

MINUTES of the public portion of the 51st meeting of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at the Radisson Admiral Hotel - Toronto Harbourfront, 249 Queen's Quay West, Toronto, Ontario, on Thursday, May 4, 2006, at 8:00 a.m., local time.

PRESENT: Robert Fung, Chairman
 Murray Chusid
 Vivien Dzau
 Kevin Garland
 Ross McGregor
 Mayor David Miller
 John Ronson
 Peter Smith
 Mark Wilson

ABSENT: Bill Charnetski

In addition to the general public, the following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and Chief Executive Officer; Edward Dato, Chief Financial Officer; Victor Wong, V.P. Legal; Kristin Jenkins, V.P. Public Affairs; Marisa Piattelli, V.P. Government Relations and Special Project Management; David Matheson, McMillan Binch Mendelsohn LLP; Allan Leibel, Goodmans LLP; Leslie Woo, Special Assistant to the Mayor.

The Chairman, Robert Fung, continued in the chair, and Ann Marie Landry continued to act as secretary of the meeting.

1. Approval of Minutes

The minutes of the public portion of the 50th meeting of the Board held on April 6, 2006 were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the 50th meeting of the Board held on April 6, 2006 were approved.

2. CEO's Report

John Campbell tabled reports and information on various matters, which included the following subjects and information and on which the following Board and Management comments were made:

- *West Don Lands* ("WDL") – The Corporation is working with City staff to ensure that both the rezoning and Plan of Subdivision applications will be before Council for approval in June, 2006. The Risk Assessment/Risk Management Plan for Districts 1 and 3 and the flood protection land form and

relevant road rights of way were approved by City Council on April 26, 2006. The Plan will be submitted to the Ministry of the Environment in May. A Risk Assessment/Risk Management Plan is still required for Districts 2 and 4.

The developer proposal call for District 3 is scheduled for September, 2006. District 1 will be the next area to follow. Timing for District 1 will depend on City staff's decision regarding phasing and timing of Plan of Subdivision approval.

Demolition work in the WDL is progressing. CN Bridge work has commenced and the tracks have already been relocated with foundation work to start. The Berm design is underway and construction will start this summer or fall depending on the resolution of some design issues. Soil information and land form design indicates that the Soil Management Facility originally proposed for the WDL is no longer needed.

The design of Don River Park is in an active public consultation phase and the park design team is working with stakeholders to develop the vision.

- *East Bayfront* (“EBF”) – Public meetings have been held with Stakeholders and landowners on the rezoning. The Corporation is working with the existing landowners to iron out the areas of difficulty raised at the Policy and Finance Committee meeting (notably south side of Lakeshore, facing the Gardiner).

As a condition of the TWRC/City/TEDCO Memorandum of Understanding (“MOU”) and prior to the Corporation obtaining development control of public lands south of Queen’s Quay, the Corporation must develop a Business and Implementation Plan for the EBF. The Corporation is in the process of developing this Plan which will address development phasing and financial models for the roll-out of EBF. The Corporation is targeting the June 27th Council meeting to present the Plan and approval of the Plan would allow for September rezoning approval. A special Board meeting will be arranged to discuss the Plan prior to its presentation at City Council.

The Corporation will focus on the design and construction of Sherbourne Park and with initial work on the Central Waterfront. This will provide key momentum in EBF development until such time as a successful proposal call can be issued.

- *Business Relocation* – In the WDL there were 26 short term tenants that needed to be moved. 24 relocated upon notice and one was relocated within WDL to another Ontario Realty Corporation (“ORC”) property and will remain. One community service organization, FoodShare, had to be relocated and pursuant to Toronto City Council resolution in May, 2005, it was agreed that this organization would be relocated at not cost to them. After a number of attempts to find alternate premises, FoodShare has obtained space in a school board property. FoodShare’s operation requires a “food handling”

environment which increases the cost of outfitting their space from a normal base building condition. Estimated costs were \$600K to \$1 million but after completing preliminary design and assessment of the renovation requirements, estimated costs are now approximately \$1.5 million.

The total budget assigned to business relocation for WDL is \$5 million. FoodShare is the only business relocation cost for Districts 1 and 3 and Districts 2 and 4 are not expected to be substantial, although not yet assessed.

Board Discussion, Management Responses and Board Resolution

Discussion ensued on business relocation, and the following motion was tabled and approved:

“WHEREAS the Toronto Waterfront Revitalization Corporation (the “Corporation”), the Ontario Realty Corporation (“ORC”) and the City of Toronto (the “City”) have undertaken to relocate FoodShare from 200 Eastern Avenue to other suitable premises at no cost to FoodShare;

AND WHEREAS Waterfront partners - ORC, the City, the Corporation and the Ministry of Public Infrastructure Renewal (“MPIR”) - have agreed to fund FoodShare up to \$1 million from project business relocation funds for such relocation;

AND WHEREAS FoodShare has reached an agreement to lease space at Brockton School from the Toronto District School Board (TDSB) at an affordable rent;

AND WHEREAS preliminary design and assessment of the renovation requirements has been completed and it has been determined that \$1.5 million is required for relocation;

NOW THEREFORE BE IT RESOLVED that the Board approves the allocation of a maximum of \$1.5 million to the relocation of FoodShare subject to the following terms and conditions:

- the total funding contribution by the waterfront partners is capped at \$1.5 million;
- any costs over and above \$1.5 million will be the sole responsibility of FoodShare;
- an itemized final cost estimate be pre-approved by the Waterfront partners based on final construction drawings submitted by FoodShare;
- for the duration of the relocation project, FoodShare will provide on a monthly basis (more frequently if requested) a report showing budget, actual and forecast project expenditures by category, including variance explanations, to the satisfaction of the Waterfront partners;

- FoodShare will be reimbursed for relocation costs monthly, on the basis of approved invoices by category of expenditure authorized by the Waterfront partners.”
- *Central Waterfront* - The design competition is well underway with an exposition of the final five designs being arranged in BCE Place and shopping centre locations offered by Cadillac Fairview and Oxford. The official launch of the exposition will be held on May 16, 2006.
- *Port Lands* – A very successful Open House was held on Saturday, April 28, 2006 with approximately 200 people in attendance.
- *10 Year Plan* – Reductions in the City’s annual capital budget will not affect the Corporation’s 2006/2007 budget. The Corporation is still not spending as per cash flow forecasts. This is causing concern with the Governments as they are denying other programs to fund the Corporation and then those funds are not spent. The Corporation is working on individual cost estimates as well as cash flow forecasts and is exploring ways of building on some flexibility to help Governments.
- *Personnel* – The Corporation has hired Lisa Prime (formerly of Toronto and Region Conservation Authority) as Director of Sustainability effective May 23, 2006 and Brad Searchfield (formerly of ORC) as Vice President Development, West Don Lands effective May 29, 2006. Searches are underway for a Chief Financial Officer, a Vice President Construction and a Vice President Development, East Bayfront.
- *Regional Sports Complex* – Management was concerned about the scope of the Request for Proposals (“RFP”) and asked the Program Manager to re-scope the project in order to be sure that the cost for the project was the budgeted \$20 million, not more. This task has been completed and the RFP will be issued tomorrow, May 5, 2006. The feasibility study for the complex is underway and will determine the schedule for the completion of the project.
- *Mission to Australia* – A second trade mission has been arranged to Australia by the Greater Toronto Marketing Alliance in order to continue to maintain interest levels in Australia-Canada activity. John Campbell is participating in the mission and will be making presentations to various interested organizations in an attempt to market the waterfront possibilities at this time.

Board Comments

The Mayor requested that Management provide him with copies of the presentations to be made in Australia as well as copies of any handouts.

3. Western Beaches Watercourse

John Campbell reported that the Western Beaches Watercourse has now been completed and asked Karen Pitre to provide the Board with a brief overview of the project. Karen Pitre summarized the project and highlighted the following:

- The project received the go ahead in February, 2005, and a Contribution Agreement was signed for \$23 million plus \$4 million in contingency.
- The first stakeholder meeting was then held right away.
- Federal and Provincial Environmental Assessments (“EA's”) were required for the project and as part of the process the Corporation held public meetings.
- Steve Willis, on behalf of the Program Manager, worked very closely with the agencies to assist with the flow of information.
- The public meetings were very animated and the stakeholders asked the Corporation to review the location of the course and requested that options be explored to ensure the future possibility of expanding to an international rowing course of 2000 metres. At the request of the community, the Corporation changed the location of the course, ensuring this possibility.
- The above processes took place in the Spring of 2005 and final approvals were received in July, 2005. The tender documents were prepared and construction started in August, 2005.
- The Toronto and Region Conservation Authority (“TRCA”), as the eligible recipient “stick-handled” a very high profile and somewhat controversial project. The team was lead by Nancy Gaffney and Nick Saccone from the TRCA. Malcolm Mackay from UMA was the onsite construction manager and managed the tendering of project and the actual construction.
- Weekly meetings included representatives from the three levels of Government and they were critical to the timely approvals to get this project done. There were many challenges which required innovative solutions and it was critical that everyone was at the table.
- The Federal and Provincial EA's were reviewed in an expedited fashion - simultaneous to the design of the course.
- There was a tremendous amount of teamwork from the design team, the TRCA, the three levels of Government, Malcolm MacKay and the community.
- Amid much skepticism, the project has been completed ahead of a schedule and on budget.

- The project is a great example of what can be done with the cooperation of the three levels of Government

4. University for Peace of the United Nations

In response to issues raised at the last Board meeting, Management tabled a memorandum prepared by the Vice-President, Government Relations and Special Project Management, Marisa Piattelli, on the genesis of the University for Peace (“UPeace”) project (“UPeace Project”) and on the process and extent of Management’s and the Board’s review of the UPeace Project to date.

Discussions ensued on the matter. The discussion was initiated by an expression of concern by a Board member as to (a) the process by which the UPeace Project has been advanced, (b) the Board being provided with sufficient information on the UPeace Project, (c) whether the Corporation will have to fund the UPeace Project beyond funding being provided by the Federal Government, (d) whether the Board should be supporting the UPeace Project as a part of a significant feature of the Toronto waterfront (“Waterfront”) and (e) the particular Board member’s perspective on the United Nations having an anti-Israel bias and his reference to public reports on the character of Maurice Strong, Chair of the Council of UPeace and such perspective and reference being reasons why the Corporation should not further its involvement with UPeace. He proposed that the Corporation should pass a resolution to take no further financial steps to have UPeace on the Waterfront, subject to any present legal obligations.

Some Directors indicated that they supported such a resolution, but not for all of the same reasons noted, one indicating concern as to the past process by which the matter has been addressed and who also expressed the view that the UPeace Project would not really add anything to the waterfront revitalization. Another Director expressed concern solely with the process followed in the past on this matter.

Marisa Piattelli then addressed the genesis of the UPeace Project and why and how it was initiated and advanced in the context of waterfront revitalization. Relevant highlights for minute record purposes of Management’s memorandum on the UPeace Project, contained in the Directors’ binder for the meeting, are as follows:

- The UPeace Project was first considered by Management in the fall of 2003 when discussions took place with representatives of UPeace. A detailed report was provided to the Board in March, 2004. The UPeace Project was identified as a stand-alone budget item at that time.
- The UPeace Project was also identified in a Federal Waterfront Announcement as a funded project in May, 2004 and was identified and approved in July, 2004, as part of the 2004/2005 New Interim Budget.
- The UPeace Project represents the first waterfront “content” partnership entered into by the Corporation and was planned to be a lead project for further similar partnerships with the academic and cultural institutions.

- The context and vision for UPeace on the waterfront was proposed to be uniquely Canadian, leveraging Canadian centres of academic excellence in peace building and conflict prevention/resolution studies; with the UPeace faculty also serving to highlight Canada's historic contribution to peace keeping, Canada's successful tradition of coexistence of diverse ethnic communities and to profile national and international responses to issues of globalization and its impact on urban centres.
- The UPeace Project is to serve to show the impact and attraction to Toronto and its waterfront of other global international organizations.
- The UPeace Project was also envisioned to be complimentary to initiatives such as the City Humanitas project, a project which also celebrates civic responsibility and the impact of globalization on cities.
- The Corporation conducted extensive due diligence on the UPeace Project, including discussions with the Federal Waterfront Secretariat. Management held a series of meetings with leaders in Toronto's academic, business and political community, with whom the UPeace Project was very well received.
- In March, 2004, the Board was informed of the Corporation's discussion with Maurice Strong, Chair of the Council of UPeace regarding the possibility of establishing a campus of UPeace on the Waterfront. The Board received a presentation thereon, including a description of the context and vision for a Toronto international facility and an overview on UPeace's proposal for a Toronto facility and on funding and administration elements.
- In March, 2004, the UN Secretary General, in an address to the Canadian House of Commons, referred to the UPeace Project and the contribution of Canada to the United Nations, particularly in peacekeeping, disarmament and humanitarian efforts; with particular references to Toronto and as well to the UPeace Project and the making of an even greater contribution to the United Nations conflict prevention and peace building.
- The Corporation in discussions with the Federal Waterfront Secretariat reported that it was supportive of the UPeace Project and having it in keeping with the international branding being sought for the Waterfront and also having it as a possible part of a potential cultural cluster for the Waterfront.
- In May, 2004, the Federal Government, in announcing a series of funded projects, announced funding of \$3 million towards the preparation and launch phase for the potential creation of a UPeace campus in Toronto.
- In July, 2004, the Board was presented with a New Interim 2004-2005 Budget to reflect such Federal funding. The Budget included the UPeace Project as a separately identified budget line item. The Board was advised at such

meeting that the Corporation was seeking to finalize an eligible recipient agreement with UPeace and the Federal Waterfront Secretariat.

- In September, 2004, the Board was informed of the notion of a possible cultural cluster on the Waterfront, including details on UPeace.
- At Board meetings held in January, April and October of 2005, Management presented budgets and a Business Plan in which information on UPeace was provided, with a slide presentation at such October Board meeting identifying a revised forecast for the UPeace Project.
- At the February, 2006 Board meeting a UPeace representative made a presentation to the Board regarding the UPeace Project's objectives and progress to date.
- The Corporation entered into a contribution agreement with the Government of Canada in July, 2005, for the UPeace Project. Such agreement expires on December 1, 2006 and involves a total funding commitment of \$2,938,267.00 for the establishment of a UPeace Secretariat in Toronto, the development of a financial sustainability strategy, the hosting of a UPeace International Conference in Toronto and the development, launch and implementation of UPeace masters program specific to Toronto, beginning January, 2006.
- The Corporation signed in August, 2005, a delivery agreement with UPeace for the same scope and budget as set out in the contribution agreement.
- The Corporation's funding by the Federal Government for the UPeace Project ends with the termination of the delivery agreement. There is no commitment for funding any on-going operations for UPeace. In April 2006, UPeace met with senior Treasury Board officials in Ottawa who gave every indication of being supportive of a successful delivery of the UPeace Project.
- Appendices of the program work underway by the Toronto UPeace Secretariat were provided to the Board.
- UPeace provides universities in developing countries with fully developed and digitized course materials on the peaceful resolution of conflicts, gender equality issues, human rights, international law, sustainable development practices, etc.

With such information as background, further discussion ensued. Highlights thereof are as follows:

Chairman's Remarks:

- The Chairman expressed his opinion that he was astounded by the view that the Corporation should not support having UPeace on the Waterfront. He

emphasized the fact that the Waterfront revitalization, being a national, provincial and municipal showcase to the world, is well suited for, and needs projects such as UPeace, particularly with the recognition by the United Nations of the City of Toronto being the best multicultural City in the world and with the emphasis on tolerance being perfectly suited for Toronto. He emphasized the importance of showing the world that Toronto, being part and parcel of a global village, is a leader in contributing to education in third world countries and that the UPeace Project will also symbolize Toronto's contribution to peacekeeping and the successful transition of coexistence of diverse ethnic communities. He was of the view that the UPeace Project would profile national and international responses to issues of globalization and youth and their respective impacts on urban centres. He emphasized the importance of showing the strength of Canadians and particularly Toronto in respect of strong global values and the impact that such values would have on the world, especially youth, and the attraction it would have for other international institutions. He noted also the embracing of the UPeace Project by the leaders of Ontario's academic institutions. He also reiterated the desire of the Government of Canada to have the UPeace Project as part of the Waterfront revitalization.

The following varying points were raised by Directors:

- The amount of funding is significant. If the UPeace Project has no other funding but from the Corporation, one has to ask how it would pass a "value for money" audit.
- The involvement of academic institutions on the Waterfront will have a tremendous influence on the Waterfront revitalization. The Corporation should support cultural institutions and related research, business and new technology on the Waterfront.
- The weakness of UPeace is that it is very small and it is not the same as if a community college was involved in the revitalization of the Waterfront. One understands the Chairman's position and also one understands the position taken by the Director proposing a resolution on UPeace, and there should be proper debate and discussion on the matter.
- There is a need for clarification on what the Corporation is getting into insofar as funding is concerned beyond the existing funding committed by the Federal Government.
- Notwithstanding that one might find flaws in the United Nations, it is the only global institution post the Second World War which brings to the fore discussions among nations of the world and in which Canada is a member and therefore the Corporation should support UPeace for the Waterfront.

- The UPeace Project can have a positive branding effect for Toronto throughout the world and should be part of the revitalization of the Waterfront.
- It is preferable to defer such a resolution being proposed for this meeting and to decide on a right process to follow in respect of the UPeace Project, and to also recognize the Corporation's existing legal commitments in respect of the UPeace Project, but not commit to new obligations to UPeace.
- The Finance and Risk Management Committee should review the process by which the UPeace Project has been reviewed by the Board and make recommendations on the process by which other projects should be reviewed by the Board for its approval in the future, particularly as to their being true to the mandate of the Corporation.
- It makes no sense to not have anything to do with UPeace. There are existing legal obligations and it would be wrong to preclude any future discussion on UPeace.

Further discussion ensued; and a **MOTION** was duly made and seconded, for the following resolution which was approved: **RESOLVED** that subject to the Corporation's present legal obligations in respect of the UPeace Project, the Corporation disassociate itself financially and promotionally with UPeace as being part of the Corporation's mandate.

Approving the resolution were: Peter Smith, Murray Chusid, Kevin Garland and Mayor David Miller. Voting against the resolution were: Mark Wilson, John Ronson and Robert Fung. Vivien Dzau abstained from voting.

Further discussion ensued, and on a second related **MOTION** duly made, seconded and carried it was **RESOLVED** that the Corporation fulfill its legal commitments to date regarding UPeace and that any further requests in respect of UPeace be brought to the Board for approval.

Mayor David Miller and Kevin Garland then left the Meeting.

5. Procedural Matters in Respect of Projects

Discussion ensued as to the process by which the Board will consider new projects requested by the Government stakeholders or any other projects involving Government funding. It was agreed that any Government projects must be brought before the Board as a matter of course and that they involve a formalized approval; and on **MOTION** duly made, seconded and carried it was **RESOLVED** that all Government directed projects for the Toronto Waterfront be presented to the Board for approval.

6. Value for Money Audit

Vivien Dzau reported that a meeting has been set up with the Government Secretariats on May 9, 2006 to discuss various aspects of the value for money audit and, in particular, the scope of the audit.

7. TWRC Governance

David Matheson tabled the mandates of the Governance, Compensation, Communications and Government Relations Committees. He advised that the mandates of the Compensation and Communications and Government Relations Committees are being reviewed by the respective chairmen of the Committees and will be brought back to the Board for approval.

Mr. Matheson reported that the Governance Committee mandate has been reviewed by the Governance Committee, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Governance Committee mandate be approved.

8. Other Matters

With this meeting being the final meeting for Murray Chusid, the Board thanked Mr. Chusid for his efforts on behalf of the Corporation as a member of the Board, the Compensation Committee of the Board and the WDL Developer Proposal Call Committee.

The Chairman advised that the City has appointed two new Board members to the Board, namely Janet Graham and Renato Discenza.

9. Termination of the Meeting

There being no further business, **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the meeting be terminated.

Chairman

Secretary of the Meeting