



Board of Directors Meeting

Agenda and Meeting Book

MONDAY, JUNE 12, 2023 FROM 1:00 PM TO 4:30 PM

MICROSOFT TEAMS



Board of Directors Meeting

Agenda - Monday, June 12, 2023

Open Session Agenda

1:00 p.m.	1. Land Acknowledgement	Information	S. Diamond
1:05 p.m.	2. Motion to Approve Meeting Agenda	Approval	S. Diamond
1:05 p.m.	3. Declaration of Conflicts of Interest	Declaration	All
1:05 p.m.	4. Chair's Opening Remarks	Information	S. Diamond
1:10 p.m.	5. Consent Agenda		
	a) Highlights of Key Messages - 4	Information	All
	b) Draft Minutes of the Open Session March 27, 2023 Meeting - 6	Approval	All
	c) CEO Report - 11	Information	G. Zegarac
	d) IREC Committee Chair's Open Session Report - May 18, 2023 Meeting - 20	Information	J. Winberg
	e) FARM Committee Chair's Open Session Report - May 29, 2023 Meeting - 21	Information	K. Sullivan
	f) HRGSR Committee Chair's Open Session Report - June 1, 2023 Meeting - 24	Information	W. Cartwright
	g) Environment, Social and Governance (ESG) Update - 27	Information	L. Taylor
	h) Waterfront Toronto Insurance Program Review - 29	Information	L. Taylor / I. Ness
1:30 p.m.	6. Communications and Events Calendar	Information	C. MacKay
	Coversheet - 32		
	Presentation - 35		
1:40 p.m.	7. Waterfront Toronto Priority Projects	Information	D. Kusturin
	Coversheet - 39		
	Presentation - 40		
1:45 p.m.	8. Q1/2023 Construction Cost Forecast and Risk Update and Quantification – Port Lands Flood Protection	Report	D. Kusturin
	Coversheet - 56		
	Presentation - 57		
1:50 p.m.	9. Project Related Approvals		

	a) PLFP – Request for Supplementary Capital Approval	Approval	D. Kusturin
	Coversheet - 76		
	Presentation - 77		
	b) Queens Quay East Extension Lakefill Approval	Approval	P. Mallozzi
	Coversheet - 93		
	Presentation - 95		
2:05 p.m.	10. Year-End Audited Financial Statements March 31, 2023	Approval	L. Taylor/ S. Chandane
	Coversheet - 114		
	FS and Notes - 115		
2:15 p.m.	11. Board Chair Appointment	Approval	R. Bhardwaj
	Coversheet - 133		
2:20 p.m.	12. Motion to go into Closed Session	Approval	All
	Closed Session Agenda The Board will discuss items 13(a), (b), (c) & (d), and 14 through 19 being, consideration of the draft Minutes of the Closed Session March 27, 2023 meeting, the IREC Committee Chair's Closed Session Report, the FARM Committee Chair's Closed Session Report, WT Insurance Program Report (continuation), Lake Shore Boulevard East, 2022/23 Integrated Annual Report (IAR), Update on Quayside Matters, Recruitment, HRGSR Committee Chair's Closed Session Report and the Directors Only discussion respectively, in Closed Session as permitted by By-Law No.2 of the Corporation. The exceptions relied for the discussion of item 13(a) in Closed Session is provided in the minutes of March 27, 2023 Board meeting contained in items 5(b) of this agenda, for items 13(b) & (c) is Section 6.1.1(l) & (j), for item 13(d) is Section 6.1.1(l), for item 14 is Section 6.1.1(k), for item 15 is Section 6.1.1(k), for item 16 is Section 6.1.1(l), for items 17, 18 & 19 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.		
	Closed Session - 134		
4:25 p.m.	20. Motion to go into Open Session	Approval	All
	Public Session Agenda		
4:25 p.m.	21. Resolution(s) Arising from the Closed Session	Approval	All
	Form - 135		
4:25 p.m.	22. Chair's Closing Remarks	Information	S. Diamond
4:30 p.m.	23. Motion to Terminate the Meeting	Approval	All
FYI	Next Meeting: Thursday, October 12, 2023	Information	All
	Upcoming Board & Committee Meeting Schedule - 137		

Board of Directors – June 12, 2023
Item 5 (a) Meeting Materials - Highlights of Key Messages

Agenda Item	Key Message
5 (c) CEO Report	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 addition, the report elaborates on the extensive public engagement that has occurred through Open Houses, many tours and our participation in the Open Doors event as well as several forthcoming opportunities in the coming months like Smorgarsburg. The report also highlights the current status of the Port Lands Flood Protection and Quayside projects. A dashboard attached to the CEO Report illustrates the status of corporate, administrative and project matters and compares it to the preceding quarter.
5 (d) IREC Chair Report-Open session	The Chair of the IREC Committee will present his report on matters arising from the meeting of May 18, 2023. The Committee reviewed the quarterly development dashboard and received an update on public consultation and overall project progress for both Quayside and Villiers Island.
5 (e) FARM Chair Report-Open Session	The Chair of the FARM Committee will present his report on matters arising from the meeting of the Committee held on May 29, 2023. In addition to the regular risk, audit and financial quarterly reporting, the Committee reviewed the Corporation's year-end financial statements, 2022/2023 Integrated Annual Report, Capital Approval for Port lands Flood Protection and Queens Quay East Lakefill Project, updates for the Port Lands Flood Protection project, as well as the corporate insurance program renewal results.
5 (f) HRGSR Chair Report-Open session	The Chair of the HRGSR Committee will present her report on matters arising at the meeting held on June 1, 2023. 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 a report from the CEO on performance review for 2022/23 as well as a report on our communications and events calendar.
5 (g) ESG update	The board will receive an update from our CFO on ESG reporting by the Corporation.
5 (h) Waterfront Toronto Insurance Program Review	The board materials contain an overview of WTs Corporate Insurance Program and outcome of 2023 renewals, including Directors & Officers insurance coverage.
6. Communications and Events Calendar	The VP of Strategic Communications will provide a calendar of upcoming public engagement events, for information.
7. Waterfront Toronto Priority Projects- Construction Update	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.
8. Q1/2023 Construction Cost Forecast and Risk Update and Quantification- Port Lands Flood Protection	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.
9 (a) PLFP Supplementary Capital Approval	Management will present, for approval , a request for a supplementary Capital approval relating to PLFP. This has been recommended for approval by FARM.
9 (b) Queens Quay East Extension Lakefill Approval	Management will present, for approval , a request for a capital approval relating to the QQE Extension Lakefill project. This has been recommended for approval by FARM.

Board of Directors – June 12, 2023
Item 5 (a) Meeting Materials - Highlights of Key Messages

10. Year-End Audited Financial Statements	The Corporation will present, for approval , the Year End Audited Financial Statements for the year ending March 31, 2023. The Financial Statements have been recommended for approval by FARM.
12 (b) IREC Chair Report (Closed)	The committee chair will present a report on matters arising from the Closed Session of the committee meeting of May 18, 2023.
12 (c) FARM Chair Report (Closed)	The committee chair will present a report on matters arising from the Closed Session of the committee meeting of May 29, 2023.
12 (d) WT Insurance Report	Management will present to the Board further information on the WT Insurance Program 2023 renewals.
13. Lake Shore Boulevard East (LSBE)	Management will present, for approval , a request related to the LSBE project
14. 2022/2023 Integrated Annual Report	The Corporation's Integrated Annual Report (IAR) will be presented for approval . The theme is <i>Landscape & Legacy</i> . The IAR was recommended for approval by the FARM Committee.
15. Quayside Update	The Chief Development Officer will provide an update on the Quayside Project.
16. Board Chair Appointment	The term of the current board chair, Stephen Diamond, ends as of June 30, 2023. The board will be asked to approve the appointment of a new chair.
17. Recruitment Matter	Management will present, for approval , a recruitment initiative.
18. HRGSR Committee Chair's Closed Session Report	The board will receive a report from the CEO concerning the year end performance assessment for Executives, and the Board Chair will seek approval 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 Hybrid: In-Person and Microsoft Teams Teleconference
Monday, March 27, 2023 at 8:30 a.m. local time**

PRESENT: Stephen Diamond (Chair)
Rahul Bhardwaj
Wende Cartwright
Drew Fagan
Paul Khawaja
Andrew MacLeod
Councillor Ausma Malik
Laurie Payne
Jeanhy Shim
Kevin Sullivan
Alysha Valenti
Jack Winberg
Leslie Woo

REGRETS:

ATTENDANCE: WATERFRONT TORONTO
George Zegarac (CEO, Waterfront Toronto)
Ian Ness (General Counsel)
Meg Davis (Chief Development Officer)
Christopher Glaisek (Chief Planning and Design Officer)
David Kusturin (Chief Project Officer)
Lisa Taylor (Chief Financial Officer)
Kristina Verner (SVP, Strategic Policy & Innovation)
Pina Mallozzi (SVP, Design)
Rose Desrochers (VP, Human Resources and Administration)
Cameron MacKay (VP, Strategic Communications and Engagement)
Kevin Greene (Project Management Director)
Ed Chalupka (Director, Government Relations)
Anton Pojasok (Director, Innovation & Sustainability)
Jeff Ross (Director, Strategic Development)
Mira Shenker (Director, Communication & Public Engagement)
Corey Bialek (Senior Analyst, Innovation & Sustainability)
Ella Liu (Senior Analyst, Corporate & ESG Reporting)
Charmaine Miller (Executive Assistant to the CEO & Board Admin)

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

- Kathryn McCauley, Vania Georgieva, Iswariya Tirunagaru, Anamika Srivastava, Infrastructure Canada
- Shameez Rabdi, Jonathon Vita, Cory MacDonald, Ontario Ministry of Infrastructure
- Jay Paleja, Waterfront Secretariat, City of Toronto
- Tom Davidson, Office of Councillor Ausma Malik

Ian Ness acted as Secretary of the meeting. The Chair welcomed everyone to the Board of Directors meeting of the Toronto Waterfront Revitalization Corporation (“Waterfront Toronto” or the “Corporation”).

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

The Chair noted that there would be changes to the meeting agenda as follows:

- i. A new item (now item 15): Indigenous Consultation would be added after the Update on Villiers Island Matters (item 14);
- ii. The Directors Only In-Camera Session (item 19) would be done after the new item 15, which then relabelled this item to item 16; and
- iii. All subsequent items after the Directors Only In-Camera Session would be relabelled accordingly.

ON MOTION duly made by Alysha Valenti, seconded by Leslie Woo and carried, it was **RESOLVED** that the Agenda for the March 27, 2023 meeting be approved, as revised.

3. Declaration of Conflicts of Interest

There were no conflicts of interest declared.

4. Chair’s Opening Remarks

The Chair welcomed and thanked everyone for joining the meeting, especially the government partners for their participation and their ongoing support of Waterfront Toronto. Mr. Diamond added that the meeting would be recorded and made available to the public afterwards.

5. Consent Agenda

- a) The **Highlights of Key Messages** were taken as read.
- b) **Draft Minutes of the Open Session December 8, 2022 Meeting.**

ON MOTION duly made by Kevin Sullivan, seconded by Alysha Valenti and carried, it was **RESOLVED** that the Minutes of the December 8, 2022, meeting of the Board of Directors be approved, as tabled.

- c) In his CEO Report, George Zegarac presented on key issues and matters of importance from the perspective of the CEO. The report included updates on key corporate issues such as our DE&I strategy, our major projects including Quayside, PLFP, and Villiers Island), and the office relocation. A dashboard attached to the CEO Report illustrates the status of corporate, administrative and project matters and compares it to the preceding quarter.
- d)e)f) 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.
- g) ESG Update – Climate Action Plan

Anton Pojasok, Director, Innovation & Sustainability and Ella Liu, Senior Analyst, Corporate & ESG Reporting provided information on the Climate Action Plan of the Corporation.

6. WT Priority Projects Update

David Kusturin, Chief Project Officer provided a brief update on the priority projects of the Corporation.

7. Broadview Eastern Flood Protection Update – Construction Procurement Options & Recommendation

Management provided an update on the project and the construction procurement options, together with a recommendation to tender the project using the Construction Manager method, with an option to negotiate Guaranteed Maximum Price. At their February 23rd meeting, the FARM Committee supported and recommended this item for Board approval.

ON MOTION duly made Jack Winberg, seconded by Kevin Sullivan and carried, it was **RESOLVED** that the Board of Directors hereby approves that the Project be tendered using the Construction Manager method with an option to negotiate Guaranteed Maximum Price to enable early contractor involvement and design flexibility, better management of schedule constraints and transparency.

8. Motion to go into Closed Session

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** made by Alysha Valenti and seconded by Laurie Payne and carried, the Board **RESOLVED** to go into Closed Session to discuss items 9(a), (b), (c) & (d), 10 through 16. The exceptions relied for the discussion of item 9(a) in Closed Session is contained in the minutes of the Board Meeting held December 8, 2022 as provided in item 5(b) of this agenda, for items 9(b) & (d) is Section 6.1.1(l), for items 9(c) is Section 6.1.1(b), for items 10, 11, 12, 13, 14 & 15 is Section 6.1.1(k), and for item 16 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.

9. **Consent Agenda**

- a) **Draft Minutes of the Closed Session December 8, 2022 Meeting**
- b) **FARM Committee Chair's Closed Session Report – February 13, 2023 meeting**
- c) **HRGSR Committee Chair's Closed Session Report – March 8, 2023 meeting**
- d) **IREC Committee Chair's Closed Session Report – March 9, 2023 meeting**

10. **Consideration of Board and Committee Effectiveness Survey**

11. **PLFP Funding & Scope**

12. **Amendments to the Rolling Five-Year Strategic Plan**

13. **Update on Quayside Matters**

14. **Update on Villiers Island Matters**

15. **Indigenous Consultation**

(The Directors Only In-Camera Session was previously labelled item 19, however this item, and subsequent items have been relabelled based on the order of occurrence at the meeting.)

16. **Directors Only In-Camera Session**

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

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

18. **Resolution(s) Arising from the Closed Session**

Item 9a) Draft Minutes of the Closed Session December 8, 2022 Meeting

ON MOTION duly made by Kevin Sullivan and seconded by Alysha Valenti and carried, it was **RESOLVED** that the Minutes of the Closed Session of the Board of Directors meeting held on December 8, 2022 be approved, as tabled.

Item 12 Amendments to the Rollin Five-Year Strategic Plan

ON MOTION duly made by Drew Fagan, seconded by Laurie Payne, and carried, it was **RESOLVED** that the Board of Directors approve the amendments to Waterfront Toronto's Rolling Five Year Strategic Plan (2022/23 – 2027/28) and related project funding reallocations, all as set out in the materials presented.

19. Chair's Closing Remarks

Mr. Diamond thanked everyone for their participation in the meeting. He commented that it is gratifying that phase 1 of Quayside has now closed and to hear about the exciting plans for the Corporation moving forward.

20. Termination of the Meeting

There being no further business, **ON MOTION** made by Councillor Ausma Malik, seconded by Wende Cartwright and carried, it was **RESOLVED** that the meeting be terminated at 12:33 p.m. local time.

Board Chair

Secretary

I am pleased to provide this CEO Report for the upcoming Board meeting on June 12, 2023. Since the last report, I have continued to be fully engaged with staff, governments and other stakeholders and agencies operating on the waterfront.

I want to first take the opportunity to thank Steve, our Chair, for his commitment and service over the last seven+ years to the Waterfront Toronto Board of Directors and over four years as Chair. This will be Steve's last meeting before his term expires at the end of the month. Steve, you should be proud of all your contributions over your tenure but no more than perhaps the last twelve months, one of the most significant years for the corporation. This past year not only saw the completion of the largest real estate transaction in Waterfront Toronto's history with Quayside – especially under difficult economic times - but also saw the acceptance of additional funding for the Port Lands Flood Protection Project from all orders of government. I would be remiss if I didn't mention that during your term you have garnered the strong support of all orders of government as well as with members of the public and community stakeholders. Thank you again for your leadership and unwavering dedication to the corporation.

I also wanted to take the opportunity to thank all orders of government as I know that they are all in the **process of seeking formal approvals for their share of additional PLFP costs. Some approvals have been received and, as I understand, the remaining approvals are imminent.** As a former Deputy Minister serving the Province for over 35 years I can appreciate the amount of work that goes into seeking approvals such as this, including the various briefings of central agencies, ministries, and members of City Council. It is by no means a small endeavor. These approvals will allow the project to continue uninterrupted and maintain the current schedule of a December 2024 substantial completion.

I would also like to thank the federal government for extending Jeanhy Shim's term for an additional six months to December 2023, especially during this time of the Chair's transition.

Quayside

Following the December Board approval to execute a Project Agreement (PA) with, Quayside Impact Limited Partnership (QILP) Waterfront Toronto entered into a Development Agreement in March 2023 for the conveyance of the first two development blocks as part of the first phase of development.

Waterfront Toronto was successful in securing all the public policy objectives and financial commitments contained in QILP's Request for Proposal submission. This is reflected in both the Project Agreement and the Development Agreement.

Since that time Waterfront Toronto and QILP have established and are implementing a project management structure to advance all elements of the project including:

- Affordable Housing
- Municipal Development Approvals
- Public Realm
- Indigenous Participation; and
- Block 5 Cultural Destination Programming

QILP is also working to finalize the development plans to facilitate municipal approvals required to bring this remarkable community to life and plan on a re-zoning submission to the City this summer.

As with many initiatives underway, the Quayside infrastructure and public realm project is showing evidence of cost escalation. Staff are working closely with the City of Toronto to ensure that the project proceeds according to plan.

Port Lands Flood Protection

In its most recent report #19, BTY observed that the current global situation including global macro-economic supply chain issues, the COVID-19 pandemic and extreme escalation and inflationary pressures have had a significant impact on the Canadian construction industry. BTY observed notable industry trends that are affecting both residential and infrastructure projects across the country. As a result, the project is forecast to exceed the original budget, however, it should be noted that the pressure we are facing on the project is significantly lower than other public sector infrastructure projects.

Waterfront Toronto continues to track both schedule and budget progress of the Port Lands Flood Protection (PLFP) Program. Due to the realization of numerous risks that were beyond the control of and could not be mitigated by the project team, Substantial Completion is forecast to be achieved in December 2024 (with minor park finishes in Promontory Park South to be completed Spring 2025). Flood Protection is projected to be completed by December 2024.

Work Completed this quarter include:

- All orders of government are in the process of seeking approvals for their share of additional PLFP costs. **Some approvals have been received and the remaining approvals are forthcoming shortly**
- Completed traffic signal installation for opening Cherry / Lake Shore Intersection

- Completed construction of wet and dry utilities on Cherry Street, north of Commissioners to Keating
- Completed construction of wet utilities on Munitions, Saulter and future Polson Streets
- Completed all micro-tunneling activities
- Approximately 75% of the west plug excavation has been completed and temporary dewatering sumps installed
- Completed construction of the islands in Canoe Cove
- Released Indigenous design elements Request for Proposals
- Began placement of cap standard fill in River Park North
- Started wet utility installation in River Park South

Integrated Annual Report

Today I am happy to report that we will be presenting the 2022-23 Integrated Annual Report (IAR), our fourth, to the Board for approval. The IAR combines Waterfront Toronto's environmental, social, governance progress and financial performance into one report, covering the year ending March 31, 2023.

The theme of this year's report – selected based on Board feedback – is *Landscape & Legacy*. This was chosen as a call back to the 2022-2023 Corporate Plan theme: Leading with Landscape. This theme also shows that WT is delivering its mandate by leading with landscape, creating generational projects that lay the foundations for the future environmental, social, and economic well-being of the waterfront.

We have continued linking our work to ESG (Environmental, Social and Governance) reporting to WT's Key Performance Indicators (KPIs), the global Sustainable Development Goals, the Global Reporting Index (GRI), and the recommendations of the Taskforce on Climate related Financial Disclosures. We met or exceeded 75% of our mandate-driven KPI targets this year, slightly higher than last year's results of 72%.

Project-specific sections are integrated around three core sections including:

- A strong economy
- A sustainable city
- Thriving communities

Transit/Marine Strategy

Waterfront East LRT

Waterfront Toronto has completed the preliminary design and engineering for the on-street portion of the Waterfront East LRT along Queens Quay East between Bay Street and the future New Cherry Street, and on Cherry Street from the Distillery Loop south into Villiers Island.

The City staff report at the 30% Stage Gate scheduled to go to Council this summer has been deferred until October. This change will align the timing for the transit report with City's budget process for 2024, as well as with the broader Waterfront report expected in the fall. Over the next few months, the project team will continue to sharpen the Business Case for the project, finalize materials for the transit project assessment process (TPAP) and refine the proposed approach to implementation of the project in relation to the range of other significant infrastructure projects in the same geography.

Marine Strategy

The revitalization of Toronto's waterfront has resulted in a growing demand and interest in Lake Ontario by water-based recreation and transportation. Waterfront neighbourhoods are being transformed with new and improved transportation networks that prioritize walkability and cycling, as well as provide access to the existing and planned local and regional transit infrastructure.

There are several transportation infrastructure and public transit projects in the works for the waterfront, with most plans focusing on the land-based public realm aspects of the waterfront. Waterfront Toronto plans to encourage activity ranging from boardwalks and pedestrian bridges to better connect different piers on the waterfront, new waterfront destinations, mixed use areas, and year-round programming. To complement our existing Marine Strategy and our vision for connection, Waterfront Toronto recently issued an RFP for a consultant to complete a study that would also consider the feasibility of an enhanced public marine transportation network including Water Taxis and Services.

In addition, Waterfront Toronto, along with the City and Ports Toronto have been in dialogue with groups looking at innovative transportation systems and solutions that could complement our Marine Strategy.

Public Engagement

From May 12-18th Waterfront Toronto hosted a drop-in Open House focusing on the future of the eastern waterfront at the Waterfront Innovation Centre. Waterfront Toronto was joined by projects partners from MinoKamik Collective, Quayside Impact Limited Partnership, Toronto Transit Commission (TTC), City of Toronto, DTAH and MVVA

We provided the public with an update and information on Quayside, Waterfront East LRT, the East Bayfront Childcare Centre, Limberlost Place, T3 Bayside and Aqualuna, and the future plans for the Port Lands. The Mississaugas of the Credit First Nation also had an information booth, and we highlighted our successful partnership and collective work in revitalizing the waterfront.

On Friday, May 12th we hosted a panel discussion and public forum on the value of play in relation to one of our signature philanthropic projects, Destination Play, as we shortly embark upon detailed design for the park. The design team's working model was on display to help generate and elicit feedback from the public as the design prepares to start detailed design. The playground will be nearly three acres (the size of two and a half football fields), making it the largest playground in Toronto. It will be free and fully accessible to all Torontonians providing opportunities for year-round programming and incorporate a wide range of play experiences for users of all ages and abilities.

On May 5, Jane's Walk participants joined the Waterfront Business Improvement Area, University of Toronto's School of Cities and Waterfront Toronto for boat tours, learning about how Toronto evolved as a waterfront city.

On May 16–18, the Urban Land Institute Spring Meeting and on May 26-27, the Federation of Canadian Municipalities Conference (in partnership with the City of Toronto and CreateTO) attendees participated in a series of tours of the waterfront including the West Don Lands, East Bayfront and the Port Lands.

On May 27, Doors Open visitors observed the once-in-a-generation transformation under way from the Port Lands viewing platform which saw approximately 700 people come out – far more than anticipated.

The response to all these public engagements has been overwhelmingly positive and Waterfront Toronto continues to look at opportunities to engage the public directly on an ongoing basis.

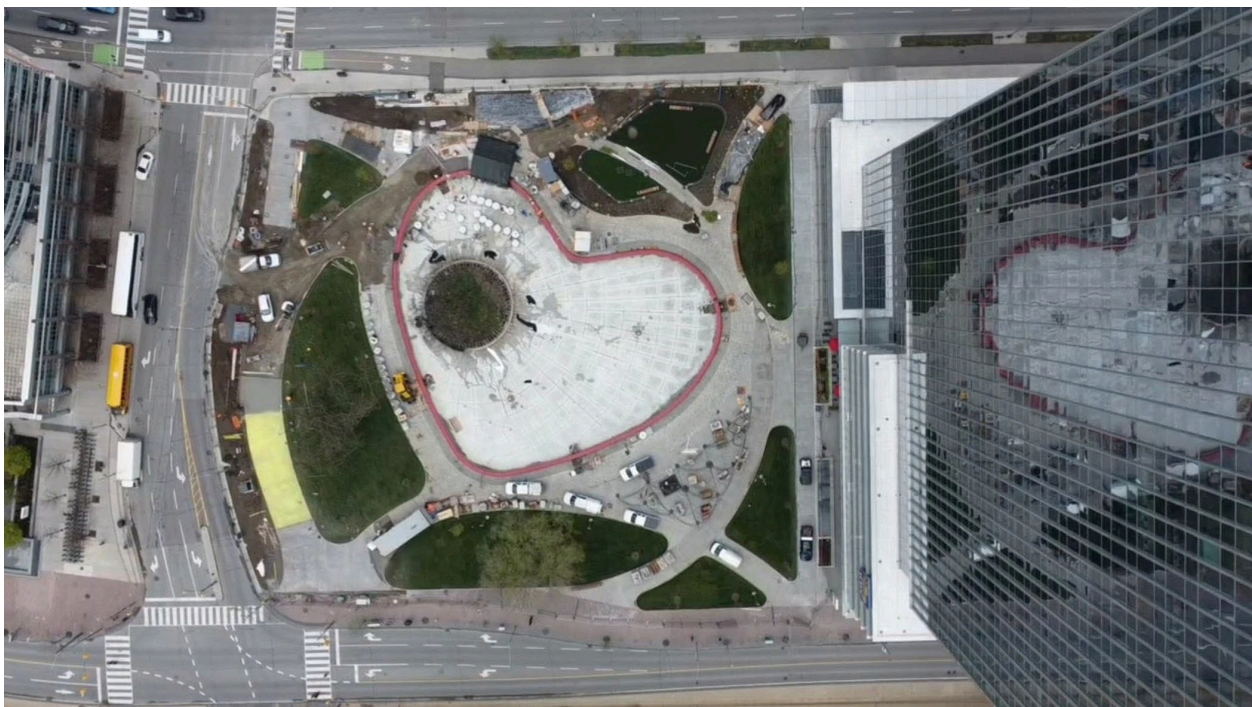
Upcoming events and engagements include the Luminato Festival on June 11 and a virtual public consultation on the work we undertaking collectively with the City of Toronto and CreateTO on the Villiers Island Density Study on June 19.

In addition, Smorgasburg will begin its second year on the waterfront on June 24 and will run each Saturday until September 9th at 7 Queens Quay East (foot of Yonge Street) from 11am to 6pm.

Love Park

Love Park, a 2-acre park designed by CCxA (Claude Cormier and Associates) in collaboration with gh3* and located at the southern foot of York Street and Queens Quay, is nearing completion. We are planning an opening celebration for June 23rd.

We are currently working on the event and attendance and of course all board members have been invited. We will keep you apprised as plans take shape.



Terry Fox Legacy Art Project

The Legacy Art Project Toronto (LAPT) is a citizen-funded public space initiative dedicated to the spirit of courage that Terry Fox embodied. It began in 2018 as a design competition and a team comprising of DTAH and artist John Sasaki won with their proposal “We Are Shaped By The Obstacles We Face.” The park design is characterized by a series of large granite sculptures which offer a view of Terry’s iconic silhouette, mid-stride. A pathway winds through the park beginning at Queens Quay with a bronze statue

of Terry and leads users west through a landscaped setting. Waterfront Toronto is delivering this project on behalf of LAPT and in partnership with the City of Toronto.

The project was issued for tender in the spring of 2023. Construction will commence shortly and be completed throughout the summer. The park should be open for the Terry Fox Run which is held annually on September 17, 2023.

Office Relocation

Waterfront Toronto will be moving its offices to the new T3 office building as part of the Bayside development in the East Bayfront precinct with a target move in date of January 2024. We will be reducing our net rentable footprint from the current 22,000 square feet to approximately 17,748 square feet.

The Waterfront Toronto Office Fit Out Project is currently proceeding on schedule in accordance with the Long-Term Plan and Strategic Plan. We have completed the design development phase and have brought on board a construction manager who has undertaken construction cost estimates.



Return to the Office

As part of our phased approach, staff continue to be in the office five days over each two-week period. Recently we have implemented “All-In Days” where all staff come into the office on a designated day for a staff town hall and team building exercises. On our last all-in day staff did a walking tour of the central waterfront west to Bathurst Quay with a focus on public realm and highlighting the evolution of our revitalization work of Queens Quay, York & John Quay as well as Love Park.

Sincerely,
George Zegarac
President and CEO

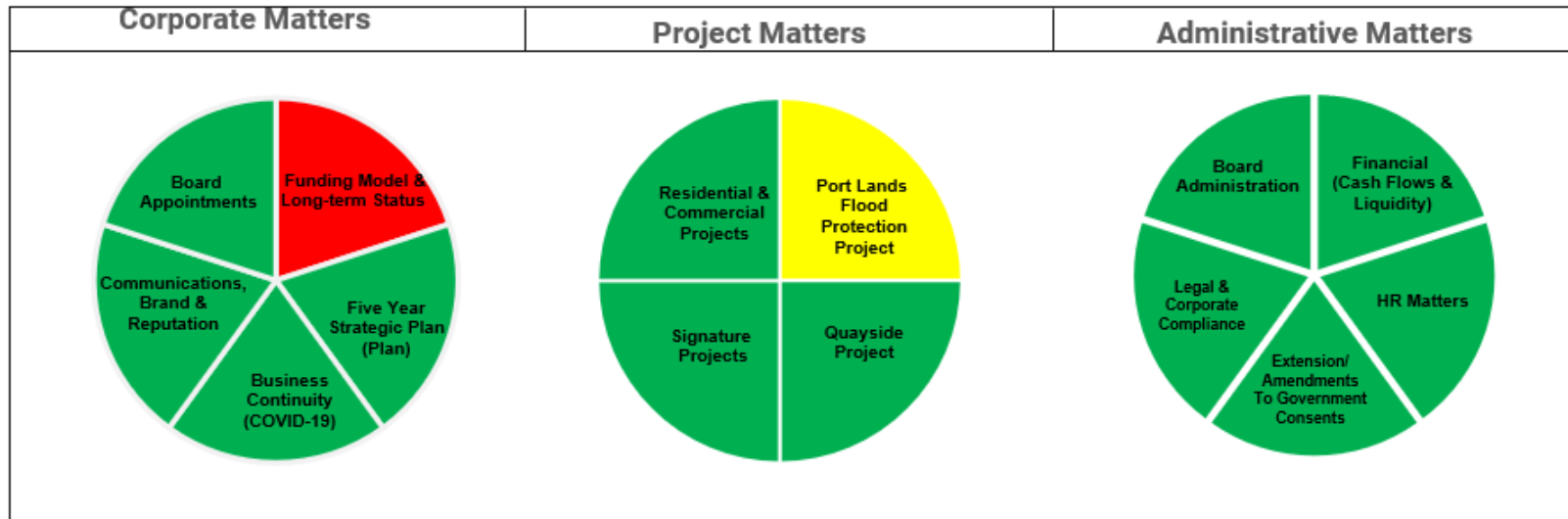
Appendix 1 – Corporate Dashboard and Summary of Dashboard Changes

Dashboard Highlights

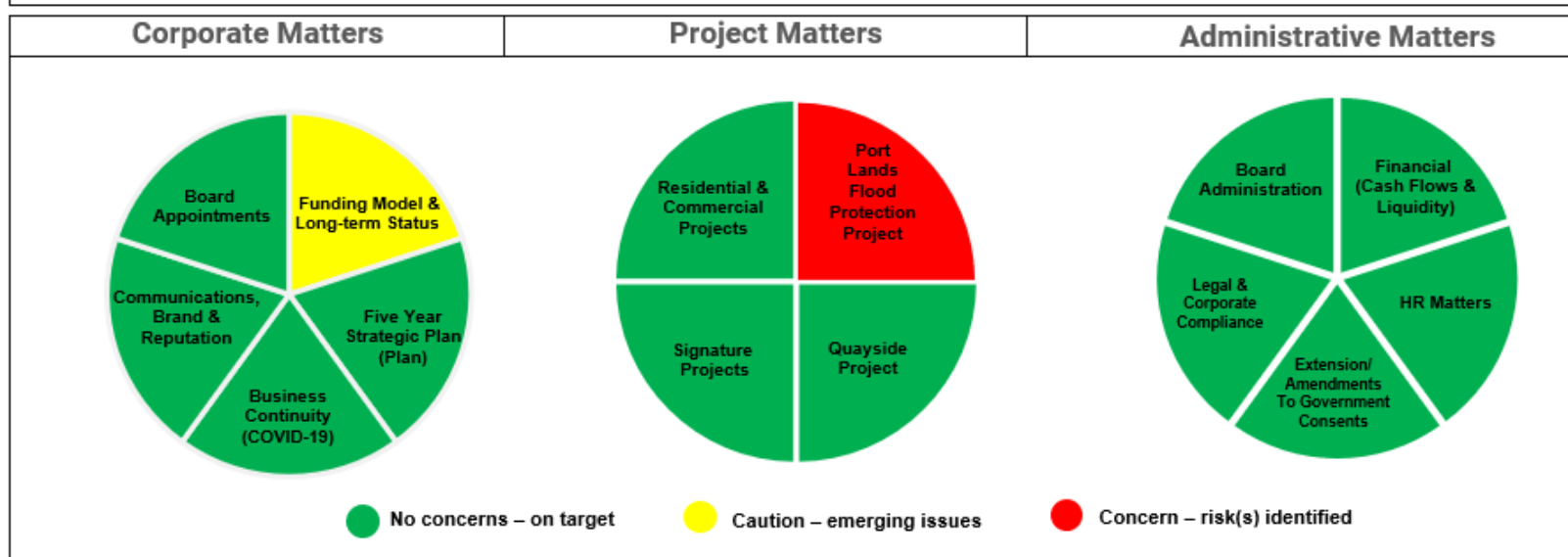
Dashboard Item	Previous 27/03/23	Current 12/06/23	Status
PLFP			<p>The most recent report #19, BTY observed that the current global situation including global macro-economic supply chain issues, the COVID-19 pandemic and extreme escalation and inflationary pressures have had a significant impact on the Canadian construction industry. BTY observed notable industry trends that are affecting both residential and infrastructure projects across the country. As a result, the project is forecast to exceed the original budget.</p> <p>Waterfront Toronto continues to track both schedule and budget progress of the Port Lands Flood Protection (PLFP) Program. Due to the realization of numerous risks that were beyond the control of and could not be mitigated by the project team substantial completion is forecast to be achieved in December 2024 (with minor park finishes to be completed Spring 2025). Flood Protection is projected to be completed by December 2024.</p> <p>Governments are in the process of seeking their respective approvals for their share of additional PLFP costs, with some already received. The remaining approvals are imminent.</p>

Corporate Dashboard

Current
12/06/2023



Previous
27/03/2023



The Investment and Real Estate Committee (“IREC” or the “Committee”) met on May 18, 2023. This report reflects a summary of the Committee’s discussions in the Open Session of the meetings. A quorum was achieved for each of the meetings.

I wish to report on the items set out below which were discussed at the May 18, 2023, Committee meeting:

1. Consent Agenda

Development Project Dashboard & Statistics

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

Environmental, Social and Governance (ESG) Update

At the meeting Lisa Taylor, CFO, spoke to the ESG update report and indicated that WT completed a refresh materiality assessment, and the results will be presented to the Board in June as part of the 2022/23 Integrated Annual Report.

2. Update on Villiers Island Matters

Communications staff provided an update of the plan for upcoming public consultation on Villiers Island planning and development.

3. Update on Quayside Matters

Communications staff provided an update the plan for upcoming public consultation on Quayside to advance the project and approvals timelines.

The Finance, Audit & Risk Management (FARM) Committee met in person and virtually on May 29, 2023. Quorum was achieved with three of four members in attendance.

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

1. Corporate and Project Reporting Dashboards and Reports
2. Year End Audited Financial Statements March 31, 2023 **(for approval under Item 10)**
3. Project Related Approvals **(for approval under items 9 and 13):**
4. Internal Audit Plan Update
5. Port Lands Flood Protection (PLFP) Project Update
6. Waterfront Toronto Insurance Program 2023/24 Renewals
7. Quayside Financial Summary (reported in closed session)
8. 2022/23 Integrated Annual Report (reported in closed session **for approval under Item 14)**
9. Third Party Cyber Security Report (reported in closed session)

Note that Items 7 – 9 and part of items 2 and 6 above are reported under Agenda Items 12c), 12d), 13 and 14 in Closed Session.

1. Corporate & Project Reporting Dashboards and Reports (consent agenda)

- Due to the heavy agenda, the FARM Committee took most of the consent agenda item dashboards (namely audit, liquidity, PLFP capital project, procurement, regulatory compliance, fundraising, environmental social governance) largely as read.
- The Committee reviewed the macro dashboard with management where it was noted that WTs overall Corporate Plan performance was very good this year with WT achieving at least 70% of plan in three out of four areas, namely capital investment plan, revenues and KPIs.
- The Committee also reviewed the enterprise risk dashboard with management. It was noted that risk assessment was reduced from high to medium for PLFP project delivery due to progress securing additional funding, and that the risk associated with financial sustainability increased from medium to high due to the reduction in secure funding post 2024 and volume of unfunded projects in the Corporation's Rolling Five Year Strategic Plan. Two other risk areas remained assessed as high this quarter, namely Enterprise Resource Planning System risk (due to one remaining unresolved issue) as well as Project Delivery – Non-Port Lands projects (due to the impact of unprecedented escalation on upcoming projects, such as Quayside municipal infrastructure).

2. Year-End Financial Statements – March 31, 2023 (for approval)

- The FARM Committee reviewed the Corporation's financial statements for the year ended March 31, 2023 with management and the Corporation's external auditors from BDO Canada LLP (BDO).

- The financial statements reflect a change in accounting policy approved by the FARM Committee (Note 3) to support more appropriate matching of development revenues with costs.
- The financial statements also reflect the financial impact of closing on phase 1 of the Quayside development (Notes 20 and 23).
- 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, 2023 Board materials.
- The FARM Committee supports Board approval of the audited financial statements.

3. Project Related Approvals (for approval)

- Management outlined two project approval requests in Open Session, the first being a \$169 million supplementary capital approval for the Port Lands Flood Protection project and the second being a \$34.4 million capital approval request for the Queens Quay East Extension Lakefill project, which is required for Quayside and funded by the City of Toronto.
- These items are reported separately under Items 9a) and 9b) of the Board materials.
- The FARM Committee supports approval of both requests.
- A third project approval request is considered in Closed Session under Item 13.
- It was acknowledged during discussion that escalation cost pressures are expected to impact the upcoming Quayside municipal infrastructure works and that WT will report back to the Committee as further elements reach 60% design (expected later in FY 23/24).

4. Internal Audit Plan Update

Veronica Bila, Assurance Partner and Wendy Grenz, Digital Advisory Partner, MNP LLP (MNP) provided an update on the status of the Corporation's internal audit plan, including scope of the upcoming cybersecurity audit and results of the recent ERP Procurement Process Review. Key strengths of the review related to people and training, as well WT's delegations of authority document, and key opportunities related to applying a risk-based approach to approval thresholds and elimination of duplicate activities.

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 2023 Construction Cost Forecast & Risk Update and Quantification

- Management presented the Q1 2023 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 2023 results indicate a 94% probability of completion within the revised budget of \$1.354 billion (increase of \$169 million from original \$1.185 billion budget).
- The forecast remaining contingency at the end of the project has increased to \$42 million (from \$8.6 million reported in the March 27, 2023 FARM Chair Report).
- The project schedule remains on track for substantial completion in December 2024, with some seasonally dependent work (planting and asphalt paths) for Promontory Park South to be completed spring 2025.

c) Independent Capital Monitor Report

- BTY Consulting LLP (BTY) presented their **nineteenth report** as Independent Capital Monitor for the PLFP project and noted that:
 - The current budget of \$1.185 billion will not suffice to complete the current scope of work and a process to secure additional funding is in place to support a budget increase to \$1.354 billion.
 - A revised schedule baseline was issued by EllisDon in February 2023 with a follow-up update in March 2023 with a substantial completion date on December 31, 2024 and project completion on June 30, 2025;
 - No material 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 2023/24 Renewals

- 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.
- Management successfully maintained all existing coverages for 2023/24 (with a minor enhancement for social engineering), including Directors & Officers, Cyber, Crime, Commercial General Liability and Property, with a modest 3% increase to premiums overall.
- This information is included for the Board under Item 5h) of the June 12, 2023 agenda.

The HRGSR Committee met on June 1, 2023. The board chair, Steve Diamond, also attended the meeting.

I wish to report on the items set out below which were discussed at the June 1, 2023 Committee meeting:

1. Human Resources Update;
2. Staff Performance Review for 2022/23;
3. Communications and Events Calendar
4. Year-end Performance Assessment for Executives;
5. Recruitment Initiative; and
6. 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 2022/23**

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. 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. Key accomplishments are noted below and in the detailed information included with the HRGSR meeting materials.

The CEO presented the following summary of the 2022/23 Planning for Success (PFS) rating results for all 63 eligible staff below the CEO:

63 Staff below the CEO:

- Exceeds Expectations (EE) Rating - 9 staff = (14.3%)
- Achieved Expectations Plus (AEP) Rating – 26 staff = (41.3%)
- Achieved All Expectations (AAE) Rating – 27 staff = (42.9%)
- Achieved Some Expectations (ASE) Rating – 0 staff = (0%)
- Expectations Not Achieved (ENA) Rating – 1 staff = (1.5%)

For comparison purposes, the results for 2021/22 for the 62 staff eligible below the CEO were:

- Exceeds Expectations (EE) Rating - 14 staff = (22.6%)
- Achieved Expectations Plus (AEP) Rating – 21 staff = (33.9%)
- Achieved All Expectations (AAE) Rating – 26 staff = (41.9%)
- Achieved Some Expectations (ASE) Rating – 1 staff = (1.6%)
- Expectations Not Achieved (ENA) Rating – 0 staff = (0%)

Through the pre-established P4P program, all employees who meet performance expectations, have an opportunity to receive an adjustment to salary based on their performance rating (the PFS process) which allows employees to progress through their salary grade range, based on individual performance. Any compensation to the non-executive employees is consistent with our compensation structure and objectives.

Directors are referred to the materials for the June 1, 2023 HRGSR meeting for a more detailed list of accomplishments during the 2022/23 year, but key matters include:

Key Accomplishments

1. Completed the largest development agreement led by WT resulting in an executed project agreement negotiated during challenging economic times; all of WT’s policy objectives were achieved.
2. Continue to deliver one of the largest infrastructure projects in North America with completion still scheduled for end of 2024. Managed a relatively small budget pressure which is expected to be addressed/approved by all three levels of government by the June Board meeting.
3. 61% increase in media mentions over previous year with favourable coverage of WT projects (Quayside, PLFP, Marine Strategy, Lassonde Art Trail, etc.) Positive public sentiment and strengthened corporate brand with no protests.
4. Acknowledged sector-leading Strategic Plans and Annual Reports, underspent corporate budget with reviews by auditors and noted as a model when dealing with Indigenous Communities.
5. Continue to deliver Public Realm such as Love Park which will formally open June 23, 2023.

3. Communications and Events Calendar




The Committee received a Communications and Events Calendar. The calendar outlines planned events and board members are encouraged to review the calendar and join any events where they wish to do so.







Board of Directors Meeting – June 12, 2023
Item 5f – Human Resources Governance and Stakeholder Relations
(HRGSR) Committee Chair's Report – Open Session
Wende Cartwright

For items 4, 5 and 6 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 2022/23 Update	Oversight
Governance	Regular ESG Updates to Board <ul style="list-style-type: none"> First annual Climate Action Plan update provided to Board March 27, 2023 (also to all-staff Townhall April 25, 2023). Quarterly “ESG Update” standing agenda item for Board and Committees effective June 2022. 	Board
Environment SDGs supported:   	Climate Action Plan (CAP) Following recommendations from the 2022 Task Force on Climate-related Financial Disclosures (TCFD) assessment by PwC, including adoption of TCFD in WT's Integrated Annual Report starting 2022, continue to implement 5-year strategy for CAP, focused on: <ol style="list-style-type: none"> Exploring net-zero target: measuring scope 1-3 greenhouse gas (GHG) emissions and researching pathways to net-zero. Low carbon procurement: incorporating low carbon requirements in WT's procurement processes. Stakeholder engagement: networking with net-zero WT stakeholders and industry leaders; building internal awareness of CAP. Establishing governance: achieved via regular CAP updates to senior management and the Board. 	Board/ FARM
Environment & Social	ESG Materiality Assessment <ul style="list-style-type: none"> Refreshed materiality assessment (previous assessment: March 2020) to identify priority ESG topics for reporting based on importance to WT's stakeholders and WT's ability to impact. 255 internal and external respondents participated. 2023 materiality assessment results will be published in the 2022/23 Integrated Annual Report. 	Board
	Quayside <ul style="list-style-type: none"> Working with Quayside Impact LP to develop a 12-acre site into Canada's largest all-electric, zero-carbon master-planned community, with 800+ affordable housing units, an Indigenous Participation Commitment, and a Master Public Art Plan, among other social and cultural features. 	IREC
Social	Diversity, Equity & Inclusion (DE&I) Strategy <ul style="list-style-type: none"> Implementation of DE&I Strategy recommendations from MNP remain underway (4/12 recommendations completed to date). Adopted a DE&I affirmation statement, WT purpose statement and organizational values in support of a people-first DE&I strategy, to be published in the 2022/23 IAR. 	HRGSR

SDGs supported:    	<ul style="list-style-type: none"> Completed staff training needs assessment to shape future continuous learning offers around DE&I. 	
	Accessibility Strategy <ul style="list-style-type: none"> With support from WT's Advisory Committee on Accessibility, WT progressed the development of Waterfront Accessibility Design Guidelines, building on the AODA and Toronto Accessibility Design Guidelines, to guide public realm design and demonstrate leadership in accessible design excellence on the waterfront. 	Board
	Public Art <ul style="list-style-type: none"> Selected 2023 Artist in Residence, Simon Pope, whose work prompts the local community to understand in new ways their relationships to each other and to the places where we live. Design development and community engagement underway for Indigenous permanent public artwork at the King/Queen Triangle in the West Don Lands. 	Board
	Ongoing Engagement with Indigenous Treaty Holders <ul style="list-style-type: none"> Continued engagement with the Mississaugas of the Credit First Nation (MCFN) and Indigenous advisors to inform project plans and delivery approaches, including for Quayside, the Waterfront East LRT Project, and PLFP. Six Requests for Proposal (RFP) released in 2022/23 for Indigenous art at various sites across the waterfront. 	Board

Purpose	<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>
Areas of note/ Key issues	<ul style="list-style-type: none"> • The Corporation uses a competitively procured insurance broker, HUB International HKMB Limited (HUB), to secure all insurance coverage. HUB assisted Waterfront Toronto in completing its annual insurance renewal program for the 2023/24 year. • The August 2022 recommendations of third-party insurance risk advisor Intech Risk Management Inc. were considered and implemented where appropriate from a cost-benefit perspective. • Overall, while Waterfront Toronto was able to successfully maintain existing coverages, we experienced premium increases in some areas, namely Cyber and Crime (up 45% and 14% respectively due to increase in cybercrimes globally), and Commercial General Liability (up 7% due to WT's claims history). However, these were offset by a decrease in property insurance (due to sale of four Quayside properties), containing WT's overall enterprise-wide insurance premium increase to 3% for FY 2023/24 (total premium \$270K). The premium for Directors & Officers insurance (total coverage of \$20M for individuals) did not change. • The FARM Committee reviewed this report at their May 29, 2023 meeting. <p>The attached Insurance Summary lists the potential risk exposures and the insurance coverage that mitigates that risk.</p>
Resolution or Next Steps	<p>The next insurance program review for 2024/25 fiscal year will be completed by the FARM Committee and Board in May and June 2024.</p>

Waterfront Toronto Insurance Summary

Updated as of May 9, 2023

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 2022/23	Coverage Limit FY 2023/24
Management Liability Loss Exposures (including litigation) <i>(Directors' & Officers' Liability (D&O))</i>	<ul style="list-style-type: none"> D&O Insurance (Not for Profit) <i>(Including Employment Practices Liability)</i> Insurer - AIG 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> Excess D&O Insurance (Not for Profit) <i>(Including Employment Practices Liability)</i> Insurer – Great American Insurance Group (GAIG) 	\$5.0M	\$5.0M
	<ul style="list-style-type: none"> Excess D&O Insurance (Not for Profit) <i>(Only covers individuals)</i> Insurer - Chubb 	\$5.0M	\$5.0M
Property Loss Exposures <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"> Property Insurance <i>(Includes coverage for rental income loss)</i> Insurer – Intact <i>(note: Royal and Sun Alliance/RSA in 2022/23)</i> Note: RSA merged with Intact in 2023. 	\$17.4M	\$4.7M ¹
	<ul style="list-style-type: none"> Boiler & Machinery Insurance Insurer - The Boiler Inspection and Insurance Company 	\$10.0M	\$10.0M
Liability Loss Exposures 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"> Commercial General Liability ("CGL") Insurance Insurer – Lloyd's of London through Howden Specialty 	\$2.0M	\$2.0M
	<ul style="list-style-type: none"> Umbrella Liability Insurance <i>(Aggregate follow form underlying CGL policy)</i> Insurer – Lloyd's of London through Howden Specialty 	\$8.0M	\$8.0M
Fraud & Cyber Crime Loss Exposures <i>(Losses caused by employees by way of theft, forgery, frauds, property damage & cyber crimes)</i>	<ul style="list-style-type: none"> Crime Insurance 	Note 2	Note 2
	<ul style="list-style-type: none"> Cyber Insurance 	Note 2	Note 2

Notes:

1. Decrease is on account of removal of four Quayside Lands as they were sold on March 1, 2023.
2. Refer to Closed Session agenda Item 12 for Crime and Cyber Insurance coverages.

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

Potential Loss Exposure	Insurance	Coverage Limit FY 2022/23	Coverage Limit FY 2023/24
Environmental or Pollution Liability	<ul style="list-style-type: none"> 7 Queens Quay East <i>(Losses caused by environmental damages such as pollution or biodiversity)</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> 54 Commissioners St. <i>(Losses arising from bodily injury, property damage and other remediation costs from pollution incidents at, on, or emanating from the covered location)</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> Contractors Pollution Liability Insurance <i>(Losses caused as a result of pollution conditions (sudden/accidental or gradual) arising from contracting operations performed by the contractor)</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> East Bayfront Pollution and Remediation Liability <i>(Losses resulting from any pollution condition on, at the covered location including any remediation expenses)</i> 	\$25.0M	\$25.0M
Builders Risk <i>(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)</i>	<ul style="list-style-type: none"> The Port Lands Flood Protection (coverage: 71% of the loss) 	\$876.3M	\$1.007B
Wrap Up Liability <i>(Losses arising from all liability exposures typically associated with the construction projects including bodily and property damage)</i>	<ul style="list-style-type: none"> Wrap Up Liability Insurance - Port Lands project 	\$50.0M	\$50.0M
	<ul style="list-style-type: none"> Excess Wrap Up Liability – Port Lands project 	\$50.0M	\$50.0M
Professional Liability <i>(Losses arising from any claim or claims made for any error, omission or negligent act committed in the conduct of the business)</i>	<ul style="list-style-type: none"> Primary Professional Liability Insurance - The Portlands Toronto 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> 1st XS Professional Liability Insurance - The Portlands Toronto 	\$5.0M	\$5.0M
	<ul style="list-style-type: none"> 2nd XS Professional Liability Insurance - The Portlands Toronto 	\$2.5M	\$2.5M
	<ul style="list-style-type: none"> 3rd XS Professional Liability Insurance- The Portlands Toronto 	\$2.5M	\$2.5M

Purpose	For information
Areas of note/ Key issues	<p>On April 24, 2023, all directors were emailed with details about upcoming project milestones and public engagement events. Since then, several events have been completed, and dates of future events identified should directors should wish to participate.</p> <div data-bbox="594 602 1373 1806">  <p>Spring Into Summer May-June events</p> <p>We're kicking off a series of events starting in July. These events give us the opportunity to hear what's on peoples' minds with respect to their waterfront and, importantly, make our work and accomplishments more visible to the public. We hope you join us in person.</p> <div> <div> <p>✓ Eastern Waterfront Open House</p> <p>This public consultation will give the public a chance to learn more about the Quayside development, Quayside public realm, Waterfront East Light Rail Transit and Destination Play.</p> <p>Join us at the Waterfront Innovation Centre for the opening event on May 11 at 6 p.m.</p> <p>May 11 – 18, 2023 Waterfront Innovation Centre MaRS Nexus (second floor)</p>  </div> <div> <p>✓ Value of Play Panel</p> <p>A panel discussion and public forum on the value of play. Explore the design team's working model and provide feedback as we prepare to start detailed design for an aspirational play area like no other in Canada.</p> <p>May 12, 2023 Waterfront Innovation Centre MaRS Nexus (second floor)</p>  </div> </div> <div> <p>Love Park Opening</p> <p>Love Park, a spectacular new park by the City of Toronto and Waterfront Toronto, opens on June 23. Come enjoy the new green space as we celebrate the beginning of summer with live music, guest speakers and fun family-friendly activities. Plus, bring your pets and try Love Park's new off-leash area.</p> <p>June 23, 2023 Love Park</p>  </div> <div> <p>Upcoming Events</p> <p>Watch for details on these upcoming events:</p> <ul style="list-style-type: none"> • Luminato Festival – June 7-18 • Villiers Island Density – June 19 • Smorgasburg – June 24 – September 9  </div>  </div>

	<p>Completed and upcoming events are:</p> <p>Completed:</p> <ul style="list-style-type: none"> • Janes Walk—WT staff, Waterfront BIA and U of T School of Cities lead two 1-hour boat tours of the inner harbour to highlight work in eastern waterfront and PLFP • East waterfront open house—held at the Waterfront Innovation Centre (WIC) from May 11-18th, attracted ~150 on opening night alone. • Value of Play panel—moderated by Joe Cressy, attracted ~60 participants who listened to thought leaders discuss the need for the kind of adventure play that will be offered when the first-in-Canada Destination Play park is funded and built. The 5x14 model of the park was a showstopper. • Urban Land Institute (ULI) Spring Conference attracts about 3,000 people from around the world. WT led 7 tours including stop at the WIC open house which was reportedly one of the best received tours. • Doors Open Toronto (May 27) offered over 700 visitors a birds-eye view of the 200-hectare construction site from the Port Lands viewing platform <p>Upcoming:</p> <p>Luminato—June 11 at 6:00 pm, <i>Walk with Amal: Waterfront</i>, Music Garden, 479 Queens Quay W</p> <p>Love Park opening—June 23</p> <ul style="list-style-type: none"> • Remarks start at 1pm from the Deputy Mayor, local Councillor, WT Chair and a welcoming from an Indigenous Elder. • Civil wedding ceremonies—play on Love Park—will be held • Activities and entertainment include live music, caricature artists, face painting for kids and a scavenger hunt of the bronze animals placed throughout the park, as well as free snacks and refreshments • Waterfront Toronto pop up tent • Destination Playground model on display in the building lobby next to the park <p>Villiers Island Density Virtual Consultation—June 19</p> <ul style="list-style-type: none"> • In collaboration with the City of Toronto and CreateTO • Presentations on approaches to increase density by at least 30% • Participants will provide input on the guiding principles from 2017 precinct plan that continue to drive our approach to built form on Villiers Island
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	Smorgasburg—starts June 24 and runs each Saturday until September 9 th at Captain John's Pier, 7 Queens Quay East, at the foot of Yonge Street from 11am to 6pm.
Resolution/ Next Steps	Outlook calendar invitations with event details can be sent to directors should they wish.

June 12, 2023

Communications & Events

Board of Directors



Open House – May 11 – 18th

150 at opening night

Presentations on LRT, Quayside, Destination Play

Daily drop-in hours throughout the week



Value of Play Panel– May 12th

Panelists:

Peter Heuken- Playground Designer; Amanda O'Rourke, Executive Director, 880 Cities;
Matthew Urbanski, Landscape Architect, MVVA;

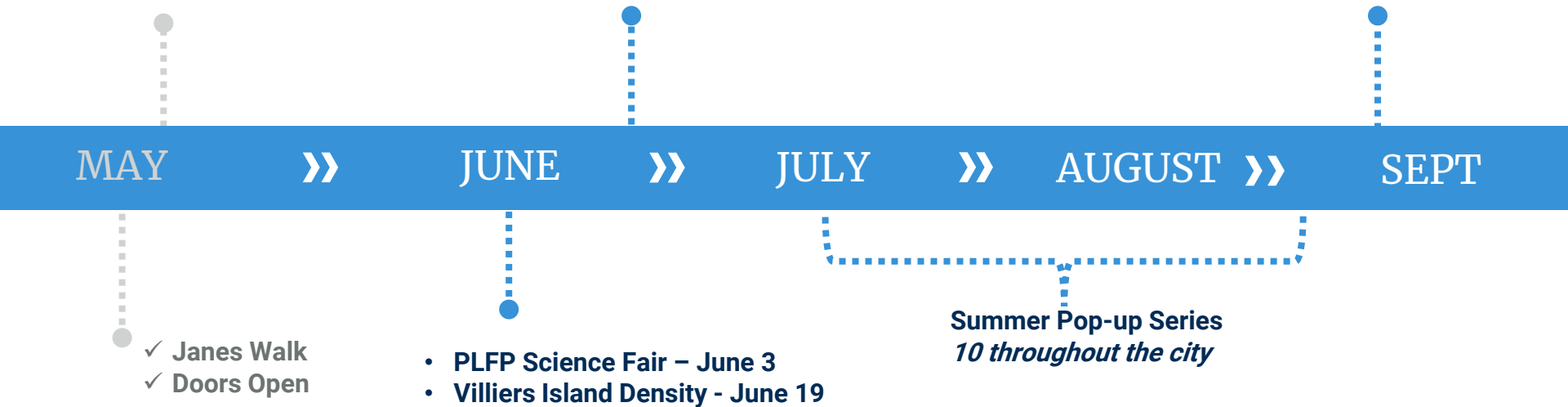
Jay Pitter, Pitter Placemaking

Forecast is calling for a busy summer

- ✓ East Bayfront Open House
- ✓ ULI Spring Meeting

- Love Park – June 23
- Smorgasburg – June 24

- Legacy Art Park – Sept 17*
- Redpath Waterfront Festival – Sept 16 -17



** Timing TBC*

Board of Directors Meeting – June 12, 2023
Item 7 – Waterfront Toronto Priority Projects
– Construction update
David Kusturin

Purpose	For Information
Areas of note/ Key issues	<ul style="list-style-type: none"> • 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): • Love Park – Opening June 23, 2023 • East Bayfront In-Water Pipes • T3 Bayside Construction • West Don Lands Block 10 • Limberlost Place • Lake Shore Boulevard East - Bridge Site Preparation • PLFP: Styrofoam Installation • PLFP: Commissioners Street Bridge Scaffolding • PLFP: Commissioners Street Bridge, Excavation • PLFP: Lakeshore Bridge Construction • PLFP: Building a River Park Path • PLFP: Doors Open: Viewing Platform • PLFP: April 2023 Drone Footage
Next Steps	Management will continue to provide updates on WT Priority Projects at subsequent Board meetings.

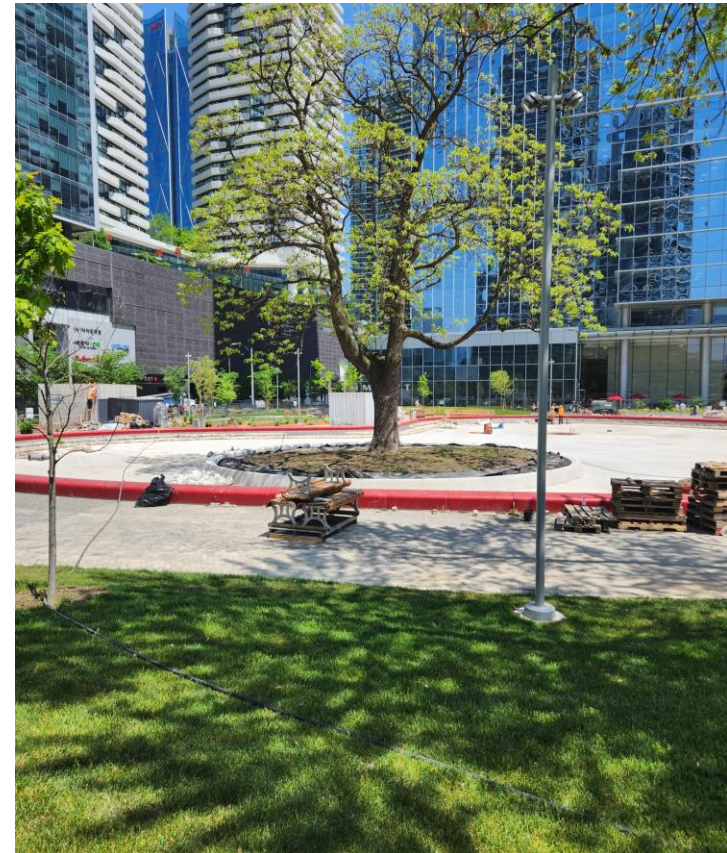
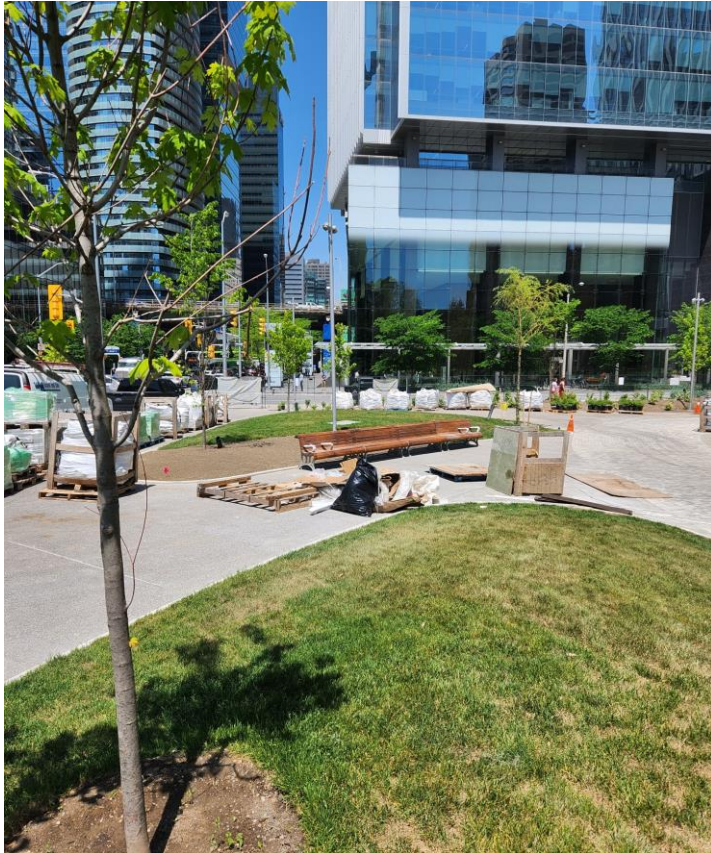
Priority Projects: Construction Update



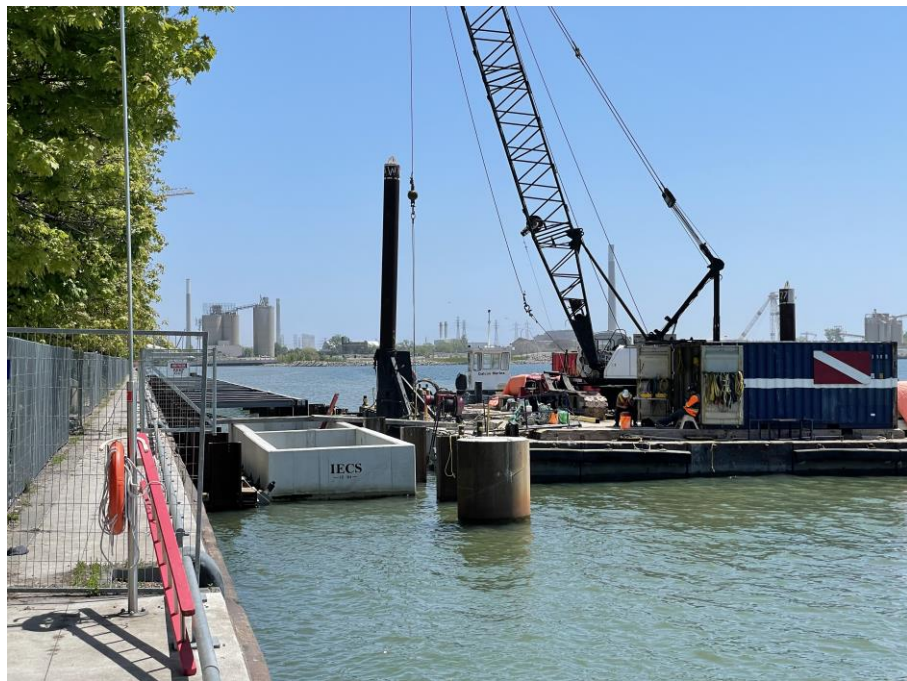
Love Park – Opening June 23, 2023



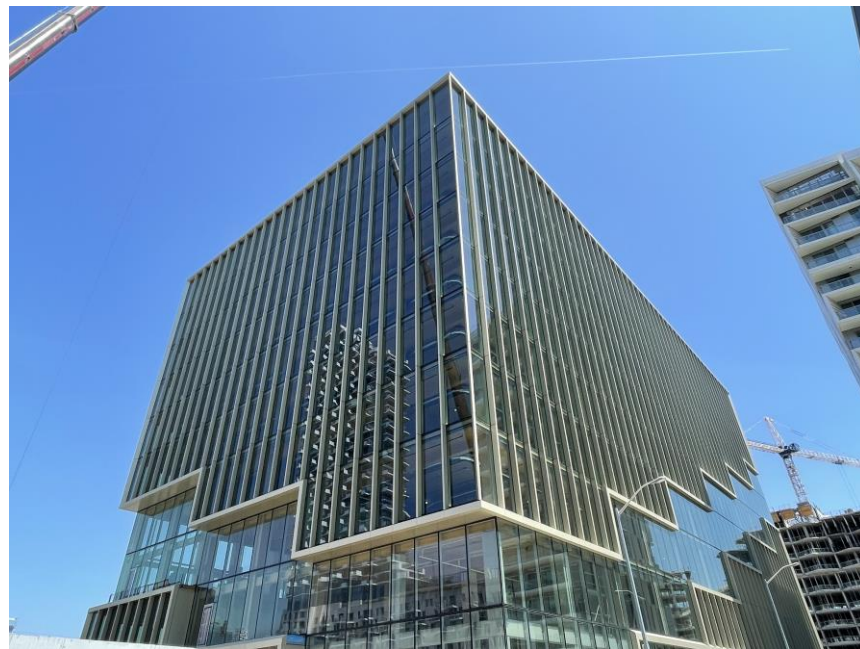
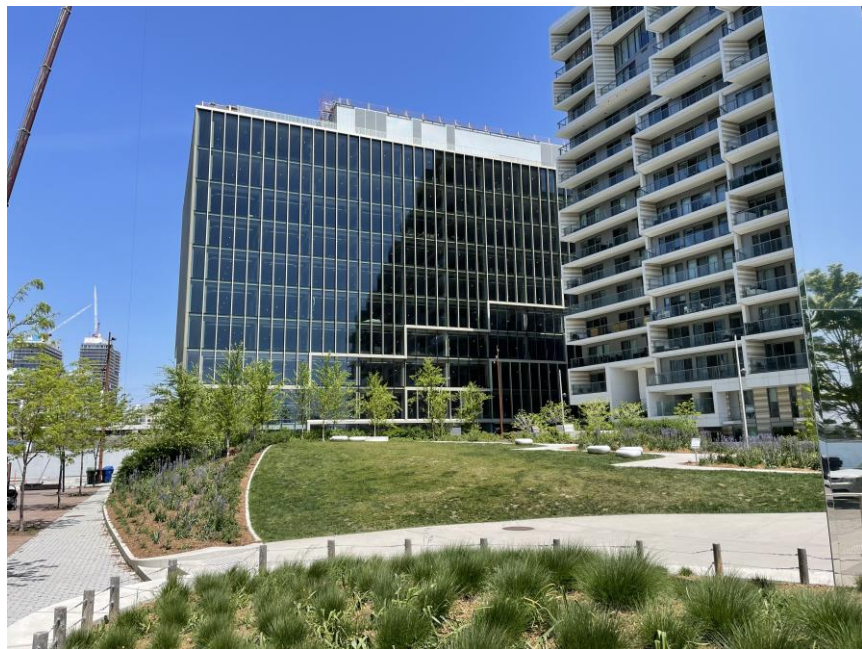
Love Park – Opening June 23, 2023



In-Water Pipes



T3 Bayside



T3 Bayside



West Don Lands Block 10



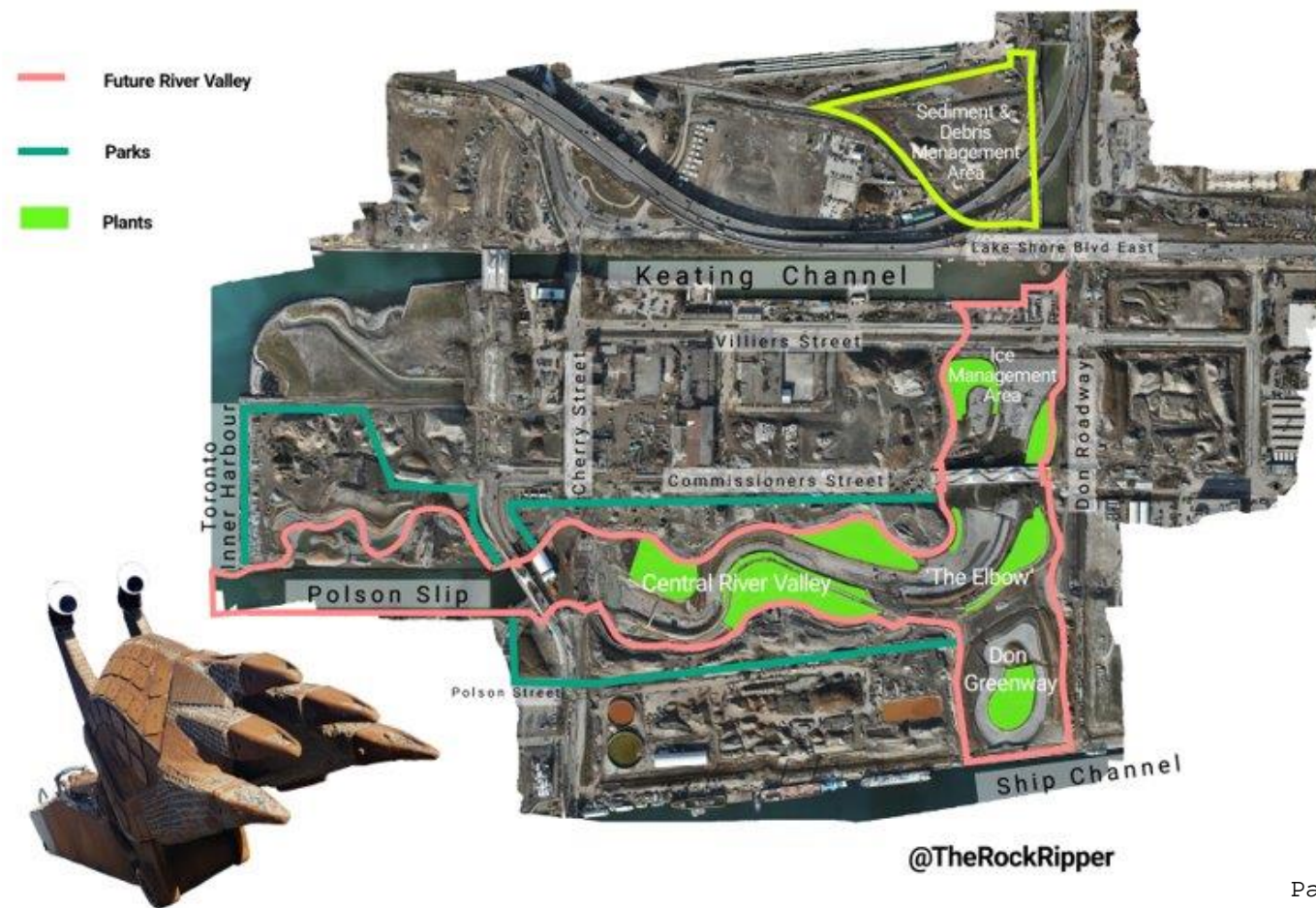
Limberlost Place



Lake Shore Boulevard East - Bridge Site Preparation



Port Lands Flood Protection



Port Lands Flood Protection – Styrofoam Installation



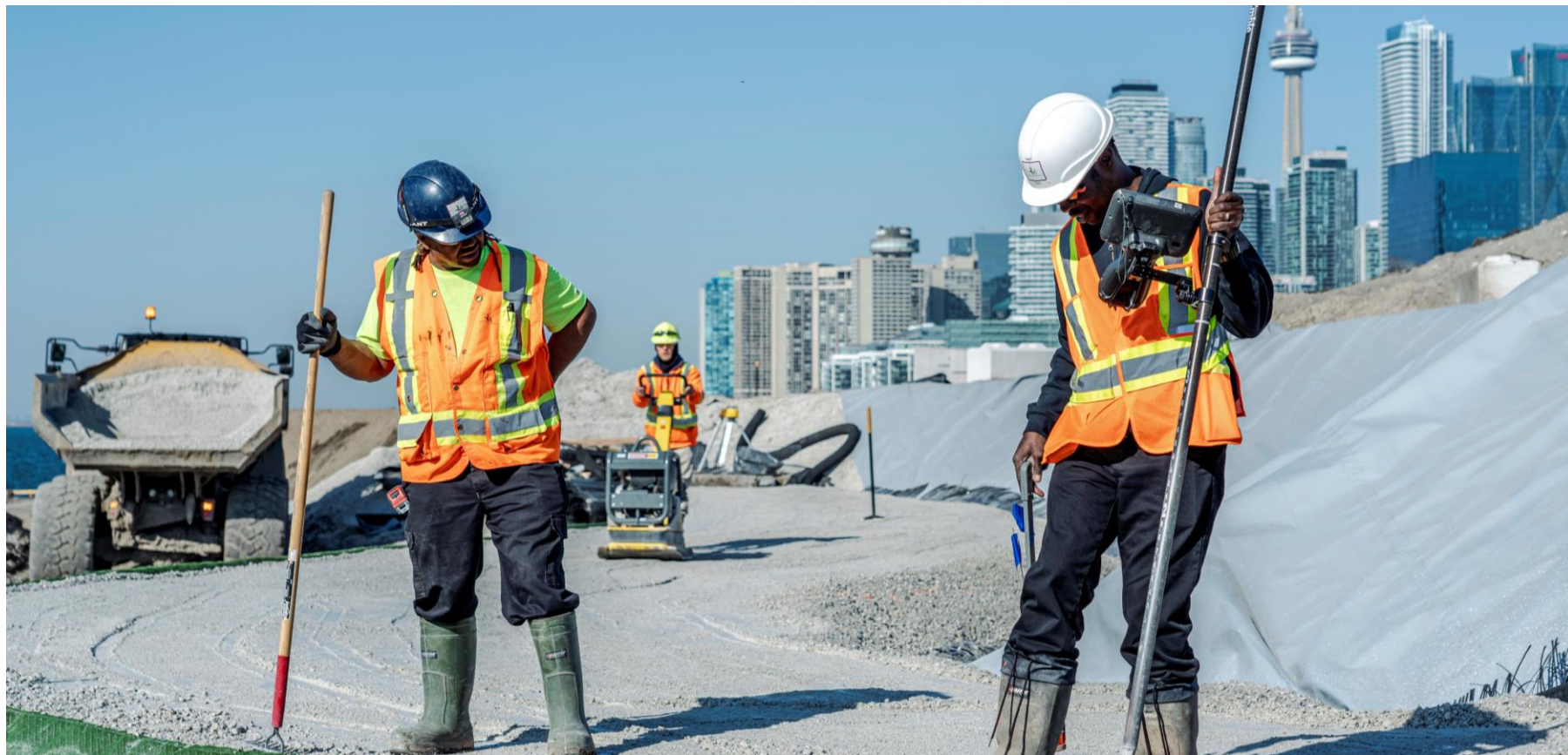
Port Lands Flood Protection –Commissioners Street Bridge Scaffolding



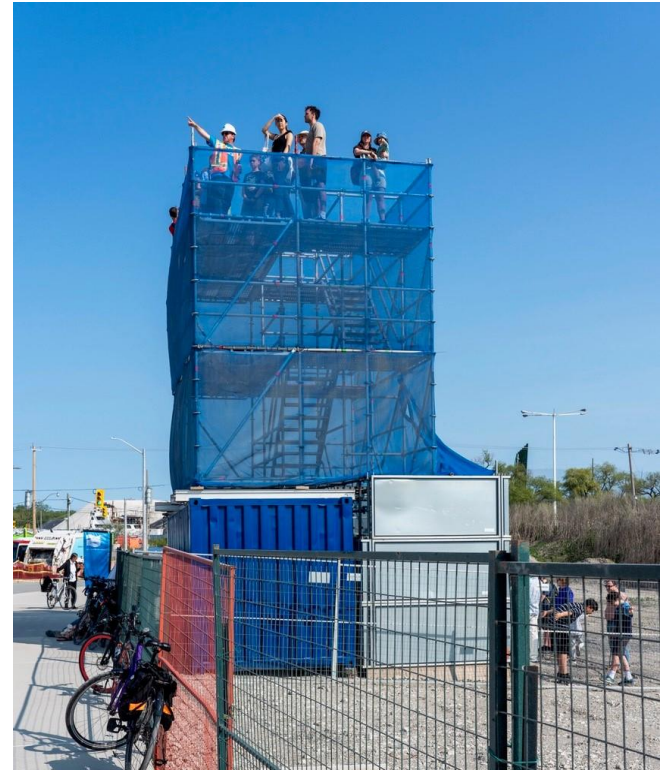
Port Lands Flood Protection – Lakeshore Bridge Construction



Port Lands Flood Protection – Building a River Park Path



Port Lands Flood Protection – Doors Open: Viewing Platform





WATERFROMtoronto

Purpose	For Information
Areas of note/ Key issues	<p>The Q4 2022/23 Semi-Annual Cost Estimate Update is a key component of the Corporation's project risk management and governance framework. This report provides a status update on the budget and schedule for the Port Lands Flood Protection Project (PLFP) as at Q4 2022/23 (March 31, 2023).</p> <p>The Q2 2022/23 (September 30, 2022) Semi-Annual Cost Estimate Update projected the probability of delivering the PLFP for the budgeted \$1,185M was 0%. To increase the probability of completing the project to greater than 90%, additional funding in the amount of \$169M was requested from Stakeholders. With this additional contingency funding, the revised budget for the program is now \$1,354M.</p> <p>Additional funding is subject to government and Board approvals. As of May 12, funding approval has been obtained from the Waterfront Toronto Board of Directors, Province of Ontario, and Toronto City Council.</p> <p>The project schedule was re-baselined (Rev 03) with a data date of February 28, 2023. Achievement of flood protection and Substantial Completion of the PLFP is now December 31, 2024. Limited seasonally dependent work (planting and asphalt paths) will be completed in Promontory Park South in the spring of 2025.</p> <p>A quantitative risk analysis was completed using the updated Estimate at Completion (EAC) as of February 25 and the re-baselined schedule of February 28, 2023. The analysis determined that the probability of completion within the revised \$1,354M budget is 93.7% and that there is \$42M in contingency remaining to be allocated.</p>
Resolution/Next Steps	Q2 2023/24 will be the next Semi-Annual Cost Estimate Update.

Port Lands Flood Protection and Enabling Infrastructure Semi Annual Cost Estimate Update March 31, 2023

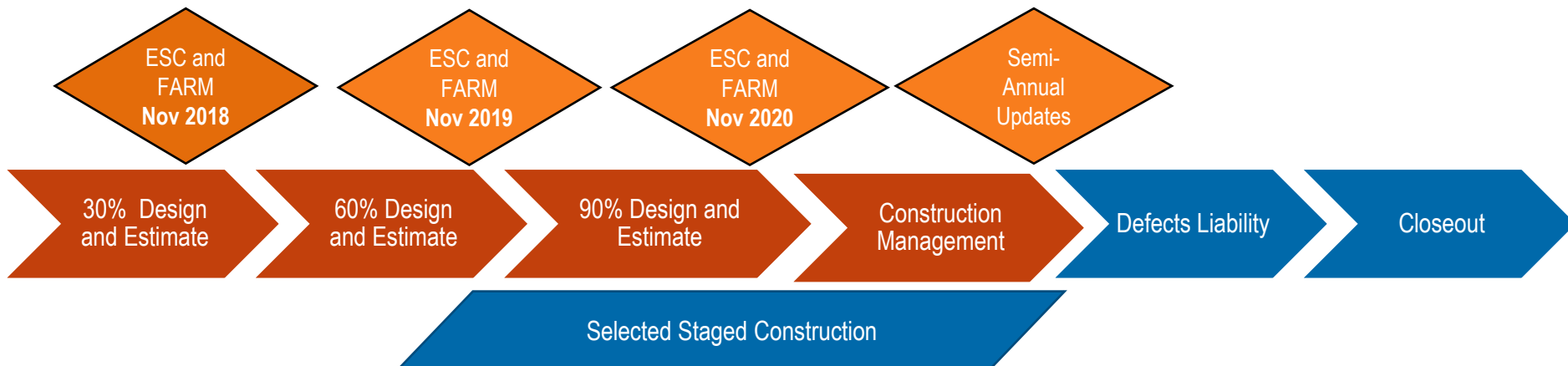
**Presentation to the Board of Directors
June 12, 2023**

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Process

- 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)
- Semi-Annual Cost Updates will be provided to the ESC, FARM and WT Board of Directors



Project Status Update

Project Budget

- The Q2 2022/23 (September 30, 2022) Semi-Annual Cost Estimate Update projected the probability of delivering the Port Lands Flood Protection Program for \$1,185M was 0%
- Additional contingency funding of \$169M requested to increase probability of completion to more than 90%
- Requires amendment to existing Contribution Agreement (in progress) to be funded by Waterfront Toronto, Province of Ontario and City of Toronto (\$87.9M)
- Requires additional funding through the Investing in Canada Infrastructure Program (ICIP) (draft application submitted to Governments on February 2, 2022) to be funded by Government of Canada and City of Toronto (\$81.1 million in total)

Project Schedule

- Project schedule re-baselined, Rev 03, data date of February 28, 2023
- Key milestones as follows:
 - Achievement of flood protection and PLFPEI Substantial Completion is now December 31, 2024
 - Limited seasonally dependent work (planting and asphalt paths) to be completed in Promontory Park South in Spring, 2025

Project Risks

- Quantitative Risk Analysis completed utilizing updated Estimate at Completion and re-baselined schedule as of March 31, 2023

Procurement

- Construction hard cost procurement status as of March 31, 2023
 - Awarded: 88.1%
 - In Progress: 4.3%
 - Not Started: 7.6%

Current Status – Earthworks, Marine and Parks



Design

- Design elements completed for all Earthworks and Marine components
- Advanced design of Firehall 30 building renovation funded by City of Toronto
- Value engineering options for bicycle bridges in River Park South
- Released Indigenous design elements Request for Proposals

Construction

- Completed Wet Land and River Valley pedestrian bridges
- Demobilized temporary water treatment plant used for utilities dewatering
- Completed backfill on top of concrete load transfer platform at Don Roadway and Commissioners intersection
- Progressed construction of new Don Roadway dock wall at North Plug
- Completed installation of drainage layer and RMM in the Elbow Area
- Completed construction of cut-off walls and progress excavation at west plug (25% complete)
- Continued with installation of river finishes in Central River Valley, Spillway and Ice Management Area
- Commenced dredging of Keating Channel for North Plug Revetment, Storm Water outfall and Lake Shore Bridge
- Completed construction of the islands in Canoe Cover
- Continued dock wall and dredging works in the Sediment and Debris Management Area (SDMA)
- Continued with hand-over process for watermain in SDMA
- Progressed wet utility construction and placement of cap standard fill in River Park North
- Start wet utility installation and progress removal of surcharge in River Park South

Procurement

- | | |
|----------------|--------|
| • Awarded: | 89.1 % |
| • In Process: | 5.7% |
| • Not Started: | 5.2 % |

Current Status – Bridges

Design

- Issued for Construction Lake Shore Boulevard and Bridge revised with Harbour Lead Line removed
- Issued for Construction design and award contract for demolition of existing Cherry Street lift bridge
- Enbridge completed design for temporary relocation of NPS 20 gas main
- Enbridge progressed design for permanent relocation of NPS 20 gas main
- Progressed design for THESL feeder relocation on Lake Shore bridge
- Finalized procurement and award contract for THESL feeder on Lake Shore bridge

Construction

- Completed concrete deck and ballast walls on north and south side of Cherry north vehicular bridge
- Completed and opened Cherry south bridge in advance of opening to traffic October 3
- Completed east and west abutments, installation of expansion joints and progress installation of balustrades on Commissioners bridge
- Completed east hydro vault at Commissioners street bridge
- Completed temporary dock walls and protection for eastbound Lake Shore bridge
- Completed construction of piers and abutments (except west 60%) for east bound Lake Shore and utility bridges
- Began construction of Keating Channel dock wall
- Coordinated with Enbridge for construction of temporary NPS 20 gas main

Procurement

- | | |
|----------------|--------|
| • Awarded: | 94.6 % |
| • In Process: | 5.1 % |
| • Not Started: | 0.3 % |

Current Status – Roads and Services

Design

- Finalized design for Villiers Street gas main crossing of the River Valley
- Finalized design for ground improvements for THESL chambers at Spillway crossing and for THESL permanent assets on Cherry and Commissioners Streets
- Finalized design for all elements of the dock wall modifications for the Storm Water Treatment outfall
- Advanced design for all remaining traffic controls for all major intersections and pedestrian crossings in PLFP
- Progressed Stage 2 and 3 street lighting design for Lake Shore Boulevard and Bridge
- Closed procurement for street and pedestrian lighting, signals and RESCU for Lake Shore Boulevard
- Procured all traffic controls

Construction

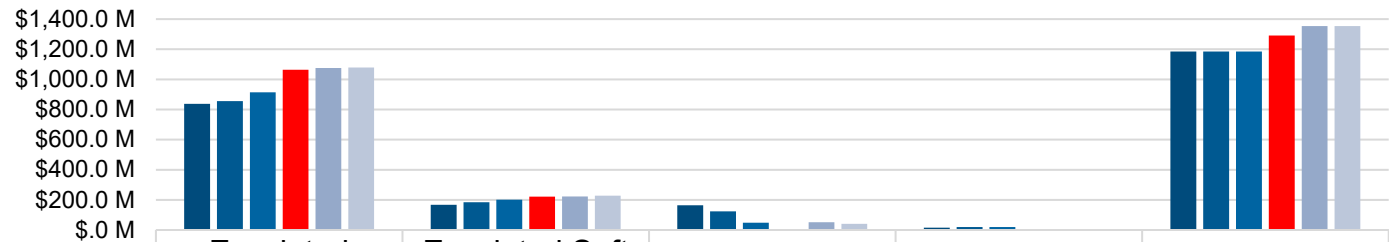
- Completed and opened vehicular section of New Cherry Street south of Commissioners October 3, 2022
- Completed construction, commissioning and city acceptance of new watermain, Cherry south of Commissioners
- Completed wet and dry utilities on Cherry street, north and south of Keating to Commissioners street
- Completed all micro-tunnelling activities
- Completed construction of wet utilities on Munitions, Saulter and Polson Streets
- Completed installation of rock anchors and walls within the Storm Water Treatment Facility and Oil Grit Separator (1)
- Complete wet utilities on the south side of Lake Shore Boulevard
- Completed installation of the temporary water main on Lake Shore Boulevard

Procurement

- | | |
|----------------|--------|
| • Awarded: | 84.0 % |
| • In Process: | 3.2 % |
| • Not Started: | 12.8 % |

PLFP – Q4 2022/23 EAC Forecast

Port Lands Flood Protection Q4 2022/23 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
■ Q2 2022/23 EAC Forecast	\$1,063.7 M	\$222.0 M	\$0.0 M	\$5.0 M	\$1,290.7 M
■ Q4 2022/23 EAC Actual	\$1,075.1 M	\$222.5 M	\$51.4 M	\$5.0 M	\$1,354.0 M
■ Q4 2022/23 EAC Forecast	\$1,078.8 M	\$228.5 M	\$41.7 M	\$5.0 M	\$1,354.0 M

- **The Forecast EAC has increased from \$1.291 B to \$1.354 B.**
- Forecasted construction hard cost estimate has increased \$15.1M (1.4%) from the Q2 2022/23 Forecasted EAC. Details provided in next slides.
- Soft cost estimate has increased \$6.5M (2.9%) from the Q2 2022/23 Forecasted EAC related to:
 - Increase to Construction Administration Services and Builders Risk and Wrap Up Liability Insurance Extension

Q4 2022/23 Construction Cost Estimate Variance



The overall increase in the Construction Cost Estimate (Hard Costs) is \$15.1M (1.4%) from the Q2 2022/23 Forecasted EAC.

Major Variances from Q2 2022/23 Forecast by segment are summarized as follows:

Program Segment	Due Diligence	30% Stage Gate: Program Budget	90% Stage Gate	Q2 2022/23 EAC Forecast	Q4 2022/23 EAC Forecast	Variance: Q4 2022/23 EAC Forecast to Q2 2022/23 EAC Forecast	
						\$	%
Roads and Services	\$ 188.0 M	\$ 136.0 M	\$ 173.2 M	\$ 235.7 M	\$ 245.1 M	\$ 9.4 M	4.0 %
Earthworks, Marine and Parks	\$ 604.3 M	\$ 577.3 M	\$ 599.6 M	\$ 686.1 M	\$ 685.6 M	(\$ 0.5 M)	(0.1 %)
Bridges	\$ 114.9 M	\$ 142.1 M	\$ 141.8 M	\$ 141.8 M	\$ 148.1 M	\$ 6.3 M	4.4 %
Escalated Construction Cost Estimate	\$ 837.2 M	\$ 855.4 M	\$ 914.6 M	\$ 1,063.7 M	\$ 1,078.8 M	\$ 15.1 M	1.4 %

Q4 2022/23 Construction Cost Estimate Variance



The construction cost increase of \$15.1 M since the last report of Q2 2022/23 is attributed to the following factors:

General Conditions	\$ 4.6 M
Construction Manager and Consultant staff due to schedule extension	\$ 5.4 M
Reductions in monitoring costs	(\$0.8 M)
Bridges	\$ 4.8 M
Toronto Hydro enclosures on Lake Shore Bridge, cost above initial estimate	\$ 2.9 M
Changes to Lake Shore Bridge contract	\$ 2.0 M
Sink hole and dockwall repair	\$ 1.8 M
Extended durations, escalation	\$ 0.5 M
Toronto Hydro cost sharing (previously carried on LSBE)	(\$ 2.4 M)
Roads	\$ 7.1 M
Extended time and escalation claim by wet utilities contractor	\$ 3.0 M
Toronto Hydro assets – additional costs	\$ 1.8 M
Subgrade and groundwater issues (Commissioners St)	\$ 1.7 M
Extended time and escalation by tunnelling contractor	\$ 0.6 M
Earthworks and Parks	(\$ 2.4 M)
Maintenance dredging of Keating Channel for north plug, stormwater treatment facility outfall and LSBE	\$ 3.2 M
Reconciliation of earthwork quantities at Sediment And Debris Management Area	(\$ 0.5 M)
Earthworks design optimizations	(\$ 0.6 M)
Site preparations and demolition – contract reconciliation	(\$ 1.0 M)
Promontory Park South removal of lightweight fill optimization	(\$ 3.5 M)
CM Fees	\$ 0.9 M
Insurance	\$ 0.1 M
Total	\$ 15.1 M

Q4 2022/23 Soft Cost Estimate Variance

Soft Cost EAC Forecast is \$6.5M (2.9%) higher than forecasted in Q2 2022/23 EAC.

Major Variances from Q2 2022/23 Forecast is driven by:

- WSP (Extended Construction Administration Services) \$2.9M
- Builders Risk and Wrap Up Liability Insurance Extension \$3.5M

Major Variances from Q2 2022/23 by segment are summarized as follows:

Program Segment	Due Diligence	30% Stage Gate: Program Budget	Q2 2022/23 EAC Forecast	Q4 2022/23 EAC Forecast	Variance: Q2 2022/23 EAC Forecast to Q4 2022/23 EAC Forecast	
					\$	%
Roads and Services	\$ 23.9 M	\$ 22.0 M	\$ 31.5 M	\$ 35.1 M	\$ 3.6 M	11.4%
Earthworks, Marine and Parks	\$ 120.4 M	\$ 131.3 M	\$ 159.3 M	\$ 161.6 M	\$ 2.3 M	1.4%
Bridges	\$ 23.5 M	\$ 31.0 M	\$ 31.2 M	\$ 31.8 M	\$ 0.6 M	1.9%
Escalated Soft Cost Estimate	\$ 167.8 M	\$ 184.6 M	\$ 222.0 M	\$ 228.5 M	\$ 6.5 M	2.9%

Contingency Drawdown

	Hard Cost	Soft Cost	Contingency Balance
Approved 30% Budget (Mar 2019)	\$ 855,445,331	\$ 184,565,460	\$ 124,493,923
60% Stage Gate EAC (Nov 2019)	\$ 903,439,587	\$ 193,796,549	\$ 67,268,578
90% Stage Gate EAC (Nov 2020)	\$ 914,585,746	\$ 201,737,170	\$ 48,855,875
Q4 2020/21 EAC	\$ 916,432,835	\$ 202,869,859	\$ 45,876,097
Q2 2021/22 EAC	\$ 918,820,287	\$ 203,106,363	\$ 43,114,845
Q4 2021/22 EAC	\$ 917,340,839	\$ 205,717,968	\$ 41,982,690
Q2 2022/23 EAC	\$ 1,063,675,276	\$ 222,312,752	\$ 63,011,970
September 2022	\$ 247,894	-	\$ 62,764,076
October 2022	\$ (129,911)	-	\$ 62,893,987
November 2022	\$ 467,888	-	\$ 62,426,100
December 2022	\$ 2,765,585	-	\$ 59,660,515
January 2023	\$ 5,306	\$ 60,000	\$ 59,595,209
February 2023	\$ 4,521,239	-	\$ 55,073,970
March 2023	\$ 3,548,938	\$ 87,845	\$ 51,437,187
Q4 2022/23 Actual EAC	\$ 1,075,102,215	\$ 222,460,597	\$ 51,437,187

Changes to Risk Register

- Compared to the previous analysis update, there is approximately **\$12.4 million** decreased cost risk and **1.3 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 4.12.23)	\$30.1 M	\$26.7 M	14.7 mo	11.7 mo
Previous Analysis (Risk Register as of 10.4.22)	\$42.3 M	\$39.1 M	16.6 mo	10.4 mo
Variance	(\$12.2) M	(\$12.4) M	(1.9) mo	1.3 mo

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

Changes to Risk Register

Changes to Cost Risks

- **19** cost risks and **1** cost opportunity have been retired since last update, resulting in a **\$6.13M decrease** in probability adjusted high-cost impact. Top retired risks are:
 - CNS 900.79 soil disposal rate escalation: 100% probability with \$2M in cost impact
 - CNS 900.75 Claims for Ship Channel Dockwall Damage: 50% probability with \$2.9M in cost impact
- **2** major cost opportunities have been added, resulting in a **\$5.4M decrease** in probability adjusted high-cost impact.
 - FCCO 29: Tunnel Counterclaim: 75% probability with -\$0.5M to -\$3M in cost impact
 - CNS 50.47: Recoverable Keating Channel Dredging Costs: 100% probability with -\$3.2M in cost impact
- Adjustments/Additions of **42** cost risks and **2** cost opportunities accounted for an **\$0.93M increase** in probability adjusted high-cost impact

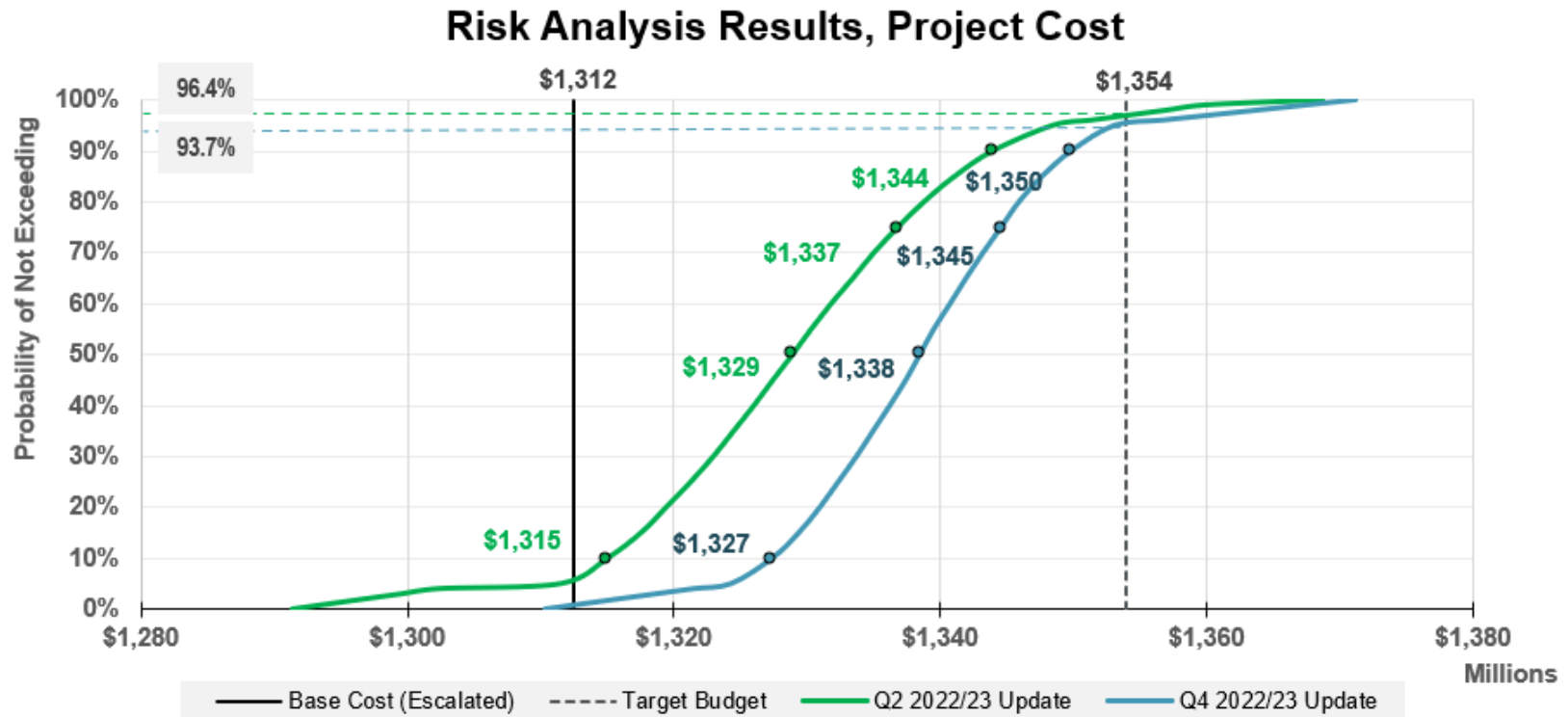
Changes to Schedule Risks

- Adjustments/Additions of **13** schedule risks account for the 1.3 month increase in probability adjusted high schedule impact

Cost Risk Analysis

Comparison to Previous Analysis Update

- Implementation of additional funding of \$169 million to the original \$1,185 million budget, for a new target budget of **\$1,354 million**
- Since the previous analysis update, the cost estimate at 90th percentile has increased \$5.8 million to **\$1,350 million**
- There is a **93.7%** chance of project not exceeding the target budget (\$1,354 million). The percent chance of not exceeding target budget was **96.4%** in the previous update



Note: Risk analysis results do not account for unknown unknowns that impact the project budget.

Risk Analysis Results

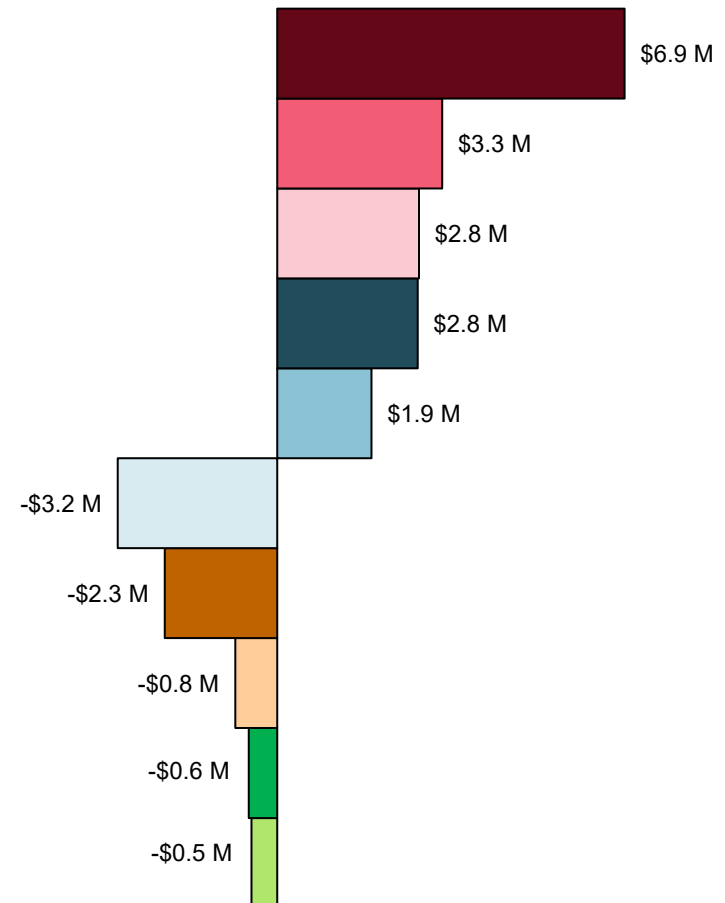
- Current base costs increased by **\$21.4 million** compared to the previous update
- Risk-adjusted cost estimate at the 90th percentile increased by **\$5.8 million**
- Percent probability of completing at or below **\$1,354 million** is 93.7% (2.7% less than Q2 2022/23 update)

	Due Diligence	30% SG	90% SG	Q2 2022/23 Update	Q4 2022/23 Update	Variance Q2 2022/23 & Q4 2022/23 Updates
Hard Costs	\$837 M	\$855 M	\$915 M	\$1,064 M	\$1,079 M	+\$15.1 M
Soft Costs	\$168 M	\$185 M	\$202 M	\$222 M	\$229 M	+\$6.5 M
NRHST	\$16.0 M	\$20.5 M	\$19.8 M	\$5.0 M	\$5.0 M	\$0.0 M
Total Base Costs	\$1,021 M	\$1,061 M	\$1,136 M	\$1,291 M	\$1,312 M	+\$21.6 M
Total Budget	\$1,185 M				\$ 1,354 M	+\$169 M
Estimated Remaining Contingency	\$164 M	\$124 M	\$48.9 M	(\$106.0) M	\$42 M	+\$148 M
P90 Cost Risk Estimate	\$1,185 M	\$1,220 M	\$1,206 M	\$1,344 M	\$1,350 M	+\$5.8 M
Target Budget	\$1,185 M			\$ 1,354 M		-
Probability of Achieving Target with Current Contingency	90%	73%	70%	96.4%	93.7%	(2.7%)

Top 10 Cost Risks and Opportunities

Risk	Probability	Low	High	Estimated High Impact*
External Market Forces In Excess of Cost Escalation	75%	\$5.6 M	\$9.3 M	\$6.9 M
Increased Offsite Disposal (Quality Criteria not met)	30%	\$1.6 M	\$11.0 M	\$3.3 M
NRHST Rebate - Municipal	50%	\$5.7 M	\$5.7 M	\$2.8 M
Increase to Soil Disposal Rate	65%	\$1.4 M	\$4.3 M	\$2.8 M
Additional SDMA Dredging During Construction	20%	\$6.3 M	\$9.4 M	\$1.9 M
(Opp) Recoverable Keating Channel Dredging Costs	100%	-\$3.2 M	-\$3.2 M	-\$3.2 M
(Opp) Tunnelling reconciliation	75%	-\$3.0 M	-\$0.5 M	-\$2.3 M
(Opp) Settlement repair on tunnel alignment	60%	-\$1.4 M	-\$1.1 M	-\$0.8 M
(Opp) Steel Tonnage Reconciliation	95%	-\$0.6 M	-\$0.6 M	-\$0.6 M
(Opp) SDMA Dockwall Stone Disposal	75%	-\$0.7 M	-\$0.2 M	-\$0.5 M

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

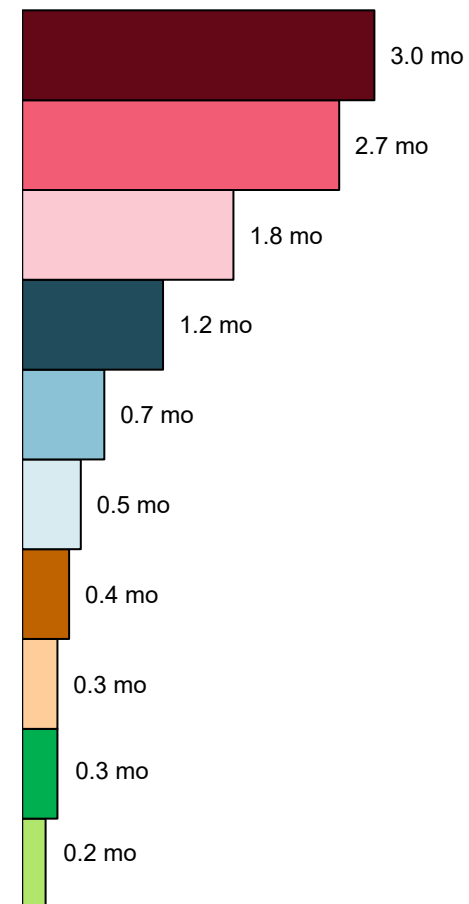


Top 10 Schedule Risks

- 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		
Enbridge 20" Relocation	50%	4.0 mo	6.0 mo	3.0 mo
AECON Delay Claims	30%	3.0 mo	9.0 mo	2.7 mo
Electrical Package Design Changes - Cherry and Commissioners St	60%	1.0 mo	3.0 mo	1.8 mo
Migratory Bird Nesting	20%	0.5 mo	6.0 mo	1.2 mo
Fisheries Window Issues	35%	1.0 mo	2.0 mo	0.7 mo
Delays to Traffic Signaling Design	50%	0.5 mo	1.0 mo	0.5 mo
Bell Permanent Works - Cherry St.	20%	0.5 mo	2.0 mo	0.4 mo
Wood Crib Wall Degradation	10%	1.0 mo	3.0 mo	0.3 mo
Planting Schedule Delays	10%	1.0 mo	3.0 mo	0.3 mo
Ship Channel Carp Gate Settlement	10%	2.0 mo	2.0 mo	0.2 mo

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



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

Thank you / Questions

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Waterfront Toronto
20 Bay Street, Suite 1310
Toronto, ON M5J 2N8
www.waterfronttoronto.ca



Purpose	Supplementary Capital Approval for Port Lands Flood Protection.
Areas of note/ Key issues	<p>The Project is included in the Board approved Rolling Five Year Strategic Plan under Priority Projects.</p> <p>Port Lands Flood Protection project commenced construction in August 2018 and has encountered various challenges including:</p> <ul style="list-style-type: none"> • Extreme escalation driven by global factors including the pandemic, the Ukraine war and disruptions to the global supply chain • Utility cost sharing and coordination • Labour disruption in May 2022 • Third party & external dependency delays <p>The result of the above challenges includes additional costs and a schedule extension with Substantial Completion in December 2024.</p> <p>Minor seasonal work i.e. planting and asphalt paths within Promontory Park South to be completed in spring 2025.</p> <p>Capital Approval was granted by the Board of Directors on October 25, 2016 for a total of \$1,185.0 Million.</p> <p>FARM has recommended for the Board approval of additional Capital Investments for the Port Lands Flood Protection of \$169.0 Million, bringing the total approved value of the project to \$1,354.0 Million.</p> <p>The additional \$169.0 Million will be funded by:</p> <ul style="list-style-type: none"> • Federal Government \$48.6 Million • Provincial Government \$55.2 Million • City of Toronto \$55.2 Million • Waterfront Toronto \$10 Million
Resolution and Next Steps	<p>ON MOTION duly made, seconded, and carried, be it RESOLVED that the Board of Directors approve:</p> <ol style="list-style-type: none"> 1. additional funding to complete the project be sourced from the Federal Government \$48.6 Million, Provincial Government \$55.2 Million, City of Toronto \$55.2 Million and Waterfront Toronto \$10M 2. the additional capital expenditure of \$169.0 Million be added to the Corporation's Rolling Five- Year Strategic Plan (2023/24 – 2027/28).

Port Lands Flood Protection

Request for Supplementary Capital Approval

Presentation to the Board of Directors meeting
June 12, 2023

Objectives

1. To provide an overview of the Port Lands Flood Protection project
2. To describe changes to the original budget, schedule and funding
3. To obtain the Board of Directors approval to invest an additional \$169 million (for a total of \$1,354 million) and schedule extension to December 2024 to substantially complete the Port Lands Flood Protection
4. To provide an update on the current status of Port Lands Flood Protection project

- This Project is included in the Board approved Rolling Five Year Strategic Plan under Priority Projects.
- Key deliverables include:
 - Flood protection for over 240 hectares of land in the Port Lands and South of Eastern Avenue neighborhoods
 - A new naturalized mouth for the Don River
 - Four new, iconic bridges connecting to the newly created Villiers Island
 - Completely re-align Cherry Street, rebuild Commissioners Street and Don Roadway complete with pedestrian and cycling infrastructure and upgraded public realm
 - Re-construct the Lake Shore Bridge over the Don River to accommodate the widened mouth of the Don River and widen to accommodate new public realm
 - Three new parks, River Parks North and South as well as Promontory Park South

Port Lands Flood Protection: Cherry Street South Bridge



Port Lands Flood Protection: Canoe Cove



Port Lands Flood Protection: Ice Management Area



Background – Port Lands Flood Protection (Planning & Construction)

Year		Milestone
2016	Oct	Capital Approval
2018	May	Contribution Agreement signed
2018	Aug	Construction begins
2022	Oct	Interim opening of Cherry Street south of Commissioners including Cherry South Bridge
2023	Oct	Interim opening of Commissioners Street and Cherry Street
2024	Dec	Complete and handover River Parks North and South
2024	Dec	Substantial Completion, flood protection achieved
2025	June	Completion of seasonal dependent work in Promontory Park South

Status: Port Lands Flood Protection



- Amendment to Delivery Agreement between Waterfront Toronto and Government of Canada, Provincial Government and the City of Toronto is being finalized
- New agreements for Park finishes is being negotiated.
- Construction Commenced in August 2018
 - Awarded procurements: 95%
 - Construction progress to date: 72%
- Substantial Completion has been delayed to December 2024

Supplementary Capital Approval

Supplementary Capital Approval is required to complete the Port Lands Flood Protection.

- The Port Land Flood Protection Project commenced construction in August 2018 and has encountered various challenges including:
 - Extreme escalation driven by global factors including the pandemic, the Ukraine war and disruptions to the global supply chain
 - Utility cost sharing and coordination
 - Labour disruption in May 2022
 - Third party & external dependency delays
- The result of the above challenges include additional costs and a schedule extension to December 2024.

Proposed Capital Budget

- Additional capital investment amounting to \$169.0 million is required to complete the Port Lands Flood Protection. This increases total estimated project cost from \$1,185.0 million to \$1,354.0 million.
- Additional costs will be provided for in the updated Rolling Five Year Strategic Plan in December 2023

Budget Allocation	30% Design / Approved Budget	Anticipated Total Project Cost	Additional Funding Required
Escalated Hard Costs	\$855.4 M	\$1,063.7 M	\$208.3 M
Escalated Soft Costs	\$184.6 M	\$222.3 M	\$37.7 M
Contingency	\$124.5 M	\$63.0 M	(\$61.5 M)
Non-recoverable Harmonized Sales Tax	\$20.5 M	\$5.0 M	(\$15.5 M)
Total Estimated Capital Cost	\$1,185.0 M	\$1,354.0 M	\$169.0 M
Probability of Achieving Target with Current Contingency	73%	93.7%	-

Status: Port Lands Flood Protection – Approved Capital Budget



Budget Allocation	Q1/2023 EAC Forecast	Costs to Date March 31, 2023	Balance Remaining
Escalated Hard Costs (incl. NRHST)	\$ 1,083.0 M	\$ 654.7 M	\$ 428.3 M
Escalated Soft Costs (incl. NRHST)	\$229.4 M	\$194.6 M	\$ 34.8 M
Contingency	\$41.6 M	-	\$ 41.6 M
Total Estimated Capital Cost	\$1,354.0 M	\$849.3 M	\$ 504.7 M

Planned Sources of Funding

Component/Contribution	Federal	Provincial	City	Waterfront Toronto	Total
Secured Funding					
2017 Port Lands Flood Protection Tri-Government Contribution Agreement	\$384.16 M	\$400.42 M	\$400.42 M	-	\$1,185.00 M
Subject to Approvals					
Recommended 2024-2025 Flood Protection Contribution	-	\$55.20 M*	\$22.70 M	\$10.0 M	\$87.90 M
Recommended 2024-2025 Parks and Public Realm Contribution	\$48.60 M*	-	\$32.50 M	-	\$81.10 M
Sub-Total Recommended Incremental Funding (Subject to Approvals)	\$48.60 M*	\$55.20 M*	\$55.20 M	\$10.0 M	\$169.00 M
Total (\$)	\$432.76 M	\$455.62 M	\$455.62 M	\$10.0 M	\$1,354.00 M
Total (%)	32.0%	33.6%	33.6%	0.7%	100%

* subject to appropriate federal and provincial approvals. Work is underway to secure funding.

Top 5 Cost Risks and Opportunities

Risk ID	Probability	Low	Most Likely	High	Estimated High Impact*
CTR 50.01: External Market Forces In Excess of Cost Escalation	75%	\$5.6 M	\$7.4 M	\$9.3 M	\$6.9 M
CNS 70.73: Increased offsite disposal - does not meet quality criteria	30%	\$1.6 M	\$7.9 M	\$11.0 M	\$3.3 M
CNS 900.37: NRHST Rebate - Municipal	50%	\$5.7 M	\$5.7 M	\$5.7 M	\$2.8 M
CNS 70.72: Increase to Soil Disposal Rate	65%	\$1.4 M	\$2.9 M	\$4.3 M	\$2.8 M
CNS 50.34: Additional SDMA Dredging During Construction	20%	\$6.3 M	\$7.1 M	\$9.4 M	\$1.9 M

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

FARM has recommended for the Board approval of additional Capital Investments of \$169.0 Million for the Port Lands Flood Protection project increasing the total approved value of the project to \$1,354.0 Million. Management recommends:

1. additional funding to complete the project be sourced from the Federal Government \$48.6 Million, Provincial Government \$55.2 Million, City of Toronto \$55.2 Million and Waterfront Toronto \$10M
2. the additional capital expenditure of \$169.0 Million be added to the Corporation's Rolling Five-Year Strategic Plan (2023/24 – 2027/28).

ON MOTION duly made, seconded and carried, be it **RESOLVED** that the Board of Directors approve:

1. additional funding to complete the project be sourced from the Federal Government \$48.6 Million, Provincial Government \$55.2 Million, City of Toronto \$55.2 Million and Waterfront Toronto \$10M
2. the additional capital expenditure of \$169.0 Million be added to the Corporation's Rolling Five- Year Strategic Plan (2023/24 – 2027/28).

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Toronto, ON M5J 2N8
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Purpose	Queens Quay East Extension (QQ EE) Lakefill Capital Approval
Areas of note/ Key issues	<p>On June 24, 2021 the Board of Directors provided Capital Approval of \$14.2M for the 60% design and pre-construction services associated with the Infrastructure and Public Realm for the Quayside Project including \$2.3M for the QQ EE Lakefill project.</p> <p>The QQ EE Lakefill enables the extension of Queens Quay east of Parliament Street and the realignment of Parliament Street which supports the creation of Blocks 3B and 4 at Quayside. This work is part of Waterfront Toronto's commitment to Quayside Impact. It is an early-work in the Quayside Project and as such is being advanced ahead of the rest of the Infrastructure and Public Realm for Quayside.</p> <p>Waterfront Toronto commenced design in 2022, and is now completed 60% design for the QQ EE Lakefill Project (and 30% design for the Public Realm and Infrastructure).</p> <p>Waterfront Toronto undertook an extensive cost estimating and risk assessment process to help establish an appropriate budget for Capital Approval. This included:</p> <ul style="list-style-type: none"> • Project costs separately estimated by the consultant team and Eastern Construction and consolidated by the third-party cost consultant based on 60% design drawings. • Contingency determined through application of a Monte Carlo simulation risk analysis undertaken by the QQ EE Lakefill Risk Management Consultant, HDR. <p>Based on the above, the 90th percentile risk-based contingency is estimated at \$9.2 million (33% of base costs) and the total project is expected to cost \$36.7M at the 90th percentile. Capital Approval is being sought for a total of \$34.4M (\$36.7M less \$2.3M previously approved in June 2021).</p> <p>In June 2021, the Board of Directors approved staff securing pre-construction services through the engagement of a construction manager. At that time, it was noted that subject to separate approvals, the construction manager would be authorized to move forward with the delivery of construction services for Quayside Public Realm and Infrastructure inclusive of the QQEE Lakefill.</p> <p>Since that time, WT undertook a competitive procurement process to retain a construction manager and in June 2022 selected Eastern Construction Company Limited ("Eastern Construction") as the successful proponent. Staff recommend working with Eastern Construction to provide construction and post-construction services for the full Quayside Public Realm and Infrastructure project, including QQEE Lakefill which is expected to commence in September 2023.</p>

	<p>FARM Committee at its May 29, 2023 meeting recommend for Board approval:</p> <ul style="list-style-type: none"> • Capital approval of \$34.4M to proceed with the QQ EE Lakefill Construction. • Confirm the approach to Construction Contracting for the Quayside Public Realm and Infrastructure project including the addition of Keating Channel Pedestrian Bridge to the Quayside Public Realm and Infrastructure project. <p>The QQ EE Lakefill project is expected to be funded 100% by the City of Toronto. This funding is Council approved, and staff are currently negotiating a Delivery Agreement (DA) for this funding. Proceeding with construction would be subject to execution of the DA between WT and the City of Toronto.</p> <p>This project is included in the Board-approved 2023/24 to 2027/28 Rolling Five Year Strategic Plan.</p>
Resolution and Next Steps	<p>ON MOTION duly made, seconded, and carried, be it RESOLVED that the Board of Directors approve:</p> <ol style="list-style-type: none"> 1. the Capital expenditure of \$34.4M to complete the Queens Quay East Extension Lakefill Design and Construction, conditional upon execution of a funding agreement with the City of Toronto; 2. that the Quayside Public Realm and Infrastructure Project inclusive of the Keating Channel Pedestrian Bridge be constructed by Eastern Construction as Construction Manager pursuant to their existing contract with Waterfront Toronto.

Queens Quay East Extension Lakefill Project

Capital Approval for Construction

Presentation to the Board of Directors

June 12, 2023

Objectives

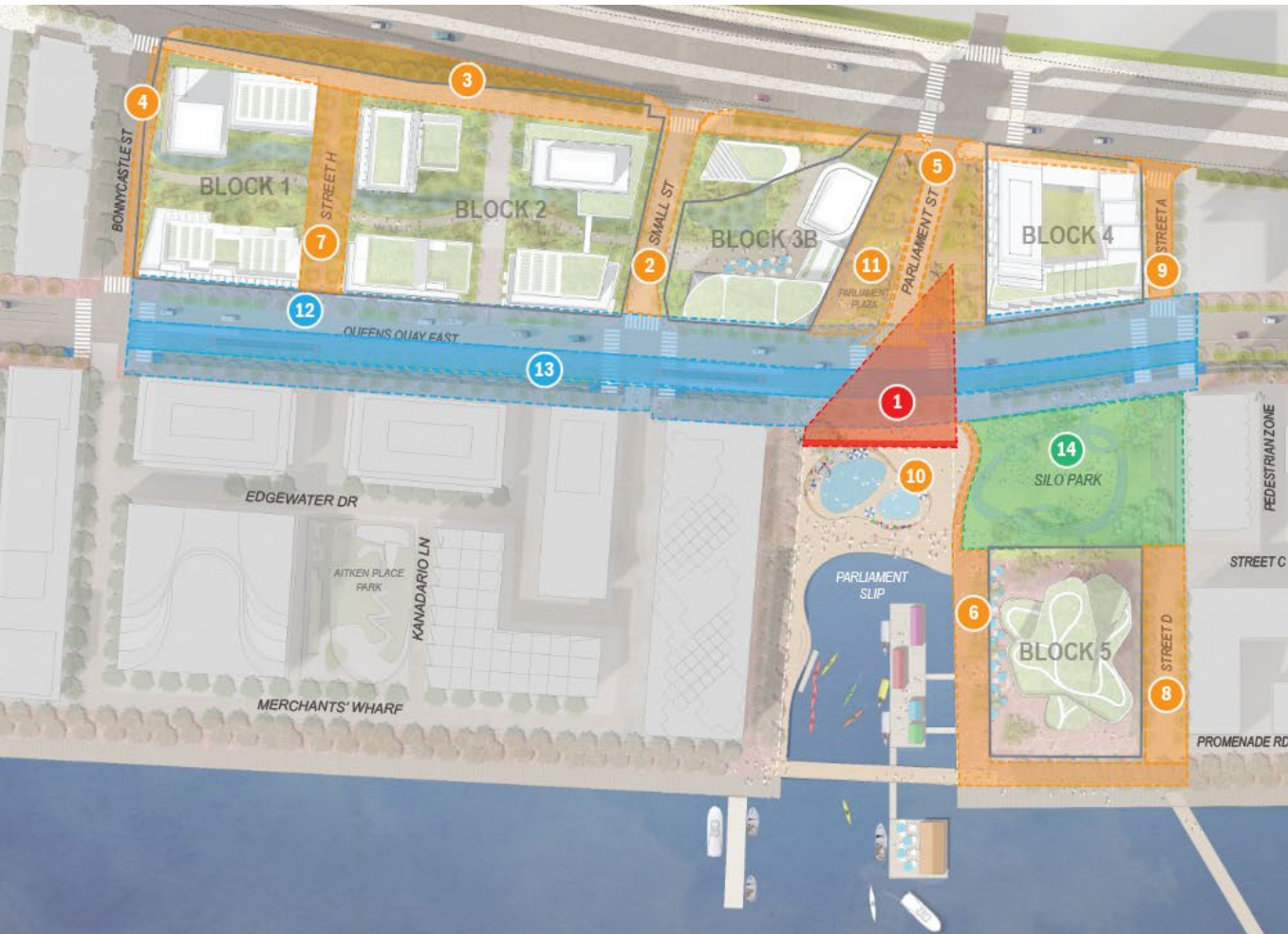
- **Provide an overview of the Queens Quay East Extension (QQUE) Lakefill project, which is one component of the larger Quayside Infrastructure and Public Realm Project.**
- **Provide an update on the current status of the Quayside Infrastructure and Public Realm Project.**
- **Obtain capital approval from the Board of directors of \$34.4M to proceed with the QQUE Lakefill Construction.**
- **Confirm the approach to Construction Contracting for the Quayside Public Realm and Infrastructure project and the Keating Channel Pedestrian Bridge.**

Project Background

- **The Board of Directors provided Capital Approval for the 60% design and pre-construction services associated with the Infrastructure and Public Realm for the Quayside Project including the QQEE Lakefill project on June 24, 2021.**
- **The QQEE Lakefill is an early-work in the Quayside Project and as such is being advanced ahead of the rest of the Infrastructure and Public Realm for Quayside.**
- **Waterfront Toronto commenced design in early 2022, and is now completed 30% design for the Public Realm and Infrastructure and 60% design for the QQEE Lakefill Project.**
- **Funding for design and construction of the Quayside Project is a combination of City of Toronto funding and land sale revenues from Quayside. A Delivery Agreement for Quayside Infrastructure and Public Realm is currently being negotiated with the City of Toronto and is expected to be executed before the start of construction on the QQEE Lakefill.**
- **This project is included in the Board-approved 2023/24 to 2027/28 Rolling Five Year Strategic Plan.**

Project Background

- The QQUE Lakefill **1** enables the extension of Queens Quay east of Parliament Street and the realignment of Parliament Street which supports the creation of the Blocks 3B and 4 at Quayside.



QUAYSIDE PUBLIC REALM AND INFRASTRUCTURE

- 1** Queens Quay ROW Lakefill - Early Work
- 2** Small Street
- 3** South Lakeshore
- 4** East of Bonnycastle
- 5** Parliament Street
- 6** Water's Edge Promenade -
- 7** Street H - POPS
- 8** Street D
- 9** Street A
- 10** Parliament Slip Wavedeck
- 11** Parliament Plaza

QUEENS QUAY

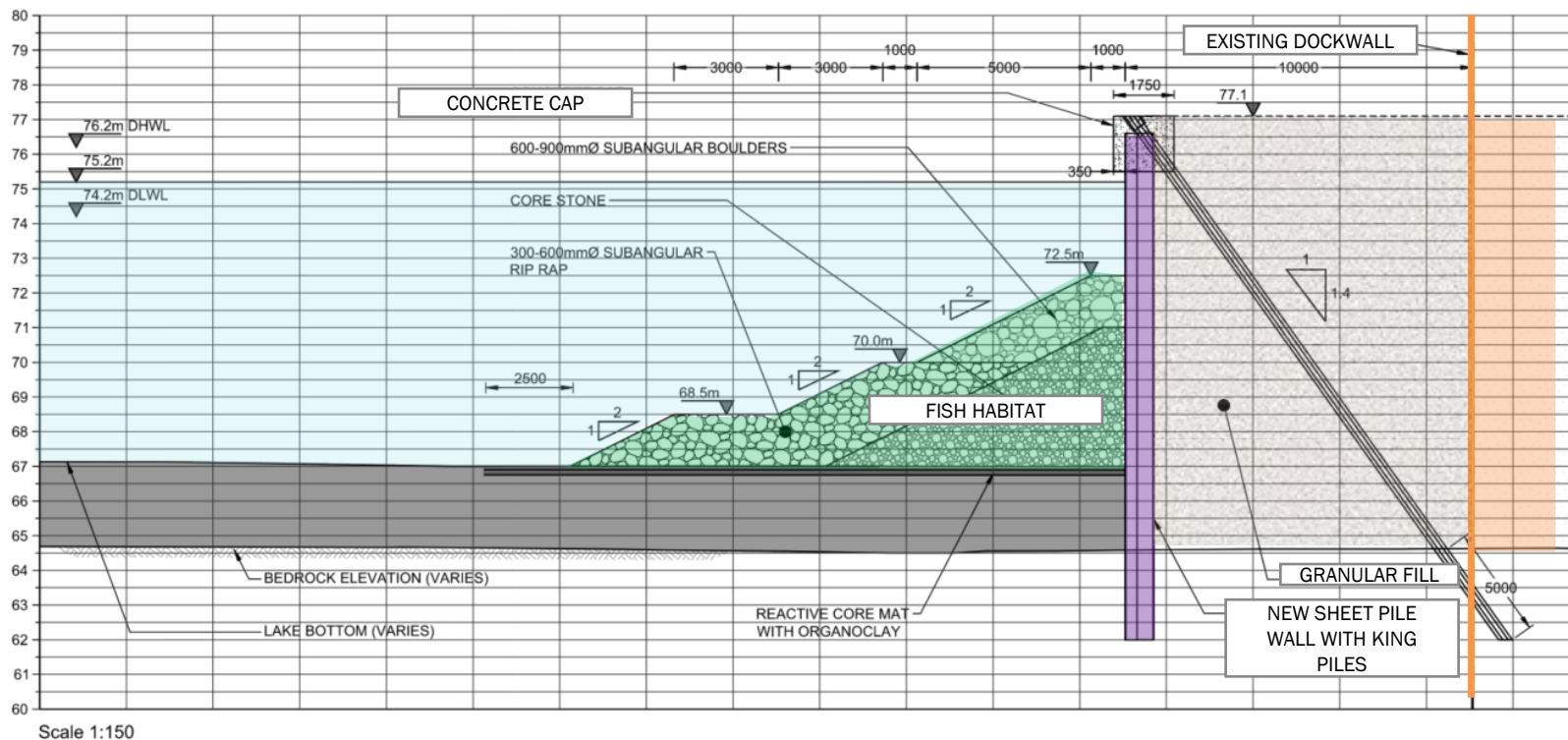
- 12** Bonnycastle to Silo - Public Realm/ROW
- 13** Bonnycastle to Silo - Transitway

SILo PARK

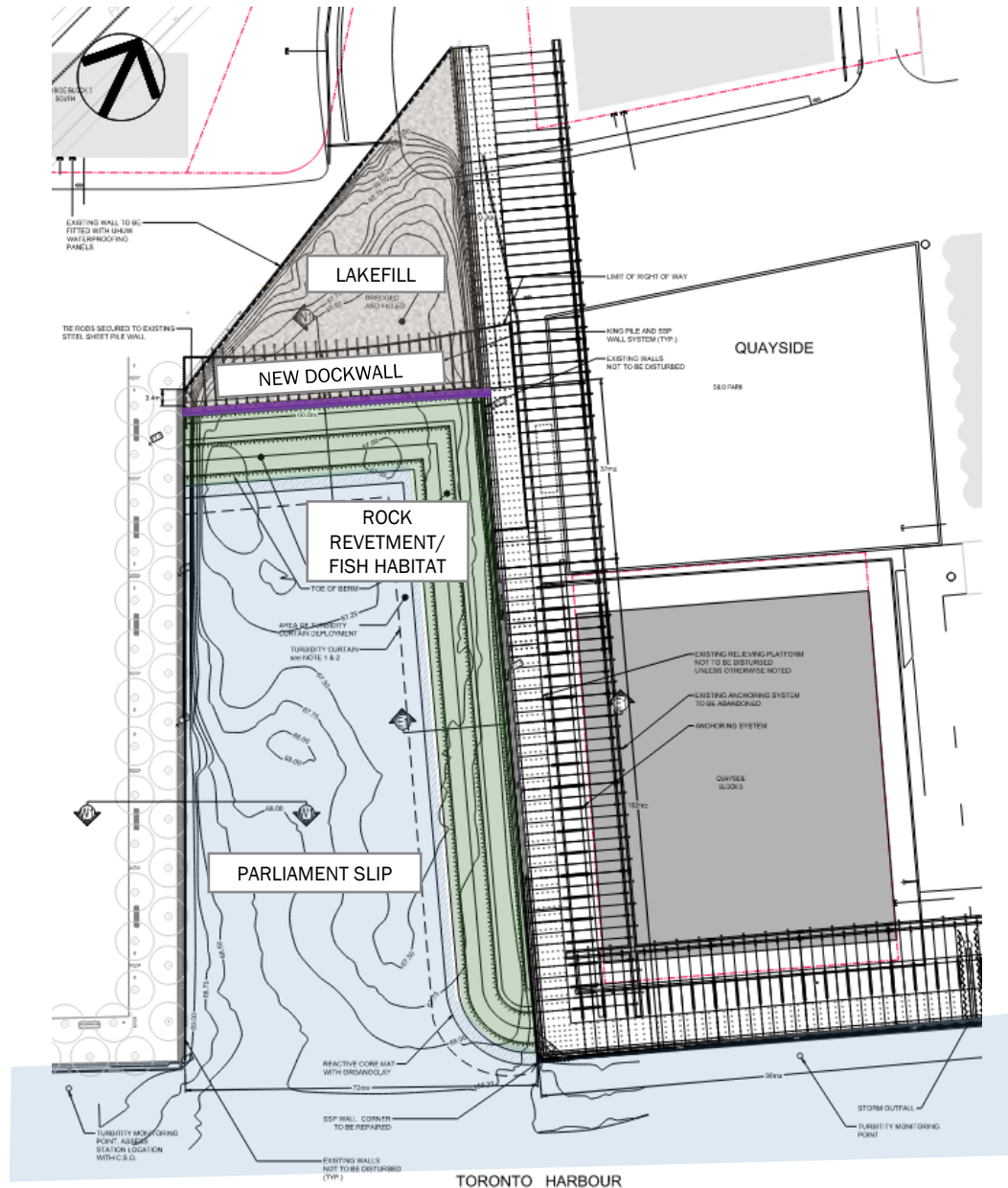
- 14** Silo Park

Queens Quay East Extension Lakefill - Project Scope

- The Project consists of the following elements:
 - Dredging of lakebed sediment (approximately 3 to 3.5 metres to bedrock)
 - 61 metres of new dockwall
 - Lakefill composed of imported granular material
 - Rock Revetment which will provide both structural support and required Fish Habitat Compensation



Queens Quay East Extension Lakefill Project - Project Scope



Queens Quay East Extension Lakefill - Project Timelines

Task	Milestone Date
60% Design Drawings and Cost Estimate	April 2023
FARM Committee & Board of Directors Capital Approval	May 29, 2023 & June 12, 2023
Construction Sub-Contract Tenders	June 2023 – August 2023
90% Tender Ready Drawings	July 2023
Issued For Construction Drawings	September 2023
Commence Construction	September 2023
Complete Construction (incl. Soil Consolidation)	January 2025

Transport Canada Permit

- This is a Proponent led process which may require a permit to construct, place, alter, rebuild, remove or decommission works that are in, on, over, under, through or across any navigable water way
- Application was submitted in April 2023

Aquatic Habitat Protection Permit from Department of Fisheries and Oceans Canada

- This process is being undertaken in collaboration with Aquatic Habitat Toronto and TRCA. A permit is required for any in water works which may negatively impact fish habitat in the harbour
- Application has been submitted in April 2023

TRCA Permit

- TRCA is currently evaluating if any permits are necessary and TRCA will assist Waterfront Toronto if any permits are required.

Release for Construction

- This is required from the City of Toronto before construction can commence, City is being engaged via drawing circulations at each phase of the project to ensure that a timely release from construction can be obtained upon completion of the 90% drawing submission

Ports Toronto Authorization

- This permit is obtained by the Constructor prior to the start of construction.

Board of Directors Capital Approval

- **Capital Approval is required in order to execute the construction work for the QEE Lakefill Project (Construction)**
- **Waterfront Toronto's policies and procedures provide for Capital Approvals to be obtained from FARM Committee and Board of Directors:**
 1. **After design has reached 60% completion**
 2. **When planned investments exceed \$5 Million**
- **Capital Approval is required for \$34.4 Million as illustrated on the following slide.**
- **The Delivery Agreement for the Project between City of Toronto and Waterfront Toronto is being negotiated and is expected to be executed in June 2023.**

Forecast Project Costs and Sources of Funding

Budget Allocation	Anticipated Project Cost (\$ Millions)
Hard Construction Costs (including escalation)	\$ 21.0
Total Soft Costs (design, engineering, project management & approvals) 0-60% design previously approved \$2.3M June 24, 2021	\$ 6.0
Risk Contingency (Construction and Soft Cost)	\$ 9.2
Non-recoverable Harmonized Sales Tax	\$ 0.5
Total Project Budget	\$ 36.7
Capital Approval Being Requested	\$ 34.4

- The QQEE Lakefill project is expected to be funded 100% by funding from the City of Toronto. This funding is Council approved, and staff are currently negotiating a Delivery Agreement (DA) for this funding. Proceeding with construction would be subject to execution of the DA between WT and the City of Toronto.

Interim Improvements to Risk Quantification and Budget Setting Process

Based on an initial Lessons Learned assessment of the Port Lands Flood Protection governance, oversight and risk management model, the following interim process improvements have been implemented in the Risk Assessment and Quantification procedures for both QQEE Lakefill and the broader Quayside Project:

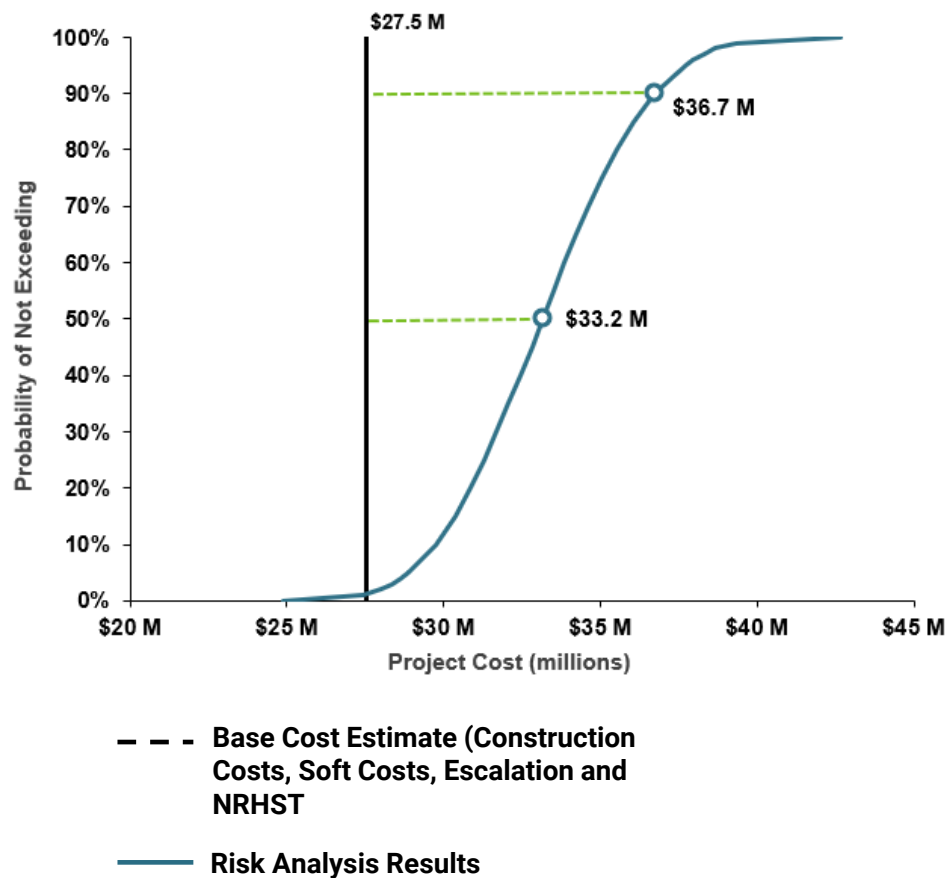
- **Capital Approval is being sought at the 60% design milestone to ensure drawings have been developed sufficiently to enable more complete costing (defined as Class 2 by The Association for the Advancement of Cost Engineering (AACE)). PLFP Budget Approval was obtained at the concept (less than 5%) design stage (Class 5 Estimate).**
- **Independent cost estimates were undertaken by the design team and the construction manager at the 60% design milestone. These two estimates were then reconciled by an independent third-party cost estimator retained directly by Waterfront Toronto and a consensus estimate agreed by all parties.**
- **Risk process leveraged risks identified during the PLFP project to ensure more thorough cataloguing of risks at this milestone.**
- **To account for the complexity of working on the waterfront, the Base Cost Uncertainty Risk (for unknown risks) selected is a range which represents a more conservative risk profile according to AACE. This results in a range of -5% to +15%.**
- **Excess Market Escalation Risk has been applied at a higher rate to account for anticipated higher than average escalation projections.**

Major Project Risks – Construction

Risk Description	Potential Impact	Mitigation Strategy
Additional costs due to higher than planned escalation	Additional costs	An additional allowance for higher than planned escalation has included through the Risk Assessment Process.
Availability of qualified Marine Lakefilling / Subcontractors	Project delays and additional costs	Construction Manager has undertaken market soundings with qualified contractors to ensure alignment between the design and resources available within the local market.
Construction cost premium incurred due to extended work required in the winter season	Additional costs	Procurement will commence early to ensure critical works can be completed before winter.
Delay in obtaining approvals	Project delays and additional costs	Team is proactively coordinating with agencies to ensure approvals are obtained.
Unexpected site conditions (ie increased turbidity, unexpected bedrock elevation or presence of contamination/coal tar)	Project delays and additional costs	Site condition will be monitored during construction and installation of sheetpile dockwall early in the process will reduce impacts.
Marine Archeology Assessment may be required	Project delays and additional costs	Team is coordinating with Port Toronto to confirm the historical dredging of the slip to assess any archeological assessment requirements early in the process.

Project Risk Tolerance

- This Corporation's Risk Appetite Statement establishes that its tolerance for risk is "low" in the area of cost overruns. This project is consistent with the Corporation's level of risk tolerance because:
 - Project costs have been separately estimated by the consultant team and Eastern Construction and have been consolidated by the third-party cost consultant based on 60% design drawings.
 - Contingency has been determined through application of a Monte Carlo simulation risk analysis undertaken by the Quayside Risk Management Consultant, HDR.
- Based on the above, the 90th percentile risk-based contingency is estimated at \$9.2 million (33% of base costs) and the total project is expected to cost \$36.7M at the 90th percentile.
- \$2.3M was previously approved by the Board of Directors at its June 2021 meeting and therefore Capital Approval is being sought \$34.4M



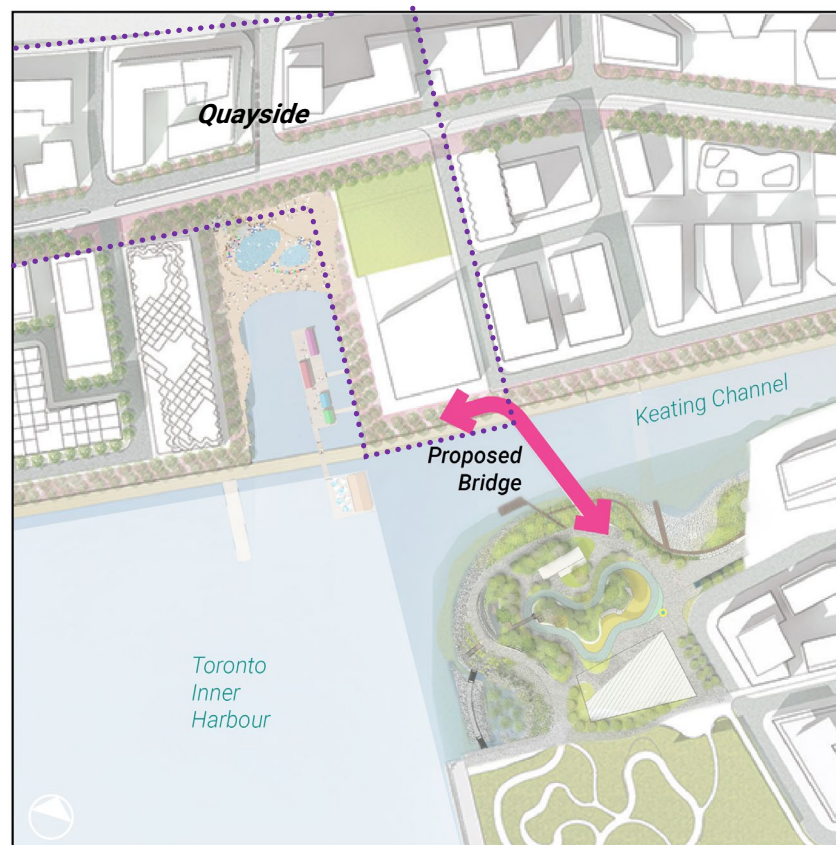
Quayside Infrastructure and Public Realm Update

- In April 2023, the full Quayside Infrastructure and Public Realm project completed 30% design. At that time cost estimates were undertaken by the design consultant, the construction manager and a third-party cost estimator. A full Risk Assessment is been completed on the reconciled estimate in order to establish an appropriate contingency and escalation allowance.
- The 30% cost estimate is projected to exceed the estimate undertaken as part of the Due Diligence Report for the project (DDR) which was completed in 2021.
- The estimated increased costs can be attributable to the following factors:
 - Unprecedented Escalation (approximately 30% since DDR was completed 18 months prior) with a particularly high level of escalation realized on commodities such as granite, concrete unit pavers and silva cells
 - Modifications to the scope due to new information since having selected the Quayside Impact proposal
- Staff will further optimize the design, assess alternative construction sequencing that would adjust the cashflow and report back to the FARM and the Board of Directors at the 60% design milestone for Capital Approval, this is expected before the end of this fiscal year.

- In June 2021, the Board of Directors approved staff securing pre-construction services through the engagement of a construction manager. At that time, it was noted that subject to separate approvals, the construction manager would be authorized to move forward with the delivery of construction services for Quayside Public Realm and Infrastructure inclusive of the QQEE Lakefill.
- WT undertook a competitive procurement process to retain a construction manager and in June 2022 selected Eastern Construction Company Limited ("Eastern Construction") as the successful proponent.
- As part of the procurement, proponents were assessed both on the value of pre-construction services that were offered as well as on their qualifications and pricing for the construction and post-construction phases of the project
- Staff recommend working with Eastern Construction pursuant to their proposal and selection in June 2022 to provide construction and post-construction services for the full Quayside Public Realm and Infrastructure project, including QQEE Lakefill which is expected to commence in September 2023.

Keating Channel Pedestrian Bridge

- Waterfront Toronto has commenced the procurement for the design of the Keating Channel Pedestrian Bridge.
- Given the location of the bridge north landing (on the Quayside Site) and the delivery schedule for the bridge (before March 31, 2026) there are expected to be Ministry of Labour, Constructor issues if two different contractors are working in the same space and time.
- Staff are recommending that the Keating Channel Pedestrian Bridge be added to the scope of the construction manager for Quayside Infrastructure and Public Realm Project.



The Finance Audit and Risk Management Committee recommends to the Board of Directors for approval:

- **The capital expenditure of \$34.4 Million to complete the Queens Quay East Extension Lakefill project design and construction.**
- **The Quayside Infrastructure and Public Realm Project be constructed by Eastern Construction as construction manager under their existing contract with Waterfront Toronto.**
- **The Keating Channel Pedestrian Bridge be added to the scope of the Construction Management agreement for Quayside Infrastructure and Public Realm.**

The Board of Directors approvals are conditional upon the execution of a bilateral Delivery Agreement for project funding between the City of Toronto and Waterfront Toronto.

Management to report back to the FARM Committee and the Board of Directors with a comprehensive update on the Quayside Infrastructure and Public Realm Project at the 60% design milestone which is anticipated for the March 2024 Board of Directors meeting.

ON MOTION duly made, seconded, and carried, be it RESOLVED that the Board of Directors approve:

- 1. the Capital expenditure of \$34.4M to complete the Queens Quay East Extension Lakefill Design and Construction, conditional upon execution of a funding agreement with the City of Toronto;**
- 2. that the Quayside Infrastructure and Public Realm Project inclusive of the Keating Channel Pedestrian Bridge be constructed by Eastern Construction as Construction Manager pursuant to their existing contract with Waterfront Toronto.**

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Toronto, ON M5J 2N8
www.waterfronttoronto.ca



Purpose	<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 flows of the Corporation.</p>
Areas of note/ Key issues	<p>During the year ended March 31, 2023 the Corporation has:</p> <ul style="list-style-type: none"> • Spent approx. \$311.7 million (up 10% from last year's \$283 million) of which <ul style="list-style-type: none"> ➢ \$264.6 million was capitalized primarily for the Port Lands Flood Protection (\$234 million) and purchase of Parliament Slip (\$20.2 million) ➢ \$26.9 million was expensed primarily cost recovery work for Port Lands project (\$7.2 million), together with investments towards Bayside Childcare center (\$3.2 million), Eastern waterfront transit design (\$3 million), Villiers Island planning (\$1.8 million), Queens Quay West Optimization (\$1.6 million), Bentway Phase 1B (\$0.5 million) and interim property related expenses (\$3.1 million). • Recognized revenues of \$359.0 million (up from \$320.8 million last year) which is primarily made up of land sale revenues (\$157.2 million), government contributions for Port Lands Flood Protection project including Lakeshore Bridge (\$173.9 million), utility and other cost sharing revenues for Port Lands and Lakeshore bridge project (\$9.3 million), public art contributions (\$4 million), York Street Park (\$1.1M), and parking/ rental and interest revenues (\$9.8 million). The increase from prior year is largely due to proceeds from the sale of lands. • Slightly higher cash and short-term investments balance of \$119.4 million (up from \$90.4 million as of March 31, 2022) due to receipt of land sale proceeds which was partially offset by outstanding receivable of \$33.7 million from Government of Canada (received in May 2023) and \$25 million from Province of Ontario for Port Lands Flood Protection. • Reported a higher net operating income because of increased revenues from Waterfront Toronto's interim property operations and higher interest income due to higher interest rates (average of 3.6% vs. < 2% last year). <p>Other items of note during the period include:</p> <ul style="list-style-type: none"> • Financial statements reflect the implementation of a change in accounting policy relating to expensing development costs capitalized under Assets under development approved by the FARM Committee on Feb 23, 2023 (Note 3) • Unrestricted net assets (Note 14) is in a surplus position of \$65.8 million (reversed from \$47 million deficit at March 31, 2022) as a result of realization of land sale revenues. • Term Receivable of \$41.7 million related to the sale of land (Note 20). • Creation of a capital reserve account to cover program level contingencies to support continued operations (Note 7). <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, 2023.</p> <p>There were no material matters of concern reported to the FARM Committee regarding internal controls.</p>
Key Takeaways/ Next Steps	<p>ON MOTION duly made, seconded and carried, be it RESOLVED that the Board of Directors approve the audited financial statements for the year ended March 31, 2023 in the form presented at the meeting.</p> <p>Audited March 31, 2023 Financial Statements in English and French to be shared with governments and the public by June 30, 2023.</p>

Financial Statements of

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

March 31, 2023

Toronto Waterfront Revitalization Corporation

March 31, 2023

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Management's Responsibility for the Financial Statements

June 12, 2023

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.

President and CEO

Chief Financial Officer

Toronto Waterfront Revitalization Corporation

Statement of financial position

as at March 31, 2023

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Assets		
Current assets		
Cash	39,393,345	90,435,454
Short-term investments (Note 4)	80,000,000	-
Receivables (Note 5)	81,229,725	100,033,195
Deposits and prepaid expenses and other assets (Note 6)	4,965,705	3,955,048
	205,588,775	194,423,697
Restricted cash (Note 7)	62,666,290	46,808,576
Assets under development (Note 8)	1,371,767,037	1,172,670,402
Capital assets (Note 9)	66,450,028	103,097,524
Term receivables (Note 20)	41,700,210	-
	1,748,172,340	1,517,000,199
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (Note 11)	107,188,187	84,948,044
Deferred contributions (Note 12)	135,210,520	200,666,459
Other liabilities and settlements (Note 13)	924,180	1,204,514
	243,322,887	286,819,017
Other liabilities and settlements (Note 13)	207,273	1,892,916
Environmental and contaminated sites liability (Note 18)	2,218,637	2,075,900
	245,748,797	290,787,833
Net assets (Note 14)	1,502,423,543	1,226,212,366
	1,748,172,340	1,517,000,199

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, 2023

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Restricted Revenues:		
Government of Canada	115,147,969	50,439,840
City of Toronto	40,523,137	87,965,359
Province of Ontario	25,016,667	155,559,800
Other restricted contributions	11,435,170	6,003,272
	192,122,943	299,968,271
Less: Government contributions for assets under development	(245,193,062)	(231,819,525)
Decrease (Increase) in deferred contributions for continuing operations related to future periods	65,455,938	(60,006,296)
	12,385,819	8,142,450
Expenses (Note 15)		
Complete Communities	7,885,816	5,061,487
The Port Lands	7,180,549	-
Eastern Waterfront Transit	3,104,507	7,101,326
Signature Projects	1,977,089	1,726,860
Strategic Initiatives	1,778,685	1,149,165
Public Places	1,772,827	1,670,409
	23,699,473	16,709,247
Excess (Deficiency) of revenue over expenses before other items	(11,313,654)	(8,566,797)
Environmental and contaminated sites expense (Note 18)	(142,737)	-
Net other operating income (Note 19)	6,685,431	1,345,889
Land sale proceeds and/or other income (Note 20)	86,117,441	7,799,042
Excess of revenues over expenses	81,346,481	578,133

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, 2023

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Accumulated remeasurement loss, beginning of the year	(194,125)	(517,100)
Unrealized (loss) gain attributable to foreign currency transactions	(11,776)	12,800
Unrealized gain attributable to forward exchange contracts	132,209	310,175
Net remeasurement gain for the year	120,433	322,975
Accumulated remeasurement loss, end of the year	(73,692)	(194,125)

Statement of changes in net assets

year ended March 31, 2023

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Net assets, beginning of the year	1,226,212,366	996,664,941
Add: Excess of revenues over expenses	81,346,481	578,133
Add: Net remeasurement gain	120,433	322,975
Add: Government contributions for assets under development	245,193,062	231,819,525
Less: Transfer of assets to Government (Note 8)	(49,508,030)	(3,173,209)
Less: Transfer of land to Government (Note 9)	(940,769)	-
Net assets, end of the year	1,502,423,543	1,226,212,366

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

Toronto Waterfront Revitalization Corporation
Statement of cash flows
year ended March 31, 2023

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Cash flows from operating activities		
Excess of revenues over expenses	81,346,481	578,133
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities;		
Amortization of capital assets	1,188,162	955,025
Unrealized (loss) gain attributable to foreign currency transactions	(11,776)	12,800
Unrealized gain attributable to forward exchange contracts	132,209	310,175
Changes in non-cash working capital balances;		
Net (decrease) increase in deferred contributions	(65,455,938)	60,006,296
Current assets (Receivables, Deposits and prepaid expenses)	(23,907,397)	(62,624,777)
Current liabilities (Payables, Other liabilities and settlements)	20,416,904	16,582,051
Net cash received from operating activities	13,708,644	15,819,704
Cash flows from capital activities		
Cash received from government contributions for assets under development	245,193,062	231,819,525
Cash used to acquire assets under development	(249,545,434)	(241,051,623)
Cash received (used) to dispose/ acquire capital assets	35,459,334	(14,170,199)
Net cash received (paid) from capital activities	31,106,962	(23,402,297)
Cash flows from investing activity		
Invested in restricted cash and investments	(15,857,715)	(6,574,067)
Cash invested in short-term investments	(80,000,000)	-
Net cash paid from investment activity	(95,857,715)	(6,574,067)
Decrease in cash	(51,042,109)	(14,156,660)
Cash, beginning of the year	90,435,454	104,592,114
Cash, end of the year	39,393,345	90,435,454

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

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

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.

(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.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

2. Significant accounting policies (con't)

(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.

(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. Assets under development also includes Land under Development which 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. Upon completion of performance obligations associated with individual developments within a precinct, Land under Development costs are expensed through the statement of financial activities in proportion to the cumulative land sale revenues realized. 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 (see Note 3).

(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.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

2. Significant accounting policies (con't)

(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, accrued benefit liability and environmental and contaminated sites 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) Asset retirement obligations

On April 1, 2022, the Corporation adopted Public Accounting Standard PS3280 - Asset Retirement Obligations. The new accounting standard provides guidance on the reporting of legal obligations associated with the retirement of certain tangible capital assets. A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. At March 31, 2023, the Corporation has not identified any instances that meet the criteria for a liability of an asset retirement obligation.

3. Change in Accounting Policy – Assets Under Development

During the year, March 31, 2023, the Corporation changed its accounting policy for the treatment of assets under development relating to development projects where a project agreement is in effect with a third-party developer. Previously, the Corporation expensed land under development-related costs presented under Assets Under Development in the Statement of Financial Position upon completion of an entire development precinct. The Corporation is now expensing land under development-related costs presented under Assets Under Development upon completion of performance obligations related to individual developments within a precinct. The Corporation believes that this change in timing of when capital asset and assets under development disposals are recognized results in a more appropriate presentation of events in the financial statements.

As a result of the adoption of the change in accounting policy, the presentation of the financial statements changed from the prior year. This change has been applied retroactively with restatement of prior periods.

This change in accounting policy had the following effect on the March 31, 2023 financial statements:

	March 31, 2022 - As restated
Decrease in assets under development (Statement of Financial Position), opening balance, April 1, 2021	(20,220,659)
Decrease in Net Assets (Statement of Financial Position), opening balance, April 1, 2021	(20,220,659)
Decrease in assets under development and Net Assets (Statement of Financial Position)	(7,629,317)
Decrease in land sale proceeds and/or other income (Statement of Financial Activities)	(7,629,317)

4. Short-term investments

During the year, the Corporation invested \$30,000,000 and \$50,000,000 (March 31, 2022 - \$NIL) in two separate short term non-redeemable Guaranteed Investment Certificates with a Canadian commercial bank bearing interest rates of 5.58% per annum and 5.9% per annum maturing in September 2023 and March 2024, respectively.

5. Receivables

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Government of Canada	33,782,495	-
Province of Ontario	25,016,667	68,966,932
City of Toronto	9,580,841	2,810,810
HST receivable	8,393,578	10,564,582
Rent and other receivables	4,456,144	17,690,871
	81,229,725	100,033,195

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

6. Deposits and prepaid expenses

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Prepaid expenses	2,784,506	1,773,849
Construction deposits	2,181,199	2,181,199
	4,965,705	3,955,048

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, 2022 - \$2,181,199) are non-interest bearing.

7. Restricted cash

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

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Holdbacks payable	51,334,071	35,291,636
Developer contributions - East Bayfront public art	9,459,789	8,089,143
Developer deposit - East Bayfront child care facility	1,602,982	1,551,918
Other	269,448	260,864
Developer deposit - broadband services	-	1,615,015
	62,666,290	46,808,576

In addition to the above, \$15,478,000 included under Cash in the Statement of financial position has been designated as Capital Reserve to cover program level contingencies to support continued operations. The account is funded primarily from sale of land and other unrestricted revenue sources. Of the closing balance, an amount of \$5,000,000 has been allocated towards the East Bayfront In-Water Pipe project.

8. Assets under development

The following table details assets under development by category:

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Roads, Bridges, Services, Structures	681,295,974	581,331,585
Flood Protection Features	564,314,339	471,563,516
Parks and Public Realm	71,113,527	56,224,222
Land under development	55,043,197	63,551,079
	1,371,767,037	1,172,670,402

The following table details assets under development by Priority Initiatives:

	The Port Lands	Complete Communities	Quayside	Public Places	Total
	\$	\$	\$	\$	\$
Opening balance, April 1, 2022	772,527,019	349,296,449	36,101,349	14,745,585	1,172,670,402
Capital additions	227,895,176	9,961,871	7,009,888	6,512,298	251,379,233
Direct project management - Note 14	5,597,803	1,061,080	4,006,175	507,322	11,172,380
General and support expenses - Note 14	1,032,314	212,265	738,795	102,965	2,086,339
Transfer of completed assets to City of Toronto	-	(49,508,030)	-	-	(49,508,030)
Development costs expensed	-	-	(16,033,288)	-	(16,033,288)
Closing balance, March 31, 2023	1,007,052,312	311,023,635	31,822,919	21,868,170	1,371,767,037

During the year, various municipal infrastructure assets (West Don Lands Phase 1) costing \$49,508,030 (March 31, 2022 - Jack Layton Ferry Terminal Phase 1A - \$3,173,209) were 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, 2023

9. Capital assets

	March 31, 2023		March 31, 2022 - As restated	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Land	65,033,472	-	100,812,146	-
Computer hardware and software	4,622,232	3,658,559	4,499,284	2,829,477
Leasehold improvements	1,778,993	1,387,743	1,582,601	1,058,181
Furniture and fixtures	539,371	477,738	539,371	448,220
Office equipment	145,563	145,563	145,563	145,563
	72,119,631	5,669,603	107,578,965	4,481,441
Cost less accumulated amortization		66,450,028		103,097,524

The Corporation owns land containing environmental contamination. As of March 31, 2023, the Corporation has a provision of \$2,218,637 (March 31, 2022 - \$2,075,900) for remediation cost of contaminated site (Note 18).

During the year, Parliament Slip and associated easements with a historical cost of \$20,275,220 (March 31, 2022 - \$13,506,581) was acquired from Toronto Port Authority.

During the year, land with a historical cost of \$940,769 (March 31, 2022 - \$NIL) was transferred to the City of Toronto and land with a historical cost of \$55,113,125 (March 31, 2022 - \$NIL) was sold to a developer pursuant to a development agreement entered into between the Corporation and the Development partner. These were recorded as a reduction in capital assets and a distribution of net assets in the statement of changes in net assets.

10. Credit facility

The Corporation has a revolving credit facility of \$90 million with a Canadian commercial bank. The facility bears interest at the Canadian Prime Lending Rate less 1.0%. The Corporation's interest rate was 5.70% at March 31, 2023 (March 31, 2022 - 2.20%). The facility is secured by a first lien interest over real property owned by the Corporation 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, 2023 the available borrowing limit is \$90 million.

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 property which secures the facility at all times provide a minimum of 150% coverage for the outstanding amount of credit. As at March 31, 2023, the Corporation is in compliance with this covenant and expects to be in compliance for the next 12 months.

11. Accounts payable and accrued liabilities

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Holdbacks payable	52,774,124	35,057,157
Accrued liabilities	37,615,832	48,642,647
Accounts payable	16,798,231	1,248,240
	107,188,187	84,948,044

12. Deferred contributions

Deferred contributions as at March 31, 2023 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, 2023	March 31, 2022 - As restated
	\$	\$
Expenditures of future periods		
Balance, beginning of year	200,666,459	140,660,162
Additional contributions	(54,258,281)	67,193,722
Less: amounts recognized as revenue	(11,197,658)	(7,187,425)
Balance, end of period	135,210,520	200,666,459
Capital contributions		
Balance, beginning of year	-	-
Add: contributions for acquisition of capital assets and assets under development	266,656,444	245,989,724
Less: direct contribution to net assets	(265,468,282)	(245,034,699)
Less: amount amortized to revenue	(1,188,162)	(955,025)
Balance, end of period	135,210,520	200,666,459

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

13. Other liabilities and settlements

Other liabilities and settlements largely represent security and developer deposits.

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Deposit - broadband services	-	1,615,016
Deposits - rent and other	924,180	1,204,514
Deposit - Bayside project agreement	207,273	277,900
Total other liabilities	1,131,453	3,097,430
Less: current portion	(924,180)	(1,204,514)
	207,273	1,892,916

14. Net assets

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

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Invested in non-amortisable capital assets	65,033,472	100,812,146
Invested in assets under development	1,371,767,037	1,172,670,402
Unrestricted (deficit) (Note 14b)	65,696,726	(47,076,057)
Accumulated re-measurement loss	(73,692)	(194,125)
	1,502,423,543	1,226,212,366

b) Unrestricted surplus (deficit)

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Unrestricted deficit, opening balance	(47,076,057)	(24,915,512)
Excess of revenues over expenses	81,346,481	578,133
Transfer from invested in capital assets	55,113,125	-
Transfer from invested in assets under development	16,033,288	7,629,317
Investment in assets under development	(19,444,891)	(16,861,415)
Investment in land	(20,275,220)	(13,506,581)
Unrestricted surplus (deficit), closing balance	65,696,726	(47,076,057)

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

15. Expenses by Priority Initiative and Function

	Complete Communities	The Port Lands	Eastern Waterfront Transit	Signature Projects	Strategic Initiatives	Public Places	Quayside	Total March 31, 2023
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	5,773,628	7,180,549	2,449,761	604,422	(8,187)	1,257,231	-	17,257,404
Salaries, fees and benefits	2,503,948	4,903,651	484,252	1,015,228	1,321,575	832,706	3,509,392	14,570,752
Less salaries, fees and benefits related to assets under development (Note 7)	(1,061,080)	(5,597,803)	-	-	-	(507,322)	(4,006,175)	(11,172,380)
	7,216,496	6,486,397	2,934,013	1,619,650	1,313,388	1,582,615	(496,783)	20,655,776
<i>General and support expenses:</i>								
General and office administration	453,439	887,999	87,693	183,847	239,323	150,794	635,514	2,638,608
Amortization	174,274	341,292	33,704	70,659	91,981	57,956	244,252	1,014,118
Information technology	186,366	364,972	36,042	75,562	98,363	61,977	261,199	1,084,482
Communications and public engagement	67,506	132,203	13,055	27,371	35,630	22,450	94,613	392,828
	881,585	1,726,466	170,494	357,439	465,297	293,177	1,235,578	5,130,036
Less general & support costs allocated to assets under development (Note 7)	(212,265)	(1,032,314)	-	-	-	(102,965)	(738,795)	(2,086,339)
	7,885,816	7,180,549	3,104,507	1,977,089	1,778,685	1,772,827	-	23,699,473

All salaries, fees and benefits have been charged to projects based on timesheet information. General and support expenses for the period ending March 31, 2023 have been allocated to priority initiatives using an overhead burden rate of 0.35 (2022 - 0.32) for every \$1 of direct labour (project management - salaries and benefits). Total salaries, fees and benefits for the Corporation were \$14,570,752 for the period ending March 31, 2022 (2022 - \$13,356,012).

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

15. Expenses by Priority Initiative and Function (Cont.)

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

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

16. Commitments

On December 15, 2022, the Corporation executed a lease for office space effective April 1, 2024 for a ten year term. The Corporation has a one time option to terminate this lease should the Corporation's mandate not be extended past the current May 2028 legislative term. The Corporation has lease commitments of \$10,395,372 until March 31, 2034.

17. 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 \$141,884 (March 31, 2022 - \$339,786) of cash and \$556,126 (March 31, 2022 - \$662,420) of payables which has been translated from its U.S. denominated amount.

18. 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 \$2,075,900 representing one Waterfront Toronto owned property zoned for parkland and not intended for development. As of March 31, 2023, an additional provision of \$142,737 was made for liability of contaminated sites.

19. Net other operating income

	March 31, 2023	March 31, 2022 - As restated
	\$	\$
Rental, parking and other income	3,972,581	4,436,961
Less: operating expenses and changes in provision for doubtful debts	(3,161,934)	(4,056,406)
	810,647	380,555
Interest	5,617,887	918,585
Realized (loss) gain on foreign currency transactions	26,955	(148,036)
Other Income	229,942	194,785
Net other operating income	6,685,431	1,345,889

Interest income includes interest amounting \$932,418 (March 31, 2022 - \$NIL) arising from the Term receivables recognized on the Statement of Financial Position and per Note 19.

20. Net land sale revenue

During the year, the Corporation sold land pursuant to a series of agreements entered into between the Corporation and a development partner. The net revenues on disposal have been recognized as revenue through the statement of Financial Activities in accordance with the change in accounting policy described in Note 3.

	March 31, 2023	March 31, 2022 - As restated
Land sale revenues	157,226,283	15,428,359
Less: Land acquisition costs	(55,113,125)	-
Less: Land under development costs	(16,033,288)	(7,629,317)
Net land sale revenue	86,079,870	7,799,042

As of March 31, 2023, \$41,700,210 of land sale revenues have been recognized as Term receivables in the Statement of Financial Position. The Term receivables will be realized over a four-year period to March 31, 2027.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

21. 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.

22. 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, 2023.

23. Comparatives

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

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2023

24. Project Agreement

On December 9, 2022, the Corporation executed a Project Agreement with a third party to develop a 12 acre (4.9 hectare) site at Parliament and Queens Quay into an all-electric, zero-carbon master planned community.

As a result of executing this agreement, the Corporation has certain development and servicing contractual obligations from March 1, 2023 to December 1, 2033. The Corporation also has contractual rights to economic resources. In the event that the Development Partner is unable to fulfill its contractual obligations, the Corporation is entitled to parental guarantee payments and repurchase of land under certain agreement conditions. Any loss or liability is recognized when the Corporation considers it likely for the Development Partner to default on its obligations and the amount can be estimated, (see Note 16(i) on credit risk). As of March 31, 2023, \$157,226,283 of land sale revenues were recognized for the Project Agreement. The Corporation anticipates to recognize additional land sale revenues by December 2033.

25. 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.

Purpose	To approve the appointment of a new chair of the Board of Directors
Areas of note/ Key issues	The term of office of the current chair, Stephen Diamond, ends on June 30, 2023. Therefore, it is in order for the Board of Directors to appoint a new chair, whose term will commence as of July 1, 2023.
Next Steps	<p>The board will be asked to approve the following resolution:</p> <p>ON MOTION duly made by [●] and seconded by [●] and carried, be it RESOLVED, that Jack Winberg be appointed Chair of the Board of Directors of the Corporation commencing July 1, 2023 and Mr. Winberg shall act as, and have all the powers of, the chair, as set out in the Toronto Waterfront Revitalization Act (the “Act”), the by-laws of the Corporation and the Mandate of the Chair of the Board of Directors, as may be amended from time to time.</p> <p>The appointment of Mr. Winberg as chair shall continue until such time as a successor is appointed in accordance with the Act, or as Mr. Winberg otherwise ceases to hold the office of chair.</p>

Closed Session

1) Item 13a) Draft Minutes of the Closed Session March 27, 2023 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 27, 2023 be approved, as tabled.

2) Item 14 Lake Shore Boulevard East

ON MOTION duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Board of Directors approve the Lake Shore Boulevard East - Bridge and Public Realm (LSBE) Phase 2 matters recommended by Management of the Corporation.

3) Item 15 2022/23 Integrated Annual Report (IAR)

ON MOTION duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Board of Directors approve the 2022/23 Integrated Annual Report presented at the meeting, subject to the comments provided at this meeting.

4) Item 17 Recruitment Matter

ON MOTION duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Board of Directors approve the recruitment activity proposed by the CEO at the meeting.

5) Item 18 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, 2022 – March 31, 2023 and compensation for April 1, 2023 to March 31, 2024 be approved, as tabled.

2023 BOARD & COMMITTEE SCHEDULE UPCOMING MEETINGS

S/N	Date (2023)	Board/Committee	Key Agenda Item(s) include:
1.	Thursday, February 23	FARM	<ul style="list-style-type: none"> Per FARM Committee workplan
2.	Wednesday, March 8 (3:00 – 5:00p.m)	HRGSR	<ul style="list-style-type: none"> Per HRGSR Workplan
3.	Thursday, March 9	IREC	<ul style="list-style-type: none"> Quayside Update Detailed Status Report on all Development Projects Other Projects (if any) Real Estate Acquisitions and Divestitures (if any) Other Acquisitions (if any)
4.	Monday, March 27	Board	<ul style="list-style-type: none"> Reports of the IREC, FARM and HRGSR committees
5.	NEW: Thursday, May 18 (1:30-3:30pm) Friday, June 9 (10a.m. – 12:00p.m.)	IREC	<ul style="list-style-type: none"> Per IREC Work Plan
6.	NEW: Monday, May 29 (9:00am-12:00pm) Thursday, May 25	FARM	<ul style="list-style-type: none"> Per FARM Work Plan
7.	Thursday, June 1	HRGSR	<ul style="list-style-type: none"> Per HRGSR Work Plan
8.	Monday, June 12 (1:00-4:30p.m.)	Board	<ul style="list-style-type: none"> Reports of the HRGSR, IREC, and FARM committees Approve 2022/23 Annual Report Approve 2022/23 audited financial statements Year-end Performance Assessment for CEO and approval of compensation for 2023/24
9.	Thursday, September 14	HRGSR	<ul style="list-style-type: none"> Per HRGSR Work Plan
10.	Thursday, September 21	FARM	<ul style="list-style-type: none"> Per FARM Work Plan
11.	Thursday, September 28	IREC	<ul style="list-style-type: none"> Per IREC Work Plan
12.	Thursday, October 12	Board	<ul style="list-style-type: none"> Report of the HRGSR, IREC, and FARM committees 2024 Board and Committee Meeting Calendar
13.	Thursday, November 9	HRGSR	<ul style="list-style-type: none"> Per HRGSR Work Plan
14.	Thursday, November 16	IREC	<ul style="list-style-type: none"> Per IREC Work Plan
15.	Thursday, November 23	FARM	<ul style="list-style-type: none"> Per FARM Work Plan
16.	Thursday, December 7	Board	<ul style="list-style-type: none"> Report of the HRGSR, IREC, and FARM committees Approval of 2023/24 Corporate Plan