

East Bayfront

Dockside/George Brown College/Corus Building

Tenders for the balance of the Dockside public realm have been issued and contracts will be awarded in November to ensure that completion is achieved coincident with the occupancy of the Corus building projected for April 2010 and final utility connections will be installed prior to December 2009 to complete the Dockside utility infrastructure contract. Once constructed, this represents the balance of Waterfront Toronto's (WT's) construction work for the first phase of Dockside. The rest will be completed once George Brown College (GBC) is substantially advanced. Toronto Economic Development Corporation (TEDCO) advises that they will have substantially completed base building systems by the end of the year, while Corus has already commenced interior fit-up. Temporary utilities connections have been provided to First Waterfront Place (FWP) to allow Corus interior fit-up construction to commence. Not surprisingly, as site activity is high, and with the introduction of GBC and the Corus temporary parking lot, staging and storage space is at a premium; however all parties have shown a willingness to co-operate and disruptions have been kept to a minimum. Ellis-Don, GBC's Construction Manager will mobilize on November 1, 2009 on Blocks 3 and 5 commencing site grading, trailer installation and hoarding in advance of commencing shoring on November 15, 2009.

Lease amendments for GBC that would allow the project to be phased were unanimously approved by the City's Executive Committee at its meeting on October 5, 2009. In addition, the Toronto and East York Community Council approved an application to lift the holding provisions of the zoning by-law, thereby bringing the zoning for GBC into full force and effect. Both reports are going before Toronto City Council at its meeting on October 26, 2009 and, subject to Council approval, should remove the last of the technical hurdles to getting GBC onto the site. All parties have worked diligently to ensure that the target date of November 1, 2009 is met. GBC has also initiated their public consultation process, having made their first presentation to the Design Review Panel in September and having conducted their initial meeting with the East Bayfront Stakeholders Committee last week.

A public groundbreaking ceremony for GBC is scheduled for November 2, 2009.

Sherbourne Park/Sugar Beach

Construction of both Sherbourne Park and Canada's Sugar Beach is progressing on schedule and on budget. Bulk excavation for both projects is approximately 60% complete and foundations have commenced for the rink and pavilion structures in Sherbourne Park and the umbrellas and mechanical chamber in Canada's Sugar Beach. Bulk excavation is complete and site layout has commenced on Sherbourne Park, north of Queens Quay Blvd. A public groundbreaking ceremony for Canada's Sugar Beach is scheduled for October 30, 2009.

Parkside

City staff has completed their review of the Parkside development proposal and have authored a report recommending City approval. The report is scheduled to go before Executive Committee on November 2, 2009. In addition, the Bayside Request for Proposal (RFP) is anticipated to close on November 19, 2009 at which time the Steering Committee will be reviewing the submissions received.

WT expects to be in a position to table the Steering Committee's report recommending a preferred proponent at the in-camera portion of the Board meeting in December. Negotiations will then commence with the preferred proponent, and it is anticipated that a transaction will be finalized in early spring.

West Don Lands (WDL)

Significant progress on the approvals for the West Don Lands (WDL) Phase 1 Plan of Subdivision has been made as follows:

- The Security Fund Agreement has been finalized and is ready for execution by the City and Waterfront Toronto.
- Waterfront Toronto has submitted the Security Fund CA documentation and the Province is in the process of reviewing.
- The Conditions of subdivision have been re-circulated by City staff for a 20 day appeal period [Ontario Realty Corporation (ORC) is the only agency circulated for comment in this case].
- The subdivision agreement and schedules are nearing completion.
- Approval of design drawings is still outstanding however the City is working to clear this condition of registration.
- Other registration conditions continue to be cleared by the Province, City and WT.

Registration of the subdivision agreement is required by the end of the year in order to meet the delivery timelines for Toronto Community and Housing Corporation (TCHC) and Urban Capital. If timelines are not met both deals carry significant financial penalties or termination options.

The TCHC Agreements anticipate a January 7, 2010 closing deadline. Registration is required prior to the January 2010 closing date. TCHC has submitted an application for Site Plan Approval to the City and is working with City Staff to obtain timely approval. TCHC must commence construction by January 13, 2010 and occupy no later than January 2012 in order to utilize approved funding. This has significant implications on the timelines for delivering the Flood Protection Landform (FPL) which is required in order for TCHC to occupy the buildings and must be completed by 2011. ORC continues to project total completion of the FPL, River Street and Bayview Avenue at the end of March 2011. Soil deliveries have accelerated with the commencement of shipments from ORC's 407 and Leslie Street stockpile. ORC continues to update WT on its progress.

Risk Management/Risk Assessment (RA/RM)

The Ministry of Environment (MOE) has reviewed the RA/RM and provided written comments on October 21, 2009. There are some fundamental concerns with some of the underlying assumptions and analysis undertaken as part of the risk assessment. As a result, the MOE will not be acknowledging (approving) the RA/RM in its current form. Additional work by ORC and a formal resubmission to MOE is necessary. This puts at risk the ability of TCHC to obtain a building permit by January 2010 which requires an Acknowledgement of the RA/RM and a Record of Site Condition (RSC). WT is working closely with MOE and the City to ensure permits will be obtained expeditiously. A further update will be provided at the Board meeting.

The installation of Mill Street utilities is underway and remains on schedule for completion in March 2010. Tendering of the Mill Street public realm and Don River Park by WT will occur this fall following the Pan-Am games announcement, to allow for construction commencement in spring 2010. Concept design for the Underpass Park was presented to the Design Review Panel in September and design refinement is underway. Construction of the project is scheduled to commence in Spring 2010 and be complete by March 2011.

Central Waterfront

The Environmental Assessment (EA) for the revitalization of Queen's Quay was approved by Toronto City Council on October 1, 2009 and will be submitted to the MOE prior to year end. The initial stakeholder meeting for Canada Square was held on September 16, 2009. The RFP for design and engineering services has been issued and the design team will be selected in early November. Funding, approvals and tenders for the Spadina Footbridge remain on hold pending resolution of federal environmental approvals, Contribution Agreement funding, Toronto Port Authority issues, and resident's concerns.

WT Management and individual Board members continue to receive correspondence specifying concerns and questions about the construction of the Spadina Footbridge from residents of 401 Queens Quay and representatives of a local condo association. Letters are being responded to on a timely basis (see attached).

Port Lands and Designated Waterfront Area

The contract for the completion of the Leslie Street Greening has been awarded and work is underway. Construction documents for the expansion of the Union Station subway station have been completed and will be issued for tender in the fall. Design and construction of Tommy Thompson, Port Union and Mimico waterfront parks by Toronto and Region Conservation Authority (TRCA) continues.

Lake Ontario Park (LOP)/Coatsworth Cut

Over the past month, TRCA (as Eligible recipient) has started a Class EA process for Erosion Control at Coatsworth Cut. The project includes the development of options that would propose measures to lessen the amount of siltation and dredging required in the cut area, while also addressing possible relocation of existing boat clubs from the cut to allow for a proposed wetland by Toronto Water. The Corporation has received draft options and is presently reviewing the options in relation to the LOP Master Plan as well as preliminary costing. At this point, the costing is coming in much higher than anticipated, due to increased infrastructural scope. In discussions with partner agencies, WT is reviewing options to complete the project within the established budget.

Intergovernmental Steering Committee

Funding and Governance Issues

Progress on these items is happening slowly and incrementally and not without a certain degree of frustration. WT, along with the Corporation's Chair, met with senior officials from each level of government on September 28, 2009. Governments are not supportive of base funding – each has its own rationale for its position. In the case of the provincial and the federal governments, it is unclear whether political direction has been provided or sought on this issue. Governments are supportive in varying degrees to streamlining the current approvals process in the following areas:

- Providing funding annually rather than quarterly; and
- Streamlining or collapsing Contribution Agreements where possible and creating precinct wide Contribution Agreements.

The City has provided operational governance conditional upon the other two levels of government providing the same. Provincial staff continues to reiterate support in principle for enhanced operational governance but there is no confirmation of when this is likely to occur. What is clear is that in the absence of provincial action to grant enhanced governance, the federal government,

focused on its exit from the waterfront project in 2011, is not prepared to recommend operational governance.

The federal 2011 sunset clause poses significant challenges for WT. Management is speaking to the Minister's office urging an administrative extension of the sunset clause.

Long Term Plan (LTP)

Management initially presented the Board with its recommended options on the (LTP) on June 24, 2009. At the direction of the Board, Management has been engaged in prolonged consultations with governments to further develop and discuss the 2009 LTP. Management concluded consultations with governments on September 24, 2009. The Plan is not endorsed by all three governments. The City has endorsed the Plan but will be asking for conditional Council approval based on, among other things, borrowing powers being given to WT. The Plan includes a larger deficit and risks and contingencies. Full Board discussion is required on this item.

Streamlining Approvals Processes with the City of Toronto

WT has met with Secretariat staff to move this issue forward. A small ad hoc steering group was established, made up of WT, the City Secretariat, Planning, Parks and Technical Services staff and will meet next week. It is clear that the key challenge will be addressing the innovation agenda adequately. As management advances these discussions, it is clear that an element in addressing the issue will be WT pointing to the long term cost benefits/savings associated with an individual innovation project thereby addressing the key City concern of operations and maintenance costs.

Sustainability

WT has submitted an application grant to Canada Mortgage and Housing Corporation's (CMHC) Equilibrium Communities Initiative for \$400,000. The initiative is designed to fund up to six projects working on sustainability implementation. The amount and nature of assistance will be determined on a project by project basis. The submission is for the WDL and includes Urban Capital. The grant is intended to be used to conduct a Community Energy Plan for the WDL, maximizing community based strategies for reducing energy in the public realm and overall use. Urban Capital will explore reducing embodied energy of building materials for River City as part of their carbon neutral plan.

Interest in LEED ND Gold for the waterfront has been high. The Corporation has received inquiries from ORC, MOE, the City of Mississauga as well as the MGM Grand in Las Vegas, to name a few, on processes and experience in this area. WT also delivered a LEED ND workshop at the *Building a Better World OPPI / CIP Conference*, in Niagara Falls, with over 160 planners attending. The session included a presentation and an intensive workshop, which gave attendees an opportunity to apply LEED ND credits to various planning scenarios.

Soil Management Facility

A public information meeting in support of the proposed soil management facility was held in September and the concept was generally well received. In particular the audience was supportive of the sustainability agenda underlying the soil management strategy. WT also undertook a detailed presentation to MOE staff to ensure that they understood both the immediate and long-term impacts of our soil management strategy. Again the concept was well received.

Discussions continue with TEDCO and the City regarding the proposed phasing and/or size of the facility and the notion of rent. Further, recent market trends have brought the economic viability of

the facility, at least in the short term, into question. At the time of writing of this report the tender results for GBC's excavation and haulage contract are unknown; however based on discussions with experts in the industry it is possible that current market rates for traditional disposal may be significantly lower than the cost of treating. If this is the case then WT will need to assess the viability of using this facility for GBC soil, particularly given the anticipated lag time for receiving sites to be available for treated soil.

Management continues to work with all stakeholders to ensure that appropriate approvals are in place as soon as possible, in order to be able to react to future market conditions. WT is also working with the MOE on the potential for a pilot project for the site as a means of investigating how treatment costs could be lowered such that they could even compete with current market alternatives. Notwithstanding current market conditions, WT remains convinced that the overall soil management strategy is an essential cog in our sustainability agenda, and that with time market conditions and treatment costs will align.