

MINUTES of the public portion of the 54th meeting of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at at the Offices of the Toronto Waterfront Revitalization Corporation, 20 Bay Street, Suite 1310, Toronto, Ontario on Thursday, September 8, 2006, at 9:00 a.m., local time.

PRESENT: Bill Charnetski
Renato Discenza
Vivien Dzau
Kevin Garland
Janet Graham
Ross McGregor
Mayor David Miller
Mark Wilson

ABSENT: John Ronson
Peter Smith, Interim Chair

The following additional 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; Robert Siddall, Chief Financial Officer; Victor Wong, V.P. Legal; Kristin Jenkins, V.P. Public Affairs; Marisa Piattelli, V.P. Government Relations and Special Project Management; Christopher Glaisek, V.P. Planning and Design; Brad Searchfield, V.P. Development, West Don Lands; Paul Mantini, Bennett Jones LLP; Allan Leibel, Goodmans LLP; Leslie Woo, Special Assistant to the Mayor.

Ross McGregor advised that as the Interim Chair had to leave the meeting, he would chair the public portion of the meeting. Ann Marie Landry continued to act as secretary of the meeting.

1. Approval of Minutes

The minutes of the public portion of the 53rd meeting of the Board held on July 13, 2006 were tabled, and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the minutes of the 53rd meeting of the Board held on July 13, 2006 be approved.

2. Board Member Appointments

The Acting Chair advised that Janet Graham has been appointed to the Finance and Risk Management Committee and Renato Discenza has been appointed to the Communications and Government Relations Committee.

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:

- *Quay to the City* - The event was very successful. Meetings are being scheduled with the impacted community stakeholders to provide them with an opportunity to table their concerns re traffic, etc. The Corporation is analyzing the surveys and completing a final cost analysis. A full report will be tabled at the October Board meeting.
- *Operating Governance* - Nothing further will be done on this issue until the Value for Money Audit is conducted.
- *Naturalization of the Mouth of the Don River* – The Terms of Reference on the Environmental Assessment (“EA”) have been approved by the Ministry of the Environment (“MOE”) and the Corporation will proceed with the next steps on this project. The Corporation has had positive discussions with Toronto and Region Conservation Authority (“TRCA”) and will become engaged with TRCA on the urban design issues while bringing in a team to participate in the design of the mouth of the river and the area east of Parliament (the “knuckle”). The EA review is underway and Management is scheduled to bring an interim report to the Finance and Risk Management Committee on September 25, 2006.
- *Marketing* – The Corporation has been looking at a MIPIM (International Real Estate & Investment Conference) opportunity for the past two years but felt that there was not enough solid information to present to the development industry. The Corporation now feels that the time is right and has been engaged with the City of Toronto (“City”) (Economic Development), the Toronto Economic Development Corporation (“TEDCO”), the Greater Toronto Marketing Alliance (“GTMA”) and the Province of Ontario to explore a joint marketing effort highlighting the waterfront, the rest of the City and Golden Horseshoe. Preliminary discussions indicate a budget of approximately \$300,000 (split three ways) in addition to individual party costs of \$40,000 to \$50,000 depending on the number of participants brought by each of the parties. Combining forces with the Province of Ontario and the City of Toronto will ensure that costs are minimized.

Management requested approval for the above mentioned expenditure and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Board hereby approves an expenditure of up to \$150,000 to allow for the Corporation’s participation at the MIPIM Conference in France in 2006.

- *Intelligent Community* - The plan for the ultra broadband intelligent communications infrastructure is nearing completion and will be presented at the October Board meeting.

- *Western Beaches Watercourse* - The watercourse was used to host the IDBF Club Crew World Championships in August. The event was very successful and the City has issued a report on the economic impact of the event. There were 3,500 participants and 22,000 spectators and the report states that the economic impact was \$5.5 million over and above the Corporation's capital costs of \$23 million.
- *Expo 2015* - Michel Frappia has been appointed as COO of the Toronto 2015 World Expo Corporation replacing Paula Dill. The staff report on financing and governance goes to City Council on September 25, 2006 ahead of a November 3rd deadline for submissions to the BIE. There has been some talk at an informal level of revenues from future land sales (post 2015) offsetting the provincial investment in infrastructure. Management will follow up with the Waterfront Secretariat and report back to the Board.
- *Funding for Park Maintenance* - The Corporation is undertaking a study to look at the various ways to provide funding for park maintenance. The BMW dealership (overlooking Don River Park) has offered to raise funds to support the ongoing operation of the Park through a gala casino night with the proceeds going to a City Parks Fund, dedicated to the Don River Park. Initial concerns by the Federal Government with regard to revenues received being spent on capital expenditures were alleviated once it was confirmed that the proceeds from the gala were going to a City Parks Fund, not the Corporation.
- *Board Comments*
 - The Board acknowledged the efforts of Management and Staff with regard to the very successful Quay to the City event.
 - The Board cautioned the Corporation to ensure that Expo 2015 does not unravel the plans of the Corporation or its vision for the waterfront. Management advised that Expo 2015 will assist the Corporation with infrastructure post fair as the Corporation's seed money does not allow for capital expenditures in the Portlands (World Fair site).
 - The Board questioned certain aspects of the overall project schedule, namely the timelines shown on the schedule with regard to transit seemingly falling behind implementation of certain projects. Management advised that transit EA's are individual EA's which can take up to two years to complete and implementation of such projects cannot be held up while waiting for these approvals. The Board suggested that Management identify those issues that the Board could help with.

4. Program Management Transition Plan

John Campbell advised that when the Corporation started, it retained the services of a group of companies (Marshall Macklin Monaghan, CH2M Hill, Urban Strategies and Stantec in a joint venture) to act as an operating arm of the company. He advised that the joint

venture has done an excellent job but that it has always been the Corporation's intention to migrate to a model where the core management functions are performed in house and specialty expertise continues to be outsourced. He further advised that Management was given the task of accelerating the normal transition of program manager functions in-house to where fees could be limited to approximately \$2.3 million but still maintain project momentum.

Mr. Campbell then provided the Board with a presentation on the Program Management Transition Plan highlighting the following:

- The objective of the Plan;
- The current services provided by the Program Manager which are management services and consulting services;
- The options available going forward being:
 - a) move management functions in-house;
 - b) advance procurement of replacement (technical) services; and
 - c) postpone work.
- The Corporation's recommendation of a combination of (a) and (b) above;
- The future organization structure to include the replacement of Management services and consulting services and the strategy recommended;
- Additional procurement services;
- Summary of costs to implement the plan as well as other costs to be determined.

Discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the Board hereby approves the Program Management Transition Plan as presented.

5. Communications Report

The Communications Report was tabled and received by the Board.

6. Chief Financial Officer's Report

Robert Siddall presented the Chief Financial Officer's report which included the 2006/07 first quarter results, the 2006/07 second quarter forecast, the unaudited Interim Financial Statements, a funding update and the revised Long Term Plan.

Discussion ensued, questions were posed and answered and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the unaudited financial statements for the period ended June 30, 2006 be approved.

Further discussion ensued on the way in which financial information is reported to the Board and the following observations and/or suggestions were made:

- There is a risk associated with the project budget vs. the contribution agreements and this risk is not communicated in present reporting mechanism;
- The Long Term Plan best addresses the above mentioned issue;
- Forecast for a full year and not just quarterly;
- Look forward instead of backward when reporting to the Board;
- Quarterly reporting regarding forecasting should be looked at by the Finance and Risk Management Committee while the Audit Committee deals with historical reporting;
- Going forward the Board must focus on project budgeting over the life of the project and not so much on the current year historical information;
- Management must bring forward scope changes, estimate changes etc. as well as the reallocation of funds at least once per calendar year.

It was agreed that the Chief Financial Officer will look at ways to tailor the reporting mechanisms to reflect the observations and suggestions as discussed.

7. East Bayfront Report

John Campbell tabled an extensive report on East Bayfront highlighting the Zoning By-law as well as the Employment Strategy. He provided a quick overview including the following:

- The Zoning By-law will go to City Council at the end of September;
- Section 37 is a contentious issue, specifically the requirement for residential developers to provide for 20% of all housing units as affordable rental housing through the direct building of units, the provision of land and/or cash contributions;

- The Corporation has had many discussions with the landowners in an attempt to resolve this issue and some have come to terms with the Section 37 provisions but others probably will not;
- The Zoning By-law requires landowners to design buildings to a Leadership in Energy and Environmental Design (“LEED”) Silver standard and public lands must be designed to a LEED Gold standard;
- The Corporation is conscious of the need to balance the requirements of the zoning by-law and still motivate development;
- The Corporation has received TEDCO’s tenant information (lease agreements etc.) and is in the process of assessing the information and preparing a plan in an attempt to manage the impact on those tenants required to be relocated;
- The employment strategy will be one of the main challenges in East Bayfront;
- The Corporation has taken a four-pronged approach to the employment strategy, namely:
 - Outreach to the Information Communications and Technology (“ICT”) sector and related industries in the Fall of 2006;
 - Developer Proposal Call in the Spring of 2007;
 - Utilize Intelligent Community strategy and resources to reinforce employment objectives; and
 - Pre-marketing by real estate/brokerage firm;

The Board questioned the extent to which the Corporation is cultivating relationships with academic institutions with regard to the employment strategy. Management advised that the Corporation has engaged the major academic institutions and discussions have been quite positive but the collective concern among them has been the economical impact of operating an additional campus. The Board emphasized the value of the academic institutions in East Bayfront in that they would drive the animation in the area, they would tie in with the intelligent community strategy as well as the ICT strategy.

8. West Don Lands Report

Brad Searchfield tabled an extensive report and advised that the two main issues which could potentially impact the schedule include:

- 1) The draft Conditions of Approval require a significant amount of work to be completed in order to clear the conditions;
- 2) The Flood Protection Landform - preliminary approaches to the compressible soils issue and the protection of the low level interceptor have been established but acceptable resolutions are still pending;

9. Environmental Issues

Victor Wong advised that there was nothing to report on environmental issues at the present time.

10. Termination of the Meeting

There being no further business, **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the meeting be terminated.

Interim Chair

Secretary of the Meeting