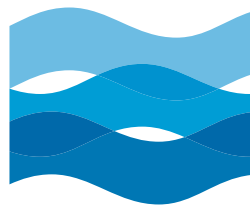




Annual Report 07/08



WATERFRONTToronto





WATERFRONTToronto

Our future is growing at the water's edge

Created in 2001, Waterfront Toronto is a tri-government funded corporation with a 25-year mandate to transform 800 hectares of brown-field lands on Toronto's waterfront into beautiful, accessible, sustainable mixed-use communities and dynamic public spaces.

Using one of the largest infrastructure projects in North America, Waterfront Toronto is delivering a leading-edge city-building model that seeks to place Toronto at the forefront of global cities in the 21st Century.

Our approach is strategic revitalization as opposed to simple redevelopment.

That means understanding that the successful revitalization of our waterfront requires our bringing together the most innovative approaches to sustainable development, excellence in urban design, real estate development, leading technology infrastructure and the delivery of important public policy objectives.

The revitalization of our waterfront represents an unparalleled opportunity to re-establish a positive and meaningful relationship with the waterfront and to transform the waterfront into a marvelous water-related public destination with vibrant public and cultural spaces capable of providing a variety of experiences and amenities. At the same time, the waterfront must be a highly local environment with dynamic, sustainable mixed use neighbourhoods with strong connections to adjacent communities. The quality of life experience on the waterfront will be geared to drawing a new generation of employment helping to guarantee that Toronto's waterfront is seen locally and internationally as a premier environment within which to live, work and play.

The revitalization of Toronto's waterfront represents nothing less than an unprecedented opportunity to change, literally, the face of Toronto and ultimately, to re-define how the city, province and country are perceived by the world.



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Chair's Message

Nothing pleased me more this year than the Board's approval of our revised long term plan. The plan's \$2.1 billion commitment focuses on delivering the core elements of the revitalization vision and allows Waterfront Toronto to proceed with relentless implementation of the workplan.

First, the Central Waterfront – the well used but poorly connected 3.5 kilometre area will be transformed in the next five years into a continuous boardwalk along the water's edge with spectacularly designed pedestrian bridges and wavedecks enabling people to enjoy the water's edge without interruption. Queens Quay will become a signature boulevard with more generous public space for pedestrians and cyclists under a grand double allée of trees on the south side.

The other two key elements of the revised long term plan focus on implementation of the parks and infrastructure including transit, in West Don Lands and East Bayfront that will attract additional investment. We have successfully concluded significant development partnerships in both precincts - with Urban Capital in West Don Lands and with George Brown College in East Bayfront guaranteeing the success of the rejuvenation of these areas.

While we implement the three priority areas, planning development work proceeds on other important projects including completing the environmental assessment for the Lower Don Lands, beginning the environmental assessment for replacing the Gardiner from Jarvis to east of the Don River and completing the masterplan for the eventual creation of one of the world's most exciting urban green spaces – Lake Ontario Park.

This will enable us to build on our success over the next five years and move to the next stage of revitalization work.

The continuing support of our principal stakeholders, the three levels of government is key to our success. They have facilitated our ability to create value through, among other things, endorsing our strategic land acquisition strategy allowing us to better leverage private sector engagement. In the same vein, it is crucial to the future ability of the corporation to deliver its mandate that we continue to evolve and enhance the governance of Waterfront Toronto in co-operation with the governments.

The extensive on-going engagement of community and public stakeholders and the contribution and support they provide to our planning process mean that governments can continue to back our objectives with confidence.

I would like to recognize the hard work of our many implementation partners, Toronto and Region Conservation, Ontario Realty Corporation, Harbourfront Centre, TEDCO, Toronto Port Authority and the Toronto Transit Commission. Our revitalization efforts are enhanced through their ongoing assistance.

Finally, I want to thank our dedicated board members. They are engaged, active and personally committed to ensuring that the full potential of our revitalization vision for the waterfront is achieved for the benefit of the people of Toronto, Ontario and all Canadians.



Mark Wilson
Chair



President's Report

The past year has marked a turning point in our efforts to revitalize Toronto's waterfront. After five years of intense preparatory work including public consultations, zoning and development approvals, significant infrastructure and pre-construction work and substantive capital investment and value creation, we are beginning to see the benefits of our approach. Over the next five years, the public will see the delivery of large segments of the Central Waterfront, East Bayfront and West Don Lands — which will in turn, over the next two decades, transform our city-by-the-lake into one of the most beautiful and dynamic in the world.

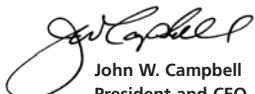
This year we finalized our first private sector development partnership. In April, after a competitive process, Urban Capital Property Group of Toronto and Redquartz Development of Dublin were chosen to lead the development of the first phase of residential development in the West Don Lands. The Urban Capital/Redquartz investment to create River City, an 900-unit housing development, is an estimated \$250 to \$300 million.

In July, Premier Dalton McGuinty and local politicians joined us to announce our partnership with George Brown College for the development of a new state-of-the-art health sciences centre campus on the waterfront. Our partnership with George Brown represents a major city-building milestone for revitalization. A dynamic post secondary institution will encourage the animation and dynamism we seek in the revitalized waterfront. It will also facilitate the attraction of other knowledge-based employers eager to interact with research and teaching institutions.

Among our achievements in the past year were the completion of a number of public realm projects including phase one of Mimico Waterfront Park in Etobicoke, and the launch of the completed Spadina WaveDeck. The wavedeck is the first in a series of iconic slips and bridges which will transform the central waterfront and provide continuous public access along the waterfront from Bathurst Street to Parliament Street. Construction on the next wavedecks, at Simcoe and Rees streets, will start later this fall.

The work of our planning and design team continued to achieve acclaim. Our design for the Lower Don Lands and the naturalizing of the mouth of the Don River, developed by Michael Van Valkenburgh Associates, won the 2008 Royal Architectural Institute of Canada's Sustainable Development Award.

All that we achieved in the past year and everything that we will deliver in the next few years would not be possible without the continued support of our many stakeholders. I would especially like to thank all of the community members who have helped us shape our plans. Their input makes for better results as we move forward to transform Toronto's waterfront.



John W. Campbell
President and CEO



Keeping Toronto's Community Involved

When it comes to public consultation, Waterfront Toronto walks the talk. In the past year, the corporation held more than 43 meetings with stakeholder groups and the general public to seek input on various revitalization plans. Topics included transforming the mouth of the Don River from a derelict industrial zone to vibrant parkland and mixed-use neighbourhoods, creating a revolutionary street design and ensuring that a powerplant was designed to be both functional and beautiful.

The organization does more than listen to citizen concerns—Waterfront Toronto actively responds to concerns, incorporating community ideas in revised plans or when needed, going back to the drawing board for an entirely new approach.

“One can't undertake such an enormous project without public support,” says Waterfront Toronto President and CEO John Campbell. “We need the community as our partner and champion. Otherwise, revitalization won't be successful.”

After five years of established integrity in consultation efforts, stakeholders and community leaders have come to trust Waterfront Toronto. “They make a concerted effort to reach out and share project information before decisions are made,” says Dennis Findlay, Chair of WaterfrontAction, an umbrella organization dedicated to the future of the city's waterfront. Adds West Don Lands Committee Chair Cindy Wilkey: “Waterfront Toronto sets the gold standard for community consultation.”

The consultative process around the Central Waterfront Design Competition is indicative of the corporation's approach. Corporation officials consulted with stakeholders and held a series of public meetings before developing the criteria for the official request for proposals. Visions for the rejuvenation of the water's edge from Bathurst to Parliament Streets were received from thirty-eight design teams from 15 countries. An international design panel selected five finalists each of whom took the time to meet with stakeholders for further input before submitting their formal proposals.

The five concepts were put on public display, community feedback was encouraged and transmitted to the judging panel. "After the final choice was made, we felt we had won," says Findlay. "The issues we spoke up about had been considered. They listened to us."

In the past year, the Corporation has received similar considerable feedback in the refinement of the revitalization of another waterfront area, the West Don Lands, a mostly vacant industrial site extending from the Don River to Parliament Street, north of Lake Shore Boulevard. Initial development plans called for, among other things, Cherry Street to be enlarged to four lanes with transit down the middle.

"We thought it was absurd to stick such a large street in what was to be a cozy neighbourhood," says Julie Beddoes, a member of the West Don Lands Committee.

To help the Committee develop an alternative, Waterfront Toronto provided the committee with some of its own design professionals. Ultimately, everyone agreed to a narrower, two-lane street and a novel transit plan that moves the streetcar on one side of the street rather than in the middle. As a result, pedestrian space and public realm will be maximized. (While the provincial Environmental Assessment process required two public consultation sessions for this project, Waterfront Toronto conducted many more to achieve a smarter, well-designed outcome.)

Similarly, the community and Waterfront Toronto engaged in consultations to devise a stronger design esthetic for the area's District Energy plant. It was felt that the original design for a traditional two-storey structure with visible smokestack should be improved upon. "The community told us it was not up to our standards," says West Don Lands Development Vice President Meg Davis, "and they were right."

Waterfront Toronto hired an award-winning architect to re-think the design. His proposed new structure is more than a building: it is a terraced, grassy creation open to public access and enjoyment. An ingenious solution was found for the smokestack that is now hidden in a shaft in a neighbouring condominium high-rise. "It took my breath away," Wilkey recalls feeling when shown the new look.

Adds Wilkey: "It will become an exciting feature attraction of the area. This shows that Waterfront Toronto is committed to build communities that respond to the vision and expectations of the people who live there."

When public input produces better design, the consultation process is working as it should. After all, Waterfront Toronto's mission is to create a "beautiful" waterfront, not merely to redevelop it, says, Chris Glaisek, the corporation's Vice President of Planning and Design. "True planning means involving the community. Our stakeholders have an impressive level of sophisticated knowledge and even though they are not professionally trained urban planners or architects, their contributions have always led to a better result," he adds.

"The dynamic that we have with community stakeholders sets the stage for something truly great," says Campbell.

Since its inception in 2002, Waterfront Toronto has worked to set that stage. From the outset, the organization made public consultation a cornerstone of its business plans. "We wanted to make sure that people would have an opportunity for input before a project started and not only be asked to react once it was underway," he adds. "The revitalization of our waterfront is an exercise in city-building. It will require the sustained support of the community over the life-cycle of the project."

Is this approach producing the desired results? "We believe it is, but ultimately it is up to Toronto residents and visitors to decide," says Campbell.

“ Dealing with Waterfront Toronto is enormously satisfying because we’re inventing the world we live in. It’s very exciting and I’m thrilled to be part of it.”

Julie Beddoes,
West Don Lands Committee

Julie Beddoes, a member of the West Don Lands Committee, who has been a community activist in the area for a decade.



2007/2008 Project Progress

West Don Lands:

Building a Neighbourhood

Bordered by Parliament Street in the west to the Don River in the east, the West Don Lands is a 32-hectare brownfield site situated next to the Distillery District. The area is being transformed into a new, vibrant, sustainable neighbourhood, featuring nine hectares of parks and public spaces, 6,000 new residential units of which 1,200 will be affordable housing, commercial space, an elementary school, a recreation centre and two child care centres.

Major progress was achieved on the West Don Lands construction in the past year, despite record rainfalls in Toronto this summer. Significant headway was made on constructing the area's flood protection landform, a massive 3.4 hectare engineered berm designed to protect a 99 hectare area including Toronto's financial district from floods. The centre of the berm is 90 percent complete and there are on average 250 trucks per day at the site supplying the more than 300,000 cubic metres of soil which are required to construct the berm and related earthworks.

Reconstruction of the lower level interceptor, a critical part of downtown Toronto's sewage system, was completed and switched over for active use in September. The interceptor runs beneath a portion of the berm and the decades old pipeline had to be replaced before the berm could be constructed on top of it.



First Phase of West Don Lands Development

The team of Urban Capital Property Group of Toronto and Redquartz Development of Dublin was chosen to be Waterfront Toronto's first development partner. The team is developing River City, the first residential buildings in phase one of the West Don Lands. A \$250-\$300 million investment by the development team, River City will be built in the area that runs from King Street in the north, to the new Don River Park in the south, and from the extension of River Street in the west to Bayview Avenue in the east.



The Urban Capital/Redquartz team, including architects Saucier + Perrotte will make its second presentation to the Waterfront Toronto Design Review Panel in November. The sales launch for River City is expected in 2009. Construction is scheduled to begin in 2010, and first phase of occupancy in 2011.

Toronto Community Housing Corporation (TCHC), the developer of 130 units of affordable housing, presented their design to the Waterfront Design Review Panel in July. TCHC was granted approval for site plan application for fall 2008 with construction to begin summer 2009. Designing the mixed market and affordable housing units is Baird Sampson Neuert Architects, working with The Daniels Corporation as the developer partner.

District Energy

As part of its mandate to make Toronto a global leader in sustainable development, Waterfront Toronto has committed to meeting all of the heating and cooling demands of its new waterfront neighbourhoods through a centralized district energy system. The District Energy Centre, which is designed by world renowned firm Steven Holl Architects, will be located in the West Don Lands east of Cherry Street and north of the rail corridor. The District Energy Centre schematic design was presented to Waterfront Toronto's Design Review Panel in July and the site plan was submitted to the City. Construction of the District Energy Centre is expected to begin in 2009.

Cherry Street Streetcar Line

Waterfront Toronto is working to fulfill its commitment for developing transit-first communities and providing transit access within a five minute walk of all residences. A Transit Environmental Assessment (EA) was completed and approved in 2008 for the development of a new streetcar line on Cherry Street. Through community consultations and collaboration with the City and Toronto Transit Commission, a unique design for the streetcar line with the tracks in their own right-of-way next to the eastern sidewalk of the street was adopted through the EA. This is the first time this type of design, which prioritizes pedestrian and transit-users, has been adopted in Toronto. The new streetcar line will initially run between King Street and Lake shore Boulevard, and ultimately will connect to the new streetcar line on Queens Quay Boulevard and run into the Port Lands.



Public Art Strategy

A public art master plan was developed as part of a multidisciplinary public realm design plan for the new West Don Lands community. With its broad appeal, public art can contribute to the identity and character of a place by telling a story about the site's past, present and future. The plan for the West Don Lands is the first community scale comprehensive art masterplan in Canada.

“ Waterfront Toronto provides us with information in advance. We have a conversation at the beginning of the process. We take it back to our communities, and feed back our concerns. If we say, ‘This is an issue,’ they take it seriously. That’s why they have our respect and support. ”

Cindy Wilkey,
Chair of the West Don Lands
Committee

Chair of the West Don Lands Committee and a director of the Corktown Residents & Business Association. Both groups are participating in and watching carefully over the development of the West Don Lands, an 32-hectares brownfield site that runs from Parliament Street and the Distillery District in the west to the Don River in the east and from King Street to the rail corridor



East Bayfront:

Developing the Waterfront's Jewel

East Bayfront is the jewel in the waterfront crown. The 22 hectare lakefront site is one of the first precincts Waterfront Toronto is creating along the Toronto waterfront. Located south of Lake Shore Boulevard from Lower Jarvis Street in the west to Parliament Street in the east, East Bayfront is set to deliver a new college campus, a community of homes and businesses with animated ground floor spaces, retail and cultural venues, public transit, a series of splendid new parks, and a new public water's edge promenade to allow unimpeded access to the lake for all. Over the next five to eight years, the area will welcome 6,000 new residences, 8,000 new jobs and 5.5 hectares of parks and public open spaces.

Significant progress has been made this year in East Bayfront with key highlights being the highly anticipated announcement of a partnership with George Brown College, the launch of two developer partner searches for the two and a half million square feet of mixed use space to be built, and approval for the area's two major parks. Construction of the area's first commercial building, TEDCO's First Waterfront Place which will be the Toronto headquarters of Corus Entertainment, made great strides and is on schedule to open in 2010. Waterfront Toronto also continued to work closely with Toronto Transit Commission and the City of Toronto on an environmental assessment to determine the transit infrastructure required to support future development in the community.

George Brown College

In July, Waterfront Toronto announced its partnership with George Brown College to develop a new state-of-the-art campus in East Bayfront. Premier Dalton McGuinty, Minister of Energy and Infrastructure George Smitherman, and Mayor David Miller, joined Waterfront Toronto and George Brown College officials in making the announcement.

Slated to open in 2011, the new campus will be located on the south side of Queens Quay East between Lower Jarvis and Lower Sherbourne Streets. The campus will house the college's Centre for Health Sciences, its first student residences and a recreational complex.



George Brown students will help create a vibrant year round lakeshore community and will help East Bayfront become a lively downtown neighbourhood where people are drawn to live, work, learn and play. The partnership with George Brown reflects a key city-building objective of Waterfront Toronto – to ensure that the waterfront can leverage the creativity that exists in Toronto and build new synergies, dynamism and animation on the revitalized waterfront.

Developing East Bayfront

Waterfront Toronto launched development partner searches for two East Bayfront initiatives in March. Slated primarily for residential development, Parkside is a .38 hectare site at Queens Quay East and Lower Sherbourne Street. Bayside, a 5.3 hectare area located between Lower Sherbourne Street and Parliament Street south of Queens Quay East, will be a mixture of commercial and residential development.

A Steering Committee of individuals from Waterfront Toronto, the City of Toronto as well as external sustainability, development and design experts evaluated the Request for Qualifications submissions and the Honourable Justice Coulter A. Osborne, former provincial Integrity Commissioner, provided oversight of the fairness of the selection process. The Steering Committee selected a short-list of five development teams for Parkside and four teams for Bayside. Submissions were received from Canada, the US, Australia, and the Middle East.

The Request for Proposals (RFP) for Parkside was issued in July and the RFP will be issued for Bayside this fall. Waterfront Toronto will analyze the submissions and select a development partner for Parkside in fall 2008 and for Bayside early in 2009.

Sherbourne Park

The Board of Directors approved plans for Sherbourne Park which is designed by Phillips Farevaag Smallerberg of Vancouver. Running the length of East Bayfront from Lake Shore Boulevard in the north to the waterfront in the south, Sherbourne Park will be a spectacular 1.5 hectare green space in the centre of the new community. The south portion of Sherbourne Park will feature an open lawn area, and will be a year round destination and public gathering place for city-wide events. The north portion of the park will be defined more as a neighbourhood park, and will include a children's playground and accompanying seating areas. The park is designed to evolve and transform with the growth of the area, and will include a series of quiet intimate spaces, several creative interactive public art pieces, a weather protected pavilion, and a central water feature that can be frozen in the winter for ice skating and used for active water play in the summer. Park construction will begin in 2009 and is expected to be completed in 2010.

“I also feel connected with Waterfront Toronto on an individual basis. I can contact them, and they can contact me. There's a real dialogue. That's unheard of.”

Dennis Findlay,
Chair of WaterfrontAction

Founded in 2005, WaterfrontAction is an umbrella organization of various community organizations and individuals concerned with the revitalization plans for the Lake Ontario waterfront from the Humber River to the Rouge River.

Sugar Beach

In November 2007, Waterfront Toronto invited three distinguished landscape architecture teams to participate in a design competition for the public space at the foot of Lower Jarvis Street. After a public exhibition, review by a community stakeholder committee and deliberations by a four-member jury of prominent arts and design professionals “Sugar Beach” the design developed by the Montreal-based Claude Cormier Architectes Paysagistes Inc. was chosen as the winning design.

The Sugar Beach design creates three distinct spaces, an urban beach with brightly coloured umbrellas, a water's edge promenade and thoroughfare, and a multi-functional event plaza space that will accommodate public events. It will be the second urban beach on Toronto's waterfront, following the first very successful HtO Park, and it pays homage to the industrial elements of the adjacent Redpath Sugar factory. Construction will start in 2009 and it is slated for completion in 2010.





Central Waterfront:

Giving the lakefront back to the people

Waterfront Toronto is transforming Toronto's central waterfront by creating a bold new look and unified design for the 3.5 km area running from Bathurst Street to Parliament Street.

While there has been much development in the area over the past few decades, it lacks a coherent look and feel and it is difficult to distinguish public space from private space along one of the most heavily used parts of Toronto's lakefront. The objective of Waterfront Toronto's plan for the central waterfront is to connect and build on existing public spaces like the Music Garden and to provide a distinct and recognizable identity for all public spaces.

Created by renowned firms West 8 + DTAH, the design for the central waterfront features a continuous water's edge public promenade and boardwalk connected by a series of pedestrian bridges, new public gathering spaces at the foot of major waterfront streets, and the transformation of Queens Quay into a pedestrian friendly grand boulevard with generous green space and a new four-metre wide section of the Martin Goodman Trail.



Spadina WaveDeck

In September, Waterfront Toronto, together with The Government of Canada, Province of Ontario and City of Toronto, opened the Spadina WaveDeck, the first in a series of spectacular new public spaces being built as part of the central waterfront plan.



Located at the foot of Spadina Avenue, the 630 square-metre wooden wavedeck offers Torontonians a new waterside gathering place in an area that was formerly a narrow sidewalk and lacked public access to the lake. Built in less than 10 months, the Spadina WaveDeck creates more public space along one of the most popular parts of the Toronto shoreline.

The geometry of the 60x10.8 metre wavedeck is unprecedented where the playful curves are constantly changing. The wavedeck is a totally flexible structural space. The stairs act as an informal amphitheatre and the varying heights of the deck allow not only for different vantage points but ultimately different experiences with the lake.

Later this fall, construction will start on additional wavedecks at Rees and Simcoe streets. Construction of the bridge at the end of the Spadina slip will start in 2009.

Environmental sustainability is also a key feature of the central waterfront design. The first stage of this work was undertaken at the Spadina WaveDeck and includes the creation of a new fish habitat. Riverstone shoals, tree logs and embankments were installed to provide shelter and increased feeding and forging opportunities for lake fish.

Aquatic Habitat Toronto

Waterfront Toronto considers restoration of marine ecology integral to creating a living ecosystem in Toronto's Inner Harbour. To promote marine restoration, Waterfront Toronto is funding Aquatic Habitat Toronto, a consensus based partnership between agencies with a vested interest in the improvement of aquatic habitat in Toronto. Collaboratively, members of Aquatic Habitat Toronto have developed ecologically diverse habitat plans for each of the in-water construction projects being undertaken in the central waterfront including the more than 2500 square-metres of new habitat built at the Spadina WaveDeck. This work has merited two Public Sector Quality Fair Awards, a silver medal in 2007 and a gold medal this year.



“ Waterfront Toronto has been very open, very transparent and a real pleasure to work with. They take community consulting seriously and are very responsive. They have made us so involved at the start of any project that when an idea comes up, it’s hard to know whose it was.”

Braz Menezes,

Chair of the Queens Quay Harbourfront Business Improvement Area's Planning Committee

The Queens Quay Harbourfront BIA wants to ensure that revitalization of the Central Waterfront is integrated with commercial activity along the north side of the street, the water's edge and the downtown business community.



The Port Lands

The Port Lands is an approximately 400-hectare district bounded by the Keating Channel/Don River and Lake Shore Boulevard in the north, the Toronto Inner Harbour in the west, Ashbridges Bay in the east and Lake Ontario and Tommy Thompson Park in the south. This extensive, underutilized area presents an unprecedented opportunity for waterfront revitalization. Much of the Port Lands is in public ownership, the area has exceptional waterfront access and it is within a 20 minute walk of downtown Toronto.

Over the past year, Waterfront Toronto has focused on a number of initiatives in the Port Lands. Planning efforts for the Lower Don Lands, of which all but 33-hectares is located in the Port Lands, made great strides and the design for the area won a prestigious award. The Cherry Beach Sports Fields were open to the public and plans for Lake Ontario Park, which encompasses the entire southern portion of Port Lands, were finalized.



Lower Don Lands

Waterfront Toronto's plans to revitalize the Lower Don Lands, the 76-hectare area that runs from the Parliament Street Slip east to the Don Roadway and from the rail corridor south to Commissioners Street, are bold and exciting. The plan, created by Michael Van Valkenburgh Associates (MVVA), will see the Don River mouth naturalized and the area around it transformed into an array of parks and green spaces and mixed use communities. The area is a vital connection between the waterfront communities in the East Bayfront, West Don Lands and the Port Lands. Numerous infrastructure, urban design and transportation initiatives are required in the area to enable revitalization.



Sustainable Development Award

Waterfront Toronto together with Michael Van Valkenburgh Associates received the 2008 Royal Architectural Institute of Canada's (RAIC) Sustainable Development Award for the design of the Lower Don Lands. The Sustainable Development Award, one of RAIC's National Urban Design awards, recognizes the role urban design and architectural excellence play in maintaining and enhancing the quality of life in Canadian cities. In their final analysis the National Urban Design jury members felt that the Lower Don Lands design crafted an ecologically-based and environmentally sensitive approach that will provide a long-term evolutive strategy for sustainable development.

Planning Update

Waterfront Toronto is working on a revitalization plan for the Lower Don Lands that will include proposals for new neighbourhoods, community facilities and public spaces, as well as a master plan for transportation and transit, water, wastewater and storm water infrastructure.

Last winter, the design team initiated an Issues Identification Study, an outreach to key public stakeholders to determine critical programs and phasing criteria for the planning processes to follow.

To enable effective planning of the extremely complex project, Waterfront Toronto and the MVVA team also developed a Framework Planning Process. This process enables the design team to work on the design of the site as a whole, in a manner that is more integrated and less structured than typical planning and design processes. The Framework Planning Process integrates the project's numerous concurrent Environmental Assessments (EAs), including the Don Mouth EA, the various Transit EAs, and the Master Servicing EA for the Lower Don Lands, with the design of the Precinct Plan for Keating North.



In March, Waterfront Toronto and the Toronto and Region Conservation held a joint public meeting on the evaluation of alternatives and the selection of a preliminary preferred alternative for the naturalized Don Mouth, including the recommended discharge location and general alignment of the river. The session also included an update on how the results of the Lower Don Lands Design Competition, completed in 2007, and the work being led by MVVA have been integrated with the Environmental Assessment.

“Every time I provide input or feedback, I see it reflected back. They don't always do as I wish, but I always know that they have heard me. That's what one should expect all the time. They are upholding the public trust.”

John Wilson,
Chair of The Task Force to
Bring Back the Don

John Wilson is the Chair of The Task Force to Bring Back the Don, a two-decade old organization concerned with naturalizing the Don River.

Waterfront Toronto, the City of Toronto and the Toronto Transit Commission started the Lower Don Lands Infrastructure Municipal Class EA and Keating North Precinct Plan. The Environmental Assessment will develop a plan to revitalize the Lower Don Lands and create a vibrant, mixed use, sustainable community that embraces and respects a newly naturalized and flood-protected mouth of the Don River.

The first in a series of public meetings for the Lower Don Lands Infrastructure Municipal Class EA and Keating North Precinct Plan was held at the end of July and provided the general public with an opportunity to learn more about the Precinct Planning and the Class EA process.

Cherry Beach Sports Fields

In September, the highly anticipated Cherry Beach Sports Fields were opened by Waterfront Toronto. The two regulation-sized elite soccer and lacrosse fields help meet a high demand for playing fields in Toronto, and are in keeping with Waterfront Toronto's mandate to expand recreational opportunities on the waterfront. The state-of-the-art fields can accommodate a wide range of recreational activity including field hockey, football and ultimate frisbee in addition to soccer and lacrosse.



The playing fields were built on old industrial land in Toronto's Port Lands and are part of an overall strategy to revitalize the area. Made from highly durable artificial turf, the fields feature a longer playing season and a life-expectancy of 20-25 years.

Lake Ontario Park

Waterfront Toronto completed the Master Plan for Lake Ontario Park. Located along the Outer Harbour and extending from Cherry Beach to Ashbridges Bay, and providing connections to the Eastern Beaches, Lake Ontario Park will encompass 37 kilometres of shoreline. Currently made up of an ad hoc collection of disparate pieces, plans for the park unite all of these sites into one coherent ensemble to provide for a wide variety of experiences, amenities and uses include an urban wilderness, water sports, recreation and culture.

In July, a Draft Master Plan was presented to the public and guided walking tours of the site area were conducted. Waterfront Toronto is currently reviewing several options for phase one implementation of the park.





Corporate Initiatives

Improving public access to the waterfront and giving people more reasons to use it are key objectives for Waterfront Toronto which is creating more than 300 hectares of new and improved publicly accessible space – the equivalent of 575 football fields.

Mimico Waterfront Park

In July, Waterfront Toronto, in partnership with its government partners and Toronto and Region Conservation, opened phase one of Mimico Waterfront Park. Located along Etobicoke's waterfront, the \$19 million Mimico Waterfront Park provides west end Toronto residents with a new lakefront public green space in an area that previously lacked public access to the waterfront.



The park includes the extension of the multi-use waterfront trail, sand dunes, cobble beaches, boardwalks, enhancements to natural and aquatic habitats and new spectacular views of Lake Ontario and the city skyline. In September Waterfront Toronto's Board approved the implementation of phase two of the park, which is expected to start construction in 2010.

Port Union Waterfront Park

In April, construction began on phase two of the very popular Port Union Waterfront Park. Waterfront Toronto opened phase one of the park in the fall of 2006 and the positive response from the community has been overwhelming.

Port Union Waterfront Park runs along Lake Ontario providing waterside public access to Port Union residents in an area where none previously existed. Park features include improved recreational access to the waterfront, shoreline protection, cobble beaches, 3.6 km of waterfront trail, pedestrian lookouts and connections, and improvements to aquatic and terrestrial habitats.

Toronto and Region Conservation is overseeing the planning and the building of Port Union Waterfront Park. Phase two of the park is expected to open to the public in 2011.

Sustainability

Waterfront Toronto is committed to making the city's waterfront a model for sustainable community development and setting new standards for best practices, both nationally and internationally.

LEED ND

Waterfront Toronto is one of only a handful of organizations participating in the U.S. Green Building Council's LEED-ND (Leadership in Energy and Environmental Design for Neighbourhood Development) unique new pilot program and is seeking gold certification for waterfront communities. This groundbreaking third-party verification program focuses on sustainable development from a comprehensive, neighbourhood-wide perspective rather than on a building-by-building basis.

Carbon Footprint Analysis

Waterfront Toronto is developing a means to reduce the carbon footprint of various waterfront development initiatives that will take place over the long term. This work will provide Waterfront Toronto with a tool to assess, manage and encourage greenhouse gas reduction in all its revitalization projects.

Environmental Management Action Plan

An Environmental Management Action Plan (EMP) is being created to ensure the mitigation of potential environmental effects that may result from project-related activities on Waterfront Toronto controlled lands. This will provide a framework for establishing environmental priorities, identifying potential risks and complying with industry and regulatory standards.

Parks and Open Spaces Guide

This guide will contain ideas for sustainable best practices that can be applied to the creation of parks and open spaces along Toronto's waterfront. It is intended to stimulate the imagination and encourage innovative technologies and approaches that could be applied to the building of waterfront public spaces.

Performance Management

Waterfront Toronto is developing a flexible and dynamic performance management system to drive its strategic decision-making process. Based on six guiding corporate principles, the system will provide management and staff with the tools necessary to manage the organization's long-term mandate to revitalize Toronto's waterfront.

“ When we make a presentation and their experts aren't sure what we mean, they ask lots of questions so they can get it right. They really want to know our opinions and how to accommodate the end users. They're the best I've come across. ”

Clay McFayden,
Former co-chair of the Toronto
Cycling Advisory Committee

*Represents cyclists' interests to Waterfront Toronto.
The Toronto Cycling Advisory Committee consists of
volunteers appointed by the City of Toronto.*

Gardiner Environmental Assessment

In July, Toronto City Council approved Waterfront Toronto's proposal to undertake an individual environmental assessment on removing part of the elevated Gardiner Expressway and replacing it with a lakefront eight-lane boulevard.



The results of the environmental assessment will determine the feasibility and logistical requirements for removing the Gardiner from Jarvis east to the Don Valley Parkway. The environmental assessment process, expected to take several years to complete, will include a thorough public consultation component and an extensive in-depth technical analysis.

The environmental assessment will begin with a year-long examination to determine its scope of work. Both City Council and the Ontario Ministry of the Environment will need to approve the terms of reference for the environmental assessment.

Archaeological Conservation and Management Strategy

Waterfront Toronto, together with the City of Toronto, has completed a comprehensive Archaeological Conservation and Management Strategy (ACMS). The strategy is designed to protect and interpret the archaeological record of the waterfront, and also to develop policies and protocols to manage these archaeological resources in advance of the major construction required for revitalization.

Developed with the support of stakeholders and members of the general public, the ACMS has helped establish innovative policies for both Waterfront Toronto and the City of Toronto. Besides identifying areas where potential archaeological resources are likely to be found, it has also highlighted the importance of celebrating cultural heritage and interpreting the past. These includes the evolution of the shoreline, Aboriginal occupations, shipping, the railway, and industrialization of the waterfront.

Financial statements

Toronto Waterfront Revitalization Corporation

(c.o.b. as Waterfront Toronto)

March 31, 2008

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Management's Responsibility for the Financial Statements

May 2, 2008

The integrity and objectivity of the accompanying financial statements of the Toronto Waterfront Revitalization Corporation ("the Corporation") is the responsibility of management. These financial statements have been prepared in compliance with legislation and in accordance with Canadian generally accepted accounting principles for not-for-profit organizations established by the Canadian Institute of Chartered Accountants. Significant accounting policies of the Corporation are described in Note 3 to financial statements.

Management is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for the preparation of the financial statements. These systems are monitored and evaluated by management, the Audit Committee and the Corporation's internal auditors.

Management meets with the external auditors, the Audit Committee and the Board of Directors to review the financial statements and discuss any significant financial reporting or internal control matters prior to approval of the financial statements.

The financial statements have been audited by Deloitte & Touche LLP, independent external auditors appointed by the Board of Directors. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's financial statements.



President and CEO



Chief Financial Officer

Deloitte.

Auditors' Report

To the Board of Directors of the
Toronto Waterfront Revitalization Corporation

We have audited the statement of financial position of the Toronto Waterfront Revitalization Corporation as at March 31, 2008 and the statements of financial activities and net assets and of cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants

May 2, 2008

Deloitte & Touche LLP

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Toronto ON M2N 6L7
Canada

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Toronto Waterfront Revitalization Corporation

Statement of financial position

March 31, 2008

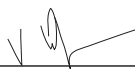
	2008	2007
	\$	\$
Assets		
Current		
Cash	47,893,430	36,952,253
Contributions receivable - Province of Ontario	-	419,989
GST receivable	1,910,192	2,328,495
Prepaid expenses and deposits (Note 15)	1,132,709	131,860
Accrued interest and other receivables	165,544	111,945
	51,101,875	39,944,542
Capital assets (Note 4)	40,155,868	27,071,288
Other assets (Note 5)	192,509	108,202
	91,450,252	67,124,032
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities (Note 6)	17,893,200	12,754,132
Deferred contributions and grants (Note 8)	33,168,475	26,641,866
Other liabilities - current (Note 7)	22,179	104,361
	51,083,854	39,500,359
Accrued benefit liability (Note 14)	78,768	72,686
Other liabilities (Note 7)	1,538,133	-
	52,700,755	39,573,045
Net assets	38,749,497	27,550,987
	91,450,252	67,124,032

Commitments (Note 15)

Approved by the Board



Director



Director

Toronto Waterfront Revitalization Corporation

Statement of financial activities and net assets

Year ended March 31, 2008

	2008	2007
	\$	\$
Revenue		
Government contributions		
Government of Canada	39,359,368	27,648,747
Province of Ontario	3,096,932	23,381,112
City of Toronto (Note 10)	48,569,714	17,398,559
	91,026,014	68,428,418
Less contributions for land acquisition	(11,198,510)	(15,000,000)
Less increase in deferred contributions and grants related to future periods	(6,526,609)	(7,829,598)
Net government contributions (Note 9)	73,300,895	45,598,820
Rent (Note 7)	1,015,534	-
Interest and other	1,260,330	1,540,034
	75,576,759	47,138,854
Expenses		
Construction/implementation	31,890,188	25,304,592
Design and contract management	11,547,189	3,180,959
Business relocation (Note 12)	10,256,007	-
Planning and approvals	6,098,864	4,412,029
Project management	4,562,237	4,993,329
Salaries, fees and benefits	3,987,374	4,246,283
Legal fees	3,178,612	2,102,928
Occupancy, IT and office expenses	2,244,961	1,742,896
Audit, finance and other professional fees	1,516,900	1,480,124
Amortization	294,427	267,640
Non-recoverable GST	-	(591,926)
	75,576,759	47,138,854
Excess of revenue over expenses	-	-
Net assets, beginning of year	27,550,987	12,550,987
Add government contributions for land acquisition	11,198,510	15,000,000
Net assets, end of year	38,749,497	27,550,987

ADDENDUM

Toronto Waterfront Revitalization Corporation

Statement of cash flows

Year ended March 31, 2008

	2008	2007
	\$	\$
Operating		
Excess of revenue over expenses	-	-
Amortization which does not involve cash		
Capital assets	294,427	267,640
Forgone lease revenue	-	414,567
	294,427	682,207
Changes in non-cash operating items		
Decrease (increase) in GST receivable	418,303	(2,096,451)
Increase in prepaid expenses and deposits, accrued interest and receivables, and other assets	(1,138,755)	(88,478)
Decrease in contributions receivable	419,989	3,381,438
Increase (decrease) in accounts payable and accrued liabilities	5,139,068	(2,497,154)
Increase (decrease) in other liabilities	1,455,951	(335,074)
Increase in accrued benefit liability	6,082	61,422
Increase in deferred contributions and grants	6,526,609	7,829,598
	13,121,674	6,937,508
Investing and financing		
Government contributions for non-amortized capital assets	11,198,510	15,000,000
Acquisition of capital assets	(13,379,007)	(14,473,500)
	(2,180,497)	526,500
Net inflow of cash	10,941,177	7,464,008
Cash, beginning of year	36,952,253	29,488,245
Cash, end of year	47,893,430	36,952,253

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2008

1. Description of the Corporation

The Toronto Waterfront Revitalization Corporation (the "Corporation") was initially incorporated on November 1, 2001 under the Ontario Business Corporations Act with the Province of Ontario being its sole shareholder. The mandate of the Corporation is to develop and implement a long-term plan to environmentally improve and economically rejuvenate Toronto's waterfront.

Pursuant to the Toronto Waterfront Revitalization Corporation Act, 2002 (the "Act"), the Corporation was continued as a corporation without share capital on May 15, 2003. The Corporation does not have the capacity to act as an agent of Her Majesty The Queen, in right of Canada ("Government of Canada"), Her Majesty in right of Ontario ("Province of Ontario") or the City of Toronto (collectively, "the Governments"). If the Corporation is given express written authorization by either the Provincial government or city council then under legislation it can act as an agent for either government. The Corporation is deemed not to be a Crown Agency within the meaning of the Crown Agency Act.

Under the Act, the Corporation's objectives are to:

- (a) implement a plan that enhances the economic, social and cultural value of the land in the designated waterfront area and create an accessible and active waterfront for living, working and recreation and to do so in a fiscally and environmentally responsible manner;
- (b) ensure that ongoing development in the designated waterfront area can continue in a financially self-sustaining manner;
- (c) promote and encourage involvement of the private sector in the development of the designated waterfront area;
- (d) encourage public input into the development of the designated waterfront area; and
- (e) engage in such other activities as may be prescribed by regulation.

2. Change in accounting policies - Adoption of new accounting standards

In 2006, the Canadian Institute of Chartered Accountants ("CICA") issued new accounting standards concerning financial instruments: Financial Instruments - Recognition and Measurement ("Section 3855") and Financial Instruments - Disclosure and Presentation ("Section 3861"). The standards require prospective applications and that the Corporation apply the new accounting standards at the beginning of its current fiscal year.

Financial assets and liabilities

Section 3855 establishes standards for recognizing and measuring financial instruments. Under the new standards, all financial assets are classified into one of the following four categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets. All financial liabilities are classified into one of the following two categories: held for trading or other financial liabilities.

The Corporation's financial assets and financial liabilities are classified and measured as follows:

<u>Asset/ Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash and cash equivalent	Held for trading	Fair value
Contributions receivable	Loans and receivables	Amortized cost
GST receivable	Loans and receivables	Amortized cost
Accrued Interest	Held for trading	Fair value
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Other liabilities	Other financial liabilities	Amortized cost

Other accounts noted on the Statement of Financial Position, such as prepaid expenses and deposits, capital assets, other assets, deferred contributions and accrued benefit liability are not within the scope of the new accounting standards as they are not financial instruments.

There was no impact on the Corporation's opening balance sheet for fiscal 2007/08 as a result of the application of these new accounting policies because there was no change in the measurement of any of the Corporation's financial assets or liabilities.

The Corporation has not entered into any derivative transactions. In addition, the Corporation does not have any significant embedded features in contractual arrangements that required separate presentation from the related host contract.

The Corporation is not impacted by interest rate, cash flow, market, liquidity, credit or currency risk.

3 Significant accounting policies

(a) *Basis of presentation*

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

(b) *Revenue recognition*

The Corporation follows the deferral method of accounting for contributions from the Governments. Under this method, restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

(c) *Contributions receivable and deferred contributions*

Annual contribution commitments by the Governments under signed Contribution Agreements which have not been received by the Corporation are recorded as contributions receivable when the amount is determinable and the ultimate collection is likely.

Under the Contribution Agreement, contributions from the Governments can only be applied towards payments of Eligible Costs in respect of Project Activities, as defined in the Agreements. Accordingly, all unspent funds are recorded as deferred contributions.

Contributions from the Governments used for the purchase of amortized capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Contributions for the purchase of non-amortized capital assets are recognized as a direct contribution to net assets.

(d) *Recognition of expenditures incurred by Eligible Recipients*

The Corporation has entered into agreements with Eligible Recipients responsible for managing various projects on Toronto's Waterfront. Expenditures related to these projects are recorded in the financial statements of the Corporation on an accrual basis based upon actual funding requests and estimated funding requests submitted by the Eligible Recipients in accordance with approved project work plans.

(e) *Capital assets*

Capital assets are recorded at cost less accumulated amortization. With the exception of land which is not amortized, capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	5 years
Furniture and fixtures	5 years
Computer hardware and software	3 years
Equipment	5 years

Construction in progress comprises capital assets under construction, assets not yet placed in service and pre-construction activities related to specific projects expected to be constructed. Betterments, which extend the estimated life of an asset, are capitalized. Repairs and maintenance costs are charged to expense.

Capital costs incurred by the Corporation on assets for which the Corporation does not have legal title are charged to expense.

(f) *Taxes*

The Corporation is exempt from income taxes pursuant to paragraph 149(1) (d.3) of the Income Tax Act (Canada).

On March 28, 2007, the Corporation received a ruling from the Canada Revenue Agency which determined the Corporation to be a municipality pursuant to section 123(1)(b) of the Excise Tax Act. This determination is effective February 1, 2004 and results in the Corporation being eligible to claim a 100% rebate of GST for all property and services acquired by the Corporation from February 1, 2004. Prior to this ruling the Corporation was eligible to claim a 50% GST rebate.

(g) *Executive pension plan*

The Corporation accrues its obligations under the President's pension plan and the related costs, net of plan assets. The Corporation has adopted the following policies:

- The cost of pension benefits earned is actuarially determined using the projected unit credit method pro-rated on service and management's best estimate of expected plan performance, salary escalation and retirement age of the President.
- For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.
- Actuarial gains (losses) arise from the difference between actual long-term rate of return on plan assets for the year or from changes in actuarial assumptions used to determine the accrued benefit obligation. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of plan assets is amortized over 6 years.

(h) *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The items subject to the most significant estimates are the amortization of capital assets, accrued liabilities, deferred revenue and accrued benefit liability.

4. Capital assets

			2008	2007
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	38,749,497	–	38,749,497	26,310,536
Leasehold improvements	553,407	236,651	316,756	220,016
Furniture and fixtures	580,758	325,700	255,058	238,902
Computer hardware and software	719,542	434,880	284,662	217,779
Office equipment	121,352	48,438	72,914	84,055
Construction in progress				
– District Energy	476,981	–	476,981	–
	41,201,537	1,045,669	40,155,868	27,071,288

The Corporation owns land containing environmental contamination. As the Corporation does not have any legal obligation to remediate the lands, no environmental remediation liability has been recognized in these financial statements. The costs associated with the Corporation's voluntary environmental remediation, which depends on the ultimate use of the lands, will be recognized in the period incurred.

The Corporation owns two properties containing buildings. Both buildings have been recorded at a carrying value of \$nil. At the time of acquisition, one of the buildings is not intended to be used and as such the cost of demolition has been added to the carrying value of the land. The other building is being rented out on an interim basis after which time it will be demolished. The present value of the net operating income and the cost of demolition of the second building is estimated at \$nil.

5. Other assets

Other assets of \$192,509 (2006 - \$108,202) represent the portion of environmental impairment liability insurance paid in advance by the Corporation. The Corporation's coverage is for two properties with coverage ending September 22, 2015 and December 21, 2012, respectively. The total cost is being amortized on a straight line basis over the term of the coverage.

	2008	2007
	\$	\$
Total other assets	235,635	122,672
Less current portion	43,126	14,470
Long-term portion	192,509	108,202

6. Accounts payable and accrued liabilities

	2008	2007
	\$	\$
Accounts payable:		
Eligible Recipients	2,011,106	1,280,099
Other	3,956,662	2,618,321
Accrued liabilities:		
Eligible Recipients	6,931,878	7,468,880
Other	4,748,763	1,222,053
Holdbacks payable	244,791	164,779
	17,893,200	12,754,132

Eligible Recipient accrued liabilities include \$4,137,333 (2007 - \$4,408,914) for completion of a property acquisition related to the Front Street extension. Under the terms of the contribution agreement, the Corporation cannot release payment to the Eligible Recipient, City of Toronto, until completion of the Canadian Environmental Assessment Agency approval process or until written permission is received from each level of government.

7. Other liabilities

Other liabilities at March 31, 2008 total \$1,560,312 (March 31, 2007 - \$104,361) and represent deposits and/or rent received in advance from tenants or future obligations related to business relocation (Note 12). Other liabilities as at March 31, 2007 represent the unamortized balance of net lease revenue forgone by the Corporation, as well as the balance of the lease liability arising from an exit activity.

	2008	2007
	\$	\$
Lease liability at cease-use date	-	118,553
Lease payments	-	(97,323)
Exit activity lease liability, closing balance	-	21,230
Deposits/rent in advance from tenants	22,179	-
Business relocation future obligations (Note 12)	1,538,133	-
Deferred revenue	-	83,131
Total other liabilities	1,560,312	104,361
Less current portion	22,179	104,361
	1,538,133	-

7. Other liabilities (continued)

Deferred revenue

For the period from February 22 to June 30, 2007, the Corporation received \$109,268 in rent revenues (March 31, 2007 - \$83,131) that was recorded as deferred revenue. Under Bill 151 Section 3(5), the Corporation is not entitled to raise revenue unless it has the consent of the Government of Canada, the Province of Ontario and the City of Toronto or unless it is authorized to do so by a regulation. The Corporation obtained such consent on July 2, 2007 from the three levels of Government. As such, rent revenues previously recorded as deferred revenue were recognized as revenue for the year ended March 31, 2008.

Exit activity lease liability

On June 26, 2006 the Corporation moved office locations and ceased using its leased premises at 207 Queens Quay West. The Corporation continued to be responsible for the operating lease of these premises until May 31, 2007. A liability at fair value was recognized at the cease-use date, determined based on the remaining lease rentals reduced by the estimated sub-lease rentals that could be reasonably obtained for the property. This liability was recognized under Other liabilities in the Statement of Financial Position as at March 31, 2007 and was being amortized against the remaining lease payments (included in Occupancy, IT and office expenses in the Statement of Financial Activities and Net Assets). This liability was fully amortized as at May 31, 2007. In addition, the Corporation has fully amortized the leasehold improvements associated with the old premises (included in Capital Assets).

8. Deferred contributions and grants

Deferred contributions and grants represent contributions from the Governments which have not been applied to eligible costs at March 31, 2008, as well as contributions received for the purchase of capital assets.

	2008	2007
	\$	\$
Expenses of future years		
Balance, beginning of year	27,146,433	18,083,260
Additional contributions received	77,641,998	54,394,353
Less amounts recognized as revenue	(73,006,468)	(45,331,180)
Balance, end of year	31,781,963	27,146,433
Capital contributions		
Balance, beginning of year	(504,567)	729,008
Acquisition of capital assets	13,384,016	14,473,500
Less direct contribution to net assets	(11,198,510)	(15,000,000)
Net revenues reimbursed to tenant	-	(24,868)
Less amortization to cost of land	-	(414,567)
Less amount amortized to revenue	(294,427)	(267,640)
Balance, end of year	1,386,512	(504,567)
	33,168,475	26,641,866

9. Government contributions

The Government of Canada, the Province of Ontario and the City of Toronto have agreed to provide the Corporation with funds to pay for eligible costs in respect to Project Activities. The table below sets out the Contribution Agreements and grants in place since the inception of the Corporation:

Contribution Agreement					
	City of Toronto	Province of Ontario	Government of Canada	Total Expiry	Date
	\$	\$	\$	\$	
1 Priority Projects					
Development Plan & Business Strategy	1,000,000	1,000,000	1,000,000	3,000,000	31-Mar-2008
Front Street Extension	56,666,666	56,666,667	56,666,667	170,000,000	31-Mar-2008
Lower Don River Environmental Assessments	1,000,000	1,000,000	1,000,000	3,000,000	31-Mar-2008
Portlands Preparation	20,233,334	20,233,333	20,233,333	60,700,000	31-Mar-2008
Total Priority Projects	78,900,000	78,900,000	78,900,000	236,700,000	
2 Core Projects - Precinct Planning	2,352,333	2,352,333	2,352,333	7,057,000	31-Mar-2008
3 Commissioners Park Land	3,333,333	3,333,333	3,333,334	10,000,000	31-Mar-2008
4 Western Beaches Watercourse Facility	-	-	200,000	200,000	30-Sep-2004
5 Western Beaches Watercourse Facility	4,000,000	4,000,000	19,000,000	27,000,000	Nov-30-2006
6 Shakespeare Works	-	-	1,475,576	1,475,576	31-Mar-2008
7 Tommy Thompson Park	-	-	8,000,000	8,000,000	31-Mar-2008
8 Lake Ontario Park Plan	-	-	1,000,000	1,000,000	31-Mar-2008
9 Port Lands Permanent Beautification	2,580,000	2,580,000	10,000,000	15,160,000	31-Mar-2008
10 West Don Lands Phase 1	54,410,000	24,290,000	-	78,700,000	31-Mar-2010
11 University of Peace	-	-	2,938,267	2,938,267	1-Dec-2006
12 Strategic Land Acquisition	-	-	13,237,906	13,237,906	31-Mar-2008
13 Port Lands Interim Sports Fields	-	-	5,000,000	5,000,000	31-Mar-2008
14 Don River Park Phase 1 (Design)	-	-	2,204,809	2,204,809	31-Mar-2008
15 Port Lands Regional Sports Complex Phase I	-	-	200,000	200,000	30-Jun-2006
16 Union Station Second Platform	40,000,000	30,000,000	19,334,000	89,334,000	31-Mar-2012
17 Canada Square Feasibility Study	-	-	375,000	375,000	31-Mar-2008
18 Pier 4 Rehabilitation - \$1.5M (superceded)	-	-	-	-	
19 Central Waterfront Public Realm Design	-	-	5,725,025	5,725,025	31-Mar-2008
20 Corporate Costs	2,707,000	-	8,938,000	11,645,000	31-Mar-2007
21 EBF Parks & Waters Edge Promenade Design	-	-	8,678,000	8,678,000	31-Mar-2008
22 Project E	-	15,000,000	-	15,000,000	31-Mar-2008
23 EBF Initial Implementation	18,577,750	6,601,000	-	25,178,750	31-Mar-2012
24 District Energy - City agreement	1,445,000	-	-	1,445,000	31-Mar-2009
25 Ireland Park	-	-	500,000	500,000	30-Sep-2007
26 Mimico Park - Province and City	6,266,000	2,167,000	2,167,000	10,600,000	31-Mar-2009
27 Port Union - Province and City	18,334,000	5,333,000	5,333,000	29,000,000	31-Mar-2010
28 Harbourfront Water's Edge	6,200,000	6,200,000	6,200,000	18,600,000	30-Sep-2006
29 CWPR - Spadina Head of Slip	-	-	4,100,000	4,100,000	31-Mar-2011
30 Pier 4 Rehabilitation (2007)	1,500,000	-	-	1,500,000	31-Mar-2008
31 Strategic Land Acquisition	-	-	9,500,000	9,500,000	31-Mar-2008
32 Lower Don River EA Phase 2	-	-	1,300,000	1,300,000	31-Mar-2011
33 Corporate Cost	-	-	7,519,000	7,519,000	31-Mar-2008
34 Regional Sports Complex	-	-	3,510,996	3,510,996	31-Mar-2011
Grants					
1 First Waterfront Place	12,500,000	-	-	12,500,000	N/A
Total	253,105,416	180,756,666	231,022,246	664,884,329	

9. Government contributions (continued)

Government contributions are based on each level of government contributing a share of Eligible Costs net of other revenue sources, in accordance with the Contribution Agreements.

	2008	2007
	\$	\$
Government contributions		
Government of Canada	39,359,368	27,648,747
Province of Ontario	3,096,932	23,381,112
City of Toronto	48,569,714	17,398,559
	91,026,014	68,428,418
Add opening deferred contributions		
Government of Canada	11,613,854	4,709,800
Province of Ontario	5,622,836	5,546,784
City of Toronto	9,405,176	8,555,684
	26,641,866	18,812,268
Less contributions for land acquisition		
Government of Canada	(9,797,848)	-
Province of Ontario	87,641	(15,000,000)
City of Toronto	(1,488,303)	-
	(11,198,510)	(15,000,000)
Less closing deferred contributions		
Government of Canada	(9,915,875)	(11,613,854)
Province of Ontario	(5,594,887)	(5,622,836)
City of Toronto	(17,657,713)	(9,405,176)
	(33,168,475)	(26,641,866)
Government contributions recognized as revenue		
Government of Canada	31,259,499	20,744,693
Province of Ontario	3,212,522	8,305,060
City of Toronto	38,828,874	16,549,067
	73,300,895	45,598,820

10. Government grant

Included in contributions from the City of Toronto for the year is a grant of \$12.5 million as a contribution towards the construction of First Waterfront Place in the East Bayfront precinct. First Waterfront Place is being developed by the Toronto Economic Development Corporation (TEDCO). The terms and conditions of the grant required the Corporation to immediately release \$3.5 million to TEDCO towards attainment of LEED Gold certification, with the balance conditional on TEDCO achieving design excellence through participation in Waterfront Toronto's design review process and abiding by recommendations of its Design Review Panel. For the year ended March 31, 2008, the Corporation has recognized a total of \$6.5 million paid to TEDCO as grant revenue and construction/implementation expense in the Statement of Financial Activities. The remaining \$6 million has been recorded as deferred contributions and grants on the Statement of Financial Position as the building design had not been approved by the Corporation's Board of Directors or Design Review Panel as at March 31, 2008.

11. Payroll costs

Project management expenses include payroll costs for employees whose activities are directly attributed to specific projects. All other employees' payroll costs are disclosed in "Salaries, fees and benefits" in the Statement of Financial Activities and Net Assets. Total payroll costs for the year ended March 31, 2008 are as follows:

	2008	2007
	\$	\$
Payroll costs		
Included in project management costs	2,822,183	729,171
Salaries, fees and benefits	3,987,374	4,248,181
Total payroll costs	6,809,557	4,977,352

12. Business relocation costs

During the year the Corporation entered into a contractual agreement with the Toronto Economic Development Corporation (TEDCO) to support the relocation of a tenant of TEDCO from its existing location in the Toronto harbour to a new location more suited to the long-term plans to revitalize the Toronto Waterfront.

In agreeing to move to a new location, and subject to certain perfunctory conditions to be satisfied prior to the commencement of the new lease, the tenant surrendered its legal right to extend its current leases every 21 years, and agreed to vacate the existing property on a date expected to be on or about August 31, 2011. An amount of \$8,268,000 paid by the Corporation is being held in trust by the tenant's solicitors until satisfaction of conditions and delivery of vacant possession of the existing property. This will be repaid to the Corporation if the conditions are not satisfied. The existing leases have been effectively amended to expire three months after the commencement date of the new lease.

Given that the tenant has signed the new lease while not yet vacating the existing location, management is of the view that the essence of the transaction is to end/reduce the term of the existing leases. Management believes that the actual surrender of the property is highly likely, given the provisions of the new agreements including that the tenant is not required to dismantle existing structures. Therefore management considers the condition to vacate perfunctory and has accordingly recorded the Corporation's total obligations of \$10,176,500 in the fiscal year as business relocation expense. Of this amount \$1,538,100 has been recorded in Other Liabilities and is expected to be paid out in August, 2011 when the relocation occurs.

13. Eligible recipient costs

The Corporation has agreements with Eligible Recipients who are responsible for managing various projects on Toronto's waterfront. Under the terms of the agreements, the Corporation does not assume ownership or ongoing operational responsibility upon project completion.

The Corporation has paid or accrued eligible costs during the year pursuant to agreements with Eligible Recipients as follows. These costs (recoveries) are exclusive of the Corporation's costs for these projects.

	2008	2007
	\$	\$
City of Toronto		
Front Street Extension	(271,581)	-
Toronto Transit Commission		
Union Station Second Platform	4,133,600	1,988,081
Transit Environmental Assessments	705,028	363,859
Toronto and Region Conservation Authority		
Lower Don River Environmental Assessments	819,023	606,423
Mimico Park	1,778,997	1,388,259
Port Union Waterfront Park	3,015,776	3,190,076
Western Beaches Watercourse Facility	199,497	2,356,728
Tommy Thompson Park	895,496	410,407
Central Waterfront Public Realm	33,285	-
East Bayfront Water's Edge Promenade	23,804	-
West Don Lands Bridge Enlargement	5,539,664	9,688,231
Toronto Economic Development Corporation		
Port Lands Permanent Beautification	922,141	1,520,047
Commissioners Park Land	2,278,752	-
East Bayfront Risk Assessment/Risk Management Plan	792,382	-
East Bayfront Site Preparation	290,150	-
East Bayfront Infrastructure Design/Related Studies	26,211	-
Harbourfront Corporation		
Harbourfront Water's Edge	-	2,586,368
Pier 4 Rehabilitation	1,258,376	-
Ireland Park Foundation		
Central Waterfront - Ireland Park	500,000	-
Shakespeare Works	1,889	(13,741)
University of Peace	-	1,181,432
	22,942,490	25,266,170

14. Executive pension plan

The Corporation maintains a registered pension plan known as "The Pension Plan for Presidents of TWRC (the Plan)." The Plan is a defined benefit plan and was transferred from the President's previous employer to the Corporation, pursuant to the President's employment contract. The Plan was registered in the Corporation's name on April 21, 2003 with no assets or liabilities until January 1, 2005 when a transfer was affected from the President's previous employer. The Plan provides pension benefits based on length of service and final average earnings.

The Corporation measures its accrued benefit obligation and the fair value of plan assets for accounting purposes as at March 31 of each year. The most recent actuarial update of the plan was as of March 31, 2008. The last valuation for funding purposes was as of April 21, 2006.

A reconciliation of the funded status of the Plan to the amount recorded in the financial statements is as follows:

	2008	2007
	\$	\$
Accrued benefit obligation	1,297,270	1,309,659
Fair value of plan assets	1,081,106	1,002,504
Funded status - plan deficit	(216,164)	(307,155)
Unamortized net actuarial loss	137,396	234,469
Accrued benefit liability	(78,768)	(72,686)

Details of the accrued benefit obligation are as follows:

	2008	2007
	\$	\$
Accrued benefit obligation, beginning of year	1,309,659	1,136,188
Current service cost	34,470	35,751
Interest cost on accrued benefit obligation	67,206	52,737
Actuarial (gain) loss on accrued benefit obligation	(114,065)	84,983
Accrued benefit obligation, end of year	1,297,270	1,309,659

The Plan expense for the year is determined as follows:

	2008	2007
	\$	\$
Current service cost	34,470	35,751
Interest cost on accrued benefit obligation	67,206	52,737
Expected return on plan assets	(51,739)	(41,588)
Amortization of net actuarial loss	20,701	14,522
Plan expense	70,638	61,422

The significant actuarial assumptions adopted in measuring the accrued benefit obligation are as follows:

	2008	2007
Discount rate	5.00%	4.50%
Expected long-term rate of return on plan assets	5.00%	4.50%
Rate of salary escalation	2.50%	2.50%

15. Commitments

The Corporation is committed to payments under operating leases for equipment and office space through 2012 in the amount of \$2,184,000. Annual payments for the next four fiscal years are as follows:

2009	671,500
2010	670,000
2011	675,500
2012	167,000
	2,184,000

In addition, the Corporation has other commitments of \$35,263,000 (2007 - \$21,843,182). These commitments comprise contracts directly entered into by the Corporation, purchase and sale agreements and/or delivery agreements with Eligible Recipients who are responsible for managing various projects on Toronto's waterfront. Included in prepaid expenses and deposits on the Statement of Financial Position is a deposit of \$1,000,000, for a purchase and sale agreement which is expected to close in the next fiscal year.

16. Guarantees

- (a) Under the Contribution Agreement the Corporation provides an indemnity to the City of Toronto, Province of Ontario and Government of Canada and their respective officers, employees and agents, from and against liability with respect to injury to persons, damage or loss of property, economic loss or infringement of rights arising directly or indirectly from:

- (i) a project,
- (ii) the performance of a contract or breach of any term or condition, or
- (iii) any omission or willful or negligent act of the Corporation's officers, employees or agents.

The indemnity extends to all costs and liabilities the level of government may incur as a result of appointing members to the board of directors of the Corporation where the Corporation is acting as an agent or incurring obligations on behalf of that level of government.

The Corporation requires all Eligible Recipients to indemnify the Corporation from and against liability on the same basis outlined above.

The Corporation requires all third party contractors to indemnify each level of government and the Corporation, its officers, employees and agents against all claims and liabilities caused by or arising from:

- (i) the breach of any term or condition of the contract by the third party contractor or its officers, employees or agents; or
- (ii) any negligent or willful act or omission of the third party contractor or its officers, employees or agents, in relation to the applicable project.

- (b) Under the Delivery Agreement with each Eligible Recipient respectively, the Corporation provides an indemnity to the Eligible Recipient and its respective officers, employees and agents, from and against any claims with respect to direct loss arising from:
- (i) any breach by the Corporation of the Delivery Agreement or documents or certificates given pursuant to the Agreement, or
 - (ii) any negligent or willful acts or omissions of the Corporation, its officers, directors, employees or agents, in relation to the project.

The nature of the indemnifications prevents management of the Corporation from making a reasonable estimate of the maximum potential liability the Corporation could be exposed to. Management, however, attempts to limit the Corporation's exposure under these indemnifications through the purchase of directors and officers insurance, the allocation of risk to Eligible Recipients and contractors (outlined above) and through enforcing the Corporation's and Eligible Recipients policies and procedures, as well as intense oversight where appropriate.

17. Comparative figures

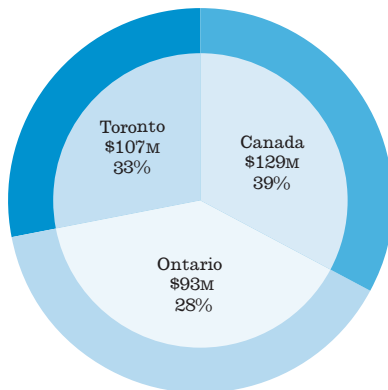
Certain of the prior years' comparative figures have been reclassified to conform to the current year's financial statement presentation.

Management Discussion & Analysis

Revitalization of Toronto's waterfront was originally estimated to cost \$17 billion (Waterfront Toronto's 2001 Development Plan and Business Strategy), comprising \$4.3 billion public sector funding and \$12.7 billion private sector funding. Due to escalation in construction costs, estimated at 7% p.a., the cost is now estimated to be up to \$27 billion. The three orders of government have pledged \$1.5 billion as seed capital for the waterfront initiative. To date the Corporation has received \$329 million (including direct provincial funding through Ontario Realty Corporation for West Don Lands).

In addition the City of Toronto and Province of Ontario have pledged the land sales revenue on government owned land on the waterfront as further funding. The current estimate of revenues from expected sales or term leases for the West Don Lands and East Bayfront precincts is \$313M. Revenue estimates for other waterfront precincts have not yet been calculated. Revenues from other sources including rental income and interest on short-term investments is expected to be \$17M. Total revenue estimated from seed capital, land/leases revenue from two precincts, and interest and rental income is \$1.830 billion.

**Funding Since Inception to March 31, 2008
by Government (\$M)**



Waterfront Toronto has developed a comprehensive revenue strategy to identify sources to fund the remaining public sector portion of revitalization efforts.

Waterfront Toronto's vision is predicted on delivering excellence in the following areas:

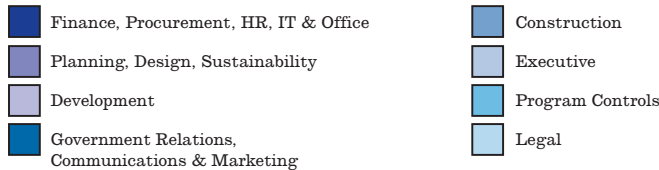
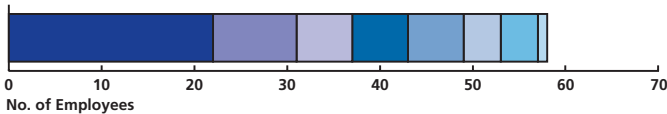
- Sustainable development
- Design excellence
- Public accessibility
- Economic prosperity
- Fiscal sustainability
- Operations effectiveness

Waterfront Toronto intends to measure success and stakeholder value based on level of achievement of Corporate objectives derived from its key performance drivers outlined above.

Resources

From a human resources, facilities and internal systems perspective the Corporation is well positioned to deliver results. Specifically Waterfront Toronto has a full time equivalent (FTE) complement of 58 highly skilled staff. This includes in-house project managers for planning and design, development, construction, and program controls and risk management. Waterfront Toronto's strategy is to staff core functions and outsource for times of peak workload and areas of specific technical skill.

Employees by Department

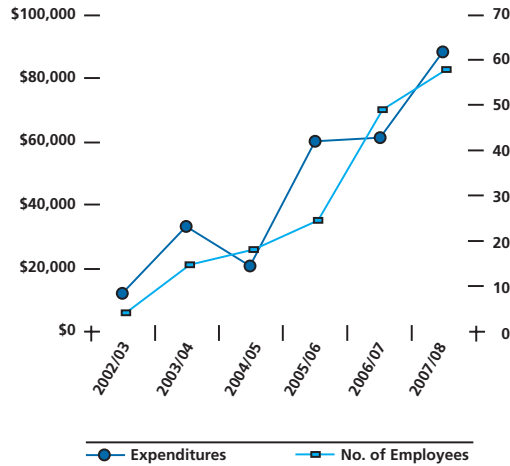


Employees by Department

During the year the Corporation expanded its office space at 20 Bay Street to 15,000 sq. ft. to address the increased number of staff hired to support the revitalization of the waterfront. Waterfront Toronto is also in the process of enhancing and/or developing a number of new systems. This includes a enhanced project budgeting and costing system, formal performance measurement system, enterprise risk management system, geographic information system (GIS) as well as website upgrades.

There are weaknesses however in the Corporation's governance model which significantly impact Waterfront Toronto's ability to deliver results. These are detailed in the Governance section.

The Corporation's capital resources are currently derived from government contributions (98%) and interest and rental income (2%). Liquidity is based on requesting funding for projects from governments on a quarterly basis. As such, adequacy of cash resources is dependent on accurate quarterly cash flow forecasts and timely receipt of funding from governments. The Corporation invests short-term surplus cash in an investment account earning the Monthly Average Bankers Acceptance (MABA) rate of interest less 10 basis points (assuming an average balance in excess of \$15 million). As at March 31, 2008 the Corporation had a cash balance of \$48 million which is expected to cover project expenditures until the next quarterly funding request.



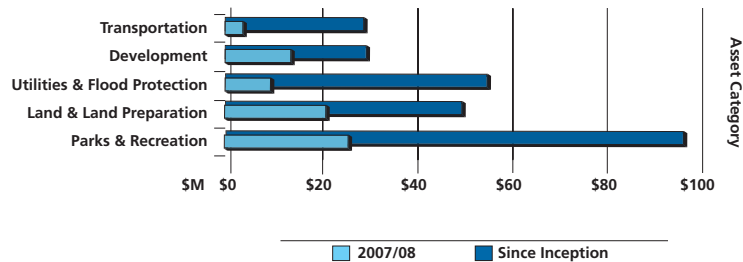
Results

Since inception in November 2001, through March 31, 2008, Waterfront Toronto has invested over \$300M* in Toronto's Waterfront. Of this \$262M (87%) is related directly to investing in capital projects that will provide service to the citizens of Toronto, Ontario and Canada for the next 30 – 50 years. Corporate and overall business planning costs for the first seven years of operations and cover staff and legal costs associated with starting up a new Corporation and ongoing costs.

* Including \$27M invested by Ontario Realty Corporation in West Don Lands

Expense Category	\$M	%
Parks & Recreation	96,585	37%
Land	50,586	19%
Utilities & Flood Protection	55,104	21%
Development	30,276	12%
Transportation	29,783	11%
	262,333	100%
Corporate	38,673	
	301,006	

Waterfront Investment by Category (\$M) 2007/08 and Since Inception to March 31, 2008



To March 31, 2008 the focus has been on investing in assets related to parks and recreation (37%), utilities infrastructure including flood protection (21%), land (for future parks and/or community development) (19%), development planning (12%) and transportation (11%). In 2008/09 this focus will continue, however there will be greater focus on development, utilities (including flood protection) and transportation all related to the new communities being developed in West Don Lands and East Bayfront, including the new Cherry Street transit line and extension of the Queens Quay transit line. There will still be major investment in parks and recreation in 2008/09, particularly in the Central Waterfront area where construction of additional slips and the first bridge at Spadina Quay will be initiated. The environmental assessment related to consolidating Queens Quay into two lanes to create new public spaces will continue. Further, Waterfront Toronto will continue its efforts building new parks such as Mimico, Port Union and Tommy Thompson Park in the Port Lands. Continued efforts will also focus on waterfront wide transit initiatives including the detailed design of the Union Station Second Platform.

In terms of investments by precinct or geographical area, \$65M (24%) of investments to date have been made in the Central Waterfront area (\$6M in 2007/08), \$60M (23%) in West Don Lands (\$27M in 2007/08), \$51M in Portlands (\$25M in 2007/08), \$41M (15%) in waterfront-wide initiatives including \$28M for transportation (\$7.5M for 2007/08), and \$29M (11%) in East Bayfront (\$25M in 2007/08). Waterfront Toronto has also invested \$21M (8%) in suburban parks projects located outside the designated waterfront area (\$5M in 2007/08). These projects are located in lakefront parks in Mimico and Port Union.

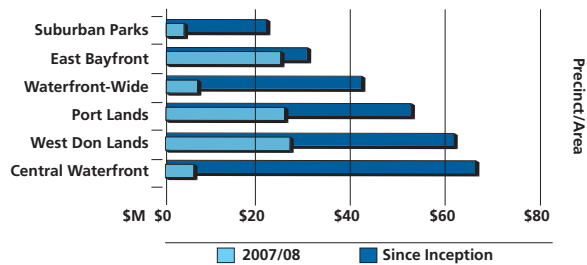
Precinct/Area	07/08	Since Inception	%
Central Waterfront	5,973,608	64,660,861	24%
West Don Lands*	26,841,602	60,087,213	23%
Portlands Area**	25,169,302	51,163,096	19%
Waterfront-wide Initiatives***	7,470,087	40,763,274	15%
East Bayfront	24,569,467	29,434,843	11%
Suburban Parks	4,847,734	20,828,571	8%
Sub-total	94,871,800	266,937,858	100%
Corporate	8,763,567	34,068,142	
GRAND TOTAL	103,635,367	301,006,000	

*Includes direct Provincial investment through Ontario Realty Corporation

**Includes Lake Ontario Park

***Includes Union Station Second Platform, Front St. Extension and other transit/transportation initiatives.

Waterfront Investment by Geographic Area/Precinct (\$M)



In 2008/09 the investment focus will be largely concentrated on Central Waterfront, West Don Lands and East Bayfront precincts.

Of the over \$300M invested by Waterfront Toronto to date, only \$40M (13%) is recognized as an asset in the Corporation's March 31, 2008 financial statements. This is because the majority of the waterfront infrastructure assets created by Waterfront Toronto are not owned by Waterfront Toronto. While their creation is funded by Waterfront Toronto, assets such as parks and recreation, transit and utilities infrastructure are owned, operated and maintained by other organizations such as City of Toronto, Toronto Transit Commission and Toronto and Region Conservation Authority.

Risk

As part of its enterprise risk management process, Waterfront Toronto has identified six key business risks facing the Corporation. Management has developed action plans to address these risks, the status of which are reviewed quarterly with the Finance and Risk Management Committee of the Board of Directors.

Key Business Risks

1. The risk of not being able to accurately estimate the costs and timing of our vision, mandate, objectives and activities (projects).
2. The risk of not being able to obtain approval of the corporation's planned activities
3. The risk of not having the appropriate tools, (i.e. powers, staff, systems etc.) to be able to deliver on our objectives.
4. The risk of conflicting core objectives of the Corporation and the inability to find the appropriate balance between the various objectives.
5. The risk of not balancing the Corporation's activities to maximize the achievement of core objectives.
6. The risk to the organization's reputation / brand as a result of ineffective people, processes or technology.



Waterfront Toronto Board of Directors

Mark Wilson

Chair of the Board of Directors,
Waterfront Toronto since January 16, 2007
*Board member from January 28, 2002
to June 14, 2009*

William Charnetski

Vice President, Corporate Affairs and General
Counsel, AstraZeneca Canada Inc.
*Board member from July 5, 2004
to August 4, 2009*

Jack Cockwell

Group Chairman and Director of Brookfield
Assest Management Inc.
*Board member from October 12, 2006
to October 12, 2009*

Sue Dabarno

President & Chief Executive Officer, Richardson
Partners Financial
*Board member from October 12, 2006
to October 12, 2009*

Renato Discenza

President, Azcendis Consulting
*Board member from June 15, 2006
to June 14, 2009*

Vivien Dzau

Chartered Accountant. Active in financial
and various community services.
*Board member from August 11, 2004
to September 11, 2008*

Kevin Garland

Executive Director of the
National Ballet of Canada
*Board member from March 11, 2004
to June 10, 2009*

Janet Graham

Managing Director,
IQ Alliance Incorporated
*Board member from June 15, 2006
to June 14, 2009*

David Johnson

Former Minister of Education
for the Province of Ontario
*Board member from June 6, 2008
to June 6, 2011*

Ross McGregor

Former President & CEO,
Toronto Region Research Alliance
*Board member from March 11, 2004
to June 10, 2009*

David Miller

Mayor of Toronto
*Board member from December 15,
2005 to completion of term in office*

John Ronson

Founding Partner, Courtyard Group
*Board member from November 5, 2003
to May 31, 2008*

John Sandusky

Retired Homebuilder & Land Developer
*Board member from June 30, 2008
to June 30, 2011*

Peter Smith

President of Andrin Limited
and Chairman of GO Transit
*Board member from November 2, 2001
to December 31, 2007*



Waterfront Toronto Governance

The Board of Directors of the corporation is comprised of representatives appointed by each of the three orders of government. The current board is made up of 12 members with a wide range of relevant skills and expertise. These include legal, residential and commercial real estate, accounting and tax, investment and finance, environmental management, not-for profit and public sector organizations, public companies, entrepreneurship, urban planning and information technology, among others.

Waterfront Toronto's Board of Directors is highly committed to its stewardship responsibilities and is very engaged in the corporation's activities. This can be evidenced by the number of meetings and attendance record of the 2007/08 fiscal year. During the year there were eight Board meetings and 17 committee meetings (total 25 meetings). The average attendance level for Board meetings was 91% and 90% for all meetings.

The Board evaluates its performance and that of its five committees annually.

Committee	Number of Meetings	Members	Sample of Issues
Finance, Audit and Risk Management Committee	6	Chair: Vivien Dzau Kevin Garland Renato Discenza John Sandusky Mark Wilson (ex-officio)	<ul style="list-style-type: none"> • Approve annual and quarterly financial statements • Oversee external auditors independence, annual plan and reports • Oversee internal audit team annual plan and reports • Review audit reports from governments • Oversee risk management policies and processes • Review variances in capital project expenditures • Approve financial budgets and business plans
Investment and Real Estate Committee	4	Chair: Mark Wilson Jack Cockwell Janet Graham	<ul style="list-style-type: none"> • Review and evaluate major development projects, real estate acquisitions and divestitures and other significant projects of the corporation

Committee	Number of Meetings	Members	Sample of Issues
Communications and Marketing Committee	4	Chair: Bill Charnetski, Ross McGregor Renato Discenza David Johnson Mark Wilson (ex-officio)	<ul style="list-style-type: none"> • Provide advice for the integrated communications and marketing program for the corporation that among other things: <ul style="list-style-type: none"> → Positions Waterfront Toronto as a world leader in waterfront renewal and → Champions visible progress on waterfront revitalization
Human Resources and Compensation Committee	2	Chair: Ross McGregor Kevin Garland Sue Dabarno Mark Wilson (ex-officio)	<ul style="list-style-type: none"> • Oversight regarding creating and maintaining an equitable and progressive culture, and establishing Waterfront Toronto as a employer of choice • Utilize best practices in human resources management • Review recruitment, appointment and termination processes of senior executives • Review succession plans, retention programs, training, performance management and compensation with the senior management group • Assist Board in carrying out performance evaluations of CEO • Oversight of compensation structure and benefit plans of corporation for its employees
Governance Committee	2	Chair: Mark Wilson Ross McGregor Jack Cockwell	<ul style="list-style-type: none"> • Review and recommend to Board the appropriate Board Committee structure and Board Committee members • Develop mandates of Board Committees • Review directors' and officers' indemnification and third party insurance coverage • Develop and monitor policies to facilitate public access to meetings of the Board and its Committees • At least, annually assess the composition and effectiveness of the Board, Board Committees members • Review code of conduct and ethical behavior policies • Strategic support for government relations

Operational Governance

Waterfront Toronto is a large, complex, tri-partite funded corporation with a 25-year mandate to revitalize 2,000 acres of brownfield lands on Toronto's waterfront. It is one of the largest infrastructure projects in North America. The context within which Waterfront Toronto currently operates has changed significantly since the original creation of the corporation in 2001. Waterfront Toronto has developed mature management structures and operations and from a human resource, facilities and internal systems perspective, the corporation is well placed to deliver results.

Moreover, Waterfront Toronto is guided by an strong, expert and engaged Board of Directors, appointed by the three governments, who oversee the strategic direction of revitalization.

There are however weaknesses in the corporation's governance model which significantly impact Waterfront Toronto's ability to deliver results. This is especially the case now that the corporation has moved from planning to implementation and the active engagement of the private sector. Most problematic is the fact that the corporation is funded on a single project by project basis. We have requested that the current funding model be changed to an annual base grant as an alternative to the current project by project model. Furthermore, the corporation has no powers to borrow, mortgage or raise funds, enter joint ventures or create subsidiaries. The current governance and funding structure limits the corporation's ability to act nimbly, strategically and to deliver its mandate on a timely and efficient basis.

Several outside experts have confirmed that an organization with the scope and scale of mandate such as Waterfront Toronto's requires the planning, financial tools and authorities to enable successful revitalization.

Operational governance is under discussion with governments and Waterfront Toronto has received their agreement in principle to move towards enhanced operational tools. We pursue those discussions with a view to securing the required authorities by the end of this fiscal year.

Waterfront Toronto Management

Executive Team

Waterfront Toronto Management Executive Team

John W. Campbell
President and Chief Executive Officer

Meg Davis
Vice President, Development - West Don Lands

Christopher Glaisek
Vice President, Planning and Design

Andrew Gray
Vice President, Development - East Bayfront

David Kusturin
Vice President, Program Management

Marisa Piattelli
*Vice President, Communications,
Government Relations and Strategic Initiatives*

Robert E. Siddall
Chief Financial Officer

Victor Wong
Vice President, Legal

Senior Staff

Raffi Bedrosyan
Director, Port Lands

Veronica Bergs
Director, Program Controls

David Brattan
Director, District Energy

David Cohen
Director, Information Technology

David Dubois
Executive Director, Geo-Environmental Services

Thelma Gee
Acting Director, Sustainability

Derek Goring
Director, Development

Bill Hutchison
Executive Director, Intelligent Communities

Kevin Newson
Director, Procurement

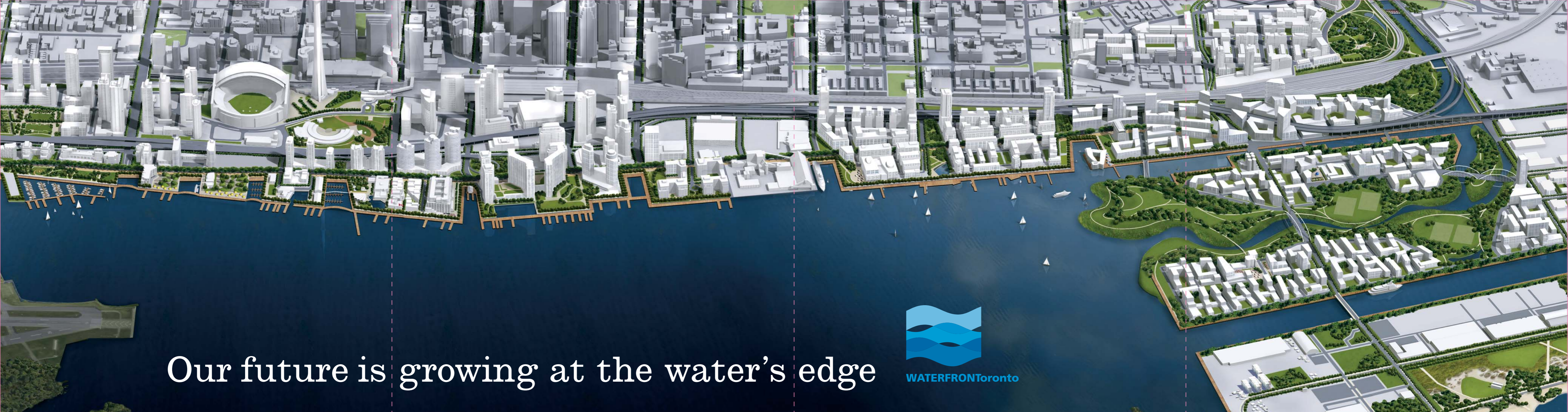
Michelle Noble
Director, Communications & Marketing

Lisa Prime
Director, Sustainability

Nitti Subramaniam
Director, Construction

Lisa Taylor
Corporate Controller

Sandra Tran
Director, Finance



Our future is growing at the water's edge



Corporate Projects and Initiatives

- ~ Complete construction of new segment of the Martin Goodman Trail at Ontario Place
- ~ Finalize the terms of reference for the Gardiner-Lake Shore Environmental Assessment
- ~ Work with the City of Toronto to complete the terms of reference for the York-Bay Ramps Environmental Assessments
- ~ Complete leading edge project estimation and associated risk analysis (Cost Estimate Validation Process)
- ~ Improve project budget and cost control and enhance workflow and collaboration by implementing new project management and reporting software
- ~ Implement Earned Value Analysis reporting
- ~ Seek governance provisions including the right to borrow, mortgage, etc. and the right to create subsidiaries from governments
- ~ Develop a financing program to support the corporation's Long Term Plan
- ~ Improve the corporation's enterprise risk management and performance management processes (including objectives, actions plans and "SMART" performance measures) and continue to integrate these processes into all aspects of the corporation's management of its activities
- ~ Deliver ultra broadband and district energy services to First Waterfront Place
- ~ Develop a strategy and plan for sponsorship, philanthropy and other revenue generating opportunities

Central Waterfront

- ~ Build Rees and Simcoe wavydecks
- ~ Commence construction of the Spadina Bridge
- ~ Conclude the Queens Quay Environmental Assessment and tender the project
- ~ Complete the designs of Peter, Rees, Police Basin and Simcoe bridges
- ~ Finalize the design for Portland Slip water's edge promenade

Port Lands

- ~ Prepare an overall planning framework for orderly development of the Port Lands
- ~ Complete the Lower Don Lands Framework Plan
- ~ Complete the Keating Channel North Precinct Plan and Master Servicing Environmental Assessment
- ~ Adopt the Lake Ontario Master Plan
- ~ Identify phase one for Lake Ontario Park
- ~ Finalize preliminary design for Lake Ontario Park phase one
- ~ Complete construction of Cherry Beach/Commissioners Street intersection improvements
- ~ Complete construction of phase two of Leslie Street greening
- ~ Implement tree nursery
- ~ Finalize site plan approval for relocation of Essroc Concrete Plant to the east end of the Port Lands north of the shipping channel
- ~ Finalize handover of Regional Sports Complex project and funds to the City of Toronto

Sustainability

- ~ Complete the Parks and Open Space Best Practices Guide, Carbon Footprint Analysis and Environmental Management Action Plan
- ~ Target and incorporate current and future trends and advancements in sustainable technology into the corporation's initiatives
- ~ Seek revenue generating opportunities to support sustainable approaches for the waterfront development area
- ~ Continue to coordinate, facilitate and resolve sustainability issues as they affect the Corporation's initiatives, including enhancing external relationships and partnerships
- ~ Identify leading edge technologies for implementation and strategies to advance sustainability on the waterfront beyond LEED gold
- ~ Finalize soil management and ground water master plans
- ~ Procure Soil Management Facility design/build/operate contractor
- ~ Initiate Soil Management Facility approvals process

2008/2009 Priorities

Following are Waterfront Toronto's planned major deliverables for the remainder of 2008 and calendar year 2009

East Bayfront

- ~ Select development partners for the Bayside and Parkside sites and execute project agreements
- ~ Demolish all remaining structures on the Parkside and Bayside development sites
- ~ Construct municipal services to support the development of First Waterfront Place, including a temporary district energy plant
- ~ Complete design and start construction on Sherbourne Park and Sugar Beach
- ~ Register the Plan of Subdivision for the Dockside site
- ~ Complete design and start construction of water's edge promenade from Jarvis Street to Sherbourne Park
- ~ Start construction of the new George Brown College campus
- ~ Finalize design for Queens Quay East, pending results of the Environmental Assessment

West Don Lands

- ~ Build the sales centre and launch sales of River City, West Don Lands' first private sector development project
- ~ Complete the Flood Protection Landform
- ~ Launch construction of:
 - ⇨ The first affordable rental housing building by Toronto Community Housing Corporation
 - ⇨ Don River Park
 - ⇨ The District Energy Centre
 - ⇨ Storm water management facility
 - ⇨ Cherry Street Light Rapid Transit line and the realignment of Cherry Street
 - ⇨ Mill Street and Bayview Avenue



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