

## **West Don Lands**

Waterfront Toronto (“WT”) continues to pursue planning approvals for Phase 2 of West Don Lands (“WDL”). Staff meets weekly with Infrastructure Ontario (“IO”), Ministry of Infrastructure (“MOI”), Ontario Realty Corporation (“ORC”) and the City of Toronto to work through the WDL Phase 2 Plan of Subdivision (“POS”) conditions. It is anticipated that the POS and associated conditions will receive Draft Approval from the Chief Planner in late October, 2010.

Toronto Community Housing Corporation (“TCHC”) has advised that it is hoping to have a full building permit by late fall and building occupancy in early 2012.

ORC advises that the Risk Assessment Risk Management (“RA/RM”) work for WDL is on schedule to meet with Pan Am Games Athletes’ Village and Urban Capital timelines.

The following projects within the WDL are progressing on schedule:

- Don River Park commenced construction on August 15, 2010;
- Mill Street Public Realm construction is underway;
- Underpass Park tenders have been received - WT and ORC are completing an Access Agreement to allow remediation to commence; and
- Stormwater Management Facility design has commenced.

WT and IO are working closely to deliver the Pan Am Games Athletes’ Village. Treasury Board has approved the budget for the Village, allowing the project to proceed. The budget total is subject to Cabinet confidentiality. A Planning, Design and Compliance team (“PDC”) lead by the firm HOK, has been successfully retained to develop the design specifications and work with WT’s Design Review Panel (“DRP”) in creating requirements for the Request for Qualifications (“RFQ”). Work has commenced on the developer proposal call process. Drafting of the Request for Qualifications (“RFQ”) is underway and it is expected to be released in the next month.

## **East Bayfront**

The last of the Dockside public realm elements, Sherbourne Common, was officially opened on September 24, 2010. Work on certain components of the park, including the deep services along the water’s edge and the surface promenade works in that area, continue, as does work on Sherbourne Common north. All work will be completed by the end of the year. The deep sanitary sewer connection from Dockside to the Scott Street Pumping Station is in a position to be awarded, pending funding confirmation, with work commencing this fall. The eastern portion of Lower Sherbourne Street will be stopped up and closed in order to complete boulevard work on the east side of the street. This work is being done in advance of a major reconstruction of Lower Sherbourne, which will commence next year and be operational prior to the opening of George Brown College (“GBC”).

GBC has drawn their foundation building permit and has commenced construction of the building foundations, underground garage and future District Energy (“DE”) plant. This work should be completed by the end of the year and GBC remains on schedule to open their doors in the fall of 2012.

Corus officially opened their building on September 30, 2010, notwithstanding certain facilities are yet to be relocated. This process will continue throughout the fall. The Aecon construction trailer will remain on Block 2 until work within the building is complete. Once the trailers are removed the temporary parking lot will be constructed.

Great Gulf Homes (“GGH”), the developer of the Parkside site, postponed their presentation to the DRP pending finalization of suite layouts and resolving certain issues related to servicing their building. They now anticipate coming to the DRP in November.

Negotiations continue with Hines to finalize the various legal agreements that are required as part of the proposed transaction. Several changes have had to be incorporated to reflect changes required through the City approval process. None of these changes impacts on the overall transaction and Management is anticipating moving forward with Hines on their concept plan early in the new year.

The Royal Canadian Yacht Club (“RCYC”), a long-time fixture on at the east end of East Bayfront (“EBF”), has advised that construction is moving well on their new facility on the east side of Cherry Street, just south of the ship channel. As a result they have advised that they will be terminating their lease effective the end of this year.

## **Central Waterfront**

### Queens Quay Assigned to Newly-Created Technical Services Unit

The city review of the Queens Quay Design will be conducted by the newly-created City of Toronto Third Party Review Unit in Technical Services, which has been set up to work primarily with WT and other non-city departments. Queens Quay is the first project of this scale to be reviewed by the unit and WT staff has been working very closely with city staff to develop protocols and strategies for facilitating this process.

### Queens Quay 30% Submission

WT is preparing to make its 30% Design/Engineering submission to the City of Toronto Technical Services Unit. It is anticipated that this submission will be made in October 2010. Included in this submission for feedback from the city is the proposed horizontal and vertical alignment of the street, the streetscaping plan, and initial utility coordination plans.

### TTC Track Reconstruction Program

WT has been advised that TTC is planning to reconstruct their track along Queens Quay from Bay Street to Lower Spadina Avenue in the next one to two years, as part of their “State of Good Repair Program”. This infrastructure is in poor condition and has reached the end of its service life. The track rehabilitation needs to be coordinated with the reconstruction of Queens Quay in Central Waterfront (“CWT”) to ensure that the track alignment is consistent with the configuration of the new roadway.

### Rees Street Parking Lot Master Plan Initiation

As a condition of the approval of Queens Quay at Toronto City Council, WT was directed to undertake an urban design study for the city-owned Rees Street Parking Lot. WT has retained West 8+DTAH, the current Master Planners for CWT, to conduct this work. This study will assess development opportunities for the site and will include financial analysis to determine its revenue potential. The city has suggested that the revenue may be contributed towards the Queens Quay revitalization.

## Bus Management Strategy Progress

As a condition of the approval of Queens Quay at Toronto City Council, WT was required to undertake a Bus Management Strategy for Queens Quay. WT has retained BA Group to undertake this study. A comprehensive bus inventory was completed during the past summer season and the next step is to engage stakeholders in developing strategies for drop-off and pick-up of visitors, followed by possible bus parking management strategies like those used in Niagara. This work is being undertaken in collaboration with the City of Toronto.

## **Designated Waterfront Area**

### Union Station Second Platform

Following a detailed review of the bids received for the construction of the Union Station Second Platform, the TTC has informed WT that it intends to cancel and re-issue the tender documents. Concurrently, the Contribution Agreement that increases the funding limit and extends the required completion date for this project, has been reviewed and approved by the City and Provincial Waterfront Secretariats and has been submitted to the Mayor and Minister for execution. The TTC released the retender documents in early October and expects to receive revised bids and award the contract prior to year end.

### Soil Management Facility (“SMF”)

The Soil Recycling Pilot treatment operations commenced on September 3, 2010 and were completed on October 15, 2010 after the treatment of 20,000 cubic metres of soil.

The analysis of the technological, environmental, and economic viability of the soil washing process for Designated Waterfront Area (“DWA”) soils will commence imminently and will be submitted by the two operators to WT in early 2011. Following receipt of the operators’ reports WT will prepare the analysis and business case for the production scale Soil Recycling facility. Subject to the results of the Pilot Project confirming the viability of large scale treatment, next steps will include: applying for Ministry of the Environment (“MOE”) approval to operate a long term soil management facility; issuing a Request for Proposals (“RFP”) to select a vendor to operate the long-term soil recycling facility; and completing negotiations with Toronto Port Lands Company for the utilization/acquisition of the Unwin site for this purpose.

## **Program Management**

### Health and Safety

There have been no reportable Health and Safety incidents on any WT job site since the last report.

WT is deemed to be a large employer in the construction industry under Workplace Safety and Insurance Board (“WSIB”) policies. WT therefore qualifies for the WSIB CAD -7 Experience Rating Plan through which the WSIB tracks employers’ health and safety performance. Under this plan WT has been recognized as an employer “**achieving and maintaining zero injury, illness and fatalities**” which has resulted in a reduction of WT premiums as well as validated our internal health and safety practices.

## Labour Relations

All collective bargaining agreements for Ontario construction trades have been successfully renegotiated. The new trade agreements - which expire in April 2013 – were renegotiated with no work stoppages or strikes and with no effect on any WT projects. The next round of bargaining takes place in 2013 and could therefore impact on the delivery of the Pan Am Games Athletes' Village by the project developer however all WT enabling works for the Village are scheduled to be completed prior to 2013.

## **Government Relations**

### Meeting with Provincial Ministers

I had an excellent introductory meeting with the MOI's new Deputy, Drew Fagan on September 15, 2010 at which I provided a foundation briefing followed by a tour. I highlighted the current implementation momentum on the waterfront and underscored WT's ability to attract \$1.3 B in private sector investment to date effectively matching the \$1.5 B in public sector seed capital.

I also stressed the now critical need for operational governance so that WT can receive revenues from our private sector development deals in EBF as well as the ability to borrow – IO bridge financing loan – so that we can complete servicing for the development sites in EBF.

I also had the opportunity to update Minister Chiarelli on September 16, 2010 on the tangible progress on revitalization and emphasized the solid working relations between IO and WT in the delivery of the Pan Am Games Athletes' Village in the WDL.

Similar to my discussion with the deputy of MOI I highlighted the urgency of receiving tri-government consent for operational governance to allow WT to continue to successfully implement its mandate.

The Chair and provincial Board Members are meeting with the Minister on October 20, 2010 which will provide an opportunity to restate WT priorities and deliverables.

A meeting has been arranged with Minister Murray (Ministry of Research and Innovation) at his request on October 13, 2010 to discuss WT's innovation agenda including District Energy, Intelligent Communities and WT's Green Building Strategy and how these can be leveraged to showcase the province's leadership in smart city-building.

A verbal update on the outcome of the meeting will be provided to the Board.

### Operational Governance

We have emphasized to governments that the lack of operational governance for WT is now no longer theoretical but in fact will impact our ability to deliver our private sector development agreements. WT will be submitting again to governments our prioritized list of required governance:

- the ability to raise revenues from signed development agreements (i.e. Bayside and Parkside);
- the authority to receive revenues from the permanent soil recycling facility and from the temporary DE plant (revenue currently accruing to a trust);
- the ability to borrow - specifically for the IO bridge financing loan (approximately \$45-50 M including interest) to allow WT to construct the required servicing for Bayside and Parkside;
- the ability to secure letters of credit; and

- the ability to create a real estate subsidiary for the purpose of entering into a joint venture with GBC for the parking garage.

The City approved the requisite operational governance in March of 2008 contingent upon federal and provincial approval. Subsequently, Council approved the Bayside transaction in August, 2010 conditional on “the other orders of governments having approved the governance changes required to allow WT to borrow funds required to meet its infrastructure obligations under the Purchase Agreement” and that the “required IO loan has been secured”. WT is currently targeting December 1, 2010 to execute the various agreements with Hines. The three orders of government are aware of the timelines.

The federal government has provided all governance required to operate DE on the waterfront.

The larger governance ask for (general) borrowing and real estate subsidiaries (for properties WT currently has title to in Quayside) will be advanced after governments respond to the urgent operational issues at hand.

## **Communications and Marketing**

### Proactive, Strategic Media Relations

On September 8, 2010, WT held a well received media event to officially break ground on Don River Park. The event, which featured our government partners, was well attended by media, community and stakeholders, and resulted in positive media coverage for the park and WT. WT also produced a social media video of the groundbreaking.

On September 24, 2010, WT held a successful official ribbon-cutting event for Sherbourne Common South. The event drew more than 300 people including many key influencers and community stakeholders. The event delivered strong media coverage including numerous print and online stories and resulted in several stories on major Toronto broadcast networks. A social media video of the opening event was also produced and is being leveraged through social media channels and with stakeholders.

WT participated in the official opening of Corus Quay on September 28, 2010. To support Corus’ media relations efforts, WT shared key media contacts and produced a fact sheet for the media kit which highlighted its involvement in the development of Corus Quay, including the financial contribution to making the building LEED Gold. Media coverage from the event highlighted the building’s premier location on Toronto’s revitalized waterfront and referenced the adjacent public realm – Canada’s Sugar Beach.

Outreach and an interview and tour with Marcus Gee, The Globe and Mail’s new Toronto columnist, resulted in a very favorable column on waterfront revitalization progress on October 2, 2010.

WT continued our outreach with the prestigious European landscape architecture magazine Topos by providing information and imagery for an upcoming story on recent developments in EBF including Bayside, Canada’s Sugar Beach and Sherbourne Common.

During the week of October 4, 2010 WT held a media tour program to promote its soil recycling pilot project. Guided tours of the Pilot Soil Recycling Facility were provided to targeted key media including the Globe and Mail, Canadian Consulting Engineer, NOW Magazine, The Bulletin and Canadian Geographic.

## Build and Implement the Brand

To promote the new Bayside development, WT partnered with Hines to create and install 300 feet of branded mesh banner-style hoarding along the east fence of Sherbourne Common facing the Bayside development site. The banners, which utilize WT's brand standards and tri-government messaging, promote the future Bayside development project and help camouflage the undeveloped area adjacent to the park. Installed in time for the park's official opening, the banner will remain in place until construction of the area begins.

WT has created "Waterfront Toronto" animated banner ads to further leverage its Yonge Street Media sponsorship. The ads promote "our new blue edge" messaging and link people directly to its website. Our partnership with Yonge Street Media has provided us with weekly articles on waterfront revitalization and also free advertising throughout their website. Yonge Street Media is a weekly online magazine that covers Toronto stories about innovation, diversity and quality of place.

## Build Thought Leadership

WT delivered the keynote address at the Credit Valley Conservation Authority's 2010 Low Impact Development Conference to an audience of more than 300 on the revitalization of Toronto's waterfront and how WT is working with partners to implement low impact development strategies.

On September 21, 2010 WT provided the Mayor of Portland Oregon and a delegation of Portland based green business companies with a revitalization overview and a tour of the waterfront. The briefing was arranged by the United States Consulate in Toronto.

On September 28, 2010 WT met with Allied Software Group, an Egyptian IT company interested in possibly setting up an office in Toronto. The meeting was arranged by the Greater Toronto Marketing Association and the Canadian Trade Commission.

On October 8, 2010 in his address to the Board of Trade, Minister Chiarelli spoke very positively to the revitalization of the waterfront using much of WT's information and encouraging the audience to see for themselves the results of revitalization efforts to date.

## Excellence in Stakeholder & Community Consultations and Communications

To ensure waterfront revitalization was appropriately addressed during the recent waterfront mayoral candidate debate, WT prepared and distributed a fact sheet on waterfront revitalization in advance. The fact sheet was sent to all candidates, circulated to media, and provided to the neighbourhood associations which organized the event, who in turn distributed it to all debate attendees. WT also provided debate organizers with context information for their questions and provided visuals of revitalization which were prominently displayed prior to the debate.

## **Sustainability**

### Green Building Requirements and Climate + Carbon Modeling Tool

WT has prepared an updated Mandatory Green Building Requirement. This update reflects the increase in building performance considered to be the appropriate level to push developers further on market transformation, beyond our current requirements. The focus has not changed the LEED Gold requirement. Developers will now be asked to meet advanced technology and performance targets, within the new LEED 09 Gold requirements, resulting in higher performing buildings. This set of requirements is being shared with the development industry through public information sessions and with IO for consideration in the Pan Am Games RFP process.

In addition the Climate + Carbon Modelling Tool is near completion and will also be shared with the Province for consideration in the Pan Am Games RFP process, as a measure of Greenhouse Gas achievements for the development. Funded in part by Ontario Power Authority, these projects include a program for sharing the development of these standards with key stakeholders for actions such as influencing the building code and municipal policy development.

#### Federation of Municipalities Funding for Soil Management Project

With the City of Toronto, WT is submitting a funding request (\$350,000) to support site related works for the Soil Management Pilot. This application is also focused on market transformation activities to conduct financial and lifecycle analysis of the outcomes of this remediation technology to support reuse of soil and meeting MOE standards for sensitive land uses and avoid dig and dump approaches. The expectation is that the industry as well as stakeholders such as municipalities and governments working to redevelop and revitalize brownfields will gain added insight into advanced opportunities for urban underutilized lands.