



**WATERFRONT**Toronto

# Board of Directors Meeting

## Agenda and Meeting Book

THURSDAY, DECEMBER 7, 2023 FROM 8:30 AM TO 12:30 PM

MICROSOFT TEAMS



Board of Directors Meeting

Agenda - Thursday, December 7, 2023

Public Session Agenda

|           |   |                |                 |
|-----------|---|----------------|-----------------|
| 8:30 a.m. | 1. Land Acknowledgement   | Acknowledgment | All             |
| 8:35 a.m. | 2. Motion to Approve Meeting Agenda   | Approval       | J. Winberg      |
| 8:35 a.m. | 3. Declaration of Conflicts of Interest   | Declaration    | All             |
| 8:35 a.m. | 4. Chair's Opening Remarks  | Information    | J. Winberg      |
| 8:40 a.m. | 5. Consent Agenda   |                |                 |
|           | a) Highlights of Key Messages - 4   | Information    | All             |
|           | b) Draft Minutes of the Open Session of the October 12, 2023 Board Meeting - 6                | Approval       | All             |
|           | c) CEO Report - 11  | Information    | G. Zegarac      |
|           | d) HRGSR Committee Chair's Open Session Report - November 9, 2023 Meeting - 19                | Information    | W. Cartwright   |
|           | e) IREC Committee Chair's - Open Session Report - November 16, 2023 Meeting - 20              | Information    | J. Winberg      |
|           | f) FARM Committee Chair's - Open Session Report - November 23, 2023 Meeting - 21              | Information    | K. Sullivan     |
|           | g) Environmental, Social and Governance (ESG) Update - 24                                     | Information    | L. Taylor       |
| 8:55 a.m. | 6. IREC Chair Appointment   | Approval       | J. Winberg      |
|           | Coversheet - 26   |                |                 |
| 9:00 a.m. | 7. Consideration of Governance Documents  | Approval       | I. Ness         |
|           | Coversheet - 27   |                |                 |
|           | Director Code of Conduct - 28   |                |                 |
| 9:10 a.m. | 8. Waterfront Toronto Priority Projects   | Information    | D. Kusturin     |
|           | Coversheet - 46   |                |                 |
|           | Presentation - 47   |                |                 |
| 9:20 a.m. | 9. Port Lands Flood Protection and Enabling Infrastructure - Semi Annual Cost Estimate Update | Information    | D. Kusturin     |
|           | Coversheet - 65   |                |                 |
|           | Presentation - 66   |                |                 |
| 9:30 a.m. | 10. Capital Approvals   |                |                 |
|           | a) WELRT 60% Design   | Approval       | P. Mallozzi/ P. |



|            |  |             |                          |
|------------|--|-------------|--------------------------|
|            | Coversheet - 87  |             | Meredith-Karam           |
|            | Presentation - 88  |             |                          |
|            | b) Bayside Phase 2 including Water's Edge Promenade  | Approval    | D. Kusturin/ N. Tolkunow |
|            | Coversheet - 110   |             |                          |
|            | Presentation - 111   |             |                          |
|            | c) Quayside Infrastructure and Public Realm 100% Design  | Approval    | P. Mallozzi              |
|            | Coversheet - 136   |             |                          |
|            | Presentation - 137   |             |                          |
|            | d) Broadview Eastern Flood Protection Design   | Approval    | D. Kusturin/ D. Forbes   |
|            | Coversheet - 156   |             |                          |
|            | Presentation - 157   |             |                          |
| 9:55 a.m.  | 11. Motion to go into Closed Session   | Approval    | All                      |
|            | <b>Closed Session Agenda</b><br>The Board will discuss items 12(a), (b), (c) & (d), 13, 14, and 15 being, consideration of the draft Minutes of the Closed Session October 12, 2023 meeting, the HRGSR Committee Chair's Closed Session Report, the IREC Committee Chair's Closed Session Report, the FARM Committee Chair's Closed Session Report, Annual Business Plan 2024/25, Update on Villiers Island Matters, Business Case & Tri-Government Engagement, and 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 12(a) in Closed Session is provided in the minutes of the October 12, 2023 Board meeting contained in item 5(b) of this agenda, for items 12(b), (c) & (d) is Section 6.1.1(l), for item 13 is Section 6.1.1(k), for item 14 is Section 6.1.1(l), and for item 15 is Section 6.1.1(k) 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 - 175   |             |                          |
| 10:40 a.m. | 16. Motion to go into Open Session   | Approval    | All                      |
|            | <b>Public Session Agenda</b><br>Open Session - 176   |             |                          |
| 10:40 a.m. | 17. Resolution(s) Arising from the Closed Session  | Approval    | All                      |
|            | Form - 177   |             |                          |
| 10:40 a.m. | 18. Chair's Closing Remarks  | Information | J. Winberg               |
| 10:45 a.m. | 19. Motion to Terminate the Meeting  | Approval    | All                      |
| FYI        | Next Meeting: Monday, March 25, 2024   | Information | All                      |
|            | Upcoming Board & Committee Meeting Schedule - 178  |             |                          |

| <b>Agenda Item</b>  | <b>Key Message</b>  |
|---|---|
| <b>5 (c) CEO Report</b>   | The quarterly CEO Report presents an overview of the work of the Corporation, highlighting key issues and matters of importance from the perspective of the CEO. The report includes updates on key corporate issues such as Government Engagement as it relates to the Next Phase of Waterfront Revitalization as well as our other projects including Port Lands Flood Protection, Waterfront East LRT, and our 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. |
| <b>5 (d) HRGSR Chair Report-Open Session</b>  | The Chair of the HRGSR Committee will present a report on matters arising at the meeting held on November 9, 2023. The Committee received a report from Rose Desrochers on HR matters, a report from Cameron MacKay on stakeholder relations and the Committee also decided to seek board input to see if there were changes required to our key governance documents.  |
| <b>5 (e) IREC Chair Report-Open Session</b>   | The Chair of the IREC Committee will present a report on matters arising from the meeting held on November 16, 2023.  |
| <b>5 (f) FARM Chair Report-Open Session</b>   | The Chair of the FARM Committee will present a report on matters arising from the meeting of the Committee held on November 23, 2023. In addition to the regular risk, audit, procurement, ESG and financial quarterly reporting, the Committee received updates for the Port Lands Flood Protection project and the internal audit plan, and considered four capital approval requests (Items 10a-d)).   |
| <b>5 (g) Environmental, Social and Governance (ESG) Update</b>                                      | Quarterly report on Environmental, Social & Governance (ESG) and Waterfront Toronto's current initiatives in these areas.   |
| <b>6. IREC Chair Appointment</b>  | The Chair of the Board will be recommending <b>for approval</b> by the Board that Alysha Valenti be appointed as chair of the IREC Committee.   |
| <b>7. Consideration of Governance Documents</b>   | The Board will be asked to approve changes to the Directors Code of Conduct   |
| <b>8. Waterfront Toronto Priority Projects</b>  | The Chief Project Officer of the Corporation will provide a brief update on the priority projects of the Corporation.   |
| <b>9. Port Lands Flood Protection and Enabling Infrastructure -Semi Annual Cost Estimate Update</b> | The Chief Project Officer will present information relating to the PLFP Semi Annual Construction Cost Forecast and Risk Update and Quantification.  |
| <b>10 (a) WELRT 60% Design</b>  | The board will be asked to <b>approve</b> a capital expenditure relating to the 60% design of the Waterfront East LRT.  |
| <b>10 (b) Bayside Phase 2 including Water's Edge Promenade</b>                                      | The board will be asked to <b>approve</b> a capital expenditure relating to the Bayside Phase 2, including Waters Edge Promenade.   |
| <b>10 (c) Quayside Infrastructure and Public Realm 100% Design</b>                                  | The board will be asked to <b>approve</b> a capital expenditure relating to the Quayside Infrastructure and Public Realm 100% Design.   |
| <b>10 (d) Broadview Eastern Flood Protection Design</b>   | The board will be asked to <b>approve</b> a capital expenditure relating to Broadview Eastern Flood Protection Design.  |
| <b>12 (b) HRGSR Chair Report-Closed Session</b>   | The Chair of the HRGSR Committee will present a report on matters arising at the Closed Session of the committee meeting held on November 9, 2023.  |

**Board of Directors – December 7, 2023**  
**Item 5a - Meeting Materials - Highlights of Key Messages**

|  |  |
|--|--|
| <b>12 (c) IREC Chair Report-Closed Session</b>         | The Chair of the IREC Committee will present a report on matters arising from the Closed Session of the committee meeting held on November 16, 2023.   |
| <b>12 (d) FARM Chair Report-Closed Session</b>         | The Chair of the FARM Committee will present a report on matters arising from the Closed Session of the committee meeting held on November 23, 2023. The Committee received results of the recent internal audit on cybersecurity, updates on the Corporation's Fundraising Strategy as well as Business Case to governments for Next Phase Waterfront Revitalization, and considered the Corporation's draft Annual Business Plan 2024/25 for approval recommendation to the Board. |
| <b>13. Annual Business Plan 2024/25</b>                | The board will be asked to consider, <b>for approval</b> , the 2024/25 Annual Business Plan of the Corporation.  |
| <b>14. Villiers Island Update</b>                      | The Chief Operating Officer will provide an update on planning for Villiers Island.  |
| <b>15. Business Case and Tri-Government Engagement</b> | The Chief Operating Officer will update directors on our business case and tri government engagement relating to the next phase of waterfront revitalization.  |

**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  
Thursday, October 12, 2023 at 8:30 a.m. local time**

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

**REGRETS:** Deputy Mayor Ausma Malik

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

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

- Anamika Srivastava, Jasmine Haghighi, Iswariya Tirunagaru, Infrastructure Canada
- Cory MacDonald, Bill Raymond, Ezaz Uddin, Katrina Severn, Ontario Ministry of Infrastructure
- Jay Paleja, Waterfront Secretariat, City of Toronto
- Tom Davidson, Office of Deputy Mayor 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 8:30 a.m. and declared that the meeting was duly constituted for the transaction of business.

**1. Land Acknowledgement**

Jack Winberg acknowledged Indigenous Peoples' presence and connections to lands under revitalization by Waterfront Toronto.

**2. Motion to Approve Meeting Agenda**

**ON MOTION** duly made by Andrew MacLeod, seconded by Alysha Valenti and carried, it was **RESOLVED** that the Agenda for the October 12, 2023 meeting be approved, as presented.

**3. Declaration of Conflicts of Interest**

There were no conflicts of interest declared.

**4. Chair's Opening Remarks**

Jack Winberg welcomed and thanked everyone for joining the meeting, especially the government partners for their participation and their ongoing support of Waterfront Toronto. Mr. Winberg acknowledged that this was his first meeting as board chair and thanked his fellow directors and others who have placed their confidence in him as he embarks on this new role. Mr. Winberg also highlighted that on Thursday, October 5<sup>th</sup> he had the honour of joining Mayor Olivia Chow, Deputy Mayor Ausma Malik, Darrel Fox and others at the opening of the Legacy Art Project, a park that is a beautiful and enduring tribute to Terry Fox.

**5. Consent Agenda**

- a) The **Highlights of Key Messages** were taken as read.
- b) **Draft Minutes of the Open Session June 12, 2023 Meeting.**

**ON MOTION** duly made by Kevin Sullivan, seconded by Leslie Woo and carried, it was **RESOLVED** that the Minutes of the June 12, 2023, 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 Government Engagement as it relates to the Next Phase of Waterfront Revitalization as well as our major projects including Port Lands Flood Protection; In addition, the report elaborated on the success of our many public engagement efforts this summer through a series of pop-ups as well as our Office Relocation. A dashboard attached to the CEO Report illustrated the status of

corporate, administrative and project matters and compares it to the preceding quarter.

d)e)f) The Human Resources, Governance & Stakeholder Relations (HRGSR) Committee, the Finance, Audit & Risk Management (FARM) and the Investment and Real Estate (IREC) Committee Chairs Open Session Reports were provided for information, and primarily taken as read. Brief highlights of each meeting were shared by the respective committee chair.

g) The ESG material was taken as read and there were no questions raised by the Board.

h) A proposed Board and Committee Meeting Schedule for 2024 was presented to the Board. Directors were asked to review and advise of any conflicts.

## **6. Consideration of Governance Documents**

The Board was asked to consider, for approval, changes to By Law # 1 and the mandate of the HRGSR Committee to reflect the fact that the Corporation has recently hired a Chief Operating Officer. The changes were recommended for approval by the HRGSR Committee.

**ON Motion** duly made by Laurie Payne, seconded by Andrew MacLeod, and carried, it was **RESOLVED** that the amendments to By Law # 1 and the Mandate of the HRGSR Committee in the form presented is hereby approved.

## **7. Delegations of Authority**

The Board was asked to consider, for approval, proposed changes to the Delegations of Authority to reflect the addition of a Chief Operating Officer, to incorporate recent internal audit recommendations as well as to align with recent changes to the procurement policy of the Corporation. The changes were recommended for approval by the FARM Committee.

**ON MOTION** duly made by Alysha Valenti, seconded by Leslie Woo, and carried it was **RESOLVED** that the Board of Directors approves the updated Delegations of Authority.

## **8. Waterfront Toronto Priority Projects- Construction Update**

David Kusturin, Chief Project Officer provided a visual progress report for the PLFP project.

## **9. Q2/2023 PLFP Interim Construction Cost Forecast and Risk Update and Quantification**

David Kusturin, Chief Project Officer provided an update on the PLFP project.

The Q2/2023 results indicate a 95% (up from 94% in May 2023) probability of completion within the revised budget of \$1.354 billion (increase of \$169 million from original \$1.185 billion budget).

The forecast unallocated contingency available to the end of the project is \$35.6 million (down from \$42 million reported in May 2023).

The project schedule remains on track for substantial completion in December 2024.

**10. Motion to go into Closed Session**

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** made by Andrew MacLeod and seconded by Kevin Sullivan and carried, the Board **RESOLVED** to go into Closed Session to discuss items 11(a), (b), (c) & (d), 12, 13, 14 and 19. The exceptions relied for the discussion of item 11(a) in Closed Session is provided in the minutes of the June 12, 2023 Board meeting contained in item 5(b) of this agenda, for items 11(b), (c) & (d) is Section 6.1.1(l), for item 12 is Section 6.1.1(k), for item 13 is Section 6.1.1(k), for item 14 is Section 6.1.1(k), and for item 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.

**11. Consent Agenda**

- a) **Draft Minutes of the Closed Session June 12, 2023 Meeting**
- b) **HRGSR Committee Chair's Closed Session Report – September 14, 2023 meeting**
- c) **FARM Committee Chair's Closed Session Report – September 21, 2023 meeting**
- d) **IREC Committee Chair's Closed Session Report – September 28, 2023 meeting**

**12. Quayside Public Realm & Infrastructure Project Update & Amendment to Capital Approval for Queens Quay East Extension Lakefill**

**13. Fundraising Strategy Update**

**14. Update on Villiers Island Matters**

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

**ON MOTION** made by Alysha Valenti, seconded by Laurie Payne and carried, the Board **RESOLVED** to go into Open Session.

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

**1) Item 11a) Draft Minutes of the Closed Session June 12, 2023 Meeting**

**ON MOTION** duly made by Leslie Woo 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 June 12, 2023 be approved, as tabled.

**2) Item 12 Amendment to Capital Approval for Queens Quay East Extension Lakefill**

**ON MOTION** duly made by Kevin Sullivan and seconded by Paul Khawaja and carried, it was **RESOLVED** that the Board of Directors do hereby authorize the amendment of the resolution originally passed on June 12, 2023, to the effect that the Capital expenditure of \$34.4M to complete the Queens Quay East Extension Lakefill Design and Construction is hereby approved.

**17. Chair's Closing Remarks**

Mr. Winberg thanked everyone for their participation in the meeting.

**18. Termination of the Meeting**

There being no further business, **ON MOTION** made by Laurie Payne, seconded by Leslie Woo and carried, it was **RESOLVED** that the meeting be terminated at 10:20 a.m. local time.

**19. Directors Only Discussion**

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Board Chair

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Secretary



I am pleased to provide this CEO Report for the upcoming Board meeting on December 7, 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 would like to acknowledge Jeanhy Shim for her service and dedication for more than 6 years as a federally appointed member of the Board of Directors. This will be Jeanhy's last meeting before her term expires this month. Jeanhy, thank you again for your commitment and the valuable input, not only to the Board but also to the Finance, Audit and Risk Management Committee.

I also wanted to congratulate our entire Port Lands Flood Protection team and acknowledge their dedication and leadership in the implementation of one of the most complex infrastructure projects in North America. As part of the 2023 Brownie Awards, revealed on November 24th during an event hosted by the Canadian Brownfields Network, Waterfront Toronto picked up two awards. Winners were selected from projects across Canada that were nominated in eleven categories of recognition. Waterfront Toronto's Chief Project Officer, David Kusturin was selected as "Brownfielder of the Year" and the project's Communications, Marketing and Public Engagement was recognized in the "Reach Out" category and awarded the collective team of Waterfront Toronto, Bespoke Collective, Toronto and Region Conservation Authority as well as agency partners including PortsToronto and CreateTO.

## **Quayside**

Quayside Impact Limited Partnership (QILP) and Waterfront Toronto continue to advance the public engagement and municipal development approvals for the project. Throughout 2023, consultation will inform Waterfront Toronto's infrastructure and public realm design, and support QILP development approvals and master plan. This engagement will ensure the public spaces and activations will accommodate the full range of intended uses and purposes.

## **Port Lands Flood Protection**

Waterfront Toronto is tracking the progress of the Port Lands Flood Protection (PLFP) program and is forecasting substantial completion in December 2024 (with minor park finishes to be completed June 2025).

The PLFP Contribution Agreement Amendment was executed in June 2023, increasing the budget to \$1.35B. Given the approved additional funding, the project is now

forecasting to be completed on budget and staff continue to closely monitor both the schedule and budget.

It is anticipated that both Cherry Street North and Commissioners Street as well their respective bridges will be open to traffic by the end of the year. Given the openings will occur just before the holidays we are not planning a media event, however, we will still issue a joint news release with quotes from our government partners in conjunction with a social media campaign.

Another major milestone coming later this winter will be the inundation of the new river (through the west plug) which will begin to flood the riverbed to its intended natural state. The new mouth of the Don River will be between two to three metres deep depending on the location and the season. We are planning an event in late winter 2024 to celebrate both the new bridges and the flowing of water through the river valley.

The Don Greenway – a wetland that connects the new river to the Ship Channel, was flooded in mid-November and we have captured visuals to raise awareness. The public will be able to see this from the Commissioners Bridge once it opens.

The key accomplishments for this quarter include:

- Prepared Interim Cost and Risk Analysis Update concluding a 95.4% probability of not exceeding the target budget
- Completed concrete works and progressed with mechanical and electrical works for Interim Sanitary Pumping Station
- Completed wet utilities, duct banks, conduits and installed electrical cables for THESL on Commissioners Street
- Progressed road works on Cherry and Commissioners Streets
- Completed approach slabs, sidewalks, and curbs for both Cherry North bridges
- Completed installation of lighting conduits and fixtures on Cherry North vehicular, Cherry South and Commissioners bridges
- Completed waterproofing and paving on the Commissioners bridge
- Progressed paint repairs and touch-ups on Cherry North, Cherry South, and Commissioners Street bridges
- Completed installation of underdrain and barrier layers at west plug
- Completed installation of armor stone and stream bed materials under Commissioner's bridge
- Completed plantings and installation of irrigation system in Canoe Cove
- Progressed earthworks including surcharge, surcharge removal, placement of cap standard fill and fine grading in River Parks North and South as well as Promontory Park South

## Next Phase of Waterfront Revitalization/ Government Engagement

We continue to work collaboratively with all orders of government on the key issues for the next phase of Waterfront Revitalization, namely a mandate extension, continued funding from all orders of government and ongoing roles and responsibilities in Villiers Island/Port Lands. Waterfront Toronto is developing a business case for all orders of government that would define a potential path forward for the next phase of revitalization.

We are also working closely with members of the Board and our government partners to take advantage of early opportunities to advance these issues.

On November 7, 2023 and in partnership with George Brown College, Waterfront Toronto hosted Toronto Mayor Olivia Chow and Deputy Mayor and Waterfront Director Ausma Malik for a boat tour of the fast-growing East Bayfront and eastern waterfront communities and in advance of a Toronto City Council vote to advance planning and design funds for the proposed Waterfront East light-rail transit line. The tour showcased and stressed the importance of building transit to connect new and existing education, commercial and residential developments, in the eastern waterfront as growth continues with tens of thousands of new residents and jobs expected in the area. Mayor Chow expressed the importance and her support for the Waterfront East LRT project indicating that “Public transit builds communities”. The City Staff Report seeking funds to bring the project to 60% design was approved by City Council on November 9, 2023.

Minister Surma and Deputy Minister Carlene Alexander are scheduled for a tour of the Port Lands Flood Protection project on December 1<sup>st</sup>. The tour is an opportunity to showcase how Waterfront Toronto’s innovative tri-government delivery model is clearly a success and delivering on all orders of government’s priorities including housing, economic development, jobs and future-ready infrastructure as well as iconic parks and public spaces.

Staff at both Waterfront Toronto and the Ministry of Housing, Infrastructure and Communities are also working closely to organize a briefing and tour of the PLFP project as well as the wider waterfront for Minister Fraser.

As announced on November 27, 2023 the Province of Ontario and the City of Toronto City have reached terms for a New Deal to achieve long-term financial stability and sustainability for the City. The term sheet specifically identified Waterfront Toronto and the City’s “commitment to work with the Province to advance immediate opportunities for Waterfront Toronto to build all forms of housing on their available property as well as accelerate all existing housing development projects to address the shortage of social, affordable, and market housing in Toronto”. We will continue to monitor details of the “New Deal” and any implications for WT as they emerge over the coming weeks.

## **Villiers Island**

Waterfront Toronto, City and CreateTO staff continue to study potential density increases on Villiers Island to help achieve the City's housing objectives (including more affordable housing) and other public policy objectives. Ongoing studies of massing options show that it is feasible to significantly exceed the target of 30% Gross Floor Area above the 2017 Precinct Plan with the City and Waterfront Toronto proposing to increase density of up to 60% in many residential areas.

This work fits into the larger vision for the eastern waterfront for a mixed-use district that provides significant opportunities to help address the current housing crisis by adding residential market and affordable units as well as new non-residential uses, arts and culture, and new park space, while preserving important industrial uses that support the downtown. The Eastern Waterfront is expected to be home to over 100,000 new residents and is an opportunity to continue delivering on the promise of long-term economic growth and increase Toronto's value as a destination draw for the people of Toronto, the region and country.

A companion Due Diligence exercise is being done to ensure sufficient capacity in several areas including transit, infrastructure, and community facilities. Public engagement on these massing options commenced in June 2023. Stakeholder and Indigenous engagement are also being undertaken. These inputs will be considered along with further technical analysis to confirm a preferred approach to updating the 2017 Precinct Plan.

WT, the City of Toronto and CreateTO are also working together to assess potential scenarios for an initial phase of revitalization on Villiers Island, including updating implementation costs and phasing options. In addition, Waterfront Toronto is developing an Early Activation Strategy whose aim is to increase visitation and activation as soon as possible following completion of the PLFP project in 2024.

## **Waterfront Toronto Annual Business Plan 2024/25**

The TWRC Act requires that the Board of Directors approve a business plan annually 90 days in advance of the next fiscal year, and a five year plan every five years. The Corporation typically achieves both objectives through the Rolling Five Year Strategic Plan.

This year, given the ongoing work as it relates to the next phase of waterfront revitalization, the Board will consider the 2024-25 Annual Business Plan for approval today which will be followed by an update to the Rolling Five Year Strategic sometime next fiscal 2024-25. The 2024-25 Annual Business Plan remains consistent with the

strategic priorities already approved by the Board in December 2022 and as part of the Rolling Five Year Strategic Plan (2023/24 - 2027/28).

## **Waterfront East LRT**

The Waterfront East LRT is a planned light rail transit line extending from Union Station to Villiers Island, via Cherry Street and Commissioners Street; along with an extension of the existing 504A King Street streetcar from the current Distillery Loop to Villiers Island. This project will provide improved transit options to the Central Waterfront, Lower Yonge, East Bayfront, Quayside, Keating Precinct, Lower Don Lands, and the Port Lands communities and is an integral part of the future development of new communities on Villiers Island and the eastern waterfront.

When fully built, the Waterfront East LRT is proposed to extend over 3.8 kilometres, and is forecasted to provide over 50,000 daily trips, supporting an estimated 100,000 residents and 50,000 jobs to be located along the route.

The preliminary Design and Engineering phase of the project is complete with a 30% level of design and Class 3 cost estimates for all project components.

A Toronto City Staff Report seeking \$63.6 M to bring the project to 60% design went before City Council on November 9, 2023 and was approved.

Waterfront Toronto, in partnership with the City and TTC will be responsible for advancing the design to 60% for two segments, subject to the completion of a Funding Agreement with the City of Toronto. The budget for this work totals \$32.4 M and is now included in WT's Rolling Five Year Strategic Plan. This work includes:

- Design of surface works on Queens Quay, including roadway, public realm and transitway components.
- Design of the transitway on Cherry Street from Mill Street to Commissioners Street, and on Villiers Island. This segment both completes the Waterfront East LRT line from Union Station to Villiers Island and extends the 504A King Streetcar south to Villiers Island.

## **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 8, 2024. We will be reducing our footprint from the current 22,000 square feet to approximately 17,748 square feet.







**Board of Directors Meeting – December 7, 2023**  
**Item 5c - CEO Report**  
**George Zegarac**

The Waterfront Toronto Office Fit Out Project is currently in the construction phase and on track for substantial performance and occupancy on December 20<sup>th</sup>. WT's 20 Bay Street office will close to most staff as of December 8<sup>th</sup> to facilitate the move with most staff continuing to work remotely until the move is complete. It is anticipated that staff will begin to work out of the new office commencing the week of January 8<sup>th</sup>, 2024.

Sincerely,  
George Zegarac  
President and CEO

Appendix 1 – Corporate Dashboard and Summary of Dashboard Changes

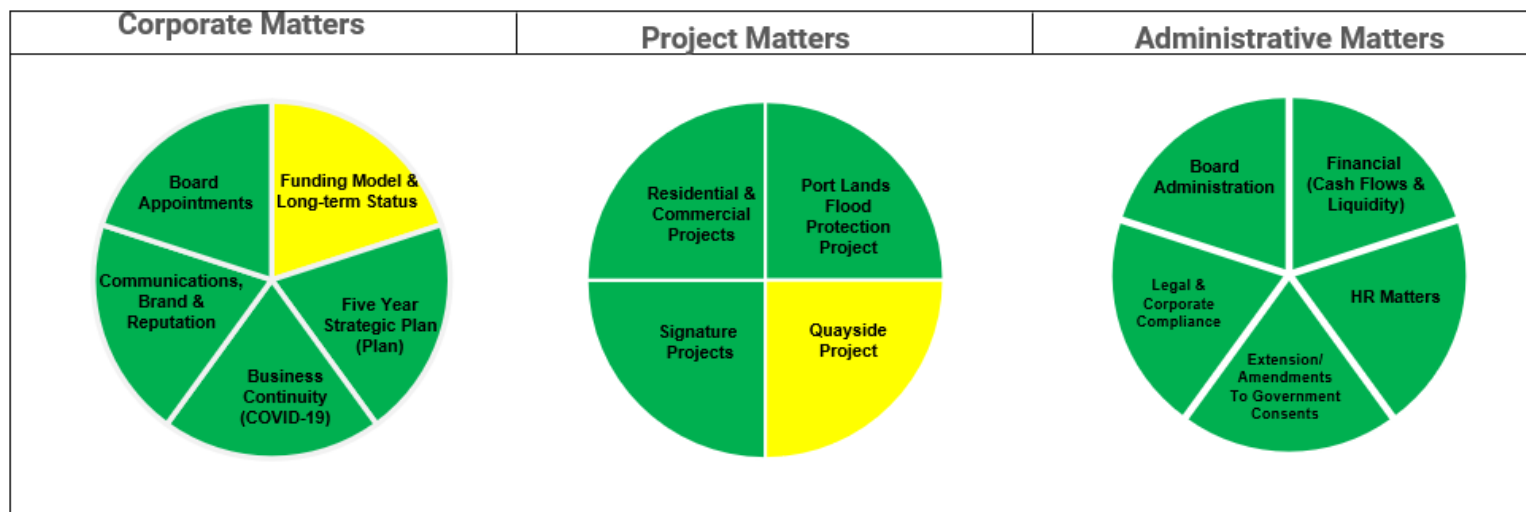
## Dashboard Highlights

| Dashboard Item | Previous<br>12/10/23   | Current<br>11/30/23  | Status  |
|----------------|--|--|---|
| PLFP           |   |   | <p>Waterfront Toronto is tracking the progress of the Port Lands Flood Protection (PLFP) program and is forecasting substantial completion in December 2024 (with minor park finishes to be completed June 2025).</p> <p>Flood Protection is projected to be achieved by December 2024. The PLFP Contribution Agreement Amendment was executed in June 2023, increasing the budget to \$1.27 B. Given the approved additional funding, the project is now forecasting to be completed on budget and staff continue to closely monitor both the schedule and budget.</p> |
| Quayside       |  |  | <p>Quayside Infrastructure and Public Realm - Evidence of budget and funding risk arising from unprecedented escalation. Management is currently working through solutions to resolve and ensure the project proceeds according to plan.</p>  |

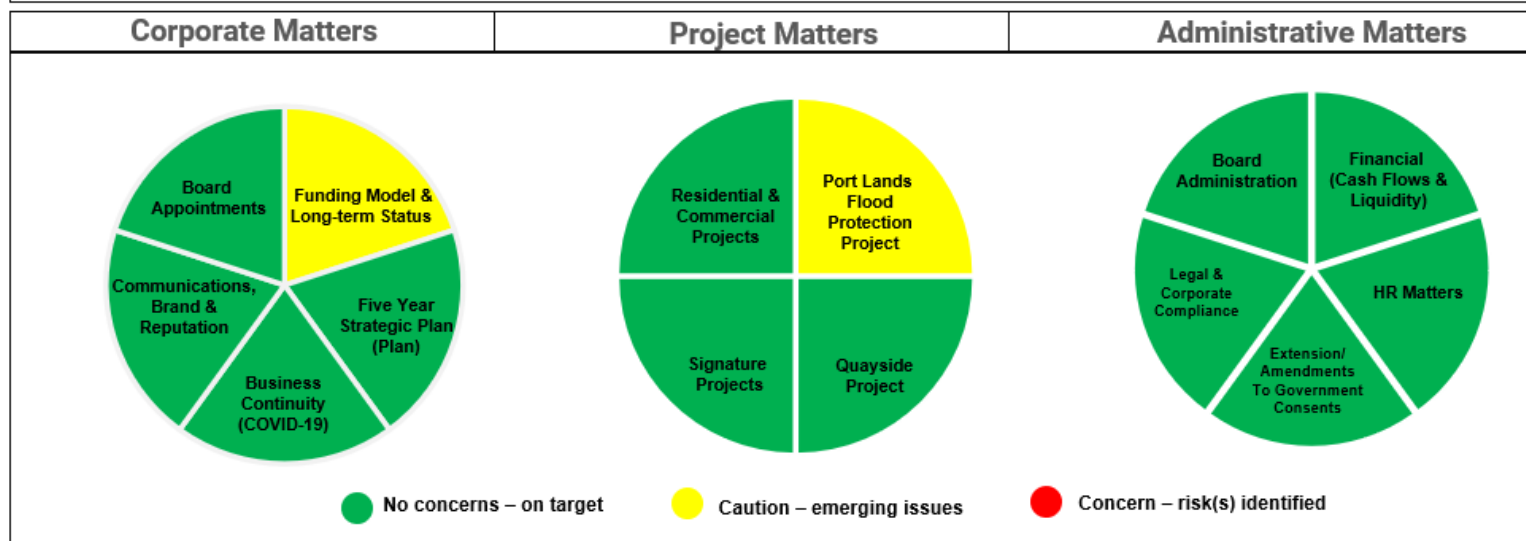


## Corporate Dashboard

**Current**  
**30/11/2023**



**Previous**  
**12/10/2023**





The HRGSR Committee met on November 9, 2023.

I wish to report on the items set out below which were discussed at the November 9, 2023 Committee meeting:

1. Consent Agenda - ESG Update
2. Human Resources Update
3. Stakeholder Relations
4. Consideration of Governance Documents

### 1. **Consent Agenda**

#### Environmental, Social and Governance (ESG) Update

At the meeting, an update on ESG was presented and taken as read.

### 2. **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 was taken as read.

### 3. **Stakeholder Relations Report**

The Committee received a report from Cameron MacKay on stakeholder relations. The report highlighted that relationships with all six of the Corporation's stakeholder categories are healthy and durable, there are effective and efficient channels to regularly engage with stakeholders and that ESG reporting priorities identified by stakeholders in May 2023 continue to resonate and are reflected in media coverage. The Report also noted that a customer relationship system will be rolling out in the next 60 days.

### 4. **Consideration of Governance Documents**

The Committee agreed it was appropriate to seek Board input in advance of the December board meeting on whether any changes to our key governance documents should be considered at this time. External counsel had previously advised that the governance documents continue to reflect best practices and there were no recent developments which would necessitate changes. Counsel had commented that ESG remains an evolving area for board governance, but noted that Waterfront Toronto has taken steps to address that already.

The Investment and Real Estate Committee ("IREC" or the "Committee") met on November 16, 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 November 16, 2023, Committee meeting:

1. Consent Agenda
  - Development Projects Dashboard & Statistics
  - ESG Update
2. Update on Villiers Island Matters
3. Update on Quayside Matters

## 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

An updated ESG report was provided for information to the Committee. The material was taken as read, but staff provided several brief highlights including an ongoing focus on education and awareness of climate action, the organization's first *Equity, Diversity, and Inclusion* Fundamentals training in September, and the launch of an internal audit focused on accessibility, in line with the FARM Committee's internal audit plan.

## 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 virtually on November 23, 2023. Quorum was achieved with all four members attending the meeting via Microsoft Teams.

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

1. Corporate and Project Reporting Dashboards and Reports
2. Port Lands Flood Protection (PLFP) Project Update
3. Capital Approvals (**for approval under items 10 a) – 10 d)**):
  - a. Waterfront East LRT 60% Design
  - b. Bayside Phase 2 (incl. Water's Edge Promenade) construction
  - c. Quayside Infrastructure and Public Realm 100% Design
  - d. Broadview Eastern Flood Protection 100% Design
4. Internal Audit Plan Update
5. Annual Business Plan 2024/25 (reported in closed session, **for approval under Item 13**)
6. Fundraising Strategy Update (reported in closed session)
7. Cyber Security Internal Audit Report (reported in closed session)
8. Business Case and Tri-Government Engagement – Next Phase of Waterfront Revitalization (reported in closed session)

Note that Items 5 – 8 above are reported under Agenda Items 12d), 13, 14 and 16 in Closed Session.

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

- The FARM Committee took most of the consent agenda items as read (namely dashboards related to audit, liquidity, capital project, procurement, regulatory compliance, and environmental social governance, together with the September 30, 2023 interim financial statements), and sought highlights and clarifications from management in certain areas.
- For the enterprise risk dashboard it was noted that one risk area remains assessed as high residual risk this quarter, namely Project Delivery – Non-Port Lands projects (due to the impact of unprecedented escalation on Quayside infrastructure and public realm and Bayside water's edge promenade, for which management is mitigating through phasing and/or revenue reallocation approaches).
- It was noted that two previous high risks had been assessed downwards this quarter: Financial Self-Sustainability (due to progress being made on the Next Phase Waterfront Revitalization business case with governments), and PLFP Project Delivery (due to securing sufficient additional funding to complete the project); and that one risk was assessed upwards this quarter: Recruitment & Retention of Employees (due to slightly increased turnover this year to be mitigated via increased communications to staff regarding WTs next phase waterfront revitalization vision).
- The Corporation's five-year cash flow forecast indicates a strong cash position for at least the next 12 months, with a need to draw down on the line of credit facility starting

in early 2025 to support the Quayside municipal infrastructure and public realm, and Bayside water's edge promenade projects (to be repaid with land sale revenues).

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

### a) PLFP Project Update

- The visual progress report for the PLFP project was taken as read.

### b) Q3 2022/23 Construction Cost Forecast & Risk Update and Quantification

- The Q3 2022/23 Construction Cost Forecast & Risk Update and Quantification for the PLFP project which indicates a 95% probability of completing the project on budget, was taken as read.

### c) Independent Capital Monitor Report

BTY Consulting LLP (BTY) presented their **21st report** as Independent Capital Monitor for the PLFP project and noted that:

- The budget remains at \$1.354 million comprising:
  - a) Port Lands Flood Protection: \$1,272.9M, and
  - b) Parks Finishes: \$81.1M
- The remaining contingency of \$33.3 million (2.52% of the total project budget) is a moderate amount to be closely monitored to ensure it will suffice to offset cost risks to the end of the project.
- A revised schedule baseline was issued by EllisDon in September 2023 indicating substantial completion and project completion dates remain as December 31, 2024 and June 30, 2025, respectively.
- No material scope changes have been made to the project this quarter.
- The risk management process implemented by WT is robust and in line with industry best practices.

There was discussion between the FARM Committee and BTY regarding the sufficiency of the remaining contingency. BTY described the remaining contingency of \$33.3 million at this stage of the project as good/ healthy, particularly given project is almost 100% procured.

## 3. Capital Approvals





The FARM Committee reviewed and is recommending for approval by the Board, the following four capital approvals which are addressed under Items 10 a) to 10 d) of the Board agenda:

- a. Waterfront East LRT 60% Design \$34.2 million (funded 100% by City of Toronto) – Item 10 a)
- b. Bayside Phase 2 (incl. Water's Edge Promenade) \$11.6 million (funded via a combination of City of Toronto funding and WT revenues) – Item 10 b)
- c. Quayside Infrastructure and Public Realm 100% Design \$20.9 million (funded primarily from City of Toronto development charges funding) – Item 10 c)
- d. Broadview Eastern Flood Protection 100% Design \$8.7 million (funded 100% by City of Toronto)

**4. Internal Audit Plan Update**

Veronica Bila, Assurance Partner MNP LLP provided an update on the status of the Corporation's internal audit plan, highlighting that the cybersecurity audit is now complete (reported on under Item 12 (d)), and that the Accessibility audit (to ensure compliance with AODA requirements) is now underway with results to be reported on at the next FARM Committee meeting in February 2024.

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  | Q2 2023/24 Update  | Oversight |
|--|--|-----------|
| <b>Governance</b>  | <b>Regular ESG Updates to Board</b> <ul style="list-style-type: none"> <li>Quarterly “ESG Update” standing agenda item for Board and Committees effective June 2022.</li> <li>WT's first annual Climate Action Plan presented to Board Q4 2022/23</li> </ul>   | Board     |
|  | <b>Internal ESG Awareness</b> <ul style="list-style-type: none"> <li>Conducted an ESG awareness session with senior management team on June 29, 2023, focusing on the role of governance, reporting and industry best practices in ESG.</li> <li>Presented ESG awareness and Climate Action Plan (CAP) session to all-staff Townhall on October 18, 2023, focusing on promoting cross-functional collaboration and internal capacity-building.</li> </ul>  | Board     |
| <b>Environment</b><br>SDGs supported:<br>   | <b>Climate Action Plan (CAP)</b><br>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 (updated in Q2 2023/24), focused on: <ol style="list-style-type: none"> <li>Governance: regular updates to senior management and the Board</li> <li>Strategy: currently focused on low-carbon procurement and construction</li> <li>Risk management: continuing to assess and manage responses to identified climate risks</li> <li>Metrics and targets: exploring a net-zero target and action plan</li> </ol> | Board     |
| <b>Social</b><br>SDGs supported:<br>  | <b>Diversity, Equity &amp; Inclusion (DE&amp;I) Strategy</b> <ul style="list-style-type: none"> <li>Implementation of DE&amp;I Strategy recommendations from MNP remain underway.</li> <li>Adopted a DE&amp;I affirmation statement, WT purpose statement and organizational values in support of a people-first DE&amp;I strategy. Statements were published in the 2022/23 IAR.</li> <li>Following the staff needs assessment surrounding training for DE&amp;I, provided the first DE&amp;I Fundamentals training to all staff on September 13, 2023, with additional training sessions to come.</li> </ul>   | HRGSR     |

|  |   |       |
|--|---|-------|
| <div>10 REDUCED INEQUALITIES</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> | <b>Accessibility Strategy</b> <ul style="list-style-type: none"> <li>Launched inaugural draft Waterfront Accessibility Design Guidelines for public comment. The Guidelines build on the AODA and Toronto Accessibility Design Guidelines to guide public realm design and enhance the accessibility of waterfront areas.</li> <li>Forming a new Waterfront Accessibility Advisory Committee to support implementation of the Guidelines and review future public realm projects early in the design process.</li> <li>Completing an Accessibility internal audit to assess WT's compliance with AODA and IASR (Integrated Accessibility Standards Regulation) requirements this fall.</li> </ul> | Board |
|  | <b>Public Art</b> <ul style="list-style-type: none"> <li>Design development and community engagement underway for Indigenous permanent public artwork at the King/Queen Triangle in the West Don Lands.</li> </ul>  | Board |
|  | <b>Ongoing Engagement with Indigenous Treaty Holders</b> <ul style="list-style-type: none"> <li>Continued engagement with the Mississaugas of the Credit First Nation (MCFN) and Indigenous advisors to inform project plans and delivery approaches, including for Quayside, the Waterfront East LRT Project, the Keating Channel Pedestrian Bridge, and Port Lands Flood Protection.</li> </ul>   | Board |

|  |  |
|--|--|
| <b>Purpose</b>                         | For Approval   |
| <b>Areas of note/<br/>Key issues</b>   | Jack Winberg has been board chair since July 1, 2023. He also serves as IREC Chair. It is appropriate that another committee member be appointed to serve as chair of IREC.  |
| <b>Resolution &amp;<br/>Next Steps</b> | <p>The Chair of the board has the power and authority to recommend directors for appointment to one or more committees. The Chair is now recommending that Alysha Valenti be appointed chair of IREC. The appointment has also been considered, and recommended, by the HRGSR committee.</p> <p><b>ON MOTION</b> duly made by [●] and seconded by [●] and carried, <b>be it RESOLVED</b> that the Board of Directors approve the recommendation that Alysha Valenti be appointed chair of the IREC Committee, effective immediately.</p> |



| Purpose                                     | For Approval   |
|---|--|
| <p><b>Areas of note/<br/>Key issues</b></p> | <p>In 2020 and 2021, the Corporation undertook a review of its key board governance documents to ensure they continue to reflect best practices. The documents were reviewed by internal legal counsel, members of the Senior Management Team and external counsel, Mr. Barry Reiter of Bennett Jones LLP. The documents were then presented to the board of directors and approved at various meetings in December, 2020 and in March and October, 2021.</p> <p>The mandate of the HRGSR committee requires that the key governance documents be considered on an annual basis. The HRGSR Committee reviewed this matter at their November 9, 2023 meeting and asked that directors be consulted to identify any required changes.</p> <p>The documents considered were:</p> <ol style="list-style-type: none"> <li>1. By Law #1 General By Law</li> <li>2. By Law #2 Open meeting By law</li> <li>3. By Law #3 Board remuneration</li> <li>4. Mandate of the Board</li> <li>5. Mandate of the Board Chair</li> <li>6. Mandate of the CEO</li> <li>7. Mandate of the Corporate Secretary</li> <li>8. Wrongdoing Policy</li> <li>9. Mandate of the FARM Committee</li> <li>10. Mandate of the HRGSR Committee</li> <li>11. Mandate of the IREC Committee</li> <li>12. Indemnity Agreement</li> <li>13. Code of Conduct</li> <li>14. Confidentiality Agreement</li> </ol> <p>The only document in respect of which changes were identified is the Code of Conduct. The proposed changes are reflected on the attached document.</p> |
| <p><b>Next Steps/Resolution</b></p>         | <p><b>ON MOTION</b> duly made by [●] and seconded by [●] and carried, <b>be it RESOLVED</b> that the Board of Directors approve the Directors Code of Conduct in the form presented at the meeting.</p>  |

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**CODE OF CONDUCT FOR THE BOARD OF DIRECTORS  
OF  
TORONTO WATERFRONT REVITALIZATION CORPORATION**

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## TORONTO WATERFRONT REVITALIZATION CORPORATION

### Code of Conduct for the Board of Directors

Effective Date: ~~March 25, 2021~~December 7, 2023

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#### 1. INTRODUCTION

##### 1.1 Who we are

The Government of Canada, the Province of Ontario, and the City of Toronto created the Toronto Waterfront Revitalization Corporation (the "**Corporation**") to revitalize Toronto's waterfront. The key drivers of the waterfront revitalization are reconnecting people with the waterfront, design excellence, sustainable development and to create new economic growth, new jobs, fiscal sustainability, diverse and dynamic new commercial, residential and recreational communities, new cultural institutions and new parks and green spaces for the public.

The Corporation is governed by the *Toronto Waterfront Revitalization Corporation Act 2002* (the "**Act**"). The Corporation is a corporation funded by three levels of government. These government bodies have provided seed capital for a 25-year mandate to transform 800 hectares (2,000 acres) of brownfield lands on Toronto's waterfront into beautiful, accessible, sustainable, mixed-use communities and dynamic public spaces. A strong, expert, and engaged Board of Directors, appointed by the three levels of government, oversees the strategic direction of the Corporation.

##### 1.2 What is a Code of Conduct?

This Code of Conduct (this "**Code**") is intended to guide Directors as they perform their role as Directors.

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

This Code is based on the principles, values, and ethical standards to which the Corporation and Directors are held.

##### 1.3 Application of this Code

This Code applies to every Director at all times. Each Director is responsible for behaving in accordance with this Code, even when the Director is not performing official duties for the Board of Directors. Each Director must comply with this Code whether in a boardroom at the Corporation, at work, at leisure, through use of Social Media or at their personal residences. This responsibility begins when the Director is appointed to the Board of Directors and, in the cases described in

Sections 2.2, 2.3, 3, 4 and 5, continues even after the Director retires from the Board of Directors or otherwise ceases to be a Director.

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

## **1.4 Definitions**

Certain capitalized terms are defined in Section 8.

## **1.5 Guiding Principles**

The public mandate of the Corporation requires accountability to the public, the preservation of trust and confidence of the public, and that the Corporation acts with efficiency, accountability, economy, fairness, impartiality, and integrity.

In addition to the standards established by this Code, each Director must fulfill the standards of conduct, if any, established by the level of government that appointed the Director to the Board of Directors. This Code supplements, and does not conflict with, the applicable level of government standards of conduct and any terms of appointment.

**The specific rules set out in this Code are illustrative and not exhaustive. Directors must strive to comply with the spirit as well as the letter of this Code and must exercise judgement in applying the principles embodied in this Code to any particular situation. If a Director is unsure of how to comply with this policy, the Director should seek guidance from the Chair of the Board or the General Counsel of the Corporation.**

## **1.6 Ethical Decision Making**

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

- (a) Is the decision or conduct legal? Is it ethical?
- (b) Is the decision or conduct in line with the Corporation's public mandate, objectives, and policies?
- (c) Is the decision or conduct consistent with the goal of the Corporation to be open, inclusive and accepting, and free from any forms of discrimination, aggression, or other inappropriate or harmful conduct?
- (d) Is there a Conflict of Interest that should be disclosed? If a Director is uncertain whether a Conflict of Interest exists, the Director should report it pursuant to Section 2.9 below.

## **1.7 Honesty and Integrity**

The fundamental relationship between the Directors and the Corporation must be one of trust. The Corporation expects Directors to observe the highest business and ethical standards, including honesty and integrity, freedom from discrimination, harassment, or other harmful

conduct and refraining from engaging in conduct which embarrasses the Corporation or makes the Corporation subject to ridicule.

### **1.8 Duty to Act in the Best Interests of the Corporation and Duty to Disclose Important Information**

Directors must always make decisions honestly and in good faith, act in the best interests of the Corporation and in accordance with their fiduciary obligations, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. This duty requires that Directors prioritize the interests of the Corporation over the interests of themselves and all other persons and other organizations, including the level of government that appointed the Director to the Board of Directors. Directors' obligations to the Corporation include a duty to disclose information that comes to their knowledge that could reasonably be considered to impact the important interests of the Corporation. The application of these obligations to the facts is often complicated. Directors should feel free to seek guidance, in confidence, from the Chair of the Board or the General Counsel of the Corporation.

### **1.9 Compliance with Policies of the Corporation**

Directors must comply with the policies of the Corporation that apply to them and of which they have been made aware. The Corporation or the Board of Directors may create new policies and update existing policies that are applicable to the Directors. Up to date copies of applicable policies will be provided to the Board of Directors.

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

### **1.10 Follow the Law**

Directors must always follow the law, including federal, provincial, and municipal law. Directors must not instruct or encourage others to commit an illegal or improper act, especially if the act involves the Corporation in any way. Directors have a responsibility to familiarize themselves with legislation and regulations that apply to their directorship. Directors should seek legal advice where appropriate.

## **2. CONFLICTS OF INTEREST**

### **2.1 What is a Conflict of Interest?**

A Conflict of Interest is a situation where any interest or desire of a Director may compete or appear to compete with the best interests of the Corporation. It is any situation that could appear to improperly influence the decision making of a Director. A conflict situation can arise where a Director or, a Director's Family Member or others ~~or Business Associate~~ (a) has a personal interest that might interfere or appear to interfere with the Corporation's interests or the Director's duty to the Corporation (b) chooses or may appear to have chosen a personal interest over the interests of the Corporation, or (c) takes actions or has interests that may make it difficult or appear to make it difficult to perform her or her work objectively and effectively.

Appearances matter in the context of Conflicts of Interest. The appearance or perception of a Conflict of Interest is a Conflict of Interest situation, even if the Director does not believe that a

real Conflict of Interest exists. If a Director is unsure whether a situation may present a Conflict of Interest, the Director should consult the Ethics Official.

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

There are many types of interests of Directors that may create Conflict of Interest situations, including business interests, personal relationships, and others. But all Conflicts of Interest have the potential to undermine the performance by the Director of their duty to make decisions and act in the best interests of the Corporation, and to embarrass and undermine the Corporation.

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

## **2.2 Procurement**

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

In addition, the Corporation maintains a standalone Procurement Policy in respect of procurement. Directors should read and understand this policy, which is available on the Procurement section of the Corporation website. In particular, Directors should not have unauthorized contact with any proponent seeking to work with the Corporation in respect of that work or be subject to any lobbying efforts in respect of it.

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

- (a) the Director reports the Conflict of Interest to the Ethics Official pursuant to Section 2.9;
- (b) the supplier reports the Conflict of Interest to the Procurement Manager pursuant to the Procurement Policy;
- (c) the Director absents themselves from discussions about and voting on behalf of the Corporation on matter(s) related to the Conflict of Interest; and
- (d) the Director and Supplier comply with all requirements and conditions as instructed by the Ethics Official pursuant to Section 2.11 and/or the Procurement Policy, as applicable.

## 2.3 Personal Financial Transactions

Directors must protect the confidentiality of Confidential Information and must not take advantage of the fact that they have, or have access to, Confidential Information. For example, Directors must not use Confidential Information to achieve a financial advantage for themselves personally, a Family Member, ~~a Business Associate~~, or any other person. Directors may only use Confidential Information in the best interests of the Corporation.

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

## 2.4 Gifts

The receipt, directly or indirectly, of Gifts by Directors or, Family Members, ~~or Business Associates~~ from other parties has risks including the following. It could breach the policy of the Corporation that all suppliers of goods or services are to have access to the Corporation on equal terms. It could generate a Conflict of Interest situation. To protect against these and other potential risks, Directors:

- (a) must not solicit Gifts in connection with their position as Directors or their association with the Corporation;
- (b) must not accept or receive Gifts as a condition of or inducement to the Corporation doing business with any person, organization, or business;
- (c) must not accept or receive Gifts as an inducement for performing an act associated with the position of Director or in exchange for preferential treatment;
- (d) may accept a Gift, hospitality or entertainment in connection with the official duties of Directors *ONLY* if the Gift, hospitality, or entertainment satisfies all of the following conditions. The Gift, hospitality, or entertainment must:
  - (i) be within the bounds of propriety, normal expression of courtesy, or the normal standards of hospitality;
  - (ii) have a value not exceeding C\$100;
  - (iii) not bring suspicion on the objectivity and impartiality of the Directors;
  - (iv) not compromise the integrity or reputation of the Corporation, or the Directors;
  - (v) not generate a Conflict of Interest situation; and
  - (vi) not be associated with preferential access of any person, business, or organization to the Corporation.

If a Director or, Family Member, ~~or Business Associate~~ receives a Gift that would cause the Director to be in breach of any of the above, the Gift must be returned to the donor.

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

## **2.5 Employment of Family Members ~~and Business Associates~~**

The employment of a Director's Family Members ~~or Business Associates~~ by the Corporation has risks including the following. It could be perceived as favoritism in hiring or suggest that job applicants do not have equal access to opportunities at the Corporation. It could generate a Conflict of Interest situation. To protect against this and other potential risks, Directors:

- (a) must not participate in the selection process where a Family Member ~~or Business Associate~~ is an applicant;
- (b) must not request that a Family Member ~~or Business Associate~~ be hired or retained;
- (c) must not request that a current or potential supplier of goods or services to the Corporation hire or retain a Family Member ~~or Business Associate~~, make the business of the Corporation with the supplier conditional on the hiring or retainer, or use the business of the Corporation to induce the supplier to hire or retain a Family Member ~~or Business Associate~~.

The Corporation will not hire or retain (including as interns or co-op students; whether paid or unpaid) a Family Member ~~or Business Associate~~ of a Director, unless the potential hiring or retainer is reported to and approved by the Ethics Official, and carried out in accordance with all instructions of the Ethics Official, pursuant to Section 2.11.

## **2.6 No Misuse of Status as Director**

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

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

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

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



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

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

## **2.8 Use of the Corporation's Assets**

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

## **2.9 Reporting of Conflicts of Interest**

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

Directors must declare and report all Conflicts of Interest:

- (a) *When they become Directors* – Each Director must immediately report all Conflicts of Interest to the Ethics Official prior to or at the beginning of their term as Director by signing and delivering a Declaration to the Ethics Official. See Section 7.5 for more on Declarations;
- (b) *At the beginning of every calendar year* – Each Director must report all Conflicts of Interest to the Ethics Official at the beginning of every calendar year by signing and delivering a Declaration to the Ethics Official, whether or not the Conflicts of Interest have been reported previously. See Section 7.5 for more on Declarations;
- (c) *At the beginning of every Meeting* – Each Director must immediately report all Conflicts of Interest arising out of the agenda of a Meeting to the Board of Directors or Committee members at the beginning of every Meeting as applicable (see Section 2.11 for more on reporting Conflicts of Interest at the beginning of Meetings); and
- (d) *When a change in circumstances may raise a Conflict of Interest* – Each Director must immediately report to the Ethics Official any change in circumstances that may raise a Conflict of Interest as soon as the change occurs.

## **2.10 Meeting Procedures**

Each Director or Committee member must report all of their Conflicts of Interest arising out of a Meeting agenda as soon as the Conflict of Interest is apparent, and in any case at the beginning of every Meeting to the Board of Directors or the Committee, as applicable.

After reporting the Conflict of Interest to the Board of Directors or Committee, as applicable, unless the Ethics Official has granted a Waiver in respect of the Conflict of Interest and subject to any

conditions the Ethics Official has imposed, the Director or Committee member involved with the Conflict of Interest must:

- (a) absent themselves from discussions at the Meeting about, and voting on, any matter relating to their Conflict of Interest, but may participate in the rest of the Meeting and vote on matters that are unrelated to the Conflict of Interest; and
- (b) not be counted for the purposes of determining a quorum for that portion of a Meeting involving deliberations and resolutions on the subject matter of the Conflict of Interest.

However, if the subject matter of the Conflict of Interest is the indemnity of the Director, the insurance available to the Director or the remuneration of the Director, the Director may participate fully in the deliberation and voting, and will be counted for purposes of determining quorum. These are specific exceptions to Conflict of Interest rules that are made in the legislation governing the Corporation and in its best interests.

## **2.11 Resolution of Conflicts of Interest**

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

- (a) determining that there is no actual Conflict of Interest in accordance Section 7.4;
- (b) instructing Directors involved with the Conflict of Interest to absent themselves from discussions about, and voting on behalf of the Corporation on, the matter relating to the Conflict of Interest;
- (c) permitting the Director involved with the Conflict of Interest to participate in the situation subject to restrictions or conditions that the Ethics Official considers appropriate in the circumstances;
- (d) Waiving the Conflict of Interest if appropriate and in accordance with Section 7.4; and/or
- (e) taking any action that the Ethics Official determines will promote the public mandate and best interests of the Corporation.

If a Conflict of Interest relates to procurement of the Corporation, also refer to Section 2.2 above.

## **2.12 Conflicts Register**

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

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

### **3. CONFIDENTIAL INFORMATION**

Directors must use Confidential Information solely for the purpose of performing their duties as Directors of the Corporation and in accordance with, and subject to, the terms and conditions of any confidentiality agreement between the Corporation and the Director.

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

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

### **4. INTELLECTUAL PROPERTY**

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

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

### **5. PUBLIC STATEMENTS, THE MEDIA & RECORD KEEPING**

#### **5.1 Who Speaks for the Corporation**

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

#### **5.2 Who Speaks for the Board of Directors**

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

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

#### **5.3 The Media**

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

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

#### **5.4 Social Media**

Directors must not communicate about or discuss the Board of Directors or the Corporation on Social Media, unless the Chair of the Board has authorized the Directors to do so.

## **5.5 Requests for Disclosure**

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

## **5.6 Minutes of Meetings and Record Keeping**

Directors and Committee members may take notes during Meetings and may retain the notes pending the approval of the official minutes of the Meeting taken by the Secretary of the Meeting, at which time Directors must destroy their notes and all copies made.

Directors must not create or help others to create any false or misleading record of any Meeting or of any other matter relating to the Corporation.

## **6. ACTIVITIES EXTERNAL TO WATERFRONT TORONTO & POLITICS**

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

Except at the request of, or with the authorization of, the Corporation, Directors must not participate in external activities on behalf of the Corporation, as representatives of the Corporation, or as Directors. When Directors participate in the communities and undertake speaking engagements and other activities, they must take steps to clarify that they are doing so in their personal capacity and that their participation does not involve, nor is on behalf of, the Corporation.

## **7. ADMINISTRATION**

### **7.1 Where to go for help**

Directors are encouraged to seek guidance from the Ethics Official if they are unsure whether their conduct breaches this Code.

### **7.2 Breach of this Code**

Compliance with this Code is a key requirement of being a Director. A Director is in breach of this Code when the conduct of the Director fails to comply with any aspect of this Code. A Director is also in breach of this Code if the Director otherwise acts dishonestly or unethically or engages in discrimination or harassment or other conduct that embarrasses the Corporation or makes it subject to ridicule even if the action taken is not specifically addressed in this Code.

A breach of this Code could result in a Director being disciplined, dismissed from the Board of Directors, subject to legal action, and/or receiving negative publicity. The Corporation may, in some instances, be obligated to report a breach of this Code to regulators or law-enforcement authorities.

### 7.3 Duty to Report Breaches of this Code

Each Director must report all breaches of this Code to the Ethics Official, including all breaches by the Director or by other Directors.

### 7.4 Relief or Waiver

This Code is not intended to be applied mechanically. There may be limited cases where conduct breaches this Code but a Waiver of the duty to comply with this Code is appropriate to promote the best interests of the Corporation. An example is when a Director has a Conflict of Interest due to the Director owning a minor and passive interest in a supplier of the Corporation, and no other supplier can serve the interests of the Corporation as well as that one.

The Ethics Official is responsible for determining whether a potential breach of the Code (a “Potential Breach”) should be Waived and, if so, any conditions that the parties involved and/or others must fulfill.

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

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

- (a) how to promote the best interests of the Corporation;
- (b) how to fulfill the public mandate of the Corporation;
- (c) how to ensure that the Corporation is accountable to the public;
- (d) how to comply with the law and act ethically;
- (e) fairness, both in fact and appearance;
- (f) risk to the reputation of the Corporation;
- (g) the skills, experience, materials, and expertise of the parties involved ;
- (h) the proximity between the Director or, Family Member ~~or Business Associate~~ and the circumstances that give rise to the Potential Breach;
- (i) whether the involvement of the Director or, Family Member ~~or Business Associate~~ with the circumstances that raise the Potential Breach is active or passive;
- (j) the likelihood that the Potential Breach may result in the existence or exercise of improper influence;
- (k) the monetary or other value associated with the Potential Breach;
- (l) whether procedural mechanisms may resolve the Potential Breach ; and

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

There may also be cases where a Director discloses what looks to them to be a Potential Breach, but which the Ethics Official determines to not actually be a breach. In these cases, there is no breach to Waive, and no further action will be required.

## 7.5 Declaration of Compliance with Code

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

Please also refer to Section 2.9 for rules on the ongoing reporting of Conflicts of Interest.

## 8. DEFINITIONS

For the purposes of this Code:

~~(a)~~ — "**Business Associate**" means, in respect of a Director, ~~(i) any business partner of the Director or the Family Member, and/or (ii) any business, organization, or entity that the Director, the Family Member, or a business partner of the Director or the Family Member works for, with, owns, or has an interest in.~~

~~(b)~~(a) "**Board of Directors**" is the board of directors of the Corporation.

~~(c)~~(b) "**Chair of the Board**" is the person who is the chair of the Board of Directors.

~~(d)~~(c) "**Chief Executive Officer**" means the President and Chief Executive Officer of the Corporation, being the senior employee responsible for the management and operation of the Corporation.

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

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

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

~~(h)~~(g) "**Corporation**" means the Toronto Waterfront Revitalization Corporation, and all successors-at-law.

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

~~(i)~~(i) "**Director**" is a member of the Board of Directors.

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

~~(i)~~(k) "**Family Member**" means:

- (i) spouse, any person to whom the person is married or with whom the person is living in a conjugal relationship outside marriage;
- (ii) parent, including step-parent and legal guardian;
- (iii) child, including step-child;
- (iv) sibling and children of siblings;
- (v) parents' sibling (aunts/uncles) and their children (cousins);
- (vi) grandchildren;
- (vii) father/mother-in-law, brother/sister-in-law, son/daughter-in-law; or
- (viii) any person who lives with the person on a permanent basis.

~~(m)~~(l) "**Gift**" means any kind of gift, hospitality, entertainment, benefit, reward, favour, influence, or advantage not available to the general public, including but not limited to cash, preferred pricing, loans, securities, commissions, or incentives.

~~(n)~~(m) "**Governance Committee**" means the Committee of the Board, however named, that is responsible for reviewing the corporate governance of the Corporation and the Board (currently the Human Resources, Governance and Stakeholder Relations Committee).

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

~~(o)~~(o) "**Meeting**" means any regular, special or other meeting of the Board of Directors or of a Committee, where,

- (i) a quorum of members is present; and
- (ii) members discuss or otherwise deal with any matter in a way that materially advances the business or decision-making of the Board of Directors or Committee.

~~(e)~~(p) "**Secretary**" means the Secretary of a meeting of the Board of Directors, a Committee, or of any other meeting.

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

~~(s)~~(r) "**Waiver**" means when the Ethics Official waives conduct or a situation that would otherwise be in breach of this Code, in order to promote the best interests of the Corporation.



## APPENDIX A

### TORONTO WATERFRONT REVITALIZATION CORPORATION

#### DECLARATION

To ensure that Toronto Waterfront Revitalization Corporation (the "**Corporation**") maintains its accountability and integrity, avoids potential embarrassment and reduces any legal exposure resulting from conflict of interest situations arising in its business, we have established a database to record information to allow us to determine if conflicts of interest exist.

In this regard, and after you have read and signed the Corporation's Code of Conduct and Conflict of Interest Procedures (the "**Code**"), you must complete this statement (the "**Disclosure Statement**") by checking off the appropriate items below and supplying any additional information that may be required to:

1. indicate whether you or any members of your immediate family (which for the purposes of this Disclosure Statement means your spouse (including your common law spouse, if any) and your respective (i) parents, their siblings and children, (ii) siblings and their children, (iii) children, and (iv) grandchildren, and/or (v) any person who lives with you on a permanent basis:
  - (a) own or control through either direct or indirect ownership (other than ownership of 5% or less of the shares of an issuing corporation) any interest in a corporation, partnership, or other entity or organization which has interests in any manner whatsoever in the plan to revitalize the Toronto waterfront or on other the Corporation activities; or
  - (b) work, whether as agent, employee, officer, director, partner, consultant, advisor, provider of financial or technical support or assist in any capacity whatsoever, any corporation or other entity which has interests in any manner whatsoever in the plan to revitalize the Toronto waterfront or other Corporation activities; and
2. confirm whether you have directed, coordinated, or otherwise arranged for any contractual or financial commitment involving the Corporation or are involved in any manner whatsoever with plans or potential plans to revitalize the Toronto waterfront or other Corporation activities, whether as a partner, agent or otherwise, to be awarded to any corporation or other entity in which any member of your immediate family have an interest whether as owner, employee, officer, director, partner, consultant or advisor.

If, after this form is completed, a change in circumstances occurs that would result in the information contained in this form being incorrect, you must promptly disclose this change in circumstances to the Chair of the Board of the Corporation, or his or her designee, and provide updated information as soon as possible.

Please complete the following statements (as applicable) and sign where provided below:

A. I have read this Code and agree to comply with its provisions.

B. I was given the opportunity to discuss this Disclosure Statement with the Corporation's legal counsel.

C. With respect to the matters in paragraph 1 above:

\_\_\_\_\_ No, I confirm that neither I, nor any member of my immediate family, has any interest as described paragraph 1;

or

\_\_\_\_\_ Yes, as set forth on Schedule "A" to this Disclosure Statement, I and/or the following member(s) of my immediate family do have an interest as described in paragraph 1.

D. With respect to the matters in paragraph 2 above:

\_\_\_\_\_ No, I confirm that I have not coordinated, directed, otherwise arranged and am not involved in any matters in any of the capacities referred to in paragraph 2;

or

\_\_\_\_\_ Yes, as set forth on Schedule "A" of this Disclosure Statement, I have coordinated, directed otherwise arranged or am involved matters in the capacities referred to in paragraph 2.

- E. With respect to any Conflict of Interest, or potential Conflict of Interest, or other matter not specifically listed on this Disclosure Statement:

\_\_\_\_\_, I am not aware of any other circumstances that would constitute a Conflict of Interest or potential Conflict of Interest or other breach of this Code of Conduct; and/or

\_\_\_\_\_, the details of the Conflict of Interest or potential Conflict of Interest or other breach of this Code of Conduct, are set forth on Schedule "A" of this Disclosure Statement.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

**Board of Directors Meeting – December 7, 2023**  
**Item 8 – Waterfront Toronto Priority Projects**  
**– Construction update**  
**David Kusturin**

|                                      |   |
|--------------------------------------|---|
| <b>Purpose</b>                       | For Information   |
| <b>Areas of note/<br/>Key issues</b> | <p>The attached Slides consists of pictures which illustrate the progress made on the Port Lands Flood Protection (PLFP) project as well as other construction projects undertaken by Waterfront Toronto (WT):</p> <ul style="list-style-type: none"> <li>• Aquabella Childcare Centre – Opened October 19, 2023</li> <li>• T3 Bayside – Exterior</li> <li>• T3 Bayside – Tenant Common Area</li> <li>• West Don Lands Block 10</li> <li>• In-Water Pipes</li> <li>• Limberlost Place</li> <li>• Legacy Art Project – Opened October 5, 2023</li> <li>• Queens Quay East Lakefill</li> <li>• Lake Shore Boulevard East Bridge</li> <li>• PLFP: Project Status</li> <li>• PLFP: River Planting</li> <li>• PLFP: New Cherry Street at Lake Shore Boulevard</li> <li>• PLFP: Cherry Street Landscaping</li> <li>• PLFP: Commissioners Street</li> <li>• PLFP: Don Greenway Flooding</li> <li>• PLFP: Promontory Park Lookout</li> <li>• PLFP: Fibre Encapsulated Soil (FES) Lifts at the West Plug</li> <li>• Canadian Brownfield Network Brownie Awards: Brownfielder of the year David Kusturin; PLFP Reach Out, Communication and Public Engagement</li> <li>• PLFP: November 2023 Drone Footage</li> </ul> |
| <b>Next Steps</b>                    | Management will continue to provide updates on WT Priority Projects at subsequent Board meetings.   |

# Priority Projects: Construction Update



## Aquabella Child Care Centre – Opening Ceremony on October 19, 2023

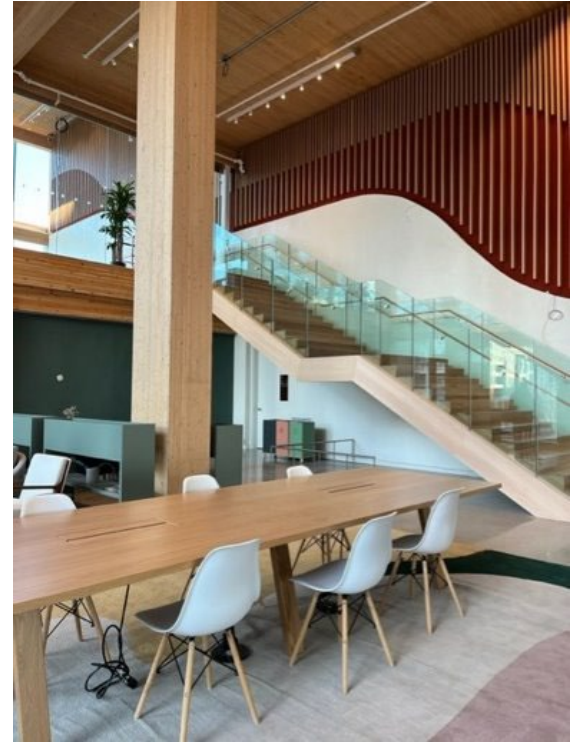




T3 Bayside



## T3 Bayside – Tenant Common Area





## West Don Lands Block 10

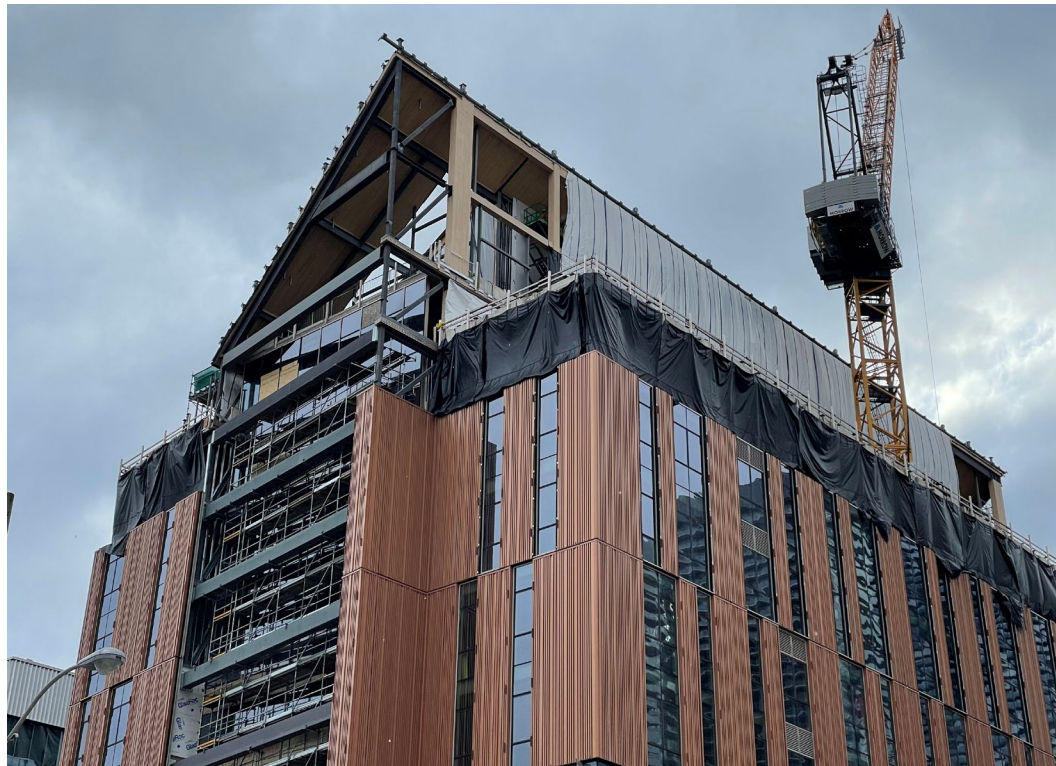




# In-Water Pipes



## Limberlost Place

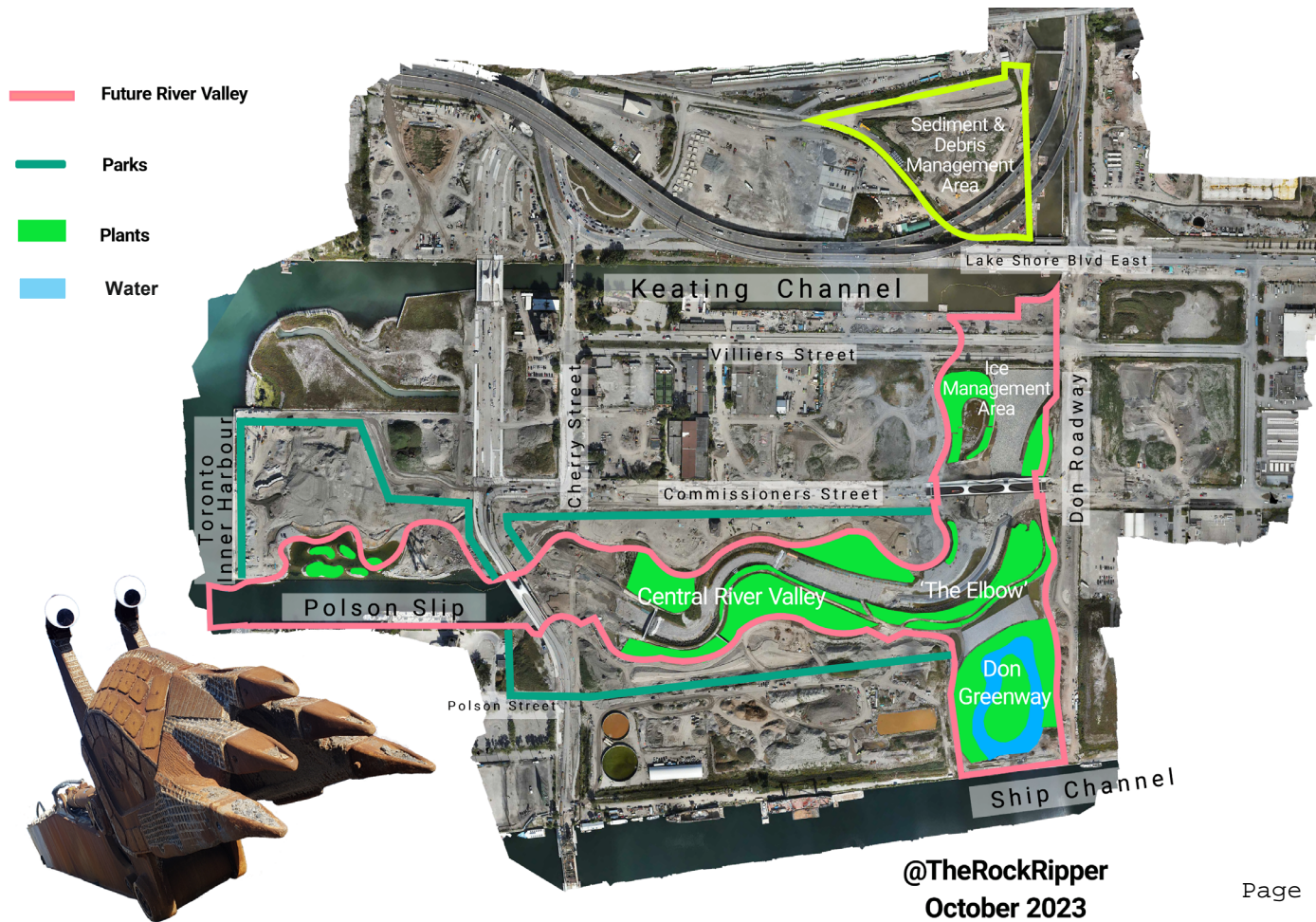




## Lake Shore Boulevard East



# Port Lands Flood Protection





## Port Lands Flood Protection – River Planting

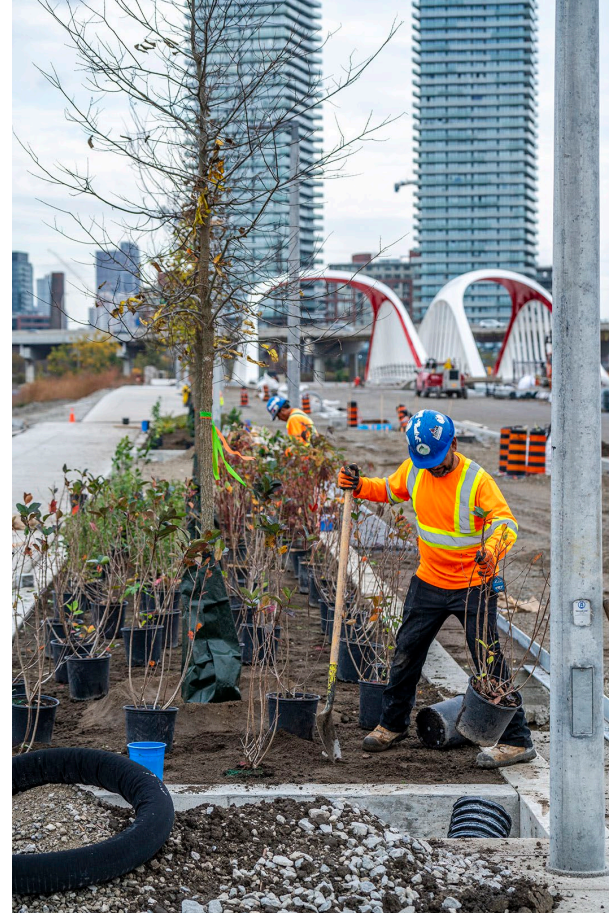
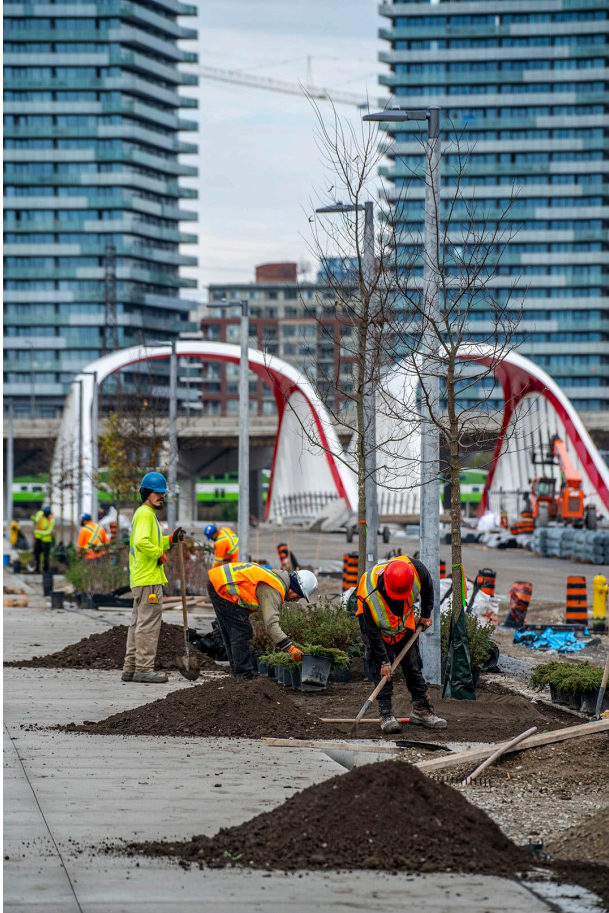


## Lake Shore Boulevard East – New Cherry Street at Lake Shore Boulevard





## Port Lands Flood Protection – Cherry Street Landscaping

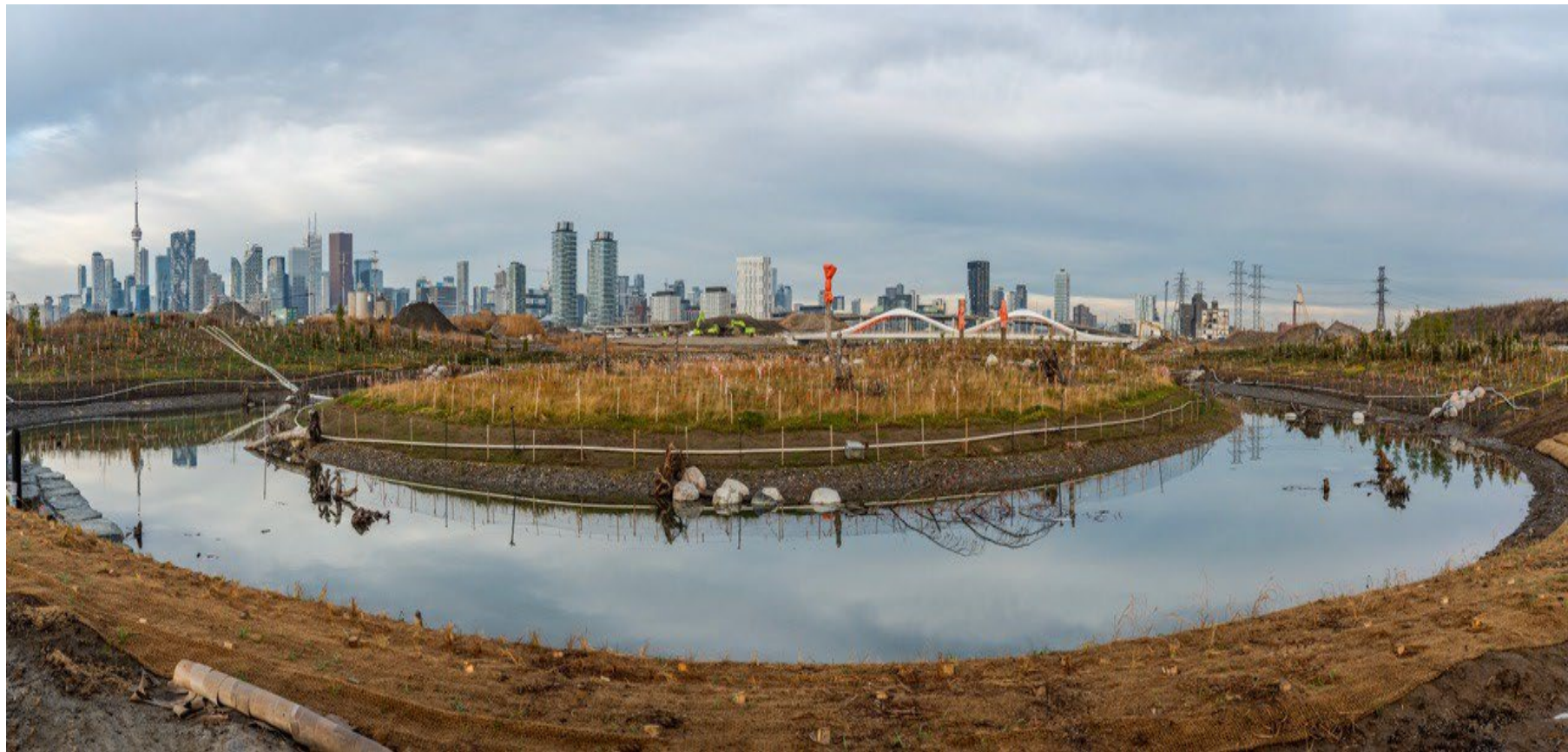




## Port Lands Flood Protection – Commissioners Street

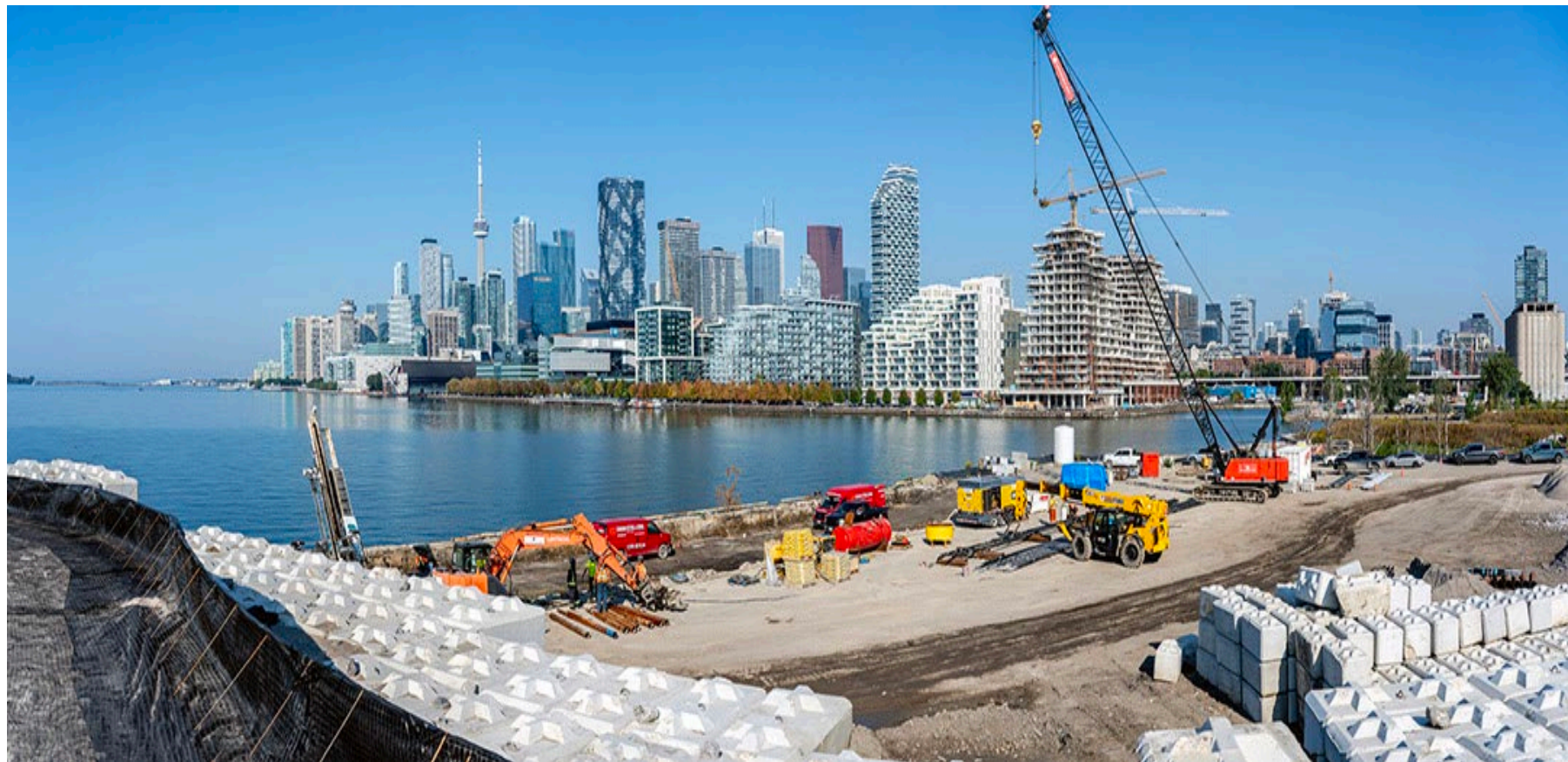


## Port Lands Flood Protection – Don Greenway Flooding





## Port Lands Flood Protection – Promontory Park Lookout





## Port Lands Flood Protection – West Plug FES Lifts



## Canadian Brownfield Network – Brownie Awards







|                                  |   |
|----------------------------------|---|
| <b>Purpose</b>                   | For Information   |
| <b>Areas of note/ Key issues</b> | <p>The Semi-Annual Cost Estimate Update is a key component of the Corporation's project risk management and governance framework. The purpose of this report is to provide a status update on the budget and schedule for the PLFP Project at September 30, 2023.</p> <p>The program schedule was rebaselined with a data date of February 28, 2023. The revised schedule reflects achievement of flood protection and PLFPEI Substantial Completion by December 31, 2024. Limited weather dependent finishes in Promontory Park will continue with completion scheduled for June 30, 2025</p> <p>The budget for the PLFP Project is revised to \$1.354B to meet originally defined scope, broken down as \$1,272.9M for PLFPEI and \$81.1M for Parks Finishes. The overall increase in the Construction Cost Estimate (Hard Costs) is \$10.2 M (0.95%) from the March 2023 (Q4 2022/23) forecast. The forecasted Soft Cost is \$1.3M (0.6%) lower than in March 2023 (Q2 2022/23).</p> <p>There is approximately \$4.1 million decrease in the expected value of project risks since the last update based on the changes to the risk register (realized, retired, and adjusted risks). Based on the quantitative risk analysis there is a 95.4% probability that the PLFP project will not exceeding the target budget (\$1,354 million).</p> <p>The Semi-Annual Construction Cost Forecast, Risk Update and Quantification process allows Waterfront Toronto to complete the design process and regularly reassess construction risk, to ensure that the likelihood of achieving the program budget remains high as risks are realized and retired throughout the life of the project.</p> |
| <b>Resolution/Next Steps</b>     | The next Semi-Annual Cost Estimate Update will be completed at the end of Q4, March 31, 2024  |

# **Port Lands Flood Protection and Enabling Infrastructure Semi Annual Cost Estimate Update September 30, 2023**

**Presentation to the Board of Directors  
December 7, 2023**

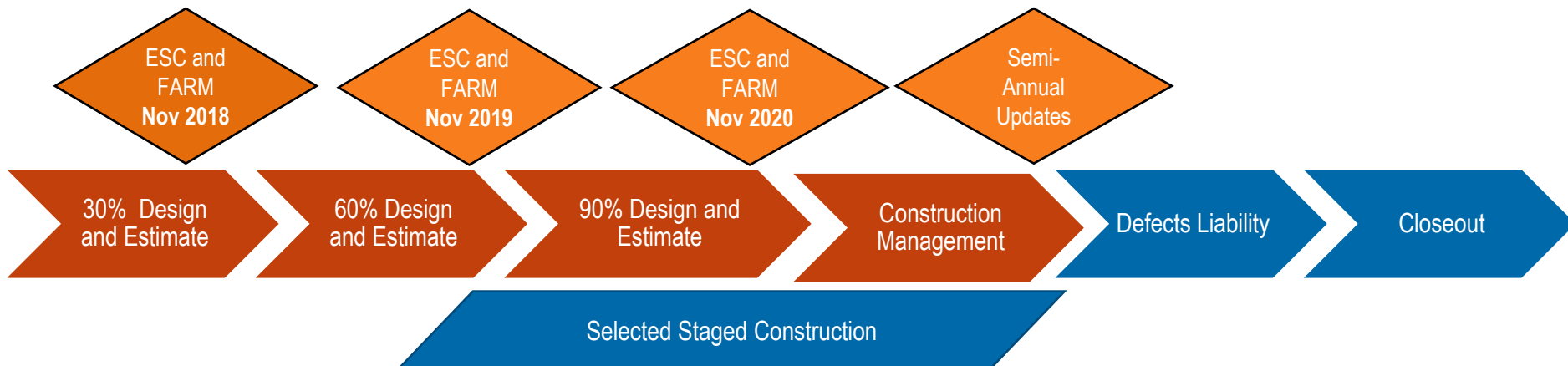


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1. Process
2. Project Status Update
3. Summary of Current Status
4. September 2023 EAC Forecast
5. Construction Cost Estimate Variance
6. Soft Cost Estimate Variance
7. Contingency Drawdown
8. Changes to Risk Register
9. Cost Risk Analysis
10. Top Risks

# 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



# Current Status - Program

## Project Budget

- **Revised program budget is \$1.354B** to meet originally defined scope, broken down as \$1,272.9M for PLFPEI and \$81.1M for Parks Finishes
- Additional funding of **\$169M** (includes \$63M in contingency) was confirmed as follows:
  - Amendment to the existing Delivery Agreement for PLFPEI signed June 1, 2023  
- **\$87.9 M**
  - Funding for Parks Finishes secured through Investing in Canada Infrastructure Program (ICIP), Agreement to be executed end of October 2023 - **\$81.1M**

## Project Schedule

- Project schedule re-baselined, Rev 03, data date of February 28, 2023
- Most recent Schedule Update #68, Key milestones remain as follows:
  - Achievement of flood protection and PLFPEI Substantial Completion is December 31, 2024
  - Limited seasonally dependent work (planting and asphalt paths) to be completed in Promontory Park South in June 30, 2025

# Current Status – Program (Cont'd)

## Project Risks

- Quantitative Risk Analysis completed utilizing updated Estimate at Completion and re-baselined schedule as of August 31, 2023, and September 30, 2023

## Procurement

- Construction hard cost procurement status as of September 30, 2023
  - Awarded: 99.2%
  - In Progress: 0.5 %
  - Not Started: 0.3 %

# Current Status – Earthworks, Marine and Parks



## Design

- Design elements completed for all Earthworks and Marine components
- Advanced wayfinding and signage design for the parks
- Advanced public park Wi-Fi design

## Construction

- Completed installation of underdrain and barrier layers, commenced placement of river finishes at west plug
- Completed placement and compaction of low permeability Flood Protection Landform material on Don Roadway, Villiers to Commissioners
- Progressed installation of river finishes in Central River Valley, Spillway, Elbow and Ice Management Area
- Completed placement of armour stone and stream bed materials below Commissioners bridge
- Completed placement of armour stone revetment along dock wall west of Atlas Crane in Canoe Cove
- Completed plantings and installation of irrigation system in Canoe Cove
- Progressed with placement of revetment in Keating Channel at north plug
- Progressed with earthworks including surcharge, surcharge removal, placement of cap standard fill and fine grading in River Parks North and South as well as Promontory Park South
- Progressed with installation of wet utilities in River Parks North and South
- Completed demolition of Atlas Crane Winch House
- Completed construction of mechanically stabilized earth (MSE) walls for Promontory Park overlook

# Current Status – Bridges

## Design

- Progressed design of Toronto Hydro feeder relocation for Lake Shore Bridge – Issued for Construction (IFC) civil design, electrical IFC to be issued end of October
- Obtained approval and advanced procurement of Quad Guard attenuators for Cherry North vehicular and Commissioners Street bridges

## Construction

- Completed approach slabs, sidewalk and curbs for both Cherry North bridges
- Completed installation of lighting conduits and fixtures on Cherry North vehicular, Cherry South and Commissioners bridges
- Completed paving and waterproofing on Commissioners bridge
- Progressed paint repairs and touch ups on Cherry North, Cherry South and Commissioners bridges
- Completed dredging of west spans of eastbound Lake Shore bridge
- Completed construction of Keating Channel dock wall
- Installed box girders, completed deck, poured sidewalk parapet wall and approach slabs on Lake Shore bridge
- Completed construction of piers and abutment of Lake Shore utility bridge
- Completed road crossings for Enbridge temporary NPS 20 gas main

# Current Status – Roads and Services

## Design

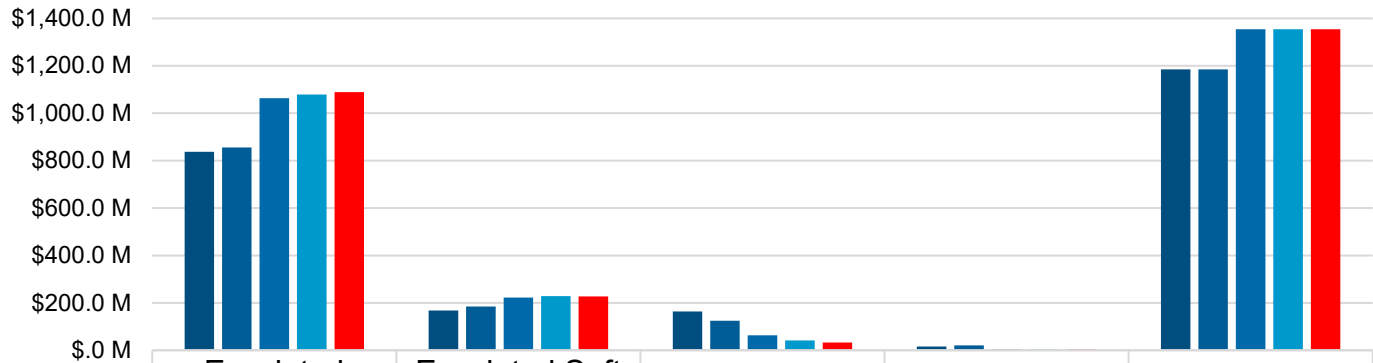
- Finalized and circulated for approval Issue for Construction (IFC) drawing packages for Storm Water Treatment Facility (SWTF) and Interim Sanitary Pumping Station (ISPS)
- Issued IFC drawings for traffic control at all intersections and pedestrian crossings for PLFP
- Finalized and obtained approval for the final design of the Villiers Street closure (east of Munitions Street)
- Issued IFC for the interim opening of Commissioners Street
- Advanced design for the decommissioning of the electrical feeder at Don Roadway and Lake Shore

## Construction

- Completed concrete walls and progressed installation of pumps, piping, valves, and accessories for OGS1
- Completed concrete works and progressed with mechanical and electrical works on the Interim Sanitary Pumping Station (ISPS)
- Completed concrete walls, roof, outfall cofferdam and excavation at the Storm Water Treatment Facility (SWTF)
- Completed construction of wet utilities within the vehicular section of Commissioners Street
- Completed cabling and commissioning of Spillway and future Polson crossing for THESL and telecom utilities
- Completed majority of the duct banks, conduits and installed electrical cables for THESL on Commissioners Street
- Progressed planters, curbs, sidewalks and base asphalt along full length of Commissioners
- Completed construction of ground improvements, Load Transfer Platform (LTP), wet utilities and backfill on Don Roadway, Commissioners to Villiers
- Completed planters, curbs, majority of sidewalk and base asphalt along full length of Cherry Street
- Progressed permanent works at Cherry / Polson intersection to south limit of project

# PLFP – September 30, 2023 - EAC Forecast

**Port Lands Flood Protection  
September 30, 2023 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              | \$855.4 M            | \$184.6 M            | \$124.5 M   | \$20.5 M | \$1,185.0 M |
| ■ September 2022 - Budget | \$1,063.7 M          | \$222.3 M            | \$63.0 M    | \$5.0 M  | \$1,354.0 M |
| ■ March 2023 Forecast     | \$1,078.8 M          | \$228.5 M            | \$41.7 M    | \$5.0 M  | \$1,354.0 M |
| ■ September 2023 Forecast | \$1,089.0 M          | \$227.2 M            | \$32.8 M    | \$5.0 M  | \$1,354.0 M |

- **The Forecast EAC remains \$1.354 B**
- Forecast construction hard cost has increased 25.3M since September 30, 2022 (Q2 2022/23) and \$10.2M from the March 31, 2023 (Q4 2022/23) estimate
- Soft cost estimate is \$4.9M higher than the September 30, 2022 (Q2 2022/23) estimate and \$1.3M lower than the March 31, 2023 (Q4 2022/23) estimate



# Q4 2022/23 Construction Cost Estimate Variance

The overall increase in the Construction Cost Estimate (Hard Costs) is \$10.2 M (0.9%) from the March 2023 (Q4 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 | September 2022 Budget | March 2023 Forecast | September 2023 Forecast | Variance: March 2023 to September 2023 EAC Forecast |              |
|---|-------------------|--------------------------------|-----------------------|---------------------|-------------------------|---|--------------|
|   |                   |                                |                       |                     |                         | \$  | %            |
| Roads and Services                          | \$ 188.0 M        | \$ 136.0 M                     | \$ 235.7 M            | \$ 237.4 M          | \$ 244.4 M              | \$ 7.0 M  | 2.9 %        |
| Earthworks, Marine and Parks                | \$ 604.3 M        | \$ 577.3 M                     | \$ 686.1 M            | \$ 689.4 M          | \$ 684.4 M              | -\$ 5.0 M   | -0.7 %       |
| Bridges                                     | \$ 114.9 M        | \$ 142.1 M                     | \$ 141.8 M            | \$ 152.0 M          | \$ 160.2 M              | \$ 8.2 M  | 5.4 %        |
| <b>Escalated Construction Cost Estimate</b> | <b>\$ 837.2 M</b> | <b>\$ 855.4 M</b>              | <b>\$1,063.7 M</b>    | <b>\$ 1,078.8 M</b> | <b>\$ 1,089.0 M</b>     | <b>\$ 10.2 M</b>                                    | <b>0.9 %</b> |

# September 2023, Construction Cost Estimate Variance - Breakdown

As compared to the March 2023 forecast, construction costs have increased by \$10.2M. A breakdown of the variance is provided as follows:

|   |                    |
|---|--------------------|
| <b>Total Variance September 2022 vs March 2023</b>  | <b>\$10.2 M</b>    |
| <b>General Conditions</b>   | <b>\$ 6.8 M</b>    |
| Construction Manager and Consultant staff costs additional due to schedule extension            | \$ 7.8 M           |
| Increased overhead costs due to schedule extension  | \$ 3.5 M           |
| Deletion of Post Construction Services Allowance now reflected in staffing above                | (-\$ 0.8 M)        |
| Optimization of Trade Packages  | (- \$ 3.7 M)       |
| <b>CM Fees – Negotiated fee reduction</b>   | <b>(-\$ 2.1 M)</b> |
| <b>Insurance – Increase in construction costs and market rates</b>                              | <b>\$ 1.0 M</b>    |
| <b>Bridges</b>  | <b>\$ 6.8 M</b>    |
| Dredging of new bays Lake Shore Bridge (previously carried under SDMA)                          | \$ 8.5 M           |
| Quad Guards for Cherry North and Commissioners Bridges  | \$0.4 M            |
| Lake Shore Bridge, changes to contract  | (-\$ 2.2 M)        |
| <b>Roads</b>  | <b>\$ 6.3 M</b>    |
| Wet Utilities – subgrade and groundwater issues between MH110 and MH112 on Commissioners Street | \$ 2.1 M           |
| Enbridge – direct pay by WT, relocation of Villiers gas main to Villiers Street                 | \$ 1.9 M           |
| Additional costs for installation of dry utilities, THESL etc                                   | \$ 0.6 M           |
| Additional costs for management of roads and utilities spoils                                   | \$ 0.5 M           |
| Additional dewatering costs for installation of THESL assets                                    | \$ 0.5 M           |
| Additional costs for surcharging Enbridge gas line  | \$ 0.4 M           |
| Construction of retaining wall at HONI tower  | \$0.3 M            |

# September 2023, Construction Cost Estimate Variance – Breakdown (Cont'd)

|   |                    |
|---|--------------------|
| <b>Earthworks and Parks</b>   | <b>(-\$ 8.6 M)</b> |
| Maintenance Dredging Keating Channel  | \$ 2.4 M           |
| Increased cost - revetment and riverbed stone                                     | \$ 2.2 M           |
| Reconciliation of excavation and backfilling costs                                | (-\$ 0.4 M)        |
| Soil management - utilities   | (-\$ 0.6 M)        |
| Reconciliation of water treatment costs including power supply                    | (-\$ 1.0 m)        |
| Site Prep and Demo – contract reconciliation                                      | (-\$ 1.0 M)        |
| Spoils Management   | (-\$ 1.2 M)        |
| Dredging of Lake Shore Bridge bays, scope transfer from SDMA to Lake Shore Bridge | (-\$ 9.0 M)        |
| <b>Total</b>  | <b>\$ 10.2 M</b>   |

# Contingency Drawdown

|   | Hard Cost               | Soft Cost             | Contingency Balance  |
|---|-------------------------|-----------------------|----------------------|
| <b>New Budget with Additional Funding</b> | <b>\$ 1,063,675,276</b> | <b>\$ 222,312,752</b> | <b>\$ 63,011,970</b> |
| <b>March 2023</b>                         | <b>\$ 1,075,102,215</b> | <b>\$ 222,460,597</b> | <b>\$ 51,437,187</b> |
| April 2023                                | \$ 109,794              | \$ -                  | \$ 51,327,393        |
| May 2023                                  | \$ 5,506,336            | \$ (9,987)            | \$ 45,831,044        |
| June 2023                                 | \$ 3,893,684            | \$ 195,631            | \$ 41,741,729        |
| July 2023                                 | \$ -                    | \$ 2,011,171          | \$ 39,730,458        |
| August 2023                               | \$ 2,061,182            | \$ 1,357,851          | \$ 36,311,426        |
| September 2023                            | \$ 2,943,070            | \$ 52,621             | \$ 33,315,735        |
| <b>September 2023 Actual EAC</b>          | <b>\$ 1,092,329,044</b> | <b>\$ 223,355,221</b> | <b>\$ 33,315,735</b> |

# September 2023 Soft Cost Estimate Variance

Soft Cost EAC Forecast is \$1.3M (0.6%) lower than forecasted in March 2023 (Q2 2022/23)

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

- A correction to the Builders Risk and Wrap Up Liability Insurance Extension **-\$2.3 M**
- Increase in Contract Administration costs related to schedule extension **\$1.0 M**

Major Variances from March 2023 (Q2 2022/23) by segment are summarized as follows:

| Program Segment                     | Due Diligence     | 30% Stage Gate: Program Budget | September 2022 Budget | March 2023 Forecast | September 2023 Forecast | Variance: March 2023 to September 2023 EAC Forecast |              |
|-------------------------------------|-------------------|--------------------------------|-----------------------|---------------------|-------------------------|---|--------------|
|                                     |                   |                                |                       |                     |                         | \$  | %            |
| Roads and Services                  | \$ 23.9 M         | \$ 22.0 M                      | \$ 31.5 M             | \$ 35.1 M           | \$ 33.8 M               | <b>-\$ 1.3 M</b>                                    | <b>-3.8%</b> |
| Earthworks, Marine and Parks        | \$ 120.4 M        | \$ 131.3 M                     | \$ 159.3 M            | \$ 161.6 M          | \$161.4 M               | <b>-\$ 0.2 M</b>                                    | <b>-0.1%</b> |
| Bridges                             | \$ 23.5 M         | \$ 31.0 M                      | \$ 31.2 M             | \$ 31.8 M           | \$ 32.0 M               | \$ 0.2 M  | 0.6%         |
| <b>Escalated Soft Cost Estimate</b> | <b>\$ 167.8 M</b> | <b>\$ 184.6 M</b>              | <b>\$ 222.0 M</b>     | <b>\$ 228.5 M</b>   | <b>\$ 227.2 M</b>       | <b>-\$ 1.3 M</b>                                    | <b>-0.6%</b> |

# Changes to Risk Register

- Compared to the previous analysis update, there is approximately **\$4.1 million** decrease in cost impact expected value and **5.8 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<br>(September 2023) | \$24.7 M         | \$20.8 M         | 15.7 mo          | 13.9 mo       |
| Previous Analysis<br>(March 2023)    | \$27.6 M         | \$24.9 M         | 9.9 mo           | 8.2 mo        |
| <b>Variance</b>                      | <b>(\$3.0) M</b> | <b>(\$4.1) M</b> | <b>5.8 mo</b>    | <b>5.7 mo</b> |

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

# Changes to Risk Register

## Changes to Cost Risks

- **19** cost risks and **4** cost opportunities have been retired since the March 2023 update, resulting in a **\$3.1 M** decrease in expected value of the cost impact. Top retired risks and opportunities are:
  - CNS 50.37 Additional dewatering for wet utilities in the parks: 30% probability with \$0.5M - \$1.5M in cost impact (EAC increased from \$600K to \$800K)
  - CNS 70.49: Oppo SDMA dockwall stone reuse: 75% probability with -\$170K to -\$690K impact (opportunities realized)
  - CNS 900.60 Oppo Steel Tonnage Reconciliation: 95% with -\$600K impact (reconciled in the EAC)
- **16** risks and **2** opportunities have been added since the March 2023 update, resulting in **\$4.1 M increase** in expected value of the cost impact.
- Changes made to existing risks account for **\$5.0 million decrease** in expected value of cost impact.
  - CTR 50.01 External market forces (escalation risk): Expected Value (EV) decreased by \$5 million
  - FCCO 13: Sub-contractor – Costs in Excess of Estimate: EV decreased by \$1.43 M
  - CNS 50.34 Additional SDMA dredging during construction: EV decreased by \$0.83 million

There have been additions and changes made to **sub-contractor claim risks**, explaining some of the changes in risk profile

# Cost Risk Analysis

## Comparison to Previous Update

- Project Partners have provided an additional \$169 million funding to supplement 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 by \$65K to **\$1,350 million**
- There is a **95.4%** chance of project not exceeding the target budget (\$1,354 million). The percent chance of not exceeding target budget was 95.4% in the March 2023 update.
- Results **include** extended overhead / delay costs in the EAC which has accommodated costs associated with the schedule extension.



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



# Cost Risk Analysis

- Current base costs increased by **\$8.9 million** compared to the previous update
- Expected value of the risk cost impact decreased by **\$4.1 million** compared to the previous update. This can be explained by the following reasons
  - Reduction in the risk profile
  - Committed hard and soft costs increased by \$72.5M > lesser uncertainty around base cost
- Risk-adjusted cost estimate at the 90<sup>th</sup> percentile nominally increased by **\$65 thousand**

|                                 | Due Diligence    | 30% SG           | September 2022 Budget | March 2023 Forecast | September 2023 Forecast | Variance March 2023 to September 2023 |
|---------------------------------|------------------|------------------|-----------------------|---------------------|-------------------------|---------------------------------------|
| Hard Costs                      | \$837 M          | \$855 M          | \$1,064 M             | \$1,079 M           | \$ 1,089 M              | \$10.2 M                              |
| Soft Costs                      | \$168 M          | \$185 M          | \$222 M               | \$229 M             | \$ 227 M                | (\$1.3 M)                             |
| NRHST                           | \$16.0 M         | \$20.5 M         | \$5.0 M               | \$5.0 M             | \$5.0 M                 | \$0                                   |
| <b>Total Base Costs</b>         | <b>\$1,021 M</b> | <b>\$1,061 M</b> | <b>\$1,291 M</b>      | <b>\$1,312 M</b>    | <b>\$1,321 M</b>        | <b>\$8.9M</b>                         |
| <b>Total Budget</b>             | <b>\$1,185 M</b> |                  | <b>\$1,354 M</b>      |                     |                         | <b>\$0</b>                            |
| Estimated Remaining Contingency | \$164 M          | \$124 M          | \$ 63 M               | \$42 M              | \$33 M                  | (\$ 8.9 M)                            |
| P90 Cost Risk Estimate          | \$1,185 M        | \$1,220 M        | \$1,344 M             | \$1,350 M           | \$1,350 M               | \$0                                   |
| <b>Target Budget</b>            | <b>\$1,185 M</b> |                  | <b>\$ 1,354 M</b>     |                     |                         |                                       |
| Probability of Achieving Target | 90%              | 73%              | 96.4%                 | 95.4%               | \$95.4%                 | 0%                                    |

# Top 10 Cost Risks and Opportunities

| Risk  | Probability | Low      | High     | Expected Value  |
|---|-------------|----------|----------|-----------------|
| NRHST Rebate  | 50%         | \$5.7 M  | \$5.7 M  | <b>\$2.8 M</b>  |
| Increased offsite disposal - does not meet quality criteria | 30%         | \$1.6 M  | \$11.0 M | <b>\$2.6 M</b>  |
| Subcontractor Costs in Excess of Estimate                   | 25%         | \$0.0 M  | \$18.2 M | <b>\$2.1 M</b>  |
| Dock wall Construction under the Existing Cherry St. Bridge | 50%         | \$2.5 M  | \$3.5 M  | <b>\$1.6 M</b>  |
| Increase to Soil Disposal Rate                              | 65%         | \$0.9 M  | \$2.8 M  | <b>\$1.5 M</b>  |
| External Market Forces In Excess of Cost Escalation         | 75%         | \$1.0 M  | \$1.6 M  | <b>\$1.0 M</b>  |
| Tune Mass Dampers (Commissioners)                           | 95%         | \$0.6 M  | \$1.3 M  | <b>\$1.0 M</b>  |
| Additional SDMA Dredging During Construction                | 10%         | \$6.3 M  | \$9.4 M  | <b>\$0.8 M</b>  |
| Electrical Package Design Revisions to IFC                  | 30%         | \$0.2 M  | \$2.0 M  | <b>\$0.5 M</b>  |
| Recoverable Keating Channel Dredging Costs                  | 100%        | -\$3.0 M | -\$3.0 M | <b>-\$3.0 M</b> |

# 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 ID                                     | Probability | Low    | High    | Expected Value |
|---|-------------|--------|---------|----------------|
| Change in Suppliers for ISPS, SWTF and OGS  | 90%         | 2.0 mo | 6.0 mo  | <b>3.6 mo</b>  |
| Delayed IFC Drawing Approval for SWTF/SPS   | 90%         | 2.0 mo | 6.0 mo  | <b>3.6 mo</b>  |
| Lake Shore Bridge Delay Claims              | 30%         | 3.0 mo | 9.0 mo  | <b>1.8 mo</b>  |
| Delay in Villiers Street Excavation         | 50%         | 1.0 mo | 3.0 mo  | <b>1.0 mo</b>  |
| Electrical Package Design Revisions to IFC  | 30%         | 1.0 mo | 3.0 mo  | <b>0.6 mo</b>  |
| Enbridge 20" Relocation (Schedule Risk)     | 15%         | 4.0 mo | 6.0 mo  | <b>0.8 mo</b>  |
| Extended Operations of Toronto Water Assets | 5%          | 3.0 mo | 24.0 mo | <b>0.6 mo</b>  |
| Bell Permanent Works - Cherry St.           | 50%         | 0.5 mo | 1.5 mo  | <b>0.5 mo</b>  |
| Migratory Bird Nesting                      | 20%         | 0.5 mo | 6.0 mo  | <b>0.5 mo</b>  |
| Ship Channel Carp Gate Settlement           | 10%         | 2.0 mo | 2.0 mo  | <b>0.2 mo</b>  |

# Thank you / Questions

## Join Us

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|                                      |   |
|--------------------------------------|---|
| <b>Purpose</b>                       | Supplementary Capital Approval for Waterfront East LRT.   |
| <b>Areas of note/<br/>Key issues</b> | <p>The Waterfront East LRT is a planned light rail transit line extending from Union Station to Villiers Island, via Cherry Street and Commissioners Street; along with an extension of the existing 504A King Street streetcar from the current Distillery Loop to Villiers Island. This project will provide improved transit options to the Central Waterfront, Lower Yonge, East Bayfront, Quayside, Keating Precinct, Lower Don Lands, and the Port Lands communities and is an integral part of the future development of new communities on Villiers Island and the eastern waterfront. When fully built, the Waterfront East LRT is proposed to extend over 3.8 kilometres, and is forecasted to provide over 50,000 daily trips, supporting an estimated 100,000 residents and 50,000 jobs to be located along the route.</p> <p>Management is seeking Board of Directors approval for the capital expenditure of \$34.2 million to complete 60% design for the Waterfront East LRT, subject to execution of a delivery agreement with the City of Toronto to provide the necessary funding. This approval of capital expenditure was recommended to the Board of Directors by the Finance, Audit &amp; Risk Management Committee at its meeting on November 23, 2023.</p> <p>This is in addition to the \$14 million of funding previously approved by the Board on January 23, 2020, for 30% Design. This funding has been spent to complete the 30% Design Stage Gate and the Environmental Assessment required for the project.</p> <p>This work includes 60% design for a series of sub-projects within the Waterfront East LRT work program.</p> <p>Funding for this work was approved by Toronto City Council on November 9, 2023 and is included in the Board approved Rolling Five Year Strategic Plan.</p> |
| <b>Resolution and Next Steps</b>     | <p><b>ON MOTION</b> duly made, seconded and carried, be it <b>RESOLVED</b> that the Board of Directors approve:</p> <ol style="list-style-type: none"> <li>the capital expenditure of \$34.2 million for the Waterfront East LRT 60% design, subject to execution of an agreement with the City of Toronto to provide the necessary funding.</li> </ol>   |

# Waterfront East LRT

## 60% Design Request for Capital Approval

Board of Directors  
December 7, 2023

# Objectives

1. To provide an update on the status of the Waterfront East Light Rail Transit (WELRT) Project and the recent Toronto City Council Report.
2. To obtain Board of Directors approval to invest an additional **\$34.2 million** to complete the Waterfront East Light Rail Transit (LRT) 60% design.

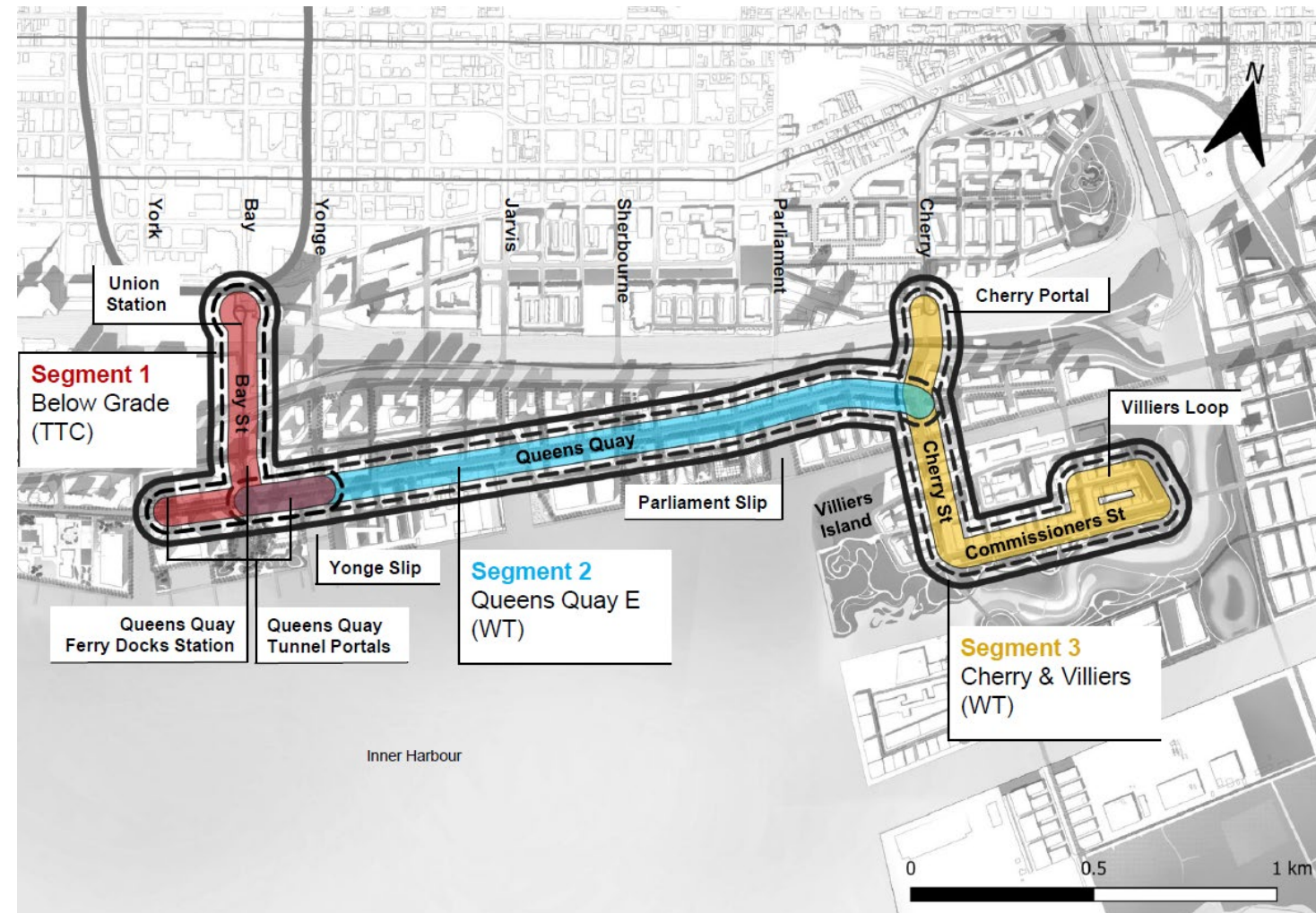
# Key Information and Expected Outcome

- The Corporation's *Delegations of Authority policy* requires Board approval for all capital project expenditures over \$5 million.
- Management is seeking Board of Directors approval for the capital expenditure of **\$34.2 million** to complete 60% design for the Waterfront East LRT, subject to execution of a delivery agreement with the City of Toronto to provide the necessary funding.
- This approval of capital expenditure was recommended to the Board of Directors by the Finance, Audit & Risk Management Committee at its meeting on November 23, 2023.
- This is in addition to the **\$14 million** of funding previously approved by the Board on January 23, 2020, for 30% Design. This funding has been spent to complete the 30% Design Stage Gate and the Environmental Assessment required for the project.
- This work includes 60% design for a series of sub-projects within the Waterfront East LRT work program (see Slide 6 for more details).
- Funding for this work was approved by Toronto City Council on November 9, 2023.
- Management will seek further Board approvals as may be applicable and necessary should design and/or construction proceed further.



# Background – Waterfront East LRT

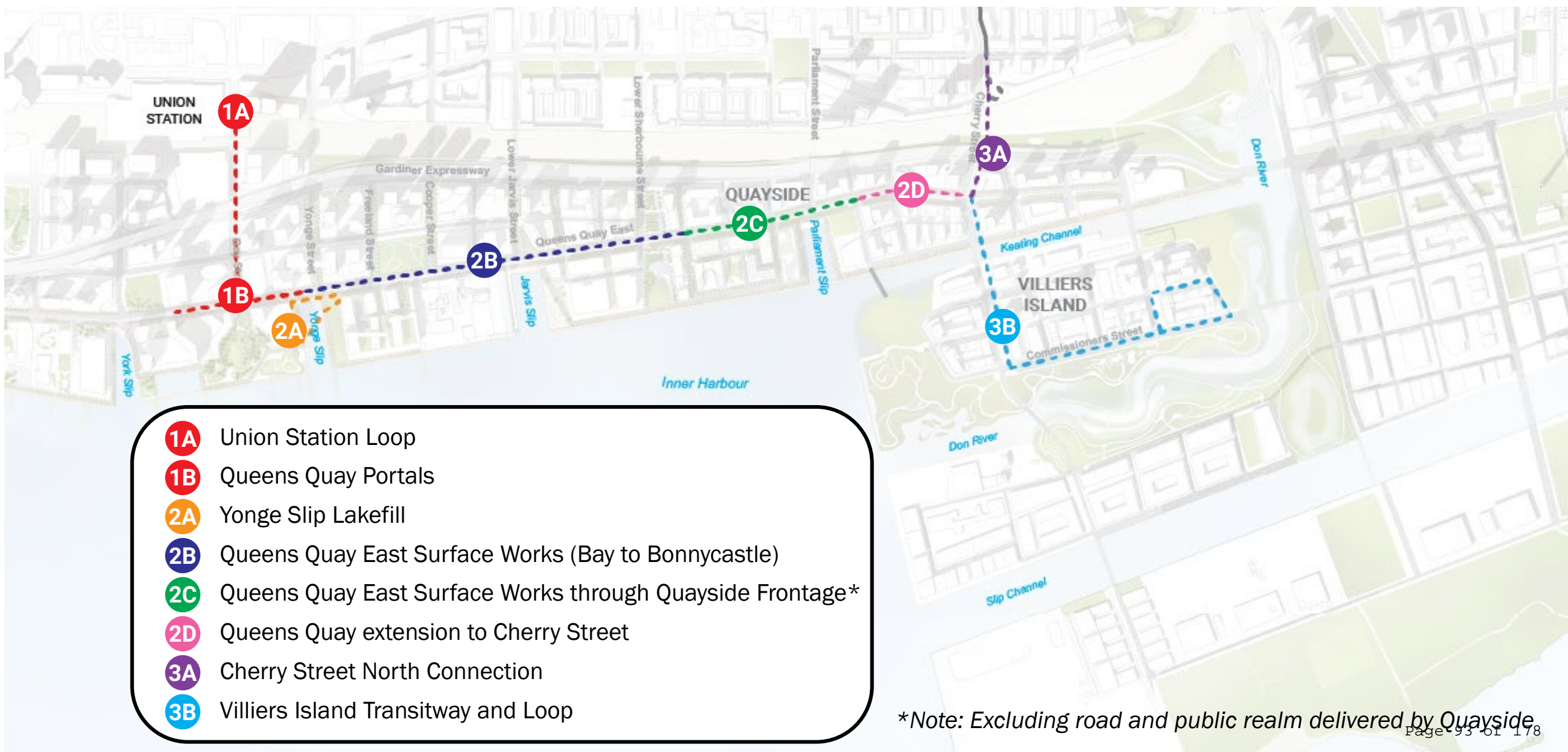
- **The Waterfront East LRT** is a planned 3.8km light rail transit (LRT) line serving Toronto's eastern waterfront.
- The line is planned to extend from Union Station along Queens Quay and Cherry Street to Villiers Island, terminating with an on-street loop at Commissioners and New Munitions streets. The project also includes an extension of the 504A King streetcar from its current terminus at the Distillery loop to Villiers Island.
- The City of Toronto is the lead for the project. TTC is leading design work for Segment 1 (including underground components of the project), and Waterfront Toronto is leading design for Segment 2 (Queens Quay surface works) and Segment 3 (Cherry Street and Villiers Island)



# Background - Toronto City Council Outcomes

- City Staff reported to Toronto City Council on November 9, 2023 to update on completion of the 30% Design/ Preliminary Design and Engineering Stage Gate for the Waterfront East LRT. City council approved the following staff recommendations:
  - The Waterfront East LRT Project alignment (as illustrated on slide 6)
  - Funding of \$63.6 million for the following:
    - Advancing 60% Design for Segments 2 and 3
    - Securing environmental approvals for the project
    - Undertaking a Traffic Management Plan to manage construction schedule interface
    - Design and coordination with interfacing projects
  - Direction to report back to update on progress in 2024.

# Scope - Project Components

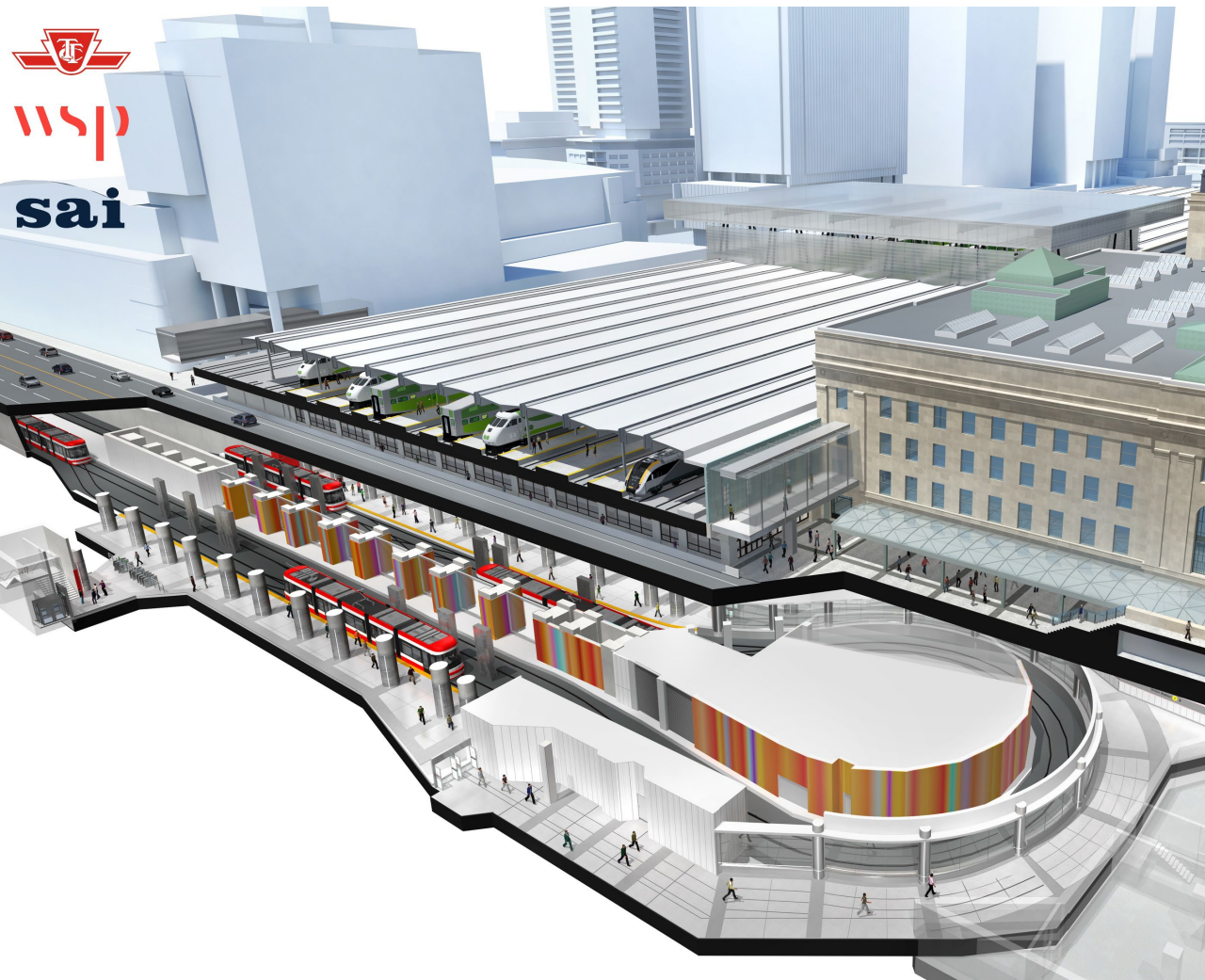


- 1A Union Station Loop
- 1B Queens Quay Portals
- 2A Yonge Slip Lakefill
- 2B Queens Quay East Surface Works (Bay to Bonnycastle)
- 2C Queens Quay East Surface Works through Quayside Frontage\*
- 2D Queens Quay extension to Cherry Street
- 3A Cherry Street North Connection
- 3B Villiers Island Transitway and Loop

\*Note: Excluding road and public realm delivered by Quayside

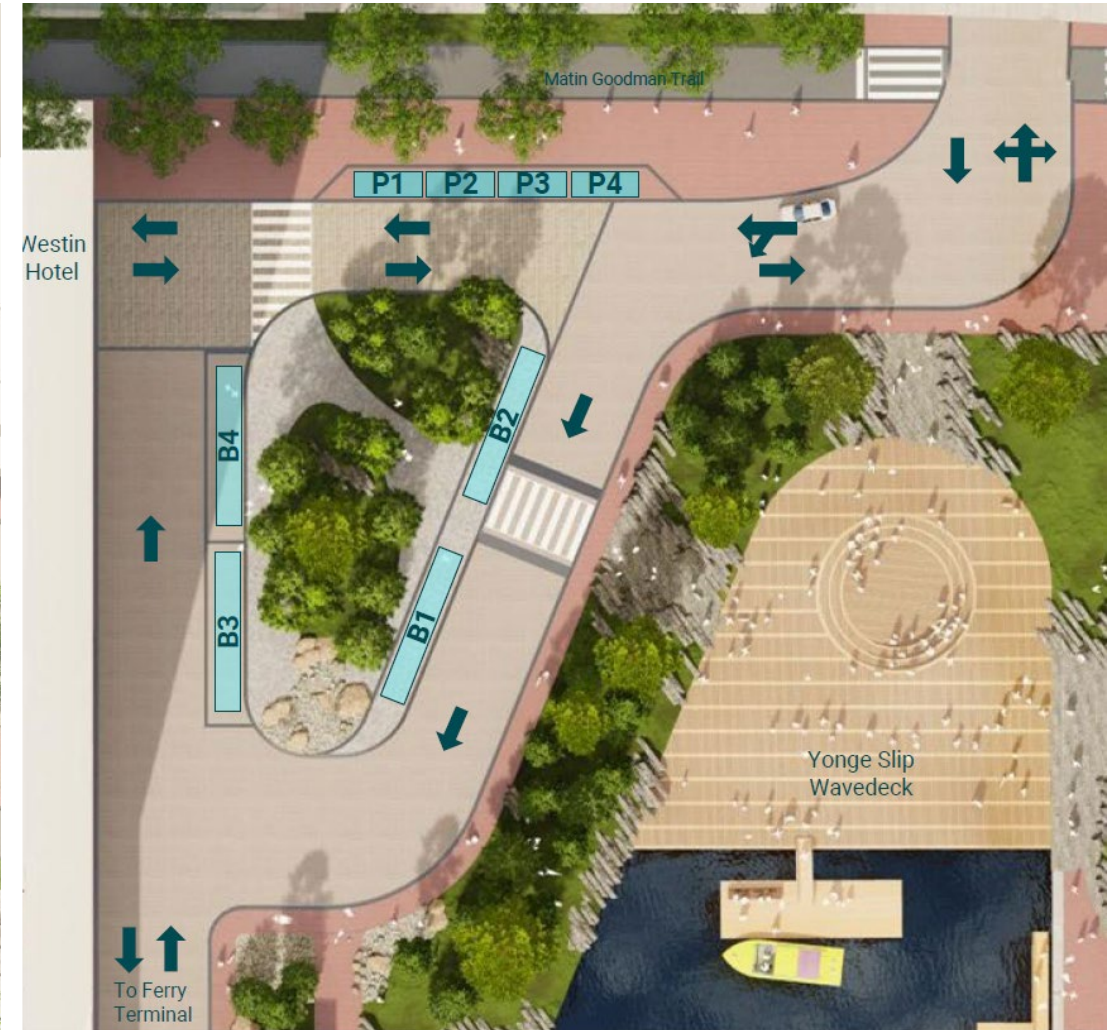


# 1 Union Station & Queens Quay Portals *(by TTC)*





## 2A Yonge Slip





## 2B Queens Quay East Surface Works (Bay to Bonnycastle)





## 2C Queens Quay East Surface Works through Quayside Frontage





## 2D Queens Quay Extension to Cherry Street



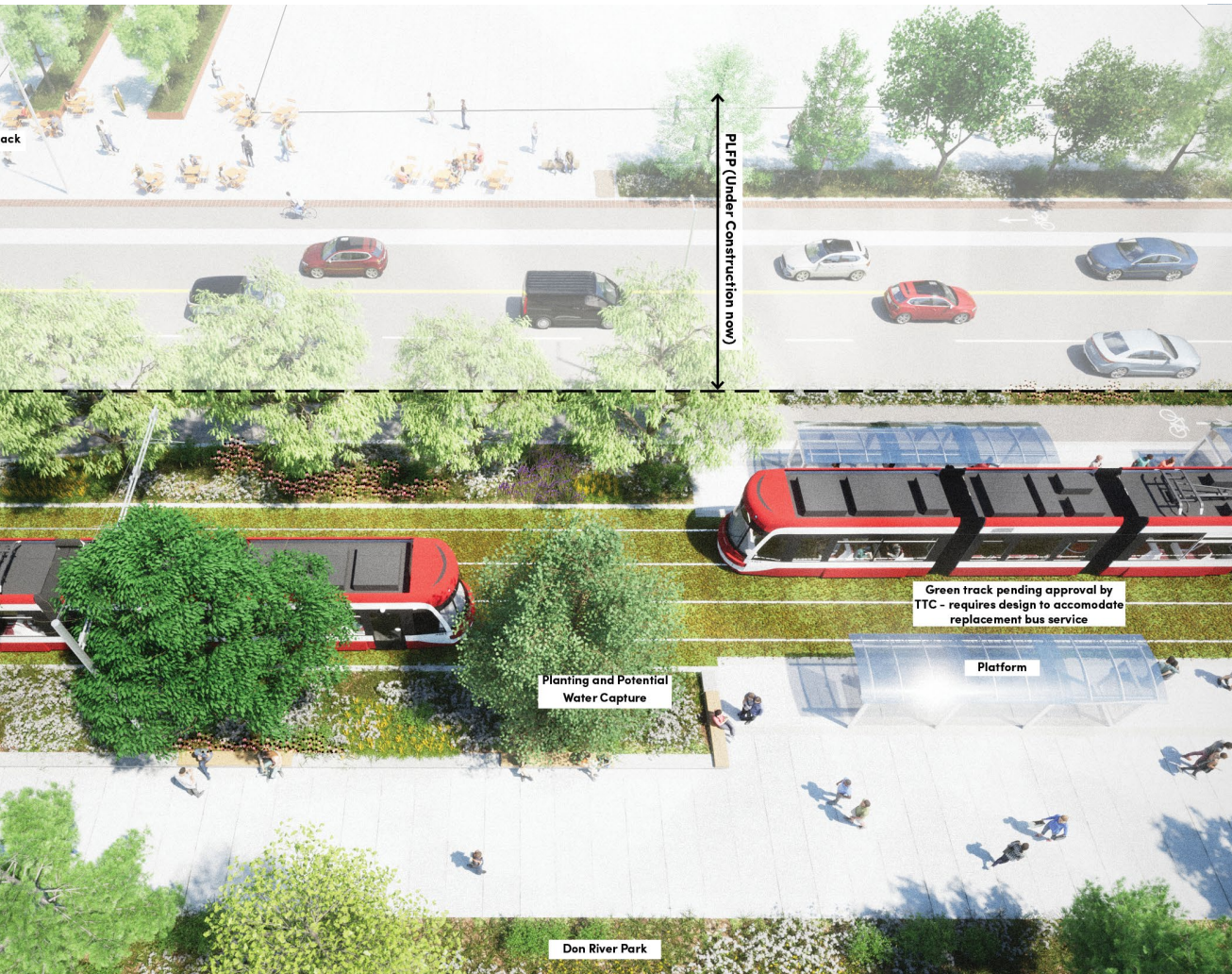


# 3A Cherry Street North Connection





# 3B Villiers Island Transitway & Loop



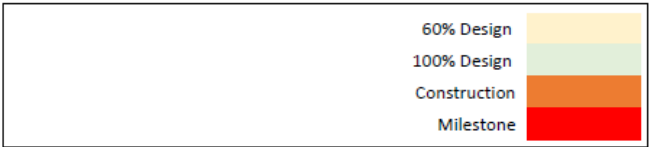


# Project Status: Timeline



- In November 2023, City staff reported to Council on completion of 30% Design/Preliminary Design and Engineering Stage Gate. Council provided direction and funding to proceed with 60% Design.
- 60% design is expected to commence in early 2024 and complete in 2025, with accelerated completion of early works components.
- If funding is secured in a timely manner, 100% design would commence in 2025 and construction could commence in 2027.
- Subsequent capital approvals will be sought for 100% design and construction as the project proceeds.

| Item   | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|--|------|------|------|------|------|------|------|------|------|------|------|
| <b>Current Scope</b>   |      |      |      |      |      |      |      |      |      |      |      |
| City Council Approval  |      |      |      |      |      |      |      |      |      |      |      |
| Funding Agreement Signed with City                           |      |      |      |      |      |      |      |      |      |      |      |
| 2024 Funding Transferred from City                           |      |      |      |      |      |      |      |      |      |      |      |
| Start 60% Design   |      |      |      |      |      |      |      |      |      |      |      |
| 60% Design - Early Works (Yonge Slip, Queens Quay Extension) |      |      |      |      |      |      |      |      |      |      |      |
| City Council Report  |      |      |      |      |      |      |      |      |      |      |      |
| 60% Design - Segment 2 & 3                                   |      |      |      |      |      |      |      |      |      |      |      |
| <b>Anticipated Future*</b>                                   |      |      |      |      |      |      |      |      |      |      |      |
| 100% Design - Early Works                                    |      |      |      |      |      |      |      |      |      |      |      |
| 100% Design - Segment 2 & 3                                  |      |      |      |      |      |      |      |      |      |      |      |
| Construction - Early Works                                   |      |      |      |      |      |      |      |      |      |      |      |
| Construction - Segment 2 & 3                                 |      |      |      |      |      |      |      |      |      |      |      |



\*Anticipated future work subject to further funding and approvals, and timelines require further coordination with City of Toronto projects.

# Project Status - Waterfront East LRT 30% Design Cost Estimate

## Segments 2 and 3



|    |  | Total Project Cost<br>(\$ Millions) |
|----|--|-------------------------------------|
| 1A | Union Station Loop                                       | \$ 932                              |
| 1B | Queens Quay Portals and Station Improvements             | \$ 1,300                            |
| 2A | Yonge Slip Lakefill                                      |                                     |
| 2B | Queens Quay East Surface Works (Bay to Bonnycastle)      |                                     |
| 2C | Queens Quay East Surface Works through Quayside Frontage |                                     |
| 2D | Queens Quay Extension to Cherry St                       |                                     |
| 3B | Villiers Island Transitway & Loop                        | \$ 337                              |
| 3A | Cherry Street North Connection                           |                                     |

**TOTAL ESTIMATED COST \$ 2,570 M**

*Estimate is based on 30% design cost estimate and assumes timely project funding and implementation, assuming construction will occur between 2027 and 2033. Extended timelines would result in additional escalation costs.*

# Proposed Capital Approval Budget – Segments 2 and 3

## 60% design of Segment 2 and 3

Including:

- Design Costs
- Studies & Consulting
- Communications/Public Engagement
- Soft Cost Contingency
- Project Management Costs
- NRHST

**Total Capital Approval: \$34.2 Million**

# Funding Sources

- Funding sources for 60% design scope amounting to \$34.2 million will be from the City of Toronto Transit Expansion Division's 2023-2032 Capital Budget and Plan.
- This was approved by Toronto City Council on November 9, 2023 (and is sourced from a combination of Development Charges and City Building Fund).
- This scope is included in the 2023/24 to 2027/28 Rolling Five-Year Strategic Plan.



| Risk Description   | Potential Impact                               | Mitigation Strategy   |
|--|--|---|
| Costs for completing the 60% design exceed the expected Design Budget.                       | Schedule and Cost impacts                      | Costs for design are known for Areas 2b and 3, for Area 2a estimated costs are known. Budgets include contingencies to account for potential unknowns.  |
| Completing the 60% Design within the set timelines.  | Delay to implementation schedule               | Monitor consultant's scope of work. Include City and TTC as part of the project team to ensure efficient feedback and approvals.  |
| Potential future constructability challenges in absence of contractor input into 60% design. | Design changes may be required at later phases | Leverage staff experience from constructing similar works in other contexts, including the Quayside Public Realm & Infrastructure, Port Lands Flood Protection, and Queens Quay West. Closely engage Project Delivery team. |

## Design

- Using pre-existing competitively procured contracts with the design teams for Segment 2 and Segment 3 to conduct the 60% design work. These contracts were procured for the full extent of the project design to maintain continuity of the teams throughout the process.

## Construction (Future)

- The Waterfront Toronto Procurement Options Assessment recommended a Construction Manager approach for the future construction of the project, which was corroborated by the City of Toronto's Constructability Assessment.
- A Construction Manager is intended to be competitively procured once capital funding is secured for the project.

# Recommendation

- Management is recommending that the Board of Directors approve the capital expenditure of \$34.2 million for the Waterfront East LRT 60% design, subject to execution of a Delivery Agreement with the City of Toronto to provide the necessary funding.
- This approval of capital expenditure was recommended to the Board of Directors by the Finance, Audit & Risk Management Committee at its meeting on November 23, 2023.

- **ON MOTION** duly made, seconded and carried, be it RESOLVED that the Board of Directors approve:
  - a) the capital expenditure of \$34.2 million for the Waterfront East LRT 60% design, subject to execution of an agreement with the City of Toronto to provide the necessary funding.



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|                                      |   |
|--------------------------------------|---|
| <b>Purpose</b>                       | Supplementary Capital Approval for Bayside Phase II Infrastructure including Water's Edge Promenade   |
| <b>Areas of note/<br/>Key issues</b> | <p>The Project is included in the Board approved Rolling Five Year Strategic Plan under Complete Communities.</p> <p>This work package of projects completes the last components of Bayside Phase II Infrastructure, the major component of which is the Water's Edge Promenade along the western edge of the Parliament Slip.</p> <p>Bayside Phase II Infrastructure commenced construction in 2016. The portion of the Water's Edge Promenade along the western edge of the Parliament Slip, implemented a deferral due to challenges related to the construction of the Aqualuna site, potentially causing damages to the finished public realm surfaces and triggering Occupational Health &amp; Safety (OHSA) constructor issues.</p> <p>Capital Approval for Bayside Phase II was granted by the FARM Committee and Board of Directors on December 12, 2016, for a total of \$44.7M. The intention to defer the work to align with the Aqualuna development was noted in the Capital approval.</p> <p>The cost escalation impact over the duration of the deferral was greater than anticipated, specifically in recent years following the pandemic.</p> <p>Management recommends that the Board of Directors approve the following:</p> <ul style="list-style-type: none"> <li>a) an additional capital expenditure of \$11.6 Million for a total capital expenditure of \$56.3 Million to complete the construction of Bayside Phase II.</li> <li>b) use of the Waterfront Toronto Land / Other Revenues to fund the additional capital expenditure of \$11.6 Million.</li> <li>c) the additional capital expenditure of \$11.6 Million be added to the Corporation's Rolling Five-Year Strategic Plan (2023/24 – 2027/28).</li> </ul> <p>This approval was recommended to the Board of Directors by the Finance Audit and Risk Management Committee at its November 23, 2023 Meeting.</p> |
| <b>Resolution and Next Steps</b>     | <p><b>ON MOTION</b> duly made, seconded, and carried, be it <b>RESOLVED</b> that the Board of Directors approve:</p> <ul style="list-style-type: none"> <li>a) an additional capital expenditure of \$11.6 Million for a total capital expenditure of \$56.3 Million to complete the construction of Bayside Phase II.</li> <li>b) use of the Waterfront Toronto Land / Other Revenues to fund the additional capital expenditure of \$11.6 Million.</li> <li>c) the additional capital expenditure of \$11.6 Million be added to the Corporation's Rolling Five-Year Strategic Plan (2023/24 – 2027/28).</li> </ul>  |

# East Bayfront Precinct

## Bayside Phase II Infrastructure Request for Supplementary Capital Approval

Board of Directors Meeting  
December 7, 2023

1. To provide an update on the current status of the Bayside Phase II construction
2. To review new funding risk identified subsequent to original Board Capital Approval for Construction Award that was granted on December 12, 2016
3. To describe changes (if any) to the original project scope, budget, schedule and funding
4. To obtain Board of Directors approval to invest an additional \$11.6 million (for a total of \$56.3 million) to complete the Bayside Phase II Infrastructure



**Management is seeking Supplementary Capital Approval for the Municipal Services, Roads and Public Realm in Bayside amounting to \$11.6 M to provide the necessary infrastructure to serve the second phase of the Bayside development (Bayside Phase II).**

This is in addition to the \$44.7M Capital Approval obtained from the Board of Directors on December 12, 2016 for Bayside Phase II Municipal Services, Roads and Public Realm. These works are to be delivered by Waterfront Toronto by January 2025 pursuant to the Project Agreement between Hines and Waterfront Toronto.

Bayside Phase II Infrastructure work involves the following:

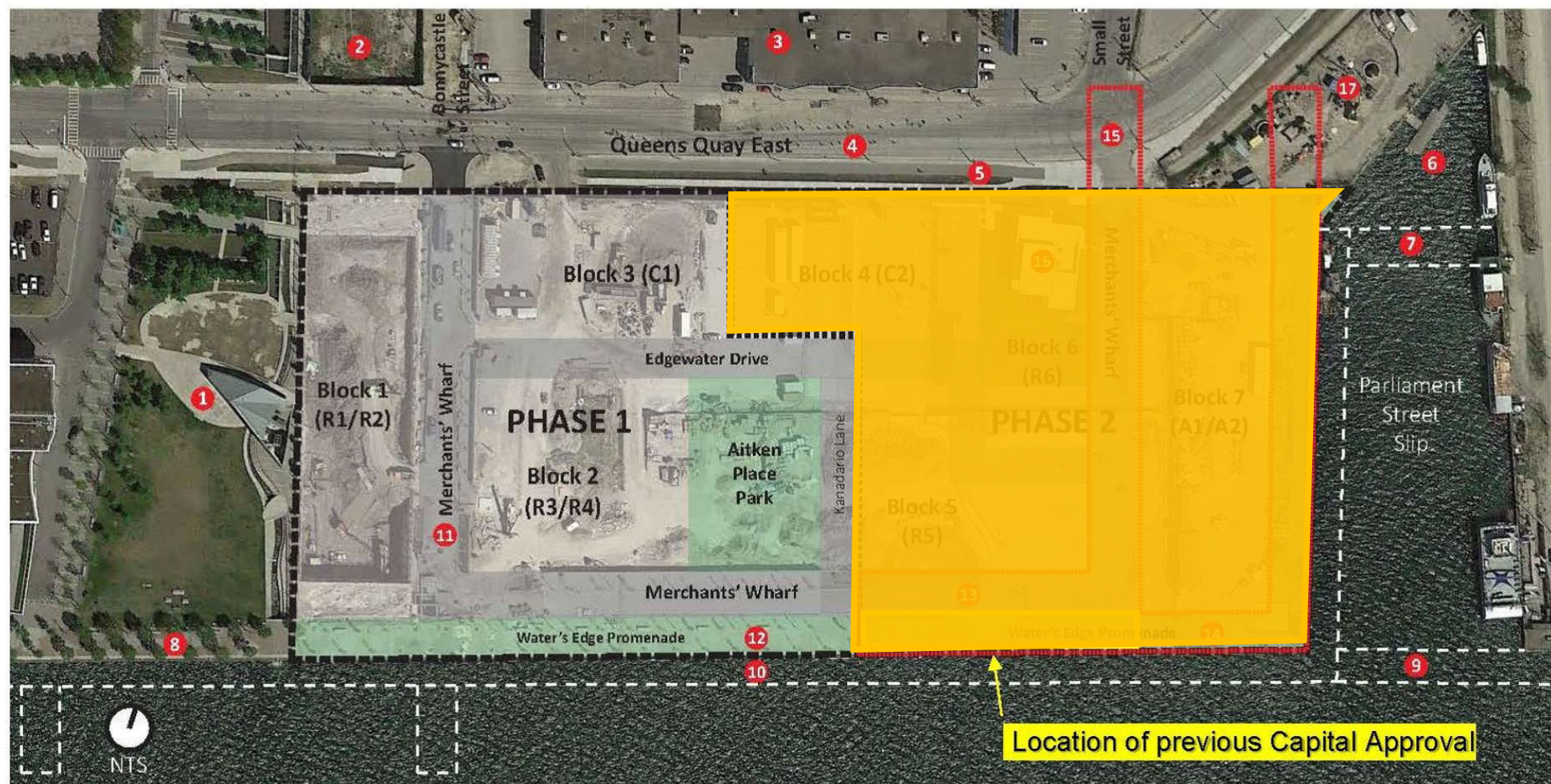
- Dockwall Reinforcement & Water's Edge Promenade (to Parliament)
- Internal Municipal Services & Public Realm (Public and Private Streets)
- Hydro Connections

# Bayside Phase II – Scope of Work

| Work Packages                            | Description   |
|--|---|
| 1. Water's Edge Promenade<br>(EBF 04-09) | <ul style="list-style-type: none"><li>• Balance of the Dockwall Reinforcing</li><li>• Public Realm (soil cells, granite mosaic, trees, irrigation, bike rings, benches and lighting)</li><li>• Future servicing for marine uses</li></ul>   |
| 2. Local Streets<br>(EBF 05-09)          | <ul style="list-style-type: none"><li>• Implement Environmental Risk Management Measures</li><li>• Relocate Small Street Combined Sewer Outfall</li><li>• Extend Municipal Servicing from Phase I and provide service connections for the development blocks.</li><li>• Public Realm for Public and Private Streets (soil cells, trees, irrigation, granite curbs, boulevard pavers, bike rings and streetlights)</li></ul> |
| 3. Hydro Connections<br>(EBF 05-10)      | Secure Offer To Connect with Toronto Hydro  |



# Background - East Bayfront (EBF) Precinct



1. Sherbourne Common
2. Parkside Development (Monde)
3. Quayside Development
4. Queens Quay East Revitalization (Existing ROW)
5. Interim Martin Goodman Trail

6. Future Parliament Slip Infill
7. Future Parliament WaveDeck
8. Existing Water's Edge Promenade (Dockside)
9. Future Parliament Slip Bridge
10. Future Boardwalk and Piers (Bayside)

11. Merchants' Wharf (Unassumed Public ROW)
12. Existing Water's Edge Promenade (Bayside Phase I)
- 13. Future Merchants' Wharf (Bayside Phase II)**

- 14. Future Water's Edge Promenade (Bayside Phase II)**
- 15. Signalized Intersection at Small Street and Queens Quay East**
16. Existing Presentation Centre
17. RCYC Parking Lot



# Background - East Bayfront (EBF) Precinct



# Background

1. This Project is included in the Board approved Rolling Five Year Strategic Plan under Complete Communities
2. This Project completes the final leg of the Water's Edge Promenade in the Bayside precinct
3. This Project enables occupancy of the Aqualuna development



# Dockwall & Water's Edge Promenade – Portion Complete to Date



Dockwall reinforcement and public realm construction of Bayside Phase II Water's Edge Promenade (first leg).



# Internal Municipal Services and Public Realm - Completed



Completion of Bayside Phase II public and private streets (Merchant's Wharf and Edgewater Drive), including:

- Soil cells, trees, irrigation
- Granite curbs
- Pavers
- Bike rings
- Streetlights
- Roads

# Hydro Connections from QQE into Phase II - Completed



Executed with Toronto Hydro an Offer to Connect to secure hydro supply for the development and permit the installation of hydro infrastructure into Phase II from Queens Quay East.



# Final Leg: Water's Edge Promenade – To Be Completed



Existing condition: Western Edge of Parliament Slip, beside Aqualuna.



Future condition upon completion of the WEP. Rendering from Quayside Public Realm 60% DRP.

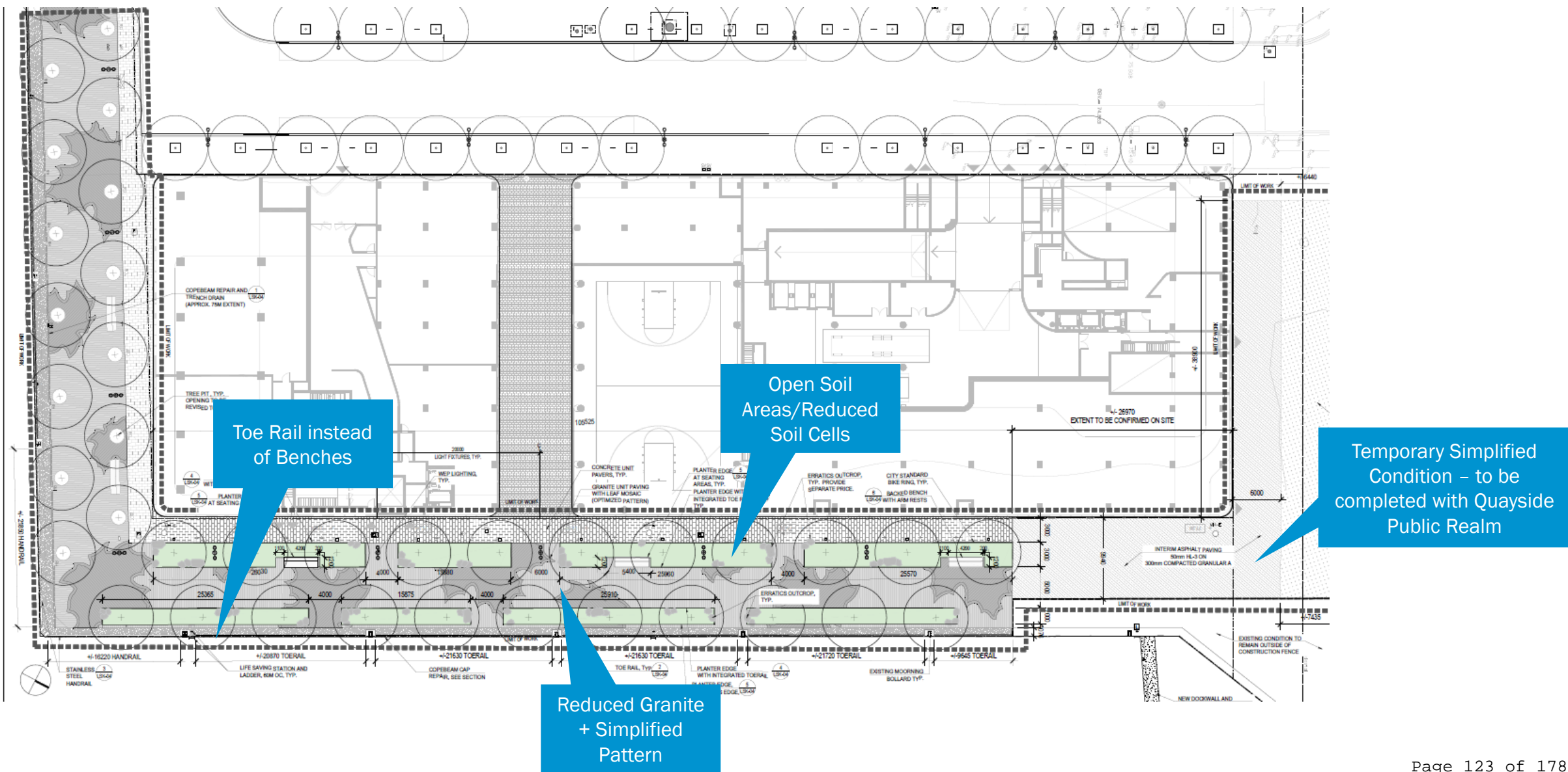
- Dock wall reinforcement on the WEP has been completed
- Construction of final leg of the public realm on the WEP remains to be completed
- The design is based on an extension of Dockside and Bayside Phase I
- Design updates to value-engineer cost, transition to Quayside, and incorporate lessons learned are being assessed.



# Status: Bayside Phase II Construction Status

- Completed construction of local streets and municipal infrastructure
  - Outstanding costs related to EBF05.09 Local Streets related to T3 service connections from QQE requiring additional capital and outstanding deficiencies
- Completed Hydro connections from QQE
- Completed dock wall reinforcing along western edge of Parliament Slip (Aqualuna side) in 2018/19
- Water's Edge Promenade public realm finishes were issued to market for competitive tender in Q3 2023
  - Bids were received which exceed the existing budget allocated

# Value Engineered Landscape Plan



# Value Engineering Items under Consideration

- Replace tree pits with open planters
  - Reduced quantity of Granite Paving, with optimized paving pattern
  - Reduced quantity of Soil Cells
  - Add understory planting including shrubs, grasses and perennials within open planters
- Remove final finishes at north end to align with construction fencing for Parliament Slip Infill
  - Final finishes to be completed as part of Quayside
- Remove dockwall timber bench (replace with toe rail)
  - Add handrail at south end in conformance with recent WT Accessibility Guidelines
- Remove trench drain along east dockwall.
- Furniture
  - Reduce Quantity of Benches
  - Replace backless benches with Backed benches in conformance with recent WT Accessibility Guidelines
- Lighting
  - Replace custom lighting pole with catalogue option



Supplementary Capital Approval is required to complete the Bayside Phase II Infrastructure due to the following factors:

- A delay in Aqualuna development construction (scheduled to be complete in 2020/21) led to a delay in public realm construction, causing escalation impact
- Escalation between 2020/21 and 2024/25 amounts to 37.7% based on the original forecast of \$6.2M for the completion of the WEP finishes. The bids came in higher than the expected escalation over the anticipated period.
- The work is critical to supporting the occupancy of the Aqualuna development, now projected for January 2025
- Risks identified in the original Capital Approval have been realized (see following slide)



# Supplementary Capital Approval

The 2016 Capital Approval for the project included the following potential risks:

- Securing Environmental Approval from Ministry of Environment and Climate Change
- Securing timely design approvals
- Construction bids exceeding budget
- Extreme weather causing construction delays
- Ineffective dewatering during construction due to proximity to the lake
- Coordination with adjacent projects and/or stakeholders causing delays

# Supplementary Capital Approval



- In the original Capital Approval in 2016, a note was considered to defer the Water’s Edge Promenade to coincide with parcels A1/A2 (Aqualuna)
- The deferral was implemented due to challenges related to the construction of Aqualuna adjacent to the finished WEP, potentially causing substantial damages to the finished public realm surfaces
- This differs from other blocks Aqualina, Aquavista, and Aquabella because these developments are fronting Merchant’s Wharf, not directly adjacent to the Water’s Edge Promenade at the Parliament Slip, so damage potential was minimized
- This strategy minimizes OHSA Constructor issues



## Schedule – Design and Construction

| Milestone   | Start     | End       |
|---|-----------|-----------|
| Early Works (Dockwall Reinforcing)                          |           |           |
| Construction  | July 2016 | Dec 2016  |
| Bayside Phase II – Balance of Works                         |           |           |
| Execute Subdivision Agreement                               |           | Jan 2017  |
| Bayside Phase II Capital Approval                           |           | Dec 2016  |
| City Acceptance of 100% Design                              |           | Jan 2017  |
| Tender Construction for Bayside Phase II - Balance of Works | Dec 2016  | Feb 2017  |
| Construction*   | Mar 2017  | Mar 2018  |
| Phase II Registration                                       |           | July 2017 |
| Transact 1 <sup>st</sup> development parcel in Phase II     |           | Sept 2017 |

\*Discussions are currently underway with Hines/Tridel to defer Water’s Edge Public Realm construction to 2020/2021 concurrent with the construction completion of Parcels A1 & A2

# Approved Capital Budget – November 2016



### Budget Allocation

Consultants & Permits  
 Hard (Construction) Cost  
 Project Management (Hines & WT)  
 Non-recoverable HST  
 Subtotal  
 Contingency (20%)  
**Total Estimated Cost**  
 Previous Capital Approval  
**Additional Capital Approval**

| April 2016<br>Capital Approval                       | November 2016<br>Capital Approval          |                                |                                   |                  |
|--|--|--------------------------------|-----------------------------------|------------------|
| Early Works<br>Dockwall<br>Reinforcing<br>(EBF04-09) | Water's<br>Edge<br>Promenade<br>(EBF04-09) | Local<br>Streets<br>(EBF05-09) | Hydro<br>Connection<br>(EBF05-10) | Total            |
| \$ 200   | \$ 1,050                                   | \$ 1,950                       |                                   | \$ 3,000         |
| \$ 1,800   | \$ 12,610                                  | \$ 14,950                      | \$ 4,000                          | \$ 31,560        |
| \$ 180   | \$ 1,390                                   | \$ 1,620                       |                                   | \$ 3,010         |
| \$ 40  | \$ 150                                     | \$ 190                         |                                   | \$ 340           |
| \$ 2,220   | \$ 15,200                                  | \$ 18,710                      | \$ 4,000                          | \$ 37,910        |
| \$ 450   | \$ 3,050                                   | \$ 3,740                       |                                   | \$ 6,790         |
| <b>\$ 2,670</b>                                      | <b>\$ 18,250</b>                           | <b>\$ 22,450</b>               | <b>\$ 4,000</b>                   | <b>\$ 44,700</b> |
| \$ 2,670   | \$ (2,670)                                 |                                |                                   | \$ (2,670)       |
|  | <b>\$ 15,580</b>                           | <b>\$ 22,450</b>               | <b>\$ 4,000</b>                   | <b>\$ 42,030</b> |

*All figures in thousands of dollars*

# Revised Capital Budget - November 2023

| Work Package # | Description                               | Nov 2016 Capital Approval (\$ Millions) | Additional Capital Required (\$ Millions) | Anticipated Total Project Cost – Nov 2023 (\$ Millions) |
|----------------|---|---|---|---|
|                | <b>Bayside Phase II</b>                   |   |   |   |
| EBF04.09       | Water's Edge Promenade (Bayside Phase II) | \$ 18.25                                | \$ 9.40                                   | \$ 27.65  |
| EBF05.09       | Local Streets (Bayside Phase II)          | \$ 22.45                                | \$ 0.55                                   | \$ 23.0   |
| EBF05.10       | Hydro Connections*                        | \$ 4.0                                  | - \$ (1.8)                                | \$ 2.2  |
|                | Additional Contingency Requested          | \$ -                                    | \$ 3.4                                    | \$ 3.4  |
|                | <b>Total</b>                              | <b>\$ 44.7</b>                          | <b>\$ 11.6</b>                            | <b>\$ 56.3</b>  |

- Additional capital investment amounting to \$11.6 million is required to complete the Bayside Phase II Infrastructure. This increases total estimated project cost from \$44.7 to \$56.3 million
- Additional costs will be provided for in the updated Rolling Five Year Strategic Plan in December 2023
- Nonrecoverable HST is included in the values above
- \*EBF05.10 Hydro Connections charges are costs Related to Bayside Ph II only. The prior approval of \$4M was underspent on Bayside Ph II.



# Planned Sources of Funding – Bayside Phase II

| Funding Sources <sup>2</sup>  | Nov 2016<br>Capital Approval<br>(\$ Millions) | Nov 2023<br>Additional Request<br>(\$ Millions) | Total<br>(\$ Millions) |
|---|---|---|------------------------|
| Waterfront Toronto Land/Other Revenues  | \$18.7  | \$11.6 <sup>1</sup>                             | \$30.3                 |
| Government Funding  | \$26.0  | -   | \$26.0                 |
| <ul style="list-style-type: none"> <li>• <i>City of Toronto Funding Agreement (from EBF Parkland Dedication)<sup>2</sup></i></li> <li>• <i>City of Toronto Contribution Agreements</i></li> <li>• <i>Province of Ontario Contribution Agreements</i></li> </ul> | \$17.1<br><br>\$5.0<br>\$3.9                  |   |                        |
| <b>Total Sources of Funds</b>   | <b>\$44.7</b>                                 | <b>\$ 11.6</b>                                  | <b>\$ 56.3</b>         |

## Notes:

1. Due to timing in realization of revenues associated with funding the above supplementary capital expenditure, Waterfront Toronto may require external borrowing earlier in Q4 2024/25 (accelerated by two quarters versus Q2 2025/26 in prior cash forecasting to FARM).
2. Anticipated funding sources may change if other sources are deemed more feasible during project implementation.
3. Funding Agreement with the City of Toronto is presently underway. Anticipated execution is on/before end-December 2023.

# Ongoing Project Risks

| Risk Description   | Potential Impact                  | Mitigation Strategy   |
|--|-----------------------------------|---|
| Contractor Claims due to unforeseen site conditions and material escalation    | Project Cost                      | Track site productivity through full-time site inspection and initiate a third-party claims review process  |
| Extreme weather events causing construction delays and changes                 | Schedule and Cost                 | Work with contractor to compress schedule to avoid additional winter costs and schedule impacts   |
| Delayed City Acceptance  | Increased time to City assumption | Involve City (ECS) throughout project to monitor construction and manage issues raised; Prepare O&M budget under separate cover to track addt'l costs due to City acceptance delay  |
| As-Built plans continue to have variance from field conditions                 | Schedule and Cost                 | Advise contractor to verify field conditions as part of the contractual requirements and raise discrepancies as early as possible   |
| Potential for ongoing disputes with the Contractor                             | Post-completion costs             | Involve third-party claims consultant for objective claims assessment and utilize new dispute resolution mechanisms within the contract (adjudication) to minimize additional costs |
| Cash flow risk due to timing of revenue funding and associated borrowing costs | Project cost                      | Leveraging WT's external borrowing facility and/or exercising prudent cash management   |

- The Corporation's Risk Appetite Statement establishes a tolerance for risk of "moderate", i.e. manages moderate scope changes, 6-12 month completion delay and < 10% over budget.
- Except for budget (26% over), this project is consistent with the Corporation's level of risk tolerance because it mitigates risk in Bayside Phase II as follows:
  - Completion of the Water's Edge Promenade construction is aligned with the projected occupancy of the Aqualuna development
  - Completion of the Water's Edge Promenade will enable the entire Water's Edge Promenade in Bayside to be opened to the public
  - Completion of the Water's Edge Promenade will support the assumption of the Bayside Phase II Plan of Subdivision, and will allow Waterfront Toronto to transfer operations and maintenance responsibilities and costs to the City of Toronto
- While increase in budget (26%) exceeds WT's risk tolerance, WT has mitigated through value engineering and re-allocation of Waterfront Toronto Land / Other Revenues

# Capital Approval Recommendation

- Management is recommending the following for the Board of Directors approval:
  - An additional Capital Investment for Bayside Phase II of \$11.6 Million, bringing the total approved value of the project to \$56.3 Million.
  - Proceed with the Capital Investment using Waterfront Toronto secured funding (Waterfront Toronto Land / Other revenues)
- This approval was recommended to the Board of Directors by the Finance Audit and Risk Management Committee at its November 23, 2023 Meeting.



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

- a) an additional capital expenditure of \$11.6 Million for a total capital expenditure of \$56.3 Million to complete the construction of Bayside Phase II.
- b) use of the Waterfront Toronto Land / Other Revenues to fund the additional capital expenditure of \$11.6 Million.
- c) the additional capital expenditure of \$11.6 Million be added to the Corporation's Rolling Five-Year Strategic Plan (2023/24 – 2027/28).

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<https://twitter.com/WaterfrontTO>



|                                      |  |
|--------------------------------------|--|
| <b>Purpose</b>                       | Supplementary Capital Approval for Quayside Infrastructure and Public Realm 100% Design.   |
| <b>Areas of note/<br/>Key issues</b> | <p>Quayside infrastructure will enable the development and the public realm will deliver an integrated open space armature for the precinct. Both tasks are to be led by Waterfront Toronto and are commitments in the agreement with Quayside Impact Limited Partnership (QILP).</p> <p>Capital Approval was granted by the Board of Directors on June 24, 2021 for a total of \$14.2 Million in order to complete up to 60% Design for the Quayside and Infrastructure project.</p> <p>60% Design for the Quayside Infrastructure and Public Realm will be completed in December 2023 and Management is seeking Capital Approval to proceed into the next phase of the design of the project to complete 100% Design.</p> <p>Management recommends Board of Directors for approve of the following:</p> <ul style="list-style-type: none"> <li>• An additional Capital Investment for Quayside Infrastructure and Public Realm Design of \$20.9 million for a total cost of design of \$35.1 million.</li> <li>• Proceed with Capital Investment using Waterfront Toronto secured funding (Quayside land/other revenues) until the Delivery Agreement with the City of Toronto is executed.</li> </ul> <p>This approval was recommended to the Board of Directors by the Finance Audit and Risk Management Committee at its November 23, 2023 Meeting.</p> |
| <b>Resolution and Next Steps</b>     | <p><b>ON MOTION</b> duly made, seconded, and carried, be it <b>RESOLVED</b> that the Board of Directors approve an additional capital expenditure of \$20.9 million for a total capital expenditure of \$35.1 million to complete the 100% design of the Quayside Infrastructure and Public Realm Project, and proceeding with capital expenditure using Waterfront Toronto secured funding (Quayside land/other revenues) until the Delivery Agreement with the City of Toronto is executed.</p>  |

# Quayside Infrastructure and Public Realm

## 100% Design Request for Capital Approval

Board of Directors Meeting  
December 7, 2023

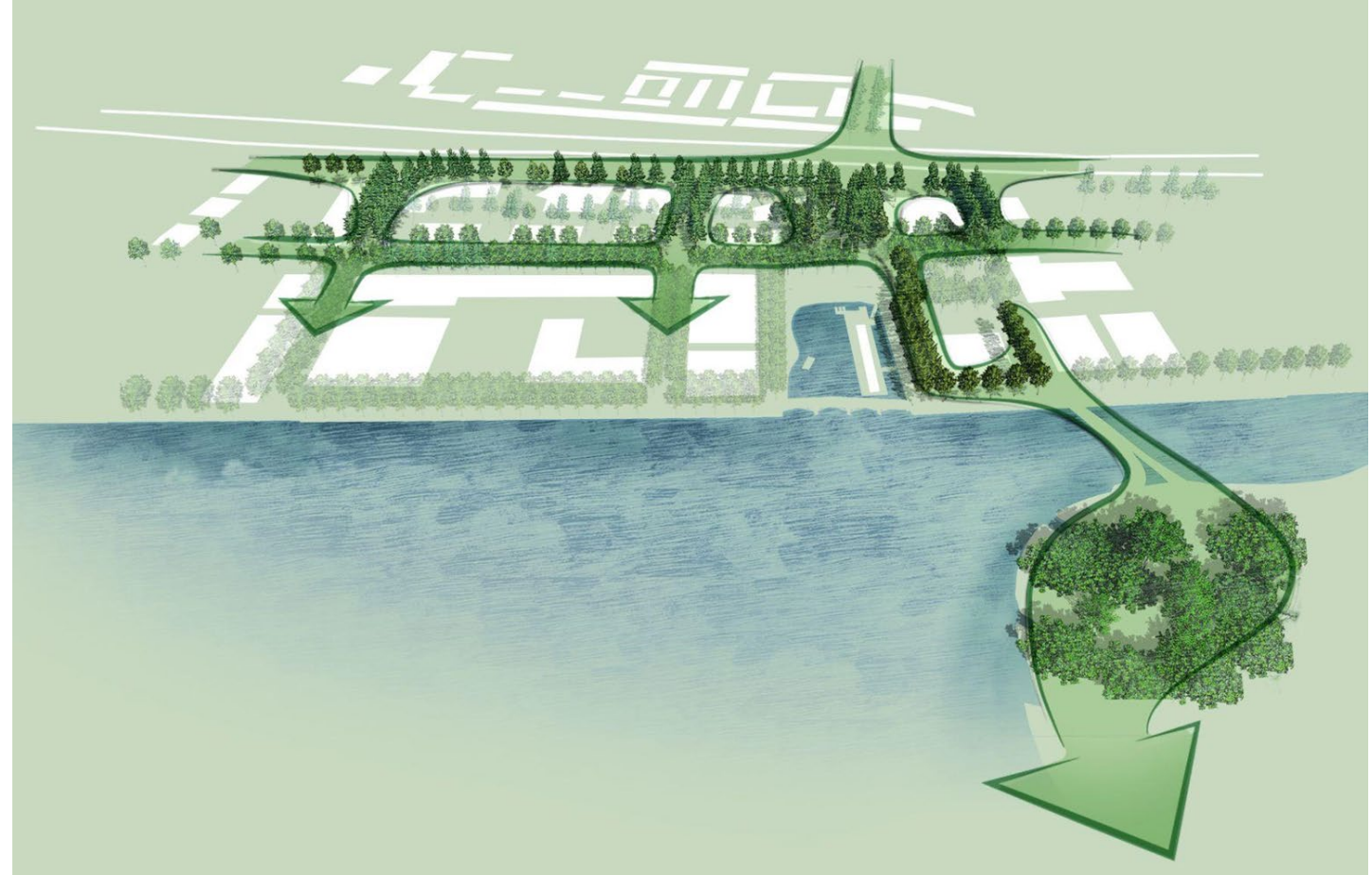


# Key Information and Expected Outcome

- The Corporation's *Delegations of Authority policy* requires Board approval for all capital project expenditures over \$5 million.
- On November 23, 2023 the Finance, Audit and Risk Management Committee recommended to the Board of Directors for approval the capital expenditure of **\$20.9M** for 100% design of the Quayside Infrastructure and Public Realm Project. This is in addition to the \$14.2M Capital Approval obtained from the Board of Directors on June 24, 2021 for Quayside Infrastructure and Public Realm 60% Design and Pre-Construction Services.
- These works are to be delivered by Waterfront Toronto pursuant to the forthcoming Delivery Agreement between City of Toronto and Waterfront Toronto, and as required to fulfill obligations with the developer for Quayside. The Delivery Agreement has not yet been executed as we work through with some issues raised by the City.
- Management will seek further Board approvals as may be applicable and necessary when design and/or construction proceeds further.

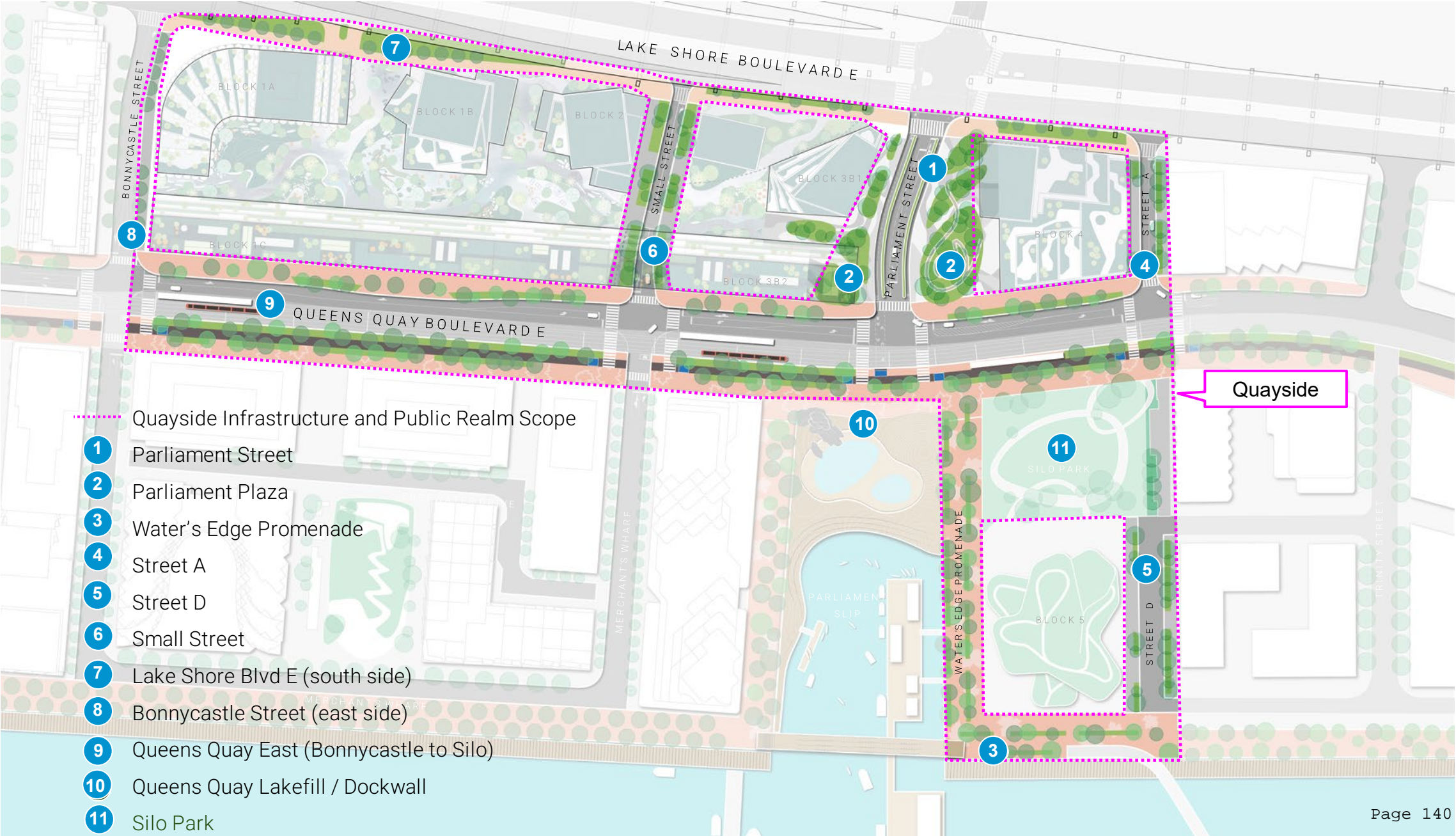
# Background - Quayside Public Realm and Infrastructure

- **Quayside** is a 12-acre parcel of land on Toronto's waterfront, located at Queens Quay Boulevard East and Parliament Street.
- Quayside infrastructure will enable the development of the precinct and the public realm will deliver an integrated open space armature for the precinct. Both tasks are to be led by Waterfront Toronto and are commitments in the agreement with Quayside Impact Limited Partnership (QILP).
- 60% Design for the Quayside Infrastructure and Public Realm will be completed in December 2023 and Management is seeking Capital Approval to proceed into the next phase of the design of the project (i.e., 100% Design)



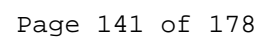


# Scope – Project Components





## An aerial photograph of a city grid, likely San Francisco, showing a mix of residential and commercial buildings. A red triangle is superimposed on the image, pointing to a specific intersection on the left side of the frame. The triangle is oriented horizontally, with its vertex pointing towards the right. The surrounding area includes various building footprints, streets, and some greenery. The overall tone of the image is muted, with the red triangle providing a strong visual cue.





# Scope – Internal District Streets

Zero setback on Block 2

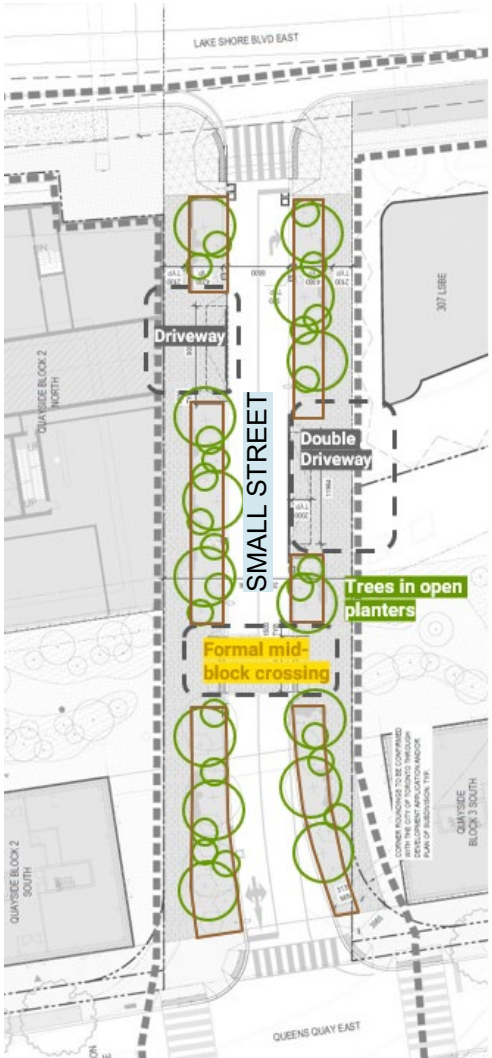
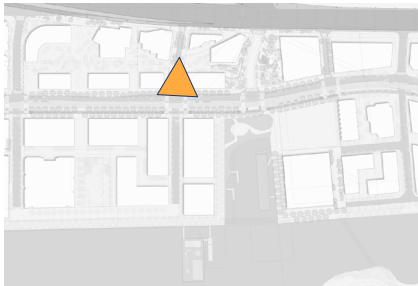
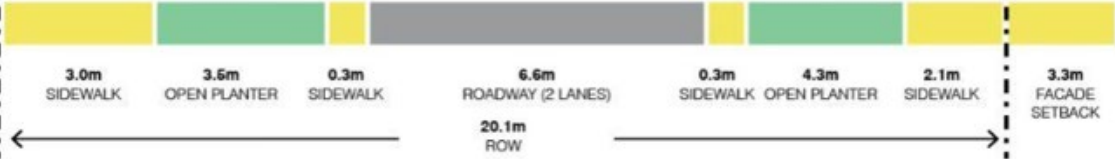
Block 02

SMALL STREET

Block 03

TRCA 100-Year Lake Level (+76.20)  
Long Term Summer Avg (+75.04)

Teacher Stones at curb cuts (all streets)



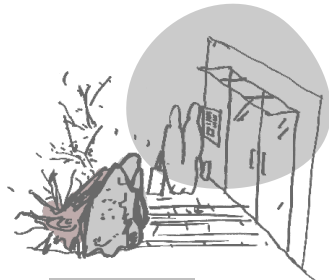


# Scope – Natural Elements



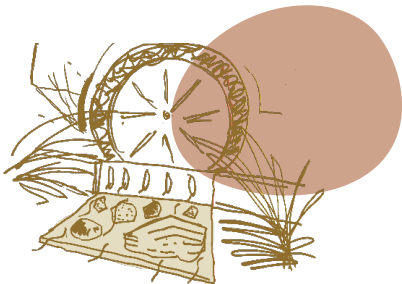
## Socialites

Encourage social interaction and provide informal seating.



## Markers

Wayfinding devices that celebrate moments of arrival and transition.



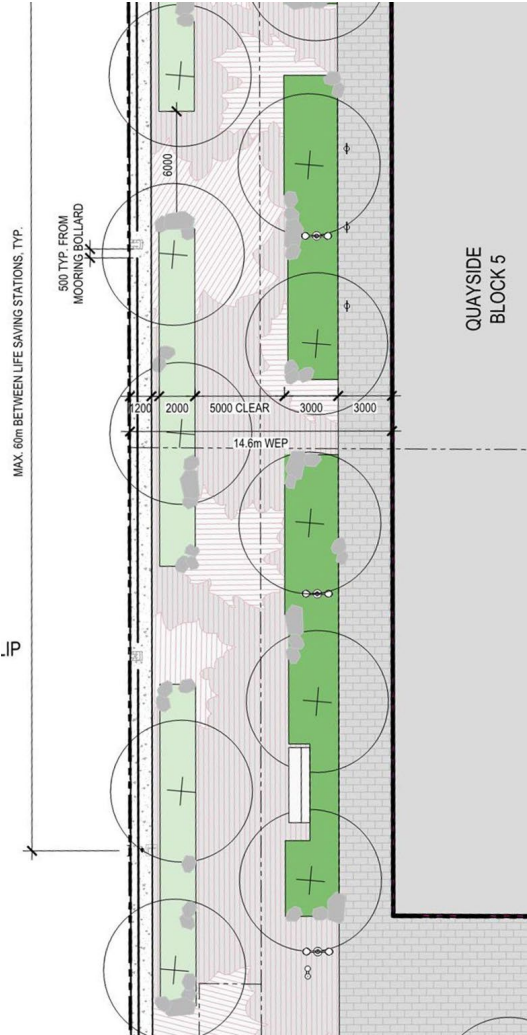
## Teachers

Thoughtfully detailed elements that draw attention to hidden processes like water cycles and soil health in the streetscape.





# Scope – Waters Edge Promenade



Typical Furnishings Layout

# Project Status: Timeline

- 30% design was completed in April 2023 and 60% design is expected to be completed in December 2023.
- 100% design of infrastructure is expected to be completed in April 2024, with the 100% design of the public realm following in September 2024.
- Early Works including construction of Queens Quay East Lakefill (already completed design and construction tender and previously approved by the Board of Directors) will commence in January 2024 to enable the infrastructure and public realm to commence construction later in 2024.
- Subsequent Capital Approvals will be sought for construction as and when required.
- Silo Park will be subject to a future design competition and design has not yet commenced.



# Project Status – 30% Design Cost Estimate

| ID # | Project Component                | Due Diligence<br>Cost Estimate<br>(2021<br>DDR/BIP/LTP) | Final 30% Design Cost Estimate |                                       |            |
|------|----------------------------------|---|--------------------------------|---------------------------------------|------------|
|      |                                  |   | 30% Cost Estimate              | Variance vs Due Diligence<br>Estimate |            |
| 1    | Parliament Street                | \$9,223,146   | \$14,736,531                   | \$5,513,385                           | 60%        |
| 2    | Parliament Plaza                 | \$11,440,574  | \$16,698,970                   | \$5,258,396                           | 46%        |
| 3    | Waters Edge Promenade            | \$35,618,579  | \$45,467,635                   | \$9,849,055                           | 28%        |
| 4    | Street A                         | \$5,911,898   | \$6,513,104                    | \$601,207                             | 10%        |
| 5    | Street D                         | \$9,299,651   | \$13,452,249                   | \$4,152,598                           | 45%        |
| 6    | Small Street                     | \$8,361,345   | \$11,297,500                   | \$2,936,156                           | 35%        |
| 7    | South Lakeshore Frontage         | \$8,285,001   | \$9,943,633                    | \$1,658,632                           | 20%        |
| 8    | Bonnycastle East                 | \$4,858,217   | \$5,210,417                    | \$352,200                             | 7%         |
| 9    | Queens Quay Bonneycastle to Silo | \$76,487,025  | \$124,822,037                  | \$48,335,012                          | 63%        |
| 10   | Queens Quay Lakefill/Dockwall    | \$25,895,054  | \$34,206,517                   | \$8,311,463                           | 32%        |
| 11   | Silo Park                        | \$17,522,839  | \$16,146,227                   | (\$1,376,612)                         | -8%        |
|      | Land Acquisition                 | \$16,400,000  | \$16,400,000                   | \$-                                   |            |
|      |                                  | <b>\$229,303,329</b>                                    | <b>\$314,894,820</b>           | <b>\$85,591,492</b>                   | <b>37%</b> |

- Earlier this year, Waterfront Toronto completed an extensive cost estimating process at the 30% design milestone and established that the project is projected to exceed the current available funding by \$86M.

**Funding Gap = \$86M**

# Previously Approved Budget (60% design) – June 2021



|  | <b>30% design*</b> |                     | <b>60% design</b> |                     |
|--|--------------------|---------------------|-------------------|---------------------|
| Total Design Costs                       | \$                 | 3,200,000.00        | \$                | 3,600,000.00        |
| Pre-Construction Construction Management | \$                 | 250,000.00          | \$                | 250,000.00          |
| Studies & Consulting                     | \$                 | 2,100,000.00        | \$                | 800,000.00          |
| Public Engagement                        | \$                 | 120,000.00          | \$                | 110,000.00          |
| <b>Total Soft Costs</b>                  | <b>\$</b>          | <b>5,700,000.00</b> | <b>\$</b>         | <b>4,800,000.00</b> |
| Project Management Costs                 | \$                 | 2,000,000.00        | \$                | 1,500,000.00        |
| Tax 1.76% (PM costs not taxed)           | \$                 | 100,000.00          | \$                | 100,000.00          |
| <b>Total Anticipated 60% Design Cost</b> | <b>\$</b>          | <b>7,800,000.00</b> | <b>\$</b>         | <b>6,400,000.00</b> |

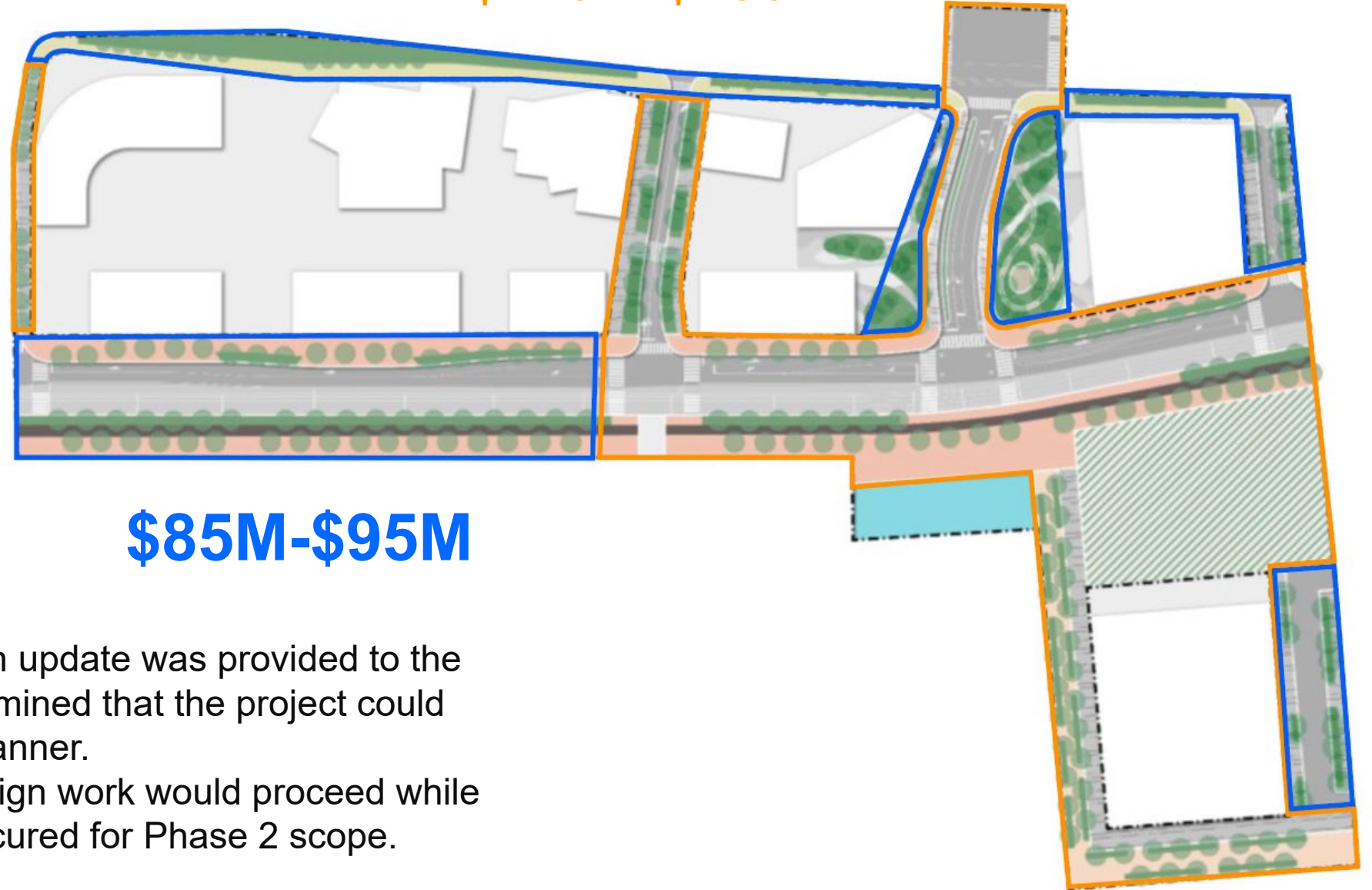
**Total Capital Approval: \$14,200,000**

\* Excludes 30% design fees for Queens Quay as these costs were previously approved by the Board of Directors as part of the QQE Capital Approval and are funded via a contribution agreement with the City of Toronto.

# Project Status – Phased Approach

**\$220M-\$230M**

-  Phase 1 Scope
-  Phase 2 Scope



**\$85M-\$95M**

- On October 12, 2023 an update was provided to the Board, and it was determined that the project could proceed in a phased manner.
- Phase 1 and all the design work would proceed while additional funding is secured for Phase 2 scope.

# Proposed Budget (100% design)

|  | Quayside Infrastructure and<br>Public Realm<br>(Infrastructure + Streets + Waters Edge<br>Promenade) | Queens Quay East<br>(Bonnycastle to Silo) | Silo Park           |
|--|--|---|---------------------|
| Design Costs (60 to 100% Design)   | \$2,397,000  | \$4,651,000                               | \$867,000           |
| Pre-Construction Construction Management                                     | \$100,000  | \$100,000                                 |                     |
| Studies & Consulting   | \$2,236,000  | \$1,959,000                               | \$264,000           |
| Public Engagement  | 216,000  | \$335,000                                 | \$46,000            |
| <b>Total Soft Costs</b>  | <b>\$4,949,000</b>   | <b>\$7,045,000</b>                        | <b>\$1,177,000</b>  |
| Project Management Costs   | \$2,045,000  | \$2,070,000                               | \$666,000           |
| Tax 1.76% (PM costs not taxed)   | \$87,000   | \$124,000                                 | \$21,000            |
| <b>Total Anticipated 100% Design Cost</b>                                    | <b>\$7,081,000</b>   | <b>\$9,239,000</b>                        | <b>\$1,864,000</b>  |
| Engineering & Construction Services + Risk<br>Management Measures Review Fee | \$3,908,000  | \$3,742,000                               | -                   |
| <b>60 to 100% design*</b>  | <b>\$11,076,000</b>  | <b>\$13,105,000</b>                       | <b>\$1,885,000</b>  |
| <b>Total 60 to 100%<br/>design budget:</b>                                   |  |   | <b>\$26,066,000</b> |

- Excludes design fees for Parliament Slip Lakefill as these costs were previously approved by the Board of Directors as part of the Queens Quay East Lakefill which included full design and construction costs.



# Proposed Capital Approval Budget

| Scope Description   | 0 to 60% Design Budget<br>(\$ Millions) | 60 to 100% Design Budget<br>(\$ Millions) | Anticipated Total Project Cost<br>(\$ Millions) |
|---|---|---|---|
| Quayside Infrastructure and Public Realm<br>(Infra + Streets + WEP) | \$5.6                                   | \$11.1                                    | \$16.7  |
| Queens Quay East<br>(Bonnycastle to Silo)                           | \$2.1                                   | \$13.1                                    | \$15.2  |
| Silo Park   | \$1.4                                   | \$1.9                                     | \$3.2   |
| <b>Total Soft Costs</b>   | <b>\$9.1</b>                            | <b>\$26.1</b>                             | <b>\$35.1</b>                                   |
| <b>Less Previous Capital Approval<br/>(June 2021)</b>               |   |   | <b>-\$14.2</b>                                  |
| <b>Total Capital Approval Being Requested</b>                       |   |   | <b>\$20.9</b>                                   |

- Current 0 to 60% Design Budget is based on expected costs to complete these phases of work and is tracking below the expected budget set in 2021.
- Additional capital investment amounting to \$20.9 million is required to complete the Quayside Infrastructure and Public Realm Design.
- Nonrecoverable HST is included in the values above
- Excludes design fees for Parliament Slip Lakefill as these costs were previously approved by the Board of Directors as part of the Queens Quay East Lakefill which included full design and construction costs.

# Summary of Capital Approvals

| Description  | June 2021<br>Capital Approval<br>(\$ millions) | Current Capital<br>Approval<br>(\$ millions) | Total<br>(\$ millions) |
|--|--|--|------------------------|
| 0 to 60% Design Capital Approval <sup>1</sup>        | \$14.2   | -  | \$14.2                 |
| 60 to 100% Design Capital Approval <sup>2</sup>      | -  | \$20.9                                       | \$20.9                 |
| Total Capital Approval (June 2021 + Current Request) |  |  | \$ 35.1                |

## Notes.

1. Original Capital Approval obtained from the Board of Directors on June 24, 2021 .
2. Supplementary Capital Approval being requested.

# Sources of Funding

| Funding Sources                                     | June 2021<br>Capital Approval<br>(\$ millions) | Current Capital<br>Approval<br>(\$ millions) | Total<br>(\$ millions) |
|---|--|--|------------------------|
| Waterfront Toronto Land/Other Revenues <sup>1</sup> | \$14.2   | -  | \$14.2                 |
| City of Toronto Delivery Agreement <sup>2</sup>     | -  | \$20.9                                       | \$20.9                 |
| <b>Total Sources of Funds</b>                       | <b>\$14.2</b>                                  | <b>\$ 20.9</b>                               | <b>\$ 35.1</b>         |

## Notes.

1. Planned funding source is from Quayside land-related revenues per Board capital approval, to be supplemented with City of Toronto Delivery Agreement funding once executed.
2. Delivery Agreement with the City of Toronto is presently underway. Anticipated execution is on/before end-December 2023.

# Recommendation

- Management is recommending the following for the Board of Directors approval:
  - an additional Capital Investment for Quayside Infrastructure and Public Realm Design of \$20.9 million for a total cost of design of \$35.1 million.
  - proceed with Capital Investment using Waterfront Toronto secured funding (Quayside land/other revenues) on an interim basis until the Delivery Agreement with the City of Toronto is executed (if required).
- This approval was recommended to the Board of Directors by the Finance Audit and Risk Management Committee at its November 23, 2023 Meeting.



**ON MOTION** duly made, seconded, and carried, be it **RESOLVED** that the Board of Directors approve an additional capital expenditure of \$20.9 million for a total capital expenditure of \$35.1 million to complete the 100% design of the Quayside Infrastructure and Public Realm Project, and proceeding with capital expenditure using Waterfront Toronto secured funding (Quayside land/other revenues) on an interim basis until the Delivery Agreement with the City of Toronto is executed (if required).

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|                                       |   |
|---------------------------------------|---|
| <b>Purpose</b>                        | For Approval  |
| <b>Areas of note/<br/>Key issues</b>  | <p>The Broadview Eastern Flood Protection (BEFP) Project, approved by the Board of Directors (June 23, 2022), reached the 60% level of design. The City, Province and Mx continue to discuss the final cost sharing and private landowner access requirements for the BEFP Project, as part of the overall East Harbour Transit-Oriented Communities Program. As such, full BEFP project advancement remains unfunded.</p> <p>To continue advancing BEFP, City is contemplating a supplementary release of funding for WT to:</p> <ul style="list-style-type: none"> <li>a) advance BEFP design to the Issue For Tender (IFT) stage; and</li> <li>b) award the Old Eastern Avenue Bridge Demolition Project contract.</li> </ul> <p>City funding and approvals for these next focused works, may be provided to WT in advance of the full BEFP project implementation, in full or part.</p> |
| <b>Recommendation</b>                 | <p>Management recommends:</p> <p>THAT the Board of Directors approve an additional capital expenditure of \$8.715 Million (for a total of \$16.3M) to advance the Broadview Eastern Flood Protection Project to an Issue For Tender level of design and to award the Old Eastern Avenue Bridge Demolition Contract, subject to City of Toronto approvals on the scope of work and upon execution of a funding agreement with the City of Toronto. This capital expenditure was recommended for approval by the FARM Committee on November 23, 2023.</p> <p>Management will seek further Finance Audit and Risk Management Committee and Board of Directors capital approval(s) for the Broadview Eastern Flood Protection Project Construction Works in 2024, subject to Toronto City Council funding approval.</p>   |
| <b>Proposed Motion and Resolution</b> | <p><b>WHEREAS</b> the Corporation is the Project Delivery Agent for the Broadview Eastern Flood Protection Project Design and Construction (the “Project”) on behalf of City of Toronto (the “City”);</p> <p><b>WHEREAS</b> the Project was approved as part of the 2022/23-2026/27 Rolling Five-Year Strategic Plan;</p> <p><b>ON MOTION</b> duly made, seconded, and carried, be it <b>RESOLVED</b> that the Board of Directors approve supplementary capital expenditures of \$8.715 Million (for a total of \$16.3M) to advance the Broadview Eastern Flood Protection Project to an Issued For Tender level of design and to award the Old Eastern Avenue Bridge Demolition Contract, subject to City of Toronto approvals on the scope of work and upon execution of a funding agreement with the City of Toronto.</p>  |

# **Broadview Eastern Flood Protection Project**

## **Request for Supplementary Capital Approval**

Board of Directors  
December 7, 2023



# Objectives

1. To provide an update on the current status of the Broadview Eastern Flood Protection Project
2. To review additional work required subsequent to original Board of Directors Capital Approval that was granted on June 23, 2022
3. To describe changes (if any) to the original project scope, budget, schedule and funding
4. To obtain Board of Directors approval to invest an additional \$8.715 million (for a total of \$16.3 million) with costs as follows:
  - \$7.9M to complete the BEFP design to Issue for Tender (IFT) and award the Old Eastern Avenue Bridge Demolition contract, and
  - An additional \$815K that was approved in the 60% design purchase order in 2022 above the original June 23, 2022 Board of Directors approvals of \$7.585M.

# Objectives

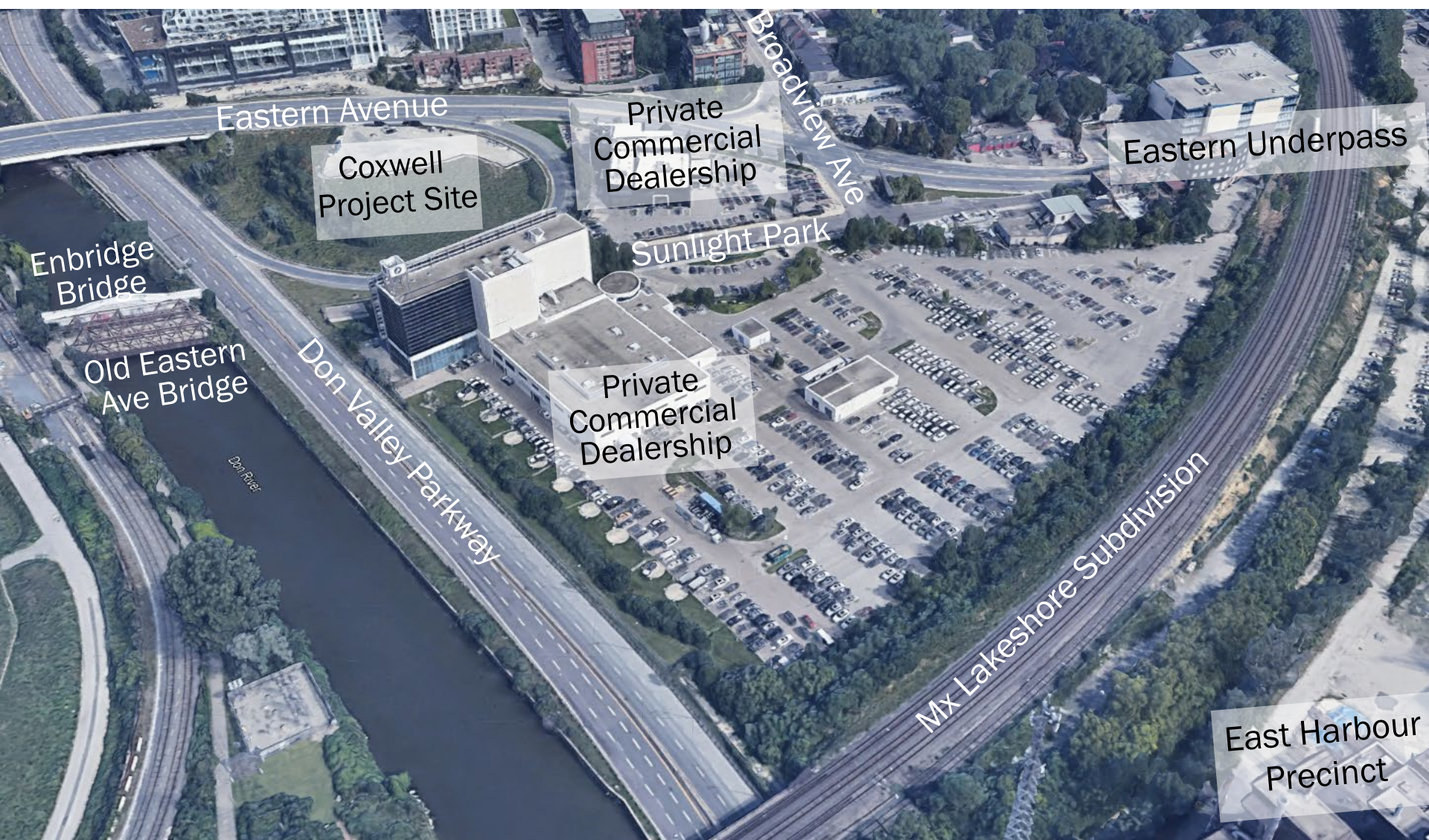
Subject to City of Toronto Approvals of Scope (in full or part) and Confirmation of Phase 2 Interim funding, staff will proceed with:

- a) Advancement of Morrison Hershfield's 60% Design to IFT, including PCL value engineering and other Construction Management services.
- b) Award the Old Eastern Avenue Bridge Demolition Contract to :
  - Finalize demolition plans and obtain permit authorizations; and
  - Undertake the Bridge Demolition works.

# Background

- **This project is included in the Board approved Rolling Five Year Strategic Plan.**
- **Initial Board of Directors Capital Approval obtained on June 23, 2022 - \$7.585M**
- **FARM Committee recommended approval of an additional \$8.715M Supplementary Capital Approval (for a total of \$16.3M) on November 23, 2023**
- **Subsequent FARM Committee and Board of Directors approvals will be sought for construction of the BEFP, upon confirmation of Total Project Budget and City direction to proceed with work.**

# Background – Existing Configuration





# Background

## Goal of Broadview Eastern Flood Protection:

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

## Benefits of Broadview Eastern Flood Protection:

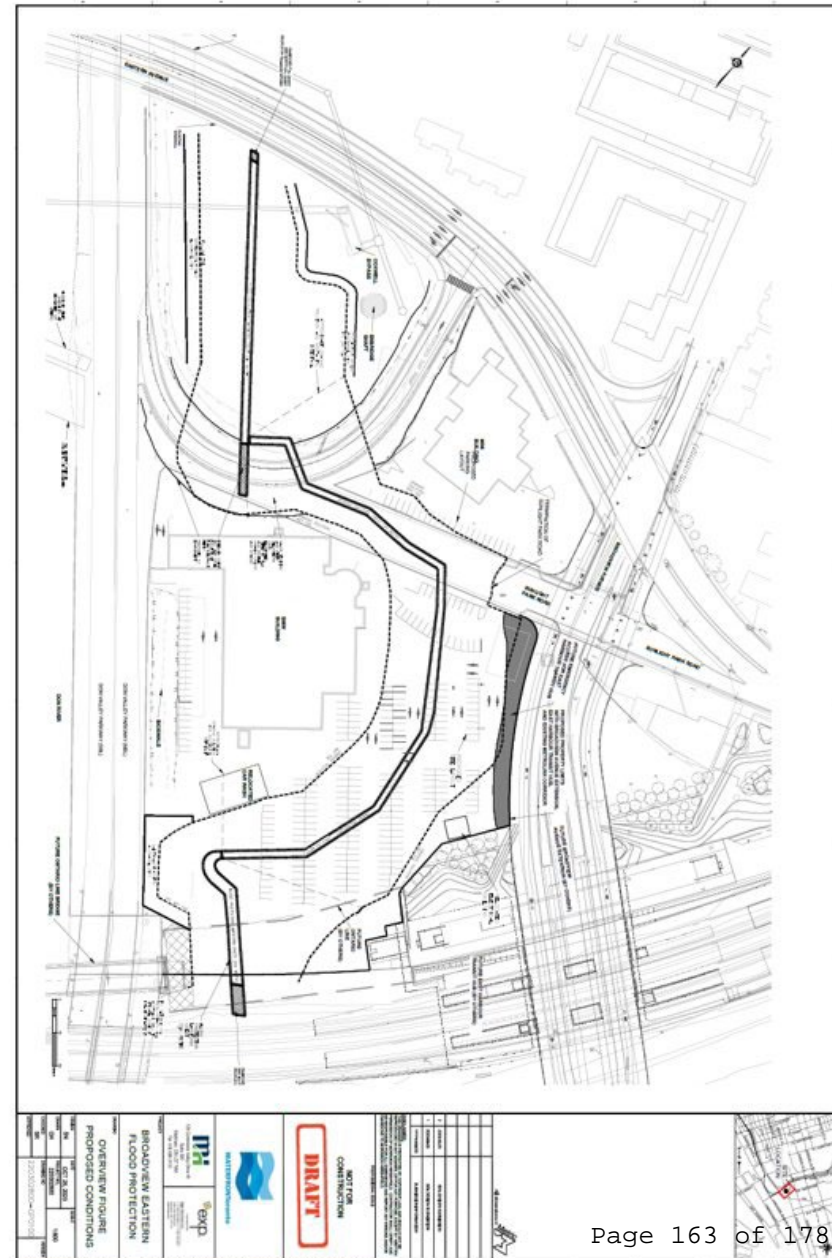
- BEFP will eliminate flood spill through the Eastern Avenue underpass, thus dovetailing with Waterfront Toronto's current efforts on the Port Lands Flood Protection Project
- BEFP is also critical to prevent new flooding through the proposed Broadview Extension through the railway embankment. As such, it is a critical enabling project for:
  - Mx East Harbour Station and Ontario Line;
  - Cadillac Fairview East Harbour Precinct; and
  - Other efforts currently underway in the broader Port Lands such as the McCleary District.



# Background

## Overall Project Components:

- Remove, reinforce or relocate utilities/servicing along Sunlight Park Road, including oil pipelines along Don Valley Parkway and stormwater management systems;
- Construct southern Flood Protection Landform (FPL) to integrate with Metrolinx Ontario Line and East Harbour Projects;
- Construct northern FPL, replacing Eastern Avenue on-ramp with modified street system and infrastructure;
- Regrade land east of existing commercial dealership, connecting northern and southern FPLs; and
- Demolish Old Eastern Avenue Bridge to lower water levels in vicinity of the existing West Don Lands FPL & future Broadview Eastern flood protection.



## Preliminary Project Risks for 60% Design of BEFP

| Risk Description  | Potential Impact   | Mitigation Strategy   |
|---|--|---|
| <p>Direct access by BEFP Project Team to private landowner/tenants is not permitted as Mx is the lead for all private landowner communications.</p> <p>This lack of Project Team direct access represents a significant risk to the Project in terms of potential delays and access restrictions to the privately-owned property during construction.</p> | <p>This is a major risk to the BEFP Project schedule AND creates direct impacts on other Project Delivery schedules in the area, such as Ontario Line Embankment construction, CF East Harbour Precinct occupancies, and opening of Mx East Harbour Station.</p> | <p>Work with City and Mx to enable BEFP Project Team direct access to Talisker and BMW early and as required throughout the planning and implementation of BEFP to efficiently, and without 3<sup>rd</sup> Party filters, address landowner concerns and needs.</p>   |
| <p>BEFP Project is unfunded beyond 60% design.</p>  | <p>Absence of funding will prevent work from proceeding.</p>   | <p>WT is providing updated detailed information to the City as part of the 30% and 60% design for BEFP.</p> <p>City with working with Province and Mx to define the other private landowner access costs required for all Projects in the area, to develop the appropriate total Project cost and cost sharing formula (for Phase 3).</p> <p>City is exploring opportunities to provide funding and approvals for this Phase 2 – Interim Funding to continue advancing the BEFP design to IFT and to retain the sub-contractor for Old Eastern Ave Bridge Demolition.</p> |

- **Pre-Design Data Collection:**
  - Completed
- **Phase 1 – 0% to 60% Design:**
  - Retained Morrison Hershfield as Design Engineer and PCL as Construction Manager
  - 60% Drawings, and soils management, groundwater and environmental reports submitted October 2023
  - 60% basis of design, budget, schedule and risk management plan to be completed in November/December 2023
  - 30% Design of Old Eastern Avenue Bridge Demolition completed
  - Bids received for sub-contractor to lead Old Eastern Avenue Bridge demolition (October 31, 2023)
  - Confirmation from Province that BEFP to precede with Environmental Assessment approved preferred flood protection alternative and approach to integrate with MetroLinx Ontario Line designs.



# Status (continued)

- Work to proceed in 2024:
  - **Complete BEFP Designs from 60% to IFT Level, including:**
    - All drawings, basis of design report, budget, schedule, risk management plan, and supplementary reports including but not exclusive of the hydraulic models and reports, stormwater management model design and reports, traffic management plans, soils and groundwater management plans, etc.
    - Construction management support, including
      - value engineering, costing and scheduling,
      - pre-construction services, including tender development and management,
      - oversight of project permit delivery and compliance.
  - **Award contract for the Old Eastern Avenue Bridge Demolition, including:**
    - Finalizing design development from 30% to Issued For Construction for the bridge demolition;
    - Finalization and acquisition of all required project permits;
    - Undertaking the Bridge Demolition; and
    - Sub-Project close-out.

# Supplementary Capital Approval Request

Supplementary Capital Approval is required in order to further advance the Broadview Eastern Flood Protection Project Works

- Waterfront Toronto's policies and procedures provide for Capital Approvals to be obtained:
  1. After design has reached 60% completion
  2. When planned investments exceed \$5 Million
- Capital Approval is required for the next Phase of project delivery which is estimated at \$16.3 Million

# Initial (Phase 1) Capital Approval

| Category  | Capital Approval | Cost to Date   |
|---|------------------|----------------|
| Approved Pre-Design Soft Costs                                      | \$ 1.885M        | \$1.745        |
| Approved Phase 1 – 0% to 60%<br>Design and Preconstruction Services | \$5.7M           | \$4.192        |
| <b>Total Initial Capital Approval</b>                               | <b>\$7.585M</b>  | <b>\$5.937</b> |

# Supplementary Capital Approval Request

| Phase 2 Project Elements                     | Anticipated Project Cost for Phase 2 |
|--|--------------------------------------|
| WT PM Fees                                   | \$300,000                            |
| 60% Design to Issued For Tender              | \$3,410,000                          |
| Old Eastern Avenue Bridge Demolition         | \$2,044,000                          |
| <b>Sub-Total</b>                             | <b>\$5,754,000</b>                   |
| Contingency (35%)                            | \$2,013,900                          |
| Non-recoverable Harmonized Sales Tax (1.76%) | \$136,715                            |
| <b>Total Estimated Capital Cost</b>          | <b>\$7,904,615</b>                   |



# Capital Approval Summary

| Source   | Funding Source  | Amount (\$ Millions) |
|--|-----------------|----------------------|
| Original Capital Approval (BoD 06/23/22)               | City of Toronto | \$7.585M             |
| Supplementary Capital Approval Request (FARM 11/23/23) | City of Toronto | \$8.715M             |
| Total Capital Approval Request                         |                 | \$ 16.300M           |

# Sources of Funding

| Source  | Funding Source  | Funding (\$ Millions) |
|---|-----------------|-----------------------|
| Pre-design Works  | City of Toronto | \$1.885M              |
| 60% Design Works  | City of Toronto | \$5.700M              |
| Current FARM Capital Approval Request<br>(pending City of Toronto scope and funding approval) | City of Toronto | \$ 8.715M             |
| <b>Total Funds</b>  |                 | <b>\$ 16.300M</b>     |

# Recommendation

Management and FARM recommend that the Board of Directors approve an additional capital expenditure of \$8.715 Million (for a total of \$16.3M) to advance the Broadview Eastern Flood Protection Project to an Issue For Tender level of design and to award the Old Eastern Avenue Bridge Demolition Contract, subject to City of Toronto approvals on the scope of work and upon execution of a funding agreement with the City of Toronto.

Management will seek further Finance Audit and Risk Management Committee and Board of Directors capital approval(s) for the Broadview Eastern Flood Protection Project Construction Works in 2024, subject to Toronto City Council funding approval.

**ON MOTION** duly made, seconded, and carried, be it **RESOLVED** that the Board of Directors approves supplementary capital expenditures of \$8.715 Million (for a total of \$16.3M) to advance the Broadview Eastern Flood Protection Project to an Issued For Tender level of design and to award the Old Eastern Avenue Bridge Demolition Contract, subject to City of Toronto approvals on the scope of work and upon execution of a funding agreement with the City of Toronto.



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# Closed Session

# Open Session

Item 17 – Draft Resolutions Arising from the Closed

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1. Item 12a) Draft Minutes of the Closed Session October 12, 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 October 12, 2023 be approved, as tabled.

2. Item 13 Annual Business Plan 2024/25

**WHEREAS** the Rolling Five-Year Strategic Plan (2023/24-2027/28) was approved by the Board in December 2022 and remains valid; and the TWRC Act requires the Board to approve an Annual Business Plan for the fiscal year beginning April 1, 2024 on/or before December 31, 2023 and such Board approval is to be upon the recommendation of the FARM Committee; and

**WHEREAS** the Annual Business Plan for fiscal year 2024/2025 outlines capital spending of \$489.3 million (inclusive of corporate operating costs of \$20.7 million before amortization and \$21.6 million after amortization), estimated funding of approximately \$379.7 million (excluding unspent funding from prior years), and use of up to \$6 million of the capital reserve towards funding the Corporation's 2024/25 corporate operating costs; and

**WHEREAS** the expenditures contemplated in the Annual Business Plan are subject to the Corporation's Delegations of Authority and Capital Approvals process;

**ON MOTION** duly made by [●] and seconded by [●] and carried, be it **RESOLVED** that the Board of Directors approve the Annual Business Plan 2024/25, as materially presented.



## Upcoming Board/Committee Meeting Schedule February 2024 – December 2024

| S/N | Date (2024)            | Board/Committee | Key Agenda Item(s) include:  |
|-----|------------------------|-----------------|--|
| 1.  | Thursday, February 22  | FARM            | <ul style="list-style-type: none"> <li>Per FARM Committee workplan</li> </ul>  |
| 2.  | Thursday, March 7      | HRGSR           | <ul style="list-style-type: none"> <li>Per HRGSR Workplan</li> </ul>   |
| 3.  | Thursday, March 14     | IREC            | <ul style="list-style-type: none"> <li>Per IREC Workplan</li> </ul>  |
| 4.  | Monday, March 25       | Board           | <ul style="list-style-type: none"> <li>Reports of the IREC, FARM and HRGSR committees</li> </ul>   |
| 5.  | Thursday, May 23       | IREC            | <ul style="list-style-type: none"> <li>Per IREC Workplan</li> </ul>  |
| 6.  | Thursday, May 30       | FARM            | <ul style="list-style-type: none"> <li>Per FARM Workplan</li> </ul>  |
| 7.  | Monday, June 10        | HRGSR           | <ul style="list-style-type: none"> <li>Per HRGSR Workplan</li> </ul>   |
| 8.  | Monday, June 24        | Board           | <ul style="list-style-type: none"> <li>Reports of the HRGSR, IREC, and FARM committees</li> <li>Approve 2023/24 Annual Report</li> <li>Approve 2023/24 audited financial statements</li> <li>Year-end Performance Assessment for the CEO for 2023/24 and approval of compensation for 2024/25</li> </ul> |
| 9.  | Thursday, September 12 | HRGSR           | <ul style="list-style-type: none"> <li>Per HRGSR Workplan</li> </ul>   |
| 10. | Thursday, September 19 | FARM            | <ul style="list-style-type: none"> <li>Per FARM Workplan</li> </ul>  |
| 11. | Thursday, September 26 | IREC            | <ul style="list-style-type: none"> <li>Per IREC Workplan</li> </ul>  |
| 12. | Thursday, October 17   | Board           | <ul style="list-style-type: none"> <li>Report of the HRGSR, IREC, and FARM committees</li> <li>2025 Board and Committee Meeting Calendar</li> <li>Interim Performance Assessment for the CEO for 2024/25</li> </ul>  |
| 13. | Thursday, November 7   | HRGSR           | <ul style="list-style-type: none"> <li>Per HRGSR Work plan</li> </ul>  |
| 14. | Thursday, November 14  | IREC            | <ul style="list-style-type: none"> <li>Per IREC Workplan</li> </ul>  |
| 15. | Thursday, November 21  | FARM            | <ul style="list-style-type: none"> <li>Per FARM Work plan</li> </ul>   |
| 16. | Thursday, December 5   | Board           | <ul style="list-style-type: none"> <li>Report of the HRGSR, IREC, and FARM committees</li> <li>Approval of 2024/25 Corporate Plan</li> </ul>   |