

West Don Lands (“WDL”)

The Phase 2 plan of subdivision (POS) which will contain all of the Pan Am Games blocks is currently under review with the City. A number of meetings have been held to discuss outstanding issues and finalize the draft conditions of approval. It is anticipated that the POS will receive Draft Approval in June, 2010. Due to the timing of the fall municipal election, there will be no Council meetings between August and January, 2011 so meeting the June Council date for Draft Approval is key for meeting the Pan Am Games schedule.

Toronto Community Housing Corporation (“TCHC”) closed on its property in the WDL on February 24, 2010. TCHC is in the process of initiating the excavation required to obtain a Record of Site Condition (“RSC”) which is needed for building construction. It is anticipated that an RSC will be obtained in June, 2010 and building occupancy will occur in early 2012.

Ontario Realty Corporation (“ORC”) is in the process of re-procuring a consultant to undertake the additional required environmental Risk Assessment Risk Management (“RA/RM”) work for the initial phases of WDL. A new consultant should be in place by early April, 2010. Infrastructure Ontario (“IO”) as the Province’s agent for the Pan Am Games will oversee the RA/RM work. Waterfront Toronto (“WT”) has advised IO of the tight timelines for Urban Capital and the Pan Am Games blocks. The Ministry of the Environment (“MOE”) has been very helpful and has indicated their willingness to work closely with all parties to move approvals forward expeditiously.

ORC has advised that the Flood Protection Landform (“FPL”) completion is further delayed until the end of 2011. In order to comply with TCHC timelines for occupancy (January, 2012), construction of the FPL must be complete by December 15, 2011. WT is paying close attention to the impact of the FPL construction schedule delays.

Urban Capital’s sales office opened with great success on February 27, 2010. The project is approximately 60% sold. Urban Capital will likely start construction early in 2011 once an RSC is filed for the site.

WT is working closely with IO to establish a partnership for delivering the Pan Am Games Athlete’s Village on time, on budget and with the community legacy anticipated in the WDL Precinct Plan.

A Construction Management contract has been awarded. Tendering of Don River Park and Mill Street Public Realm is underway. Underpass Park, the Storm Water Management Facility and the soil removals will be tendered as soon as documents are available.

Underpass Park was presented to the Design Review Panel (“DRP”) on March 10, 2010. The design team is continuing toward construction drawings and approval by the City. There were significant positive comments in the media after the DRP presentation. The RA/RM approval for this project remains outstanding. Construction is to commence with demolition of existing structures in May, 2010.

Concerns were raised by TTC regarding the Cherry Street loop area as a pedestrian priority zone with a flush condition between the tracks and surrounding plaza. TTC, City of Toronto, and Councilor McConnell’s office will need to meet to resolve these different viewpoints.

East Bayfront

From a construction perspective, all Dockside servicing has been completed while surface works are being co-ordinated with Corus activities. Corus is scheduled to commence occupation in May, 2010. Sherbourne Park and Sugar Beach construction continues with substantial completion scheduled for early summer of this year, with final planting in the fall. The first segment of the waterfront promenade is currently under construction, with completion scheduled to coincide with Sherbourne Park and Sugar Beach. George Brown College ("GBC") has completed caisson wall installation and has begun site excavations.

From an approvals perspective, preliminary designs for the realignment of Lower Sherbourne Street have been submitted to the City for their review. Concurrently, an application to stop-up-and-close a portion of Lower Sherbourne Street is being prepared that would facilitate the completion of Sherbourne Park North. Detailed designs for the Water's Edge Promenade and Stormwater Management System have been submitted to the City and are currently being reviewed by City staff. GBC has submitted its Site Plan approval application to the City and it is currently on the fast track for City staff review. WT and GBC are working to integrate the Dockside District Energy facility in the GBC building. Given the timing concerns of GBC it has been agreed by all parties that municipal approvals will move in parallel with preliminary site works.

Designated Waterfront Area

Martin Goodman Trail – A number of design changes have been proposed to improve the safety of the three intersection crossings on the Martin Goodman Trail at Ontario Place. These changes will be implemented in the spring upon completion of review and acceptance by the City of Toronto.

Union Station Second Platform – TTC has advised that the pre-tender estimate for the Second Platform indicates that the projected costs will exceed the budget. Management has reconfirmed the Corporation's position with TTC that WT's contribution to this project is capped at \$137.5 million and that any additional funding must be obtained by the TTC from other sources. WT has advised TTC that it would have no objections to them proceeding to tender to confirm the actual costs based on the competitive bidding process.

Soil Management Facility – WT held a public meeting on March 11, 2010 to present the plans and environmental approvals status for the soil management facility to the local community and stakeholders. The project was generally well received although we have received a response to our proposal from a group identified as the Lake Ontario Waterkeeper which takes issue with many aspects of the proposed soil treatment facility. WT has arranged to meet with the Lake Ontario Waterkeeper along with Toronto and Region Conservation Authority ("TRCA") and the MOE to respond to the Waterkeeper's concerns. 17 proposals were received on March 8, 2010 from around the world for the Pilot Scale Soil Treatment RFP. Evaluation of proposals will occur through March and the selection of the preferred proponents will occur in April. It is anticipated that the selected proponents will mobilize on site by June 1, 2010 subject to the receipt of funding and MOE approvals.

Program Management

Health and Safety – On February 24, 2010 a sub-contractor to one of WT's environmental consultants was injured when a piece of equipment on a soil boring machine malfunctioned. The worker received some cuts to his face and required stitches.

Labour Relations – All collective bargaining agreements for Ontario construction trades expire on April 30, 2010. Both the Carpenters' and Electricians' unions have negotiated no strike – no lockout agreements for this round of bargaining. These agreements will be settled through binding arbitration if no settlement is reached between the employers and the trades. While the current environment is amenable to settlement of all agreements, we are advised that the operating engineers, labourer's and plumbers' unions are potentially the most likely to undertake job action to obtain their agreements. WT has commenced discussions internally and externally to assess the potential for a Project Labour Agreement ("PLA") applicable to the Pan-Am Games Athlete's Village (and other venues). The PLA would include a no strike-no lockout provision and binding arbitration to ensure that there are no labour disruptions prior to the completion of Games infrastructure.

Central Waterfront, Gardiner and Portlands

Queens Quay Revitalization Environmental Assessment (EA)– During the public comment period that ended on January 26, 2010, the MOE received only one request for a Part II "bump up" order, which is an almost unheard of achievement for a project of this scope and speaks to the widespread support for this initiative. WT submitted a detailed report responding to the Part II order request, and indications from the MOE are that the report provides them with the information they need to complete their review. It is anticipated that this review will be completed by May, 2010.

York Quay Revitalization Phase II – The conceptual designs for the below-grade parking garage at Harbourfront Centre Square were presented to the public on March 2, 2010, where there was general enthusiasm for the project mixed with a few individuals concerned about any new buildings being proposed on the Harbourfront Centre site. As the garage and park spaces already have the necessary zoning approvals, they can move forward independently of seeking approval to construct the low-rise "cultural village" component of the project. A revised proposal will come to the Design Review Panel on April 10, 2010 with updated design proposals for the public spaces to be built above and adjacent to the garage.

Gardiner Environmental Assessment (EA) and Urban Design Study – The joint Waterfront Toronto / City selection team has identified a number of world-class teams to participate in the *Competition to Develop Innovative Design Options for the Gardiner Expressway and Lake Shore Boulevard Reconfiguration* and is in the process of contacting the teams. Design work is anticipated to kick-off in April 2010.

Lower Don Lands Framework Plan (LDL)– A final draft of the Framework Plan for the Lower Don Lands has been submitted to the city, who has agreed to take an Official Plan Amendment ("OPA") to City Council in July to give this plan official standing. A presentation of the LDL Framework Plan and OPA will be made at the May 5, 2010 Board meeting, prior to submission to Toronto City Council for approval.

Don Mouth Naturalization and Flood Protection Environmental Assessment (EA)–WT is working with TRCA to complete the LDL integrated Don Mouth Naturalization and Flood Protection EA to align itself with the May 5, 2010 presentation to the Board and the subsequent submittal to Toronto City Council and the MOE.

Tommy Thompson Park (TTP)– On March 10, 2010, the Design Review Panel gave strong support to the revised designs for the Tommy Thompson Park pavilions, a series of four structures that include a small entrance pavilion and gate, a staff booth, an ecological observation platform, and a bird-banding station. The initial designs, prepared by Montgomery Sisam Architects under the direction of TRCA, were rejected by the Panel but after nearly a year of effort by WT working closely with the architectural consultant and TRCA staff, there is now a fully-endorsed design that is ready to move into construction this spring.

Government Relations

Federal Sunset Extension

Over the last several months WT has pro-actively engaged Minister Flaherty's office regarding an extension to the federal government's participation in waterfront revitalization from the current sunset of March 31, 2011 to ensure federal funding does not lapse.

WT's rationale for an extension has been to ensure the most efficient delivery of federal project priorities including Canada Square at Harbourfront Centre, Don River Park, GBC: WT – GBC parking lot joint venture – and Underpass Park in WDL. Given delays beyond WT's control - most notably delays in the completion of the FPL – WT has been unable to begin construction of Don River Park and Underpass Park.

Minister Flaherty's office has indicated that they are supportive of a one year extension to the federal government's participation in Toronto waterfront revitalization to March 31, 2012. We are currently awaiting an official confirmation of the federal government's position.

Communications and Marketing

Proactive, Strategic Media Relations

- Christopher Hume of the Toronto Star launched the first of a series of videos profiling waterfront revitalization. The series of six is being showcased on thestar.com, with the first profiling WDL.
- On March 10, 2010, WT held a design media briefing to share details of plans for Underpass Park in WDL. Attendance was strong and the briefing resulted in numerous stories in the on-line, print and broadcast media that incorporated WT's key messages of design excellence, innovative use of space, and progress in WDL and the waterfront overall. The briefing also led to additional media stories on woonefs and WDL development.
- "Our New Blue Edge" was the subject of an eight-page colour spread in Topos, one of Europe's preeminent landscape architecture and urban design journals, as the result of WT's outreach efforts and a tour with a journalist from the publication last fall.

Build and Implement the Brand

- WT is making great progress with the development of our new website. The new server environment, content management system and user interface design is currently being installed. Existing content is being updated and edited, and new content is being developed. The new website will undergo testing in early April and will launch publicly on April 26, 2010.
- WT is delaying the distribution of its 2010 Report to the Community, a four-page broadsheet publication that will be circulated in the Globe and Mail (Greater Toronto Area edition) until Tuesday, April 27, 2010 to coincide with the launch of the new website.
- WT's vision video is undergoing final editing and will be completed by late March.

Excellence in Stakeholder & Community Consultations and Communications

- Together with Harbourfront Centre WT held the first public meeting for the York Quay Revitalization - Phase II project on March 2, 2010. Approximately 150 people attended the meeting where the project team sought public feedback on preliminary ideas.

Attached please find the Media Coverage Report for the month of February, 2010.

Sustainability

WT has been working closely with the Clinton Climate Initiative and the City to map a workplan on how we will implement “Climate Positive” (carbon reductions below zero) in our developments, ultimately the Lower Don Lands. To support this, WT has submitted an application to Ontario Power Authority to access funding to support the development of an advanced Waterfront Toronto Green Building Requirement, which includes identifying strategies for advancing passive design, energy efficiency, renewable energy, and smart building technology. WT expects to engage in this project this spring.