

West Don Lands

Significant progress has been made on the approvals for the West Don Lands (WDL) Phase 1 Plan of Subdivision. The City and Province have come to an agreement regarding a Security Fund for the first phase of WDL that would replace the Letters of Credit required in the City's standard subdivision agreement. The Security Fund will be established at 20% of the hard construction cost of all roads and services as well as Don River Park so that the City can access the funds in such cases of non performance and emergency repairs. The Security Fund will be in place for the two-year warranty period for each project as well as the one-year assumption period at which time the City will take over the works. The exception to this is for Don River Park whereby the securities will be put into the fund upon conveyance of the park to the City for two years. The City took forward a report on the proposed Security Fund to the City Executive Committee on June 2, 2009 which was approved. This report will be before City Council at its July 6, 2009 meeting for final approval. WT staff is working with the City to finalize the Security Fund Agreement to operationalize the Fund. In addition, WT staff is working with the Province on the necessary Contribution Agreement for the Fund as well as working with our banking partner to establish the account.

Finalization of the subdivision agreement remains outstanding, however progress has been made during the last number of weeks and it is hoped that the agreement will be ready for execution in the fall. The agreement is required along with City sign off on infrastructure designs before construction and registration can occur. Registration of the subdivision agreement is required by the end of the year in order to meet the delivery timelines for Toronto Community Housing Corporation (TCHC) which carries significant financial penalties if not met.

The Province and City have worked diligently to move the RA/RM submission to MOE by ORC forward. ORC is preparing the final report and is targeting a submission to MOE by the middle of July. The RA/RM must be approved in order to obtain a building permit for TCHC by the end of the year. This timing is very tight and will need to be managed carefully by ORC with WT's input when required.

WT staff reported costs for the FPL and associated infrastructure works of \$120M at the May board meeting. ORC is now reporting additional costs (\$5M in contingencies required by the ORC Board and \$5M in construction cost increases) to a total of \$130M. The FPL is not anticipated to be substantially complete until the end of 2010. In order to comply with TCHC timelines for occupancy, the construction of the FPL must remain on track.

Central Waterfront Plan

The Simcoe WaveDeck was officially opened on June 12, 2009, to coincide with Luminato. Construction of the Rees Wave Deck continues and planning is under way for opening later this summer. CEAA approval for the Spadina Footbridge has been delayed owing to TPA issues and the tender is being withheld pending resolution.

Gardiner Environmental Assessment and Queens Quay Environmental Assessment

On June 2, 2009 Terms of Reference (ToR) for the Gardiner Environmental Assessment was unanimously approved by the City of Toronto Executive Committee for full Council consideration on July 6, 2009. If approved by Council on July 6, 2009, the ToR will be submitted to the Ministry of

the Environment later this September for review and approval later this year. Also on June 2, 2009 the Queens Quay Environmental Assessment was unanimously approved by the City of Toronto Executive Committee for full Council consideration on July 6, 2009. These are two major milestones in advancing our waterfront revitalization program.

East Bayfront

The contract for Construction Management services in the EBF was awarded to Eastern Construction Company Limited who will manage overall site activities, including co-ordination between Waterfront Toronto, TEDCO and George Brown contractors. Planning and tendering has now commenced for the construction of Sherbourne Park and Canada's Sugar Beach.

The EBF Interim DEC has been substantially completed and temporary utilities connections have been provided to First Waterfront Place to allow Corus interior fit-up construction to commence. Demolition of the Abel property and the Town and Country Restaurant building has commenced and will be complete in July, 2009.

Servicing of the first phase of the East Bayfront is nearing completion and work is commencing on Sherbourne Park. Construction of Canada's Sugar Beach and the first segment of the promenade will begin this summer, and it is anticipated that all public spaces will be substantially complete by summer, 2010. George Brown College has confirmed that they have received an additional Federal grant of \$30M and is moving forward with an accelerated schedule to allow construction to commence as soon as possible. TEDCO is in the process of topping off First Waterfront Place and has completed most of the building curtain wall. Corus Entertainment will be doing internal finishes over the next year and anticipate occupying the building next May.

Lower Don Lands

The Lower Don Lands project has received multiple honors recently. On May 19, 2009 Lower Don Lands was chosen as one of 16 founding projects for the Climate Plus Program of the Clinton Climate Initiative. This forum offers WT a unique opportunity to work with the world's most progressive developers on carbon reducing strategies for urban development. As well, on June 9, 2009, the Keating Channel Precinct for the Lower Don Lands, received a BEX International Award at the Building Exchange Conference in Hamburg, Germany. I was a speaker at the BEX Conference and was pleased to accept the award. The BEX International Awards celebrate sustainability, innovation, efficiency and collaboration in the built environment and reflect the commitment of the industry to these important themes.

IGSC (Intergovernmental Steering Committee) Meeting

On June 5, 2009, WT met with the Intergovernmental Steering Committee (IGSC) – which is comprised of senior level officials from each level of government. WT tabled its proposal and rationale for shifting WT's funding model from the current project by project based approach to a multiyear or "base funding" funding model. We also urged some movement on the part of provincial and federal governments on our outstanding operational governance request.

City officials have indicated that multi-year funding could not be accommodated within their own capital budget approval process. Federal officials appear focused on maintaining the current system to the end of its partnership mandate on the revitalization project. The province indicated that there were benefits to base funding that should be explored, particularly a possible hybrid approach to base funding with the contribution agreement model. All governments acknowledged that current process could benefit from streamlining and asked WT to look at "low hanging fruit" to increase the effectiveness of the current funding process. This could include streamlining and

collapsing CAs; increasing the current Treasury Board project approval from the \$10M threshold; cross project funding within a fiscal year etc. WT will prepare a list for discussion with governments and for presentation at the next IGSC meeting scheduled for September 28, 2009.

On operational governance, provincial and federal reviews continue on this long outstanding issue. WT has been asked to prioritize its operational governance request to governments (ability to borrow, mortgage, issue LCs and create subsidiaries). Governments did undertake to review the parameters around WT's ability to borrow with government consent.

We will be asking provincial and federal board members to meet with respective Ministers to urge some movement on this issue once WT has prepared its issues list for discussion at the next IGSC.

There was useful discussion on the need to hold more regular IGSC meetings on an annual basis. The next meeting is being scheduled for September.

Communications and Marketing

This has been an exceptionally busy month as described in the list of activities contained in the communications departmental report. A visual presentation will be provided to highlight new communications materials developed and communications and marketing work undertaken to profile revitalization underway to larger segments of the public.