Chairs Committee Meeting

THURSDAY JUNE 14, 2018 9:00AM TO 11:30AM

WATERFRONT TORONTO

20 BAY STREET, SUITE 1310

TORONTO, ON, M5J 2N8
Meeting Book - Chairs Committee Meeting

9:00 a.m. 1. Motion to Approve Meeting Agenda Approval All
9:05 a.m. 2. Declaration of Conflicts of Interest Information All
9:05 a.m. 3. Consent Agenda Approval All
9:05 a.m. 4. Human Resources Update Information R. Desrochers
    Item 4 - Human Resources Update.doc
    Item 4a - Org Chart as of June 8 2018.pdf
9:15 a.m. 5. Staff Salary Recommendations for 2017/18 Approval W. Fleissig
    a) Salary Comparatives
    b) Summary of Base Compensation Adjustments
    c) Discretionary Pool
    Item 5a - Salary Comparatives for 2018-2019.doc
    Item 5b - Summary of Base Compensation Adjustments.doc
    Item 5c - Discretionary Pool.doc
9:30 a.m. 6. Motion to go into Closed Session Approval H. Burstyn
Closed Session Agenda
The Committee will discuss items 7 and 8, being the Performance Assessments for Individual Executives and Directors for the period April 1, 2017 to March 31, 2018 and CEO Results respectively, in a closed session as permitted by By-Law No.2 of the Corporation. The exception relied on for the discussion of these items in the closed session is Section 6.1(1)(b) (Personal matters about an identifiable individual, including employees of the Corporation). The Committee will reconvene a public session at the conclusion of the closed session discussions in order to vote on any matters requiring decisions that were considered in the closed session.
9:30 a.m. 7. Performance Assessments for Individual Executives for the period April 1, 2017 to March 31, 2018 Information W. Fleissig
Confidential reports in accordance with By-Law No. 2, Section 6.1.1(b) – Personal matters about an identifiable individual, including employees of the Corporation
    Item 7 - Performance Assessment for Individual Executives.doc
10:00 a.m. 8. CEO Results Approval H. Burstyn
Performance Assessment for the CEO – April 1, 2017 – March 31, 2018
Confidential reports in accordance with By-Law No. 2, Section 6.1.1(b) – Personal matters about an identifiable individual, including employees of the Corporation
    Item 8 - CEO Performance Assessment.doc
<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
<th>Type</th>
<th>Approver</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:30 a.m.</td>
<td>9. Motion to go into Open Session</td>
<td>Approval</td>
<td>All</td>
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<td><strong>Public Session Agenda</strong></td>
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<tr>
<td>10:30 a.m.</td>
<td>10. Resolutions Arising from the Closed Session</td>
<td>Approval</td>
<td>H. Burstyn</td>
</tr>
<tr>
<td>10:30 a.m.</td>
<td>11. 2017/18 Annual Report (Excluding Section 3 - Financials)</td>
<td>Approval</td>
<td>C. MacKay</td>
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<tr>
<td></td>
<td>Item 11 Chairs Cover - 2017 18 Annual Report June 14 2018.docx</td>
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<tr>
<td>10:40 a.m.</td>
<td>12. Five Year Strategic Business Plan</td>
<td>Information</td>
<td>KPMG/ M. Piattelli</td>
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<td>Item 12 Chairs Cover - Five Year Strategic Business Plan Presentation</td>
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<td>Jun 14 2018.docx</td>
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<td>Item 12 WT SBP Briefing Note June 14.pdf</td>
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<td>10:50 a.m.</td>
<td>13. Board Contract Project</td>
<td>Information</td>
<td>H. Burstyn</td>
</tr>
<tr>
<td>11:00 a.m.</td>
<td>14. Directors' Code of Conduct/Conflict of Interest</td>
<td>Information</td>
<td>I. Beverley</td>
</tr>
<tr>
<td></td>
<td>Item 14 Summary of Director Code of Conduct - Waterfront Toronto -</td>
<td></td>
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<tr>
<td></td>
<td>draft v2 June 8 2018.docx</td>
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<td>Item 14 Director Code of Conduct - Waterfront Toronto - draft v3</td>
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<td>June 8 2018.docx</td>
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<tr>
<td>11:10 a.m.</td>
<td>15. Presentation of Counsel Public Affairs</td>
<td>Information</td>
<td>P. Dewan &amp; C. Pinto</td>
</tr>
<tr>
<td>11:20 a.m.</td>
<td>16. Review of draft agenda for June 28 Board meeting</td>
<td>Information</td>
<td>H. Burstyn</td>
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<tr>
<td></td>
<td>Item 16 Draft Agenda - Board Meeting June 28, 2018.docx</td>
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<tr>
<td>11:25 a.m.</td>
<td>17. Board Calendar (June 14 – Dec 2018)</td>
<td>Information</td>
<td>I. Beverley</td>
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<td>Item 17 Board and Committee Calendar June 14 to Dec 2018.docx</td>
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<tr>
<td>11:30 a.m.</td>
<td>18. Motion to Terminate the Meeting</td>
<td>Approval</td>
<td>H. Burstyn</td>
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</tbody>
</table>
The purpose of this report is to provide an update and overview of some Human Resources (HR) practices at Waterfront Toronto.

**Recruitment**

- As of June 8, 2018, the Corporation’s current staff complement is 82, distributed as follows:
  - 66 Full Time Employees; and
  - 16 Contracted Employees (includes long term contracts and short-term contracts for specific project work with defined timelines -- such as the Quayside MIDP).

- Recruitment efforts in support of positions approved in the Amended 2017/2018 Corporate Plan and the 2018/2019 Corporate Plan are underway and are on track as follows:
  - 16 positions were approved in the Amended 2017/2018 Corporate Plan (11 FTE and 5 contract); of these:
    - 14 positions have been filled
    - The recruitment process is nearing completion for the remaining 2 positions
  - 19.5 positions were approved in the 2018/2019 Corporate Plan on December 7, 2017 (9 FTE and 10.5 contract), which covers the period April 1, 2018 to March 31, 2019; of these:
    - 7.5 positions have been filled
    - the recruitment process is underway for 8 positions
    - the recruitment for 4 other positions is being reevaluated in light of projected work load
  - Additional 3 position recruitments are in progress to fill normal turnover vacancies during the first two months of the new fiscal year

- A current Organizational Chart as of June 4, 2018 has been included for your reference.

- For the period April 1, 2017 to March 31, 2018, Waterfront Toronto’s turnover rate for voluntary exits was 11.3%.

**Update on Key Positions**

- **COO** - Odgers Berndston Canada Inc. was selected as the recruitment firm to fill the COO position; the ad has been very active in the market for a couple of weeks; Odgers has reached out directly to approximately 100 individuals who they believe would be qualified and capable; to date, they have identified 6 candidates who have “passed” the initial assessment and will be interviewed in-person, an additional 5 candidates are set-up for the initial assessment and, they have 10 others who are reviewing the briefing document; in additional to their outreach, they have received 12 applications to the role; they should be in a position to present candidates to the CEO in two weeks for initial interviews.
Performance Evaluation

When WT established its compensation program in 2008, salary bands for all staff were to be reviewed every two years and updated to market. However, in 2010, because of the provincial compensation restraint program, our salary bands were frozen and had not been updated to market. With the lifting of the provincial compensation restraint program, a salary benchmarking exercise was undertaken with the assistance of an external consultant, H. Wilkinson Consulting Group, to update all salary bands to current market or all staff.

*The salary benchmarking exercise resulted in the current salary ranges being 10% off market, thus requiring a 10% adjustment to them based on market movement since 2008. This adjustment will create salary ranges that are aligned to the current market and our compensation philosophy.*

As a result of this 10% adjustment to salary ranges, 14 staff were identified as having a salary below the new minimum, thus requiring automatic structural salary adjustments to bring them to the new minimum of their salary range. Funds were allocated in the 2018/19 approved corporate plan that will cover the total cost of $60,360.

As required by the Ontario Pay Equity Legislation, our current Pay Equity Plan has also been updated.

Committee Action Required

None - for information purposes only.

Motion (if applicable)

N/A
The following organizations were surveyed to obtain the trend of base salary increases for 2018/19:

**Stakeholders**

- **City of Toronto** – COLA adjustments of 1.25% and merit increases ranging from 0% - 4.5%
- **Province of Ontario** – Information requested but to date we’ve received no response
- **Government of Canada** (Infrastructure) – Information requested but to date we’ve received no response

**Other Agencies**

- **Infrastructure Ontario** – Information requested but to date we’ve received no response
- **Metrolinx** – Information requested but to date we’ve received no response
- **Toronto Transit Commission** – Information requested but to date we’ve received no response
- **Toronto Global** (formerly Invest Toronto) – COLA adjustments of 2.5%
- **Toronto Community Housing Corp** – projected salary factory for 2018 is 2.5%

**Third Party Sources**

- **The Toronto Board of Trade** – projected for 2018 across all industries and all functions is 2.3%-2.5%
- **The Conference Board of Canada** – the average pay increase for non-unionized employees is projected to be 2.4%
- **Mercer** – projected increases in 2018 will be 2.4%
- **The Hay Group** – Canadians can expect to see average base salary increases of 3%
- **Morneau Shepell** – Canadian employer expect to raise wages by an average of 2.3% in 2018
- **Statistics Canada** - CPI as of February 2017 is 2.2%
- **4 Private Sector Companies** – Certain relevant private sector organizations have shared their salary data with Waterfront Toronto on a confidential basis which indicates salary increases in the range of 0% - 4.5%.
For reference purposes below is a historical summary of salary comparatives collected over the past five years that reflects WT’s mid-level salary merit adjustment in comparison to others:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>City of Toronto (based on calendar year)</td>
<td>0% - 3%</td>
<td>0% - 3%</td>
<td>COLA adjustments of 1.25% and merit increases ranging from 0% - 4.5%</td>
<td>COLA adjustments of 1.25% and merit increases ranging from 0% - 4.5%</td>
<td>COLA adjustments of 1.25% and merit increases ranging from 0% - 4.5%</td>
</tr>
<tr>
<td>Province of Ontario</td>
<td>Information requested but never received</td>
<td>Information requested but never received</td>
<td>COLA adjustments of 6.4% for all non-union staff to make up for salary bands being frozen at 2009 rates; No P4P merit increases awarded</td>
<td>COLA adjustments of 3.9% for all non-union staff and P4P merit increases ranging from 0% - 5%</td>
<td>Information requested but not received</td>
</tr>
<tr>
<td>Government of Canada</td>
<td>Information requested but never received</td>
<td>COLA amount was given as was P4P. At Director level &amp; above, no COLA just P4P. No % were confirmed</td>
<td>Information requested but never received</td>
<td>Information requested but never received</td>
<td>Information requested but not received</td>
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<tr>
<td>Other Agencies</td>
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<tr>
<td>Infrastructure Ontario</td>
<td>2% merit increases to earners under $100K &amp; no increases to earners over $100K</td>
<td>2% merit increases to earners under $100K &amp; no increases to earners over $100K</td>
<td>2% merit increases to earners under $100K &amp; no increases to earners over $100K</td>
<td>0% - 2.5% merit increases to earners below the SVP &amp; Executive level</td>
<td>Information requested but not received</td>
</tr>
<tr>
<td>Metrolinx</td>
<td>0% - 4.25%</td>
<td>0% - 4.25%</td>
<td>0%-2.5%</td>
<td>0%-5.5%</td>
<td>Information requested but not received</td>
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<tr>
<td>TTC</td>
<td>1%</td>
<td>1.5%</td>
<td>1.75%</td>
<td>1.75%</td>
<td>Information requested but not received</td>
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<tr>
<td>Toronto Global</td>
<td></td>
<td></td>
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<td>COLA 2.5%</td>
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<tr>
<td>TCHC</td>
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<td></td>
<td></td>
<td>2.5%</td>
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<tr>
<td>Third Party Sources</td>
<td></td>
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<tr>
<td>The Toronto Board of Trade</td>
<td>2.6%</td>
<td>2.5 %</td>
<td>2.3%</td>
<td>2.4%</td>
<td>2.3%-2.5%</td>
</tr>
<tr>
<td>Conference Board of Canada</td>
<td>2.9%</td>
<td>3.0%</td>
<td>2.5%</td>
<td>2.4%</td>
<td>2.4%</td>
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<tr>
<td>Mercer</td>
<td>3.1%</td>
<td>3.0%</td>
<td>2.8%</td>
<td>2.6%</td>
<td>2.4%</td>
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<tr>
<td>The Hay Group</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.4%</td>
<td>2.2%</td>
<td>3.0%</td>
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<tr>
<td>Morneau Shepell</td>
<td>2.6%</td>
<td>2.8%</td>
<td>2.5%</td>
<td>2.1%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Statistics Canada (CPI)</td>
<td></td>
<td></td>
<td>2.3%</td>
<td>2.1%</td>
<td>2.2%</td>
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<tr>
<td>4 Private Sector Companies</td>
<td>0%-3%</td>
<td>0%-3.2%</td>
<td>0%-3.5%</td>
<td>0%-3.8%</td>
<td>0% - 4.5%</td>
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<tr>
<td>WT (midpoint)**</td>
<td>1.75%</td>
<td>2%</td>
<td>2%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>WT range**</td>
<td>0% - 3.5%</td>
<td>0% - 4.25%</td>
<td>0% - 4.25%</td>
<td>0% - 4.5%</td>
<td>0% - 4.0%</td>
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</table>

*Salary comparative information is collected by Waterfront Toronto where publically available or by actual request.
**Adjustments for the Manager, Professional and Support Staff level.
In 2017/18 Waterfront Toronto initiated two legacy projects, undertook organizational changes, and realized its major corporate goals. These results happened as a result of extraordinary staff commitment and exceptional performance.

The combination of major projects -- Port Lands Flood Protection construction, the Quayside planning process, the inauguration of new internal systems and risk mitigation processes -- translated into higher than typical workloads for virtually everyone working at Waterfront Toronto. Staff have had to deliver on their day-to-day project responsibilities as well as undertake corporate-wide work, requiring evening resulting in extra requiring with additional work load, while we continue to increase staffing.

With few exceptions, staff have stepped up and delivered. The above average performance targets achieved in the 2017/18 Corporate Plan are testament to their performance this year.

The following is a summary of the 2017/18 PFS rating results for all staff:

**Executives & Directors (21 excluding CEO)**
- Exceeds Expectations (EE) Rating = 9
- Achieved Expectations Plus (AEP) Rating = 10
- Achieved All Expectations (AAE) Rating = 2
- Achieved Some Expectations (ASE) Rating = 0
- Expectations Not Achieved (ENA) Rating = 0

**Managers, Professional & Support Staff (31 staff):**
- Exceeds Expectations (EE) Rating = 6
- Achieved Expectations Plus (AEP) Rating = 14
- Achieved All Expectations (AAE) Rating = 7
- Achieved Some Expectations (ASE) Rating = 4
- Expectations Not Achieved (ENA) Rating = 0
We are proposing the following adjustments to base salary for the 2017/18 fiscal year (which are calculated according to inflation and a survey of salary increases for comparable organizations in the private and public sector):

Matrix for Executives and Directors

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Zone 1 (in progression)</th>
<th>Zone 2 (mid-point)</th>
<th>Zone 3 (above mid-point)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceeds Expectations (EE)</td>
<td>3.0%</td>
<td>2.75%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Achieved Expectations Plus (AEP)</td>
<td>2.75%</td>
<td>2.50%</td>
<td>2.25%</td>
</tr>
<tr>
<td>Achieved All Expectations (AAE)</td>
<td>2.50%</td>
<td>2.25%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Achieved Some Expectations (ASE)</td>
<td>1.25%</td>
<td>1.00%</td>
<td>0.75%</td>
</tr>
<tr>
<td>Expectations Not Achieved (ENA)</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Matrix for Managers, Professional and Support Staff

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Zone 1 (in progression)</th>
<th>Zone 2 (mid-point)</th>
<th>Zone 3 (above mid-point)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceeds Expectations (EE)</td>
<td>4.00%</td>
<td>3.75%</td>
<td>3.50%</td>
</tr>
<tr>
<td>Achieved Expectations Plus (AEP)</td>
<td>3.50%</td>
<td>3.25%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Achieved All Expectations (AAE)</td>
<td>2.75%</td>
<td>2.50%</td>
<td>2.25%</td>
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<tr>
<td>Achieved Some Expectations (ASE)</td>
<td>1.25%</td>
<td>1.00%</td>
<td>0.75%</td>
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<tr>
<td>Expectations Not Achieved (ENA)</td>
<td>0%</td>
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The recommended total compensation increases to base salaries for this year include:

- The benchmarking adjustments for fourteen staff total $60,360 which is 0.89% of the base payroll;
- The proposed PFS/salary adjustments total $170,763 which is 2.52% of payroll base;
- This results in a total salary adjustment of $231,123 which is 3.41% of the total base payroll of $6,783,541 for 60 eligible staff.

For the Executive and Director level, the mid-level salary merit adjustment is 2.25%.

For the Manager, Professional and Support Staff level, the mid-level salary merit adjustment is 2.5%.

These mid-point salary merit adjustments are in-line with one of our stakeholders, other public sector agencies and third party sources.
In previous years the CEO was provided a discretionary pool of funds to reward non-executive staff for extraordinary performance, according to a consensus evaluation by executives and directors.

Below find the information for previous years:

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Approved funds</th>
<th>Funds distributed</th>
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<tbody>
<tr>
<td>2004/2005</td>
<td>$5,000</td>
<td>$3,000</td>
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<tr>
<td>2005/2006</td>
<td>$10,000</td>
<td>$6,200</td>
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<tr>
<td>2006/2007</td>
<td>$21,000</td>
<td>$20,000</td>
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<tr>
<td>2007/2008</td>
<td>$20,000</td>
<td>$16,000</td>
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<tr>
<td>2008/2009</td>
<td>$15,000</td>
<td>$5,000</td>
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<tr>
<td>2009/2010</td>
<td>$15,000</td>
<td>$15,000</td>
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<tr>
<td>2010/2011</td>
<td>$6,000</td>
<td>$6,000</td>
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<tr>
<td>2011/2012</td>
<td>$15,000</td>
<td>$6,000</td>
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<tr>
<td>2012/2013</td>
<td>$10,000</td>
<td>$10,000</td>
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<td>2013/2014</td>
<td>$2,000</td>
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<td>2014/2015</td>
<td>$10,000</td>
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<td>2015/2016</td>
<td>$15,000</td>
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<td>2016/2017</td>
<td>$20,000</td>
<td>$20,000</td>
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This year the CEO is requesting $16,500.
A confidential report in accordance with By-Law No. 2, Section 6.1.1 (b) – Personal matters about an identifiable individual, including employees of the Corporation

The CEO will provide a confidential report regarding performance assessments for Executives for the period April 1, 2017 to March 31, 2018
A confidential report in accordance with By-Law No. 2, Section 6.1.1 (b) – Personal matters about an identifiable individual, including employees of the Corporation

A confidential report regarding the CEO’s performance assessments for the period April 1, 2017 to March 31, 2018 will be sent to the Chairs Committee members separately.
<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Item 11, Chairs Committee, June 14, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>For Committee approval and recommendation to the Board for approval. The <em>2017/18 Annual Report</em> is a key component of the Corporation’s Financial Planning and Reporting Framework. The purpose of the Annual Report is to provide a formal report back on the achievement of the previous year’s Corporate Plan, in this case the 2017/18 Corporate Plan Amendment (approved by the Board in September, 2017). The Corporation’s Annual Report is a companion document to the year-end financial statements, and both must be approved by the Board on/before June 30, 2018.</td>
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</table>
| Key Message | - 2017/18 Annual Report builds on the 2018/19 Corporate Plan’s visual foundations, and also weaves in language from the new narrative to express our vision of a vibrant and connected waterfront that belongs to everyone.  
- The Report is an important informational tool to tell our organizational story to potential partners and philanthropic organizations.  
- While we invested just under half of our Capital Investment Plan for the year, due to a variety of factors, much outside of our control ($76 million vs. plan of $162 million), we still achieved 76% of our key deliverables, and at the same time made significant progress in building our capacity as an organization.  
- The Finance, Audit and Risk Management (FARM) Committee reviewed and approved the 2017/18 Annual Report at their May 31, 2018 meeting subject to Chairs Committee approval of the non-financial sections.  
- Any material comments recommended by the FARM Committee have been reflected in the attached, updated version, where appropriate. |
| Areas of note/Key issues | The 2017/18 Annual Report is structured into three main sections:  
1. Vision and who we are;  
2. Project results; and  
3. Financial results.  
The appendices provide further details on specific deliverables (Appendix 1) as well as a reconciliation of our financial results to our audited financial statements (Appendix 2).  
The FARM Committee requested that the Chairs Committee review the non-financial sections of this report (sections 1 and 2) prior to it being presented to the Board for approval on June 28. |
| Expected Outcome | Chairs Committee approval of the non-financial sections 2017/18 Annual Report and recommendation for approval to the Board of Directors. |
| Key Takeaways/Next Step | The 2017/18 Annual Report will be presented by the Chairs and FARM Committee Chairs to the Board for approval on June 28, 2018. |
Waterfront Toronto came together in 2001 to tackle big issues along the waterfront that only powerful collaboration across all three orders of government could solve. So far we’ve transformed 2.5 million square feet of underused land into active, welcoming places that matter to Torontonians.

A midsummer edition of Movies on the Common, a free public screening series at Corktown Common. The centrepiece of the emerging West Don Lands neighbourhood, Corktown Common is a 7.3-hectare Waterfront Toronto park that quickly became a beloved local place after it opened in 2014.
Today, we’re creating a vibrant and connected waterfront that belongs to everyone. And we face one of the most exciting city-building opportunities on earth. The Port Lands are 400 hectares of land along Lake Ontario – the largest stretch of undeveloped downtown waterfront in North America, capable of becoming a thriving part of our city.

Building on a 15-year history of meaningful dialogue with residents, this year Waterfront Toronto launched a new public engagement strategy. We’re reaching out to residents in more ways than ever – including through pop-ups like this one: a Sugar Shack at Sugar Beach where we shared information (and snacks) and invited input on the Port Lands. More than 2,800 people shared their thoughts with us.
We want every Torontonian to play a part in shaping this future. When our work is done, we want the waterfront to be the city’s most beloved destination. We envision a place that pulses with life, nurtures our communities, and makes us proud to call Toronto home.

Matthew Progress, a Scarborough-based rapper and artist, performs at the February 2018 edition of Waterfront Toronto’s FUTURE CITIES series. The free public gathering, hosted in partnership with author and placemaker Jay Pitter (pictured on stage, third from right), focused on “Home, Not Housing.”
Surveying by the Keating Channel. This work is related to the Cherry Street lakefilling project, part of the $1.25 billion Port Lands flood protection initiative, which began in December 2017. See pages 26-31 for more on this transformative project.
VISION

This year we’ve forged innovative partnerships, consulted intensively with Torontonians, and broken ground on a transformative infrastructure project. At the heart of everything we do – this year and every year – is an unwavering commitment to the public good.
The Port Lands – an area the size of downtown, right next to downtown – is an urban transformation unlike any other in the world, and one of the largest infrastructure projects in the history of Toronto. The work we’re doing there today will unlock immense economic opportunity: we project that it will add $5.1 billion in value to the Canadian economy, create 51,900 full-time years of employment, and generate $1.9 billion in government revenue. It will also enable an array of other benefits – like new parkland and affordable housing.

Fully realized, this 900-acre sustainable redevelopment initiative will include new mixed-use neighbourhoods and an abundance of public amenities for everyone, including a continuous riverfront park system; a more complete and connected Martin Goodman Trail; and plenty of new places for people to interact with Lake Ontario. All while protecting downtown Toronto from the flooding risks it will increasingly face as extreme weather events become more frequent and more intense.

We only get one chance to reimagine and redevelop this land for everyone’s benefit. That’s why, entrusted by three levels of government as stewards of the waterfront, we’ve been working for a decade with engineers, climate experts, urban planners, conservationists, and local communities to make sure our plan is the right one for this generation and the next.

In 2017 the governments of Toronto, Ontario, and Canada issued a powerful endorsement of our Port Lands vision: a combined funding commitment of $1.25 billion. After much careful planning, Waterfront Toronto has revamped its project management systems and initiated a Capital Peer Review Panel to help us execute this ambitious project.

Also this year, we launched an unprecedented planning partnership with Sidewalk Labs to plan Quayside: a new neighbourhood on the Eastern Waterfront where forward-thinking urban design and new digital technology will combine to create an inclusive, liveable, sustainable, and economically vibrant community. As we explore this exciting opportunity, we’re listening closely to experts and the public on issues like data privacy and social inclusion. This year, we’ve hosted three live public consultations that have drawn hundreds of people, and our online engagement efforts have attracted thousands more substantive comments.

Other achievements: Toronto’s newest linear park The Bentway (see p. 42), welcomed visitors for the first time. And our West Don Lands district was one of only 13 projects around the world singled out by the Urban Land Institute for a Global Award for Excellence. Described as the “Nobel Prize” of urban development, this recognition is a testament to the quality of the work Waterfront Toronto has been doing since its founding more than 15 years ago.

With much great work coming to fruition, and our most ambitious project ever breaking ground, it’s been a momentous year for Toronto’s waterfront. But the most exciting news of all is that this is only the beginning.
Today, Waterfront Toronto is taking on projects of unprecedented scale and significance — notably the Port Lands and Quayside, but many others as well. The organization is building its capacity and growing its team to manage these complex projects, while meeting the expectations of our government, development and community partners. We are finding new ways of engaging residents in planning and providing new public spaces, New housing and living spaces. New walking, cycling and transit routes. New parks and recreational areas. New public art installations.

Waterfront Toronto’s success over the past 15 years has depended on a commitment to thoughtful community engagement, innovative design thinking, and a clear focus on the public good. These commitments will continue to serve us well in delivering on an even more ambitious mandate over the next decade. The organization is also prototyping new technologies to connect, online and in person, with partners and community members as projects evolve. At the same time, the organization is adopting new digital systems to support planning, management and analysis of the risks associated with these transformative initiatives.

To ensure that the best insights continue to inform our work, Waterfront Toronto has created two new independent advisory panels, both modeled on the success of the Design Review Panel. The Digital Strategy Advisory Panel will support a rigorous approach to data privacy and digital governance in creating a smart community at Quayside, and it will ensure that the public interest is at the heart of every decision. The Capital Peer Review Panel will support excellence in the planning and execution of complex infrastructure projects.

As we engage new leaders to help us realize Waterfront Toronto’s vision for tomorrow, we are grateful to those who have enabled our success through many years of dedicated service. On behalf of the board and the staff at Waterfront Toronto, I extend heartfelt thanks to Ross McGregor, who stepped down from our board after serving with distinction since 2004. Ross is a true city-builder, whose commitment to Waterfront Toronto’s public mission and to the betterment of this city is respected and shared by all of us.

Speaking of city-builders, I want to thank all my board colleagues for their vision, their insights, their hard work and their vigilance in supporting the ground-breaking work of Waterfront Toronto. They are a remarkable group of global citizens and urban leaders whose expertise in a range of fields — from real estate to sustainable development to public service to higher education — is highly valued and deeply appreciated.

I look forward to working with our board, with our visionary CEO Will Fleissig and his very talented Waterfront Toronto team, and with our many shareholders and stakeholders to continue creating a vibrant waterfront that works for everyone and showcases the best of Toronto to the rest of the world.

Helen Burstyn, Board Chair
Who we are

Waterfront Toronto is working to create a vibrant, connected waterfront that belongs to everyone. As city-builders, we care about creating neighbourhoods, parks, destinations, and infrastructure that make people’s lives better.

Mandate

Our organization was established in 2001 by the Government of Canada, the Province of Ontario, and the City of Toronto to unlock the social and economic potential of the waterfront. Our mandate has been to apply best practices in urban revitalization — from new technology and infrastructure to leading strategies in design and sustainable development — to over 800 hectares of underutilized land along Lake Ontario.

Record

So far, we’ve led or catalyzed 2.5 million square feet of development along the waterfront, adding affordable housing, commercial space, aquatic habitat, critical infrastructure, and beloved public spaces. Our projects have included the West Don Lands, Corktown Common, Underpass Park, Sugar Beach, Sherbourne Common, Queens Quay, the Port Lands, Jack Layton Ferry Terminal, and The Bentway.

Strategic Initiatives:
Leading on urban innovation

Toronto’s waterfront isn’t just an area with untapped potential for development. It’s one of the most exciting city-building opportunities on earth: a place where promising ideas for affordability, liveability, and sustainability can be tested, refined, showcased, and scaled.

This year, Waterfront Toronto will continue to advance strategic initiatives that explore the potential of our waterfront to not only enhance life in Toronto, but to contribute to the urgent global conversation about how to create better cities.

We’re part of a worldwide community of practice that’s using design, technology, and sustainability principles to support dense, vibrant urban communities that are as friendly to people as they are to the planet.

Sustainability. We’re working with partners like C40 Cities to craft plans to reduce our greenhouse gas emissions to less than zero, and to strengthen our green building requirements.

Connectivity. We’re working with Beanfield Metroconnect to expand public Wi-Fi across more public spaces and facilities along the waterfront.

Affordability. We’re looking at a range of financing, partnership, and development models that could create more affordable housing, faster.

Innovation. We’re working with partners to create an urban innovation lab on the Quayside site, so the area can serve as an interim hub for city-building collaboration even as Torontonians engage in dialogue about what the area should eventually become.

Areas of focus

To create a waterfront that supports the outcomes that matter to Canadians, we’re thinking and building at the intersections of innovation and job creation, city-building, and the public good.

- The Future
- Technology
- Climate Change
- Partnerships
- Mobility
- Infrastructure
- Transit
- Quality of Life & Well Being
- Affordability & Jobs
- Culture of Caring
- Accessibility
- Complete Communities
- Engagement

Public Good

Innovation & Job Creation

City-Building

• Design Excellence
• Creative Placemaking
• Urbanism
• Sustainability
• Public Realm
• Citizen-led Spaces
Our board

Waterfront Toronto’s Board of Directors is made up of 12 members, including a chair, jointly appointed by the three orders of government. Our directors are highly engaged in the corporation’s activities and ensure that our mandate is delivered in an accountable and transparent manner.

Helen Burstyn
Chair of the Board of Directors
Appointed by the Province of Ontario from February 24, 2016 to February 24, 2019
Designated as Chair of the Board of Directors on January 1, 2017

Mohamed Dhanani
Special Advisor to the President, Ryerson University
Appointed by the City of Toronto from April 1, 2016 to March 31, 2019

Stephen Diamond
President and CEO, DiamondCorp
Appointed by the City of Toronto from April 1, 2016 to March 31, 2019

Meric Gertler
President, University of Toronto
Appointed by the Province of Ontario from November 16, 2016 to November 15, 2019

Susie Henderson
President, Balance Infrastructure & Investments Inc.
Appointed by the City of Toronto from April 1, 2016 to March 31, 2019

Julie Di Lorenzo
President, Diamante Urban Corp
Appointed by the Province of Ontario from November 4, 2015 to November 4, 2018

Ross McGregor
Former President & CEO, Toronto Region Research Alliance
Appointed by the Province of Ontario from June 16, 2016 to February 28, 2018

Denzil Minnan-Wong
Deputy Mayor for the City of Toronto City Councilor for Ward 34, Don Valley East
Appointed by the City of Toronto from December 2, 2014 to November 30, 2018

Mazyar Mortazavi
President & CEO, TAS
Appointed by the Government of Canada from January 1, 2017 to December 31, 2019

Michael Nobrega
Former President and CEO, OMERS Administration Corporation
Appointed by the Province of Ontario from April 10, 2018 to April 9, 2021

Sevaun Palvetzian
CEO, CivicAction
Appointed by the Government of Canada from December 1, 2016 to November 30, 2019

Janet Rieksts-Alderman
Managing Director, BRG’s Global Capital Projects
Appointed by the Government of Canada from December 1, 2016 to November 30, 2019

Jeanhy Shim
President and Founder, Housing Lab Toronto
Appointed by the Government of Canada from June 7, 2017 to June 6, 2020

Committees and panels

In 2017/18 we restructured our oversight and advisory bodies to optimize them for the work Waterfront Toronto is doing today. We streamlined our Board committees, enabling them to sharpen their focus on key areas like risk management and partnerships. We also created new expert advisory entities in areas critical to our current projects, such as data governance and the delivery of complex infrastructure.
From parks to pathways to entire neighbourhoods, we have a record of making outstanding contributions to our city’s built environment. We care so much about great physical places because we believe in their power to move the dial on the issues that matter most – like affordability, sustainability, and quality of life for all Torontonians.
Public Places

The Port Lands Quayside
An innovative neighbourhood where Toronto has an opportunity to set new precedents in affordability, sustainability, mobility, and prosperity.

An area as big as downtown available for innovative, sustainable development. We’re making it usable by undertaking large-scale flood protection work.

Our projects

The Port Lands p.26
Complete Communities p.32
Quayside p.36
Public Places p.40
Eastern Waterfront Transit p.44

We’re planning and partnering to ensure that new neighbourhoods along the waterfront are liveable places that work for people and enhance the city.

An innovative neighbourhood where Toronto has an opportunity to set new precedents in affordability, sustainability, mobility, and prosperity.

We’ve already helped to create more than 90 acres of new parks and public spaces by the lake. This year, there will be even more great places to gather.

Better waterfront transit service is coming. Momentum is gathering for improved mobility along the lakeshore — from Woodbine Avenue in Scarborough to Etobicoke.
# What we achieved in 2017/18

This year we set out to achieve 25 deliverables in seven areas of work: our five waterfront projects and two areas that support our ability to deliver results. Overall, we achieved 19 of our 25 planned deliverables (76%). This page presents a summary of the year. More detail is available in Appendix 1.

| Port Lands | 1. Complete foundational work: planning, schematic designs, soil testing  
|           | 2. Start construction and earthmoving: perimeter berm, lakefilling |
| Quayside  | 3. Select innovation and funding partner following RFP process, and conclude framework agreement |
| Complete Communities | 4. Bayside Phase 1 – parks and electrical  
|           | 5. Bayside Phase 2 – plans, parks, dockwall, environmental  
|           | 6. Start building and equipping the Stormwater Management Facility  
|           | 7. Queens Quay East and Parliament Street realignment – acquire land, commence design  
|           | 8. Coordinate with Toronto Hydro to bury power lines in Queens Quay revitalization area  
|           | 9. Complete two-stage process re environmental assessment for Broadview and Eastern Ave. flood protection (partially delivered: stage one complete)  
|           | 10. Complete Villiers Island Precinct Plan and Port Lands Planning Framework  
|           | 11. Complete Public Realm Plan for Lower Yonge  
|           | 12. Conclude development agreement with The Rekai Centres for a new long-term care centre in the West Don Lands |
| Public Places | 13. Complete the first phase of The Bentway, including skating trail and gardens  
|           | 14. Complete entrance plaza to Jack Layton Ferry Terminal  
|           | 15. Launch International Innovative Design Competition for new parks (York St., Rees St.) |
| Eastern Waterfront Transit | 16. Submit Transit Reset Report and study of Union Station-Queens Quay connection options to Toronto City Council |
| Strategic Initiatives | 17. Complete public engagement strategy  
|           | 18. Streamline working relationship with our government partners  
|           | 19. Begin development of corporate philanthropy approach, with City Partnership Office  
|           | 20. Advance portfolio of Innovation and Sustainability projects  
| Core Support Functions | 22. Implement new strategic vision and organizational resiliency plan  
|           | 23. Introduce flexible project delivery approach  
|           | 24. Implement new cloud-based Enterprise Resource Planning (ERP) system  
|           | 25. Make capital investments in communication technology and office space |

## Delivered

We had to adjust our timing, at the request of one or more of our partners, in order to align with their construction schedules. Lake or weather conditions slowed our progress. Although we met our goals, some work was deferred to the next fiscal year as we adapted to new government funding schedules. We chose to change our approach for a specific reason (see Appendix 1).
The Port Lands

The Port Lands is an extraordinary opportunity. It’s a 400-hectare parcel of prime waterfront land: an area as big as downtown, right next to downtown, available for innovative, sustainable development. In the years ahead, it can be home to parks and green spaces, mixed income housing, businesses, and amenities—all in the heart of the city.

Currently, a large swath of the Port Lands—about 290 hectares, including parts of Riverside, Leslieville, and the First Gulf/Unilever development site—is at risk of flooding and can’t be developed until this risk is addressed.

In June of 2017, the municipal, provincial, and federal governments affirmed a commitment that city-builders hailed as a game-changer: a $1.25 billion investment in flood protection work over the next seven years to unlock the potential of this prime land. In addition to bringing new life to a long-neglected area in southeast Toronto, this public investment in flood protection is expected to add $5.1 billion in value to the Canadian economy, create 51,900 full-time years of employment, and generate $1.9 billion in government revenue.

Waterfront Toronto is proud to be working with a dedicated coalition of partners to achieve this extraordinary transformation:

The Government of Canada / The Province of Ontario
The City of Toronto / Toronto and Region Conservation
CreateTO / Ports Toronto

In December 2017, we began lakefilling operations that will form the foundation of Promontory Park at the western edge of Villiers Island.
A network of connected parks will take shape over the next several years in the new Don River valley and flood plain. Designed by Michael Van Valkenburgh Associates, the parks will offer local residents and visitors a diverse and accessible range of activities, while enhancing ecosystems and supporting flood protection for 290 hectares of surrounding land.
The Port Lands

In 2017/18, after all three orders of government affirmed their commitment to investing in the flood protection and infrastructure work that will revitalize a substantial part of the city, Waterfront Toronto got to work.

This year we’ve:

- Embarked on one of the most ambitious engineering projects ever undertaken in Toronto. After a decade of planning, we’ve begun the lakefilling operations that will create the foundation of Promontory Park North on Villiers Island. The reconfiguration of the land mass that will become Villiers Island when the mouth of the Don is eventually naturalized to its original location is central to our flood protection work.
- Undertaken field testing of soil remediation technologies for land contaminated by past industrial use. This work began in the fall of 2017 and was completed in March 2018.
- Met numerous planning and design targets, including the development of a complete-community plan for the neighbourhood that will eventually exist on Villiers Island. We also began the designs for the streets, bridges, parks, and flood protection infrastructure that will serve the new island and connect it to the mainland.

Actual 2017/18 investment $31.1 million
Unspent $28.9 million

The completion of the Port Lands project is expected to take seven years, and to harness a total combined investment of $1.25 billion.

We spent $28.9 million less this year than we’d planned because altered government funding schedules and unfavourable lake conditions both necessitated adjustments in our work schedule. More detail is available on pages 52-59 of this report, and at PortLandsTO.ca.

What’s next

Future

Over the next year, we’ll continue to execute the detailed design work for bridges, roads, parks, and flood protection infrastructure. We’ll also start digging the new mouth of the Don River, which will create Villiers Island.

“The investments in flood mitigation will help make this community safer for residents and stronger for economic growth.”

The Insurance Bureau of Canada, on the Port Lands flood protection project
Complete Communities

Holistic planning for thriving neighbourhoods

Through careful planning and smart partnerships, we’re helping Toronto make the most of the large parcels of land available for development along the waterfront — ensuring that they become liveable communities that work for people and enhance the city.

Neighbourhoods that let residents work, play, shop, and access services close to home are good for people, economies, and the planet. They foster social ties, cut carbon emissions from vehicles, and let people spend less time commuting and more time being productive and doing the things they love. In the lands along Toronto’s waterfront, we’re planning connected communities that are good at meeting residents’ needs — and we’re working with developers, businesses, community agencies, and governments to bring them to life. In addition to housing and commercial space, these areas will have services like child care and elder supports, and offer good transportation links to the rest of the city.

In the foreground: East Bayfront, part of the new Bayside neighbourhood master planned by Waterfront Toronto, and the Water’s Edge Promenade, a generous public walkway by the lake. (Image courtesy of Hines Canada and Tridel.)
Complete Communities

Waterfront Toronto works with a wide range of partners—developers and businesses, utilities, transit authorities, governments, and community groups—to plan neighbourhoods that have everything they need to thrive economically and socially, and to enhance the overall fabric of the city.

This year we’ve:

- Developed a public realm plan for the Lower Yonge Precinct, the nine-hectare area bounded by Yonge Street and Lower Jarvis Street, Lakeshore Boulevard and Queens Quay East. The plan sets out a detailed vision for the materials and design approaches to be used in the area, to ensure they meet high standards of quality and fit into the surrounding waterfront landscape.
- Completed the first part of a two-stage process in support of flood protection at Broadview and Eastern Avenue. In 2017/18 we focused on due diligence: exploring and costing the flood protection options for the area where Eastern Avenue passes under the CN Rail line. In 2018/19 we expect to proceed with an environmental assessment of the preferred option, determined in collaboration with the City of Toronto and Toronto and Region Conservation.
- Completed progress on Bayside, a 13-acre mixed-use community that’s set to become a magnet for new employment opportunities and housing options. In September 2017, Bayside received its first residents as people moved into the Aqualina development at Queens Quay and Lower Jarvis. More activity is coming soon; this year Waterfront Toronto, as master developer of the area, executed a number of important steps on planning, funding, and approvals along with our development partners Hines Canada and Tridel, Toronto Hydro, and the City.
- Completed a precinct plan for Villiers Island, ensuring that the new, climate-positive neighbourhood being created near the mouth of the Don will have the right mix of supports and amenities—from workplaces and housing to parks and transit links.

We were unable to proceed with some of our work due to factors such as adverse weather conditions, changes in the timing of municipal infrastructure work, and changes in the schedules of our development partners. We also chose to defer a land acquisition to avoid a premature purchase, because the broader project schedule had changed.

Actual 2017/18 investment $13.0 million Unspent $54.7 million

The story so far

History
Unlike much of Toronto, the waterfront still has large parcels of land available for revitalization. These areas have been underutilized, often due to contamination from past industrial use. It’s rare for a big city like Toronto to have opportunities to develop large areas so close to downtown, as opposed to building infill. Making the best possible use of these waterfront parcels is vital to our city’s future.

What’s next

Future
Some of our planned work this year was slowed by weather and water conditions. We’re working to conclude those initiatives as soon as possible in 2018/19: they include public streets in Bayside, the Water’s Edge Promenade, dockwall work in and around the Parliament Slip, and other public realm elements.

Global award

The West Don Lands is Toronto urbanism at its best. Its evolution is a global showcase of city building that confirms our city’s reputation as a place that’s for and about the people it serves.”

Richard Joy, Executive Director, Urban Lands Institute Toronto
Quayside

A new kind of neighbourhood, harnessing innovation and technology for the public good

We’re working with Torontonians and Canadians to imagine and build a neighbourhood that will combine forward-thinking, people-centred urban design and advanced digital technology to achieve new levels of sustainability, affordability, mobility, and economic opportunity.

As a partnership of three orders of government, Waterfront Toronto acts on behalf of the public. We’re collaborating with Sidewalk Labs, through a joint effort called Sidewalk Toronto, to envision precedent-setting approaches to building sustainable, inclusive, and prosperous communities. Building on the strength of Toronto’s already-thriving tech sector, we’re also working to create a global hub for a new industry focused on urban innovation — an emerging field that’s capable of developing smart, scalable ideas to improve the quality of city life not only in communities across Toronto but in urban centres around the world. As we collaborate with Sidewalk Labs, we remain guided by and committed to the partners and stakeholders at the heart of everything we do: Torontonians and all Canadians.

Quayside has the potential to reveal promising directions for 21st century urban development. We’re inviting Torontonians to help us imagine a community that combines new technology with the best insights from past experience — drawn from thriving cities around the world, and from beloved neighbourhoods here in Toronto.

After announcing Sidewalk Labs as our innovation and funding partner on Quayside, we embarked on an extensive public engagement program — and participation has been strong. Our first major roundtable in March 2018 (pictured) drew more than 800 people in person and more than 3,300 online via livestream.
Quayside

In October 2017, after a six-month competitive procurement process, Waterfront Toronto selected Sidewalk Labs as our innovation and funding partner for the development of Quayside. After we announced our intention to plan and develop a new kind of neighbourhood, Torontonians understandably had questions about what this neighbourhood might look like and how it might function. The answer is that the possibilities remain open – and we want help shaping the vision for Quayside. That’s why our work this year has focused heavily on gathering questions, inviting input, and building advisory capacity.

What happened this year:

- We selected Sidewalk Labs as our innovation and funding partner after they presented the most visionary response to a request for proposals we issued last year.
- Soon after announcing the partnership, we hosted a Community Town Hall to share the Quayside story so far. The questions and comments we heard informed our Public Engagement Plan.
- The Public Engagement Plan was launched in February 2018; it’s available for download from the Sidewalk Toronto site.
- Public meetings are one part of our engagement program.
- Some are small and local: we’ve attended meetings of neighbourhood associations adjacent to Quayside to offer information and answer questions about the partnership and the project. We’ll continue to attend these meetings to offer updates and hear feedback, and we’ll attend meetings with other groups across the city.
- Our larger-scale roundtable events are intended to provide updates and invite feedback at specific milestones. The first happened in March 2018, drawing more than 800 people in person and more than 3,300 online via livestream.
- We began hosting public talks on urban issues by local and international experts. These talks don’t focus on Quayside itself; they’re invitations to discuss and learn about big ideas cities are debating right now. The first event in our series focused on complete streets (March 2018); a talk on housing affordability followed in April.

sidewalktoronto.ca

Digital strategy

Prioritizing the Public Interest

In 2017/18 we crafted the mandate for a Digital Strategy Advisory Panel. Announced in April 2018, the Panel is an arm’s-length entity tasked with providing Waterfront Toronto with objective, expert advice on the responsible use of data and technology across all waterfront projects, including Quayside. It will provide insight on ethics, accountability, transparency, protection of personal privacy, data governance, and cyber security. Its proceedings will be open to the public.

The story so far

History

Quayside is a specific area of land largely owned by Waterfront Toronto and the City of Toronto, and located in a historically underutilized area near the foot of Parliament Street. Quayside has also become shorthand for a developing vision for the area, and an associated implementation plan.

Last year, Waterfront Toronto called for innovative ideas about how to plan, fund, and build a new kind of complete community by the lake. We invited proposals that would support mobility, inclusion, affordability, prosperity, sustainability, liveability, and great design. Sidewalk Labs made the most compelling proposal, and we’ve agreed to start exploring the future of Quayside in greater detail together – in consultation with Torontonians.

Future

In the immediate term, our current public engagement activities will continue and some new ones will begin, such as design jams and pop-ups. The work of the new Digital Strategy Advisory Panel, (see top of this page), will begin in earnest.

We’ll also continue working with our innovation and funding partner Sidewalk Labs to further formalize our relationship and to lay the foundations of a master innovation and development plan. The Framework Agreement we announced in November 2017 lays out guiding principles for our partnership. In 2018/19 we’ll be working toward agreements to define more of the specifics of our work together and what it will achieve. We designed this incremental planning and partnership process because, in view of the complexity of the project, we wanted to maximize opportunities for discussion, input, and adjustments to protect and advance the public interest.
Public Places

A network of inviting parks, pathways, and facilities — all connected by a growing web of transportation links

From green spaces and promenades to major facilities like the Jack Layton Ferry Terminal, we’re creating a waterfront whose friendly and interconnected spaces make it easier to move along the lakeshore — and more fun to stroll and explore.

Working with design experts and community organizations, we’re developing playgrounds, marine infrastructure, and other public facilities that respond to local needs while enhancing the wider urban landscape. We believe the network of spaces by the water will serve the public best if they’re functional, beautiful, and connected. That’s why in addition to creating places that are a joy to spend time in, we’re maximizing opportunities for active movement, incorporating transit and bike-shares, and building better links between land and water transportation. We’re also holding design and public art competitions that draw out the most compelling visions for gathering places along the entire length of the waterfront.

The splashpad at Corktown Common. While kids play the park is hard at work; it sits atop a berm that protects the area from flooding. Stormwater is cleaned in the wetland, and used to water the park’s vegetation. The water kids play in is potable Toronto H2O; after the fun it drains into the park’s irrigation system.
Public Places

Welcoming public places are essential to a vibrant waterfront that belongs to everyone. We’re creating an interconnected series of parks, pathways, and facilities that stretch across the entire length of Toronto’s lakeshore — inviting people toward the lake, from the water’s edge into the city, and around the next bend.

This year we’ve:

• Completed the first phase of construction on The Bentway. In January, an opening party for the new skating trail drew plenty of skaters despite frigid temperatures. Our work on The Bentway this year also saw the creation of Shingle Beach, a new Shoreline Garden, and the development of The Bentway’s interface with Fort York.
• Launched innovative international design competition for two new parks — York Street and Rees Street — in a bustling area. The competition, announced in February 2018, invited ideas for facilitating diverse activities, enhancing the parks’ presence as gateways to and from the lake, and creating unique opportunities for cultural programming and public art.
• Made progress on the entrance plaza to the Jack Layton Ferry Terminal, which includes landscaping, play equipment, and the extension of the Queens Quay pedestrian promenade from Bay Street to the docks. Our work on the Jack Layton Ferry Terminal entrance had to pause to avoid disrupting summer ferry service. It will resume in the fall of 2018.

What’s next

The story so far

History
Since 2001, we’ve helped to transform 90 acres of waterfront land from empty, underutilized space into vibrant public gathering places — like Sherbourne Common, Underpass Park, Corktown Common, and the revitalized Queens Quay — that attract and connect Torontonians, and warmly welcome visitors from across Canada and around the world.

Future
New public places across the waterfront will continue to enhance the life of our city the years ahead. Detailed proposals for York and Rees Parks are expected in 2018/19. The Bentway is moving into its next phase of development, with amenities and programming extending eastward toward Spadina. And the public realm plans developed this year for areas like Villiers Island, Promontory Park, and the Don River Mouth will come into clearer focus — with park designs and public art projects getting underway.

“The Bentway skating trail] has really captured people’s imagination; they’re beginning to [ask]: ‘What’s next?’”

Julian Sleath, CEO of The Bentway, on public excitement about the possibilities for new public places under the Gardiner Expressway

Actual 2017/18 investment $19.9 million
Unspent $2.1 million
Fuelling waterfront revitalization with reliable, convenient transportation

To support a vibrant urban waterfront, we’re working with partners to make it easier to get down to the water’s edge and easier to move along the lakeshore — from the Eastern Waterfront (Woodbine Avenue) to Etobicoke.

Better waterfront transit service is coming, and we’ve laid some important groundwork for it over the last several years. We’ve completed environmental assessments for transit to East Bayfront, the West Don Lands, and the Port Lands. More recently, we’ve been working with the City of Toronto and other partners to develop plans for a waterfront transit network that will meet the needs of growing neighbourhoods, commercial areas, and employment clusters right across the city’s lakeshore. Transit planning is never simple. But we believe progress on waterfront transit is set to accelerate because so many stakeholders now share a strong commitment to finalizing and executing an effective strategy for improving access and mobility along the lake.

Eastern Waterfront Transit

People on the move along the revitalized Queens Quay. This year, Waterfront Toronto partnered with the City of Toronto and the TTC to crystallize the vision for an effective transit network along the waterfront.
Eastern Waterfront Transit

Great transportation along the lake is essential to successful waterfront redevelopment. Accessible, reliable public transit will drive commercial activity and job creation; fuel the growth and vibrancy of new neighbourhoods; and knit the waterfront into the life of the city. Waterfront Toronto was active on the transit file in 2017/18.

- In 2017, we were part of a collaboration with the City of Toronto and the Toronto Transit Commission (TTC) to develop an integrated transit strategy along the lake. The Waterfront Transit Network Plan proposed a waterfront-wide network running from Scarborough to Etobicoke, and serving new waterfront neighbourhoods — like Bayside and the West Don Lands — in the centre of the city. Toronto City Council approved the proposal in January 2018, incorporating it into the Official Plan Review of Transportation and Transit policies.

- A vital link in any waterfront transit network will connect Union Station — Canada’s busiest public transportation hub — with the heart of the downtown waterfront at Queens Quay. In 2017/18 Waterfront Toronto and its partners at the TTC and the City presented Council with three options for this link, and a related light rail connection along Queens Quay East. Council accepted this menu of options and called for a focused feasibility study of two of the three options: light rail and an automated funicular (a cable-drawn vehicle), both of which would operate below grade.

The story so far

History
For most of the last century, the waterfront was underutilized and demand for transportation options along the lake was relatively low. More recently, the area has been changing — and transportation planners have been crafting solutions to enhance movement to and from this increasingly vibrant part of our city. In 2016, City of Toronto staff and others took stock of existing plans and studies, seeking to identify and integrate the best ideas. Over the past year, Waterfront Toronto has partnered to create a clear, workable vision for waterfront transit — and in the years ahead we’ll be working to realize that vision.
This year we launched two new projects that are unprecedented in their scale and ambition. We’re evolving our capabilities—with an emphasis on technology, project execution, and risk management—to ensure that we’re positioned for resilience, accountability, and success.
Building our capacity to deliver

Waterfront Toronto is taking on new projects that are unprecedented in their scale and complexity — and also unprecedented in the value they’re expected to create for Toronto, Ontario, and Canada. The Port Lands flood protection project is one of the most ambitious infrastructure initiatives ever undertaken in Toronto. Quayside is an urban innovation project unlike any other in the world.

As the scope of our work expands, we’re building our capabilities accordingly. The goal is to bring the same levels of transparency, accountability, fiscal prudence and design excellence that have defined our approach over the past 15 years — and earned us a reputation as leading city-builders with an unwavering commitment to the public good. In 2017/18 Waterfront Toronto made investments in a number of key areas to ensure that we have the people, skills, processes, and tools we need to deliver extraordinary outcomes on the transformative projects now getting underway.

Risk Management
We’ve strengthened our risk management capabilities, addressing risks to our own enterprise and to the large-scale capital projects we’re responsible for delivering. New governance and oversight mechanisms, a unified internal Project Management Office, and a new platform for enhanced real-time project monitoring are all part of our approach.

Skills & Capacity
This year we strategically built out our team, engaging a mix of full-time, part-time, and contract staff, as well as an outsourced program manager role. Our goal is to ensure that we have the knowledge and experience to manage the demanding projects we’re now executing, as well as the flexibility to adapt to evolving needs.

Expert Insights
Two new external advisory bodies — the Capital Peer Review Panel for the Port Lands, and the Digital Strategy Advisory Panel for Quayside — will ensure that our two most ambitious projects are guided by field-leading experts and aligned with best practices.

Technology & Workspace
To empower our team to do their best work, this year we’re adopting more effective technology in areas like financial management and oversight. To accommodate our new team members and enable more effective collaboration, we completed a modest expansion of our workspace and developed a reconfiguration plan that we’ll carry out in 2018/19.

The following financial results are most informative if read in conjunction with Waterfront Toronto’s March 31, 2018 year-end audited financial statements, available at www.waterfronttoronto.ca
**A. Capital investments**

In September 2017, Waterfront Toronto’s Board of Directors approved $162.3 million in capital investment for fiscal 2017/2018.*

This investment was directed primarily toward our capital initiatives as outlined in the Projects section of this report (pp. 20 to 47). Some funding was also allocated to strategic initiatives such as partnerships and community engagement, and to enhancing Waterfront Toronto’s resiliency.

Our actual capital spending in 2017/18 was $75.9 million†, 47% of the planned total. The Deliverables Overview on pages 24 and 25 summarizes the results this spending achieved, as well as areas in which investments and deliverables were deferred.

Most of the variance of $86.4 million was caused by factors outside our control, such as adverse weather conditions, changes in the timing of municipal infrastructure work, or changes in the schedules of our development partners. Two factors resulted in $29 million in deferred investment on the Port Lands Flood Protection project: altered government funding schedules and unfavourable lake conditions both necessitated adjustments in our work schedule. Environmental conditions (including high water tables and a severe winter) also affected our public realm work for Bayside; this planned work — and the associated investment of $25 million — will proceed in 2018/19. We paused design work on the Stormwater Management Facility to ensure that our eventual plan is compatible with the City of Toronto’s planned realignment of the Gardiner Expressway. As a result, $9 million of construction work planned for 2017/18 was shifted into 2018/19.

These changes in the timing of our investments have not affected overall project budgets, and the schedule changes will not negatively affect the public.

* In September we adopted an amendment to our original 2017/18 Corporate Plan, which had been approved by the Board in December 2016. The Corporate Plan Amendment was a response to significant changes in our resources and responsibilities, resulting from the confirmation of major government funding commitments to the Port Lands. Both the original Corporate Plan (December 2016) and the Corporate Plan Amendment (September 2017) comprised the period from April 1st, 2017 through March 31st, 2018, the period covered by this Annual Report.

† More information about Waterfront Toronto’s capital investments as reflected in our audited financial statements is available in Appendix 2. Our complete audited financial statements are available online at www.waterfronttoronto.ca

**B. Capital funding**

Waterfront Toronto realized $64.0 million* (72%) of the $88.5 million our Corporate Plan anticipated.

Of the $64 million in revenue we realized in 2017/2018, 75% came from governments. Government contributions represented a larger share of our funding in 2017/18 than in previous years because all three levels of government made substantial commitments to the Port Lands: in total, the governments of Toronto, Ontario, and Canada have agreed to invest $1.25 billion over the next seven years in flood protection and enabling infrastructure in the area.

The 25% of our funding that did not come from governments in 2017/18 was collected through land or transaction sale revenues in East Bayfront (9%), philanthropic contributions toward The Bentway (5%), and other revenue streams such as cost recovery agreements, interest and property revenues (11%). Our funding mix was largely consistent with the Corporate Plan, although the revenues we realized from government were moderately lower than our Plan had anticipated. Some aspects of the Port Lands work were deferred as governments adjusted their funding schedules. We had also expected to borrow up to $18 million in 2017/18 largely for a planned land acquisition; this was deferred to avoid a premature purchase because the construction schedule for the area had changed.

More information about Waterfront Toronto’s capital funding as reflected in our audited financial statements is available in Appendix 2. Our complete audited financial statements are available online at www.waterfronttoronto.ca
C. Corporate operating costs

Waterfront Toronto is now executing projects that are unprecedented in their scale and complexity. So over the past year we’ve added staff in key areas to ensure that we have the capacity and the right mix of skills to deliver on our major initiatives, including the Port Lands and Quayside.

Our actual corporate operating costs for 2017/18 were $1.0 million (7.2%) lower than the approved operating budget, mainly because we experienced some hiring delays as we sought people with the right capabilities to advance our key projects. We expected to fill a total of 16 positions (11 full-time and five short-term) in fiscal 2017/18, but four remained open at year end.

Corporate operating costs are reflected in Note 14 of Waterfront Toronto’s March 31, 2018 audited financial statements (Expenses by Precinct and Function), and are made up of Project Management — salaries, fees and benefits of $5.6 million – as well as general expenses of $7.4 million, for a total of $13.0 million.

<table>
<thead>
<tr>
<th></th>
<th>2017/18 Approved Budget</th>
<th>2017/18 Actual Cost</th>
<th>Variance ($)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Office Administration</td>
<td>$ 1.4</td>
<td>$ 1.5</td>
<td>(0.1)*</td>
<td>(7.2%)*</td>
</tr>
<tr>
<td>Information Technology</td>
<td>0.7</td>
<td>0.6</td>
<td>0.1</td>
<td>14.3%</td>
</tr>
<tr>
<td>Public Engagement and Communications</td>
<td>0.6</td>
<td>0.6</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Human Resources (HR)</td>
<td>11.2</td>
<td>10.2</td>
<td>1.0</td>
<td>8.9%</td>
</tr>
<tr>
<td>Total Operating Budget</td>
<td>$ 13.9</td>
<td>$ 12.9</td>
<td>$ 1.0</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

Figures are in $ millions

In 2017/18, Waterfront Toronto scaled up its capacity in key areas – technology, infrastructure, space, and facilities — to support the successful execution of our ambitious new projects. In addition to simply replacing digital systems that had reached the end of their lives, we added 1,600 square feet of office space to accommodate new team members and additional meeting and collaboration space.

Our actual spending on corporate capital fell short of the approved budget by $0.9 million (43%). We still intend to devote these funds to upgrading our collaboration spaces – both physically and in terms of their digital connectivity and audiovisual capabilities. We deferred this work to 2018/19 to ensure that the design of the improved meeting rooms will be effectively integrated with the overall office space reconfiguration project planned for 2018/19.

Corporate capital costs are reflected in Note 7 of our March 31, 2018 audited financial statements (Capital Assets).

<table>
<thead>
<tr>
<th></th>
<th>2017/18 Approved Budget</th>
<th>2017/18 Actual Cost</th>
<th>Variance ($)</th>
<th>Variance (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Infrastructure</td>
<td>$ 1.3</td>
<td>$ 0.9</td>
<td>$ 0.4</td>
<td>30.8%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>0.8</td>
<td>0.3</td>
<td>0.5</td>
<td>62.5%</td>
</tr>
<tr>
<td>Total Capital Budget</td>
<td>$ 2.1</td>
<td>$ 1.2</td>
<td>$ 0.9</td>
<td>42.9%</td>
</tr>
</tbody>
</table>

Figures are in $ millions

Parentheses indicate unfavourable variance: spending in excess of approved budget.
E. Risk Management

Waterfront Toronto is committed to managing its entire portfolio of projects — and the public investments that make them possible — with excellence and accountability.

This year, we’ve enhanced our governance framework to improve the anticipation, monitoring, and mitigation of risks associated with our work. Our new framework applies the widely used “three lines of defence” approach to risk management and control, assigning clear roles and responsibilities to:

1. Risk owners: the project and financial managers who execute projects and operational functions on a day to day basis.
2. Functions that oversee risk, including our new Program Management Office and technical advisory and peer review panels.
3. Assurance mechanisms, such as our internal audit function designed to ensure that our risk management is working effectively.

The first two lines have direct accountability to Waterfront Toronto’s senior management, and third line to the Board of Directors and the Finance, Audit, and Risk Management Committee as well as senior management. This separation of roles not only enhances accountability by clarifying responsibilities, it helps to reveal and address blind spots to ensure that we’re actively identifying and managing key risks.

Waterfront Toronto is committed to continually adapting and evolving our risk management practices as our environment and the demands of our projects change. This year our internal auditors performed an independent peer review of our enterprise risk management framework to ensure it meets best practices, given the expanded scope and scale of our organization.

Project-specific oversight and advisory bodies

In 2017/18 we created new governance bodies for our two largest initiatives: the Port Lands and Quayside. The Port Lands Executive Steering Committee continues to meet monthly and we have created a dedicated Executive Steering Committee for the Quayside project. We have also implemented two new expert panels including the Digital Strategy Advisory Panel for Quayside and the Capital Peer Review Panel for the Port Lands. In combination with the new Project Management Office, the Executive Steering Committees and expert panels strengthen our second line of defence (risk oversight) by monitoring risks associated with our most complex and demanding projects.

The Port Lands

The Port Lands Executive Steering Committee provides executive project management oversight and coordination for the implementation of the Port Lands flood protection work and related planning projects. It includes senior representatives from Waterfront Toronto, Toronto and Region Conservation, the City of Toronto, the Province of Ontario, and the government of Canada. It meets at least monthly.

Capital Peer Review Panel. Waterfront Toronto recently established the Capital Peer Review Panel, which engages some of the industry’s top experts in specific industry areas – such as infrastructure, project execution, and audit – to offer advice on project and program risks in developing, procuring, and implementing large projects and programs. Although the Panel has been engaged primarily to support our work on the Port Lands, its mandate is not limited to this project.

Quayside

The Quayside Executive Steering Committee provides project-level oversight and coordination from all three levels of government. It includes Waterfront Toronto’s CEO, senior representatives from Sidewalk Labs, as well as the City of Toronto, the Province of Ontario, and the Government of Canada. It meets every six weeks.

Digital Strategy Advisory Panel. This year we crafted the mandate for a Digital Strategy Advisory Panel. Announced in April, the Panel is an arms-length entity tasked with providing Waterfront Toronto with objective, expert advice on the responsible use of data and technology across all waterfront projects, including Quayside. It will provide insight on ethics, accountability, transparency, protection of personal privacy, data governance, and cyber security. Its proceedings will be open to the public.
In 2017/18 we took two other notable steps to enhance our overall project risk management:

We significantly advanced the implementation of a new Enterprise Resource Planning (ERP) system to enhance the efficiency of our oversight processes. The new tool is expected to deliver customized dashboards and detailed reporting in real time. It also strengthens our “three lines of defence” model by automating certain processes and more sharply separating the functions of project execution (“line one”) and project control (“line two”). Finally, the new system eliminates risks associated with our old financial system, which has reached end-of-life and is no longer supported by the manufacturer.

We established a Program Management Office (PMO) to streamline and coordinate work flows throughout our projects’ lifecycles, and to manage risk associated with specific phases and functions. Our project management approach has always been effective and delivered strong results. As our projects increase in scale, the PMO adds a new level of formality to build confidence across all our stakeholder groups about our projects’ pace, resourcing, design and expected outcomes.

“Waterfront Toronto has taken a great approach with [the Digital Strategy Advisory Panel]. It aligns with their long history of stewarding strong engagement processes. The panel is set up to take a long-term view on the impacts of the Quayside project and what they will mean for the people of Toronto. Its initial members have been, and will no doubt continue to be, both critical and constructive when sharing their advice about what to do when technology and the public interest intersect.”

Bianca Wylie, Co-Founder, Tech Reset Canada
Project | 2017/18 Deliverables | Score | Comments
--- | --- | --- | ---
| Complete all financial commitments to Toronto Hydro for the design, permitting and construction of hydroelectric infrastructure for Bayside Phase II. | Achieved in October 2017. | 
| Complete the first 90 meters of public realm infrastructure for the Water’s Edge Promenade in Bayside Phase II. | Completion deferred to Q2 2018/19 due to challenges in acquiring dewatering permits, high water tables, winter conditions, and existing soil conditions. | 
| Complete the reinforcements to dockwalls for the balance of the Bayside Phase II water’s edge, including Parliament Slip. | Achieved. | 

Stormwater Management Facility Complete environmental remediation and construction of the exterior building for the Stormwater Management Facility core and shell. | Achieved. | Deferral in construction tender from spring 2018 to fall 2018 as follows: a. The facility has been redesigned to accommodate changes caused by the pending realignment of the Gardiner Expressway; b. Board supplementary capital approval was only obtained in September 2017. | 
Comence installation of stormwater treatment process equipment. | Achieved. | 

Queens Quay East & Parliament Intersection Initiate the process to secure lands and further develop the design for the Parliament Street realignment and Queens Quay East extension. | Achieved. | 
| Transfer the temporary overhead power connections to the new underground system and replace older hydro poles with Waterfront Toronto’s signature light poles. The work will commence pending Toronto Hydro’s completion of new underground electrical infrastructure. | Achieved. | Completion dependent on Toronto Hydro’s energization of new hydro infrastructure on the south side of Queens Quay. | 

Queens Quay Revitalization Transfer the temporary overhead power connections to the new underground system and replace older hydro poles with Waterfront Toronto’s signature light poles. The work will commence pending Toronto Hydro’s completion of new underground electrical infrastructure. | Achieved. | Project on track for completion in June 2018. | 

Broadview & Eastern Avenue Flood Protection Conduct due diligence and a class environmental assessment for the flood protection of the site located at the Eastern Avenue underpass of the CN Rail Line. | Achieved. | 

Villas Island Planning Complete the Villas Island Precinct Plan and obtain endorsement from City Council. | Achieved. | 
Complete the Villas Island Framework Plan and obtain endorsement from City Council. | Achieved. | 


Waterfront Toronto / Appendix

Project | 2017/18 Deliverables | Score | Comments
--- | --- | --- | ---
The Bentway | Complete construction on Phases 1: Fort Frontage, Shingle Beach and Shoreline Garden, the skating trail and the skating building. | Achieved in December 2017. | 

Jack Layton Ferry Terminal - Phase 1A | Complete the design and construction of the entrance plaza to the ferry terminal, which includes landscaping, play equipment and the extension of the Queens Quay pedestrian promenade from Bay Street to the ferry terminal entrance (60 linear meters). | Achieved. | 

| Launch International Innovative Design Competition as part of pre-design works for the Rees Street Park and York Street Park. | Achieved. | 

| Select Innovation and Funding partner(s) for the Quayside Development. We plan to issue a Request for Qualifications for the Quayside development in early 2017. The Innovation and Funding partner(s) is/are expected to be identified by the end of 2017. | Achieved. | 

| Complete the Union Station to Jack Layton Connector Report. | Achieved. | 

| Achieved in January 2018. | 
| Complete studies on three options for the connection between Union station and Queens Quay (including: funicular, mixed siding, LRT) | 
| The City Council approved moving forward with additional study on the funicular and LRT options in January 2018, and requested for status update in early 2019. | 

Easter Waterfront Transit


| Completed Transit Reset Report for the entire waterfront from Scarborough to Etobicoke, including transit demand modeling in partnership with the City of Toronto and the Toronto Transit Commission. | 
| The study including recommendation was approved by the City Council in January 2018. | 
| Complete studies on three options for the connection between union station and Queens Quay (including: funicular, mixed siding, LRT) | 
| The City Council approved moving forward with additional study on the funicular and LRT options in January 2018, and requested for status update in early 2019. | 

| Strategic Initiatives | Implement Engagement Plus strategy for community consultation, stakeholder and public engagement. | Achieved. | 
| Draft new corporate narrative finalized in March 2018. | 
| Engagement Plus strategy finalized in March 2018. New approaches to diversifying audience including a number of pop-up engagement pilots successfully implemented. | 

Government Relations Clarify and streamline the working relationship with our government partners, particularly with regard to operational issues and deliverables. | Achieved. | Inter-governmental Steering Committee (IGSC) meetings with governments are happening regularly and have helped address these issues. | 

Philanthropy, Corporate Sponsorship & Revenue Generation We will begin to evaluate and execute the recommendation from the 2015 report on philanthropic opportunities and corporate readiness to engage in sponsorship activities, to accelerate the delivery of identified projects particularly with regard to the public realm. | Achieved. | Beginning simultaneously, relationships established with interested corporations who want to assess Waterfront Toronto as philanthropic opportunity. The Corporation is undertaking these efforts in collaboration with the City of Toronto’s Partnership Office. | 

---
**Project 2017/18 Deliverables**

<table>
<thead>
<tr>
<th>Project</th>
<th>2017/18 Deliverables</th>
<th>Score</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation &amp; Sustainability</td>
<td>Continue to evolve Waterfront Toronto’s approach in transforming the market and respond to critical challenges that we are facing locally, nationally and globally.</td>
<td></td>
<td>• Achieved. Ongoing initiatives include: updating Minimum Green Building Requirements to reflect more ambitious targets and activating first phase of Wi-Fi in the waterfront public realm.</td>
</tr>
<tr>
<td>Partnership &amp; Economic Development</td>
<td>Working alongside the Partnership Committee of the Board of Directors, we will put in place the strategic framework, guidelines and instruments to provide a base for these engagements.</td>
<td></td>
<td>• Achieved. Partnership Strategy Framework has been finalized in March 2018, and is targeted for discussion at the next Partnerships Board Committee (now referred to as Stakeholder Relations Committee effective March 2018) meeting in Q1 2018/19.</td>
</tr>
<tr>
<td>Core Support Functions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Strategic Vision — Organisational Resiliency Plan</td>
<td>Implement Waterfront Toronto’s new strategy, objectives, priority projects and initiatives and accompanying organizational restructuring and integrated resourcing plan.</td>
<td></td>
<td>• Achieved in March 2018.</td>
</tr>
<tr>
<td>Project Delivery</td>
<td>Introduce flexible project delivery approach.</td>
<td></td>
<td>• Achieved. Full-time roles presently being complemented with contractual and outsourced positions to address variable project volumes. Procurement for an outsourced Program Manager role for Port Lands is complete.</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Implement new cloud-based Enterprise Resource Planning (ERP) system.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Investments</td>
<td>Implement new communication technology (audio-visual equipment) and other Boardroom upgrades.</td>
<td></td>
<td>• Deferred to 2018/19 to integrate with the overall office space reconfiguration project planned in 2018/19.</td>
</tr>
<tr>
<td>Provide additional office space to primarily support the Port Lands project.</td>
<td>Achieved. Total additional office space secured is 1,600 s.f., primarily for the Port Lands project.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Key**
- • Achieved by March 31, 2018.
- • Deliverable not within Waterfront Toronto’s immediate control, hence not achieved by March 31, 2018
- • Not achieved by March 31, 2018 / deferred to a future year.

*Board-approved September 14, 2017.*

Overall Waterfront Toronto achieved approximately 19 of 25 (76%) deliverables for 2017/18.

**Approximately 76%**

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**Appendix 2**

**Reconciliation to Audited Financial Statements**

In accordance with Canadian public sector accounting standards for not-for-profit organizations, the total capital investments of $75.9 million are reflected in the Corporation’s March 31, 2018 audited financial statements as follows:

<table>
<thead>
<tr>
<th></th>
<th>$ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Financial Position/ Note 6: Additions to increase in Assets Under Development</td>
<td>$ 46.7</td>
</tr>
<tr>
<td>Statement of Financial Activities: Expenses</td>
<td>$ 8.5</td>
</tr>
<tr>
<td>Note 13 Trust under administration: Expenditures - The Bentway</td>
<td>$ 18.0</td>
</tr>
<tr>
<td>Note 4 Deposits and prepaid expenses: Prepaid insurance recognized as an asset in the audited financial statements</td>
<td>$ 2.7</td>
</tr>
</tbody>
</table>

**Total Capital Investments**

$ 75.9

Capital funding of $64 million is reflected in the Corporation’s March 31, 2018 audited financial statements as follows:

<table>
<thead>
<tr>
<th></th>
<th>$ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Financial Activities: Revenue</td>
<td>$ 52.2</td>
</tr>
<tr>
<td>Note 3 – Receivables: Land sale income received in 2017/18 and recognized for financial statement purposes in a prior period</td>
<td>4.0</td>
</tr>
<tr>
<td>Note 19 – Trust under administration: Philanthropic contributions</td>
<td>$ 3.7</td>
</tr>
</tbody>
</table>

**Total Capital Funding**

$ 64.0
Executive team

William Fleissig
President and CEO

Meg Davis
Chief Development Officer

David Kusturin
Chief Project Officer

Marisa Piattelli
Chief Strategy Officer

Lisa Taylor
Chief Financial Officer

Chris Glaisek
Senior Vice President, Planning and Design

Leslie Gash
Vice President, Development

Julius Gombos
Vice President, Project Delivery

Cameron MacKay
Vice President, Strategic Communications and Engagement

Kristina Verner
Vice President, Innovation, Sustainability, and Prosperity

Ian Beverley
General Counsel

"Corktown Common sets the standard for Toronto parks.” - BlogTO
<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Item 12, Chairs Committee, June 14, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>For Committee Discussion.</td>
</tr>
</tbody>
</table>
| Key Message| - This year we are legislatively obligated to deliver a five-year business plan covering the fiscal periods 2019/20 to 2023/24.  
- The Board is required to approve the Five Year Strategic Business Plan (Strategic Plan) on/before December 31, 2018.  
- KPMG LLP was selected in May 2018 to provide facilitation and analysis support to Waterfront Toronto’s Senior Management Team and the Board of Directors, in the development of the Strategic Plan. |
| Areas of note/Key issues | - KPMG facilitated an executive alignment session with senior management on June 4, 2018.  
- Attached is a briefing note from KPMG on process, Board engagement and preliminary strategic principles. |
| Expected Outcome | For information and discussion purposes. |
| Key Takeaways/Next Steps | 1. Draft of the strategic framing and financial modeling plan will be presented to the Board on June 28, 2018.  
2. Review the draft of the Five Year Strategic Business Plan at the next FARM and Chairs Committee meetings on September 20, 2018 and September 27, 2018, respectively. |
Briefing Note: Waterfront Toronto 5-Year Strategic Business Plan

Chairs Committee Meeting
Thursday June 14, 2018

PURPOSE OF AGENDA ITEM
The purpose of the 5-Year Strategic Business Plan agenda item is to receive input from the Chairs Committee on:

– The role of the Board in the strategic planning process and how they will be engaged; and
– The draft strategic principles for Waterfront Toronto over the next 5-10 years.

The Chairs Committee input will be used to develop a Strategic Framing Report that be taken to the Board on June 28 and will set the foundation for the 5-Year Strategic Business Plan.

This Briefing Note is designed to provide the Chairs Committee with background on the strategic planning process to allow a focused discussion on June 14. It builds off previous Board briefings and sets out:

1. Why the 5-Year Strategic Business Plan being undertaken
2. The process and timelines
3. How will the Board be engaged through the process
4. The decisions required by the Board and when
5. The broad scope for the end deliverable
6. The draft strategic principles for the next 5-10 years.

WHY IS THE 5-YEAR STRATEGIC BUSINESS PLAN BEING UNDERTAKEN?

Waterfront Toronto is required to produce a business plan each year under the Toronto Waterfront Revitalization Corporation Act, and every five years the business plan is required to include a strategic outlook for the upcoming five years. The 5-Year Strategic Business Plan (SBP) is a foundational document to provide guidance to the annual business plans and set the direction of the Corporation. Confirming the strategies, plans, pace and cost of development of the designated waterfront lands over the next five years allows the Corporation to determine its immediate operational requirements and budget which need to be approved by the Board of Directors on an annual basis.
Also, as the Corporation progresses on its mandate towards the timelines outlined in the Act, the Board of Directors needs to confirm, for itself and the three government partners, how it will continue to deliver the Objects of the Corporation.

**Objects of the Corporation**

1. To 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.
2. To ensure that ongoing development in the designated waterfront area can continue in a financially self-sustaining manner.
3. To promote and encourage the involvement of the private sector in the development of the designated waterfront area.
4. To encourage public input into the development of the designated waterfront area.
5. To engage in such other activities as may be prescribed by regulation. 2002, c. 28, s. 3 (1).

**WHAT IS THE PROCESS & TIMELINES?**

Waterfront Toronto has engaged KPMG to support the 5-Year Strategic Planning process which will run from May to December 2018. The high-level workplan and key milestones are outlined on Figure 1 below:

**Figure 1: Timeline for 5-Year Strategic Business Plan**

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<tbody>
<tr>
<td>Kickoff &amp; Mobilization</td>
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<td></td>
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<tr>
<td>Executive Alignment</td>
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- **June 4 Management Alignment Workshop**
- **June 14 (Chairs) SBP Briefing**
- **June 28 Strategic Framing Report**
- **Sept 20 Core content for Strategic Business Plan**
- **Oct 11 (Chairs) Core content for Strategic Business Plan**
- **Nov (Chairs) Vision**
- **Nov 29 Strategic Business Plan**
- **Dec 6 Strategic Business Plan**

Board Milestone
Senior Management Milestone
HOW WILL THE BOARD BE ENGAGED?

Strategic planning is a coordinated function between the Board and the Management team, and requires significant interaction to facilitate alignment on the Corporation’s priorities and how it will organize itself to continue to deliver its mandate. Accordingly, the strategic planning timeline begins with early input from, and engagement with, the Chairs Committee on June 14th and then an opportunity for the full Board to provide feedback on the proposed structure and assumptions of the SBP on June 28th, through a Strategic Framing Report.

Once the Board has provided feedback on the Strategic Framing Report, KPMG and Management will develop content for the SBP. Feedback on the SBP content will be sought from Chairs Committee on October 11th and further refined before bringing the final SBP to the full Board on December 6.

WHAT DECISIONS ARE REQUIRED BY THE BOARD AND WHEN?

There are three key decision points for the Board:

On June 28 the Board of Directors will be asked to approve the Strategic Framing Report which will set out the structure of the SBP, the key strategic principles for the next 5 years, and the assumptions that will be used to develop the content for the SBP. The assumptions will include the framework for prioritizing projects and a selection of partnership models and revenue sources to be investigated for future delivery.

On October 11 the Chairs Committee will be asked to approve the direction of the core content for the SBP. After this point the actual SBP document will be drafted and prepared for production.

On December 6 the Board of Directors will be asked to approve the 5-Year Strategic Plan document. After this point the document will be released publicly.

WHAT SHOULD BE EXPECTED FOR THE END DELIVERABLE?

The structure and scope of the SBP will be set out in the Strategic Framing Report, which will go to the Board for approval on June 28. The SBP encompass a series of documents, each required by the Corporation, weaved together in a common narrative. The individual components are likely to include:

- Vision
- Mandate Progress to Date
- 5-Year Strategic Direction (2019-2023)
- Pace & Project Priorities (2019-2023)
- Financial, Capital & Partnership Plan (2019-2023)
FIVE YEAR OUTLOOK AND STRATEGIC QUESTIONS

To develop the content of the SBP, it is necessary to set the goalposts for Waterfront Toronto and define the environment the Corporation anticipates to operate within. This will support the development of the vision and priorities, and will allow an operating model to be developed to enable delivery of the vision and the priorities. Over the next five years, Waterfront Toronto’s transition from custodian of a phased development schedule to catalyst for the delivery of critical infrastructure and shared prosperity may accelerate. A 5-Year Strategic Business Plan is a milestone opportunity to reassess the mix of resources – time, people, revenue – required to fulfill the Corporation’s ambitions to place Toronto at the forefront of global cities in the twenty-first century.

Management had a strategic planning session on June 4 where they considered the future environment for Waterfront Toronto and what is needed to continue delivering the mandate. The following draft principles were developed to inform the SBP:

- Waterfront Toronto has a reputation for delivering projects and a social license to continue developing the waterfront lands.
- To fully deliver our mandate and become a Top 10 Global Waterfront we need to deliver beyond the currently funded projects.
- To deliver the unfunded projects, new deliver models and revenue sources are required.
- Change in our funding, delivery and organizational models will likely be necessary in order to achieve our mandate going forward and to enable Waterfront Toronto to harness the full benefits of philanthropic, private and public sector resources.

It would be helpful, prior to the Chairs Committee meeting on June 14 and the Board meeting on June 28, if members could consider:

1. Are you aligned with the strategic principles above?
2. What is Waterfront Toronto’s unique comparative advantage in its current and future operating environment?

The feedback received on June 14 will shape the Strategic Framing Report which will set the foundation for the SBP and will be taken to the Board on June 28.
OVERVIEW

Waterfront Toronto proposes that the Board of Directors adopt a new Code of Conduct for Directors of Waterfront Toronto (the “Proposed Code”) to replace the existing Code of Conduct and Conflict of Interest Procedures document (the “Current Code”).

The Proposed Code was developed by Waterfront Toronto’s legal counsel working with external counsel and governance experts (Barry Reiter of Bennett Jones LLP), and with the benefit of examining a variety of precedents used by the boards of directors of organizations that are comparable, in more or less respects, with Waterfront Toronto. It is intended to modernize and simplify the rules of ethics governing the conduct of Directors and support the strategic direction of Waterfront Toronto.

In recognition of the public mandate of Waterfront Toronto and the attention its Directors and processes may receive, one highlight of the Proposed Code is a comprehensive process for identifying and resolving all conflict of interest situations that may arise.

The Proposed Code also addresses problems commonly addressed by other boards by providing clear rules to the Board of Directors.

The Proposed Code is drafted in plain English and organized in a user-friendly manner. It will support Directors by establishing practical and easily-understood rules that will guide Directors and protect Waterfront Toronto and Directors against reputational and other risks.

KEY ELEMENTS

The Proposed Code uses a three-step conceptual approach to address conflicts of interest.

1. The Proposed Code defines “Conflict of Interest” broadly to identify all actual and potential conflict situations.
   - “Family Members” and “Business Associates” must also be considered when identifying Conflicts of Interest.
   - Directors are to report Conflicts of Interest at the beginning of their term, at the beginning of meetings (for those arising from the agenda), annually, or when there is a chance of circumstances that may raise a Conflict of Interest.
• The concept of “material interest” has been removed in favour capturing all interests for reporting purposes. However, the consideration of the materiality is amongst the factors for consideration in the granting of a Waiver.

2. It establishes appropriate authorities and criteria to evaluate the conflicts to determine whether the conflict situation should be prohibited (as is generally the case) or permitted under some conditions.

• The “Ethics Official” (the Chair of the Board, or if necessary, the Chairs Committee) is responsible for investigating and resolving Conflicts of Interests.

• Factors for consideration in their analysis of whether to grant a Waiver are listed.

3. It establishes a reporting mechanism that allows for records to be kept and for the “Governance” Committee (in our case, the Chairs Committee) to maintain oversight of how the Proposed Code is working in practice.

• The General Counsel will maintain a Conflicts Register and provide quarterly reports to the Chairs Committee.

The Proposed Code also establishes or refines rules intended to ensure the fair and effective operation of the Board. For instance, the Proposed Code establishes rules about:

• the receipt of gifts or hospitality that are acceptable, or that might be perceived as inappropriate influences;

• who is authorized to speak in public, in writing, or on social media on behalf of the Board and Waterfront Toronto;

• external and political activities;

• record keeping at meetings, to help ensure that the official record has no competing version; and

• where Directors may seek assistance with their duties under the Proposed Code.
THE TORONTO WATERFRONT REVITALIZATION CORPORATION

CODE OF CONDUCT
BOARD OF DIRECTORS
CODE OF CONDUCT FOR THE BOARD OF DIRECTORS

1. INTRODUCTION

1.1 Who we are

The Government of Canada, the Province of Ontario, and the City of Toronto created the Toronto Waterfront Revitalization Corporation (Waterfront Toronto) to oversee and renew Toronto's waterfront. The key drivers of the waterfront revitalization are reconnecting people with the waterfront, design excellence, sustainable development, economic development, and fiscal sustainability.

Waterfront Toronto is a corporation funded by three levels of government. These government bodies have provided seed capital for a 25-year mandate to transform 800 hectares (2,000 acres) of brownfield lands on Toronto's waterfront into beautiful, accessible, sustainable, mixed-use communities and dynamic public spaces. A strong, expert, and engaged 12-member Board of Directors, appointed by the three levels of government, oversees the strategic direction of Waterfront Toronto.

Waterfront Toronto is governed by the Toronto Waterfront Revitalization Corporation Act, 2002.

1.2 What is a Code of Conduct?

This Code of Conduct (the “Code”) is intended to assist Directors as they oversee the strategic direction of Waterfront Toronto to ensure that it fulfills its public mandate.

The Code is a set of principles, guidelines, and rules that Directors must use to guide their conduct and decision making. The Code establishes responsibilities for Directors to fulfill and processes to help Directors fulfill their responsibilities.

The Code is based on the principles, values, and ethical standards to which Waterfront Toronto and Directors are held.

1.3 Application of the Code

The Code applies to every Director at all times. Each Director is responsible for behaving in accordance with the Code, even when the Director is not performing official Board duties. Each Director must comply with the Code whether in a boardroom at Waterfront Toronto, at work, or at their personal residences. This responsibility begins when the Director is appointed to the Board and, in the cases described in Sections 2.3, 3, and 4, continues even after the Director retires from the Board.

Further, the Code relates to the Director's Family Members and to Business Associates in the cases described in Sections 2.2 to 2.5, and 2.7.

1.4 Guiding Principles

The public mandate of Waterfront Toronto requires accountability to the public, the preservation of trust and confidence of the public, and that Directors represent Waterfront Toronto with efficiency, economy, fairness, impartiality, and integrity.
In addition to the standards established by the Code, each Director must fulfill the standards of conduct established by the shareholder which appointed the Director to the Board and any terms of the appointment. The Code supplements, and does not conflict with, the shareholder’s standards of conduct and any terms of appointment.

The specific rules set out in this Code are illustrative and not exhaustive. As such, Directors must comply with the letter and spirit of the Code.

1.5 Ethical Decision Making

Directors should consider the following questions as a guide to everyday conduct and decision-making as a Director:

(a) Is the decision or conduct legal? Is it ethical?
(b) Is the decision or conduct in line with Waterfront Toronto’s public mandate, objectives, and policies?
(c) Is there a Conflict of Interest that should be disclosed? If a Director is uncertain whether a Conflict of Interest exists, the Director should report it pursuant to Section 2.9 below.

1.6 Honesty and Integrity

The fundamental relationship between the Directors and Waterfront Toronto must be one of trust. Waterfront Toronto expects Directors to observe the highest business and ethical standards, including honesty and integrity.

1.7 Duty to Act in the Best Interests of Waterfront Toronto

Directors must always make decisions and act in the best interests of Waterfront Toronto. This duty requires that Directors prioritize Waterfront Toronto over all persons and other organizations, including the levels of government that appointed the Director to the Board.

1.8 Compliance with Policies of Waterfront Toronto

Directors must comply with the policies of Waterfront Toronto that apply to them. Waterfront Toronto or the Board may create new policies and update existing policies that are applicable to the Directors.

If a Director is unsure of how to comply with a policy, the Director should seek guidance from the Chair of the Board or the General Counsel of Waterfront Toronto.

1.9 Follow the Law

Directors must always follow the law, including federal, provincial, and municipal law. Directors must not instruct or encourage others to commit an illegal or improper act, especially if they are involved with Waterfront Toronto in any way.
2. CONFLICTS OF INTEREST

2.1 What is a Conflict of Interest?

A Conflict of Interest is a situation where any interest or desire of a Director may appear to compete with the best interests of Waterfront Toronto. It is any situation which could appear to improperly influence the decision making of a Director.

Appearances matter in the context of Conflicts of Interest. The appearance or perception of a Conflict of Interest is a Conflict of Interest situation, even if the Director does not believe that a real Conflict of Interest exists. If a Director is unsure whether a situation looks like a Conflict of Interest situation, the Director should consult the Ethics Official.

The following is an example of a hypothetical Conflict of Interest situation. Imagine that Waterfront Toronto puts out a request for proposal (RFP) for the supply of a product. Two suppliers respond to the RFP and tender bids. Imagine that both suppliers, their products, and their bids are similar. Except that the bid by one supplier is at a more attractive price for Waterfront Toronto, and a Family Member of a Director owns the supplier that tendered the other bid. Here, the Director would have a Conflict of Interest between promoting the best interests of Waterfront Toronto, on the one hand, and supporting the Family Member-owned supplier, on the other hand.

There are many types of interests of Directors which may create Conflict of Interest situations, including business interests, personal relationships, and others. But all Conflicts of Interest undermine the duty of a Director to make decisions and act in the best interests of Waterfront Toronto.

Section 2.2 to 2.8 are examples of Conflict of Interest situations. Directors must report all Conflict of Interest situations to the Ethics Official, even if the situations are not specifically addressed in or prohibited by the Code. Directors should use their judgement and the principles and guidelines set out in the Code to identify Conflict of Interest situations that are not specifically addressed in or prohibited by the Code.

2.2 Procurement

Procurement is the process by which Waterfront Toronto purchases, licenses, or obtains goods, products, services, and anything else. It is essential that all Directors and suppliers who have procurement-related Conflicts of Interest report the Conflicts of Interest to the Ethics Official pursuant to Section 2.9.

In addition, Waterfront Toronto maintains a standalone Procurement Policy in respect of procurement. Directors should read and understand this policy, which is available on the Procurement section of the Waterfront Toronto website. Procurement related Conflicts of Interests will be resolved in accordance with the Procurement Policy.

Where a Director, Family Member or Business Associate has a relationship with or interest in a supplier that may be a Conflict of Interest, the supplier may tender bids to Waterfront Toronto ONLY if:

(a) the Director reports the Conflict of Interest to the Ethics Official pursuant to Section 2.9;
the supplier reports the Conflict of Interest to the Procurement Manager pursuant to the Procurement Policy;

(c) the Director absents themselves from discussions about and voting on behalf of Waterfront Toronto on matter(s) related to the Conflict of Interest; and

(d) the Director and Supplier comply with all requirements and conditions as instructed by the Ethics Official pursuant to Section 2.10 and/or the Procurement Policy, as applicable.

2.3 Personal Financial Transactions

Directors must not take advantage of Confidential Information. For example, Directors must not use Confidential Information to achieve a financial advantage for themselves personally, a Family Member, a Business Associate, or for any other person. Directors may only use Confidential Information to promote the best interests of Waterfront Toronto.

Misuse of Confidential Information may, in some circumstances, also represent a breach of securities laws relating to trading or tipping, and expose a Director to serious legal consequences.

2.4 Gifts

The receipt, directly or indirectly, of Gifts by Directors, Family Members, or Business Associates from other parties has risks including the following. One, it could breach the policy of Waterfront Toronto that all suppliers of goods or services to have access to Waterfront Toronto on equal terms. Two, it could generate a Conflict of Interest situation. To protect against the aforementioned and other risks, Directors:

(a) must not solicit Gifts in connection with their position as Directors or their association with Waterfront Toronto;

(b) must not accept or receive Gifts as a condition of or inducement to Waterfront Toronto doing business with any person, organization, or business;

(c) must not accept or receive Gifts as an inducement for performing an act associated with the position of Director or in exchange for preferential treatment;

(d) may accept a gift, hospitality or entertainment in connection with the official duties of Directors ONLY if the gift, hospitality, or entertainment satisfies all of the following conditions. The gift, hospitality, or entertainment must:

(i) be within the bounds of propriety, a normal expression of courtesy, or within the normal standards of hospitality;

(ii) have a value not exceeding C$100;

(iii) not bring suspicion on the objectivity and impartiality of the Directors;

(iv) not compromise the integrity or reputation of Waterfront Toronto, or the Directors;
(v) not generate a Conflict of Interest situation; and

(vi) not be associated with preferential access of any person, business, or organization to Waterfront Toronto.

If a Director, Family Member, or Business Associate receives a Gift that would cause the Director to be in breach of any of the above, the Director must return it to the donor with a letter referring to the Code.

Directors must not directly or indirectly give, offer or agree to give or offer to an official or employee of the Government of Canada, the Province of Ontario, or the City of Toronto (or to any Family Member or Business Associate of the official or employee) a Gift as consideration for cooperation, assistance, exercise of influence or an act or omission in connection with any Waterfront Toronto business or transaction.

2.5 Employment of Family Members and Business Associates

The employment of a Director’s Family Members or Business Associates by Waterfront Toronto has risks including the following. One, it could be perceived as favoritism in hiring or that job applicants do not have access to Waterfront Toronto on equal terms. Two, it could generate a Conflict of Interest situation. To protect against the aforementioned and other risks, Directors:

(a) must not participate in the selection process where a Family Member or Business Associate is an applicant;

(b) must not request that a Family Member or Business Associate be hired or retained;

(c) must not request that a current or potential supplier of goods or services to Waterfront Toronto hire or retain a Family Member or Business Associate, make the business of Waterfront Toronto with the supplier conditional on the hiring or retainer, or use the business of Waterfront Toronto to induce the supplier to hire or retain a Family Member or Business Associate.

Further, Waterfront Toronto will not hire or retain (including as interns or co-op students; whether paid or unpaid) a Family Member or Business Associate of a Director, unless the potential hiring or retainer is reported to and approved by the Ethics Official, and carried out in accordance with all instructions of the Ethics Official, pursuant to Section 2.10.

2.6 No Misuse of Status as Director

Directors must not use their status, title, or position as Directors to obtain a Gift or to solicit funds, goods, or services, for themselves personally or for any person, business, or organization, from TWRC staff or from those contracting or otherwise involved with TWRC. However, this provision is not intended to otherwise restrict the solicitation of funds, good,
or services from parties in the normal course and in a manner unrelated to and without any influence or benefit from the Director’s association with TWRC.

This means that no Director should use the fact of being a Director as leverage to achieve any benefit for themselves or others, other than for Waterfront Toronto.

2.7 Purchasing Condominium Units or Real Estate within the Designated Waterfront Area

Directors and their Family Members must not lease or purchase, or negotiate for the lease or purchase of, any interest in or deriving from real estate that is located in or adjacent to the Designated Waterfront Area, unless they (i) first report the same to the Ethics Official, and (ii) are granted prior written permission to do so by the Ethics Official.

For certainty, a Conflict of Interest exists if any Director, Family Member or Business Associate will benefit from any delivery incentives such as “early bird” pricing, other discounts, or preferential positioning on sale prospects lists that are not then generally available to the public.

Directors are also required to disclose to the Board the acquisition, holding or disposition of any interest in real estate that is within or adjacent to the Designated Waterfront Area, by themselves, their Family Members and Business Associates.

2.8 Use of Waterfront Toronto’s Assets

Directors must not use or permit others to use any property or assets of Waterfront Toronto, including but not only Intellectual Property, except for the benefit of Waterfront Toronto. Relatedly, Directors must not take or permit others to take any property or assets from the premises of Waterfront Toronto, unless Waterfront Toronto has authorized them to do so.

2.9 Reporting of Conflicts of Interest

Individuals are often appointed as Directors because they have experience that is relevant to the business of Waterfront Toronto, and it is often because of their experience that Directors may find themselves in a Conflict of Interest situation.

Nonetheless, Directors must declare and report all Conflicts of Interest:

(a) When they become Directors – Each Director must immediately report all Conflicts of Interest to the Ethics Official prior to or at the beginning of their term as Director by signing and delivering an Annual Declaration to the Ethics Official. See Section 7.7 for more on Annual Declarations;

(b) At the beginning of every meeting – Each Director must immediately report all Conflicts of Interest arising out of the agenda of a meeting to the Board at the beginning of every Board meeting and to a Committee at the beginning of every Committee meeting; See Section 2.11 for more on reporting Conflicts of Interest at the beginning of meetings;
(c) When a change in circumstances may raise a Conflict of Interest – Each Director must immediately report to the Ethics Official any change in circumstances that may raise a Conflict of Interest as soon as the changes occur; and

(d) At the beginning of every calendar year – Each Director must report all Conflicts of Interest to the Ethics Official at the beginning of every calendar year by signing and delivering an Annual Declaration to the Ethics Official, whether or not the Conflicts of Interest have been reported previously. See Section 7.7 for more on Annual Declarations.

2.10 Resolution of Conflicts of Interest

The Ethics Official will investigate and resolve all Conflicts of Interest. The Ethics Official may resolve Conflicts of Interest by:

(a) instructing Directors involved with the Conflict of Interest to absent themselves from discussions about, and voting on behalf of Waterfront Toronto on, the matter relating to the Conflict of Interest;

(b) permitting the Director involved with the Conflict of Interest to remain in the situation subject to restrictions or conditions that the Ethics Official considers appropriate in the circumstances;

(c) Waiving the Conflict of Interest if appropriate and in accordance with Section 7.5;

(d) determining that there is no actual Conflict of Interest in accordance Section 7.5; and/or

(e) taking any action that the Ethics Official determines will promote the public mandate and best interests of Waterfront Toronto.

If a Conflict of Interest is procurement-related, also refer to Section 2.2 above.

2.11 Meeting Procedures

Directors and Committee members must, at the beginning of each meeting, consider all Conflicts of Interest arising out of the meeting agenda. Each Director or Committee member must report all of their Conflicts of Interest arising out of a meeting agenda to, as applicable:

(a) the Board, at the beginning of every Board meeting; or

(b) the Committee, at the beginning of every Committee meeting.

After reporting the Conflict of Interest to the Board or Committee, as applicable, the Directors or Committee members that are involved with the Conflict of Interest must, unless the Ethics Official has granted a Waiver in respect of the Conflict of Interest and subject to any conditions the Ethics Official has imposed, absent themselves from discussions at the meeting about, and voting on behalf of Waterfront Toronto on, the matter(s) relating to their Conflict of Interest, but may participate in the rest of the meeting and vote on matters that are unrelated to the Conflict of Interest.
3. **CONFIDENTIAL INFORMATION**

Directors must use Confidential Information solely for the purpose of performing of their duties as Directors of Waterfront Toronto.

Directors must not disclose Confidential Information at any time or for any reason, even after ceasing to be a Director, unless authorized to disclose it by an authorized representative of Waterfront Toronto.

Directors must take all reasonable steps to safeguard the confidentiality of all Confidential Information.

4. **INTELLECTUAL PROPERTY**

Directors must take all reasonable steps to safeguard the Intellectual Property of Waterfront Toronto.

All materials created by and communications involving Directors in connection with their work for and representation of Waterfront Toronto are the Intellectual Property of Waterfront Toronto and owned exclusively by Waterfront Toronto.

5. **PUBLIC STATEMENTS & THE MEDIA**

5.1 **Who Speaks for Waterfront Toronto**

Only the Chief Executive Officer, the Chair of the Board, and their designated representatives are authorized to speak on behalf of Waterfront Toronto and/or disclose Confidential Information.

Directors must not make public comments about Waterfront Toronto or disclose Confidential Information, unless the Chief Executive Officer has authorized the Directors to do so.

5.2 **Who Speaks for the Board**

Only the Chair of the Board and its designated representatives are authorized to speak on behalf of the Board.

Directors must not make public comments about the Board, unless the Chair of the Board has authorized the Directors to do so.

5.3 **The Media**

Directors must not communicate with or provide information to the media about Waterfront Toronto, unless the Chief Executive Officer or the Chair of the Board has authorized the Directors to do so.

Similarly, Directors must not communicate with or provide information to the media about the Board, unless the Chair of the Board has authorized the Directors to do so.
5.4 Social Media

Directors must not communicate about or discuss Waterfront Toronto on Social Media, unless the Chief Executive Officer or the Chair of the Board has authorized the Directors to do so.

5.5 Requests for Disclosure

Directors who receive external requests to disclose Confidential Information or other information about Waterfront Toronto must immediately provide the requests to the Chair of the Board or General Counsel of Waterfront Toronto, and must not respond to the requests other than to thank the sender and indicate that the request has been forwarded to the Chair of the Board or General Counsel, as applicable.

6. ACTIVITIES EXTERNAL TO WATERFRONT TORONTO & POLITICS

Waterfront Toronto welcomes Directors to be involved in their communities and with other activities external to Waterfront Toronto, including speaking engagements and politics, as Directors may choose.

Except at the request or with the authorization of Waterfront Toronto, Directors must not participate in external activities on behalf of Waterfront Toronto, as representatives of Waterfront Toronto, or as Directors, and must take steps to clarify that their personal participation does not involve Waterfront Toronto.

7. ADMINISTRATION

7.1 Where to go for help

Directors may seek guidance from the Ethics Official if they are unsure whether their conduct breaches the Code. Directors will not be penalized for seeking assistance.

7.2 Breach of the Code

Full compliance with the Code is a key requirement of being a Director. A Director is in breach of the Code when the conduct of the Director fails to comply with any aspect of the Code. A Director is also in breach of the Code if the Director otherwise acts dishonestly or unethically, even if the act is not specifically addressed in the Code.

A breach of the Code could result in a Director being disciplined, dismissed from the Board, subject to legal action, and/or receiving negative publicity. Waterfront Toronto may, in some instances, be obligated to report a breach of the Code to regulators or law-enforcement authorities.
7.3 **Duty to Report Breaches of the Code**

Each Director must report all breaches of the Code to the Ethics Official, including all breaches by the Director or by others. In addition, Directors must report all unethical or otherwise problematic matters that relate to Waterfront Toronto to the Ethics Official.

7.4 **Conflicts Register**

The General Counsel will maintain a written Conflicts Register, which may include: (i) Annual Declarations, (ii) information about all reported breaches of the Code, including reports made pursuant to Section 2.9 above, the parties involved, and how the breaches were resolved, including whether Waivers were granted and any prohibitions, sanctions, conditions, and restrictions were imposed, and (iii) other information as the General Counsel may determine.

The Ethics Official will disclose information regarding all Conflicts of Interest to the General Counsel. The General Counsel will provide a report on the Conflicts Register to the Governance Committee at least once in each calendar quarter.

7.5 **Relief or Waiver**

Waterfront Toronto does not intend to apply the Code mechanically. There may be limited cases where conduct breaches the Code but a Waiver of the duty to comply with the Code is necessary to promote the best interests of Waterfront Toronto. An example is when a Director has a Conflict of Interest due to the Director owning a minor and passive interest in a supplier of Waterfront Toronto, and no other supplier serves the interests of Waterfront Toronto as well as that one.

The Ethics Official is responsible for determining whether a Conflict of Interest should be Waived and, if so, any conditions that the parties involved with the Conflict of Interest and/or others must fulfill.

Continuing with the example above, the Ethics Official may grant a Waiver of the Conflict of Interest involving the Director and the supplier. The Supplier may then be permitted to supply Waterfront Toronto, but only if the Director and the supplier comply with the conditions that the Ethics Official has imposed.

The Ethics Official must consider the following factors when determining whether to grant a Waiver of a Conflict of Interest and, if so, any conditions that must be fulfilled:

(a) how to promote the best interests of Waterfront Toronto;

(b) how to promote the public mandate of Waterfront Toronto;

(c) how to ensure that Waterfront Toronto is accountable to the public;

(d) how to comply with law and ethics;

(e) fairness, both in fact and appearance;

(f) risk to the reputation of Waterfront Toronto;
(g) the skills, experience, materials, and expertise of the parties involved with the Conflict of Interest;

(h) the proximity between the Director, Family Member or Business Associate and the circumstances that raise the Conflict of Interest;

(i) whether the involvement of the Director, Family Member or Business Associate with the circumstances that raise the Conflict of Interest is active or passive;

(j) the likelihood that the Conflict of Interest may result in the existence or exercise of improper influence;

(k) the monetary or other value associated with the Conflict of Interest;

(l) whether procedural mechanisms may resolve the Conflict of Interest; and

(m) any other matter which the Ethics Official may consider appropriate in the circumstances.

There may also be cases where a Director discloses what looks to them to be a Conflict of Interest, but which the Ethics Official determines to not actually be a Conflict of Interest. In such cases, there is no Conflict of Interest to Waive, and the Director may resume their activities.

7.6 Minutes of Meetings and Record Keeping

Directors may take notes during meetings of the Board or Committees and may retain the notes pending the approval of the official minutes of the meeting taken by the Secretary of the meeting, at which time Directors must destroy their notes and all copies made.

Directors must not create or help others to create any false or misleading record of any meeting or of any other matter relating to Waterfront Toronto.

7.7 Annual Declaration of Compliance with Code

At the beginning of the term of the Directorship of each Director and at the beginning of every subsequent year, each Director must acknowledge and declare that they have read and understand the Code, and will fully comply with the Code at all times, by completing, signing and delivering the Annual Declaration to the Ethics Official. The Annual Declaration is attached as Appendix A to this Code.

Relatedly, see Section 2.9 for a discussion about reporting Conflicts of Interest.

8. DEFINITIONS

For the purposes of the Code:

(a) "Business Associate" means, in respect of a Director, (i) any business partner of the Director or the Family Member, and/or (ii) any business, organization, or entity that the Director, the Family Member, or a business partner of the Director or the Family Member works for, with, owns, or has an interest in.
(b) "Board" is the Board of Directors of Waterfront Toronto.

(c) "Chair" is the person who is the chair of the Board.

(d) "Chief Executive Officer" means the senior employee responsible for the management and operation of Waterfront Toronto, or the designee of such person.

(e) "Confidential Information" is information about or related to Waterfront Toronto that is not available to the general public and includes inside information provided by an external source with the expectation that the information will be kept confidential and will be used solely for the purpose for which it was conveyed. It also includes materials that contain or are derived from other Confidential Information.

(f) "Committee" means any committee, sub-committee, or special purpose committee of the Board.

(g) "Conflict of Interest" means a situation where any interest or matter competes with, could compete with, or appears or could be perceived to compete with, the duty of Directors to always act in and promote the best interests of Waterfront Toronto. "Conflict of Interest" is further defined in Section 2.

(h) "Designated Waterfront Area" is the area defined by regulations made under the Toronto Waterfront Revitalization Act in which Waterfront Toronto has authority to act.

(i) "Director" is a member of the Board of Directors of Waterfront Toronto.

(j) "Ethics Official" means the Chair, or if the Chair may have a Conflict of Interest or wishes to delegate the matter, the Governance Committee.

(k) "Family Member" means:
   
   (i) spouse, any person to whom the person is married or with whom the person is living in a conjugal relationship outside marriage;
   
   (ii) parent, including step-parent and legal guardian;
   
   (iii) child, including step-child;
   
   (iv) sibling and children of siblings;
   
   (v) parents' sibling (aunts/uncles) and their children (cousins);
   
   (vi) grandchildren;
   
   (vii) father/mother-in-law, brother/sister-in-law, son/daughter-in-law; or
   
   (viii) any person who lives with the person on a permanent basis.
(l) "Gift" means any kind of gift, hospitality, entertainment, benefit, reward, favour, influence, or advantage not available to the general public, including but not limited to cash, preferred pricing, loans, securities, commissions, or incentives.

(m) "Governance Committee" means the Committee of the Board, however named, that is responsible for reviewing the corporate governance of TWRC and the Board.

(n) "Intellectual Property" means all forms of intellectual property, including copyright, trademarks, patents, trade secrets, and otherwise, no matter what format the intellectual property is in and whether the intellectual property is registered or unregistered.

(o) "Secretary" means the Secretary of a meeting of the Board, a Committee, or of any other meeting.

(p) "Social Media" means online tools, platforms, websites, and apps that allow people to create and share information online and/or in social networks. This information may be in formats including text, audio, video, images, podcasts, and otherwise.

(q) "Waiver" means when the Ethics Official waives conduct or a situation that would otherwise be in breach of the Code, in order to promote the best interests of Waterfront Toronto.

(r) "Waterfront Toronto" means the Toronto Waterfront Revitalization Corporation, and all successors-at-law.
APPENDIX A
TORONTO WATERFRONT REVITALIZATION CORPORATION

ANNUAL DECLARATION

Unless otherwise defined herein, capitalized terms used in this Annual Declaration ("Annual Declaration") have the respective meanings given to them in Waterfront Toronto’s Director Code of Conduct (the "Code").

The objectives of this Annual Declaration include ensuring that Waterfront Toronto: (i) is accountable to the public, (ii) carries out its business ethically and in service of its public mandate, and (iii) avoids potential legal liability and embarrassment. This Annual Declaration will achieve the objectives by helping Directors comply with the Code so that they are not party to Conflict of Interest situations and, if they are, so that appropriate procedures are established to address the situations to ensure that Waterfront Toronto achieves its objectives.

Directors must complete this Annual Declaration at the beginning of their first term as Director and annually thereafter for the duration of their time as Directors.

Further, Directors must immediately report to the Ethics Official any change in circumstances that may give rise to a Conflict of Interest situation.

Directors must confirm the following by checking-off the appropriate items below:

1. _____ Yes. I have read and understand the Code and I will fully comply with the Code at all times.

2. _____ Yes. If I so requested, I was given the opportunity to discuss this Annual Declaration with Waterfront Toronto's outside legal counsel.

3. _____ No. Neither I, nor any Family Member or Business Associate of mine, has any interest in a corporation, partnership, or other business type or organization which has an interest in Waterfront Toronto activities or the plan to revitalize the Toronto waterfront.

OR

_____ Yes. As described in Schedule "A" to this Disclosure Statement, I, a Family Member(s), and/or a Business Associate of mine, have an interest in a corporation, partnership, or other business type or organization which has an interest in Waterfront Toronto activities or the plan to revitalize the Toronto waterfront.

4. _____ Yes. I have described all Conflicts of Interest of mine in Schedule "A" to this Disclosure Statement, if any.

[Please sign this Annual Declaration on the following page.]
SCHEDULE "A" TO ANNUAL DECLARATION

REQUIRED DISCLOSURE
MEETING OF THE BOARD OF DIRECTORS
OF THE TORONTO WATERFRONT REVITALIZATION CORPORATION
TO BE HELD AT 20 BAY STREET, SUITE 1310, TORONTO, ONTARIO, M5J 2N8
ON THURSDAY, JUNE 28, 2018 AT 8:30 A.M.

Public Agenda

8:30 a.m. 1. Motion to Approve Meeting Agenda All Approval

8:35 a.m. 2. Declaration of Conflicts of Interest All Declaration

8:35 a.m. 3. Consent Agenda
a) Minutes – May 30, 2017 Board Meeting
b) Infrastructure Ontario Realty Services Engagement L. Taylor Approval

8:40 a.m. 4. Chair’s Remarks H. Burstyn Information

8:50 a.m. 5. CEO Report W. Fleissig Information

9:00 a.m. 6. Waterfront Toronto Digital Strategy and Privacy K. Verner Information

9:20 a.m. 7. Waterfront Toronto Insurance & Benchmarks I. Beverley Information

8. Committee Chairs’ Report Committee Information

9:50 a.m. a. Investment, Real Estate and Quayside (IREQ) Committee M. Mortazavi/ S. Henderson Information

10:15 a.m. b. Stakeholder Relations Committee S. Palvetzian Information

10:45 a.m. c. Finance, Audit and Risk Management Committee J. Rieksts-Alderman

i) Year end Financial Statements Approval
   for the period ended March 31, 2018
ii) Capital Approval for Site Preparation Approval
    and Early Construction Works
iii) Corporate & Project reporting Information

11:30 a.m. d. Chairs Committee H. Burstyn Information

i) Staff Salary Recommendations for 2017/18 Approval
ii) 2017/2018 Annual Report Information
iii) Board Calendar (June 14 – Dec 2018) Approval
iv) Director’s Code of Conduct/Conflict of Interest Information
v) Five Year Strategic Plan

12:15 p.m. 9. Break All Information

12:30 p.m. 10. Motion to go into Closed Session H. Burstyn Approval
Closed Session Agenda
The Board will discuss item 11, being the Chairs Committee Report on Performance Assessments for Individual Executives and the CEO for the period April 1, 2017 to March 31, 2018, as well as item 12 being a discussion on Personnel Matters, in a closed session as permitted by By-Law No.2 of the Corporation. The exception relied on for each item is indicated in brackets and italics. The Board will reconvene a public session at the conclusion of the in-camera discussions in order to vote on any matters requiring decisions that were considered in the in-camera session.

12:30 p.m.  11. Committee Chair’s Reports (continued)
An opportunity for the Committee Chairs to table items or issues arising from their respective Committee Meetings

a) Chairs Committee
   (i) Performance Assessments for Individual Executives for the period April 1, 2017 to March 31, 2018
   
   Section 6.1.1(b) By-Law No. 2 – Personal matters about an identifiable individual, including employees of the Corporation

   (ii) Performance Assessment for the CEO for the period April 1, 2017 – March 31, 2018
   
   Section 6.1.1(b) By-Law No. 2 – Personal matters about an identifiable individual, including employees of the Corporation

1:15 p.m.  12. Update on Personnel Matters
All Information

1:45 p.m.  13. Motion to go into Open Session
All Approval

Public Session Agenda

1:50 p.m.  14. Resolutions Arising from the Closed Session
All Approval

1:55 p.m.  15. Closing Remarks
All Information

2:00 p.m.  16. Motion to Terminate the Meeting
All Approval
**Board/Committee Meetings – 2018**

*Updated following June 14, 2018 Board Meeting*

**QUAYSIDE/REC MEETING DATES TO BE FURTHER UPDATED**

**PROPOSED CHANGES HIGHLIGHTED YELLOW: NOT CONFIRMED**

*Note: Unless otherwise indicated in the table below:
- Board meetings are from: 8:30 a.m. - 12:30 p.m.
- Committee meetings are from: 9-11 a.m.*

### BOARD & COMMITTEES

<table>
<thead>
<tr>
<th>JANUARY</th>
<th>FEBRUARY</th>
<th>MARCH</th>
<th>APRIL</th>
<th>MAY</th>
<th>JUNE</th>
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<tr>
<td>Board of Directors</td>
<td></td>
<td>9 a.m. to 1 p.m. Monday February 5</td>
<td>12:00 p.m. to 2 p.m. Monday February 20</td>
<td>12:00 p.m. to 2 p.m. Tuesday February 20</td>
<td>1:30 p.m. to 3:30 p.m. Wednesday April 18</td>
<td>To consider additional meetings for HR &amp; Board Prep</td>
<td>Monday July 9</td>
<td>Thursday September 27</td>
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<td>Chairs Committee</td>
<td>Tuesday January 16</td>
<td>Tuesday March 20</td>
<td>Thursday March 8</td>
<td>Thursday May 31</td>
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<td>Finance, Audit &amp; Risk Management Committee</td>
<td>Thursday January 25</td>
<td>Thursday March 8</td>
<td>Thursday May 31</td>
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<td>Stakeholder Relations Committee</td>
<td>Thursday January 18</td>
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<td>Investment, Real Estate Committee &amp; Quayside Committee From May 10, 2018</td>
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<td>3:00 p.m. to 4:00 p.m. Friday June 8</td>
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<td>Quayside Committee</td>
<td>2:30 to 4:30 p.m. Wednesday January 17</td>
<td>Thursday February 15</td>
<td>Thursday April 19</td>
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<td>Investment &amp; Real Estate Committee</td>
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