

MINUTES of the 38th meeting of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at the Radisson Admiral - Toronto Harbourfront, 249 Queen's Quay West, Toronto, Ontario, on Thursday, March 24, 2005, at 8:00 a.m., local time.

PRESENT: Robert Fung, Chairman
 Murray Chusid
 Vivien Dzau
 Kevin Garland
 Ross McGregor
 John Ronson
 Peter Smith

ABSENT: Bill Charnetski
 Tony Dionisio
 Marilyn Knox
 Mark Wilson

In addition to the general public, the following persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and Chief Executive Officer; Edward Dato, Chief Financial Officer; Kristin Jenkins, V.P. Public Affairs; Marisa Piattelli, V.P. Government Relations and Special Project Management; Victor Wong, V.P. Legal; Pino DiMascio, Acting V.P. Planning; David Matheson, McMillan Binch LLP; Allan Leibel, Goodmans LLP; Bruce Bodden and Karen Pitre, Toronto Waterfront Joint Venture; and Bruce Kuwabara, Kuwabara Payne McKenna Blumberg Architects.

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

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

1. Approval of Minutes

The minutes of the 36th meeting of the Board held on January 20, 2005 were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the 36th meeting of the Board held on January 20, 2005 be and they are hereby approved.

The minutes of the 37th meeting of the Board held on February 15, 2005 were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the 37th meeting of the Board held on February 15, 2005 be approved, subject to changes as noted in the meeting.

2. Chairman's Remarks

The Chairman welcomed Board members to the meeting and advised that there is renewed interest in the waterfront from the general public. He advised that Minister Volpe has changed portfolios and is now the Minister of Citizenship and Immigration Canada. He went on to say that he met with the Deputy Minister (Madame Charette) and she advised him that she understood what the Corporation was trying to accomplish and that she was coming to Toronto to be briefed further on the mandate and status of projects of the Corporation and to take a tour of the waterfront.

3. CEO's Report

John Campbell tabled his report on various matters, which included the following information or subjects and on which the following comments were made:

- *West Don Lands* – The developer proposal call process is being prepared and meetings with ORC and direct with Management Board have been held to ascertain Provincial requirements. A meeting will be held with local developers to expose them to the precinct plans. The proposal call will be based on zoning that is “built form”, not density based and the Corporation will provide the “green” specifications.

Board Comments in respect of West Don Lands: There is some concern from Board members as to who will control the process when the time comes to write the request for proposal (“RFP”). Mr. Campbell advised that this proposal call would have to be based on a “city building” approach, not a “disposal of lands” approach. He advised that Minister Caplan made it clear (in a recent meeting) that the Corporation will be the master developer as long as provincial requirements are met and that the Corporation is working with all relevant parties to craft the process.

- *East Bayfront* – The precinct plans have been finalized and were submitted to the City on February 10, 2005. The associated environmental assessment is being finalized with the Queen's Quay dimensions being the critical element – the location of the rail spur in the traveled portion of the road has to be verified. If this is not possible, the Queen's Quay dimensions will need to change or the rail spur removed.

A task force is being put together to accelerate work on East Bayfront. The Corporation is working with the City of Toronto and the Toronto Economic Development Corporation (“Tedco”) to facilitate early starts on public land which is leased. Private land owners are not on the task force but have been involved in the planning of East Bayfront and are supportive of the precinct plan.

Board Comments in respect of East Bayfront: Management must make sure that developers are on side with the Corporation's mandate for East Bayfront. It was emphasized that if the Corporation over-compromises on design at the expense of the public good, the public's trust will have been betrayed and the integrity of the Corporation will be tainted.

- *World Expo 2015* – The Feasibility Study was submitted to the Policy and Finance Committee on April 6th and will then be submitted to City Council. The World Expo 2015 could potentially be a catalyst to waterfront redevelopment but must be done so as not to interfere with current initiatives.

Board Comments in respect of World Expo 2015: Board members noted that alternative sites are under consideration for Expo 2015 and that City Council is scheduled to meet on the Expo 2015 feasibility study in April. Some Directors emphasized their support for the Expo.

4. Project Report

Bruce Bodden provided a brief update on the Corporation's various projects, highlighting the following:

- *Front Street Extension* - The Environmental Assessment was filed two years ago resulting in a number of objections. The two main objections were those made by CN Rail and GO Transit, both of which the City of Toronto feels have been addressed. The City of Toronto has now linked the Front Street Extension project to the Gardiner project which will create more debate for which the Corporation is prepared.
- *Union Station Platform* - The Union Station Platform project is on hold pending approval by the three levels of government to amend the Contribution Agreement to reflect the expanded project and scope from \$58 million to \$93 million plus the Corporation's costs. The Toronto Transit Commission has advised that work on this project will not resume until an amended Contribution Agreement has been executed.
- *Western Beaches Water Course* - Some concern has been expressed that the watercourse will not be complete in time for the 2006 International Dragon Boat Federation World Club Championship due to delays with environmental approvals. Mr. Bodden advised the Board that the water course can be completed in time and that the design allows for the expansion of the course for other competitions such as rowing which requires a longer course.
- *West Don Lands* - The West Don Lands precinct is a high priority for the Corporation. One of the goals is to have housing in place in the precinct by 2007. A task force has been established and a work plan has been created which has been agreed to by the Ontario Realty Corporation (overseeing the construction of the earth berm) and the Toronto and Region Conservation Authority (overseeing the flood works). Work on the project is now moving

forward. The province has agreed, through a unilateral contribution agreement, to fund \$30.5 million for Phase 1 of the project. This unilateral agreement was only put in place to ensure the accelerated schedule could be met but eventually a tri-partite agreement will be established.

The Chairman advised Mr. Bodden that if the critical path benchmarks (provided by Mr. Bodden) are not being met, the Board must be informed so that Board members can attempt to resolve any outstanding issues. The Chairman reiterated the importance of construction (i.e. shovels in the ground) commencing in the fall of 2005 and how the success of this project will positively affect the public's perception of the Corporation.

Discussion ensued. Mr. Bodden responded to questions from Directors on various points, including questions on the status of the Union Station Platform, the watercourse and the need to be on schedule, assurance on fall construction for the West Don Lands and issues and solutions with the Ontario Realty Corporation ("ORC").

5. Design Review Panel

The Chairman advised the Board that on March 11, 2005 an official announcement was made regarding the creation of a Waterfront Design Review Panel with Bruce Kuwabara of Kuwabara Payne McKenna Blumberg Architects appointed as the Panel's first chair.

Mr. Kuwabara was introduced to the Board and asked to provide some preliminary thoughts on the Design Review Panel. Mr. Kuwabara did so, highlighting the following:

- The credibility of the Panel is critical and must be seen in the industry and in public as outstanding. This in itself will create a sense of quality control. There will be a great deal of industry and public scrutiny on the first projects reviewed by the Panel. The Panel must prove itself, right from the very beginning.
- The Panel will create a new standard for the City of Toronto.
- It must be understood that the role of the Panel is only to give advice to the Corporation and not to make decisions for the Corporation. While the Panel will not have any legal power, recommendations by the Panel on proposals for public lands can be given authority by contract with the proposed purchaser/developer.
- Members must be able to articulate great design to the public.
- There must be a mix of various ages of Panel members bridging different generations.

- Members should have experience on other design panels.
- Members must have designed tangible projects which are excellent and well known within the industry.
- The Panel will review projects at all stages (precinct plans to new proposals).
- It is proposed that the Panel members meet every six weeks and any projects being worked on at the time (all at various stages) be reviewed.
- The Panel will not have any legal power and will act in an advisory capacity.
- The process for choosing the Panel members is evolving daily and submission of qualifications by interested parties must be clarified.
- A panel consisting of the Chairman, Bruce Kuwabara; the Corporation's V.P. of Planning & Design, Christopher Glaisek; and the Director of Urban Design for the City of Toronto, Robert Freedman, has been set up to review submissions and to make recommendations on Panel members to the Corporation and then to the Board. These recommendations will be submitted in writing.
- Interested parties are referred to the Corporation to formally submit their qualifications. A list is being developed to include these submissions and eventually a short list will be made.

The Board members discussed with Mr. Kuwabara various points raised by him and he responded to clarify further the role of the Corporation and the Panel in respect of design process and mandate for the waterfront. The Board members expressed their pleasure with Mr. Kuwabara's appointment and concurred with his initial thoughts on the Design Review Panel.

Mr. Kuwabara then left the meeting.

6. CFO Report

Edward Dato tabled the minutes of the October 28, 2004 and the January 28, 2005 Audit and Finance Committee meetings for information purposes only.

Mr. Dato presented the 2005/06 Preliminary Budget, indicating that its presentation was just a preview of the Budget, so that Board members could see the current direction the Corporation was taking. He advised that the strategy of the Preliminary Budget was to deliver tangible and visible results on the waterfront and in particular, the West Don Lands and East Bayfront; to make the development of parks and public space a priority for the Corporation, particularly Lake Ontario Park; and to continue to engage the community in revitalization initiatives.

Mr. Dato noted that a large amount of the 2005/06 forecasted funds are allocated to land purchases and construction costs and the significance of this, being that the Corporation

has moved from a planning operation to an implementation operation. He further noted that the Corporation has signed Contribution Agreements in amounts totalling almost \$400 million and that despite the issues around governance, a great deal of activity is happening. He advised that the Corporation is being urged by governments to put in place Contribution Agreements on those projects which the Corporation is presently engaged in but do not yet have a Contribution Agreement.

Discussion ensued and Mr. Dato responded to various questions put forth by the Board members. Mr. Campbell re-emphasized the importance of the stage that the Corporation has now reached, from planning to implementation. Further discussion ensued on the West Don Lands.

7. Sustainability Presentation

John Campbell gave a presentation on the Corporation's work to date on the sustainability framework for the waterfront, highlighting transportation, sustainable water management, sustainable waste management and exemplary sustainability initiatives. The presentation also included the following information:

- A Swedish Team of experts undertook an audit of the Corporation's sustainability practices in the East Bayfront and West Don Lands precincts and provided the Corporation with a report. The Executive Summary of this report was tabled.
- The report found both strengths and weaknesses within the two precincts. Strengths include:
 - densities support district systems such as heating and cooling and vacuum waste collection;
 - excellent public transit within waterfront and with City;
 - buildings generally have good solar orientation;
 - provision of community services; and
 - ample green spaces.
- Weaknesses include:
 - no direct link between environmental commitments in plans and detailed site and building design; and
 - Gardiner and rail corridor barriers to integrated waterfront.
- Most of the concerns as specified in the Swedish report will be addressed through the district energy strategy and green building initiative.

- The Corporation will pursue district energy and will establish a district energy task force to identify technical requirements, a business plan and financing options. A strategy will be presented at the Board meeting in April.
- The Corporation's green building initiative is moving forward with regular meetings taking place and will set out performance-based standards. Green building and construction specifications will be a key component of the developer RFP.
- The objectives of the green building initiative are to elevate developer performance and move the market to a level of sustainability as well as to set requirements that change the market but are economically viable.
- The next steps include a sustainability event on April 27th where the Swedish report will be made public and the Corporation's green building standards will be unveiled.

Discussion ensued and Mr. Campbell responded to various questions from the Board members. It was agreed that the governments must be further educated and well informed on sustainability along with the public and that the Corporation should educate and advance dialogue with potential partners within the environmental industry such as Natural Resources Canada and the Canadian Green Building Council.

8. Sustainable Buildings '08 Conference

John Campbell advised that the Canadian Urban Institute ("CUI") and Sustainable Buildings Canada ("SBC") are promoting a Toronto bid for the global conference on Sustainable Building and Construction 2008 and that the conference is held once every three years in different cities around the world. The Corporation has been asked to support the bid and to sponsor the bid submission process in the amount of \$10,000.00. Mr. Campbell advised the Board that a successful bid for Toronto in 2008 would help showcase the Corporation's sustainability efforts and results and will also help the Corporation in its efforts to transform the market.

Mr. Campbell asked for the Board's approval of this request and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the request for the Corporation to sponsor the bid submission process for \$10,000.00 be and is hereby approved.

9. Environmental Issues

Environmental Policy Statement

Victor Wong tabled an Environmental Policy Statement which sets out the Corporation's "Best Practices/Due Diligence" techniques to manage the risk of environmental liability in response to a previous request from the Board to formalize the Corporation's policies and practices. A brief explanation of the contents of the document was made; and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Environmental Policy Statement be approved.

Indemnity Agreements for Officers

Mr. Wong tabled a memorandum from David Matheson of McMillan Binch LLP dated March 15, 2005. Mr. Matheson advises (in his memorandum) that legislation applicable to the Corporation provides for the Corporation indemnifying the directors and officers of the Corporation and that indemnity agreements have been completed for all directors. Mr. Matheson further recommends that since officers are entitled to these indemnity agreements, that the Board pass a resolution approving the entering into of such indemnity agreements for the officers. A brief discussion ensued; and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Corporation enter into agreements with the President, the Chief Financial Officer and the Vice-Presidents of the Corporation to indemnify them in the manner consistent with indemnity agreements entered into by the Corporation with the Directors, all that is permitted under legislation creating the Corporation; and that a signing officer of the Corporation be authorized to execute such indemnity agreements on behalf of the Corporation.

10. Adjournment of the Meeting

There being no further business other than matters to be considered in-camera, the Chairman indicated that in-camera matters involving land assembly and advice from legal counsel were then to be considered. He indicated to members of the public present that it was now in order for them to depart from the meeting. Members of public then left the meeting. The meeting then continued as an in-camera meeting.

 Chairman

 Secretary of the Meeting