **(for approval under Item 9)**
3. Port Lands Flood Protection (PLFP) Project Updates
4. Broadview Eastern Flood Protection Supplemental Capital Approval **(for approval under item 8)**
5. Waterfront Toronto Insurance Program 2024/25 Renewals

The following additional items were reported in closed session of the FARM Committee meeting and are covered under Board agenda items 11c, 12 and 13:

- 2023/24 Integrated Annual Report **(for approval under Item 12)**
- Cybersecurity Update
- Fundraising Strategy Update
- Quayside Infrastructure and Public Realm
 - Cost Estimate Update
 - Phase 1 Capital Approval **(for approval under Item 13b)**
- Business Case and Tri-Government Engagement – Next Phase of Waterfront Revitalization **(for approval under Item 14)**

1. **Corporate & Project Reporting Dashboards (consent agenda)**

Due to the heavy agenda and no significant changes from last quarter, the FARM Committee took the consent agenda item dashboards (namely audit, enterprise risk, liquidity, major capital projects, procurement, regulatory compliance, and ESG) as read and there were no questions from the Committee.

2. **Year-End Financial Statements – March 31, 2024 (for approval)**

The FARM Committee reviewed the Corporation’s financial statements for the year ended March 31, 2024 with management and the Corporation’s external auditors from BDO Canada LLP (BDO). BDO noted that they would be issuing an unqualified audit opinion, that there were no material matters of concern regarding internal controls, and no matters to be discussed with the Committee without management.

This item is reported separately under Item 9 of the June 24, 2024 Board materials. The FARM Committee supports Board approval of the audited financial statements.

3. Port Lands Flood Protection (PLFP) Project Report Updates

a) PLFP Project Update

Waterfront Toronto’s Chief Project Officer provided a visual progress report for the PLFP project.

b) Q1 2024 Construction Cost Forecast & Risk Update and Quantification

- Management presented the Q1 2024 Construction Cost Forecast & Risk Update and Quantification for the PLFP project to the Committee.
- The semi-annual update, which is a key part of the Corporation’s project risk management framework, involves the reassessment of construction risk to ensure that the likelihood of achieving the program budget remains high as risks are realized and retired throughout the life of the project.
- WTs Chief Project Officer reported that governments recently recommended that:
 - The balance of funding allocated to the Eastern Avenue Flood Protection (EAFP) sub-project (\$3.6 million) be re-allocated to the project contingency. The balance of work planned for the EAFP cannot be implemented because of the work related to the Ontario Line and East Harbour transit hub projects that is being undertaken by Metrolinx; and
 - The balance of funding allocated to construct the final layout for the Sediment and Debris Management Area (SDMA) sub-project (\$12.9 million) be re-allocated to the project contingency. The balance of work planned for the SDMA cannot be completed until after the relocation of the Gardiner/DVP ramps has been completed. The timing of this work has not been confirmed however the work will not happen until well after the completion of the PLFP project.
- The Q1 2024 results indicate a 96.5% probability of completion within the approved budget of \$1.354 billion, an increase from 95.4% reported six months ago (Dec 2023).
- The forecast contingency available to the end of the project has increased to \$39.5 million (from \$28.5 million reported in the March 25, 2024 FARM Chair Report).
- The project schedule for substantial completion of flood protection has shifted slightly to January 16, 2025 (from late December 2024), with some seasonally dependent work (planting and asphalt paths) for Promontory Park South still contemplated for completion spring 2025.

c) Independent Capital Monitor Report

BTY Consulting LLP (BTY) presented their **23rd report** as Independent Capital Monitor for the PLFP project and noted that:

- The project remains on budget (\$1.354 million) comprising:
 - a) Port Lands Flood Protection: \$1,272.9M, and
 - b) Parks Finishes: \$81.1M
- A revised schedule baseline was issued by EllisDon in March 2024 with a substantial completion date on January 16, 2025 (vs. Dec 31, 2024 previously) and project completion on June 30, 2025 (no change);

- Overall “green” risk level indicating low likelihood of risks impacting the project budget or schedule.
- No material scope changes have been made to the project this quarter.
- The risk management process implemented by WT continues to be robust and in line with industry best practices.

4. Broadview Eastern Flood Protection Supplemental Capital Approval

Management outlined a \$14.725 million supplemental capital approval request (to a total \$31.025 million) for the continuation of the Broadview Eastern Flood Protection project subject funding from the City of Toronto. This item is reported separately under item 8 of the Board materials and approval is supported by the FARM Committee.

5. Waterfront Toronto Insurance Program 2024/25 Renewals

- As part of Waterfront Toronto’s Enterprise Risk Management Framework, management shared information related to the Corporation’s annual insurance program renewals, including coverages for Directors & Officers insurance.
- Management successfully maintained or enhanced existing coverages for 2024/25 while limiting the overall premium increase to less than 2% from last year.
- In line with the August 2022 recommendation of third-party insurance risk advisor, Intech Risk Management Inc., as well as recent benchmarking results provided by HUB, WT cost-effectively increased its Commercial General Liability coverage from \$10M to \$20M this year (this was considered but not implemented last year due to cost).
- Total coverage of \$20M for individuals did not change under the Directors & Officers insurance policy.
- With respect to adequacy, management reported that WT’s coverages are in line with the most recent third-party risk advisor review as well as benchmarking completed by the Corporation’s insurance broker, Hub International.
- This information is included for the Board under Item 5h) of the June 24, 2024 agenda.

The HRGSR Committee met on June 10, 2024. The board chair, Jack Winberg, also attended the meeting.

I wish to report on the items set out below which were discussed at the June 10, 2024 Committee meeting:

1. Consent Agenda
 - ESG Update
 - Human Resources Update
2. 2023/24 Corporate Accomplishments
3. New Director Onboarding
4. Strategic Communications
5. Year-end Performance Assessment for the CEO and Executives

1. **Consent Agenda**

▪ **ESG Update**

An updated ESG report was provided for information to the Committee. The material was taken as read and there were no items of concern to be highlighted.

▪ **Human Resources Update**

The Committee received a report containing an overview of the Human Resources (HR) practices at Waterfront Toronto over the last fiscal quarter that focused on the following HR areas: Recruitment, Organizational Effectiveness, Learning and Development, Performance Evaluation, Rewards and Recognition and Diversity, Equity and Inclusion. The report also contained a dashboard on KPIs for the fiscal quarter and fiscal year end, including previous quarters and fiscal years for comparison and to identify trends.

2. **2023/24 Corporate Accomplishments**

The CEO presented a report highlighting some of Waterfront Toronto’s accomplishments for this past fiscal year. As I noted in my capacity as Committee Chair this was another extremely busy year for Waterfront Toronto and much has been accomplished including developing a vision and business case for the next phase of revitalization, secured additional funding for PLFP, progressed both the Waterfront East LRT and Quayside Infrastructure design work, opened new Cherry Street and finished work on both Love Park and the Legacy Art Toronto park.

The CEO presented the following summary of the 2023/24 Planning for Success (PFS) rating results for all eligible staff below the CEO: 68 Staff below the CEO:

- Exceeds Expectations (EE) Rating - 10 staff = (14.7%)
- Achieved Expectations Plus (AEP) Rating – 23 staff = (33.8%)
- Achieved All Expectations (AAE) Rating – 33 staff = (48.5%)
- Achieved Some Expectations (ASE) Rating – 2 staff = (2.9%)
- Expectations Not Achieved (ENA) Rating – 0 staff = (0%)

For comparison purposes, the results for 2022/23 for the 63 staff eligible below the CEO were:






- Exceeds Expectations (EE) Rating - 9 staff = (14.3%)
- Achieved Expectations Plus (AEP) Rating – 26 staff = (41.3%)
- Achieved All Expectations (AAE) Rating – 27 staff = (42.9%)
- Achieved Some Expectations (ASE) Rating – 0 staff = (0%)
- Expectations Not Achieved (ENA) Rating – 1 staff = (1.5%)




Through the pre-established P4P program, all employees who meet performance expectations, have an opportunity to receive an adjustment to salary based on their performance rating (the PFS process) which allows employees to progress through their salary grade range, based on individual performance. Any compensation adjustment to our employees is consistent with our compensation structure and objectives. Any salary adjustments that were recommended were still under the approved 2024/25 corporate budget approved in December 2023.

For items 3, 4, and 5 further information was presented in Closed Session

Item 5g) Environmental, Social, and Governance (ESG) Update

In accordance with the TWRC Act, WT's mandate is to enhance the economic, social, and cultural value of the designated waterfront area in a fiscally and environmentally responsible manner. ESG is embedded in Board committee mandates, strategic plans, and annual reports (aligned with leading international frameworks – Global Reporting Index, UN Sustainable Development Goals). This update is to provide advancements in specific areas of ESG in the past quarter (note: not exhaustive).

Topic	Q4 2023/24 Update	Oversight
Governance	Regular ESG Updates to Board <ul style="list-style-type: none"> Quarterly “ESG Update” standing agenda item for Board and Committees effective June 2022. 	Board
	Internal ESG Awareness <ul style="list-style-type: none"> ESG awareness session conducted with senior management team June 2023, focusing on the role of governance, reporting and industry best practices in ESG. Presented ESG awareness and Climate Action Plan (CAP) session to all-staff Townhall October 2023, focusing on cross-functional collaboration and internal capacity-building. 	Board
Environment SDGs supported:    	Climate Action Plan (CAP) <ul style="list-style-type: none"> Following guidance from the International Sustainability Standards Board (ISSB), which builds on the work of the Task Force for Climate-related Financial Disclosures (TCFD), WT continues to incorporate climate-related disclosures in the Integrated Annual Report (started 2022). WT continues to implement its 5-year CAP strategy with implementation currently focused on incorporating low-carbon requirements throughout the different life cycle stages of projects. Incorporated new corporate climate policy requirement in all new procurements and low-carbon design/ construction requirements in select new infrastructure and public realm procurements. 	Board
	Public Art <ul style="list-style-type: none"> Public art program continues to raise awareness of ESG topics where applicable. Upcoming launch of temporary floating public art at Harbour Square Park Basin: “Upcycle” will be created with discarded water bottles and illustrate the differences between upcycling and recycling. 	Board
Social SDGs supported: 	Diversity, Equity & Inclusion (DE&I) Strategy <ul style="list-style-type: none"> Implementation of DE&I Strategy recommendations from MNP continues. DE&I affirmation statement, WT purpose statement and organizational values in support of a people-first DE&I strategy adopted 2023 and published in the 2022/23 Integrated Annual Report. Following the staff needs assessment surrounding training for DE&I, provided the first DE&I Fundamentals training to all staff September 2023, with additional training to come. 	HRGSR

	<ul style="list-style-type: none"> Prepared second workforce demographic survey March 2024 to enable comparison to the first survey from spring 2022. 	
	<p>Accessibility Strategy</p> <ul style="list-style-type: none"> Released Waterfront Accessibility Design Guidelines v1.0 in December 2023, following a public comment period. The Guidelines build on the AODA and Toronto Accessibility Design Guidelines to guide public realm design and enhance the accessibility of waterfront areas. Formed a new Waterfront Accessibility Advisory Committee in December 2023 to support implementation of the Guidelines. Implementing recommendations from the December 2023 Accessibility internal audit (which assessed WT's compliance with AODA and Integrated Accessibility Standards Regulation), including making changes to WT's website content and providing staff training on the creation of accessible documents. 	<p>Board</p> <p>FARM</p>
	<p>Ongoing Engagement with Indigenous Treaty Holders and Indigenous Communities</p> <ul style="list-style-type: none"> Continued engagement with the Mississaugas of the Credit First Nation (MCFN), Indigenous advisors, and other Indigenous communities to share knowledge, build relationships and inform project plans and delivery approaches, including for Quayside public realm, the Waterfront East LRT Project, the Keating Channel Pedestrian Bridge (Equinox Bridge), Port Lands Flood Protection, and PlayPark. Engagement with the Six Nations of the Grand River on various projects including WT's Marine Strategy & Water Transportation Study Update in December 2023 to explore potential opportunities for input and involvement as plans progress. 	<p>Board</p>

Purpose	<p>For Information.</p> <p>To provide a report on the Corporation’s insurance program, which is part of Waterfront Toronto’s Enterprise Risk Management framework.</p>
Areas of note/ Key issues	<ul style="list-style-type: none"> • The Corporation uses a competitively procured insurance broker, HUB International HKMB Limited (HUB), to secure all insurance coverage. HUB assisted Waterfront Toronto in completing its annual insurance renewal program for the 2024/25 year. • Overall, Waterfront Toronto successfully maintained or enhanced existing coverages for 2024/25 while limiting the overall premium increase to less than 2% from last year. • In line with the August 2022 recommendation of third-party insurance risk advisor, <i>Intech Risk Management Inc.</i>, as well as recent benchmarking results provided by HUB, WT cost-effectively increased its Commercial General Liability coverage from \$10M to \$20M this year (this was considered but not implemented last year due to cost). • Total coverage of \$20M for individuals did not change under the Directors & Officers insurance policy. • WTs total overall insurance premium cost for 2024/25 is \$276,000. <p>The attached Insurance Summary lists the potential risk exposures and the insurance coverage that mitigates that risk.</p> <p>The FARM Committee reviewed and discussed this report at their June 6, 2024 meeting.</p>
Resolution or Next Steps	<p>The next insurance program review for 2025/26 fiscal year will be completed by the FARM Committee in May 2025 and reported to the Board in June 2025.</p>

Waterfront Toronto Insurance Summary Updated as of June 24, 2024

The summary below identifies potential enterprise and project-specific risk exposures and the insurance coverage that mitigates that risk. In addition, Waterfront Toronto utilizes indemnification language in contracts and requires contractors to provide performance bonds and insurance certificates to mitigate risk.

A. Enterprise-wide risk exposures (with enhanced liability coverage limit)

Potential Loss Exposure	Insurance Policy	Coverage Limit FY 2023/24	Coverage Limit FY 2024/25
Management Liability Loss Exposures (including litigation) <i>(Directors' & Officers' Liability (D&O))</i>	<ul style="list-style-type: none"> D&O Insurance (Not for Profit) <i>(Including Employment Practices Liability)</i> <i>Insurer - AIG</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> Excess D&O Insurance (Not for Profit) <i>(Including Employment Practices Liability)</i> <i>Insurer – Great American Insurance Group (GAIG)</i> 	\$5.0M	\$5.0M
	<ul style="list-style-type: none"> Excess D&O Insurance (Not for Profit) <i>(Only covers individuals)</i> <i>Insurer - Chubb</i> 	\$5.0M	\$5.0M
	Total D&O Coverage:	\$20.0M	\$20.0M
Property Loss Exposures <i>(Losses caused to damage to WT's office and portfolio of properties including sudden and accidental breakdown of all boilers, pressure vessels, mechanical and electrical machinery and apparatus)</i>	<ul style="list-style-type: none"> Property Insurance <i>(Includes coverage for rental income loss)</i> <i>Insurer – Intact</i> 	\$4.7M ¹	\$7.4M ¹
	<ul style="list-style-type: none"> Boiler & Machinery Insurance <i>Insurer - The Boiler Inspection and Insurance Company</i> 	\$10.0M	\$10.0M
Liability Loss Exposures Premises & Operations Liability <i>(Losses where organization is held liable because of bodily injury or property damage caused by either accident occurring on the premises or accident occurring away from premises if it is organization's ongoing operations)</i>	<ul style="list-style-type: none"> Commercial General Liability ("CGL") Insurance <i>Insurer – Lloyd's of London through Howden Specialty</i> 	\$2.0M	\$2.0M
	<ul style="list-style-type: none"> Umbrella Liability Insurance <i>(Aggregate follow form underlying CGL policy)</i> <i>Insurer – Lloyd's of London through Howden Specialty</i> 	\$8.0M	\$8.0M
	<ul style="list-style-type: none"> Excess Liability Insurance <i>Insurer – Lloyd's of London through Howden Specialty</i> 	N/A	\$10.0M
	Total CGL Coverage:	\$10.0M	\$20.0M
Fraud & Cyber Crime Loss Exposures	<ul style="list-style-type: none"> Crime Insurance 	Note 2	Note 2
	<ul style="list-style-type: none"> Cyber Insurance 	Note 2	Note 2

Notes:

- Increase is on account of WT's new office space at T3 Bayside which was turned over to WT in December 2023 for fit-out and commencement of office operations in its new office location in January 2024.
- Refer to Closed Session agenda Item 11 for Crime and Cyber Insurance coverages.

B. Property/ Project specific exposures (overall same limit)

Potential Loss Exposure	Insurance	Coverage Limit	Coverage Limit
		FY 2023/24	FY 2024/25
Environmental or Pollution Liability	<ul style="list-style-type: none"> 7 Queens Quay East <i>(Losses caused by environmental damages such as pollution or biodiversity)</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> 54 Commissioners St. <i>(Losses arising from bodily injury, property damage and other remediation costs from pollution incidents at, on, or emanating from the covered location)</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> Contractors Pollution Liability Insurance <i>(Losses caused as a result of pollution conditions (sudden/accidental or gradual) arising from contracting operations performed by the contractor)</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> East Bayfront Pollution and Remediation Liability <i>(Losses resulting from any pollution condition on, at the covered location including any remediation expenses)</i> 	\$25.0M	\$25.0M
Builders Risk <i>(All Risks or Direct Physical Loss or Damage including but not limited to Flood, Earthquake, Windstorm, Boiler & Machinery but excluding maintenance cover and Delayed Start Up)</i>	<ul style="list-style-type: none"> The Port Lands Flood Protection (coverage: 71% of the loss) 	\$1.007B	\$1.007B
Wrap Up Liability <i>(Losses arising from all liability exposures typically associated with the construction projects including bodily and property damage)</i>	<ul style="list-style-type: none"> Wrap Up Liability Insurance - Port Lands project 	\$50.0M	\$50.0M
	<ul style="list-style-type: none"> Excess Wrap Up Liability – Port Lands project 	\$50.0M	\$50.0M
	Total Builders Risk Coverage (PLFP):	\$100.0M	\$100.0M
Professional Liability <i>(Losses arising from any claim or claims made for any error, omission or negligent act committed in the conduct of the business)</i>	<ul style="list-style-type: none"> Primary Professional Liability Insurance - The Portlands Toronto 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> 1st XS Professional Liability Insurance - The Portlands Toronto 	\$5.0M	\$5.0M
	<ul style="list-style-type: none"> 2nd XS Professional Liability Insurance - The Portlands Toronto 	\$2.5M	\$2.5M
	<ul style="list-style-type: none"> 3rd XS Professional Liability Insurance- The Portlands Toronto 	\$2.5M	\$2.5M

Purpose	For Approval
Areas of note/ Key issues	Michael Braithwaite has recently joined the board as a federal appointee. It is appropriate that he be appointed to serve as a member of a board committee as well and it is proposed that he join the Finance Audit and Risk Management Committee. In addition, Wende Cartwright has indicated that due to her other time commitments she would like to step down as chair of the Human Resources Governance and Stakeholder Relations Committee.
Resolution & Next Steps	<p>The Chair of the board has the power and authority to recommend directors for appointment to one or more committees. The Chair is now recommending that Rahul Bhardwaj be appointed chair of HRGSR and Michael Braithwaite be appointed as a member of FARM.</p> <p>ON MOTION duly made by [●] and seconded by [●] and carried, be it RESOLVED that the Board of Directors approve the recommendation that (i) Rahul Bhardwaj be appointed chair of the HRGSR Committee and (ii) Michael Braithwaite be appointed as a member of FARM, both effective immediately.</p>



Board of Directors Meeting – June 24, 2024
Item 7 – Waterfront Toronto Priority Projects
– Construction update
David Kusturin

Purpose	For Information
Areas of note/ Key issues	<p>The attached Slides consists of pictures which illustrate the progress made on the Port Lands Flood Protection (PLFP) project as well as other construction projects undertaken by Waterfront Toronto (WT):</p> <ul style="list-style-type: none"> • Queens Quay East Lakefill • West Don Lands Block 10 • Aqualuna • Limberlost Place • PLFP: Northern Pike Caught in Cousins Slip & Keating Channel • PLFP: River Park Animals • PLFP: River Park North Badlands • PLFP: River Park North Nature Activity Area • PLFP: River Park North Dog Off-Leash Area • PLFP: Snowy Owl Base Installation • PLFP: West Plug Preparation • PLFP: North Plug Excavation • PLFP: May 2024 Drone Footage
Next Steps	Management will continue to provide updates on WT Priority Projects at subsequent Board meetings.

Priority Projects: Construction Update



Queens Quay East Parliament Slip Lakefill



Queens Quay East Parliament Slip Lakefill



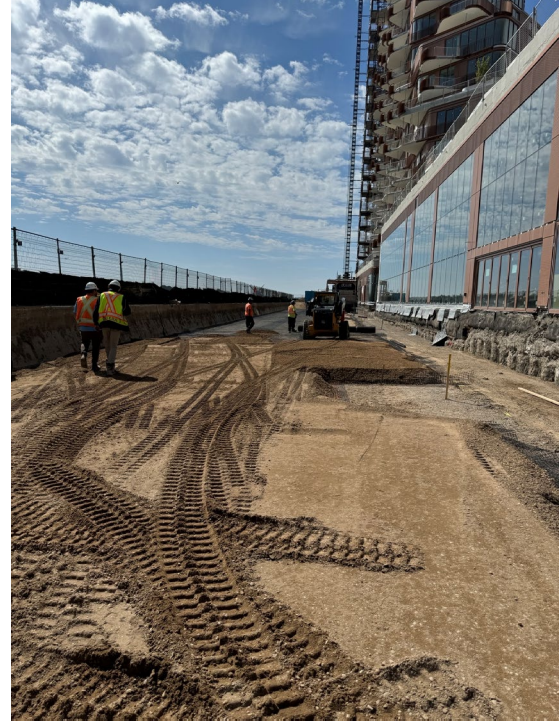
West Don Lands Block 10



Aqualuna



Aqualuna Water's Edge Promenade



Limberlost Place



Northern Pike Caught in Cousins Slip & Walleye in Keating Channel



Port Lands Flood Protection – Bowfin Spotted in New River Channel



Port Lands Flood Protection - River Park North Animals



Port Lands Flood Protection - River Park North Animals



Port Lands Flood Protection – River Park North Badlands Scramble



Port Lands Flood Protection – River Park North Nature Activity Area



Port Lands Flood Protection - River Park North Dog Off-Leash Area



Port Lands Flood Protection - Snowy Owl Base Installation



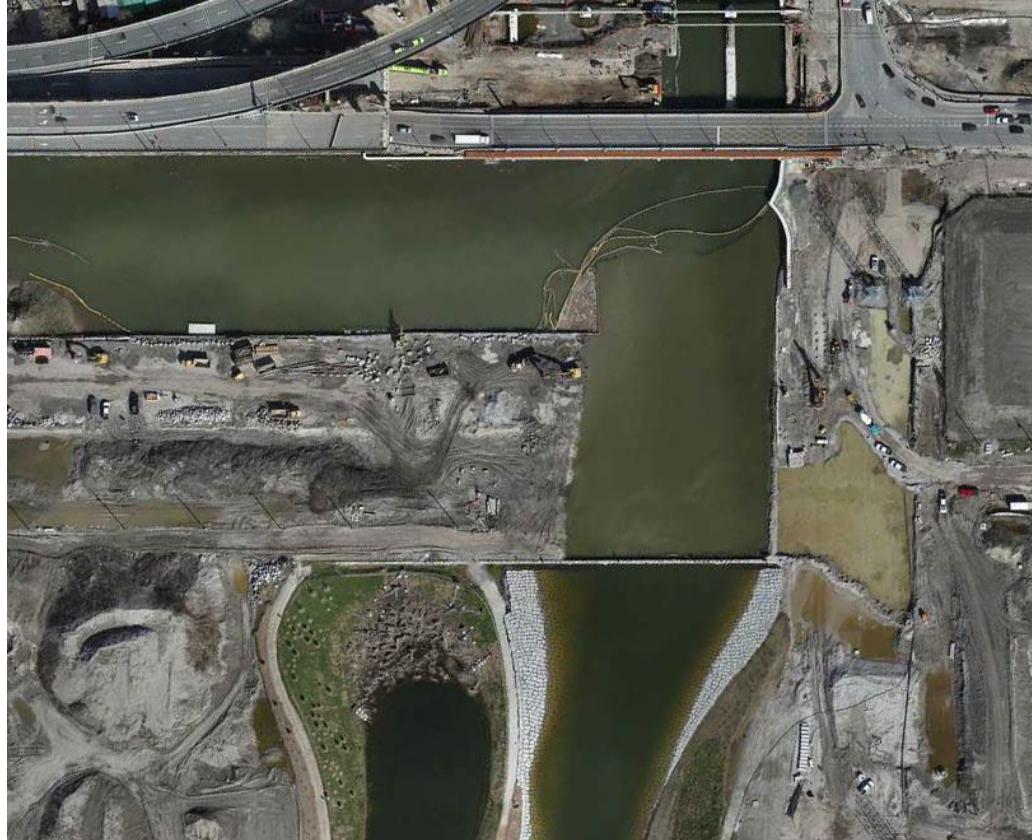
Port Lands Flood Protection - West Plug Preparation



Port Lands Flood Protection – North Plug



Port Lands Flood Protection – North Plug Excavation







Board of Directors Meeting – June 24, 2024
Item 8 – Capital Approval
Broadview Eastern Flood Protection Design –
Request for Supplementary Capital Approval
David Kusturin

Purpose	For Approval
Areas of note/ Key issues	<p>The Broadview Eastern Flood Protection (BEFP) Project, approved by the Board of Directors (June 23, 2022), is required to undergo a re-design of the project flood protection components due to a change in design direction resulting from the Province of Ontario – City of Toronto New Deal. This re-design and extension of project schedule, coupled with the need to advance procurement and demolition design necessitates further capital approvals. The City, Province and Metrolinx continue to discuss the final cost sharing and private land access requirements for the BEFP Project, as part of the overall East Harbour Transit Hub initiative. As such, full project implementation remains unfunded.</p> <p>To continue advancement of work while discussions proceed, City has issued a second release of funding for WT to:</p> <ul style="list-style-type: none"> a) Undertake the re-design of the project; b) Extend construction manager pre-construction services and WT project management to end of February 2025; c) Initiate subcontractor procurement and permit applications; d) undertake the Old Eastern Avenue Bridge Demolition Project <p>Staff received FARM Committee approval on June 6, 2024, and are seeking Board of Directors approval to further advance the work described above on the BEFP project to the end of February 2025.</p> <p>BEFP is enabling infrastructure required to allow for occupancy of the proposed East Harbour development and replaces the Eastern Avenue Grading works proposed in Port Lands Flood Protection Project (PLFP).</p> <p>This project is included in the Board approved Rolling Five Year Strategic Plan but the Board has not authorized this phase of the Project delivery.</p> <p>Management will seek further Finance Audit and Risk Management Committee and BoD capital approval(s) for the Broadview Eastern Flood Protection Project Construction Works in late 2024 or early 2025, subject to Toronto City Council funding approval.</p>

Recommendation	<p>Management recommends:</p> <p>THAT the Board of Directors approve an additional capital expenditure of \$14.725 Million (for a total of \$31.025M) to advance the Broadview Eastern Flood Protection Project subject to execution of a funding agreement(s) with the City of Toronto.</p>
Proposed Motion and Resolution	<p>WHEREAS the Corporation is the Project Delivery Agent for the Broadview Eastern Flood Protection Project Design and Construction (the “Project”) on behalf of City of Toronto (the “City”);</p> <p>WHEREAS the Project was approved as part of the 2022/23-2026/27 Rolling Five-Year Strategic Plan;</p> <p>ON MOTION duly made, seconded, and carried, be it RESOLVED that the Board of Directors approve supplementary capital expenditures of \$14.725 Million (for a total of \$31.025M) to advance the Broadview Eastern Flood Protection Project subject to execution of a funding agreement(s) with the City of Toronto.</p>

Broadview Eastern Flood Protection Project

Request for Supplementary Capital Approval

Board of Directors

June 24, 2024

Objectives

- To provide an update on the current status of the Broadview Eastern Flood Protection Project
- To review additional work required subsequent to previous Capital Approvals granted on June 23, 2022 and December 7, 2023
- To describe changes to the original project scope, budget, schedule and funding
- To obtain Board of Directors approval to invest an additional \$14.725 million (for a total of \$31.025 million) with costs as follows:

Item	Amount
WT Project Management Fees	\$0.750M
Soft Costs	\$3.350M
Hard Costs (Including Contingency)	\$10.625M
NRHST (included above)	\$0.253M
Total	\$14.725M

Objectives

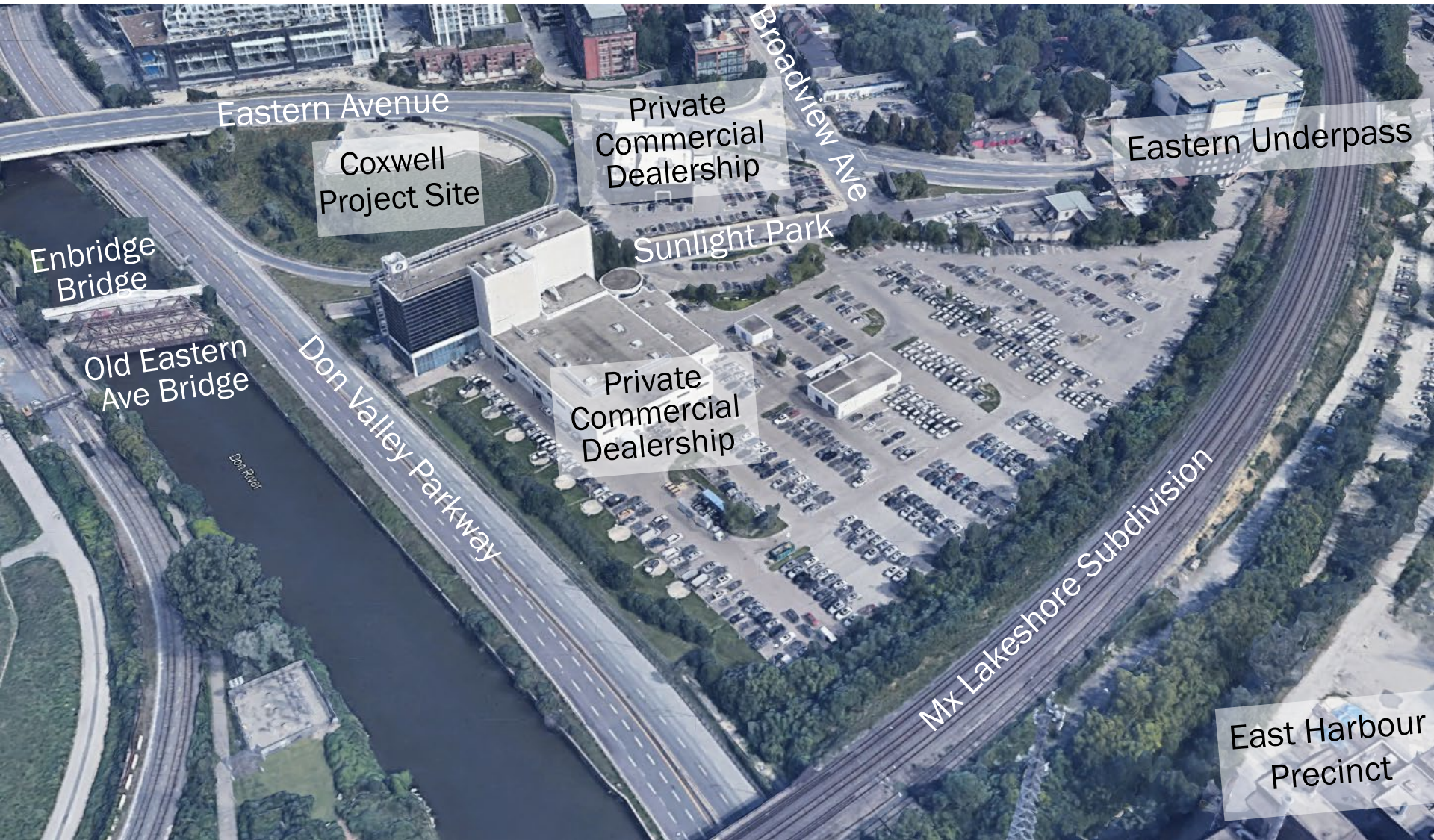
Subject to City of Toronto Approvals of Scope (in full or part) and Confirmation of funding, staff will proceed with:

- Redesign of 60% Detailed Design, as a result of Province of Ontario & City of Toronto New Deal and associated change in design direction
- Advancement of Detailed Design to 90% (IFT)
- Extend pre-construction CM services in support of Detailed Design, Scheduling and Cost Estimating
- Preparation of tender specification and procurement documents
- Initiation of procurement of subcontractors by the CM
- Commencement of 100% Design Drawings and permit applications by project team

- **This project is included in the Board approved Rolling Five Year Strategic Plan.**
- **Initial Board of Directors Capital Approval obtained on June 23, 2022 for \$7.585M**
- **Subsequent Board of Directors Capital Approval obtained on December 7, 2023 for an additional \$8.715M**
- **On June 6, 2024 FARM Committee recommended for Board approval the Supplementary Capital Approval for the expenditure of an additional \$14.725M (for a total of \$31.025M)**
- **Subsequent FARM Committee recommendation and Board of Directors approvals will be sought for construction of the BEFP, upon confirmation of Total Project Budget and City direction to proceed with work.**

- **The following Delivery Agreements (DA) between Waterfront Toronto and the City of Toronto have been, or will be, executed to advance BEFP:**
 - **The Scope A DA, October 27, 2022, to advance detailed design to 60%, procure a Construction Manager and complete associated supporting activities**
 - **Scope A Amendment DA, April 23, 2024, to complete a re-design of the 60% detailed design to reflect the change in design direction, advance detailed design to 90% (IFT), initiate procurement and commence 100% design and permit applications and extend pre-construction services in support of design and procurement**
 - **Scope B DA, anticipated in July 2024 upon receipt of City Council approval, for the demolition of the Old Eastern Avenue Bridge**
 - **Scope C DA, anticipated in early 2025 when funding agreements between City and Province have been confirmed, for BEFP construction**

Background – Existing Configuration



Background

Goal of Broadview Eastern Flood Protection:

- BEFP will permanently remove risk of flooding from Don River to 8 hectares (20 acres) of urban land east of the Don River, south of Eastern Avenue and north of the Metrolinx Lakeshore East rail embankment.

Benefits of Broadview Eastern Flood Protection:

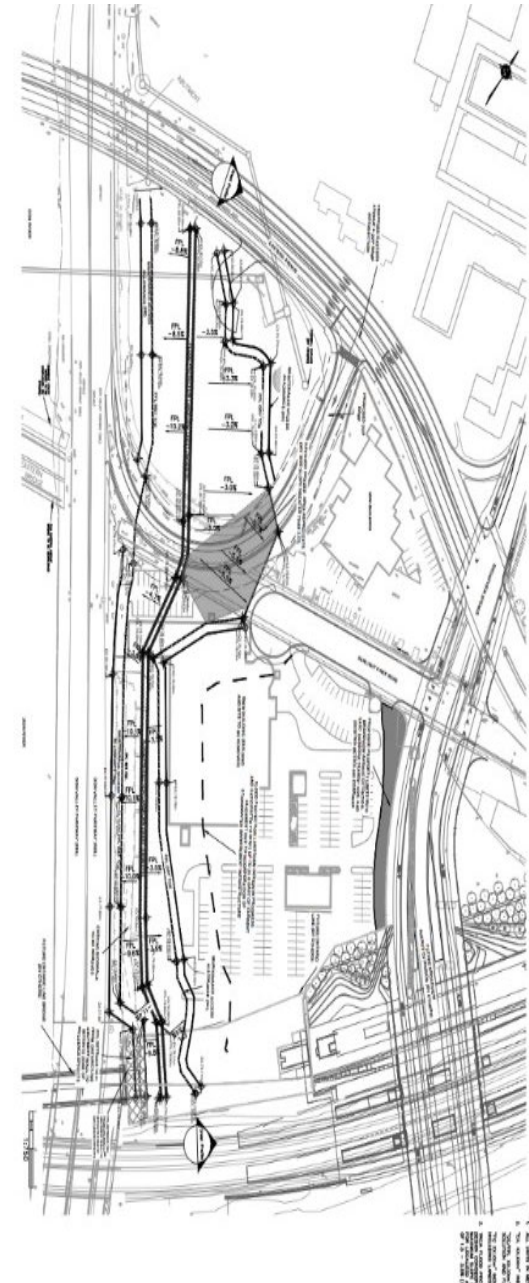
- BEFP will eliminate flood spill through the Eastern Avenue underpass, thus dovetailing with Waterfront Toronto's current efforts on the Port Lands Flood Protection Project
- BEFP is also critical to prevent new flooding through the proposed Broadview Extension through the railway embankment. As such, it is a critical enabling project for:
 - Mx East Harbour Station and Ontario Line;
 - Cadillac Fairview East Harbour Precinct; and
 - Other efforts currently underway in the broader Port Lands such as the McCleary District.



Background

Overall Project Components:

- Remove, reinforce or relocate utilities/servicing along Sunlight Park Road, including oil pipelines along Don Valley Parkway, stormwater management systems and Low Level Interceptor;
- Demolish the BMW dealership building and associated site servicing and infrastructure
- Remove the Eastern Avenue – DVP ramp
- Construct the Flood Protection Landform (FPL) from Eastern Avenue through Sunlight Park Road and south to tie into the Metrolinx rail corridor embankment
- Implement new stormwater management infrastructure on wet and dry side of FPL
- Integrate design and construction staging with East Harbour Transit Hub, Broadview Extension, Coxwell By-Pass, Eastern Avenue Bridge Rehabilitation and Cadillac Fairview projects
- Demolish Old Eastern Avenue Bridge to lower water levels in vicinity of the existing West Don Lands FPL & future Broadview Eastern flood protection.



Background

Preliminary Project Risks for 60% Design of BEFP

Risk Description	Potential Impact	Mitigation Strategy
<p>BMW Property Access By July 2025: Project schedule is contingent on gaining full access to the BMW property by July 1, 2025.</p>	<p>Delays in access will result in delays in the demolition of the building, onsite removals, deep excavation for Sunlight Park, deep utility work, other project activities.</p>	<p>Regular communication with City and Province on the critical nature of this requirement has been ongoing, Province is in negotiations with landowner and has not expressed concern over meeting handover date.</p>
<p>Construction Materials: Delays or shortages in sourcing standard construction materials due to supply chain challenges</p>	<p>Increased cost to procure materials and/or delays to project completion</p>	<p>Early procurement of subcontractors to ensure timely delivery of materials.</p>
<p>Oil pipelines: Expansion of scope surrounding abandonment and removal of deactivated pipelines to facilitate BEFP construction</p>	<p>Increased cost and complexity to work around existing deactivated oil pipelines, potential delays due to crossing permit requirements.</p>	<p>Project team has already initiated discussions and planning activities with pipeline companies</p>
<p>Approval Lead Times: Approvals from Metrolinx on Old Eastern Bridge demo and South FPL tie-in delays project activities (Design Risk).</p>	<p>Delay risk to Old Eastern Avenue Bridge demolition and south FPL tie in with rail embankment.</p>	<p>Project team is in regular contact with Mx project teams through bi-weekly coordination meetings, demolition contractor contract award complete and initial funding for permit advancement provided</p>

- **Work Completed To Date**
 - **Pre-Design Data Collection completed fall 2023**
 - **Design Team Kickoff meeting held October 31, 2022**
 - **FPL & Grading Solution 30% design completed end June 2023**
 - **FPL & Grading Solution 60% design completed October-December 2023**
 - **Construction Manager on-boarded June 30, 2023**
 - **30% Design of Old Eastern Avenue Bridge Demolition completed**
 - **Bids received for Old Eastern Avenue Bridge demolition on October 31, 2023**
 - **Province of Ontario - City of Toronto New Deal direction to redesign with Full FPL configuration received December 2023**
 - **Full FPL Conceptual re-design submitted on January 31, 2024**
 - **Full FPL ~30% design (interim submission) provided on March 14, 2024**
 - **Full FPL 60% detailed design completed in May/June 2024**

- **Work To Be Completed In 2024/2025**
 - **Old Eastern Ave Bridge demolition scheduled for completion in Fall 2024**
 - **Full FPL 90% detailed design scheduled for completion in October 2024**
 - **Complete BEFP Designs from 60% to IFT Level**
 - All drawings, basis of design report, budget, schedule, risk management plan, and supplementary reports and studies
 - Construction management support, including value engineering, costing and scheduling
 - **Old Eastern Avenue Bridge Demolition**
 - Finalization of design and acquisition of all required project permits
 - Undertaking the Bridge Demolition
 - Sub-Project close-out
 - **BEFP Subcontractor Procurement**

Supplementary Capital Approval Request



Supplementary Capital Approval is required in order to further advance the Broadview Eastern Flood Protection Project Works

- Waterfront Toronto's policies and procedures provide for Capital Approvals to be obtained:
 1. After design has reached 60% completion
 2. When planned investments exceed \$5 Million
- Capital Approval is required for the next Phase of project delivery which is estimated at \$14.725M for a cumulative total of \$31.025M

Existing Capital Approval



Category	Capital Approval	Cost to Date
Approved Pre-Design Soft Costs	\$ 1.885M	\$1.745
Initial Capital Approval – 0% to 60% Design and Preconstruction Services	\$5.7M	\$4.192
Supplementary Capital Approval #1 – 60% to IFT Design, Old Eastern Avenue Bridge Demolition, Pre-construction Services	\$8.715M	\$3.117M
Total Existing Capital Approval	\$16.3M	\$9.054M

Supplementary Capital Approval Request #2



Phase 3 Project Elements	Initial Capital Approvals	Suppl. Capital Approval #1 Dec 2023	Suppl Capital Approval #2 Current	Total
Pre-Design Soft Costs	\$1,885,000			\$1,885,000
10% to 60% Design and Pre-Con	\$5,700,000	\$815,000		\$6,515,000
Waterfront Toronto PM Fees		\$305,280	\$750,000	\$1,055,280
Design Team Fees		\$3,470,016	\$3,350,000	\$6,820,016
Construction Manager Fees			\$1,600,000	\$1,600,000
Project Insurance			\$1,900,000	\$1,900,000
Old Eastern Avenue Bridge Demolition, Design and Permit Preparation		\$2,079,974	\$4,150,000	\$6,229,974
Contractor Const Doc and Permit Prep			\$500,000	\$500,000
Private Property Bldg Demo Design			\$100,000	\$100,000
Oil Pipeline Removal Early Works			\$250,000	\$250,000
Contingency		\$2,044,345	\$2,125,000	\$4,169,345
Total	\$7,585,000	\$8,714,615	\$14,725,000	\$31,024,615

Capital Approval Summary

Source	Funding Source	Amount (\$ Millions)
Original Capital Approval (BoD 06/23/22)	City of Toronto	\$7.585M
Suppl. Capital Approval Request (BoD 12/07/23)	City of Toronto	\$8.715M
Suppl. Capital Approval Request (Current)	City of Toronto	\$14.725M
Total Capital Approval Request		\$31.025M

Sources of Funding

Source	Funding Source	Amount (\$ Millions)
Original Capital Approval (BoD 06/23/22)	City of Toronto	\$7.585M
Suppl. Capital Approval Request (BoD 12/07/23)	City of Toronto	\$8.715M
Suppl. Capital Approval Request (Current)	City of Toronto	\$14.725M
Total Capital Approval Request		\$31.025M

Recommendation

Management and FARM recommend the Board of Directors approve an additional capital expenditure of \$14.725 Million (for a total of \$31.025M) to advance the Broadview Eastern Flood Protection Project, subject to execution of a funding agreement(s) with the City of Toronto.

ON MOTION duly made, seconded, and carried, be it **RESOLVED** that the Board of Directors approves a supplementary capital expenditures of \$14.725 Million (for a total of \$31.025M) to advance the Broadview Eastern Flood Protection Project, subject to execution of a funding agreement(s) with the City of Toronto.

Join Us

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WATERFRONToronto

**Board of Directors Meeting – June 24, 2024
Item 9 – March 31, 2024, Audited Financial Statements
Lisa Taylor/ Sampada Chandane**

<p>Purpose</p>	<p>For Board approval</p> <p>The purpose of the audited financial statements is to provide information about the results of the operations, financial position, and cash flows of the Corporation.</p>
<p>Areas of note/ Key issues</p>	<p>With respect to financial activities for the year ended March 31, 2024, the Corporation has:</p> <ul style="list-style-type: none"> • Spent approx. \$256.8 million (down 17% from \$311.7 million for last year due to acquisition of Parliament Slip in FY 2023 combined with lower expenditures for the Port Lands project caused by construction delays) of which <u>\$240.8 million was capitalized</u> as Assets Under Development, primarily for the Port Lands Flood Protection project (\$206.4 million), <u>\$16 million was expensed</u> primarily for Port Lands utilities and other (\$3.7 million), Villiers Island planning (\$3.3 million), GBC Child Care Space (\$1.7 million), Signature projects (\$1.3 million), Legacy Art project (\$0.9 million). • Recognized revenues of \$217.7 million (down 39% from \$359 million for last year due to Quayside land sale revenues of \$157 million realized last year vs. NIL land sale revenue for current year) which is primarily made up of government contributions for Port Lands Flood Protection project including Lakeshore Bridge (\$168.5 million), Quayside Infrastructure project (\$12 million), parking and interest revenues (\$9.9 million), cost sharing revenues for Port Lands and Lakeshore bridge project (\$8.4 million), Broadview and Eastern Flood Protection project (\$5.8 million), Park Finishes funding (\$4.2 million), Love Park (\$2.8 million), EBF Infrastructure revenue (\$1.9 million). • Lower cash and short-term investments balance of \$46.8 million (down from \$119.4 million as of March 31, 2023) due to utilization of working capital for Port Lands Flood Protection as well as higher outstanding receivables for Port Lands project at year end 2024. • Reported a higher net operating income (\$9.7M vs. \$6.6M last year) because of higher interest income due to higher interest rates. <p>Other items of note during the period include:</p> <ul style="list-style-type: none"> • During the year Cherry Street North (road, bridges, and underlying utilities) costing \$72.7 million was formally transferred to the City of Toronto. This is the first asset transfer for Port Lands Flood Protection project. • Unrestricted net assets (Note 13) are in a net surplus position of \$47 million (decreased from \$65.7 million as of March 31, 2023) as a result of realization of certain Quayside land sale revenues in March 2023. • BDO Canada has completed its annual audit of WT’s financial statements and reported the results to the FARM Committee on June 6, 2024, noting no matters of concern. <p>Upon Board approval Waterfront Toronto’s external auditor intends to issue a clean, unqualified audit opinion.</p> <p>The FARM Committee recommends approval of the Corporation’s financial statements.</p>
<p>Key Takeaways/ Next Steps</p>	<p>ON MOTION duly made, seconded and carried, be it RESOLVED that the Board of Directors approve the audited financial statements for the year ended March 31, 2024 in the form presented at the meeting.</p> <p>Audited March 31, 2024 Financial Statements in English and French to be shared with governments and the public by June 30, 2024.</p>

Financial Statements of

Toronto Waterfront Revitalization Corporation
(c.o.b. as Waterfront Toronto)

March 31, 2024

Toronto Waterfront Revitalization Corporation

March 31, 2024

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Management’s Responsibility for the Financial Statements

June 24, 2024

The integrity and objectivity of the accompanying financial statements of the Toronto Waterfront Revitalization Corporation (“the Corporation”) is the responsibility of management. These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Chartered Professional Accountants of Canada (CPA Canada). Significant accounting policies of the Corporation are described in Note 2 to the financial statements.

Management is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for the preparation of the financial statements.

Management meets with the external auditors, the Finance, Audit and Risk Management Committee and the Board of Directors to review the financial statements and discuss any significant financial reporting or internal control matters prior to approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, the independent external auditors appointed by the Board of Directors. The accompanying Independent Auditor’s Report outlines Management’s responsibilities, the auditor’s responsibilities, the scope of its examination and its opinion on the Corporation’s financial statements.

President and CEO

Chief Financial Officer

Independent Auditor's Report

To the Board of Directors of Toronto Waterfront Revitalization Corporation

Opinion

We have audited the financial statements of Toronto Waterfront Revitalization Corporation (the "Corporation"), which comprise the statement of financial position as at March 31, 2024, and the statements of financial activities, remeasurement gains and losses, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2024, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
REPORT DATE

Toronto Waterfront Revitalization Corporation

Statement of financial position

as at March 31, 2024

	March 31, 2024	March 31, 2023
	\$	\$
Assets		
Current assets		
Cash	46,809,481	39,393,345
Short-term investments (Note 3)	-	80,000,000
Receivables (Note 4)	117,675,251	81,229,725
Deposits and prepaid expenses and other assets (Note 5)	4,363,582	4,965,705
	168,848,314	205,588,775
Restricted cash (Note 6)	61,900,024	62,666,290
Assets under development (Note 7)	1,539,907,578	1,371,767,037
Capital assets (Note 8)	70,461,403	66,450,028
Term receivables (Note 21)	23,267,792	41,700,210
	1,864,385,111	1,748,172,340
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	93,680,828	107,188,187
Deferred contributions (Note 11)	114,608,515	135,210,520
Other liabilities and settlements (Note 12)	1,544,298	924,180
	209,833,641	243,322,887
Other liabilities and settlements (Note 12)	222,543	207,273
Environmental and contaminated sites liability (Note 17)	2,218,637	2,218,637
	212,274,821	245,748,797
Net assets (Note 13)	1,652,110,290	1,502,423,543
	1,864,385,111	1,748,172,340

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board:

_____ Director

_____ Director

Toronto Waterfront Revitalization Corporation

Statement of financial activities

year ended March 31, 2024

	March 31, 2024	March 31, 2023
	\$	\$
Restricted Revenues:		
City of Toronto	154,291,255	40,523,137
Province of Ontario	27,523,716	25,016,667
Government of Canada	16,583,333	115,147,969
Other restricted contributions	9,268,101	11,435,170
	207,666,405	192,122,943
Less: Government contributions for assets under development	(223,245,988)	(245,193,062)
Decrease in deferred contributions for continuing operations related to future periods	20,602,006	65,455,938
	5,022,423	12,385,819
Expenses (Note 14)		
Complete Communities	5,783,762	7,885,816
The Port Lands	3,787,126	7,180,549
Strategic Initiatives	2,446,293	1,778,685
Public Places	1,815,069	1,772,827
Signature Projects	1,347,330	1,977,089
Eastern Waterfront Transit	479,976	3,104,507
	15,659,556	23,699,473
Deficiency of revenue over expenses before other items	(10,637,133)	(11,313,654)
Environmental and contaminated sites expense (Note 17)	-	(142,737)
Net other operating income (Note 18)	9,721,003	6,685,431
Net land sale revenue (Note 19)	-	86,117,441
(Deficiency) excess of revenues over expenses	(916,130)	81,346,481

The accompanying notes are an integral part of the financial statements.

Toronto Waterfront Revitalization Corporation

Statement of remeasurement gains and losses

year ended March 31, 2024

	March 31, 2024	March 31, 2023
	\$	\$
Accumulated remeasurement loss, beginning of the year	(73,692)	(194,125)
Unrealized gain (loss) attributable to foreign currency transactions	14,268	(11,776)
Unrealized gain attributable to forward exchange contracts	-	132,209
Net remeasurement gain for the year	14,268	120,433
Accumulated remeasurement loss, end of the year	(59,424)	(73,692)

Statement of changes in net assets

year ended March 31, 2024

	March 31, 2024	March 31, 2023
	\$	\$
Net assets, beginning of the year	1,502,423,543	1,226,212,366
Add: (Deficiency) excess of revenues over expenses	(916,130)	81,346,481
Add: Net remeasurement gain	14,268	120,433
Add: Government contributions for assets under development	223,245,988	245,193,062
Less: Transfer of assets to Government (Note 7)	(72,657,379)	(49,508,030)
Less: Transfer of land to Government (Note 8)	-	(940,769)
Net assets, end of the year	1,652,110,290	1,502,423,543

The accompanying notes are an integral part of the financial statements.

Toronto Waterfront Revitalization Corporation

Statement of cash flows

year ended March 31, 2024

	March 31, 2024	March 31, 2023
	\$	\$
Cash flows from operating activities		
(Deficiency) excess of revenues over expenses	(916,130)	81,346,481
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities;		
Amortization of capital assets	1,430,051	1,188,162
Unrealized gain (loss) attributable to foreign currency transactions	14,268	(11,776)
Unrealized gain attributable to forward exchange contracts	-	132,209
Changes in non-cash working capital balances;		
Net decrease in deferred contributions	(20,602,006)	(65,455,938)
Current assets (Receivables, Deposits and prepaid expenses)	(17,410,984)	(23,907,397)
Current liabilities (Payables, Other liabilities and settlements)	(12,871,970)	20,416,903
Net cash (paid) received from operating activities	(50,356,771)	13,708,644
Cash flows from capital activities		
Cash received from government contributions for assets under development	223,245,988	245,193,062
Cash used to acquire assets under development	(240,797,921)	(249,545,434)
Cash (used) received to dispose/ acquire capital assets	(5,441,427)	35,459,334
Net cash (paid) received from capital activities	(22,993,359)	31,106,962
Cash flows from investing activities		
Invested in restricted cash and investments	766,266	(15,857,715)
Cash received (paid) for short-term investments	80,000,000	(80,000,000)
Net cash received (paid) from investment activity	80,766,266	(95,857,715)
Decrease in cash	7,416,136	(51,042,109)
Cash, beginning of the year	39,393,345	90,435,454
Cash, end of the year	46,809,481	39,393,345

The accompanying notes are an integral part of the financial statements.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

1. Description of Corporation

The Toronto Waterfront Revitalization Corporation was initially incorporated on November 1, 2001 under the Ontario Business Corporations Act with the Province of Ontario being its sole shareholder.

Pursuant to the Toronto Waterfront Revitalization Corporation Act, 2002 (the "Act"), the Corporation was continued as a corporation without share capital on May 15, 2003. The Corporation is deemed not to be a Crown Agency within the meaning of the Crown Agency Act.

Under the Act, the Corporation's objects are to:

- (a) implement a plan that enhances the economic, social and cultural value of the land in the designated waterfront area and create an accessible and active waterfront for living, working and recreation and to do so in a fiscally and environmentally responsible manner;
- (b) ensure that ongoing development in the designated waterfront area can continue in a financially self-sustaining manner;
- (c) promote and encourage involvement of the private sector in the development of the designated waterfront area;
- (d) encourage public input into the development of the designated waterfront area; and
- (e) engage in such other activities as may be prescribed by regulation.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance Canadian public sector accounting standards for not-for-profit organizations including the 4200 series of standards contained in the Chartered Professional Accountants (CPA) handbook.

(b) Revenue recognition

The Corporation follows the deferral method of accounting for restricted contributions. Under this method, restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions.

Contributions used for the purchase of amortized capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Contributions for the purchase of non-amortized capital assets such as land as well as assets under development which will be transferred to government(s) upon completion are recognized as a direct contribution to net assets.

Under the Contribution Agreements, contributions from the Governments can only be applied towards payments of eligible costs in respect of project activities, as defined in the Contribution Agreements. Unrestricted contributions such as other operating items are recognized as revenue in the current period.

In addition to contributions, the Corporation has several other revenue streams, which it accounts for as follows:

(i) Property Operations: Property revenues primarily consist of rental revenues from leasing activities and parking operations. Revenues from parking operations are recognized at the point of service on a cash basis. Property rental income is recognized as it is earned over the course of a tenants lease. Waterfront Toronto has retained substantially all of the risks and benefits of ownership of the properties which it rents out and therefore accounts for leases with its tenants as operating leases. Rental revenue includes recoveries of operating expenses, including property, capital and similar taxes. Operating expense recoveries are recognized in the period that they are chargeable to tenants.

(ii) Land Sales: The gain or loss from the sale of real property owned by TWRC is recognized when title passes to the purchaser (control is transferred) upon closing at which time all or substantially all of the funds are receivable, or have been received, and the conditions of the sale have been completed.

(iii) Delivery Agreements: The Corporation has entered into certain agreements to deliver construction management and development services. Under these agreements, TWRC bills eligible costs to clients as they are incurred. Revenue from delivery agreements is recognized at the time of billing, when the costs become measurable and collection is reasonably assured.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

2. Significant accounting policies (con't)

(c) Financial instruments

Financial instruments are recorded at cost when acquired, except for contributions that are recorded at fair value. In subsequent periods, investments traded in an active market are reported at fair value, with any unrealized gains and losses reported in the statement of remeasurement gains and losses. All other financial instruments are recorded at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost. Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(i) **Level 1:** Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

(ii) **Level 2:** Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) **Level 3:** Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(d) Allocation of general support expenses

The Corporation incurs a number of general support expenses that are common to the administration of the organization and each of its projects. General support expenses are incurred to support the functional areas of construction/implementation, planning, design and approvals, and project management. These expenses are allocated using a "blended rate" i.e. hourly rate incorporating both direct and indirect cost.

(e) Taxes and Charitable Status

The Corporation is exempt from income taxes pursuant to paragraph 149(1) (d.3) of the Income Tax Act (Canada) and is eligible to claim a rebate of approximately 86.5% for HST paid on property and services acquired pursuant to section 123(1)(b) of the Excise Tax Act. TWRC is registered with the Canada Revenue Agency as a qualified donee and is eligible to issue official donation receipts and receive gifts from registered charities.

(f) Assets under development

Assets under development represent those investments in assets which the Corporation has been directed to develop under an executed agreement and the Corporation has actual or beneficial ownership over during the development stage. Assets under development also includes Land under Development which represents all costs associated with getting a parcel of land site ready for development, including costs associated with contracting with a developer, rezoning, and soil management and treatment.

Upon substantial completion and/or warranty period, these assets are either transferred to a respective government who assumes ownership and ongoing operational responsibility, transferred to capital assets for those assets the Corporation continues to have actual or beneficial ownership over, or sold to a third party. The assets transferred to a respective government are considered a related party transaction and the difference between cost and proceeds is recorded directly to net assets. Any gain or loss on assets sold to a third party is recorded through the statement of financial activities. Upon completion of performance obligations associated with individual developments within a precinct, Land under Development costs are expensed through the statement of financial activities in proportion to the cumulative land sale revenues realized. Assets under development are recognized at cost, are not amortized and include both direct project costs as well as overhead costs directly attributable to the asset under development.

(g) Capital assets

Capital assets are recorded at cost less accumulated amortization, with the exception of land which is not amortized. Capital assets less residual value are amortized on a straight-line basis over their estimated useful lives as follows:

Computer hardware and software	3 - 5 years
Leasehold improvements	10 years
Furniture and fixtures	5 years
Office equipment	5 years

The cost incurred to enhance the service potential of a capital asset, including land, is a betterment and capitalized to the asset. Repairs and maintenance costs are charged to expense. When a capital asset no longer contributes to the Corporation's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

2. Significant accounting policies (con't)

(h) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The items subject to the most significant estimates are the amortization and impairment of capital assets, accrued liabilities, deferred revenue, accrued benefit liability and environmental and contaminated sites liability.

(i) Liabilities for contaminated sites

The Corporation recognizes a liability for remediation of contaminated sites on land owned by Waterfront Toronto when all of the following criteria has been met : there is evidence that contamination exceeds an environmental standard, the Corporation is directly responsible or accepts responsibility for the contamination, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made.

(j) Asset retirement obligations

On April 1, 2022, the Corporation adopted Public Accounting Standard PS3280 - Asset Retirement Obligations. The new accounting standard provides guidance on the reporting of legal obligations associated with the retirement of certain tangible capital assets. A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. At March 31, 2024, the Corporation has not identified any instances that meet the criteria for a liability of an asset retirement obligation.

3. Short-term investments

Two short term non-redeemable Guaranteed Investment Certificates totalling \$80 million which the Corporation had invested with a Canadian commercial bank matured during the year.

4. Receivables

	March 31, 2024	March 31 2023
	\$	\$
City of Toronto	62,946,470	9,580,841
Province of Ontario	27,523,716	25,016,667
Developer receivable - due Dec 1, 2024	18,432,418	-
Accrued interest and other receivables	6,781,618	4,456,144
HST receivable	1,991,029	8,393,578
Government of Canada	-	33,782,495
	117,675,251	81,229,725

5. Deposits and prepaid expenses

	March 31, 2024	March 31 2023
	\$	\$
Prepaid expenses	2,182,383	2,784,506
Construction deposits	2,181,199	2,181,199
	4,363,582	4,965,705

The Corporation has provided the City of Toronto (the "City") with certain construction deposits to guarantee satisfactory performance, completion of work, and related obligations required for construction of municipal infrastructure by the Corporation. The construction deposits will be released to Waterfront Toronto at the expiration of certain performance and guarantee periods. The construction deposits paid to the City of \$2,181,199 (March 31, 2022 - \$2,181,199) are non-interest bearing.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

6. Restricted cash

The Corporation has received deposits that are subject to restrictions that prevent its use for operating purposes, as outlined below:

	March 31, 2024	March 31 2023
	\$	\$
Holdbacks payable	51,647,745	51,334,071
Developer contributions - East Bayfront public art	9,713,777	9,459,789
Developer deposit - East Bayfront child care facility	253,877	1,602,982
Other	284,625	269,448
	61,900,024	62,666,290

In addition to the above, \$13,180,422 (March 31, 2023 - \$15,478,000) included under Cash in the Statement of financial position has been designated as Capital Reserve to cover program level contingencies to support continued operations. The account is funded primarily from sale of land and other unrestricted revenue sources. Included in the Capital Reserve closing balance are amounts of \$2,702,422 (March 31, 2023 - \$5,000,000) and \$6,000,000 (March 31, 2023 - \$Nil) respectively, which have been allocated and not yet spent for the East Bayfront In-Water Pipe project and Waterfront Toronto corporate operating costs.

7. Assets under development

The following table details assets under development by category:

	March 31, 2024	March 31 2023
	\$	\$
Roads, Bridges, Services, Structures	734,299,377	681,295,974
Flood Protection Features	638,917,677	564,314,339
Parks and Public Realm	105,611,830	71,113,527
Land under development	61,078,694	55,043,197
	1,539,907,578	1,371,767,037

The following table details assets under development by Priority Initiatives:

	The Port Lands	Complete Communities	Quayside	Public Places	Total
	\$	\$	\$	\$	\$
Opening balance, April 1, 2023	1,007,052,312	311,023,635	31,822,919	21,868,170	1,371,767,037
Capital additions	200,767,562	10,493,384	12,532,334	4,083,070	227,876,350
Direct project management - Note 14	4,719,445	1,660,359	3,956,714	419,749	10,756,268
General and support expenses - Note 14	945,993	334,109	795,823	89,378	2,165,303
Transfer of completed assets to City of Toronto	(72,657,379)	-	-	-	(72,657,379)
Closing balance, March 31, 2024	1,140,827,933	323,511,488	49,107,790	26,460,367	1,539,907,578

During the year, Cherry Street North comprising of Road, Bridges and underlying utilities (Port Lands Flood Protection Project) costing \$72,657,379 (March 31, 2023 - West Don Lands Phase 1 - \$49,508,030) was formally transferred to the City of Toronto. The transfer has been recorded as a reduction to assets under development and a distribution of net assets in the statement of changes in net assets.

8. Capital assets

	March 31, 2024		March 31 2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Land	65,033,472	-	65,033,472	-
Computer hardware and software	5,230,415	4,391,010	4,622,232	3,658,559
Leasehold improvements	5,921,607	2,040,263	1,778,993	1,387,743
Furniture and fixtures	1,194,116	522,818	539,371	477,738
Office equipment	181,447	145,563	145,563	145,563
	77,561,057	7,099,654	72,119,631	5,669,603
Cost less accumulated amortization		70,461,403		66,450,028

The Corporation owns land containing environmental contamination. As of March 31, 2024, the Corporation has a provision of \$2,218,637 (March 31, 2023 - \$2,218,637) for remediation cost of contaminated site (Note 17).

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

9. Credit facility

The Corporation has a revolving credit facility of \$90 million with a Canadian commercial bank. The facility bears interest at the Canadian Prime Lending Rate less 1.0%. The Corporation's interest rate was 6.20% at March 31, 2024 (March 31, 2023 - 5.70%). The facility is secured by a first lien interest over real property owned by the Corporation in the City of Toronto and a General Security Agreement creating a first priority interest over property of the Corporation not obtained through a contribution agreement, including accounts receivable relating to real properties. At March 31, 2024 the available borrowing limit is \$90 million.

Under the current financing agreement, the Corporation is subject to a financial covenant. The revolving credit facility stipulates that the Corporation must ensure that the most recent appraised value of the property which secures the facility at all times provide a minimum of 150% coverage for the outstanding amount of credit. As at March 31, 2024, the Corporation is in compliance with this covenant and expects to be in compliance for the next 12 months.

10. Accounts payable and accrued liabilities

	March 31, 2024	March 31 2023
	\$	\$
Holdbacks payable	51,858,234	52,774,124
Accrued liabilities	32,859,254	37,615,832
Accounts payable	8,963,340	16,798,231
	93,680,828	107,188,187

11. Deferred contributions

Deferred contributions as at March 31, 2024 represent project specific contributions from Governments which have not been applied to eligible costs as well as other unspent restricted contributions and contributions received for the acquisition of capital assets which have yet to be amortized.

	March 31, 2024	March 31 2023
	\$	\$
Expenditures of future periods		
Balance, beginning of year	135,210,520	200,666,459
Additional contributions	(17,009,634)	(54,258,281)
Less: amounts recognized as revenue	(3,592,372)	(11,197,658)
Balance, end of period	114,608,515	135,210,520
Capital contributions		
Balance, beginning of year	-	-
Add: contributions for acquisition of capital assets and assets under development	230,117,465	266,656,444
Less: direct contribution to net assets	(228,687,414)	(265,468,282)
Less: amount amortized to revenue	(1,430,051)	(1,188,162)
Balance, end of period	114,608,515	135,210,520

12. Other liabilities and settlements

Other liabilities and settlements largely represent security and developer deposits.

	March 31, 2024	March 31 2023
	\$	\$
Deposits - rent and other	1,544,298	924,180
Deposit - Bayside project agreement	222,543	207,273
Total other liabilities	1,766,841	1,131,453
Less: current portion	(1,544,298)	(924,180)
	222,543	207,273

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

13. Net assets

a) Net assets recorded on the Statement of Financial Position are comprised of the following:

	March 31, 2024	March 31 2023
	\$	\$
Invested in non-amortisable capital assets	65,033,472	65,033,472
Invested in assets under development	1,539,907,578	1,371,767,037
Unrestricted surplus (Note 13b)	47,228,664	65,696,726
Accumulated re-measurement loss	(59,424)	(73,692)
	1,652,110,290	1,502,423,543

b) Unrestricted surplus

	March 31, 2024	March 31 2023
	\$	\$
Unrestricted surplus (deficit), opening balance	65,696,726	(47,076,057)
(Deficiency) excess of revenues over expenses	(916,130)	81,346,481
Transfer from invested in capital assets	-	55,113,125
Transfer from invested in assets under development	-	16,033,288
Investment in assets under development	(17,551,932)	(19,444,891)
Investment in land	-	(20,275,220)
Unrestricted surplus, closing balance	47,228,664	65,696,726

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

14. Expenses by Priority Initiative and Function

	Complete Communities	The Port Lands	Strategic Initiatives	Public Places	Signature Projects	Eastern Waterfront Transit	Quayside	Total March 31, 2024
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	2,195,258	3,779,718	916,460	426,918	465,497	108,110	-	7,891,961
Salaries, fees and benefits	4,142,433	4,209,117	1,135,100	1,407,736	654,299	275,916	3,526,270	15,350,871
Less salaries, fees and benefits related to assets under development (Note 7)	(1,660,359)	(4,719,445)	-	(419,749)	-	-	(3,956,714)	(10,756,268)
	4,677,332	3,269,390	2,051,560	1,414,904	1,119,796	384,026	(430,444)	12,486,565
<i>General and support expenses:</i>								
General and office administration	574,492	583,740	157,421	195,231	90,741	38,265	489,039	2,128,929
Amortization	385,899	392,111	105,743	131,141	60,953	25,704	328,499	1,430,051
Information technology	371,193	377,168	101,713	126,144	58,630	24,724	315,980	1,375,552
Communications and public engagement	108,955	110,709	29,856	37,027	17,210	7,257	92,749	403,762
	1,440,539	1,463,729	394,733	489,543	227,534	95,950	1,226,267	5,338,294
Less general & support costs allocated to assets under development (Note 7)	(334,109)	(945,993)	-	(89,378)	-	-	(795,823)	(2,165,303)
	5,783,762	3,787,126	2,446,293	1,815,069	1,347,330	479,976	-	15,659,556

All salaries, fees and benefits have been charged to projects based on timesheet information. General and support expenses for the period ending March 31, 2024 have been allocated to priority initiatives using an overhead burden rate of 0.35 (2023 - 0.35) for every \$1 of direct labour (project management - salaries and benefits). Total salaries, fees and benefits for the Corporation were \$15,350,871 for the period ending March 31, 2024 (2023 - \$14,570,752).

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

14. Expenses by Priority Initiative and Function (Cont.)

	Complete Communities	The Port Lands	Strategic Initiatives	Public Places	Signature Projects	Eastern Waterfront Transit	Quayside	Total March 31, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	5,773,628	7,180,549	(8,187)	1,257,231	604,422	2,449,761	-	17,257,404
Amortization								
Project management - salaries, fees and benefits	2,503,948	4,903,651	1,321,575	832,706	1,015,228	484,252	3,509,392	14,570,752
Less project management - salaries, fees and benefits related to assets under development (Note 7)	(1,061,080)	(5,597,803)	-	(507,322)	-	-	(4,006,175)	(11,172,380)
	7,216,496	6,486,397	1,313,388	1,582,615	1,619,650	2,934,013	(496,783)	20,655,776
<i>General and support expenses:</i>								
General and office administration	453,439	887,999	239,323	150,794	183,847	87,693	635,514	2,638,608
Information technology	186,366	364,972	98,363	61,977	75,562	36,042	261,199	1,084,482
Amortization	174,274	341,292	91,981	57,956	70,659	33,704	244,252	1,014,118
Communications, marketing and government relations	67,506	132,203	35,630	22,450	27,371	13,055	94,613	392,828
	881,585	1,726,466	465,297	293,177	357,439	170,494	1,235,578	5,130,036
Less general & support costs allocated to assets under development (Note 7)	(212,265)	(1,032,314)	-	(102,965)	-	-	(738,795)	(2,086,339)
	7,885,816	7,180,549	1,778,685	1,772,827	1,977,089	3,104,507	-	23,699,473

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

15. Commitments

On December 15, 2022, the Corporation executed a lease for office space effective April 1, 2024 for a ten year term. The Corporation has a one time option to terminate this lease should the Corporation's mandate not be extended past the current May 2028 legislative term. Assuming the Corporation's mandate is extended, the Corporation has lease commitments of \$11,953,278 until March 31, 2034.

16. Risk disclosures

(i) Credit risk:

Credit risk arises from cash, restricted cash and investments held with banks and credit exposure to governments and other debtors, including accounts receivable. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Corporation assesses the credit quality of funding partners and debtors, taking into account their financial position, past experience and other factors.

(ii) Liquidity risk:

Liquidity risk is the risk the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's objective in managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its commitments when due, without incurring unacceptable losses or risking damage to the Corporation's reputation. The Corporation manages exposure to liquidity risk by closely monitoring supplier and other liabilities; by focusing on debtor collection; and by requesting government funding in advance where the funding agreements allow.

(iii) Currency risk: The Corporation has cash denominated in U.S. dollars and is exposed to currency risk. Included in the statement of financial position is \$58,401 (March 31, 2023 - \$141,884) of cash and \$292,674 (March 31, 2023 - \$556,126) of payables which has been translated from its U.S. denominated amount.

17. Environmental and contaminated sites liability

The Corporation assesses all of its owned properties on an ongoing basis to determine if contamination, as defined under the standard and regulatory requirements, is present on any of its lands. The Corporation made a provision for liability of contaminated sites of \$2,218,637 (March 31, 2023 - \$2,218,637) representing one Waterfront Toronto owned property zoned for parkland and not intended for development. As of March 31, 2024, there has been no change to management's estimates of the liabilities and remediation costs incurred.

18. Net other operating income

	March 31, 2024	March 31 2023
	\$	\$
Rental, parking and other income	1,461,740	3,972,581
Less: operating expenses and changes in provision for doubtful debts	(367,428)	(3,161,934)
	1,094,312	810,647
Interest	8,450,313	5,617,887
Realized (loss) gain on foreign currency transactions	(12,676)	26,955
Other Income	189,054	229,942
Net other operating income	9,721,003	6,685,431

19. Net land sale revenue

There was no sale of land during the year.

	March 31, 2024	March 31, 2023
Proceeds from sale of land	-	157,263,854
Less: Land acquisition costs	-	(55,113,125)
Less: Land under development costs	-	(16,033,288)
	-	86,117,441

20. Related Party Transactions

By virtue of the TWRC Act, the Governments of Canada and Ontario, the City of Toronto and Waterfront Toronto are related parties. The Corporation receives funding and renders services to these entities in the normal course of carrying out its business. The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

21. Term receivables

As of March 31, 2024, the Corporation has land sale related Term receivables of \$23,267,792 (March 31, 2023 - \$41,700,210) related to a prior year transaction. The Term receivables are payable to the Corporation over a three-year period to March 31, 2027.

22. Contingent Liabilities

- (a) Under the terms and conditions of the Contribution Agreements, the Corporation provides an indemnity to the City, Province of Ontario and Government of Canada and their respective officers, employees and agents, from and against all claims, losses, damages, costs, expenses, actions and other proceedings related to any injury to or death of a person or damage to or loss of property, infringement of rights or any other loss or damages whatsoever arising directly or indirectly from any willful or negligent act, omission or delay on the part of the Corporation, the Corporation's directors, officers, employees, contractors, agents or Third Party Contractors, in carrying out a project or as a result of the project, except to the extent that the injury, loss or damage has been caused by the City, Province of Ontario and/or Government of Canada or their respective officers, employees or agents.

The Corporation requires all Eligible Recipients to indemnify the Corporation from and against liability on the same basis outlined above.

The Corporation requires most third party contractors to indemnify each level of government and the Corporation, its officers, employees and agents against all claims, liabilities and demands with respect to any injury to persons (including death), damage to, loss or destruction of property or infringement of rights caused by or arising directly from:

- (i) the breach of any term or condition of the contract by the third party contractor or its officers, employees or agents; or
- (ii) any omission or any willful or negligent act of the third party contractor or its officers, employees or agents in relation to the applicable project.

- (b) Under the Delivery Agreement with each Eligible Recipient respectively, the Corporation provides an indemnity to the Eligible Recipient and its respective officers, employees and agents, from and against any claims with respect to direct loss arising from:

- (i) any breach by the Corporation of the Delivery Agreement or documents or certificates given pursuant to the Agreement, or
- (ii) any negligent or willful acts or omissions of the Corporation, its officers, directors, employees or agents, in relation to the project.

Management attempts to limit the Corporation's exposure under these indemnifications through the purchase of directors and officers insurance, the allocation of risk to Eligible Recipients and contractors (outlined above) and through enforcing the Corporation's and Eligible Recipients' policies and procedures, as well as intense oversight where appropriate.

- (c) The Corporation has entered into a number of Development Agreements with third party builders with respect to lands located in the West Don Lands and East Bayfront. Under these agreements, the Corporation has provided the builders certain milestone representations based on specific Corporation development obligations. The representations primarily relate to schedule delays. The maximum potential future liability related to these representations is \$7.5 million under one development agreement with one builder and although under the other development agreements the amounts are not determinable, they are limited to the amount up to the respective builder's carrying costs and/or out of pocket expenses incurred on the development. No amount for these representations has been accrued in these financial statements. Management attempts to limit the Corporation's potential exposure under these guarantees through appropriate schedule, cost and scope management practices.
- (d) The Corporation received a claim from a development partner for the recovery of additional costs related to environmental risk management. An amount based on management's assessment of the liability has been accrued in the financial statements. The claim is resolved and settlement is expected before June 30, 2024.

23. Project Agreement

In the prior year ending March 31, 2023, the Corporation executed a Project Agreement with a third party to develop a 12 acre (4.9 hectare) site at Parliament and Queens Quay into an all-electric, zero-carbon master planned community.

As a result of executing this agreement, the Corporation has certain development and servicing contractual obligations from March 1, 2023 to December 1, 2033. The Corporation also has contractual rights to economic resources. In the event that the Development Partner is unable to fulfill its contractual obligations, the Corporation is entitled to parental guarantee payments and repurchase of land under certain agreement conditions. Any loss or liability is recognized when the Corporation considers it likely for the Development Partner to default on its obligations and the amount can be estimated, (see Note 16(i) on credit risk). As of March 31, 2024, no land sale revenues (March 31, 2023 - \$157,226,283) were recognized for the Project Agreement. The Corporation anticipates to recognize additional land sale revenues by December 2033.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2024

24. Impact of Climate Risk

The impact of physical climate-related events (severe weather events and other natural conditions) and the transition to a lower carbon economy were considered in preparing the financial statements. The Corporation assesses governance, strategy, risk management, and metrics and targets associated with climate risk. The items subject to material impact arising from climate risk are the valuation of assets under development, impairment of capital assets, and accrued liabilities. As of financial statement date, there has been no material impact on financial position and/or results of operations.

Closed Session

Open Session

1) Item 11a) Draft Minutes of the Closed Session March 25, 2024 Meeting

ON MOTION duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Minutes of the Closed Session of the Board of Directors meeting held on March 25, 2024 be approved, as tabled.

2) Item 12 2023/24 Integrated Annual Report (IAR)

ON MOTION duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Board of Directors approve the 2023/24 Integrated Annual Report presented at the meeting, subject to the comments provided at this meeting.

3) Item 13 Quayside Infrastructure and Public Realm Phase 1 Capital Approval

ON MOTION duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Board of Directors approve the capital approval related to Quayside Infrastructure and Public Realm on the basis of the information, and subject to the conditions, provided at the meeting.

4) Item 14 Business Case and Tri-Government Engagement

ON MOTION duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Board of Directors approve approve the capital approval for planning and design work associated with Villiers Island development as presented at the meeting.

5) Item 15 HRGSR Committee Chair's Closed Session Report

ON MOTION duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Year-end Performance Assessments for the Chief Executive Officer – April 1, 2023 – March 31, 2024 and compensation for April 1, 2024 to March 31, 2025 be approved, as tabled.



Upcoming Board/Committee Meeting Schedule Calendar 2024

S/N	Date (2024)	Board/Committee	Key Agenda Item(s) include:
1.	Thursday, February 22	FARM	<ul style="list-style-type: none"> Per FARM Committee workplan
2.	Thursday, March 7	HRGSR	<ul style="list-style-type: none"> Per HRGSR Workplan
3.	Thursday, March 14	IREC	<ul style="list-style-type: none"> Per IREC Workplan
4.	Monday, March 25	Board	<ul style="list-style-type: none"> Reports of the IREC, FARM and HRGSR committees
5.	Thursday, May 23	IREC	<ul style="list-style-type: none"> Per IREC Workplan
6.	Thursday, May 30 Rescheduled: Thursday, June 6	FARM	<ul style="list-style-type: none"> Per FARM Workplan
7.	Monday, June 10	HRGSR	<ul style="list-style-type: none"> Per HRGSR Workplan
8.	Monday, June 24	Board	<ul style="list-style-type: none"> Reports of the HRGSR, IREC, and FARM committees Approve 2023/24 Annual Report Approve 2023/24 audited financial statements Year-end Performance Assessment for the CEO for 2023/24 and approval of compensation for 2024/25
9.	Thursday, September 12	HRGSR	<ul style="list-style-type: none"> Per HRGSR Workplan
10.	Thursday, September 19	FARM	<ul style="list-style-type: none"> Per FARM Workplan
11.	Thursday, September 26	IREC	<ul style="list-style-type: none"> Per IREC Workplan
12.	Thursday, October 17	Board	<ul style="list-style-type: none"> Report of the HRGSR, IREC, and FARM committees 2025 Board and Committee Meeting Calendar Interim Performance Assessment for the CEO for 2024/25
13.	Thursday, November 7	HRGSR	<ul style="list-style-type: none"> Per HRGSR Work plan
14.	Thursday, November 14	IREC	<ul style="list-style-type: none"> Per IREC Workplan
15.	Thursday, November 21	FARM	<ul style="list-style-type: none"> Per FARM Work plan
16.	Thursday, December 5	Board	<ul style="list-style-type: none"> Report of the HRGSR, IREC, and FARM committees Approval of 2024/25 Corporate Plan