

Board Strategy Session and Committee Structure

Per previous Board discussions, Management has already initiated additional protocols to ensure more timely delivery of materials. We are also working on Governance issues with Janet to ensure that appropriate procedures are followed. We intend to continue this discussion at the October 20th Board meeting.

We are preparing several tactical “plans” that would augment the Corporate Plan to better align priority projects and initiatives, accelerate decision making, and enable Management and the Board to more effectively measure progress on all of our work efforts.

To that end, we intend to update the Board on the following initiatives:

- **Operational Governance** – developing the business case and “ask” of our government shareholders to enable Waterfront Toronto to execute on our Corporate Plan goals (includes extending our mandate term beyond 2023; establishing corporate affiliates, receiving private revenues, etc);
- **Risk Resiliency** – establishing new protocols for corporate operations and capital projects using the new Enterprise Reporting System that should be operational by April 1, 2018;
- **WT Engagement+** – including new corporate narrative and strategies to more fully engage the broader community, stakeholders, new partners that will enable us to achieve our Corporate Plan objectives;
- **Partnership Assessment** – establish criteria and measures to be used in evaluating partnership opportunities before entering into any formal MOU’s and other arrangements with third parties – be they academic, not for profit, and/or private sector entities;
- **Updated Waterfront Vision** – re-fresh and illustrate physical vision for the overall waterfront, including public realm, cultural, educational and recreational destinations, connections to the downtown core and resiliency strategies with critical watersheds including the Don and Humber riverways.

We will set a call of the Chairs Committee next week to discuss the process to review the 2018-2019 Corporate Plan prior to the December Board meeting; to review current Committee structures and meeting schedule with our advisor Kathleen Niccols; schedule a 1st Quarter Board Strategy Session and set the working agenda that will enable us to review the above initiatives.

West Don Lands (WDL)

WDL Development

Urban Capital is targeting to start construction this fall for their fourth and final phase of the River City project. This building is being marketed as Harris Square to link it to Lauren Harris Square adjacent to the site.

Dundee Kilmer received full support at the July 2017 Design Review Panel (DRP) meeting for Block 16 which is located on the north side of Front St. between Tannery Rd. and Rolling Mills Rd. They plan to start construction later this year. Dundee Kilmer will present their next phase, Block 12, which is located on the south side of Front Street at the October 18, 2017 DRP meeting. They will also be launching the project this month.

Surplus Land Circulation

As part of the Province of Ontario's Fair Housing Plan (FHP), Infrastructure Ontario (IO), working with the City of Toronto, has retained CBRE Limited to release a Development Lands Offering (the Offering) on two sites (Blocks 3W, 4W and 7W and Blocks 8 and 20) in the West Don Lands. The offering was released mid-September and seeks one or more developers to enter into a long-term lease (49 years or more) to build rental housing of which 30% will be a range of affordable rental housing.

Public Art

The Garden of Future Follies handover to the City is complete and the piece is now in the City collection. A lighting consultant has been retained to develop a design for lighting "No Shoes" and they are on track to have this designed and installed by end of this year. Acknowledging the 24-hour life of the sites, integrated lighting is now a requirement on all of our new commissions in WDL. Art Spin included our "Water Guardians" piece in their July tour "Shoreline Speaker Series", and the event attracted approximately 250 people. We are investigating undertaking a commission at the King/Queen triangle entrance to Corktown Common. Feasibility will depend on whether we are allowed to do work on the site now that IO has taken control of the land.

East Bayfront (EBF)

Bayside

On May 23, 2017, the Ministry of the Environment and Climate Change (MOECC) accepted the Risk Assessment (RA) for the Bayside Phase II land. This is a major milestone to achieving a Certificate of Property Use (CPU) and Record of Site Condition (RSC) that will allow residential development on these lands. The CPU was finalized on September 7, 2017 and the RSC is currently under review with the MOECC. The final RSC is expected to be issued at the end of October. Conditions from the executed Subdivision Agreement are currently being satisfied by Waterfront Toronto and Subdivision Registration is anticipated to follow in mid-October 2017. This will allow Hines/Tridel to close on the R5 property and commence construction of Aquabella in the fall.

Given the continued strength of the condo market in the eastern waterfront, Waterfront Toronto is having ongoing discussions with the Bayside Development Partner on the acceleration of the A1/A2 site a year ahead of schedule. Waterfront Toronto, the City and the Development Partner are also reviewing the requirements for a City operated recreation center in Bayside and assessing programming and design parameters appropriate for a recreation center at the A1/A2 site. Waterfront Toronto, the City and the Development Partner will work together to determine if the A1/A2 development would be a suitable location for such a facility.

The pre-qualification phase of the RFP for the construction of the Cherry Street Storm Water Facility has been completed, and 5 general contractors have been shortlisted. We are now in the detailed pricing phase, with final contract award expected in November 2017.

Within Bayside Phase 1 the public realm deferrals were completed on Merchants` Wharf adjacent to the newly occupied Aqualina development. Hines is coordinating the handover of the Water's Edge Promenade to the City Park's department. The final commissioning of the Stormwater Attenuation Facility is planned for early November with Toronto Water.

A construction contract was issued to Deltera for the delivery of Edgewater Drive within the Aquavista development.

The procurement for the construction of Aitken Place Park will be going through a detailed value optimization exercise with the Proponents, Landscape Architect and Waterfront Toronto.

Construction for Bayside Phase 2 public roads and dockwall reinforcing continues with the installation of the dewatering system, surface removals and demolitions, and dockwall test pits.

A consultant has been retained for the replacement of Jarvis Slip dockwall reinforcing adjacent to Block 1 in Dockside. Preliminary concepts have been produced with a risk assessment and preliminary costing underway.

Quayside

Waterfront Toronto issued a Request for Proposal (RFP) on March 17, 2017 with the goal to select an Innovation and Funding Partner (the Partner) to help create, realize and fund an unparalleled vision for sustainable urban development on Toronto's eastern waterfront, specifically the Quayside development opportunity. With the guidance of our Fairness Advisor and Subject Matter Experts, Waterfront Toronto completed its evaluation of the Innovation and Funding Partner RFP submissions and recommended a preferred proponent to the Quayside Steering Committee on September 11, 2017. After receiving confirmation of the preferred proponent from the Steering Committee, and with guidance from the Investment and Real Estate Committee of the Board (IREC), Waterfront Toronto has entered into negotiations with the preferred proponent regarding the terms of a partnership. A request for approval will be brought forward to the Board in October.

George Brown College (GBC) Block 3

GBC continues to move ahead with selecting their design team, including an architect, to advance the detailed design of the project. GBC is aiming to begin a design competition for their architect later this year. GBC also continues with obtaining the necessary municipal planning approvals, including a minor variance for additional height to accommodate the daycare facility. Waterfront Toronto facilitated a project introduction meeting with City Building Department staff who will support GBC with this type of wood frame construction which is not yet contemplated in the Ontario Building Code. Construction for this site is targeted to commence in the next few years.

As part of Waterfront Toronto's obligations to GBC, Management continues to pursue the issuance of a Record of Site Condition with the MOECC prior to start of construction.

Waterfront Innovation Centre (WIC)

Menkes continues to pursue tenants for the WIC in the marketplace, with some exciting leads. Waterfront Toronto, Menkes, and City staff are targeting October 31, 2017 to execute final transaction agreements.

Menkes has completed the necessary geotechnical works and can now submit a site plan application to the City.

Affordable Housing Pilot Project

Waterfront Toronto is examining the feasibility of implementing a pilot project for a mixed-income, purpose-built rental building which would include market rental units along with Affordable Rental and mid-range Moderate Rental units. The pilot would aim to address the challenges facing the City with respect to housing affordability and could potentially be replicated as a model for the rest of the City. The pilot was presented to IREC on September 13, 2017 which included a detailed financial analysis testing for a number of variables. Waterfront Toronto believes that there is an opportunity to locate such a pilot in the Quayside neighbourhood and is collaborating with City staff in developing a detailed proposal.

Public Art

Waterfront Toronto was a partner on Art Spin's final bicycle-led art tour through the Port Lands, which welcomed almost 500 cyclists on August 24, 2017. Through its Public Art Program, Waterfront Toronto facilitated and contributed to the site selection process which resulted in four multidisciplinary installations and performances experienced in otherwise inaccessible locations like the Port of Toronto's International Marine Passenger Terminal. The final stop of the bike tour was at Waterfront Toronto's 291 Lakeshore East building, launching *Desire Lines*, a 10 day exhibition in the space curated by Rui Pimenta and Layne Hinton, Art Spin's founders and artistic directors. The site, previously a condo sales office and warehouse space, provided the inspiration for the exhibition's themes addressing placemaking and home, as well as our relationship to the city's waterfront. This well-attended event welcomed over 600 people, animating the future Quayside site with art, music, and performance.

Health and Safety

There were no health and safety incidents on Waterfront Toronto sites since the last report.

Port Lands Flood Protection and Enabling Infrastructure Project (PLFPEI)

Pursuant to the Board of Directors' supplementary Capital Approval provided on September 14, 2017 and the execution of the Delivery Agreement in the amount of \$15.6M between the City and Waterfront Toronto, Management has commenced the negotiation, procurement and award of contracts for design, engineering, construction management and miscellaneous consulting services to advance schematic design work for all project components as follows:

- Negotiations are ongoing with Michael Van Valkenburgh Associates, Inc., CH2M Hill and HDR Inc. based on their selection through previous competitive procurements;
- The contract for Construction Management Services has been awarded to Ellis Don Civil Construction through an open competitive procurement process;
- Requests for Proposals for roads and services and bridge design and engineering are underway with submissions under review for both procurements;
- A contract had been issued for risk management and governance peer review services to the Kingdom of the Netherlands, Ministry of Infrastructure (Rijkswaterstaat);
- Contracts have been awarded to several proponents to conduct field scale pilot testing related to soil stabilization and quality enhancement based on the results of bench scale pilot tests undertaken earlier this year; and
- Procurement of the third-party program manager, cost consultant, surveyor and numerous other miscellaneous consultants will occur over the next number of months.

Negotiations with all three orders of government continue with a view to finalizing the Contribution Agreements for the project by year end. City staff are preparing a report to Council that will confirm the terms and conditions of the Contribution Agreement (amongst other issues) for City Council Approval in December.

Port Lands Planning Framework/Villiers Island Precinct Plan/Transportation and Servicing Master Plan EA

Waterfront Toronto and the City of Toronto are working towards completion of the Planning Framework for the Port Lands including corresponding policy to amend the Central Waterfront Secondary Plan, the Villiers Island Precinct Plan and the Port Lands and South of Eastern Transportation and Servicing Master Plan EA (TSMP EA).

The final Port Lands Official Plan Modification and supporting Framework Plan and Villiers Island Precinct Plan went to Planning and Growth Management Committee on October 12, 2017 for the statutory public meeting. These reports will go to City Council on November 7, 8 and 9, 2017.

Public Art

Negotiation with relevant City departments on the Villiers Island Public Art Strategy and public art activation in the Port Lands Framework Plan continues.

Cherry Street Storm Water and Lake Filling Project (CSLF)

The project design team has produced the 90% design submission and is finalizing the incorporation of stakeholders' comments.

Waterfront Toronto and Ports Toronto have executed a lease and license agreement for the waterlots to allow construction of the lakefill project to commence. Further agreements will be required to permit the construction of roads and bridges and the dedication of these lands for use as public highways. Waterfront Toronto and Toronto Portlands Corporation (TPLC) have concluded necessary licence and access agreements as required to access the site and commence the project.

The coordination, securing, and tracking of permits and approvals is ongoing. The first two of the three key long-lead approvals have been received from the Department of Fisheries and Oceans while the third one is in progress (Sewer Diversion).

Arrangements have been concluded between Ports Toronto and TPLC to relocate the vessels moored in the Essroc Slip in anticipation of the start of construction.

The contract for construction management services for the CSLF project has been awarded to Ellis Don Civil Construction who has now mobilized to the site. Procurement of materials and equipment and key sub-contractors commenced in October.

The project is moving forward to plan at this time.

Jack Layton Ferry Terminal Phase 1A

Waterfront Toronto has now awarded the construction contract for Phase 1A. The Phase 1A scope has been modified to include 106 linear metres (was previously 60m) of new promenade from Bay Street to the existing ticket booths, lighting and all the associated landscaping. A Delivery Agreement has been executed to obtain an additional \$1 million of funding.

It is expected that construction of Phase 1A will commence mid-October for completion by next Ferry Season (May 2018).

Jack Layton Ferry Terminal Master Plan

Waterfront Toronto is preparing to procure a consultant to undertake a strategy for funding and implementation of the larger Jack Layton Ferry Terminal Master Plan and to undertake a philanthropic feasibility analysis.

The Bentway

Construction continues at The Bentway on pace. Construction Manager Peter Kiewit Sons ULC currently has over 130 skilled labourers and more than 50 subcontractors on site. The skating trail remains on track to open to the public this winter.

Much progress has already been made, partly due to the overhead Gardiner structure which has offered shelter from wet weather over the summer. Substantial excavation work has taken place and more than 1420 metres of utility piping has been installed, which is the equivalent of ten football fields long. Above and below ground electrical conduits are in place that will power lighting fixtures throughout the site.

With the winter skating season approaching, a great deal of progress has been made on the skate trail and icehouse. The 220-metre skating trail uses a refrigeration system which consists of 13,746 metres of embedded piping connected to the refrigeration system in the icehouse and carries coolant throughout the trail. When activated the coolant travels through the pipes to take the heat from the surface and distribute it to the refrigeration equipment. This means that ice production is less weather-dependent and visitors will be able to enjoy the trail throughout the winter. The foundation and walls of the icehouse are underway and surface concrete for the trail was poured on September 30, 2017 and we are currently in the 28-day curing process.

In order to accommodate changes to the scope from various sources an additional \$266,768 is required for the capital construction budget that is under Waterfront Toronto management. Waterfront Toronto and The Bentway Conservancy has established an agreement to provide the additional funding, as well as an additional contingency of \$340,000, all of which will be funded through the Bentway Conservancy.

The Conservancy, along with City staff and the local Councilors, continue to work towards securing funding for Phase Two of the project, including the pedestrian bridge crossing Fort York Boulevard, as well as the extension of the skating trail to Bathurst Street.

The Environmental Study Report for the proposed crossing at Fort York Boulevard, which was filed early this year, is still awaiting a response from the Ministry regarding the Part II request.

Gardiner East Environmental Assessment (EA)

The public review process for the Gardiner East EA is now completed and the project team is anticipating a final decision from the Ministry before the end of 2017.

Gardiner Public Realm

Dillon Consulting and West 8 have been retained by Waterfront Toronto with City Staff, to advance the design of public realm improvements along the south side of Lake Shore Boulevard from Jarvis to Cherry, to 100% Construction Drawings, and advance the vision for the Gardiner Public Realm corridor, from Jarvis to Carlaw, to 10% Conceptual Design. Waterfront Toronto is in the process of coordinating this work with Metrolinx, the City, and adjacent Landowners, exchanging information to integrate the design work for the Gardiner Public realm with the many other ongoing infrastructure and development projects along the corridor.

Waterfront Transit Reset

Waterfront Toronto continues to work collaboratively with City of Toronto and TTC Staff on the Waterfront Transit Reset study. The team has developed three options for the connection between Union Station and Queens Quay. These include a LRT option, a moving sidewalk, and an automated cable-pulled system. The details of these three options along with a preliminary review were presented to our Stakeholder Committee and at two Public Meetings in September. There were differing views as to which option was best, with some people preferring the LRT and others the automated cable-pulled system. There was less support for the moving sidewalk.

Portland Slip Pinch-Point

Construction of a sidewalk widening at the head of the Portland Slip began on August 28, 2017 and is proceeding according to schedule. A deck over the northernmost point of the Portland slip is nearly complete that will create additional public space to close a gap in the Martin Goodman Trail west of Bathurst. Construction is being completed through a design-build contract and is anticipated to be complete by the end of October. This is the final portion of the Martin Goodman Trail West Improvements and is currently underway following a federal license approval granted by Public Services and Procurement Canada in May, 2017 to build over federal waters.

Waterfront Toronto Design Review Panel Update

This section is intended to provide Board Members with a summary of the outcomes of the monthly Waterfront Toronto Design Review Panel meetings.

Panel Meeting #104, September 20, 2017

215 Lake Shore Boulevard East – Residential Building

The project was presented at the Issues Identification stage. Panel recommendations included:

- The legislative framework should not be driving the public realm;
- More work needs to be done on the positioning of the towers to improve the public realm experience;
- The public realm should frame Sherbourne Common;
- The location of access points for vehicles, woonerf vs courtyard, should not be dominated by vehicle access;
- The architectural character of all three buildings feels inconsistent;
- Consider incorporating softer landscape elements into the courtyard space; and
- The sustainability targets should exceed what is required.

The project was reviewed at the Issues Identification stage and therefore no vote was taken.

Bathurst Quay Streetscape and Public Realm Improvement Plan – Public Realm

The project was presented at the Issues Identification stage. Panel recommendations included:

- The long-term vision needs to be clearly set out at the next meeting;
- Extending the streetcar service to the airport should be a consideration;
- Consider piloting small projects that help improve air quality;
- Reconsider the focal point of the site from the centre of the site to the water's edge promenade; and
- Consolidate parking to one location.

The project was reviewed at the Issues Identification stage and therefore no vote was taken.

“Qualified Donee” Status

Waterfront Toronto has recently been granted the status of “Qualified Donee” by Canada Revenue Agency (CRA) as a “municipal or public body performing a function of government in Canada.” Under the *Income Tax Act*, Qualified Donees are able to issue official donation receipts for gifts they receive from individuals and corporations, allowing those donors to claim tax credits or deductions. Registered charities are also permitted to make gifts to Qualified Donees.

Being a Qualified Donee will enable the Corporation to further develop its partnership and philanthropy initiatives.

Staff is currently developing operational processes to be able to take advantage of this new status for the Corporation. For example, official donation tax receipts issued by Qualified Donees must include certain prescribed information and proper books and records (including duplicates of such official tax receipts) must be maintained to allow CRA to verify the gifts and the tax credits/ deductions claimed by donors. However, it should be noted that a “Qualified Donee” is not a “charity” for legal purposes and the same strict operating requirements that apply to charities do not apply to Qualified Donees.

Cloud Enterprise Resource Planning (ERP) System Implementation

In September 2017 Waterfront Toronto began the implementation of Microsoft Dynamics 365 (D365) – a major cloud ERP system – to replace the Corporation’s existing end-of-life system. The implementation of D365 is a key component of our Organizational Resiliency Plan outlined in the approved 2017/18 Corporate Plan Amendment.

The implementation of D365 is anticipated to seamlessly streamline and integrate the management of our core business functions – such as procurement, project management, accounting/finance, cash flow management, human resource management, customer relationship management and performance reporting – in real time, within one system. It is anticipated to significantly enhance operational effectiveness, transparency and accountability, and be scalable for other Waterfront Toronto 2.0 projects.

The seven month implementation, which is being led jointly by a third-party System Integrator (Thinkmax) as well as a contracted Waterfront Toronto ERP Business Transformation Project Manager, is currently in the analysis phase of our core business processes. At the conclusion of this phase, the Project Charter will be published which will outline the detailed project workplan including key milestones for the implementation.

The diagram below shows the key milestone phases throughout the project, with a target effective go-live month of April, 2018. Note: to the extent possible we will also attempt to fast-track the Port Lands project to an earlier implementation.

ERP D365 - key milestones

