

MINUTES of the 37<sup>th</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 Tuesday, February 15, 2005, at 8:00 a.m., local time.

PRESENT:                Robert Fung, Chairman  
                             Murray Chusid (by telephone)  
                             Tony Dionisio  
                             Bill Charnetski  
                             Vivien Dzau  
                             Kevin Garland  
                             John Ronson  
                             Peter Smith

ABSENT:                Marilyn Knox  
                             Ross McGregor  
                             Mark Wilson

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; Kristin Jenkins, V.P. Public Affairs; Marisa Piattelli, V.P. Special Project Management; Victor Wong, V.P. Legal; Pino DiMascio, Acting V.P. Planning; David Matheson, McMillan Binch LLP; Allan Leibel, Goodmans LLP; Bruce Bodden and Karen Pitre, Toronto Waterfront Joint Venture; Bill Hutchison, Hutchison Management International; Frank Lewinberg, Urban Strategies Inc.; and Ian Matheson and Jonathan Ashall, Aon Reed Stenhouse.

The Chairman, Robert Fung, took the chair, and with the consent of the Directors, appointed David Matheson 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 approval of minutes of the 36<sup>th</sup> meeting of the Board held on January 20, 2005 was deferred, pending corrections thereto.

## **2.        CEO's Report**

John Campbell tabled his report on various matters, which included the following information or subjects and on which the following comments were made:

- *West Don Lands* – Plans for the West Don Lands will be put before City Council for approval in April. The Ontario Government intends to front end the cost of the West Don Lands implementation until such time as a tri-partite Contribution Agreement can be signed. The Ontario Realty Corporation ("ORC") cannot be engaged as yet as the eligible recipient. The Corporation

is cooperating with the ORC and the Toronto and Region Conservation Authority (“TRCA”). The ORC is undertaking the Site Specific Risk Assessment (“SSRA”) for the berm area in district one and the design and construction of the berm on ORC lands. The Corporation will undertake the park design and intends to lead any developer proposal call. TRCA will engage in design and construction of other components for flood protection.

*Board Comments in respect of West Don Lands:* The Chairman commented that the Mayor would like to see the Corporation lead with development of parks and public space. Mr. Campbell acknowledged the importance of such a strategy.

- *East Bayfront* – The final public meeting on East Bayfront was held on February 3<sup>rd</sup>. The public reaction was quite positive. Final public input will take place on February 17<sup>th</sup> and the Corporation’s final comments to the City will be submitted shortly thereafter.
- *Design Review Panel* – Arrangements are being finalized for establishing an urban architectural design review panel in an effort towards design excellence on all facets of waterfront development. The objective is to set high standards of excellence for architecture and public space across the waterfront including buildings, streets, parks and public art. The panel will provide objective, professional advice and contribute to a culture of quality by signalling to developers and designers that high quality design will be a critical consideration for any development in the Toronto waterfront. The panel will be advisory in nature and will have no statutory powers.

*Board Comments in respect of the Design Review Panel:* Both Mr. Chusid and Mr. Leibel commented on the current process of controlling architectural design on waterfront lands and on the importance of getting better control thereof. It was also pointed out that City permission cannot be withheld simply because a building was not architecturally desirable.

- *West Don Lands Car Dealership* – Site plan solutions are being sought with the co-operation of the West Don Lands Committee. The current development plans do not comply with the Corporation’s precinct planning recommendations. The Corporation is reviewing a number of options as to site configuration in order to preserve the ability to develop housing along Front Street.
- *West Don Lands Affordable Housing Implementation Strategy* – Increasing the supply of affordable housing is a top priority of all three levels of government and an important component of both the West Don Lands and East Bayfront precinct plans. Through the precinct planning process, the Corporation established a general policy that commits the Corporation to deliver at a minimum 20% of Waterfront residential units as affordable rental housing (subject to program funding). The Corporation is working in

partnership with the Toronto Community Housing Corporation (“TCHC”) in this regard. The implementation strategy will include a mix of “rent geared to income”, affordable rental and affordable ownership housing. The Corporation and TCHC are also exploring potential partnership opportunities towards sustainable development concepts such as district heating, etc.

*Board Comments on the West Don Lands Affordable Housing Implementation Strategy:* The Chairman pointed out the False Creek approach in Vancouver for comparison purposes. Peter Smith commented on the modern approach in residential blending and on mixed income residents. Mr. Campbell commented on ownership opportunities.

- *Portland’s Implementation Plan (formerly Portland’s Strategic Plan)* - This plan is well underway and once completed will allow the Corporation to address interim uses, phasing, timing, grading and other issues. The Corporation is seeking the cooperation of City councillors and stakeholders through public sessions which is in the process of being scheduled.
- *Lake Ontario Park* – The first stakeholder session was held on January 27<sup>th</sup>. Reception was generally positive. The first public meeting is scheduled for April 2005, with a targeting for a design competition this summer.
- *Sustainability* – The sustainability review has been postponed to March. Meetings have been held with Natural Resources Canada (“NRCan”) to look at partnering opportunities and a variety of initiatives which includes sharing of information with TCHC, and actively considering feasibility options to implement a district heating system in the West Don Lands.
- *World Expo 2015* – The Corporation is working with the City planning consultants in the preparation of a feasibility study for World Expo 2015. Locations being considered include Downsview Park, Woodbine Racetrack, Ontario Place and Exhibition Place, Island Airport and the Portlands. The Corporation is looking at the feasibility of using Expo 2015 in order to develop certain infrastructure in the Portlands which may not be ordinarily developed before 2015. A submission has been made to the Planning & Urban Design Consultant on the Corporation’s preferred site combinations and land permutations for the World Expo 2015.

*Board Comments:* Kevin Garland inquired as to whether or not there was a practical rationale for two sites for the Expo on the Waterfront. Discussion ensued thereon.

### **3. Design and Management of Developer Selection Process – West Don Lands**

Frank Lewinberg of Urban Strategies Inc. presented and tabled a report on a West Don Lands Phase I Developer Selection Process. He illustrated the process through flow charts. He presented illustrations of various sites and considerations therefor. He emphasized that the

most important aspect of the process is how to put the appropriate zoning in place before the Corporation pursues contracts.

His report covered the following additional subjects and items of importance:

- *Understanding the Project* – Clarifying the objectives of the Corporation and the ORC, fully understanding constraints and opportunities, generating developer interest, preparing of a bid book, advertising and the release of a bid book, hosting a bidders’ meeting, evaluating proposals and finalizing agreements to be endorsed and approved by the Board.
- *Key Strategic Considerations* – Addressing marketing challenges, establishing credibility with the industry, identifying the number of development parcels, one or two stage proposal calls, determining what portion of the process is open or closed to the public and covering the momentum in timelines.
- *Identifying the Steering Committee and the Consulting Team.*

A question and answer period ensued. It was proposed that the Steering Committee report on progress every couple of months. Mr. Campbell emphasized the importance of revitalization versus redevelopment, sustainability and control and of the importance of starting with the right “bookends”. Mr. Campbell discussed the challenges involved and the importance of doing it right. Discussion ensued on the importance of the Corporation maintaining a critical path approach, the objective of having buildings up by 2007 and on obtaining the necessary zoning requirements as effectively and as promptly as possible.

#### **4. Project Report – Western Beaches Water Course Facility**

Karen Pitre presented an update on the Western Beaches Water Course Facility. Her report included the following subjects and observations:

- There are two options for the water course.
- The federal government is conducting tests on shoreline protection.
- Meetings have been and will shortly be held with the federal environmental ministry.
- The first meeting with community and stakeholders will be held in the third week of February.
- Environmental assessment requirements are being expedited as timely as possible in order to meet deadlines.
- Meetings are being held with the City Parks Department on improvements to the Marilyn Bell Park which would involve a more connected approach with the Water Course Facility.

*Responses to Board Questions:* Ms. Pitre responded to questions on the financial contributions of the three levels of government.

## **5. Intelligent City Presentation on the Waterfront Community**

Bill Hutchison of Hutchison Management International made a presentation on creating the Intellectual Toronto Waterfront Community, a key element in the Corporation's vision of waterfront revitalization. His report and a tabled memorandum by management of the Corporation covered the following definitions, subjects and information:

- The creation of an intellectual community is a key element in the Corporation's vision on waterfront revitalization. It is an initiative which results in an enriched quality of life, expanded job creation and increased property values. It is the combination of advanced information and telecommunications blended with creative initiatives and education, research, business, healthcare, media, entertainment and the arts which produce lasting community benefits. It is more than just telecommunications, it is an integral part of a creative city involving cultural framework, intelligent community, sustainable development, housing strategy, quality of place and exceptional design.
- It will require the Corporation's leadership in forging cooperative partnerships with government, industry and community leaders – all committed to a vision of continual sustainable transformation to create new and advanced economic and social opportunities.
- Success will be dependent on making the initiative mainstream – not just for an "IT" elite but for everyone in the community.
- Five critical success factors in creating an intelligent community are (1) broadband infrastructure, (2) knowledge workforce, (3) innovation, (4) digital democracy and (5) marketing.
- It involves a long journey of economic and social development facilitated by the new technologies.
- An outline of international intelligent community awards and their achievements in Glasgow, Singapore, Calgary, Seoul, Taipei and Yokuska.
- A road map to the intelligent waterfront community through visual illustrations.
- An outline on establishing a steering group of leaders who will be credible representatives from each key stakeholder group.
- An outline of goals and definitions for the first quarter of 2005, an initial strategy for the second quarter of 2005 and ideas for pilots for the second quarter of 2005, all to attract early interest, create excitement and assess a

concept feasibility for future presentations and how sector subcommittees and think groups will identify pilot opportunities.

- A reference to a pilot infrastructure framework for the third quarter, 2005, implementation steps for early pilots in fourth quarter, 2005 and design and implement demonstration centres for the first quarter in 2006.
- An outline on the implementation of an upgraded infrastructure framework by the second quarter, 2006, a finalized consensus by the fourth quarter, 2006 and an intelligent waterfront “early version” by the first quarter, 2007.
- A note that coincident with an “early version” there must be an upgrading of the demonstration centres to reflect newer technologies.
- The finalizing of the strategy by the second quarter, 2007 which involves the implementation and testing of “early version” monitoring of other developments around the world for a final strategy for the 2008 version of the intelligent waterfront.
- An illustration of potential intelligent waterfront organizations which would be of importance to the waterfront.
- A note that the plan is to be based on private sector feedback and a proven process which has already begun.

Discussion ensued and Mr. Hutchinson responded to various questions from the Board members. Discussion included a reference to the unique global industry clusters situate in Toronto that excel over other cities and to the involvement of universities.

It was noted that creating Toronto’s Intelligent Waterfront Community will be an evolutionary process and that already important stakeholder and partnering work has been initiated. A report on a road map for creating Toronto’s Intelligent Waterfront Community was tabled.

## **6. Directors’ & Officers’ Liability Coverage and Environmental Issues**

Victor Wong spoke briefly on the current Directors and Officers insurance coverage, contained in the Directors’ meeting binder, which highlighted their insurance coverage. A Directors and Officers liability insurance (“D&O Coverage”) overview memorandum was also provided to the Directors. Mr. Wong noted the importance of determining the kind of such insurance coverage that the Corporation should have in respect of pollution claims. Among other things, he noted that environmental liability insurance coverage for the Corporation needs to be reviewed further.

Mr. Wong then introduced Ian Matheson and Jonathan Ashall of Aon Reed Stenhouse to make a presentation to the Board in respect of potential liabilities associated with ownership, care, custody, control and remediation of contaminated land.

Ian Matheson and Jonathan Ashall then made a presentation, including a PowerPoint presentation, on principles of D&O Coverage, particularly in respect of environmental liability and on mitigating risk and reducing liability. It was noted that if properly approached, companies can achieve a level of protection with reasonable assurance through risk management and insurance coverage. Their presentation included, among other things, the following observations, subjects and information on achieving a level of protection for Directors and Officers in respect of environmental matters:

- An outline of the window of risk involved in realty transactions and observations on risk management techniques adopted by the Corporation.
- Observations on benefits and uses of environmental insurance.
- An environmental insurance overview on traditional environmental insurance coverage.
- An outline on environmental risk sources.
- An outline on environmental risk management.
- An outline on D&O Coverage, including reference to corporate indemnification, potential gaps in indemnification, protecting against personal liability and other coverage considerations.
- An outline on environmental insurance.
- Conclusions and Recommendations.
  - Conclusions:
    - D&O insurance is inherently deficient for pollution risk transfer.
    - Environmental insurance required.
    - Combination of risk management and insurance provides reasonable and prudent protections.
  - Recommendations:
    - Maintain existing limit of D&O Coverage.
    - Obtain appropriate environmental insurance.
    - The Board adopt a resolution authorizing management to proceed with any proposed land purchase agreements on a “subject to” basis.

- Action Plan:
  - Authorize management to mandate Aon to:
    - Conduct environmental risk review.
    - Obtain commitment in principle from qualified environmental insurer.
    - Customize environmental insurance program constituting “appropriate and prudent” standards.
    - Submit formal recommendations for consideration applying a “costs-benefits” analysis.
  - Appropriate, cost-effective and prudent environmental insurance to be considered prior to any land closings.

Discussion ensued as to an appropriate resolution in respect of D&O Coverage, environmental insurance coverage and an action plan in respect thereof. ON MOTION duly made, seconded and unanimously carried, it was RESOLVED that the Corporation maintain its existing limit of \$20 Million on D&O Coverage, that it obtain appropriate environmental insurance and that Management be authorized to proceed with appropriate cost effective and prudent environmental insurance for any land closing, subject to the approval of the Board in any instance; and that management be authorized to mandate AON to:

- Conduct an environmental risk review.
- Obtain a commitment in principle from a qualified environmental insurer.
- Customize an environmental insurance program constituting “appropriate and prudent” standards and submit formal recommendations for consideration by the Board, applying a “costs – benefits” analysis.

Further discussion ensued on the approach by Management in any particular case of a land acquisition. It was noted that the minutes should record that insurance coverage on land transactions are to be on a case-by-case basis, with management presenting to the Board for its approval proposed packages of environmental risk coverage on such case-by-case basis.

The Chairman then inquired as to having an environmental policy. Mr. Wong drew to the attention of the Board the Schedule of Risk Management Techniques approved by the Board at the meeting of Directors on January 20, 2005, which reflects the environmental policy being followed by the Corporation.

**7. 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