



WATERFRONToronto

September 14, 2017

**2017/18**

**Corporate Plan Amendment**



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# Introduction

In December 2016, Waterfront Toronto released its approved [2017/18 Corporate Plan](#). This plan outlined our major deliverables, budget, funding, cash flow and risk management for the fiscal year ending March 31, 2018. We also indicated that the plan reflected an organization in transition as we worked through a process of adjusting our corporate strategy.

*“Waterfront Toronto is currently examining our strategy and priorities to ensure our next phase of revitalization will effectively address current and evolving challenges and identify new opportunities that align with our evolving mandate. As this process is ongoing, our corporate strategy is in transition for the 2017/18 year.”*

In June 2017, the Government of Canada, the Province of Ontario and the City of Toronto jointly funded an additional \$1.185 billion for the Port Lands Flood Protection and Enabling Infrastructure project, totaling \$1.25 billion to undertake this transformative project. Combined with the anticipated Quayside and East Bayfront development and infrastructure work, we are forecasting that our annual project deliverables may more than triple in the coming two to four years. These public and private investments are a clear indication that the renaissance of Toronto’s waterfront will accelerate – as a local and global magnet for corporations, new ventures, academic centers, visitors and residents.

Waterfront Toronto embraces these opportunities, recognizing that we also must adjust our operating systems, risk management and internal structure to ensure we can effectively deliver on our mandate. This plan amendment reflects primary changes from that process, which will continue for the coming 18-24 months.

Moving forward, Waterfront Toronto has prioritized programs and projects that directly address the critical challenges that Toronto – and cities around the world – are facing. We must address climate change, mobility, inclusivity, economic growth, accessibility and connectivity. Our future direction also includes using our projects as testbeds for new strategies, processes, models and technologies that will create more sustainable and livable communities.

The five priority initiatives we have determined to be in alignment with this future direction include:

- Port Lands Flood Protection and Enabling Infrastructure;
- Quayside Development & Port Lands Planning;
- Waterfront Precincts & Complete Communities;
- Public Realm (including Jack Layton Ferry Terminal); and
- Eastern Waterfront Transit

## **Port Lands Flood Protection and Enabling Infrastructure**

The announcement of \$65 million in funding for Cherry Street Stormwater and Lakefilling in September 2016 triggered the first phase of implementation of the Port Lands Flood Protection and Enabling Infrastructure project. In June 2017, Waterfront Toronto received a commitment from the Governments of Canada, Ontario and Toronto for the balance of the commitment of \$1.185 billion in shared funding for the project. With this commitment in place, Waterfront Toronto is positioned to focus its attention on completing this transformative project.

When complete, the project will create two new outlets for the Don River – a 1,000-metre river valley and greenway that will safely convey flood waters into Lake Ontario and create a new waterfront community called Villiers Island. It will also create 29 hectares of naturalized area within the river valley, new parks and 14 hectares of aquatic habitat. Construction is anticipated to begin in 2017 and is scheduled to take seven years to complete.

### **Quayside Development & Port Lands Planning**

Located on the north side of Queens Quay East, to the west and east of Parliament Street, on lands owned by Waterfront Toronto, Quayside will be a globally significant mixed-use community that showcases advanced technologies, building materials and innovative funding strategies that encourage market transformation towards climate-positive urban development. Quayside will be the first stage of our multi-phase initiative to pilot innovative and sustainable city-building solutions. Waterfront Toronto considers that achieving key objectives in Quayside may help to advance the solutions, processes and partnerships that will prove successful to subsequent developments in the Port Lands. This reinforces the critical link between Quayside and the Port Lands – in particular, Villiers Island– as we strive to ensure the technologies and solutions rolled out in the Port Lands are truly transformational and will achieve aggressive sustainability and resiliency objectives. With this in mind, our strategic vision now regards Quayside Development & Port Lands Planning as one integrated project.

Waterfront Toronto issued a Request for Proposals on March 17, 2017 seeking an Innovation and Funding Partner for Quayside. A shortlist of proponents was identified from the initial submission and each participated in a series of concurrent negotiations, or commercially confidential meetings, with Waterfront Toronto. During these meetings, we sought additional information, clarification and proposal improvements from the selected proponents. Each selected proponent was then invited to revise its initial proposal and submit its Best and Final Offer (BAFO). Once the BAFO submissions are evaluated, a recommendation will be made to our Board of Directors. It is anticipated that the preferred Innovation and Funding Partner will be announced in fall 2017.

### **Waterfront Precincts & Complete Communities**

The build-out of complete communities in the waterfront, particularly the West Don Lands and East Bayfront, is underway. This work continues to be guided by fulfilling the requirements of the precinct plans, by-laws, and plans of subdivision, as well as through development contracts with our private-sector partners. As Waterfront Toronto staff already have the skills and expertise required to complete this work, the West Don Lands and East Bayfront projects will now be considered a single project focused on Waterfront Precincts & Complete Communities.

### **Public Realm**

In December 2016, we identified the Jack Layton Ferry Terminal as one of three “transformational projects” in our corporate plan. We are excited to begin construction on the first phase of work in fall 2017. However, Jack Layton Ferry Terminal and Harbour Square Park are part of a larger waterfront public realm network consisting of parks, promenades, streetscapes and marine infrastructure. The broader implementation of a continuous, high-quality waterfront public realm network continues to be a priority for Waterfront Toronto. We will examine our inventory of projects yet to be completed and develop a strategy for implementing the vision, including confirming priority projects, as we move forward into 2018/19.

### **Eastern Waterfront Transit**

Bringing higher-order transit to the eastern waterfront has long been a commitment for Waterfront Toronto. Connecting Union Station to Cherry Street with rapid transit – Light Rail (LRT) or Bus Rapid Transit (BRT) – was not originally highlighted in the 2017/18 Corporate Plan. During our strategic visioning process, it became clear that transit is a key enabler for a number of the other transformational projects, including

Quayside Development & Port Lands Planning, and Waterfront Precincts & Complete Communities. It also helps to fulfill our strategic objectives like sustainability, neighbourhoods, and destinations. As a result, Waterfront Transit has been elevated as a priority project within the Corporate Plan for 2017/18. Working with our partners at the City of Toronto and the Toronto Transit Commission, we intend to complete the Waterfront Transit Reset Study and Union Station to Jack Layton Connector Report this fiscal year.

With our five priority initiatives in place and the strategic visioning process complete as outlined above, several revisions have been made to the original 2017/18 deliverables, as well as the addition of two new deliverables. These updates can be found on pages 9-14 in Project Deliverables: Status Update. Revisions have also been made to the Capital Investment Plan and Corporate Operating Budget. A breakdown of these revisions can be found on pages 15-18.

# Organizational Resiliency Plan

Due to the significant increase in scale and scope that will result from the implementation of the \$1.25 billion Port Lands Flood Protection and Infrastructure project, Waterfront Toronto is working to build resiliency into its operations and corporate culture. This flexible approach will ensure that we are successfully able to anticipate, prepare for, adapt and respond to changing circumstances that arise.

Below we have outlined our four key strategies to ensure a high level of organizational resiliency in 2017/18. However, we will continue to build on these themes and will outline additional enhancements to these strategies in our upcoming 2018/19 Corporate Plan.

## Key Resiliency Strategies:

### 1. Human Resource Capacity

In order to deliver on Waterfront Toronto's prioritized projects, including the \$1.25 billion Port Lands Flood Protection & Enabling Infrastructure project, we are employing a flexible staffing approach to ensure we can efficiently deploy resources in a timely and fiscally responsible manner.

To that end we will use a combination of full-time positions for long-term core roles, together with independent sub-contractors for areas of short-term technical expertise, as well as third-party outsourcing to address variable project volumes, subject matter expertise and resource capacity requirements. Outsourcing part of the program manager role for the Port Lands for example, provides greater flexibility during the project lifecycle given the challenges inherent in hiring, training and retaining the required volume and skill set of staff for and during the seven-year project timeline.

Recognizing the value of our existing team of employees – in terms of project continuity, organizational history, and necessary skill sets – and that the market for talented employees is very competitive, we also plan to complete a salary benchmarking study in 2017/18 to ensure that Waterfront Toronto's employee compensation remains in line with the market. The last time such a study was conducted was in 2008 and this initiative will help to ensure that we are able to retain the core team required to support successful project delivery.

As a result of the Human Resource Capacity initiatives outlined above, there is an incremental increase of approximately \$0.8 million to the 2017/18 Corporate Operating Budget. Refer to page 17 for further details.

### 2. Operational Effectiveness

Waterfront Toronto is committed to continuous improvement to enhance operational effectiveness. This year we will implement a major Cloud Enterprise Resource Planning (ERP) system to replace our existing ERP system, which has reached its end of life. The new, integrated Cloud-based ERP will support organizational resiliency by transforming our business processes, providing an intelligent, mobile set of streamlined system, project and financial management tools that provide real-time dashboard-based information for analysis and decision-making at all levels and areas of the Corporation. Further, it will be scalable to grow and support performance measurement-based reporting. In order to successfully

implement the new Cloud ERP system, we will use a series of short-term contract positions to backfill some existing full-time staff within core departments who will work on implementation.

In order to more effectively communicate with project teams, governments, our board of directors and the public, we will invest in new audiovisual and video conferencing technology and upgrades to our meeting room this year. This will replace existing infrastructure which is over ten years old and well beyond its end of life.

In addition, we have developed a project prioritization framework that guides decisions on new projects and opportunities. This will support our organizational resiliency by permitting timely, strategically-aligned decisions to take on projects (whether in the planning or construction phases) only when we have the resources and ability to complete them.

The final initiative will be to review the committee structures of our board of directors. We currently have six committees and plan to consolidate and simplify the overall governance structure.

As a result of the Organizational Effectiveness initiatives outlined above, there is an incremental increase of approximately \$0.7 million to the 2017/18 Corporate Operating Budget. Refer to page 17 for further details.

### **3. Governance and Accountability**

Waterfront Toronto's relationship with governments and the public results in the need for a high level of transparency for every decision made and dollar spent. To be successful in the delivery of our strategic priorities we need a balanced governance and accountability framework that manages project and corporation-wide risk, and transparently reports on our results. We also need an appropriate level of operational governance to successfully implement Quayside and other priority projects.

As such, in 2017/18 we are pursuing the enhancement of the governance authorities set out in Waterfront Toronto's enabling legislation. This includes the ability to receive revenues and create corporate affiliates, as well as an extension to the Corporation's mandate which currently expires in 2023.

With respect to risk management – in addition to our existing internal risk taskforce that is responsible for overall enterprise risk – we will implement changes to existing tools, processes, committees and resources in order to facilitate enhanced management, oversight and direction related to capital project risk and implementation. The requirements, governance structure and investments required are anticipated to be identified by calendar year end (December 31, 2017).

New initiatives on the reporting side will include planning for the implementation of a balanced scorecard performance measurement framework with key performance indicators, together with project accountability dashboards that transparently report progress and results on a real-time basis.

As a result of the Governance and Accountability initiatives outlined above, there is an incremental increase of approximately \$0.1 million to the 2017/18 Corporate Operating Budget. Refer to page 17 for further details.

#### **4. Strategic Initiatives**

The key initiatives under this strategy include the implementation of *Engagement Plus* as well as enhancements to the role of the Design Review Panel to include the areas of sustainability and complete communities, in addition to design excellence.

*Engagement Plus* will be a new signature approach to community consultation, stakeholder and public engagement that will build on Waterfront Toronto's tradition of industry-leading approaches to public consultation. Broadly speaking, our objective is to cultivate a more trusted and caring engagement practice that is more inclusive, equitable, and demographically representative of the residents of Toronto – all with the objective of higher-quality engagement that helps to align our projects so that they better reflect their users. By the end of the fiscal year, we intend to present the road map for delivering this new consultation and engagement framework, along with a needs assessment and gap analysis to determine what will be required to successfully transform our public consultation and engagement practice, including internal and external capacity, training or other resources, and relevant communication and outreach strategies.

In advancing *Engagement Plus*, we seek to promote awareness, understanding, engagement, and advocacy for waterfront revitalization. We will look for ways to incorporate an “Always Be Consulting” approach to evaluating and incorporating public feedback into our projects. Other key objectives include designing easier and more accessible methods of public participation, using storytelling and people-focused communications strategies to build stakeholder trust, reframing consultation content as an educational opportunity to build community capacity, advocates and champions – all in service of delivering high-quality assets and amenities that serve the public good and make Toronto better for everyone.



As a result of the Strategic Initiatives outlined above, there is an incremental increase of approximately \$0.2 million to the 2017/18 Corporate Operating Budget. Refer to page 17 for further details.



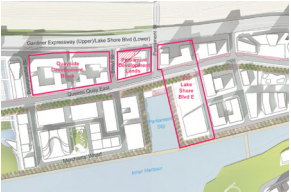

# Project Deliverables: Progress Report


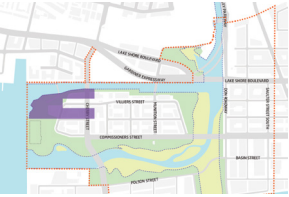
## 2017/18 Deliverables

Below are the 10 key project deliverables outlined in the original [2017/18 Corporate Plan](#). Three of these deliverables have been revised and seven remain unchanged. The table describes each project deliverable, the original 2017/18 spend, the revised 2017/18 spend, and the deliverable status. The deliverables are listed geographically west to east and correspond to the map on page 13 of the original plan. While these are the major capital project deliverables for 2017/18, we are also working on a number of other current and pending projects that are not reflected in the table below.


Original 2017/18 Deliverable	Original 2017/18 Spend	Revised 2017/18 Spend	2017/18 Deliverable Status
<p><b>1 The Bentway</b></p>  <p>Complete construction on Phase 1: Fort Frontage, Shingle Beach and Shoreline Garden, the recreation trail from Iannuzzi Street to Spadina Avenue, the skating trail and the skating building.</p>	\$12.7 M	\$18.8 M	<p><b>Status:</b> <i>On track to be completed</i> ✓</p> <p>The start of construction for Phase 1 of The Bentway was deferred from the 2016/17 fiscal year to spring 2017 to allow for design development and approvals. This deferral has resulted in an increased spend for the 2017/18 fiscal year. However, there is no change to the overall project budget.</p>
<p><b>2 Queens Quay Revitalization</b></p>  <p>Transfer the temporary overhead power connections to the new underground system and replacing older hydro poles with Waterfront Toronto's signature light poles. The work will commence pending Toronto Hydro's completion of new underground electrical infrastructure.</p>	\$2.5 M	\$0.6 M	<p><b>Status:</b> <i>Revised and deferred to 2018/19</i> →</p> <p>The transfer of the temporary overhead power connections has been deferred to the 2018/19 fiscal year as it is dependent on completion of Toronto Hydro work which will not be complete in 2017. The revised 2017/18 deliverable includes completing sewer connections at the foot of Bay Street to resolve ongoing water pooling issues, and completing final warranty repairs and outstanding miscellaneous deficiencies along Queens Quay. There is no change to the overall project budget.</p>

Original 2017/18 Deliverable	Original 2017/18 Spend	Revised 2017/18 Spend	2017/18 Deliverable Status
<p><b>3 Jack Layton Ferry Terminal – Phase 1A</b></p>  <p>Complete the design and construction of the entrance plaza to the ferry terminal, which includes landscaping, play equipment and the extension of the Queens Quay pedestrian promenade from Bay Street to the ferry terminal entrance (60 linear metres).</p>	\$1.0 M	\$2.3 M	<p><b>Status:</b> <i>Enhanced and on track to be completed</i> ✓</p> <p>In April 2017, additional funding became available from the City of Toronto. This allowed for an enhanced project scope that now includes fully extending the pedestrian promenade on Queens Quay from Bay Street all the way to the ferry terminal gates (106 linear metres), new trees planted in soil cells, and replacing aging light standards throughout the park. Phase 1A is scheduled to be completed in 2018. The overall project budget has been increased by the additional funding amount.</p>
<p><b>4 Bayside Phase I</b></p>  <ul style="list-style-type: none"> <li>Commence construction of the public realm elements of the private street (Edgewater Drive) for Aquavista with target completion date of June 2018.</li> <li>Initiate Aitken Place Park construction with target completion by June 2018.</li> </ul> <p>• Complete the electrical room inside Tridel’s Aqualina for the Water’s Edge Promenade in Bayside.</p>	\$8.2 M	\$8.3 M	<p><b>Status:</b> <i>On track to be completed</i> ✓</p> <p>There are no significant changes to the Bayside Phase I deliverables. Waterfront Toronto is on track to complete construction of the public realm elements of Edgewater Drive and Aitken Place Park by June 2018. The electrical room inside Aqualina for the Water’s Edge Promenade is on track to be completed by March 31, 2018. There is no change to the overall project budget.</p>
<p><b>5 Bayside Phase II</b></p>  <ul style="list-style-type: none"> <li>Complete construction of the public local streets. This includes relocation and reconstruction of the combined sewer outfall below Small Street and the construction of new streets, underground utilities including water, sewer, hydro and gas, and public realm to service the eastern half of the Bayside development.</li> </ul> <p>• Register Phase II Plan of Subdivision for Bayside.</p>	\$21.0 M	\$26.2 M	<p><b>Status:</b> <i>On track to be completed</i> ✓</p> <p>A change in the anticipated completion of the dockwall reinforcement and Water’s Edge Promende construction from June 2018 to March 2018 has resulted in the acceleration of Bayside Phase II expenditures from the 2018/19 fiscal year to the 2017/18 fiscal year. This acceleration has resulted in an increased spend for the 2017/18 fiscal year. All Bayside Phase II deliverables remain on track to be completed by March 31, 2018 and there is no change to the overall project budget.</p>

Original 2017/18 Deliverable	Original 2017/18 Spend	Revised 2017/18 Spend	2017/18 Deliverable Status
<ul style="list-style-type: none"> <li>Obtain Record of Site Condition (RSC) from the Ontario Ministry of the Environment and Climate Change. Waterfront Toronto expects to obtain the RSC in August 2017.</li> <li>Complete all financial commitments to Toronto Hydro for the design, permitting and construction of hydroelectric infrastructure for Bayside Phase II.</li> <li>Complete the first 90 metres of public realm infrastructure for the Water's Edge Promenade in Bayside Phase II.</li> <li>Complete the reinforcements to dockwalls for the balance of the Bayside Phase II water's edge, including Parliament Slip.</li> </ul>			
<p><b>6 Quayside</b></p>  <p>Select Innovation and Funding partner(s) for the Quayside Development. We plan to issue a Request for Qualifications for the Quayside development in early 2017. The Innovative and Funding partner (s) is/are expected to be identified by the end of 2017.</p>	\$0.8 M	\$1.0 M	<p><b>Status:</b> <i>On track to be completed</i> ✓</p> <p>There are no significant changes to this deliverable. Waterfront Toronto is on track to announce its Innovation and Funding partner(s) in fall 2017 and there is no change to the overall project budget.</p>
<p><b>7 Queens Quay East &amp; Parliament Intersection</b></p>  <p>Initiate the process to secure lands and further develop the design for the Parliament Street realignment and Queens Quay East extension.</p>	\$15.0 M	\$14.1 M	<p><b>Status:</b> <i>On track to be completed</i> ✓</p> <p>There are no significant changes to this deliverable. Waterfront Toronto is on track to initiate the process to secure lands and commence the design for the Parliament Street realignment and Queens Quay extension by March 31, 2018 and there is no change to the overall project budget.</p>



Original 2017/18 Deliverable	Original 2017/18 Spend	Revised 2017/18 Spend	2017/18 Deliverable Status
<p><b>8 Stormwater Management Facility</b></p>  <ul style="list-style-type: none"> <li>• Complete environmental remediation and construction of the exterior building for the Stormwater Management Facility core and shell.</li> <li>• Commence installation of stormwater treatment process equipment.</li> </ul>	\$15.1 M	\$10.1 M	<p><b>Status:</b> <i>Partially deferred to 2018/19</i> →  Construction tenders have been deferred from spring 2018 to fall 2018 in order to redesign the facility to accommodate changes caused by the pending realignment of the Gardiner Expressway east of Cherry Street (in accordance with approved Gardiner East EA Hybrid 3 requirements), and to obtain supplementary capital approvals. There is no change to the overall project budget.</p>
<p><b>9 Cherry St. Stormwater and Lakefilling Project</b>  (Formerly the Essroc Quay Lakefilling Project)</p>  <p>Commence construction of the Cherry Street Stormwater and Lakefilling Project, which includes relocating the storm water outfall. This project is an important part of the required flood protection work in the Port Lands.</p>	\$40.0 M	\$25.1 M	<p><b>Status:</b> <i>Revised and partially deferred to 2018/19</i> →  The original spend of \$40 million for the 2017/18 fiscal year was based on assumptions with respect to when Waterfront Toronto would secure project funds from the Clean Water and Wastewater Fund. A delay in receiving those funds resulted in the deferral of some expenditures from 2017/18 to 2018/19. There is no change to the overall project budget.</p> <p>Waterfront Toronto is on track to complete the following by March 31, 2018: onboard the Project Construction Manager and retained subcontractor(s), complete the construction of the perimeter confinement berm, and commence the lakefilling operation.</p>



Original 2017/18 Deliverable	Original 2017/18 Spend	Revised 2017/18 Spend	2017/18 Deliverable Status
<p><b>10 Villiers Island Planning</b></p>  <p>Completion of the Villiers Island Precinct Plan.</p>	\$0.5 M	\$0.4 M	<p><b>Status:</b> <i>On track to be completed</i> ✓</p> <p>There are no significant changes to this deliverable. Waterfront Toronto is on track to complete the Villiers Island Precinct Plan by March 31, 2018 and there is no change to the overall project budget.</p>

# 2017/18 New Deliverables

The table below reflects two new project deliverables that Waterfront Toronto has identified for the 2017/18 fiscal year. The table describes each new project deliverable, the 2017/18 spend, and rationale on why this deliverable has been added to the 2017/18 fiscal year.

New 2017/18 Deliverable	2017/18 Spend	Rationale
<p><b>11 Port Lands Flood Protection &amp; Enabling Infrastructure: Early Works</b></p>  <ul style="list-style-type: none"> <li>• Complete preliminary schematic design on select project elements.</li> <li>• Formalize the project schedule, project budget breakdown, cashflows and project implementation plan with the construction manager.</li> <li>• Begin field testing for selected soil remediation technologies.</li> <li>• Commence planning for the construction of the new Cherry Street Bridge over the Keating Channel in tandem with the Cherry Street Stormwater and Lakefilling Project.</li> </ul>	<p>\$35.0 M</p>	<p>In June 2017, Waterfront Toronto received a commitment for the balance of the \$1.25 billion in shared funding from the Governments of Canada, Ontario and Toronto to undertake the Port Lands Flood Protection and Enabling Infrastructure project. This commitment will be formalized in one or more Contribution Agreements with the three orders of Government.</p> <p>The City of Toronto has provided \$15.4 million in advance funding. With early works funding in place, Waterfront Toronto will begin detailed project design. Construction is anticipated to begin in 2018. It is anticipated that an additional \$24.6 million will be made available through a Contribution Agreement by the end of 2017. This will allow for the continuation of detailed design and commencement of contract documentation. Design approval, tendering and construction will commence in 2018/19 subject to negotiation and execution of Contribution Agreements with the three orders of government.</p>
<p><b>12 Broadview &amp; Eastern Avenue Flood Protection</b></p>  <p>Conduct due diligence and a class environmental assessment for the flood protection of the site located at the Eastern Avenue underpass of the CN Rail Line.</p>	<p>\$1.0 M</p>	<p>At the request of the City of Toronto, Waterfront Toronto, and Toronto and Region Conservation Authority have been engaged to complete a two-stage process related to the Broadview and Eastern Avenue intersection. This process involves completing due diligence on the approach and costs related to flood protecting the site, followed by completing an environmental assessment based on the outcome of the due diligence.</p>

# Revised Capital Investment Plan

The estimated capital investment plan for 2017/18 to support the strategic priorities, key project deliverables and resiliency strategy outlined in the previous sections is approximately **\$162.3 million**, versus \$134.8 million in the original Plan dated December 12, 2016.

The increase of **\$27.5 million** (20 per cent) relates primarily to the following:

1. Net increase of **\$26.1 million in Key Project Deliverables**, namely:
  - a. The addition of two new deliverables being the Port Lands Flood Protection and Enabling Infrastructure Implementation (\$35 million), and the Broadview & Eastern Flood Protection (\$1 million); and
  - b. Shifts in construction phasing schedules between fiscal years 2016/17, 2017/18 and 2018/19 resulting in a lower overall project spend in fiscal 2017/18 – an overall decrease of \$9.9 million – particularly for The Bentway and Cherry Street Stormwater & Lakefilling project.
2. Increase of **\$1.4 million in Other Investments**, namely the implementation of the Organizational Resiliency Plan to support the scale and scope of Waterfront Toronto’s priority projects (\$0.7 million additional Core Support Costs); and additional scope for Gardiner East EA and public realm design, and sustainability initiatives (\$0.7 million).

The table below provides a summary of the revised 2017/18 Capital Investment Plan. A more detailed breakdown is provided in Appendix I.

2017/18 Deliverables	2017/18 Capital Investment Plan			2018/19	2019/20
	Original	Revised	Variance		
Existing Deliverables (10)	\$ 116.8	\$ 106.9	\$ (9.9)	\$ 80.4	\$ 25.8
New Deliverables (2)	-	36.0	36.0	215.8	314.0
<b>Total Key Project Deliverables</b>	<b>\$ 116.8</b>	<b>\$ 142.9</b>	<b>\$ 26.1</b>	<b>\$ 296.2</b>	<b>\$ 339.8</b>
Other WT Investments	18.0	19.4	1.4	19.4	12.3
<b>Grand Total - Capital Investment Plan</b>	<b>\$ 134.8</b>	<b>\$ 162.3</b>	<b>\$ 27.5</b>	<b>\$ 315.6</b>	<b>\$ 352.1</b>

**Figure 1 - 2017/18 revised Capital Investment Plan summary (in \$ millions)**

# Revised Funding Plan

Waterfront Toronto's funding profile is now shifting back towards government funding, as a result of the tri-government funding of \$1.25 billion for the Port Lands Flood Protection and Enabling Infrastructure project (see Figure 2).

For 2017/18, the Corporation's **\$162 million** capital investment plan will be funded from government and revenue funding of **\$89 million** together with realized funding from prior years amounting to **\$55 million** and borrowing of \$18 million.

Refer to Appendix II for a graphical illustration of the capital investment and funding plan from 2017/18 to 2023/24, during which surplus funding of \$24 million is expected in 2019/20 to enable full repayment of the Corporation's loan in that year. This repayment schedule is in line with the borrowing consent provided by the three levels of government to Waterfront Toronto, i.e. borrowing consent term until March 31, 2020.

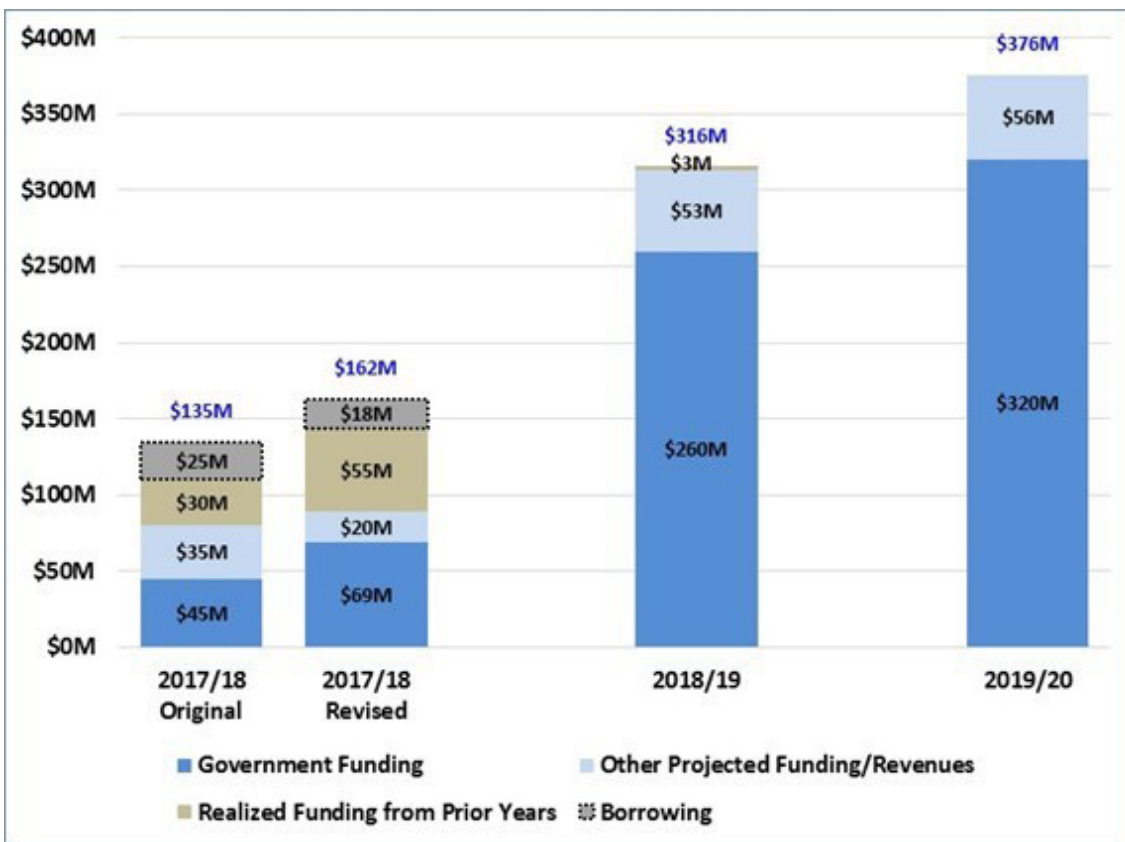


Figure 2 - 2017/18 revised funding breakdown by source (in \$ millions)



# Revised Corporate Budget

Consistent with Waterfront Toronto's organizational need to build resiliency and mitigate risks, management has reviewed the current staff complement and other resource allocations such as office space and information technology infrastructure required to deliver on the Corporation's strategic priorities and objectives.

## Corporate Operating Budget

The table below provides a summary of Waterfront Toronto's revised corporate operating budget for 2017/18 of \$13.9 million as well as forecast costs for 2018/19 and 2019/20. The forecast costs are based primarily on the incremental impacts of the 2017/18 plan and do not reflect any additional new hires that may be required in those years.

	2016/17 Actual Costs	2017/18 Operating Budget				Forecast 2018/19	Forecast 2019/20
		Original Budget	Revised Budget	Change from Original Budget	% Change from Original Budget		
General and Office Administration	\$ 1.2	\$ 1.3	\$ 1.4	\$ 0.1	7.7%	\$ 1.4	\$ 1.4
Information Technology	0.5	0.5	0.6	0.1	20.0%	0.5	0.5
Public Engagement and Communications	0.6	0.6	0.6	-	-	0.6	0.6
Human Resources (HR)	10.1	9.6	11.2	1.6	16.7%	12.0	11.3
<b>Operating Budget Before One-Time Items</b>	<b>\$ 12.4</b>	<b>\$ 12.0</b>	<b>\$ 13.8</b>	<b>\$ 1.8</b>	<b>15.0%</b>	<b>\$ 14.5</b>	<b>\$ 13.8</b>
One Time HR Restructuring Costs	0.2	-	-	-	-	-	-
Additional Amortization - Capital Budget	-	0.1	0.1	-	-	0.5	0.5
<b>Operating Budget After One-Time Items</b>	<b>\$ 12.6</b>	<b>\$ 12.1</b>	<b>\$ 13.9</b>	<b>\$ 1.8</b>	<b>14.5%</b>	<b>\$ 15.0</b>	<b>\$ 14.3</b>
Less Direct Project costs	\$ (4.7)	\$ (5.3)	\$ (6.4)	\$ (1.1)	20.8%	\$ (6.8)	\$ (6.2)
<b>Core Support costs</b>	<b>\$ 7.8</b>	<b>\$ 6.8</b>	<b>\$ 7.5</b>	<b>\$ 0.7</b>	<b>9.6%</b>	<b>\$ 8.2</b>	<b>\$ 8.1</b>

**Figure 3 - 2017/18 revised Operating Budget (in \$ millions)**

The 2017/18 revised budget of \$13.9 million is 14.5 per cent higher than the original budget of \$12.1 million. The overall increase of **\$1.8 million** is broken down as follows:

1. Additional Human Resource requirements of **\$1.6 million** attributable primarily to the addition of 11 full-time employees (FTEs) and several short-term contract roles. This results in a total staff complement of 67 compared to the original Plan of 56. These positions are required to support the Organizational Resiliency Plan outlined in section 2 and are broken down as follows, with budget impact:
  - a. *Human Resource Capacity - Project Delivery* – seven FTEs together with several short-term contract roles required primarily to support the delivery of the Port Lands and Quayside, \$0.7 million;
  - b. *Operational Effectiveness* – two FTEs together with several short-term contract roles required in core support roles to support project delivery and backfilling existing roles associated with the implementation of the new Cloud Enterprise Resource Planning system, \$0.6 million;

- c. *Governance and Accountability* – one FTE is required to support planning for the balanced scorecard performance measurement framework and project dashboards, as well as risk advisor expertise and oversight, \$0.1 million; and
- d. *Strategic Initiatives* – one FTE and several short term contract roles primarily to support enhanced role of Waterfront Toronto’s Design Review Panel as well as implementation of our Engagement Plus strategy, \$0.2 million.

2. General office administration and information technology costs amounting to **\$0.2 million**, resulting primarily from increased office occupancy costs to support the delivery of the Port Lands project, additional advisory services related to governance and accountability, and other recurring information technology related costs.

The overall 2017/18 revised budget is comprised of \$6.4 million of direct project costs (primarily Human Resources) and \$7.5 million of core support costs. The core support costs represent approximately 5 per cent of the 2017/18 revised capital investment plan, which are reduced to 2.6 per cent and 2.3 per cent, respectively for 2018/19 and 2019/20.

## Corporate Capital Budget

To keep pace with the growing technology, infrastructure, space and facilities requirements to support our revised Capital Investment Plan and to replace existing end of life systems, the Corporation is making **\$2.1 million** in new investments. These one-time multi-function investments are intended to increase organizational effectiveness by supporting and enhancing project integration, training and webcasts for public and board meetings. The benefits of these investments are expected to serve the Corporation for a substantial period of time and as such are being amortized over five years beginning 2018/19 as reflected in the tables above and below.

	2017/18 Corporate Capital Budget			Forecast 2018/19	Forecast 2019/20
	Original Budget	Revised Budget	Change from Original Budget		
Technology Infrastructure	\$ 0.1	\$ 1.3	\$ 1.2	\$ 0.1	\$ 0.1
Facility Improvements	\$ 0.1	\$ 0.8	\$ 0.7	\$ -	\$ -
<b>Total Corporate Capital Budget</b>	<b>\$ 0.2</b>	<b>\$ 2.1</b>	<b>\$ 1.9</b>	<b>\$ 0.1</b>	<b>\$ 0.1</b>
<b>Impact on Amortization basis</b>	<b>\$ 0.1</b>	<b>\$ 0.1</b>	<b>\$ -</b>	<b>\$ 0.5</b>	<b>\$ 0.5</b>

**Figure 4 - 2017/18 Corporate Capital Budget (in \$ millions)**

# Appendix I

## 2017/18 Capital Investment Plan

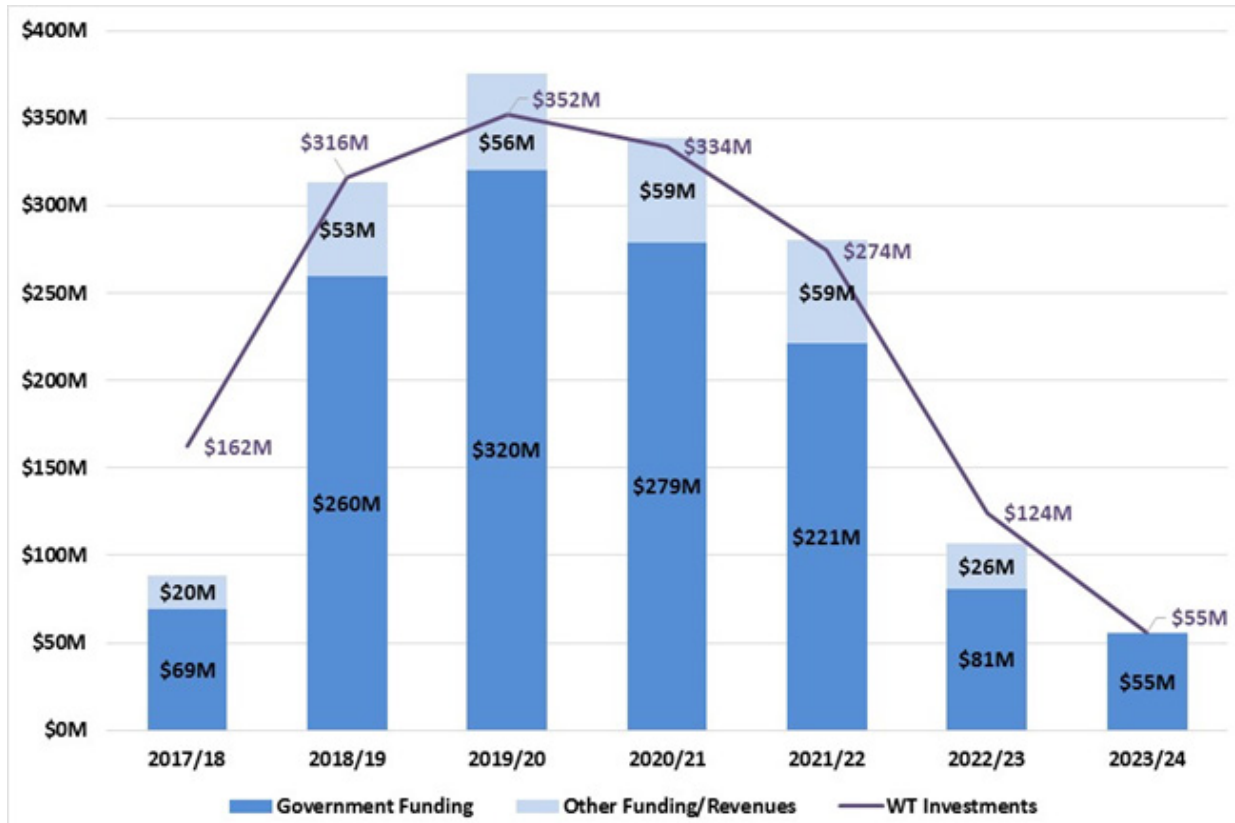
No.	Key Project Deliverables for 2017/18	2017/18 Capital Investment Plan			2018/19	2019/20
		Original	Revised	Variance		
<b>Key Project Deliverables</b>						
<b>Existing Deliverables</b>						
1	The Bentway	\$ 12.7	\$ 18.8	\$ 6.1	\$ 2.2	\$ -
2	Queens Quay Revitalization	2.5	0.6	(1.9)	2.6	0.1
3	Jack Layton Ferry Terminal	1.0	2.3	1.3	1.0	-
4	Bayside Phase I	8.2	8.3	0.1	4.5	2.4
5	Bayside Phase II	21.0	26.2	5.2	6.4	7.1
6	Quayside	0.8	1.0	0.2	1.3	3.6
7	Queens Quay East & Parliament Intersection	15.0	14.1	(0.9)	3.2	10.0
8	Stormwater Management Facility	15.1	10.1	(5.0)	19.9	2.6
9	Cherry Street Stormwater & Lakefilling (formerly Essroc Quay Lakefilling)	40.0	25.1	(14.9)	38.8	-
10	Villiers Island	0.5	0.4	(0.1)	0.5	-
<b>New Deliverables</b>						
11	Port Lands Flood Protection & Enabling Infrastructure	-	35.0	35.0	215.0	314.0
12	Broadview & Eastern Flood Protection	-	1.0	1.0	0.8	-
<b>Total Key Project Deliverables</b>		\$ 116.8	\$ 142.9	\$ 26.1	\$ 296.2	\$ 339.8
<b>Other WT Investments</b>						
Waterfront Wide Initiatives		2.1	3.4	1.3	1.0	0.4
Other Deliverables		9.1	8.5	(0.6)	10.2	3.8
Corporate Support Costs		6.8	7.5	0.7	8.2	8.1
<b>Total Other WT Investments</b>		\$ 18.0	\$ 19.4	\$ 1.4	\$ 19.4	\$ 12.3
<b>Grand Total - Capital Investment Plan</b>		\$ 134.8	\$ 162.3	\$ 27.5	\$ 315.6	\$ 352.1

No.	Priority Initiatives	Deliverables Reference	Capital Investment Plan		
			2017/18	2018/19	2019/20
1	Port Lands Flood Protection & Enabling Infrastructure	9,11,12	\$ 60.0	\$ 253.8	\$ 314.0
2	Waterfront Precincts & Complete Communities	2,4,5,8,10	51.8	40.1	14.4
3	Quayside & Port Lands Planning and Development	6,7	16.9	5.3	13.6
4	Public Realm	1,3	22.0	7.0	1.1
5	Eastern Waterfront Transit		1.3	0.1	-
6	Strategic Initiatives		2.8	1.1	0.9
7	Core Support Functions		7.5	8.2	8.1
<b>Grand Total - Capital Investment Plan</b>			\$ 162.3	\$ 315.6	\$ 352.1

n.b. All figures presented in \$ millions.

# Appendix II

## Capital Investment Plan & Funding Summary 2017/18 – 2023/24





## CONTACT US

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