Item 11b - Enterprise Risk Management – Revenue Assumptions Review

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Background

- As reported to the Board of Directors in April 2017, Management will provide the Finance, Audit & Risk Management (FARM) Committee with a detailed review of the revenue assumptions underlying the Board-approved 2017/18 Corporate Plan.

- As per the 2017/18 Corporate Plan, Waterfront Toronto's anticipated Funding Plan for the six-year period beginning 2017/18 would require total funding of approximately $442 million split between $101 million government funding and $341 million land and other revenue funding.

- The detailed revenue analysis for Waterfront Toronto's land and other revenue funding ($341 million) is segregated into two categories based on their risk profile, and further broken down according to major revenue sources as follows:

  1. Secure revenues of $191 million (56%) – Pertains to revenues which Waterfront Toronto has some control over either through ownership or formal agreements.

Revenues	Amount	Details
A. Land Revenues	$157M	– This refers to estimated land revenues from Waterfront Toronto owned and controlled properties, e.g., Quayside, Bayside, 333 Lake Shore Boulevard East, Dockside, and Parkside. – To the extent applicable, land values for these development blocks have taken into account agreed upon rates with developers and market-based pricing models. – The assumed gross floor areas for these land revenues are based on the design of the developers or preliminary precinct plan testing undertaken by Waterfront Toronto in 2014.
B. Philanthropic Contribution	$9M	– This pertains to the remaining funding commitment (out of $23.5M total funding) for "The Bentway".
C. Other Secure Revenues	$25M	– This consists of estimated developer public art contributions earmarked by the City to Waterfront Toronto, connectivity revenues from waterfront developments, and parking revenues derived from the interim use of Waterfront Toronto's properties.
Total	**$191M**	

2. Unsecure revenues of $150 million (44%) **–** Refers to revenues earmarked for the Corporation but a formal agreement has not been executed.

Revenues	Amount	Details
A. Land Revenues	$90M	– This mainly assumes the estimated land revenues from nine development blocks in West Don Lands, which will be removed in the new Corporate Plan as per direction from the Province.
B. Section 37 Revenues	$25M	– This mainly pertains to the infrastructure charges (based on $69.86 per square metre of residential Gross Floor Area per East Bayfront Zoning By-Law No. 1049-2006).
C. Other Unsecure Revenues	$35M	– This mainly consists of estimated parkland dedication revenues from developments in the East Bayfront and West Don Lands. – Note that the parkland dedication revenues associated with West Don Lands parcels (as noted above) will be removed in the new Corporate Plan as per direction from the Province.
Total	**$150M**	

- Waterfront Toronto has recently commenced the Long Term Plan process for the new 2018/19 Corporate Plan where Management will be revisiting all the major revenue sources and assumptions in detail.

- Management will subsequently provide the FARM Committee with a detailed analysis of the updated revenue sources and underlying assumptions in August 2017.

Committee Action Required

None