



WATERFRONTToronto

Finance, Audit & Risk Management Committee Meeting

Agenda and Meeting Book

THURSDAY, MAY 28, 2020 FROM 9:30 AM TO 11:30 AM

WATERFRONT TORONTO

VIA MICROSOFT TEAMS MEETING TELECONFERENCE



WATERFRONTToronto

Agenda and Meeting Book - Finance, Audit & Risk Management Committee Meeting May 28, 2020

Agenda - May 28, 2020 FARM Committee Meeting

9:30 a.m.	1. Motion to Approve Meeting Agenda	Approval	K. Sullivan
9:35 a.m.	2. Declaration of Conflicts of Interest	Declaration	K. Sullivan
9:40 a.m.	3. Consent Agenda		K. Sullivan
	a) Highlights of Key Messages - Page 5	Information	All
	b) Draft Minutes Open Session February 26, 2020 meeting - Page 6	Approval	All
	c) Q4 2019/20 Macro Dashboard (Corporate & Project Reporting):		
	Coversheet - Page 11		
	Macro Dashboard - Page 12		
	i. Finance & Administration Dashboards:		
	a) Enterprise Risk Management (ERM)	Information	L. Taylor
	ERM Dashboard - Page 13		
	ERM - Insurance Coverage Summary - Page 14		
	b) Audit	Information	L. Taylor
	Audit Dashboard - Page 17		
	Govt Audit Dashboard (Appendix 2) - Page 18		
	c) Liquidity / Cash Flow Forecast - Page 21	Information	L. Taylor
	ii. Capital Projects:		
	a) Port Lands Flood Protection Dashboard	Information	D. Kusturin
	Coversheet - Page 22		
	Dashboard - Page 23		
	b) Individual Project Status Dashboards	Information	D. Kusturin
	1) Coversheet - Cherry St. Stormwater and Lakefilling Report (CSLF) Dashboard - Page 28		
	CSLF Dashboard - Page 29		
	2) Coversheet - Bayside External Services Dashboard - Page 31		
	Bayside Dashboard - Page 32		

	d) Quarterly Procurement Exception Report - Page 37	Information	K. Newson
	e) Regulatory Compliance Report - Page 38	Information	I. Nees, D. Kusturin & L. Taylor
	f) Fundraising Action Plan Dashboard Coversheet - Page 43 Dashboard - Page 44	Information	K. Niccols
	g) Tri- Government MOU Report - Page 46	Information	G. Zegarac
9:50 a.m.	4. Year End Audited Financial Statements March 31, 2020 Coversheet - Page 47 March 31 2020 Audited Financial Statements - Page 48	Approval	L. Taylor & S. Chandane
10:00 a.m.	5. 2019/20 External Auditor's Results Report Coversheet - Page 69 External Auditor's Results Report - Page 70	Information	BDO LLP
10:10 a.m.	6. 2019/2020 Integrated Annual Report Coversheet - Page 92 Integrated Annual Report (Draft) - Page 93	Information	L. Taylor
10:20 a.m.	7. Capital Approval - York Street Park (Love Park) Design & Construction Coversheet - Page 136 Presentation - Page 137	Approval	P. Mallozzi
10:30 a.m.	8. Port Lands Flood Protection (PLFP) Update Coversheet - Page 156 Report #7 of the Independent Capital Project Monitoring - Page 157	Information	BTY Consultancy Group Inc
10:40 a.m.	9. Internal Audit Update Report Coversheet - Page 192 MNP LLP Presentation PLFP Procurement Audit - Page 193	Information	MNP LLP
10:50 a.m.	10. COVID-19 Impact Update on Waterfront Toronto Coversheet - Page 205 Presentation - Page 207	Information	D. Kusturin & L. Taylor
11:00 a.m.	11. Motion to go into Closed Session	Approval	All

Closed Session Agenda

The Committee will discuss items 12(a), (b), (c), 13 and 14 being, Federal Stimulus Discussion, consideration of the draft minutes of the Closed Session of the February 26, 2020 FARM meeting, Internal Audit Fee, Port Lands Risk Discussion and the Committee Chair Discussion, respectively,

in a Closed Session as permitted by By-Law No.2 of the Corporation. The exception relied upon for the discussion on item 12 (a) is Section 6.1.1(k), for item 12(b) is provided in the minutes of the Open Session February 26, 2020 FARM Committee meeting under item 3(b) of this agenda, for item 12(b) is Section 6.1.1(a), for item 13 is Section 6.1.1(l), and for item 14 is Section 6.1.1(b) of By-Law No. 2. The Committee will continue in Open Session at the end of the Closed Session to vote on any resolutions pertaining to the Closed Session.

11:20 a.m.	15. Motion to go into Open Session	Approval	All
11:25 a.m.	16. Resolution(s) Arising from the Closed Session	Approval	All
	Draft Resolution Arising from the Closed Session - Page 217		
11:30 a.m.	17. Motion to terminate the Meeting	Approval	All



**Finance, Audit and Risk Management Committee – May 28, 2020
Item 3 (a) Meeting Materials - Highlights of Key Messages**

Agenda Item	Key Message
3 c i a) Enterprise Risk Management (ERM) (FI)	Two enterprise risks materialized this quarter (Business Continuity and Quayside Project). Immediate impact on operations minimized due to mitigation plans. Overview of WT insurance program included. All coverages have been independently reviewed deemed appropriate.
3 c i b) Audit Environment (FI)	Two audits completed this quarter: External Audit (refer Item 5) and Procurement internal Audit (refer Item 9). Audit monitoring dashboard indicates a 50% average audit action item implementation rate this quarter (Q3: 90%), lower due to resources redeployed to manage issues related to COVID-19.
3 c i c) Cash Flow / Liquidity Forecast (FI)	Positive cash balance > \$50M and no current requirement to borrow; Deferral of Quayside land sale revenues results in cash flow timing risk which has been mitigated by deferring certain non-essential expenditures.
3 c ii) Capital Projects (FI)	All projects are proceeding in accordance with the Board Approved Rolling Five Year Strategic Plan (2019/20 – 2023/24). Note there is an elevated cost and schedule risk related to Port Lands Flood Protection related to utilities.
3 d) Quarterly Procurement Report (FI)	One exception to the Procurement Policy for a single source goods and services contracts (total \$25,000), due to need for specialist knowledge. No contracts in excess of \$5 million were awarded this quarter.
3 e) Regulatory and Operational Compliance (FI)	All required actions by the Corporation for regulatory compliance obligations have been performed as of March 31, 2020.
3 f) Fundraising Action Plan Update (FI)	Implementation of the Fundraising Action Plan is proceeding in accordance with the approved Rolling Five-Year Strategic Plan 2020/21-2024/25 with no current adverse impacts from the global pandemic anticipated.
3 g) Tri-government MOU (FI)	The Corporation anticipates the execution of an administrative, non-binding tri-government MOU that sets out the working relationship between WT and the three orders of government.
4) Year End Audited Financial Statements For Approval	The Corporation's financial activities for the year ended March 31, 2020 have increased again significantly (47%) from last year, largely due to the Port Lands Flood Protection project. Two new notes to the financial statements: Subsequent Events (re: Quayside) and Impacts of COVID-19.
5) External Audit Report	BDO LLP anticipates a clean audit opinion on the annual financial statements; No material matters of concern to report to the FARM Committee regarding internal controls.
6) 2019/20 Integrated Annual Report For Approval	In line with global best practice, we have integrated our biennial Corporate Social Responsibility and Sustainability report and our Annual Report into an Integrated Annual Report. The key theme of the report is resilience.
7) Capital Project Approval For Approval	In accordance with Corporation's <i>Delegations of Authority policy (Oct 10, 2019)</i> , management is seeking Capital Project Approval for \$15.04M for York Street Park, which is part of the approved Rolling Five Year Strategic Plan.
8) Port Lands Flood Protection (PLFP) Update (FI)	Report of the Independent Capital Monitor (BTY) notes that the PLFP project continues to be on budget, on schedule and has no material scope changes.
9) Internal Audit Plan Update (FI)	Report from the WT's internal auditor, MNP LLP, on the Procurement audit related to the Port Lands Flood Protection (two low-risk findings).
10) COVID-19 Impact Update (FI)	Report from management to outline the construction project and financial/ accounting impacts to date of COVID-19.
12) b) Internal Audit Fees For Approval	Request of FARM Committee to review and approve internal audit fees.
13 Port Lands Risk Discussion	Risk report from management regarding Port Lands Flood Protection. (FI)

**MINUTES of the Open Session of the
Finance Audit and Risk Management Committee Meeting of the
Toronto Waterfront Revitalization Corporation
20 Bay Street, Suite 1310, Toronto, Ontario
Wednesday, February 26, 2020 at 9:30 a.m.**

PRESENT: Kevin Sullivan (Chair)
Jeanhy Shim
Patrick Sheils
Michael Galego (by phone)

ATTENDANCE: WATERFRONT TORONTO
George Zegarac (Chief Executive Officer)
Lisa Taylor (Chief Financial Officer)
David Kusturin (Chief Project Officer)
Julius Gombos (Senior VP Project Delivery)
Pina Mallozzi (Vice President, Design)
Kathleen Niccols (Senior VP, Corporate Strategy)
Emil Zelic (Executive Director, Program Management Officer)
Kevin Newson (Executive Director, Procurement)
Betty Leung (Director, Procurement)
Sampada Chandane (Director, Financial Management)
Mary Anne Santos (Director, Financial Planning)
Sameer Akhtar (Senior Legal Counsel)
Ian Ness (Acting General Counsel)
Aina Adeleye (Board Administrator and Legal Assistant)

Also, in attendance for part or all of the meeting were:

- Breanne Bateman (by phone), Policy Advisor, Ontario Ministry of Infrastructure
- Veronica Bila, Partner and Deepak Jaswal, Manager, Enterprise Risk Services, MNP LLP
- Jeff Barrett, Audit Partner, BDO Canada LLP
- Joanne Henson and Phil Pavitt, Directors, BTY Consulting
- Rosemary Frei, Member of the Public

The Chair, Kevin Sullivan, appointed Ian Ness to act as secretary of the meeting. The Chair welcomed everyone to the meeting of the Finance Audit and Risk Management (FARM) Committee (the “Committee”) of the Toronto Waterfront Revitalization Corporation (“Waterfront Toronto” or the “Corporation”).

With notice of the meeting having been sent to all members of the Committee in accordance with the Corporation’s By-laws and a quorum being present, the Chair called the meeting to order at 9:30 a.m. and declared the meeting duly constituted for the transaction of business.

1. Meeting Agenda

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, it was **RESOLVED** that the Meeting Agenda be approved as presented.

2. Declaration of Conflicts of Interest

There were no conflicts declared.

3. Consent Agenda:

The Committee agreed that an overview of corporate insurance be included as part of Enterprise Risk Management of the Committee's Annual Workplan and be reviewed at the next FARM Committee meeting.

ON MOTION duly made by Patrick Sheils, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the 2020 FARM Committee Annual workplan be approved as amended.

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, it was **RESOLVED** that the Minutes of the November 21, 2019 FARM Committee meeting be approved as presented.

The Q3 2019/20 Macro Dashboard and related attachments (Corporate & Project Reporting), December 31, 2019 unaudited financial statements, Quarterly Procurement Report, Regulatory Compliance Report and Fundraising Action Plan Update Report were received by the Committee for information. The Committee noted the addition of a quarterly Audit monitoring report to Finance and Administration Dashboards and the changes to the Procurement Policy.

Management reported that the new Enterprise Resource Planning (ERP) system was fully implemented and the quarter was closed using the new system. Management explained that the stabilisation period is estimated to be three months after which an upgrade to version 10 will be implemented. Management expressed its overall satisfaction with the new system and confirmed there were no significant issues to operations.

4. Capital Approval – Lake Shore Bridge Alternative Case (Phase 1 Pre-Construction Works)

David Kusturin provided a presentation, which was taken as read, requesting approval of Lake Shore Bridge Alternative Case (Phase 1 Pre-Construction Works). Mr. Kusturin explained that the project was not part of the Rolling Five-Year Strategic Plan approved in December 2019. He responded to questions from members of the Committee regarding the funding, implementation, public relations and risks relating to the project.

ON MOTION duly made by Patrick Sheils, seconded by Jeanhy Shim, and carried, be it **RESOLVED** that the FARM Committee approves, for recommendation to the Board of Directors:

- a) the Capital expenditure of \$16M to complete the Lake Shore Bridge Alternative Case Phase 1 Pre-Construction Works (the “Project”), subject to execution of a funding agreement with the City of Toronto; and
- b) the Project being added to the Corporation’s Rolling Five-Year Strategic Plan (2020/21 – 2024/25).

5. Port Lands Flood Protection (PLFP) Project Report of the Independent Capital Monitor

Joanne Henson and Phil Pavitt of BTY Consulting (“BTY”) were invited to present this item. Ms. Henson presented BTY’s sixth independent capital monitor report (the “Report”) and an executive summary of the Report to the Committee. The Report and its executive summary were taken as read.

Ms. Henson presented key findings of its review of the schedule, scope, budget and risk of the PLFP Project noting that the processes in place were found to be robust and in accordance with standard practices. The Committee noted the Report for information.

6. 2018/19 – 2019/20 Internal Audit Plan Update

a) Employee Wellness Program Review (Nov 2019)

Veronica Bila and Deepak Jaswal of MNP LLP were invited to present this item. Veronica Bila presented the results of the Employee Health and Wellness Review completed in November 2019 and responded to question from members of the Committee regarding the recommendations to Management in the report. The Committee noted the report for information.

b) Procurement Audit Planning Memo

The Committee noted the planning memo on PLFP Project Procurement Audit scheduled to be completed in March 2020, for information.

7. External Audit Plan 2019/20

Jeff Barrett presented a planning report for the external audit of the Corporation’s March 31, 2020 financial statements which was taken as read. The Committee accepted the External Auditor’s plan as presented.

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee approves the 2019/2020 External Audit Plan.

8. Motion to go into Closed Session

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** duly made by Patrick Sheils, seconded by Jeanhy Shim and carried, the Committee **RESOLVED** to go into Closed Session to discuss items 9, 10, 11, 12(a) & (b) and 13 of the agenda. The exception relied upon for the discussion on item 9 is Section 6.1.1(l), for item 10 is Section 6.1.1(j), for item 11 is Section 6.1.1(l), for item 12(a) is provided in the minutes of the Open Session November 21, 2019 FARM Committee meeting under item 3(c) of this agenda, for item 12(b) is Section 6.1.1(i) and for item 13 is Section 6.1.1(b) of By-Law No. 2. The Chair requested members of the public to leave the meeting.

9. Annual Review – Risk Appetite Statement

10. 2020/21 – 2022/23 Internal Audit Fee Proposal and Contract

11. Waterfront Transit Network – update

12. Consent Agenda

- a) **Minutes of the Closed Session – Nov 21, 2019 FARM Committee Meeting**
- b) **Ontario Treasury Board Audit – Financial planning and reporting processes related to the consolidation of Waterfront Toronto’s forecasts**

13. Committee Chair Discussion

14. Motion to go into Open Session

ON MOTION duly made by Jeanhy Shim and seconded by Patrick Sheils and carried, the committee **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for members of the public to return to the meeting. Members of the public were invited to join the meeting.

15. Resolutions Arising from the Closed Session

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, it was **RESOLVED** that the FARM Committee approves:

- 1. the 2020/21 – 2022/23 Internal Audit Fee Proposal, as tabled; and
- 2. the Minutes of the Closed Session of the FARM Committee meeting held on November 21, 2019, as tabled.

16. 2020/21 – 2022/23 Internal Audit Plan

Veronica Bila from MNP LLP provided a presentation, which was taken as read, explaining the three year audit plan beginning fiscal year 2020/21 developed for the Corporation. Ms. Bila responded to questions from members of the Committee regarding the prioritized areas of focus and noted the Committee’s comments.

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, be it **RESOLVED** that the Finance, Audit & Risk Management Committee approves the Three-Year Internal Audit Plan (2020/21 to 2022/23), as presented.

17. Termination of the Meeting

There being no further business, **ON MOTION** duly made by Patrick Sheils, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the meeting be terminated at 11:37 a.m. local time.

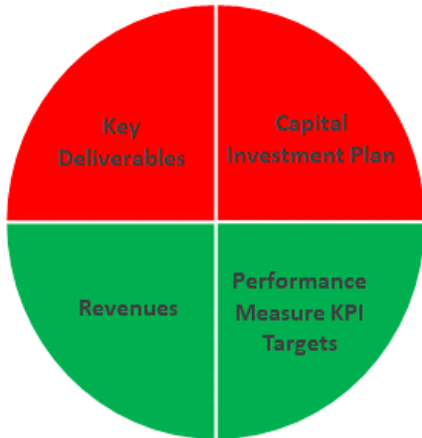
Committee Chair Secretary



Finance, Audit and Risk Management Committee – May 28, 2020
Item 3c) – Q4 2019/20 Macro Dashboard (Corporate & Project Reporting)
Lisa Taylor

Purpose	For Committee Information.
Areas of note/ Key issues	<p>All key areas are green (i.e. no key issues to be aware of), apart from the 2019/20 Corporate Plan (Key Deliverables Capital Investment Plan) which is red as some areas of plan were met by March 31 2020 and are deferred into 2020/21, two areas of Finance & Administration (the ERP implementation and Enterprise Risk Management), which are yellow due to some concern areas and one area of Capital Projects (the Port Lands Flood Protection project) which is yellow due to an elevated risk.</p> <p>The following key areas are reported on in the attached Macro dashboard which is supported by several attached streamlined reports:</p> <ul style="list-style-type: none"> • <u>2019/20 Corporate Plan Performance</u> (concern areas noted) • Finance & Administration: <ul style="list-style-type: none"> ○ <u>Enterprise Resource Planning (ERP) Implementation</u>: caution area noted as system reporting is not yet fully automated ○ <u>Enterprise Risk Management</u>: caution area as two enterprise risks materialized this quarter: Business Continuity (due to the global pandemic – refer to Item 10 for further details), and Quayside Project (due to the withdrawal of Sidewalk Labs from the project, impacting among other things, cash flow – refer to Item 3 c) i c) for further details). ○ <u>Internal audit</u> (no significant concerns, in line with plan) ○ <u>Liquidity/ Cash Flow Management</u> (no concerns, in line with plan) ○ <u>Financial reporting compliance</u> (no concerns, in line with plan) • Capital Projects (no concerns, substantially in line with plan except new caution area noted for Port Lands Flood Protection): <ul style="list-style-type: none"> ○ Program Portfolio Dashboard ○ Port Lands Flood Protection Project Dashboard ○ Individual Project Status Dashboards (one project – Bayside External Services is forecasting a <10% adverse budget variance of \$0.26M).
Resolution or Next Steps	The next macro level dashboard will be provided at the next FARM Committee meeting in September 2020.

2019/20 Corporate Plan Performance



Achieved the following for 2019/20:

- 50% (Q3: 50%) of key deliverables (10 out of 20);
- 68% (Q3: 82%) of annual capital investment plan;
- 89% (Q3: 99%) of annual revenues;
- 89% (Q3: N/A) of performance measure KPI targets.

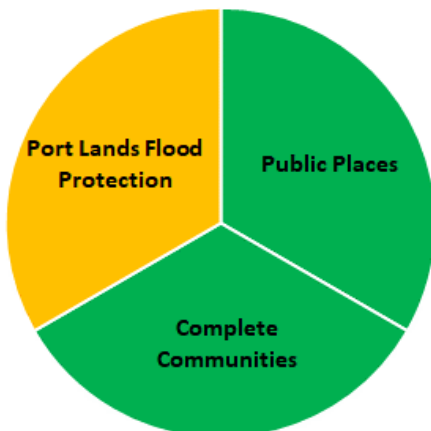
Concern areas relate to ten key deliverables that are deferred into 2020/21 primarily due to factors of external influence (refer 2019/20 Integrated Annual Plan – Appendix 1). Capital investment spend is lower by \$104M (32%), \$221M compared to approved budget of \$325M largely as a result of delayed construction for several Port Lands Flood Protection elements due to slower than expected progress on cut-off walls and bridge steel fabrication, and delays in vacant possession of properties and municipal approvals for road closures. **Currently, none of these deferrals place the Corporation at risk of non-compliance with key contracts nor pose an overall budget risk.** Revenue forecast was reduced from forecast as a result of land sale revenues realized in Q1 fiscal 2020/21 instead of Q4 2019/20 largely due to COVID-19 outbreak. Refer to Item 6 Integrated Annual Report for performance measure KPI targets and results.

Finance & Administration



- Positive cash balance > \$50M and no current requirement to borrow; Approval process with governments to renew Borrowing Consent substantially complete (execution phase).
- Enterprise Resource Planning (ERP) system – Successfully completed first year-end financial close in new system. Caution area as full value of system not yet realized in area of automated reports.
- ERM: Two enterprise risks materialized this quarter (Business Continuity and Quayside Project). Immediate impact on operations minimized due to mitigation plans; and
- Internal Audit proceeding in accordance with plan. Average implementation rate of recommendations dropped to 50% (Q3:90%) this quarter due to redeployment of resources towards COVID-19 matters.

Capital Projects



Currently tracking to deliver all projects in the capital portfolio in accordance with the contractual budget/ schedule obligations. **Caution** is noted however for the Port Lands Flood Protection project due to utility relocation risk which may materially impact budget and/or schedule. Mitigation options have been developed and are being actively assessed and pursued. Note that one project, Bayside External Services, is showing a slight (0.4%/ \$260k) adverse budget variance which is manageable within existing resources.

Refer to the Program Portfolio Dashboards.

Legend: ● No concerns - in line with plan ● Caution – some areas of plan may not be met
 ● Concern – some aspects (<70%) of plan will be not met.

Enterprise Risk Management Dashboard- Q4 2019/20



Summary:

- Overall there are two risks with a high (red) residual risk score this quarter (vs. none last quarter) attributed to Sidewalk Labs withdrawal from Quayside project (impact on Quayside project & existing revenue risks).
- The number of high inherent risks increased this quarter to seven (four additional) including Business Continuity due to COVID-19 global pandemic impact.
- Top enterprise risks shown below. Management's specific mitigation strategies to address these risks are outlined in the attached Enterprise Risk Register (Appendix 1 – Confidential Attachment).

Risk Area	Q4 2019/20 (Current)		Q3 2019/20 (Previous)	
	Inherent Risk Score	Residual Risk Score	Inherent Risk Score	Residual Risk Score
1. Existing Revenue Risk	16	16	12	9
2. Quayside Project Risk	15	15	12	12
3. Business Continuity	20	12	12	12
4. Financial Self-Sustainability	16	12	16	12
5. Project Forecasting	16	12	16	12
6. Port Lands Project Delivery	16	12	15	12
7. Liquidity Risk	16	12	12	12
8. Enterprise Resource Planning System Risk	12	12	12	12
9. Government Risk	12	12	12	9
10. Recruitment & Retention of Employees	12	9	12	9

Note: Refer to attached Appendix 1 on the Detailed Risk Register (Confidential Attachment).

Risk Score	
	Low (1-6)
	Medium (>6 - 14.9)
	High (15 - 25)



Finance, Audit and Risk Management Committee – May 28, 2020
Item 3 c) i) a) Enterprise Risk Management –
Insurance Program Summary
Lisa Taylor/ Ian Ness

Purpose	<p>For Committee Information.</p> <p>To complete a review of the Corporation’s insurance program, which is part of Waterfront Toronto’s Enterprise Risk Management framework.</p>
Areas of note/ Key issues	<ul style="list-style-type: none"> • The Corporation uses a competitively procured insurance broker, HUB International HKMB Limited (HUB), to secure all insurance coverage • In 2019 we engaged Intech Risk Management Inc. (Intech), an independent insurance and risk management advisor, to complete an in-depth review of the Waterfront Toronto insurance program placed by HUB to ensure the current insurance coverage, limits and pricing were in line with industry and peer standards. • The key conclusions from Intech’s review were that: <ul style="list-style-type: none"> ○ The insurance carriers underwriting Waterfront Toronto’s insurance program (primarily AIG, Chubb and Markel) are financially stable; and ○ Waterfront Toronto’s insurance program is well underwritten and contains the terms and conditions available in the insurance marketplace that would normally be maintained by a reasonably prudent owner of similar of like properties. • Note that the Directors’ & Officers insurance coverage was not part of Intech’s review as an in-depth review was completed in 2018 leading to an increase in coverage from \$15 million to \$20 million. • HUB assisted Waterfront Toronto in completing its annual insurance renewal program for the 2020/21 year incorporating recommendations from Intech where appropriate. • Overall, while Waterfront Toronto was able to maintain existing coverages, a harder insurance market this year has led to an increase in premiums of approx. 24% (\$30k), largely as a result of Commercial General Liability coverage. <p>The attached Waterfront Toronto Insurance Summary lists the potential risk exposures and the insurance coverage that mitigates that risk.</p>
Next Steps	<p>The FARM Committee will update the Board regarding Waterfront Toronto’s insurance program at the June 25, 2020 meeting.</p> <p>The next insurance program review will be completed by the FARM Committee in May 2021.</p>

Waterfront Toronto Insurance Summary Updated as of May 7, 2020

The summary below identifies potential enterprise and project-specific risk exposures and the insurance coverage that mitigates that risk. In addition, Waterfront Toronto utilizes indemnification language in contracts and requires contractors to provide performance bonds and insurance certificates to mitigate risk.

A. Enterprise-wide risk exposures

Potential Loss Exposure	Insurance Policy	Coverage Limit	Coverage Limit
		FY 2019/20	FY 2020/21
Management Liability Loss Exposures (including litigation) <i>(Directors' & Officers' Liability (D&O))</i>	• D&O Insurance (Not for Profit) <i>(Including Employment Practices Liability)</i>	\$15.0M	\$15.0M
	• Excess D&O Insurance (Not for Profit) <i>(Only covers individuals)</i>	\$5.0M	\$5.0M
Property Loss Exposures <i>(Losses caused to damage to WT's office and portfolio of properties including sudden and accidental breakdown of all boilers, pressure vessels, mechanical and electrical machinery and apparatus)</i>	• Property Insurance <i>(Includes coverage for rental income loss)</i>	\$17.8M	\$15.9M ¹
	• Boiler & Machinery Insurance	\$9.2M	\$10.0M ²
Liability Loss Exposures Premises & Operations Liability <i>(Losses where organization is held liable because of bodily injury or property damage caused by either accident occurring on the premises or accident occurring away from premises if it is organization's ongoing operations)</i>	• Commercial General Liability ("CGL") Insurance	\$2.0M	\$2.0M
	• Umbrella Liability Insurance <i>(Aggregate follow form underlying CGL policy)</i>	\$8.0M	\$8.0M
Fraud & Cyber Crime Loss Exposures <i>(Losses caused by employees by way of theft, forgery, frauds, property damage and cyber crimes)</i>	• Crime Insurance <i>(Includes social engineering coverage)</i>	\$1.0M (\$0.25M)	\$5.0M ³ (\$1.0M)
	• Cyber Insurance	\$3.0M	\$3.0M

Notes:

- Reduction in limit attributed to exclusion of below properties from the coverage (a) District Energy properties due to disposition (\$1.3M), and (b) 54 Commissioners St. and 130 Commissioners St. – part of Port Lands project (\$0.8M). Current policy provides additional limit of roadways, walkways, parking lots for 7 Queens Quay for \$100K (Previous limit was \$25K).
- The 2019/20 policy was issued indicating the below individual coverages (a) Property Damage limit: \$4.2M, (b) Business Interruption limit-Profits (\$3.7M), and (c) Business Interruption limit-Rental Value (\$1.3M). However, this year insurance company has issued the 2020/21 insurance policy with a combined total limit of \$10M.
- Due to increase in the perceived risks in crime / social engineering frauds, the liability limits have been increased for: (a) crime insurance - from \$1M to \$5M (+\$4M), and (b) social engineering - from \$0.25M to \$1.0M (+\$750K).

B. Property/ Project specific exposures

Potential Loss Exposure	Insurance	Coverage Limit FY 2019/20	Coverage Limit FY 2020/21
Environmental or Pollution Liability	<ul style="list-style-type: none"> 7 Queens Quay East <i>(Losses caused by environmental damages such as pollution or biodiversity)</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> 54 Commissioners St. <i>(Losses arising from bodily injury, property damage and other remediation costs from pollution incidents at, on, or emanating from the covered location)</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> Contractors Pollution Liability Insurance <i>(Losses caused as a result of pollution conditions (sudden/accidental or gradual) arising from contracting operations performed by the contractor)</i> 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> East Bayfront Pollution and Remediation Liability <i>(Losses resulting from any pollution condition on, at the covered location including any remediation expenses)</i> 	\$10.0M	\$25.0M
Builders Risk <i>(All Risks or Direct Physical Loss or Damage including but not limited to Flood, Earthquake, Windstorm, Boiler & Machinery but excluding maintenance cover and Delayed Start Up)</i>	<ul style="list-style-type: none"> Bayside Phase 2 	\$20.2M	\$0.3M
	<ul style="list-style-type: none"> The Port Lands Flood Protection 	\$876.3M	\$876.3M
Wrap Up Liability <i>(Losses arising from all liability exposures typically associated with the construction projects including bodily and property damage)</i>	<ul style="list-style-type: none"> Wrap Up Liability Insurance - Port Lands project 	\$50.0M	\$50.0M
	<ul style="list-style-type: none"> Excess Wrap Up Liability – Port Lands project 	\$50.0M	\$50.0M
Professional Liability <i>(Losses arising from any claim or claims made for any error, omission or negligent act committed in the conduct of the business)</i>	<ul style="list-style-type: none"> Primary Professional Liability Insurance - The Portlands Toronto 	\$10.0M	\$10.0M
	<ul style="list-style-type: none"> 1st XS Professional Liability Insurance - The Portlands Toronto 	\$5.0M	\$5.0M
	<ul style="list-style-type: none"> 2nd XS Professional Liability Insurance - The Portlands Toronto 	\$2.5M	\$2.5M
	<ul style="list-style-type: none"> 3rd XS Professional Liability Insurance- The Portlands Toronto 	\$2.5M	\$2.5M

Audit Dashboard– Q4 2019/20



Audit	2018/19 (Completed)	2019/20 (Completed)	2020/21 (Planned/Underway)
Internal	Cybersecurity	Employee Wellness Program Review	Performance Measurement Framework <i>(Planned)</i>
	Corporate Governance	Procurement (Port Lands)	Resource and Succession Planning <i>(Planned)</i>
	Independent Capital Monitor (Port Lands)	Independent Capital Monitor (Port Lands)	Independent Capital Monitor (Port Lands) <i>(Underway)</i>
			Cybersecurity Follow-Up from 2018 audit <i>(Planned)</i>
External	March 31, 2019 Financial Statements	March 31, 2020 Financial Statements	March 31, 2021 Financial Statements <i>(Planned)</i>
Government	Value-for-Money (VFM) Audit	Financial Planning and Reporting Processes Audit	Value-for-Money Follow-Up Audit <i>(Planned)</i>
	Enterprise Resource Planning System Implementation/ Internal Controls	Office of the Auditor General of Ontario VFM Follow-Up	Contribution Agreement Compliance: Port Lands Flood Protection <i>(Planned)</i>
	N/A	N/A	Enterprise Resource Planning System Implementation <i>(Underway)</i>
Total	6 audits	6 audits	8 audits

Status of Audit Action Items Mar 31/20:

- Overall:**
- **88%** of **Cybersecurity** audit action items implemented;
 - **94%** of **Value-for-Money** audit WT action items implemented;
 - **50%** of **Corporate Governance** action items implemented;
 - **100%** of **Financial Planning and Reporting Processes** action items implemented.
 - Refer to **Appendices 1* and 2** for an aging analysis of all outstanding action items.
- This Past Quarter:**
- 67% implementation rate for government audit action items due this quarter; and
 - 33% implementation rate for internal audit action items due this quarter.
 - Refer **Appendices 1* and 2** for further detail.

*Refers to Confidential Attachment.

FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE
May 28, 2020 – Agenda Item – 3(c)(i)(b)
Q4 2019/20 Government Audit Update

Appendix 2: Government Audit Status Dashboard

Q4 2019 Follow Up Audits

Of the **4 management action items due** to be implemented by **Q4, 2019/20**, **2** management action items were effectively **closed** in this quarter, and **1 action item** remains **outstanding**, resulting in an **implementation rate of 67%**.

	Due by Q4	Closed in Q4	Retargeted in Q4	Due in Future Quarters	Total Remaining Open Items
Total	3	2	1	-	1

Legend

Due by Q4: Management action plans due to be implemented on or before **Q4, 2019/20**.

Closed in Q4: Remediation activities reviewed by WT Director, Financial Planning and were adequate to close audit finding.

Retargeted in Q4: Management action plans due to be implemented by **Q4, 2019/20** that were not closed.

Due in Future Quarters: Management action plans due in future quarters.

Total Remaining Open Items: Management action plans due in future quarters plus retargeted ones from this quarter.

From an industry perspective, we consider such an implementation rate to be above average and a low level of management attention is required in closing the remaining internal audit findings in a timely manner, as described below. Ideally, an implementation rate of above 60% should be the target to work towards.

Implementation Rate	Required level of Executive Team (ET) Attention
60% - 100%	Above Average – low level of attention required.
25% - 60%	Average – moderate level of attention required.
0% - 25%	Below Average – high level of attention required.

Below is a table representing the length of time the open management action items have been outstanding and the original risk rating attached to the audit finding associated with the management action item.

Audit Report Name ¹	Ageing in Months					Total
	0-3	4-6	7-9	10-12	12+	
Office of the Auditor General of Ontario (OAG) Value for Money (Dec. 2018)	-	-	-	-	1	1
Ontario Internal Audit Treasury Board Secretariat (TBS) Financial Planning and Reporting Processes (Sep. 2019)	-	-	-	-	-	-
						1

¹ Risk ratings are not provided for the government audit reports.

FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE
May 28, 2020 – Agenda Item – 3(c)(i)(b)
Q4 2019/20 Government Audit Update

Appendix A: Open Management Action Plans

#	ET	Audit Report Name	Audit Observation	Committed Action Plan	Due Date	Time Open	Follow Up Person	Times Retargeted
1	L. Taylor	OAG Value for Money	<p>To have the required systems and procedures in place to effectively manage the Port Lands flood protection project and other projects Waterfront Toronto should establish a file management, document and archival policy.</p> <p>(Audit Report Ref No. 3(g))</p> <p>To improve oversight of organizations receiving funding from Waterfront Toronto so that projects are delivered on time, on budget and in accordance with the planned scope Waterfront Toronto should establish a file management, document and archival policy.</p> <p>(Audit Report Ref No. 4(g))</p>	<ul style="list-style-type: none"> Development of a formal file management and document retention policy. 	May 2020	15 months	E. Zelic	1

Note: The remaining two audit observations under the OAG Value for Money have been consolidated in this quarter's dashboard since these are being addressed by the same action plan.

FINANCE, AUDIT & RISK MANAGEMENT COMMITTEE
May 28, 2020 – Agenda Item – 3(c)(i)(b)
Q4 2019/20 Government Audit Update

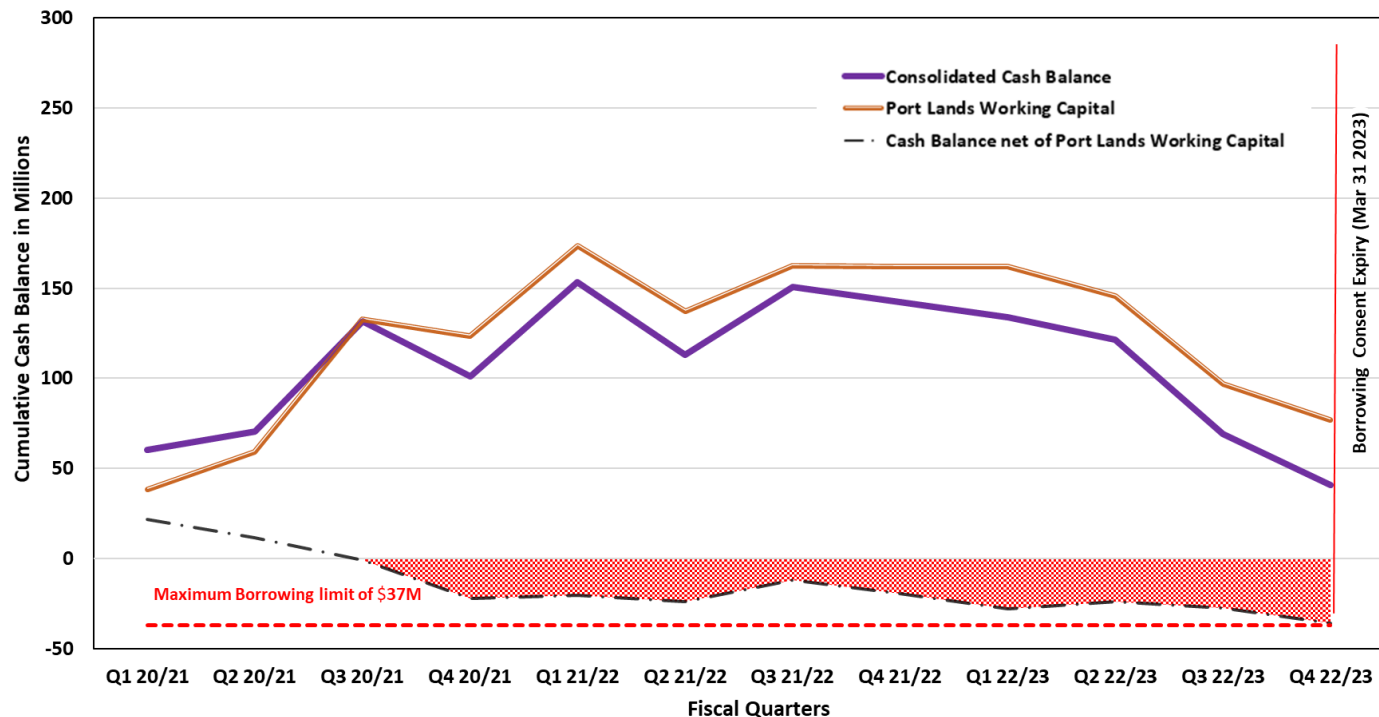
Appendix B: Management Action Plans Closed for the Q4, 2019/20

#	ET	Audit Report Name	Audit Observation	Committed Action Plan	Confirmed Activity
1	D. Kusturin	OAG Value for Money	Waterfront Toronto should consider incorporating in the Port Lands flood protection area and other projects best practices and lessons learned from past Waterfront Toronto revitalization projects, projects in other jurisdictions, and the features commonly associated with successful revitalization. (Audit Report Ref No. 7(a))	<ul style="list-style-type: none"> Waterfront Toronto has incorporated some of the lessons learned from its initial review of top ten urban waterfront cities around the world into its Rolling Five Year Strategic Plan in the form of the New Potential projects. Waterfront Toronto will complete lessons learned workshops after completion of each major project with a view to applying those in future projects. 	<ul style="list-style-type: none"> Fully implemented March 2020. Lessons learned from initial review of top ten global waterfront cities and their attributes have been incorporated into its Rolling Five Year Strategic Plan, particularly its signature projects. Completed two lessons learned workshops (for Cherry Street Stormwater and Lakefilling and Bayside Phase 2 projects) since the 2018 OAG audit. Leveraged expertise of the Dutch organization, Rijkswaterstaat (part of the Dutch Ministry of Infrastructure and Water Management) in flood mitigation of the Port Lands project, incl. establishing best practices for project governance & flood design.
2	D. Kusturin	TBS Financial Planning and Reporting Processes	Current contractual arrangements (which, for example, require all projects within a Plan of Subdivision (POS) to be completed before the City accepts a transfer) creates forecasting challenges for WT and the Ontario Ministry of Infrastructure. (Audit Report Ref No. 1.1)	<ul style="list-style-type: none"> Work with key stakeholders (e.g. the City, Infrastructure Ontario/IO, and the Ministry) to assess and identify what strategies could be put in place to mitigate forecasting risks created by current contractual arrangements (e.g. POSs), construction issues, etc. 	<ul style="list-style-type: none"> Fully implemented Mar. 2020. Waterfront Toronto has communicated with both internal and external stakeholders to explore strategies to mitigate forecasting risks and not identified any further mitigations other than the additional steps outlined in the Asset Forecasting Methodology memo. Prior to commencement of the Ministry's 2020/21 MYP cycle, extensive due diligence undertaken on and sign-off by Waterfront Toronto's Chief Project Officer on assets to attest transfer forecasts.

Liquidity / Cash Flow Forecast (May 2020)



Cash Flow Forecast Apr 2020 to Mar 2023



Conclusion: Due largely to Port Lands project working capital and deferral of funding reserves and non-essential expenditures, Waterfront Toronto (“WT”) will maintain a consolidated cash balance >\$50M until ~Q3 2022/23. Prior to fiscal 2023/24 WT will need to secure funding and/or financing to avoid a potential adverse cash flow situation in 2023 when the Port Lands project reaches substantial completion.

Key assumptions/highlights:

- Pursuant to Sidewalk Labs withdrawal from the Quayside project, this cash flow forecast excludes all the land sale revenues associated with the Quayside lands (zoned for 2.7 million s.f. of development) until new timing is determined.
- While WT does not contemplate borrowing externally in the 36 month period above, in order to maintain internal borrowing from the Port Lands and other projects within the \$40 million government borrowing consent, the above cash flow assumes deferral of \$55 million in previously planned outflows (\$25 million in building reserve funds and \$30 million in deferrable expenditures), until either Quayside land sale revenue is realized and/or other, alternative funding sources are secured.
- During the 27-month period Q3 20/21 – Q4 22/23, WT is borrowing internally largely from the Port Lands project to fund expenditures required to advance the Quayside development, including staff costs, land acquisition and environmental costs.

<p>Purpose</p>	<p>For Committee Information</p> <p>The Port Lands Flood Protection (PLFP) Dashboard report is a key component of the Corporation’s project planning and reporting framework. The purpose of this report is to monitor on a monthly basis the progress and achievement of project budgets and schedules against the corporation’s Long-Term Plan and Capital Project Budgets approved by the Board of Directors.</p>
<p>Areas of note/ Key issues</p>	<p>All individual projects in the PLFP program are proceeding in accordance with Tripartite Contribution Agreement and Board Approved Capital Project Budget.</p> <p>The following represents the financial status of the projects as of Q4 2019/20:</p> <ul style="list-style-type: none"> • The anticipated total project cost and approved funding remains unchanged at \$1.185 billion. • The updated forecasts of final program cost reflect the slightly modified 60% cost estimates due to adjusted non recoverable tax on individual projects. The total forecast for program remains unchanged. • Current commitments equal \$664.4 million, an increase of \$150.8 million from the last quarterly report. • Cost incurred to date equal \$225.7 million. • \$77.8 million of the project contingency is unallocated and is available for future risks and unknowns. <p>The key accomplishments last quarter includes:</p> <ul style="list-style-type: none"> • The procurement for substructure works for Cherry Street South Bridge and revetment supply and installation RFP for Polson Slip has been awarded. The contract for soil management program and construction of barrier layers has been finalized. • The construction of Cherry Street North Bridge – dock wall & north and south abutments has been completed and the construction of sub structure for Cherry St. North Bridge for south abutment is ongoing. • The construction of cut-off walls is currently ongoing along with commencement of excavation and barrier layer construction in the Central River Valley. The cut-off walls construction in Ice Management and Spillway has been initiated.
<p>Next Steps</p>	<p>The next Port Lands Flood Protection & Enabling Infrastructure Program Dashboard for Q1 2020/2021 will be provided on September 17, 2020.</p>

PLFP Monthly Program Dashboard - as of March 31st, 2020

Issued: April 20th, 2020

PROGRAM SUMMARY

Waterfront Toronto is tracking the progress of the Port Lands Flood Protection (PLFP) Program and is proceeding in accordance with the contractual budget and schedule obligations. Schedule and budget risks are being closely monitored to ensure program delivery.

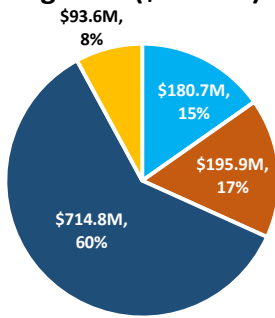
STATUS SUMMARY



Waterfront Toronto is currently forecasting five individual projects to exceed their respective budgets by greater than 10% however these forecasts are offset by a number of other projects that are forecast to be completed at or below budget. The overall program budget of \$1.185B remains unchanged. There are eight individual projects delayed by more than six months however these delays have been absorbed within the overall schedule such that the Substantial Completion date of March 31, 2024 remains unchanged.

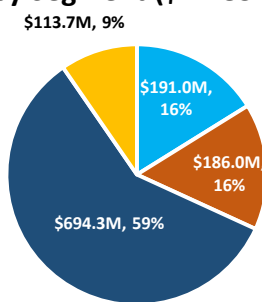
PROGRAM BUDGET ALLOCATION (Based on 30% Approved Budget)

Program Budget by Segment (\$1.185B)



- Roads and Services
- Bridges and Structures
- Flood Protection Features
- Parks and Public Realm

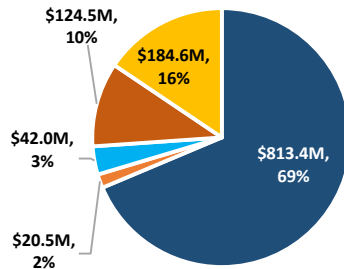
Final 60% Cost Estimate by Segment (\$1.185B)



- Roads and Services
- Bridges and Structures
- Flood Protection Features
- Parks and Public Realm

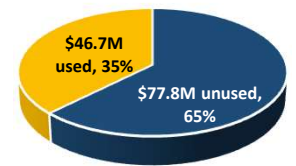
EAC modified for each project slightly to reflect adjusted NRHST EAC. Program EAC remains unchanged.

Program Budget by Cost Category (\$1.185B)



- Hard Costs
- Escalation Allowance
- Soft Costs
- NRHST
- Risk Contingency

Contingency Allocation (\$46.7M of \$124.5M)



- Total Contingency Unused
- Total Contingency Used

FINANCIAL SUMMARY

Project Name	Due-Diligence Budget (\$M)	Approved Changes (\$M)	Approved Budget (\$M)	Total Commitments (\$M)	Anticipated Commitments (\$M)	**Estimate At Completion (\$M)	Variance to Approved Budget (\$M)	*Costs Incurred to Date (\$M)	% Complete to Date
Commissioners St. West to New Cherry St.	\$ 18.00	\$ 9.86	\$ 27.86	\$ 8.78	\$ 19.64	\$ 28.42	\$ (0.56)	\$ 4.14	15%
Commissioners St. East to Sault St.	7.00	(0.86)	6.14	1.85	2.36	\$ 4.21	1.93	1.00	24%
Cherry Street Re-alignment	22.00	15.61	37.61	12.70	19.44	\$ 32.14	5.47	4.48	14%
Don Roadway North	7.00	10.70	17.70	3.52	10.29	\$ 13.81	3.89	1.19	9%
Hydro One Integration	12.00	(2.85)	9.15	5.13	0.74	\$ 5.87	3.28	3.77	64%
Site Wide Municipal Infrastructure	102.00	(19.77)	82.23	23.28	83.23	\$ 106.51	(24.28)	8.67	8%
Cherry Keating-Cherry Street Bridge North	55.00	(14.08)	40.92	34.44	7.34	\$ 41.77	(0.85)	15.25	37%
Cherry Polson-Cherry Street Bridge South	42.00	(2.89)	39.11	37.81	1.59	\$ 39.40	(0.29)	10.58	27%
Commissioners Street Bridge/Don Roadway	43.00	6.22	49.22	41.68	10.96	\$ 52.64	(3.42)	12.51	24%
Lakeshore Road & Rail Bridge Modifications	19.00	44.01	63.01	11.70	37.12	\$ 48.82	14.19	4.82	10%
Old Cherry St. Bridge Demolition	4.00	(0.40)	3.60	1.07	2.35	\$ 3.42	0.18	0.61	18%
River Valley System & Don Greenway	486.00	11.98	497.98	364.31	137.47	\$ 501.78	(3.80)	118.86	24%
Keating Channel Modifications	35.00	(6.45)	28.55	7.80	6.55	\$ 14.35	14.20	3.49	24%
Polson Slip North Side Naturalization	60.00	(10.64)	49.36	19.09	16.12	\$ 35.22	14.14	6.06	17%
Don Roadway Valley Wall Feature	27.00	(4.90)	22.10	10.15	14.63	\$ 24.78	(2.68)	3.75	15%
Eastern Avenue Flood Protection	5.00	(0.88)	4.12	1.77	0.08	\$ 1.85	2.27	0.90	49%
East Harbour Flood Protection	5.00	(4.10)	0.90	0.00	0.24	\$ 0.25	0.65	0.00	2%
Flow Control Weirs	38.00	(15.38)	22.62	6.97	6.04	\$ 13.01	9.61	3.15	24%
Sediment and Debris Management Area	78.00	(0.80)	77.20	25.93	66.49	\$ 92.42	(15.22)	8.03	9%
Villiers Island Grading	28.00	(16.03)	11.97	9.64	1.02	\$ 10.67	1.30	1.98	19%
River Park North	23.00	(0.41)	22.59	10.75	27.13	\$ 37.88	(15.29)	3.01	8%
River Park South	27.00	(8.14)	18.86	12.29	12.49	\$ 24.78	(5.92)	2.96	12%
Promontory Park South	42.00	10.20	52.20	13.70	37.30	\$ 51.00	1.20	6.51	13%
Cumulative	\$ 1,185.00	\$ -	\$ 1,185.00	\$ 664.37	\$ 520.63	\$ 1,185.00	\$ (0.00)	\$ 225.71	19%

*Actual costs do not include accrued costs.

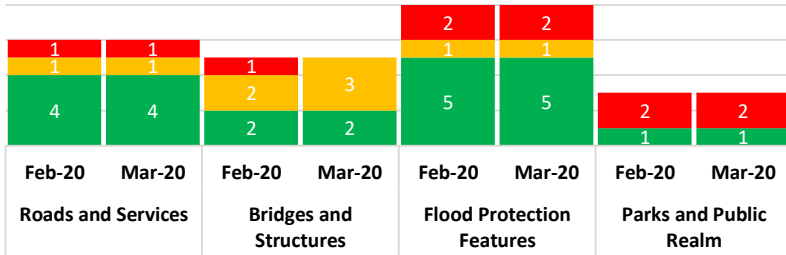
**Estimate at Completion modified for each project slightly to reflect adjusted NRHST EAC. Program EAC remains unchanged.

PLFP Monthly Program Dashboard - as of March 31st, 2020

Issued: April 20th, 2020

PROGRAM BUDGET STATUS

Budget Status - by Segment

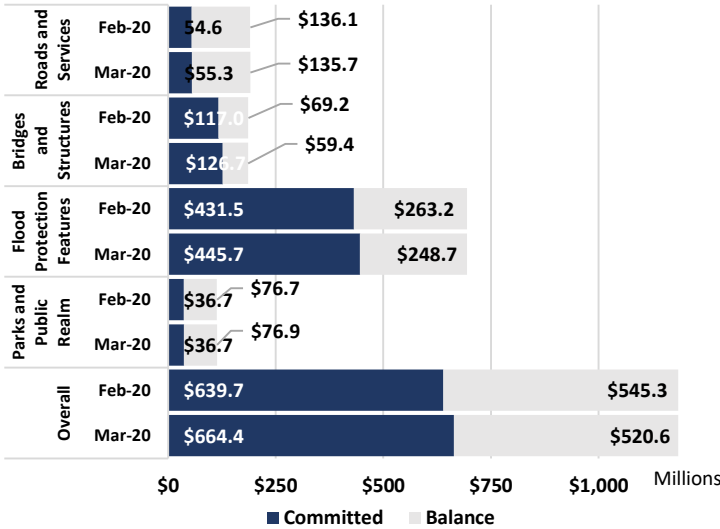


- - Forecast to complete within approved budget
- - Forecast to complete within 10% of approved budget
- - Forecast to complete more than 10% over approved budget

Project Name	Status
BUDGET STATUS	
Roads and Services	
Commissioners St. West to New Cherry St.	●
Commissioners St. East to Sautler St.	●
Cherry Street Re-alignment	●
Don Roadway North	●
Hydro One Integration	●
Site Wide Municipal Infrastructure	●
Bridges and Structures	
Cherry Keating-Cherry Street Bridge North	●
Cherry Polson-Cherry Street Bridge South	●
Commissioners Street Bridge	●
Old Cherry St Bridge Demolition	●
Lake Shore Road & Rail Bridge Modifications	●
Flood Protection Features	
River Valley System & Don Greenway	●
Keating Channel Modifications	●
Polson Slip North Side Naturalization	●
Don Roadway Valley Wall Feature	●
Eastern Avenue Flood Protection	●
Flow Control Weirs	●
Sediment and Debris Management Area	●
Villiers Island Grading	●
Parks and Public Realm	
River Park North	●
River Park South	●
Promontory Park South	●
Cumulative	●

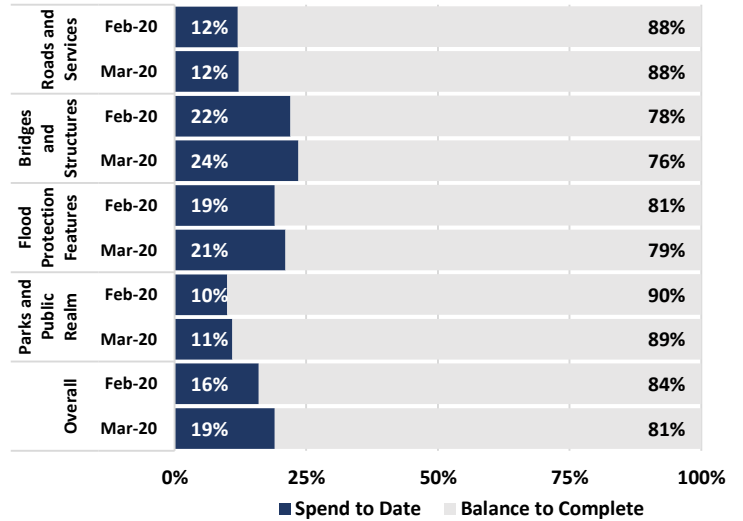
Commitments and Balance to Complete (\$M)

(Based on Final 60% EAC - January 2020)



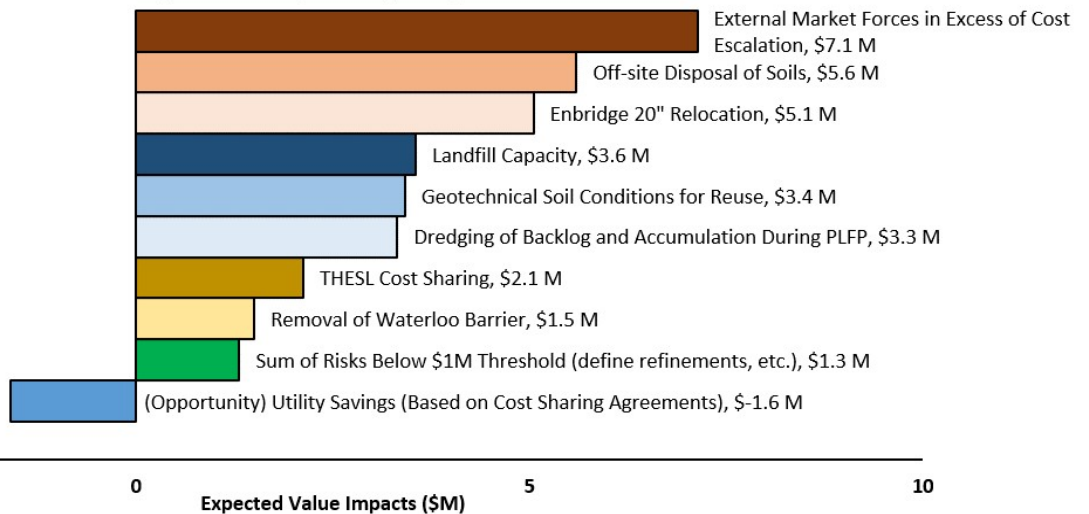
Program Progress - by Segment

(Based on 60% EAC)



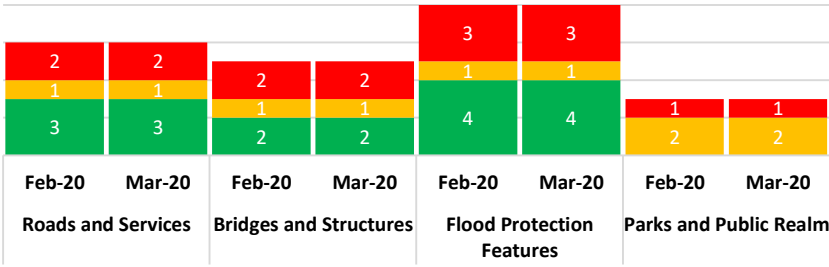
KEY BUDGET RISKS & IMPACTS

Top Risks Impacting Project Cost



PROGRAM SCHEDULE STATUS

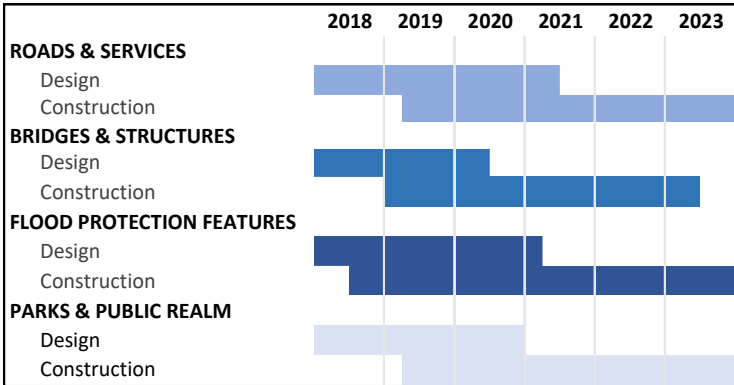
Schedule Status - by Segment



■ - On Schedule/0-1 months behind schedule
■ - 1-6 months behind schedule
■ - 6+ months behind schedule

Project Name	Status
SCHEDULE STATUS	
Roads and Services	
Commissioners St. West to New Cherry St.	●
Commissioners St. East to Saulter St.	●
Cherry Street Re-alignment	●
Don Roadway North	●
Hydro One Integration	●
Site Wide Municipal Infrastructure	●
Bridges and Structures	
Cherry Keating-Cherry Street Bridge North	●
Cherry Polson-Cherry Street Bridge South	●
Commissioners Street Bridge	●
Old Cherry St Bridge Demolition	●
Lake Shore Road & Rail Bridge Modifications	●
Flood Protection Features	
River Valley System & Don Greenway	●
Keating Channel Modifications	●
Polson Slip North Side Naturalization	●
Don Roadway Valley Wall Feature	●
Eastern Avenue Flood Protection	●
Flow Control Weirs	●
Sediment and Debris Management Area	●
Villiers Island Grading	●
Parks and Public Realm	
River Park North	●
River Park South	●
Promontory Park South	●
Cumulative	
	●

Program Timeline - by Segment

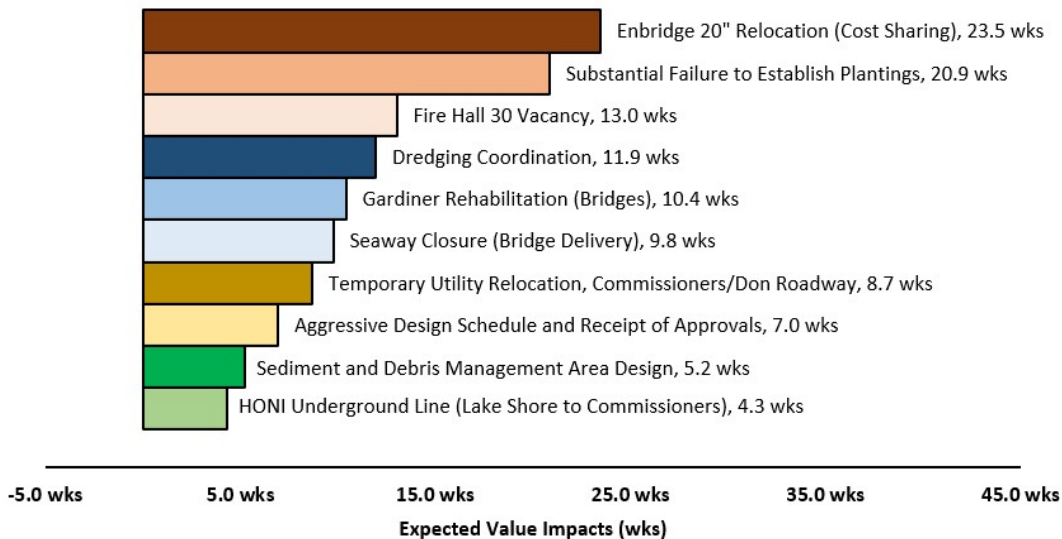


Key Communications Milestones

Spillway & Wetland Excavation Start	February-20
Public Meeting	Summer 2020

KEY SCHEDULE RISKS & IMPACTS

Top Risks Impacting Project Schedule



PLFP Monthly Program Dashboard - as of March 31st, 2020

Issued: April 20th, 2020

PROGRAM PROGRESS - KEY TASKS

Key Tasks To be Completed in Next 6 Months	March Completion	April Completion	May to July Completion	August to October Completion
<ul style="list-style-type: none"> ■ On schedule ■ 1-6 months behind baseline schedule ■ 6+ months behind baseline schedule 				
Permits/Design Approvals to be Secured				
Pipeline Abandonment/Removal Agreements/Approvals		✓		
CoT: Cherry St Bridge North Superstructure and Finishes		✓		
TRCA: Reg 166 Permit - Ice Management & Spillway (Cut-off Walls & Barrier)		✓		
CoT: Relocation Permit - Roads Firehall Relocation			✓	
DFO: South Plug Removal, Ship Channel Dockwall Construction			✓	
Contracts to be Secured				
Road Construction (2 Contracts)			✓	
River Landscaping (6 Contracts)			✓	
All Bridges: Finishes			✓	
Wet Utilities: Microtunneling			✓	
River Valley - West Plug: Cut-off Walls			✓	
Heritage Building Foundation, Restoration & Renovation			✓	
Design Phase Status				
Cherry St South Bridge & Commissioners St Bridge	✓			
Soil Management Operations		✓		
Cherry St Re-alignment*, Commissioners St, Don Roadway			✓	
Storm Water Treatment Facility & Sanitary Pumping Station				✓
River Valley & Don Greenway (Completed Design)		✓		
Don Roadway Valley Wall Feature				✓
Construction Completion				
Dewatering and Water Treatment Plant Implementation	✓			
Soil Stockpile Areas (excluding MT35 area)		✓		
River Valley Perimeter Cut-Off Walls			✓	
Soil Treatment Plant: Commissioning of Soil Treatment Plant (Start Date)			✓	
Cherry St North Bridge: North & South Abutment			✓	
Commissioners St: Temporary Utilities Relocation (Gas & Sanitary)			✓	

*Design on track and preliminary construction underway as scheduled; minor changes to design expected pending decisions from WT and CoT.

INDIGENOUS CONSULTATION

Update

- A formal letter was received on March 17th from MCFN – DOCA indicating that FLRs will not attend construction site visits due to the Covid-19 pandemic until at least April 6th. A follow-up letter was received April 3rd, extending this to May 4th. MCFN requested that construction to be halted until FLRs were once again available to participate at the various sites.
- WT and MCFN-DOCA met on March 20th to discuss the letter. WT proposed that construction continue and that TRCA archaeologists attend the site as anticipated using a Go-Pro camera and upload the videos daily. MCFN FLRs would review the video the following day and invoice appropriately. MCFN-DOCA have accepted the alternate arrangements so as not to delay construction.
- Design Consultant released EOI for Indigenous design support services contract. Representatives of MCFN has been asked to participate as part of the review committee.
- MCFN are developing scopes of work and budgets to participate in Quayside review, Public Realm review for PLFP, and annual Working Groups.

Next Steps

- Working Group Meeting #2 is scheduled for April 22nd.
- EOI process for MVVA Indigenous design support services contract to close; anticipate review with MCFN representative.
- Anticipate FLR Covid-19 accommodation systems fully operational for archaeological and fisheries monitoring.
- Receive draft budgets and scopes of work from MCFN for various work aspects of PLFP, Quayside and long-term engagement activities.
- Anticipate Natural Channels conference to be cancelled due to Covid-19.

SITE PHOTOS



Figure 1
Cut-off Wall Phase 1 - Drilling Holes for Pile Installation



Figure 2
River Valley - Excavation Works in Slurry Wall



Figure 3
Commissioners St - Site Preparation



Figure 4
Hydro One - Tree Cutting & Site Preparation



Figure 5
Cherry St Bridge North - South Abutment Remediation of Foundation Works



Figure 6
Cherry St Bridge South - Site Preparation

<p>Purpose</p>	<p>For Committee Information</p> <p>The Project Financial Report is a key component of the Corporation’s project planning and reporting framework. The purpose of this report is to monitor on a quarterly basis the progress and achievement of project budgets and schedules against the corporation’s Long-Term Plan and Capital Project Budgets approved by the Board of Directors.</p>
<p>Areas of note/ Key issues</p>	<p>The Cherry Street Stormwater and Lakefilling project is completed in accordance with the Long-Term Plan and Board Approved Capital Project Budgets. The following represents the financial status of the project as of Q4 2019/20:</p> <ul style="list-style-type: none"> • The anticipated final cost for the Cherry Street Stormwater and Lakefilling project is forecast to be \$65 million. • The current commitments amount to \$64.9 million, an increase from the prior report of \$1.3 million. • Forecast of additional future commitments equals \$0.1 million. • All of the project contingency amounting to \$13.7 million has been allocated to Cherry Street Stormwater and Lakefilling project components. • The total cost incurred to date including accrued cost is \$64.4 million which represents 99% of the total project budget. <p>The work accomplished last quarter includes:</p> <ul style="list-style-type: none"> • Completed fabrication of safety furniture. • Assembled the project close-out documentation. • Continuation of Geotechnical monitoring activities along with reconciliation of all project contracts.
<p>Next Steps</p>	<p>The Cherry Street Stormwater and Lakefilling project has been completed on budget and therefore the March project financial report for Q4 2019/2020 will be the final report to the Finance, Audit & Risk Management Committee.</p>

PROJECT NAME: PFP02-00 CHERRY STREET STORMWATER AND LAKE FILLING

PROJECT DIRECTOR: SIMON KARAM

PROJECT STATUS SUMMARY				
Budget Status				
Approved Budget \$65,000,000	Total Commitments \$64,878,690	Anticipated Commitments \$121,310	Estimate at Completion \$65,000,000	
Project Contingency N/A	Program Contingency \$13,680,118	Project Contingency Utilization N/A	Program Contingency Utilization 100%	
Schedule Status				
Percent Complete 99%	Project Start 14-Sep-16	Construction Start 30-Jun-18	Substantial Performance 29-Oct-19	Warranty Complete 29-Oct -21
Project Progress Summary				
The project has been completed on budget. The project was substantially completed as of October 21, 2019. Minor works including deficiency repairs, snag-list work, and geotechnical monitoring remain.				

BUDGET AND COST SUMMARY									
Description	Due-Diligence Budget	Approved Changes	Approved Budget	Total Commitments*	Anticipated Commitments	Estimate at Completion	Cost Incurred to Date**	Variance to Budget	% Complete
Hard Cost	\$ 40,800,000	\$ -	\$ 40,800,000	\$ 55,672,435	\$ -	\$ 55,672,435	\$ 55,533,482	\$ (14,872,435)	100%
Soft Cost	\$ 9,666,000	\$ -	\$ 9,666,000	\$ 9,206,256	\$ 121,310	\$ 9,327,565	\$ 8,880,576	\$ 338,435	95%
Program Contingency	\$ 13,680,118	\$ -	\$ 13,680,118	\$ -	\$ -	\$ -	\$ -	\$ 13,680,118	-
NRHST	\$ 853,882	\$ -	\$ 853,882	\$ -	\$ -	\$ -	\$ -	\$ 853,882	-
Total	\$ 65,000,000	\$ -	\$ 65,000,000	\$ 64,878,690	\$ 121,310	\$ 65,000,000	\$ 64,414,058	\$ -	99%

* Total Commitments includes approved change order for \$ 4.24M from Construction Manager Ellis Don

** Cost Incurred to Date includes accrued cost

SCHEDULE SUMMARY						
Milestone	Baseline		Forecast		Actual	
	Start	Finish	Start	Finish	Start	Finish
Project Start	14-Sep-16	n/a	14-Sep-16	n/a	14-Sep-16	n/a
Engineering & Design	13-Mar-17	30-Oct-17	13-Mar-17	30-Oct-17	13-Mar-17	30-Oct-17
IFC (Completion Date)	n/a	31-Oct-17	n/a	31-Oct-17	n/a	31-Oct-17
Construction	20-Sep-17	31-Mar-19	20-Sep-17	20-Dec-19	20-Sep-17	
Dockwall Construction	26-Apr-18	21-Jan-19	26-Apr-18	30-Sep-19	26-Apr-18	30-Sep-19
Lake Filling up to Elv. +75	30-May-18	14-Mar-19	09-July-18	15-Mar-19	09-July-18	15-Mar-19
Lake Filling above Elv. +75	01-Feb-19	14-Mar-19	03-May-19	23-Sep-19	03-May-19	23-Sep-19
Revetment Placement	16-Aug-18	15-Mar-19	16-Aug-18	16-Oct-19	16-Aug-18	16-Oct-19
Substantial Completion Date	n/a	04-Jul-19	n/a	29-Oct-19	n/a	29-Oct-19
Cherry Street Stormwater Extension	24-July-18	15-Apr-19	03-Jun-19	05-Nov-19	03-Jun-19	05-Nov-19
Landscaping	15-Jan-2019	29-Oct-19	10-Jun-19	20-Dec-19	10-Jun-19	23-Dec-19
Warranty Complete	n/a	31-Mar-21	n/a	29-Oct-21	n/a	29-Oct-21

PROGRESS OF WORK AND KEY DELIVERABLES	
Work Accomplished this Period	Work Planned for Next Period
1. Fabricated safety furniture.	1. Install safety stations along new dockwall.
2. Assembled close-out documentation.	2. Receive final close-out documentation.
3. Ongoing geotechnical monitoring.	3. Continue geotechnical monitoring.
4. Reconciled all contracts.	4. Post construction monitoring and inspections.




PROJECT NAME: PFP02-00 CHERRY STREET STORMWATER AND LAKE FILLING

KEY PROJECT RISKS		
Risk Register ID	Risk Description	Mitigation Strategy
1.		
2.		
3.		

*Top 5 risks only

KEY ISSUES AND DECISIONS	
Key Issues	
1.	
2.	
Key Decisions	Due Date
1.	
2.	

*Top 3 only

PHOTOS & ILLUSTRATIONS		
		
<i>Completed Site</i>	<i>Completed North Cove</i>	<i>Completed Overlook</i>

GENERAL COMMENTS
1.

Legend			
Indicator	Budget Impact	Schedule Impact	Risk & Issues Impact
●	Forecast to complete more than 10% over approved budget	Forecast to complete more than 6 months behind schedule	High likelihood of risks occurring and/or issues flagged will impact schedule/budget
●	Forecast to complete within 10% of approved budget	Forecast to complete 1- 6 months behind schedule	Medium likelihood of risks occurring and/or likely issues flagged are likely to impact schedule/budget
●	Forecast to complete within approved budget	Forecast to complete on schedule or before	Low likelihood of risks occurring and/or issues flagged are expected to be resolved without impact to schedule/budget

Definitions

Anticipated Commitments (ACM): Unreleased Trade Packages + Unapproved Change Orders + Potential Claims = ACM

Cost Incurred to Date (CID): What you have paid to date for the work that has been done/completed = CID

Estimate at Completion (EAC): Given the current performance, what is the expected overall project cost when the project is completed = EAC= TCM + ACM

Percent Complete: Actual project progress based on Approved Budget and Cost Incurred to Date = CID / EAC

Project Contingency: Total Contingency allocated for a given project (includes both soft and hard contingency).

Program Contingency: Allocated Management Reserve for a given project.

Substantial Performance: Substantial completion date of the project.

Total Commitments (TCM): Includes: Approved Contracts + Approved Change Orders + Approved Change Directives + Approved Non-Contract Costs = TCM

Variance to Budget: Difference between the Approved Budget and what you are expecting it to cost at the end = EAC – Approved Budget

Warranty Complete: Warranty end date, calculated as two years from date of substantial performance.

<p>Purpose</p>	<p>For Committee Information</p> <p>The Bayside External Services Dashboard represents the financial status of Stormwater and Sanitary Servicing Infrastructure projects and is a key component of the Corporation’s project planning and reporting framework. The purpose of this report is to report on a quarterly basis the progress and achievement of project budgets and schedules against the corporation’s Long-Term Plan and Capital Project Budget approved by the Board of Directors.</p>
<p>Areas of note/ Key issues</p>	<p>The Bayside External Services dashboard includes Stormwater and Sanitary Servicing Infrastructure projects that are proceeding within the 10% of the current Board approved Capital Project Budgets.</p> <p>The following represents the financial status of the projects as of Q4 2019/20:</p> <ul style="list-style-type: none"> • The anticipated final cost for the Stormwater and Sanitary Servicing Infrastructure projects is forecast to be \$66.8 million or less than 1% over the approved Capital Project Budget. The project team is currently reviewing a number of potential delay and changed conditions claims from the contractor (including COVID-19 impacts) that may result in an increase in the Estimate at Completion. It is expected that the variance to approved budget will remain well below 10% of the Capital Approval Amount. • The current commitments amount to \$65.1 million; an increase from the prior report of \$0.4 million. • Forecast of additional future commitments equals \$1.7 million. • All of the project contingency amounting to \$8.6 million is allocated to the Stormwater and Sanitary servicing project components. • The total cost incurred to date is \$53.6 million which represents 81% of the total project budget. <p>The work accomplished last quarter includes:</p> <ul style="list-style-type: none"> • Completed concrete shell and ongoing mechanical and electrical equipment installation inside the stormwater facility. • Completed contract yard piping and processed piping connections. • Ongoing operation and maintenance of Cherry Street Sanitary Pumping Station (SPS) and completed temporary Toronto Hydro power feed. • Ongoing electrical equipment installation inside the electrical room along with coordination with Toronto Hydro to install permanent hydro connection by July 2020.
<p>Next Steps</p>	<p>The next dashboard for Bayside External Services for Q1 2020/2021 will be provided on September 17, 2020.</p>

Bayside External Services Program Dashboard - as of March 31, 2020

Issued: April 23, 2020

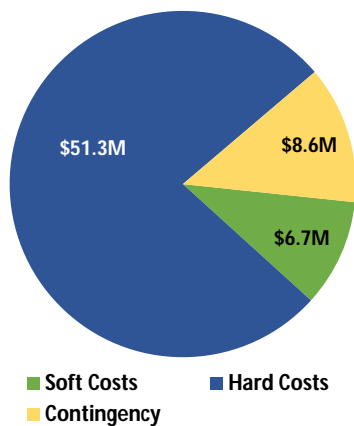
PROGRAM SUMMARY



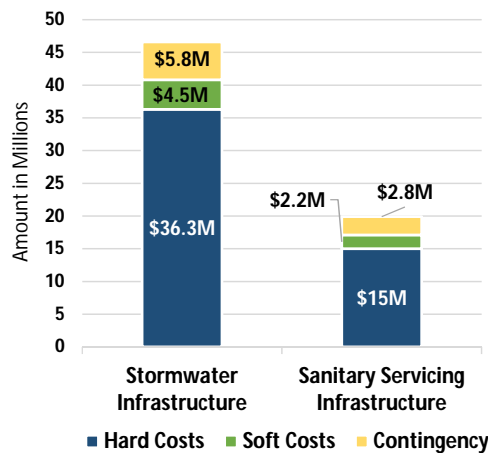
March 2020 Update: The Stormwater and Sanitary Servicing Infrastructure project is proceeding in accordance with the Board Approved 2019-2020 Long-Term Plan and is forecast to be complete within 10% of the Capital Project Budget. The sanitary component of the project is slightly over budget due to the phased completion of the Cherry Street Sanitary Pumping Station. The project team is currently reviewing a number of potential delay and changed conditions claims from the contractor (including COVID-19 impacts) that may result in an increase in the Estimate at Completion. It is expected that the variance to approved budget will remain well below 10% of the Capital Approval Amount. The anticipated completion of the overall program will be in Q4 2020-2021.

PROGRAM BUDGET ALLOCATION

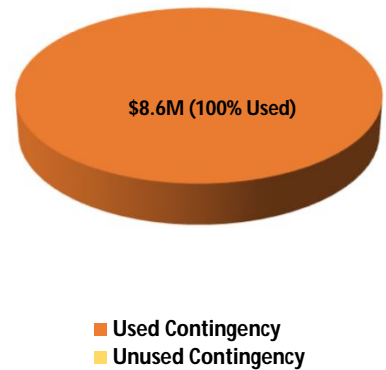
Program Cost (Capital Approval Budget \$66.5M)



Approved Program Budget by Projects and Cost Category (\$66.5M)



Contingency Allocation (\$8.6M of \$8.6M)



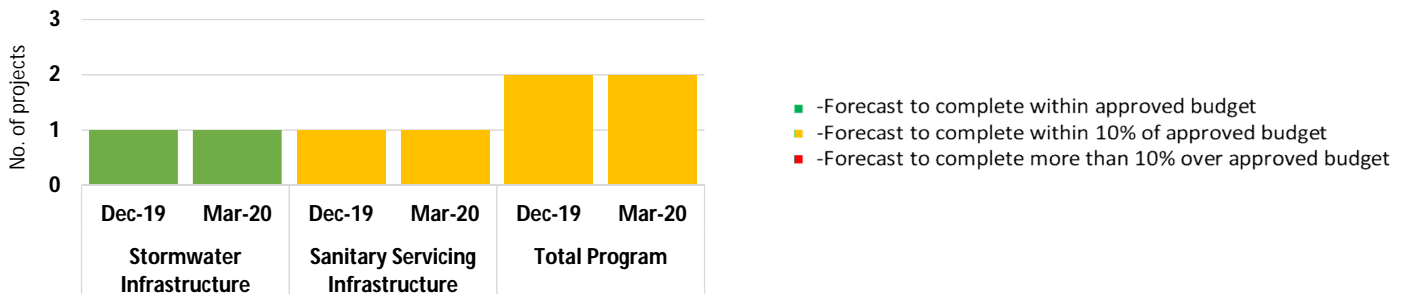
FINANCIAL SUMMARY

Project Description	Original Budget	Approved Changes	Approved Budget	Total Committed	Anticipated Commitments	Estimate at Completion	Cost Incurred to Date	Variance to Budget	% Complete
Stormwater Infrastructure	\$ 46.60	\$ -	\$ 46.60	\$ 45.09	\$ 1.51	\$ 46.60	\$ 34.32	\$ -	74%
Sanitary Servicing Infrastructure	19.94	-	19.94	20.06	0.14	20.20	19.31	(0.26)	96%
Total Program	\$ 66.54	\$ -	\$ 66.54	\$ 65.14	\$ 1.65	\$ 66.80	\$ 53.63	\$ (0.26)	81%

All figures in Millions

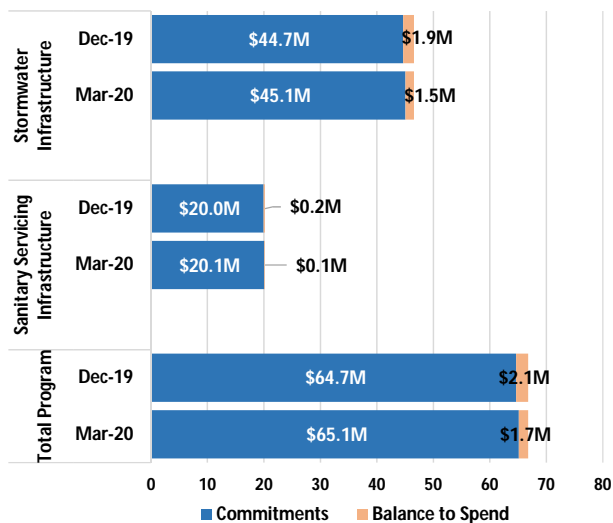
PROGRAM BUDGET STATUS

Budget Status by Projects

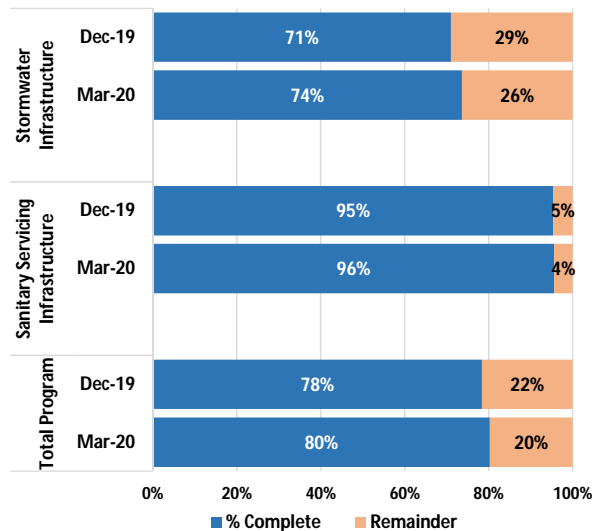


PROGRAM IMPLEMENTATION INDICATORS

Commitments and Balance to Spend (\$M)

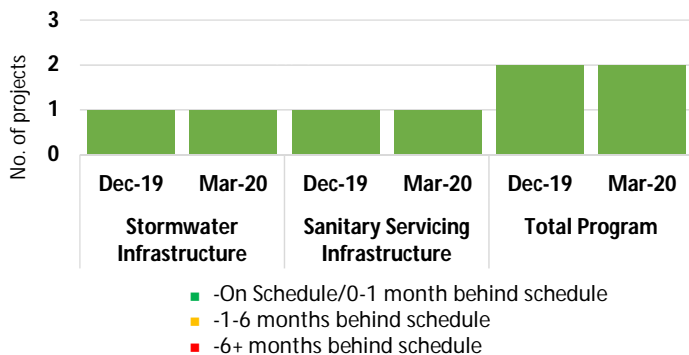


Project Completion

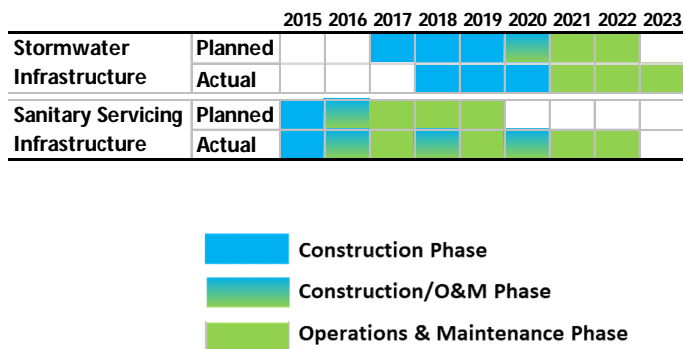


PROGRAM SCHEDULE STATUS

Schedule Status by Projects



Project Duration



SITE PHOTOS



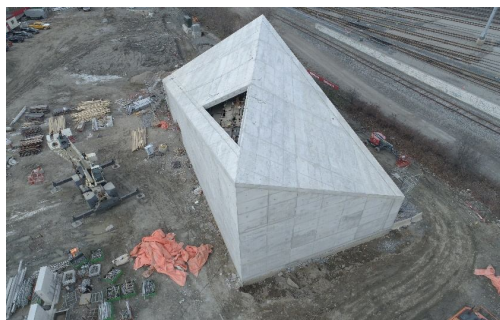
SWF Electrical room



SWF Electrical equipment



SWF-West Elevation



SWF East view



Finance, Audit & Risk Management Committee – May 28, 2020
Item 3(c)(ii)(b)(3) – Bayside Phase II Dashboard
David Kusturin

Purpose	<p>For Committee Information</p> <p>The Bayside Phase II Dashboard represents the financial status of Water’s Edge Promenade, Local Streets and Hydro Connections projects and is a key component of the Corporation’s project planning and reporting framework. The purpose of this report is to monitor on a monthly basis the progress and achievement of project budgets and schedules against the corporation’s Long-Term Plan and Capital Project Budgets approved by the Board of Directors.</p>
Areas of note/ Key issues	<p>The initial stage of Bayside Phase II Program is completed within the current Board approved Capital Project Budget. The following represents the financial status of the project as of Q4 2019/20:</p> <ul style="list-style-type: none"> • The anticipated final cost for the Bayside Phase II program is forecast to be \$40.9 million, \$3.8 million less than the approved budget. This represents an increase of \$0.3 million from the prior report. • While the project team is not forecasting that the balance of unallocated contingency (and forecast project savings) will be required to complete the project, it is recommended that the contingency be retained for future risks and unknowns which may be realized when the balance of work proceeds in 2022/23. • The current commitments amount to \$31.1 million; an increase from the prior report of \$0.4 million. • Forecast of additional future commitments equals \$9.8 million. • \$3.8 million of the project contingency is unallocated and is available for future risks and unknowns. • The total cost incurred to date is \$28.3 million which represents 69% of the total project budget. <p>The key accomplishments last quarter includes:</p> <ul style="list-style-type: none"> • Achieved substantial completion of initial stage of Bayside Phase II program. • Continuation of bench installation. • Completed installation of streetlights. • Commenced site preparation and installation of storm sewers within private streets.
Next Steps	<p>Substantial Completion of the initial stage of Bayside Phase II was achieved in February 2020 and therefore the March dashboard for Bayside Phase II for Q4 2019/2020 is the final program dashboard. WT will resume reporting for the program when the balance of work proceeds in 2022/23.</p>

Bayside Phase 2 Program Dashboard - as of March 31, 2020

Issued: April 23rd, 2020

PROGRAM STATUS

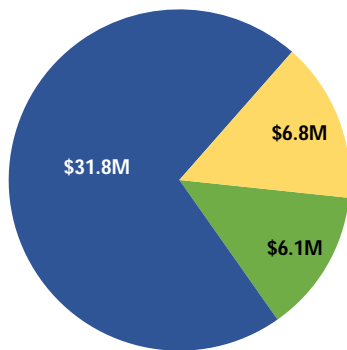
Status Summary



March 2020 Update: The Bayside Phase II Program is proceeding in accordance with the Approved Long-Term Plan 2019-2020 and Board Approved Capital Project Budget. Schedule risks are being closely monitored to ensure timely project delivery. Substantial Completion of the initial stage of Bayside Phase II was achieved in February 2020 with the construction expected to be completed in summer of 2020/2021. The Private streets are scheduled to be complete in October 2020 coincident with the Aquabella building while the balance of the Water's Edge Promenade adjacent to Parliament Slip will be complete in 2023/2024 coincident with the Aqualuna building.

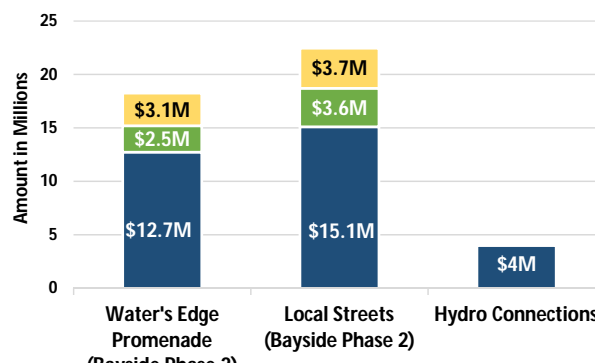
PROGRAM SUMMARY

Program Cost (Capital Approval Budget \$44.7M)



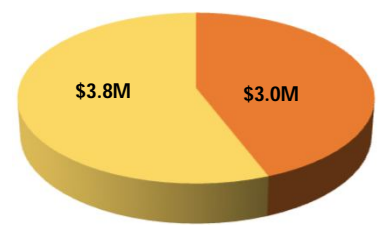
■ Soft Costs ■ Hard Costs ■ Contingency

Program Budget by Projects and Cost Category (\$44.7M)



■ Hard Costs ■ Soft Costs ■ Contingency

Contingency Allocation (\$3M of \$6.8M)



■ Used Contingency ■ Unused Contingency

FINANCIAL SUMMARY

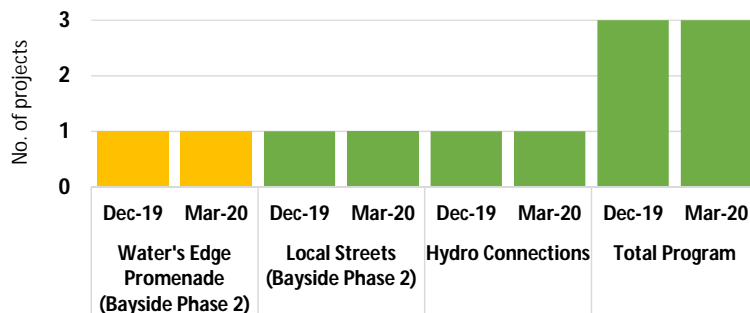
Project Description	Original Budget	Approved Changes	Approved Budget	Total Committed	Anticipated Commitments	Estimate at Completion	Cost Incurred to Date	Variance to Budget	% Complete to Date
Water's Edge Promenade (Bayside Phase 2)	\$ 18.25	\$ -	\$ 18.25	\$ 12.35	\$ 7.02	\$ 19.37	\$ 11.78	\$ (1.12)	61%
Local Streets (Bayside Phase 2)	22.45	-	22.45	16.50	4.96	21.45	15.81	1.00	74%
Hydro Connections	4.00	-	4.00	2.23	(2.15)	0.07	0.66	3.93	N/A
Total Program	\$ 44.70	\$ -	\$ 44.70	\$ 31.07	\$ 9.83	\$ 40.90	\$ 28.25	\$ 3.80	69%

All figures in Millions

* Currently not projecting utilization of 100% of program contingency. Project team recommends retaining the contingency for future risks and unknowns.

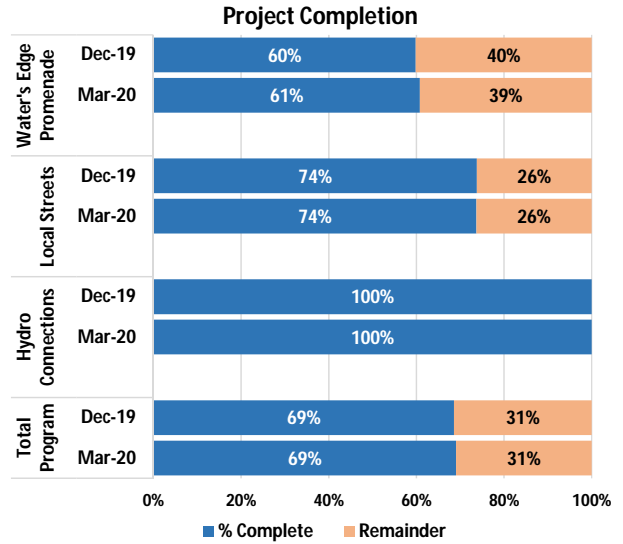
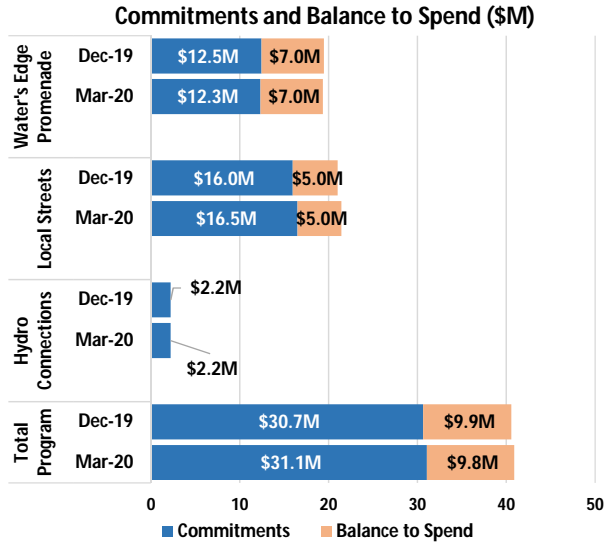
PROGRAM BUDGET STATUS

Budget Status by Projects

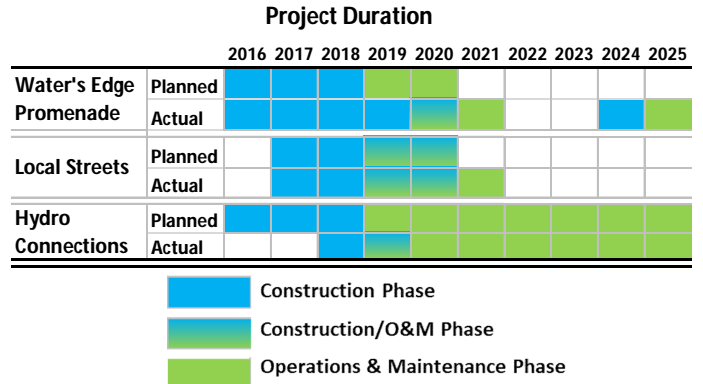
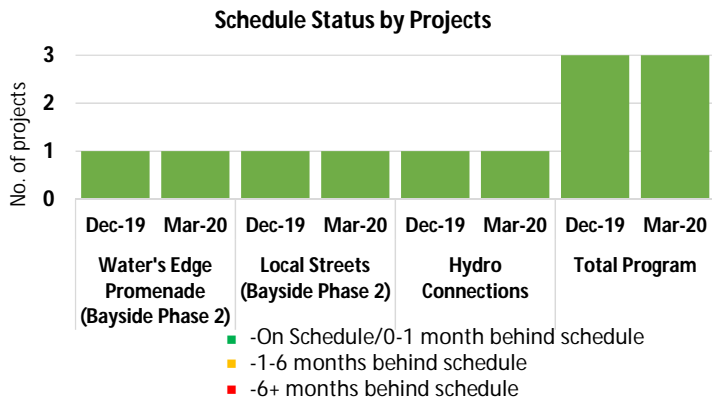


■ -Forecast to complete within approved budget
 ■ -Forecast to complete within 10% of approved budget
 ■ -Forecast to complete more than 10% over approved budget

PROGRAM IMPLEMENTATION INDICATORS



PROGRAM SCHEDULE STATUS

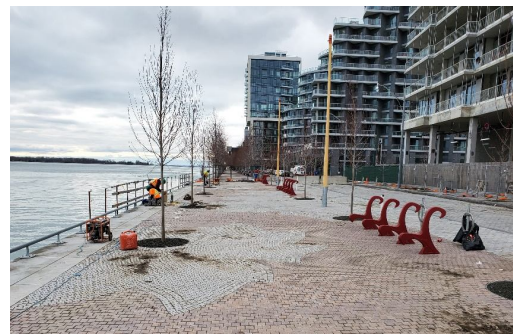


Note: There is no adverse impact on the overall project schedule due to delayed start of Hydro Connection Project

SITE PHOTOS



Concrete roadway pavers installed at St B and C looking south



Light poles erected on WEP looking west



Streetlights and trees installed on Merchants Wharf looking north

1. S. 11 of the Procurement Policies require reporting to the FARM committee of (a) exceptions to the Procurement Policies; and (b) contracts awarded in excess of \$5 million.

Since the last Quarterly Procurement Report there were:

(a) Exceptions to the Procurement Policies as follows:

- *Non-Competitive Procurement - Goods & Services (including Professional Services) for contract value above \$25,000, the following does not meet the permitted exceptions under Section 6 (3):*
 - *Brion Raffoul Intellectual Property Law – Legal Advice for Intellectual Property Issues and Sidewalk Labs negotiations. These issues are central to structuring appropriate relationships with Sidewalk Labs that support Waterfront Toronto’s role as the public steward of Waterfront revitalization. The consultant is a leading expert on IP and technology in Canada and is being retained because of the unique experience with IP. Contract value to date: **\$25,000.***

(b) Contracts awarded in excess of \$5 million as follows:

- *None.*

Regulatory & Operational Compliance Report

(for the period from January 1, 2020 to March 31, 2020)

Finance, Audit and Risk Committee Meeting

May 28, 2020

Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
Wages, Taxes, Source Deductions and Employment-Related					
Harmonized Sales Tax Filing <i>Directors may be jointly and severally liable with the Corporation for unremitted HST</i>	Canada Revenue Agency	Monthly; last day of month following month's end	Ongoing: up to date	Yes	Director, Financial Management Accounting
Additional comments:	HST Return filed Apr 30, 2020 for period Mar 1, 2020 to Mar 31, 2020				
Corporate Income Tax Return <i>Directors may be liable for failure to file corporate income tax returns and up to 50% of unpaid taxes</i>	Canada Revenue Agency	Annually; June 30 of each year	Ongoing: up to date	Yes	Director, Financial Management Accounting
Additional comments:	March 31 2019 CIT Return filed on Feb 24, 2020 [nil tax liability]				
CPP, EI & Income Tax remittances <i>Directors may be liable for unremitted source deductions</i>	Canada Revenue Agency	Within 3 days of any pay date	Ongoing: up to date	Yes	VP, Human Resources and Administration
Additional comments:	ADP makes the remittances on behalf of Waterfront Toronto				
Workplace Safety and Insurance Board premium remittances <i>Directors may be liable for fines of up to \$25,000 for non-compliance by the Corporation under the WSIA</i>	Minister of Labour	Monthly; 30 th of each month	Ongoing: up to date	Yes	VP, Human Resources and Administration
Additional comments:	Administered in-house				
Employee Health Tax Filing <i>Directors may be liable for failure to make payments under the Act</i>	Minister of Finance	Monthly; 15 th of every month	Ongoing: up to date	Yes	VP, Human Resources and Administration
Additional comments:	Administered in-house				
Employee Wages and Accrued Vacation Pay <i>Directors may be liable for up to 6 months of unpaid wages accrued vacation pay</i>	Employment Standards Act	Semi-monthly	Ongoing: up to date	Yes	VP, Human Resources and Administration
Additional comments:	ADP administers payments; vacation pay accrual recorded in financial statements				

Other Filings – Operational					
Annual business plan to be adopted at least 90 days before the beginning of each fiscal year with updated 5-year plan <i>This is a key governance requirement of the TWRC Act</i>	TWRCA	Annually	Up to date	Yes	Chief Financial Officer
Additional comments:	Current annual business plan and current rolling 5-year strategic plan both adopted December 5 2019				
Audited Financial Statements and Annual Report to governments within 90 days of the end of each fiscal year <i>This is a key governance requirement of the TWRC Act</i>	TWRCA and Ontario Business Corporations Act	Annually; financial year end is March 31	Audited financial statements and annual report presented to Board by June 30 of each year	Yes	Chief Financial Officer
Additional comments:	2018/19 Audited financial statements and Annual Report approved by the Board June 27, 2019 and provided to governments June 28, 2019.				
Property Management <i>In the operation of the properties it owns or manages, the Corporation is responsible for various obligations</i>	Land owner's liability (Fire Code Act, Ontario Building Code, Occupier's Liability Act) /Landlord obligations under lease	Inspections are completed according to regulatory requirements and properties are maintained according to a regular maintenance schedule	Ongoing: up to date	Yes	Chief Financial Officer
Additional comments:	Properties operated by the Corporation are professionally managed by DMS Property Management except for the following: <ul style="list-style-type: none"> • 54 Commissioners St. was vacated by the tenant in February 2020 and care and control of the property has been taken over by the Port Lands Flood Protection project (PLFP) through the Construction Manager for the purpose of material and equipment storage; and • 130 Commissioners St. has been demolished and care and control of the property taken over by PLFP through the Construction Manager for construction activities. 				

Lisa Taylor, Chief Financial Officer

Lisa Taylor

Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
Other					
Employee Health and Safety – workplace incidents or injuries <i>Under OHSA, directors may be held responsible for non-compliance and liable for fines of up to \$100,000 and imprisonment for up to 1 year</i>	Occupational Health and Safety Act (“OHSA”)	Report to FARM	Ongoing: up to date	Yes	Chief Project Officer
Additional comments:	<ul style="list-style-type: none"> There were no OHSA reportable Health & Safety issues during the reporting period. 				
Environmental Liability – spills, claims or administrative orders <i>Under the EPA, directors may be held responsible for non-compliance and liable for fines of up to \$4,000,000 and imprisonment for up to 5 years</i>	Environmental Protection Act (“EPA”)	Report to FARM	Ongoing: up to date	Yes	Chief Project Officer
Additional comments:	<p>Port Lands Flood Protection Project</p> <ul style="list-style-type: none"> January 8th, 2020 – A spill to lake was reported to City and Ministry of Environment, Conservation and Parks. Sediment laden drilling water was released from the Cherry St north bridge drilling operation. The Subcontractor stopped work, readjusted silt cloth and turbidity curtains, and readjusted their work procedures and since there have been no sediment releases. March 5th, 2020 – A spill to the lake was reported to City and Ministry of Environment, Conservation and Parks. Approximately 25 to 40 litres of sediment laden rain water entered the west cove of Cherry Street Lake Filling project from overland runoff. EllisDon placed a silt sock along the unprotected area to prevent further sediment from entering the cove. A second layer of filter cloth was placed to further protect the area. Permanent controls are in the final phase of completion. There was no visit from any regulatory parties. <p>Cherry Street Storm Water Facility, 480 Lakeshore Blvd East</p> <ul style="list-style-type: none"> February 24, 2020 – A spill was reported to the City. During dewatering operations, approximately 2000L of surface water was inadvertently pumped and discharged to a storm shaft. Corrective actions were taken to the dewatering setup. 				


David Kusturin, Chief Project Officer



A handwritten signature in cursive script, appearing to read "D. Kusturin". The signature is written in black ink and is positioned above a solid horizontal line that extends to the right.

Document/Program	Regulatory Body	Filing Requirements	Status	Compliant	Accountability
Other					
Litigation <i>In its projects and other operations, the Corporation is exposed to claims in the usual course of business</i>	None	Report to FARM	Ongoing: up to date	Yes	Acting General Counsel
Additional comments:	All existing claims against the Corporation are being defended by insurers under project insurance or the Corporation's corporate insurance program. The costs of the claim by Corporation of the Canadian Civil Liberties Association (CCLA) are covered by the Corporation's insurance.				
Privacy Breach <i>Breaches of personal information arising from the operations of the Corporation will be reported to the Board</i>	Canadian Privacy Principles	Report to FARM	Ongoing: up to date	Yes	Acting General Counsel/Privacy Officer
Additional comments:	No breaches have been reported.				

Ian Ness, Acting General Counsel





Finance, Audit & Risk Management Committee – May 28, 2020
Item 3F – Fundraising Action Plan Dashboard
Kathleen Niccols

Purpose	<p>For Information</p> <p>The attached dashboard summarizes Fundraising Action Plan expenditures, priority deliverables and progress, enabling the Committee to monitor implementation of the Fundraising Action Plan on a quarterly basis.</p>
Areas of note/ Key issues	<p>Implementation of the Fundraising Action Plan is proceeding in accordance with the approved Rolling Five-Year Strategic Plan 2020/21-2024/25.</p> <p>Expenditures of \$4.34M for the initial two years 2019-20 to 2020-21 are reported as Fundraising Start Up Cost, Cost of Fundraising for Destination Playground, and capital project costs for each of the four Signature Projects: Destination Playground, Jack Layton Ferry Terminal, Waterfront Walk and the Landmark Institution.</p> <p>The following are key accomplishments over the previous two quarters:</p> <ul style="list-style-type: none"> • Completed the procurement of the Play Equipment Supply for Destination Playground • Completed a comprehensive gap analysis and vision plan for Waterfront Walk • Completed optimization of the design competition Master Plan and updated cost estimates for the Jack Layton Ferry Terminal • Provided draft Term Sheet for the Fundraising MOU between Waterfront Toronto and the City of Toronto to City staff for review • Identified key policies, procedures and precedent legal agreements to be developed • Developed key messages for the Destination Playground Case for Support <p><u>COVID-19 and Fundraising</u></p> <p>Implementation of the Fundraising Action Plan is focused on building capabilities and developing a campaign plan for Destination Playground and advancing the Signature Projects. The Action Plan does not include approaching potential funding partners until after March 31, 2021, protecting Waterfront Toronto from near-term impacts on fundraising arising from the economic consequences of COVID-19.</p> <p>KCI, Waterfront Toronto’s fundraising advisor, recently provided a summary of fundraising trends in the current environment. Of these, the following are relevant to the Fundraising Action Plan:</p> <ol style="list-style-type: none"> 1. <i>Donors continue to give generously, particularly to causes and projects connected to the pandemic, and are reviewing their priorities.</i> Consequently, donors may be attracted to Waterfront Toronto public realm projects for their potential societal benefit in a post-pandemic world. 2. <i>Lay-offs and rationalization among small and medium sized fundraisers is expected.</i> This may make it easier for us to hire professional fundraising staff. 3. <i>Campaigns and donor engagement previously built around events are having to adapt to online and smaller-scale activities.</i> This may level the playing field for Waterfront Toronto, since large-scale fundraising events would never have been appropriate for us.
Next Steps	<p>The next Fundraising Action Plan Dashboard for Q1 2020/2021 will be provided on September 17, 2020.</p>

PROJECT STATUS

Status Summary

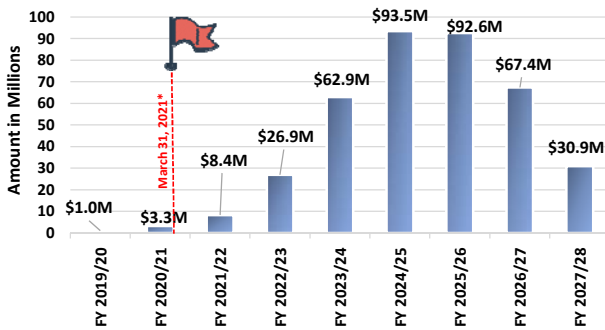
The Fundraising Action Plan states that Waterfront Toronto will develop its fundraising capabilities (to address readiness gaps identified by the fundraising consultant, KCI) and a campaign plan to pursue major gifts (\$500,000+) for the Destination Playground and will advance design and planning for the Signature Projects.



Implementation of the Fundraising Action Plan is proceeding in accordance with the approved Rolling Five-Year Strategic Plan 2020/21-2024/25. This dashboard summarizes Fundraising Action Plan expenditures, deliverables and progress. Fundraising Action Plan Funding (not shown) is sufficient to meet planned expenditures to the March 31, 2021 Board decision date.

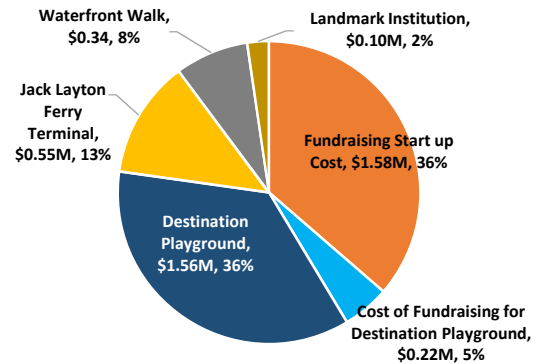
FUNDRAISING EXPENDITURES (LONG TERM/SHORT TERM)

Planned Expenditure from Fiscal Year 2019-20 to 2027-28 (For 9 years - est. \$387M)



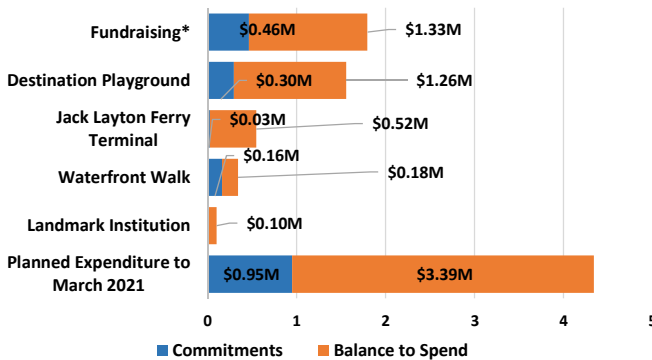
*March 31, 2021 Board decision- consent to proceed

Planned Expenditure (for initial 2 years 2019-20 to 2020-21 - est. \$4.34M)

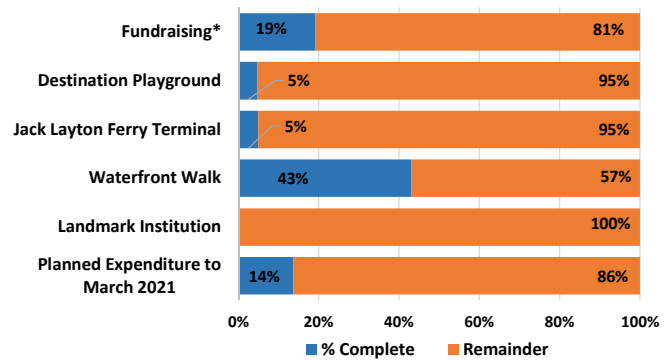


FUNDRAISING ACTION PLAN IMPLEMENTATION INDICATORS (For initial 2 years)

Commitments and Balance to Spend (\$M)



Action Plan Completion



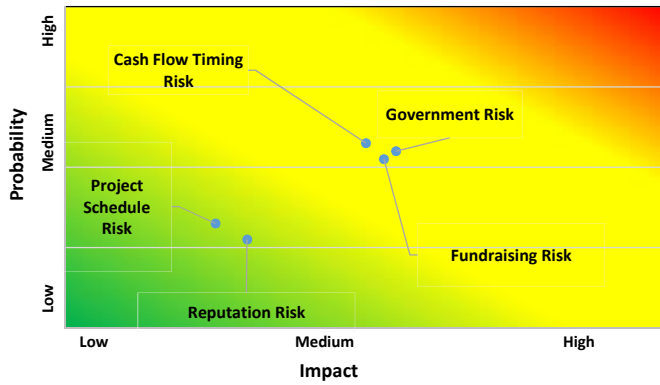
*Fundraising includes Start up Cost and Cost of Fundraising for Destination Playground

FUNDRAISING ACTION PLAN PRIORITY DELIVERABLES

Priority Deliverables	Jan to Mar 2020 Completion	Apr to Jun 2020 Completion	Jul to Sep 2020 Completion
Government Consent and City Alignment			
Amendments to WT consent to raise revenues (requested Sept 2019)			✓
Fundraising MOU with City of Toronto Term Sheet			✓
Fundraising Capabilities			
Hire Campaign Director			✓
Establish internal fundraising project management		✓	
Identify key policies, procedures and precedent legal agreements	✓		
Develop key policies, procedures and precedent legal agreements			✓
Fundraising for Destination Playground			
Draft Case for Support - Key Messages	✓		
Draft Case for Support - Look and Feel		✓	
Advance Destination Playground			
Complete the procurement of the Play Equipment supply	✓		
Complete the conceptual design vision (10% design) for the Destination Playground			✓

FUNDRAISING ACTION PLAN RISKS STATUS

Risk Assessment Summary (after mitigation)



Risk Legend:

Level	Impact	Likelihood
Low	Cost or timing impact can be managed	Remote chance of occurring
Medium	Project cost or timing will be affected	Possible
High	May make project not viable	Likely to happen

Fundraising Action Plan Highest Key Risks

Risk	Risk Description	Mitigation Strategy
Government Risk	Waterfront Toronto is unable to proceed with fundraising for the Destination Playground because it does not have the support of the City for the project or for its fundraising	Waterfront Toronto is working to determine the operational requirements of the Playground (i.e., cost to maintain) and provide this information to the City. Waterfront Toronto will work with the City to develop an MOU to co-ordinate its fundraising efforts and obtain the necessary City input and approvals. Waterfront Toronto will take steps to have Destination Playground added to the Council-approved list of City priorities. Waterfront Toronto will not launch a fundraising campaign for Destination Playground without first obtaining approval of the City.
Fundraising Risk	Investment in fundraising does not result in any/sufficient donations	A major gift strategy is the least expensive strategy to build. Waterfront Toronto will start with fundraising for \$30m for Destination Playground only and invest gradually to advance the other Signature Projects. All Waterfront Toronto's actions are being guided by KCI, professional fundraising advisors. Waterfront Toronto will perform feasibility analysis for March 2021 Board decision. KCI provided preliminary valuation for Destination Playground of \$18 million. Destination Playground offers donors a unique opportunity.
Cash Flow Timing Risk	Fundraising initiative proceeds too slowly to impact Waterfront Toronto funding gap	Quayside land sale also has the potential to offset funding gap.

SIGNATURE PROJECTS



Destination Playground



Jack Layton Ferry Terminal



Waterfront Walk



Example of Landmark Institution

Purpose	For Committee Information
Areas of note/ Key issues	<p>The tri-government MOU is an administrative document that reflects the relationship between WT and the three orders of government with respect to the projects and initiatives in the Designated Waterfront Area. It documents roles and responsibilities as well as operational, administrative, financial, auditing, performance measures, reporting and issues management protocols that exist between Waterfront Toronto and governments.</p> <p>Since the expiration of CA #1 several years ago, governments felt the need to fill what they perceived as a governance gap. CA #1 was more than just a typical CA as it did speak to the administrative relationship between Waterfront Toronto and governments, in addition to funding. The MOU also seeks to address the 2018 Ontario Auditor General recommendation to enhance governance accountability and transparency and oversight of Waterfront Toronto.</p> <p>It is a non-binding MOU and is not intended to create obligations on the three levels of government or Waterfront Toronto that do not already exist as part of the Toronto Waterfront Revitalization Act, 2003 and/or Contribution Agreements. It is also clearly recognizes the decision-making authority of the Waterfront Toronto Board of Directors.</p> <p>The MOU was approved in principle at the March 2020 Intergovernmental Steering Committee.</p>
Key Takeaways/ Next Step	The Board will be updated as to the Tri-government MOU at its June 25, 2020 meeting.

<p>Purpose</p>	<p>For Committee approval and recommendation to the Board for approval. The purpose of the audited financial statements is to provide information about the results of the operations, financial position and cash flow of the Corporation.</p>
<p>Areas of note/ Key issues</p>	<p>The Corporation’s financial activities for the year ended March 31, 2020 have increased again significantly from last year, largely due to the Port Lands Flood Protection project. Overall, the Corporation:</p> <ul style="list-style-type: none"> • Invested \$221 million (up from \$56 million last year) of which \$215 million was capitalized as Assets Under Development, primarily for the Port Lands Flood Protection (\$159 million), \$4.6 million was expensed, \$0.6 million in prepaid insurance and \$0.4 million is for expenditures under Trust administration. • Recognized revenues of \$270 million (up from \$202 million last year) comprising largely government funding of \$264 million largely for the Port Lands Flood Protection project. Of this, ~\$80 million is outstanding from the City of Toronto and Province of Ontario. <p>Other items of note during the period include two new notes to the financial statements:</p> <ul style="list-style-type: none"> • Note 23 Subsequent Event. Subsequent to the year-end, Sidewalk Labs announced its decision to withdraw from the Corporation’s planned development at Quayside. This event is not expected to have any immediate adverse impact on Corporation’s financial statements. • Note 24 Impact of COVID-19. A new note has been included regarding the Impact of COVID-19 on the Corporation’s financial statements (no material impact). <p>Actual invoices were higher than initial management estimates for accrued liabilities at March 31, 2020 by approx. \$332K. Management proposes to make an adjustment to the attached financial statements to increase assets under development by \$487K, decrease expenses by \$155K, and increase accrued liabilities by \$332K.</p>
<p>Resolution/ Next Steps</p>	<p>The FARM Committee will review the financial statements for recommendation to the Board of Directors (Jun 25, 2020).</p> <p>Draft resolution:</p> <p>“ON MOTION duly made by [●] and seconded by [●], it is resolved that the Finance, Audit and Risk Management committee recommends to the Board of Directors for approval the March 31, 2020 Financial Statements of the Corporation, SUBJECT TO the adjustment to increase assets under development by \$487K, reduce expenses by \$155K, increase accrued liabilities by \$332K and increase net assets each by \$332K.”</p>

Financial statements of

Toronto Waterfront Revitalization Corporation
(c.o.b. as Waterfront Toronto)

March 31, 2020

Toronto Waterfront Revitalization Corporation

March 31, 2020

Table of Contents

Management's Responsibility for the Financial Statements.....	1
Independent Auditor's Report.....	2-3
Statement of financial position	4
Statement of financial activities	5
Statement of remeasurement gains and losses	6
Statement of changes in net assets	6
Statement of cash flows	7
Notes to the financial statements	8-19

DRAFT



Management’s Responsibility for the Financial Statements

June 25, 2020

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 accordance with Canadian public sector accounting standards established by the Chartered Professional Accountants of Canada (CPA Canada). Significant accounting policies of the Corporation are described in Note 2 to the 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.

Management meets with the external auditors, the Finance, Audit and Risk Management 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 BDO Canada LLP, the independent external auditors appointed by the Board of Directors. The accompanying Independent Auditor’s Report outlines Management’s responsibilities, the auditor’s responsibilities, the scope of its examination and its opinion on the Corporation’s financial statements.

President and CEO

Chief Financial Officer

Independent Auditor's Report

To the Board of Directors of Toronto Waterfront Revitalization Corporation

Opinion

We have audited the financial statements of Toronto Waterfront Revitalization Corporation (the "Corporation"), which comprise the statement of financial position as at March 31, 2020, and the statements of financial activities, remeasurement gains and losses, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants
Mississauga, Ontario
June 25, 2020

Toronto Waterfront Revitalization Corporation

Statement of financial position

as at March 31, 2020

	March 31, 2020	March 31, 2019
	\$	\$
Assets		
Current assets		
Cash	87,249,424	75,377,644
Short-term investments	-	10,189,542
Receivables (Note 3)	86,795,715	28,523,480
Deposits and prepaid expenses and other assets (Note 4)	4,850,089	5,460,143
	178,895,228	119,550,809
Restricted cash and investments (Note 5)	27,693,933	18,997,365
Assets under development (Note 6)	685,426,520	483,092,645
Capital assets (Note 7)	90,692,130	90,141,657
	982,707,811	711,782,476
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	44,752,243	24,927,688
Deferred contributions (Note 10)	176,108,768	101,652,189
Other liabilities and settlements (Note 11)	948,086	805,133
	221,809,097	127,385,010
Other liabilities and settlements (Note 11)	4,560,003	4,499,793
	226,369,100	131,884,803
Net assets (Note 12)	756,338,711	579,897,673
	982,707,811	711,782,476

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board:

_____ Director

_____ Director

Toronto Waterfront Revitalization Corporation

Statement of financial activities year ended March 31, 2020

	March 31, 2020	March 31, 2019
	\$	\$
Restricted Revenues:		
City of Toronto	90,523,194	101,615,893
Government of Canada	45,076,297	58,501,904
Province of Ontario	116,440,200	-
Other restricted contributions	14,734,058	10,581,547
	266,773,749	170,699,344
Less: Government contributions for assets under development	(191,126,483)	(122,565,588)
Increase in deferred contributions for continuing operations related to future periods	(74,456,579)	(44,222,908)
	1,190,687	3,910,848
Expenses (Note 13)		
Complete Communities	1,476,810	1,760,549
Strategic Initiatives	1,331,304	4,505,557
Eastern Waterfront Transit	1,122,781	1,093,964
Signature Projects	559,814	-
Public Places	177,011	25,319
	4,667,720	7,385,389
Deficiency of revenue over expenses before other items	(3,477,033)	(3,474,541)
Net other operating income (Note 16)	2,976,715	2,275,881
Land sale proceeds and/or other income (Note 17)	360,150	29,252,829
(Deficiency) excess of revenues over expenses	(140,168)	28,054,169

The accompanying notes are an integral part of the financial statements.

Toronto Waterfront Revitalization Corporation
Statement of remeasurement gains and losses
year ended March 31, 2020

	March 31, 2020	March 31, 2019
	\$	\$
Accumulated remeasurement gains, beginning of the year	252,025	135,385
Unrealized loss attributable to foreign currency transactions	(22,408)	(222,740)
Unrealized (loss) gain attributable to forward exchange contracts (Note 19)	(260,869)	305,429
Unrealized gain attributable to short term investments	52,602	33,951
Net remeasurement (loss) gain for the year	(230,675)	116,640
Accumulated remeasurement gain, end of the year	21,350	252,025

Statement of changes in net assets
year ended March 31, 2020

	March 31, 2020	March 31, 2019
	\$	\$
Net assets, beginning of the year	579,897,673	429,161,276
Add: (Deficiency) excess of revenues over expenses	(140,168)	28,054,169
Add: Net remeasurement (loss) gain	(230,675)	116,640
Add: Government contributions for assets under development	191,126,483	122,565,588
Less: Transfer of assets to Government (Note 6)	(14,314,602)	-
Net assets, end of the year	756,338,711	579,897,673

The accompanying notes are an integral part of the financial statements.

Toronto Waterfront Revitalization Corporation
Statement of cash flows
year ended March 31, 2020

	March 31, 2020	March 31, 2019
	\$	\$
Cash flows from operating activities		
(Deficiency) excess of revenues over expenses	(140,168)	28,054,169
Adjustments to reconcile (deficiency) excess of revenues over expenses to net cash provided by operating activities		
Amortization of capital assets	489,621	259,992
Unrealized loss attributable to foreign currency transactions	(22,408)	(222,740)
Unrealized (loss) gain attributable to forward exchange contracts	(260,869)	305,429
Unrealized gain attributable to short term investments	52,602	33,951
Changes in non-cash working capital balances		
Net increase in deferred contributions	74,456,579	44,222,908
Current assets (Receivables, Deposits and prepaid expenses)	(57,662,181)	(24,325,601)
Current liabilities (Payables, Other liabilities and settlements)	20,027,718	2,612,326
Net cash received from operating activities	36,940,894	50,940,433
Cash flows from capital activities		
Cash received from government contribution for assets under development	191,126,483	122,565,588
Cash used to acquire assets under development	(216,648,477)	(139,081,873)
Cash used to acquire capital assets	(1,040,094)	(1,677,619)
Net cash paid from capital activities	(26,562,088)	(18,193,904)
Cash flows from investing activities		
Invested in restricted cash and investments	(8,696,568)	(6,500,969)
Cash received from short-term investments	10,189,542	6,942,224
Net cash received from investment activities	1,492,974	441,255
Increase in cash	11,871,780	33,187,784
Cash, beginning of the year	75,377,644	42,189,860
Cash, end of the year	87,249,424	75,377,644

The accompanying notes are an integral part of the financial statements.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

1. Description of Corporation

The Toronto Waterfront Revitalization Corporation (the "Corporation" or "TWRC") was initially incorporated on November 1, 2001 under the Ontario Business Corporations Act with the Province of Ontario being its sole shareholder.

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 is deemed not to be a Crown Agency within the meaning of the Crown Agency Act.

Under the Act, the Corporation's objects 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. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance Canadian public sector accounting standards for not-for-profit organizations including the 4200 series of standards contained in the Chartered Professional Accountants (CPA) handbook.

(b) Revenue recognition

The Corporation follows the deferral method of accounting for restricted contributions. Under this method, restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions.

Contributions 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 such as land as well as assets under development which will be transferred to government(s) upon completion are recognized as a direct contribution to net assets.

Under the Contribution Agreements, contributions from the Governments can only be applied towards payments of eligible costs in respect of project activities, as defined in the Contribution Agreements. Unrestricted contributions such as other operating items are recognized as revenue in the current period.

In addition to contributions, the Corporation has several other revenue streams, which it accounts for as follows:

(i) Property Operations: Property revenues primarily consist of rental revenues from leasing activities and parking operations. Revenues from parking operations are recognized at the point of service on a cash basis. Property rental income is recognized as it is earned over the course of a tenants lease. Waterfront Toronto has retained substantially all of the risks and benefits of ownership of the properties which it rents out and therefore accounts for leases with its tenants as operating leases. Rental revenue includes recoveries of operating expenses, including property, capital and similar taxes. Operating expense recoveries are recognized in the period that they are chargeable to tenants.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

2. Significant accounting policies (con't)

(ii) **Land Sales:** The gain or loss from the sale of real property owned by TWRC is recognized when title passes to the purchaser (control is transferred) upon closing at which time all or substantially all of the funds are receivable, or have been received, and the conditions of the sale have been completed.

(iii) **Delivery Agreements:** The Corporation has entered into certain agreements to deliver construction management and development services. Under these agreements, TWRC bills eligible costs to clients as they are incurred. Revenue from delivery agreements is recognized at the time of billing, when the costs become measurable and collection is reasonably assured.

(c) Financial instruments

Financial instruments are recorded at cost when acquired, except for contributions that are recorded at fair value. In subsequent periods, investments traded in an active market are reported at fair value, with any unrealized gains and losses reported in the statement of remeasurement gains and losses. All other financial instruments are recorded at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost. Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

(i) **Level 1:** Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

(ii) **Level 2:** Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) **Level 3:** Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Short-term investments consist of guaranteed investment certificates (GICs) and cashable bonds, which matured in December 2019. GICs are classified as Level 1 in the fair value hierarchy whereby their fair value is based on quoted prices in active markets for identical assets. Cashable bonds are classified as level 2 in the fair value hierarchy whereby their fair value is based on inputs other than quoted prices included in level 1 that are observable for the asset either directly or indirectly. There have been no transfers from Level 1, Level 2 or Level 3.

(d) Transfer payments and grants

The Corporation has entered into agreements with third parties who are responsible for managing various projects on Toronto's Waterfront. Expenditures related to these projects are recorded in the statement of financial activities as transfer payments and grants. Under the terms of the agreements, the Corporation does not assume ownership or ongoing operational responsibility during development or upon project completion.

(e) Allocation of general support expenses

The Corporation incurs a number of general support expenses that are common to the administration of the organization and each of its projects. General support expenses are incurred to support the functional areas of construction/implementation, planning, design and approvals, and project management. These expenses are allocated using a "blended rate" i.e. hourly rate incorporating both direct and indirect cost.

(f) Taxes

The Corporation is exempt from income taxes pursuant to paragraph 149(1) (d.3) of the Income Tax Act (Canada) and is eligible to claim a rebate of approximately 86.5% for HST paid on property and services acquired pursuant to section 123(1)(b) of the Excise Tax Act. TWRC is registered with the Canada Revenue Agency as a qualified donee and is eligible to issue official donation receipts and receive gifts from registered charities.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

2. Significant accounting policies (con't)

(g) Assets under development

Assets under development represent those investments in assets which the Corporation has been directed to develop under an executed agreement and the Corporation has actual or beneficial ownership over during the development stage. Land under development under this category represents all costs associated with getting a parcel of land site ready for development, including costs associated with contracting with a developer, rezoning, and soil management and treatment.

Upon substantial completion and warranty period, these assets are either transferred to a respective government who assumes ownership and ongoing operational responsibility, transferred to capital assets for those assets the Corporation continues to have actual or beneficial ownership over, or sold to a third party. The assets transferred to a respective government are considered a related party transaction and the difference between cost and proceeds is recorded directly to net assets. Any gain or loss on assets sold to a third party is recorded through the statement of financial activities.

Assets under development are recognized at cost, are not amortized and include both direct project costs as well as overhead costs directly attributable to the asset under development.

(h) Capital assets

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

Computer hardware and software	3 -5 years
Leasehold improvements	5 years
Furniture and fixtures	5 years
Office equipment	5 years

The cost incurred to enhance the service potential of a capital asset, including land, is a betterment and capitalized to the asset. Repairs and maintenance costs are charged to expense. When a capital asset no longer contributes to the Corporation's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

(i) Use of estimates

The preparation of financial statements 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 and impairment of capital assets, accrued liabilities, deferred revenue and accrued benefit liability.

(j) Trusts under administration

Trusts administered by TWRC are not consolidated in the financial statements as they are not controlled by the Corporation.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

3. Receivables

	March 31, 2020	March 31, 2019
	\$	\$
City of Toronto	40,556,151	2,744,082
Province of Ontario	39,299,452	-
HST receivable	4,906,356	1,452,032
Rent and other receivables	2,033,756	3,372,223
Government of Canada	-	20,955,143
	86,795,715	28,523,480

4. Deposits and prepaid expenses

	March 31, 2020	March 31, 2019
	\$	\$
Prepaid expenses	2,668,890	3,278,944
Construction deposits	2,181,199	2,181,199
	4,850,089	5,460,143

The Corporation has provided the City of Toronto (the "City") with certain construction deposits to guarantee satisfactory performance, completion of work, and related obligations required for construction of municipal infrastructure by the Corporation. The construction deposits will be released to Waterfront Toronto at the expiration of certain performance and guarantee periods. The construction deposits paid to the City of \$2,181,199 (2019 - \$2,181,199) are non-interest bearing.

5. Restricted cash and investments

The Corporation has received deposits that are subject to restrictions that prevent its use for operating purposes, as outlined below:

	March 31, 2020	March 31, 2019
	\$	\$
Holdbacks payable (including HST)	15,533,261	7,645,053
East Bayfront public art	5,372,534	3,069,938
Deposit - Broadband services	2,803,370	2,803,370
Deposit - Bayside project agreement	2,236,081	2,189,786
East Bayfront child care facility	1,523,235	1,491,698
Escrow Account - River city development	225,452	222,882
West Don Lands security fund	-	1,574,638
	27,693,933	18,997,365

6. Assets under development

The following table details assets under development by category

	March 31, 2020	March 31, 2019
	\$	\$
Roads, Bridges, Services, Structures	353,933,633	301,598,643
Land under development	73,574,721	55,897,592
Parks and Public Realm	32,740,102	29,728,728
Flood Protection Features	225,178,064	95,867,682
	685,426,520	483,092,645

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

The following table details assets under development by Priority Initiatives:

	Complete Communities	The Port Lands	Public Places	Quayside	Total
	\$	\$	\$	\$	\$
Opening balance, April 1, 2019	322,534,971	135,100,718	12,702,115	12,754,841	483,092,645
Capital additions	26,041,470	170,792,716	1,625,632	2,240,046	200,699,865
Direct project management - Note 13	1,076,379	3,341,171	405,179	4,570,306	9,393,035
General and support expenses - Note 13	807,437	2,317,950	297,673	3,132,518	6,555,577
Transfer of completed assets to Governments	(12,385,256)	-	(1,929,346)	-	(14,314,602)
Closing balance, March 31, 2020	338,075,001	311,552,555	13,101,253	22,697,711	685,426,520

During the year, assets (i.e. Queens Quay Jarvis to Parliament, Sherbourne Park Public Art, Underpass Public Art, Eastern Sumach Public Art, Mill Street Public Art, Don River Park) costing \$14,314,602 were formally transferred to the City of Toronto. This transfer has been recorded as a reduction to assets under development and included as a distribution of net assets in the statement of changes in net assets.

7. Capital assets

	March 31, 2020		March 31, 2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Land	87,305,565	-	87,305,565	-
Computer hardware and software	3,935,523	1,441,273	3,658,836	1,051,466
Leasehold improvements	1,415,514	719,519	833,294	630,460
Furniture and fixtures	534,047	337,727	344,455	318,567
Office equipment	145,563	145,563	145,563	145,563
	93,336,212	2,644,082	92,287,713	2,146,056
Cost less accumulated amortization		90,692,130		90,141,657

Land is recorded at cost in accordance with the significant accounting policy 2(h). Certain land, known as Quayside, has approximately 2,700,000 square feet zoned for development.

The Corporation owns land containing environmental contamination. The costs associated with the Corporation's environmental remediation, which depends on the ultimate use of the lands, will be recognized in the period when an obligation arises.

The Corporation owns buildings on a number of its properties. As none of the buildings are intended for use other than on a temporary rental basis and all will ultimately be demolished, they have been recorded at a carrying value of \$Nil (2019 - \$Nil).

8. Credit facility

In 2015 the Corporation secured a revolving credit facility which provides for a maximum borrowing amount of \$40 million. The facility bears interest at the Canadian Prime Lending Rate less 0.25%. The Corporation's interest rate was 1.95% at March 31, 2020 (2019 - 3.70%). The facility is secured by a first lien interest over several of the Corporation's real properties in the City of Toronto and a General Security Agreement creating a first priority interest over property of the Corporation not obtained through a contribution agreement, including accounts receivable. At March 31, 2020 the available borrowing limit is \$37 million as a result of a Letter of Credit reissued by Waterfront Toronto during 2019 to the Department of Fisheries and Oceans for the Cherry Street Stormwater and Lakefilling project.

Under the current financing agreement, the Corporation is subject to a financial covenant. The revolving credit facility stipulates that the Corporation must ensure that the most recent appraised value of the properties which secure the facility at all times provide a minimum of 150% coverage for the outstanding amount of credit. As at March 31, 2020, the Corporation is in compliance with this covenant and expects to be in compliance for the next 12 months.

9. Accounts payable and accrued liabilities

	March 31, 2020	March 31, 2019
	\$	\$
Accrued liabilities	26,187,013	17,962,206
Holdbacks payable	15,458,583	6,765,533
Accounts payable	3,106,647	199,949
	44,752,243	24,927,688

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

10. Deferred contributions

Deferred contributions represent project specific contributions from Governments which have not been applied to eligible costs at March 31, 2020, as well as contributions received for the acquisition of capital assets which have yet to be amortized.

	March 31, 2020	March 31, 2019
	\$	\$
Expenditures of future periods		
Balance, beginning of year	101,652,189	57,385,232
Additional contributions	75,157,645	47,917,813
Less: amounts recognized as revenue	(701,066)	(3,650,856)
Balance, end of year	176,108,768	101,652,189
Capital contributions		
Balance, beginning of year	-	44,049
Add: contributions for acquisition of capital assets and assets under development	191,616,104	122,781,531
Less: direct contribution to net assets	(191,126,483)	(122,565,588)
Less: amount amortized to revenue	(489,621)	(259,992)
Balance, end of year	176,108,768	101,652,189

11. Other liabilities and settlements

Other liabilities and settlements largely represent security and developer deposits.

	March 31, 2020	March 31, 2019
	\$	\$
Deposit - broadband services	2,303,930	2,303,930
Deposit - Bayside project agreement	2,256,073	2,195,863
Deposits - rent and other	948,086	805,133
Total other liabilities	5,508,089	5,304,926
Less: current portion	(948,086)	(805,133)
	4,560,003	4,499,793

12. Net assets

a) Net assets recorded on the Statement of Financial Position are comprised of the following

	March 31, 2020	March 31, 2019
	\$	\$
Invested in non-amortisable capital assets	87,305,565	87,305,565
Invested in assets under development	685,426,520	483,092,645
Unrestricted (deficit)/surplus (Note 12b)	(16,414,724)	9,247,438
Accumulated re-measurement gain	21,350	252,025
	756,338,711	579,897,673

b) Unrestricted (deficit)/surplus

	March 31, 2020	March 31, 2019
	\$	\$
Unrestricted (deficit)/surplus, opening balance	9,247,438	(2,290,446)
(Deficiency) excess of revenues over expenses	(140,168)	28,054,169
Investment in assets under development	(25,521,994)	(16,516,285)
Unrestricted (deficit)/surplus, closing balance	(16,414,724)	9,247,438

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

13. Expenses by Priority Initiative and Function

	Complete Communities	Strategic Initiatives	Eastern Waterfront Transit	Signature Initiatives	Public Places	Quayside	The Port Lands	Total Mar. 31, 2020
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Project planning and implementation costs	770,469	211,946	640,137	212,729	128,648	-	-	1,963,926
Project management - salaries, fees and benefits	1,533,606	662,761	285,769	205,506	444,786	4,570,306	3,341,171	11,043,905
Less project management - salaries, fees and benefits related to assets under development (Note 6)	(1,076,379)	-	-	-	(405,179)	(4,570,306)	(3,341,171)	(9,393,035)
	1,227,696	874,707	925,906	418,235	168,255	-	-	3,614,796
<i>General expenses:</i>								
Salaries, fees and benefits	517,658	223,710	96,459	69,367	150,134	1,534,780	1,135,681	3,727,791
General and office administration	391,461	169,173	72,944	52,456	113,534	1,160,624	858,819	2,819,012
Communications, marketing and government relations	53,452	23,100	9,960	7,163	15,503	158,477	117,269	384,924
Information technology	93,980	40,614	17,512	12,593	27,257	278,637	206,181	676,775
	1,056,551	456,597	196,875	141,579	306,428	3,132,518	2,317,950	7,608,502
Less general & support costs allocated to assets under development (Note 6)	(807,437)	-	-	-	(297,672)	(3,132,518)	(2,317,950)	(6,555,577)
	1,476,810	1,331,304	1,122,781	559,814	177,011	-	-	4,667,720

General expenses for the year ending March 31, 2020 have been allocated to priority initiative using an overhead burden rate of 0.69 (2019 - 1.16) for every \$1 of direct labour (project management - salaries and benefits). Total salaries, fees and benefits for the Corporation were \$14,771,696 for the year ending March 31, 2020 (2019 - \$13,809,131) comprising direct project management salaries, fees and benefits of \$11,043,905 (2019 - \$8,382,157) and general salaries, fees and benefits of \$3,727,791 (2019 - \$5,426,974).

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

13. Expenses by Priority Initiative and Function (Cont.)

	Complete Communities	Strategic Initiatives	Eastern Waterfront Transit	Signature Initiatives	Public Places	Quayside	The Port Lands	Total Mar. 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Direct project costs:</i>								
Transfer payments and grants								
Project planning and implementation costs	1,935,404	154,624	746,344	-	92,375	-	-	2,928,747
Project management - salaries, fees and benefits	1,251,602	1,724,722	161,158	-	242,318	2,855,694	2,146,662	8,382,157
Less Project management - salaries, fees and benefits related to assets under development (Note 6)	(968,880)	-	-	-	(241,131)	(2,855,694)	(2,146,662)	(6,212,367)
	2,218,126	1,879,346	907,502	-	93,562	-	-	5,098,538
<i>General expenses:</i>								
Salaries, fees and benefits	413,710	1,464,165	104,049	-	157,141	2,242,252	1,045,658	5,426,974
General and office administration	229,742	782,322	55,265	-	87,821	1,205,384	555,199	2,915,733
Communications, marketing and government relations	40,752	141,940	10,228	-	15,114	218,381	101,264	527,679
Information technology	67,877	237,784	16,920	-	25,708	364,863	169,584	882,736
	752,081	2,626,211	186,462	-	285,784	4,030,880	1,871,705	9,753,122
Less general & support costs allocated to assets under development (Note 6)	(1,209,658)	-	-	-	(354,027)	(4,030,880)	(1,871,705)	(7,466,271)
	1,760,549	4,505,557	1,093,964	-	25,319	-	-	7,385,389

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

14. Commitments

The Corporation has corporate lease commitments of \$3,811,723 until May 31, 2023

15. Risk disclosures

(i) Credit risk:

Credit risk arises from cash, restricted cash and investments held with banks and credit exposure to governments and other debtors, including accounts receivable. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Corporation assesses the credit quality of funding partners and debtors, taking into account their financial position, past experience and other factors.

(ii) Liquidity risk:

Liquidity risk is the risk the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's objective in managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its commitments when due, without incurring unacceptable losses or risking damage to the Corporation's reputation. The Corporation manages exposure to liquidity risk by closely monitoring supplier and other liabilities; by focusing on debtor collection; and by requesting government funding in advance.

(iii) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, will affect the fair value of recognized assets and liabilities or future cash flows of the Corporation's operations. The Corporation is exposed to changes in interest rates, which may impact interest revenue on short term investments. At March 31, 2020 had prevailing interest rates raised or lowered by 1% with all other variables held constant excess revenues over expenses would have increased or decreased by \$NIL (2019 - \$81,645).

(iv) Currency risk: The Corporation has cash denominated in U.S. dollars and is exposed to currency risk. Included in the statement of financial position is \$90,248 (2019 - \$1,475,932) of cash and \$1,212,039 (2019 - \$86,817) of payables which has been translated from its U.S. denominated amount.

16. Net other operating income

	March 31, 2020	March 31, 2019
	\$	\$
Rental, parking and other income	3,962,881	4,417,801
Less: operating expenses	(3,325,458)	(3,565,462)
	637,423	852,339
Interest	2,181,490	1,329,354
Other Income	157,802	94,188
Net other operating income	2,976,715	2,275,881

17. Land sale proceeds and other income

During the year ended March 31, 2020, the Corporation received \$245,625 (2019 - \$1,604,100) in revenues from a sub-contractor for delivery of fill to the Cherry Street Lakefilling project site and \$114,525 (2019 - \$27,648,729) as closing payment associated with the sale of land in East Bayfront owned by the City of Toronto.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

18. Trust under administration

In February of 2016, the Corporation became the administrator of the Project Under Gardiner fund (The Bentway). Based on the Memorandum of Understanding dated December 22, 2015, the total cost of the Project Under Gardiner was expected to total \$25,000,000, of which \$23,500,000 will flow to the Corporation from the City of Toronto to be used towards the execution of the project. The current estimated cost of the project is \$26,194,499 due to additional scope pursuant to the delivery agreement between the Corporation and the City of Toronto for the Events Dock and Garisson project and the Bentway Conservancy project agreement. Up until March 31, 2020 the Corporation has received \$25,730,259.

The trust is entitled to any interest earned on the balance of funds. A summary of the trust's financial position, as at March 31, 2020, is as follows:

Financial Position as at March 31, 2020

	March 31, 2020	March 31, 2019
Cash and accounts receivable	\$ 543,949	\$ 935,736
Assets under development	25,638,547	25,189,440
Total assets	26,182,496	26,125,176
Accounts payable and accrued liabilities	303,904	-
Net assets	25,878,592	26,125,176

Revenues and expenditures as of March 31, 2020

	March 31, 2020	March 31, 2019
Revenues	\$	\$
Philanthropic revenue	-	35,000
Restricted revenue	(213,352)	830,096
Total revenues	(213,352)	865,096
Cumulative revenues (from inception of trust)	25,730,259	25,943,611

	March 31, 2020	March 31, 2019
Direct Project Costs	\$	\$
Planning and design	-	206,167
Implementation and construction	449,107	3,433,546
Project management fees	-	135,000
Total expenditures	449,107	3,774,713
Cumulative expenditures (from inception of trust)	25,638,547	25,189,440

19. Forward Exchange Contracts

The Corporation uses forward exchange contracts to reduce its exposure to fluctuations in exchange rates that result from certain transactions in foreign currencies. The Corporation does not enter into forward exchange contracts for trading or speculative purposes. The Corporation recognizes any unrealized gains/losses related to unsettled future transactions in the Statement of Remeasurement Gains and Losses. Any realized gains/losses related to foreign exchange transactions are recorded in the Statement of Financial Activities. The unrealized gain on forward contracts included in the Statement of Remeasurement Gains and Losses for the year ended March 31, 2020 is \$260,869 (2019 - \$305,429). As at March 31, 2020, the Corporation has notional swing forward exchange contracts of US\$3,700,000 outstanding with settlements occurring monthly until June, 2020.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

20. Qualified Donee Status

In 2017, TWRC was registered with the Canada Revenue Agency as a qualified donee and is now eligible to issue official donation receipts and receive gifts from registered charities. The status is effective June 24, 2016 and as at March 31, 2020, the Corporation had not received any donation or gifts.

21. Contingent Liabilities

- (a) Under the terms and conditions of the Contribution Agreements, the Corporation provides an indemnity to the City, Province of Ontario and Government of Canada and their respective officers, employees and agents, from and against all claims, losses, damages, costs, expenses, actions and other proceedings related to any injury to or death of a person or damage to or loss of property, infringement of rights or any other loss or damages whatsoever arising directly or indirectly from any willful or negligent act, omission or delay on the part of the Corporation, the Corporation's directors, officers, employees, contractors, agents or Third Party Contractors, in carrying out a project or as a result of the project, except to the extent that the injury, loss or damage has been caused by the City, Province of Ontario and/or Government of Canada or their respective officers, employees or agents.

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

The Corporation requires most third party contractors to indemnify each level of government and the Corporation, its officers, employees and agents against all claims, liabilities and demands with respect to any injury to persons (including death), damage to, loss or destruction of property or infringement of rights caused by or arising directly 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 omission or any willful or negligent act 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.

Management 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.

- (c) The Corporation has entered into a number of Development Agreements with third party builders with respect to lands located in the West Don Lands and East Bayfront. Under these agreements, the Corporation has provided the builders certain milestone representations based on specific Corporation development obligations. The representations primarily relate to schedule delays. The maximum potential future liability related to these representations is \$7.5 million under one development agreement with one builder and although under the other development agreements the amounts are not determinable, they are limited to the amount up to the respective builder's carrying costs and/or out of pocket expenses incurred on the development. No amount for these representations has been accrued in these financial statements. Management attempts to limit the Corporation's potential exposure under these guarantees through appropriate schedule, cost and scope management practices.
- (d) The Corporation has a municipal access agreement with the City of Toronto for the ongoing maintenance and potential removal of district energy pipes in West Don Lands. Management estimates the maximum potential liability to be \$1,600,000. These costs are currently unfunded.

22. Comparatives

Certain comparative amounts have been reclassified to conform with the current year's method of presentation.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

March 31, 2020

23 Subsequent Event

On May 7, 2020, Sidewalk Labs announced its decision to withdraw from the Corporation's planned development at Quayside on Toronto's waterfront. This event is not expected to have any immediate adverse impact on the Corporation's operations.

24 Impact of COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. On April 3, 2020 the Ontario Provincial government Emergency Management Act ordered the shut-down of non-essential workplaces. All of Waterfront Toronto's major projects, including the Port Lands Flood Protection project, were determined to be essential workplaces and as such, continued construction activities. On May 1, 2020 the Ontario Provincial government eased the restrictions under the Emergency Management Act and Waterfront Toronto's remaining projects were also determined to be essential workplaces. To date, while there has been some impacts to Waterfront Toronto's projects as a result of increased health and safety requirements and some delays in supply chain, there has been no material impact to assets, expenses and/or liabilities as of the date of these financial statements.

DRAFT



Finance, Audit & Risk Management Committee – May 28, 2020
Item 5 – 2019/20 External Auditor’s Report
Jeff Barrett, BDO Canada LLP

Purpose	For Committee Information.
Areas of note/ Key issues	<p>BDO Canada LLP (BDO) intends to issue a clean, unqualified audit opinion on the Corporation’s financial statements for the year ended March 31, 2020.</p> <p>There were no material matters of concern to report to the FARM Committee regarding internal controls.</p> <p>Please refer to the Final Report to the Finance, Audit and Risk Management Committee (May 28, 2020) from BDO.</p>
Key Takeaways/ Next Steps	The Board will be asked to approve the Corporation’s financial statements for the year ended March 31, 2020 on June 25, 2020.



TORONTO WATERFRONT REVITALIZATION CORPORATION (“TWRC”)

AUDIT FINAL REPORT TO THE FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE

May 28, 2020

TABLE OF CONTENTS

SUMMARY	2
AUDIT FINDINGS.....	5
INTERNAL CONTROL MATTERS	7
OTHER REQUIRED COMMUNICATION.....	8
APPENDICES	

SUMMARY

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Finance, Audit and Risk Management Committee in fulfilling its responsibilities. This report has been prepared solely for the use of the Finance, Audit and Risk Management Committee and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.



Status of the Audit

As of the date of this report, we have substantially completed our audit of the 2020 financial statements, pending completion of the following items:

- ▶ Receipt of outstanding Borden Ladner legal confirmation
- ▶ Receipt of outstanding bank confirmation for bank account managed by Del Management Solutions Inc.
- ▶ Receipt of signed management representation letter
- ▶ Subsequent events review through to financial statement approval date
- ▶ Approval of financial statements by the Board of Directors

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement. See Appendix A for our draft independent auditor's report.

The scope of the work performed was substantially the same as that described in our Planning Report to the Finance, Audit and Risk Management Committee dated February 26, 2020.



Materiality

As communicated to you in our Planning Report to the Finance, Audit and Risk Management Committee, preliminary materiality was \$2,000,000. Final materiality remained unchanged from our preliminary assessment.



Audit Findings

Our audit focused on the risks specific to your business and key accounts. Our discussion points below focus on areas of significant risks of material misstatement, or the following items:

- ▶ Management Override of Controls
- ▶ Revenue Recognition
- ▶ System Conversion
- ▶ Accrued Liabilities
- ▶ Assets Under Development
- ▶ Construction Deposits
- ▶ Contribution Agreements
- ▶ Deferral of Contributions and Grants



Internal Control Matters

We are required to report to you in writing, any significant deficiencies in internal control that we have identified. The specifics of this communication are included in our report below. No control deficiencies were noted that, in our opinion, are of significant importance to discuss with those charged with governance.



Independence

Our annual letter confirming our independence was previously provided to you. We know of no circumstances that would cause us to amend the previously provided letter. See Appendix B for independence update.



Adjusted and Unadjusted Differences

We have disclosed all significant adjusted differences identified through the course of our audit engagement. Each of these items has been discussed with management.

A summary of unadjusted differences has been presented in Appendix C. We did not discover any unadjusted differences in the course of our audit.



Management Representations

During the course of our audit, management made certain representations to us. These representations were verbal or written and therefore explicit, or they were implied through the financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. Such representations were part of the evidence gathered by us to be able to draw reasonable conclusions on which to base our audit opinion. These representations were documented by including in the audit working papers memoranda of discussions with management and written representations received from management.

We will provide you a copy of the management representation letter which summarizes the representations we have requested from management.



Fraud Discussion

Through our planning process, and current and prior years' audits, we have developed an understanding of your oversight processes. We are not currently aware of any fraud affecting the Corporation.

If you are aware of changes to processes or are aware of any instances of actual, suspected or alleged fraud affecting the Corporation since our discussions held at planning, we request that you provide us with this information.

Please refer to the Auditor's Responsibilities for Detecting Fraud in the Planning Report to the Finance, Audit and Risk Management Committee.



COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a pandemic resulting in economic uncertainties impacting the Corporation.

At this time, the full potential impact of COVID-19 on the Corporation is not known. Additional disclosure has been included in the financial statement notes informing the reader of the uncertainty surrounding the impact of COVID-19 on the financial results subsequent to year end.

AUDIT FINDINGS

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Corporation's accounting practices, including accounting policies, accounting estimates and financial statement disclosures. In order to have a frank and open discussion, these matters will be discussed verbally with you. A summary of the key discussion points are as follows:

SIGNIFICANT RISKS OF MATERIAL MISSTATEMENT	RISKS NOTED	AUDIT FINDINGS
<p>Management Override of Controls</p>	<p>Management, due to its authority, is in a unique position to override internal controls, which can potentially result in misleading financial information.</p> <p>Risk of management override of controls is a standard risk in all audits.</p>	<p>BDO tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We also obtained an understanding of the business rationale for significant transactions that we became aware of that were outside the normal course of operations for the Corporation, or that otherwise appeared to be unusual. We reviewed accounting estimates for potential biases and, if any, evaluated whether the represented a risk of material misstatement.</p> <p>All audit testing in this area was executed as planned and no errors were noted.</p>
<p>Revenue Recognition</p>	<p>There is a risk that revenue may be incorrectly recognized in the current period.</p> <p>Fraud risk in revenue is a standard risk in all audits.</p>	<p>BDO obtained an understanding of the key controls surrounding revenues, tested revenue transactions on a sample basis, obtained revenue confirmations, and performed an analysis over changes year over year.</p> <p>All audit testing in this area was executed as planned and no errors were noted.</p>

SIGNIFICANT RISKS OF MATERIAL MISSTATEMENT	RISKS NOTED	AUDIT FINDINGS
System Conversion	There is a risk surrounding the transition of accounting systems, the accounting data, and contract data being converted appropriately and accurately to the new systems.	BDO performed specific testing around completeness and existence of data migration from the existing accounting systems to the new systems. All audit testing in this area was executed as planned and no issues were noted.
Accrued Liabilities	There is a risk that accrued liabilities are recorded in the incorrect period relating to contractors for existing ongoing projects.	All audit testing in this area was executed as planned and no errors were noted.
Assets Under Development	There is a risk of accuracy and existence for the capitalization of assets under development. TWRC must have beneficial ownership of the projects that it capitalizes.	All audit testing in this area was executed as planned and no errors were noted.
Construction Deposits	There is a risk of accuracy on the construction deposits. TWRC has made lump sum payments related to certain projects, which are to be repaid over time as certain levels or milestones of expansion are reached.	All audit testing in this area was executed as planned and no errors were noted.
Contribution Agreements	There is a general risk to TWRC surrounding the accuracy of the contribution agreement terms and project values. The project terms and agreements affect multiple financial statement areas.	All audit testing in this area was executed as planned and no errors were noted.
Deferral of Contributions	There is a risk that contributions and expenses are incorrectly accounted for on a project by project basis to determine the completeness and accuracy of deferred contributions.	All audit testing in this area was executed as planned and no errors were noted.

INTERNAL CONTROL MATTERS

During the course of our audit, we performed the following procedures with respect to the Corporation's internal control environment:

- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.

The results of these procedures were considered in determining the extent and nature of substantive audit testing required.

We are required to report to you in writing, significant deficiencies in internal control that we have identified during the audit. A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

As the purpose of the audit is for us to express an opinion on the Corporation's financial statements, our audit cannot be expected to disclose all matters that may be of interest to you. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

No control deficiencies were noted that, in our opinion, are of significant importance to discuss with those charged with governance.

OTHER REQUIRED COMMUNICATION

Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.

- BDO Response: There were no such matters identified during the audit.

Material uncertainties related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern.

- BDO Response: There were no such matters identified during the audit.

Disagreements with management about matters that, individually or in the aggregate, could be significant to the entity's financial statements or our audit report.

- BDO Response: There were no disagreements with management.

Matters involving non-compliance with laws and regulations.

- BDO Response: No legal or regulatory non-compliance matters were noted as part of our audit.

Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.

- BDO Response: None noted.

Management consultation with other accountants about significant auditing and accounting matters.

- BDO Response: No management consultation with other accountants regarding significant matters.

Other Matters

- BDO Response: No other matters to disclose.

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

APPENDICES

Appendix A: Draft Independent Auditor's Report

Appendix B: Independence Update

Appendix C: Unadjusted Differences

Appendix D: Representation Letter

Appendix E: BDO Resources

APPENDIX A: DRAFT INDEPENDENT AUDITOR'S REPORT



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BDO Canada LLP
1 City Centre Drive
Suite 1700
Mississauga, Ontario Canada
L5B 1M2

To the Board of Directors of Toronto Waterfront Revitalization Corporation

Opinion

We have audited the financial statements of Toronto Waterfront Revitalization Corporation (the "Corporation"), which comprise the statement of financial position as at March 31, 2020, and the statements of financial activities, remeasurement gains and losses, changes in net assets and, cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants
Mississauga, Ontario
June 25, 2020

APPENDIX B: INDEPENDENCE UPDATE



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Toll-free: 1-866-248-6660
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BDO Canada LLP
1 City Centre Drive
Suite 1700
Mississauga, Ontario Canada
L5B 1M2

May 28, 2020

Members of the Finance, Audit and Risk Management Committee
Toronto Waterfront Revitalization Corporation

Dear Finance, Audit and Risk Management Committee Members:

We have been engaged to audit the financial statements of Toronto Waterfront Revitalization Corporation (the "Corporation") for the year ended March 31, 2020.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Corporation and our Firm that, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the appropriate provincial institute/order and applicable legislation, covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since February 26, 2020, the date of our last letter.

We are not aware of any relationships between the Corporation and our Firm that may reasonably be thought to bear on independence that have occurred from February 26, 2020 to May 28, 2020.

We hereby confirm that we are independent with respect to the Corporation within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario as of May 28, 2020.

This letter is intended solely for the use of the FARM Committee, the Board of Directors, management and others within the Corporation and should not be used for any other purposes.

Yours truly,

Jeffrey M. Barratt, CPA, CA

Partner

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

APPENDIX C: UNADJUSTED DIFFERENCES

SUMMARY OF UNADJUSTED DIFFERENCES

The following is a summary of uncorrected misstatements noted during the course of our audit engagement:

	Increase (Decrease)			
	Assets	Liabilities	Net Assets	Excess of revenue over expenditures
None	\$	\$	\$	\$
Total	-	-	-	-
Effect of Prior Year's Reversing Errors	-	-	-	-
Total Unadjusted Differences	\$ -	\$ -	\$ -	\$ -

APPENDIX D: REPRESENTATION LETTER

June 1, 2020

BDO Canada LLP
Chartered Professional Accountants
1 City Centre Drive
Suite 1700
Mississauga, Ontario
L5B 1M2

This representation letter is provided in connection with your audit of the financial statements of Toronto Waterfront Revitalization Corporation (the "Corporation") for the year ended March 31, 2020, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 15, 2019, for the preparation of the financial statements in accordance with Canadian public sector accounting standards; in particular, the financial statements are fairly presented in accordance therewith.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian public sector accounting standards.
- All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the Corporation use appropriate accounting policies that have been properly disclosed and consistently applied.
- We have reviewed and approved all journal entries recommended by the auditors during the audit.

Information Provided

- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the Corporation from whom you determined it necessary to obtain audit evidence.

We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.

- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the Corporation's related parties and all the related party relationships and transactions of which we are aware.

Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Corporation and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Corporation's financial statements communicated by employees, former employees, analysts, regulators, or others.

General Representations

We have provided you with significant assumptions that in our opinion are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity when relevant to the use of fair value measurements or disclosures in the financial statements.

We confirm that there are no derivatives or off-balance sheet financial instruments held at year end that have not been properly recorded or disclosed in the financial statements.

Except as disclosed in the financial statements, there have been no changes to title, control over assets, liens or assets pledged as security for liabilities or collateral.

There have been no plans or intentions that may materially affect the recognition, measurement, presentation or disclosure of assets and liabilities (actual and contingent).

The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements.

Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. Since there are no actual, outstanding or possible litigation and claims, no disclosure is required in the financial statements.
- Other than as disclosed in note 25 to the financial statements, no other impacts from the COVID-19 outbreak need to be reflected in the financial statements.

Yours truly,

Signature

Position

Signature

Position

APPENDIX E: BDO RESOURCES

BDO is a leading provider of professional services to clients of all sizes in virtually all business sectors. Our team delivers a comprehensive range of assurance, accounting, tax, and advisory services, complemented by a deep industry knowledge gained from nearly 100 years of working within local communities. As part of the global BDO network, we are able to provide seamless and consistent cross-border services to clients with global needs. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

Outlined below is a summary of certain BDO resources, which may be of interest to the Finance, Audit and Risk Management Committee.

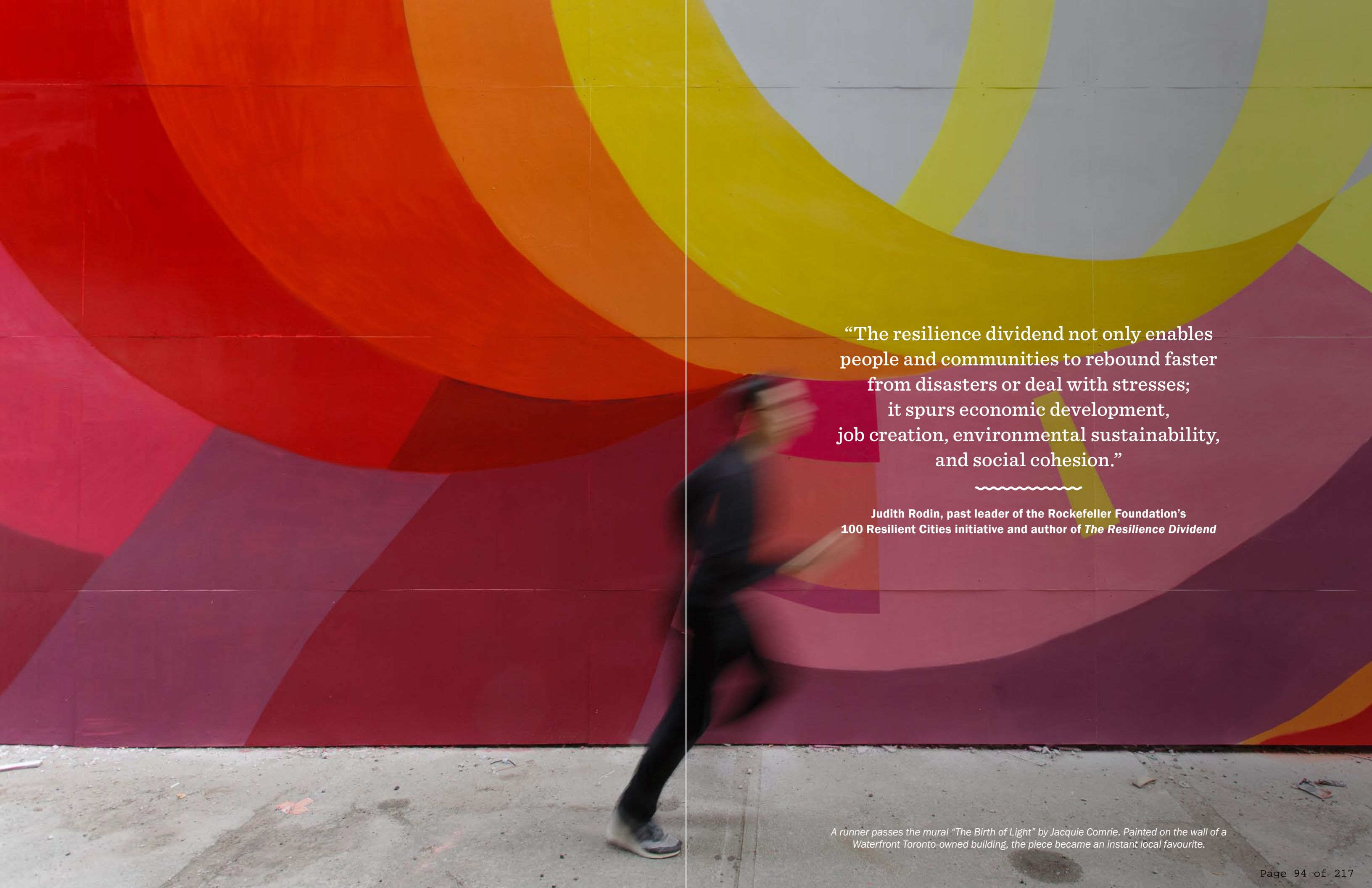
TAX BULLETINS, ALERTS AND NEWSLETTERS

BDO Canada's national tax department issues a number of bulletins, alerts and newsletters relating to corporate federal, personal, commodity, transfer pricing and international tax matters.

For additional information on tax matters and links to archived tax publications, please refer to the following link: [Tax Library | BDO Canada](#)

Purpose	For Committee Information
Areas of note/ Key issues	<p>Fiscal year 2019/20 marks the first year where we have combined our biennial Corporate Social Responsibility and Sustainability report and our Annual Report into one Integrated Annual Report (IAR) (refer page 12 of IAR).</p> <p>This is in line with leading reporting practices around the world where organizations are combining environmental and social impact results with financial results in one integrated report. This also streamlines reporting into two (vs. three) public documents: the Rolling Five Year Strategic Plan (what we plan to do) and the Integrated Annual Report (what results we achieved), and saves costs and eliminates duplication of efforts.</p> <p>The theme of this year’s Integrated Annual Report is resilience (refer CEO letter, IAR page 9). Resilience in built form (for example, flood protection), and resilience in community (for example, supporting recreation, social connections, and ecological health).</p> <p>While the structure of the report retains past sections such as governance and financials, the project-specific sections have been integrated around three core themes/sections:</p> <ul style="list-style-type: none"> ○ Innovation and Job Creation (economic) ○ Climate Leadership and Sustainable Design (environment) ○ Green Space and Healthy Communities (social) <p>These three themes were selected based on an independent materiality assessment (refer page 13 of IAR) with key stakeholders to determine the areas most important to them and where they see Waterfront Toronto can best make a difference.</p> <p>These themes tie very closely to Waterfront Toronto’s mandate.</p> <p>In terms of overall performance we met or exceeded 24/27 (89%) of our mandate-driven KPI targets this year (IAR pages 70-71). This is the first year we have measured ourselves against targets.</p> <p>Our 2019/20 financial results (actual-to-budget) are outlined on pages 64-69 of the IAR and a reconciliation to the Audited Financial Statements is included in Appendix 2 (IAR page 81).</p> <p>There are some non-financial areas of the Integrated Annual Report that are still being completed, including some sub-sections, photo captions and labels. These will be completed prior to final approval by the Board in June.</p>
Key Takeaways/ Next Step	The 2019/20 Annual Report will be presented by the FARM Committee Chair to the Board for approval on June 25, 2020.





“The resilience dividend not only enables people and communities to rebound faster from disasters or deal with stresses; it spurs economic development, job creation, environmental sustainability, and social cohesion.”



Judith Rodin, past leader of the Rockefeller Foundation’s 100 Resilient Cities initiative and author of *The Resilience Dividend*

A runner passes the mural “The Birth of Light” by Jacquie Comrie. Painted on the wall of a Waterfront Toronto-owned building, the piece became an instant local favourite.

LAND ACKNOWLEDGEMENT

Waterfront Toronto acknowledges that the land upon which we are undertaking our revitalization efforts is part of the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit.



SECTION 1	
Mandate and governance	07-23
SECTION 2	
Innovation and job creation	24-35
SECTION 3	
Climate leadership and sustainable design	36-47
SECTION 4	
Green space and healthy communities	48-61
SECTION 5	
Financials and performance measurement	62-73
SECTION 6	
Appendices	74-82

Caption

SECTION 01

Mandate and governance

In 2001, the governments of Toronto, Ontario and Canada laid out an ambitious mandate for Waterfront Toronto: to enhance the economic, social and cultural value of waterfront lands, and to create an accessible and active waterfront for living, working and recreation.

They directed Waterfront Toronto to deliver these outcomes with a high degree of fiscal and environmental responsibility; in partnership with the private sector; with active public engagement and participation; and in a way that would ultimately make the continued growth and revitalization of the waterfront self-sustaining.

The pages that follow offer an overview of our work to date, and the substantial progress we've made in transforming the lands by the lake into one vibrant and connected waterfront that belongs to everyone.

Caption

George Zegarac, President and CEO, Waterfront Toronto



“The value of resilience may be most obvious when it’s saving lives, as in a pandemic or a natural disaster. But the truth is that building resilience makes communities stronger and more prosperous in good times and bad.”

From George

Early 2020 has been a powerful reminder that it’s our choices in calmer times — the capabilities we develop, the investments we make, the relationships we build — that shape our ability to weather a crisis.

Building resilience is at the heart of Waterfront Toronto’s mission. Our largest resilience-building initiative is the Port Lands Flood Protection Project, which will unlock 240 hectares of land for development while making Toronto dramatically more resilient to extreme weather. On track for completion in 2024, the Port Lands project will be transformational. But resilience means even more than advanced engineering and sustainable design. As Dr. Vivek Murthy, the former U.S. Surgeon General has observed, “If we want to be a stronger, more resilient society, we have to focus on rebuilding foundations centered around people.”

True resilience goes beyond the built environment. Waterfront Toronto was created not to create infrastructure and manage real estate, but to make Toronto more future-ready: to turn a formerly industrial lakeshore into a vibrant home for 21st century jobs, communities and innovation. We’re collaborative by design: a joint creation of the three levels of government, our organization convenes diverse stakeholders, from governments and developers to sustainability specialists and community groups, to realize a waterfront that works for everyone.

As we go about this work, we hold inclusive resilience as a core value, committing ourselves to:

- making the waterfront an adaptive environment, ready for change
- delivering buildings, communities and infrastructure designed to survive and thrive in a changing climate and in times of emergency
- taking the built, natural and social environment into account in every decision we make.

What does this commitment look like? To choose one example, it looks like Corktown Common, a beloved public park that’s also a carefully engineered flood-protection berm – a place that makes its community more resilient not only by protecting it physically, but by supporting recreation, social connections, and ecological health. Delivering many forms of value at the same time is what resilient city-building is all about.

Urban resilience is not only about weathering challenges — it’s about flourishing in good times, too. Many qualities make communities resilient to crisis: from mobility and infrastructure to trust and inclusion. These same qualities also help communities thrive in between crises, delivering a return on investment that philanthropic leader Judith Rodin calls “the resilience dividend.” The value of resilience may be most obvious when it’s saving lives, as in a pandemic or a natural disaster. But the truth is that building resilience makes communities stronger and more prosperous in good times and bad.

Waterfront Toronto is working hard to realize a resilient waterfront – one where communities, economies, and ecosystems help to sustain each other, in all kinds of weather.

George Zegarac,
President and CEO, Waterfront Toronto

Our mandate

Who we are

Waterfront Toronto is working to create a vibrant, connected waterfront that belongs to everyone. As city-builders, we care about realizing neighbourhoods, parks, destinations and infrastructure that make people's lives better.

Mandate

Waterfront Toronto was created in 2001 to unlock the social, cultural and economic potential of the waterfront. The governments of Canada, Ontario and Toronto made an initial investment of seed capital in the organization, and tasked it with leveraging that investment to catalyze a dynamic, creative economic landscape on the waterfront. In addition to attracting private investment and high-quality jobs, Waterfront Toronto was directed to promote the social and ecological health of the area, making it a landmark of sustainable, inclusive 21st century urbanism.

WORKING LOCALLY

Measuring progress against our mandate

Waterfront Toronto works on behalf of the public, and our performance measurement system is designed to track our progress against the goals laid out in our legislative mandate. A breakdown of our progress against all our performance measures in this fiscal year — as well as our cumulative outcomes over time — is included on page XX of this report.

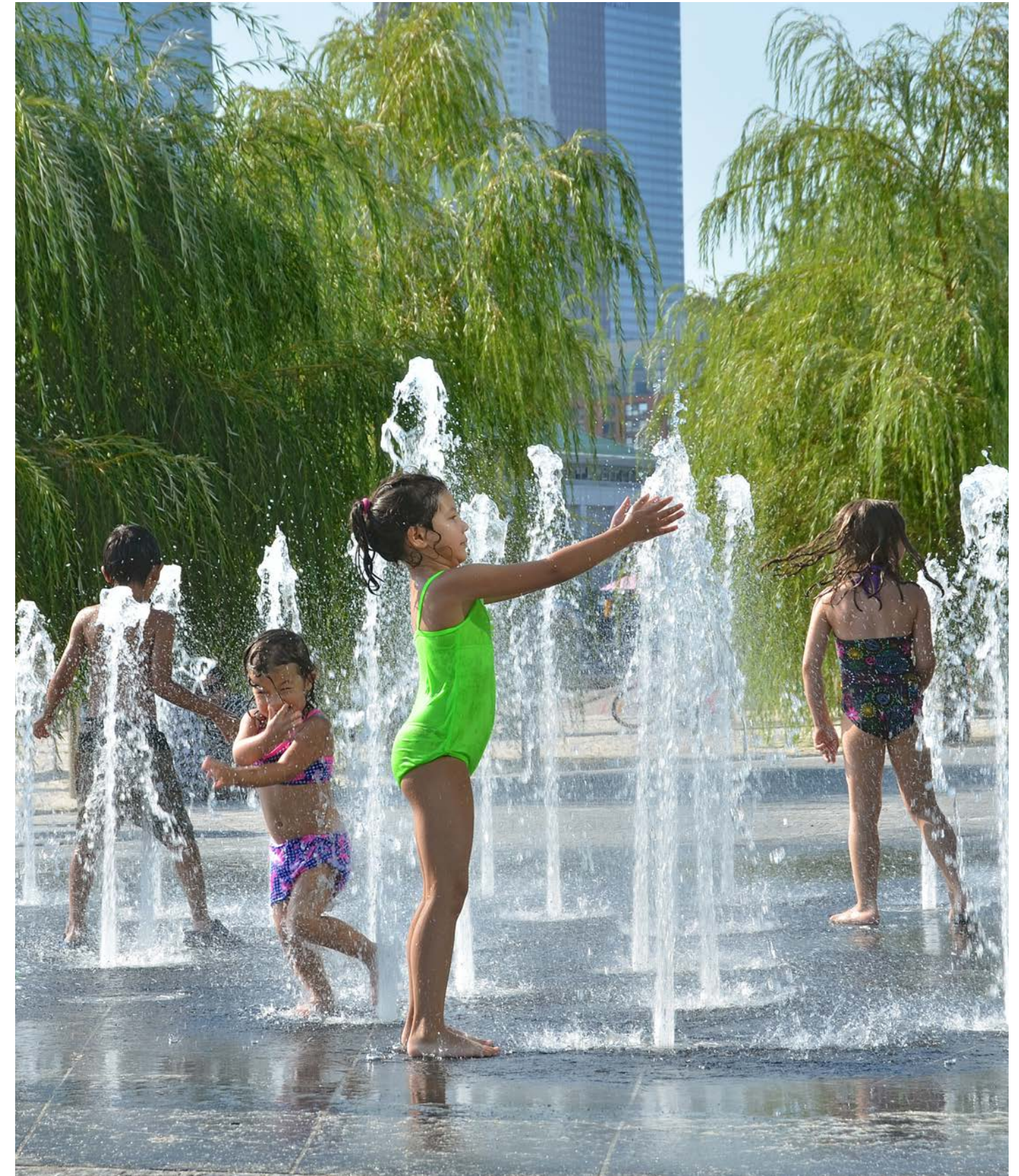
Throughout this report, we use the symbol to the left to make it clear where the news we're reporting links back to our performance measurement system.

CONTRIBUTING GLOBALLY

Assessing our contributions to shared goals like climate action

Our work is firmly grounded in Toronto's central waterfront. At the same time, Toronto is part of a network of cities across Canada and around the world, tackling shared challenges and reaching for common objectives, like building resilience to extreme weather. For example, we participate in the C40 network, a group of cities advancing climate-positive development and sustainable design. Like many leading organizations around the world, we've chosen to track how our work contributes to the Sustainable Development Goals (see page XX of this report) — and to seek opportunities to enhance these contributions where we can.

Throughout this report, we use the symbol to the left to indicate where the news we're reporting connects to the Sustainable Development Goals.



Caption

Reporting for impact

Waterfront Toronto's approach to public reporting has evolved over time as we've kept pace with leading practices worldwide. We're committed to rigorous public reporting that supports accountability and helps us deepen our impact. We also aim to create clear, approachable reports that educate the public about our work and the difference it makes for Toronto, Ontario and Canada.

2000



Annual Reports*

Since Waterfront Toronto was created, our annual reports have described how we've deployed the resources entrusted to us in each fiscal year, and the concrete progress we've made on our projects – from parks to infrastructure to flood protection.

2013



Corporate social responsibility and sustainability reporting (CSRSR)

Since 2013, we've released a biannual CSRSR, using the Global Reporting Initiative (GRI) Guidelines: a global best practice that leading organizations use to report on their economic, environmental and social performance, management approach and impacts.

2018



Performance Measurement

In 2018, we adopted a performance measurement framework to track and report on our progress against the key objectives of our mandate (see pages XX-XX for the complete framework).

2019

2019-2020: Our first Integrated Annual Report

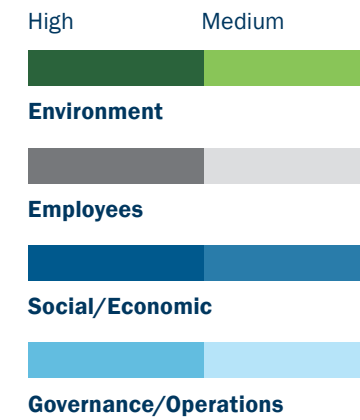
This year for the first time we are issuing a single report that captures our progress against all the dimensions of our work – from how we deploy financial resources to how we deliver public benefits like green space and affordable housing. We've adapted to the more recent GRI Standards in this new Integrated Annual Report, including the GRI's four key reporting principles:

- **Stakeholder inclusiveness:** reporting on key issues from the perspective of Waterfront Toronto and its stakeholders (see facing page)
- **Sustainability context:** reporting our specific activities in a way that reflects the context beyond our own area of work
- **Materiality:** reporting on the issues that are of highest importance to our stakeholders, particularly in areas where we have the greatest impact
- **Completeness:** giving a complete picture of the difference we've made in specific categories in a specific time and place

*Our Annual Report reporting period is April 1, 2019 to March 31, 2020

Making a difference that matters

Significance:



This report has been prepared using the Global Reporting Initiative (GRI) G4-Core Sustainability Reporting Guidelines, as well as the Construction and Real Estate Sector Supplement (CRESS).

We asked diverse stakeholders inside and outside our organization which issues matter most to them, and where Waterfront Toronto can have the biggest impact. This table reflects their feedback. We plan to intensify our efforts in the **nine highlighted areas**: issues of high importance, where stakeholders believe we can make a powerful impact.

	Importance	Impact
Energy	High	High
Carbon Emissions	High	High
Green Space	High	High
Flood Protection	High	High
Low-impact Transportation	High	Medium
Waste Diversion	High	Medium
Water Conservation	High	Medium
Bio Diversity	Medium	Medium
Talent Attraction and Retention	Low	Low
Diversity and Inclusion	Low	Low
Health and Safety	Low	Low
Waterfront Access	High	High
Accessible Public Spaces	High	High
Neighbourhood Sustainability	High	High
Affordable and Inclusive Housing	High	Medium
Public Consultation	High	High
Digital Inclusion	High	Medium
Data Privacy	High	Medium
Corporate Citizenship	High	Medium
Economic Impact	High	Medium
Noise Management	High	Medium
Indigenous Relations	High	Medium
Public Safety	High	Medium
Design Excellence	High	High
Board Diversity*	High	High
Supply Chain Responsibility	High	Medium
Ethics and Public Policy	High	Medium
Office Environmental Footprint	High	Medium

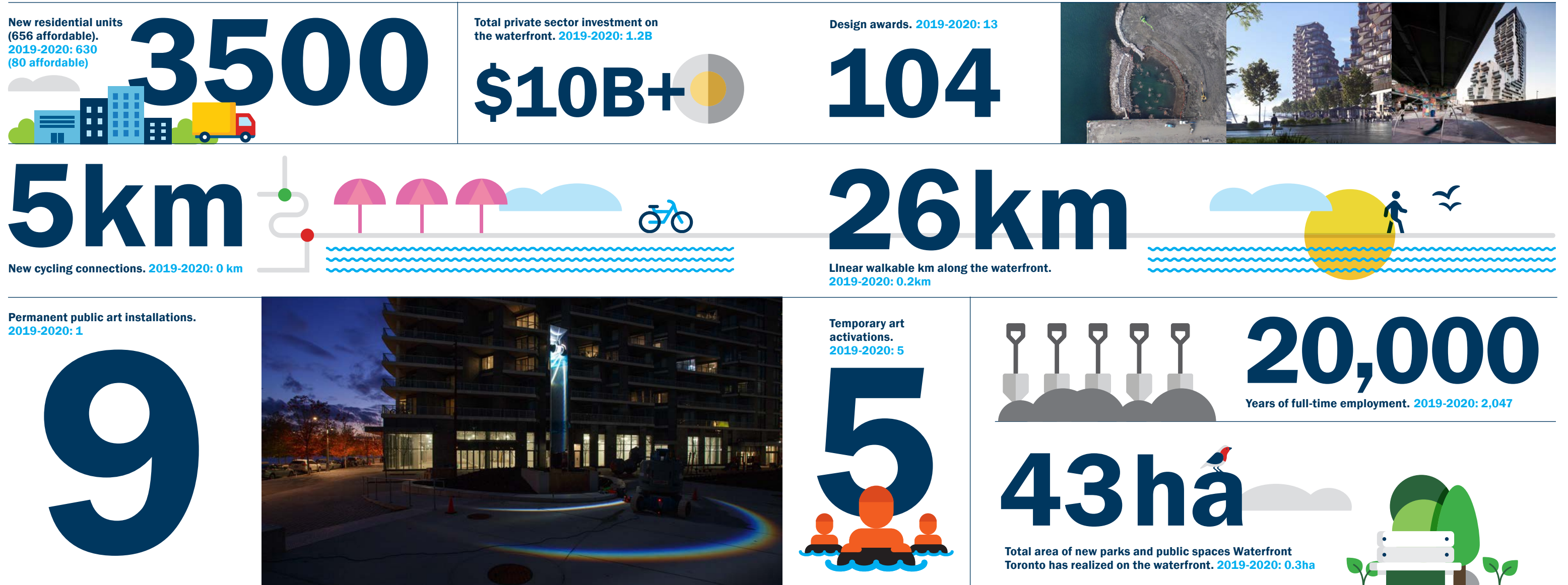
*Waterfront Toronto's Board is appointed by its government stakeholders.

Our progress to date

In 2019-2020 Waterfront Toronto made progress on a large number of long-range objectives, such as increasing public access to the lake, attracting private investment to the waterfront and increasing the availability of affordable housing. The report that follows uses a range of approaches to share our results. The appendices on pages 74 to 82 offer detailed tables, while the stories, photos and infographics in the main report bring context and colour to the year's achievements. The dashboard below presents a high-level summary of our progress to date.

Large dark blue numbers are cumulative. 2019-2020 measurements in light blue.

From left to right: Cherry Street lake filling. Aqualuna (image by 3XN Architects). River City 3 (image by Urban Capital)



Light Keeper (Caption TBD)

Board and committees

Waterfront Toronto's Board of Directors is composed of 13 Board members, including a Chair. Each of the three levels of government (municipal, provincial, federal) appoints four Directors; the Board Chair is jointly appointed by all three levels. As of May 28, 2020, our Board has one vacancy.

Stephen Diamond (Chair)
President & CEO,
DiamondCorp

Wende Cartwright
President, Savira Cultural
+ Capital Projects

Joe Cressy
City Councillor, Ward
10, Spadina-Fort York

Michael Galego
CEO, Apolo Capital
Advisory Corp.

Andrew MacLeod
President & CEO,
Postmedia Inc.

Mazyar Mortazavi
President & CEO,
TAS

Sevaun Palvetzian
Chief Communications Officer,
Rogers Communications Inc.

Patrick Sheils
Vice Chair,
Infrastructure Ontario

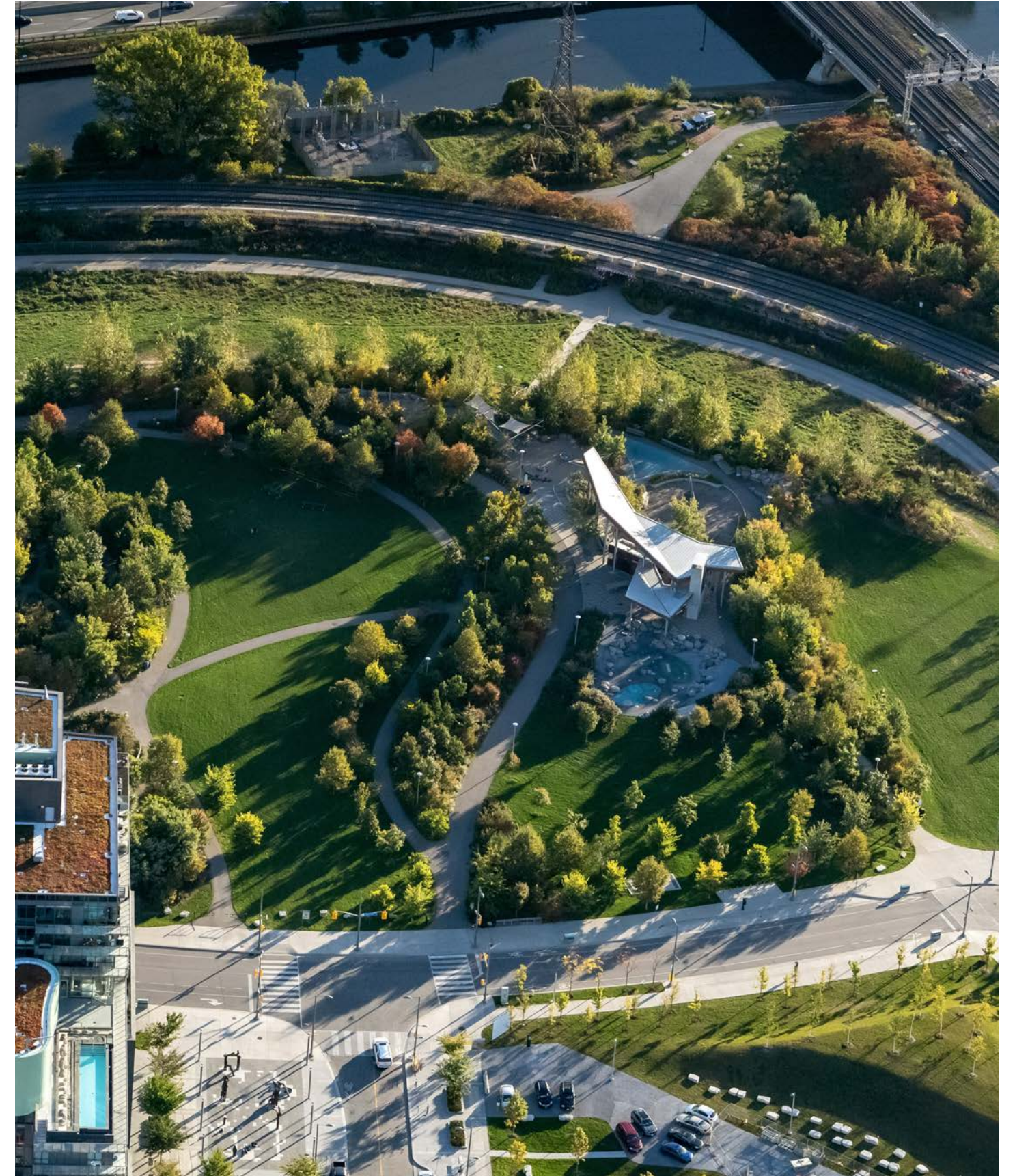
Jeanhy Shim
President & Founder,
Housing Lab Toronto

Kevin Sullivan
President,
KMS Capital Ltd.

Christopher Voutsinas
President, Capital Value
& Income Corp

Jack Winberg
CEO,
The Rockport Group

	Finance, Audit and Risk Management Committee	Human Resources, Governance and Stakeholder Relations Committee	Investment, Real Estate and Quayside Committee
Mandate	Financial planning and reporting, audit, enterprise risk management and project risk management	Human resources management, governance oversight and stakeholder relations	Development projects, real estate transactions and Quayside relations
Chair	Kevin Sullivan	Sevaun Palvetzian	Mazyar Mortazavi
Members	Michael Galego Patrick Sheils Jeanhy Shim	Wende Cartwright Joe Cressy Andrew MacLeod	Stephen Diamond Andrew MacLeod Christopher Voutsinas Jack Winberg



Caption

Governance, accountability and workplace



The work described on this page contributes to KPI 4

Waterfront Toronto strives to meet high standards of transparency, accountability and fiscal responsibility. Our work is shaped by staff teams, board members, expert advisory panels and community members who share our dedication to ensuring that Toronto's waterfront fulfills its extraordinary potential.

Our board

Waterfront Toronto's Board of Directors includes leaders from a range of sectors and industries – from real estate, finance, and business to culture and the public service. They are engaged in Waterfront Toronto's work and committed to ensuring that we carry out our mandate with excellence, transparency and accountability to the public.

Accountability and oversight

Waterfront Toronto is accountable to the governments of Canada, Ontario and the City of Toronto. In addition to our Board of Directors, a number of other oversight bodies guide our work, including the Intergovernmental Steering Committee, composed of senior officials from the three levels of government, and government waterfront secretariats, composed of dedicated staff at each of the three governments, who provide operational review and support in the delivery of our mandate.

Over the past year, guided by recommendations from the Ontario Auditor General's December 2018 report, we've worked to finalize a memorandum of understanding (MOU) with our government stakeholders. Complementing the Act through which we were created and our funding agreements, the MOU documents and clarifies our working relationships with the three levels of government, including the framework by which our performance is measured. The new MOU has been approved in principle and formal adoption is expected in 2020.

Expert advisory bodies

As our project portfolio has evolved, we have created a small number of specialist advisory groups to guide and inform our work in specific areas. For example, the Digital Strategy Advisory Panel has supported us in our planning and deliberations with respect to the development of Quayside; we created the city's first Design Review Panel to promote design excellence in both public and private development projects on the waterfront; and we created an independent Capital Peer Review Panel to support the effective phasing and execution of the transformational Port Lands Flood Protection Project.

Our procurement policy, our code of ethics, and all our awarded contracts are available on our website

Our team

Gender breakdown of staff (Total 92)

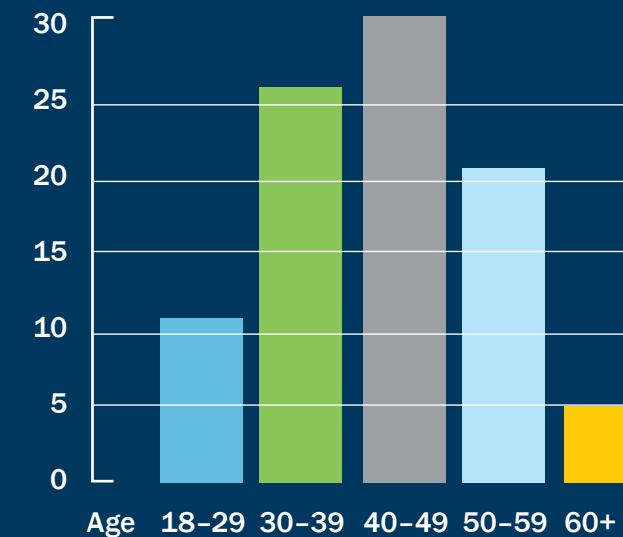


Gender breakdown of board (12 members)



● Male ● Female

Employee age distribution*



*As of March 31, 2020

Waterfront Toronto staff*

Role	Male	Female	Total
Executive	5	7	12
Director	13	7	20
Professional Staff	18	34	52
Support Staff	1	7	8
Total	37	55	92

Waterfront Toronto employee status

Role	# of staff
Contract	11
Contract-part time	4
Permanent	77
Total	92

Fiscal responsibility



The work described on this page contributes to KPI 4

Waterfront Toronto has a record of managing public funds with care and transparency. We continually refine our processes and systems to ensure that we're able to generate the greatest possible public benefit with the resources entrusted to us. Across all areas of our work – from procurement to project management to public reporting – we strive to meet the highest standards of openness and accountability.

Procurement approach and record. Our procurement policy is designed to be fair, open and transparent. In the last two fiscal years, 99.6% of our contracts by value have been awarded through competitive processes. We're continually refining our procurement practices. In 2019-2020, we formalized our market-sounding process for greater equity and transparency, and inscribed the new approach in our procurement policy. We also began using Bonfire, a cloud-based procurement management system. We issue quarterly procurement reports to our Finance, Audit and Risk Management Committee. Since beginning our work, we've entered into more than 2,400 contracts with close to 1,000 suppliers, most of whom are in Canada.

Culture of accountability. Waterfront Toronto encourages our entire team to embrace the public-interest mission of our organization. In support of that objective:

- Our **Wrongdoing Policy** empowers employees and other stakeholders to voice concerns in areas ranging from unethical business conduct to health and safety.
- An independent **Accountability Officer** investigates any reports of wrongdoing.
- Our **Code of Conduct** offers guidance to our team in areas such as conflict of interest, ethical decision-making and the handling of confidential information.
- Our internal **Privacy Framework** governs the collection, use and disclosure of any personal information in our possession – whether it pertains to our staff, vendors, or members of the public (e.g., people who attend consultations).

Audits and risk management . Waterfront Toronto operates in a rigorous audit environment, which includes annual external audits (required by legislation); regular audits and performance reviews by our government stakeholders; and regular internal annual audits that are outsourced to leading firms. Over the last 18 years, Waterfront Toronto has been the subject of at least 57 audits; we've used their findings to steadily strengthen and enhance our fiscal responsibility and accountability practices. Waterfront Toronto also takes a rigorous approach to risk, both at the project level and the enterprise level. As part of our Enterprise Risk Management framework, we've articulated a formal Risk Appetite Statement that explicitly defines our organization's risk tolerances.



Caption

Public engagement



The work described on this page contributes to KPI 8

Public consultation and communication (2006–2019)

324

Public and stakeholder meetings

612

Newsletters

202

News conferences, special events, community event

4k

Email and phone inquiries per year

15k+

Stakeholders directly engaged through consultation 2008–2019)

28k

Total social media followers

Since we began our work, Waterfront Toronto has benefited from the insights and energy of a highly engaged public. Over time, we've earned a reputation for effective communications and meaningful community engagement. Our public consultation strategy is grounded in the conviction that positive, productive relationships with a wide range of stakeholders is essential to pursuing our mandate. These relationships help us balance diverse community concerns and fulfill our responsibilities to the public with accountability and transparency. We go well beyond the consultation that's legally required for public projects, engaging stakeholders early so there's time to truly understand and incorporate their insights to improve the quality and relevance of our projects.

OUR GUIDING PRINCIPLES FOR PUBLIC CONSULTATION

Act with clarity and purpose. We act with purpose, we communicate our goals accurately and we are honest with stakeholders about their impact on the decision-making process.

Commit to an ongoing process. We acknowledge that engagement is an ongoing process of exchange, dissent, consensus-building and learning. We continuously evaluate our approaches, maintain a sustained dialogue with our partners and revisit our assumptions to ensure we are achieving our goals.

Support diversity and inclusion. We work hard to eliminate barriers to participation and to ensure representative, diverse and inclusive engagement.

Cultivate collaboration. We recognize that city-building is a shared responsibility that requires coordinated efforts. We are committed to sharing knowledge, decision-making and resources.

SOME OF THE GROUPS WE CONSULT REGULARLY

- The general public
- Business and industry
- Ratepayer and neighbourhood associations
- Conservation and environmental groups
- Civil society groups (e.g., CivicAction)
- Indigenous Peoples including the Treaty Holders for the lands
 - Mississaugas of the Credit First Nation
- Institutions such as colleges, hospitals, and universities
- Arts, culture, and heritage organizations

News from the year

Engaging broadly

62%

of public meeting attendees in 2019-2020 self-identified as residing outside the designated waterfront area

This year we've carried out extensive public consultations on our two largest projects: the Port Lands Flood Protection Project and the exploration of a next-generation sustainable community at Quayside. Each of these consultation programs has included diverse formats in person and online. Each has included targeted engagements on a range of topics, from parks programming in the revitalized Port Lands to data privacy at Quayside.

2019-2020 UPDATE:

Key elements of this year's Quayside consultation program:

- The year began with information-sharing. Through online tools and public meetings, we worked to build public awareness of how cities currently gather and use data, and to offer an overview of current discussions on topics such as data privacy, digital justice and digital equity.
- Following Sidewalk Labs' submission of its Master Innovation and Development Plan (MIDP) for Quayside, we sought input in two distinct waves. First, we quickly issued a "guide to readers" to orient the public to the more than 1,500-page MIDP, and invited initial responses to the document online and in person. This early public input led to some immediate changes to the MIDP, and helped to set the parameters of Waterfront Toronto's subsequent technical evaluation process, which included its own public engagement elements.

This year's Port Lands Flood Protection Project consultations:

- Continued to focus on education. The project's complexity (see pages XX to XX) means that the public needs information in order to provide meaningful input. This year we created a friendly, information-rich video and have made other approachable content available online. We also hosted pop-ups and public meetings across the city.
- Engaged groups we hadn't heard from yet. Port Lands education and consultation work has been underway in various forms for a few years. This year, we took stock of who we'd heard from through online surveys and public meetings to date. We identified underrepresented groups, which turned out to be primarily teenagers and older adults living outside the downtown core, and held focus groups to learn about their priorities for parks and public programming in the revitalized Port Lands.



SECTION 02

Innovation and job creation

Waterfront Toronto was created not only to revitalize the waterfront, but to make it a “gateway to the new Canada”— a place that leads the way on technology and sustainable design, and catalyzes future-proof jobs.

That vision is steadily coming to life. The waterfront has become a place for homegrown innovators to shine — from the local telecom start-up that set a new standard for internet speed in waterfront districts, to the Ontario-based environmental firms deploying novel technologies to remediate more than one million cubic metres of soil in the Port Lands.

This year, investments in revitalization delivered more than 2,000 years of direct full-time employment. And thousands more high-quality, permanent jobs now exist in new neighbourhoods by the lake, as a dynamic and self-sustaining economy on the waterfront continues to take shape.

To help the waterfront’s economic momentum keep growing, we’ve made innovation and job creation one of four areas of strategic focus in our five-year strategic plan. In the years ahead, we’ll continue to leverage public investments to create high-value jobs so that people and firms can seize local and global opportunities.

Caption

Work on the waterfront



The work described on this page contributes to KPIs 1 and 7, and SDGs 8.2 and 8.3

Economic analysis by PwC found that in 2019-2020, investments made by Waterfront Toronto created the equivalent of 2,047 years of full-time employment. Roughly three-quarters of this employment (1,512 years) was connected to the Port Lands Flood Protection project.

Diverse roles. Many near-term jobs associated with waterfront revitalization are in the construction industry. But our work is complex and involves many roles, including finance, insurance, and real estate, as well as the professional, scientific, and technical services sector.

Opportunities beyond Toronto. In addition to many local employment opportunities, waterfront revitalization is creating opportunity elsewhere in Ontario and Canada. Two innovative Ontario firms are leading the extensive soil remediation work in the Port Lands (see page X) and the striking new bridges that will soon connect Villiers Island to the mainland are currently being fabricated in Dartmouth, Nova Scotia.

Jobs for the future. Revitalization is already bringing long-term economic opportunities to the waterfront. New neighbourhoods by the lake have attracted leading employers, including WPP, Corus Entertainment and MaRS, as well as local institutions such as George Brown College and the University of Toronto. When fully developed, the East Bayfront neighbourhood alone is expected to be home to 8,000 jobs.

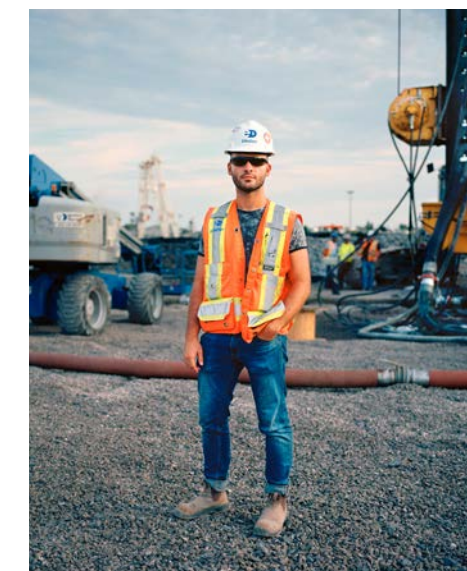
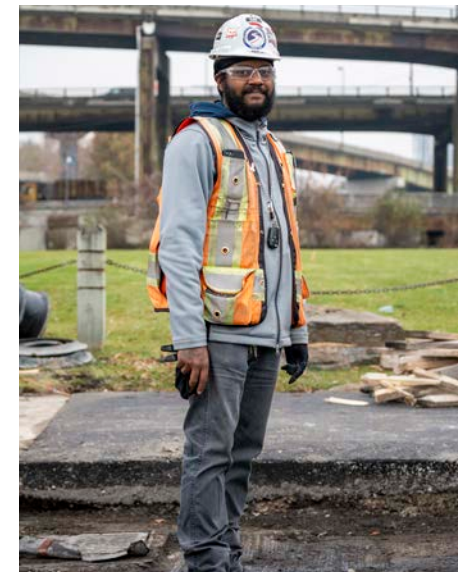
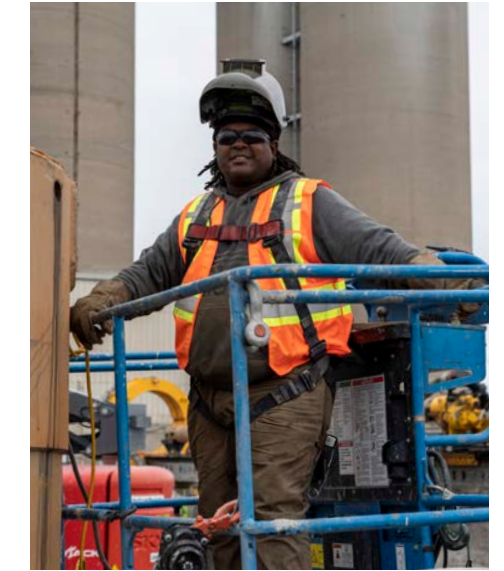
Connecting local job-seekers with opportunities

To make job opportunities related to waterfront revitalization accessible to local people who need them, we developed the Waterfront Toronto Employment Initiative (WTEI). We partner with organizations like the YMCA of Greater Toronto that help job-seekers and promote economic inclusion, and we connect them with our development partners and contractors as opportunities arise.

2019-2020 UPDATE:

- This year we were pleased to welcome the Toronto Community Benefits Network to the WTEI steering committee. TCBN helps local communities gain access to the training and employment opportunities associated with major infrastructure projects.
- We connected Hammerheads, a youth training and employment program, with our partners at EllisDon to link participants with construction opportunities.

These portraits of workers bringing about the revitalization of the Port Lands, part of a larger group of photographs made by Vid Ingelevics and Ryan Walker, were commissioned by Waterfront Toronto and intended for large-scale display in the Port Lands as part of the Scotiabank CONTACT photography festival in May 2020. The festival was postponed due to COVID-19 but we hope to find other exhibition opportunities soon.



“Jurisdictions around the world are taking a hard look at the resilience of their landscapes and built environments. Initiated with remarkable foresight more than 12 years ago, the Port Lands Flood Protection Project is an example of smart public investment that will protect assets and build prosperity for decades to come.”

Kim Donaldson, VP Ontario, Insurance Bureau of Canada



Unlocking development potential



The work described on this page contributes to all KPIs, and SDGs 11.2 and 11.3

Until recently, development was prohibited on large portions of the downtown waterfront because they were vulnerable to flooding. Waterfront Toronto and Infrastructure Ontario’s flood protection work has already enabled the successful development of the West Don Lands, now a bustling neighbourhood where thousands of people live and work.

The waterfront is already a magnet for investment

- Awaiting updated figures from PWC
- Lorem ipsum
- Lorem ipsum
- Lorem ipsum
- Lorem ipsum

And the biggest transformation is yet to come

The Port Lands Flood Protection Project (see pages XX to XX) will unlock the development potential of 240 hectares of land by 2024. Representing 290 hectares in all, the Port Lands includes more than a third of the entire waterfront revitalization area.

Considering both direct construction activity at the site and the subsequent realization of the development potential of the area, this project is expected to generate:



\$1.9B in government revenue
\$5.1B in overall value to the Canadian economy

We’re proud to be working with a dedicated coalition of partners to achieve this extraordinary transformation. Funding comes from the Government of Canada, the Province of Ontario, and the City of Toronto. Our project partner is Toronto and Region Conservation Authority, and our agency partners are CreateTO and Ports Toronto.

Direct economic impact



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In fiscal years 2019-2020, spending by Waterfront Toronto generated total impact of:

GDP **\$238.8 Million**

Full-time employment **2,047 jobs**

Labour income **\$175.3 Million**

Tax contribution **\$82.1 Million**

Return on investments



The work described on this page contributes to KPIs 1, 4, 5

Private development on the waterfront is enabled by Waterfront Toronto’s publicly-funded revitalization work, which includes planning, environmental management, flood protection, collaborating on infrastructure delivery and other steps that make the area a viable and attractive target for investment.

In interviews conducted by an outside research firm, real estate developers and leasing professionals involved with waterfront projects reported that Waterfront Toronto’s work had either made significant developments possible or accelerated their initiation.

Economic analysis from an independent third party estimates that the tax revenues governments have realized from waterfront development exceed governments’ initial investments in revitalization via Waterfront Toronto. The analysis includes corporate income taxes, personal income taxes and taxes paid on production and products.



“We’re proud to contribute to waterfront revitalization through developments like Bayside – defined by great architecture, sustainability, innovation and high-quality public spaces. And we’re pleased to work alongside Waterfront Toronto, whose planning, environmental, and infrastructure work lays the foundations for new neighbourhoods that become more than the sum of their parts.”

Avi Tesciuba, Senior Managing Director and Country Head, Hines Canada



The Daphne Cockwell Centre for Health Sciences, a facility of George Brown College.

Next-generation sustainable communities

Waterfront Toronto has a record of innovation when it comes to new neighbourhoods along the lake – from leading the way on green building standards to working toward one of the world’s first climate-positive neighbourhoods in the area that will become Villiers Island.

Quayside, a 4.9-hectare plot of land near the foot of Parliament Street, is the site of our most recent explorations of what an innovative waterfront community can be. From November 2017 to May 2020, we undertook these explorations in partnership with the urban innovation firm Sidewalk Labs.

2019-2020 UPDATE:

- Following a period of research, dialogue and consultation, Sidewalk Labs submitted its Master Innovation and Development Plan (MIDP) in June 2019. Waterfront Toronto worked to enable an effective public review of this more than 1,500-page document. Assisted by local and international subject matter experts, our team distilled the MIDP into 160 solutions and evaluated those solutions for their effectiveness in addressing key urban challenges.
- Waterfront Toronto carried out extensive public consultation related to the Quayside project (see page XX). The complexity of the proposed development approach meant that in order to meaningfully engage the public, consultations needed to be carefully designed and phased – with information and education components as well as adequate time for document review. Indeed, some of our planned deliverables for the year were deferred (see detailed Deliverables scorecard on page XX) in part to allow the public more time to consider and debate the proposal.

Next Steps for Quayside

In May 2020, Sidewalk Labs announced its withdrawal from the Quayside project. Although this was not the outcome we’d hoped for, the collaboration yielded many positive results, including concrete planning assets, technical tools, and plenty of useful ideas and insights. A tremendous opportunity still exists at Quayside, and we remain committed to the careful and collaborative development of an innovative community there – one that finds new ways to address urban challenges like housing affordability, active mobility and climate change.



Caption

SECTION 03

Climate leadership and sustainable design



No other city in North America has an opportunity like Toronto's waterfront: a large area available for innovative development, in a prime location right next to downtown. This place can help to define Toronto's future in the face of climate change, giving rise to carbon-neutral communities informed by leading insights on sustainability and resilience.

Waterfront Toronto is dedicated to making the most of this unique opportunity for local climate action. Every choice we make for the public realm — and every agreement we enter into with development partners — is carefully designed to minimize climate impacts, increase resilience and realize outstanding environmental performance.

We're guided in this work by a detailed Resilience and Innovation Framework, adopted in 2017. This framework expresses our commitment to creating climate positive neighbourhoods that combine rigorous sustainability standards with leading-edge materials and approaches, including biophilic design strategies that let nature lead the way.

Aqualina at Bayside
(Photo courtesy of Hines/Tridel)

A transformative resilience project

For more information, visit PortLandsTO.ca

The Port Lands Flood Protection Project is one of the largest infrastructure projects ever undertaken in Canada. It will flood-protect 240 hectares of prime land by reshaping the Don River and creating more than a dozen hectares of vital wetland. Together, these changes will dramatically increase Toronto's resilience to extreme weather.

Led by nature. Applying ecological principles to this engineering initiative, we're creating a massive piece of living infrastructure that includes carefully designed aquatic, wetland and terrestrial habitats. These will work together to protect the city while supporting healthy ecosystems.

Restored to health. For more than a century, the river's natural course has been distorted by a hard right turn to the Keating Channel. This has not only increased flood risks but caused problematic accumulations of silt and contaminants where the river meets the lake. Our work will restore and extend the river's natural course, bringing vegetation and wildlife back to the area.

Designed for people. We've designed the transformation of the Port Lands with people in mind. Informed by extensive community consultation and leading practices in landscape architecture, we're creating 35 hectares of new parks and public places where people can connect with nature and with each other.

Restoring the Don River's natural flood-protection capacity



Stabilizing perimeter walls

After digging down to bedrock along the perimeter of the river valley, we're installing a series of concrete cut-off walls that let us safely excavate and dewater the areas we're working on. They'll remain in place permanently, adding structural stability to the river banks.

Adaptive landscapes

We're adding more than a dozen hectares of wetland around the mouth of the Don River. Marshlands at various levels of elevation will provide wildlife habitat and recreation space in dry conditions, and accommodate large water volumes in wet months and during extreme weather.

A barrier to protect the river

The river valley is being lined with a carefully engineered environmental barrier system, which includes material like sand and clay, to support drainage and protect the Don from any contaminants that may remain in the soil from past industrial uses.

Foundations for a thriving ecosystem

The riverbanks will be reinforced with natural elements like logs, rootwads and boulders. These will help prevent erosion while supporting plant growth and providing habitat for fish, turtles, birds and other wildlife.

This project is currently on budget and on schedule for completion in 2024.

2019-2020 UPDATE:

- We completed the lake-filling work required to form the edges of the area that will become Villiers Island.
- Work continued on the cut-off walls and the excavation of the new river valley. To date, we've installed more than 1,300 of the piles that support the cut-off walls. We've also made substantial progress on the environmental barrier system that will protect the health of the Don River and Lake Ontario. (See illustration below.)
- The design of the three bridges that will connect Villiers Island to the mainland is complete. The foundations for the Cherry Street North bridge have been installed, and the superstructures for all three bridges are now under construction in Dartmouth, Nova Scotia.
- Land clearing and shallow excavation, required as preliminary steps to extending the river channel through the area that will become Villiers Island, are on schedule. This work is complete across almost the entire project area.
- Construction of Cherry Street, Commissioners Street and the new Don Roadway are ongoing. We're applying low-impact design principles, prioritizing green infrastructure like bioretention planters and green medians, and selecting plantings that will provide food and shelter for wildlife.

We invested a total of \$175.4 million in the Port Lands Flood Protection Project in 2019/2020, a significant share of the \$311 million total invested to date. For further detail on the year's deliverables and their resource requirements, see page XX.

An ambitious project, responsibly delivered



For more information, visit PortLandsTO.ca

The Port Lands Flood Protection Project will enhance the resilience and the ecological health of the waterfront, all while dramatically improving the public realm. But a project on this scale inevitably involves short-term disruptions to both land and water.

Waterfront Toronto is carrying out our excavation, earthmoving, lake-filling and construction work responsibly: proceeding in carefully planned stages, minimizing waste and monitoring our impacts. We're committed to showing respect for the area's past and present, even as we work to realize its future.

Reuse of materials. Wherever possible, we reuse construction materials. We've reduced waste and carbon emissions by reusing materials from past construction projects and demolition works, including concrete, granite, woody materials and structural beams.

Soil management. To build up Villiers Island and reshape the banks of the Don, we need large quantities of soil. By using material excavated from downtown Toronto building sites, we've avoided the greenhouse gas emissions that would have come from trucking soil in from outside the city.

Soil remediation. Some of the soil in the Port Lands contains contaminants from past industrial activity. After piloting six soil remediation approaches with Ontario-based environmental firms, we're now carrying out on-site remediation at scale, cleaning soil we remove during excavation of the river valley and other areas. Clean soil will be restored to the area.

Environmental monitoring. Throughout the project, we've been attentive to existing ecosystems and worked to mitigate our effects on them. We've conducted wildlife surveys (focusing on bats and fish), and designed our lakefilling operations to prevent harm to aquatic life. Much of this species-protection and monitoring work has been done in partnership with the Mississaugas of the Credit First Nation.

Archaeological monitoring. We've worked closely with Toronto and Region Conservation Authority and the Mississaugas of the Credit First Nation to note and protect any artifacts revealed by our excavation work.



We're removing and cleaning more than 1 million cubic metres of contaminated soil from the Port Lands

5,000 trees
2M plants
77k shrubs



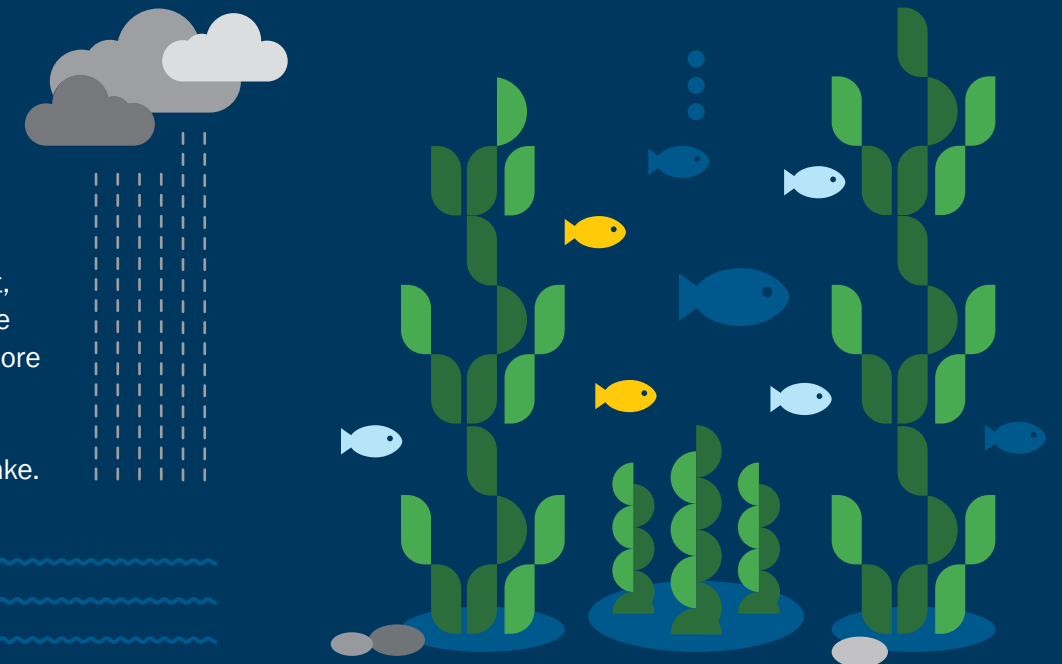
Our work in the Port Lands is adding abundant vegetation, including shallow-water sedges, grasses and rushes as well as plants and trees that will live on river banks and in upland parks.

2 new fish coves

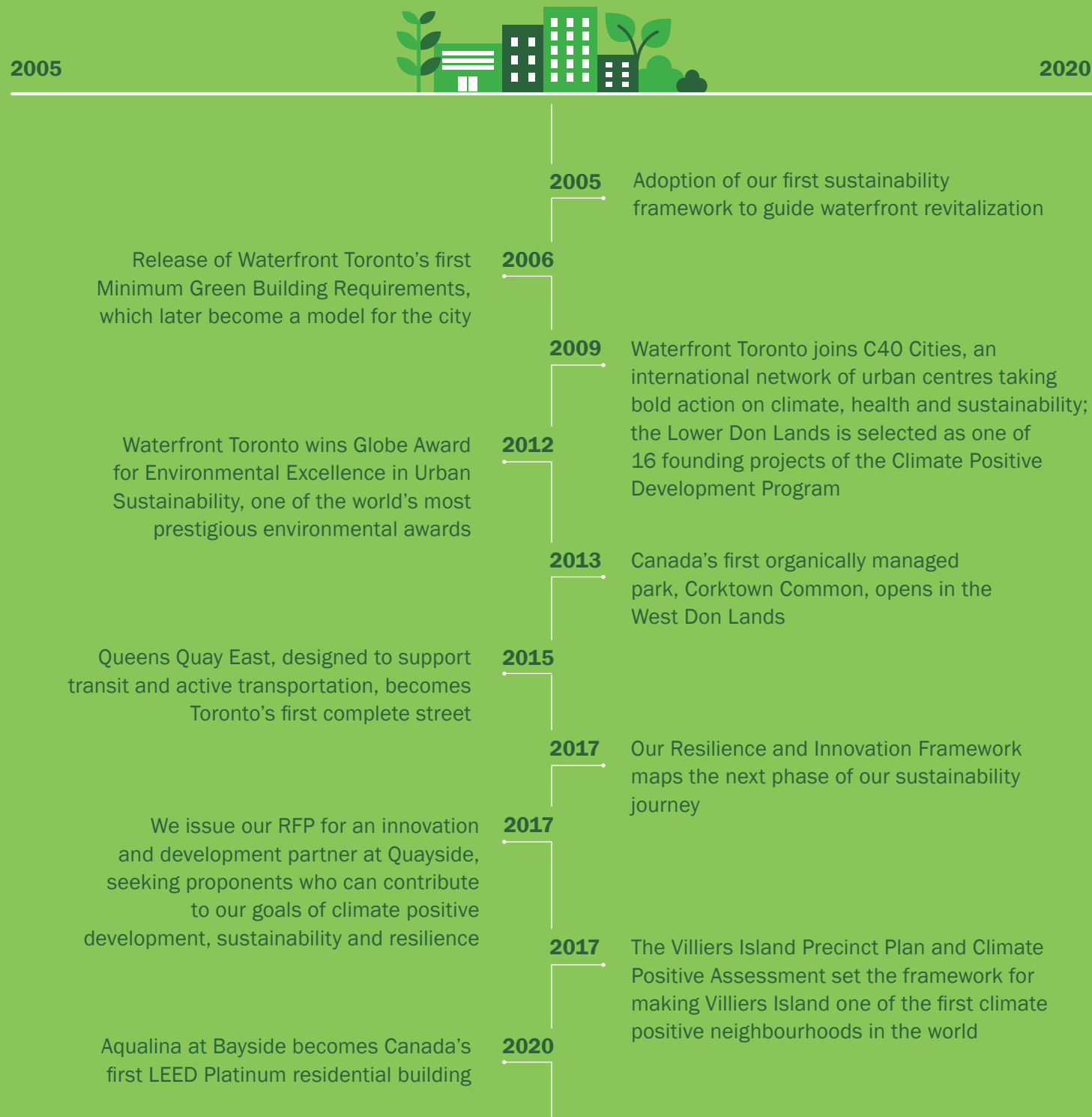
This project will add two new fish coves to the Inner Harbour as well as shallow rock shoal shelters, to improve aquatic habitat and fish diversity. Our habitat work elsewhere on the waterfront more than tripled the number of fish species observed there (from 5 to 17 between 2001 and 2009).

1 M litres of storm water

Low-impact development strategies on Port Lands streets, such as Cherry Street, Commissioners Street and the Don Roadway, may capture more than 1 million litres of storm water in a month; the runoff would otherwise go into the lake.



A history of sustainability milestones



Shaping the future of green urbanism

Responsible planning, design and building practices are important everywhere. But on Toronto's waterfront they have the power to be transformational. In this unique landscape, unlocked for development at a time when the impacts of climate change are increasingly well understood, we have the opportunity to exercise global leadership on resilience and climate-positive urbanism.

Waterfront Toronto has already made significant contributions to the global movement for green urbanism – and our plans for the years ahead include some of the most exciting sustainability projects underway anywhere.

Our current guiding document on sustainability, a complement to our strategic plan, is our Resilience and Innovation Framework. Launched in 2017, the Framework articulates the values and practices we bring to the revitalization process, describes the future we're working to realize, and is accompanied by a clear, concrete action plan.

How are we using the Resilience and Innovation Framework?

- It's guiding our work on the Port Lands Flood Protection Project, where we're applying concepts like biophilic design and inclusive resilience to reshape the waterfront.
- It's informing the planning of Villiers Island, which includes a wide range of passive design strategies, technologies, and approaches that stand to make it one of the world's first climate-positive communities.
- It has inspired our vision for Quayside, which remains a site of enormous opportunity for innovative revitalization.
- It shares our thinking and ambitions with our partners – both our local development partners and our colleagues in cities around the world – as we continue to contribute to a global network of city-builders working to decarbonize the atmosphere while improving urban life for people.

We developed our Resilience and Innovation Framework in partnership with the Canadian Urban Institute and in collaboration with international organizations such as C40, Cisco, the Government of the Netherlands as well as local stakeholders like the City of Toronto, Ryerson University, and The Atmospheric Fund.

OUR RESILIENCE AND INNOVATION FRAMEWORK RESTS ON FIVE CORE VALUES THAT SHAPE HOW WE SEE THE WATERFRONT AND WHAT WE AIM TO ACHIEVE THERE:

- Climate-positive:** we support the development of low carbon communities, and aspire to reduce greenhouse gas emissions below zero
- Inclusive resilience:** we consider the built, social and natural environment as we develop communities designed to survive and thrive amid shocks and stresses
- Intelligent and connected:** we create infrastructure and access models that support digital connectivity for everyone and help businesses thrive
- Human experience-driven:** waterfront communities are healthy, safe, just, active, multi-generational, human-scale and accessible. Design excellence enriches the human experience.
- Biophilic:** The waterfront is a place where people learn from and are inspired by nature. Buildings and infrastructure incorporate natural forms and systems into design and operations.

Stormwater management and water protection



In rural areas, rainwater and snowmelt are readily absorbed into the earth. Urban landscapes have fewer permeable surfaces, so they have more stormwater runoff, which can carry pollutants into lakes and waterways. Streets are typically designed to channel runoff into stormwater sewers, and on into treatment facilities, but during heavy rainfall these systems can be overwhelmed.

Waterfront Toronto develops effective stormwater management infrastructure that protects the health of rivers and lakes, and helps to prevent the flooding that can result when there's more runoff than stormwater systems can handle. Our contributions include both standard ("grey") infrastructure like sewers and pipes, and also "green" infrastructure like absorbent landscaping and planters. We've already added extensive stormwater infrastructure to waterfront neighbourhoods, including 11.11 kilometres of stormwater sewers in the West Don Lands and East Bayfront. We're also incorporating more and more green infrastructure into our work (see page 46-47).

2019-2020 UPDATE:

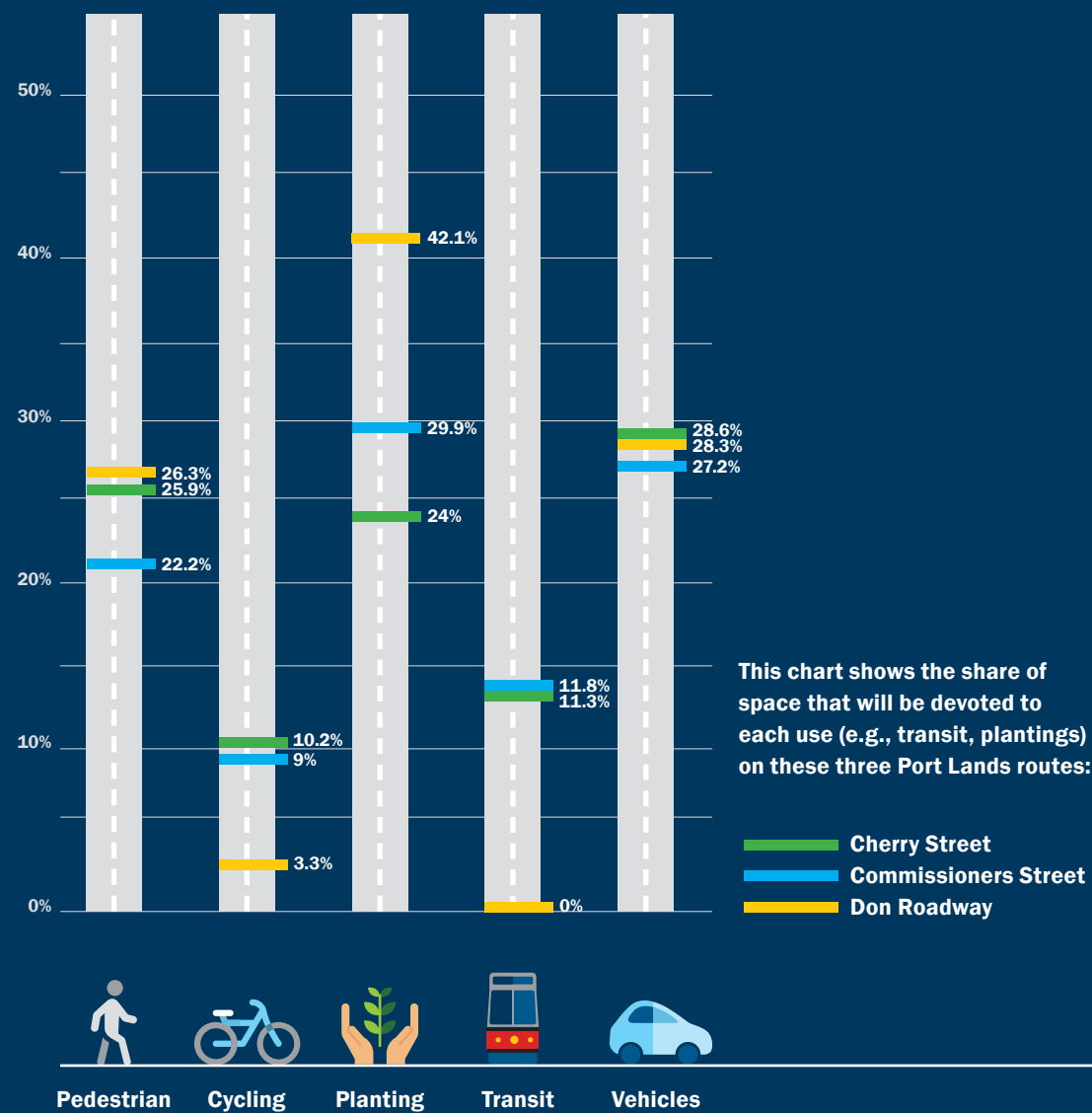
- We've continued to advance work on the Cherry Street Stormwater Facility, which will manage combined runoff from the West Don Lands and East Bayfront. The building's concrete shell and its electrical room are now complete. Interconnected challenges have delayed the building's hydro connection and the installation of pumping equipment, but we expect these steps to be completed in 2020-2021.
- We revised the design for a set of pipes that will move runoff eastward to the Cherry Street facility. The pipes will be installed underwater as part of a new assembly along the Sherbourne Common water's edge promenade. Improvements will include a reinforced dockwall and a new stretch of boardwalk connecting Dockside to Bayside, with the stormwater pipes running underneath.

Many of the plantings and landscape features Waterfront Toronto has added to the waterfront are specifically designed to catch and slow rain and runoff. According to the Park People report Resilient Parks, Resilient City, "Absorbent landscapes, like parks, can reduce runoff by 8 to 10 times compared to impermeable surfaces like roads or parking lots."



“To build resilience, the trick is linking different goals together. When you’re doing economic development, how can you also make yourself better protected for floods? When thinking about mobility, how can you increase biodiversity or reduce exposure to extreme heat?”

Michael Berkowitz,
Founding Principal of Resilient Cities Catalyst



Investing for resilience

Waterfront Toronto aims for every investment we make in the public realm to deliver multiple benefits at the same time. Whether we’re choosing sidewalk materials or planning an irrigation system for a city park, we think holistically about how our work can make the waterfront more vibrant and welcoming while delivering water and energy savings, reducing carbon emissions and flood risks, and supporting the health of local ecosystems.

For example, the **green streets** we’re bringing to the future Villiers Island (see facing page) will help prevent flooding by using plantings to divert rainwater from city sewers; they’ll support biodiversity by providing habitat to birds and other urban wildlife; they’ll help reduce carbon emissions from cars by facilitating public transit and active transportation; and as the first streets in Toronto illuminated by LEDs, they’ll consume X less energy. They’ll also improve life in the city, including by helping people access an extraordinary new network of parks being created as part of the Port Lands Flood Protection Project.

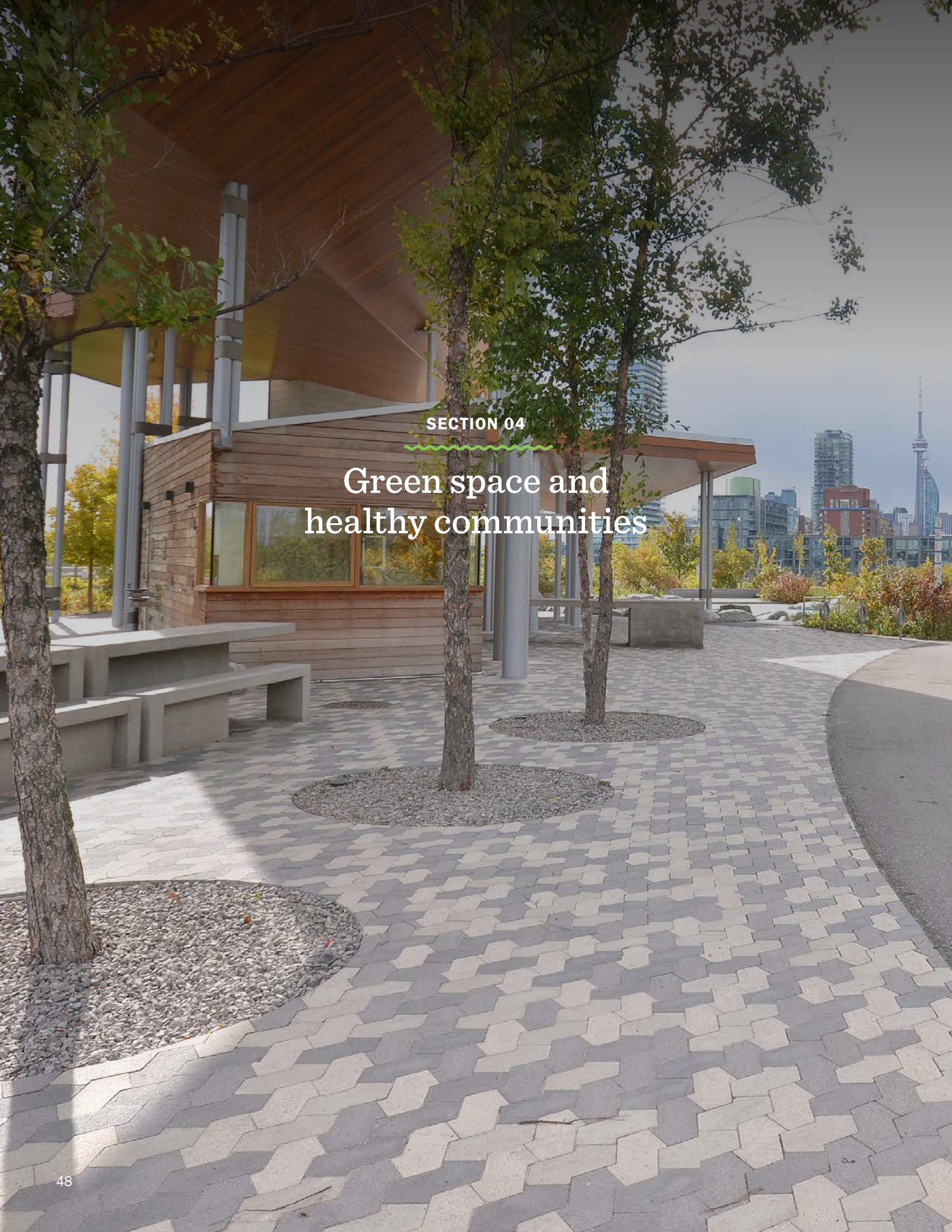
Another example of a multi-faceted investment is our work to support a healthy **tree canopy**. Trees help clean the air, provide habitat and make streets more appealing – and as temperatures rise, tree shade is ever more important to keeping cities comfortable. In addition to planting thousands of trees in waterfront parks, Waterfront Toronto has introduced soil cell technology that protect tree roots under roads and sidewalks. Our current sidewalk improvement efforts include pilot tests of permeable pavers, which help trees get the water they need while helping municipal sewer systems weather storms.

2019-2020 UPDATE:

As the City of Toronto reconstructs the Gardiner Expressway East, we’re engaged in a multi-year project to enhance the streetscape underneath. This year we:

- completed 60% design for the area from Jarvis Street to Cherry Street
- completed concept design for the area from Cherry Street to Logan Avenue
- completed an implementation plan for the entire project
- proposed, costed and earned approval for a number of small, “quick-start” projects to signal change in the area and test materials and approaches. These include a sidewalk-improvement pilot to test the performance and maintenance requirements of enhanced concrete, permeable pavers, and bioretention plantings.

Waterfront Toronto is bringing green streets to the Port Lands. These routes not only have more room for public transit and active transportation, modes that reduce carbon emissions and enhance city life, they also include green infrastructure like bioretention planters and green medians that help manage stormwater and support urban wildlife.



SECTION 04

Green space and healthy communities

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Caption

Waterfront parks



The work described on this page contributes to KPIs 1, 2 and 3, and SDG 11.7

Waterfront Toronto has created more than 43 hectares of parks and public spaces in waterfront neighbourhoods. We've earned a reputation for design excellence, ecological leadership and gold-standard public engagement that helps communities take ownership of local parks from the earliest design stages.

We bring a resilience lens to park planning and design, seeking opportunities for any new space to deliver multiple benefits — from flood protection and habitat improvement to social cohesion and health benefits. Together, these diverse positive effects enhance a community's overall capacity and well-being.

2019-2020 UPDATE:



Aitken Place Park. In October of 2019, we completed this 0.3 hectare public greenspace near Lower Sherbourne Street. The new park includes a children's play area, a dog run, a new piece of public art (see page X) and quiet places to sit and watch the water. The park's sustainability features include low-energy lighting, drought-tolerant native plants and Forest Stewardship Council-certified wood.

York Street Park. Schematic design and detailed design are now complete, and we expect to begin construction in late 2020.

Rees Street Park. This year we've worked with the City and a design consultant to advance the conceptual plan for this new park. The process has been adjusted to allow coordination with a new stormwater storage shaft proposed for the site (a piece of infrastructure that manages stormwater runoff to protect the health of the lake).



Caption

What good do parks do?



The shade and green space of parks offer “an important cooling benefit to cities as climate change results in hotter weather.”

Resilient Parks, Resilient City, a report by Park People

Boost mental and physical health



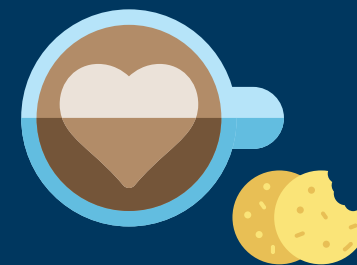
A UK report estimated that parks deliver £370 million annually in mental health cost avoidance. Spending time in parks and green space can reduce stress and improve mood, and parks create opportunities for active recreation that can significantly improve physical health.

Create economic value



The California-based Trust for Public Land identified seven distinct and measurable forms of economic value city parks deliver. They include stimulating tourism, absorbing air pollution and reducing health care expenses by enabling active recreation.

Build social capital



Park People's *Sparking Change* report notes that, “the small but powerful” interactions that happen casually in public parks can lead to increases in social capital: “the social connections, trust, and support that are important not only for strong, healthy communities, but also for developing networks that can link people to opportunities, such as jobs.”



Affordable housing



The work described on this page contributes to KPIs 2 and 3

Building inclusive neighbourhoods

Waterfront Toronto has a long-standing commitment to building welcoming, inclusive communities. A central part of that commitment is ensuring that 20% of all units in new waterfront residential developments are affordable rental, and that an additional five percent are low-end-of-the-market ownership. Not only does new affordable housing stock meet an urgent need, but research shows that mixed-income neighbourhoods can help to combat economic inequality. Economically diverse neighbourhoods are associated with better economic mobility for young people in low-income households and improved economic outcomes for residents at the lower end of the income spectrum.

2019-2020 UPDATE:

- The Artscape Bayside Lofts in East Bayfront welcomed residents to 80 new affordable units, part of a larger mixed-income residential development called Aquavista that includes 227 condo units. The affordable lofts, designated specifically for artists, were developed in partnership with the City of Toronto, Hines-Tridel and Artscape. The next two phases of development will add a City-run child-care centre and a community centre to the area.
- This year Waterfront Toronto has also begun working with the City of Toronto on the development and operation of an additional 215 new units of affordable rental housing nearby. These units would be located in a mixed-income development, also in the Bayside neighbourhood of East Bayfront.

Affordable housing

East Bayfront welcomed residents of 80 new affordable units this year

80



496

The West Don Lands was already home to 496 affordable rental units: Toronto Community Housing (243) Wigwamen (145), Fred Victor (108)

Connections and waterfront access



This page will focus on WT's thoughtful work to weave waterfront neighbourhoods into the city, and increase public access to the waterfront. News for the year will include progress on the bridges that will connect Villiers Island to the mainland, and work on the Gardiner public realm (e.g., paint on pavement and bents that's meant to make pedestrian routes to the water clearer and more inviting).



Below: A rendering of Commisner Street Bridge
Above: A rendering of Cherry Street North Bridge



Design excellence

This page will briefly review Waterfront Toronto's record of supporting design excellence. Its update for 2019-2020 will focus on the 13 awards WT projects have earned this year.



Caption

Image #2 & 3 by Khristel Stecher



1



2



3



4



5

Public art



The work described on this page contributes to KPIs 2 and 3

Enhancing the cultural vibrancy of the waterfront is at the heart of Waterfront Toronto’s mission. We approach public art as an integral part of neighbourhood planning, and we’ve already built distinct local art collections with the new communities in West Don Lands and East Bayfront.

Increasingly, we’re curating seasonal and pop-up programming, creating dynamic art experiences on the waterfront and animating public spaces in transition. We’re also building a reputation as a receptive and creative partner for arts festivals and events.

2019-2020 UPDATE:

- Waterfront Toronto sponsored the first **Toronto Biennial of Art**, including through the contribution of the biennial’s flagship space, 259 Lakeshore Boulevard East (see pages 60-61).
- We installed the waterfront’s **latest permanent public artwork**, “LIGHT KEEPER” by Caitlind r.c. Brown, Wayne Garrett and Studio North, in the newly opened Aitken Place Park.
- Our popular **temporary art program** continues to grow, engaging timely issues and enlivening the shoreline throughout the year. The images on the facing page offer an overview of our 2019-2020 program:

1. **“SOS (Safety Orange Swimmers),”** created by Ann Hirsch and Jeremy Angier, was installed in the Harbour Square Park basin in 2019. The work responds to the global refugee crisis.
2. **“Loop,”** installed as part of the Winter Stations program, includes a series of devices that let users manipulate sound and animation displays from inside a circular “retro-futuristic” device.
3. **“Impulse,”** also part of Winter Stations, comprises a series of 15 seesaws that produce light and sound. Activated by visitors, the structures create an ever-changing composition.
4. **“Flight Mode,”** curated by Prachi Khandekar and realized through a collaboration between Waterfront Toronto and the South Asian Visual Arts Centre, included two contemplative multimedia pieces installed in shipping containers next to the grain silos by the Parliament Slip.
5. **“The Birth of Light,”** a mural by Jacquie Comrie, at 291 Lake Shore Boulevard East. We worked with the City of Toronto’s StART program to facilitate Comrie’s creation of the piece at this Waterfront Toronto-owned site.

An exciting year ahead

In 2019-2020 we issued a call for proposals for the most ambitious work of public art ever created on the waterfront. Located at Sherbourne Water’s Edge, the site has the potential to let artists engage with both land and water. We look forward to reviewing proposals from artists from around the world, and seeing the possibilities for this site through their eyes.



Learn more about our public art program on our website.

The Toronto Biennial

This year, Waterfront Toronto was proud to sponsor the first ever Toronto Biennial of Art, a free contemporary visual arts event including both Canadian and international programs.

The Biennial:

- attracted close to **300,000** unique visitors
- included **215** public programs, performances and events
- helped **91%** of visitors discover new artists
- delivered **\$17 million** in economic impact
- attracted media coverage in **24** countries



Images by Toni Hafkenscheid. Courtesy the Toronto Biennial of Art. On view at 259 Lake Shore Blvd E as part of the Toronto Biennial of Art (2019). Commissioned by the Toronto Biennial of Art

This page:

Above: Jae Jarrell, *Ornaments of Reflection*, 2019, leather, metal beads, thread, 152.4 x 76.2 x 45.7 cm. Left: *The New Red Order (NRO), Never Settle*, 2019, mixed-media installation. Bottom: Adrian Stimson, Iini Sookumapii: *Guess who's coming to dinner?*, 2019, mixed-media installation, dimensions variable.

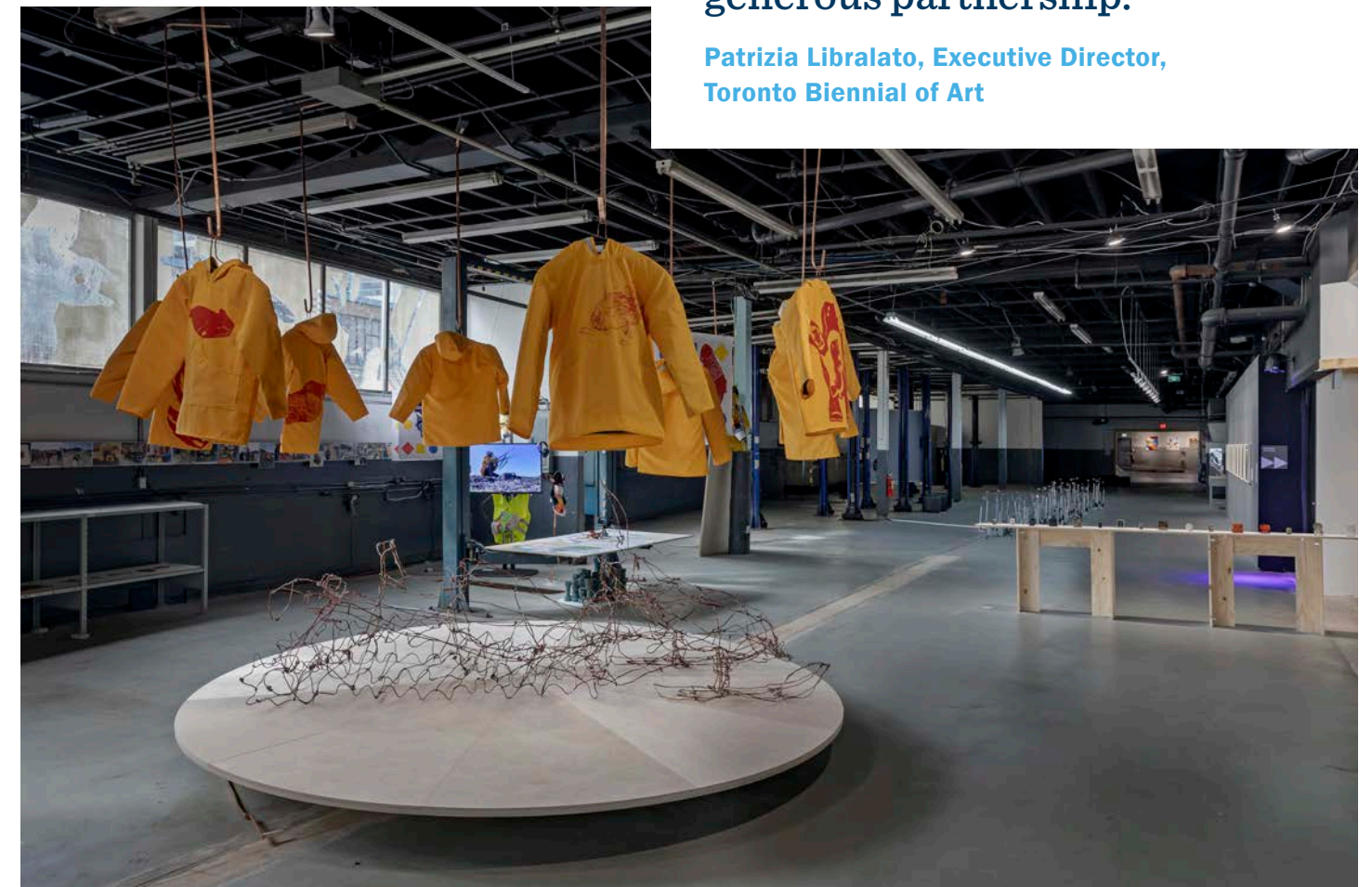
Opposite page:

Top: Luis Jacob, *The View from Here (Library)*, 2019, collection of maps and printed matter published from 1872 to 2019. Co-presented by Toronto Union. Bottom: Embassy of Imagination + PA System, Sinaaqpagiaqtuut/*The Long-Cut*, 2019, mixed-media installation. In partnership with The Bentway.



“Waterfront Toronto was vital to the Biennial’s inaugural success. We could have never done it without your incredibly generous partnership.”

Patrizia Libralato, Executive Director, Toronto Biennial of Art





SECTION 05

Financials and performance measurement

Waterfront Toronto has a record of achieving strong results with the resources entrusted to us, efficiently deploying public investments and collaborating to enhance our impact.

One key to our performance is rigorously tracking and reporting our progress. We continually refine our measurement and reporting practices as we pursue ever higher standards of transparency and accountability.

In 2018, we adopted a formal performance measurement framework to track our gains against the eight key objectives of our mandate. In a further enhancement, this year for the first time we're reporting our results on these key performance indicators against concrete, quantitative targets.

This section of our 2019-2020 Integrated Annual Report complements our audited financial statements available online. It offers a concise overview of our funding sources; shows how we've deployed public investments over the last fiscal year; outlines the costs associated with our team and organization; and lays out the significant progress we've made on the transformational changes Waterfront Toronto was created to deliver.

Caption

A. Capital investment

In December 2018, Waterfront Toronto’s Board of Directors approved \$325.1 million in capital investment for fiscal 2019-2020. This investment was allocated mainly to four priority initiatives: the Port Lands, Complete Communities, Public Places and Next-Generation Sustainable Communities. Our actual capital spending in 2019-2020 was \$221.2 million, 68% of the planned total and \$70.4 million (47%) more than last year.

The primary reasons for the \$103.9 million variance between our planned and actual spending were schedule changes and construction challenges in the Port Lands Flood Protection Project. These accounted for \$69.7 million (67% of the variance) in deferred investment. Schedule changes under the Public Places and Next-Generation Sustainable Communities (Quayside) portfolios accounted for an additional \$26.3 million in deferred investment (25% of the variance). See the facing page for further detail.

2019-2020		Approved Plan	Actual Cost	Variance \$*
The Port Lands	A	\$ 245.1	\$ 175.4	\$ 69.7
Complete Communities		35.0	29.7	5.3
Public Places	B	13.2	3.2	10.0
Next Generation Sustainable Communities (Quayside)	C	26.2	9.9	16.3
Strategic Initiatives		5.6	3.0	2.4
Total		\$ 325.1	\$ 221.2	\$ 103.9

*Parentheses indicate spending in excess of budget

Figures are in millions

A Port Lands

Significant progress has been made this year on the Port Lands Flood Protection project, including: completion of the 60% design milestone; completion of Cherry Street lake-filling work; installation of foundations for Cherry Street North bridge and commissioning of the temporary water treatment facility created to manage the groundwater being surfaced by our excavation work.

Several factors outside Waterfront Toronto’s control have resulted in lower than planned investments for fiscal 2019-2020. These include slower-than-expected progress on cut-off walls (see page XX) and bridge steel fabrication (see page XX), overdue vacant possession of some Port Lands properties and delayed municipal approvals for road closures.

The overall project budget of \$1.25 billion remains unchanged and we expect to complete the project by 2024, as planned.

B Public Places

This year’s plan for Public Places included \$8 million to substantially complete the pedestrian and cycling bridge for The Bentway. This work and the attendant budget were moved to 2020-2021 in order to accommodate the City of Toronto’s Gardiner Rehabilitation work in the same location.

While we did complete the detailed design for the York Street Park as planned, the detailed design work for Rees Street Park did not take place this year as we continue to finalize the phasing plan and schedule with the City of Toronto, the ultimate owner of the park. The unspent budget amount of \$10 million for this year will be transferred to next year.

C Next-Generation Sustainable Communities (Quayside)

The underspend of \$16.3 million on Next-Generation Sustainable Communities (Quayside) is mainly due to a change in the timing of certain land acquisitions. These were delayed pending the resolution of uncertainty about the 2020 decision on the Master Innovation and Development Plan, and also to improve coordination with Waterfront Toronto’s own upcoming construction efforts in the area. We expect to spend the unspent budgeted amount in fiscal 2020-2021.



More information about Waterfront Toronto’s capital investments as reflected in our audited financial statements is available in Appendix 2. Our complete audited financial statements are available online at [Waterfront Toronto](#).

B. Capital funding

Waterfront Toronto realized \$270.1 million (89%) of the \$301.8 million in capital funding our Corporate Plan anticipated for fiscal 2019/2020. This funding total was \$67 million (33%) higher than last year.

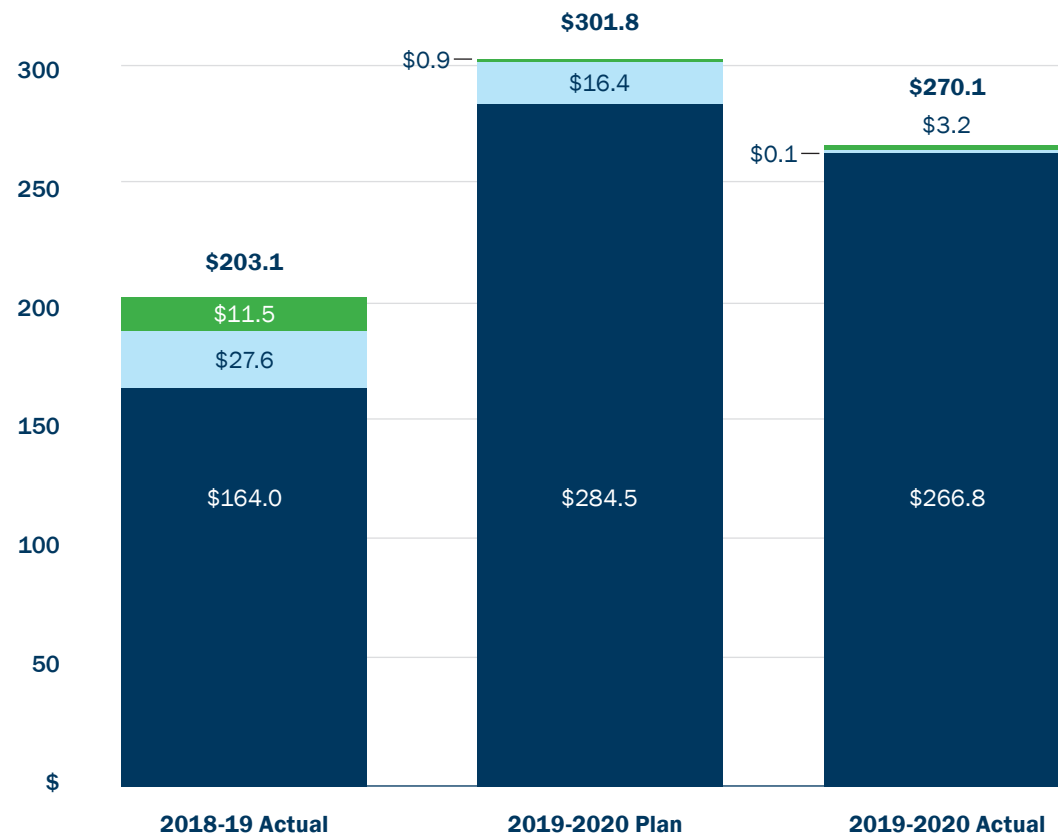
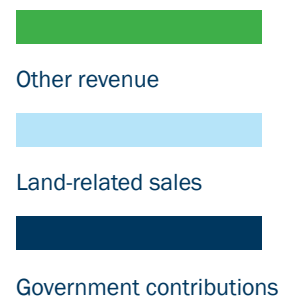
Our funding this year came almost entirely (99%) from governments: \$116.4 million from Ontario, \$105.3 million from Toronto and \$45.1 million from Canada (for a total of \$266.8 million). Except for \$X million from Toronto, all of this funding related to the Port Lands Flood Protection project, to which the three governments have collectively committed \$1.25 billion in funding over seven years, beginning in 2017-2018. Over the last three years, we have realized total government funding of \$431.2 million, which represents 35% of the \$1.25 billion for this project.

We had expected to realize an additional \$16.4 million in revenue from land sales this year; most of this has been or will be realized in the first quarter of 2020-2021.

Revenue from other sources was \$3.2 million (\$2.3 million higher than projected). This figure mainly comprised higher-than-forecast interest income and parking revenues, and a grant from the Federation of Canadian Municipalities, which had not been budgeted.

Capital funding from all sources

Figures are in millions



More information about Waterfront Toronto's capital funding as reflected in our audited financial statements is available in Appendix 2. Our complete audited financial statements are available online at [Waterfront Toronto](https://www.waterfronttoronto.com/financials).



Caption Image by Vid Ingelevics and Ryan Walker

C. Corporate operating cost

Our actual corporate operating costs for 2019/20 were \$0.1 million (0.5%) less than the approved operating budget of \$18.7 million.

We spent less than anticipated on corporate public engagement and communication (\$0.2 million). Some events were cancelled due to the global pandemic, and generally speaking a greater share of our public engagement work is now attached to specific project budgets (e.g., the Port Lands) as opposed to general corporate activity. We also had lower-than-projected general and office administration costs (\$0.1 million).

We spent slightly more than budgeted on information and technology, specifically on cyber security (\$0.1 million). Human resources costs were also higher (\$0.1 million) as we hired temporary staff to fill unplanned staff absences.

Corporate operating costs are reflected in Note¹ of Waterfront Toronto's March 31, 2020 audited financial statements (Expenses by Precinct and Function).

2019-2020	Approved Plan	Actual Cost	Variance \$*
Human Resources	\$ 14.7	\$ 14.8	\$ (0.1)
General and Office Administration	1.9	1.8	0.1
Information and Technology	0.6	0.7	(0.1)
Public Engagement and Communication	0.6	0.4	0.2
Accountability and Governance	0.4	0.4	-
Subtotal before Amortization	\$ 18.2	\$ 18.1	\$ 0.1
Amortization	0.5	0.5	-
Total Corporate Operation Expenditures	\$ 18.7	\$ 18.6	\$ 0.1

*Parentheses indicate spending in excess of budget

Figures are in millions

¹Note to readers reviewing this summary in conjunction with the audited financial statements: the table in this summary and the table in the audited statements both indicate actual spending totalling to be \$18.6 million. The audited statements are broken down into project management costs—salaries, fees, and benefits of \$X million—as well as general expenses of \$X million, for a total of \$18.6 million.

D. Corporate capital cost

Our corporate capital costs of \$1.1 million for 2019/20 were \$0.1 million less than our approved budget of \$1.2 million.

The spending this year can be attributed largely to a modest office reconfiguration and renovation, undertaken to accommodate additional staff and to enhance collaboration. The work was initiated in 2018/19 and completed this year, \$0.1 million under-budget. This year we also continued to invest in the implementation of our cloud-based Enterprise Resource Planning (ERP) system.

Corporate capital costs are reflected in Note X of our March 31, 2020 audited financial statements (Capital Assets).

2019-2020	Approved Plan**	Actual Cost	Variance \$*
Technology Infrastructure	\$ 0.3	\$ 0.3	\$ -
Facilities Improvement	0.9	0.8	(0.1)
Total Corporate Capital Budget	\$ 1.2	\$ 1.1	\$ (0.1)

*Parentheses indicate spending in excess of budget

Figures are in millions

** Includes portion of unused Facilities Improvement budget of \$0.6 million carried forward from prior years.

Performance measures

- Target substantially achieved / exceeded
- Target not achieved
- N/A - no target forecast this year
- * Board approved Dec 6, 2018

Integrated Annual Report 2019-2020

Success for Waterfront Toronto is:	Performance measures	Annual target 2019-2020*	Actual 2019-2020	Cumulative 2001-2020
1. Enhancing economic value • Waterfront Toronto will create new employment opportunities during the development of waterfront lands • Waterfront Toronto developments will lead to new businesses on the waterfront that will provide ongoing employment opportunities • The developments on the waterfront will lead to increased taxes for all three governments and contribute economic value for the Canadian economy	1.1 Jobs: Full-time years of employment during construction	2,000	● 2,047 (during construction)	18,115
	Jobs: Full-time years of ongoing employment	N/A-5 year measure	N/A-5 year measure	5,000
	1.2 Taxes: New taxes to municipal, provincial and federal governments	\$75M	● \$82.1M	\$977.1M
	1.3 Total economic value added to the economy	\$200M	● \$238.8M	\$2,369M
	1.4 Labour Income	\$140M	● \$175.3M	\$1444.3M
2. Enhancing social and cultural value • Waterfront Toronto will be a world leader in design excellence and waterfront planning that will make Canadians proud of the Toronto waterfront • Waterfront Toronto will develop spaces that are accessible to all income levels	2.1 Number affordable housing units developed (excludes building projects under design or construction)	80	● 80	576
	2.2 Number of market housing units developed (excludes building projects under design or construction)	553	● 550	2,875
	2.3 Number of design awards	5	● 13	104
	2.4 Number of new permanent public art installations	1	● 1	9
	2.5 Percentage of Waterfront Toronto sponsored projects with Design Review Panel support at the end of the design review process	100%	● 100%	~93%
3. Creating an accessible and active waterfront for living, working and recreation	3.1 Hectares of new parks and public spaces	0.8	● 0.3	43.3
	3.2 Kilometres of new trails, hiking trails and promenades	-	● 0.2	26.2
	3.3 Number of events on the waterfront	>10	● 22	2017 to 2020:80
4. Implementing a plan in a fiscally responsible manner • Waterfront Toronto will work within the funding provided and will search out new revenue sources to support the development of the waterfront • Waterfront Toronto will use thorough processes to set and manage the project budgets	4.1 Percentage of competitive procurements by dollar value	>95%	● 99.6%	99.6% since 2019
	4.2 Percentage of projects over \$10 million completed within 5% of budget (in the last five years)	90%	● 93%	95%
	4.3 Percentage of projects over \$10 million completed within six months of original schedule (in last five years)	90%	● 100%	100% since 2019

Comments:

3.1 Aitken Place Park completed and opened in 2019. The remaining public spaces anticipated in the 2019-2020 target related to Bayside public realm as noted on page X in the Key Deliverables Scorecard.
4.3 This is a new measure starting 2019-2020. As a result, the rolling five year average contains one year so far (2019-2020).

Our Rolling Five-Year Strategic Plan (2019/20 – 2023/24) outlined our formal performance measurement framework effective April 1, 2019. This new framework, presented below, is composed of concrete measures across a range of dimensions, all aligned to the policy priorities set out in our mandate, with specific targets. This framework helps our team, our government stakeholders and the broader public track our progress in delivering the results we've been tasked with achieving for the people of Toronto, Ontario

Integrated Annual Report 2019-2020

Success for Waterfront Toronto is:	Performance measures	Annual target 2019-2020*	Actual 2019-2020	Cumulative 2001-2020
5. Implementing a plan in an environmentally responsible manner • The developments on the waterfront will meet the needs of the present without compromising the ability of future generations to meet their own needs • Waterfront Toronto will develop its plans for the waterfront with a focus on the resilience of the surrounding environment	5.1 Number of hectares (was acres in CP 19-23) committed to climate-positive developments	82.7	N/A-5 year measure	126.8 (2001 - 2019)
	5.2 Intelligent & Connected extent of broadband coverage (number of people with access)	New measure	● 880	1,054 since 2018
	5.3 Biophilic square metres of aquatic habitat created	120,000	● 12,170	131,463
	5.4 Biophilic metres of waterfront access	2,700	● 290	6,130
	5.5 Human Experience-Driven Average distance to access transit	All projects planned at 500m	All projects planned at 500m	All projects planned at 500m
6. Financially self-sustaining designated waterfront area • Waterfront Toronto's enabling works will mean that the residential and commercial developments are financially feasible for private developers, without government support	6.1 6.1 Gross Floor Area under Private Developments in designated waterfront area (no partnership with WT) in municipal approvals process and / or under construction	New measure	N/A-5 year measure	New measure
	6.2 Total population (residents, students, workers)	3,200	● 4,234	10,534
	6.3 Tax revenue going to each level of government from the private sector development	New measure	● \$1.3B+*	\$3.4B+
7. Promoting and encouraging involvement of the private sector • Waterfront Toronto will assist other Canadian businesses succeed through partnerships	7.1 Number of new developments and/or strategic partnerships cultivated	2	● 6	39+
	7.2 Private-sector dollars invested in waterfront developments (includes proposed, approved, under-construction and completed projects)	\$0.5B	● \$ 1.2B+ (completed projects in 2019)**	\$11.2B+ 2016-2020
	7.3 Value of philanthropic, corporate sponsorship, and non-government sourced contributions	>\$nil	● \$ 3.3M	\$156.3M
8. Encouraging public input • Waterfront Toronto will foster public trust in its current and planned activities • Waterfront Toronto will build public awareness of its past, current and planned activities	8.1 (a) Number of WT digital media engagements (b) WT, Port Lands, Quayside and Corporate Blog website sessions	>500	● 133,160 ● 239,218	133,160 239,218 since 2019
	8.2 Number of public and/or stakeholder meetings held	>20	● 44	441
	8.3 Number of media (i.e., radio, TV, print, online) references to Waterfront Toronto and its initiatives	2,500	● 8,308	19,496 since 2017
	8.4 Number of times Waterfront Toronto staff have presented at conferences and industry events	100	● 104	104 since 2019
	8.5 Number of public meeting attendees self-identifying as residing outside the designated waterfront area	25%	● 62%	62% since 2019

* Difference between the minimum values of this year and last year 3.37 minus 2.10 (\$ Billion)

** Minimum value considered of the range 1.2 to 2.1 (\$ Billion)

Sustainable Development Goals (SDGs)

In 2015, all United Nations member states adopted 17 Sustainable Development Goals (SDGs) as part of The 2030 Agenda for Sustainable Development. One premise of the SDGs is that governments alone cannot achieve them; firms, civil society and other organizations also have a role to play. The GRI (see pages XX and XX) encourages organizations to consider where they might contribute to the SDGs. We believe Waterfront Toronto has the capacity to contribute in the following areas, and we're committed to reporting our contributions and seeking opportunities to enhance our impact in these over time.

7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology (linkage to C40 and delegations).

7.3 By 2030, double the global rate of improvement in energy efficiency.

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

9.C Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.

11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

13.2 Integrate climate change measures into national policies, strategies and planning.



Caption



SECTION 06
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Appendices

# Appendix 1: 2019-2020 Key deliverables scorecard

● Achieved by March 31, 2020

● Not achieved by March 31, 2020/deferred to a future year

\* Board-approved December 6, 2018 as per 2019-2020 Corporate Plan

| Project                                                                    | 2019-2020 Deliverables*                                                                                      | Final status | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Port Lands</b>                                                          |                                                                                                              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Port Lands Flood Protection and City-Serving Infrastructure Implementation | Complete design for three bridges (Cherry Street North, Cherry Street South and Commissioner Street bridge). | ●            | Achieved. The design of all three bridges (Cherry Street North, Cherry Street South and Commissioners Street bridge) are 100% complete and under construction. The contracts for the three bridge foundations and steel superstructures have been awarded.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                                                            | Commence deep soil mixing for project site.                                                                  | ●            | Achieved. The basis for design of river valley was changed from deep soil mixing to a system consisting of vertical secant pile cut off walls and horizontal geosynthetic barrier and drainage system. The design for the Central valley system, Greenway, Spillway and Ice Management areas are 100% completed. As of March 31, 2020, the construction of the secant pile cut-off walls in the Central River Valley (WP3) was ongoing with 1285 piles (87%) completed along with ongoing construction of the cut-off walls in the Greenway, Spillway and Ice Management area (WP6.1) (approximately 10% completed). The contractor for excavation and construction of the barrier layer in the Central River Valley (WP7) as well soil treatment and management (WP4) commenced construction in Q4. The water treatment system has now been commissioned and ready to receive and treat groundwater for discharge to the Lake. |
|                                                                            | Commence site preparation and demolition works.                                                              | ●            | Achieved. Shallow excavation and the clearing of obstructions has been completed over the majority of the site. Commissioners Street (Munitions to Don Roadway) was closed mid December 2019 and Munitions west to Cherry Street in February 2020. The intersection of Munitions and Commissioners will be closed pending vacant possession of FH 30. Vacant possession of 222 Cherry Street (T&T Grocery) in February 2020 with demolition work to be completed in Q1 of 2020-2021.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Complete Communities</b>                                                |                                                                                                              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Bayside                                                                    | Complete construction of Aitken Place Park.                                                                  | ●            | Achieved. Construction of Aitken Place Park (0.75 acres) completed and park handed over to City along with commencement of warranty period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                            | Select non-profit operator for affordable housing site.                                                      | ●            | Deferred. The selection of the non-profit operator will be deferred until the developer is confirmed which will take place in 2020-2021.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Stormwater and Sanitary Sewer Infrastructure                               | Complete concrete building shell and install treatment equipment for Stormwater Facility (SWF).              | ●            | The final building concrete shell was completed by the week of March 30, 2020. Equipment installation has been delayed by approximately 3 months due to complicated design challenges, detailing and quality control challenges with concrete walls roof beam and the roof forming process along with weather related issues and expected to be completed by Q3 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                            | Final commissioning of Sanitary Pumping Station on permanent power.                                          | ●            | Electrical room completed by the week of March 30, 2020 and permanent hydro connection delayed by approximately 3 months due to complicated design challenges and expected to be installed by Toronto Hydro in Q3 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Project                                      | 2019-2020 Deliverables*                                                                                                 | Final status | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stormwater and Sanitary Sewer Infrastructure | Construct in-water pipe for SWF.                                                                                        | ●            | The design of the in-water pipe for the Stormwater Facility (SWF) was revised to incorporate additional scope of work including the Boardwalk and dockwall reinforcing at the Sherbourne Common water's edge promenade. 90% detailed design has been submitted for approval along with completion of stage 1 of the construction RFP for the in-water pipe and Boardwalk.                                                                                                                                                                      |
| Queens Quay East Revitalization              | Negotiate acquisition of land related to road realignment and associated approvals.                                     | ●            | Deferred. WT has engaged in numerous negotiations with relevant landowners, however alignment on key terms has not yet been achieved.                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Public Places</b>                         |                                                                                                                         |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| York & Rees Street Parks                     | Complete detailed design.                                                                                               | ●            | The detailed design phase for York Street Park has been completed and construction documentation is currently on-going and expected to be completed by August 2020. The construction is anticipated in late fall 2020. There is on-going negotiation with the City regarding Rees Street Park phasing and schedule. The City has provided approval to proceed with first design phase (consensus design) and the scope/contract negotiations with design consultant regarding first design phase i.e. the conceptual plan have been completed. |
| Jack Layton Ferry Terminal                   | Complete Implementation Strategy Plan.                                                                                  | ●            | Deferred. The implementation strategy for Jack Layton Ferry Terminal project remains on hold pending completion of refinements to the scope and budget of the project which is now underway. Further, there are on-going discussions between City & CreateTO about the 11 Bay Street development which may impact the Jack Layton Ferry Terminal project.                                                                                                                                                                                      |
| Public Art                                   | Implement one permanent public artwork as per the public art strategy, as well as 4-5 temporary public art activations. | ●            | Achieved. Completed implementation of one permanent artwork (Aitken Place Park Public Art) in November 2019 along with completion of maintenance manual as well as six temporary public art activations as of March 31, 2020.                                                                                                                                                                                                                                                                                                                  |
| The Bentway                                  | Substantial construction completion of the pedestrian and cycling bridge for The Bentway.                               | ●            | Deferred. This is due to City's change in priorities of completing the Gardiner Rehabilitation work prior to the construction of the Bentway Pedestrian and Cycling Bridge. The Planning and design of the pedestrian and cycling bridge is now scheduled to be completed by December 31, 2020.                                                                                                                                                                                                                                                |

# 2018-2019 Carry forward Key deliverables scorecard

- Achieved by March 31, 2020
- Not achieved by March 31, 2020/deferred to a future year
- \* Board-approved December 6, 2018 as per 2019-2020 Corporate Plan

| Project                                                   | 2019-2020 Deliverables*                                                                                                                                                                                        | Final status | Comments                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Next Generation Sustainable Communities (Quayside)</b> |                                                                                                                                                                                                                |              |                                                                                                                                                                                                                                                                                                                                                                                      |
| Quayside                                                  | Evaluate Master Innovation and Development Plan (MIDP) through Evaluation Framework.                                                                                                                           | ●            | Achieved. The final evaluation of the MIDP was reported to IREQ on January 23, 2020.                                                                                                                                                                                                                                                                                                 |
|                                                           | Execute Public and Stakeholder Engagement strategy on MIDP, including with governments.                                                                                                                        | ●            | Achieved. Final public engagement session on the MIDP took place on February 29, 2020 along with completion of final report in Q1 2020-2021. The broader stakeholder engagement strategy was executed concurrently with the public engagement.                                                                                                                                       |
|                                                           | Prepare Business Implementation Plans (BIPs) as required for the MIDP and in support of municipal approval process. Prepare and Negotiate Principle Implementation Agreements (PIAs) as required for the MIDP. | ○            | In May 2020 Sidewalk Labs announced its withdrawal from the Quayside project; deliverables for the project as contemplated at the outset of the 2019-2020 fiscal year are no longer in play. Waterfront Toronto remains committed to the realization of a next-generation sustainable community at Quayside, and we are currently considering a revised approach to this initiative. |
|                                                           | Subject to approval of MIDP, initiate MIDP governance structure and PIAs as it relates to Real Estate, Infrastructure, Intellectual Property and Digital Governance.                                           | ○            |                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Strategic Initiatives and Other</b>                    |                                                                                                                                                                                                                |              |                                                                                                                                                                                                                                                                                                                                                                                      |
| Strategic Initiatives and Other                           | Resiliency Assessment: Undertaking study to assess future climate risks and ongoing stresses.                                                                                                                  | ●            | Deferred. The resiliency assessment study to evaluate future climate risks and ongoing stresses is deferred to fiscal year 2020/2021.                                                                                                                                                                                                                                                |
|                                                           | Build new corporate capabilities and competencies in fundraising and partnerships.                                                                                                                             | ●            | On going. Management is working with external advisors to implement the fundraising action plan provided to the Board on December 5, 2019. Information from the partnership playbook is contributing to this effort and is expected to contribute more as work progresses.                                                                                                           |
|                                                           | Provide ongoing core support for the Port Lands.                                                                                                                                                               | ●            | Achieved. Ongoing core support provided for the Port Lands project.                                                                                                                                                                                                                                                                                                                  |

- Achieved by March 31, 2020
- Not achieved by March 31, 2020/deferred to a future year
- \* Board-approved December 6, 2019 as per 2019-2020 Corporate Plan

| Project                                       | 2018-2019 Deliverables*                                                                                                                                                                                    | Final Status | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Port Lands</b>                             |                                                                                                                                                                                                            |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Cherry St. Stormwater and Lakefilling Project | Complete construction of new shoreline and aquatic habitat.                                                                                                                                                | ●            | Completed. The construction of new shoreline and aquatic habitat was completed as of November 2019.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                               | Complete lakefilling to create about five hectares of filled area around the current Essroc Quay.                                                                                                          | ●            | Completed. The lakefilling to create the 5-hectare fill North and South of Essroc Quay has been completed as of September 2019.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                               | Completing the above two items will mean total completion of the Cherry Street Stormwater and Lakefilling project.                                                                                         | ●            | The near-total completion of the Cherry Street Stormwater and Lakefilling project including deficiency repairs was completed by March 2020. There are minor deficiency repairs that have been delayed as a result of COVID-19.                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Complete Communities</b>                   |                                                                                                                                                                                                            |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Bayside Phase I                               | Complete construction of Phase 1 public realm for Bonnycastle Street.                                                                                                                                      | ●            | The construction of Bonnycastle Street is anticipated to be substantially complete by April 2020 along with the completion of Lakeshore Boulevard East pilot program by June 2020. The delay in completion of the deliverable is related to the Lakeshore Public realm that was not completed due to Waterfront Toronto awaiting Hydro's relocation of Sherbourne Common transformer into the Monde building.                                                                                                                                                                                                                                                      |
|                                               | Complete occupancy of the second residential building, Aquavista, a \$205 million building that includes 227 condominium units, 80 affordable rental units, and a City-run day care facility.              | ●            | Completed. The occupancy of Aquavista condominium units as well as the affordable rental units have been completed. The child care facility is located in Bayside Phase 2, Aquabella and is expected to begin construction in April 2021.                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Bayside Phase II                              | Complete construction and landscaping of Phase 2 local streets and public realm.                                                                                                                           | ●            | Construction of Bayside Phase 2 services and public realm is expected to be completed in summer 2020. This delay is related to the City withholding approval to construct on Queens Quay in order to accommodate work being undertaken by Enbridge on Queens Quay which Enbridge was unwilling to complete in coordination with the Bayside Phase 2 servicing work. Note that Bayside Phase 2 Private streets are scheduled to be complete in October 2020 coincident with the Aquabella building while the balance of the Bayside Phase 2 Water's Edge Promenade adjacent to Parliament Slip will be complete in 2023/2024 coincident with the Aqualuna building. |
|                                               | Close land transaction with Hines/Tridel for Blocks A1/A2 in Bayside to enable the construction of a \$320 million, 420,000 square foot residential condominium building with a City-run community centre. | ●            | Deferred. The anticipated timing of closing the land transaction for Blocks A1/A2 in Bayside has been deferred due to postponement (COVID-19) of City's Committee of Adjustment. Site developer prefers to have minor variance application approval by City Committee prior to closing and this is now delayed as City has not determined when Committee hearings will resume.                                                                                                                                                                                                                                                                                     |

| Project                                                                                                                                                              | 2018-2019 Deliverables*                                                                                                                                                                                                                                                                                                 | Final Status | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Broadview & Eastern Avenue Flood Protection                                                                                                                          | Complete phase 1 of environmental assessment process                                                                                                                                                                                                                                                                    | ●            | Completion of the environmental assessment process is contingent upon City Council approval which has been postponed to late 2020. The Class EA will be submitted for approvals after receiving the Council approval. The team continues to adjust the project to respond to changes in the direction for the TTC Subway Relief Line to the new Ontario Line. With continuing changes in adjacent project needs and private land owner interests, the anticipated approval for the Broadview & Eastern Avenue Flood Protection EA continues to be pushed back to December 31, 2020. |
| Queens Quay Bay to Spadina Revitalization                                                                                                                            | Transfer temporary overhead power connections to the new underground system and replace older hydro poles with Waterfront Toronto's signature light poles.                                                                                                                                                              | ●            | Anticipated completion by December 2020. Waterfront Toronto is awaiting Toronto Hydro's electrification process to complete at which point the process of transferring the lighting and signals to permanent power will be commenced.                                                                                                                                                                                                                                                                                                                                               |
| West Don Lands Phase II                                                                                                                                              | Achieve municipal approvals on Block 13, Canary Phase 5, a \$380 million, 550,000 square foot residential condominium building and Block 10, a \$200 million, 296,000 square foot mixed-use development with Anishnawbe Health Toronto which includes a community health centre, hotel and purpose-built market rental. | ●            | Deferred. Block 13 is on hold while working through design elements with IO/City. Site developer for this block is focusing on other sites (e.g. Blocks 8/20, and 3/4/7) within West Don Lands with aggressive delivery timelines.                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                         | ●            | Completed. Waterfront Toronto has executed Development Agreement with Anishnawbe and Dream/Kilmer/Tricon. The 2nd Site Plan application was submitted by Anishnawbe and Developer in February 2020.                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Public Places</b>                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                         |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Public Art                                                                                                                                                           | Complete public engagement, procurement, and design of "Destination" public art piece at Water's Edge Promenade in Bayside Phase 1.                                                                                                                                                                                     | ●            | The completion of first stage of procurement (issuing RFQ, shortlisting artists) is expected to be completed by June 2020 pending delays due to COVID-19, followed by second stage of procurement (RFP issued to shortlisted artist, site visits, concept development, finalist selection) anticipated completion by January 2021. The design and fabrication is scheduled to begin late 2021 followed by final implementation at the Water's Edge Promenade targeted for 2023-2024.                                                                                                |
| <b>Core Supporting Functions</b>                                                                                                                                     |                                                                                                                                                                                                                                                                                                                         |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Indirect Corporate Operating (core support staff, tools, technology, occupancy, insurance and audit fees to support project delivery teams and governance framework) | Complete office space reconfiguration to support staff head count and create additional collaborative spaces.                                                                                                                                                                                                           | ●            | Completed. The substantial completion of the reconfiguration of office space has been achieved by December 31, 2019.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                      | Develop new employee performance management framework.                                                                                                                                                                                                                                                                  | ●            | Deferred. The development of new employee performance management framework is deferred to 2020/2021.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                      | Implement enterprise content management strategy that includes retention and digitization principles for managing content throughout lifecycle.                                                                                                                                                                         | ●            | Completed. The Enterprise Content Management strategy has been substantially completed as of March 31, 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

## Appendix 2

### Reconciliation to audited financial statements

In accordance with Canadian public-sector accounting standards for government non-profit organizations, the total capital investments of \$221.2 million are reflected in the Corporation's March 31, 2020 audited financial statements as follows:

| Capital investments                               | \$ millions     |
|---------------------------------------------------|-----------------|
| <b>Statement of financial position/Note 6:</b>    | \$ 202.4        |
| Additions to/increase in Assets Under Development |                 |
| <b>Statement of changes in net assets/Note 6:</b> | 14.3            |
| Transfer of assets to Government                  |                 |
| <b>Statement of financial activities</b>          | 4.7             |
| Expenses                                          |                 |
| <b>Note 18: Trust under administration</b>        | 0.4             |
| Capital Investments—The Bentway                   |                 |
| <b>Note 4: Deposits and prepaid expenses</b>      | (0.6)           |
| Net change in prepaid expenses                    |                 |
| <b>Total capital investments (see page 64)</b>    | <b>\$ 221.2</b> |

Capital funding of \$270.1 million is reflected in the Corporation's March 31, 2020 audited financial statements as follows:

| Capital funding                            | \$ millions     |
|--------------------------------------------|-----------------|
| <b>Statement of financial activities</b>   |                 |
| Revenue                                    | \$ 266.8        |
| Net other operating income                 | 3.0             |
| Land sale proceeds and other income        | 0.3             |
| <b>Total capital funding (see page 66)</b> | <b>\$ 270.1</b> |

## Executive team

---

**George Zegarac**  
President and CEO

**Meg Davis**  
Chief Development Officer

**Chris Glaisek**  
Chief Planning and Design Officer

**David Kusturin**  
Chief Project Officer

**Lisa Taylor**  
Chief Financial Officer

**Leslie Gash**  
Senior Vice President, Development

**Julius Gombos**  
Senior Vice President, Project Delivery

**Kathleen Niccols**  
Senior Vice President, Corporate Strategy

**Rose Desrochers**  
Vice President, Human Resources  
and Administration

**Cameron MacKay**  
Vice President, Strategic  
Communications and Engagement

**Pina Mallozzi**  
Vice President, Design

**Kristina Verner**  
Vice President, Innovation,  
Sustainability, and Prosperity

**Ian Ness**  
Acting General Counsel

Join us online



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**Finance, Audit & Risk Management Committee – May 28, 2020**  
**Item 7 – Capital Approval**  
**York Street Park (Love Park) Design & Construction**  
**Pina Mallozzi**

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Purpose</b>                       | For Committee Approval                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Areas of note/<br/>Key issues</b> | <p>The purpose of this work is to complete the Environmental Remediation and Construction of York Street Park.</p> <p>York Street Park, located at the north-east corner of York Street and Queens Quay is the site of the former York, Bay, Yonge off-ramp and will be transformed into an approximately 8000m<sup>2</sup> new park. This project was subject of an international design competition that was completed in 2018, since then WT has advanced the detailed design which is now approaching 90% design. It is anticipated that construction will commence this fall for grand opening July 2022.</p> <p>York Street Park is a \$15.04 million project inclusive of Environmental Remediation and Park Construction, it is fully funded by the City of Toronto Parks Forestry and Recreation. The first portion (\$12.71million) of this funding has been secured via a Delivery Agreement with the City, the remaining \$2.33million is pending an amendment to this agreement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Resolution and Next Steps</b>     | <p>The Committee will be required to pass the following resolution:</p> <p><b>WHEREAS</b> the Corporation is the Project Delivery Agent for the York Street Park Design and Construction (the “Project”) on behalf of City of Toronto (the “City”);</p> <p><b>WHEREAS</b> the Project was approved as part of the 2020/21-2024/25 Rolling Five-Year Strategic Plan with a planned expenditure totaling \$12.71 Million;</p> <p><b>ON MOTION</b> duly made, seconded and carried, be it <b>RESOLVED</b> that the Finance, Audit and Risk Management Committee hereby approves, for recommendation to the Board of Directors, as follows:</p> <ul style="list-style-type: none"> <li>a) the proposed capital investment in the Project of \$15.04 Million, which represents an additional \$2.33 Million from that which was previously approved as part of the 2020/21-2024/25 Rolling Five-Year Strategic Plan <b>SUBJECT TO</b> execution of an amended Delivery Agreement with the City in form and substance satisfactory to Management; and</li> <li>b) Management’s recommendation that the Project be tendered using the General Contractor – Lump Sum Tender method due to cost certainty, overall cost and schedule compliance.</li> </ul> <p>Request for Prequalification for Construction are expected to be released following Finance and Risk Management Committee Approval. Construction will commence in Fall 2020.</p> |



# York Street Park (Love Park) Design + Construction

## Request for Capital Approval

Finance, Audit and Risk Management Committee

May 28, 2020

# Objectives of this Presentation

- To provide an update on the current status of the York Street Park Design and Construction (commonly referred to as Love Park).
- To obtain Capital Approval from the Finance, Audit and Risk Management Committee (the "Committee"), for recommendation to the Board of Directors, to proceed with the York Street Park – Construction Works. Subject to obtaining additional funding for environmental remediation costs.
- To obtain the Committee's approval with the method of tendering for the project.



# Project Summary

## Goals:

- Design and Construct 8,000 sq. m. Park
- Complete Construction and open Park by July 2022

## Background:

- The site is located at the north-east corner of York Street and Queens Quay on the site of the former York-Bay-Yonge Off Ramp that has been decommissioned.
- In 2018, Waterfront Toronto undertook an International Design Competition and a winning design for the site was announced in October 2018. Love Park, by Claude Cormier Associés in collaboration with gh3, was selected by the jury as the winning design.
- The Love Park design includes iconic elements such as a red Heart Shaped Pond and a Wisteria covered pergola.
- Most of the site was transferred from Transportation Services to Parks Forestry and Recreation in 2019. A Record of Site Condition for this portion of the property is currently being obtained by the City as required by Ministry of the Environment, Conservation and Parks.
- A portion of the site (190 sq.m.) is currently under private ownership and the City is in the process of acquiring the property.
- Environmental Risk Management Measures will be implemented throughout the site, regardless of former ownership.

# Project Summary

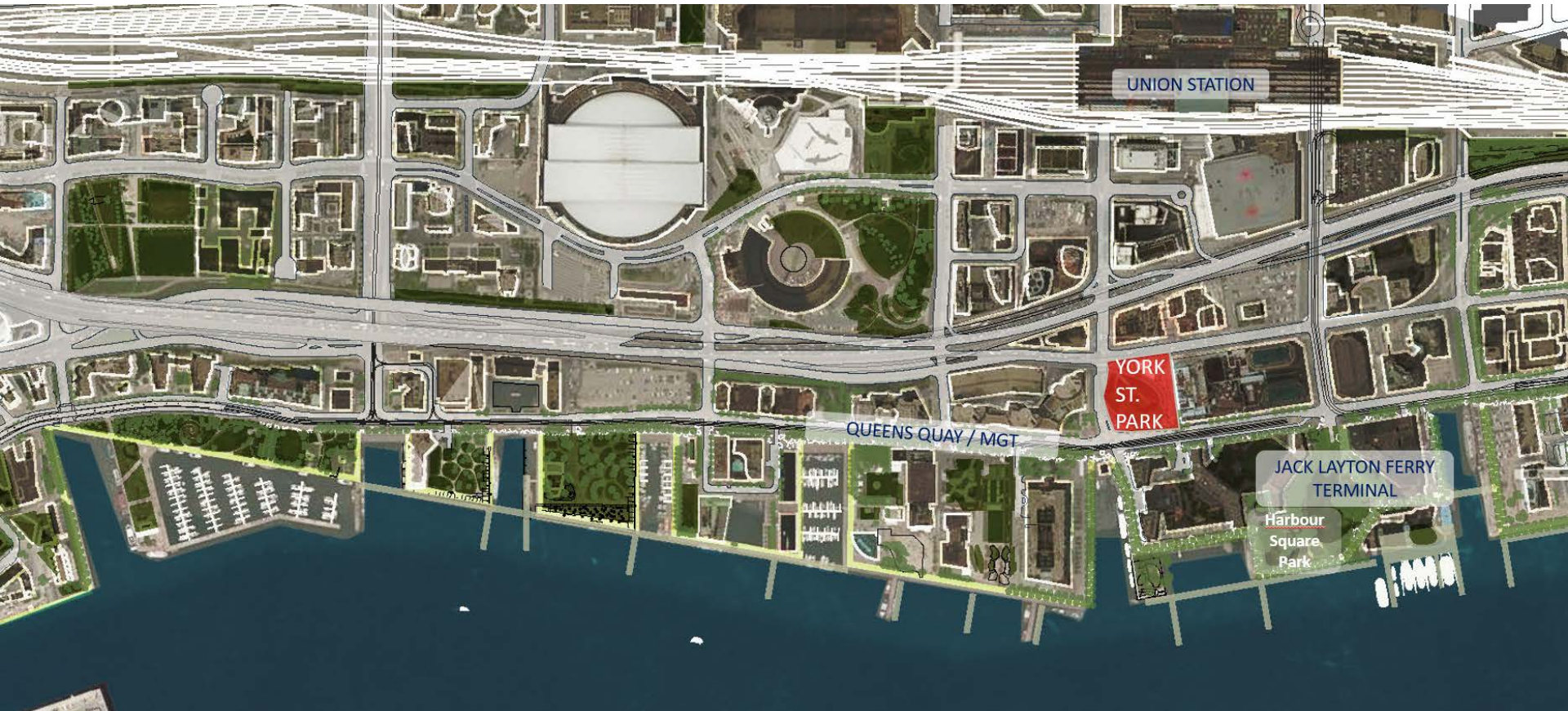
- This Project is included in the Board-approved 2020/21-2024/25 Rolling Five Year Strategic Plan totaling \$12.71 million. An additional \$2.33 Million is required to complete the increased environmental remediation scope requested by the City. It is funded by the City of Toronto, Parks Forestry and Recreation through a Delivery Agreement executed in September 2019. This Delivery Agreement is intended to be amended before construction start to include the additional funding for environmental remediation costs.

## Design and Construction Milestones:

|                           |               |
|---------------------------|---------------|
| 30% Design (complete)     | August 2019   |
| 60% Design (complete)     | February 2020 |
| Issue for Tender Drawings | July 2020     |
| Construction Start        | November 2020 |
| Construction Completion   | July 2022     |

- Request for Prequalification for construction using the Lump Sum Contracting Process will be released following FARM Approval.

# Project Summary: Site Location



# Project Summary: Existing Site



# Project Summary: 60% Design Plan

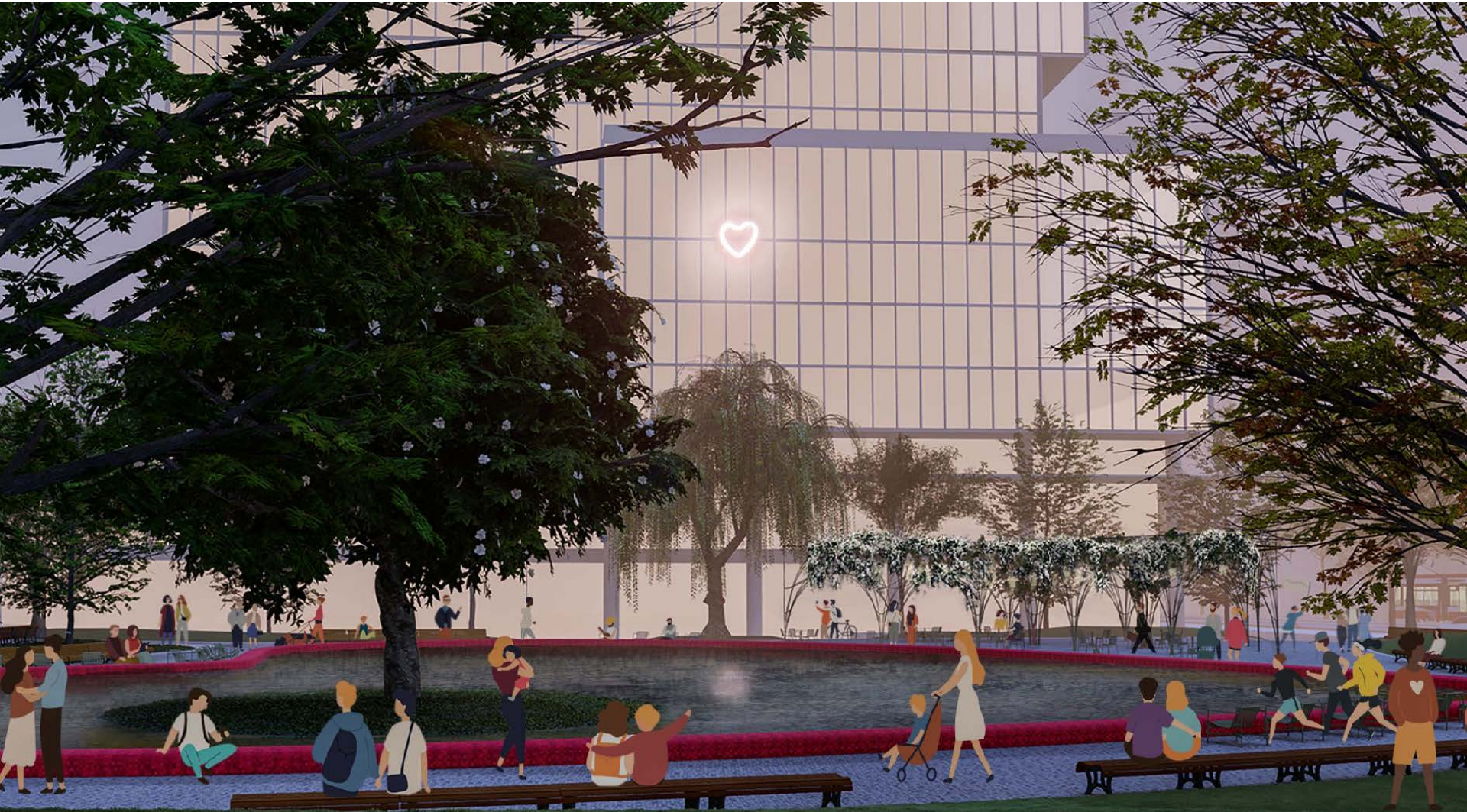


# Project Summary: Aerial View





# Project Summary



Looking east across the new pond to the Wisteria Pergola

# Project Summary



Love Park Pond from the south-west entrance

# Status

- The Design and Construction Delivery Agreement between Waterfront Toronto and the City of Toronto Parks Forestry and Recreation was executed in September 2019.
- 60% design for Love Park was completed in February 2020 and the 60% stage-gate cost estimating and design optimization have since been completed. 90% design is underway and expected to be submitted in July 2020.
- Per the Delivery Agreement, Waterfront Toronto is required to obtain key approvals from Parks, Forestry and Recreation that impact the design and construction including:
  - Design Review Panel Approval (Complete)
  - 30% Stage-gate (Complete)
  - PFR to Issue Release for Construction (On Track)
  - Change Order Approval (As Needed)

# Project Risks

| Risk Description                                                                                                                                                                                                                                                                    | Potential Impact                          | Mitigation Strategy                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Toronto Hydro Coordination</b><br/>Working with Toronto Hydro it is assumed that power to the park is to be supplied from existing infrastructure – if this is not feasible this could be a cost risk to the project.</p>                                                     | Schedule and Costs                        | Maintain a contingency for new a transformer and switchgear for power to the park.                                                                                                                  |
| <p><b>Environmental Funding</b><br/>Uncertainty related to amount of additional funding for Environmental Remediation.</p>                                                                                                                                                          | The funding may not cover the entire cost | Secure commitment from funder to ensure project budget is increased accordingly to cover costs.                                                                                                     |
| <p><b>Park Unique Features</b><br/>The Park’s pond features unique elements such as a nonchemical filtration system, that has been schematically reviewed by Toronto Public Health. The pond edge features glass mosaic tiles that are still pending Parks Department sign-off.</p> | Schedule and Costs                        | Procure mockups for tile and other elements as needed to obtain approval. Continue to review the design with Toronto Public Health to ensure compliance.                                            |
| <p><b>Geotechnical and Settlement Risk</b><br/>The Park contains a mechanical building and Pergola. The localized soil condition surrounding these elements could require additional excavation or adjustments to the foundation sizes.</p>                                         | Schedule and Costs                        | Design Team to ensure design is engineered per the geotechnical survey’s findings prior to issuing tender drawings for pricing.                                                                     |
| <p><b>Project Cost</b><br/>Tender bids exceed the approved government funding which is a fixed amount.</p>                                                                                                                                                                          | Costs                                     | The mitigation would be to maintain contingency for the construction phase and to obtain alternative pricing during tendering to provide options for making modifications to the scope post-tender. |
| <p><b>COVID-19</b><br/>Potential to disrupt material and labor supply chains.</p>                                                                                                                                                                                                   | Schedule and Costs                        | Monitor market conditions and select local materials to minimize logistical complexities.                                                                                                           |

# Project Risk Tolerance

- The Corporation’s Risk Appetite Statement establishes that its tolerance for risk is “moderate”
- This project is consistent with the Corporation’s level of risk tolerance at a low to moderate level. The project uses only proven technologies in related or unproven applications for example:
  - Mosaic tile for the pond edge is a proven solution for pools however is being implemented here at a large scale in a very high traffic public site
  - Surface treatments have previously been used in other Waterfront Toronto projects (i.e. granite, concrete with integrated aggregate and K9 turf for the dog area)
  - Risk management measures will exceed MECP minimum requirements for hard scape and soft scape conditions consistent with other Waterfront Toronto projects.
  - Water feature that uses non-chemical treatment in compliance with City of Toronto Public Health requirements

# Project Contracting Methods

Staff recommends that York Street Park be tendered using the General Contractor – Lump Sum Tender method due to cost certainty, overall cost and schedule compliance. Refer to the table below for a summary of the ranking of the contracting methods assessed.

| Contracting Option                     | Pre-Construction Services | Cost Certainty | Overall Cost | Schedule Adherence | Risk Transfer | Open Book | Weighted Total |
|----------------------------------------|---------------------------|----------------|--------------|--------------------|---------------|-----------|----------------|
| Importance                             | Low                       | High           | High         | High               | Medium        | Low       |                |
| <b>Lump Sum Tender</b>                 | 1                         | 4              | 4            | 4                  | 4             | 1         | 47             |
| <b>CM (Sequential Trade Tendering)</b> | 4                         | 1              | 1            | 2                  | 1             | 2         | 24             |
| <b>CM (Lump Sum Trade Tenders)</b>     | 2                         | 3              | 3            | 3                  | 3             | 3         | 19             |
| <b>CM (Negotiated GMP)</b>             | 3                         | 2              | 2            | 1                  | 2             | 4         | 30             |

## Legend

1 - Lowest Ranked  
4 - Highest Ranked

## Weighting

1 - Low  
2 - High  
3 - High

# Capital Approval

Capital Approval is required in order to complete York Street Park Design and Construction

- Waterfront Toronto's policies and procedures provide for Capital Approvals to be obtained:
  1. After design has reached at least 30% completion in accordance with standard industry practice
  2. When planned investments exceed \$5 Million
- Capital Approval is required as Design and Construction of the project is estimated to be \$15.04 Million, including both environmental remediation and landscape costs as illustrated on the following slide.

# Capital Budget & Sources of Funding



| Budget Allocation                                                 | Landscape Budget (\$ Millions) | Environmental Budget (\$ Millions) |
|-------------------------------------------------------------------|--------------------------------|------------------------------------|
| Hard Construction Costs                                           | \$ 8.36                        | \$1.59                             |
| Soft Costs (design, consulting, project management and approvals) | \$ 2.41                        | \$.38                              |
| Contingency (Construction and Soft Costs)                         | \$ 1.73                        | \$.33                              |
| Non-recoverable Harmonized Sales Tax                              | \$ .21                         | \$.04                              |
| <b>Total Estimated Capital Cost</b>                               | <b>\$ 12.71</b>                | <b>\$2.33</b>                      |

**\$15.04 Million Total**

| Sources                            | Landscape Funding (\$ Millions) | Environmental Funding (\$ Millions)* |
|------------------------------------|---------------------------------|--------------------------------------|
| City of Toronto Delivery Agreement | \$ 12.71                        | \$2.33*                              |
| <b>Total Sources of Funds</b>      | <b>\$ 12.71</b>                 | <b>\$ 2.33*</b>                      |

\*Pending amendment to the Delivery Agreement with Parks Forestry and Recreation. Amendment to the Delivery Agreement will be completed post tendering, based on the value from the winning bid.



# Management Recommendation



That the Committee recommend to the Board of Directors the proposed capital investment in the Project of \$15.04 Million, which represents an additional \$2.33 Million from that which was previously approved as part of the 2020/21-2024/25 Rolling Five-Year Strategic Plan, conditional on the execution of an amended Delivery Agreement with the City in form and substance satisfactory to Management; and

That the Committee approves, for recommendation to the Board of Directors, that the Project be tendered using the General Contractor – Lump Sum Tender method due to cost certainty, overall cost and schedule compliance.

**WHEREAS** the Corporation is the Project Delivery Agent for the York Street Park Design and Construction (the “Project”) on behalf of City of Toronto (the “City”);

**WHEREAS** the Project was approved as part of the 2020/21-2024/25 Rolling Five-Year Strategic Plan with planned expenditure totaling \$12.71 Million;

**ON MOTION** duly made, seconded and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee hereby approves, for recommendation to the Board of Directors, as follows:

- a) the proposed capital investment in the Project of \$15.04 Million, which represents an additional \$2.33 Million from that which was previously approved as part of the 2020/21-2024/25 Rolling Five-Year Strategic Plan **SUBJECT TO** execution of an amended Delivery Agreement with the City in form and substance satisfactory to Management; and
- b) Management’s recommendation that the Project be tendered using the General Contractor – Lump Sum Tender method due to cost certainty, overall cost and schedule compliance.

# Thank You

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**Finance Audit and Risk Management Committee - May 28, 2020**  
**Item 8 – Port Lands Flood Protection (PLFP) Update**  
**Report #7 of the Independent Capital Project Monitoring**  
**BTY Consulting Group Inc.**

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Purpose</b></p>                       | <p><b>For information:</b> to support Committee oversight of the Port Lands Flood Protection (PLFP) Capital Project on technical matters related to the budget, scope, and schedule.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p><b>Areas of note/<br/>Key issues</b></p> | <p>The Independent Capital Project Monitoring &amp; Assurance Services Report #7 (Q4 2019/20) Key findings:</p> <ul style="list-style-type: none"> <li>• Budget: <ul style="list-style-type: none"> <li>○ The Approved Budget is in the amount of \$1.185Bn. No revision to reported budgets until 90% Stage Gate.</li> <li>○ The Estimate at Completion includes limited post-60% Stage Gate revisions for NRHST and remains at \$1.185Bn.</li> <li>○ Contingency reduced and remains at the low-end of the expected range.</li> </ul> </li> <li>• Schedule: <ul style="list-style-type: none"> <li>○ The construction schedule update (period ending March 31, 2020) forecasts the PLFP Project works will be completed by the Substantial Completion Date. On-going monitoring recommended.</li> <li>○ The PLFP Schedule Management process implemented by WT is in line with industry standards.</li> </ul> </li> <li>• Scope: <ul style="list-style-type: none"> <li>○ No scope changes were formalised in the current reporting period. Next review at 90% Stage Gate.</li> </ul> </li> <li>• Risk: <ul style="list-style-type: none"> <li>○ Management approach to risk management regarding the cost of the project and the project schedule is consistent with industry practices.</li> <li>○ COVID-19 impact / risk review in progress by risk consultant, draft findings consistent with expectations.</li> </ul> </li> <li>• The general technical aspects presently known have been assessed against experience of large-scale, complex infrastructure projects, the processes are found to be robust and in accordance with standard practices.</li> <li>• The sample projects analyzed were generally consistent with the Project Artefacts.</li> </ul> |
| <p><b>Next Steps</b></p>                    | <p>BTY will prepare and provide Report #8 at the September 2020 FARM Committee meeting.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



**INDEPENDENT CAPITAL PROJECT MONITORING & ASSURANCE  
SERVICES CONSULTANT**

*WT Port Lands Flood Protection Project*

REPORT 7.0 (FOR PERIOD ENDING MARCH 31, 2020)

MAY 21, 2020

PREPARED FOR:

*Waterfront Toronto (FARM) Committee*

127 John Street, Toronto, ON MSV 2E2

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## Contents

|     |                                                  |    |
|-----|--------------------------------------------------|----|
| 1.0 | Independent CPMAS Consultants' Project Dashboard | 3  |
| 2.0 | Introduction & Methodology                       | 10 |
| 3.0 | Budget Management                                | 14 |
| 4.0 | Schedule Management                              | 19 |
| 5.0 | Scope Management                                 | 25 |
| 6.0 | Risk Management                                  | 29 |

| Prepared By                                        | Reviewed By                    | Date         |
|----------------------------------------------------|--------------------------------|--------------|
| Philip Pavitt<br>Joanne Henson<br>Paul Margerrison | Joanne Henson<br>Philip Pavitt | May 21, 2020 |



## 1.0 Independent CPMAS Consultants' Project Dashboard

### 1.1 Dashboard

| Site Visit                   | Details                                          | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Visit                | N/A                                              | Due to the COVID-19 pandemic, BTY did not undertake a physical site inspection for period ending March 31, 2020. Refer to Section 4.0 of this report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| WT PLFP Project Fundamentals | Details                                          | Independent CPMAS Consultant Comments & Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Objective:</b>            |                                                  | <p>Our Quarterly Report No.7 provides an assurance review for Q4 2019/20 (period January 1, 2020 to March 31, 2020). Based on discussion with the FARM Committee the following areas were identified for review in this report:</p> <ol style="list-style-type: none"> <li>1. Schedule: The Independent CPMAS understands that the project schedule is entirely developed and managed by the external Construction Manager, EllisDon. The Independent CPMAS is to establish whether the schedule is realistic and consistent with WT PMO reporting. This entailed a review of the raw data.</li> <li>2. Scope: In the FARM Committee Meeting on November 21, 2019 (reporting for quarter ending September 30, 2019) the Committee was advised that the Lake Ontario high water level recalibration;</li> <li>3. Risk Management: Impact of COVID-19.</li> </ol>                                                                                                                                                                                                                                                                                                                                                              |
| <b>Budget:</b>               | Approved Budget & Estimate At Completion ("EAC") | <ol style="list-style-type: none"> <li>i. Approved Budget: WT CPMO report the Approved Budget at \$1.185Bn per the 30% Stage Gate Estimate. Our expectation is that the Approved Budget will remain unchanged throughout the project. The next budget reforecast will be provided at the 90% Stage Gate only.</li> <li>ii. The 60% Stage Gate estimate was approved by the Executive Steering Committee on November 12, 2019 in the amount of \$1.185bn.</li> <li>iii. Whilst the project artefacts confirm that the EAC forecast remains at \$1.185Bn, individual project EAC values have been revised +/- against the approved 60% Stage Gate estimate. WT CPMO state that the EAC was modified to reflect the revised NRHST only.</li> <li>iv. A re-forecast EAC will be reviewed in our next report.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                          |
|                              | Cost Optimisation                                | We understand that no cost optimisation measures were adopted in the current reporting period. The next cost optimisation exercise will be completed in connection with the 90% Stage Gate Estimate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                              | Current Budget                                   | During the current quarter, WT CPMO are forecasting that five (5) projects will exceed their respective budgets by more than 10%; a further five (5) projects will exceed the budget by up to 10% of the estimate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                              | Contingency                                      | <ol style="list-style-type: none"> <li>i. For period ending March 31, 2020, the Contingency utilisation is reported by WT CPMO to be \$46.7M or 37.5%. The unallocated remaining Contingency (excluding escalation) is reported to be \$77.8M or 62.5% of the total Contingency. This is a change to the December 2019 Dashboard, which was \$81.4M. A breakdown has been provided.</li> <li>ii. The remaining Contingency This is equal to:                         <ul style="list-style-type: none"> <li>o 9.6% of the total Hard Cost Budget;</li> <li>o 4.9% of the total project cost-to-complete.</li> </ul> </li> <li>iii. The change to contingency quarter on quarter is a reduction of \$3.6M based on the latest project artefacts provided by the WT CPMO. We understand that this reflects the NRHST reforecast only, for the reasons stated in EAC.</li> <li>iv. The Contingency is at the low-end of the expected range. We understand that WT CPMO will utilise cost optimisation measures at the 90% Stage Gate., as required to balance the budget.</li> <li>v. No updated EAC forecast has been provided for period ending March 31, 2020 and further revision to Contingency may be pending.</li> </ol> |



*Independent CPMAS Consultants' Project Dashboard (continued)*

| WT PLFP Project Fundamentals | Details                                                 | Independent CPMAS Consultant Comments & Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Budget:</b>               | Contingency                                             | vi. Whilst the Dashboard (December 2019) stated remaining contingency to be \$81.4M, other project artefacts reviewed by BTY in January 2020 identified Contingency of \$90.1M to be unutilised. Therefore, BTY expected Contingency to increase in the current quarter to \$90.1M, as reported. We now understand that unutilised Contingency excluded known, pending commitments. Consequently the actual remaining Contingency reported in the Dashboard (January 2020) was \$77.8M.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                              | Procurement                                             | Procurement & Award: Master Procurement List (December 2019) is generally consistent with WT CPMO reporting of 'Commitments'.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|                              | Reporting on EAC & Budget                               | The project artefacts exclude an updated EAC forecast that reflects change orders, procurement results, risks, etc. that were committed during the Q4 2019/20. WT CPMO verbally advised that there are no significant EAC revisions in Q4 2019/20, and the delayed reforecast of the EAC is a technical issue. The EAC will be reviewed in our next report only.<br><br>We understand that the WT CPMO budget management process means that the next budget reforecast will be provided at the 90% Stage Gate. This is anticipated to be concluded in Q2 2020/21 (November 2020).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Schedule:</b>             | March 31, 2024 (Substantial Completion) Actual Progress | i. The project artefacts reported by WT CPMO and the Construction Manager state that the overall project will be completed by December 2023, three (3) months prior to the SC Date, and a low 'green' risk level is assigned.<br>ii. 14 of 23 projects are reported delayed in the project artefacts.<br>iii. WT CPMO and the CM are of the opinion that whilst activities within the schedule are delayed; the schedule includes significant float and opportunity for re-scheduling activities exists.<br>iv. BTY undertook a detailed review of the Construction Manager's updated Schedule #29 and found many delays individual projects are delayed, some by significant periods, which may impact the completion date. In our opinion, there are four (4) of the individual projects (#13, #17b, #20 & #21) that are significant because they are on the 'critical path' <b>and</b> are scheduled to be completed within 2-months of the target completion date of December 2023. These projects are currently delayed between 8-10 weeks. Despite the delays identified, these projects can be completed prior to the Substantial Completion Date of March 2024.<br>v. The schedule float (including float within the critical path) has been verified by BTY; and we concur that some opportunity for re-scheduling and delay mitigation is inherent to the schedule. In addition, the size and nature of the project includes many sub projects not directly related to each other. This allows the schedule to be sequenced as necessary to mitigate these delays to meet this completion date.<br>vi. On-going monitoring of the trends, and re-sequencing is recommended. |
|                              | Actual Progress                                         | Based on the project artefacts, the works on-site are progressing generally in accordance with the progress identified on the updated Schedule #29.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Program (Scope):</b>      | Project Charters                                        | There were no revisions issued to the Project Charters during quarter ending March 31, 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                              | Scope Adjustments                                       | i. We understand that no further budget led scope changes (cost optimisation) will be introduced until the 90% Stage Gate cost estimates are prepared.<br>ii. Change Order Log. To be reviewed next period with the reforecast EAC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                              | Other                                                   | As discussed by WT CPMO at the FARM Committee in November 2019, the TRCA has recommended that the 100-year lake levels be increased. WT CPMO have confirmed that this matter has been reported at all levels of oversight, and that                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |





|  |  |                                                                                           |
|--|--|-------------------------------------------------------------------------------------------|
|  |  | investigation of the impact to the PLFP project design, budget and schedule are on-going. |
|--|--|-------------------------------------------------------------------------------------------|

*Independent CPMAS Consultants' Project Dashboard (continued)*

| WT PLFP Project Fundamentals | Details             | Independent CPMAS Consultant Comments & Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk management:</b>      | Overall Risk Status | i. The Project Dashboard indicates a 'green' risk level, which means a low likelihood or mitigation/management is possible without impact to budget or schedule.<br>ii. The Risk Register is actively managed and the 'top ten' risks are identified in the project artefacts.<br>iii. Risk Impact: Currently, 6 of 23 Work Packages (projects) are identified by WT CPMO to have a medium likelihood of impact to budget and/or schedule due to the potential impact of a tracked risk.<br>iv. A risk management process has been adopted, which is actively managed and robust.                                                                                                               |
|                              | COVID-19            | i. WT CPMO have started a process with the external risk management consultant to identify the impact and risks to the project schedule and budget associated with the COVID-19 pandemic. This is a separate endeavor to the risk register, and a draft report was provided to BTY in May 2020.<br>ii. As this reporting period ends on March 31, 2020, which is only 2 weeks after the Province of Ontario declared a State of Emergency, the full impact of the pandemic will not be known until the end of the next quarter and beyond.<br>iii. The PLFP Project remains open and operational; and WT and EllisDon are following all necessary health and safety regulations and guidelines. |
|                              | Reporting on Risk   | We confirm that updated Schedule #29 indicates resequencing has been undertaken to mitigate the impacts of some of the risks in the risk register.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                              |                     | As an updated forecast of the EAC estimate was not provided this quarter, BTY were unable to verify that the updated risk register risks or reforecast impact of risks previously identified in the risk register are incorporated within the EAC.                                                                                                                                                                                                                                                                                                                                                                                                                                              |

**Independent CPMAS Consultants' Conclusion & Recommendations**

- **Best Practice Review:** The general technical aspects presently known have been assessed against experience of large-scale, complex infrastructure projects. The processes are found to be robust and in accordance with standard industry practices.

**Next Steps for the Independent CPMAS Consultant**

- Our next report will monitor and evaluate the technical aspects of the PLFP Project based on the Project Artefacts for the period Q1 2020/21, April 1, 2020 – June 30, 2020.



*Independent CPMAS Consultants' Project Dashboard (continued)*

**1.2 PLFP Project Status Summary (Budget-Schedule-Risk) per WT CPMO**

The following table indicates WT CPMO's assessment/comment of the risk status for budget-schedule-risk management based upon the likelihood of impact to the overall project budget / schedule, as follows:

| Project                                        | Project ID | WT CPMO Status Summary (source: Monthly Status Reports - Dec 2019) |          |        | WT CPMO Status Summary (source: Monthly Status Reports - Mar 2020) |          |        | BTY Comment                                                                              |
|------------------------------------------------|------------|--------------------------------------------------------------------|----------|--------|--------------------------------------------------------------------|----------|--------|------------------------------------------------------------------------------------------|
|                                                |            | Budget                                                             | Schedule | Risks  | Budget                                                             | Schedule | Risks  |                                                                                          |
| PFP03-01 Commissioners Str W to New Cherry St. | 15A        | Yellow                                                             | Red      | Yellow | Yellow                                                             | Red      | Yellow | Same as previous status rating                                                           |
| PFP03-02 Commissioners Str E to Saulter St.    | 15C        | Green                                                              | Red      | Yellow | Green                                                              | Red      | Yellow | Same as previous status rating                                                           |
| PFP03-03 Cherry Street Re-Alignment            | 14A        | Green                                                              | Green    | Yellow | Green                                                              | Yellow   | Green  | Schedule risk status upgraded to amber, no impact to completion; risk status downgraded. |
| PFP03-05 Don Roadway North                     | 7A         | Green                                                              | Green    | Yellow | Green                                                              | Green    | Yellow | Same as previous status rating                                                           |
| PFP03-06 Hydro One Integration                 | 18         | Green                                                              | Green    | Yellow | Green                                                              | Green    | Yellow | Same as previous status rating                                                           |
| PFP03-07 Site Wide Municipal Infrastructure    | 5          | Red                                                                | Green    | Yellow | Red                                                                | Green    | Yellow | Same as previous status rating                                                           |
| PFP04-01 Cherry Street North Bridge            | 14B        | Yellow                                                             | Red      | Green  | Yellow                                                             | Red      | Green  | Same as previous status rating                                                           |
| PFP04-02 Cherry Street South Bridge            | 14C        | Green                                                              | Yellow   | Green  | Yellow                                                             | Yellow   | Green  | Budget risk upgraded based on NRHST EAC re-forecast.                                     |
| PFP04-03 Commissioner Street Bridge            | 15B        | Yellow                                                             | Green    | Green  | Yellow                                                             | Green    | Green  | Same as previous status rating                                                           |
| PFP04-04 Lakeshore Road & Rail Bridge Mods.    | 13         | Green                                                              | Red      | Yellow | Green                                                              | Red      | Yellow | Same as previous status rating                                                           |
| PFP04-05 Old Cherry St Bridge Demo             | 14D        | Green                                                              | Green    | Green  | Green                                                              | Yellow   | Green  | Differs between Dashboard & PSR                                                          |
| PFP05-03 River Valley System                   | 3          | Yellow                                                             | Yellow   | Green  | Yellow                                                             | Green    | Green  | Schedule risk downgraded.                                                                |
| PFP05-04 Don Greenway & Spillway               | 4          | Green                                                              | Green    | Green  | Green                                                              | Green    | Green  | Same as previous status rating                                                           |
| PFP05-05 Keating Channel Modifications         | 16         | Green                                                              | Green    | Green  | Green                                                              | Green    | Green  | Same as previous status rating                                                           |
| PFP05-06 Polson Slip Naturalisation            | 2          | Green                                                              | Green    | Green  | Green                                                              | Green    | Green  | Same as previous status rating                                                           |
| PFP05-07 Don Roadway Valley Wall Feature       | 8          | Red                                                                | Green    | Green  | Red                                                                | Red      | Green  | 12.6% budget increase or \$2.8M & 6-month delay. No impact to completion.                |
| PFP05-08 Eastern Avenue Flood Protection       | 12         | Green                                                              | Green    | Green  | Green                                                              | Red      | Green  | Same as previous status rating                                                           |
| PFP05-10 Flow Control Weirs                    | 11         | Green                                                              | Green    | Green  | Green                                                              | Green    | Green  | Same as previous status rating                                                           |
| PFP05-11 Sediment & Debris Management Area     | 10         | Red                                                                | Red      | Green  | Red                                                                | Red      | Green  | Same as previous status rating                                                           |
| PFP05-12 Villiers Island Grading               | 19         | Green                                                              | Yellow   | Green  | Green                                                              | Yellow   | Green  | Same as previous status rating                                                           |
| PFP06-01 River Valley Park North               | 20         | Red                                                                | Yellow   | Green  | Red                                                                | Yellow   | Green  | Same as previous status rating                                                           |
| PFP06-02 River Valley Park South               | 21         | Red                                                                | Yellow   | Green  | Red                                                                | Red      | Green  | 32.1% budget increase or \$6.05M; 15-month delay, no impact to completion.               |
| PFP06-03 Promontory Park South                 | 17B        | Green                                                              | Yellow   | Green  | Green                                                              | Yellow   | Green  | Same as previous status rating                                                           |
| <b>WT CPMO Overall Project</b>                 |            | Green                                                              | Green    | Green  | Green                                                              | Green    | Green  | Same as previous status rating                                                           |

|                                                       |       |       |       |       |       |       |
|-------------------------------------------------------|-------|-------|-------|-------|-------|-------|
| <b>BTY Summary (based on WT CPMO 'Risk Criteria')</b> | Green | Green | Green | Green | Green | Green |
|-------------------------------------------------------|-------|-------|-------|-------|-------|-------|

| Budget                         | Schedule              | Risk Management                                                  |
|--------------------------------|-----------------------|------------------------------------------------------------------|
| +10% over Approved Budget      | Over 6-months behind  | High likelihood &/or impact to budget /schedule                  |
| Up to 10% over Approved Budget | Up to 6-months behind | Medium likelihood &/or impact to budget / schedule               |
| Within Approved Budget         | On Schedule           | Low likelihood &/or resolution without impact to budget/schedule |



*Independent CPMAS Consultants' Project Dashboard (continued)*

**1.3 Independent CPMAS Consultant Findings**

Based on the project artefacts received in Q4 2019, we concur with WT CPMO low risk status for the scope, cost and schedule. We note that our next review of the re-forecast 'estimate at completion' will be in Q1 2020/21 (period ending June 30, 2020).

We confirm that the process and methodology implemented by WT are robust and in accordance with industry best practice.



## INDEPENDENT CPMAS CONSULANT REPORT

# *WT Port Lands Flood Protection Project*

## APPENDICES

Appendix 1: Introduction & Methodology

Appendix 2: Budget Management Review

Appendix 3: Schedule Management Review

Appendix 4: Scope Management Review

Appendix 5: Risk Management Review



## APPENDIX 1

## 2.0 Introduction & Methodology

### 2.1 Instructions Received

BTY Consultancy Group Inc. (“BTY” or “Independent CPMAS Consultant”) has been retained to perform Independent Capital Project Monitoring and Assurance Services on the Port Lands Flood Protection (“PLFP”) project in support of the governance and oversight function of Waterfront Toronto (“WT”) Board of Directors and its Finance, Audit and Risk Management (“FARM”) Committee.

As per the terms of our engagement and the direction received from the FARM Committee on May 23, 2019, BTY is required to independently monitor, analyse and advise upon:

- The completeness and relevance of the monthly updated Project Artefacts;
- The robustness of the processes in-place to manage budget/costs, schedule, scope and risks;
- Verification of the status of the Project, in terms of the budget, schedule, scope and risks through construction delivery phase, on a sampling basis of 20% of the sub-projects of the PLFP Project compared to the available project reporting by WT CPMO and the CM; and
- Attend FARM Committee and provide any technical advisory related to the development and construction activities required by the Committee.

Please refer to our finalised Project Execution Plan dated August 16, 2019.

### 2.2 Report Reliance

This report has been prepared in accordance with the scope of work contained in the Professional Services Agreement (# 2150) between Toronto Waterfront Revitalization Corporation and BTY Consultancy Group Inc., dated August 27, 2018 and is subject to the terms of that Agreement. BTY, its Directors, staff or agents do not make any representation or warranty as to the factual accuracy of the information provided to us by Waterfront Toronto, third party consultants or agents, upon which this report is based. BTY will not be liable for the result of any information not received which, if produced, could have materially changed the opinions or conclusions stated in this report.

Any advice, opinions, or recommendations within this document should be read and relied upon only in the context of this report as a whole. The contents of this report do not provide legal, insurance or tax advice or opinion.

Opinions in this report are not an advocate for any party and if called upon to give oral or written testimony, it will be given on the same assumption.

### 2.3 Reporting Qualifications

This report has been prepared based on information provided to us by WT Capital Program Management Office (“WT CPMO”) up to the date of issue of this report. BTY Group does not accept accountability for the Project Artefacts (information) that has not been provided to us or is not available at the time of preparing this report.

BTY Group has reviewed the Project Artefacts provided to us by WT CPMO. We note that this Independent CPMAS Quarterly Report presents a snapshot of time review of the project fundamentals in a ‘live’ project environment. This means that ‘Project Artefacts’ provided may be draft, be inconsistent and/or subject to change due to timing of the reporting cycle.

BTY has not undertaken an independent evaluation of viability of PLFP Project budget-schedule-risk.

## *Introduction & Methodology (continued)*

### **2.4 Project Description**

The Port Lands Flood Protection and Enabling Infrastructure Project (“the Project” or “PLFP Project”) is a comprehensive plan for flood protecting southeastern portions of downtown Toronto including parts of the Port Lands, South Riverdale, Leslieville, south of Eastern Avenue and the First Gulf/Unilever development site, which are at risk of flooding under a provincially-defined Regulatory Storm event. As a result, these areas are within a provincially designated Special Policy Area and are effectively undevelopable and economically under-utilized until the flood risk is removed.

The PLFP Project comprises of 23 sub-projects, these projects fall into 4 categories of work: Roads and Services, Bridges and Structures, Flood Protection, and Public Realm.

Each sub-project of the PLFP Project is described within the Project Charters v.5 approved by the Executive Committee for the PLFP Project on April 29, 2019 and /or Project Charters v.6 approved in July 2019 (refer to the Table in Section 5.1 of this report).

### **2.5 Methodology & Approach**

This report is based upon Project Artefacts received from the WT Capital Program Management Office (“WT CPMO”) relevant to the period Q4 2019/20 (January 1, 2020 – March 31, 2020). We understand that all reporting presented to the FARM Committee for discussion is based on the same timeline.

BTY, in capacity of independent monitor, engaged with the WT CPMO Office, the WT Project Director, EllisDon site personnel but due to COVID-19 we did not undertake a physical site inspection. We instead relied on photographs of site progress provided to us by the project team.

In addition, we have reviewed and substantiated the data reported by WT CPMO Office and the Construction Manager related to budget/costs, schedule, scope and risk management in the Project Artefacts listed in Section 2.0 of this report.

Due to the World Health Organization declaring COVID-19 a pandemic on March 11, 2020 and the Government of Ontario’s subsequent Declaration of Emergency on March 17, 2020, we felt it prudent to focus part of our review this quarter on WTCPMO and EllisDon’s response to the crisis.

Our independent findings and recommendations related to the Project Artefacts are discussed in this report.

### **2.6 Project Artefacts Received**

The following Project Artefacts for reporting period ending March 31, 2020 (Q4 2019/20) were received from the WT CPMO and reviewed and analysed by the Independent CPMAS Consultant team, as follows:

- WT’s FLFP Project Monthly Status Reports (January, February and March 2020);
- PLFP Project Dashboard (January, February and March 2020);
- Ellis Don Monthly Progress Report for January, February and March 2020;
- Procurement documents including:
  - Master Procurement Log (‘PLFP\_WT\_Procurement log\_March 31 2020’);
  - CM’s Procurement Log (‘Ellisdon’s contract procurement log\_March 31 2020’);
- Schedules including:
  - Approved baseline schedule
  - PLFP Overall Schedule March 2020
  - Updated master schedule reference #29 dated 31<sup>st</sup> March 2020 by EllisDon
- Risk Register
- COVID-19 Question & Answers (dated May 6, 2020) & draft Risk Analysis (dated April 9, 2020)

## Introduction & Methodology (continued)

The following Project Artefacts were requested but not received during the current reporting period:

- Updated Project Charters (it is understood that none were issued).

The Project Artefacts are provided by WT CPMO; BTY cannot be held responsible any additional information, that had it been received, would have materially changed the opinions contained in this report.

### 2.7 Exclusions

The following are excluded from our review and reporting, except should any become a monitored risk with the potential to impact schedule, budget or scope:

- Regulatory approvals including permits, licences and approvals
- Public and Stakeholder Communications
- Indigenous Consultation
- Health & Safety
- Environmental matters
- Site Conditions
- Design review and compliance
- Status of construction period payments
- Disputes, claims or liens
- Changes in Law
- Warranties
- Maintenance plans

### 2.8 Next Steps

We expect our next report to be a monitoring report of the technical aspects of the PLFP Project being executed based on the Project Artefacts for the period January 1, 2020 – March 31, 2020. Our next report is due on September 3, 2020.

### 2.9 Further Information

Should the reader have any queries regarding the content of this report, please contact either of the following:

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## APPENDIX 2

## 3.0 Budget Management

### 3.1 Introduction and Approach to Project Monitoring & Assurance this Period

During Q4 2019/20 (period January 1, 2020 to March 31, 2020), we undertook a general review of the project artefacts related to budget to confirm the budget values reported.

A deep-dive review of the budgets was not undertaken, because there is no stage gate milestone occurring this reporting quarter; and based on the WT CPMO budget reporting process only the Approved Budget (“AP”), Estimate at Completion (“EAC”) and Commitments and Costs / % Complete are reported. Therefore, we anticipate that the budget reporting by WT CPMO will be unamended.

### 3.2 Current Budget – Estimate At Completion

#### 3.2.1 PROGRAM BUDGET REVIEW - POST-60% STAGE GATE ESTIMATE (ESTIMATE AT COMPLETION)

As reported during the last quarter, the budget at each stage gate (up to the 60% Stage Gate Estimate) by ‘cost category’ were summarized as follows:

| Budget                                    | Escalated Hard | Escalated Soft | Contingency | NRHST    | Total              |
|-------------------------------------------|----------------|----------------|-------------|----------|--------------------|
| Due Diligence                             | \$837.2 M      | \$167.8 M      | \$164.0 M   | \$16.0 M | <b>\$1,185.0 M</b> |
| 30% Stage Gate (Approved Budget)          | \$855.4 M      | \$184.6 M      | \$124.5 M   | \$20.5 M | <b>\$1,185.0 M</b> |
| 60% Estimate                              | \$874.2 M      | \$188.4 M      | \$102.0 M   | \$20.5 M | <b>\$1,185.0 M</b> |
| FINAL 60% Estimate after Approvals (EAC)* | \$889.3 M      | \$193.8 M      | \$81.4 M    | \$20.5 M | <b>\$1,185 M</b>   |
| Estimate at Completion (post-60% SG)      | \$889.7 M      | \$197 M        | \$78.5 M    | \$19.8 M | <b>\$1,185 M</b>   |

\*BTY understands that the above noted Final 60% Stage Gate was approved by the Executive Steering Committee on December 5, 2019.

#### 3.2.2 CURRENT BUDGET - ESTIMATE AT COMPLETION

Based on a comparison of the previous and current budget reporting, WT CPMO reporting shows the ‘Final 60% Cost Estimate by Segment’ (\$1.185Bn) or EAC has been revised in the current reporting period, as follows:

| Program Budget Allocation* | 60% Cost Estimate by Segment (December 2019) | 60% Cost Estimate by Segment (March 2020) | Difference      |
|----------------------------|----------------------------------------------|-------------------------------------------|-----------------|
| Roads & Services           | \$191.5M                                     | \$191.0M                                  | <b>\$(0.5M)</b> |
| Bridges & Structures       | \$188.1M                                     | \$186.0M                                  | <b>\$(2.1M)</b> |
| Flood Protection Features  | \$697.3M                                     | \$694.3M                                  | <b>\$(3.0M)</b> |
| Parks & Public Realm       | \$108.1M                                     | \$113.7M                                  | \$5.6M          |
| <b>Total</b>               | <b>\$1.185Bn</b>                             | <b>\$1.185Bn</b>                          | <b>\$0</b>      |

BTY note that the total of the Approved Budget and EAC (the 60% Stage Gate is the estimate at completion), are unchanged at \$1.185bn. However the budgets have been redistributed. Within the project artefacts, WT CPMO state that the EAC was modified slightly for each project, to reflect their adjusted NRHST estimate at completion. WT state that the program budget allocation is unchanged otherwise. Based on the project artefacts provided, this was unable to be substantiated by BTY. A review will be undertaken next quarter.

## *Budget Management (continued)*

### **3.2.1 INCLUSION OF CHANGE ORDERS / COMMITTED COSTS (AT STAGE GATE)**

A procurement log inclusive of the contract award and change orders have been provided; however, these could not be verified against the current 'estimate at completion' (EAC) because a current EAC forecast has not been supplied for Q4 2019/20.

The WT CPMO office has verbally advised that there are no significant cost impacts, and that there are \$7.4M of change orders this reporting quarter that are included in the forecast EAC (not provided).

The 'estimate at completion' that the project artefacts are reporting upon is the 60% Stage Gate (adjusted for reforecast NRHST only). This means that the real-time impact of any change orders, risks, claims and/or procurement results will not be identified until next quarter (June 30, 2020).

### **3.2.2 TOTAL COMMITMENTS**

The 'Total Commitments' indicated in the monthly status report, less NRHST, corresponds with the Master Procurement Log 'Total Contract Amount'. Costs incurred are unverified.

### **3.2.3 PROCUREMENT LOG**

Procurement results compared to the 60% Stage Gate is not identifiable in the project artefacts. The awarded contracts are forecast against the Approved Budget (30% Stage Gate). BTY request that a forecast against the 60% Stage Gate is provided next quarter.

### **3.2.4 BUDGET MITIGATION MEASURES (COST OPTIMIZATION)**

Nothing to report this period because no stage gate has been reached.

### **3.2.5 SCOPE**

As previously reported; the 60% Stage Gate budget includes the following allowances:

- Project ID #12 (Eastern Avenue Flood Protection) is an allowance, not a cost estimate based on the 60% design development. This project has a total EAC of \$1.85M at the 60% SG 'EAC' inclusive of hard, soft and contingency costs.
- Project ID #9 (Eastern Harbour Flood Protection) is an allowance of \$250,000 included in the EAC at 60% Stage gate.

After discussion with WT CPMO we understand that the design for Project ID's #9 and #12 will be defined at 90% Stage Gate and the current budget (contingency and soft costs) will be reallocated for any construction or omitted. This will be monitored.

### **3.2.6 PLFP PROJECT SAMPLE REVIEW AT STAGE GATE**

Nothing to report until 90% Stage Gate.

### **3.2.7 CONCLUSION: PROGRAM BUDGET REVIEW - POST-60% STAGE GATE (ESTIMATE AT COMPLETION)**

The Approved Budget and Estimate at Completion (adjusted 60% Stage Gate), per the project artefacts provided in Q4 2019/20 remain is \$1,185,000. Whilst the 60% Stage Gate was approved by the Executive Steering Committee on December 5, 2019, WT CPMO have reported a redistribution of the EAC by project based on a reforecast of the re-assessed NRHST costs.

The updated EAC forecast for Q4 2019/20 is pending; and will be reviewed by the Independent CPMAS consultant in our next report.

## *Budget Management (continued)*

### **3.3 Contingency**

#### **3.3.1 CONTINGENCY PROCESS**

Contingencies included within the PLFP project can be transparently identified within the Project Artefacts. The contingency is split into three tranches:

- I. Hard Cost Contingency (construction)
- II. Soft Cost Contingency (design and engineering phase or development cost related), and
- III. Program Contingency.

Our references to Contingency are inclusive of all contingency funds, unless stated.

#### **3.3.2 CONTINGENCY STATUS**

Previously, based on the preliminary project artefacts for January 2020 provided to BTY in Q3 2019/20, the remaining Contingency was \$90.1M. However, in this quarter, the Dashboard (January 2020) has been reduced to \$77.8M or 62.5% of the total Contingency. This was due to pending Soft Costs change orders that are accounted for in the EAC, which have been withdrawn from the Contingency.

The WT CPMO Dashboard for March 2020 identifies that \$46.7M of the \$124.5M Contingency is currently committed, with a remaining balance of \$77.8M. BTY have reviewed the reconciliation / breakdown of the Contingency utilisation.

The remaining Contingency is equal to:

- 9.6% of the total Hard Cost Budget;
- 4.9% of the total project cost-to-complete.

The utilisation of Contingency to reflect changes due to current commitments has not been provided (no reforecast EAC), and therefore will be reviewed next quarter.

#### **3.3.3 CONCLUSION**

Overall, the remaining balance of Contingency at 60% Stage Gate estimate would be considered to be at the low-end of the range at 4.9% of the 'Estimate at Completion'.

WT CPMO will utilise cost optimisation measures and deferral of scope at the 90% Stage Gate, as measures to increase Contingency and/or balance the reforecast EAC.

### **3.4 Independent CPMAS Review (Project Sampling)**

BTY reviewed all projects with a medium or high status for budget.

### Budget Management (continued)

#### 3.5 Verification of Medium & High Budget Risk Projects – Post 60% SG

The following table indicates WT CPMO’s assessment/comment of the risk status for budget-schedule-risk management based upon the likelihood of impact to the overall project budget / schedule, as follows:

| Project by Category (Project Sampling)           | Project ID | WT: Status & Risk by Project |                      |     |                |                 | BTY Comments                              |
|--------------------------------------------------|------------|------------------------------|----------------------|-----|----------------|-----------------|-------------------------------------------|
|                                                  |            | EAC Rating                   | Commitments % of EAC | WIP | Project Contin | Program Contin. |                                           |
| <b>Roads &amp; Services</b>                      |            |                              |                      |     |                |                 |                                           |
| PFP03-07 Site Wide Municipal Infrastructure      | 5          | ✓                            | \$23.2M / 22%        | 8%  | 18%            | 2%              | EAC in-line with 60% SG + NRHST           |
| PFP03-01 Commissioners St. West to New Cherry St | 15A        | ✓                            | \$8.8M / 31%         | 15% | 95%            | 2%              | EAC in-line with 60% SG + NRHST           |
| <b>Flood Protection</b>                          |            |                              |                      |     |                |                 |                                           |
| PFP05-03 River Valley System                     | 3/4        | ✓                            | \$364.3M / 73%       | 24% | 38%            | 2%              | EAC in-line with 60% SG + NRHST           |
| PFP05-11 Sediment and Debris Management Area     | 10         | ✓                            | \$25.9M / 28%        | 9%  | 100%           | 68%             | EAC in-line with 60% SG + NRHST           |
| PFP05-07 Don Roadway Valley Wall Feature         | 8          | ✓                            | \$10.1M / 41%        | 15% | 32%            | 0%              | EAC in-line with 60% SG + NRHST           |
| <b>Parks &amp; Public Realm</b>                  |            |                              |                      |     |                |                 |                                           |
| PFP06-02 River Park South                        | 21         | ✓                            | \$12.3M / 50%        | 12% | 48%            | 2%              | EAC in-line with 60% SG + NRHST           |
| PFP06-01 River Valley Park North                 | 20         | ✓                            | \$10.8M / 28%        | 8%  | 24%            | 0%              | EAC in-line with 60% SG + NRHST           |
| <b>Bridges &amp; Structures</b>                  |            |                              |                      |     |                |                 |                                           |
| PFP04-01 Cherry Street North Bridge              | 14B        | ✓                            | \$34.4M / 82%        | 37% | 66%            | 2%              | EAC in-line with 60% SG + NRHST           |
| PFP04-02 Cherry Street South Bridge              | 14C        | ✓                            | \$37.8M / 96%        | 27% | 66%            | 2%              | EAC in-line with 60% SG + NRHST           |
| PFP04-03 Commissioner Street Bridge              | 15B        | ✓                            | \$41.7M / 79%        | 24% | 63%            | 2%              | EAC in-line with 60% SG + NRHST           |
| <b>BTY Review</b>                                |            |                              |                      |     | *              | *               | Reporting confirmed by Project Artefacts. |

Notes: No highlight means unverified.

\* % indicates the amount of contingency utilised. This is not verified. No substantiation provided with the project artefacts of the utilisation or remaining Contingency balance.

| Budget                         |
|--------------------------------|
| +10% over Approved Budget      |
| Up to 10% over Approved Budget |
| Within Approved Budget         |

#### 3.1 Independent CPMAS Findings

The overall ‘Estimate at Completion’ is consistent with the Approved Budget at \$1.185Bn.



## APPENDIX 3

## 4.0 Schedule Management

### 4.1 Introduction and Methodology

During the current reporting period, BTY undertook a detailed review of the updated master schedule reference #29 submitted by Ellis Don at the end of March 2020 and dated 31st March 2020. This included a review of the raw schedule data. The documents considered in this review are as follows:

- Updated master schedule reference #29 dated 31st March 2020 (in .xer format);
- Approved baseline schedule dated 4th March 2019;
- ED Monthly Report #21 (January 2020), #22 (February 2020), and #23 (March 2020);
- WT PLFP Dashboard reports for January, February and March 2020.

The objective of our schedule review was to substantiate the reporting by WT CPMO and the Construction Manager, confirm the completeness of the reporting and robustness of the process.

### 4.2 Baseline Schedule v Updated Schedule (#29)

The following are milestones that we shall monitor between the agreed Baseline Schedule and updated Schedule #29 (March 2020):

| Description               | Baseline Schedule | Updated Schedule (March 2020) | WT Risk Status |
|---------------------------|-------------------|-------------------------------|----------------|
| Design & Engineering:     |                   |                               |                |
| Roads & Services          | June 30, 2021     | August 6, 2020                | Yellow         |
| Bridges & Structures**    | January 16, 2020  | November 26, 2020             | Red            |
| Rivers & Flood Protection | January 6, 2021   | November 4, 2021              | Yellow         |
| Public Realm (Parks)      | July 2, 2020      | February 1, 2021              | Yellow         |
| Permits & Approvals:      | May 16, 2022      | October 25, 2022              | Yellow         |
| Property Acquisition:     | January 4, 2021   | January 29, 2021              | Green          |
| Construction:             |                   |                               |                |
| Roads & Services          | December 27, 2023 | October 27, 2023              | Green          |
| Bridges & Structures      | March 24, 2023    | November 23, 2023             | Red            |
| Rivers & Flood Protection | December 27, 2023 | December 27, 2023             | Green          |
| Public Realm (Parks)**    | October 13, 2023  | December 27, 2023             | Yellow         |
| Substantial Performance   | December 28, 2023 | December 27, 2023             | Green          |
| Substantial Completion*   | March 31, 2024    | December 28, 2023             | Green          |

Notes: \*WT CPMO Milestone. \*\* There are revisions to the Baseline Dates shown in ED's Schedule Updated #23, which differs from the Approved Baseline Schedule Rev.00 dated April 15, 2019. Corrections to these dates were made in this report for Bridges & Structures – Design Engineering Date shown as November 21, 2019 and Public Realm – Construction Date shown as November 21, 2023.

Despite the overall project status being reported on-schedule in the Dashboard (March 2020), we note that the broader PLFP Project 'project artefacts' identify 14 of 23 projects are currently behind schedule compared to 12 projects in the previous quarter. Overall, WT CPMO are reporting that the Substantial Completion Date of March 2024 to be unaffected.

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## *Schedule Management (continued)*

### 4.2.1 CRITICAL PATH

As part of this analysis, it is evident that there are several critical paths in the updated schedule #29. This is confirmed by the fact that several critical path activities occur at the same time. This is further confirmed by the flow diagram on page 10 of the monthly report #23. This diagram indicates around 5 “primary” critical paths. Ellis Don indicate two types of critical activity. These are noted as follows:

- Primary critical activities with total float less than 20 working days (4 weeks)
- Secondary critical path with total float between 20 & 40 working days (4 to 8 weeks).

This provides the reason for total float appearing on some critical path activities. While it is acknowledged that the start of some activities can be critical, they should not have float. The very essence of a critical path is that there is no total float. However, it is BTY’s understanding that the use of a “near critical” path in lieu of a true critical path allows the management team to focus on activities that are, or may soon impact the project end date.

The majority of the critical path activities within the schedule occur during construction phase of the project. Since there are multiple critical paths evident; these paths have been summarised within the following projects:

- Rivers, earthworks & flood protection: #2, #3, #8 & #10.
- Bridges & structures: #13 & #15b.
- Roads & Services: #5, #7a, #14a & #15a.

The approved baseline schedule includes a period of time between the ‘substantial completion date’ and the final completion date of 21<sup>st</sup> November 2025. The updated schedule #29 does not include this period or reference to the final completion date. It is understood that this period is primarily a warranty period and is not being considered in the updated schedule so that all focus can be maintained on achieving the substantial completion date. This is a reasonable approach.

### 4.2.2 WORK BREAKDOWN STRUCTURE (WBS)

The WBS organization for this project appears reasonable and is generally in-line with how the project will likely be constructed. It is noted however that there are some WBS sections within the updated schedule #29 which have no activities assigned to them and remain blank.

### 4.2.3 RISK MANAGEMENT

Risks with a potential impact on the PLFP Project are monitored in the Risk Register. In addition, the updated schedule #29 indicates resequencing has been necessary to mitigate the impacts of some of these risks. This is further confirmed in the monthly report #23.

In order to meet substantial performance completion of Dec 2023, Canoe Cove excavation and finishes design has been advanced to October 2020 (compared to May 2021). ED have assumed a maximum eight months of settlement period within Promontory Park South which needs to be confirmed by consultant. ED will start excavation of the Canoe Cove in December 2020 and using the segregated soil from this area to fill for Promontory Park South in April 2021. This risk will continue to be tracked.

### 4.2.4 CONCLUSION

BTY confirms that the schedule management process in place appears appropriate and in accordance with industry practices.



### *Schedule Management (continued)*

Both the Ellis Don Monthly Progress Report #23 (March 2020) and WT PLFP Dashboard (March 2020) provide a status update of the schedule, including the risks, challenges and mitigation required to ensure that the December 2023 'substantial completion date' would still be met.

However, it is BTY's opinion that there are delays evident in critical path activities, and there is a potential for the targeted completion date of December 2023 to be delayed between 8 & 10 weeks but still within the contractual substantial completion date of March 2024.

Please note that the issues identified in Ellis Don's Monthly Report #23 do not readily correlate to the Project format (sub-projects), which is the format of WT CPMO Monthly Status and Dashboard Reports

#### **4.3 Project Artefacts Review**

##### **4.3.1 PROGRAM SCHEDULE STATUS (PROJECT DASHBOARD FOR DECEMBER 31, 2019)**

As indicated in the table in 4.2.1 of this report, the current Project Dashboard is reporting 16 / 23 project works to be delayed and have assigned an amber (up to 6-months delay) or red (more than 6-months) risk status.

- Amber Risk means 0-6-months behind schedule. 7 of 23 projects currently have delays of up to 6-months, including project ref: #4, #8, #11, #14a, #14d, 17b & 19
- Red Risk means +6 months behind schedule. 9 of 23 projects currently have delays greater than 6-months, including project ref: #10, #12, #13, #14b, #14c, #15a, #15c, #20 & #21.

##### **4.3.2 SCHEDULE STATUS (ELLISDON MONTHLY REPORT FOR DECEMBER 31, 2019)**

We note that the Construction Manager has reported a requirement for re-sequencing the works in order to maintain the forecast Substantial Performance completion date of December 2023. This resequencing is in mitigation to potential risks observed across several projects in the schedule.

- There is a shortage of reuse soil for backfill and surcharge on the new Cherry Street alignment and Commissioners Street requiring a resequencing of the fill and surcharge.
- The problems associated with temporary utility relocation are impacting several projects including works along Commissioners Street. To mitigate this risk, the cut off wall construction, North plug removal and Valley Wall Feature construction are being re-sequenced including more detailed scheduling of the bridge foundations.
- There is a risk identified that tenants will not vacate their areas when their lease expires which requires a resequencing of ground consolidation, utility and road works.
- The design and construction timeframe as well as the surcharging period of 1 year may potentially increase the risk of completing the works to Promontory Park South by the December 2023 substantial completion date. To mitigate this risk, the design of the excavation, rough grading and island finishes are being brought forward to fall 2020 and the surcharge period will be reduced to 8 months.
- The schedule for the installation of the Cut off wall is seen as a concern sufficient to warrant close monitoring. The intent is to maintain the maximum number of drilling teams during the works then commencing dewatering earlier than planned in order to overlap excavation with cut-off installation.
- Permanent relocation of Hydro underground line from Lake Shore to Commissioners Street may not start until 2021 due to constrained access to Lake Shore by City of Toronto. This will affect the construction of the Valley Wall Feature and North plug removal which would not start until the release of the constraint. Re-sequencing of the North Plug removal, Valley Wall Feature construction, Commissioners Street East construction and the DVWF & Don Roadway construction will be carried out to mitigate the risk.

### Schedule Management (continued)

- The permanent relocation of the Hydro overhead line along Cherry Street may not be completed by spring 2021 due to the requirements for the future Polson Street alignment to be completed by this date. This will impact the installation of the Cherry Street Bridge South and the opening of New Cherry Street alignment in November 2021. This potential risk is being mitigated by bringing forward the design of the Future Polson Street and permanent utilities design.
- Design and fabrication of the Commissioners Street bridge is critical to meet the shipping date of December 2020 before the seaway winter closure between December 2020 and March 2021. Any delays in this process will delay the delivery of the bridge section until April 2021 and will subsequently impact the opening of the new realignment of Commissioners Street and the excavation of the river. To ensure the date is met, there will be closer monitoring of the fabrication process as well as resequencing the excavation to allow early finishes.
- The issue of the demolition permit for TNT building and its subsequent demolition could delay the completion of Cherry Bridge South caissons. To mitigate this risk, the caisson which interferes with the TNT building will be relocated.

#### 4.4 Actual Progress v Updated Schedule (March 2020)

BTY did not inspect the site in this period due to the COVID-19 pandemic. Based on the Updated Schedule #29, Project Artefacts and photographs provided of the site progress, we note that actual progress is consistent with updated Schedule #29.

#### 4.5 Independent CPMAS Review (Project Sampling)

BTY undertook a detailed review of the update Schedule #29 including all of the individual projects within the PLFP Project, in order to verify WT CPMO reporting this period that the project is on schedule.

| Project                                        | Project ID | WT CPMO Status Summary (source: Monthly Status Reports - March 2020) | BTY Comment                                                |
|------------------------------------------------|------------|----------------------------------------------------------------------|------------------------------------------------------------|
|                                                |            | Schedule                                                             |                                                            |
| PFP03-01 Commissioners Str W to New Cherry St. | 15a        |                                                                      | 38 weeks delay but does not impact overall completion.     |
| PFP03-02 Commissioners Str E to Saulter St.    | 15c        |                                                                      | 45 weeks delay but does not impact overall completion.     |
| PFP03-03 Cherry Street Re-Alignment            | 14a        |                                                                      | 6 weeks delay but does not impact overall completion.      |
| PFP03-05 Don Roadway North                     | 7a         |                                                                      | On schedule.                                               |
| PFP03-06 Hydro One Integration                 | 18         |                                                                      | 3 weeks advance.                                           |
| PFP03-07 Site Wide Municipal Infrastructure    | 5          |                                                                      | 1-week advance.                                            |
| PFP04-01 Cherry Street North Bridge            | 14b        |                                                                      | 54 weeks delay but does not impact overall completion.     |
| PFP04-02 Cherry Street South Bridge            | 14c        |                                                                      | 14 weeks delay which may impact overall target completion. |
| PFP04-03 Commissioner Street Bridge            | 15b        |                                                                      | On schedule.                                               |
| PFP04-04 Lakeshore Road & Rail Bridge Mods.    | 13         |                                                                      | 34 weeks delay which may impact overall target completion. |
| PFP04-05 Old Cherry St Bridge Demo.            | 14d        |                                                                      | 6 weeks delay but does not impact overall completion.      |
| PFP05-03 River Valley System                   | 3          |                                                                      | 10 weeks advance (note changed to green risk).             |
| PFP05-04 Don Greenway & Spillway               | 4          |                                                                      | 20 weeks delay which may impact overall target completion. |
| PFP05-05 Keating Channel Modifications         | 16         |                                                                      | 72 weeks advance. Ahead of schedule.                       |

*Schedule Management (continued)*

| Project                                               | Project ID | WT CPMO Status Summary (source: Monthly Status Reports - March 2020) | BTY Comment                                                                                                                                                                                                                                   |
|-------------------------------------------------------|------------|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PFP05-06 Polson Slip Naturalisation                   | 2          |                                                                      | 44 weeks advance.                                                                                                                                                                                                                             |
| PFP05-07 Don Roadway Valley Wall Feature              | 8          |                                                                      | 26 weeks delay but does not impact overall completion.                                                                                                                                                                                        |
| PFP05-08 Eastern Avenue Flood Protection              | 12         |                                                                      | 29 weeks delay but does not impact completion.                                                                                                                                                                                                |
| PFP05-10 Flow Control Weirs                           | 11         |                                                                      | 19 weeks delay but does not impact completion.                                                                                                                                                                                                |
| PFP05-11 Sediment & Debris Management Area            | 10         |                                                                      | 37 weeks delay which may impact overall target completion.                                                                                                                                                                                    |
| PFP05-12 Villiers Island Grading                      | 19         |                                                                      | 11 weeks delay but does not impact overall completion.                                                                                                                                                                                        |
| PFP06-01 River Valley Park North                      | 20         |                                                                      | 28 weeks delay which may impact overall target completion.                                                                                                                                                                                    |
| PFP06-02 River Valley Park South                      | 21         |                                                                      | 63 weeks delay which may impact overall target completion.                                                                                                                                                                                    |
| PFP06-03 Promontory Park South                        | 17b        |                                                                      | 10 weeks delay which may impact overall target completion.                                                                                                                                                                                    |
| <b>WT CPMO Overall Project</b>                        |            |                                                                      |                                                                                                                                                                                                                                               |
| <b>BTY Summary (based on WT CPMO 'Risk Criteria')</b> |            |                                                                      | Per March 2020 Dashboard. There are several of these projects which are in delay and may impact overall target completion in December 2023. However, it is noted that this is still in advance of the March 2024 substantial completion date. |

BTY undertook a detailed review of the Construction Manager’s updated Schedule #29 and found many individual projects are delayed, some by significant periods, which may impact the completion date. In our opinion, there are four (4) of the individual projects (#13, #17b, #20 & #21) that are significant because they are on the ‘critical path’ and are scheduled to be completed within 2-months of the target completion date of December 2023. These projects are currently delayed between 8-10 weeks. Despite the delays identified, these projects can be completed prior to the Substantial Completion Date of March 2024.

In addition, the schedule float (including float within the critical path) has been verified by BTY; and we concur that some opportunity for re-scheduling and delay mitigation is inherent to the schedule. Further, the size and nature of the project includes many sub projects not directly related to each other. This allows the schedule to be sequenced as necessary to mitigate these delays to meet this completion date.

**4.6 Conclusion - Independent CPMAS Consultant Findings – Schedule Analysis**

Typical to a large-scale, complex project, there are a number of challenges documented in the Project Artefacts. As noted above, there has been significant resequencing of the works on several projects within the schedule update #29 to ensure the December 2023 substantial completion date is met. This is recorded in the schedule update. Within the reporting period however, it is evident that further delays have been experienced in both design and construction which raises some concerns. There is a potential that these delays may result in activities continuing beyond the December 2023 target date. Based on our review, these delays will not impact on the contractual substantial completion date of March 2024 and it is our opinion that processes are in-place to monitor and manage schedule risk. Through the mitigation efforts imposed on the schedule, the delays must be managed to provide confidence that the December 2023 date remains achievable but without excessive compression of the schedule. On-going monitoring of the trends, and re-sequencing is recommended.



## APPENDIX 4

## 5.0 Scope Management

### 5.1 Introduction and Methodology

During the current reporting period, BTY undertook a review of the Project Artefacts in relation to scope management. The objective of our review was to substantiate the reporting by WT CPMO and the Construction Manager.

### 5.2 Project Charters

We note no further revisions to the Project Charters have been provided as part of the Project Artefacts for period ending March 31, 2020. The current status of the Project Charters is noted to be as follows:

| Project Charter                                             | Revision 5 Executed Date | Revision 6 Executed Date |
|-------------------------------------------------------------|--------------------------|--------------------------|
| PFP03-01 Commissioners St West to New Cherry St             | May 6, 2019              | July 2019                |
| PFP03-02 Commissioners St East to Saulter St                | May 6, 2019              | July 2019                |
| PFP03-03 Cherry St Re-Alignment                             | May 6, 2019              | -                        |
| PFP03-05 Don Roadway North                                  | May 6, 2019              | -                        |
| PFP03-06 Hydro One Integration                              | May 6, 2019              | -                        |
| PFP03-07 Site Wide Municipal Infrastructure                 | May 6, 2019              | -                        |
| PFP04-01 Cherry St North Bridge                             | May 6, 2019              | -                        |
| PFP04-02 Cherry St South Bridge                             | May 6, 2019              | -                        |
| PFP04-03 Commissioners St Bridge                            | May 6, 2019              | -                        |
| PFP04-04 Lakeshore Road and Rail Bridge Modification        | May 6, 2019              | -                        |
| PFP04-05 Old Cherry St Bridge Demolition                    | May 6, 2019              | -                        |
| PFP05-03/04 River Valley System & Don Greenway and Spillway | May 6, 2019              | -                        |
| PFP05-05 Keating Channel Modifications                      | May 6, 2019              | -                        |
| PFP05-06 Polson Slip Naturalization                         | May 6, 2019              | -                        |
| PFP05-07 Don Roadway Valley Wall Feature                    | May 6, 2019              | -                        |
| PFP05-08 Eastern Avenue Flood Protection                    | May 6, 2019              | -                        |
| PFP05-09 East Harbour Flood Protection                      | May 6, 2019              | July 2019                |
| PFP05-10 Flow Control Weirs                                 | May 6, 2019              | -                        |
| PFP05-11 Sediment and Debris Management                     | May 6, 2019              | -                        |
| PFP05-12 Villiers Island Grading                            | May 6, 2019              | -                        |
| PFP06-01 River Park North                                   | May 6, 2019              | -                        |
| PFP06-02 River Park South                                   | May 6, 2019              | -                        |
| PFP06-03 Promontory Park South                              | May 6, 2019              | -                        |

No updated Project Charters were received this period.

## Scope Management (continued)

### 5.3 Cost Optimisation – Scope Impact

Nothing to report this period. Cost optimisation measures will next be adopted at the 90% Stage Gate only.

### 5.4 Approved Changes (Construction Phase)

We understand that no approved Change Orders were issued that impact scope.

### 5.5 Pending Scope Revisions

Based on the Project Artefacts for the 60% Stage Gate, we understand that the following scope to be removed from the PLFP Project was approved by the Executive Steering Committee:

- BRT Commissioners / Cherry Street

The budget saving has reverted to Contingency. WT CPMO advise that no revision to the Project Charter is necessary, as this is not defined project scope.

Previously, the Project Artefacts identify further scope that may be omitted, though we understand that this will be considered at the 90% Stage Gate only, as follows:

- Lake Shore Rail Bridge (currently still in scope, no decision made)
- Eastern Avenue Flood Protection is not included in the Approved Budget, though deletion is pending approval.

### 5.6 Other Scope Matters – Monitoring & Tracking

#### 5.6.1 PROJECT ID #9 (PFP05-09) 'EASTERN HARBOUR FLOOD PROTECTION'

As previously reported, the scope of work is to be finalised, and we note that an allowance was carried at 60% Stage Gate for Soft Costs and Contingency. The scope of works will be finalised at the 90% Stage Gate or omitted.

#### 5.6.2 LAKE ONTARIO - HIGH WATER LEVEL

At the FARM Committee meeting in November 2019, the WT CPMO raised a matter regarding a recommendation by the TRCA to amend the 100-year lake level. We understand that the new high-water level may impact the design of the PLFP Project.

Upon further investigation, we understand the Toronto & Region Conservation Authority (TRCA) undertook two separate studies to update the flood risk frequency curve. One study was completed in February 2019 (which incorporated 2017's record lake levels) and the second study was released in November 2019 (which incorporated 2019's record lake levels). A summary of the original proposed 100-year lake level elevation and TRCA's latest studies is as follows:

- Original: 75.80m
- May 2019: 76.05m
- Nov 2019: 76.20m

As of end of Q4 2019/20, WT CPMO have not advised of any changes in design or scope to the project to reflect the higher lake levels; however, WT CPMO have confirmed that investigations are underway and that discussions are on-going between WT CPMO and all relevant government oversight parties about this matter.

### *Scope Management (continued)*

We further understand that a preliminary risk assessment has been undertaken, although it is not included in the official risk register nor has it been shared with BTY.

An update will be provided in our next quarterly report.

#### **5.7 Conclusion: Independent CPMAS Consultant Findings – Scope Analysis**

Based on the available project artefacts, these concur with the 'low risk status assigned by WT CPMO. BTY understands that there are no changes to the PLFP scope this reporting period.

Further monitoring of the potential impact to the project because of the new lake high-water level matter, and whether or not this shall impact the design at the 90% Stage Gate will continue.



## APPENDIX 5



## 6.0 Risk Management

### 6.1 Introduction and Methodology

During the current quarterly reporting period to March 31, 2020, BTY undertook a review of the Project Artefacts for risk management including the updated Risk Register. The objective of our review was to substantiate the reporting by WT CPMO and the Construction Manager, and that the process of risk management is undertaken in accordance with best practices.

Further, based on the noted process, the 'top key risks' were reviewed to verify the reporting by WT CPMO is consistent with the 'Risk Register' ("RR") and / or other Project Artefacts.

### 6.2 Risk Management Process

#### 6.2.1 RISK REGISTER

The primary process for risk management is based on the establishment of a Risk Register: All risks are listed within the risk register, and the probability of the risk occurring is agreed, and based on the probability of its occurrence the expected budget/schedule impact is assessed. We understand that if a risk has occurred or is forecast to have a 100% probability of occurrence it is transferred to the budget and / or schedule.

The risk register is actively managed each month for new risks and/or updated assessments of risk impacts (cost/schedule) and probability. Further, risks that have been mitigated, inactive or retired are identifiable.

#### 6.2.2 RISK REPORTING: INCORPORATION OF RISK REGISTER IN BUDGET

'Risk Register' pricing was included in the 60% Stage Gate (the EAC estimate) for risks that are considered to have a 100% probability in November 2019. To date, we understand that \$13.4M of risk items are costed into the 60% Stage Gate Estimate. Based on the project reporting from WT CPMO there is no change this period (no EAC reforecast, as previously discussed).

Whilst the risk register is actively managed and updated, our understanding is that the Project Status Reports and Project Dashboard do not currently actively incorporate the changes to the risk within the EAC estimate this period. We note that the WT CPMO monthly project status reports and dashboard reflect the updated risk register 'top risks'. Though, the reported budget is the Approved Budget (30% Stage Gate) that is fixed, and the Estimate at Completion has had limited reforecast subsequent to the 60% Stage Gate.

WT CPMO confirm that the cost impact of risk will be included in the 'estimate at completion' forecast to be provided in Q1 2020/21.

#### 6.2.3 RISK REPORTING: INCORPORATION OF RISK REGISTER IN UPDATED SCHEDULE

Refer to Section 4.0.

#### 6.2.4 IDENTIFICATION OF 'KEY RISKS' IN OTHER PROJECT ARTEFACTS (OVERALL)

The 'top risks' are ten (10) budget and ten (10) schedule risks were identified by WT CPMO in the PLFP Project Dashboard for the period ending March 31, 2020. We understand that the basis of the identification as a 'top risk' is based on the likelihood of the risk occurring and largest impact. We note that some of the larger impacts may not feature in the 'key risks' because of the probability of occurrence; however, these continue to be monitored and/or mitigated within the Risk Register process.

These 'top risks' were identifiable within the Risk Register. The CM reports on risks and mitigation strategies, much of the items flagged from the Risk Register focus on utilities.

### Risk Management (continued)

Further, the Dashboard Report for March 2020 identifies a low-risk status for Risk/Issues. This opinion is not explicitly explained within WT CPMO's reporting. Therefore, we cannot confirm its reasonableness.

### Risk Management Process (Continued)

The following 'Key Risks' are identified in WT Reporting:

| Key Risks by Category                                                                 | Risk Impact Assessment by WT CPMO |           |       | BTY Comment / Observation                  |
|---------------------------------------------------------------------------------------|-----------------------------------|-----------|-------|--------------------------------------------|
|                                                                                       | Budget                            | Schedule  | Scope |                                            |
| <b>Roads &amp; Services</b>                                                           |                                   |           |       |                                            |
| THESL Cost Sharing                                                                    | \$2.1M                            |           | N/A   | +\$600k increase from Dec 2019 RR          |
| Removal waterloo barrier                                                              | \$1.5M                            |           |       | New 'Key Risk'                             |
| Temporary utility relocation                                                          |                                   | 8.7 wks.  |       | New 'Key Risk'                             |
| HONI underground line                                                                 |                                   | 4.3 wks.  |       | New 'Key Risk'                             |
| <b>Bridges &amp; Structures</b>                                                       |                                   |           |       |                                            |
| Enbridge 20" Relocation                                                               | \$5.1M                            | 23.5 wks. | N/A   | No change to risk impact from Dec 2019 RR  |
| Gardiner rehabilitation                                                               |                                   | 10.4 wks. |       | New 'Key Risk'                             |
| Seaway closure                                                                        |                                   | 9.8 wks.  | N/A   | New 'Key Risk'.                            |
| Temporary Utility Relocation at Commissioners / Don Roadway (Bridges)                 |                                   | 8.7 wks.  | N/A   | No change to risk impact from Dec 2019 RR. |
| Sediment and Debris Management Area Design                                            |                                   | 5.2 wks.  | N/A   | No change to risk impact from Dec 2019 RR. |
| <b>Flood Protection</b>                                                               |                                   |           |       |                                            |
| None                                                                                  |                                   |           |       | None identified in 'risk register'         |
| <b>Parks &amp; Public Realm &amp; Marine Structures</b>                               |                                   |           |       |                                            |
| Post Soil Placement Testing and Analysis Program – Not in Monthly Status Report or RR | \$1.5M                            |           | N/A   | New 'Key Risk'.                            |
| Offsite Disposal of Soils                                                             | \$5.6M                            |           | N/A   | No change to risk impact from Dec 2019 RR  |
| Odour Management                                                                      | \$1.8M                            |           | N/A   | No change to risk impact                   |
| Landfill Capacity                                                                     | \$3.6M                            |           | N/A   | -\$2.7M decrease from Dec 2019 RR.         |
| Fire Hall 30 Vacancy                                                                  |                                   | 13 wks.   |       | New 'Key Risk'                             |
| Substantial Failure to Establish Plantings (Wetlands Section)                         |                                   | 20.9 wks. | N/A   | No change to risk impact from Dec 2019 RR  |
| Geotechnical Soil Conditions for Reuse                                                | \$3.4M                            |           | N/A   | +\$700k increase from Dec 2019 RR          |
| Dredging coordination                                                                 | \$3.3M                            | 11.9 wks. |       | New 'Key Risk'                             |
| <b>Other</b>                                                                          |                                   |           |       |                                            |
| External Market Forces In-Excess of Cost Escalation                                   | \$7.1M                            |           | N/A   | No change to risk impact from Dec 2019 RR  |
| Change Requirement for Soil Treatment – Ice Management Area (Opportunity)             | -\$1.4M                           |           | N/A   | New 'Key Risk'                             |
| Aggressive Design Schedule and Receipts of Approvals                                  |                                   | 7.0 wks.  | N/A   | No change to risk impact from Dec 2019 RR  |

## *Risk Management (continued)*

### **6.3 Quarter-on-Quarter Changes in Risk**

Significant changes were observed between the Risk Registers of Q3 2019/20 and Q4 2019/20 (i.e. new risks were identified). However, a number of risks identified on the Q3 Risk Register have been mitigated to a lesser degree than was first identified.

We observed that the risk register for the period ending March 31, 2020 and other project artefacts had limited or no references to the COVID-19 pandemic and none to the State of Emergency declared in the Province of Ontario.

### **6.4 COVID-19 Risk**

As stated above, the project artefacts for period ending March 31, 2020 prepared by WT CPMO or EllisDon do not include any risk assessment or statement on the COVID-19 pandemic, and its potential impact to the project in terms of cost and schedule.

Given that the World Health Organization declared COVID-19 a pandemic on March 11, 2020 and the Government of Ontario declared a state of emergency on March 17, 2020, BTY contacted WT for comment and received the following response: -

- BTY: What measures/precautions have been put in place on site and in WT office to deal with social distancing and site safety etc.?
  - WT: Ellis Don has instituted full prevention measures and precautions as directed and mandated by Province of Ontario. Waterfront Toronto have been working remotely since Mid-March. Project management staff visit project sites as and when necessary and comply with physical distancing and health and safety requirements as implemented by the contractor.
- BTY: Has anyone on site or in WT office contracted the virus?
  - WT: No reports have been received of virus contraction, on PLFP site nor in Waterfront Toronto offices.
- BTY: Has labour productivity been impacted due to the pandemic? (If so, who? i.e. trades, consultants, city workers, inspectors?)

WT: Productivity has not been impacted due to pandemic.

- Ellis Don has sent official notice, on March 20, 2020 of potential that there might be impacts. No further notices have been received from Ellis Don since March 20, 2020.
- The City of Toronto has suspended all non-essential services; however, City staff continue to process PLFP permits and approvals through the City Waterfront Secretariat.
- Utilities (including Bell, HONI, THES) have continued to operate as essential workplaces; however, have advised that there may be negative schedule impacts due to Covid-19.
- BTY: Since Premier Ford announced that essential sites can remain open for longer working hours, has EllisDon increased, or are they planning to increase) working hours?
  - WT: Ellis Don has not increased working hours directly in response to the province's guidance however certain trades are working on weekends.

### *Risk Management (continued)*

- **BTY:** Any potential budget increases due to the pandemic? (i.e. such as related to increased working hours due to social distancing, or supply chain material price increases).
  - **WT:** There is a possibility that we will receive claims for costs associated with Covi-19 impacts however none have been submitted to date.
  
- **BTY:** Any schedule delays caused by the pandemic so far? If so, to what part of the project and what is the impact? (i.e. due to lack of trades on site, supply chain issues or permitting delays etc.)
  - **WT:** While we have been put on notice that schedule delays may be realized, no specific delays to the schedule have been identified to date nor have any schedule extensions been requested at this time.
  
- **BTY:** Does WT or ED anticipate any future schedule delays due to the pandemic? What is your pessimistic outlook should 2<sup>nd</sup> wave of the virus attack?
  - **WT:** Until the full effects of the virus have been realized and it has run its course there is no way to determine if future schedule delays may be incurred.
  - The impact of a (possible) second wave will have everything to do with what governments do in reaction to it.
  
- **BTY:** Has EllisDon, or any of the trades, submitted force majeure or any financial claims due to the pandemic? Or do you know of any claims pending?
  - **WT:** To date, no force majeure nor financial claims have been received. WT is not aware, to date, of any pending claims.
  
- **BTY:** What mitigation strategies have WT and ED adopted to reduce impact to budget and schedule due to the pandemic?
  - **WT:** WT and ED have strengthened active monitoring of pandemic situation, including active engagement with funding partners and monitoring of government announcements that may impact active execution of PLFP.
  - WT and ED have strengthened monitoring of on-site situation, progress of construction and tendering results with more proactive communication and frequent communication and meetings.
  - We continue to work with consultants and trades to implement cost and schedule optimization initiatives to maximize the retention of contingency and (e.g. revise secant pile cut-off walls to slurry walls to save both cost and time).
  - We continue to work with trades to ensure material, equipment and operator availability (e.g. worked with ED and GFL to divert caisson equipment and operators from non-essential construction projects to PLFP to facilitate the commencement of phase 2 cut-off walls)
  - We have enlisted HDR, the PLFP risk consultant to assess the potential impacts of Covi-19. Refer to attached Draft Risk Analysis dated April 9, 2020.

### *Risk Management (continued)*

In addition to the above responses to BTY's questionnaire, WT provided a draft "COVID-19 Risk Analysis – Preliminary Results" dated April 9, 2020, which was prepared by the project risk consultant, HDR.

In summary, the risk analysis states that the "PLFP is currently experiencing adverse projects impacts as a result of the ongoing COVID-19 pandemic. These impacts are the result of reduced productivity due to increased health and safety measures which cumulate into cost and schedule impacts to the project". The project components impacted include Bridges, Earthworks, Marine Structures, Roads & Services and escalation costs.

A summary of the potential impacts to these projects as identified in the Risk Analysis are as follows:

- Bridges
  - Productivity issues relating to the subtrade Cherubini's reduced manpower due to increased health and safety measures. Manpower is currently down to 75%.
  - Productivity issues impacting timely bridge fabrication and delivery.
- Earthworks
  - Productivity issues relating to 'phase 1 cut off walls' being undertaken by GFL. GFL's productivity is down approximately 50%. Completion has been delayed 6-weeks.
  - Due to these delays, dewatering plant may need to run for a longer period, resulting in additional \$200,000 per month.
- Marine Structures
  - Potential impacts to reactive coremat supply coming from the USA. May be supply chain issue, although the supplier has not indicated any issues so far.
- Roads & Services
  - Utility company (Enbridge and Bell) might not be able to work until after the COVID-19 restrictions have been lifted, resulting in additional labour costs and delays.
- Sub-Contractors
  - All other sub-contractors working on the site may be impacted in terms of reduced productivity due to safety restrictions. This may add delays and/or additional costs.
- Escalation
  - Schedule delays may push procurement of the remaining works not yet tendered.

### **6.5 Independent CPMAS Consultant Findings**

**Risk Register:** All of the 'key risks' identified by WT CPMO in the current PLFP Project Dashboard are based on the updated project Risk Register.

However, we note that the real-time cost impact of the updated risk register is not readily identifiable within the WT CPMO reporting (dashboard and project status reports) because the 'estimate at completion' re-forecast hasn't been provided to BTY this period and verified. The next update to the 'estimate at completion' shall be in Q1 2020/21.

We note that the WT CPMO assigned the status to be low risk for risk management. Based on the available project artefacts, these concur with the 'low risk status assigned by WT CPMO based on the risk management process adopted, which is found to be robust and actively managed active.

**COVID-19:** We noted that the updated risk register included limited reference to COVID-19.

Regarding the COVID-19 pandemic, WT and Ellis Don have stated that they are following all the health and safety guidelines, as required, and are tracking all potential risks related to the pandemic. WT CPMO has advised of no known claims or impact to budget and/or schedule.

### *Risk Management (continued)*

Subsequently, WT has engaged their risk consultant to undertake a study and a draft was provided to the Independent CPMAS, BTY. The preliminary findings were consistent with our experience on other projects that are generally seeing 'potential claims' filed pending assessment of impact to budget/schedule. On all projects (including construction considered to be 'essential workplaces') we are monitoring claims for reduced productivity resultant of health and safety measures and/or sickness and absenteeism; global supply chain issues; disruption to other essential businesses that support construction including permits, licenses and approvals, utility agreements, design and engineering consultancies and testing agencies, etc.

Given that the pandemic is on-going, the impact (and mitigation) cannot be fully assessed and calculated. At this time, there is no allowance within the EAC budget, schedule or risk register for the potential impact of this event.



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**Finance, Audit and Risk Management Committee – May 28, 2020**  
**Item 9 – Internal Audit Update – Procurement Audit (PLFP) Report**  
**Veronica Bila, MNP LLP**

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <b>Purpose</b>                       | For Committee Information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Areas of note/<br/>Key issues</b> | <ul style="list-style-type: none"> <li>• MNP LLP (MNP) completed The Port Lands Flood Protection (PLFP) procurement audit in line with Waterfront Toronto’s (WT) two-year internal audit plan 2018/19 to 2019/20.</li> <li>• WT identified the PLFP project for a procurement audit due to the large-scale and complex nature of the project and to assess EllisDon’s (Construction Manager) procurement practices which have not been independently reviewed in the past.</li> <li>• The scope covered 36 project procurements totaling \$306M from Jan 1, 2017 to Dec 31, 2019 to assess adherence to procurement process requirements and best practices.</li> <li>• The overall conclusion is that WT Procurement Department and the EllisDon Procurement Team have adequate procurement processes and controls in place to effectively and efficiently deliver the PLFP procurement activities. Procurements followed the principles of value for money, vendor access, transparency, and fairness.</li> <li>• In addition to several areas of strength, MNP noted only two low risk findings related to enhancing file maintenance and use of performance metrics.</li> <li>• Management supports the recommendations and an implementation plan is underway.</li> <li>• Attached is MNP’s summary presentation.</li> </ul> <p>Note: The status of previous internal audit recommendations is reported under the Enterprise Risk Management (ERM) Dashboard, Item 3 c) ii a).</p> |
| <b>Next Steps</b>                    | <p>The next internal audits in Q2 2020/21 are on:</p> <ul style="list-style-type: none"> <li>• Performance Measurement Framework which is part of the new Three-Year Internal Audit Plan beginning 2020/21.</li> <li>• Cybersecurity follow-up review.</li> </ul> <p>An update will be provided at the September 17, 2020 FARM Committee meeting.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |





## Waterfront Toronto

# The Port Lands Flood Protection Project - Procurement Audit

**Presented by:** MNP LLP

**Date:** May 28, 2020

# Agenda

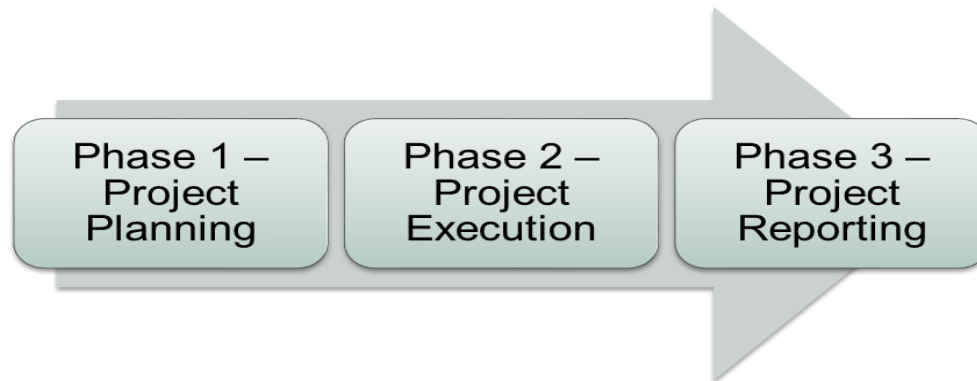
1. Background
2. Audit Objectives
3. Audit Scope
4. Work Performed
5. Summary of Procurement Strengths
6. Summary of Audit Observations
7. Management Response
8. Conclusion
9. Questions/Comments
10. Appendix A – Low Rated Observation Details

# Background

- This audit was undertaken in line with Waterfront Toronto's Internal Audit Plan for 2019/20.
- Procurement – Compliance & Tendering (now referred to as Procurement Process Risk) was identified as a medium risk area during the 2018 Enterprise Risk Register review.
- Focus for this audit was placed on the Port Lands Flood Protection Project (PLFPP) procurements and sub-procurements due to the following considerations:
  - Large scale and complex nature of the project including a Construction Manager's (EllisDon) procurement practices which have not been independently reviewed in the past.
  - Completion of this subsequent procurement audit to complement the Office of the Auditor General of Ontario's (OAGO) value for money (VFM) audit in 2018.

# Audit Objectives

- Assess the procurement and sub-procurement processes and controls related to procurements under the PLFPP in order to determine if the processes were in conformance with the WT Procurement Policy and the Broader Public Sector (BPS) Procurement Directive.



# Audit Scope

The scope of the audit included procurements and sub-procurements related to the PLFPP from January 1, 2017 to December 31, 2019. Focus was placed on assessing whether:

1. Procurements are conducted following the principles of value for money, vendor access, transparency, and fairness;
2. Controls are in place to enable efficient and effective delivery of procurement activities;
3. Roles and responsibilities of all parties involved in the procurement process are defined and understood by all parties;
4. Mechanisms are in place to help mitigate risks and comply with procurement directives and policies; and,
5. Procurement process requirements (as dictated by legislation/directives/policies) and best practices are clearly defined and followed.

# Work Performed

As a part of this audit, the following work was undertaken by MNP:

1. Interviews with members of WT's Procurement Department and with EllisDon's Procurement Team;
2. Review of 36 PLFPP procurement files (totaling \$306 million in awarded amounts) completed during the audit timeframe; and,
3. Review of key corporate governance documentation, such as:
  - BPS Procurement Directive, WT Procurement Policy and WT Signing Threshold Policy;
  - EllisDon Port Lands Flood Protection & Enabling Infrastructure Procurement Guidelines;
  - PLFPP Charter; and,
  - Procurement process-related documents.

# Summary of Procurement Strengths

- Waterfront Toronto has several strength areas relating to its procurement processes and controls. This includes the following areas:
  - ✓ Approvals Process
  - ✓ Consensus Evaluation
  - ✓ Procurement Documentation/Templates

# Summary of Review Observations

- The following areas were identified for improvement:
  1. Procurement File Maintenance – Low Rating
  2. Performance Metrics – Low Rating



# Management Responses

- Detailed observations and recommendations to management were presented in the report.
- Management acknowledges our recommendations and has:
  - Provided responses for each observation
  - Defined timelines to address each observation

# Conclusion

- The WT Procurement Department and the EllisDon Procurement Team have adequate procurement processes and controls in place to enable efficient and effective delivery of procurement activities for the PLFPP.
- As reviewed and tested during the audit, procurements were found to be conducted following the principles of value for money, vendor access, transparency, and fairness.  
Furthermore:
  - The WT Procurement Department and EllisDon Procurement Team have defined procurement processes related to inviting, clarifying and closing RFP, evaluating submissions, and selecting successful vendors;
  - There are established approval requirements at key stages of the procurement process; and,
  - Roles and responsibilities being well understood by each other.

# Questions/Comments?

# Appendix A – Low Rated Observation Details

**1. Procurement File Documentation Retention.** There are opportunities for both the WT Procurement Department and EllisDon Procurement Team to improve their procurement file retention practices (i.e. retaining a complete set of documentation in a readily accessible manner) to better align with guidance provided by the BPS Procurement Directive.

**2. Procurement Performance Metrics.** While the WT Procurement Department has some activities, including regular meetings, to assess their performance and practices, there is an opportunity to enhance the performance metrics in place for continuous improvement of the WT Procurement Department.



| Purpose                              | For Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <b>Areas of note/<br/>Key issues</b> | <ul style="list-style-type: none"> <li>• Waterfront Toronto staff continue to work remotely and have reported no cases of Corona Virus infection to date. This does not appear to be materially affecting overall productivity.</li> </ul> <p><i>Construction</i></p> <ul style="list-style-type: none"> <li>• On Friday April 3<sup>rd</sup>, the Province directed that all non-essential workplaces were to close on April 5<sup>th</sup>. Construction continued on the following WT projects that were deemed to be essential construction workplaces:             <ul style="list-style-type: none"> <li>• Port Lands Flood Protection (PLFP)</li> <li>• Cherry Street Stormwater Treatment Facility (CSSTF)</li> <li>• Bayside Phase 2 roads and services</li> <li>• Bonnycastle public realm</li> </ul> </li> <li>• On Friday May 1<sup>st</sup>, the Province expanded the list of essential construction workplaces such that the all Waterfront Toronto projects may proceed into construction once the projects have been completed to the stage of construction contract award including:             <ul style="list-style-type: none"> <li>• Lakeshore Blvd Public Realm</li> <li>• East Bayfront In-water Storm Sewer Pipes</li> <li>• Bentway Phase 2 Projects</li> <li>• Waterfront Reconnect (Gardiner Expwy bent painting)</li> </ul> </li> <li>• Contractors on WT construction sites continue to apply enhanced Health and Safety procedures mandated by the Ministry of Labour, including more frequent on-site sanitation, creating greater physical distance between workers, and tracking and monitoring workers.</li> <li>• Ellis Don Civil Construction (PLFP Construction Manager) and Graham Construction (CSSTF General Contractor) have provided formal notice that the COVID-19 pandemic has the potential to impact the schedule and cost of those projects however neither contractor have identified any material cost or schedule impacts to date.</li> <li>• City of Toronto has suspended non-essential services and cancelled committee and council meetings. This has not to date affected our ability to obtain necessary permits and approvals required to keep the project active.</li> <li>• WT has provided notice of potential delay and cost increases to government stakeholders.</li> </ul> |

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | <p><i>Finance &amp; Accounting</i></p> <ul style="list-style-type: none"> <li>• WTs finance and accounting operations continue to be uninterrupted by COVID-19.</li> <li>• WT has continued to pay its vendors on time and has completed the Corporation's year-end financial close.</li> <li>• WT currently holds &gt;\$50M in liquid funds. Approximately \$33.3 million of funding owing is expected to be delayed owing to COVID-19 however this is not expected to be an issue due to existing WT cash flow reserves and the timely receipt of other funds owing.</li> <li>• Some of WTs interim use property tenants have requested reduced rents/ alternative payment schedules and WT has made some accommodations in this regard and is reviewing relevant assistance programs.</li> </ul> |
| <p><b>Next Steps</b></p> | <p>Management will continue monitoring the impact on the Corporation's operations and provide updates as may be needed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

May 28, 2020

Finance, Audit and Risk Management Committee

# COVID-19 Impact Update on Waterfront Toronto

Waterfront Toronto

## Executive Summary – Waterfront Toronto response to COVID-19

The **COVID-19** global pandemic constitutes an unprecedented challenge with potential severe socio-economic consequences and far reaching implications to health and safety of all, including workers and their families.

Due to pandemic and government mandated restrictions on personal movements, companies and construction projects are facing labour shortages and supply chain issues.

In full alignment with governmental direction Waterfront Toronto has implemented a comprehensive and coordinated approach to ensure minimal or no impact to the Corporation. Primary focus has been health and safety of all internal and external resources.

In parallel, Waterfront Toronto has been managing potential impacts to corporate operations and execution of capital projects. No material impacts have been reported as of late May, and Waterfront Toronto continues to monitor potential risk areas relative to:

- Impacts to work force and materials
- Reduced efficiency and productivity
- Labour and material mobility
- Third party & external dependency delays
- Extended overheads and escalation



# Waterfront Toronto and COVID-19

Construction Project Impacts

# Background

- Province of Ontario Emergency Management Act ordered shut-down of all non-essential workplaces on April 3, 2020. Four Waterfront Toronto construction project sites were deemed to be essential workplaces:
  - Port Lands Flood Protection (PLFP)
  - Cherry Street Stormwater Treatment Facility (CSSTF)
  - Bayside Phase 2 roads and services
  - Bonnycastle public realm
- Emergency Management Act restrictions eased on May 1, 2020. Balance of Waterfront Toronto construction project sites are now deemed to be essential workplaces:
  - Lakeshore Boulevard Public Realm (Sherbourne to Bonnycastle)
  - East Bayfront In-water Storm Sewer Pipe
  - Bentway Phase 2 Projects
  - Waterfront Reconnect (Gardiner Expressway bent painting)

# Port Lands Food Protection (PLFP) Project Risk Status

**COVID-19 risks have the potential to affect design and construction productivity and efficiency and thereby impact the cost and/or schedule of the PLFP project. WT's Independent Risk consultant has been engaged to document and quantify project risks related to COVID-19 which are summarized below.**

## **Potential Contractor Claims**

- Construction continues uninterrupted. PLFP operating as an “essential” construction workplace
- Notice of Potential Impact due to COVID-19 received from Ellis Don on March 30
- Notices of Potential Impact due to COVID-19 received from sub-trades
  - GFL Inc. on March 25
  - Cherubini Metal Works on March 23, April 8 and April 9

**Direct cost and schedule impacts are not known at this time but are currently estimated to be immaterial.**

**Indirect cost and schedule impacts may include:**

- Extended WT project management staff costs
- Extended General Contractor overheads and general conditions
- Extended Consultant contract administration fees
- Design delays leading to delays in procurement
- Future work delayed resulting in additional escalation

## PLFP Project Risk Status (cont.)

### **Work Force Impacts (Including limitations on staff mobility and workforce reductions)**

- All non-site staff, including Waterfront Toronto (WT) employees, consultants and Ellis Don (ED) office staff as well as City of Toronto and Agency staff working from home
- Enhanced Health & Safety (H&S) procedures including equipment & trailer sanitizing, physical distancing etc.
- Slurry wall construction management staff are US based (subject to 2-week quarantine on entering Canada)
- Cut-off wall second shift discontinued due to potential for virus transfer between operators

### **Supply Chain Disruptions**

- Environmental risk management material is supplied from the US (cross border transit restrictions)
- Manufacture and delivery of curved bridge components impacted by European COVID-19 restrictions
- Quebec based bridge bearing manufacturer subject to non-essential business closure
- Productivity issues may delay bridge delivery timing beyond St. Lawrence seaway window

### **Third Party Delays**

- Hydro One Networks - potential delay in fall 2020 outage schedule for transfer of transmission lines to new towers
- City of Toronto suspension of non-essential services and City Council meetings impact permits and approvals, easement agreements and City Council approvals
- TRCA permit approval timelines impacted by office closure

## East Bayfront & West Don Lands Project Risk Status

**COVID-19 Risk Issues affecting Complete Communities construction projects include;**

### **Potential Contractor Claims**

- CSSTF contractor Graham Construction issued Notice of Potential Delay due to COVID-19 on March 27, 2020.

### **Work Force Impacts (Including limitations on staff mobility and workforce reductions)**

- Construction continues uninterrupted. Cherry Street Stormwater Treatment Facility (CSSTF), East Bayfront Phase 2 and Bonnycastle public realm projects operating as “essential” construction workplaces
- All non-site staff, including WT employees, consultants and City of Toronto working from home.
- Enhanced Health & Safety (H&S) procedures including equipment & trailer sanitizing, physical distancing etc.

**No direct cost and schedule impacts have been confirmed at this time. Cost and schedule impacts are currently estimated to be immaterial.**

# Waterfront Toronto and COVID-19

Finance and Accounting - Situational Assessment

## Finance & Accounting Impacts of COVID-19

- WTs finance and accounting operations continue to be uninterrupted by COVID-19 largely as a result of the new cloud-based ERP system and Office365, both of which allow remote access of WT users, all of whom are currently working from home.
- WT has continued to pay its vendors on time and has completed the Corporation's year-end financial close.
- Due to the current work from home situation, the March 31, 2020 financial statement audit was completed by WTs external auditors (BDO LLP) 100% remotely supported by technology such as MS Teams.
- From a cash flow perspective, WT is secure, with >\$50M in liquid funds. While we do expect a three-month delay (to July 2020) in approx. \$33.3 million of funding owing from the City of Toronto this is not expected to be an issue due to existing WT cash flow reserves and the continued funding support of the Provincial and Federal governments.
- Some of WTs interim use property tenants have requested reduced rents/ alternative payment schedules and WT has made some accommodations in this regard and is reviewing relevant assistance programs.

# Thank you.

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**Finance, Audit and Risk Committee (FARM) Committee**  
**May 28, 2020**  
**Item 16 – Draft Resolutions Arising from the Closed Session**  
**FARM Committee Members**

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**ON MOTION** duly made by [●] and seconded by [●] and carried, it was **RESOLVED** that Finance, Audit and Risk Management Committee approves:

- A.** the Minutes of the Closed Session of the FARM Committee meeting held on February 26, 2020 be approved as tabled; and
- B.** the special project Internal Audit Fee Proposal and related fees of MNP, as presented to the meeting.