

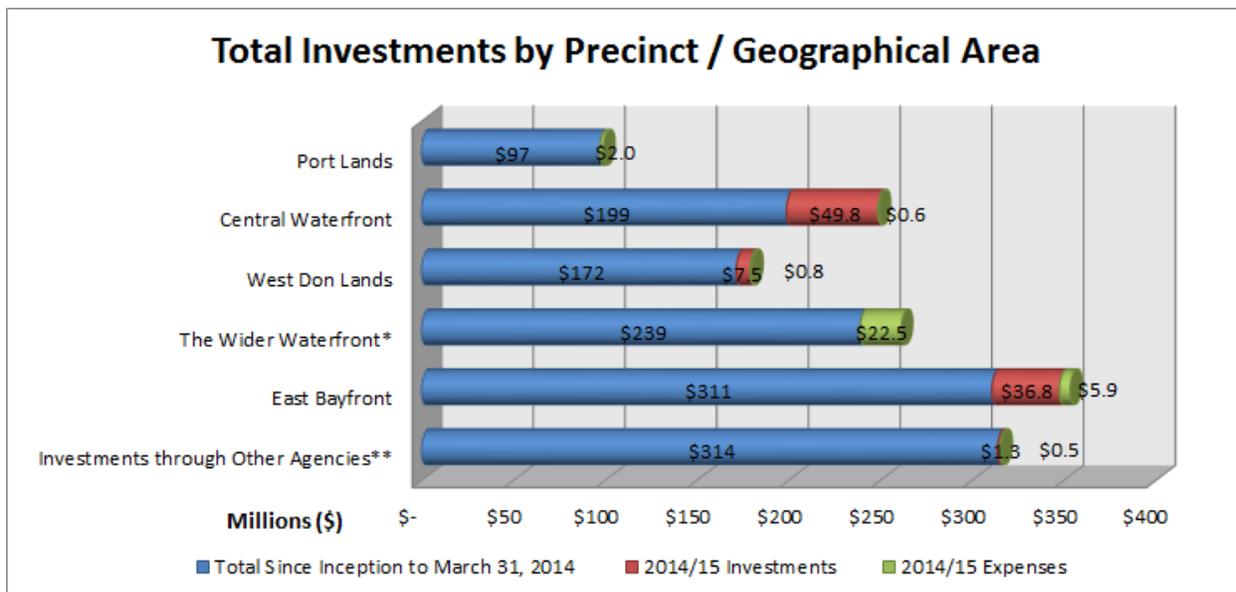


2014/15 Management Report

OVERVIEW FOR THE YEAR

During the year ended March 31, 2015 Waterfront Toronto (the Corporation) continued with the implementation of its mandate to oversee and manage the revitalization of Toronto’s waterfront.

Waterfront Toronto and other government agencies have invested almost \$1.5 billion (out of the \$1.9 billion capital investment program) over the last fourteen years (2001-2015) in capital projects on Toronto’s waterfront. These are revitalization initiatives that are producing economic, social and environmental benefits for the citizens of Toronto, Ontario and Canada – for generations to come. The following graph illustrates total investments by precinct/ geographical area by the Corporation, and reflects \$1.33 billion invested from inception to March 31, 2014, and the balance of investments for the period April 1, 2014 – March 31, 2015 (2014/15 fiscal), which total approximately \$128 million split between those capitalized, and those reflected as transfer payments / project expenditures per the Corporation’s financial statements.



* The Wider Waterfront includes primarily construction of Union Station Second Platform, Mimico Park and Port Union Waterfront Park.

** Investments through other agencies relate to government funding which is flowed directly to other government agencies (not through Waterfront Toronto) for projects such as the flood protection landform in West Don Lands, GO Transit expansion, Union Pearson rail link and government secretariat costs.

In 2014/15, the Corporation ensured attention was given to a number of sites and high-profile projects that will be used by athletes and visitors for the 2015 Pan Am/Parapan Am Games (Pan Am Games). This included work on Queens Quay, the Pan Am Games Athletes Village, Union Station, and public art installations on Front and Mill Street in the West Don Lands. A full list of the major activities of the Corporation for 2014/15, along with the associated results, is outlined in the 2014/15 Key Deliverable Results section below.

Capital expenditures have been incurred in the following geographical areas:

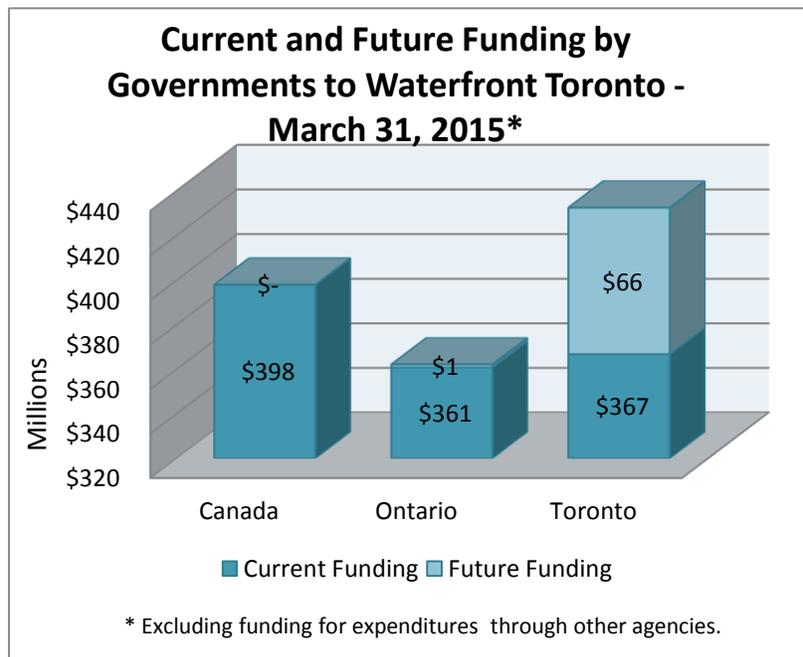


RESOURCES

In 2001, the three orders of government pledged \$1.5 billion (\$500 million each), subsequently increased to \$1.579 billion, as initial capital for waterfront revitalization initiatives. From this government funding, approximately \$1.2 billion has been or will be made available to Waterfront Toronto through government contributions and the balance has been or will be flowed directly to other government agencies for projects in the designated waterfront area.

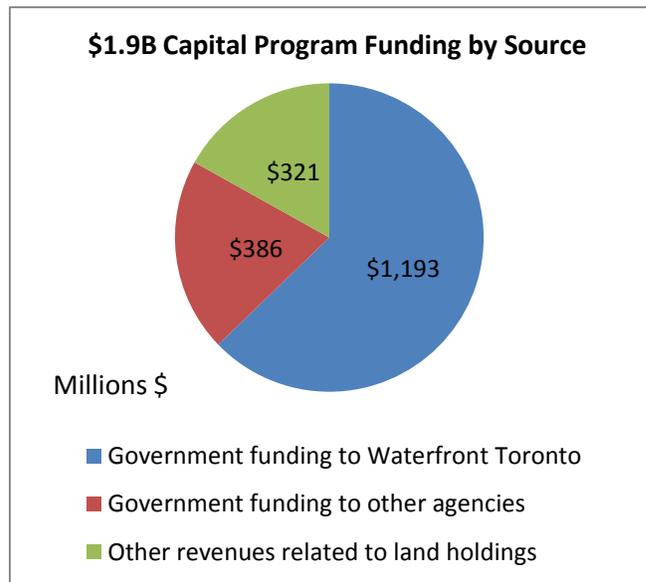
As of March 31, 2015, approximately \$1.1 billion (94%) has been received by Waterfront Toronto with the majority of the remaining balance of \$67 million to be received over the next four years.

The initial funding pledged by the three governments was intended to fund key revitalization projects that would leverage private sector investment into the continued development of the waterfront.



Now more than halfway through its 20-year mandate, the Corporation’s investments in planning, infrastructure and public realm improvements, has attracted private development projects valued at nearly \$2.6 billion¹ to the first new waterfront neighbourhoods of East Bayfront and West Don Lands – more than double the value of government investments to date.

Based on government funding and other revenues, Waterfront Toronto has developed a \$1.9 billion capital expenditure program. Of this, Waterfront Toronto is currently directly managing \$1.5 billion comprised of government funding (\$1.2 billion) and other revenues related primarily to land sale proceeds (\$321 million). The balance of \$386 million is being flowed directly to other government agencies for projects in the designated waterfront area, such as for the flood protection landform in West Don Lands, GO Transit expansion, the Union Pearson rail link, and costs related to government waterfront secretariats.



COST MANAGEMENT

Waterfront Toronto has a track record for bringing projects in on time and on budget when we control and manage the projects directly from start to finish. To date, Waterfront Toronto has delivered 19 projects with a total budget of \$249 million. These 19 projects have been delivered at 3.4 per cent below budget on average – or for approximately \$241 million.

In addition, Waterfront Toronto continues to explore opportunities to lower corporate overhead costs such as complying with the compensation restraint measures announced in the *Public Sector Compensation Restraint to Protect Public Services Act, 2010*. There have been no increases to the salary bands for all staff, including the executive level, for 2014/15. Executive salaries have also been frozen for five years. Further, we are optimizing office space in 2016 – (from 16,800 sq ft to 15,000 sq ft).

2014/15 KEY DELIVERABLE RESULTS

Waterfront Toronto monitors the implementation of the major deliverables as set in the Annual Corporate Plan through its quarterly reporting. This quarterly reporting is shared with all three levels of government. The 2014/15 fiscal was a pivotal year for the Corporation as it was the start of a new strategic plan that will see Waterfront Toronto through the remaining years of its mandate. The major deliverables were established in alignment with the strategic plan and the legislated corporate objectives.

¹ Economic Impact Analysis study by urbanMetrics Inc., April 2013.
June 24, 2015

The legislated objectives of Waterfront Toronto are to:

(A) implement a plan that enhances the economic, social and cultural value of the land in the designated waterfront area and creates an accessible and active waterfront for living, working and recreation, and to do so in a fiscally and environmentally responsible manner;

(B) ensure the ongoing development in the designated waterfront area can continue in a financially self-sustaining manner;

(C) promote and encourage the involvement of the private sector in the development of the designated waterfront area; and

(D) encourage public input into the development of the designated waterfront area.

Details on the key deliverables for 2014/15, including the associated corporate objectives, and the results can be found in the appended table.

2014/15 Major Deliverables <i>(as outlined in 2014/15 Annual Corporate Plan)</i>	2014/15 Results	Corporate Objective
East Bayfront <ul style="list-style-type: none"> • Commence construction of the ballasted flocculation facility to serve both East Bayfront and West Don Lands storm water quality management facilities; • Commence construction of the sanitary pump station located 480 Lake Shore Boulevard East, and the sanitary connection between East Bayfront and the new sanitary pump station; • Substantially complete construction of Phase 1 Bayside local streets and services; • Commence soil remediation for Phase 1 Bayside; • Select preferred developer for Dockside Blocks 1 and 2 including the Innovation Centre; and • Commence Dockside Block 3 development arrangements with George Brown College. • Planned investment of \$51.0M 	<ul style="list-style-type: none"> • Tender documents completed and tender process deferred to allow for value engineering and phasing strategy development to remain within budget. Summer 2015 construction start now anticipated. • Sanitary pumping station construction underway. Deliverable achieved. • Bayside Phase 1 local streets and services substantially completed to allow for commencement of Aqualina project. Deliverable achieved. Final completion expected in June 2015. • Deliverable achieved. • Deliverable achieved. • Extension executed to end of 2015 calendar year. Negotiations have commenced with GBC. • Actual amount invested: \$42.7M 	<p>A, C</p> <p>A, C</p> <p>A, C</p> <p>A, C</p> <p>A, B, C</p> <p>A, B, C</p>

<p align="center">2014/15 Major Deliverables</p> <p align="center"><i>(as outlined in 2014/15 Annual Corporate Plan)</i></p>	<p align="center">2014/15 Results</p>	<p align="center">Corporate Objective</p>
<p>West Don Lands</p> <ul style="list-style-type: none"> • Commence construction of the ballasted flocculation facility to serve both West Don Lands and East Bayfront storm water quality management facilities; • Complete construction of all remaining woonerfs; • Complete public art installation on Mill Street and commence public art installation on Front Street; and • Completion of Pan Am/Parapan Am Games Athletes Village in cooperation with the Corporation's partners. • Planned investment of \$14.6M 	<ul style="list-style-type: none"> • Tender documents completed and tender process deferred to allow for value engineering and phasing strategy development to remain within budget. Summer 2015 construction start now anticipated. • Woonerf construction is proceeding as required to suit adjacent development progress. River City Phase 2 construction has extended the woonerf completion date to Spring/Summer 2015. • Deliverable achieved. • Pan Am-Para Pan-Am Athlete's Village completed and handed over to TO2015 on February 28, 2015. Deliverable achieved. • Actual amount invested: \$8.3M 	<p>A, C</p> <p>A, C</p> <p>A, C</p> <p>A, C</p>
<p>Central Waterfront</p> <ul style="list-style-type: none"> • Complete construction of Queens Quay street improvements (north side); • Substantially complete construction of Queens Quay (south side); • Complete replacement of Queens Quay streetcar tracks; and • Complete Lower Yonge Urban Design Guidelines together with a Transportation Master Plan to identify transportation infrastructure to service the Lower Yonge precinct, bounded by Queens Quay, Lake Shore Boulevard, Lower Jarvis Street and Yonge Street. • Planned investment of \$35.8M 	<ul style="list-style-type: none"> • North side street improvements completed to allow for rerouting of vehicle traffic off the promenade in November 2014. Deliverable achieved. • Queens Quay south side promenade and Martin Goodman Trail on schedule for Substantial Completion prior to the Pan Am / Parapan Am Games. • Queens Quay Streetcar returned to service in September 2014. Deliverable achieved. • Deliverable achieved; Urban Design Guideline completed and draft Transportation Master Plan completed awaiting Council approval. • Actual amount invested: \$50.4M 	<p>A, C</p> <p>A, C</p> <p>A, C</p> <p>A, C, D</p>

2014/15 Major Deliverables <i>(as outlined in 2014/15 Annual Corporate Plan)</i>	2014/15 Results	Corporate Objective
Port Lands <ul style="list-style-type: none"> • Obtain the Ontario Ministry of Environment (MOE) approval of Don Mouth and Lower Don Lands environmental assessments; • Complete Port Lands Framework Plan; and • Complete Cousins Quay precinct plan. • Planned investment of \$1.2M 	<ul style="list-style-type: none"> • Deliverable achieved; approval received January 2015. • Target completion date extended to 2015/16. • Target completion date extended to 2015/16. • Actual amount invested: \$2.0M 	<p>A, C</p> <p>A, C, D</p> <p>A, C, D</p>
Waterfront-wide Initiatives <ul style="list-style-type: none"> • Completion of Union Station Second Platform (mid-2014); and • Complete public consultations on the alternative solution (maintain, improve, remove, replace) of the Gardiner Expressway Environmental Assessment; submit alternative solution for City Council endorsement in spring of 2014. • Planned investment of \$28.6M 	<ul style="list-style-type: none"> • Union station second platform opened to public on August 18, 2014. Deliverable achieved. • Deliverable achieved; assessment process completed, public consultations held as planned, alternative solution being submitted for City Council review in May. • Actual amount invested: \$22.5M 	<p>A, C</p> <p>A, D</p>
Corporate <ul style="list-style-type: none"> • Implement marketing plan to substantially increase public awareness of Waterfront Toronto and its projects; and • Complete implementation of the Intelligent Community initiative in the Parkside (Monde) development; approximately 500 units will be connected to Beanfield's broadband infrastructure. • (\$12.4M included in figures above) 	<ul style="list-style-type: none"> • Public engagement and marketing deliverable achieved. • Broadband agreement concluded between Development Partner and Beanfield MetroConnect. Deliverable achieved. • (\$12.4M included in figures above) 	<p>D</p> <p>A, C</p>

RESULTS IN SUMMARY

In fiscal year 2014-15, the Corporation's total planned investment was set at \$131.2M (including corporate costs of \$12.4M). The organization's actual investment and expenditure was \$125.9M, which is approximately 96% of the overall planned target. This investment was primarily in roads, public realm and utilities infrastructure (Queens Quay Revitalization, East Bayfront Bayside Phase 1, and West Don Lands), together with significant amount of expenditures incurred for the construction of Union Station Second Platform.

OTHER ACCOMPLISHMENTS FOR 2014/15

In support of Waterfront Toronto's mandate, additional corporate achievements for 2014/15 included:

- Preliminary design of Aitken Place Park and planning for public consultation;
- Coordination of design competition for Jack Layton Ferry Terminal;
- Closing of Monde and Aqualina developments;
- Toronto winning the 2014 Intelligent Community of the Year Award from the Intelligent Community Foundation;
- Official opening of Corktown Common, which resulted in the 2015 International Association of Business Communicators Ovation Awards Excellence Award for the opening event; and,
- Increased direct public engagements and awareness; the number of people engaged through Waterfront Toronto's Facebook page increased by 120%; our Twitter followers increased by 55% and the number of views of Waterfront Toronto's videos on YouTube increased by 311%. All told, Waterfront Toronto had over 200,000 online interactions with members of the public in the 2014-15 fiscal year.

The day after the fiscal year end, Waterfront Toronto's continued commitment to public engagement and consultation was showcased by hosting an interactive town hall event that presented a report card and update on waterfront revitalization progress to date. The town hall also featured questions to the audience (both in-person and those following a live web cast) and an open question-and-answer session that allowed members of the community an opportunity to ask questions, share views and raise concerns.

GOING FORWARD

As detailed in the Corporation's 2015/16 Annual Corporate Plan, East Bayfront, Central Waterfront, West Don Lands and Waterfront-wide initiatives continue to be the focus of Waterfront Toronto's implementation efforts for the 2015/16 fiscal year.

In East Bayfront, the key deliverables relate to substantial completion of Bayside Phase 1 local streets and servicing infrastructure construction. In West Don Lands, the key deliverables include public art installations on Front Street and Eastern-Sumach and land sale closing for River City Phase 3. In Central Waterfront, the key deliverables relate to completion of Queens Quay public realm improvements in time for the summer Pan Am Games (completed June 19, 2015). The key deliverables for the waterfront-wide initiatives include installing finishing works to the Union Station Second Platform and completing work on Gardiner Expressway Environmental Assessment.