

MINUTES of the 43rd meeting of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at the Novotel Toronto Centre Hotel, 45 The Esplanade, Toronto, Ontario, on Thursday, August 25, 2005, at 8:00 a.m., local time.

PRESENT: Robert Fung, Chairman
 Bill Charnetski
 Murray Chusid
 Tony Dionisio
 Kevin Garland
 Marilyn Knox
 John Ronson
 Peter Smith
 Mark Wilson (by telephone)

ABSENT: Vivien Dzau
 Ross McGregor

In addition to the general public, the following persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and Chief Executive Officer; Edward Dato, Chief Financial Officer; Victor Wong, V.P. Legal; Christopher Glaisek, V.P. Planning and Design; Allan Leibel, Goodmans LLP; Karen Pitre and Ralph Davidson, Toronto Waterfront Joint Venture; and David Matheson, McMillan Binch Mendelsohn LLP.

The Chairman, Robert Fung, took the chair, and with the consent of the Directors, appointed Ann Marie Landry to act as secretary of the meeting.

The Chairman declared that a quorum of Directors was present and that notice of the meeting having been duly sent to all Directors in accordance with the Corporation's By-laws, the meeting was duly called and regularly constituted for the transaction of business.

1. Approval of Minutes

The minutes of the 42nd meeting of the Board held on July 28, 2005 were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the 42nd meeting of the Board held on July 28, 2005 were approved subject to changes as noted.

2. Chairman's Remarks

The Chairman thanked Peter Smith for acting on his behalf as Chair of the last Board meeting.

He stressed the need to keep the positive momentum going on the West Don Lands, East Bayfront and the Port Lands. He recommended that the Directors, if they have not already done so recently, visit Harbourfront on a Sunday afternoon or evening where they will

see how lively it is and how many people are present. He stressed the need for an in depth animation strategy to build a waterfront for the people of Toronto. He emphasized that the Corporation has moved from planning to implementation and that the focus must be on selling the waterfront vision and plans and the changing of the waterfront in a way that it can be used as a mechanism for infrastructure projects driving an economic model. He noted that the Corporation must also look at ways to globally brand the waterfront.

He advised that the three levels of government have agreed to allow elected members of government to sit on the Corporation's Board and that the Mayor of Toronto will become a member of the Board once legislation has been changed to permit this. He recommended that the Corporation extend an invitation to the Mayor to attend the public and in-camera meetings of the Board as a non-voting pending Director, pending the change in legislation allowing him to be a Director. He noted that this invitation in respect of directorship can only be extended to the Mayor and not a representative of the Mayor. Discussion ensued, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Corporation extend an invitation to the Mayor of Toronto to attend the public and in camera meetings of the Board as a non-voting participant pending the change in legislation.

The Chairman asked that the date of the September Board meeting be changed to accommodate scheduling conflicts. It was agreed that Ann Landry would contact Board members with potential dates.

3. CEO's Report

John Campbell tabled reports and information on various matters, which included the following subjects and information and on which the following Board and Management comments were made:

- *West Don Lands* ("WDL") – The development application for WDL was submitted on July 29, 2005. The Corporation and City staff are working diligently to expedite approvals as quickly as possible with a focus on District 3. Significant progress has been made to date but the schedule is approximately three to four weeks behind. The Program Manager is examining ways to speed things up. There will be heavy construction activity, but most likely there will not be occupancy until December 2007, three to four weeks behind schedule. Most of the delays are the result of the approval processes and the Corporation is working to improve these processes.

The WDL proposal call is being prepared with draft documentation scheduled for completion at the end of August. Design guidelines for WDL have been prepared by UDA and will be reviewed by the Design Review Panel on September 8th. A steering committee will be struck to deal with the process once the memorandum of understanding ("MOU") between the Corporation, the Ministry of Public Infrastructure Renewal ("MPIR") and the Ontario Realty Corporation ("ORC") has been finalized. It was agreed that once the request for proposal ("RFP") process is complete it will be brought back to the Board for a final review.

The MOU should be executed very shortly and will give the Corporation the mandate to do what is required to get the job done and the tools to do it. The MOU will prescribe the roles and responsibilities of the Corporation, MPIR and ORC. ORC will continue with work on flood protection and carry out work on soil remediation and the Corporation will lead the development and issue RFPs in the name of the Province of Ontario.

The standard rezoning application signs for the WDL are being placed on site with the Corporation and ORC named as the applicants. The RFP was issued for the Park Design but the project will not be awarded until funding is in place and this is expected on September 6th when the Ten Year Plan of the Corporation to be approved at the Intergovernmental Steering Committee meeting.

- *Board Comments on West Don Lands* – The Board expressed concern with delays from some of the government agencies involved and emphasized the importance of getting the constructive message through to appropriate officials of the very serious negative impact that such delays are having on the Corporation and those government officials who are anxious to get things moving. The Board requested management to provide the Board with timely updates on such matters.

Also, the Board expressed the importance of monitoring the bidding process for the purpose of maintaining “best practices” and being completely comfortable with the process and also expressed the importance of keeping the Board up-to-date in this regard. John Campbell outlined the process and assured the Board that such standards would be maintained.

- *East Bayfront (“EBF”)* – The Corporation met with the President of Redpath to discuss the revised Queen’s Quay cross section where the Redpath spur is co-located in the Toronto Transit Commission (“TTC”) Right of Way. Redpath were generally supportive of working together with TTC to make this option operationally possible and are meeting with them on September 26, 2005. The option of removing the rail spur altogether was discussed and while not eliminating this option entirely, Redpath’s focus will be on seeing how the TTC option can be made to work. A public meeting was held on September 22, 2005 at which changes to the precinct plan were tabled. The City Parks Department is asking for an enlargement of Sherbourne Park from 2.4 to 3.8 acres making it approximately the same size as Little Norway Park at the foot of Bathurst Street. The Corporation must ensure that this Park remains an urban park. The precinct planning team (Koetter Kim) is reviewing the impacts of this enlargement.
- *Harbourfront Centre (“HFC”)* – Work on John Quay is slated for this winter and contribution agreements and environmental assessments are being finalized. The Corporation will need to accommodate a narrow winter

“window” and must issue RFP’s for the work prior to Environmental Assessment (“EA”) approval but will not award work until EA’s are complete.

- *Marketing Consultants* – A Request for Qualifications (“RFQ”) was issued on August 18, 2005 for marketing and branding consultants. Submissions are expected on September 1, 2005.
- *Central Waterfront* – The plan for the Trail calls for one project (instead of many small projects) which will incorporate a continuous walk along the water’s edge, a series of bridges across strategic quays, a bike route along Queen’s Quay and integration with the marine strategy. This plan will ensure consistency along the central waterfront. The Corporation is working on allocating funds for this project.
- *Board Comments on the Role of the Design Review Board* – Inquiries were made as to the timing of the Design Review Panel’s (“DRP”) involvement and as to their role. Board members were of the view that it is important that the DRP become involved early in the process or projects. John Campbell reminded the Board that the DRP are all volunteers with very busy schedules and so the Corporation must use discretion when requesting their time.
- *Aboriginal Issues* – The Corporation has met with Chief LaForme of the Mississaugas of the New Credit First Nation (at the request of Chief LaForme) to discuss working together on a proposal. The Corporation has also received two other proposals from aboriginal groups and has referred one of them to Parks Canada as it relates to the Discovery Centre. John Campbell has asked the Federal Government to provide guidance to the Corporation on how to deal with aboriginal issues in order that the Corporation does not inadvertently create problems in any dealings the Federal Government has with aboriginal groups.
- *Bill 151* – The Corporation is working with Allan Leibel to develop a list of necessary changes to Bill 151 which will give the Corporation normal operating corporate powers such as the power to borrow and the ability to create subsidiaries to hold property.

4. Audit and Finance Matters

John Ronson, acting Chair of the Audit and Finance Committee (“the Committee”), tabled for information purposes the draft minutes of the Committee meeting held on July 26, 2005. The Chairman commended the Committee for their diligent work to date and for the detail provided in the minutes.

Edward Dato advised that he had nothing to report to the Board at this time.

5. Procurement Matters

Management was requested to have amendments to procurement policies available to the Directors at the next Board meeting.

6. Environmental Issues

Victor Wong reported that the Corporation is working with CH2M Hill and Goodmans LLP to identify any potential environmental liability associated with soil remediation in the West Don Lands and Port Lands.

7. Board Committee Structures

A proposed membership list for the Board Committees was tabled by the Chairman. The Chairman indicated that the Federal Government will be appointing a new member which may change this list. Discussion ensued on alterations to the proposed list. It was agreed that until such time as a new federal board member is appointed or other directorship changes are made in the Board, Peter Smith should remain on the Finance and Risk Management Committee, Bill Charnetski should remain on the Audit Committee and Kevin Garland should remain on the Compensation Committee.

Further discussion ensued, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that for the interim the following Board Committees be constituted as follows:

Audit Committee

Vivien Dzau (Chair)
Mark Wilson
Bill Charnetski

Support - Edward Dato

Finance & Risk Management Committee

John Ronson (Chair)
Peter Smith
Kevin Garland
Board Chair
Vivien Dzau (permanent invitee)
John Campbell (permanent invitee)

Support - Allan Leibel

Governance Committee

Mark Wilson (Chair)
Marilyn Knox
Tony Dionisio
Board Chair

Support - David Matheson

Government Relations and Communications Committee

Ross McGregor (Chair)
Murray Chusid
Bill Charnetski
Board Chair

Support - Kristin Jenkins and Marisa Piattelli

Compensation Committee

Marilyn Knox (Chair)
Peter Smith
Murray Chusid
Kevin Garland

Draft mandates of the Board Committees were tabled and the following comments were noted:

- The proposed restructuring involving both an Audit Committee and a Finance & Risk Management Committee must be further examined so as no unnecessary duplication or overlapping of responsibilities occur. It was suggested that further reviews on such specific issue be held amongst those concerned.
- CEO evaluations are typically the responsibility of a compensation committee. The mandate of the Governance Committee includes a responsibility to assess the effectiveness of the relationship between the Board and the CEO. Care must be taken not to have unnecessary overlapping responsibilities between Committees.
- The Compensation Committee needs to develop a strategy to move forward regarding the CEO's future compensation. The terms of reference with respect to compensation may be a little too stringent. The Compensation Committee must regularly review with the CEO his objectives and responsibilities.
- The Governance Committee should be responsible for establishing and overseeing governance processes and the Compensation Committee should be responsible for executing the compensation processes.
- It was agreed that Marilyn Knox, Mark Wilson and David Matheson are to schedule a meeting to review the mandates of the Governance and Compensation Committees.

David Matheson reminded the Board that at the last Board meeting an Ad Hoc Committee was identified to advance and improve on the mandates for the individual committees. He advised that he and Barbara Hendrickson of McMillan Binch Mendelsohn LLP met with some individual Board members and individuals from the management team but still have more work to do and require more input from management. He advised that the mandates should be finalized by late October.

Mr. Matheson advised the Board that he was in the process of updating the Board Member Orientation binders which covers, among other things, fiduciary responsibilities of Directors, signing authorities, the mission statement, objects of the Corporation, by-laws, a Board mandate, Board Committee mandates, a code of ethics, procurement standards, protocols, policies and organizational charts. He indicated that updated binders should be complete by the end of October, after reviews thereon with Directors and management.

8. Adjournment of the Meeting

There being no further business other than matters to be considered in-camera, the Chairman indicated that in-camera matters involving land assembly and advice from legal counsel were then to be considered. He indicated to members of the public present that it was now in order for them to depart from the meeting. Members of public then left the meeting. The meeting then continued as an in-camera meeting.

Chairman

Secretary of the Meeting