

MINUTES of the 41<sup>st</sup> meeting of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at the Radisson Admiral - Toronto Harbourfront, 249 Queen's Quay West, Toronto, Ontario, on Thursday, June 30, 2005, at 8:00 a.m., local time.

PRESENT:            Robert Fung, Chairman  
                      Murray Chusid  
                      Tony Dionisio  
                      Vivien Dzau  
                      Kevin Garland  
                      Marilyn Knox  
                      Ross McGregor  
                      John Ronson  
                      Peter Smith  
                      Mark Wilson

ABSENT:            Bill Charnetski

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; Kristin Jenkins, V.P. Public Affairs; Marisa Piattelli, V.P. Government Relations and Special Project Management; Victor Wong, V.P. Legal; Allan Leibel, Goodmans LLP; Bruce Bodden, Karen Pitre and Ralph Davidson, Toronto Waterfront Joint Venture; Barbara Hendrickson, McMillan Binch LLP; and Frank Lewinberg, Urban Strategies Inc.

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 40<sup>th</sup> meeting of the Board held on May 25, 2005 were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the 40<sup>th</sup> meeting of the Board held on May 25, 2005 were approved.

## **2. Chairman's Remarks**

The Chairman thanked the Directors for taking the time out of their busy schedules to attend the different public activities such as the Harbourfront Centre boardwalk opening and the Port Union opening. He reminded everyone that the public is starting to accept what the Corporation is trying to accomplish along the waterfront and are now coming to expect and respect the high quality and high standards being set by the Corporation.

He noted that Port Union is a beautiful beach but the public is not able to swim there due to the water contamination and stressed the importance of the Corporation doing whatever is possible to help change this situation.

He further noted that the York Quay ribbon cutting ceremony was incredible and reminded the Board of the pressure the Corporation was under when the decision was made (due to limited funds) to allocate all of the funds to complete a quality project on York Quay and to reconsider completion of John Quay in the future.

He also indicated that the Corporation must keep moving forward on sustainability issues to ensure that "quality of life" standards within the waterfront are kept at the highest level by revitalizing, not redeveloping the waterfront.

He reminded the Board that the next milestones for the Corporation are to ensure that construction begins this fall in the West Don Lands to ensure housing occupancy in 2007 and completing the Western Beaches Watercourse facility.

The Chairman thanked staff members of the Corporation for their efforts in ensuring a successful Annual General Meeting in spite of the last minute change of venue.

### *Comments on the Chairman's Remarks*

John Ronson advised the Board that he attended the Port Union opening and that he was very impressed with the fact that the group gathered there was not made up of government officials but the local community. He observed that the local community seemed to have a great respect for the Toronto and Region Conservation Authority ("TRCA") and noted that TRCA has proven to be a great partner for the Corporation. Mr. Ronson also reiterated how disappointing it was to have such a beautiful park/beach with contaminated water.

Mark Wilson suggested that the Corporation advocate the City's Wet Water Flow Master Plan for cleaning our water systems.

Kristen Jenkins reported that the official opening of Harbourfront Centre piers and boardwalk is scheduled for June 26<sup>th</sup> and that all Board members will receive an invitation.

## **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 drafted by the Corporation (to be jointly signed by the Corporation and Ontario Realty Corporation (“ORC”)) has not yet been submitted to the City for approval because ORC has not yet signed it. The Corporation is awaiting ORC’s signature. Funding for approximately \$60 million has been secured and the Corporation is working on an memorandum of understanding (“MOU”) with the Ministry of Public Infrastructure Renewal, the Management Board Secretariat (“MBS”) and ORC. The MOU is expected to be completed by the end of July and will define the roles of the agencies which is of critical importance to the Corporation in order to proceed with revitalization. In the meantime, work is continuing. Bridge design work is underway through TRCA and all ORC tenants were notified by letter of the the WDL precinct plan and expected revitalization work with a second letter going to those tenants who will be directly impacted by Phase I implementation. The FoodShare relocation issue is nearing resolution and the Corporation expects their objection to be removed.
- *East Bayfront* - A meeting was held on June 29, 2005 regarding the railway spur which resulted in a possible solution to the issue. The Corporation will bring this solution to Toronto Transit Commission (“TTC”) for their comments. The City has agreed on the width of Queen’s Quay at 19 metres which is practical and flexible but is still maintaining its position in not allowing vehicular access to the waterfront. However, the proposed width will give City Council the flexibility to decide this issue on an operational basis. The Corporation still feels that vehicular access will be important to support ground floor animation and retail activities. The Corporation will attempt to find a solution to this issue as the ground floor animation strategy is rolled out.

*Board Comments on East Bayfront* – Discussion ensued on the importance of vehicular access to the waterfront to ensure that ground floor businesses and activities are able to flourish.

- *Gardiner Expressway* - The Corporation briefed the Mayor on the Gardiner and responded to his queries. The Mayor has requested another briefing which will take place next week.
- *Five Year Plan* - The Corporation’s Five Year Plan has been reviewed by the three levels of Government with a view to converting it to a long term Ten Year Plan and altering cash flows to accommodate the funding issues of the three Governments.
- *Affordable Housing* - The Corporation is working on an MOU with the Toronto Community Housing Corporation (“TCHC”) outlining the working relationship between the two organizations. This relationship is not exclusive but TCHC will be an important player in ensuring the Corporation meets its 2007 objectives in the WDL. The working relationship with TCHC is excellent.

- *Design Review Panel* – The first meeting of the Design Review Panel will take place on July 19, 2005 to orient the panel members. Fred Koetter and Ray Gindroz will be making presentations so as the intent of the precinct plans is imparted directly by the Corporation to panel members.
- *Strategies for Creative Cities - European Study Visit* - John Campbell is a member of the Creative Cities Strategy Leadership Team which travelled to London, Barcelona and Berlin this month on a European Study Tour to explore strategies for creative spaces, ways to promote creative cities and to see what is being done in Europe. He noted that the Tour was very useful and that there is a good deal of focus on creative cities in Europe.

#### *Comments on the Strategies*

The Chairman suggested travelling to Asia (China, Malaysia) where one can see where the world is going in terms of “creative cities” and technology. He also suggested that Europe is attempting to catch up with the rest of world whereas Asia is leading the way.

Mr. Campbell, in closing his report, expressed his appreciation to the Corporation staff and the staff at Harbourfront Centre for arranging the last minute change of venue for the Annual General Meeting.

#### *Further Comments in Connection with the CEO's Report*

Bruce Boddin, Program Manager, reported that the Ministry of Environment has agreed to issue a Parks Declaration Order for five major waterfront Park initiatives which will relieve the Corporation of the requirement to conduct full environmental assessments (subject to some conditions) saving two or three years of process and several million dollars in costs. He further reported that the Western Beaches Watercourse Facility is progressing well and is on schedule and that tenders will close on July 14, 2005 for the construction and stone supply.

#### **4. Chief Financial Officer's Report**

Edward Dato deferred his presentation on the Five Year Plan to the next Board meeting to allow for the work on the plan to be completed. He advised that this extra time is necessary due to the request of the three levels of Government and the Corporation's agreement to convert the Five Year Plan into a long term Ten Year Plan. He advised that the Corporation will meet with the three levels of Government on July 4, 2005 to request approval in principle of the Ten Year Plan and will then present it to the Board at the July 28<sup>th</sup> Board meeting. He further advised that there seems to be a breakthrough in cooperation among the three levels of Government and is hopeful that this is the start of a future trend.

John Ronson, acting Chair of the Audit and Finance Committee, then tabled the minutes of the May 20, 2005 Audit and Finance Committee meeting. The Chairman congratulated the Committee on the work they have done to date and commented on the usefulness and comprehensiveness of the minutes. Mr. Ronson credited Edward Dato and Lisa Doyle for the production of the minutes.

## **5. Pollution Legal Liability Insurance**

Victor Wong advised that in preparation for the completion of the Project B agreement of purchase and sale and the joint remediation of the Project B/Tedco lands, AON Insurance has prepared (in consultation with the Corporation, CH2M Hill and Goodmans LLP) a risk review of the Project B lands and Tedco lands as a basis for obtaining proposals for pollution liability insurance from environmental insurers. He advised that the Corporation will meet with insurers in order to finalize pollution liability insurance proposals for appropriate assessment and recommendations which will allow for “appropriate, prudent and cost-effective” insurance to be in place on the closing date of the Project B transaction and the commencement of the joint remediation of the Project B/Tedco lands.

## **6. Intelligent Community Implementation Strategy**

Marisa Piattelli tabled her report to the Board on the intelligent community implementation strategy and advised that there are two essential parts to the strategy - the first part is to have a waterfront broadband communications infrastructure master plan completed by September 30, 2005 and the second part is to create a blue ribbon Steering Committee of private/public sector leaders and stakeholders who will subsequently provide funding and direction for the planning, design and implementation of the e-applications. She reported that the Steering Committee will be established and operating by September 30, 2005. She further reported that senior executives from various organizations have already agreed to participate in the proposed Steering Committee and the Corporation will also become a member. She advised that the Corporation’s role on the Steering Committee and the establishment of the Committee itself constitutes a challenge for the Corporation in terms of how the Corporation will in the future enter into and engage in participatory financing models with the private and public sector in key strategic areas. She advised that initial upfront seed capital of \$38,000.00 to start the committee will be a one time cost after which, once the Committee is established, the Corporation and the Committee members will together fund the continuing work of the Committee. She further advised that Bill Hutchison is being engaged to manage both projects for the Corporation.

## **7. Developer Proposal Call Process**

John Campbell tabled a draft Developer Proposal Call Process prepared by Frank Lewinberg of Urban Strategies for development of District 3 of the West Don Lands (the McCord site). He reported that a Steering Committee will be established to oversee and approve the process, the proposal call documents and the evaluation of the respondents and will act on behalf of the Corporation. He reported that the Steering Committee’s voting membership is recommended to be as follows:

- Corporation - 3 members,
- Provincial Government - 1 member from ORC and a senior member of Management Board
- TCHC - 1 member
- Value added independent expertise - 2 members

- Fairness Advisor - A neutral third party advisor to the Steering Committee is recommended to ensure the transparency of the proposal call process and to attest to the fairness of the process if challenged by any parties, including unsuccessful respondents. The Fairness Advisor would not be a voting member of the Committee.

Marisa Piattelli reported that the proposal call will likely be a two stage process - the first stage a request for qualifications resulting in a short list of teams and the second stage will be the submission of proposals from the short listed teams. She advised that this two stage process will take approximately twenty weeks to complete. There was some concern about the length of this two stage process and Frank Lewinberg advised the Board that six to eight weeks could be saved if the process was completed in one stage. Mr. Lewinberg cautioned that a one stage process may not allow the appropriate time necessary for the preparation and evaluation of proposals. Mr. Campbell advised the Board that allowing sufficient time for developers to produce a proposal will facilitate certainty, transparency and simplicity in their responses.

Ms. Piattelli reported that the challenge of the proposed Steering Committee will be acquiring approvals from the respective Boards (the Corporation, ORC, MBS, MPIR and TCHC) once the Committee is in place.

*Board Comments* – The Board was encouraged that the Corporation will adopt a two stage process to ensure transparency around the process to make it clear that the Corporation does not pre-select candidates. It was noted that there was no City representation on the Steering Committee and this decision was questioned because the Corporation will need the City to approve development plans and having them on side from the beginning would be helpful. A question regarding acquiring private sector funding was also raised.

John Campbell advised that the Corporation is attempting to have the infrastructure decisions made (parks and public spaces, Section 37, district energy, green building specifications, etc.) before the proposal call is issued, but that this has been very difficult. He further advised that within the first two districts (1 & 3) in the West Don Lands, the developers will essentially be builders, as the Corporation will have completed much of the above mentioned infrastructure work. He noted further that once the Corporation moves forward and infrastructure sustainability and other revitalization specifications are set, developers could then be called on to submit proposals that would include the financing of the infrastructure. He went on to say that in this way cash flow requirements of the governments would be reduced as private sector funds are engaged.

## 8. Committee Structures

The Chairman advised the Board that as a result of the discussion at the last Board meeting regarding the Audit and Finance Committee and having the Committee being split into an Audit Committee and a Finance and Risk Management Committee, he engaged McMillan Binch Mendelsohn LLP to prepare a first draft mandate for the two committees. He further recommended that effective immediately, Vivien Dzau, who has a CA designation, take over as Chair of the Audit Committee and thanked John Ronson for his time and effort as the acting Chair.

He then introduced Barbara Hendrickson of McMillan Binch Mendelsohn LLP to report on the new committee structures. Ms. Hendrickson advised that she worked with David Matheson to develop the mandate for the Finance and Risk Management Committee (“FRMC”) and to amend the Audit Committee (“AC”) mandate and that this new structure will lessen the work load for the AC and will ensure that the Corporation adheres to new standards for public companies as well as best practices standards. She advised that she and Mr. Matheson reviewed the corporate Risk Management Matrix and the Audit and Finance Committee Work Plan for 2005/2006 and that under the proposed committee structure, the FRMC will assist the Board, management and AC with the risk management process. She advised that the responsibilities of the FRMC include identifying and assessing risks in financial and non-financial areas and managing risks by developing guidelines and policies so as such risks are part of the decision-making and strategic planning process. She tabled preliminary drafts of the mandates for the AC and the FRMC and indicated that the proposed mandates contemplate that the FRMC will share certain responsibilities with the AC which include the risk management process itself, issues related to legal compliance and regulatory matters and financial matters specifically allocated to the respective committees.

The Chairman advised that, as well, he looked at the committees already in place and the Board members on each of the committees and proposed some changes which he tabled for discussion.

Discussion ensued and comments were made with respect to the structure of the new committees as follows:

- There is a need to ensure that all finance matters are not taken over by the Finance and Risk Management Committee;
- There is a need to ensure that the responsibilities of the Audit Committee and the Finance and Risk Management Committee are clear and concise and that boundary lines between the two are worked out; and
- The Governance Committee is not currently operational.

It was agreed that the mandates for each of the new committees and how each operates in relation to the Board be reviewed and made consistent.

**9. 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.

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Chairman

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Secretary of the Meeting