

West Don Lands (“WDL”)

The City of Toronto Community Council and Council have approved the Phase 2 Official Plan Amendment, zoning, Holding “H” lifting by-law and have delegated approval authority to the Chief Planner to provide Draft Plan Approval of the Subdivision. This is a significant milestone for WDL as it sets the stage for future development in the precinct as well as enables the creation of the Pan Am Athletes’ Village. Waterfront Toronto (“WT”) continues to meet weekly with Infrastructure Ontario (“IO”), Ministry of Energy and Infrastructure (“MEI”), Ontario Realty Corporation (“ORC”) and the City 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 October, 2010.

Toronto Community Housing Corporation (“TCHC”) has advised that it has received approval from the City to lift the Holding (“H”) on the property’s zoning and hope to have a full building permit by the Fall and building occupancy in early 2012.

ORC advises that the Risk Assessment Risk Management work for WDL is on schedule to meet with Pan Am Athletes’ Village and Urban Capital timelines.

Don River Park commenced construction on August 15, 2010. Mill Street Public Realm construction is underway. WT has entered into a Master License Agreement with ORC to ensure appropriate access and construction site management is in place. Underpass Park design is progressing through approvals with the City. Design of the Stormwater Management Facility will commence shortly.

WT continues to work closely with IO on delivering the Pan Am Games Athletes’ Village. Market sounding meetings with potential developers are ongoing but have shaped a development model and housing mix which both WT and IO believe will result in a successful developer proposal call. Drafting of the Request for Qualifications (“RFQ”) is underway and it is expected to be released very shortly after Treasury Board approval (expected late September) of the business plan being prepared by IO.

WT has taken a leading role on the development of legacy elements of the Village, most significantly recreation/institutional development proposed to be built at the north-east corner of Front & Cherry Streets. WT has held preliminary discussions with a potential tenant for the recreation centre required for the Village, and with a post secondary institution regarding the possibility of locating a student residence on the site.

East Bayfront (“EBF”)

As reported to the Board on June 30, 2010, construction continues on all aspects of the first phase of the EBF. Dockside Drive and the Corus Driveway have been completed. Sugar Beach and the westerly portion of the waterfront promenade were substantially completed at the end of June, and were officially opened last month. Staff is currently finalizing the formal hand-off of these parks to the City. Construction continues on the southern portion of Sherbourne Common in anticipation of a formal opening on September 24, 2010. Certain elements, including the deep services along the water’s edge and the surface promenade works in that area, will be completed later this fall. Sherbourne Common north remains on schedule for completion at the end of the year. The deep

sanitary sewer connection from Dockside to the Scott Street Pumping Station will commence this fall, with construction projected to be complete by next fall. A temporary boulevard and sidewalk have been constructed along the southern side of Queens Quay in anticipation that the permanent Martin Goodman Trail section along EBF will be constructed next year, assuming regulatory approval.

Excavation of the George Brown College (“GBC”) underground parking garage has been completed and GBC has drawn their foundation building permit. GBC underground construction, including the joint GBC/WT parking garage and the future home of the first EBF District Energy Plant, should be completed by the end of the year. GBC remains on schedule to open their doors in the fall of 2012.

Approximately two-thirds of the 1,200 Corus employees have relocated to their new building with the balance, including the relocation of the various television and radio stations, coming throughout the fall. The Aecon construction trailer will be relocated to the Corus laneway until work within the building is complete. Once the trailers are removed the balance of Block 2 will be turned into a temporary parking lot for use by Corus. The parking lot will remain at least until the temporary district energy plant is relocated to the GBC parking garage. Thereafter staff will evaluate interim uses in conjunction with the long-term development of the block.

City Council recently approved applications to stop up and close a portion of Lower Sherbourne Street, thereby allowing for the completion of Sherbourne Common North by the end of 2010. They also approved a report supporting the expropriation of certain privately-held lands in support of the realignment of Lower Sherbourne Street, if necessary. Management continues to negotiate with the land owner; however as the road needs to be constructed in 2011 it was deemed necessary to have this option.

Great Gulf Homes (“GGH”), the developer of the Parkside site, advise that they will be coming before the Design Review Panel in September. Assuming positive support, GGH has indicated that they would like to advance their Site Plan Application with the City in order to be in a position to go to market in 2011.

At its meeting on August 25, 26 and 27, 2010, City Council by a vote of 34 to 2, approved WT’s recommendation that Hines Canada be selected as the preferred proponent to develop the Bayside development site.

Designated Waterfront Area

Union Station Second Platform – The TTC has closed tendering for the construction of the Union Station Second Platform. Submissions were received from three prequalified contractors, and TTC expects to formally award the contract in September, subject to commission approval and to Provincial Government sign-off of a Contribution Agreement, which increases the funding limit and extends the required completion date.

Soil Management Facility (“SMF”)

Waterfront Toronto has adopted a soil management strategy as part of its overall approach to achieving the economic and environmental sustainability objectives of waterfront revitalization. A key feature of this strategy is a soil recycling facility, capable of treating the large volumes of contaminated excavated soil from the EBF and WDL precincts for reuse in grading, flood protection and park construction applications in the proposed Lower Don Lands, Lake Ontario Park and other Port Lands projects.

A pilot-scale facility has been set up on Unwin Avenue in order to evaluate potential soil treatment technologies and costs prior to investing in a full-scale recycling facility. Following a Request for Proposals (“RFP”) process, two teams were selected to participate in the pilot project. Each team consists of a leading-edge international firm and a Canadian partner, familiar with the local regulatory and business environment.

Public notification of WT’s intention to establish a pilot treatment facility was posted on the Ontario Environmental Registry with the notice period closing on August 25, 2010. There were no objections. Key stakeholder representatives have been identified and a committee has been formed.

WT has received all the required Ministry of Environment (“MOE”) approvals and completed the preparation of the site by providing appropriate grading, paving and stormwater pond measures. The two proponents selected to run the pilot SMF operations are awarded contracts. Accordingly, DEC–DEME and TetraTech-Stuyvesant-Boskalis have mobilized their equipment to arrive at the SMF site from overseas. The equipment has arrived at the site in more than 40 truck trailers each and been assembled. The two proponents have received all of their MOE approvals to start the soil treatment operations. In order to more fully assess technical and economic performance of soil treatment technologies on different types of soil and contaminants, WT has decided to test more than one source of soil from different sites within Designated Waterfront Area (“DWA”). In addition to WDL soils from two different stockpiles, contaminated soils from EBF - Sherbourne Common, from Port Lands – Toronto Port Lands Company (“TPLC”) Lafarge stockpile, TPLC Corus stockpile and TPLC CNE stockpile are planned to be treated. WT may possibly add the Union Station excavation soils, if conditions permit.

Due to the innovative nature of the pilot project, there have been lengthy discussions with regulators as to whether the SMF site falls under the definition of a construction site, industrial plant or a mining operation. In the end, it was decided that the site is defined as an industrial operation and a Management/Maintenance RFP was issued with the successful bidder ensuring on behalf of WT that all personnel on site comply with the applicable Health and Safety obligations under the Occupational Health and Safety Act.

Operations are expected to commence the first week of September, 2010 and to continue for six to eight weeks, by which time 20,000 cubic metres of soil will have been treated. During this period, another public meeting will be called, Stakeholders Liaison Committee meetings will be held and site visits will be arranged for the Minister of Environment and his staff.

Should the pilot project confirm the technological, environmental, and economic viability of the soil washing process for DWA soils, WT anticipates selecting one of the operators to establish a long-term soil recycling facility on the Unwin Avenue site to treat soils for reuse in future waterfront revitalization projects.

Program Management

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

Labour Relations – All collective bargaining agreements for Ontario construction trades expired on April 30, 2010. Plumbers, rodmen, labourers, operating engineers, carpenters, electricians and ironworkers have concluded negotiations and settled new collective agreements. Based on the agreements reached with all major trades, the risk of labour disruptions affecting WT projects is now very low. All remaining trades continue to negotiate and at this time no strike votes have been taken nor deadlines established for conclusion of ongoing negotiations.

Planning and Design

The Lower Don Lands project reached a major milestone last month. On August 25, 2010, City Council unanimously approved the Official Plan Amendment that establishes the new river mouth alignment and surrounding development areas. This now gives legal standing to the planning work WT and Toronto and Region Conservation Authority have been engaged in over the past several years, and secures the right-of-way for a new river system that will flood protect the Port Lands and much of South Riverdale. Precinct planning and detailed design of the new river can now commence in phases as funding becomes available.

The East Bayfront Transit Environmental Assessment reached an important milestone this summer as well. On July 7, 2010, the Minister of the Environment dismissed all the Part II Order Requests and allowed the project to proceed. The TTC has already initiated detailed design for the new transit line to support EBF and Schematic Design for Queens Quay is expected to be complete early in the fall of 2010.

The Harbourfront Centre parking lot was closed in July and the Construction Manager, Ellis Don, has mobilized on site. Hoarding has been erected and Site Preparation is underway. Tenders for Shoring work closed on August 26, 2010, and a Pre-qualification for Excavation work has been issued, with construction anticipated to start by late October.

Government Relations

Federal Government Extension

WT has received approval from Minister Flaherty to extend contribution funding for an additional year to March 31, 2012 in order to ensure the completion of the following federal projects – projects whose funding would lapse in the absence of an extension:

- Underpass Park in the West Don Lands
- Don River Park
- Queens Quay LRT
- Tommy Thompson Park
- Canada Square/Phase 1 Harbourfront Revitalization Project

We are working with the federal secretariat to ensure that savings from projects currently being completed can be reallocated to other federal projects. The reallocation of funding to Canada Square requires specific authorization from the Minister because of the capped nature of federal funding for that project. We have drafted a letter to Minister Flaherty from federal board members requesting the ability to redirect savings from completed federal projects to Canada Square. The Board should be aware that the recent decision by the federal government to redirect \$1.4 million from WT's budget to cover operating expenses for Harbourfront Centre makes securing savings to Canada Square more of a challenge. To date, almost \$50 million has been invested in Harbourfront Centre from WT funding.

Provincial Cabinet Shuffle

On August 18, 2010 the provincial government announced a cabinet shuffle which split the Ministry of Energy and Infrastructure into two Ministries: Energy and Infrastructure. Minister Duguid becomes Minister of Energy and Minister Bob Chiarelli, Minister of Infrastructure and now provincial Minister responsible for the Toronto Waterfront Revitalization Initiative.

For the time being, David Lindsay remains the Deputy Minister for both the Ministry of Infrastructure and the Ministry of Energy. We are in the process of scheduling an introductory meeting and will also be scheduling a more detailed briefing and tour of the waterfront for Minister Chiarelli.

Communications and Marketing

Proactive, Strategic Media Relations

The Lower Don Lands and East Bayfront public realm and development implementation were the key focus of our media outreach this summer.

On July 5, 2010 a technical media briefing on the Lower Don Lands to provide details on our efforts to secure an Official Plan Amendment was covered by key trade media and resulted in articles.

WT promoted the opening of Canada's Sugar Beach to the public in early July through a featured post on our website and in our July newsletter and we also held tours of the park with local reporters. Our outreach efforts resulted in numerous traditional and on-line news stories and helped create a social media buzz about the park.

On August 9, 2010 WT held a highly successful official ribbon cutting event for Canada's Sugar Beach and the Water's Edge Promenade (phase one). The event drew approximately 400 people including many key influencers and resulted in extremely strong media turnout. The event delivered significant media coverage included numerous radio, print and on-line stories, plus stories on all Toronto major television networks.

On August 19, 2010 WT held a technical media briefing to announce Hines as our private sector development partner for Bayside. Our media outreach efforts resulted in a well-attended media event and radio, television, print and on-line media stories. The Toronto Star also ran a very positive editorial on the development. On August 27th, we issued a news release about Bayside's approval by City Council.

In an effort to continue to build a relationship with Toronto Life, we toured a writer for the magazine through Sherbourne Common in late July and provided images for an upcoming issue of the publication.

WT contributed stories on Canada's Sugar Beach and Sherbourne Common to the fall edition of the City of Toronto's *Our Toronto* publication which is delivered to every city household. Stories will also appear in the quarterly business focused e-newsletter *City Update*.

Together with our communications colleagues from IO, ORC, Toronto 2015 and the Province, WT developed a communication plan for the Pan Am Games Athletes' Village in the West Don Lands. The plan helps ensure a coordinated approach to promotion of the Village while maintaining Waterfront Toronto's ability to promote our specific project in the West Don Lands.

Build and Implement the Brand

The popularity of WT's new website continues to grow. Total visits to the WT website in July doubled those of June. In the first half of August, the site received close to 17,000 visits, surpassing total visits for the full month of June. Monthly page views have risen to more than 60,000. In August our website was listed among [CTV Toronto's Hot Links](#) and was praised by [Boston Architects](#) among its *Websites of Note*. The group said our site "shows us how a municipal development website should be done."

On August 5, 2010, we provided a seven member delegation from Tanzania with an overview briefing and tour of the waterfront. The delegation which included representatives from the Tanzanian government, Tanzanian Ports Authority and the City of Dar Es Salaam, requested the visit as part of a global tour of leading waterfront revitalization projects. This delegation is one of the many which increasingly seek out briefings with WT regarding our revitalization model and approach.

Sustainability

WT is completing an update of the green building requirements and creating a carbon model for development to be considered for implementing climate positive in the Pan Am Games Athletes' Village. This has included recovery of investment opportunities, such as market investment, green loans and Pan Am sponsorship. IO has been given all related information but has only included LEED Gold in the Management Board 20 submission for Pan Am. WT hopes the Province will continue to champion the Games being the greenest ever as suggested.

Regional Sports Complex

On August 26, 2010, City Council endorsed the "stacked" option for the Regional Sports Complex, which is to be built in the Lower Don Lands opposite FilmPort. Thanks to a productive collaboration between WT and City staff, the City's design consultants were able to develop a plan which preserves the integrity of the Lower Don Lands plan and provides for a spectacular ice rink to serve the community. This approach will maximize the value of City lands surrounding the naturalized Don River Mouth and create a real icon to spur redevelopment of the Port Lands.

Ontario Place Revitalization

On July 15, 2010 Ontario Place issued a Request for Information ("RFI") for the revitalization of Ontario Place. The RFI outlined the guiding principles, giving direction to respondents. These principles are generally consistent with the underlying core values of WT. I have been invited to a stakeholder session to represent WT on September 2, 2010 to discuss evaluation criteria used to assess the responses which are due September 10, 2010.

Our communications with Ontario Place Corporation ("OPC") have been positive and supportive. This is an area of the waterfront we did envisage addressing for a number of years and their initiative to revitalize is welcome. Our approach to its revitalization to date is that we are not concerned who implements, as long as the right outcome is achieved.