



# Board of Directors Meeting

## Agenda and Meeting Book

THURSDAY, JUNE 23, 2022 FROM 8:30 AM TO 11:20 AM

MICROSOFT TEAMS MEETING



## Meeting Book - Board of Directors Meeting

### Agenda - June 23, 2022 Board of Directors Meeting

#### Public Session Agenda

8:30 a.m.	1. Land Acknowledgement	Acknowledgment	All
8:35 a.m.	2. Motion to Approve Meeting Agenda	Approval	S. Diamond
8:35 a.m.	3. Declaration of Conflicts of Interest	Declaration	All
8:40 a.m.	4. Chair's Opening Remarks	Information	S. Diamond
8:45 a.m.	5. Consent Agenda		
	a) Highlights of Key Messages - 4	Information	All
	b) DRAFT Minutes of the Open Session March 24, 2022 Meeting - 6	Approval	All
	c) CEO Report - 11	Report	G. Zegarac
	d) FARM Committee Chair's Open Session Report, May 26, 2022 Meeting - 20	Information	K. Sullivan
	e) IREC Committee Chair's Open Session Report, June 2, 2022 Meeting - 23	Information	J. Winberg
	f) HRGSR Committee Chair's Open Session Report, June 9, 2022 Meeting - 24	Information	W. Cartwright
	g) Environmental, Social and Governance (ESG) Update - 26	Information	L. Taylor
	h) Waterfront Toronto Annual Insurance Program Review - 28	Information	L. Taylor / I. Ness
	i) Waterfront Toronto Office Space Lease Update	Information	L. Taylor
	Report - 31		
9:05 a.m.	6. Committee Appointments	Approval	S. Diamond
	Coversheet - 32		
9:10 a.m.	7. Waterfront Toronto Priority Projects	Information	D. Kusturin
	Coversheet - 33		
	Presentation - 34		
9:15 a.m.	8. Q1 2022/23 Construction Cost Forecast and Risk Update and Quantification – Port Lands Flood Protection	Report	D. Kusturin
	Coversheet - 56		
	Presentation - 58		

9:20 a.m.	<p><b>9. Project Related Approvals</b></p> <p>a) Parliament Slip Lakefill 60% Design Approval Amendment</p> <p>Coversheet - 83</p> <p>Presentation - 84</p> <p>b) Broadview Eastern Flood Protection – Phase 1 Capital Approval</p> <p>Coversheet - 89</p> <p>Presentation - 91</p>	<p>Approval</p> <p>Approval</p>	<p>P. Mallozzi</p> <p>K. Dion</p>
9:40 a.m.	<p><b>10. Year-End Audited Financial Statements March 31, 2022</b></p> <p>Coversheet - 110</p> <p>Financial Statements and Notes - 111</p>	<p>Approval</p>	<p>L. Taylor / S. Chandane</p>
9:55 a.m.	<p><b>11. Motion to go into Closed Session</b></p> <p><b>Closed Session Agenda</b>  The Board will discuss items 12(a), (b), (c), (d) &amp; (e), 13, 14, 15, 16 &amp; 17 being, consideration of the draft Minutes of the Closed Session March 24, 2022 meetings, the FARM Committee Chair's Closed Session Report, the IREC Committee Chair's Closed Session Report, WT Insurance Program Overview (continuation), WT Office Space Lease Update, 2021/22 Integrated Annual Report (IAR), Port Lands Risk Discussion, Update on Quayside Matters, HRGSR Committee Chair's Closed Session Report, and the Board Closed Session Discussion respectively, in Closed Session as permitted by By-Law No.2 of the Corporation. The exceptions relied for the discussion of item 12(a) in Closed Session is provided in the minutes of March 24, 2022 Board meetings contained in items 5(b) of this agenda, for item 12(b) &amp; (c) is Section 6.1.1(j) &amp; (l), for item 12(d) is Section 6.1.1(a), for item 12(e) is Section 6.1.1(l), for item 13 is Section 6.1.1(k), for item 14 is Section 6.1.1(l), for item 15 is Section 6.1.1(c), for items 16 &amp; 17 is Section 6.1.1(b) of By-Law No. 2. The Board will continue in Open Session at the end of the Closed Session to discuss and vote on any resolution(s) pertaining to the Closed Session.</p> <p>Closed Session - 131</p>	<p>Approval</p>	<p>All</p>
11:10 a.m.	<p><b>18. Motion to go into Open Session</b></p> <p><b>Public Session Agenda</b></p>	<p>Approval</p>	<p>All</p>
11:10 a.m.	<p><b>19. Resolution(s) Arising from the Closed Session</b></p> <p>Form - 132</p>	<p>Approval</p>	<p>All</p>
11:15 a.m.	<p><b>20. Chair's Closing Remarks</b></p>	<p>Information</p>	<p>S. Diamond</p>
11:20 a.m.	<p><b>21. Motion to Terminate the Meeting</b></p>	<p>Approval</p>	<p>All</p>
FYI	<p><b>Next Meeting: Thursday, October 13, 2022</b></p>	<p>Information</p>	<p>All</p>
FYI	<p><b>Upcoming Board and Committee Meetings</b></p> <p>Schedule - 133</p>	<p>Information</p>	<p>All</p>

<b>Agenda Item</b>	<b>Key Message</b>
<b>5 (c) CEO Report</b>	The quarterly CEO Report presents an overview of the Board meeting and of the work of the Corporation, highlighting key issues and matters of importance from the perspective of the CEO. In particular, the CEO wishes to highlight the appointment of two new City of Toronto Board Directors, Joe Mihevc and Laurie Payne as well as the reappointment of both Wende Cartwright and Jack Winberg for an additional term. In addition, the CEO wishes to highlight a number of changes of senior leadership at our partner governments and agencies. A dashboard attached to the CEO Report illustrates the status of corporate, administrative and project matters and compares it to the preceding quarter.
<b>5 (d) FARM Chair Report-Open Session</b>	The Chair of the FARM Committee will present his report on matters arising from the meeting of the Committee held on May 26, 2022. In addition to the regular risk, audit and financial quarterly reporting, the Committee reviewed the Corporation's new ESG update report, March 31 <sup>st</sup> year-end audited financial statements (and report from external auditors), Capital Approval amendment for Parliament Slip (design only), Capital Approval for Broadview Eastern Flood Protection and the related proposed amendment to the Rolling Five Year Strategic Plan, updates for the Port Lands Flood Protection project, as well as the corporate insurance program renewal results. The Committee also approved an updated internal audit plan.
<b>5 (e) IREC Chair Report-Open Session</b>	The Chair of the IREC Committee will present his report on matters arising from the meeting of June 2, 2022. The Committee received the Corporation's new ESG update report and a project overview of the West Don Lands, block 13, and reviewed the quarterly development dashboard.
<b>5 (f) HRGSR Chair Report-Open Session</b>	The Chair of the HRGSR Committee will present her report on matters arising at the meeting held on June 9, 2022. The Committee received an update from Rose Desrochers on HR matters, including recruitment, organizational effectiveness, Learning and Development, Performance Management and Diversity, Equity and Inclusion across the organization. The committee also received the Corporation's new ESG update report and a report from the CEO on performance review for 2021/22.
<b>5 (g) ESG update</b>	The board will receive an update from our CFO on ESG matters by the Corporation.
<b>5 (h) Waterfront Toronto Insurance Program Review</b>	The board materials contain an overview of WTs Corporate Insurance Program and outcome of 2022 renewals, including Directors & Officers insurance coverage.
<b>5 (i) Waterfront Toronto Office Space Lease Update</b>	An update will be provided on the process to consider and decide upon a new office lease for the Corporation as of May 2023.
<b>6. Committee appointments</b>	The board chair will present, <b>for approval</b> , his recommendations for committee appointments for our new directors, Councillor Joe Mihevc and Laurie Payne.
<b>7. Waterfront Toronto Priority Projects - Construction Update</b>	The Chief Project Officer will provide a presentation to the Board, for information, illustrating the work that has been undertaken over the past quarter on Waterfront Toronto priority projects.
<b>8. Q1/2022 Construction Cost Forecast and Risk Update and Quantification- Port Lands Flood Protection</b>	The Chief Project Officer will provide an update to the Board, for information, on the current Port Lands Flood Protection Project. This matter was also reviewed by the FARM Committee.



**Board of Directors – June 23, 2022**  
**Item 5a - Meeting Materials - Highlights of Key Messages**

<b>9 (a) Parliament Slip Lakefill 60% Design Approval Amendment</b>	Management will present, <b>for approval</b> , an amendment to a board resolution from June 24, 2021, to allow for the fully funded Parliament Slip lakefill project to proceed to the 60% design stage.
<b>9 (b) Broadview Eastern Flood Protection – Phase 1 Capital Approval</b>	Management will propose, <b>for approval</b> , an initial capital expenditure of \$7.585 million to commence implementation of the Broadview Eastern Flood Protection, and to add the project to the Five Year Rolling Strategic Plan, subject to execution of funding agreement(s) with the City of Toronto.
<b>10. Year-End Audited Financial Statements</b>	The Corporation will present, <b>for approval</b> , the Audited Financial Statements for the year ending March 31, 2022. The Financial Statements have been recommended for approval by the FARM Committee.
<b>12 (b) FARM Chair Report-Closed Session</b>	The committee chair will present a report on matters arising from the Closed Session of the committee meeting of May 26, 2022 including the draft 2021/22 Integrated Annual Report, a gift for an art trail on the waterfront, recent results from WT's third-party cyber security testing, and a PLFP risk update.
<b>12 (c) IREC Chair Report-Closed Session</b>	The committee chair will present a report on matters arising from the Closed Session of the committee meeting of June 2, 2022.
<b>12 (d) WT Insurance Program Overview (continuation)</b>	Management will present to the Board further information on the WT Insurance Program 2022 renewals.
<b>12 (e) WT Office Lease Update (continuation)</b>	Management will provide, for information, an update on the plans for office space when our current lease expires in May 2023.
<b>13. 2021/2022 Integrated Annual Report (IAR)</b>	The Corporation's third Integrated Annual Report, combining WT's environmental, social and financial results in one integrated report will be presented <b>for approval</b> . The theme of this year's report is <i>Coming Together on the Waterfront</i> which evokes the idea of people coming back together on the waterfront post-COVID and that the puzzle pieces of the "grand design" of the waterfront are falling into place.
<b>14. PLFP Risk Discussion</b>	The Chief Project Officer will present information relating to risks associated with the PLFP project.
<b>15. Update on Quayside Matters</b>	The Chief Development Officer will provide an update on the Quayside Project.
<b>16. HRGSR Committee Chair's Closed Session Report</b>	The meeting will receive a report from the CEO concerning the year end performance assessment for Executives, and the Board Chair will seek <b>approval</b> of the year end performance assessment for the CEO.

**MINUTES of the Open Session Meeting of the Board of Directors of the  
Toronto Waterfront Revitalization Corporation  
Via Microsoft Teams Teleconference  
Thursday, March 24, 2022 at 8:30 a.m. local time**

**PRESENT:** Stephen Diamond (Chair)  
Rahul Bhardwaj  
Wende Cartwright  
Councillor Joe Cressy  
Drew Fagan  
Michael Galego  
Paul Khawaja  
Andrew MacLeod  
Jeanhy Shim  
Kevin Sullivan  
Alysha Valenti  
Jack Winberg  
Leslie Woo

**REGRETS:**

**ATTENDANCE: WATERFRONT TORONTO**  
George Zegarac (CEO, Waterfront Toronto)  
Meg Davis (Chief Development Officer)  
Christopher Glaisek (Chief Planning and Design Officer)  
David Kusturin (Chief Project Officer)  
Lisa Taylor (Chief Financial Officer)  
Julius Gombos (SVP, Project Delivery)  
Rose Desrochers (VP, Human Resources and Administration)  
Cameron MacKay (VP, Strategic Communications and Engagement)  
Pina Mallozzi (VP, Design)  
Kristina Verner (VP, Innovation, Sustainability & Prosperity)  
Ian Ness (General Counsel)  
Catherine Murray (Senior Legal Counsel)  
Iain McMullan (Executive Director, Philanthropy)  
Ed Chalupka (Director, Government Relations)  
Mira Shenker (Sr. Manager, Communications & Public Engagement)  
Charmaine Miller (Executive Assistant to the CEO & Board Admin)

Also in attendance for part or all of the meeting were:

- Anne-Marie Rozon, Principal Analyst, Iswariya Tirunagaru, Analyst, Jasmine Haghighi, Analyst, Laura Robbins, Program Analyst, Sarah Khan, Analyst, Investment, Partnerships and Innovation, Infrastructure Canada
- Chris Monahan, Director, Andre James, A/Manager, Jessica Dulay, Research Analyst, Jonathon Vita, Manager(A), Agency Governance and Accountability Unit, Ministry of Infrastructure
- Diane Silver, Waterfront Project Manager, Waterfront Secretariat, City of Toronto

The Chair, Stephen Diamond, appointed Ian Ness to act as secretary of the meeting.

With notice of the meeting having been sent to all Directors in accordance with the Corporation's By-laws and a quorum of Directors being present, the Chair called the meeting to order at 8:32 a.m. and declared that the meeting was duly constituted for the transaction of business.

**1. Land Acknowledgement**

Stephen Diamond acknowledged Indigenous Peoples' presence and connections to lands under revitalization by Waterfront Toronto.

**2. Motion to Approve Meeting Agenda**

**ON MOTION** duly made by Andrew MacLeod, seconded by Councillor Joe Cressy and carried, it was **RESOLVED** that the Agenda for the March 24, 2022 meeting be approved, as presented.

**3. Declaration of Conflicts of Interest**

Stephen Diamond declared a potential conflict of interest with respect to Update on Quayside Matters (item 12) on the agenda. Further to his previous declarations that his company had development partnerships with several Quayside RFP proponents, and although the agreements do not relate in any way to Quayside or any other Waterfront Toronto project.

Mr. Diamond stated, "I have been advised that my development partnerships do not create a legal conflict and from a procurement perspective I can now fully participate in the process. However, to avoid the perception of any possible conflict, until the corporation enters into a project agreement with a proponent, I will not be participating in any board or committee discussions concerning the Quayside project, nor will I be voting on any related matter that might come before the board. As Board Chair, I will be advised of developments relating to the overall status of the project such as whether the project remains on time, but I will not be involved in any dealings with the proponent directly or indirectly."

Mr. Diamond did not participate in the meeting during the discussion of Quayside (item 12). He also did not receive nor had access to any materials distributed to the committee regarding Quayside.

Jack Winberg, Investment and Real Estate (IREC) Committee Chair acted as chair of the board meeting while Mr. Diamond was absent.

Alysha Valenti declared a conflict of interest with respect to Office Space Lease (item 5h) on the agenda, given that she is currently employed by the Landlord of the lease, and despite not having any insight at the company into the negotiations.

Ms. Valenti did not participate in the meeting during the discussion of item 5h. She also did not receive nor had access to any materials distributed to the committee regarding

the Office Space Lease update.

#### 4. Chair's Opening Remarks

Stephen Diamond welcomed and thanked everyone for joining the meeting, especially the government partners for their participation and their ongoing support of Waterfront Toronto. Mr. Diamond explained that meetings continue to be held remotely, due to the ongoing COVID-19 pandemic. He added that the meeting would be recorded and made available to the public afterwards.

Mr. Diamond reflected on the past two years and emphasized the successes of the Corporation. He shared that Waterfront Toronto have focused a lot on the Quayside project and the Port Lands Flood Protection Project. However, he recognized and thanked the efforts of the entire Waterfront Toronto staff who have contributed so much. Waterfront Toronto not only survived the past two years, but have thrived, which is due to contributions of so many people including the philanthropy team, the planning and design team, the project delivery team who deliver Port Lands Flood Protection and so much more, the development team who are bringing to fruition so many of our ideas, and all those who provide support from finance, human resources, legal, project management, procurement, communications, IT, other administrative staff, and the leadership of the CEO.

Mr. Diamond also advised that both Andrew MacLeod and Kevin Sullivan have recently been reappointed to the board by the Province of Ontario and thanked them for their contributions and commitment to the organization. He also advised the board that his term as Chair has also been extended to March 2023.

#### 13. Board Closed Session

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** made by Jack Winberg and seconded by Alysha Valenti and carried, the Board **RESOLVED** to go into Closed Session to discuss item 13. The exceptions relied for the discussion for item 13 is Section 6.1.1(b) of By-Law No. 2.

At the end of the Board Closed Session discussion, the Board continued in Open Session to discuss items 5 through 8.

#### Motion to go into Open Session

**ON MOTION** made by Jack Winberg, seconded by Leslie Woo and carried, the Board **RESOLVED** to go into Open Session.

#### 5. Consent Agenda

The **Highlights of Key Messages** were taken as read.

**Draft Minutes of the Open Session December 9, 2021 and February 15, 2022 Meetings:**

**ON MOTION** duly made by Wende Cartwright, seconded by Alysha Valenti and carried, it was **RESOLVED** that the Minutes of the December 9, 2021 and February 15, 2022 meetings of the Board of Directors be approved, as tabled.

George Zegarac provided a brief overview of key matters in the CEO report including an update on Quayside, Parliament Slip/ Marine Use Strategy, COVID-19/Return to Work, Government Oversight/Reviews, the Corporation's Rolling Five-Year Strategic Plan (2022/23-2026/27), Resource and Succession Planning, and its ongoing commitment to Diversity, Equity & Inclusion (DE&I) including Indigenous Engagement, and an update on the Port Lands Flood Protection project.

The Finance, Audit & Risk Management (FARM), Human Resources, Governance & Stakeholder Relations (HRGSR), and Investment and Real Estate (IREC) Committees Chairs Open Session Reports were provided for information and taken as read.

Alysha Valenti left the meeting during item 5(h) presentation and discussion.

Lisa Taylor, Chief Financial Officer provided for information the process underway to secure corporate office space in advance of when Waterfront Toronto's current lease expires in May 2023.

## **6. Delegations of Authority**

Ms. Valenti rejoined the meeting at this time.

Management presented, for approval, proposed changes to the Corporation's Delegations of Authority document to ensure alignment with the recently updated Board Committee mandates and more clearly articulate the delegation process in the absence of the CEO or C-level executive, among other changes.

## **7. Board Retreat**

Wende Cartwright, Chair of HRGSR provided an update that a board educational session is to be held on June 16, 2022. Planning will begin over the coming weeks and directors interested in participating in the planning should reach out to Ms. Cartwright.

## **8. WT Priority Projects**

David Kusturin, Chief Project Officer provided a presentation to the Board, for information, illustrating the work that has been undertaken over the past quarter on Waterfront Toronto projects.

## **9. Motion to go into Closed Session**

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** made by Paul Khawaja and seconded by Kevin Sullivan and carried, the Board **RESOLVED** to go into Closed Session to discuss items 10(a), (b), (c), (d) & (e), 11 and 12. The exception to

the Open Meeting Law relied on for the discussion of item 10(a) & (b) is contained in the minutes of the Board Meetings on December 9, 2021 and February 15, 2022 as provided in items 5(b) & (c) of this agenda, for item 10(c) is Section 6.1.1(k), for item 10(d) is Section 6.1.1(b) for item 10(e) is Section 6.1.1(c), for item 11 is Section 6.1.1(k) & (l), and for item 12 is Section 6.1.1(c) of By-Law No. 2. The Board continued in Open Session at the end of the Closed Session to discuss and voted on the resolution(s) pertaining to the Closed Session.

**10. Consent Agenda**

**Draft Minutes of the Closed Session December 9, 2021 and February 15, 2022 Meetings**

**Closed Session Committee Chair Reports for FARM February 24, 2022 meeting, HRGSR March 3, 2022 meeting and IREC March 10, 2022 meeting.**

**11. Port Lands Risk Discussion**

**12. Update on Quayside Matters**

Stephen Diamond left the meeting during item 12 presentation and discussion.

**14. Motion to go into Open Session**

**ON MOTION** made by Paul Khawaja, seconded by Wende Cartwright and carried, the Board **RESOLVED** to go into Open Session.

**15. Resolution Arising from the Closed Session**

Stephen Diamond rejoined the meeting at this time.

**ON MOTION** duly made by Jack Winberg and seconded by Wende Cartwright and carried, it was **RESOLVED** that the Minutes of the Closed Session of the Board of Directors meetings held on December 9, 2021 and February 15, 2022 be approved, as tabled.

**16. Termination of the Meeting**

The Chair thanked everyone for attending the meeting.

There being no further business, **ON MOTION** made by Jack Winberg, seconded by Leslie Woo and carried, it was **RESOLVED** that the meeting be terminated at 10:36 a.m. local time.

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Board Chair

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Secretary

I am pleased to provide this CEO Report for the upcoming Board meeting. Since the last report, I have continued to be fully engaged with staff, governments and other stakeholders and agencies operating on the waterfront.

I would like to welcome both Joe Mihevc and Laurie Payne as the newest members of the Board. I would like to thank the City of Toronto staff and Council for their expeditious appointments as well as the reappointment of both Wende Cartwright and Jack Winberg on June 15<sup>th</sup> to help to ensure continuity and consistency for the corporation during this very busy time.

With these new City appointments, we are also unfortunately saying goodbye to Michael Galego. I want to pass along my sincere thanks to Michael for his valuable input and commitment to the Board and to our FARM Committee over the last three years.

There have also been several changes of senior leadership at our partner governments and agencies.

Earlier this month, City Manager, Chris Murray, announced his departure from the City of Toronto after this term of Council. His last day will be August 19, 2022. Plans for an interim City Manager and the permanent City Manager recruitment will be announced in the weeks ahead. On a personal note, I will miss Chris' dedication and leadership on the waterfront revitalization file.

In addition, Chris Giannekos, Deputy Minister at the Ministry of Infrastructure recently announced his retirement. Jill Vienneau has been appointed acting Deputy Minister. I know Jill very well and her leadership style will be greatly appreciated during her tenure. I would also like to thank Chris Giannekos for his great service to the Ontario Public Service over his career.

After 12 years as President and CEO of Ports Toronto, Geoff Wilson announced his retirement effective June 30, 2022. This follows a long and distinguished international career in the shipping, aviation, and infrastructure industries. Geoff has been a champion of our recent vision for the waterfront.

We will continue to work through these transitions and ensure we establish strong and productive working relationships with their replacements to ensure continuity and advance the revitalization of Toronto's waterfront at this important time for the Corporation.

## Quayside

Since February, when the Board, by unanimous vote approved that the Corporation enter into negotiations with Quayside Impact Limited Partnership, Waterfront Toronto staff have been meeting regularly with the preferred proponent to negotiate the terms of the Project Agreement. Negotiations are expected to be completed by fall 2022, at which time, if successful, more information will be shared with the public, and Quayside Impact Limited Partnership will work to finalize the development plans, seek municipal approvals, including development approvals, and bring this remarkable community to life.

WT staff have also prepared and submitted the Business and Implementation Plan for Quayside (including Affordable Rental Housing) to the City and are working with staff on finalizing a report to Executive Committee on July 12<sup>th</sup> and to Council on July 19<sup>th</sup> and 20<sup>th</sup>.

## Interim Uses

Due to the long-term and complex nature of waterfront revitalization it will take many years for certain parcels of land to be fully revitalized. As a result, Waterfront Toronto has developed an interim use strategy to generate value from these lands in the interim and by extension help build back the City's tourism sector as part of a post-pandemic recovery effort. The Interim Use and Events Strategy is included as one of the four priority City Building initiatives in Waterfront Toronto's latest 5-Year Strategic Plan with the overarching goal to activate the waterfront and implement a robust, diverse and year-round program of events and festivals as well as temporary uses.

### *Jane's Walk*

Jane's Walk is an annual festival of free, community-led walking conversations inspired by Jane Jacobs. This year in partnership with the City of Toronto and the Waterfront BIA, Waterfront Toronto staff and myself including former Board Chair Mark Wilson joined over 70 participants on a very successful waterfront walk/tour on May 7<sup>th</sup>.

### *Smorgasburg*

In partnership with Waterfront Toronto, last month it was announced that Smorgasburg, the largest weekly open-air food market in America will be coming to Toronto for the first time this year, featuring over 50 vendors from across the city who will aim to showcase the city's culinary diversity, as well as its bustling food and art scene.

Smorgasburg was first launched in 2011 and has since attracted millions of tourists each weekend to Brooklyn, Manhattan, Jersey City, Los Angeles and Miami to taste and explore the food from unique local vendors.



Smorgasburg Toronto will launch July 23<sup>rd</sup> for eight Saturdays through to September 10<sup>th</sup> located at 7 Queens Quay East, at the foot of Yonge Street. Smorgasburg will be free to attend and open to the public.

### *Judy Chicago*

On June 4<sup>th</sup>, to mark the closing of the 2022 edition of the Toronto Biennial of Art, Judy Chicago's newly commissioned site-specific and one-of-a-kind "Smoke Sculpture" was set off at Sugar Beach. Her smoke sculpture was called *A Tribute to Toronto at Sugar Beach* and was visible from the shore of the Lake as a series of environmentally safe, non-toxic coloured smokes released from a barge located on the water. The plumes of smoke mixed in the air and interacted with the light of the setting sun to create fascinating, changing form with the event drawing an estimated 10,000 people to the water's edge. Chloe Catan (Public Art Program Manager), Chris Glasiek (Chief Planning and Design Officer), Shuraine Otto-Olak (Public Art Coordinator), Cameron MacKay (VP, Strategic Communications & Engagement) and I along with Wende Cartwright (Board Director) attended this successful event.

### *Waterfront Clean Up Day*

As we work together to create a vibrant waterfront together with the Waterfront BIA we are planning a Waterfront Clean Up day. The BIA providing the necessary tools and gear.

These engagement pop-ups, like the ones mentioned above, help to increase education and awareness of waterfront revitalization and associated projects as well as improve our connections with the public.

## **Queens Quay West improvements**

Given the high volumes of people along Queens Quay, most notably in the summer months Waterfront Toronto staff are working with the City of Toronto and TTC to continue to assess how Queens Quay west is performing. From this work WT has identified a series of intersection improvements that are being made at Lower Simcoe Street and Bay Street to provide clearer separation between cycling and pedestrian crossings. Some of the improvements include:

- On the Martin Goodman Trail, asphalt is being extended through the intersections and the granite pavers previously used at the pedestrian-cyclist mixing zones are being removed and will be saved and re-used elsewhere.
- Pedestrian crossing signal buttons are being relocated south of the Martin Goodman Trail.
- Crosswalk markings are being extended to the south edge of the Martin Goodman Trail.

In addition, a planting pilot is being implemented between Lower Simcoe Street and York Street. New plantings will be installed between the south side of the TTC streetcar tracks and the Martin Goodman Trail that will create a protective buffer zone between the streetcar right-of-way and pedestrian traffic. Stormwater captured from the trail and promenade will provide passive irrigation to the plantings and trees to ensure a sustainable landscape.

## **COVID-19/Return to Work**

The Joint Health and Safety Committee has played an integral role in the COVID-19 pandemic response and is guided by public health directives. They have been making recommendations to the Senior Management Team to help preserve the health and safety of our employees and adapt Waterfront Toronto's operations and actions in response to the pandemic.

The Corporation continues to operate effectively and efficiently with excellent collaboration across the organization and with our government partners and I am incredibly proud of how agile and resilient our staff have been over these last two years. Our offices have remained open over the last several months for those individuals who have wished to come into the office.

As of April, this year all staff began returning to the workplace a minimum of two days per week with assigned days for departments and/or project teams and with others having a more operational role in the office even more frequently. We continue to monitor the situation and will shortly be updating a Return to Workplace Plan to determine whether there should be an increase in the number of days that staff will be in the office. We of course will continue to use Toronto Public Health guidance to inform our plans.

### *Future Office Space Requirements*

Our lease at 20 Bay St. is set to expire May 2023 and staff in collaboration with Avison Young have been working on developing a strategy and potential options. We recently completed the workplace strategy phase which resulted in a preference for a hybrid model. The opportunity to reduce space was also identified if WT was to move to an unassigned seating plan.

We are currently in the business case phase which includes assessing location alternatives, and includes obtaining feedback from staff regarding preferences, as well as receiving financial proposals from the short-listed locations, of which 20 Bay is one. If we move to a hybrid work model the new space will include hoteling for some staff, more collaboration space and a smaller footprint.

Based on the outcome of the business case phase, WT will enter final lease negotiations with assistance from our broker and will finalize a decision this Fall.

## **Next Phase of Waterfront Revitalization**

We continue to work collaboratively with all orders of government on the key issues for the Next Phase of Waterfront Revitalization, namely a mandate extension, continued funding from all orders of government and ongoing roles and responsibilities as part of Villiers Island/Port Lands.

The City is drafting a staff report for the July Council cycle and will report on the outcomes from the City's public consultation and stakeholder engagement process on a renewed waterfront vision.

A follow up staff report is anticipated in the first half of 2023 which will outline the outcome of discussions with government regarding potential future tri-government funding and any requisite mandate extension. At that time the 2006 MOU between WT, The City and CreateTO could be revised to make the document current and affirm the roles and responsibilities for future development precincts contingent on further provincial and federal funding.

## **Integrated Annual Report**

The Corporation's third Integrated Annual Report, combining WT's environmental, social and financial results in one integrated report will be presented for approval later today. The theme of this year's report is Coming Together on the Waterfront which evokes the idea of people coming back together on the waterfront post-COVID and that the puzzle pieces of the "grand design" of the waterfront are falling into place.

## **Diversity, Equity & Inclusion (DE&I)**

Waterfront Toronto is committed to creating a workplace where all employees feel they belong, and to ensure that diverse voices are included as it works to revitalize the waterfront.

Focusing on Diversity, Equity and Inclusion (DE&I) is consistent with Waterfront Toronto's purpose and is integral to our goal of ensuring inclusive and equitable access to the waterfront.

In late 2021, Waterfront Toronto engaged MNP to help create our DE&I strategy, starting with an assessment of our current state of DE&I. This assessment was critical to informing the development of a WT DE&I strategy. It has enabled the organization to strategically approach our DE&I efforts to support future growth of Waterfront Toronto and

build on the relationships we have established with Indigenous Peoples and continue building relationships with other important stakeholders and communities.

The strategy was developed through in-depth interviews with Board members and Senior Leaders, and via focus groups with staff. A Barrett Culture Assessment - a detailed understanding of the personal motivations of employees, their experience within your organization, and the direction the organization should be heading - was carried out as well.

In March, MNP presented a final report and implementation plan to the Board on Waterfront Toronto's DE&I journey thus far. The findings showed Waterfront Toronto's culture is healthy, and will support further work on DE&I.

The implementation plan included a set of strategic recommendations to further embed DE&I in Waterfront Toronto's processes and culture. To provide a baseline demographic snapshot of our workforce, the first action item was to launch a confidential and anonymous Workforce Demographic Survey in April 2022 designed to capture an accurate picture of how employees self-identify. The data collected in year one will provide a useful baseline to compare future data as the survey rolls out annually. We received a 90% participation rate and it showed that we have a strong and healthy workforce culture and that staff would like to do further work and be more involved in our DE&I journey.

## **Port Lands Flood Protection**

The Port Lands Flood Protection Program project schedule has been affected by the design, approvals and construction of utilities which impact the reopening of Cherry Street and Commissioners Street. The revised schedule updated on April 6, 2022, reflects flood protection and Substantial Completion moving to June 20, 2024 from March 31<sup>st</sup>. Final plantings for the parks will be deferred to the fall planting season to maximize plant survivability. Parks completion is therefore forecast on October 31, 2024. Project closeout and contractor demobilization is anticipated December 24, 2024.

The budget for the PLFP Project remains unchanged at \$1.185B however the likelihood of delivering the Port Lands Flood Protection Program on budget without reductions in scope is 4% based on the forecast remaining contingency.

The key accomplishments for Q4 2021/22 include:

- Completed fabrication of Cherry South bridge and delivered to site
- Completed welding and connection of Commissioners Street bridge
- Continued with steel fabrication of Cherry North vehicular bridge for delivery to site in summer 2022

- Completed horizontal directional drilling (HDD) for crossing of Keating Channel at Cherry Street and for River Valley at Commissioners Street bridge
- Completed construction of wet utilities on Cherry Street south of Keating Channel to Cherry South bridge
- Advanced construction of new Cherry Street/Lake Shore Boulevard intersection
- Completed deep excavation and progressed with installation of drainage layer and risk management measures (RMM) in Elbow area (except under Commissioners Street bridge)
- Continued installation of river finishes in Central River Valley including log crib walls, fabricated encapsulated soil lifts
- Completed dock wall reinforcement works on Cousins Quay (MT 35)
- Completed site preparation, grading and watermain relocation in the Sediment and Debris Management Area
- Commenced removal of dock wall and tie backs in Polson Slip and excavation works in Polson Slip Completed Atlas Crane repairs and painting

Sincerely,  
George Zegarac  
President and CEO

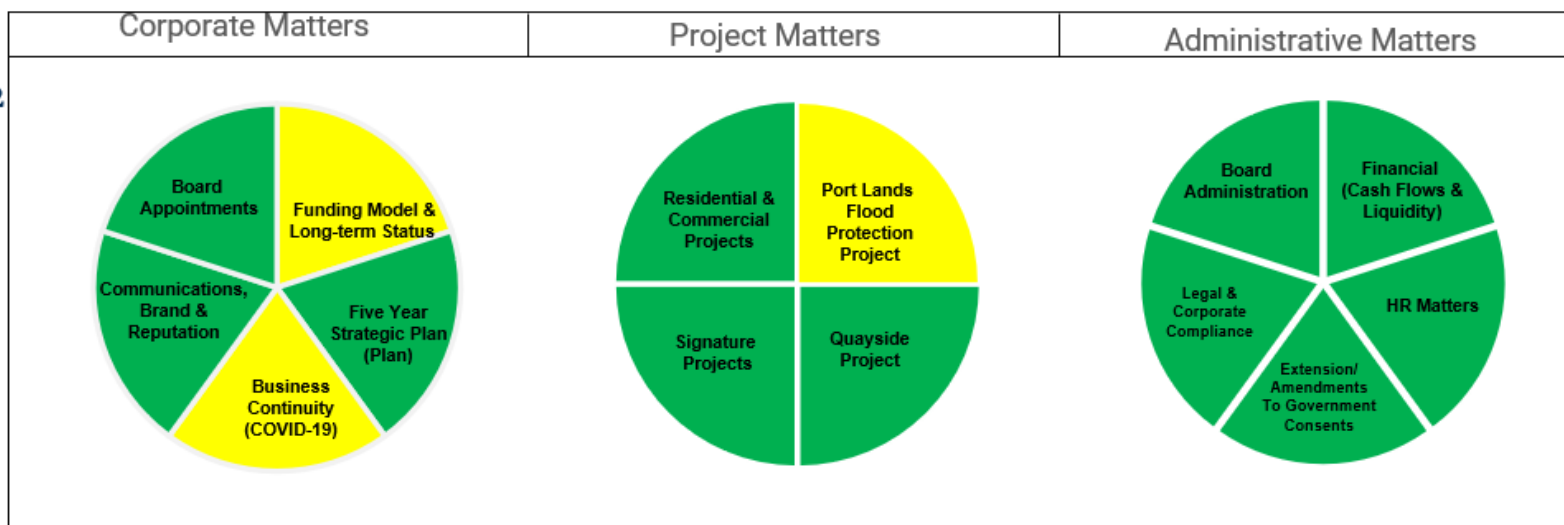
## Appendix 1 – Corporate Dashboard and Summary of Dashboard Changes

### Dashboard Highlights

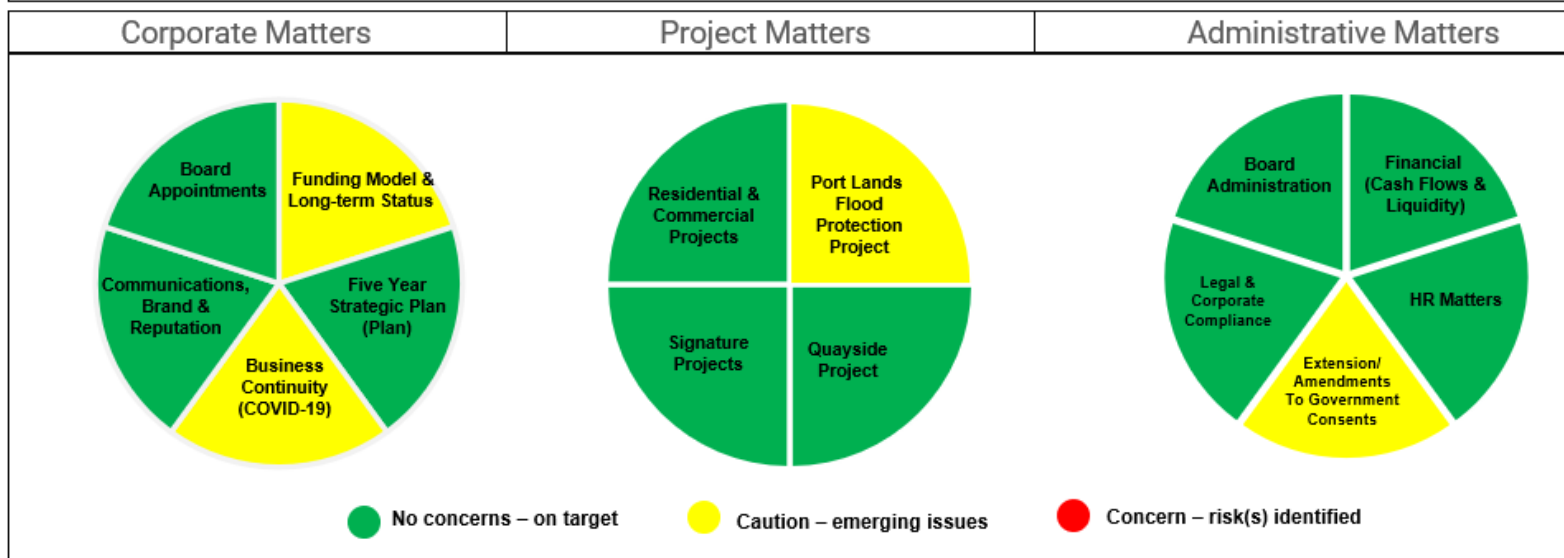
Dashboard Item	Previous 17/03/22	Current 23/06/22	Status
Business Continuity (COVID-19)			Organizational efficiency near 100%. Staff began returning to the workplace a minimum of two days per week with assigned days for departments and/or project teams and with others having a more operational role in the office even more frequently. We continue to monitor the situation and will shortly be updating a Return to Workplace Plan by the Joint Health and Safety Committee to determine whether there should be an increase in the number of days that staff will be in the office. We of course will continue to use Toronto Public Health guidance to inform our plans.
Board Appointments			Joe Mihevc (Mayor's Designate) appointed by Toronto City Council on June 1 <sup>st</sup> . Laurie Payne appointed on June 15 <sup>th</sup> . Wende Cartwright and Jack Winberg reappointed on June 15 <sup>th</sup> .
Consents			Revenue consent amendment executed by all orders of government February 2022. Borrowing Consent executed by all orders of government in May 2022.

## Corporate Dashboard

**Current**  
**23/06/2022**



**Previous**  
**17/03/2022**





The Finance, Audit & Risk Management (FARM) Committee met in person and virtually on May 26, 2022. Quorum was achieved with all four members attending the meeting either in person or via Microsoft Teams.

This report covers the following ten items, three of which are for Board approval and seven for information:

1. Year End Audited Financial Statements March 31, 2022 **(for approval under Item 10)**
2. Project Related Approvals **(for approval under item 9):**
3. Corporate and Project Reporting Dashboards and Reports
4. Internal Audit Plan Refresh
5. Port Lands Flood Protection (PLFP) Project Update
6. Waterfront Toronto Insurance Program
7. 2021/22 Integrated Annual Report (reported in closed session **for approval under Item 13**)
8. Art Trail Gift (reported in closed session)
9. Third Party Cyber Security Report (reported in closed session)
10. Port Lands Risk Discussion (reported in closed session)

Note that Items 7 - 10 above are reported under Agenda Item 12b in the Closed Session.

**1. Year-End Financial Statements – March 31, 2022 (for approval)**

- The FARM Committee reviewed the Corporation's financial statements for the year ended March 31, 2022 with management and the Corporation's external auditors from BDO Canada LLP (BDO).
- The external auditors from BDO noted that they would be issuing an unqualified audit opinion and that there were no material matters of concern regarding internal controls.
- This item is reported separately under Item 10 of the June 23, 2022 Board materials.
- The FARM Committee supports Board approval of the audited financial statements.

**2. Project Related Approvals (for approval)**

- Management outlined two approval requests, the first for a minor amendment to the Board's June 2021 Parliament Slip Lakefill 60% design approval based on the updated funding status of the project.
- The second relates to a \$7.585M capital approval for a new project fully funded by the City of Toronto, not currently in the Corporation's Rolling Five Year Strategic Plan. It relates to the first phase of work for the Broadview Eastern Flood Protection project.
- These items are reported separately under Items 9a) and 9b) of the Board materials.
- The FARM Committee supports approval of both of these requests.

**3. Corporate & Project Reporting Dashboards and Reports**

- Due to the heavy agenda, the FARM Committee took most of the dashboards as read.



- The Committee reviewed the enterprise risk dashboard with management. It was noted that two risks have reduced in likelihood and/or impact this quarter, namely liquidity risk (due to the Corporation securing a \$50M increase, to \$90M in its tri-government consent to borrow) and business continuity risk (due to the recent refresh/update to the Corporation's business continuity plan and investments in hybrid work environment).
- Management also highlighted the new Environmental Social Governance report included in the materials for review and comment. This report which outlines various ESG related initiatives the Corporation is currently involved in, will also be shared quarterly with other Board Committees and the full Board.

#### **4. Internal Audit Plan Refresh**

- Veronica Bila, Partner from MNP LLP (MNP) outlined a revised internal audit plan for the Corporation to FY 2023/24 which was developed in collaboration with management based on current enterprise risks and opportunities facing the Corporation.
- Key upcoming audits will focus on the Corporation's ERP system, including lessons learned from implementation, streamlining procurement processes and robotic process automation opportunities, as well as cyber security and accessibility.
- The revised plan and associated fees were reviewed and approved by the FARM Committee.

#### **5. Port Lands Flood Protection (PLFP) Project Report Updates**

##### **a) PLFP Project Update**

- Waterfront Toronto's Chief Project Officer provided a visual progress report for the PLFP project.

##### **b) Q1 2022 Construction Cost Forecast & Risk Update and Quantification**

- Management presented the Q2 2022 Construction Cost Forecast & Risk Update and Quantification for the PLFP project to the Committee.
- The semi-annual update, which is a key part of the Corporation's project risk management framework, involves the reassessment of construction risk to ensure that the likelihood of achieving the program budget remains high as risks are realized and retired throughout the life of the project.
- The Q1 2022 results indicate that the schedule risk from utilities relocation has been realised shifting the forecast flood protection completion date from March 2024 to June 2024. While the project remains on budget the forecast probability of delivering the on budget has decreased from 53% (November 2021) to 4% primarily due to the schedule extension and dewatering costs.
- The forecast contingency to be remaining at the end of the project has reduced from \$29.9M to \$5.7M. Additional contingency in the amount of \$23.0M (current

contingency balance is \$29M) would increase the probability of completing the project on budget to 75%.

- Management continues to identify opportunities to increase the contingency through design optimizations, however these opportunities become less available as construction continues.
- Management will provide a further update to the Committee in the fall regarding the budget, including recommended additional funding request of governments (if required).

c) Independent Capital Monitor Report

- BTY Consulting LLP (BTY) presented their **fifteenth report** as Independent Capital Monitor for the PLFP project and noted that:
  - While budget remains at \$1.185 billion there is a potential for the budget to increase due to schedule extensions and cost increases in some activities.
  - The remaining contingency of \$29M is 2.45% of the total project budget and 5.2% of the total project cost-to-complete.
  - Project schedule substantial completion date has been re-baselined from March 31, 2024 to June 20, 2024 excluding parks, and October 31, 2024 including parks completion.
  - No scope changes have been made to the project this quarter.
  - The risk management process implemented by WT is in line with industry best practices.

## 6. Waterfront Toronto Insurance Program

- As part of Waterfront Toronto's Enterprise Risk Management Framework, management shared information related to the Corporation's annual insurance program renewals, including coverages for Directors & Officers insurance.
- This information is included for the Board under Item 5h) of the June 23, 2022 agenda.

The Investment and Real Estate Committee (“IREC” or the “Committee”) met on June 2, 2022. This report reflects a summary of the Committee’s discussions in the Open Session of the meeting. A quorum was achieved for the meeting.

I wish to report on the items set out below which were discussed at the June 2, 2022 Committee meeting:

1. Consent Agenda
2. Block 13 West Don Lands
3. Waterfront Toronto Office Lease Update

1. **Consent Agenda**

Development Dashboard

The Development Dashboard was taken as read. There were no items of concern to be highlighted.

Environmental, Social and Governance (ESG) Update

The materials were taken as read and no concerns were raised.

2. **Block 13 West Don Lands**

Management provided an overview of the Block 13 proposed development by Dundee Kilmer.

3. **Waterfront Toronto Office Lease Update**

Management provided a report on the current status of Waterfront Toronto’s office lease at 20 Bay Street and work being undertaken by Avison Young to assess future space needs and potential locations that may be available in advance of the existing lease expiry in May 2023. We are currently in the business case phase which includes assessing location alternatives, and includes obtaining feedback from staff regarding preferences, as well as receiving financial proposals from the short-listed locations, of which 20 Bay is one. Management will provide a WT office lease update to the Board in June 2022 and continue to provide updates, as appropriate, before making a final recommendation and request for approval to IREC and the Board no later than September and October 2022, respectively.

The HRGSR Committee met on June 9, 2022. Steve Diamond also attended the meeting.

I wish to report on the items set out below which were discussed at the June 9, 2022 Committee meeting:

1. Human Resources Update;
2. Staff Performance Review for 2021/22;
3. Year-end Performance Assessment for Executives; and
4. Year-end Performance Assessment for the CEO.

### **1. Human Resources Update**

The Committee received a report containing an overview of the Human Resources (HR) practices at Waterfront Toronto over the last fiscal quarter that focused on the following HR areas: Recruitment, Organizational Effectiveness, Learning and Development, Performance Evaluation, Rewards and Recognition and Diversity, Equity and Inclusion. The report also contained a dashboard on KPIs for the fiscal quarter and fiscal year end, including previous quarters and fiscal years for comparison and to identify trends.

### **2. Staff Performance Review for 2021/22**

The CEO presented a report highlighting some of Waterfront Toronto's accomplishments for this past fiscal year. As I noted in my capacity as Committee Chair this was another extremely busy year for Waterfront Toronto with the pressure that the pandemic and everything else put on the activities of the organization. Although much on the public attention has been on the high profile projects of Port Lands Flood Protection and Quayside, the reality is that so much more has been achieved.

The CEO presented the following summary of the 2021/22 Planning for Success (PFS) rating results for all 75 eligible staff below the CEO:

75 Staff below the CEO:

- Exceeds Expectations (EE) Rating - 14 staff = (18.7%)
- Achieved Expectations Plus (AEP) Rating – 21 staff = (28.0%)
- Achieved All Expectations (AAE) Rating – 26 staff = (34.7%)
- Achieved Some Expectations (ASE) Rating – 1 staff = (1.3%)
- Expectations Not Achieved (ENA) Rating – 13 staff = (17.3%)





For comparison purposes, the results for 2020/21 for the 76 Staff below the CEO were:




- Exceeds Expectations (EE) Rating - 11 staff = (14.5%)
- Achieved Expectations Plus (AEP) Rating – 24 staff = (31.6%)
- Achieved All Expectations (AAE) Rating – 23 staff = (30.3%)
- Achieved Some Expectations (ASE) Rating – 2 staff = (2.6%)
- Expectations Not Achieved (ENA) Rating – 16 staff = (21.1%)

Through the pre-established P4P program, all employees who meet performance expectations, have an opportunity to receive an adjustment to salary based on his/her performance rating (the PFS process) which allows employees to progress through their salary grade range, based on individual performance.

For items 3 and 4 noted above (Directors only), further information was presented about identifiable individuals, including the CEO.

In accordance with the TWRC Act, WT's mandate is to enhance the economic, social, and cultural value of the designated waterfront area in a fiscally and environmentally responsible manner. ESG is embedded in Board committee mandates, strategic plans, and annual reports (aligned with leading international frameworks – Global Reporting Index, UN Sustainable Development Goals). This update is to provide advancements in specific areas of ESG in the past quarter (note: not exhaustive).

Topic	Q4 2021/22 Update	Oversight
<b>Governance</b>	<b>New ESG Update Standing Item</b> <ul style="list-style-type: none"> <li>New Board and Committee “ESG Update” standing agenda item effective May 2022 to provide updates on ESG initiatives</li> </ul>	Board & Committees
<b>Environment</b>  SDGs supported: <div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="margin-bottom: 5px;"></div> <div style="margin-bottom: 5px;"></div> <div></div> </div>	<b>Task Force for Climate-Related Financial Disclosures (TCFD)</b> <ul style="list-style-type: none"> <li>New climate-related disclosures to be included in the 2021/22 Integrated Annual Report (IAR) based on TCFD recommendations on governance, strategy, risk management, and metrics and targets</li> <li>Engaged PwC to conduct current state analysis, peer analysis, and identify immediate opportunities</li> <li><u>Next step</u>: develop action plan for FY 2022/23 and 2023/24 on climate-related risk and opportunity management</li> </ul>	FARM
	<b>Greenhouse Gas (GHG) Inventory</b> <ul style="list-style-type: none"> <li>GHG emission disclosures to be included in the 2021/22 IAR on scope 1 and 2 emissions (direct emissions from sources owned/ controlled by WT and indirect emissions from purchased electricity)</li> <li><u>Next step</u>: develop boundary and processes for gathering scope 3 emissions (indirect emissions from the supply chain, including construction work), to be reported in 2022/23 IAR</li> </ul>	FARM
	<b>Financial Statement Climate Risk Disclosure</b> <ul style="list-style-type: none"> <li>New financial statement note on line items that can be potentially materially impacted by climate-related risks. Aligned with internationally recognized proposals on standardizing climate disclosures (including International Sustainability Standards Board).</li> </ul>	FARM
	<b>Green Buildings at Quayside KPI 5.1</b> <ul style="list-style-type: none"> <li>7+ buildings adhering to WT's leading Green Building Requirements planned for development at Quayside, contributing to Canada's first all-electric, zero-carbon community at this scale</li> </ul>	IREC
<b>Social</b>  SDGs supported: <div style="display: flex; flex-direction: column; align-items: flex-start;"> <div></div> </div>	<b>Diversity, Equity &amp; Inclusion (DE&amp;I) Strategy KPI 8.1</b> <ul style="list-style-type: none"> <li>Engaged MNP who have conducted current state analysis and developed draft recommendations for WT's DE&amp;I strategy to enhance workplace culture</li> <li><u>Next step</u>: implement MNP recommendations to reach DE&amp;I strategic objectives on/before Winter 2023, including development of baseline metrics</li> </ul>	HRGSR

  	<b>Indigenous Cultural Safety Training</b> <ul style="list-style-type: none"> <li>Following the completion of Indigenous Cultural Safety training by all staff in fall 2020, WT staff and Board have now substantially completed the post training module called “<i>From Bystander to Ally</i>”. This session is about how to be a part of the social change needed to reconcile and reform our relationships with Indigenous people in Canada.</li> </ul>	HRGSR
	<b>Affordable Housing at Quayside KPI 2.1</b> <ul style="list-style-type: none"> <li>800+ new affordable housing units planned for development at Quayside, aligning with WT’s overall commitment to &gt;=20% affordable housing</li> </ul>	IREC
	<b>Accessibility Strategy</b> <ul style="list-style-type: none"> <li>Established the Advisory Committee on Accessibility in Feb 2022</li> <li><u>Next step</u>: complete recommendations for the Accessibility Framework in 2022 to enhance people-friendly and accessible public spaces on Toronto’s waterfront</li> </ul>	IREC
	<b>Interim Use and Events Strategy</b> <ul style="list-style-type: none"> <li>Completed interim animation strategy to enhance cultural and economic value of temporary underutilized waterfront lands. Plans include an open-air food market with diverse, local food vendors and sports events at Cherry Beach.</li> </ul>	FARM
	<b>Supporting Artists through Akin Collective</b> <ul style="list-style-type: none"> <li>Provided low-cost studio space to Toronto-based artists at 200 Queens Quay E through subsidized rent to Akin Collective (Nov 2021 – Dec 2022)</li> <li>Creates an immediate vibrant hub that energizes the neighbourhood, builds culture and community, in line with WT’s mandate</li> </ul>	FARM/ Board
	<b>Public Art</b> <ul style="list-style-type: none"> <li>Presented the draft Public Art Master Plan for Villiers Island and Keating West precincts to the Toronto Public Art Commission (TPAC)</li> <li>Appointed new artist-in-residence Lisa Hirmer, whose work examines life in this moment of climate emergency</li> </ul>	Board
	<b>Ongoing Engagement with Indigenous Treaty Holders</b> <ul style="list-style-type: none"> <li>Continued engagement with the Mississaugas of the Credit First Nation (MCFN) regarding their participation in the Quayside proponent evaluation and negotiation process</li> <li>Advancing the idea of an Indigenous Centre on the waterfront, which would be of national significance and representative of all First Nations Cultures from coast-to-coast</li> </ul>	Board



<b>Purpose</b>	<p>For Information.</p> <p>Annual review of the Corporation's insurance program, which is part of Waterfront Toronto's Enterprise Risk Management framework.</p>
<b>Areas of note/ Key issues</b>	<ul style="list-style-type: none"> <li>• The Corporation uses a competitively procured insurance broker, HUB International HKMB Limited (HUB), to secure all insurance coverage.</li> <li>• HUB assisted Waterfront Toronto in completing its annual insurance renewal program for the 2022/23 year.</li> <li>• HUB noted an increased "hard" insurance market this year largely due to low interest rates, climate changes, increased claims/ insurance losses, high inflation rate, ongoing pandemic among others, which have resulted in an increase in premiums and reduced limits of coverage in the marketplace.</li> <li>• Overall, while Waterfront Toronto was able to successfully maintain existing coverages, the continued harder insurance market resulted in a premium increase of approx. 18% (\$40K or from \$220K to \$260K) for FY 2022/23, largely because of Commercial General Liability, CGL (up 32%), Directors &amp; Officers (up 15%) and Cyber coverages (up 15%).</li> <li>• In addition, the harder market resulted in WT's incumbent CGL insurer, Markel, withdrawing coverage, with WT successfully switching to Lloyd's of London (through Howden Specialty) with the same \$10M coverage but a higher deductible (from \$5,000 to \$25,000).</li> <li>• Given the environmental changes noted above, WT has also engaged a third-party insurance risk advisor (Intech) to advise the Corporation with respect to the adequacy of WT's insurance coverages and overall program. This review is expected to be completed shortly (last similar review completed in 2019).</li> <li>• The FARM Committee received this report as part of their May 26, 2022 meeting materials.</li> </ul> <p>The attached Waterfront Toronto Insurance Summary lists the potential risk exposures and the insurance coverage that mitigates that risk.</p>
<b>Resolution or Next Steps</b>	<ul style="list-style-type: none"> <li>• Management will report on the results of the independent insurance adequacy review at the September 2022 FARM Committee and October 2022 Board meetings.</li> <li>• The next insurance program review for 2023/24 fiscal year will be completed by the FARM Committee in May 2023 and Board June 2023.</li> </ul>



## Waterfront Toronto Insurance Summary

### Updated as of April 30, 2022

The summary below identifies potential enterprise and project-specific risk exposures and the insurance coverage that mitigates that risk. In addition, Waterfront Toronto utilizes indemnification language in contracts and requires contractors to provide performance bonds and insurance certificates to mitigate risk.

#### A. Enterprise-wide risk exposures (no change in coverage limits)

Potential Loss Exposure	Insurance Policy	Coverage Limit FY 2021/22	Coverage Limit FY 2022/23
<b>Management Liability Loss Exposures (including litigation)</b> <i>(Directors' &amp; Officers' Liability (D&amp;O))</i>	<ul style="list-style-type: none"> <li>D&amp;O Insurance (Not for Profit) <i>(Including Employment Practices Liability)</i> Insurer - AIG</li> </ul>	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> <li>Excess D&amp;O Insurance (Not for Profit) <i>(Including Employment Practices Liability)</i> Insurer – Great American Insurance Group (GAIG)</li> </ul>	\$5.0M	\$5.0M
	<ul style="list-style-type: none"> <li>Excess D&amp;O Insurance (Not for Profit) <i>(Only covers individuals)</i> Insurer - Chubb</li> </ul>	\$5.0M	\$5.0M
<b>Property Loss Exposures</b> <i>(Losses caused to damage to WT's office and portfolio of properties including sudden and accidental breakdown of all boilers, pressure vessels, mechanical and electrical machinery and apparatus)</i>	<ul style="list-style-type: none"> <li>Property Insurance <i>(Includes coverage for rental income loss)</i> Insurer – Royal and Sun Alliance</li> </ul>	\$15.9M	\$17.4M <sup>1</sup>
	<ul style="list-style-type: none"> <li>Boiler &amp; Machinery Insurance Insurer - The Boiler Inspection and Insurance Company</li> </ul>	\$10.0M	\$10.0M
<b>Liability Loss Exposures</b> Premises & Operations Liability <i>(Losses where organization is held liable because of bodily injury or property damage caused by either accident occurring on the premises or accident occurring away from premises if it is organization's ongoing operations)</i>	<ul style="list-style-type: none"> <li>Commercial General Liability ("CGL") Insurance Insurer – Lloyd's of London through Howden Specialty (note: Markel in 2021/22)</li> </ul>	\$2.0M	\$2.0M <sup>3</sup>
	<ul style="list-style-type: none"> <li>Umbrella Liability Insurance <i>(Aggregate follow form underlying CGL policy)</i> Insurer – Lloyd's of London through Howden Specialty (note: Markel in 2021/22)</li> </ul>	\$8.0M	\$8.0M
<b>Fraud &amp; Cyber Crime Loss Exposures</b> <i>(Losses caused by employees by way of theft, forgery, frauds, property damage &amp; cyber crimes)</i>	<ul style="list-style-type: none"> <li>Crime Insurance</li> </ul>	Note 2	Note 2
	<ul style="list-style-type: none"> <li>Cyber Insurance</li> </ul>	Note 2	Note 2

Notes:

- Increase is on account of higher rental revenues anticipated from 259LSBE/ 291LSBE.
- Refer to Closed Session agenda Item 12 for Crime and Cyber Insurance coverages.
- Markel did not renew WT's CGL policy for 2022/23 due to loss experience in last five years and thus the change in insurance provider to Lloyd's. Further, deductibles for CGL also increased from \$5K (in 2021/22) to \$25K (in 2022/23).

**B. Property/ Project specific exposures (overall same limit)**

Potential Loss Exposure	Insurance	Coverage Limit FY 2021/22	Coverage Limit FY 2022/23
<b>Environmental or Pollution Liability</b>	<ul style="list-style-type: none"> <li>7 Queens Quay East (Losses caused by environmental damages such as pollution or biodiversity)</li> </ul>	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> <li>54 Commissioners St. (Losses arising from bodily injury, property damage and other remediation costs from pollution incidents at, on, or emanating from the covered location)</li> </ul>	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> <li>Contractors Pollution Liability Insurance (Losses caused as a result of pollution conditions (sudden/accidental or gradual) arising from contracting operations performed by the contractor)</li> </ul>	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> <li>East Bayfront Pollution and Remediation Liability (Losses resulting from any pollution condition on, at the covered location including any remediation expenses)</li> </ul>	\$25.0M	\$25.0M
<b>Builders Risk</b> (All Risks or Direct Physical Loss or Damage including but not limited to Flood, Earthquake, Windstorm, Boiler & Machinery but excluding maintenance cover and Delayed Start Up)	<ul style="list-style-type: none"> <li>The Port Lands Flood Protection</li> </ul>	\$876.3M	\$876.3M
<b>Wrap Up Liability</b> (Losses arising from all liability exposures typically associated with the construction projects including bodily and property damage)	<ul style="list-style-type: none"> <li>Wrap Up Liability Insurance - Port Lands project</li> </ul>	\$50.0M	\$50.0M
	<ul style="list-style-type: none"> <li>Excess Wrap Up Liability – Port Lands project</li> </ul>	\$50.0M	\$50.0M
<b>Professional Liability</b> (Losses arising from any claim or claims made for any error, omission or negligent act committed in the conduct of the business)	<ul style="list-style-type: none"> <li>Primary Professional Liability Insurance - The Portlands Toronto</li> </ul>	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> <li>1<sup>st</sup> XS Professional Liability Insurance - The Portlands Toronto</li> </ul>	\$5.0M	\$5.0M
	<ul style="list-style-type: none"> <li>2<sup>nd</sup> XS Professional Liability Insurance - The Portlands Toronto</li> </ul>	\$2.5M	\$2.5M
	<ul style="list-style-type: none"> <li>3<sup>rd</sup> XS Professional Liability Insurance- The Portlands Toronto</li> </ul>	\$2.5M	\$2.5M

<b>Purpose</b>	For Information.
<b>Areas of note/ Key issues</b>	<ul style="list-style-type: none"> <li>• In March 2022 Management updated the Board on the Corporation's plans regarding future office space given the upcoming May 2023 expiry of WT's lease at 20 Bay.</li> <li>• Since our last report WT in collaboration with Avison Young completed the workplace strategy phase which resulted in a preference for a hybrid model and new purpose of being in office for collaboration purposes. The opportunity to reduce space was also identified if WT was to move to an unassigned seating plan.</li> <li>• We are currently near completion of the business case phase which includes assessing location alternatives, and includes obtaining feedback from staff regarding preferences, as well as receiving financial proposals from the short-listed locations, of which 20 Bay is one.</li> <li>• Based on the outcome of the business case phase, WT will enter final lease negotiations with assistance from our broker and present the recommended location and terms to IREC and Board for approval in September and October 2022 (or sooner), with updates as appropriate prior to these dates.</li> </ul>
<b>Resolution or Next Steps</b>	<ul style="list-style-type: none"> <li>• Management will continue to provide updates to IREC and the Board before making a final recommendation and request for approval no later than September and October 2022, respectively.</li> </ul>

<b>Purpose</b>	For Approval
<b>Areas of note/ Key issues</b>	New City of Toronto appointees, Joe Mihevc and Laurie Payne, have recently joined the Board of Directors. It is now appropriate that each of the individuals be appointed to a committee of the Board.
<b>Resolution &amp; Next Steps</b>	<p>The Chair of the board has the power and authority to recommend directors for appointment to one or more committees. At the meeting, the chair will be presenting his recommendation that Councillor Joe Mihevc join the HRGSR Committee and Laurie Payne join the FARM Committee.</p> <p><b>ON MOTION</b> duly made by [●] and seconded by [●] and carried, be it <b>RESOLVED</b> that the Board of Directors approve the recommendations of the Board chair with respect to the committee memberships of Councillor Joe Mihevc and Laurie Payne.</p>

Purpose	For Information
<b>Areas of note/ Key issues</b>	<p>The attached Slides consists of pictures which illustrate the progress made on the Port Lands Flood Protection (PLFP) project as well as other construction projects undertaken by Waterfront Toronto (WT):</p> <ul style="list-style-type: none"> <li>• Love Park – Soil Engineering</li> <li>• Love Park – Wall Installation</li> <li>• Waterfront Innovation Centre</li> <li>• East Bayfront In-water Pipe</li> <li>• T3 Bayside Construction</li> <li>• Aquabella Child Care Centre</li> <li>• Lake Shore Boulevard East - Bridge Site Preparation</li> <li>• PLFP: Excavation Status</li> <li>• PLFP: Cherry Street South Bridge</li> <li>• PLFP: Commissioners Street Bridge, Excavation</li> <li>• PLFP: Wetland Pedestrian Bridge</li> <li>• PLFP: River Pedestrian Bridge</li> <li>• PLFP: Canoe Cove</li> <li>• PLFP: Central River Valley Finishes</li> <li>• PLFP: Wetland Finishes</li> <li>• PLFP: Plantings</li> <li>• PLFP: Sediment and Debris Management Area</li> </ul>
<b>Next Steps</b>	<p>Management will continue to provide updates on WT Priority Projects at subsequent Board meetings.</p>

# Priority Projects: Construction Update





## Love Park – Soil Engineering



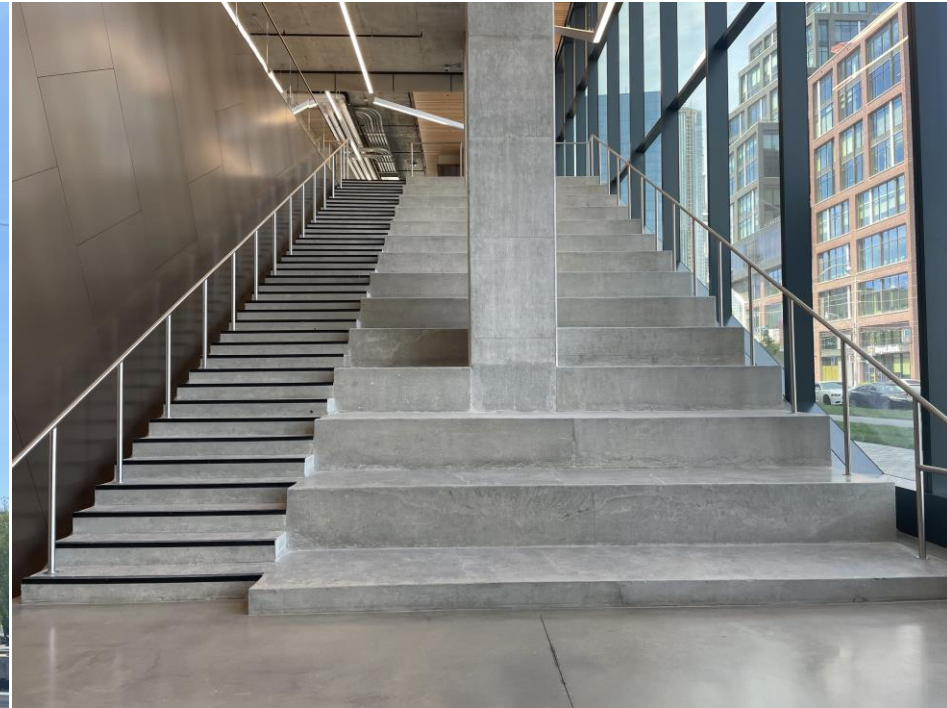


## Love Park – Wall Installation

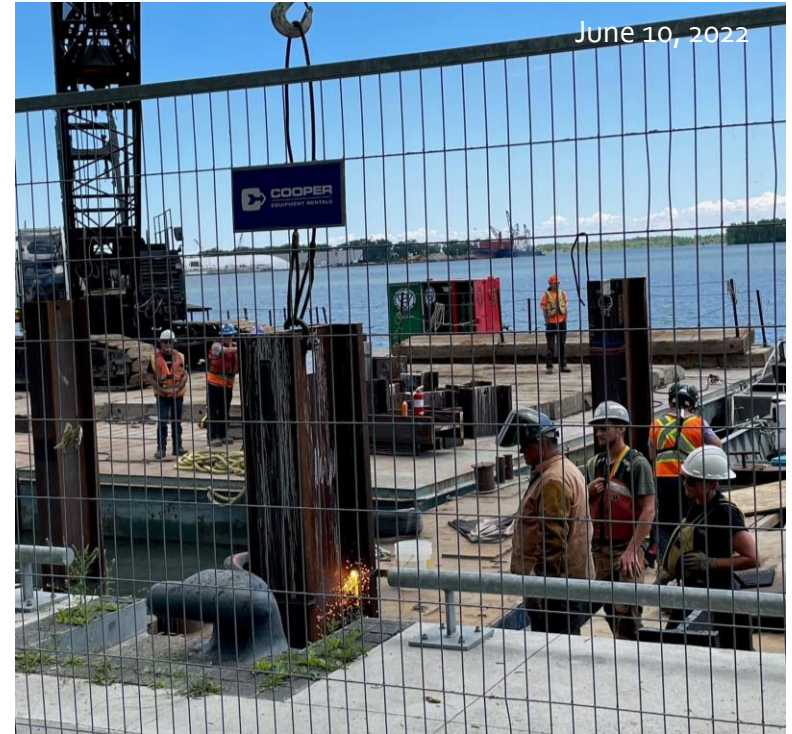
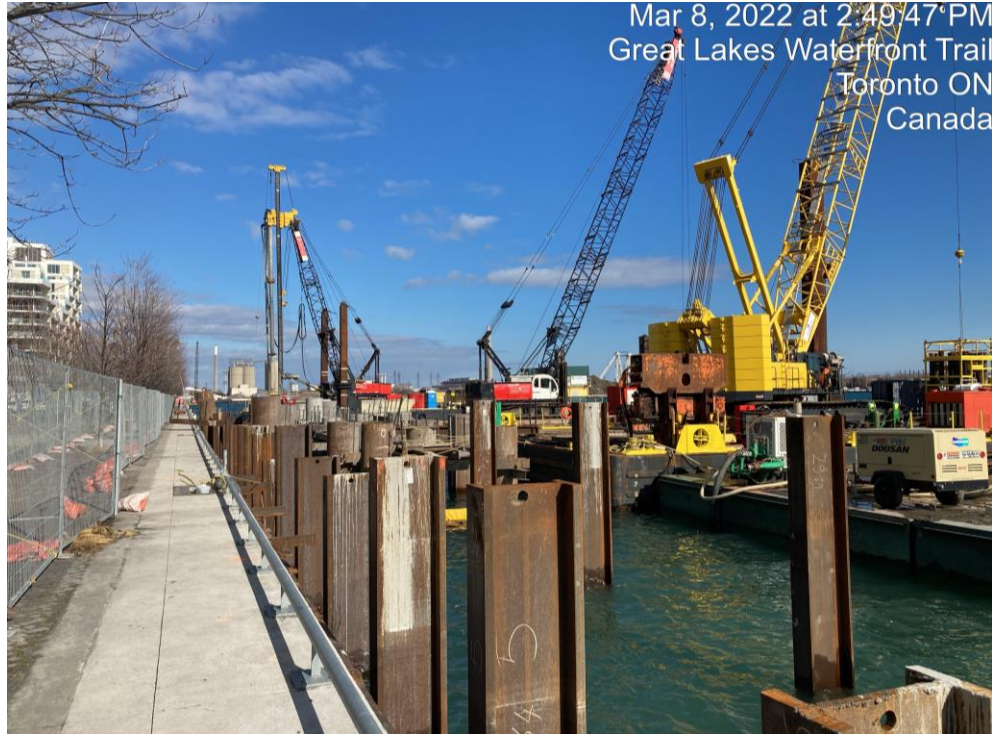




## Waterfront Innovation Centre - Complete



## In-Water Pipes





## T3 Bayside Construction



## Aquabella Child Care Centre

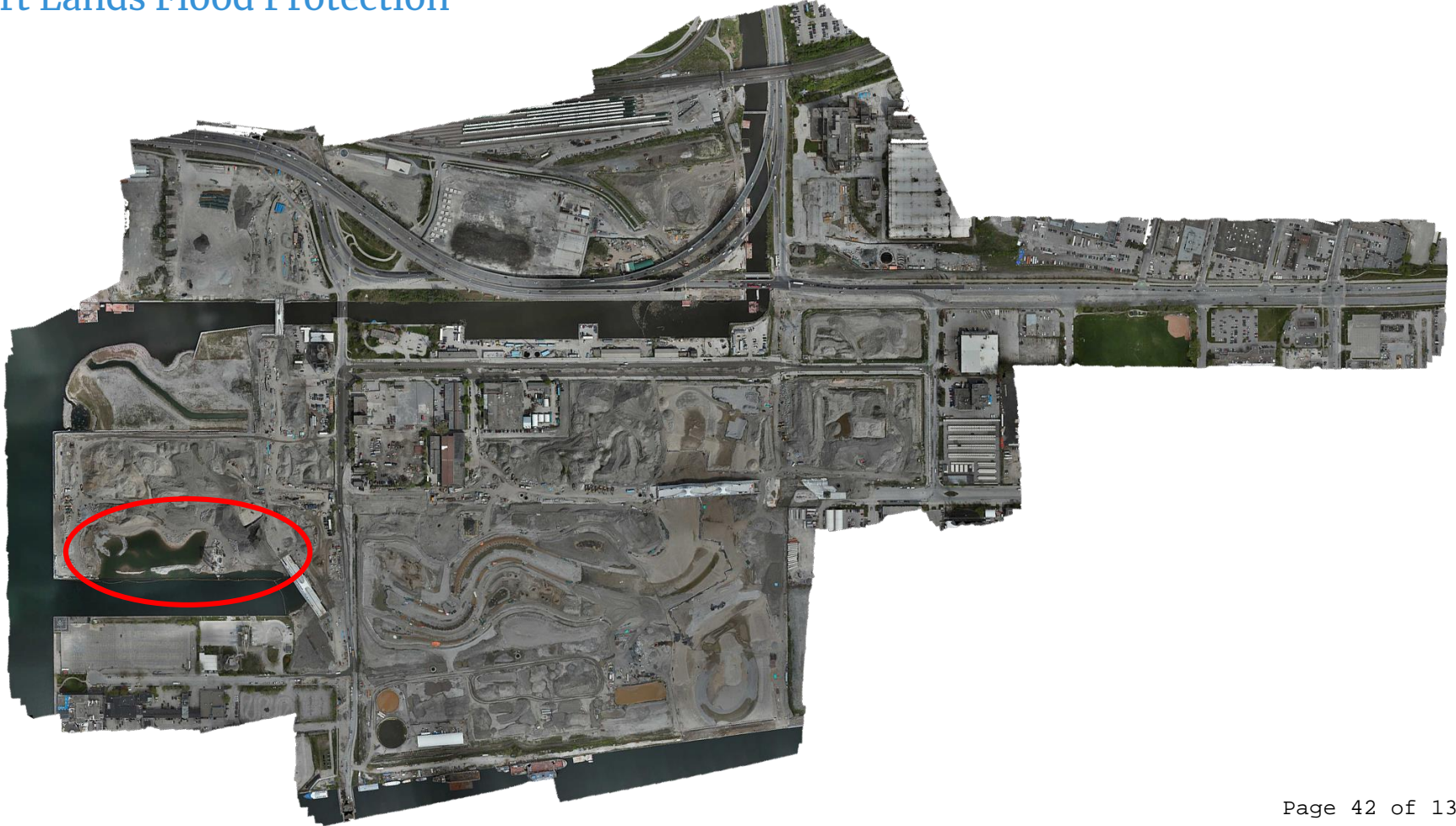




## Lake Shore Boulevard East - Bridge Site Preparation

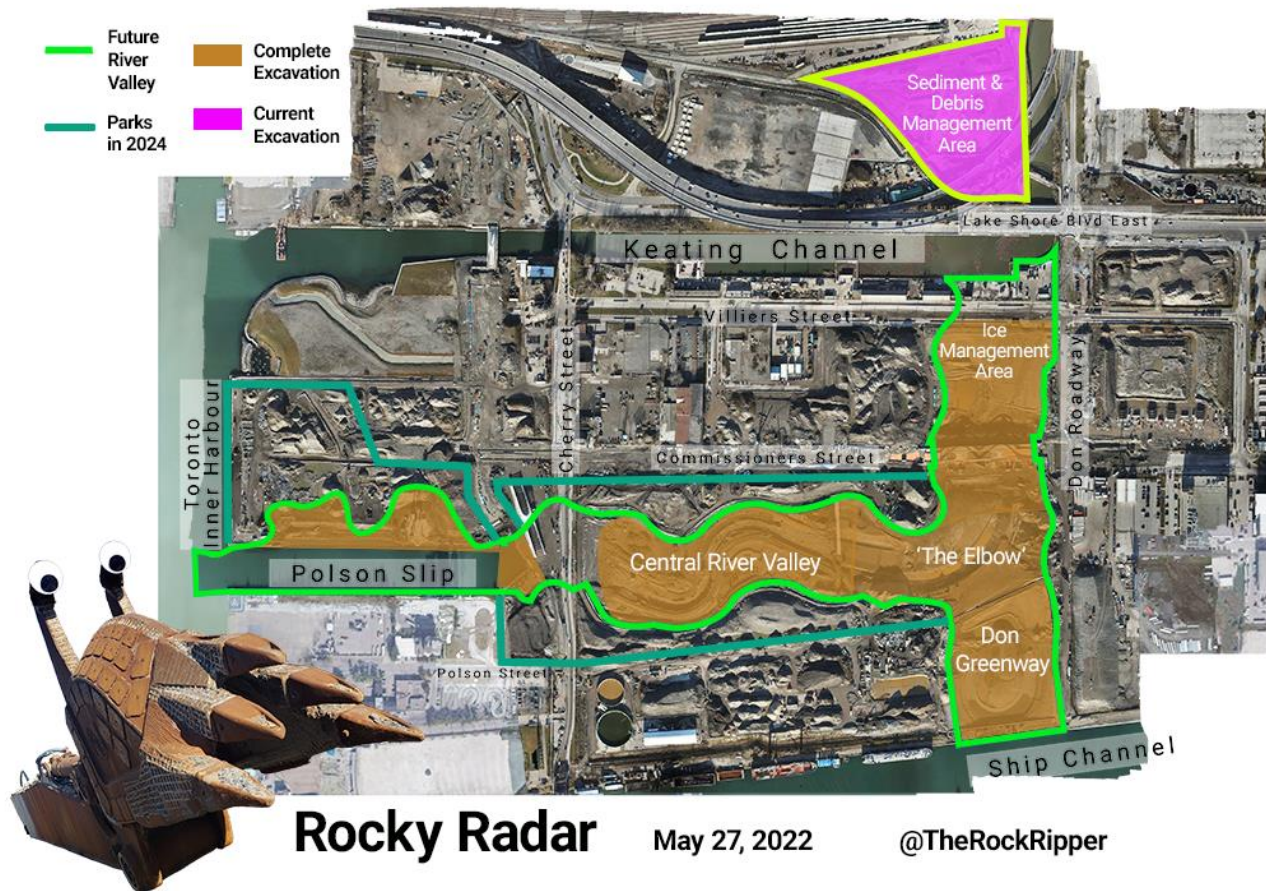


# Port Lands Flood Protection





# Port Lands Flood Protection: Excavation in Canoe Cove 100% Complete



## Port Lands Flood Protection – Cherry Street South Bridge





## Port Lands Flood Protection – Commissioners Street Bridge, Excavation



## Port Lands Flood Protection – Wetland Pedestrian Bridge Installation





## Port Lands Flood Protection – Wetland Pedestrian Bridge



## Port Lands Flood Protection – River Pedestrian Bridge

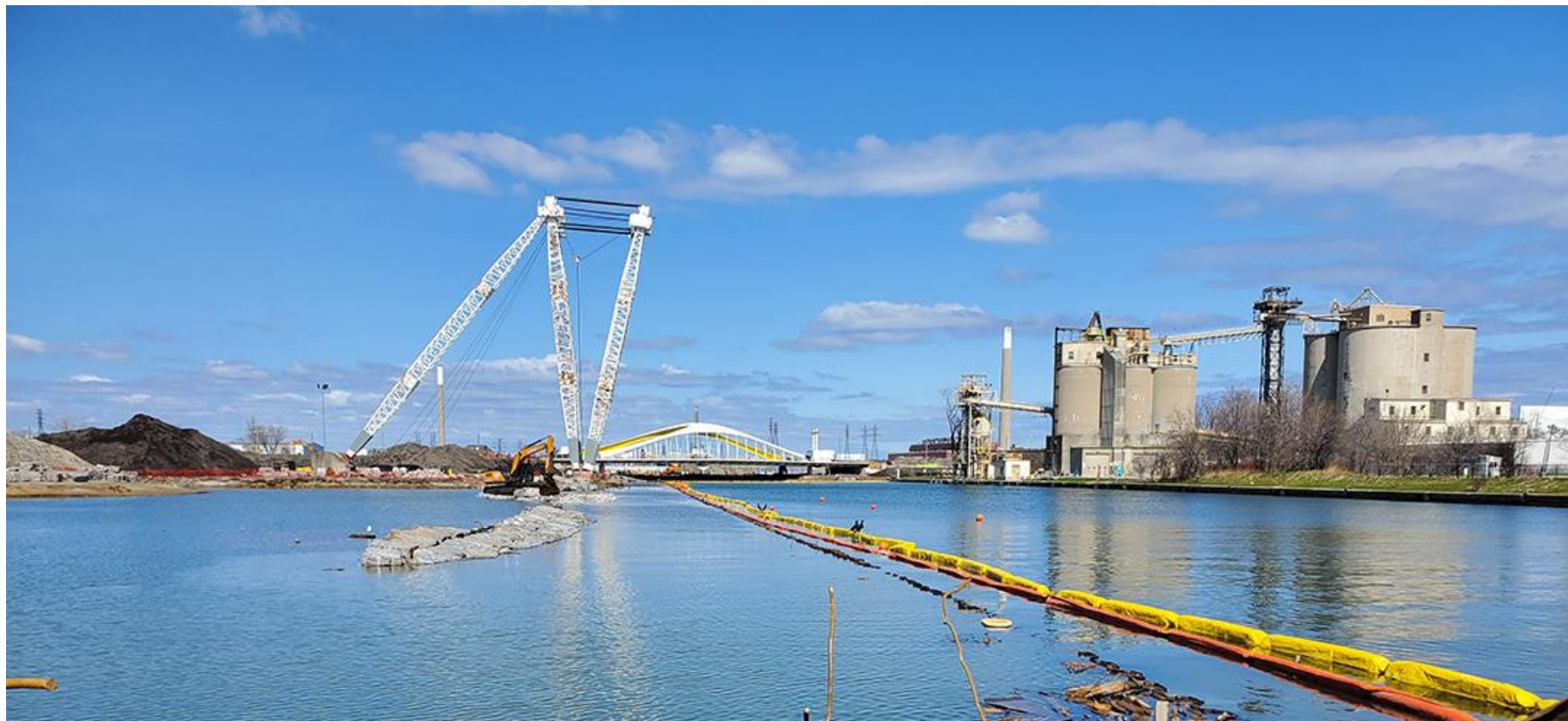




## Port Lands Flood Protection – Canoe Cove



## Port Lands Flood Protection – Canoe Cove Cont'd





## Port Lands Flood Protection – Central River Valley Finishes



## Port Lands Flood Protection – Wetland Finishes





## Port Lands Flood Protection – Plantings





## Port Lands Flood Protection – Sediment and Debris Management Area





## Port Lands Flood Protection – Sediment and Debris Management Area Cont'd



<b>Purpose</b>	For Information
<b>Areas of note/ Key issues</b>	<p>The Q1 2022/23 Semi-Annual Cost Estimate Update is a key component of the Corporation's project risk management and governance framework. The purpose of this report is to provide a status update on the budget and schedule for the PLFP Project as at Q1 2022/23 (March 31, 2022).</p> <p>As reported previously, the project schedule has been affected by the design, approvals and construction of utilities which impact on the reopening of Cherry Street and Commissioners Street. The revised schedule updated on April 6, 2022, reflects flood protection and Substantial Completion moving to June 20, 2024 from March 31, 2024.</p> <p>Final plantings for the parks will be deferred to the fall planting season to maximize plant survivability. Parks completion is therefore forecast on October 31, 2024. Project closeout and contractor demobilization is anticipated December 24, 2024.</p> <p>The budget for the PLFP Project remains unchanged at \$1.185B however the construction cost estimate has increased by \$21.2M since the previous report. Additional costs are due primarily to the impact of the schedule extension (\$8.9M) and the realization of risks associated with dewatering sewer and water mains due to site conditions (\$8.5M).</p> <p>The contingency forecast to be remaining at the end of the project has reduced from \$29.9M to \$5.7M. The likelihood of delivering the Port Lands Flood Protection Program on budget is 4% based on the forecast remaining contingency. Additional contingency in the amount of \$23.0M would be necessary to increase the probability to 75%.</p> <p>Actual contingency remaining to be allocated as of March 31, 2022, equals \$29.0M.</p> <p>There have been no scope changes made to the project to date.</p>

	<p>The Semi-Annual Construction Cost Forecast, Risk Update and Quantification process allows Waterfront Toronto to complete the design process and regularly reassess construction risk, to ensure that the likelihood of achieving the program budget remains high as risks are realized and retired throughout the life of the project.</p>
<b>Resolution/Next Steps</b>	<p>Q3 2022/23 will be the next Semi-Annual Cost Estimate Update.</p>

# **Port Lands Flood Protection and Enabling Infrastructure Semi Annual Cost Estimate Update March 31, 2022**

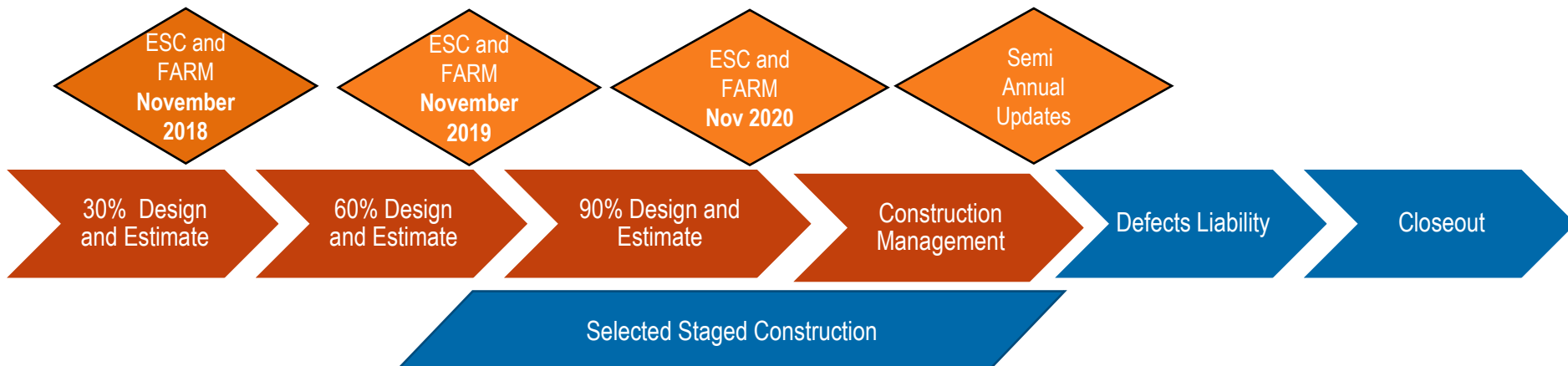
**Presentation to the Board of Directors  
June 23, 2022**

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1. Project Status Update
2. Summary of Program Current Status
3. Schedule of Events
4. Program Contingency Analysis
5. Project Risk Update & Analysis
6. Contingency Allocation
7. Optimizations Included to Date
8. Appendices

# Project Status Update

- 30% Stage Gate design and cost estimates provided to Executive Steering Committee on November 21, 2018
- Project Charters and budgets developed from 30% cost estimates; executed April 2019
- 60% Stage Gate design and cost estimates provided to Executive Steering Committee (ESC) on November 12, 2019. ESC approved of the 60% Stage Gate Estimate at Completion
- 90% Stage Gate finalized, presented and approved at the ESC (December 9, 2020), Finance and Risk Management Committee (FARM) (November 26, 2020) and WT Board of Directors (December 10, 2020)
- Schedule re-baselined February 28, 2021
- Scheduled re-baselined February 28, 2022 (Program Substantial Completion (flood protection) June 20, 2024)
- Semi-Annual Cost Updates will be provided to the ESC, FARM and WT Board of Directors (Q1/2021, Q3/2021, etc.)





# Current Status – Earthworks, Marine and Parks

## River Valley/Marine/Parks

### Design

- Issued for Construction (IFC) for Don Roadway Flood Protection Landform
- Awarded contract for Sediment and Debris Management Area dock walls and dredging
- Finalized Issue for Tender (IFT) drawings for flow curtain and submit TRCA permit application
- Progress with Site Plan Approval for Fire Hall 30

### Construction

- Completed excavation in Elbow area under Commissioners Street Bridge
- Completed dock wall improvements at the South Plug
- Continued installation of River finishes in Central River Valley and Spillway
- Continued excavation and progressed shoreline fills in Canoe Cove
- Completed Cousins Quay (MT35) dock wall reinforcement works
- Complete watermain relocation through Sediment and Debris Management Area
- Complete removal of pedestrian bridge over Don River
- Completed Atlas Crane surface repairs
- Continued foundation construction for Fire Hall 30

### Procurement (March 31, 2022)

- Awarded: 90.5 % = \$ 467.5 M
- In progress: 3.8 % = \$ 19.5 M
- Not started: 5.7 % = \$ 29.7 M

# Current Status – Bridges

## Design

- Executed agreement with Enbridge for temporary and permanent relocation of Enbridge NPS 20 gas main
- Enbridge progressed design for temporary and permanent relocation of NPS 20 main and filed Leave to Construct with Ontario Energy Board
- Finalized Lake Shore Bridge and Don Roadway intersection design pending direction from City regarding the Harbour Lead Line
- Finalized and Issued for Construction (IFC) drawing for Lake Shore Bridge superstructure, finishes and safety components

## Construction

- Completed construction of deck on Commissioners Street Bridge
- Complete, deliver to site, assemble and install Cherry South Bridge onto piers and abutments
- Continue with steel fabrication of superstructure for Cherry North Bridge for delivery to site in July 2022
- Complete and open cycle detours through the Port Lands and on Mill / Cherry streets
- Implemented vehicular detours on Lake Shore Boulevard
- Mobilize Lake Shore bridge contractor and commence demolition of southern most, eastbound bridge

## Procurement (March 31, 2022)

- |                |        |             |
|----------------|--------|-------------|
| • Awarded:     | 96.0 % | = \$116.2 M |
| • In progress: | 3.2 %  | = \$ 3.9 M  |
| • Not started: | 0.8 %  | = \$ 1.0 M  |

# Current Status – Roads and Services

## Design

- Finalized Cost Sharing Agreements with THESL, Bell, Rogers, Beanfield and 3C
- Obtained Release for Construction from City for all major roads
- Obtained approval from THESL for construction of permanent THESL assets on Cherry and Commissioners Streets
- Closed and awarded RFP for site preparation, clean cap and wet utilities on Lake Shore Boulevard East
- Completed geotechnical investigation and advanced design for ground improvements for gas main on Villiers Street

## Construction

- Completed HDD for watermain crossing of River Valley at Commissioners Street Bridge
- Completed rigid inclusions for Load Transfer Platform east of Commissioners Bridge
- Completed wet utilities on Cherry Street, south of Keating to Cherry South Bridge
- Completed clean cap installation on Cherry Street
- Progressed construction of Lake Shore Boulevard / New Cherry intersection
- Completed concrete works for OGS and SWPS shafts
- Progressed with dry utility construction on Cherry and Commissioners Streets
- Completed micro-tunnelling under River Valley for storm and sanitary sewers

## Procurement (March 31, 2022)

- |                |        |              |
|----------------|--------|--------------|
| • Awarded:     | 91.5 % | = \$ 155.7 M |
| • In progress: | 3.3 %  | = \$ 5.6 M   |
| • Not started: | 5.2 %  | = \$ 8.9 M   |

# Schedule of Events

## Schedule

- Initial Program Baseline Presentation February 24, 2022
- First Draft Program Baseline Schedule received March 1, 2022
- BTY Sign-off on Program Baseline Schedule received April 4, 2022
- Final Program Baseline Schedule received April 6, 2022

## EAC

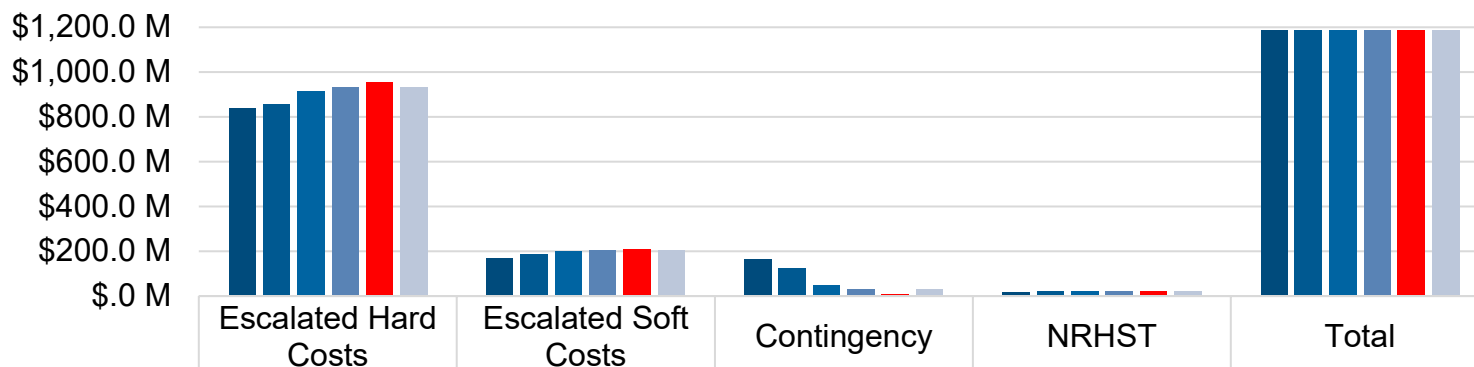
- Initial March EAC reviewed March 16, 2022
- March EAC received March 31, 2022

## Risk Analysis

- Risk Analysis initial results received April 11, 2022

# PLFP – Q1/2022 EAC Forecast

## Port Lands Flood Protection Q1/2022 Estimate at Completion (EAC) Forecast



	Escalated Hard Costs	Escalated Soft Costs	Contingency	NRHST	Total
■ Due Diligence	\$837.2 M	\$167.8 M	\$164.0 M	\$16.0 M	\$1,185.0 M
■ 30% Design/Approved Budget	\$855.4 M	\$184.6 M	\$124.5 M	\$20.5 M	\$1,185.0 M
■ 90% Stage Gate	\$914.6 M	\$201.7 M	\$48.9 M	\$19.8 M	\$1,185.0 M
■ Q3/2021 EAC Forecast	\$931.3 M	\$203.8 M	\$29.9 M	\$20.0 M	\$1,185.0 M
■ Q1/2022 EAC Forecast	\$952.5 M	\$206.9 M	\$5.7 M	\$20.0 M	\$1,185.0 M
■ Q1/2022 Actual EAC	\$929.8 M	\$206.3 M	\$29.0 M	\$20.0 M	\$1,185.0 M

- **The Forecast EAC remains unchanged at \$1.185B.**
- Construction cost estimate has increased \$21.2M (2.3%) from the Q3/2021 Forecasted EAC
- \$21.2M Q1/2022 EAC Forecast from Q3/2021 EAC Forecast is primarily related to:
  - Increased costs associated with schedule extension
  - Increased costs for dewatering
- Soft cost estimate has increased \$3.1M (1.5%) from the Q3/2021 Forecasted EAC related to:
  - Increase for Design Services / Construction Administration (related to schedule extension)

# Q1/2022 Construction Cost Estimate Variance

The overall increase in the Construction Cost Estimate (Hard Costs) is \$21.2M (2.3%) from the Q3/2021 Forecasted EAC.  
Major Variances from Q3/2021 Forecast is driven by:

- Increased General Conditions related to schedule \$ 8.9 M
- Increased costs for dewatering \$ 8.4 M
- Ground Improvements \$ 1.7 M
- Additional Costs Don Roadway Feeder Main (THESL) \$ 1.4 M
- Removals for Enbridge crossing of Polson Slip \$ 1.4 M
- RESCU system at Lake Shore / New Cherry \$ 1.0 M
- Deletion of the Harbour Lead Line (\$ 4.5 M)

Program Segment	Due Diligence	30% Stage Gate: Program Budget	90% Stage Gate	Q3/2021 EAC Forecast	Q1/2022 EAC Forecast	Q1/2022 EAC Actual	Variance: Q1/2022 EAC Forecast to Q3/2021 EAC Forecast	
							\$	%
Roads and Services	\$ 188.0 M	\$ 136.0 M	\$ 173.2 M	\$ 179.1 M	\$ 190.6 M	\$ 188.0 M	\$ 11.5 M	6.4%
<b>Escalated Construction Cost Estimate</b>	<b>\$ 837.2 M</b>	<b>\$ 855.4 M</b>	<b>\$ 914.6 M</b>	<b>\$ 931.3 M</b>	<b>\$ 952.5 M</b>	<b>\$ 929.8 M</b>	<b>\$ 21.2 M</b>	<b>2.3%</b>

# Q1/2022 Soft Cost Estimate Variance

Soft Cost EAC Forecast is \$3.1M (1.5%) from the Q3/2021 Forecasted EAC.

Major Variances from Q3/2021 Forecast is driven by:

- Design / Contract Administration increases for lead consulting teams
  - MVVA \$1.8 M
  - WSP \$1.6 M

Program Segment	Due Diligence	30% Stage Gate: Program Budget	90% Stage Gate	Q3/2021 EAC Forecast	Q1/2022 EAC Forecast	Q1/2022 EAC Actual	Variance: Q1/2022 EAC Forecast to Q3/2021 EAC Forecast	
							\$	%
Roads and Services	\$23.9 M	\$22.0 M	\$23.5 M	\$25.8 M	\$27.6 M	\$27.5 M	\$1.8 M	7.0%
<b>Escalated Soft Cost Estimate</b>	<b>\$167.8 M</b>	<b>\$184.6 M</b>	<b>\$201.7 M</b>	<b>\$203.8 M</b>	<b>\$206.9 M</b>	<b>\$206.3 M</b>	<b>\$3.1 M</b>	<b>1.5%</b>



# Contingency Drawdown

	Hard Cost	Soft Cost	Contingency Balance
<b>Approved 30% Budget (Mar 2019)</b>	<b>\$855,445,331</b>	<b>\$184,565,460</b>	<b>\$124,493,923</b>
<b>60% Stage Gate EAC (Nov 2019)</b>	<b>\$903,439,587</b>	<b>\$193,796,549</b>	<b>\$67,268,578</b>
<b>90% Stage Gate EAC (Nov 2020)</b>	<b>\$914,585,746</b>	<b>\$201,737,170</b>	<b>\$48,855,875</b>
<b>Q1/2021 EAC</b>	<b>\$916,432,835</b>	<b>\$202,869,859</b>	<b>\$45,876,097</b>
April 2021	\$1,012,405	\$664	\$44,863,028
May 2021	-\$3,909,801	\$265,280	\$48,507,549
June 2021	\$5,436,889	\$11,014	\$43,059,747
July 2021	- \$350,016		\$43,409,662
August 2021	-\$451,483		\$43,861,145
August 2021 – NRHST Adjustments (not impacting Hard Cost EAC)	\$137,296		\$43,723,849
September 2021	\$649,458	-\$40,454	\$43,114,845
<b>Q3/2021 EAC</b>	<b>\$918,820,287</b>	<b>\$203,106,363</b>	<b>\$43,114,845</b>
Correction from April 2021	-\$83,055	\$83,055	\$43,114,845
October 2021	-	\$773,944	\$42,340,900
November 2021	\$42,265	\$442,939	\$41,855,69
December 2021	\$264,386	-\$17,232	\$41,768,542
January 2022	-\$1,855,369	\$1,105,821	\$42,518,091
February 2022	\$152,324	\$383,077	\$41,982,690
March 2022	\$12,423,613	\$574,714	\$28,984,365
<b>Q1/2022 Actual EAC</b>	<b>\$929,764,451</b>	<b>\$206,292,683</b>	<b>\$28,984,365</b>

# Changes to Risk Register

- Compared to the previous analysis update, there is approximately **\$6.6M** decreased cost risk and **4.2 months** of increased schedule risk, after implementing risk mitigation strategies.
- The sum of schedule risks does not accurately represent potential schedule delays since it assumes all delays are cumulative and on the critical path. As a result, the schedule risks reported do not account for the ability to continuously adjust the schedule by accelerating and re-sequencing work.

Stage Gate	Cost Impacts		Schedule Impacts	
	Pre-Mitigated	Mitigated	Pre-Mitigated	Mitigated
Current Analysis (Risk Register as of 4.1.22)	\$32.8 M	\$28.8 M	18.8 mo	14.8 mo
Previous Analysis (Risk Register as of 10.25.21)	\$38.4 M	\$35.4 M	15.1 mo	10.7 mo
<b>Variance</b>	<b>-\$5.7 M</b>	<b>-\$6.6 M</b>	<b>3.8 mo</b>	<b>4.2 mo</b>

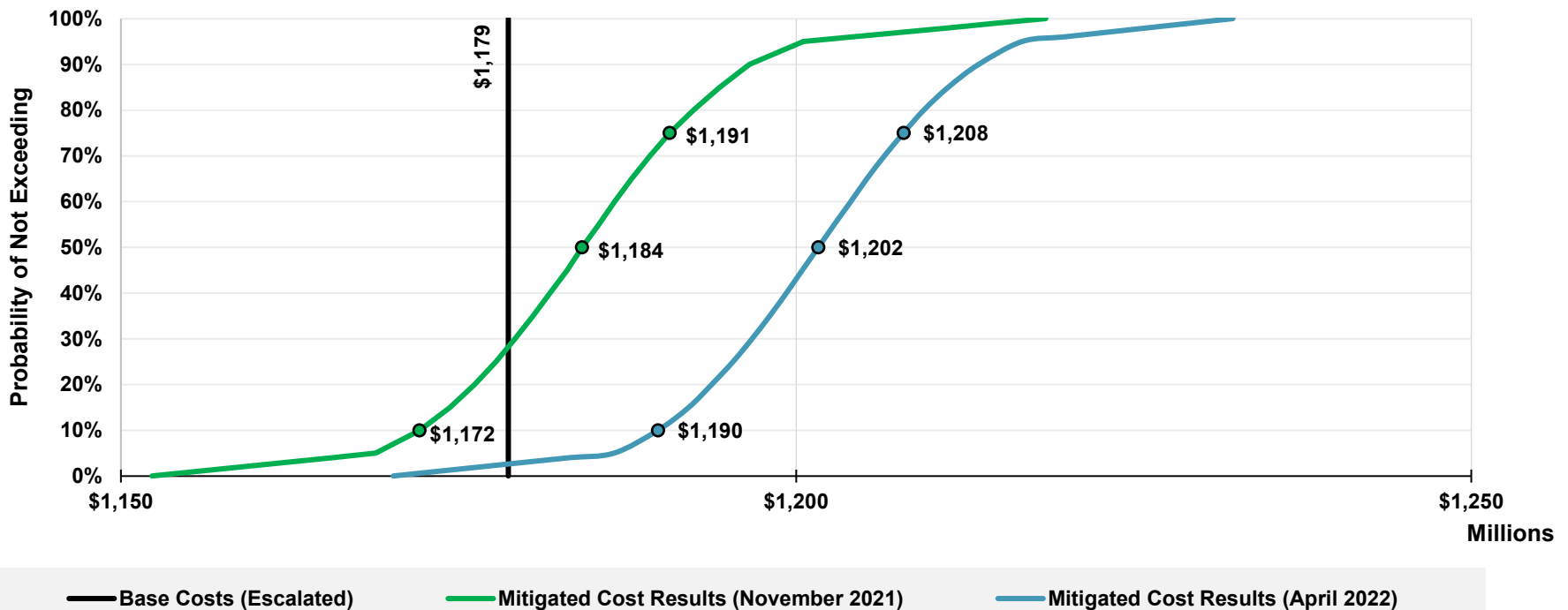
Values reflect probability-adjusted high estimates from the risk register.

# Cost Risk Analysis

## Comparison to Previous Analysis Update

- Since the previous analysis update, the P75 cost estimate has increased to **\$1,208M** which represents an increase of \$17.3M. The probability of achieving the \$1,185M budget has **decreased from 53% to 4%**
- The base costs have increased by **\$25.4M** which offsets the reduction in cost risk impacts
- Results exclude extended overhead / delay costs since the EAC has accommodated costs associated with the schedule extension

**Risk Analysis Results, Project Cost**



# Risk Analysis Results

- Current base costs increased by **\$25.4M** compared to the previous update
- Risk-adjusted cost estimate at the 75<sup>th</sup> percentile increased by **\$17.3M**
- Increase in contingency of **\$23.0M** beyond current budget of \$1,185M will increase probability to 75%

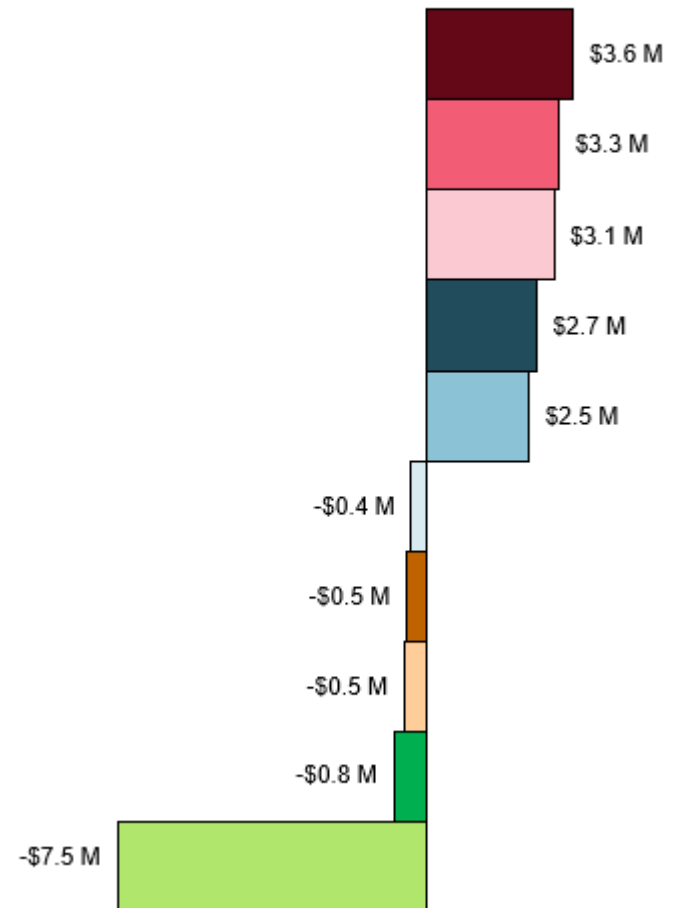
	Due Diligence	30% Stage Gate	90% Stage Gate	Q3/2021 Update	Q1/2022 Update	Variance Q3/2021 & Q1/2022 Updates
Hard Costs	\$837 M	\$855 M	\$915 M	\$931 M	\$953 M	+\$21.2 M
Soft Costs	\$168 M	\$185 M	\$202 M	\$204 M	\$207 M	+\$4.1 M
NRHST	\$16.0 M	\$20.5 M	\$19.8 M	\$20.0 M	\$20.0 M	+\$0.0 M
<b>Total Base Costs</b>	<b>\$1,021 M</b>	<b>\$1,061 M</b>	<b>\$1,136 M</b>	<b>\$1,155 M</b>	<b>\$1,179 M</b>	<b>+\$25.4 M</b>
Total Budget	\$1,185 M					-
<b>P75 Cost Risk Estimate</b>	<b>\$1,197 M</b>	<b>\$1,189 M</b>	<b>\$1,190 M</b>	<b>\$1,191 M</b>	<b>\$1,208 M</b>	<b>+\$17.3 M</b>
Target Budget	\$1,185 M					-
<b>Probability of Achieving Target with Current Contingency</b>	<b>90%</b>	<b>73%</b>	<b>70%</b>	<b>53%</b>	<b>4%</b>	<b>-49%</b>
<b>Estimated Remaining Contingency (excl. CSLF)</b>	<b>\$164 M</b>	<b>\$124 M</b>	<b>\$48.9 M</b>	<b>\$29.9 M</b>	<b>\$5.7 M</b>	<b>-\$25.4M</b>
<b>Additional Contingency Needed to Achieve Target with 75% Confidence</b>	<b>\$11.9 M</b>	<b>\$3.9 M</b>	<b>\$4.9 M</b>	<b>\$5.6 M</b>	<b>\$23.0 M</b>	<b>\$17.3 M</b>



# Top 10 Cost Risks and Opportunities

Risk	Probability	Low	High	Estimated High Impact*
Costs in Excess of Estimate (River Valley Scope)	90%	\$0.0 M	\$4.0 M	<b>\$3.6 M</b>
Increased offsite disposal - does not meet quality criteria	50%	\$1.3 M	\$6.5 M	<b>\$3.3 M</b>
Requirement to Divert Interim Area Fill for Disposal	60%	\$1.3 M	\$5.2 M	<b>\$3.1 M</b>
THES Duct Bank Elevation (Spillway Crossing)	90%	\$1.0 M	\$3.0 M	<b>\$2.7 M</b>
Additional Offsite Disposal of Soils (Excavation - Debris) - Canoe Cove	80%	\$1.0 M	\$3.1 M	<b>\$2.5 M</b>
(Opportunity) City of Toronto Discharge Fees - Costs in Excess of Estimate	50%	-\$0.7 M	-\$0.7 M	<b>-\$0.4 M</b>
(Opportunity) Priestly Site Prep and Removals Closeout Credit	80%	-\$0.6 M	\$0.0 M	<b>-\$0.5 M</b>
(Opportunity) Steel Tonnage Reconciliation	90%	-\$0.6 M	\$0.5 M	<b>-\$0.5 M</b>
(Opportunity) Third Party Duct Cost Sharing	50%	-\$1.5 M	-\$1.5 M	<b>-\$0.8 M</b>
(Opportunity) NRHST Rebate	50%	-\$15.0 M	-\$5.0 M	<b>-\$7.5 M</b>

**Top Risks Impacting Project Cost**  
Probability Adjusted High Impacts (\$M)



# Summary of New Baseline Schedule

New Program Baseline Schedule was published April 6, 2022 with a data date of February 28, 2022.

- |  |                   |
|--|-------------------|
| • PLFP Substantial Completion / Flood Protection | June 20, 2024     |
| • PLFP Parks Substantial Performance             | October 31, 2024  |
| • PLFP Close-out                                 | December 24, 2024 |
| • LSBE Substantial Completion                    | December 24, 2024 |

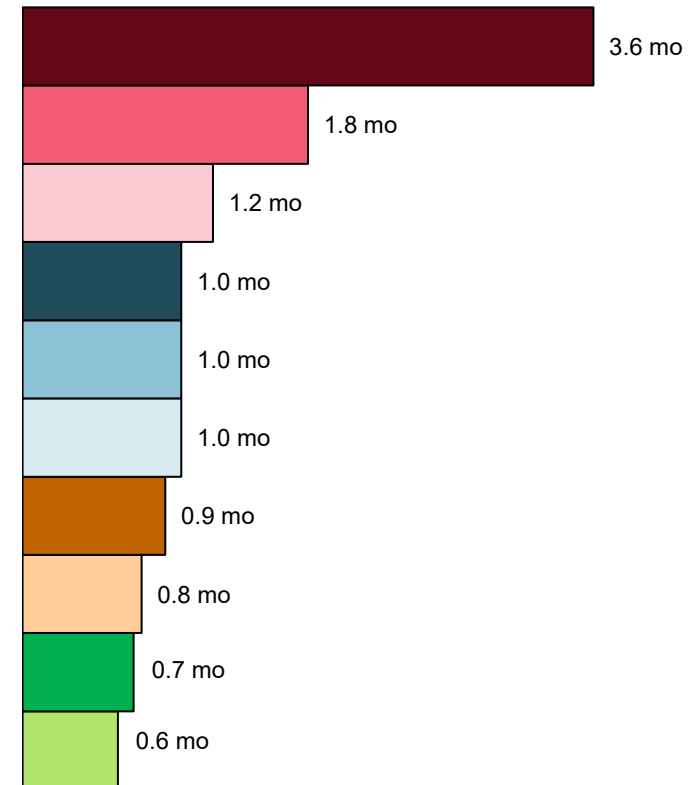
# Top 10 Schedule Risks

- Schedule risks accepted in rebaselined program schedule in Feb 2022
- Schedule risk results do not account for the ability to continuously adjust the schedule by accelerating and re-sequencing work

Risk	Probability	Low	High	Estimated High Impact*
		Months		
THESL Duct Bank Elevation	90%	1.5	4.0	<b>3.6</b>
THESL Design Delay	60%	3.0	3.0	<b>1.8</b>
Enbridge Gas Main Alignment Issues	40%	1.0	3.0	<b>1.2</b>
Coordination of Contract Activities	25%	2.0	4.0	<b>1.0</b>
Bird and SAR Habitat Protection	50%	0.5	2.0	<b>1.0</b>
Stormwater Treatment Facility	50%	1.0	2.0	<b>1.0</b>
Trucking Strike Causing Delays	30%	1.0	3.0	<b>0.9</b>
Installation Issues (SWTF – Oil Grit)	50%	0.5	1.5	<b>0.8</b>
Fisheries Window Issues	35%	1.0	2.0	<b>0.7</b>
Paint Deficiency Corrections - Cherry South	10%	1.0	6.0	<b>0.6</b>

\*Values reflect probability-adjusted high estimates from the risk register

**Top Risks Impacting Project Schedule**  
Probability Adjusted High Impacts (Months)



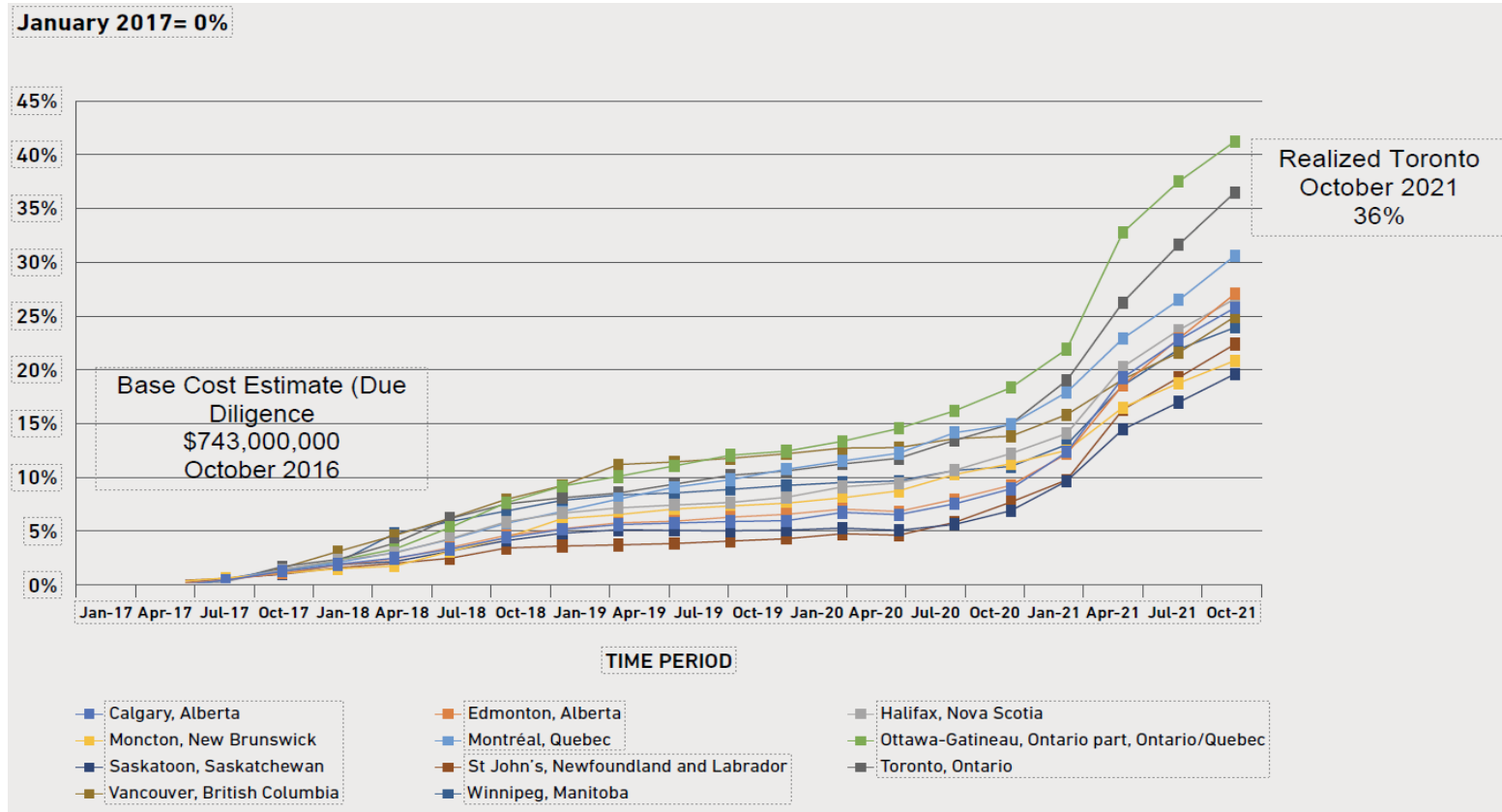
# Contingency Allocation

• Escalation	\$ 85.2 M
• Ground Improvements	\$ 33.4 M
• Gardiner Accommodation (Interim SDMA)	\$ 16.4 M
• THESL PSWHA Cost Sharing	\$ 12.2 M
• Delay costs (utility approvals, COVID, etc.)	\$ 10.2 M
• Geotechnical / Environmental Investigations	\$ 6.0 M
• Enbridge NPS 20	\$ 5.0 M
• TPLC Studio Contribution	\$ 5.0 M
• Fire Hall Purchase and Improvements	\$ 4.4 M
• Enbridge PSWHA Cost Sharing	\$ 4.2 M
• COVID Claims realized	\$ 2.0 M
• Atlas Crane	\$ 1.7 M
• <b>Total</b>	<b>\$ 185.7 M</b>

Note: Per BTY, escalation (including the impact of COVID on productivity, materials, supply chain) over the period 2017 to 2022 (see slide 19) has been as high as 36% yielding an additional \$88.3M over and above the escalation shown here.



# Residential and Non-Residential Construction Escalation Rates 2017 - 2021



Source: BTY Data & Analytics March 2022

Base Cost Estimate at Due Diligence:	\$ 743,000,000
Realized Escalation at 36% per BTY:	\$ 267,480,000
Due Diligence Escalation:	\$ 94,000,000

Realized escalation could be as much as \$173.5M above Due Diligence Escalation.

# Cost Optimizations to Date

## 30% Stage Gate:

### Secondary Budget Contingency



- Waterfront Toronto has completed costing of the secondary contingency items which could potentially be optimized/removed from project scope.
- The results indicate that there are additional cost savings ranging from **\$14.1M to \$47.9M** that the project team could implement with no impact on the required scope of the project and an additional **\$17.5M** which would be considered scope changes and require government approval

Secondary Contingency Items (\$M)	Estimated Reduction Low	Estimated Reduction Most Likely	Estimated Reduction High
Reduce River/Park Plantings	3.2	4.0	4.8
Reduce Park Features	7.3	19.7	29.3
Third Pipe System	2.0	4.0	6.0
Reduce Villers Island grading	0.5	1.1	2.1
Eliminate Heritage Scope	1.1	5.6	5.6
<b>Subtotal - Under WT Control</b>	<b>14.1</b>	<b>34.4</b>	<b>47.9</b>
Defer LRT Bridge over Keating	15.0	15.0	15.0
Seed BRT ROW instead of asphalt	2.5	2.5	2.5
<b>Subtotal - Gov't Approval Required</b>	<b>17.5</b>	<b>17.5</b>	<b>17.5</b>
<b>Total - Secondary Contingency</b>	<b>31.6</b>	<b>51.9</b>	<b>65.4</b>

## 60% Stage Gate:

### Appendix A1: 60% Design Optimizations



60% design optimizations that have been implemented by the project team include (but are not limited to):

Roads & Services	Estimated Savings
Increase use of Excavated Soil On-Site Through the Soil Treatment Facility	\$4.0M
Remove the Waterloo Barrier System	\$4.0M
Demolition of 54 Commissioners	\$0.6M
Traffic Signals	\$1.8M
Sanitary Pumping Station Efficiencies	\$6.5M
Convert Micro Tunnel shafts to Maintenance Holes	\$0.6M
Existing Utility Removals	\$0.5M
Recycle Concrete as Granular Base	\$0.6M
Remove Rigid Inclusion Outside of Hard Surface Areas Along Roadways	\$0.9M
Landscape Optimization	\$0.5M
Streetscape Optimization (granite pavers, reduced planting, associated reduced soils cells)	\$0.5M
Defer Stormwater Management Storage Shaft	\$3.3M
Revision to Stormwater Outlet	\$0.5M
Bridges	Estimated Savings
Updated Cherry North Caissons Lengths Based on Pile Test Results	\$2.6M
VE based 2400mm dia. Caisson Cherry South and Commissioners	\$4.7M
Remove Cofferdam at Cherry South	\$1.0M
Remove Pile Caps at Cherry South	\$0.5M
Bridge Contractor Bonding	\$0.4M
Revised Cherry North Concrete Pricing by Concrete Sub-Contractor	\$0.3M
Reduce Pile Cap Size for Commissioners	\$0.6M

Design optimizations do not represent changes in the agreed scope as defined in approved project charters.

### Appendix A1: 60% Design Optimizations (Cont'd)



60% design optimizations that have been implemented by the project team include (but are not limited to):

Earthworks, Marine and Parks	Estimated Savings
Earthwork/Environmental/Geotechnical	
Reuse Clean Peat	\$0.5M
Reduce Excavation at Canoe Cove	\$0.9M
Increase Soil Treatment and Retention	\$10.7M
Reduce SDMA Excavation	\$2.2M
Reduce West Plug Excavation	\$0.7M
Modify Risk Management Measures at Canoe Cove	\$5.1M
Marine	
Delete Polson Slip East Dockwall	\$0.5M
Reduced Weir Length	\$0.7M
River Channel	
Wetland Plants - Material Unit Cost Reduction	\$0.5M
Delete Polson Wood in Wetlands	\$0.4M
Reduce Goose & Rodent Protection	\$1.2M
Reduce Habitat Shovel Boulders	\$0.2M
Parks	
Reduce Height of Promontory Park South	\$4.2M
Reduce Site Furniture	\$0.6M
Reduce Pavement	\$0.5M

Design optimizations do not represent changes in the agreed scope as defined in approved project charters.

## 90% Stage Gate:

### Appendix D: Cost Optimizations Included



Description	Estimated Cost Savings
Earthworks, Marine & Parks	
Eliminate dockwall on west side of Don Roadway	\$6.0M
FPL 60% At Design Excavation Optimization	\$4.0M
Conversion of Non-Structural Secant Pile Wall to Slurry Wall Along Eastern Project Limit	\$2.6M
Reduced temporary works and construction costs at North Plug	\$2.0M
Reduced temporary works and construction costs at Don Roadway VWF/FPL	\$1.5M
Expansion of Interim Fill Areas by increasing soil placement volumes	\$1.4M
Reuse of granular and recycled crushed concrete	\$1.0M
Property Amalgamation to increase direct reuse of soil	\$0.9M
Demolition of 65 Villers Street (DMCO)	\$0.9M
Elimination of Sheet Pile at Commissioners Street Bridge Abutments	\$0.8M
Refine Ice Management Area and Greenway Excavation Surfaces	\$0.6M
Reduced excavation complexity and cost at South Plug	\$0.5M
West Plug wet excavation subcontract below cost estimate	\$0.5M
Reuse of Granular Work Pad	\$0.5M
Over-excavation of peat and replacement with property soil under barrier (geotech and soil reuse improvements)	\$0.5M
Refine Excavation Surfaces at Commissioners St LRT Bridge	\$0.3M
Maintain ground improvement test cell	\$0.2M
Eliminate Transition Dockwall and Bump-out Removal in Keating Channel	\$0.5M
Removal of Fixed Weir and Replace with Flow Curtain	\$3.9M
Earthworks Volume Correction in Polson Slip	\$2.0M

### Appendix D: Cost Optimizations Included



Description	Estimated Cost Savings
Earthworks, Marine & Parks	
Alternate Island Design in Polson Slip	\$1.6M
Aquablock RMM Deletion in Polson Slip	\$1.2M
Dimensional Stone Reduction in Polson Slip	\$0.9M
Removal of Promontory Park North Interim Fill Line in Keating Channel	\$0.5M
Deletion of one Habitat Shoal in Keating Channel	\$0.3M
Removal of Habitat Logs in Canoe Cove	\$0.2M
Atlas Crane East Revestment Grading in Polson Slip	\$0.1M
Removal of Destination Playground Finishes	\$1.7M
Removal of Earth Cast Concrete Wall	\$1.3M
Promontory Park Reduce Surcharge Locations	\$0.4M
Reduced Concrete Pavement	\$0.4M
Removal of Gathering Space Logs	\$0.3M
Removal of Light Poles and Electrical from Lower Don Trail	\$0.3M
Fire Hall 30 Public Building / Conservation Plan Upgrades	\$0.3M
Promontory Design Updates	\$0.2M
Promontory Wall Design Optimization	\$0.2M
Reduction in Fencing	\$0.2M
Reduction in Planting (2.5%)	\$0.2M
Reduction in Signage (25%)	\$0.2M
Reduction in Benches (20%)	\$0.1M

### Appendix D: Cost Optimizations Included



Description	Estimated Cost Savings
Bridges	
Optimize Jump Bridge, Ground Improvement and Installation Methodology of Superstructure, Negotiate Claims	\$1.1M
Removal of redundant GOs	\$0.7M
Removal of Landscaping allowance at Commissioner's St. Bridge	\$0.5M
Partial demolition of existing Cherry St. Bridge	\$0.5M
Negotiation of Sub-contractor claims and reduction in Settlement Monitoring at Cherry South Bridge	\$0.4M
Change under-bridge lighting to a simpler fixture	\$0.3M
Roads & Services	
BRT - Further Realized Savings (Electrical, Streetlighting, etc.)	\$3.9M
Cherry St - Surcharge remains in place	\$2.0M
Overland Flow Pipe Deletion	\$1.5M
Cherry/Polson Intersection Lowering	\$1.4M
Future Polson St Surcharge and Monitoring Deletion	\$1.1M
Villers East Deletion	\$1.0M
Open Trench Installation Method - replace microtunnelling, delete MH112	\$0.7M
Detour Work Construction Optimization	\$0.7M
Don Roadway Streetscape Optimization (due to dockwall deletion)	\$0.6M
Commissioners St Streetscape Design Optimization	\$0.5M
Villers West (to new Cherry St) Deletion	\$0.5M
Open Trench Excavation Method between MH112 to MH116	\$0.5M
Water Treatment Savings	\$0.3M
Replace Network Vaults with Submersible Transformers	\$0.3M

# Waterfront Toronto Budget and Schedule Performance Metrics

- Risks to the Port Lands project, both known and unknown, have reduced the probability that the project will be completed within the original budget and schedule
- Waterfront Toronto Board of Directors has approved Strategic Plan fiscal performance measures as outlined in following table

Success for Waterfront Toronto is:	Performance measures	Cumulative result 2001–2021	Annual target 2022–2023	5-year target 2022/2023– 2026/2027
<b>4. Implementing a plan in a fiscally responsible manner</b> <ul style="list-style-type: none"> <li>• Waterfront Toronto will work within the funding provided and will search out new revenue sources to support the development of the waterfront</li> <li>• Waterfront Toronto will use thorough processes to set and manage the projects</li> </ul>	<b>4.1</b> Percentage of competitive procurements by dollar value	99.08% since 2019	>95%	>95%
	<b>4.2</b> Total cost of projects completed within budget	103.6% since 2019	<=105.0% of budget	<=105.0% of budget
	<b>4.3</b> Average completion time of projects within original schedule	<= 1 month of schedule since 2019	<= 6 months of schedule	<= 6 months of schedule

- Program is currently on track to meet these performance metrics for both schedule and budget
- Risk analysis concluded that \$23.0M beyond the budgeted \$1,185M is required to increase probability of completion to >75% which is equal to 101.9% of original budget
- Revised baseline schedule pushed date of substantial completion from March 31 to June 20, 2024, which is less than 3 months from the original schedule

# Strategy and Recommendation

- There remains \$29M in contingency within the \$1,185M budget
- A total of \$659M of the \$1,185M budget has been spent (+/- 56%) to March 31, 2022
- Approximately 92% of the construction work has been procured
- Risk of over-committing or spending beyond the \$1,185M budget in the next 12 months is low
- **Recommend** proceeding through to next reporting cycle, Q3 update to be presented in October/November 2022
- Further details and an accurate breakdown of additional budget requirements will be provided at that time
- This approach provides sufficient time for presentation to and consideration by the stakeholders
- We do not currently have sufficient detail to quantify or breakdown further budget detail requirements but will update as noted above



# Appendices

# Potential Enhancements Pending Availability of Funds



Description	Estimated Cost Savings
<b>Roads &amp; Services</b>	
Add streetscaping features on Don Roadway and Commissioners Street	\$0.6 M
<b>Earthworks, Marine &amp; Parks</b>	
Habitat Shoal (Keating Channel)	\$0.3 M
Habitat logs in Canoe Cove (Polson Slip)	\$0.2 M
Destination Playground Finishes (Promontory Park Slip)	\$1.7 M
Add Signage and Wayfinding Scope (Parks)	\$0.3 M
Add Fencing (Parks)	\$0.3 M
Increase Planting (Parks)	\$0.2 M
Add Bench Furnishings (Parks)	\$0.1 M
Atlas Crane Finishes (Promontory Park South)	\$1.0 M
Pedestrian Lights on Street	\$0.7 M
<b>Total</b>	<b>\$4.8 M</b>

# Thank you / Questions

## Join Us

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<b>Purpose</b>	For Approval
<b>Areas of note /Key issues</b>	<p>Management is seeking to amend the June 24, 2021 Board resolution related to Parliament Slip by removing the \$2.86M spending restriction to allow the Corporation to proceed to 60% design on the lakefill part of the Parliament Slip project. The incremental costs to proceed to 60% are not expected to exceed \$600K and any work beyond this lakefill design work will be subject to Board capital approval anticipated at the December 2022 Board Meeting.</p> <p><b>Background Information:</b></p> <p>While funding for the full Parliament Slip Activation Project has not been fully secured, funding is secured for Parliament Slip North and South lakefill (design and construction) through WT revenues.</p> <p>The Parliament Slip North lakefill is required in order to undertake the construction of the extension of Queens Quay East between Parliament Street and future Street A, and the realignment of Parliament Street. These projects create Block 3 of the Quayside development. These tasks are on the critical path for creating and conveying Block 3 to the development partner for Quayside. This portion of the lakefill is funded in the Quayside Infrastructure and Public Realm. The Parliament Slip South lakefill creates the land for the swimming pools and Wavedeck in the Corporation's vision for Parliament Slip. This lakefill is contiguous with the lakefill required for the extension of Queens Quay and shares one dockwall. This portion of the lakefill is funded through WT's contribution to Parliament Slip.</p> <p>Management is recommending undertaking the 60% design for both the Parliament Slip North and South lakefill as one coordinated effort given that:</p> <ul style="list-style-type: none"> <li>• funding for this component of the Parliament Slip project has been secured through land revenues.</li> <li>• Coordinating the design and construction of both areas of lakefill will result in a cost efficiency of approximately \$11 million.</li> </ul> <p>This approach would require the spending of \$600,000 for 60% design for Parliament Slip Lakefill South before additional government funding is confirmed for the larger Parliament Slip Project.</p> <p><b>The Finance Audit and Risk Management Committee recommended this item to the Board of Directors on May 26, 2022.</b></p>
<b>Resolution/ Next Steps</b>	<p><b>ON MOTION</b> duly made, seconded, and carried, be it <b>RESOLVED</b> that the Board of Directors approve the amendment of the following June 24, 2021 Board resolution related to Parliament Slip by removing (c) below to allow the fully funded lakefill portion of the project to advance to 60% design:</p> <ol style="list-style-type: none"> <li><i>the Parliament Slip Project (the "Project") be added to the Corporation's Rolling Five-Year Strategic Plan (2021/22 – 2025/26).</i></li> <li><i>a capital expenditure of \$4.67 Million for the Project to be completed between June 2021 and May 2022.</i></li> <li><del><i>spending not to exceed \$2.86M until the full Project funding has been secured.</i></del></li> <li><i>the engagement of a construction manager for pre-construction services once full Project funding has been secured.</i></li> </ol>



June 23, 2022

# Parliament Slip Lakefill Approval Amendment

Board of Directors

## Parliament Slip – Amendment to 2021 Resolution

Management is seeking to amend the following June 24, 2021 Board resolution related to Parliament Slip by removing c) below:

- a) *The Parliament Slip Project (the “Project”) be added to the Corporation’s Rolling Five-Year Strategic Plan (2021/22 – 2025/26).*
- b) *a capital expenditure of \$4.67 Million for the Project to be completed between June 2021 and May 2022.*
- ~~c) *spending not to exceed \$2.86M until the full Project funding has been secured.*~~
- d) *the engagement of a construction manager for pre-construction services once full Project funding has been secured.*

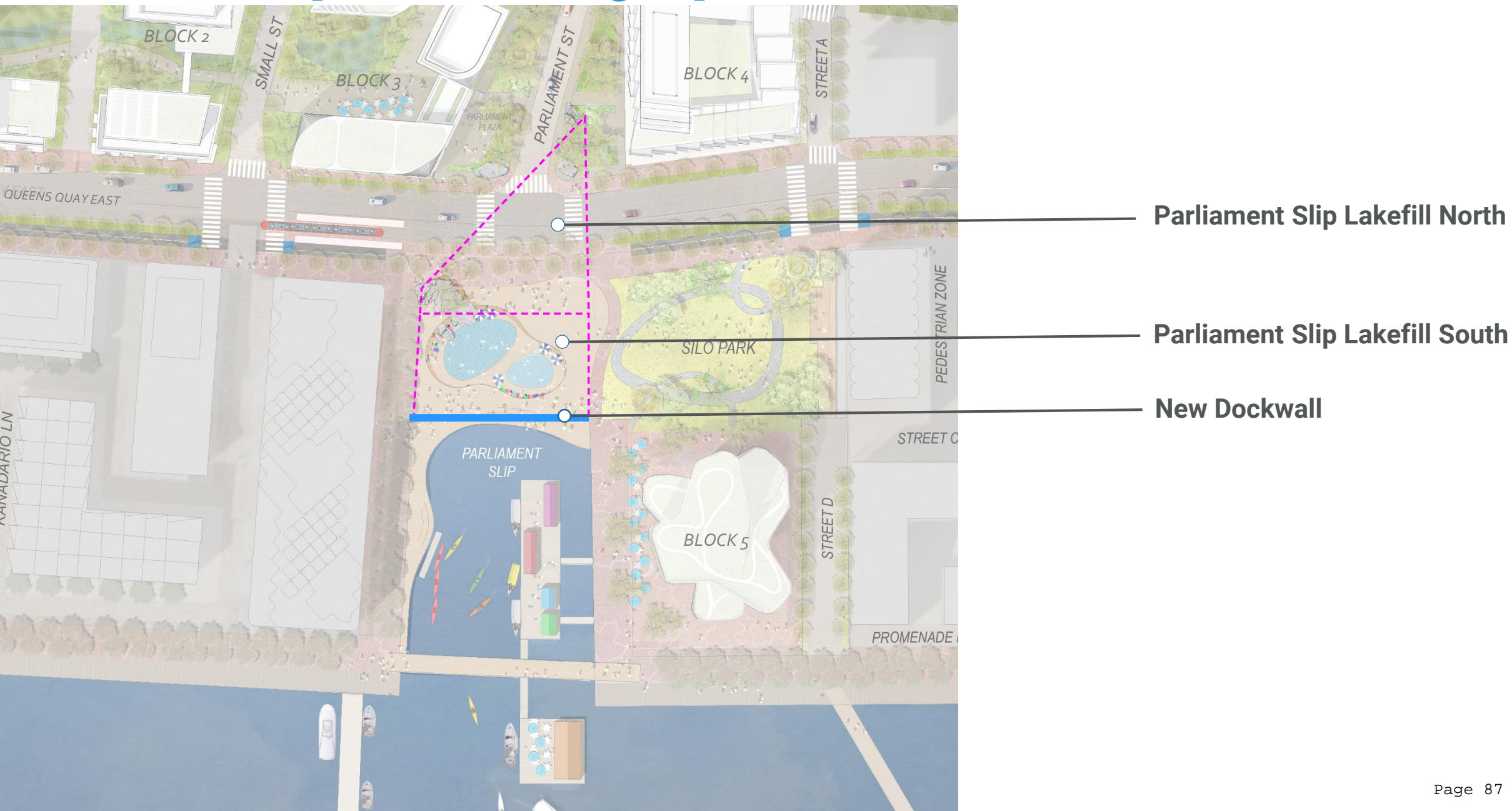
Management is seeking Board Approval to remove the \$2.86M spending restriction to allow the Corporation to proceed to 60% design on the lakefill part of the Parliament Slip project. The incremental costs to proceed to 60% are not expected to exceed \$600K and any work beyond this lakefill design work will be subject to FARM and Board capital approval anticipated at the December 2022 Board Meeting.

**The Finance Audit and Risk Management Committee recommended this item to the Board of Directors on May 26, 2022.**

## Rationale for Request

- While funding for the full Parliament Slip Activation Project has not been fully secured, funding is secured for Parliament Slip North and South lakefill (design and construction) through WT revenues.
- The Parliament Slip North lakefill (see diagram on slide 130) is required in order to undertake the construction of the extension of Queens Quay East between Parliament Street and future Street A, and the realignment of Parliament Street. These projects create Block 3 of the Quayside development. These tasks are on the critical path for creating and conveying Block 3 to the development partner for Quayside. This portion of the lakefill is funded in the Quayside Infrastructure and Public Realm.
- The Parliament Slip South lakefill (see diagram on slide 130) creates the land for the swimming pools and Wavedeck in the Corporation's vision for Parliament Slip. This lakefill is contiguous with the lakefill required for the extension of Queens Quay and shares one dockwall. This portion of the lakefill is funded through WT's contribution to Parliament Slip.
- Management is recommending undertaking the 60% design for both the Parliament Slip North and South lakefill as one coordinated effort given that funding for this component of the Parliament Slip project has been secured through land revenues. In addition, coordinating the design and construction of the lakefill will result in a cost efficiency of approximately \$11 million.
- This approach would require the spending of \$600,000 for 60% design for Parliament Slip Lakefill South before additional government funding is confirmed for the larger Parliament Slip Project.
- This project and funding are part of the Board-approved Rolling Five Year Strategic Plan (2022/23 – 2026/27).

# Parliament Slip Lakefill Funding Request





## Proposed Resolution

**ON MOTION** duly made, seconded, and carried, be it **RESOLVED** that the Board of Directors approve the amendment of the following June 24, 2021 Board resolution related to Parliament Slip by removing (c) below to allow the fully funded lakefill portion of the project to advance to 60% design:

- a) *the Parliament Slip Project (the “Project”) be added to the Corporation’s Rolling Five-Year Strategic Plan (2021/22 – 2025/26).*
- b) *a capital expenditure of \$4.67 Million for the Project to be completed between June 2021 and May 2022.*
- c) ~~*spending not to exceed \$2.86M until the full Project funding has been secured.*~~
- d) *the engagement of a construction manager for pre-construction services once full Project funding has been secured.*

<b>Purpose</b>	For Approval
<b>Areas of note/ Key issues</b>	<p>Broadview Eastern Flood Protection Project (BEFP Project) – Phase 1 Implementation, will advance the Flood Protection Landform (FPL) and grading solution (with associated infrastructure design), as defined in the project's enabling Class EA (accepted in June 2021), to a 60% level of design by March 31, 2023. The Broadview Eastern Flood Protection Project is enabling infrastructure required to allow for occupancy of the proposed East Harbour Transit and will replace the Eastern Avenue Grading works proposed in Port Lands Flood Protection Project (PLFP).</p> <p>The presentation describes the project and Management's request for Capital Approval for an initial expenditure of \$5.7 Million to be funded through a new Delivery Agreement by the City of Toronto to advance design for the BEFP Project. A separate funding allocation from the City of Toronto in the order of \$1.885M, will also be provided to advance pre-design field data collection works, through an amendment to the existing BEFP EA Delivery Agreement. This initial DA amendment should be executed by the end of May 2022.</p> <p>This project is not included in the Board approved Rolling Five Year Strategic Plan.</p> <p>The following are to be completed as part of Phase 1:</p> <ul style="list-style-type: none"> <li>• 60% design of all project elements</li> <li>• Legal surveys</li> <li>• Risk identification &amp; quantification;</li> <li>• Retain 3<sup>rd</sup> Party reviewers;</li> <li>• 100% design &amp; permits for Oil Pipeline removals;</li> <li>• Collaborate &amp; coordinate with various East Harbour Transit Oriented Community Project Teams;</li> <li>• Confirm Phase 2 project delivery &amp; construction management approaches; and</li> <li>• Develop remainder of design &amp; project implementation costs, advance scheduling and construction phasing &amp; obtain funding/approvals to advance to Phase 2 (Final Design and Implementation).</li> </ul>

<b>Resolution</b>	<p><b>ON MOTION</b> duly made, seconded, and carried, be it <b>RESOLVED</b> that the Board of Directors approve a capital expenditure of \$7.585 Million divided as follows, to undertake the Broadview Eastern Flood Protection Project:</p> <ul style="list-style-type: none"> <li>• Pre-Design Data Collection Works – proceeding currently under an \$1.885M amendment to the existing BEFP EA Delivery Agreement, and</li> <li>• Phase 1 – 60% Design Works, subject to the execution of a funding Delivery Agreement valued at \$5.7M with the City of Toronto.</li> <li>• the Corporation be authorized to enter into funding agreements with the City of Toronto to give effect to the foregoing; and</li> </ul> <p><b>ON MOTION</b> duly made, seconded, and carried, be it <b>RESOLVED</b> that the Board of Directors approve the addition of the Broadview Eastern Flood Protection Project to the Rolling Five Year Strategic Plan 2022/23-2026/27.</p>
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# **Broadview Eastern Flood Protection Project Phase 1 Implementation 60% Design Works Request for Capital Approval**

Waterfront Toronto Board of Directors  
June 23, 2022

# Broadview Eastern Flood Protection (BEFP)

## Phase 1 Implementation Scope and Objectives

- 60% design including
  - Utilities/servicing within footprint of flood protection
  - North & south Flood Protection Landform (FPL) segments & central grading section
  - New Don Valley Parkway on-ramp from Eastern Avenue (as per concept plan from City Broadview Extension Class EA)
  - Landscape for public and private areas impacted by design
- Legal surveys
- Risk identification & quantification
- Retain design and engineering consultants
- Retain 3<sup>rd</sup> party peer reviewers for cost, earth works
- 100% design & permits for Oil Pipeline decommissioning
- Collaborate & coordinate with East Harbour Transit Oriented Community (TOC) project teams
- Confirm Phase 2 project delivery & construction management approaches



# Background

## Goal of Broadview Eastern Flood Protection:

- BEFP will permanently remove risk of flooding from Don River to 8 hectares (20 acres) of urban land east of the Don River, south of Eastern Avenue and north of the Metrolinx Lakeshore East rail embankment.

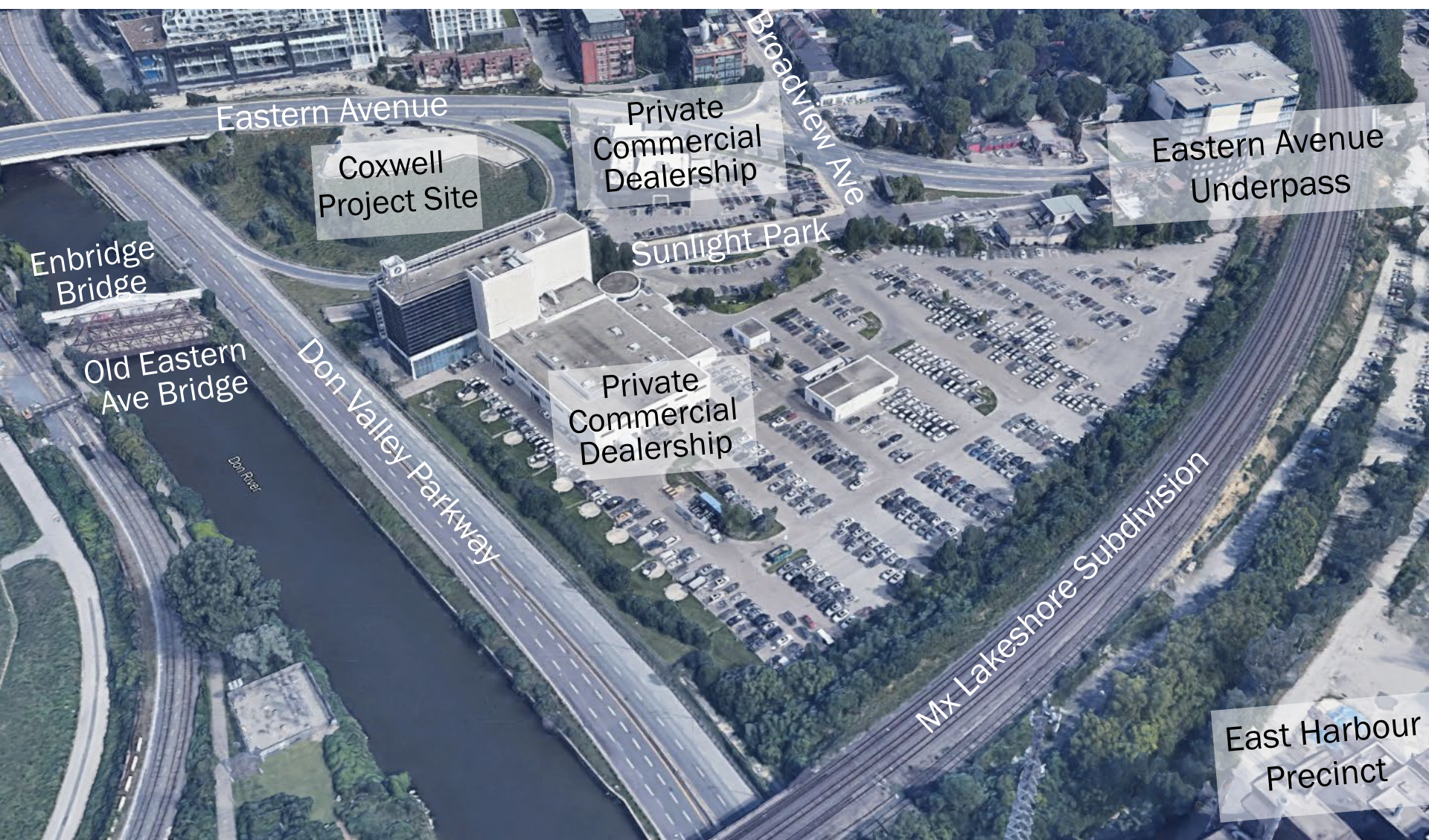
## Benefits of Broadview Eastern Flood Protection:

- BEFP will eliminate flood spill through the Eastern Avenue underpass
- BEFP will obviate need for Eastern Avenue Flood Protection element of Port Lands Flood Protection Project
- BEFP is required to flood protect the East Harbour Transit Hub, Broadview Extension and East Harbour Precinct





# Background – Existing Configuration

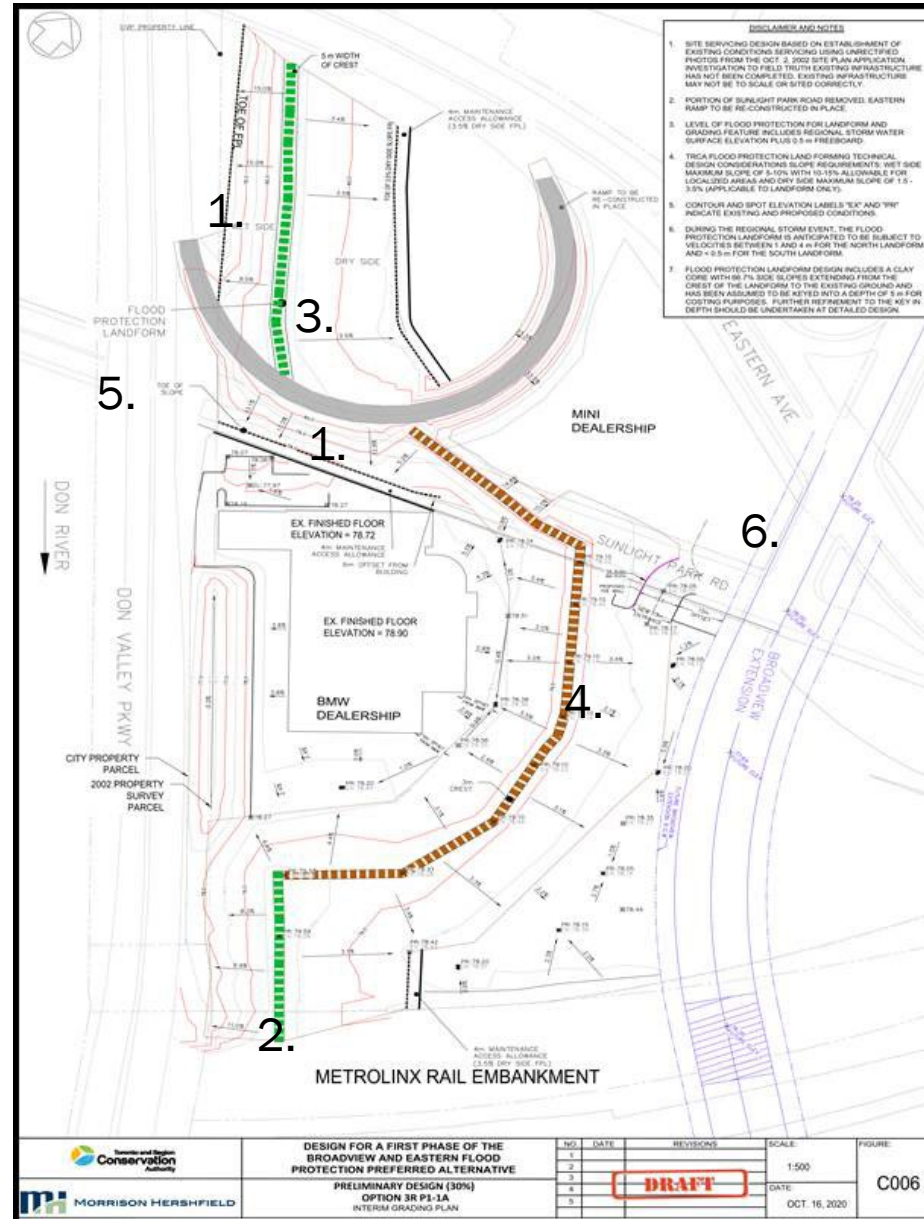




# Background

## Overall Project Components:

1. Remove, reinforce or relocate utilities/servicing along Sunlight Park Road, including oil pipelines along Don Valley Parkway
2. Construct southern FPL to integrate with Metrolinx Lakeshore Subdivision, and related projects including Ontario Line, East Harbour Transit Hub, & East Harbour FPL
3. Construct northern FPL, replacing Eastern Avenue on-ramp with modified street system and infrastructure (defined in City Broadview Class EA)
4. Regrade land east of existing commercial dealership, connecting northern and southern FPLs.
5. Demolish Old Eastern Avenue Bridge to lower water levels in vicinity of the existing West Don Lands FPL & future Broadview Eastern flood protection
6. Remove floodplain & Special Policy Area to enable Occupancy of East Harbour Transit Hub, East Harbour Precinct, and other areas into South Riverdale



# Background

- This project is not included in the Board approved Rolling Five Year Strategic Plan

## Scopes of Work

- **Pre-design:** \$1.885M additional funding to be provided separately, through amendment to existing BEFP EA Delivery Agreement (May 2022). Work to include: Level B SUE surveys, topographic surveys, Subsurface Investigation Surveys, and Project Start-up administration. This will bring existing BEFP EA Delivery Agreement to a total of \$3.685M. Amendment to the DA is currently underway.
- **Phase 1 – 60% Design:** The focus of this report, will be funded through a new Delivery Agreement with City for 2022/23 – the scope of this work is described on Slide 2 above
- **Phase 2 – Final Design and Implementation:** Funding anticipated for 2023-27. Will be confirmed through amendment to Phase 1 Delivery Agreement.





## Preliminary Project Risks

Risk Description	Potential Impact
Lack of coordination/consultation between TOC project partners and BEFP team	<ul style="list-style-type: none"> <li>• Potential for failure to meet permanent flood protection function of Project.</li> </ul> <p>Early and clear communication between teams in all areas of physical overlap between project footprints and staging areas</p>
Differing approaches between TOC, developer, BEFP and PLFP teams to address Scope of Work	<ul style="list-style-type: none"> <li>• Potential for inflated hard and soft costs for BEFP delivery</li> </ul> <p>Establish staff, director and executive oversight to assist in addressing areas of conflict/impact and determining dispute resolution approaches</p>
Unwieldy program decision-making procedures and authorities	<ul style="list-style-type: none"> <li>• Potential for ineffective Program scheduling, delivery and construction management controls</li> </ul> <p>Clear lines of engagement through the overall Program Governance organization</p>
Significant variation in utility / servicing design and cost as compared to Class EA assumptions	<ul style="list-style-type: none"> <li>• Increased costs and time to undertake relocation, removals, reinforcements of utilities.</li> <li>• Infrastructure design may impact flood protection and real estate requirements</li> </ul>
Significant variation in property costs as compared to Class EA	<ul style="list-style-type: none"> <li>• Increased cost and time to facilitate temporary and long-term property needs to accommodate projects</li> </ul>

## Preliminary Project Risks

Risk Description	Potential Impact	Mitigation Strategy
Significant variation in overall construction costs due to significant differences in Project assumptions and escalation	Substantial increases in soft and hard costs for the Project.	
Delays and restrictions in accessing privately-owned property during data collection	Early collection of SUE and subsurface investigation works are necessary to inform the utility and flood protection design process.	Seeking year-long blanket PTE through Mx with private landowners to enable SUE and subsurface investigations.

- Pre-Design Data Collection:
  - As per Slide 7, this is required to inform 60% design and will be funded through amendment of existing BEFP Class EA Delivery Agreement with City and TRCA
  - Project management and advancement of service procurement currently underway
- Phase 1 – 60% Design Delivery Agreement between Waterfront Toronto and the City of Toronto is in development and is anticipated to be executed, prior to the end of June 2022
- Waterfront Toronto is working with the City, TRCA, and Metrolinx to secure details that impact design and construction including
  - Permission to Access – Private properties
  - Confirmation of Project Area and Scope in areas of overlap between East Harbour TOC Project Leads
  - Development of work plans for upcoming RFP releases

- Key Consultants to be retained for Broadview Eastern Flood Protection, include:
  - **Pre-Design Data Collection (2022) - work to proceed under May 2022 BEFP EA DA Amendment**
    - Subsurface Investigation Team – Pre-Design Scope – to be retained via VOR
    - Level B SUE Investigation – Pre-Design Scope - Morrison Hershfield/T2 Utility through existing agreement with TRCA
  - **Design and Implementation (Phase 1 (2022-23) and Phase 2 (2023-2027))**
    - Design Engineer and Construction Administration Team (authorizing 60% design only)
    - Oils Pipeline Decommissioning and Removals Design (anticipated)
    - Scheduling and Risk Management
    - Cost Peer Review
    - 3<sup>rd</sup> Party earthworks Peer Review
    - Possible Soils Harmonization Peer Review (for City) (provisional)
    - Legal Surveyor (VOR)
    - Commercial Real Estate Estimator (provisional – contract may be with City)
    - 3<sup>rd</sup> Party Hydraulic Modeling Peer Review (provisional)
    - External Legal (provisional)

## Capital Approval is required in order to undertake the Broadview Eastern Flood Protection Project - Phase 1 60% Design Phase Works

- Waterfront Toronto's policies and procedures provide for Capital Approvals to be obtained:
  1. After design has reached 60% completion
  2. When planned investments exceed \$5 Million
- Capital Approval is required as Phase 1 of the project is estimated to be \$5.7 Million as illustrated on the following slide



# Capital Budget – Pre-Design Data Collection

Budget Estimate	Anticipated Project Cost for Phase 1
Hard Construction Costs	\$ 0
Soft Costs (project management costs)	\$ 1,610,000
Project Management	
• Waterfront Toronto	\$335,000
• TRCA	\$100,000
• Other WT Costs	
- External Legal (provisional)	\$25,000
- Private Property PTE costs (provisional)	\$50,000
- Subsurface Investigation (through WT Vendor of Record Procurement)	\$1,000,000
- Level B SUE Surveys (amendment of existing TRCA consultant contract for BEFP EA)	\$100,000
- Topographic Surveys (City of Toronto forces)	N/A
Contingency (15%)	\$241,500
Non-recoverable Harmonized Sales Tax	\$32,586
<b>Total Estimated Capital Cost</b>	<b>\$1,884,086</b>

# Capital Budget – Phase 1 60% Design

Budget Estimate	Anticipated Project Cost for Phase 1
Hard Construction Costs	\$ 0
Soft Costs (project management costs)	\$ 1,396,000
Project Management	
• Waterfront Toronto	\$821,000
• TRCA	\$250,000
• Other WT Costs	
- External Legal (provisional)	\$50,000
- Private Property PTE costs (provisional)	\$50,000
- City 3 <sup>rd</sup> Party Harmonized Peer Review (provisional)	\$75,000
- 3 <sup>rd</sup> Party Hydraulic Modeling Peer Review (provisional)	\$100,000
- Possible FLR Agreement (MCFN) (provisional)	\$50,000

# Capital Budget – Phase 1 60% Design

Budget Estimate	Anticipated Project Cost for Phase 1 (\$ Millions)
Soft Costs (design consultants)	\$ 3,465,000
60% Design	
<ul style="list-style-type: none"> <li>Primary Design Team                             <ul style="list-style-type: none"> <li>Geotechnical, geoenvironmental and hydrogeological design</li> <li>FPL and grading design</li> <li>Utility and servicing design (excluding oil lines)</li> <li>Road design including bridge demolition design team (bridge demolition will not be part of 60% design)</li> <li>Landscape design (public and private lands)</li> <li>Water resource engineering</li> </ul> </li> </ul>	\$2,750,000
<ul style="list-style-type: none"> <li>Oil Pipeline Decommissioning and Removal Design Team (procurement to proceed following discussion with Oil Companies)</li> </ul>	\$290,000
<ul style="list-style-type: none"> <li>3<sup>rd</sup> Party Peer Reviews &amp; Other Stand-alone Contracts</li> </ul>	
<ul style="list-style-type: none"> <li>Scheduler and risk assessment</li> <li>3<sup>rd</sup> Party Cost Peer Review</li> <li>3<sup>rd</sup> Party earth works peer review (VOR)</li> <li>Legal Surveyor (VOR)</li> <li>Commercial Real Estate Estimator (provisional – may be under City contract)</li> </ul>	\$100,000 \$75,000 \$100,000 \$75,000 \$75,000
Contingency (15%)	\$729,150
Non-recoverable Harmonized Sales Tax	\$98,387
Total Estimated Capital Cost	\$5,688,537

# Sources of Funding

Source	Funding (\$ Millions)
Amendment to existing City of Toronto BEFP EA Delivery Agreement – <b>Pre-Design Data Collection (underway)</b>	\$1.885
New City of Toronto Delivery Agreement – <b>Phase 1 60% Design</b>	\$ 5.7
<b>Total Sources of New Funds</b>	<b>\$ 7.585</b>

On May 26, 2022, FARM recommended that the Board of Directors approve a capital expenditure of \$7.585 Million divided as follows, to undertake the Broadview Eastern Flood Protection Project:

- Pre-Design Data Collection Works – proceeding currently under an \$1.885M amendment to the existing BEFP EA Delivery Agreement, and
- Phase 1 – 60% Design Works, subject to the execution of a funding Delivery Agreement valued at \$5.7M with the City of Toronto.

FARM also recommended that the Board of Directors approve that the Broadview Eastern Flood Protection Project be added to the Rolling Five Year Strategic Plan 2022/23-2026/27.



**ON MOTION** duly made, seconded, and carried, be it **RESOLVED** that:

(i) the Board of Directors approve a capital expenditure of \$7.585 Million to undertake the Broadview Eastern Flood Protection Project, as follows:

- Pre-Design Data Collection Works – \$1.885M, to be funded pursuant to an amendment to the existing BEFP EA Delivery Agreement, and
- Phase 1 – 60% Design Works, subject to the execution of a funding Delivery Agreement valued at \$5.7M with the City of Toronto.

(ii) the Corporation be authorized to enter into funding agreements with the City of Toronto to give effect to the foregoing; and

(iii) the Board of Directors approve the addition of the Broadview Eastern Flood Protection Project to the Rolling Five Year Strategic Plan 2022/23-2026/27.

## Join Us

Waterfront Toronto  
20 Bay Street, Suite 1310  
Toronto, ON M5J 2N8  
[www.waterfronttoronto.ca](http://www.waterfronttoronto.ca)



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<b>Purpose</b>	<p>For Board approval.</p> <p>The purpose of the audited financial statements is to provide information about the results of the operations, financial position, and cash flow of the Corporation.</p>
<b>Areas of note/ Key issues</b>	<p>During the year ended March 31, 2022, the Corporation has:</p> <ul style="list-style-type: none"> <li>• <b>Spent approx. \$283 million</b> (down from \$290.4 million for last year) of which \$245.5 million was capitalized as Assets Under Development, primarily for the Port Lands Flood Protection (PLFP) project (\$217 million), \$13.5 million was capitalized for land purchase (11 Parliament St), \$20.7 million was expensed primarily for eastern waterfront transit (\$7 million), Villiers Island due diligence (\$2.3 million), and property related expenses (\$4 million).</li> <li>• <b>Recognized revenues of \$320.8 million</b> (up from \$248.9 million for last year) primarily made up of government contributions for the PLFP project including Lakeshore Bridge (\$279 million), York Street and Rees St Parks (\$7.4M), and eastern waterfront transit design (\$5 million); land sale proceeds (\$15 million); public art contributions (\$6.9 million); and parking/rental and interest revenues (\$5.5 million). The increase from prior year is largely due to government contributions for the PLFP project.</li> </ul> <p>Other items of note during the year include:</p> <ul style="list-style-type: none"> <li>• Acquisition of 11 Parliament Street, required to realign Parliament Street and to create Quayside development blocks, reflected under Capital assets – land (Note 7).</li> <li>• Unrestricted net assets (Note 12) is in a deficit position of \$47 million representing a timing difference between realization of unrestricted revenues (such as Quayside land sale revenues) and corresponding expenditures funded out of the same (also related to internal borrowing). The deficit position is expected to reverse upon receipt of land sale proceeds in 2022/23.</li> <li>• Impact of Climate Risk (Note 24) added to disclose climate risk related impact on financial statements (no material impact).</li> </ul> <p>Waterfront Toronto's external auditor, BDO Canada LLP intends to issue a clean, unqualified audit opinion on the Corporation's financial statements for the year ended March 31, 2022.</p> <p>There were no material matters of concern reported to the FARM Committee regarding internal controls.</p>
<b>Key Takeaways/ Next Steps</b>	<p><b>Draft resolution:</b></p> <p><b>ON MOTION</b> duly made, seconded and carried, be it <b>RESOLVED</b> that the Board of Directors approve the attached audited financial statements for the year ended March 31, 2022.</p> <p>Final audited March 31, 2022 Financial Statements in English and French to be shared with governments and the public by June 30, 2022.</p>

Financial Statements of

**Toronto Waterfront Revitalization Corporation**  
(c.o.b. as Waterfront Toronto)

March 31, 2022

# Toronto Waterfront Revitalization Corporation

March 31, 2022

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## **Management's Responsibility for the Financial Statements**

**June 23, 2022**

The integrity and objectivity of the accompanying financial statements of the Toronto Waterfront Revitalization Corporation ("the Corporation") is the responsibility of management. These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Chartered Professional Accountants of Canada (CPA Canada). Significant accounting policies of the Corporation are described in Note 2 to the financial statements.

Management is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for the preparation of the financial statements.

Management meets with the external auditors, the Finance, Audit and Risk Management Committee and the Board of Directors to review the financial statements and discuss any significant financial reporting or internal control matters prior to approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, the independent external auditors appointed by the Board of Directors. The accompanying Independent Auditor's Report outlines Management's responsibilities, the auditor's responsibilities, the scope of its examination and its opinion on the Corporation's financial statements.

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President and CEO

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Chief Financial Officer

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## Independent Auditor's Report

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To the Board of Directors of Toronto Waterfront Revitalization Corporation

### Opinion

We have audited the financial statements of Toronto Waterfront Revitalization Corporation (the "Corporation"), which comprise the statement of financial position as at March 31, 2022, and the statements of financial activities, remeasurement gains and losses, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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## Independent Auditor's Report (Continued)

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### Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants  
Oakville, Ontario  
June 23, 2022

# Toronto Waterfront Revitalization Corporation

## Statement of financial position

as at March 31, 2022

	March 31, 2022	March 31, 2021
	\$	\$
<b>Assets</b>		
Current assets		
Cash	90,435,454	104,592,114
Receivables (Note 3)	100,033,195	36,579,038
Deposits and prepaid expenses and other assets (Note 4)	3,955,048	4,784,428
	194,423,697	145,955,580
Restricted cash (Note 5)	46,808,576	40,234,509
Assets under development (Note 6)	1,200,520,378	955,012,647
Capital assets (Note 7)	103,097,524	89,882,349
	1,544,850,175	1,231,085,085
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	84,948,044	68,455,592
Deferred contributions (Note 10)	200,666,459	140,660,162
Other liabilities and settlements (Note 11)	1,204,514	1,117,303
	286,819,017	210,233,057
Other liabilities and settlements (Note 11)	1,892,916	1,890,528
Environmental and contaminated sites liability (Note 16)	2,075,900	2,075,900
	290,787,833	214,199,485
Net assets (Note 12)	1,254,062,342	1,016,885,600
	1,544,850,175	1,231,085,085

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Toronto Waterfront Revitalization Corporation

## Statement of financial activities

year ended March 31, 2022

	March 31, 2022	March 31, 2021
	\$	\$
<b>Restricted Revenues:</b>		
Province of Ontario	155,559,800	103,400,000
City of Toronto	87,965,359	62,612,065
Government of Canada	50,439,840	60,000,000
Other restricted contributions	6,003,272	998,688
	299,968,271	227,010,753
Less: Government contributions for assets under development	(231,819,525)	(256,316,839)
(Increase) Decrease in deferred contributions for continuing operations related to future periods	(60,006,296)	35,448,606
	8,142,450	6,142,520
<b>Expenses (Note 13)</b>		
Eastern Waterfront Transit	7,101,326	3,024,123
Complete Communities	5,061,487	2,363,299
Signature Projects	1,726,860	1,895,452
Public Places	1,670,409	217,365
Strategic Initiatives	1,149,165	1,133,488
	16,709,247	8,633,727
Deficiency of revenue over expenses before other items	(8,566,797)	(2,491,207)
Environmental and contaminated sites expense (Note 16)	-	(2,075,900)
Net other operating income (Note 17)	1,345,889	500,940
Land sale proceeds and/or other income (Note 18)	15,428,359	17,485,877
<b>Excess of revenues over expenses</b>	<b>8,207,451</b>	<b>13,419,710</b>

The accompanying notes are an integral part of the financial statements.



**Toronto Waterfront Revitalization Corporation**  
**Statement of remeasurement gains and losses**  
**year ended March 31, 2022**

	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>\$</b>	<b>\$</b>
Accumulated remeasurement (loss) gains, beginning of the year	<b>(517,100)</b>	49,920
Unrealized gain (loss) attributable to foreign currency transactions	<b>12,800</b>	(124,636)
Unrealized gain (loss) attributable to forward exchange contracts (Note 19)	<b>310,175</b>	(442,384)
<b>Net remeasurement gain (loss) for the year</b>	<b>322,975</b>	(567,020)
<b>Accumulated remeasurement loss, end of the year</b>	<b>(194,125)</b>	(517,100)

**Statement of changes in net assets**  
**year ended March 31, 2022**

	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>\$</b>	<b>\$</b>
Net assets, beginning of the year	<b>1,016,885,600</b>	756,493,418
Add: Excess of revenues over expenses	<b>8,207,451</b>	13,419,710
Add: Net remeasurement gain (loss)	<b>322,975</b>	(567,020)
Add: Government contributions for assets under development	<b>231,819,525</b>	256,316,839
Less: Transfer of assets to Government (Note 6)	<b>(3,173,209)</b>	(8,336,109)
Less: Assets written off	<b>-</b>	(441,238)
<b>Net assets, end of the year</b>	<b>1,254,062,342</b>	1,016,885,600

The accompanying notes are an integral part of the financial statements.

# Toronto Waterfront Revitalization Corporation

## Statement of cash flows

year ended March 31, 2022

	March 31, 2022	March 31, 2021
	\$	\$
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses	8,207,451	13,419,710
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities		
Amortization of capital assets	955,025	875,173
Unrealized gain (loss) attributable to foreign currency transactions	12,800	(124,636)
Unrealized gain (loss) attributable to forward exchange contracts	310,175	(442,384)
Changes in non-cash working capital balances		
Net increase (decrease) in deferred contributions	60,006,296	(35,448,606)
Current assets (Receivables, Deposits and prepaid expenses)	(62,624,777)	50,282,338
Current liabilities (Payables, Other liabilities and settlements)	16,582,051	22,947,031
<b>Net cash received from operating activities</b>	<b>23,449,021</b>	<b>51,508,626</b>
<b>Cash flows from capital activities</b>		
Cash received from government contribution for assets under development	231,819,525	256,316,839
Cash used to acquire assets under development	(248,680,940)	(277,876,807)
Cash used to acquire capital assets	(14,170,199)	(65,392)
<b>Net cash paid from capital activities</b>	<b>(31,031,614)</b>	<b>(21,625,360)</b>
<b>Cash flows from investing activity</b>		
Invested in restricted cash and investments	(6,574,067)	(12,540,576)
<b>Net cash paid from investment activity</b>	<b>(6,574,067)</b>	<b>(12,540,576)</b>
(Decrease) increase in cash	(14,156,660)	17,342,690
Cash, beginning of the year	104,592,114	87,249,424
<b>Cash, end of the year</b>	<b>90,435,454</b>	<b>104,592,114</b>

The accompanying notes are an integral part of the financial statements.

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

March 31, 2022

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### 1. Description of Corporation

The Toronto Waterfront Revitalization Corporation was initially incorporated on November 1, 2001 under the Ontario Business Corporations Act with the Province of Ontario being its sole shareholder.

Pursuant to the Toronto Waterfront Revitalization Corporation Act, 2002 (the "Act"), the Corporation was continued as a corporation without share capital on May 15, 2003. The Corporation is deemed not to be a Crown Agency within the meaning of the Crown Agency Act.

Under the Act, the Corporation's objects are to:

- (a) implement a plan that enhances the economic, social and cultural value of the land in the designated waterfront area and create an accessible and active waterfront for living, working and recreation and to do so in a fiscally and environmentally responsible manner.
- (b) ensure that ongoing development in the designated waterfront area can continue in a financially self-sustaining manner.
- (c) promote and encourage involvement of the private sector in the development of the designated waterfront area.
- (d) encourage public input into the development of the designated waterfront area; and
- (e) engage in such other activities as may be prescribed by regulation.

### 2. Significant accounting policies

#### (a) Basis of presentation

These financial statements have been prepared in accordance Canadian public sector accounting standards for not-for-profit organizations including the 4200 series of standards contained in the Chartered Professional Accountants (CPA) handbook.

#### (b) Revenue recognition

The Corporation follows the deferral method of accounting for restricted contributions. Under this method, restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions.

Contributions used for the purchase of amortized capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Contributions for the purchase of non-amortized capital assets such as land as well as assets under development which will be transferred to government(s) upon completion are recognized as a direct contribution to net assets.

Under the Contribution Agreements, contributions from the Governments can only be applied towards payments of eligible costs in respect of project activities, as defined in the Contribution Agreements. Unrestricted contributions such as other operating items are recognized as revenue in the current period.

In addition to contributions, the Corporation has several other revenue streams, which it accounts for as follows:

**(i) Property Operations:** Property revenues primarily consist of rental revenues from leasing activities and parking operations. Revenues from parking operations are recognized at the point of service on a cash basis. Property rental income is recognized as it is earned over the course of a tenants lease. Waterfront Toronto has retained substantially all of the risks and benefits of ownership of the properties which it rents out and therefore accounts for leases with its tenants as operating leases. Rental revenue includes recoveries of operating expenses, including property, capital and similar taxes. Operating expense recoveries are recognized in the period that they are chargeable to tenants.

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

March 31, 2022

### 2. Significant accounting policies (con't)

(ii) **Land Sales:** The gain or loss from the sale of real property owned by TWRC is recognized when title passes to the purchaser (control is transferred) upon closing at which time all or substantially all of the funds are receivable, or have been received, and the conditions of the sale have been completed.

(iii) **Delivery Agreements:** The Corporation has entered into certain agreements to deliver construction management and development services. Under these agreements, TWRC bills eligible costs to clients as they are incurred. Revenue from delivery agreements is recognized at the time of billing, when the costs become measurable, and collection is reasonably assured.

#### (c) Financial instruments

Financial instruments are recorded at cost when acquired, except for contributions that are recorded at fair value. In subsequent periods, investments traded in an active market are reported at fair value, with any unrealized gains and losses reported in the statement of remeasurement gains and losses. All other financial instruments are recorded at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost. Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(i) **Level 1:** Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

(ii) **Level 2:** Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) **Level 3:** Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### (d) Allocation of general support expenses

The Corporation incurs a number of general support expenses that are common to the administration of the organization and each of its projects. General support expenses are incurred to support the functional areas of construction/implementation, planning, design and approvals, and project management. These expenses are allocated using a "blended rate" i.e. hourly rate incorporating both direct and indirect cost.

#### (e) Taxes and Charitable Status

The Corporation is exempt from income taxes pursuant to paragraph 149(1) (d.3) of the Income Tax Act (Canada) and is eligible to claim a rebate of approximately 86.5% for HST paid on property and services acquired pursuant to section 123(1)(b) of the Excise Tax Act. TWRC is registered with the Canada Revenue Agency as a qualified donee and is eligible to issue official donation receipts and receive gifts from registered charities. The status is effective June 24, 2016 and as at March 31, 2022, the Corporation had not received any donation or gifts.

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

March 31, 2022

### 2. Significant accounting policies (con't)

#### (f) Assets under development

Assets under development represent those investments in assets which the Corporation has been directed to develop under an executed agreement and the Corporation has actual or beneficial ownership over during the development stage. Land under development under this category represents all costs associated with getting a parcel of land site ready for development, including costs associated with contracting with a developer, rezoning, and soil management and treatment.

Upon substantial completion and warranty period, these assets are either transferred to a respective government who assumes ownership and ongoing operational responsibility, transferred to capital assets for those assets the Corporation continues to have actual or beneficial ownership over, or sold to a third party. The assets transferred to a respective government are considered a related party transaction and the difference between cost and proceeds is recorded directly to net assets. Any gain or loss on assets sold to a third party is recorded through the statement of financial activities.

Assets under development are recognized at cost, are not amortized and include both direct project costs as well as overhead costs directly attributable to the asset under development.

#### (g) Capital assets

Capital assets are recorded at cost less accumulated amortization, with the exception of land which is not amortized. Capital assets less residual value are amortized on a straight-line basis over their estimated useful lives as follows:

Computer hardware and software	3 - 5 years
Leasehold improvements	5 years
Furniture and fixtures	5 years
Office equipment	5 years

The cost incurred to enhance the service potential of a capital asset, including land, is a betterment and capitalized to the asset. Repairs and maintenance costs are charged to expense. When a capital asset no longer contributes to the Corporation's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

#### (h) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The items subject to the most significant estimates are the amortization and impairment of capital assets, accrued liabilities, deferred revenue and accrued benefit liability.

#### (i) Liabilities for contaminated sites

The Corporation recognizes a liability for remediation of contaminated sites on land owned by Waterfront Toronto when all of the following criteria has been met : there is evidence that contamination exceeds an environmental standard, the Corporation is directly responsible or accepts responsibility for the contamination, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made.

#### (j) Trusts under administration

Trusts administered by TWRC are not consolidated in the financial statements as they are not controlled by the Corporation.



# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

March 31, 2022

### 3. Receivables

	March 31, 2022	March 31, 2021
	\$	\$
Province of Ontario	68,966,932	25,452,619
Rent and other receivables	17,690,871	2,187,454
HST receivable	10,564,582	3,934,601
City of Toronto	2,810,810	5,004,364
	<b>100,033,195</b>	<b>36,579,038</b>

### 4. Deposits and prepaid expenses

	March 31, 2022	March 31, 2021
	\$	\$
Construction deposits	2,181,199	2,181,199
Prepaid expenses	1,773,849	2,603,229
	<b>3,955,048</b>	<b>4,784,428</b>

The Corporation has provided the City of Toronto (the "City") with certain construction deposits to guarantee satisfactory performance, completion of work, and related obligations required for construction of municipal infrastructure by the Corporation. The construction deposits will be released to Waterfront Toronto at the expiration of certain performance and guarantee periods. The construction deposits paid to the City of \$2,181,199 (March 31, 2021 - \$2,181,199) are non-interest bearing.

### 5. Restricted cash

The Corporation has received deposits that are subject to restrictions that prevent its use for operating purposes, as outlined below:

	March 31, 2022	March 31, 2021
	\$	\$
Holdbacks payable	35,291,636	30,885,475
Developer contributions - East Bayfront public art	8,089,143	5,711,584
Developer Deposit - Broadband services	1,615,015	1,615,015
Developer Deposit - East Bayfront child care facility	1,551,918	1,538,024
Other	260,864	484,411
	<b>46,808,576</b>	<b>40,234,509</b>

### 6. Assets under development

The following table details assets under development by category:

	March 31, 2022	March 31, 2021
	\$	\$
Roads, Bridges, Services, Structures	581,331,585	458,019,808
Flood Protection Features	471,563,516	365,789,789
Land under development	91,401,055	86,883,659
Parks and Public Realm	56,224,222	44,319,391
	<b>1,200,520,378</b>	<b>955,012,647</b>

The following table details assets under development by Priority Initiatives:

	The Port Lands	Complete Communities	Quayside	Public Places	Total
	\$	\$	\$	\$	\$
Opening balance, April 1, 2021	555,591,733	357,172,152	29,842,939	12,405,823	955,012,647
Capital additions	210,646,838	18,903,117	2,019,279	5,029,712	236,598,946
Direct project management - Note 13	5,570,808	953,527	3,755,360	429,946	10,709,640
General and support expenses - Note 13	717,640	117,630	483,771	53,313	1,372,354
Transfer of completed assets to City of Toronto				(3,173,209)	(3,173,209)
<b>Closing balance, March 31, 2022</b>	<b>772,527,019</b>	<b>377,146,425</b>	<b>36,101,349</b>	<b>14,745,585</b>	<b>1,200,520,378</b>

During the year, one completed asset (Jack Layton Ferry Terminal Phase 1A) costing \$3,173,209 (March 31, 2021 - \$8,336,109) was formally transferred to the City of Toronto. The transfer has been recorded as a reduction to assets under development and a distribution of net assets in the statement of changes in net assets.

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

March 31, 2022

### 7. Capital assets

	March 31, 2022		March 31, 2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Land	100,812,146		87,305,565	-
Computer hardware and software	4,499,284	2,829,477	4,040,292	2,084,367
Leasehold improvements	1,582,601	1,058,181	1,377,975	886,837
Furniture and fixtures	539,371	448,220	539,371	409,650
Office equipment	145,563	145,563	145,563	145,563
	107,578,965	4,481,441	93,408,766	3,526,417
<b>Cost less accumulated amortization</b>		<b>103,097,524</b>		<b>89,882,349</b>

Land is recorded at cost in accordance with the significant accounting policy 2(h). Certain land, known as Quayside, has approximately 2,700,000 square feet zoned for development.

The Corporation owns land containing environmental contamination. As of March 31, 2022, the Corporation has a provision of \$2,075,900 (March 31, 2021 - \$2,075,900) for remediation cost of contaminated site (Note 16).

The Corporation owns buildings on a number of its properties. As none of the buildings are intended for use other than on a temporary rental basis and all will ultimately be demolished, they have been recorded at a carrying value of \$Nil (March 31, 2021 - \$Nil).

### 8. Credit facility

In 2015 the Corporation secured a revolving credit facility with a Canadian commercial bank which provides for a maximum borrowing amount of \$40 million. The facility bears interest at the Canadian Prime Lending Rate less 0.5%. The Corporation's interest rate was 2.20% at March 31, 2022 (March 31, 2021 - 1.95%). The facility is secured by a first lien interest over several of the Corporation's real properties in the City of Toronto and a General Security Agreement creating a first priority interest over property of the Corporation not obtained through a contribution agreement, including accounts receivable relating to real properties. At March 31, 2022 the available borrowing limit is \$38 million as a result of a Letter of Credit reissued by Waterfront Toronto during 2021 to the Department of Fisheries and Oceans for the Cherry Street Stormwater and Lakefilling project.

Under the current financing agreement, the Corporation is subject to a financial covenant. The revolving credit facility stipulates that the Corporation must ensure that the most recent appraised value of the properties which secure the facility at all times provide a minimum of 150% coverage for the outstanding amount of credit. As at March 31, 2022, the Corporation is in compliance with this covenant and expects to be in compliance for the next 12 months.

### 9. Accounts payable and accrued liabilities

	March 31, 2022	March 31, 2021
	\$	\$
Accrued liabilities	48,642,647	35,873,598
Holdbacks payable	35,057,157	27,037,500
Accounts payable	1,248,240	5,544,494
	<b>84,948,044</b>	<b>68,455,592</b>

### 10. Deferred contributions

Deferred contributions as at March 31, 2022 represent project specific contributions from Governments which have not been applied to eligible costs as well as other unspent restricted contributions and contributions received for the acquisition of capital assets which have yet to be amortized.

	March 31, 2022	March 31, 2021
	\$	\$
Expenditures of future periods		
Balance, beginning of year	140,660,162	176,108,768
Additional contributions	67,193,722	(30,181,259)
Less: amounts recognized as revenue	(7,187,425)	(5,267,347)
Balance, end of period	<b>200,666,459</b>	<b>140,660,162</b>
Capital contributions		
Balance, beginning of year	-	-
Add: contributions for acquisition of capital assets and assets under development	245,989,724	257,192,012
Less: direct contribution to net assets	(245,034,699)	(256,316,839)
Less: amount amortized to revenue	(955,025)	(875,173)
Balance, end of period	<b>200,666,459</b>	<b>140,660,162</b>

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

March 31, 2022

### 11. Other liabilities and settlements

Other liabilities and settlements largely represent security and developer deposits.

	March 31, 2022	March 31, 2021
	\$	\$
Deposit - broadband services	1,615,016	1,615,016
Deposits - rent and other	1,204,514	1,117,303
Deposit - Bayside project agreement	277,900	275,512
Total other liabilities	3,097,430	3,007,831
Less: current portion	(1,204,514)	(1,117,303)
	1,892,916	1,890,528

### 12. Net assets

a) Net assets recorded on the Statement of Financial Position are comprised of the following:

	March 31, 2022	March 31, 2021
	\$	\$
Invested in non-amortisable capital assets	100,812,146	87,305,565
Invested in assets under development	1,200,520,378	955,012,647
Unrestricted (deficit) (Note 12b)	(47,076,057)	(24,915,512)
Accumulated re-measurement loss	(194,125)	(517,100)
	1,254,062,342	1,016,885,600

b) Unrestricted (deficit)

	March 31, 2022	March 31, 2021
	\$	\$
Unrestricted deficit, opening balance	(24,915,512)	(16,775,254)
Excess of revenues over expenses	8,207,451	13,419,710
Investment in assets under development	(16,861,415)	(21,559,968)
Investment in land	(13,506,581)	-
Unrestricted deficit, closing balance	(47,076,057)	(24,915,512)

# Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2022

## 13. Expenses by Priority Initiative and Function

	Eastern Waterfront Transit	Complete Communities	Signature Projects	Public Places	Strategic Initiatives	Quayside	The Port Lands	Total March 31, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	6,225,617	2,632,191	723,457	1,391,665	158,703	-	-	11,131,633
Salaries, fees and benefits	662,301	2,647,403	758,876	576,305	749,089	3,206,067	4,755,971	13,356,012
Less salaries, fees and benefits related to assets under development (Note 6)	-	(953,527)	-	(429,946)	-	(3,755,360)	(5,570,808)	(10,709,640)
	6,887,918	4,326,067	1,482,333	1,538,024	907,792	(549,293)	(814,837)	13,778,005
<i>General and support expenses:</i>								
General and office administration	111,410	445,337	127,656	96,944	126,009	539,313	800,033	2,246,701
Amortization	47,358	189,303	54,264	41,209	53,564	229,251	340,077	955,025
Information technology	43,934	175,615	50,340	38,229	49,691	212,674	315,487	885,971
Communications and public engagement	10,706	42,795	12,267	9,316	12,109	51,826	76,880	215,899
	213,408	853,050	244,527	185,698	241,373	1,033,064	1,532,477	4,303,595
Less general & support costs allocated to assets under development (Note 6)	-	(117,630)	-	(53,313)	-	(483,771)	(717,640)	(1,372,354)
	<b>7,101,326</b>	<b>5,061,487</b>	<b>1,726,860</b>	<b>1,670,409</b>	<b>1,149,165</b>	<b>-</b>	<b>-</b>	<b>16,709,247</b>

All salaries, fees and benefits have been charged to projects based on timesheet information. General and support expenses for the period ending March 31, 2022 have been allocated to priority initiatives using an overhead burden rate of 0.32 (2021 - 0.30) for every \$1 of direct labour (project management - salaries and benefits). Total salaries, fees and benefits for the Corporation were \$13,356,012 for the period ending March 31, 2022 (2021 - \$13,971,846).

# Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2022

## 13. Expenses by Priority Initiative and Function (Cont.)

	Eastern Waterfront Transit	Complete Communities	Signature Projects	Public Places	Strategic Initiatives	Quayside	The Port Lands	Total March 31, 2021
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	2,179,524	1,447,453	1,030,879	48,836	149,718	-	-	4,856,410
Project management - salaries, fees and benefits	651,432	1,822,280	666,838	605,838	758,773	4,547,177	4,919,508	13,971,846
Less project management - salaries, fees and benefits related to assets under development (Note 6)	-	(978,755)	-	(413,738)	-	(4,020,472)	(4,302,715)	(9,715,680)
	2,830,956	2,290,978	1,697,717	240,936	908,491	526,705	616,793	9,112,577
<i>General and support expenses:</i>								
General and office administration	97,245	271,828	99,545	90,431	113,269	650,521	761,787	2,084,626
Information technology	40,769	113,962	41,733	37,913	47,487	272,725	319,372	873,961
Amortization	40,826	114,120	41,791	37,965	47,553	273,104	319,815	875,173
Communications, marketing and government relations	14,327	40,048	14,666	13,323	16,688	95,841	112,234	307,127
	193,167	539,958	197,735	179,632	224,997	1,292,191	1,513,208	4,140,887
Less general & support costs allocated to assets under development (Note 6)	-	(467,637)	-	(203,203)	-	(1,818,896)	(2,130,001)	(4,619,737)
	<b>3,024,123</b>	<b>2,363,299</b>	<b>1,895,452</b>	<b>217,365</b>	<b>1,133,488</b>	<b>-</b>	<b>-</b>	<b>8,633,727</b>



# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

March 31, 2022

### 14. Commitments

The Corporation has corporate lease commitments of \$1,452,528 until May 31, 2023.

### 15. Risk disclosures

#### (i) Credit risk:

Credit risk arises from cash, restricted cash and investments held with banks and credit exposure to governments and other debtors, including accounts receivable. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Corporation assesses the credit quality of funding partners and debtors, taking into account their financial position, past experience and other factors.

#### (ii) Liquidity risk:

Liquidity risk is the risk the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's objective in managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its commitments when due, without incurring unacceptable losses or risking damage to the Corporation's reputation. The Corporation manages exposure to liquidity risk by closely monitoring supplier and other liabilities; by focusing on debtor collection; and by requesting government funding in advance.

(iii) **Currency risk:** The Corporation has cash denominated in U.S. dollars and is exposed to currency risk. Included in the statement of financial position is \$339,786 (March 31, 2021 - \$1,043,647) of cash and \$662,420 (March 31, 2021 - \$1,309,603) of payables which has been translated from its U.S. denominated amount.

Also refer to Note 24 regarding an assessment of the impact of COVID-19 on the financial statements.

### 16. Environmental and contaminated sites liability

The Corporation assesses all of its owned properties on an ongoing basis to determine if contamination, as defined under the standard and regulatory requirements, is present on any of its lands. In March 2021, the Corporation had made a provision for liability of contaminated sites of \$2,075,000 representing one Waterfront Toronto owned property zoned for parkland and not intended for development. As of March 31, 2022, there has been no change to management's estimates of the liabilities and remediation costs incurred.

### 17. Net other operating income

	March 31, 2022	March 31, 2021
	\$	\$
Rental, parking and other income	4,436,961	2,932,004
Less: operating expenses and changes in provision for doubtful debts	(4,056,406)	(3,934,969)
	380,555	(1,002,965)
Interest	918,585	980,562
Realized (loss) gain on foreign currency transactions	(148,036)	354,123
Other Income	194,785	169,220
Net other operating income	1,345,889	500,940

### 18. Land sale proceeds and other income

During the period ended March 31, 2022, the Corporation received \$15,428,359 (2021 - \$17,378,877) as closing payments associated with the sale of land in East Bayfront owned by the City of Toronto. During the prior year ended March 31, 2021 the Corporation realized Other Income of \$107,000 for sale of district energy equipment.

### 19. Forward Exchange Contracts

The Corporation uses forward exchange contracts to reduce its exposure to fluctuations in exchange rates that result from certain transactions in foreign currencies. The Corporation does not enter into forward exchange contracts for trading or speculative purposes. The Corporation recognizes any unrealized gains/losses related to unsettled future transactions in the Statement of Remeasurement Gains and Losses. Any realized gains/losses related to foreign exchange transactions are recorded in the Statement of Financial Activities. The unrealized gain on forward contracts included in the Statement of Remeasurement Gains and Losses for the period ended March 31, 2022 is \$310,175 (2021 - \$(442,384)). As at March 31, 2022, the Corporation has notional swing forward exchange contracts of US\$4,520,000 outstanding with settlements occurring monthly until March 2023.

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

March 31, 2022

### 20. Related Party Transactions

By virtue of the TWRC Act, the Governments of Canada and Ontario, the City of Toronto and Waterfront Toronto are related parties. The Corporation receives funding and renders services to these entities in the normal course of carrying out its business. The transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### 21. Contingent Liabilities

- (a) Under the terms and conditions of the Contribution Agreements, the Corporation provides an indemnity to the City, Province of Ontario and Government of Canada and their respective officers, employees and agents, from and against all claims, losses, damages, costs, expenses, actions and other proceedings related to any injury to or death of a person or damage to or loss of property, infringement of rights or any other loss or damages whatsoever arising directly or indirectly from any willful or negligent act, omission or delay on the part of the Corporation, the Corporation's directors, officers, employees, contractors, agents or Third Party Contractors, in carrying out a project or as a result of the project, except to the extent that the injury, loss or damage has been caused by the City, Province of Ontario and/or Government of Canada or their respective officers, employees or agents.

The Corporation requires all Eligible Recipients to indemnify the Corporation from and against liability on the same basis outlined above.

The Corporation requires most third party contractors to indemnify each level of government and the Corporation, its officers, employees and agents against all claims, liabilities and demands with respect to any injury to persons (including death), damage to, loss or destruction of property or infringement of rights caused by or arising directly from:

- (i) the breach of any term or condition of the contract by the third party contractor or its officers, employees or agents; or
  - (ii) any omission or any willful or negligent act of the third party contractor or its officers, employees or agents in relation to the applicable project.
- (b) Under the Delivery Agreement with each Eligible Recipient respectively, the Corporation provides an indemnity to the Eligible Recipient and its respective officers, employees and agents, from and against any claims with respect to direct loss arising from:
- (i) any breach by the Corporation of the Delivery Agreement or documents or certificates given pursuant to the Agreement, or
  - (ii) any negligent or willful acts or omissions of the Corporation, its officers, directors, employees or agents, in relation to the project.
- Management attempts to limit the Corporation's exposure under these indemnifications through the purchase of directors and officers insurance, the allocation of risk to Eligible Recipients and contractors (outlined above) and through enforcing the Corporation's and Eligible Recipients' policies and procedures, as well as intense oversight where appropriate.
- (c) The Corporation has entered into a number of Development Agreements with third party builders with respect to lands located in the West Don Lands and East Bayfront. Under these agreements, the Corporation has provided the builders certain milestone representations based on specific Corporation development obligations. The representations primarily relate to schedule delays. The maximum potential future liability related to these representations is \$7.5 million under one development agreement with one builder and although under the other development agreements the amounts are not determinable, they are limited to the amount up to the respective builder's carrying costs and/or out of pocket expenses incurred on the development. No amount for these representations has been accrued in these financial statements. Management attempts to limit the Corporation's potential exposure under these guarantees through appropriate schedule, cost and scope management practices.
- (d) The Corporation received a claim from a development partner for the recovery of additional costs related to environmental risk management. An amount based on management's assessment of the liability has been accrued in the March 31, 2022 financial statements. Resolution of the claim is expected by September 30, 2022.

### 22. Comparatives

Certain comparative amounts have been reclassified to conform with the current year's method of presentation.

### 23. Impact of Climate Risk

The impact of physical climate-related events (severe weather events and other natural conditions) and the transition to a lower carbon economy were considered in preparing the financial statements. The Corporation assesses governance, strategy, risk management, and metrics and targets associated with climate risk. The items subject to material impact arising from climate risk are the valuation of assets under development, impairment of capital assets, and accrued liabilities. As of financial statement date, there has been no material impact on financial position and/or results of operations.

# Toronto Waterfront Revitalization Corporation

## Notes to the financial statements

March 31, 2022

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### 24. Impact of COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Amid rising infections exacerbated by variants of concern, on April 1, 2021, the Ontario Provincial government Emergency Management Act ordered the shut-down of non-essential workplaces. These restrictions were eased on June 11, 2021 until December 18, 2021 when Province of Ontario announced lowering of capacity limits amid rising concerns over Omicron variant. This included lowering of the capacity limits in more non essential businesses. When the Ontario Provincial government Emergency Management Act ordered shut-down of non-essential workplaces, all of Waterfront Toronto's major projects, including the Port Lands Flood Protection project, were determined to be essential workplaces and as such, continued construction activities. To date, while there has been some impacts to Waterfront Toronto's projects as a result of increased health and safety requirements and some delays in supply chain, there has been no material impact to assets, expenses and/or liabilities as of the date of these financial statements.

### 25. Subsequent Event

On April 16, 2021, the Corporation executed a Purchase and Sale Agreement with a third party to purchase property required for future waterfront revitalization. This transaction is expected to close in June 2022. The estimated financial effect of this transaction will be an increase to land assets, a decrease to cash and a drawdown of retained earnings (unrestricted deficit). At the time of preparing these financial statements, the amount is subject to confidentiality.

# Closed Session

**Item 12a) Draft Minutes of the Closed Session March 24, 2022 Meeting**

**ON MOTION** duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Minutes of the Closed Session of the Board of Directors meeting held on March 24, 2022 be approved, as tabled.

**Item 13 2021/22 Integrated Annual Report (IAR)**

**ON MOTION** duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Board of Directors approve the attached 2021/22 Integrated Annual Report, as tabled.

**Item 15 HRGSR Committee Chair’s Closed Session Report**

**ON MOTION** duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Year-end Performance Assessments for the Chief Executive Officer – April 1, 2021 – March 31, 2022 and compensation for April 1, 2022 to March 31, 2023 be approved, as tabled.



# CALENDAR YEAR 2022 UPCOMING MEETING SCHEDULE BOARD / COMMITTEES

S/N	Date	Board/Committee	Key Agenda Item(s) include:
1.	Thursday, February 3 Revised date: Friday, February 11	IREC	Quayside
2.	Tuesday, February 15	Board	Quayside
3.	Thursday, February 24	FARM	Per FARM Work Plan
4.	Thursday, March 3	HRGSR	Per HRGSR Work Plan
5.	Thursday, March 10	IREC	<ul style="list-style-type: none"> <li>• Detailed Status Report on all Development Projects</li> <li>• Other Projects (if any)</li> <li>• Real Estate Acquisitions and Divestitures (if any)</li> <li>• Other Acquisitions (if any)</li> </ul>
6.	Thursday, March 24	Board	<ul style="list-style-type: none"> <li>• Reports of the IREC, FARM and HRGSR committees</li> </ul>
7.	Thursday, May 26	FARM	Per FARM Work Plan
8.	Thursday, June 2	IREC	<ul style="list-style-type: none"> <li>• Development Projects Dashboard</li> <li>• Other Projects (if any)</li> <li>• Real Estate Acquisitions and Divestitures (if any)</li> <li>• Other Acquisitions (if any)</li> <li>• ESG Update</li> </ul>
9.	Thursday, June 9	HRGSR	Per HRGSR Work Plan
10.	Thursday, June 16	Board Strategic Session	
11.	Thursday, June 23	Board	<ul style="list-style-type: none"> <li>• Reports of the HRGSR, IREC, and FARM committees</li> <li>• Approve 2021/22 Annual Report</li> <li>• Approve 2021/22 audited financial statements</li> <li>• Year-end Performance Assessment for CEO and approval of compensation for 2022/23</li> </ul>
12.	Thursday, September 15	HRGSR	Per HRGSR Work Plan
13.	Thursday, September 22	FARM	Per FARM Work Plan
14.	Thursday, September 29	IREC	<ul style="list-style-type: none"> <li>• Development Projects Dashboard</li> <li>• Other Projects (if any)</li> <li>• Real Estate Acquisitions and Divestitures (if any)</li> <li>• Other Acquisitions (if any)</li> </ul>

15.	<b>Thursday, October 13</b>	Board	<ul style="list-style-type: none"> <li>• Report of the HRGSR, IREC, and FARM committees</li> <li>• 2023 Board and Committee Meeting Calendar</li> </ul>
16.	<b>Thursday, November 10</b>	HRGSR	Per HRGSR Work Plan
17.	<b>Thursday, November 17</b>	IREC	<ul style="list-style-type: none"> <li>• Development Projects Dashboard</li> <li>• Other Projects (if any)</li> <li>• Real Estate Acquisitions and Divestitures (if any)</li> <li>• Other Acquisitions (if any)</li> </ul>
18.	<b>Thursday, November 24</b>	FARM	Per FARM Work Plan
19.	<b>Thursday, December 8</b>	Board	<ul style="list-style-type: none"> <li>• Report of the HRGSR, IREC, and FARM committees</li> <li>• Approval of 2022/23 Corporate Plan</li> </ul>