

West Don Lands (“WDL”)

Construction

The following is a status of current projects within WDL:

- Don River Park – Remaining work for the dry side is underway. The remaining scope includes installation of handrails, placement of soil at playing field, placement of pavement surface at River Square and some final planting adjacent to the playing field. Schedule for completion of wet side is on hold pending completion of Flood Protection Landform (“FPL”) armouring.
- Underpass Park – Tender to close April 4, 2012 for repairs to the overpass structure. Construction expected to start at the end of April.
- Stormwater Management Facility – The forming and pouring of the Cherry and Keating shafts are complete. The final concrete work for the main shaft is underway and expected to be complete in May. The shoring and excavation for the oil-grit separator is complete and the forming and pouring of the oil-grit separator structure is well underway with completion expected May 30, 2012. Design and approvals work for the permanent treatment facility are underway with an expected construction start of summer 2012.

Urban Capital

Construction of Urban Capital’s Phase 1 buildings continues and sales of their Phase 2 building are progressing well. Urban Capital continues with the site plan approval process for its Phase 2 building.

Toronto Community Housing Corporation (“TCHC”)

TCHC continues to develop 243 units of affordable rental housing in three buildings, with occupancy anticipated for summer 2013.

East Bayfront (“EBF”)

Great Gulf is currently processing their approvals with the City which includes Site Plan Approval and Building Permits.

Waterfront Toronto continues to work with City Staff to process the Bayside Plan of Subdivision and Zoning By-law amendment applications. We have received comments on the first submission from most departments however await final formal comments from two departments. We have met with all City departments to discuss concerns and are preparing our second submission which will be forwarded to the City in the next week.

Toronto Water has advised through their Master Servicing Environmental Assessment that the best sanitary servicing solution for the eastern portion of the EBF lands would be to take flows east to Cherry Street. This had not been discussed with or contemplated by Waterfront Toronto and has implications to approvals for Hines and Great Gulf. Waterfront Toronto has confirmed that Toronto Water will agree to an interim solution taking flows west to the Scott Street Pumping Station until flows can be diverted to Cherry Street. This will allow Hines and Great Gulf to service their sites in a timely fashion.

Waterfront Toronto has retained HDR Corporation to conduct an EBF Implementation Study for transit and transportation planning to determine interim solutions for servicing the EBF lands with higher order transit while the long term solution (Union to EBF with LRT) is worked out.

Central Waterfront (“CWF”)

Queens Quay Design

The 75% Engineering Design was submitted to the City on February 28, 2012 and Waterfront Toronto is working through their comments. Waterfront Toronto intends to deliver the 90% Engineering Design to the City in early May for final sign-off prior to tendering the work, anticipated in June.

Queens Quay Construction Schedule

The project has been delayed by two months from the original schedule, due primarily to uncertainty surrounding Toronto Hydro’s advance utility works. On January 5, 2012, Toronto Hydro’s capital budget was thrown into uncertainty by a ruling of the Ontario Energy Board, and on January 31, 2012, Toronto Hydro notified Waterfront Toronto that their planned expansion project within Queens Quay was on hold, forcing a complete renegotiation of the proposed electrical system with TTC. On March 13, 2012, after evaluating the alternatives through a series of coordination meetings with Waterfront Toronto, Toronto Hydro reversed their decision and has decided to restart their planned expansion project in April, two months later than originally scheduled. Compounding the problem is a recent decision by the TTC not to share electrical ducts with Toronto Hydro in the future, which requires another redesign of the electrical supply system which we hope to complete in April.

Community Consultation

On January 24, 2012, the Construction Manager for the Queens Quay project, Eastern Construction, presented a revised draft of the construction staging plan to the BIA Area Planning Committee, which proposes a complex staging sequence intended to avoid any works in the central stretch of Queens Quay during July and August. This plan was well received by the BIA, and all future reviews of the construction plan will now be conducted through the Construction Liaison Committee (“CLC”) which includes all stakeholders, not just the BIA.

The first two meetings of the Construction Liaison Committee were held on February 1st and February 16, 2012, and the draft construction plan, the CLC terms of reference, and the communications plan were presented and met with a favorable reaction.

A technical media briefing and public meeting are planned for mid-April to share project details and the final construction schedule. A dedicated webpage will be developed for construction information, and community notices, updates and site signage will be created.

Permits

Prior to starting construction, we must obtain a Road Cut Permit. Once the 90% Engineering Design is submitted, it will require approximately two months to obtain the permit, meaning actual construction will be able to start in late June or early July. We are working closely with City staff to ensure that they are in a position to process these permit requests as quickly as possible.

Portland Water's Edge

Waterfront Toronto has identified three prequalified bidders for the promenade construction and is currently tendering the project. We anticipate awarding the contract before the end of April and completing construction by the end of the summer.

Canada Square

Substantial completion for the underground parking garage is now targeted for the middle of June. Design of the permanent landscaping (Canada Square, Ontario Square and temporary finishes in the area of the future Cultural Village) is ongoing and we anticipate the design being presented to the Design Review Panel on April 11, 2012. Construction will commence this summer and we expect the hard surfaces to be completed this year with the permanent planting being done in 2013. Harbourfront Centre has advised that they plan to pursue an OPA/Re-zoning to allow construction of the Cultural Village.

Planning and Design

Design Review Panel

On Wednesday, March 7, 2012, the Design Review Panel heard two third party development proposals referred to them by City Planning (as per our recent agreement with them). The Proponents presented projects located at 1 York Street (Menkes) and 10 York Street (Build Toronto/Tridel). 1 York Street received Conditional Support and 10 York Street did not receive Panel support. Issues arising at both project reviews included creating a unified streetscape and setback line along York Street, as well as major concerns with the design of the towers themselves and respective distances between towers. Panel comments will also form part of the official comments from Waterfront Toronto as a commenting authority on development applications within the Waterfront Toronto Design Review Panel purview area.

Other

Soil Recycling Facility ("SRF")

Waterfront Toronto has facilitated the re-use of recycled contaminated soil materials that were produced by the two operators during the soil recycling pilot project. The materials have been processed to meet Ontario geotechnical standards for backfill material by screening and blending the sand and aggregate produced by the soil washing facilities and will be utilized for the capping on the roof of the Harbourfront Centre Parking garage. This has been accomplished at a net credit of \$60,000 to the Canada Square project including the cost of processing the material. The material is slated to be moved from the SRF to the Canada Square project site for re-use in March/April. This re-use of products processed through the soil recycling facility has validated the pilot project goals and has confirmed that contaminated soils can be treated to meet environmental and geotechnical standards that will allow it to be re-used on the waterfront.

Health and Safety

There have been no health and safety incidents on Waterfront Toronto project sites that have resulted in lost time injuries since the last report.

Lower Don Lands (“LDL”) / Port Lands

At the direction of Toronto City Council, Waterfront Toronto is working together with City of Toronto and Toronto and Region Conservation (“TRCA”) to create a high level road map for accelerating development in the Port Lands, and increasing their economic value, for consideration by Council’s Executive Committee in June 2012. The Council-approved protocol also mandates further examination of options for the Don Mouth Naturalization and Port Lands Flood Protection Environmental Assessment (“EA”), within the approved EA Terms of Reference, along with a robust and comprehensive public consultation process.

TRCA and its consultants have completed preliminary hydraulic modeling to evaluate the impact of modifications to the preferred EA alternative that would reduce costs, facilitate phased implementation, and address specific stakeholder concerns. Re-aligned versions of two additional short-listed EA alternatives have also been examined in order to ensure appropriate due diligence. In addition to TRCA’s assessment of alternatives from the flood protection and naturalization perspective, the project team’s review has encompassed development and city-building parameters (e.g., total land take, requirement to expropriate private lands, impact on heritage features and infrastructure requirements, etc.). Current work is focused on phasing options.

In late January, Aecon Construction and Materials was retained to evaluate construction requirements for the flood protection infrastructure, recommend cost-effective construction methods, identify value improvement opportunities that could reduce construction costs, and prepare independent cost estimates for the revised EA alternatives. Work on the cost estimates is on-going, but preliminary results indicate that the work done on optimizing the flood protection infrastructure and identifying cost-effective construction methods will yield significant savings in comparison with earlier estimates.

PricewaterhouseCoopers (“PwC”) has completed a market sounding exercise with participation from various development sectors (including residential, commercial, retail, institutional, hospitality, cultural, industrial, and others) and from a range of real estate financing providers. Among the key findings was that a guarantee of transit availability is a necessary pre-requisite to securing developer commitment.

A team consisting of Cushman and Wakefield (lead), Urban Strategies Incorporated (USI), and Scotia Capital is providing Development/Economic Analysis and Financial Advisory Services. Work completed to date includes: an area competitive analysis; determination of market trends; GTA and Port Lands market demand projections, based on population, employment growth, and market share analysis; and translation of the demand projections through 2031 into a development program for further testing. Current work is focused on developing revenue projections to accompany the proposed development program.

On February 10, 2012, a contract was awarded to a multi-disciplinary team led by planningAlliance (pA) for the provision of land use planning, urban design, and infrastructure engineering services. This team, which also includes West 8 (urban designers), Sernas Group (municipal infrastructure engineers), and Steer Davies Gleave (transportation planners and engineers), is working collaboratively with the Development/Economic Analysis and Financial Advisory consultant to allocate the proposed development program to appropriate areas of the Port Lands and to determine the infrastructure requirements associated with alternative phased development scenarios.

Port Lands Consultation

Two advisory committees have been formed: the Stakeholder Advisory Committee (“SAC”) includes representation from a diverse range of community, business/economic development, and special sector groups interested in the Port Lands as a City-wide asset, while the Landowner and User Advisory Committee (“LUAC”) provides a forum to engage current private land owners, tenants, and user groups in the Port Lands. Three meetings have been held with each of these committees; the most recent meetings with both the SAC and the LUAC were held on March 21, 2012.

The next public consultation sessions are scheduled for Saturday, March 31, 2012, followed by feedback sessions on April 3 and 4, 2012. A final round of public consultation is scheduled for early May.

The project consultation website was formally launched the week of January 16, 2012. The consultation strategy also incorporates a web-enabled consultation experience that mirrors the “live” public consultation sessions, in order to effectively engage the widest possible audience.

District Energy

Waterfront Toronto has successfully completed the transfer of the interim District Energy (“DE”) plant/operations to Enwave on March 9, 2012. Responsibility for providing future heating and cooling under the Energy Service Agreement for the Corus Building has been transferred to Enwave as the DE provider.

Under commercially reasonable efforts, Enwave will complete the on-site plant and close the interim plant by November 1, 2012 to eliminate any ongoing operating losses. Future commercial development of the site could begin as early as 2013/14.

Government Relations

Federal Government

Further to our request for a meeting, Minister Flaherty will be meeting with federal Board members on May 4, 2012. The purpose of the meeting is to secure a continued, strong presence of the federal government in the waterfront project post the 2012 sunset clause for federal investment in waterfront revitalization.

A pre-briefing has also been arranged for federal representatives for May 2, 2012.

Province of Ontario

Waterfront Toronto has proactively engaged the Premier’s Office and key staff members who hold the waterfront file. A briefing and tour has been arranged for the Premier’s Office on April 4, 2012. A tour with the Premier is being arranged post-budget.

Ontario Place

Waterfront Toronto presented to the Ontario Place Advisory Panel, led by John Tory, on March 13, 2012. Our key messages were that Ontario Place revitalization should not happen in a silo; revitalization should consider delivering against what gaps exist in the city and on the waterfront in terms of land use; needs to take into account existing development occurring around Ontario Place as well as what is expected to come on stream in the next 5-10 years. The Panel was reminded also that Ontario Place revitalization will occur in an environment with heightened public and political focus on waterfront revitalization as a result of the recent Port Lands acceleration exercise.

We suggested that a critical first step is for Ontario Place to undertake a comprehensive visioning exercise – to take the disparate elements of the past exercises and help shape them through a time sensitive public consultation process into a consensus vision for Ontario Place. We recommended that Waterfront Toronto partner with Ontario Place to lead the public consultation exercise with a view to completing it by June.

In follow up to the presentation, the Ministry of Tourism and Culture has contacted Waterfront Toronto to provide additional input as to what gaps currently exist on the waterfront that a revitalized Ontario Place could fill as well as suggestions on how Waterfront Toronto can partner on Ontario Place revitalization.

Communications and Marketing

Attached for the Board's information is a review of the 2011/12 Communications and Marketing Plan as presented on March 19, 2012 to the Communications and Marketing Committee.

Media Relations

The *Wall Street Journal* ran a story on our waterfront revitalization work as part of a report on the Toronto real estate market. The story included an interview with John Campbell and some of our development partners who talked about how the Corporation's work served as a catalyst for redevelopment of the waterfront.

The revitalization of Toronto's waterfront was featured in *The Suzuki Diaries: Future City*, a special episode of *The Nature of Things*, the highly-acclaimed Canadian documentary series hosted by David Suzuki. The show featured interviews with John Campbell and James Roche and highlighted Don River Park, Underpass Park and Sherbourne Common. The episode aired on the main CBC network and several times on the CBC-News Network. It provided Waterfront Toronto with a national platform to showcase our sustainability approach and tangible progress in revitalization.

The Minister of the Environment, Minister Kent will host a federal World Water Day and Great Lakes Sustainability Fund event at Sherbourne Common on March 22, 2012. John Campbell will act as Master of Ceremonies for the event which will allow us to publicly demonstrate how our parks infrastructure and sustainability work align with federal priorities in the same areas.

Waterfront Toronto conducted site tours of the West Don Lands for Azure Magazine and the National Post in late January. The Post tour resulted in a positive full-page feature on January 28, 2012. The Azure tour of Underpass Park and Don River Park will be included in upcoming issues of the publication. The work with Azure means that Waterfront Toronto will be included in an upcoming insert focused on design. Meg Davis, Vice President, Development will be part of a feature which profiles local individuals who are positively impacting and influencing design in Toronto.

Influencer Outreach

On March 7, 2012 John Campbell gave the keynote address at the Toronto Board of Trade's Infrastructure Series luncheon. Approximately 125 people heard a status report on waterfront revitalization and how Waterfront Toronto has attracted over \$2 billion in private and public sector development and enabled real estate development in surrounding areas. We hope to re-engage the Board of Trade as an active partner for waterfront revitalization. In early March, Infrastructure Ontario (IO) nominated Waterfront Toronto for a 2012 Canadian Urban Institute Urban Leadership Award in the Renewal category. Waterfront Toronto assisted IO with the submission by providing corporate and project information, as well as testimonials and collateral materials.

The Urban Leadership Awards Program honours individuals, groups and organizations that have made significant contributions to improving the quality of life in Canada's cities and urban regions. Winners will be announced in June.

Marketing

Waterfront Toronto created an updated marketing brochure; a fold out map to promote waterfront transformation and showcase progress to date. The brochure is a 3D map with information on revitalization projects. We expect to make heavy use of the brochure. We recently installed a web camera to capture the construction progress of Urban Capital's River City project. The camera, which had been used previously to capture the construction of Sherbourne Common North, is located on the rooftop of a condominium building on the North side of King Street. A still image is taken every 15 minutes and then archived and at project completion we will have a two-minute time lapse construction video. The archived footage of the construction of Sherbourne Common north was posted on the website.

Waterfront Toronto is working closely with the marketing and branding teams of Dundee Kilmer Developments ("DK") and IO to ensure that DK's sales and marketing materials leverage and reflect our corporate branding and positioning. DK has sought input and guidance on a variety of topics including community relations, site signage, and media relations.

Sustainability

Waterfront Toronto Wins GLOBE Award

Waterfront Toronto and Halsall Engineering have received the 2012 Award for Excellence in Urban Sustainability from the GLOBE Foundation for our leading-edge Minimum Green Building Requirements. Since 2002, the GLOBE Awards for Environmental Excellence have recognized leading Canadian companies for outstanding achievement in environmental stewardship. These high profile national environmental awards are judged by a panel of recognized experts. The Award for Excellence in Urban Sustainability honours a local government, private sector company or consortium that has developed and applied outstanding urban sustainability principles.

Waterfront Toronto's revitalization process is designed to make Toronto a world leader in sustainable development with buildings and neighbourhoods that are among the greenest in the world. The Minimum Green Building Requirements were developed to help achieve this objective. With funding support from the Ontario Power Authority, the Minimum Green Building Requirements were updated in 2011 to help drive market transformation, incorporating best practices and the latest technologies available. Mandating high performance buildings including LEED Gold certification, electric vehicle infrastructure, minimum energy performance, waste management, and community integration, the Minimum Green Building Requirements define Waterfront Toronto's vision for green building design and construction, while representing superior conditions for occupant health, comfort, conservation and cost savings.

Corporate Responsibility Report

We have completed a draft of Waterfront Toronto's first Corporate Responsibility Report. This report represents a reflection of the growing increase in reporting on performance across industries and intends to provide information to our stakeholders on our core areas of performance and also highlights the last 10 years.

The report provides a balanced triple bottom line approach, quantifying success by economics as well as through measurable environmental and social improvements. It is anticipated that finalizing data collection and layout details will allow for publication on the website this spring.

Annual C40 Conference and Second Learning Program for the Climate + Development Program

A second learning program event for the Climate + Program is taking place in Melbourne Australia, together with the annual C40 meeting. The program continues the collaboration between projects and provides a sharing venue for sustainability strategies. This meeting will focus on strategies that support the steps necessary to achieve Climate +. The event includes a Joint session with the C40 cities as an important learning opportunity for honest dialogue and sharing around case studies and resources with other international C40 cities and Climate + projects. The focus will also be on enhancing the value and recognition of the program.

In addition to the joint C40 session, Waterfront Toronto has been invited to speak at the C40 meetings on a Panel focused on experiences in collaboration. The panel will include the Mayor of Melbourne, representatives from C40, the World Green Building Council, and others. This gives Waterfront Toronto an opportunity to share successes and challenges, learn from the experiences of others, and gain international exposure for the advancements in sustainable development accomplished to date.

Carbon Tool Calibration and Application

Waterfront Toronto continues advance use of the Carbon Tool that was completed last year. The University of Toronto's Cities Centre is working with Waterfront Toronto on tool calibration, including updating sustainability strategies. This includes applying the Carbon Tool to other Waterfront Toronto precincts.

The Carbon Tool is designed to measure the sustainability performance of urban development projects over a baseline, business-as-usual scenario, and to influence decisions during the design, planning, and development process. It does so by modeling the interactions between focus areas - land use, energy, water, waste, transport, carbon, and materials. Each focus area has a set of strategies and associated target levels that can be adjusted, allowing users to assess a range of possible sustainability outcomes as they work on planning alternatives. This gives users an opportunity to understand the relationship between development decisions and sustainability, thereby exploring ways of improving performance and combatting climate change.

The Carbon Tool was originally undertaken as a joint project between Waterfront Toronto and the C40-Clinton Climate Initiative. As such the strategies are designed with Climate + objectives in mind.