



# Performance Management Program

## Phase 2: Development of Corporate Objectives

**Financial and Risk Management Committee Meeting**

August 27, 2007



## Corporate Objectives Development Process

- Waterfront Toronto is committed to sustainable project development, as reflected in the Sustainability Framework.
- This will allow us to report on the Corporation’s progress in a Triple Bottom Line approach (social, environmental and economic).
- PWC was retained to work with Waterfront Toronto to develop a risk based performance management implementation plan that supports the Sustainability Framework.
- The process will translate Waterfront Toronto’s Mandate and Guiding Principles into “**SMART**” (*Specific, Measurable, Achievable, Relevant, Time-bound*) Corporate Objectives, which are then linked to business unit objectives and operations.
- Phase 1 was the Current State Review
- Phase 2 is to develop Corporate Objectives aligned with Waterfront Toronto’s 5 Guiding Principles
- Based on discussions, for purposes of Performance Management, a 6th Principle was added - Operational Effectiveness: to cover management functions and corporate performance
- **Today – Seek approval of Corporate Objectives**

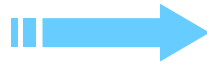
# Performance Management Model

- Corporate mandate and objectives are tied to Project reporting metrics for each business unit

## Business Units:

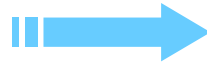
### Sustainability

Finance



Procurement

Development



Planning & Design

Construction

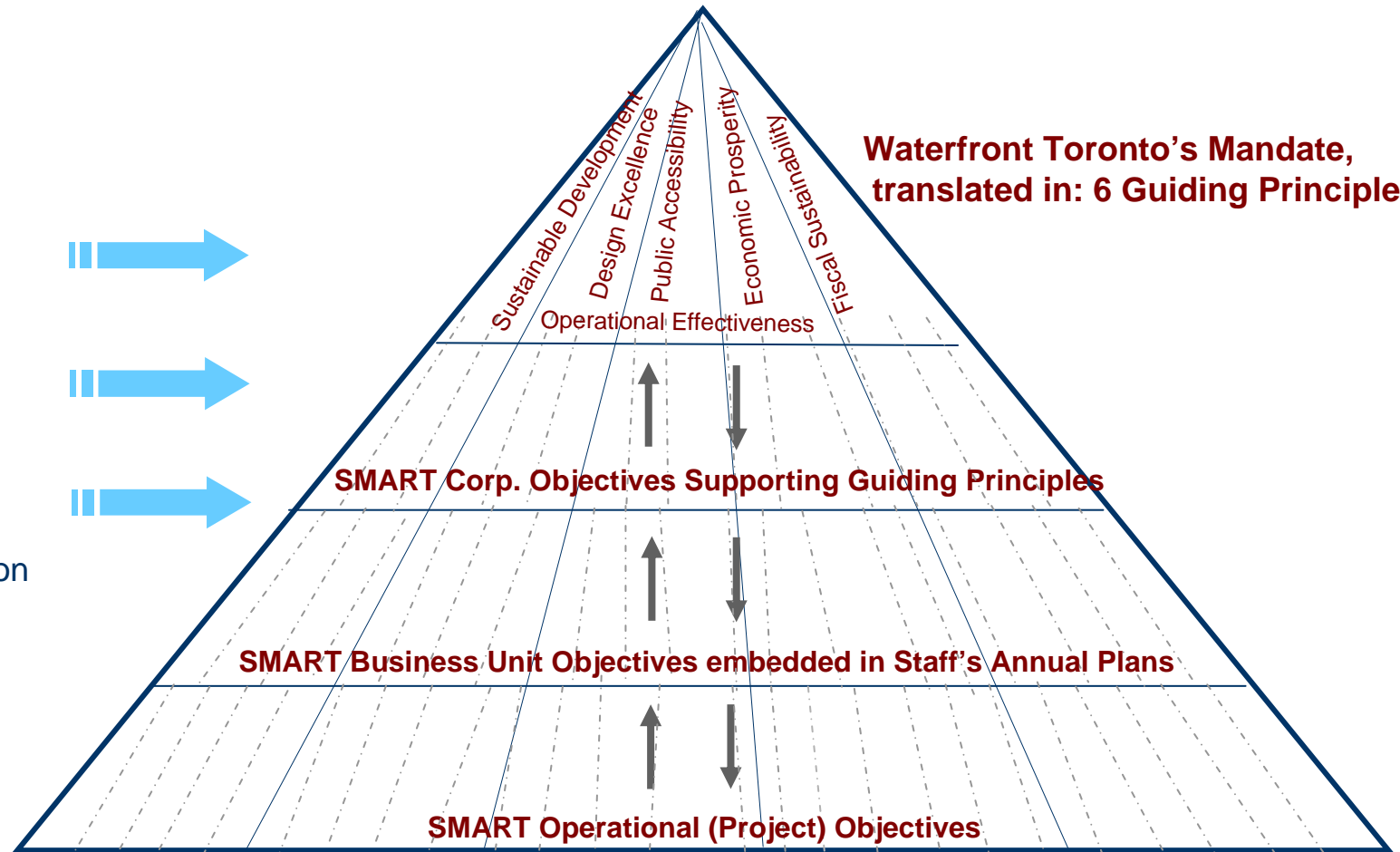


Mkt & Communication

Legal

Economic  
Competitiveness

**Waterfront Toronto's Mandate,  
translated in: 6 Guiding Principles**



# Today's Focus – Approval of Corporate Objectives

## Business Units:

### Sustainability

Finance

Procurement

Development

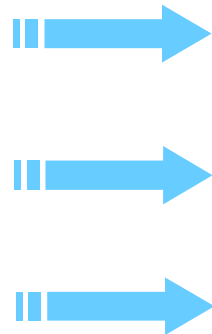
Planning & Design

Construction

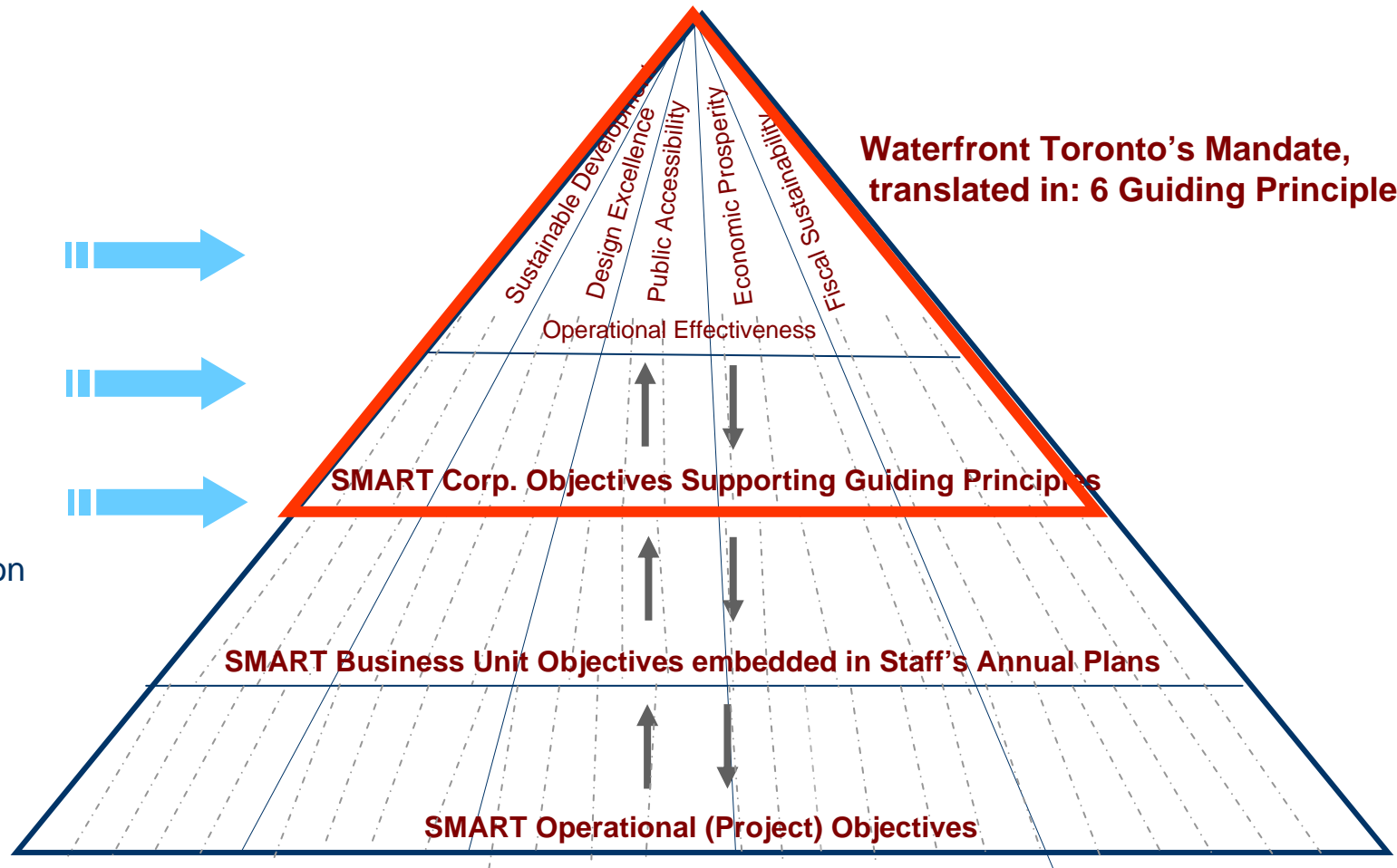
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**Waterfront Toronto's Mandate,  
translated in: 6 Guiding Principles**

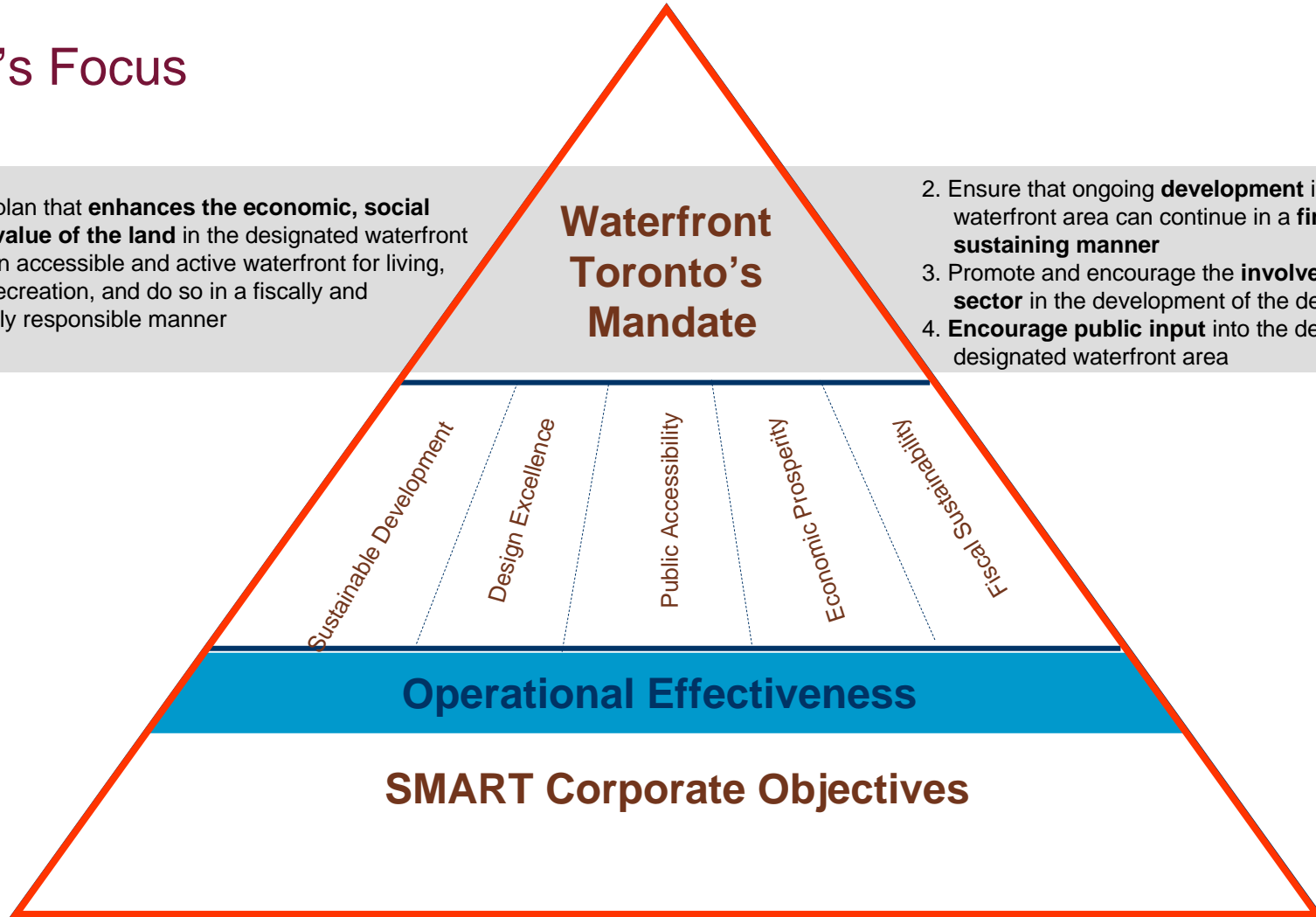


## Today's Focus

1. Implement a plan that **enhances the economic, social and cultural value of the land** in the designated waterfront area, create an accessible and active waterfront for living, working and recreation, and do so in a fiscally and environmentally responsible manner

### Waterfront Toronto's Mandate

2. Ensure that ongoing **development** in the designated waterfront area can continue in a **financially self-sustaining manner**
3. Promote and encourage the **involvement of the private sector** in the development of the designated waterfront area
4. **Encourage public input** into the development of the designated waterfront area



*SMART Corporate Objectives, Embedded In A Strong Operational Environment, Are Key To WT's Success In Achieving Its Mandate*

# 1. Sustainable Development

## Focus

- Develop leading edge communities
- Environmental, social, cultural and economic consideration

## Proposed Corporate Objective

1.1 To develop world leading social, cultural, environmental, and economically sustainable communities.

## Sample Corporate Performance Indicator

- 1.1 Overall Precinct/Project Sustainability Score - % (based upon social, economic, environmental and cultural factors)
- *Annual savings in energy costs*
  - *Annual savings of greenhouse gases*
  - *Annual savings of water*
  - *The percentage reuse of materials from deconstruction*

## 2. Public Accessibility

### Focus

- Community engagement
- Creating an accessible waterfront

### Proposed Corporate Objectives

- 2.1 To be a trusted public steward by actively involving the community and other stakeholders in all major revitalization activities.
- 2.2 To create a waterfront that is inviting and accessible to both citizens and visitors to Toronto, for living, working, and playing, for all age groups, family sizes, and income levels.

### Sample Corporate Performance Indicators

- 2.1 Community Support Indicator - A measure of Stakeholder Satisfaction - % (Leverage Public Information Centres and survey accordingly)
- 2.2 Public Profile
- *% mix of affordable and market priced housing*
  - *# of community gardens*
  - *# of intergenerational housing from young families to seniors*
  - *# of local community centres established.*
  - *Establish a measure of cultural diversity*

## 3. Economic Prosperity

### Focus

- Employment
- Quality of Place

### Proposed Corporate Objective

3.1 To promote employment growth for the waterfront, particularly in new media and other knowledge based industries.

### Sample Corporate Performance Indicators

- 3.1 Diversity of creative uses (Leverage Creativity Index by Richard Florida)
- 3.2 New Employees/ Employers - # or %
- 3.3 Value of Incentives/# of incentives
- 3.4 Tax Base change measured against Incentives - % in/decrease



## 4. Design Excellence

### Focus

- Quality of Place
- Distinguishing Toronto internationally by quality of waterfront architecture and public realm

### Proposed Corporate Objective

4.1 To build a waterfront characterized by high quality design and culture that positively contributes to how Toronto is perceived by its citizens and the world.

### Sample Corporate Performance Indicator

#### 4.1 Overall design excellence score

- *Focus groups*
- *Surveys*
- *Design review panel*
- *Increased tourism*
- *Community support*
- *Awards*
- *International feedback*

## 5. Fiscal Sustainability

### Focus

- Attract private sector investment
- Maximize leverage of public sector investment

### Proposed Corporate Objective

5.1 To optimize public sector investment by attracting and leveraging private sector development in order to increase the value of the waterfront.

### Sample Corporate Performance Indicators

- 5.1 Private \$ / Public \$ invested - %
- 5.2 Incremental Tax revenue - \$ or %
- 5.3 Net Value Creation as a % of Total Public Investment:

$$\frac{\text{Net Value Creation}}{\text{Public Sector Investment}}$$

## 6. Operational Effectiveness

### Focus

- Excellence in corporate governance
- Successful delivery of mandate
- Effective IT, HR support to the corporation

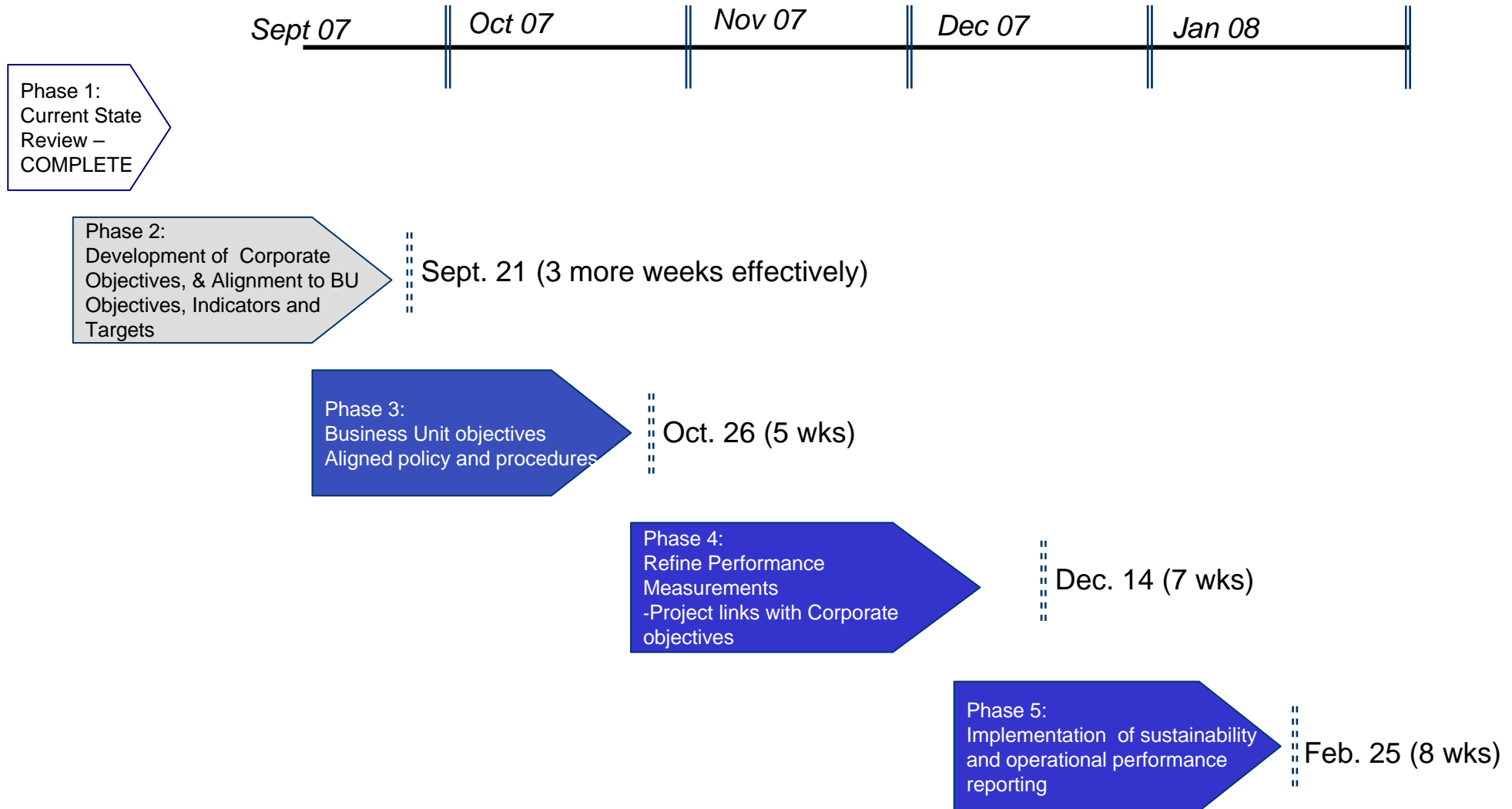
### Proposed Corporate Objectives

- 6.1 To achieve the stated performance objectives and deliverables of Waterfront Toronto's 10 year plan.
- 6.2 To provide a work environment that is motivating and inspirational that contributes to attracting and retaining "top" talent.
- 6.3 To maximize value for money through the effective and efficient management of the corporation.
- 6.4 To advance objectives of revitalization by strengthening the corporation's governance practices and its relationships with key stakeholders and agencies.

### Sample Corporate Performance Indicators

- 6.1 Approved funding spent within fiscal year - %
- 6.2 Employee Turnover, Employee Satisfaction - %
- 6.3 Project Performance (EVM) – measure technical, schedule and cost performance
- 6.4 Board satisfaction on governance practices - survey

# Roadmap Towards a Sustainability Performance Management framework



## Appendix 1 – Overall Sustainability Score Example

## Sustainable Development: Overall Sustainability Score (Example)

WATERFRONToronto Sustainability Scoring System		
Project Name		XXX
THEME	SCORE	RATIONALE
Energy	25	
Land Use	25	
Transportation	25	
Sustainable Buildings	25	
Air Quality	25	
Human Communities	30	
Cultural Resources	20	
Natural Heritage	25	
Water	25	
Materials and Waste	30	
Innovation	20	
<b>TOTAL</b>	<b>275</b>	

Land Use	Objectives	Measures (Potential Examples)	Potential Score
	1. Development patterns consistent with sustainability	• Amount of area within 1/8 mile of public open space.	2.5
	2. Vibrant street life	• Livability Ranking	5
	3. Maximize opportunities for use of renewable energy	• Consumption of gasoline, electricity, and natural gas per trillion BTUs	5
	4. Enhanced animal and aquatic habitat	• Demonstrate protection of Flora and Fauna significant to project site as per outcomes of biodiversity features survey and provide for wildlife corridors where applicable.	5
	5. Compatibility between land uses and sustainable infrastructure	• Topography, landscape character and biodiversity of the site. • Heritage – natural, cultural and built environment.	2.5
	6. Recapture value of abandoned and underused sites	• Underused sites that are developed	5

### Approach

- Scores to be developed for each Framework theme;
- Similar approach to LEED points system;
- At initial stage of project, potential maximum scores to be defined;
- Achievement of sustainability score is monitored throughout project.

## Appendix 2 – Earned Value Management (EVM) Model

## Earned Value Management (EVM) Model

- EVM is a project management technique that measures forward progress objectively;
- EVM has the unique ability to combine measurements of technical performance (i.e., accomplishment of planned work), schedule performance (i.e., behind/ahead of schedule), and cost performance (i.e., under/over budget) within a single integrated methodology.
- EVM provides an early warning of performance problems while there is time for corrective action.
- EVM improves the definition of project scope, prevents project creep, communicates objective progress to stakeholders, and keeps the project team focused on achieving progress.

