

MINUTES of the Public portion of the 71st meeting of the Board of Directors of the Toronto Waterfront Revitalization Corporation held at the offices of Toronto Waterfront Revitalization Corporation, 20 Bay Street, Suite 1310, Toronto, Ontario on Tuesday, December 16, 2008 at 10:30 a.m. local time.

PRESENT: Mark Wilson, Chair
Bill Charnetski
Jack Cockwell
Sue Dabarno
Renato Discenza
Kevin Garland
Janet Graham
David Johnson
Ross McGregor
Mayor David Miller

ABSENT: John Sandusky

The following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: John Campbell, President and Chief Executive Officer; Robert Siddall, Chief Financial Officer; Victor Wong, V.P. Legal; Marisa Piattelli, V.P. Government Relations, Communications & Strategic Partnerships; Andrew Gray, V.P. Development, East Bayfront; Meg Davis, V.P. Development, West Don Lands; Christopher Glaisek, V.P. Planning & Design; Lisa Prime, Director of Sustainability; David Kusturin, V.P. Program Management; and Raffi Bedrosyan, Director, Port Lands Development.

Also in attendance were Elaine Baxter-Trahair, City Secretariat, John Piper, Mayor's Office, Allan Leibel, Goodmans LLP and John Gladki, GHK International.

The Chairman, Mark Wilson, continued in the chair, and Ann Marie Landry continued to act as secretary of the meeting.

1. Approval of Consent Agenda

ON MOTION duly made, seconded and carried, it was **RESOLVED** that the Consent Agenda excluding Item 3 "Board of Directors Code of Conduct and Conflict of Interest Procedures", for the Public session of the 71st meeting of the Board, held on Tuesday, December 16, 2008 be accepted and approved by the Board of Directors.

2. CEO Report

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

- *Construction Update* – A presentation of recent photos provided an update on

construction activities presently underway.

- Flood Protection Landform (“FPL”) – Based on a recent updated cost estimate provided by the Ontario Realty Corporation (“ORC”), there is a risk of a \$30 million overrun on the FPL. The Corporation is working with ORC to explore ways to mitigate this. The additional costs relate to the discovery of additional areas of compressible soils, environmental impacted soils and groundwater, and soils supply costs. This issue is covered in more detail in the Program Management Report.

Although the project is funded with Waterfront funds, those funds flow directly from the Province to ORC, who manage the project for the Province.

Management will provide the Board with an update on this issue at the January Board meeting.

- *Gardiner Environmental Assessment (“EA”)* – The Corporation is co-managing the Gardiner EA with the City with accelerated timelines and the EA is moving along at a very quick pace. Nine bids were received and are in the process of being evaluated. The Corporation expects to have a successful proponent selected by Friday, December 18, 2008.
- *Canada Square* – There is difficulty in completing the feasibility study as the Corporation and Harbourfront Centre (“HFC”) are attempting to do something larger than the original project and to date funding is not adequate even for the initially contemplated garage. The Corporation has agreed to take on the project, including dealing with third parties and securing a retail partner, and is in the process of acquiring a Project Manager for this project.
- *Queens Quay Environmental Assessment* – The EA was formally restarted with a successful public meeting on December 8, 2008. There were a number of technical issues to deal with and some issues still remain but the project is now moving forward.
- *Lower Don Lands* – A public meeting took place on December 10, 2008 where the Corporation presented Phase 2 of the Lower Don Lands Municipal Class EA and the Keating North Precinct Plan. The preliminary preferred alternatives were presented and well received by the public.
- *Annual General Meeting (“AGM”)* – The AGM was held in October with nearly 300 in attendance. A summary of the year’s accomplishments and an overview of the Corporation’s priorities for the coming year were provided and well received. The guest speaker, Carol Coletta, President and CEO of “CEOs for Cities” had the CEO, John Campbell, as a guest on her Chicago based radio show one week later where she commented that she has attended many such meetings and found that it was the most civil discourse at a public meeting that she has ever experienced. The Corporation credits that to the fact

that it is dealing with a very civilized, committed and engaged stakeholder group.

- *Sustainability* – Two key supporting documents (Environmental Management Plan for Construction and a Sustainable Parks Criteria Guideline for parks designers) for the Sustainability Framework have been finalized which will help the Corporation operationalize its sustainability efforts during design and construction.
- *George Brown College* – City Council has adopted the staff report entitled “Staff Due Diligence Review of the Proposed George Brown College Campus – East Bayfront”. The Corporation, George Brown and City staff are working towards finalizing the ground lease and other legal documents while George Brown has initiated the process of developing program specifications for the site and securing a private sector partner.

3. Affordable Housing

Meg Davis introduced John Gladki of GHK International who provided the Board with a presentation on affordable housing highlighting the following:

- TWRC’s plan includes the following:
 - the goal is to provide land for 25% of the units for affordable housing;
 - the greatest proportion is to be affordable rental (total shelter cost is at or below the Canada Mortgage and Housing Corporation (“CMHC”) average rents)
 - 20% of housing units will be comprised of affordable rental housing and 5% low-end-of-market ownership (smaller than average unit sizes) housing; and
 - 25% of the affordable units to be 2 bedrooms or larger.
- The East Bayfront (“EBF”) and West Don Lands (“WDL”) precinct plans commit the Corporation to provide land at no cost to allow for 20% of the units for affordable rental housing and 5% of the units as low-end-of-market ownership housing.
- The EBF Zoning By-Law also commits private owners to contribute land or the cash equivalent for 20% of their units as affordable rental housing and to provide 5% of the units as smaller than average size of various unit types for ownership.
- Based on current experience in the WDL, there is a gap of \$150,000 in the capital cost of a 800 sq. ft. unit to meet the target of 100% of CMHC average Toronto rent. The City of Toronto provides tax rebates, exemptions from DC’s and permit fees amounting to a capitalized value of approximately \$45,000 per unit. The Corporation provides land for no cost at a value of

approximately \$25,000 per unit leaving a funding gap of just over \$80,000 (assuming availability of financing at reasonable rates).

- The \$80,000 per unit funding gap represents a funding requirement of approximately \$210 million to meet the 20% target for EBF and WDL. The City has expressed their preference for a more aggressive affordability target of 80% of CMHC average rent. The incremental capital subsidy required to meet this lower rent threshold is approximately \$35,000 per unit (\$185,000 in total). This represents an incremental funding gap of approximately \$90 million for EBF and WDL, bringing the total gap to \$300 million.
- Currently there are no senior government funding programs for affordable housing.
- There have been a few affordable ownership (as defined in the Central Waterfront Secondary Plan) models delivered over the past few years being; rent to own, Habitat for Humanity, 2nd mortgage program, and federal/provincial 2nd mortgage assistance. The issue is the ability to maintain affordability in perpetuity once units have been sold.
- The Corporation is working with Toronto Community Housing Corporation (“TCHC”) to develop approximately 120-130 units of affordable housing in the WDL. In addition, the Corporation is proposing a pilot project in EBF to integrate affordable rental with market condominium units in one building. The Corporation is also working with Miziwe Biik to develop a pilot affordable ownership housing development for the Aboriginal community in the WDL.

Questions were posed and answered and possible solutions to the funding gap were tabled. The CEO advised that the Corporation is working on resolving the issues associated with affordable housing and it was agreed that perhaps the issue could be tabled at the Board’s strategic retreat.

4. Port Lands Business and Implementation Plan

Raffi Bedrosyan provided the Board with a presentation on the Port Lands Business Implementation Plan highlighting the following:

- The opportunities provided in the Port Lands given the lands are primarily in public ownership, the proximity to downtown and access to the waterfront and parks such as Lake Ontario Park and the Lower Don Lands park systems.

- The challenges include fragmented land control, cost of soil remediation, lack of infrastructure, business relocation issues and interim uses, no overall land use strategy and it is the repository of unplanned land use proposals.
- A Business and Implementation Plan is needed to add value to public and private lands.
- A strategic road map is needed for short, medium and long term strategies.
- Designated waterfront area core principles and public objectives are needed including: fiscal sustainability, sustainable development, design excellence, public accessibility and economic prosperity.
- The project components include:
 - a land use strategy;
 - a soils and grading strategy;
 - a transit-transportation strategy;
 - an infrastructure and servicing strategy; and
 - an economic strategy.
- 65% of the land use has been agreed upon, 15% has been established, the Toronto Economic Development Corporation has a land use strategy for 12% of the land and 8% has been designated as “other”.
- A project team has been assembled and milestones have been established beginning with the project initiation in November, 2008, final report completed in February, 2009, Board approval in March, 2009, and City Executive Committee and Council approval in May, 2009.
- The schedule fits within the budget allocated for the project and is in context with “Build Toronto”, the recent city-building initiative.

5. Capital Expenditures Approval

Christopher Glaisek made a presentation to the Board on a capital approval for the East Bayfront Water’s Edge Promenade, the Storm Water Management System, Parliament WaveDeck and Finger Piers. He thanked Pina Mallozzi for her tremendous efforts on the project and highlighted the following Project Plan:

- The EBF Water’s Edge Promenade runs a total of 900 metres commencing at the Jarvis Slip public space along the harbour edge, through Parliament Slip and terminating at the Parliament WaveDeck. The promenade is 19 metres wide with a double allee of Maple trees which is complemented by an 8-10 metre wide boardwalk.

- Beneath the boardwalk is a series of precast concrete tanks which act both as the structural system for the boardwalk and as settlement bays for the storm water management system for the EBF precinct. The terminus of the storm water system is a large tank beneath the Parliament WaveDeck. The 3000 m² WaveDeck is perforated with large holes which enable natural UV to penetrate the collected storm water and provide a playful and educational wetland component to visitors to the WaveDeck.
- The Corporation will lead the project and will coordinate with the City of Toronto who is the landowner of the site.
- The Project Plan will include the following enhancements:
 - repairs/replacement to the existing dockwall;
 - storm water management/structural tank system;
 - surface paving including granite, concrete and decking materials;
 - tree planting and silva cell system;
 - utility installations including service pedestals for marine uses;
 - furnishings including benches, hand and toe rails, etc.;
 - lighting; and
 - other landscape improvements.
- Key project risks include:
 - The dockwalls require repair/replacement which will be coordinated with new tank construction. A dockwall assessment has been completed and the condition report is being considered in all aspects of the design in order to minimize risk during construction. Additional costs for repairs have been included in the total estimated budget.
 - The construction of EBF Water's Edge, because of its location, will impede on navigation in the harbour and the Corporation will work closely with Transport Canada and the Toronto Port Authority to minimize its impact.
 - Construction in-water is generally more complicated and restrictions exist due to the fish spawning season. Experience gained through other in-water projects will be applied to this project and in-water construction will be phased as best as possible to avoid construction during the fish spawning season.
- The design is expected to be completed in September, 2009 with construction commencing shortly thereafter.
- The project includes individual contracts greater than \$5 million for design and construction.
- The total projected cost for the project is \$181,783,430.00

Mr. Glaisek responded to questions posed by the Board, discussion ensued and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the capital approval for the East Bayfront Water's Edge Promenade, the Storm Water Management System, the Parliament WaveDeck and Finger Piers at a projected cost of \$181,783,430.00, be and is hereby approved.

6. Board Committee Appointment

The Chair advised the Board that Vivien Dzau's tenure had expired and thanked her for her tremendous contribution to the Corporation through her efforts as a long standing Board Member. The Chair advised that Ms. Dzau served as the Chair of the Finance, Audit and Risk Management Committee and her departure created a vacancy which Renato Discenza graciously agreed to fill and **ON MOTION** duly made, seconded and carried, it was **RESOLVED** that the appointment of Renato Discenza to the position of Chair of the Finance, Audit and Risk Management Committee be and is hereby approved.

7. Accelerated Infrastructure Investment

John Campbell advised the Board that at the request of the Federal Government, a list was prepared to identify potential designated waterfront area initiatives which would provide for the acceleration of infrastructure spending or possible new investments that would create additional jobs and spur economic activity in the construction and related sectors. Mr. Campbell tabled the list advising that the proposed initiatives fall into the following three broad categories:

- Lifting caps to accelerate existing projects in the Long Term Plan ("LTP") – accelerated spending would be accomplished through the removal of spending caps and application of base funding including LTP Priority 1 projects which cannot commence until a future date due to annual funding limits.
- Additional funding to bring forward items in the LTP – additional funding would be provided for projects which are not currently fully funded but which have been contemplated in the Corporation's long term vision of the waterfront.
- New funding for new projects – new investments in infrastructure that include new initiatives and provide for new capital funding that will provide additional legacy infrastructure improvements.

Discussion ensued and Board members provided their comments on the list stressing the importance of ensuring that the list reflects the Corporation's priorities, the proposed projects leverage other projects and reflect the importance of creating employment opportunities.

The Board directed Management to focus on the Central Waterfront Plan and the acceleration of approved funds including funding for Harbourfront Centre.

It was agreed that Management would incorporate the Board's comments into the document and send a formal response to the Federal Government.

8. Departmental Reports

Departmental Reports were accepted as presented.

9. Termination of the Meeting

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

Chair

Secretary of the Meeting