



WATERFRONTToronto

Finance, Audit & Risk Management Committee Meeting

Agenda and Meeting Book

THURSDAY, NOVEMBER 26, 2020 FROM 9:00 AM TO 11:30 AM

WATERFRONT TORONTO

MICROSOFT TEAMS MEETING



Meeting Book - Finance, Audit & Risk Management Committee Meeting

Agenda - November 26, 2020 FARM Committee Meeting

| | | | |
|-----------|--|-------------|-------------|
| 9:00 a.m. | 1. Motion to Approve Meeting Agenda | Approval | K. Sullivan |
| 9:05 a.m. | 2. Declaration of Conflicts of Interest | Declaration | K. Sullivan |
| 9:10 a.m. | 3. Consent Agenda | | |
| | A) Highlights of Key Messages - Page 5 | Information | All |
| | B) Draft Minutes Open Session FARM meeting September 17, 2020 - Page 6 | Approval | All |
| | C) Q2 2020/21 Macro Dashboard (Corporate & Project Reporting): | | |
| | Cover sheet - Page 10 | Information | L. Taylor |
| | Macro Dashboard - Page 11 | Information | L. Taylor |
| | i. Finance & Administration Dashboards: | | |
| | a) Corporate Plan Performance Dashboard - Page 12 | Information | L. Taylor |
| | b) Enterprise Risk Management (ERM) | Information | L. Taylor |
| | ERM Dashboard - Page 14 | | |
| | c) Audit | Information | L. Taylor |
| | Dashboard - Page 15 | | |
| | d) Liquidity and Cash Flow Forecast - Page 16 | Information | L. Taylor |
| | e) September 30, 2020 Financial Statements | Information | S. Chandane |
| | Cover sheet - Page 17 | | |
| | September 30 2020 Financial Statements - Page 18 | | |
| | ii) Capital Projects: | Information | D. Kusturin |
| | a) Port Lands Flood Protection (PLFP) Dashboard | | |
| | Cover sheet - Page 35 | | |
| | PLFP Dashboard - Page 36 | | |
| | b) Bayside External Services Dashboard | | |
| | Cover sheet - Page 41 | | |
| | Bayside Dashboard - Page 42 | | |

| | | | |
|------------|---|-------------|----------------------------------|
| | D) Quarterly Procurement Exception Report - Page 44 | Information | K. Newson |
| | E) Regulatory Compliance Report - Page 45 | Information | L. Taylor, D. Kusturin & I. Ness |
| | F) Fundraising Action Plan Dashboard | Information | K. Niccols |
| | Cover Sheet - Page 49 | | |
| | Fundraise Action Plan Dashboard - Page 50 | | |
| | G) COVID-19 Impact Update | Information | D. Kusturin & L. Taylor |
| | Cover sheet - Page 52 | | |
| | Presentation - Page 53 | | |
| 9:25 a.m. | 4. Rolling Five Year Strategic Plan (2021/2022 – 2025/26 (including 2021/22 Corporate Plan)) | Approval | L. Taylor |
| | Cover sheet - Page 69 | | |
| | Rolling Five Year Strategic Plan (2021/2022 – 2025/26 (including 2021/22 Corporate Plan)) - Page 71 | | |
| 9:45 a.m. | 5. Capital Approval – East Bayfront In-Water Pipes and Infrastructure Phase 1 | Approval | D. Kusturin |
| | Cover sheet - Page 118 | | |
| | Presentation - Page 119 | | |
| 10:05 a.m. | 6. Capital Approval – Lake Shore Blvd East – Bridge and Public Realm Project (LSBE) Tendering and Construction | Approval | D. Kusturin |
| | Cover sheet - Page 145 | | |
| | Presentation - Page 146 | | |
| | 7. Port Lands Flood Protection (PLFP) Update | | |
| 10:25 a.m. | a) 90% Design Stage Gate Status Update | Information | D. Kusturin |
| | Cover sheet - Page 167 | | |
| | Presentation - Page 169 | | |
| 10:45 a.m. | b) Report of the Independent Capital Monitor | Information | BTY Consultancy Group |
| | Cover Sheet - Page 201 | | |
| | Report #9 of the Independent Capital Project Monitoring (Project Dashboard Only) - Page 202 | | |
| 10:55 a.m. | 8. Motion to go into Closed Session | Approval | All |
| | Closed Session Agenda | | |
| | The Committee will discuss items 9, 10, 11 and 12 being, consideration of the draft minutes of the Closed Session of the September 17, 2020 FARM meeting, Review of Waterfront Toronto's Liquidity Position, Project 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 9 is provided in the minutes of the Open Session September 17, 2020 FARM Committee meeting under item 3(b) of this agenda, for item 10 is Section 6.1.1 (l), item 11 is Section 6.1.1(l) and item 12 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. | 13. Motion to go into Open Session | Approval | All |

| | | | |
|------------|--|----------|-----|
| 11:25 a.m. | 14. Resolution(s) Arising from the Closed Session Draft Resolution - Page 210 | Approval | All |
| 11:30 a.m. | 15. Motion to terminate the Meeting | Approval | All |



**Finance, Audit and Risk Management Committee – Nov 26, 2020
Item 3 (a) Meeting Materials - Highlights of Key Messages**

| Agenda Item | Key Message |
|--|--|
| 3 c i a) 2020/21 Corporate Plan Performance (FI) | As of Q2 2020/21 WT is on track to achieve 83% of key deliverables (19 out of 23); 76% of annual capital investment plan (\$298M of \$393M); 75% of annual revenues (\$248M of \$330M); and 81% of performance targets (25 out of 31). |
| 3 c i b) Enterprise Risk Management (ERM) (FI) | No new enterprise or high residual risks materialized this quarter. |
| 3 c i c) Audit Environment (FI) | The volume of 2020/21 audits have increased to 9 (compared to 5 in a typical year), due to an increase in government audits. Three are underway or nearing completion and will be reported on at the next FARM Committee meeting. |
| 3 c i d) Cash Flow / Liquidity Forecast (FI) | Positive cash balance > \$50M with no requirement to borrow externally. Refer Cash Flow Forecast graph and Item 10 for further details. |
| 3 c i e) Sept. 30, 2020 Unaudited Financial Statements (FI) | Overall the financial activities for the six months ended Sept. 30, 2020, namely expenditures, have increased by approx. 30% (from \$114M to \$148M) from the same period last year, largely due to increased construction activity in PLFP. |
| 3 c ii) Capital Projects (FI) | All projects are proceeding in accordance with the Board Approved Rolling Five Year Strategic Plan (2020/21 – 2024/25). There remains elevated cost and schedule risks for PLFP related to utilities relocations and for Bayside External Services due to constructability issues and contractor claims. |
| 3 d) Quarterly Procurement Report (FI) | One exception to the Procurement Policy for a single source goods and services contract totaling \$50,000, and two exceptions for non-competitive consulting services totaling \$318,000, all of which relate primarily to specialist knowledge and expertise. 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 September 30, 2020. |
| 3 f) Fundraising Action Plan Update (FI) | Implementation of the Fundraising Action Plan continues in accordance with the approved Rolling Five-Year Strategic Plan 2020/21-2024/25, namely advancing design of the Destination Playground and developing internal fundraising capabilities. Recruitment of a Fundraising Director is currently underway. |
| 3 g) COVID-19 Impact Update (FI) | Report from Management to outline the construction project and financial/accounting impacts to date of COVID-19 (no material impact). |
| 4) Rolling Five Year Strategic Plan (2021/22 – 2025/26) For Approval | The Rolling Five-Year Strategic Plan (2021/22 - 2025/26) themed “ <i>Now More Than Ever</i> ” reflects the one-year update/ roll-forward of last year’s plan. The Updated Plan of \$1.4 billion is consistent with existing strategic priorities and incorporates fully the Quayside development project forecast revenues and investments. |
| 5) and 6) Capital Project Approvals For Approval (2) | In accordance with Corporation’s Delegations of Authority Management is seeking Capital Project Approvals of \$23.75M for the Stormwater In-Water Pipe and \$150M for Lake Shore Bridge Alternative Case. Note that the latter is not currently part of the Dec 2019 approved Rolling Five Year Strategic Plan and is being added now as a result of a new funding source. |
| 7) Port Lands Flood Protection (PLFP) Update (FI) | Management will present the results of the 90% Design Stage Gate, the result of which does not impact the overall project budget of \$1.185B nor adversely impact the Corporation’s liquidity position. 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, however elevated risk noted regarding utilities and some schedule components. |
| 10) Review of Liquidity Position (FI) | Management will provide a detailed five-year forward review of Waterfront Toronto’s liquidity position and identify opportunities to reduce liquidity risk. |

**MINUTES of the Open Session of the
Finance Audit and Risk Management Committee Meeting of the
Toronto Waterfront Revitalization Corporation
Via Microsoft Teams Teleconference
Thursday, September 17, 2020 at 9:00 a.m.**

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

ATTENDANCE: WATERFRONT TORONTO
George Zegarac (Chief Executive Officer)
Lisa Taylor (Chief Financial Officer)
David Kusturin (Chief Project Officer)
Chris Glaisek (Chief Planning and Design Officer)
Julius Gombos (Senior VP Project Delivery)
Rose Desrochers (VP, Human Resources and Administration)
Cameron MacKay (VP, Communications and Engagement)
Kathleen Niccols (Senior VP, Corporate Strategy)
Kevin Newson (Executive Director, Procurement)
Betty Leung (Director, Procurement)
Sampada Chandane (Director, Financial Management)
Mary Anne Santos (Director, Financial Planning)
Ian Ness (Acting General Counsel)
Aina Adeleye (Board Administrator and Legal Assistant)

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

- James Andre, Senior Policy Advisor, and Emily Bradford, Policy Advisor, Agency Oversight Unit, Infrastructure Policy Division Ministry of Infrastructure at Ontario Ministry of Infrastructure
- Veronica Bila and Jason Ducharme, Partner, Enterprise Risk Services, MNP LLP
- Joanne Henson, Directors, BTY Consulting
- Shawn Tippins, Robert McCallum and Miguel Iriondo, Senior Analysts, Kira Heymans, Analyst Investment, Partnership and Innovation Branch of Infrastructure Canada

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 9:04 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:

ON MOTION duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, it was **RESOLVED** that the Minutes of the May 28, 2020 FARM Committee meeting be approved as presented.

Lisa Taylor provided a detailed update on key matters reported in the Q1 2020/21 Macro Dashboard, particularly, the positive cash flow position of the Corporation, Waterfront Toronto borrowing limits, utilization and increasing credit limits and liquidity risks related to the Port Lands Flood Protection (PLFP) project. The Committee requested that Management review the adequacy of the \$40 million borrowing limit considering the COVID-19 environment and other factors and look at initiating steps to increase this limit with governments. Ms. Taylor provided an update on cybersecurity initiatives as well as risks related to construction projects, including the PLFP project. David Kusturin explained that all PLFP risks are being adequately monitored and/or managed by Management.

Members of Management and staff provided brief updates (as well as responded to questions posed by members of the Committee) on related attachments (Corporate & Project Reporting) including the June 30, 2020 Unaudited Financial Statements, Quarterly Procurement Report, Regulatory Compliance Report and the Fundraising Action Plan Update Report which were received by the Committee for information.

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

Joanne Henson BTY Consulting ("BTY") was invited to present this item. Ms. Henson presented BTY's eighth 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, for information.

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 remain robust and in accordance with standard practices. She noted that the review did not include the 90% Stage Gate.

David Kusturin provided an update on the PLFP project and explained that the 90% Stage Gate will be completed for reporting by the next FARM Committee Meeting. The Committee requested that Management provide an update regarding the impact of the 90% design stage gate results on the Corporation's liquidity and to not wait until the next Committee meeting to provide this information. The Committee further requested that Management look into arranging a tour, sometime in the Fall, to enable members of the Board to observe the progress at the PLFP site. This is however subject to any precautions recommended by public health officials on physical distancing due to the ongoing COVID-19 Pandemic.

5. Internal Audit Update – Performance Measurement Framework Audit Report

Veronica Bila and Jason Ducharme of MNP LLP (MNP) were invited to present this item. Ms. Bila and Mr. Ducharme presented the results of the Performance Measurement Framework Audit Report and responded to questions from members of the Committee regarding the seven recommendations to Management in the report.

Ms. Bila noted that overall, Waterfront Toronto's performance measurement has strong alignment with the Corporation's mandate and strategic plan, and good balance between output (direct results) and outcome (indirect results). The Committee commended Management and noted the report for information. The Committee requested for feedback on MNP's experience with the use of Environmental, Social and Corporate Governance (ESG) metrics, and commonality of metrics with stakeholders including philanthropy.

6. COVID 19 Impact update on Waterfront Toronto Operations

David Kusturin and Lisa Taylor provided a report, which was taken as read, updating the Committee on the impact of COVID-19 Pandemic on construction, and the finance and accounting operations of the Corporation, respectively. Mr. Kusturin and Ms. Taylor responded to questions from the Committee and the report was noted for information.

7. Motion to go into Closed Session

In accordance with By-Law No. 2 of the Corporation and **ON MOTION** duly made by Jeanhy Shim, seconded by Patrick Sheils and carried, the Committee **RESOLVED** to go into Closed Session to discuss items 8(a) & (b) and 9 of the agenda. The exception relied upon for the discussion on item 8(a) is Section 6.1.1(k), for item 8(b) is provided in the minutes of the Open Session May 28, 2020 FARM Committee meeting under item 3(b) of the meeting agenda and for item 9 is Section 6.1.1(b) of By-Law No. 2. The Chair requested members of the public to leave the meeting.

8. Consent Agenda

a) **Federal Stimulus Discussion**

b) **Minutes of the Closed Session – May 28, 2020 FARM Committee Meeting**

9. Committee Chair Discussion

10. 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.

11. Resolutions Arising from the Closed Session

ON MOTION duly made by Patrick Sheils, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the FARM Committee approves the Minutes of the Closed Session of the FARM Committee meeting held on May 28, 2020, as tabled.

12. Termination of the Meeting

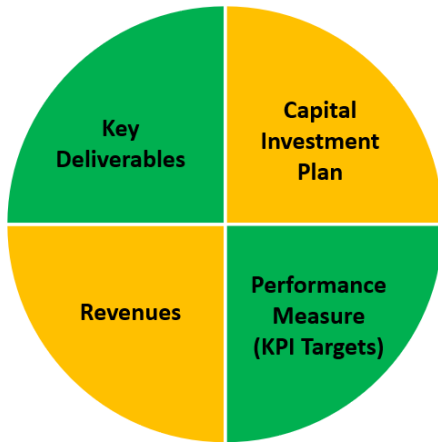
There being no further business, **ON MOTION** duly made by Patrick Sheils, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the meeting be terminated at 11:39 a.m. local time.

Committee Chair

Secretary

| | |
|--------------------------------------|--|
| Purpose | For Committee Information. |
| Areas of note/ Key issues | <p>All key areas of the attached Macro Dashboard are green (i.e. no key issues to be aware of), except for the following four items which are yellow or tracking behind plan:</p> <ul style="list-style-type: none"> • Two 2020/21 Corporate Plan items (Capital Investment, Revenues) largely due to deferral of the Port Lands Flood Protection project elements into 2021/22 to address project challenges and still maintain the 2024 completion date, with corresponding funding impact; and • Two areas of Capital Projects (the Port Lands Flood Protection project and Complete Communities) which are yellow due to elevated risks and/or budget pressures. <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>2020/21 Corporate Plan Performance</u> (caution areas noted) • Finance & Administration: <ul style="list-style-type: none"> ○ <u>Enterprise Risk Management</u>: (no significant concerns, all high inherent risk areas are being adequately managed through mitigation plans) ○ <u>Internal audit</u> (no significant concerns, however increased volume of government audits may stretch WT resources) ○ <u>Liquidity/ Cash Flow Management</u> (no significant concerns, however upward trend on internal cash flow management requirements; adequacy of borrowing term and limit under review – refer agenda item # 10) ○ <u>Financial reporting compliance</u> (no concerns, in line with plan) • Capital Projects (caution areas noted for Port Lands Flood Protection related to utilities relocations and Bayside External Services due to potential project delays and changed conditions contractor claims): <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 \$4.4M). |
| Resolution or Next Steps | The next macro level dashboard will be provided at the next FARM Committee meeting February 25, 2021. |

2020/21 Corporate Plan Performance



As of Q2 2020/21 WT is on track to achieve the following for 2020/21:

- 83% of key deliverables (19 out of 23)
- 76% of annual capital investment plan (\$298M of \$393M)
- 75% of annual revenues (\$248M of \$330M)
- 81% of performance targets (25 out of 31)

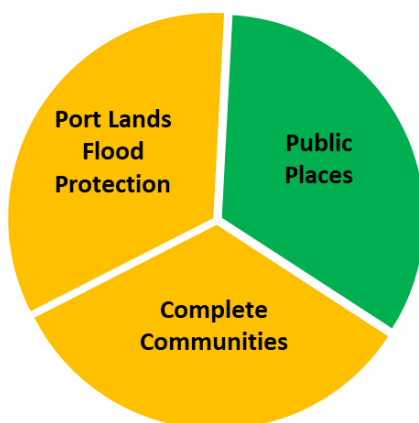
Concern areas relate to four key deliverables, one of which is deferred into 2021/22 to address over budget tender results (in water pipe). Capital investment spend is forecast to be lower than Plan by \$95M (24%) due largely to construction resequencing for the Port Lands Flood Protection (PLFP) project to address project challenges and still maintain the 2024 completion date. **Currently, none of these deferrals place the Corporation at risk of non-compliance with key contracts nor pose an overall budget risk.** Revenue is anticipated to be lower than Plan by \$82M primarily due to a commensurate decrease in this year's funding requirement for the PLFP project.

Finance & Administration



- Positive cash balance > \$50M and no current requirement to borrow; internal cash flow management being utilized for some projects. Government borrowing consent of \$40M to March 2023. Further amendment to term and limit to enhance liquidity tools under discussion with governments.
- ERM: No critical enterprise risks impacting operations.
- Internal Audit proceeding in accordance with plan, note increased volume of government audits may stretch WT resources. 100% audit recommendation implementation rate this quarter (Q1:62%).
- Sept 30, 2020 interim financial statements completed.

Capital Projects



- Currently tracking to deliver all projects in the capital portfolio in accordance with contractual budget/ schedule obligations.
- **Caution** remains 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.
- **Caution** is also noted for the Bayside External Services project, showing adverse (6.6%/ \$4.4M) budget variance due to constructability issues, potential project delays & changed conditions contractor claims. Variance is within 10% of Capital Project Budget.

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.

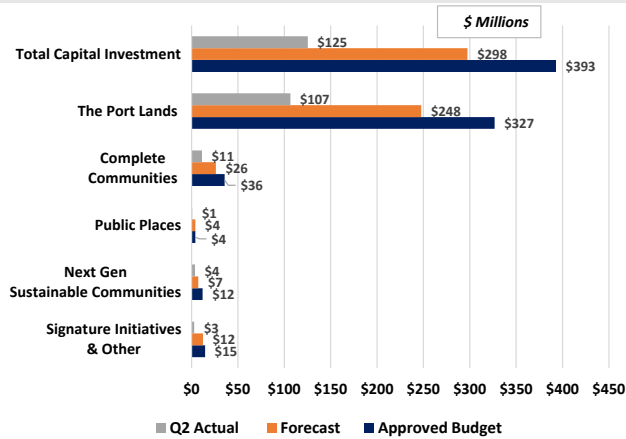
Corporate Plan Performance Dashboard as of September 30, 2020 (Q2 2020/21)

Issued as of: November 19, 2020

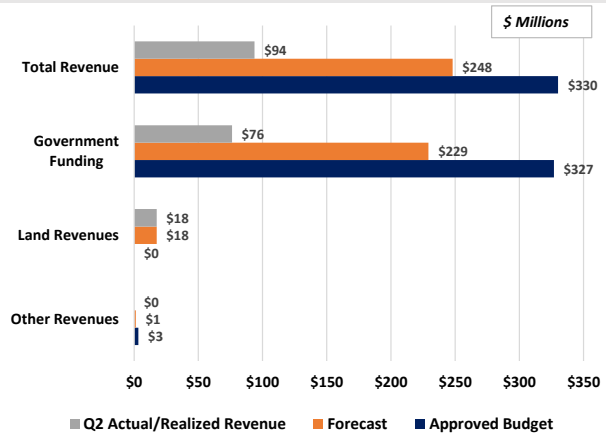
Overall 2020/21 Corporate Plan* Status: ● Capital Investment Plan ● Revenues ● Key Deliverables ● Performance Targets

● No material concerns, in line with plan; forecast performance greater than 80% of plan; ● Caution - Some areas of plan may not be met; forecast performance between 70% - 80% of plan; ● Concern - Some areas of plan will not be met; forecast performance less than 70% of plan

Capital Investments



Revenue / Funding



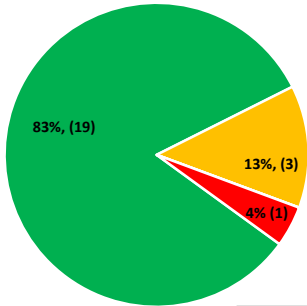
Overall Investment spend is forecast at \$298M, \$95M (24%) lower than Plan due to:

- Decrease in Port Lands Flood Protection resulting largely from construction resequencing required to address impacts from prior year related to cut-off wall productivity issues and delays in municipal approvals for road closures.
- Decrease in Complete Communities primarily due to deferral of in-water pipe project construction as a result of redesign and value engineering required to mitigate potential cost increases.
- Decrease in Next Generation Sustainable Communities due to changes in scope and timing of the Quayside project after Sidewalk Labs withdrawal from the project in May 2020.

Overall revenues are anticipated to be lower than Plan by \$82M primarily due to a decrease in this year's funding requirement for the Port Lands Flood Protection project, offset by land sale revenues originally anticipated in Q4 FY 2019/20 but realised in Q1 2020/21 due to COVID-19.

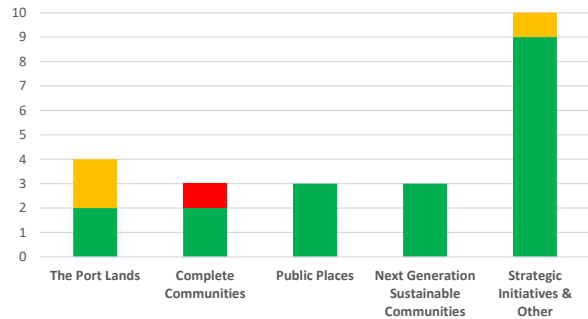
2020/21 Key Deliverables*

Overall Status of 23 Key Deliverables:



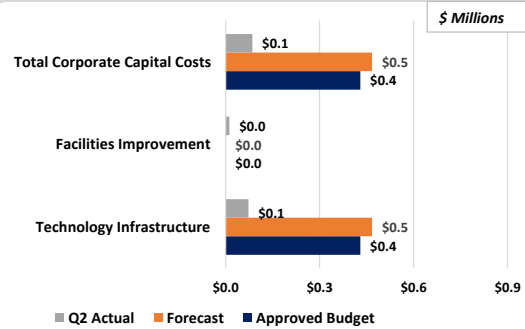
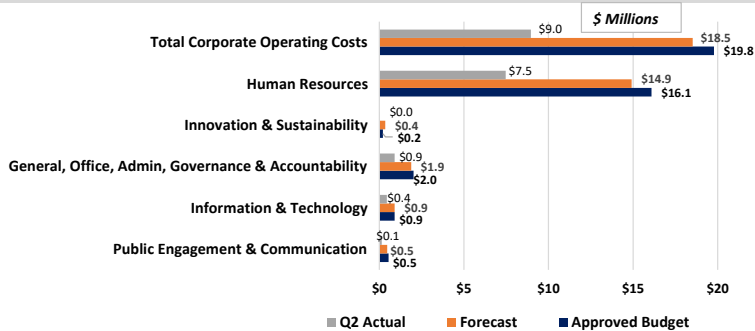
See Appendix A for details on red deliverable

Key Deliverables by Priority Initiative:



The key deliverables for Quayside approved per the 2020/21 Corporate Plan have been updated to reflect the Corporation's revised direction post the withdrawal of the Innovation & Funding Partner in May 2020.

2020/21 Corporate Operating and Capital Costs (excluding Amortization)



- Corporate operating costs are forecast to be under the approved budget by \$1.3M. The major contributor to these forecast savings is Human Resources due to attrition, delays in hiring some positions as well as freezing compensation for senior employees. A slight decrease in General, Office & Admin and Public Engagement & Communications costs is also expected (\$0.1M each) due to the reduced use of Waterfront Toronto's office location due to COVID-19. This is offset by a slight increase (\$0.1M) in Innovation & Sustainability forecast costs due as a result of the update to green building standards being deferred to 2020/21 (previously budgeted in 2019/20). (Amortization is excluded from the chart above but is in line with approved budget.)
- Capital Costs are forecast to be slightly overbudget due to an additional investment in technology to support work from home setup. One of the notable capital investments anticipated this fiscal year in technology infrastructure is the website upgrade to make it fully compliant with the requirements of the Accessibility for Ontarians with Disabilities Act.

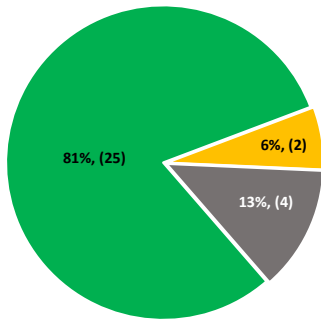
Corporate Plan Performance Dashboard as of September 30, 2020 (Q2 2020/21)

Issued as of: November 19, 2020

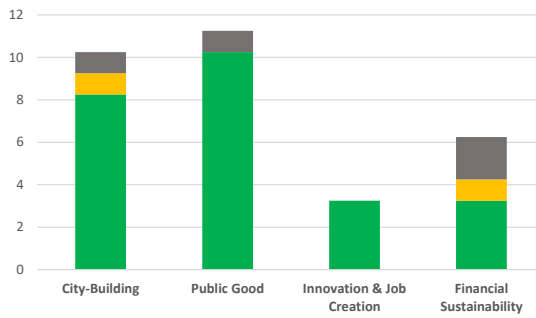
2020/21 Performance Targets

● No material concerns, in line with plan ● Caution - Some areas of plan may not be met ● Concern - Some areas of plan will not be met ● Cannot be measured at this time

Overall Status of 31 Key Performance Indicators:



Key Performance Indicators by Strategic Priorities:



Out of 31 Key Performance Indicators, 81% (25) are on track to achieve their targets. 6% (2) of the KPIs are behind due to COVID-19 (Number of events on the waterfront, Number of strategic partnerships cultivated). 13% (4) indicators cannot be measured at this time. (Number of design awards, Percentage of projects with Design Review Panel support at the end of the design review process, government tax revenue from private sector waterfront development, private-sector dollars invested in waterfront developments)

Appendix A:

Details of Deferred Deliverables for 2020/21

| Delay Category | Priority Initiative | Key Deliverable Deferred to 2021/22 or a Future Year | Comments |
|-----------------|----------------------|--|---|
| Change in Scope | Complete Communities | Complete construction of in-water storm pipes connecting Dockside & Bayside. | Construction completion of the in water pipe has been deferred until FY 2021/22 to allow time to reevaluate the project into two phases and to address over budget tender results. A revised tender for phase 1 (water pipes) closed Nov, 2020 with construction anticipated to start spring 2021 |

Details of Deliverables for: ● Caution

| Priority Initiative | Key Deliverable | Comments |
|---|--|--|
| The Port Lands | Complete Cherry Street south bridge abutments, piers, substructure and steel. | Cherry South bridge foundation has been completed. Substructure is currently under construction and scheduled for completion in November 2020. The steel superstructure for the Cherry South bridge is now scheduled for delivery to site by September 2021. |
| | Commence reconstruction of Lake Shore Bridge. | Based on the assumption that City Council will approve the Lake Shore Bridge Alternative Case, the construction will commence in July 2021. |
| Eastern Waterfront Transit and Queens Quay Revitalization | Complete preliminary design and engineering for Queens Quay East surface works to Cherry Street for Queens Quay East LRT infrastructure. | Area 2A is on track for completion of 30% design by March 2021. Area 2B procurement evaluation is still underway and work has not started, so the revised timeline for it is Sep 2021. By March 2021 Area 2B will be at 10% design. |

Enterprise Risk Management Dashboard– Q2 2020/21



Summary:

- Overall no risks with a high (red) residual risk score this quarter (same as last quarter).
- WT's risk portfolio is stable. No changes noted in the top enterprise risks as 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 | Q2 2020/21 (Current) | | Q1 2020/21 (Previous) | |
|--|-------------------------|---------------------|--------------------------|---------------------|
| | Inherent Risk Score | Residual Risk Score | Inherent Risk Score | Residual Risk Score |
| 1. Business Continuity | 20 | 12 | 20 | 12 |
| 2. Financial Self-Sustainability | 16 | 12 | 16 | 12 |
| 3. Project Forecasting | 16 | 12 | 16 | 12 |
| 4. Port Lands Project Delivery | 16 | 12 | 16 | 12 |
| 5. Liquidity Risk | 16 | 12 | 16 | 12 |
| 6. Existing Revenue Risk | 12 | 12 | 12 | 12 |
| 7. Enterprise Resource Planning System Risk | 12 | 12 | 12 | 12 |
| 8. Government Risk | 12 | 12 | 12 | 12 |
| 9. Procurement Process Risk | 12 | 12 | 12 | 12 |
| 10. Project Delivery - Non-Port Lands Projects | 12 | 12 | 12 | 12 |

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) |

Audit Dashboard– Q2 2020/21

| Audit | 2019/20 (Prior Year) | 2020/21 (Current Year) | 2021/22 (Next Year) |
|-------------------|--|--|---|
| Internal | Employee Wellness Program Review | Performance Measurement Framework <i>(Completed Q2)</i> | ERP System Process General Controls |
| | Procurement (Port Lands) | Resource & Succession Planning <i>(Planned Q4)</i> | Project Management Process Controls |
| | Independent Capital Monitor (Port Lands) | Independent Capital Monitor (Port Lands), <i>Quarterly</i> | Independent Capital Monitor (Port Lands) |
| | | Cybersecurity Follow-Up Audit <i>(Underway, Q2-Q3)</i> | |
| External | March 31, 2020 Financial Statements | March 31, 2021 Financial Statements <i>(Planned)</i> | March 31, 2022 Financial Statements |
| Government | Financial Planning and Reporting Processes Audit | ERP System Implementation <i>(Completed Q2)</i> | Contribution Agreement Compliance (Port Lands Flood Protection) |
| | Office of the Auditor General of Ontario VFM Follow-Up <i>(Underway Q4)</i> | Value-for-Money Follow-Up Audit <i>(Completed Q3; Report to be issued Dec 2020)</i> | |
| | | Tri-Government Strategic Review <i>(Underway Q3-Q4)</i> | |
| | | City Auditor General Risks and Opportunities Assessment <i>(Completed Q2)</i> | |
| Total | 6 audits | 9 audits | 5 audits |

Status of Audit Action Items Sep 30/20:

Overall:

- **88%** of 2018 **Cybersecurity audit** action items implemented;
- **91%** of 2019 **Corporate Governance review** action items implemented;
- **67%** of 2019 **HR Employee Wellness review** action items implemented;
- Refer to Confidential Attachment for an an aging analysis and details of all outstanding audit action items.

This Past Quarter:

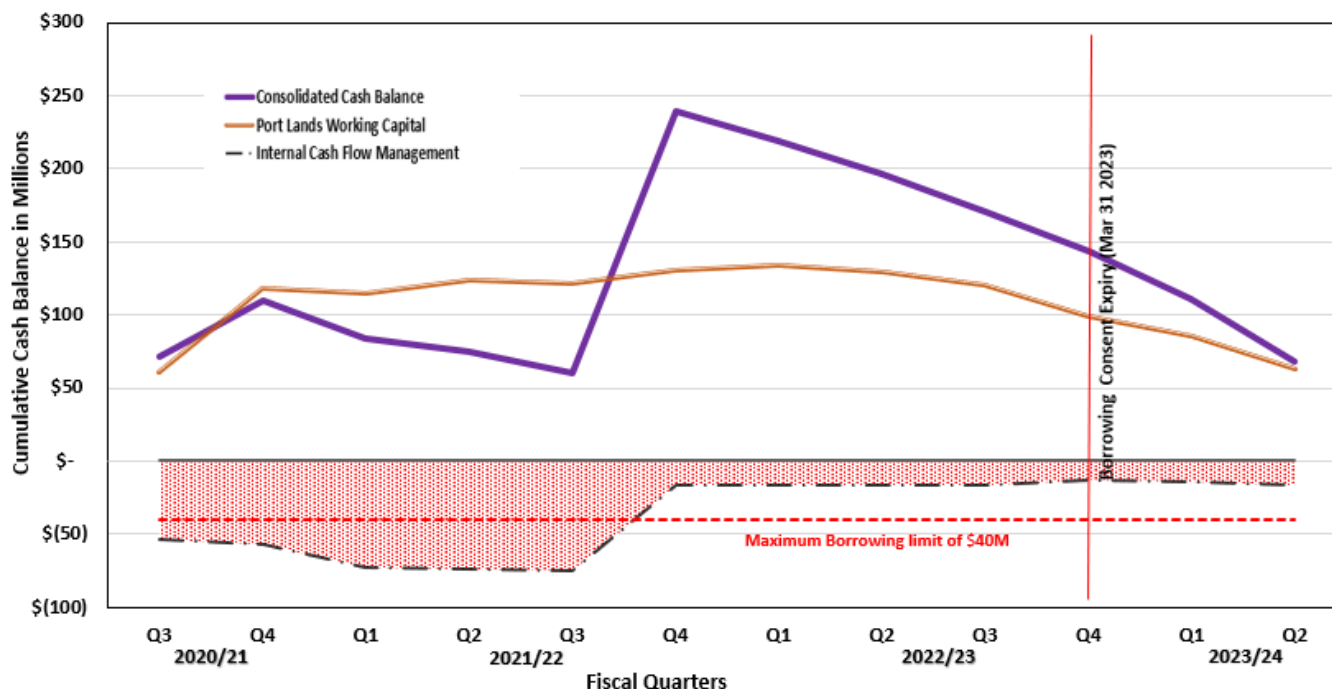
- **100%** implementation rate for **internal audit action items** due this quarter.
- No action items due past quarter on:
 - Government audit action items (100% implemented as of Q1 2020/21)*;
 - Performance measurement internal audit in 2020.

Note: Government audit appendix to be included in subsequent reporting as required (no outstanding government audit recommendations as at Q2 2020/21).

Note: The number of audits from 2003 to March 31, 2020 totals 61 (24 internal; 18 external and 19 government).

Liquidity / Cash Flow Forecast (November 2020)

Cash Flow Forecast Oct 2020 to Sep 2023



Conclusion: During the 36-month period Q3 20/21 – Q2 23/24, Waterfront Toronto (“WT”) will require internal cash flow management up to \$80 million to mitigate cash flow timing differences for certain projects. This interim financing utilizes existing financial capacity and has no impact on WT’s \$40M external borrowing limit. WT expects to still maintain a cash balance of >\$50 million during the next 36 months, subject to realization of first phase of Quayside land sale revenues in Q4 2022.

Key assumptions/highlights:

- The above cash flow forecasts the potential first tranche of land sale revenues associated with the Quayside lands (zoned for 2.7 million s.f. of development) by the end of Q4 21/22.
- During the 36-month period, WT is forecast to borrow up to \$80 million internally to fund expenditures required to mainly advance the:
 - Quayside development to bring the lands to market, including staff costs, land acquisition, and environmental costs ,which is anticipated to be repaid by Q4 21/22.
 - Development of Bayside Phase 2 Water’s Edge Promenade and Stormwater Quality Management (including in-water pipe) projects in East Bayfront projects, to be repaid between 22/23 to 24/25.



WATERFRONToronto

Finance, Audit and Risk Management Committee – November 26, 2020
Item 3 c (i) (e) – September 30, 2020 Unaudited Interim Financial Statements
Sampada Chandane

| | |
|---|---|
| <p>Purpose</p> | <p>Submitted for receipt.</p> <p>The purpose of the unaudited interim 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 six months ended September 30, 2020 have increased from the same period last year. This is due in part, to land sale proceeds of \$17.5M in the current fiscal period (Q1).</p> <p>For the six months ended September 30, 2020 the Corporation:</p> <ul style="list-style-type: none"> • Spent approx. \$146.1 million (up from \$112.5 million last year) of which \$143.5 million was capitalized as Assets Under Development, primarily for the Port Lands Flood Protection (\$128.2 million) and \$2.6 million was expensed. • Recognized revenues of \$95.1 million (down from \$152.6 million for last year) which is primarily government contributions for Port Lands Flood Protection project (\$76.1 million) and land sale proceeds (\$17.5 million) and parking/rental and interest revenues (\$1.5 million). The decrease this year relates to lower funding for Port Lands Flood Protection project as the Corporation had unspent funding from the prior year. <p>Other items of note during the period include:</p> <ul style="list-style-type: none"> • Unrestricted net assets (Note 12) is in a deficit position representing a timing difference between realization of unrestricted revenues and corresponding expenditures funded out of the same (internal cash management). The deficit position is expected to continue until realization of significant unrestricted revenues i.e. land sales proceeds by end of Q4 2021/22. • As at September 30, 2020, the Corporation has notional swing forward exchange contracts of US\$8,250,000 outstanding with settlements occurring monthly until August 2021 (Note 19). |
| <p>Key Takeaways/ Next Steps</p> | <p>The FARM Committee acknowledges receipt of the unaudited interim financial statements for submission to the Board of Directors on December 10, 2020.</p> <p>The financial statements will be received by the Board of Directors on December 10, 2020.</p> |

Interim Financial statements of

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

September 30, 2020

Toronto Waterfront Revitalization Corporation

September 30, 2020

Interim Financial Statements

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Toronto Waterfront Revitalization Corporation
Statement of financial position
as at Sep 30, 2020

| | September 30, 2020 | March 31, 2020 |
|---|-----------------------|-------------------|
| | \$ | \$ |
| Assets | | |
| Current assets | | |
| Cash | 79,443,619 | 87,249,424 |
| Receivables | 65,124,332 | 86,795,715 |
| Deposits and prepaid expenses and other assets | 4,967,553 | 4,850,089 |
| | 149,535,504 | 178,895,228 |
| Restricted cash and investments | 30,901,147 | 27,693,933 |
| Assets under development | 829,385,560 | 685,913,187 |
| Capital assets | 90,333,953 | 90,692,130 |
| | 1,100,156,164 | 983,194,478 |
| Liabilities and net assets | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 74,060,436 | 45,084,203 |
| Deferred contributions | 115,186,487 | 176,108,768 |
| Other liabilities and settlements | 1,302,358 | 948,086 |
| | 190,549,281 | 222,141,057 |
| Other liabilities and settlements | 3,881,207 | 4,560,003 |
| | 194,430,489 | 226,701,060 |
| Net assets | 905,725,675 | 756,493,418 |
| | 1,100,156,164 | 983,194,478 |

Toronto Waterfront Revitalization Corporation

Statement of financial activities

Six months ended September 30, 2020

| | Six months ended September 30, 2020 | Six months ended September 30, 2019 |
|--|--|--|
| | \$ | \$ |
| Restricted Revenues: | | |
| City of Toronto | 43,124,665 | 57,949,405 |
| Government of Canada | 32,850,033 | 45,076,312 |
| Province of Ontario | - | 39,250,595 |
| Other restricted contributions | 156,945 | 6,988,149 |
| | 76,131,643 | 149,264,461 |
| Less: Government contributions for assets under development | (136,750,299) | (95,810,675) |
| Decrease (Increase) in deferred contributions for continuing operations related to future periods | 60,922,281 | (53,171,056) |
| | 303,625 | 282,730 |
| Expenses | | |
| Complete Communities | 896,138 | 571,368 |
| Signature Projects | 864,656 | 57,768 |
| Strategic Initiatives | 587,772 | 609,713 |
| Eastern Waterfront Transit | 145,533 | 199,507 |
| Public Places | 81,230 | 4,762 |
| | 2,575,329 | 1,443,118 |
| Deficiency of revenue over expenses before other items | (2,271,704) | (1,160,388) |
| Net other operating income | (314,287) | 1,173,012 |
| Land sale proceeds and/or other income (Note 17) | 17,485,877 | 245,625 |
| Excess of revenues over expenses | 14,899,886 | 258,249 |

Toronto Waterfront Revitalization Corporation

Statement of remeasurement gains and losses

Six months ended September 30, 2020

| | Six months ended September 30, 2020 | Six months ended September 30, 2019 |
|--|--|--|
| | \$ | \$ |
| Accumulated remeasurement gains, beginning of the period | 21,350 | 252,025 |
| Unrealized gain attributable to foreign currency transactions | 144,496 | 70,180 |
| Unrealized (loss) gain attributable to forward exchange contracts (Note 19) | (52,337) | 82,971 |
| Unrealized gain attributable to short term investments | - | 21,890 |
| Net remeasurement gain for the period | 92,159 | 175,041 |
| Accumulated remeasurement gain, end of the period | 113,509 | 427,066 |

Statement of changes in net assets

Six months ended September 30, 2020

| | Six months ended September 30, 2020 | Six months ended September 30, 2019 |
|---|--|--|
| | \$ | \$ |
| Net assets, beginning of the period | 756,493,418 | 579,897,673 |
| Add: Excess of revenue over expenses | 14,899,886 | 258,249 |
| Add: Net remeasurement gain | 92,159 | 175,041 |
| Add: Government contributions for assets under development | 136,750,299 | 95,810,675 |
| Less: Transfer of assets to Government (Note 6) | (2,510,086) | - |
| Net assets, end of the period | 905,725,675 | 676,141,638 |

Toronto Waterfront Revitalization Corporation

Statement of cash flows

Six months ended September 30, 2020

| | Six months ended September 30, 2020 \$ | Six months ended September 30, 2019 \$ |
|---|--|--|
| Cash flows from operating activities | | |
| Excess of revenues over expenses for the period | 14,899,886 | 258,249 |
| Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities | | |
| Amortization of capital assets | 399,128 | 142,440 |
| Unrealized gain attributable to foreign currency transactions | 144,496 | 70,180 |
| Unrealized (loss) attributable to forward exchange contracts | (52,337) | 82,971 |
| Unrealized gain attributable to short term investments | - | 21,890 |
| Changes in non-cash working capital balances | | |
| Net decrease (increase) in deferred contributions | (60,922,281) | 53,171,056 |
| Current assets (Receivables, Deposits and prepaid expenses) | 21,553,919 | (56,154,631) |
| Current liabilities (Payables, Other liabilities and settlements) | 28,651,709 | 24,395,022 |
| Net cash received from operating activities | 4,674,520 | 21,987,177 |
| Cash flows from capital activities | | |
| Cash received from government contribution for assets under development | 136,750,299 | 95,810,675 |
| Cash used to acquire assets under development | (145,982,459) | (112,475,783) |
| Cash used to acquire capital assets | (40,952) | (194,860) |
| Net cash paid from capital activities | (9,273,111) | (16,859,968) |
| Cash flows from investing activities | | |
| Invested in restricted cash and investments | (3,207,214) | (2,279,298) |
| Invested in short-term investments | - | (152,966) |
| Net cash paid from investment activities | (3,207,214) | (2,432,264) |
| (Decrease) Increase in cash | (7,805,805) | 2,694,945 |
| Cash, beginning of the period | 87,249,424 | 75,377,644 |
| Cash, end of the period | 79,443,619 | 78,072,589 |

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

1. Interim financial statements

The unaudited interim financial statements of the Toronto Waterfront Revitalization Corporation (the "Corporation" or "TWRC") have been prepared by management in accordance with Canadian generally accepted accounting principles applicable to interim financial statements and follow the same accounting policies and methods in their applications as the most recent annual financial statements. All disclosure required for annual financial statements has not been included in these financial statements. These financial statements should therefore be read in conjunction with the March 31, 2020 audited financial statements.

2 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.

3. Receivables

| | September 30, 2020 | March 31, 2020 |
|----------------------------|-----------------------|-------------------|
| | \$ | \$ |
| City of Toronto | 50,095,692 | 40,556,151 |
| Government of Canada | 8,298,128 | - |
| HST receivable | 5,128,648 | 4,906,356 |
| Rent and other receivables | 1,601,864 | 2,033,756 |
| Province of Ontario | - | 39,299,452 |
| | 65,124,332 | 86,795,715 |

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

4. Deposits and prepaid expenses

| | September 30, 2020 | March 31, 2020 |
|-----------------------|-----------------------|-------------------|
| | \$ | \$ |
| Prepaid expenses | 2,786,354 | 2,668,890 |
| Construction deposits | 2,181,199 | 2,181,199 |
| | 4,967,553 | 4,850,089 |

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 the construction of municipal and hydro 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 (March 31, 2020 - \$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:

| | September 30, 2020 | March 31, 2020 |
|---|-----------------------|-------------------|
| | \$ | \$ |
| Holdbacks payable (including HST) | 19,222,315 | 15,533,261 |
| East Bayfront public art | 6,058,778 | 5,372,534 |
| Deposit - Bayside project agreement | 2,247,744 | 2,236,081 |
| Deposit - Broadband services | 1,615,015 | 2,803,370 |
| East Bayfront child care facility | 1,531,180 | 1,523,235 |
| Escrow Account - River City development | 226,115 | 225,452 |
| | 30,901,147 | 27,693,933 |

6. Assets under development

The following table details assets under development by category:

| | September 30, 2020 | March 31, 2020 |
|--------------------------------------|-----------------------|--------------------|
| | \$ | \$ |
| Roads, Bridges, Services, Structures | 412,692,102 | 354,420,300 |
| Flood Protection Features | 304,254,744 | 225,178,064 |
| Land under development | 76,540,765 | 73,574,721 |
| Parks and Public Realm | 35,897,949 | 32,740,102 |
| | 829,385,560 | 685,913,187 |

The following table details assets under development by Priority Initiatives:

| | The Port Lands | Complete Communities | Quayside | Public Places | Eastern Waterfront Transit | Total |
|---|--------------------|-------------------------|-------------------|-------------------|----------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening balance, April 1, 2020 | 311,552,555 | 338,561,668 | 22,697,711 | 13,101,253 | - | 685,913,187 |
| Capital additions | 125,039,296 | 10,736,971 | 597,665 | 529,501 | 1,271,855 | 138,175,290 |
| Direct project management - Note 13 | 2,032,315 | 549,777 | 2,023,344 | 231,590 | 207,365 | 5,044,391 |
| General and support expenses - Note 13 | 1,123,549 | 277,528 | 1,116,550 | 126,355 | 118,797 | 2,762,778 |
| Transfer of completed assets to Governments | - | - | - | (2,510,086) | - | (2,510,086) |
| Closing balance, September 30, 2020 | 439,747,715 | 350,125,944 | 26,435,270 | 11,478,613 | 1,598,017 | 829,385,560 |

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

During the period, Front Street Public Art asset costing \$2,510,086 was formally transferred to the City of Toronto. The 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

| | September 30, 2020 | | March 31, 2020 | |
|---|-----------------------|-----------------------------|-------------------|-----------------------------|
| | Cost | Accumulated Amortization | Cost | Accumulated Amortization |
| | \$ | \$ | \$ | \$ |
| Land | 87,305,565 | - | 87,305,565 | - |
| Computer hardware and software | 4,008,687 | 1,730,102 | 3,935,523 | 1,441,273 |
| Leasehold improvements | 1,377,975 | 804,137 | 1,415,514 | 719,519 |
| Furniture and fixtures | 539,371 | 363,406 | 534,047 | 337,727 |
| Office equipment | 145,563 | 145,563 | 145,563 | 145,563 |
| | 93,377,161 | 3,043,208 | 93,336,212 | 2,644,082 |
| Cost less accumulated amortization | | 90,333,953 | | 90,692,130 |

Land is recorded at cost in accordance with the significant accounting policy. 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 (2020 - \$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 less 0.5%. The interest rate was 1.95% at September 30, 2020 (March 31, 2020 - 1.95%). 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 September 30, 2020, the available borrowing limit was reduced to \$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 September 30, 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

| | September 30, 2020 | March 31, 2020 |
|---------------------|-----------------------|-------------------|
| | \$ | \$ |
| Accrued liabilities | 39,080,077 | 26,518,973 |
| Holdbacks payable | 20,144,914 | 15,458,583 |
| Accounts payable | 14,835,445 | 3,106,647 |
| | 74,060,436 | 45,084,203 |

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

10. Deferred contributions and grants

Deferred contributions and grants represent project specific contributions from Governments which have not been applied to eligible costs at September 30, 2020, as well as contributions received for the acquisition of capital assets which have yet to be amortized.

| | September 30, 2020 | March 31, 2020 |
|---|-----------------------|-------------------|
| | \$ | \$ |
| Expenditures of future periods | | |
| Balance, beginning of year | 176,108,768 | 101,652,189 |
| Additional contributions | (61,017,782) | 75,157,645 |
| Less: amounts recognized as revenue | 95,501 | (701,066) |
| Balance, end of period | 115,186,487 | 176,108,768 |
| Capital contributions | | |
| Balance, beginning of year | - | 0 |
| Add: contributions for acquisition of capital assets and assets under development | 137,149,425 | 191,616,104 |
| Less: direct contribution to net assets | (136,750,299) | (191,126,483) |
| Less: amount amortized to revenue | (399,126) | (489,621) |
| Balance, end of period | 115,186,487 | 176,108,768 |

11. Other liabilities and settlements

Other liabilities and settlements largely represent security and developer deposits.

| | September 30, 2020 | March 31, 2020 |
|-------------------------------------|-----------------------|-------------------|
| | \$ | \$ |
| Deposit - Bayside project agreement | 2,266,192 | 2,256,073 |
| Deposit - broadband services | 1,615,015 | 2,303,930 |
| Deposit - rent and other | 1,302,358 | 948,086 |
| Total other liabilities | 5,183,565 | 5,508,089 |
| Less: current portion | (1,302,358) | (948,086) |
| | 3,881,207 | 4,560,003 |

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

12. Net assets

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

| | September 30, 2020 | March 31, 2020 |
|--|-------------------------------|-------------------|
| | \$ | \$ |
| Invested in non-amortisable capital assets | 87,305,565 | 87,305,565 |
| Invested in assets under development | 829,385,560 | 685,913,187 |
| Unrestricted (deficit) (Note 12b) | (11,078,959) | (16,746,684) |
| Accumulated re-measurement gains | 113,509 | 21,350 |
| | 905,725,675 | 756,493,418 |

b) Unrestricted (deficit)/surplus

| | September 30, 2020 | March 31, 2020 |
|---|-------------------------------|-------------------|
| | \$ | \$ |
| Unrestricted (deficit)/surplus, opening balance | (16,746,684) | 9,247,438 |
| Excess of revenue over expenses | 14,899,886 | 14,539 |
| Investment in assets under development | (9,232,161) | (26,008,661) |
| Unrestricted deficit, closing balance | (11,078,959) | (16,746,684) |

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

13. Expenses by Priority Initiative and Function

| | Complete Communities | Signature Projects | Strategic Initiatives | Eastern Waterfront Transit | Public Places | Quayside | The Port Lands | Total September 30, 2020 |
|---|-------------------------|-----------------------|--------------------------|----------------------------------|------------------|-------------|-------------------|--------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Direct project costs:</i> | | | | | | | | |
| Transfer payments and grants | | | | | | | | - |
| Project planning and implementation costs | 469,866 | 400,266 | 110,151 | 36,766 | (287) | 0 | - | 1,016,762 |
| Project management - salaries, fees and benefits | 807,541 | 299,155 | 307,679 | 280,176 | 283,097 | 2,023,344 | 2,032,315 | 6,033,306 |
| Less project management - salaries, fees and benefits related to assets under development (Note 6) | (549,777) | - | - | (207,365) | (231,590) | (2,023,344) | (2,032,315) | (5,044,391) |
| | 727,630 | 699,421 | 417,830 | 109,577 | 51,220 | 0 | 0 | 2,005,678 |
| <i>General expenses:</i> | | | | | | | | |
| Salaries, fees and benefits | 181,823 | 67,357 | 69,276 | 63,084 | 63,741 | 454,547 | 457,968 | 1,358,439 |
| General and office administration | 120,289 | 44,561 | 45,831 | 41,734 | 42,169 | 301,391 | 303,021 | 898,703 |
| Communications, marketing and government relations | 16,149 | 5,982 | 6,153 | 5,603 | 5,661 | 40,462 | 40,681 | 120,653 |
| Information technology | 127,775 | 47,335 | 48,683 | 44,332 | 44,794 | 320,149 | 321,879 | 954,636 |
| | 446,036 | 165,235 | 169,943 | 154,752 | 156,365 | 1,116,550 | 1,123,549 | 3,332,430 |
| Less general & support costs allocated to assets under development (Note 6) | (277,528) | - | - | (118,797) | (126,355) | (1,116,550) | (1,123,549) | (2,762,778) |
| | 896,138 | 864,656 | 587,772 | 145,533 | 81,230 | - | - | 2,575,329 |

General expenses for the period ending September 30, 2020 have been allocated to priority initiative using an overhead burden rate of 0.55 (2019 - 0.90) for every \$1 of direct labour (project management - salaries and benefits). Total salaries, fees and benefits for the Corporation were \$7,391,745 for the period ending September 30, 2020 (2019 - \$7,324,474) comprising direct project management salaries, fees and benefits of \$6,033,306 (2019 - \$4,859,157) and general salaries, fees and benefits of \$1,358,439 (2019 - \$2,465,317).

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

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

| | Complete Communities | Signature Projects | Strategic Initiatives | Eastern Waterfront Transit | Public Places | Quayside | The Port Lands | Total September 30, 2019 |
|---|-------------------------|-----------------------|--------------------------|----------------------------------|------------------|-------------|-------------------|--------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Direct project costs:</i> | | | | | | | | |
| Transfer payments and grants | | | | | | | | - |
| Project planning and implementation costs | 259,505 | - | 143,529 | 38,108 | 15,963 | - | - | 457,105 |
| Project management - salaries, fees and benefits | 731,008 | 27,350 | 244,918 | 84,794 | 195,006 | 2,023,375 | 1,552,706 | 4,859,157 |
| Less Project management - salaries, fees and benefits related to assets under development (Note 6) | (571,202) | - | - | - | (195,006) | (2,023,375) | (1,552,706) | (4,342,290) |
| | 419,311 | 27,350 | 388,447 | 122,902 | 15,963 | - | - | 973,972 |
| <i>General expenses:</i> | | | | | | | | |
| Salaries, fees and benefits | 375,222 | 17,281 | 125,715 | 43,524 | 100,096 | 1,039,760 | 777,583 | 2,465,317 |
| General and office administration | 178,009 | 8,199 | 59,639 | 20,648 | 47,486 | 493,274 | 368,894 | 1,184,803 |
| Communications, marketing and government relations | 40,917 | 1,885 | 13,709 | 4,746 | 10,915 | 113,381 | 84,793 | 272,335 |
| Information technology | 66,271 | 3,053 | 22,203 | 7,687 | 17,679 | 183,640 | 137,334 | 441,088 |
| | 660,419 | 30,418 | 221,266 | 76,605 | 176,176 | 1,830,055 | 1,368,603 | 4,363,543 |
| Less general & support costs allocated to assets under development (Note 6) | (508,362) | - | - | - | (187,377) | (1,830,055) | (1,368,603) | (3,894,397) |
| | 571,368 | 57,768 | 609,713 | 199,507 | 4,762 | - | - | 1,443,118 |

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

14. Commitments

The Corporation has corporate lease commitments of \$3,534,022 until May 31, 2023.

15. Risk disclosures

(i) Credit risk:

Credit risk arises from cash, short term investments, 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 September 30, 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 (September 30, 2019 - \$151,665).

(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 \$896,641 of cash and \$1,320,277 of payables which has been translated from the U.S. denominated amount.

16. Net other operating income

| | September 30, 2020 | June 30, 2019 |
|----------------------------------|-----------------------|------------------|
| | \$ | \$ |
| Rental, parking and other income | 957,179 | 2,106,365 |
| Less: operating expenses | (1,874,038) | (1,950,408) |
| | (916,859) | 155,957 |
| Interest | 486,362 | 948,415 |
| Other Income | 116,210 | 68,640 |
| Net other operating income | (314,287) | 1,173,012 |

17. Land sale proceeds and other income

During the period ended September 30, 2020, the Corporation received \$17,378,877 (2019 - \$Nil) as closing payments associated with the sale of land in East Bayfront owned by the City of Toronto. Other income comprises of \$107,000 (2019 - \$Nil) for sale of district energy equipment.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 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 was to flow to the Corporation to be used towards the execution of the project. The current estimated cost of the project is \$28,164,996 due to additional scope pursuant to delivery agreement between the Corporation and the City of Toronto for the Events Dock and Garisson project and Bentway Phase 1B project. Up until September 30, 2020 the Corporation has received \$27,593,799.

The trust is entitled to any interest earned on the balance of funds. A summary of the trust's financial position, as at September 30, 2020, is as follows:

| Financial Position as at September 30, 2020 | September 30, 2020 | March 31, 2020 |
|--|-------------------------------|---------------------------|
| | \$ | \$ |
| Cash and accounts receivable | 2,692,979 | 543,949 |
| Assets under development | 25,669,610 | 25,638,547 |
| Total assets | 28,362,588 | 26,182,496 |
| Accounts payable and accrued liabilities | (544,534) | (303,904) |
| Net assets | 27,818,054 | 25,878,592 |

| Revenues and expenditures as of September 30, 2020 | Six months ended September 30, 2020 | Six months ended September 30, 2019 |
|---|--|--|
| | \$ | \$ |
| Revenues | | |
| Philanthropic revenue | - | - |
| Restricted revenue | 1,939,424 | (289,236) |
| Total revenues | 1,939,424 | (289,236) |
| Cumulative revenues (from inception of trust) | 27,593,799 | 25,654,375 |
| | \$ | \$ |
| Direct Project Costs | | |
| Planning and implementation | - | 46,830 |
| Implementation and construction | 22,625 | 190,577 |
| Project management fees | 8,438 | - |
| Total expenditures | 31,063 | 237,407 |
| Cumulative expenditure (from inception of trust) | 25,669,610 | 25,421,773 |

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

19. Forward Exchange Contracts

The Corporation uses forward exchange contracts to reduce its exposure to fluctuations in foreign currency 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 (loss) gain on forward contracts included in the Statement of Remeasurement Gains and Losses for the period ended September 30, 2020 is \$52,337 (2019 - \$82,971). As at September 30, 2020 the Corporation has notional swing forward exchange contracts of US\$8,250,000 outstanding with settlements occurring monthly until August 2021.

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 of September 30, 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.

Toronto Waterfront Revitalization Corporation

Notes to the financial statements

September 30, 2020

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.

22. Comparatives

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

23 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.

| | |
|---|--|
| <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>Port Lands Flood Protection Overall Program is currently proceeding in accordance with Tripartite Contribution Agreement and Board Approved Capital Project Budget. The project continues to face elevated risk due to utilities relocations issues concerning Toronto Hydro and Enbridge. These risks may significantly impact the project budget, schedule and/or scope if appropriate resolution cannot be achieved in the next 60 to 90 days.</p> <p>The following represents the financial status of the projects as of Q2 2020/21:</p> <ul style="list-style-type: none"> • The anticipated total project cost and approved funding remains unchanged at \$1.185 billion. • Current commitments equal \$744.30 million, an increase of \$64.68 million from the last quarterly report. • Cost incurred to date equals \$344.46 million. • \$80.2 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"> • Complete construction of cut-off walls in Central River Valley. Excavation completed over 90% of the Central River Valley area. Under drain and liner installation commenced. • Completed Polson Slip revetment and Risk Management Measures installation. Finalized design approach to Sediment and Debris Management Area and restart design process. • Completed substructure for Cherry North Bridges and foundations for Cherry South bridge. Completed site preparation for foundation works on Commissioners Street bridge. • Completed painting of Cherry North LRT bridge for delivery to site November. • Ground improvements completed on New Cherry north of Keating. Completed HONI tower foundations and east tower steel installation. Completed THESL and Enbridge temporary utility relocations from Commissioners to Villiers. • Initiated Enbridge permanent servicing for Villiers island and reach agreement on an approach to avoid Ontario Energy Board Approval Process. • Reached agreement with owner and tenant of Firehall 30 for vacant possession November 15, 2020 • Began surcharge at River Park North and South. Began site preparation and demolition works on Promontory Park South. • Completed 90% design drawings for Lake Shore Bridge, both base case and alternate case. Delivery Agreement with City for Phase I executed. Traffic model for existing conditions, scenarios and mitigation (for 2021 works) completed |
| <p>Next Steps</p> | <p>The next Port Lands Flood Protection & Enabling Infrastructure Program Dashboard for Q3 2020/2021 will be provided on February 25, 2021.</p> |

PLFP Monthly Program Dashboard - as of September 2020

Issued: October 30th, 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. The overall program budget of \$1.185B remains unchanged. Projects that are forecast to exceed budget are offset by projects that are forecast to complete below budget.

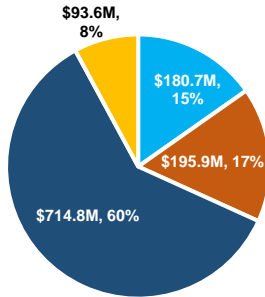
STATUS SUMMARY



The Substantial Completion date of March 31, 2024 remains unchanged. Work has been re-sequenced to ensure that the critical path is not impacted by projects that are currently delayed. The project continues to face elevated risk due to utilities relocations issues concerning Toronto Hydro and Enbridge. These risks may significantly impact the project budget, schedule and/or scope if appropriate resolution cannot be achieved in the next 60 to 90 days.

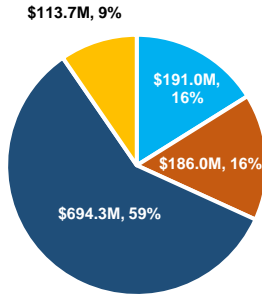
PROGRAM BUDGET ALLOCATION (Based on 30% Approved Budget)

Program Budget by Segment (\$1.185B)



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

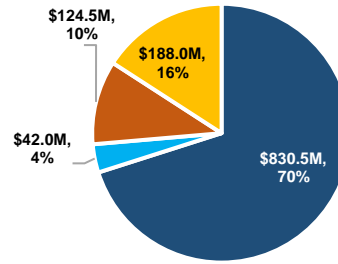
Final 60% Cost Estimate by Segment (\$1.185B)



- 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.

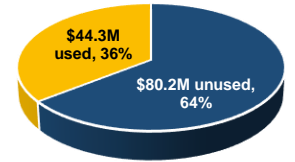
Program Budget by Cost Category (\$1.185B)



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

Hard and Soft costs budget categories slightly modified to include NRHST. Overall program budget remains unchanged.

Contingency Allocation (\$44.3M of \$124.5M)



- Total Contingency Unused
- Total Contingency Used

FINANCIAL SUMMARY

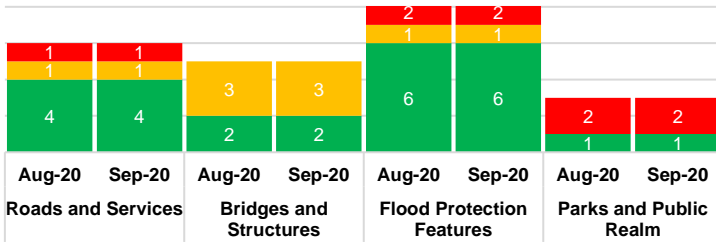
| Project Name | Due-Diligence Budget (\$M) | Approved Changes (\$M) | Approved Budget (\$M) | Total Commitments (\$M) | Anticipated Commitments (\$M) | Estimate At Completion (\$M) | Variance to Approved Budget (\$M) | *Costs Incurred to Date (\$M) | % Complete to Date | Status |
|--|----------------------------|------------------------|-----------------------|-------------------------|-------------------------------|------------------------------|-----------------------------------|-------------------------------|--------------------|--------|
| ■ Forecast to complete within budget ■ Forecast to complete within 10% of budget ■ Forecast to complete more than 10% overbudget | | | | | | | | | | |
| Roads & Services | \$ 168.00 | \$ 12.69 | \$ 180.69 | \$ 102.14 | \$ 88.82 | \$ 190.96 | \$ (10.27) | \$ 31.26 | 16% | ● |
| Commissioners St. West to New Cherry St. | \$ 18.00 | \$ 9.86 | \$ 27.86 | \$ 14.75 | \$ 13.68 | \$ 28.42 | \$ (0.56) | \$ 5.93 | 21% | ● |
| Commissioners St. East to Saulters St. | 7.00 | (0.86) | 6.14 | 1.99 | 2.22 | \$ 4.21 | 1.93 | 1.38 | 33% | ● |
| Cherry Street Re-alignment | 22.00 | 15.61 | 37.61 | 14.86 | 17.28 | \$ 32.14 | 5.47 | 6.12 | 19% | ● |
| Don Roadway North | 7.00 | 10.70 | 17.70 | 3.60 | 10.21 | \$ 13.81 | 3.89 | 2.10 | 15% | ● |
| Hydro One Integration | 12.00 | (2.85) | 9.15 | 5.46 | 0.41 | \$ 5.87 | 3.28 | 4.32 | 74% | ● |
| Site Wide Municipal Infrastructure | 102.00 | (19.77) | 82.23 | 61.48 | 45.03 | \$ 106.51 | (24.28) | 11.41 | 11% | ● |
| Bridges & Structures | \$ 163.00 | \$ 32.86 | \$ 195.86 | \$ 123.25 | \$ 62.81 | \$ 186.05 | \$ 9.81 | \$ 65.48 | 35% | ● |
| Cherry Keating-Cherry Street Bridge North | 55.00 | (14.08) | 40.92 | 30.22 | 11.55 | \$ 41.77 | (0.85) | 17.72 | 42% | ● |
| Cherry Polson-Cherry Street Bridge South | 42.00 | (2.89) | 39.11 | 38.03 | 1.37 | \$ 39.40 | (0.29) | 17.53 | 44% | ● |
| Commissioners Street Bridge/Don Roadway | 43.00 | 6.22 | 49.22 | 42.19 | 10.45 | \$ 52.64 | (3.42) | 20.24 | 38% | ● |
| Lakeshore Road & Rail Bridge Modifications | 19.00 | 44.01 | 63.01 | 11.72 | 37.11 | \$ 48.82 | 14.19 | 9.27 | 19% | ● |
| Old Cherry St. Bridge Demolition | 4.00 | (0.40) | 3.60 | 1.09 | 2.33 | \$ 3.42 | 0.18 | 0.73 | 21% | ● |
| Flood Protection Features | \$ 762.00 | \$ (47.20) | \$ 714.80 | \$ 479.14 | \$ 215.19 | \$ 694.33 | \$ 20.47 | \$ 231.20 | 33% | ● |
| River Valley System & Don Greenway | 486.00 | 11.98 | 497.98 | 396.53 | 105.25 | \$ 501.78 | (3.80) | 190.70 | 38% | ● |
| Keating Channel Modifications | 35.00 | (6.45) | 28.55 | 7.81 | 6.54 | \$ 14.35 | 14.20 | 4.19 | 29% | ● |
| Polson Slip North Side Naturalization | 60.00 | (10.64) | 49.36 | 19.64 | 15.58 | \$ 35.22 | 14.14 | 11.53 | 33% | ● |
| Don Roadway Valley Wall Feature | 27.00 | (4.90) | 22.10 | 10.26 | 14.52 | \$ 24.78 | (2.68) | 5.02 | 20% | ● |
| Eastern Avenue Flood Protection | 5.00 | (0.88) | 4.12 | 1.76 | 0.09 | \$ 1.85 | 2.27 | 1.06 | 57% | ● |
| East Harbour Flood Protection | 5.00 | (4.10) | 0.90 | 0.02 | 0.23 | \$ 0.25 | 0.65 | 0.02 | 7% | ● |
| Flow Control Weirs | 38.00 | (15.38) | 22.62 | 7.22 | 5.79 | \$ 13.01 | 9.61 | 3.70 | 28% | ● |
| Sediment and Debris Management Area | 78.00 | (0.80) | 77.20 | 26.11 | 66.31 | \$ 92.42 | (15.22) | 11.41 | 12% | ● |
| Villiers Island Grading | 28.00 | (16.03) | 11.97 | 9.79 | 0.88 | \$ 10.67 | 1.30 | 3.57 | 33% | ● |
| Parks & Public Realm | \$ 92.00 | \$ 1.65 | \$ 93.65 | \$ 39.78 | \$ 73.88 | \$ 113.66 | \$ (20.01) | \$ 16.52 | 15% | ● |
| River Park North | 23.00 | (0.41) | 22.59 | 11.60 | 26.28 | \$ 37.88 | (15.29) | 4.26 | 11% | ● |
| River Park South | 27.00 | (8.14) | 18.86 | 13.31 | 11.48 | \$ 24.78 | (5.92) | 4.07 | 16% | ● |
| Promontory Park South | 42.00 | 10.20 | 52.20 | 14.87 | 36.13 | \$ 51.00 | 1.20 | 8.19 | 16% | ● |
| Cumulative | \$ 1,185.00 | \$ 0.00 | \$ 1,185.00 | \$ 744.30 | \$ 440.70 | \$ 1,185.00 | \$ (0.00) | \$ 344.46 | 29% | ● |

PLFP Monthly Program Dashboard - as of September 2020

Issued: October 30th, 2020

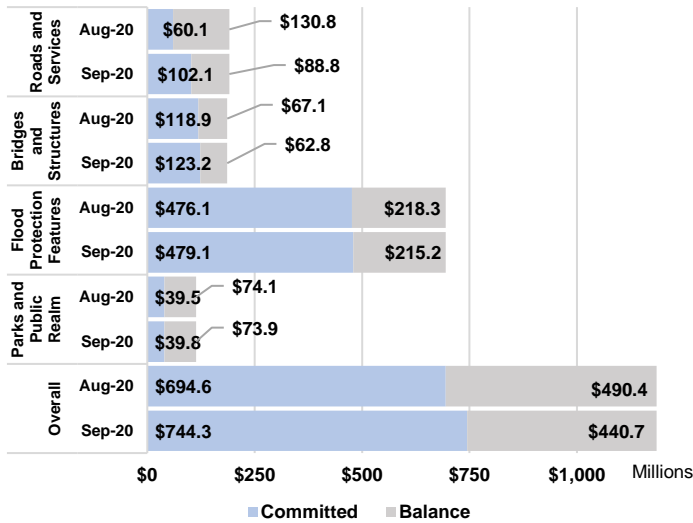
PROGRAM BUDGET STATUS

Budget Status - by Segment

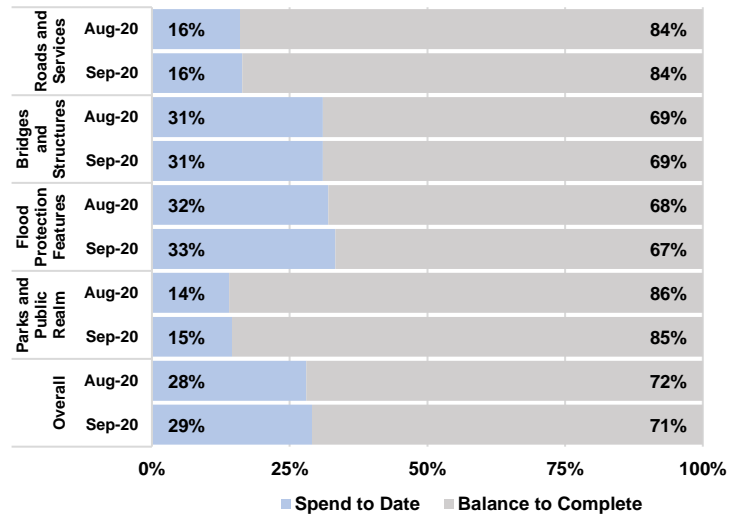


- - Forecast to complete within approved budget
- - Forecast to complete within 10% of approved budget
- - Forecast to complete more than 10% over approved budget

Commitments and Balance to Complete (\$M) (Based on Final 60% EAC - January 2020)

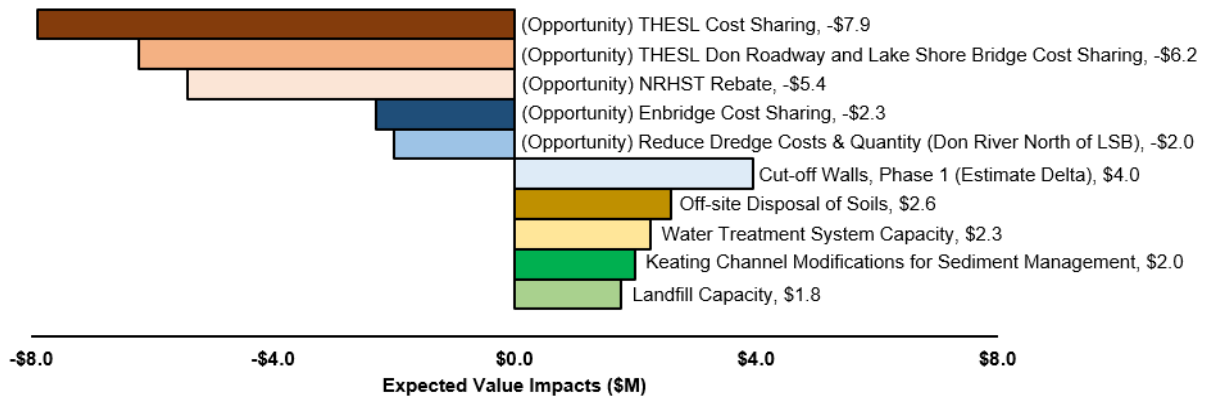


Program Progress - by Segment (Based on Final 60% EAC - January 2020)



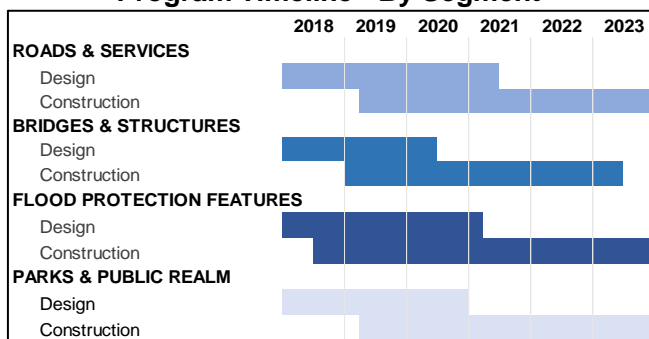
KEY BUDGET RISKS & IMPACTS

Top Risks Impacting Project Cost



PROGRAM SCHEDULE STATUS

Program Timeline - By Segment



Key Communications Milestones

| | |
|-------------------------------------|------------------|
| Public Meeting | Fall 2020 |
| Cherry St North LRT Bridge Delivery | Fall 2020 |
| CONTACT Photography Installation | Summer/Fall 2020 |

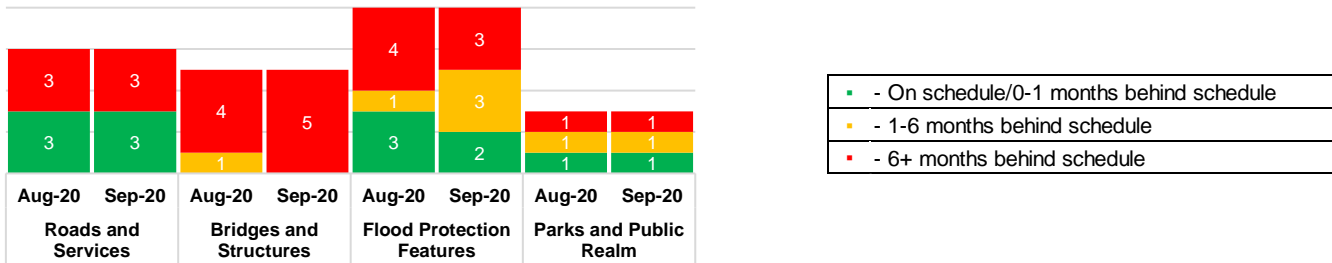
PLFP Monthly Program Dashboard - as of September 2020

Issued: October 30th, 2020

| SCHEDULE SUMMARY (CONSTRUCTION COMPLETION) | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|--------|--|--------|
| Projects | Baseline* | | Forecast** | | Actual | | Delay (months) from Baseline Finish date | Status |
| | Start | Finish | Start | Finish | Start | Finish | | |
| ■ On schedule ■ 1-6 months behind baseline schedule ■ 6+ months behind baseline schedule | | | | | | | | |
| Roads & Services | 11-Mar-19 | 27-Dec-23 | 27-May-19 | 27-Dec-23 | 27-May-19 | | 0 | |
| Commissioners St. West to New Cherry St. | 24-Jul-19 | 23-Nov-21 | 16-Sep-19 | 15-Sep-23 | 16-Sep-19 | | 21 | |
| Commissioners St. East to Saulter St. | 3-Feb-20 | 29-Sep-21 | 22-Oct-20 | 15-Dec-23 | | | 26 | |
| Cherry St. Re-alignment | 11-Mar-19 | 11-Nov-21 | 27-May-19 | 30-Jan-23 | 27-May-19 | | 14 | |
| Don Roadway North | 1-Apr-22 | 27-Dec-23 | 27-Jan-22 | 27-Dec-23 | | | 0 | |
| Hydro One Integration | 13-Jan-20 | 15-Jan-21 | 15-Jun-20 | 18-Dec-20 | 15-Jun-20 | | 0 | |
| Site Wide Municipal Infrastructure | 22-Jul-20 | 7-Dec-23 | 15-Jan-21 | 14-Dec-23 | | | 0 | |
| Bridges & Structures | 15-Feb-19 | 24-Mar-23 | 6-May-19 | 22-Dec-23 | 6-May-19 | | 8 | |
| Cherry Keating-Cherry St. Bridge North | 15-Feb-19 | 23-Oct-20 | 6-May-19 | 22-Aug-22 | 6-May-19 | | 21 | |
| Cherry Polson-Cherry St. Bridge South | 22-May-19 | 26-Aug-21 | 31-Jan-20 | 15-May-22 | 31-Jan-20 | | 8 | |
| Commissioners St. Bridge/Don Roadway | 22-May-19 | 16-Nov-21 | 15-Oct-19 | 25-May-22 | 15-Oct-19 | | 6 | |
| Lake Shore Road & Rail Bridge Modifications | 16-Jan-20 | 24-Mar-23 | 17-May-21 | 22-Dec-23 | | | 8 | |
| Old Cherry St. Bridge Demolition | 12-Nov-21 | 27-Oct-22 | 13-Sep-22 | 23-Jun-23 | | | 7 | |
| Flood Protection Features | 13-Sep-18 | 27-Dec-23 | 13-Sep-18 | 15-Dec-23 | 13-Sep-18 | | 0 | |
| River Valley System & Don Greenway | 13-Sep-18 | 27-Dec-23 | 13-Sep-18 | 15-Dec-23 | 13-Sep-18 | | 0 | |
| Keating Channel Modifications | 24-Aug-20 | 28-Nov-22 | 31-Aug-20 | 17-Oct-23 | 31-Aug-20 | | 10 | |
| Polson Slip North Side Naturalization | 1-Apr-19 | 30-Sep-23 | 28-Oct-19 | 31-Aug-23 | 28-Oct-19 | | 0 | |
| Don Roadway Valley Wall Feature | 22-Oct-19 | 21-Apr-23 | 12-Aug-19 | 5-Jun-23 | 12-Aug-19 | | 1 | |
| Eastern Avenue Flood Protection | 1-Apr-21 | 14-Jun-22 | 30-May-22 | 26-Jul-23 | | | 13 | |
| Flow Control Weirs | 31-Dec-18 | 31-Jul-20 | 3-May-21 | 18-Sep-23 | | | 37 | |
| Sediment and Debris Management Area | 31-Dec-18 | 5-Jun-23 | 27-Jan-20 | 27-Oct-23 | 27-Jan-20 | | 4 | |
| Villiers Island Grading | 8-Jul-20 | 27-Jun-23 | 2-Mar-20 | 24-Nov-23 | 2-Mar-20 | | 4 | |
| Parks & Public Realm | 8-Apr-19 | 13-Oct-23 | 1-Jun-19 | 28-Dec-23 | 1-Jun-19 | | 2 | |
| River Park North | 15-Oct-19 | 15-Jun-23 | 29-Jun-20 | 12-Dec-23 | 29-Jun-20 | | 5 | |
| River Park South | 31-Jul-20 | 25-Aug-22 | 27-Jul-20 | 28-Dec-23 | 27-Jul-20 | | 16 | |
| Promontory Park South | 8-Apr-19 | 13-Oct-23 | 1-Jun-19 | 6-Oct-23 | 1-Jun-19 | | 0 | |
| Cumulative | 13-Sep-18 | 27-Dec-23 | 13-Sep-18 | 28-Dec-23 | 13-Sep-18 | | 0 | |

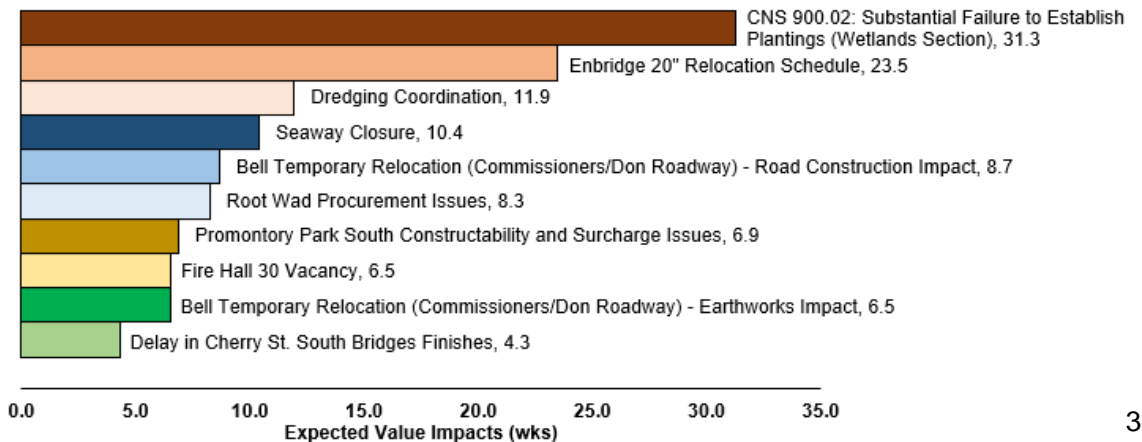
*Baseline Schedule: Based on March 2019 Baseline Schedule. ** Forecast Schedule: Based on September 2020 schedule update.

Schedule Status - by Segment



KEY SCHEDULE RISKS & IMPACTS

Top Risks Impacting Project Schedule



PLFP Monthly Program Dashboard - as of September 2020

Issued: October 30th, 2020

PROGRAM PROGRESS - KEY TASKS

| Key Tasks To be Completed in Next 6 Months | September Completion | October Completion | Nov to Jan Completion | Feb to Apr Completion |
|--|-------------------------|-----------------------|--------------------------|--------------------------|
| ■ On schedule ■ 1-6 months behind baseline schedule ■ 6+ months behind baseline schedule | | | | |
| Permits/Design Approvals to be Secured | | | | |
| TRCA: Reg 166 - South Plug & Keating Channel | | ✓ | | |
| Pipeline Abandonment/Removal Agreements/Approvals | | | ✓ | |
| ECA's: Don Roadway & Commissioners St | | | ✓ | |
| TRCA: Reg 166 - Commissioners St West & East (Partial & Final), Don Roadway | | | ✓ | |
| CoT: Relocation Permit - Firehall Relocation | | | ✓ | |
| CoT: Cherry St Realignment Roadway, Utilities | | | ✓ | |
| Contracts to be Secured | | | | |
| River Valley - Excavation, Soil Management & RMM Installation | ✓ | | | |
| All Bridges: Finishes | | ✓ | | |
| Road Construction (3 Contracts) | | | ✓ | |
| Wet Utilities: Microtunneling | | | ✓ | |
| River Landscaping (9 Contracts) | | | | ✓ |
| River Valley - North Plug: Cut-off Walls | | | | ✓ |
| Design Phase Status | | | | |
| Old Cherry Bridge Demolition | | ✓ | | |
| River Valley & Don Greenway (Completed Design) | | ✓ | | |
| Soil Management Operations | | ✓ | | |
| Cherry St Re-alignment*, Commissioners St, Don Roadway | | | ✓ | |
| Sitewide Municipal Infrastructure | | | ✓ | |
| Interim Sediment Management and Debris Area | | | | ✓ |
| Construction Completion | | | | |
| River Valley Deep Excavation | | ✓ | | |
| Polson Slip Revetment | | ✓ | | |
| River Valley RMM Barrier Layer | | | ✓ | |
| Soil Stockpile Areas (excluding MT35 area) | | | ✓ | |
| Cherry St North Bridge: LRT Steel Structure Arrival | | | ✓ | |
| Commissioners St: Temporary Utilities Relocation (Gas & Sanitary) | | | ✓ | |

*Design on track and preliminary construction underway as scheduled.

INDIGENOUS CONSULTATION

| Update |
|--|
| - Engagement with several Indigenous communities advanced as part of the Indigenous Design support contract for PLFP Public Realm. |
| - Exchanged questions and answers with Curve Lake First Nation regarding the PLFP project engagement process in general. |
| - Completed Indigenous Cultural Safety Training with the Indigenous Design Support Team. |
| - Discussed invoicing expectations with MCFN regarding new Working Group Purchase Orders. |
| Next Steps |
| - Continue engagement with Indigenous communities as part of the Indigenous Design support process for the PLFP Public Realm. |
| - Still waiting for new MCFN Working Group Coordinator to be retained. |

SITE PHOTOS



Figure 1
River Valley - Centre Cell Underdrain System Installation



Figure 2
River Park North - Surcharge Installation



Figure 3
HONI works on Commissioners St/Don Roadway

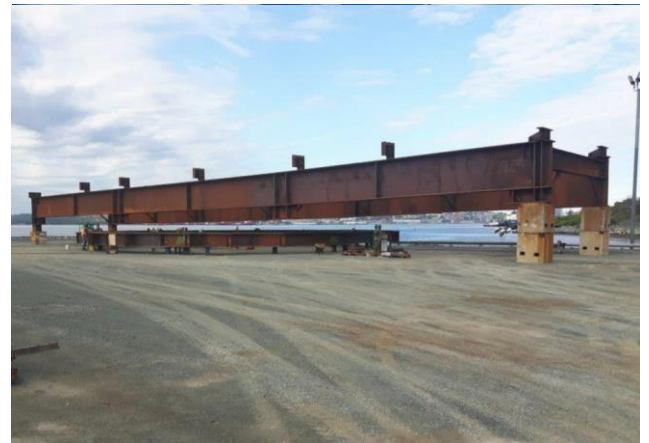


Figure 4
Cherry St North Bridge - LRT Bridge Transfer Beam



Figure 5
Cherry St Bridge North - Coating Works

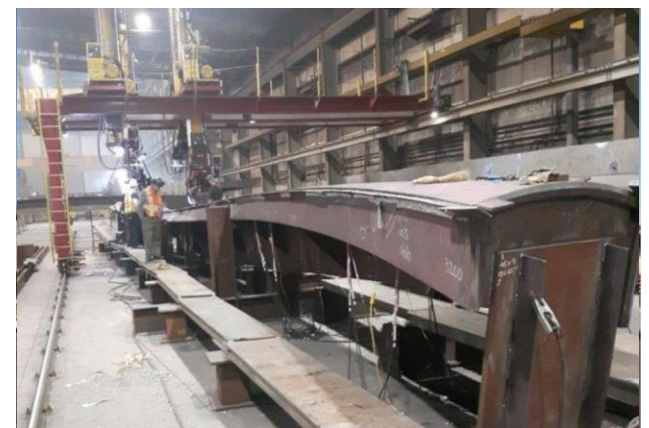
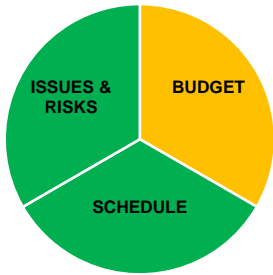


Figure 6
Commissioners St Bridge - West Outer Arch

| | |
|---|--|
| <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 Budget.</p> <p>The following represents the financial status of the project as of Q2 2020/21:</p> <ul style="list-style-type: none"> • The anticipated final cost for the Stormwater and Sanitary Servicing Infrastructure project is forecast to be \$70.97 million or 6.6% over the approved Capital Project Budget. The project incurred additional costs due primarily to constructability issues related to the concrete shell and roof as well as a number of potential delays and changed condition claims from the contractor that have resulted in an increase in the estimate at completion. It is expected that the variance to the approved budget will remain below 10% of the Capital Approval Amount and below \$5 million and will therefore not require additional Capital Approval by the Board of Directors. • The current commitments amount to \$66.6million; an increase from the prior report of \$0.06 million. • Forecast of additional future commitments equals \$4.37 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 \$60.99 million which represents 85.9% of the Estimate at Completion. <p>The work accomplished last quarter includes:</p> <ul style="list-style-type: none"> • Building fully enclosed with doors and windows and fully insulated. • Mechanical installation of the flocculation tanks and drainage components are approximately 75% complete. • Electrical systems and power to the building are approximately 70% complete. • Bayside storm attenuation shaft (“SAS”) is 100% complete and operational. The twin storm force main from Bayside to Cherry Street is 100% complete and the last leg of the Twin storm force main remains to be completed within the Storm Water Facility site. |
| <p>Next Steps</p> | <p>The next dashboard for Bayside External Services for Q3 2020/2021 will be provided on February 25, 2021.</p> |

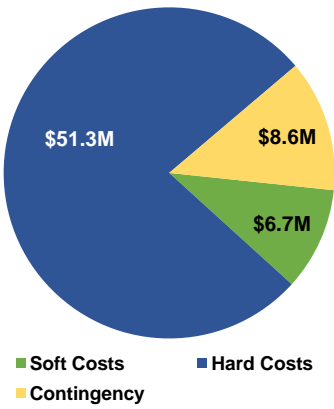
PROGRAM SUMMARY



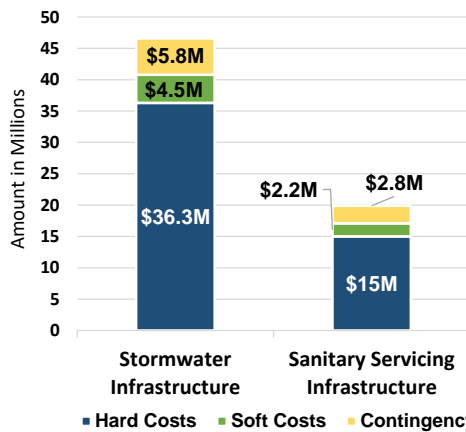
September 2020 Update: The Stormwater and Sanitary Servicing Infrastructure project is proceeding in accordance with the Board Approved 2020-2021 Long-Term Plan and is forecast to be complete within 10% of the Capital Project Budget. The increase in Estimate at Completion is due to number of potential delay and changed conditions claims from the contractor. The variance to the approved budget is below 10% of the Capital Approval Amount. The anticipated completion of the overall program will be in Q4 2020-2021.

PROGRAM BUDGET ALLOCATION

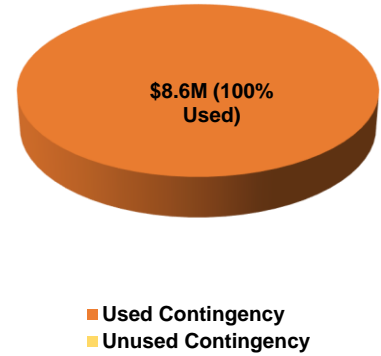
Program Cost (Capital Approval Budget \$66.5M)



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



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



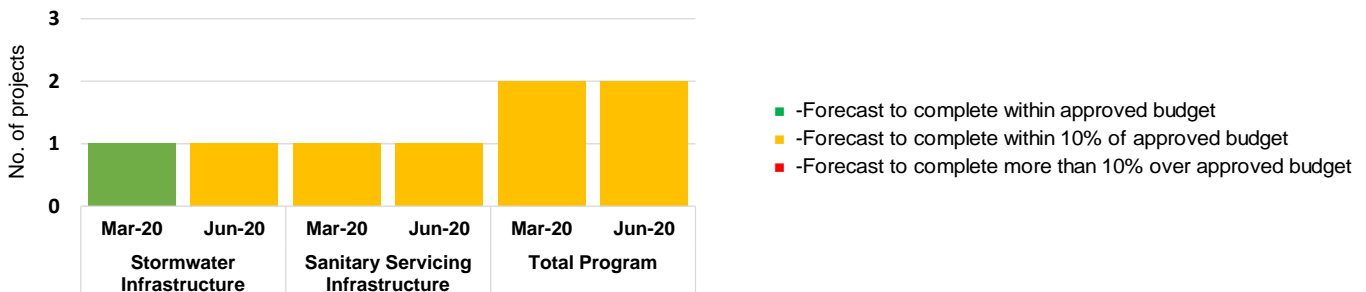
FINANCIAL SUMMARY

| 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 | \$ 46.51 | \$ 4.23 | \$ 50.74 | \$ 41.42 | \$ (4.14) | 82% |
| Sanitary Servicing Infrastructure | 19.94 | - | 19.94 | 20.09 | 0.14 | 20.23 | 19.58 | (0.29) | 97% |
| Total Program | \$ 66.54 | \$ - | \$ 66.54 | \$ 66.60 | \$ 4.37 | \$ 70.97 | \$ 60.99 | \$ (4.43) | 86% |

All figures in Millions

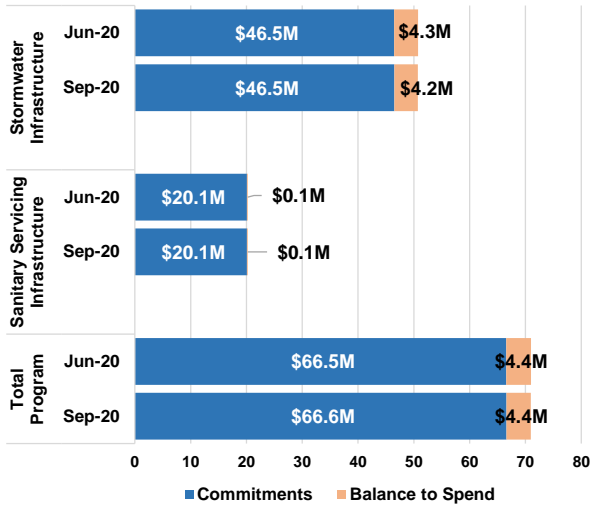
PROGRAM BUDGET STATUS

Budget Status by Projects

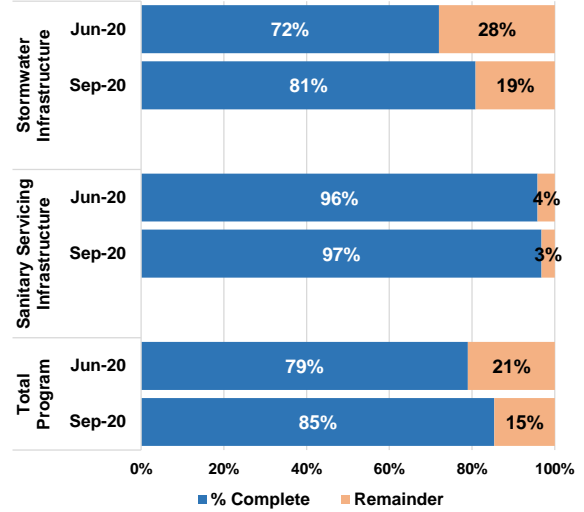


PROGRAM IMPLEMENTATION INDICATORS

Commitments and Balance to Spend (\$M)
(Based on Estimate at Completion)

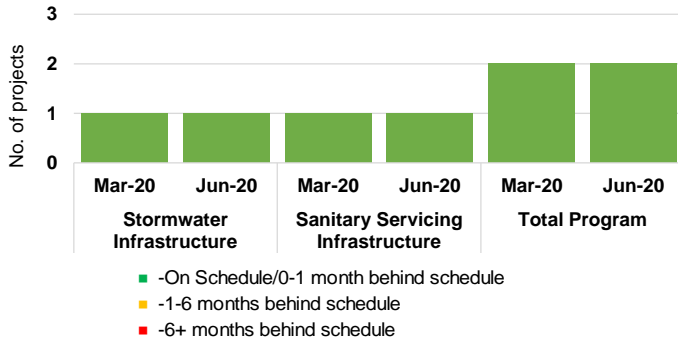


Project Completion (%)
(Based on Estimate at Completion)

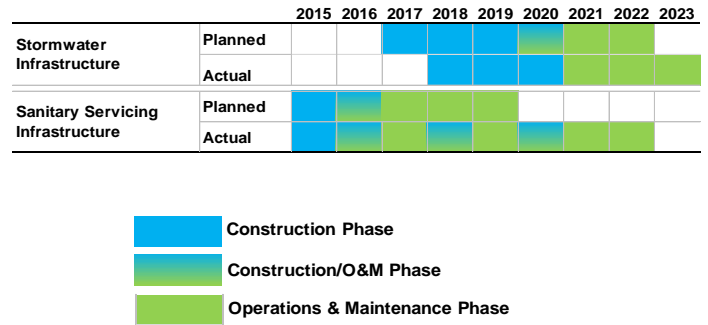


PROGRAM SCHEDULE STATUS

Schedule Status by Projects



Project Duration



SITE PHOTOS



SWF South West View



Inside process piping work



South Entrance View



Inside at the Flocculation Tanks

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):*
 - *McLachlin Enterprises Inc. – Quayside Fairness Monitoring Services. Following an extensive market research, a list of 21 potential individuals was developed and evaluated by a team that included executive and senior members of Waterfront Toronto. The selected Fairness Monitor, following the evaluation process, was The Right Honorable Beverley McLachlin (Chief Justice of Supreme Court of Canada 2000-2017). She was retained for her broad and distinguished experience in arbitration, mediation and a wide range of business law and public law disputes, in both common and civil law. Estimated contract value: **\$50,000.00** (as authorized by the CEO)*
- *Non-Competitive Procurement – Consulting Services, the following does not meet the permitted exceptions under Section 7 (2):*
 - *Raymond Ludwin – Branding and Marketing Advisory Services for Quayside Narrative. The consultant was retained for his distinguished track record of extracting and articulating clear brand positioning, and his extensive history working in complex, multi-stakeholder environments (e.g. Rogers, Air Miles, Aeroplan). Contract value to date: **\$15,000.00** (as authorized by the CEO)*
 - *Tablino Consulting Inc. - Quayside Project Management Consultant. The consultant (Kevin Greene) was retained due to his unique experience and skillsets in setting strategic direction and leading complex development projects for major institutions around the globe (e.g. HOK, CBRE, Cushman & Wakefield, TD, RBC), and for his involvement and leadership in the Quayside project for the past 2 years. Contract value to date: **\$302,962.50** (as authorized by the CEO)*

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

- *None.*

Regulatory & Operational Compliance Report

(for the period from July 1, 2020 to September 30, 2020)


Finance, Audit and Risk Committee Meeting

November 26, 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 Oct 30, 2020 for period Sep 1, 2020 to Sep 30, 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, 2020 CIT Return filed on September 30, 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 | | | | |

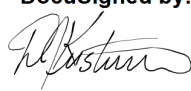
| Other Filings – Operational | | | | | |
|--|---|--|---|-----|-------------------------|
| Annual business plan to be adopted at least 90 days before the beginning of each fiscal year with updated 5-year plan <i>This is a key governance requirement of the TWRC Act</i> | TWRCA | Annually | Up to date | 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: | 2019/20 Audited financial statements approved by the Board June 25, 2020 and provided to governments June 29, 2020. | | | | |
| Property Management <i>In the operation of the properties it owns or manages, the Corporation is responsible for various obligations</i> | Landowner'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: | The eight properties owned by the Corporation are professionally managed by DMS Property Management and third-party parking operators (SP+ and Target Park) 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

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| 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: | Port Lands Flood Protection Project <ul style="list-style-type: none"> No reportable events during 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: | Port Lands Flood Protection Project <ul style="list-style-type: none"> No reportable events during reporting period | | | | |

David Kusturin, Chief Project Officer

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| 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 | 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. | | | | |
| 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 | General Counsel/Privacy Officer |
| Additional comments: | No breaches have been reported. | | | | |

Ian Ness, General Counsel

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Ian Ness

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Finance, Audit & Risk Management Committee – November 26, 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, except that delays to certain deliverables have resulted in a yellow (caution) to the schedule status. Progress is being made on these deliverables, but not at the rate originally planned.</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 quarter:</p> <ul style="list-style-type: none"> • Prepared Fundraising Action Plan – Phase 2 to guide FY 2021/22 efforts (see below); • Worked with the City of Toronto Parks, Forestry and Recreation (PF&R) staff to significantly advance the Operations and Maintenance strategy for Destination Playground; • Conducted a successful briefing with Councilor Fletcher on PLFP Indigenous Placemaking and the Destination Playground, including Operations and Maintenance; • Refined naming and toolkit proposals for the Destination Playground Case for Support based on feedback from directors and focus groups; • Began recruitment of the new Fundraising Director, with first round interviews commencing November 24, 2020; and • Reviewed and revised both the City-Waterfront Toronto Fundraising MOU Term Sheet and the first draft of the WT Fundraising Policy. <p><u>Fundraising Action Plan – Phase 2 (\$6.4M)</u></p> <p>A Fundraising Action Plan – Phase 2 (“Phase 2”) has been developed to cover FY 2021/22.</p> <p>Phase 2 continues our fundraising strategy, which is to develop fundraising capabilities and a campaign plan to pursue major gifts for the Destination Playground, and advance design and planning for the Signature Projects.</p> <p>Phase 2 assumes that the following key deliverables under the current Fundraising Action Plan will be achieved by March 31, 2021: the Fundraising Director will be hired, and the amended revenue consent, MOU Term Sheet and Destination Playground will be approved by City Council.</p> <p>Based on Phase 2, the following milestones are included in the 2021/22 Corporate Plan</p> <ul style="list-style-type: none"> • Build donor pipeline • Together with the City, implement City-Waterfront Toronto Fundraising MOU • Launch Destination Playground Fundraising Campaign (subject to City Council approval and feasibility study) • Achieve 60% design of the Destination Playground and pavilion and finalize the Operations and Maintenance Strategy • Work with the City to advance Jack Layton Ferry Terminal implementation |
| Next Steps | <p>The next Fundraising Action Plan Dashboard will be provided on February 25, 2021.</p> |

PROJECT STATUS SUMMARY

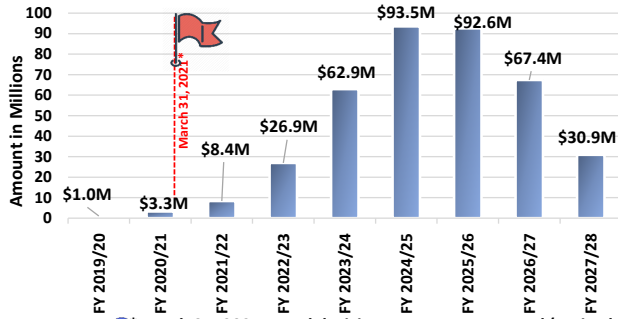
The Fundraising Action Plan states that Waterfront Toronto will develop its fundraising capabilities (to address readiness gaps identified by the fundraising consultant, KCI) and a campaign plan to pursue major gifts (\$500,000+) for the Destination Playground and will advance design and planning for 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 (revised to June 30, 2021).

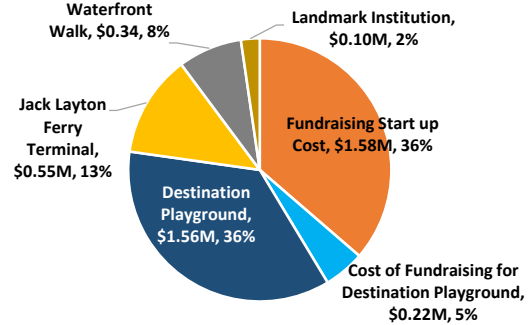
FUNDRAISING EXPENDITURES (LONG TERM/SHORT TERM)

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



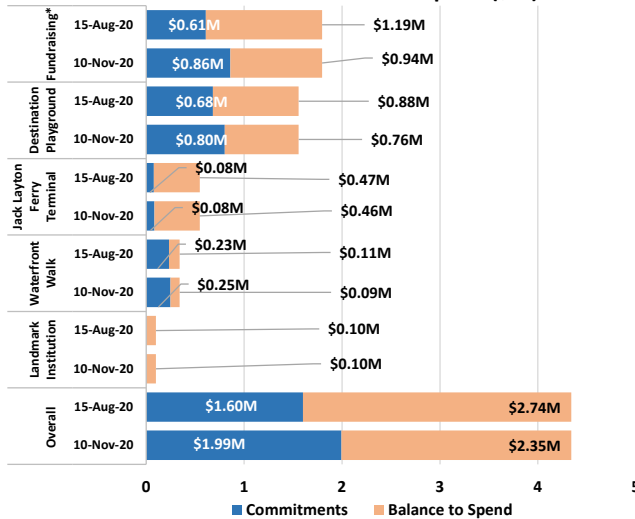
March 31, 2021 Board decision- consent to proceed (revised to June 30, 2021)

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

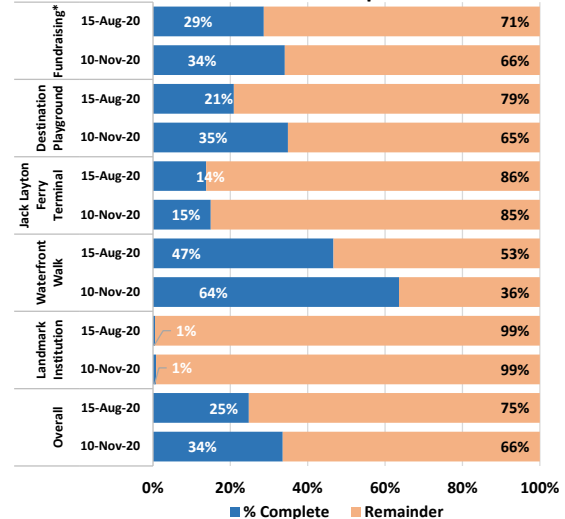


FUNDRAISING ACTION PLAN IMPLEMENTATION INDICATORS (For initial 2 years)

Commitments and Balance to Spend (\$M)



Action Plan Completion



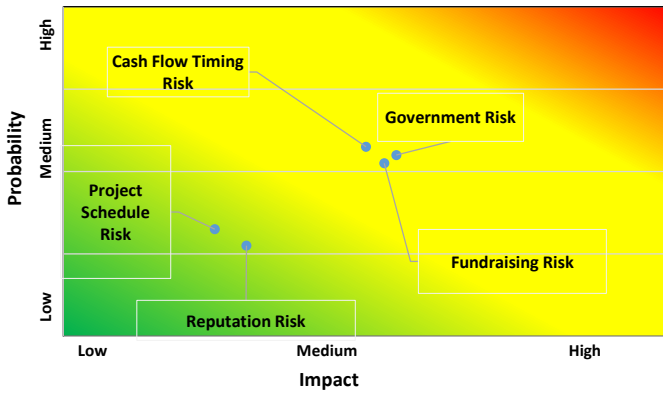
*Fundraising includes Start up Cost and Cost of Fundraising for Destination Playground

FUNDRAISING ACTION PLAN PRIORITY DELIVERABLES

| Priority Deliverables | Jul to Sep 2020 Completed | Oct to Dec 2020 Completion | Jan to Mar 2021 Completion | Jan to Mar 2021 Completion |
|---|---------------------------|----------------------------|----------------------------|----------------------------|
| Government Consent and City Alignment | | | | |
| Amendments to WT consent to raise revenues (requested Sept 2019) | x | | ✓ | |
| Fundraising MOU with City of Toronto Term Sheet | x | | ✓ | |
| Execute Fundraising MOU | | | ✓ | |
| Fundraising Capabilities | | | | |
| Hire Fundraising Director | x | | ✓ | |
| Hire Partnerships Officer and Prospect Researcher | | | | ✓ |
| Develop key policies, procedures and precedent legal agreements | x | | | ✓ |
| Fundraising for Destination Playground | | | | |
| Undertake Market Sounding for Naming and Case for Support Toolkit | ✓ | | | |
| Develop Case for Support content | | | ✓ | |
| Develop Fundraising Strategy for Destination Playground | | | ✓ | |
| Build Presentation Model | | | ✓ | |
| Advance Destination Playground | | | | |
| Complete the conceptual design vision (10% design) for the Destination Playground | ✓ | | | |
| Complete O&M and governance strategy | | ✓ | | |
| Complete 30% Schematic Design | | ✓ | | |

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 |

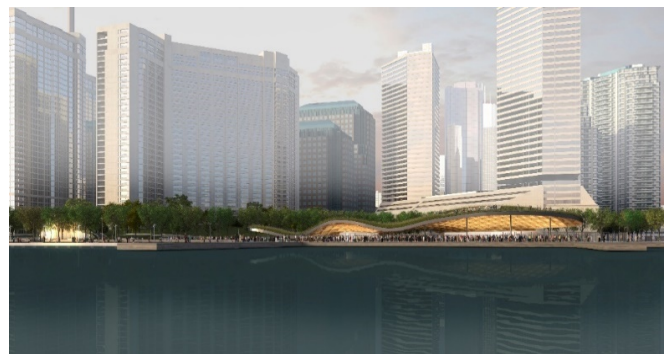
Fundraising Action Plan Highest Key Risks

| 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 is working 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



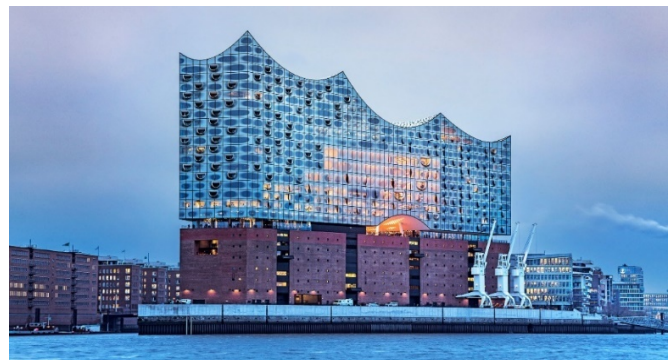
Destination Playground



Jack Layton Ferry Terminal



Waterfront Walk



Example of Landmark Institution



Finance, Audit & Risk Management Committee – November 26, 2020
Item 3G – COVID-19 Impact Update
on Waterfront Toronto Operations
David Kusturin and Lisa Taylor

| Purpose | For Information |
|----------------------------------|--|
| Areas of note/ Key issues | <p>Waterfront Toronto staff continue to work remotely and have reported no cases of COVID-19 infection to date. Working remotely has not materially affected overall staff productivity.</p> <p><i>Construction</i></p> <ul style="list-style-type: none"> • 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. • Claims for additional costs resulting from COVID-19 have been submitted on only the PLFP project to date. • No schedule delays have been experienced on any Waterfront Toronto project due to COVID-19 to date • COVID-19 claims submitted and approved total \$1.8M to date on PLFP • COVID-19 claims submitted and under review total \$746K on PLFP • COVID-19 claims anticipated but not submitted total \$560K on PLFP • Potential increase in restrictions due to COVID-19 second wave are unlikely to impact WT capital project due to project stage or importance – PLFP was deemed an essential project during previous lock-down and other projects will not commence construction until spring 2021. <p><i>Finance & Accounting</i></p> <ul style="list-style-type: none"> • WT's finance and accounting operations continue to be uninterrupted by COVID-19 and WT has continued to pay its vendors on time. • WT currently holds >\$50M in liquid funds. • WT is not anticipating any further significant cash flow delays related to COVID-19. • Some of WT's interim use property revenues have been impacted (e.g. lower demand for parking in period March – June 2020) resulting in lower revenues for Q1 2020/21, however this trend has reversed in Q2 and is not expected to have a material impact on WT's overall financial situation. |
| Next Steps | <p>Management will provide a further COVID-19 Impact Update at the next FARM Committee meeting in February 25, 2021.</p> |

November 26, 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, reduced productivity and supply chain issues. Covid related impacts to budget and schedule can result from the following:
 - Impacts to work force and materials
 - Reduced efficiency and productivity
 - Labour and material mobility
 - Third party & external dependency delays
 - Extended overheads and escalation

Executive Summary

Waterfront Toronto response to COVID-19 (Cont'd)

- In full alignment with governmental direction, Waterfront Toronto has implemented a comprehensive and coordinated approach to mitigate impact to the Corporation. Primary focus has been health and safety of all internal and external resources
- To date, there have been nominal impacts on cost amounting to roughly \$1,813,014.
- To date, there has been \$160,000 USD savings in reduced travel costs
- Future potential claims, associated costs and/or schedule impacts have been identified and are included in the Program risk register
- Impacts related to staff availability, reduced productivity and enhanced safety procedures have been mitigated through sequencing of work. Substantial completion for the PLFP remains December 31, 2023

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. These restrictions were eased on May 1, 2020
- All active Waterfront Toronto construction projects were deemed essential work places with work proceeding utilizing enhanced health and safety procedures since that time
- Concern regarding impact of second wave. Toronto moved into “Red” control level November 14, 2020. If situation continues to deteriorate, Province could move Toronto into a full lock down
- Implications of a full lock down not known, however under previous lockdown, several of the Waterfront Toronto projects were considered essential and construction continued

Background

- Waterfront Toronto construction projects and potential implications are summarized as follows:
 - **Port Lands Flood Protection (PLFP)**
 - Construction ongoing. Project deemed essential in previous shut-down
 - Will need to maintain “essential” designation in future shut-down
 - **Cherry Street Stormwater Treatment Facility (CSSTF)**
 - Construction mostly complete. Commissioning to start November with February completion
 - Minimal risk in event of near-term shut-down
 - **In-Water Pipe**
 - In procurement, construction start May 2021 pending Board Approval
 - Minimal risk in event of near-term shut-down – COVID impacts addressed in contract documents
 - **The Bentway**
 - To be procured and start construction spring 2021
 - Minimal risk in event of near-term shut-down – COVID impacts addressed in contract documents
 - **Love Park**
 - To be procured and start construction spring 2021
 - Minimal risk in event of near-term shut-down – COVID impacts addressed in contract documents

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
- To prepare for the possibility of a second wave lock-down, Waterfront Toronto and Ellis Don met with the following objectives:
 - Discuss Health and Safety protocols to date and further strategies to ensure on-site safety.
 - Discuss opportunities to avoid cost and/or schedule impacts to the program when a second wave occurs.

Port Lands Food Protection (PLFP) On-Site Health and Safety



EllisDon's Covid-19 Current Practices Include:

- Mandated physical distancing
- Use of face masks in the site office should the required 2m separation not be achievable
- Continue mandated completion of daily health screenings by everyone entering onto the project site
- Enhanced cleaning protocols for site facilities and office areas
- Partitions between workstations
- Staggering of staff physically on site and in site offices
- Ensure occupancy in site office remains at manageable levels
- An additional field staff trailer was added to provide extra site space.
- Self-reporting by staff who suspect that they may have symptoms or have had contact with potential COVID carriers through the EllisDon corporate Healthline.
- **ED will follow direction provided by City related to face masks required in indoor public places.**

Program Impact Mitigation Strategies (Schedule / Cost Impact Avoidance)

Procurement:

- ED to consider including language on bid forms indicating that bids should be based on current COVID-19 protocols (cleaning, resourcing contingency, physical separation of crew, PPE).
- ED to consider including language on bid forms indicating that project is essential work to avoid subs refusing work during a second wave.
- Teams crossing the border (Geosolutions and Keller on board already with US-based teams). It is unknown how long the border will remain closed, and 14-day quarantine needs to be factored into schedule. This should be considered during evaluation.
- Pre-order material where possible to avoid supply chain issues.

Program Impact Mitigation Strategies (Schedule / Cost Impact Avoidance) (cont'd)

Operations:

- Look at opportunities to accelerate work / require overtime work (at a premium) – likely not an option given budget challenges
- QP's on-site: MVVA's QP/CA team is US based – further discussion should be had to address travel restrictions (especially heading into 2021)

Covid 19 – PLFP Resolved COVID-19 Claims

| | |
|---|--------------------|
| Cut-Off Walls Sub-Contractor | \$200,514 |
| Cut off Walls Phase 2, CO 110 <ul style="list-style-type: none"> Duplication and isolation of supervisory staff from US | \$117,776 |
| Cut-off walls Phase 2, CO 055 <ul style="list-style-type: none"> Import and quarantine redundant workers from US to avoid project delays | \$82,738 |
| Top Soil Supplier | \$1,612,500 |
| Supply of Topsoil <ul style="list-style-type: none"> Subcontractor's soil source supplier was a development property that was impacted by restrictions on non-essential construction. Revised top soil supply price resulted in Best and Final Offer increase of \$1,612,500 but did not change the tender ranking | \$1,612,500 |
| Total Claims Realized | \$1,813,014 |

Covid 19 – PLFP Claims Received and Under Review

| Cut-Off Walls and Bridge Foundations Sub-Contractor | |
|--|-----------|
| <ul style="list-style-type: none"> • Cut-off walls Phase 1 - claim received July 1, 2020 <ul style="list-style-type: none"> • Cost and schedule impacts • Under review – impacts of Covid could have been avoided if sub-contractor had not significantly delayed completion | \$593,079 |
| <ul style="list-style-type: none"> • Cut-off walls Phase 2 – claim received <ul style="list-style-type: none"> • Additional US staff and quarantine requirements • Under review | \$65,000 |
| <ul style="list-style-type: none"> • Cut-off walls Phase 2 <ul style="list-style-type: none"> • Further claim anticipated for period July – December. Expected value is \$400,000 | |
| <ul style="list-style-type: none"> • Cherry South Bridge Foundations <ul style="list-style-type: none"> • Cost and Schedule Impacts for the period April – June, 2020 received on July 7, 2020 • Under review – additional back up has been requested | \$88,251 |
| <ul style="list-style-type: none"> • Cherry South Bridge Foundations <ul style="list-style-type: none"> • Further claim anticipated for period July through October – projected additional costs \$160,000 | |

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.

No direct cost and schedule impacts have been submitted to date. Cost and schedule impacts due to COVID-19 are currently estimated to be immaterial.

Waterfront Toronto and COVID-19

Finance and Accounting

Finance & Accounting Impacts of COVID-19

- WT's finance and accounting operations continue to be uninterrupted by COVID-19 largely as a result of the cloud-based ERP system and Office365, both of which allow remote access of WT users, the majority of whom continue to work from home.
- WT continues to pay its vendors on time.
- WT continues to leverage benefits of technology to support productivity and working remotely, while maintaining and enhancing internal controls to prevent increased fraud risks (resulting from electronic approvals):
 - Collaboration platforms such as Microsoft Teams and Sharepoint Online, and
 - Implementation of DocuSign to collect and manage digital signatures on important documents;
 - Implementation of Bonfire, a cloud-based Procurement sourcing platform for posting and receiving electronic bid submissions and electronic evaluation of the submissions;
 - Electronic filing/payment systems (e.g., for government and banking requirements) thereby ensuring faster processing of payments/refunds.
- From a cash flow perspective WT remains secure with >\$50M in liquid funds and continues to have the funding support of the City, Provincial and Federal governments.

Thank you.

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Join Waterfront Toronto on social media



| | |
|--------------------------------------|--|
| Purpose | For Recommendation of Approval to the Board of Directors. |
| Areas of note/ Key issues | <ul style="list-style-type: none"> • The attached <i>Rolling Five-Year Strategic Plan (2021/22-2025/26)</i> (Updated Plan) is the second one-year update/ roll-forward of the original Rolling Five-Year Strategic Plan (2019/20 – 2023/24) approved Dec 2018. • Under the Corporation’s enabling legislation, the Board is required to approve an Annual Business Plan for the fiscal year beginning April 1, 2021 on/or before December 31, 2020. • The Original Plan articulated the shared vision of the Board and Management and incorporated the input of Board members, Management and the three government stakeholders. • The theme of this Updated Plan is Waterfront Toronto’s work matters Now More Than Ever, particularly in a post global pandemic recovery. • The Updated Plan of \$1.3 billion is consistent with the Original Plan with respect to the three strategic priorities, namely: <ol style="list-style-type: none"> 1. Priority Projects (\$0.8 billion) largely Port Lands Flood Protection (funded) 2. Next Generation Sustainable Communities (\$177 million)- primarily Quayside (funded) and 3. Signature Projects (\$333 million) - aspirational projects dependent on the success of the fundraising strategy (unfunded). • What’s new in the Updated Plan is the following: <ol style="list-style-type: none"> 1. Implementation of Quayside, including the initial five years of infrastructure costs and related funding, included in this plan. 2. Corporate contingency reserves target has been reduced from \$60 million to \$30 million to support greater contingency and trade-off choices related to the Quayside development. 3. Corporate operating costs budget has been frozen at \$20.6M (human resources portion \$16.1M) consistent with prior year. 4. Fundraising Action Plan Phase 2 which continues WT’s efforts in this area for a 2021/22 budget of \$6.4 million, comprised of \$1.3 million towards building WT’s fundraising capabilities and \$5.1 million towards design development of the four signature projects. Approx. \$1.6 million (25%) relates to WT staff costs. These costs of \$6.4 million are to be temporarily financed and ultimately funded by land sale revenues in 2022. |
| Resolution or Next Steps | <p>The Finance, Audit & Risk Management Committee recommends approval of the Rolling Five-Year Strategic Plan (2021/22-2025/26) by the Board of Directors. Please refer to draft resolution attached.</p> <p>It is expected that the Board of Directors will review and approve the Rolling Five-Year Strategic Plan (2021/22-2025/26) on December 10, 2020.</p> |

Draft Resolution approving the Rolling Five-Year Strategic Plan

WHEREAS the Rolling Five-Year Strategic Plan (2021/22-2025/26) (Updated Plan) is the one year update/ roll-forward of the Five-Year Strategic Plan (2019/20 – 2023/24) that was approved by the Board in December 2018 (Original Plan); and the TWRC Act requires the Board to approve an Annual Business Plan for the fiscal year beginning April 1, 2021 on/or before December 31, 2020 and such Board approval is to be upon the recommendation of the FARM Committee; and

WHEREAS the Updated Plan of approximately \$1.3 billion is consistent with the Original Plan with respect to investments in three strategic priorities, namely:

- Priority Projects (\$814 million) largely Port Lands Flood Protection (funded);
- Next Generation Sustainable Communities (\$178 million) including Quayside (funded); and
- Signature Projects (\$333 million) - aspirational projects dependent on the success of the fundraising strategy set out in the Fundraising Action Plan (largely unfunded).

WHEREAS the Corporate Plan for fiscal year 2021/2022 is a subset of the Updated Plan, is outlined in Appendix 1 and includes capital spending of \$372.4 million (inclusive of corporate operating costs of \$19.7 million before amortization and \$20.6 million after amortization) and estimated funding of approximately \$498.1 million; and

WHEREAS the following items are new/different in the Updated Plan:

- Adjustment of the corporate contingency reserve allocation from \$60 million to \$30 million to reallocate \$30 million towards the Quayside development and related project trade-off considerations, **ON THE CONDITION** that should the amount of revenues tied to the contingency be realized at an amount higher than forecast, the corporate contingency reserve be adjusted upwards by the amount of the increase in revenues, up to a maximum total contingency reserve of \$60 million.
- Spending of up to \$6.4 million in 2021/22 for the Fundraising Action Plan - Phase 2 and Signature Projects (\$1.3M to build organizational fundraising capabilities and \$5.1M to advance design and planning of the Signature Projects, inclusive of \$1.7 million for existing staff resources), to be temporarily financed and ultimately funded by land sale revenues in 2022, and
- Inclusion of Quayside development five-year infrastructure costs and related funding.

ON MOTION duly made, seconded and carried, it was **RESOLVED** that the FARM Committee approves the Rolling Five-Year Strategic Plan (2021/22-2025/26), as presented.

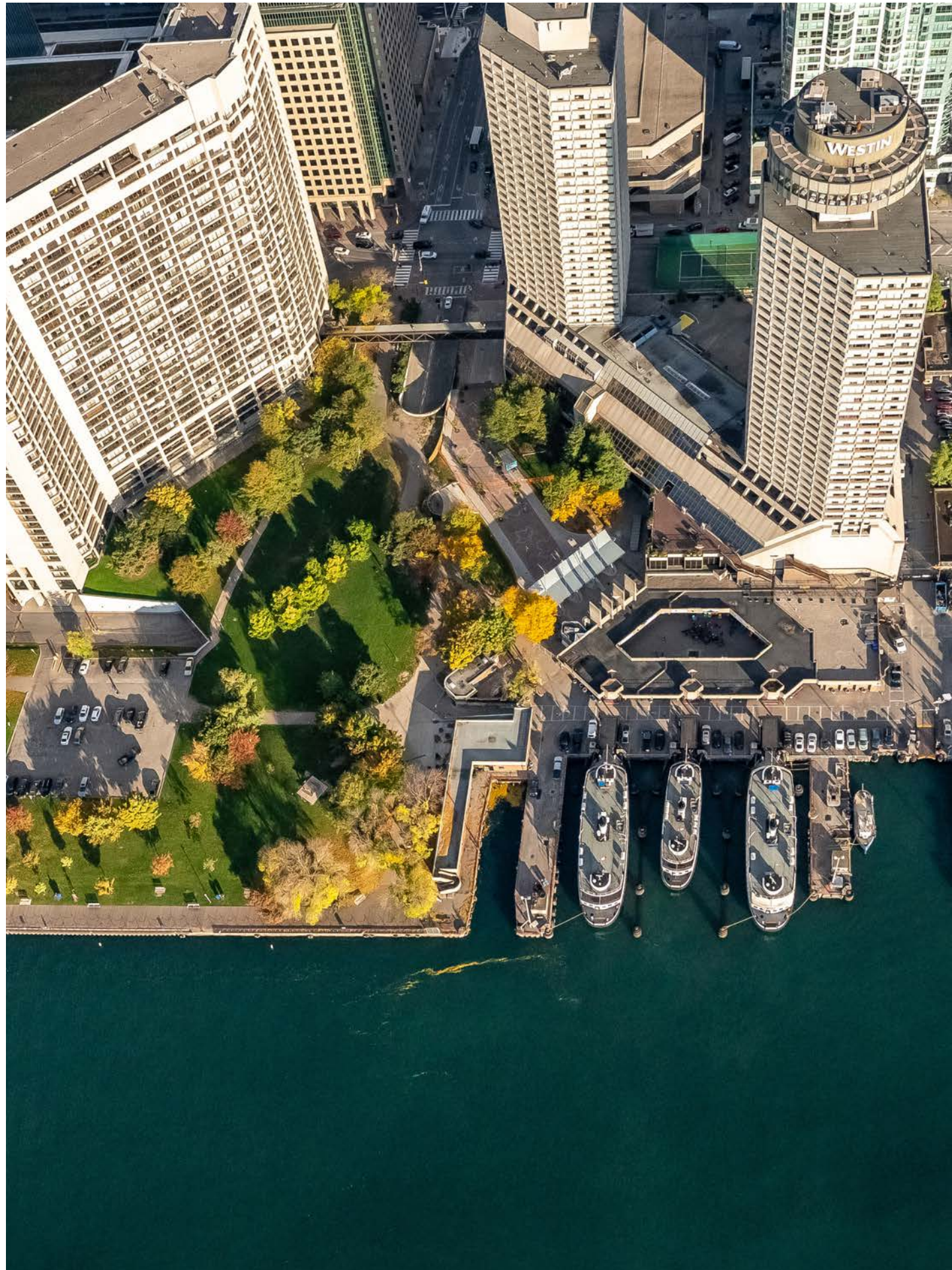
NOW

November 26, 2020



Waterfront Toronto / Rolling Five-Year Strategic Plan 2021/22–2025/26





In 2020, as Canadians adapted to pandemic distancing guidelines, Toronto's waterfront was alive with people walking, visiting and turning toward the expanse of Lake Ontario for a much needed change of scenery.

During the summer, reports from water taxi operators, boat rentals, bike shares and local shops suggested that both land and water were more active than at any time in recent memory.

Now more than ever, Toronto's waterfront is the beating heart of the city. It welcomes and connects people, and supports physical and mental health. Now more than ever, as many people are wondering whether city life is still for them, Waterfront Toronto is proud to be building one vibrant waterfront that belongs to everyone.

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.

A special feature to celebrate the City of Toronto's Year of Public Art



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SECTION 7

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2021/22 Funding plan

Appendix 2 85-86

Five-year financials
2021/22–2025/26 Funding plan

Appendix 3 87

Corporate operating and capital budgets

Section 01

Now more than ever,
Waterfront Toronto's **mandate**
is driving action on
Toronto's most urgent priorities.



Waterfront Toronto was created to enhance the economic, social and cultural value of waterfront lands, and to create an accessible and active waterfront for living, working and recreation.

Today, the importance of this work has never been more evident. Even as a global pandemic upends our routines and raises new questions about how we live and work together, cities remain vital centres for job creation and innovation. Cities are leading the way on society's most urgent priorities, from building climate resilience to making path-breaking advances in medical treatment and research. Now more than ever, people in cities need inviting public places, easier ways to get around and smart, inspiring design.

In the pages that follow, we describe the next chapter in the ongoing process of waterfront revitalization — a process that is leading a thriving global city toward realizing its full potential as a global leader in dynamic and sustainable urbanism.





From George

The summer of 2020 was one of the busiest yet on Toronto’s waterfront. On land, bikeshares were up by 60%. The Martin Goodman Trail bustled with people on foot and on wheels. Traffic surged on the water, with marinas and ferries at capacity and heavy water taxi traffic to the Toronto Islands.

There’s no doubt the summer of 2020 was unusual, as people escaped outdoors amid COVID-19 restrictions. But in a way, this summer simply accelerated a shift that was already happening. More and more, people are turning to the waterfront as Toronto’s most inviting gathering place. The waterfront’s parks are active, its promenades are teeming and its neighbourhoods are resilient and thriving.

We are proud of the role we’ve had in transforming the waterfront with award-winning parks and trails, and we look forward to continuing to deliver on our mandate — block by block, park by park. As our results and momentum have grown, the public response has been resounding.

That’s why at this time of change and disruption, we know exactly what we need to do: keep going. In 2021/22, we will:

- Lead the transformation of the Port Lands (pages 30-37), to protect Toronto from extreme weather events, create jobs and deliver 25 hectares of new parks — places whose importance to physical and mental health is clearer than ever after this summer of social distancing.
- Add more great public art to waterfront neighbourhoods. In 2021 we’re excited to contribute to the success of ArtworxTO, Toronto’s Year of Public Art, including by welcoming the first ever waterfront artists in residence (page 18) in partnership with the Waterfront BIA.
- Continue to set higher standards for sustainable design and construction. The waterfront already hosts Toronto’s first LEED Platinum residential building, with another to be certified in 2021.

Through all this activity, we’re keeping our promise to deliver a vibrant, active waterfront that belongs to everyone. And as we do this work, we’re working to build an increasingly diverse and inclusive team that reflects the extraordinary diversity of the public we serve. How we do our work matters as much as what we do: we listen closely to public input, collaborate across governments and the private sector, and insist on the highest standards of resilience, sustainability and design excellence.

This approach takes time. And it works. The public’s embrace of the waterfront during the pandemic is an important reminder that this area makes an enormous difference to life in the city. We only have one waterfront — and making it the best it can be matters now more than ever.

George Zegarac,
President and CEO, Waterfront Toronto

“The public’s embrace of the waterfront during the pandemic is an important reminder that this area makes an enormous difference to life in the city.” **George Zegarac, President and CEO, Waterfront Toronto**



The July 2020 groundbreaking ceremony for T3 Bayside, a new mass-timber office complex on the waterfront (see page 50). From left to right: Avi Tesciuba, Senior Managing Director, Hines; Catherine McKenna, Federal Minister of Infrastructure and Communities; George Zegarac, President and CEO, Waterfront Toronto.

Governance, oversight and workplace

Waterfront Toronto strives to meet high standards of transparency and accountability while drawing on the best available expertise to guide our thinking and advance our mandate. 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 sector. 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. The Board seeks out diverse perspectives to enhance its decision-making. Diversity is one of the criteria considered by our government stakeholders when appointing directors, and the Board broadens its perspective by drawing insight from Waterfront Toronto staff and advisors as appropriate.

Accountability and oversight

Waterfront Toronto is accountable to the governments of Canada, Ontario and 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 a tri-government working group, composed of dedicated staff at each of the three governments, who provide operational review and support in the delivery of our mandate.

Equity and diversity

Waterfront Toronto is committed to fostering an equitable and inclusive workplace, and to building a staff team that reflects the rich diversity of the public we serve. In 2020, all our staff, Design Review Panel members and Board Directors undertook mandatory Indigenous cultural safety training. Our Human Resources team is currently pursuing training focused on systemic racism and unconscious bias in recruitment, retention and performance management. And our recruitment advertisements have been revised to better reflect our commitment to inclusivity. Building on these early steps, we’ve engaged a consultant to help us develop a comprehensive diversity and inclusion program, which we aim to begin implementing in 2021.

Expert advisory bodies

As our project portfolio has evolved, we have formed a small number of specialist advisory groups to guide and inform our work. One of these is long-standing: we created the city’s first Design Review Panel in 2005 to promote design excellence in both public and private development projects on the waterfront. Other advisory groups, such as the Capital Peer Review Panel that advises us on the phasing and execution of the Port Lands Flood Protection Project, have been established more recently to contribute expert guidance in response to specific initiatives.

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 December 10, 2020, our Board has two vacancies.

Stephen Diamond (Chair)
President & CEO,
DiamondCorp

Patrick Sheils
Vice Chair,
Infrastructure Ontario

Wende Cartwright
President, Savira Cultural
+ Capital Projects

Jeanhy Shim
President & Founder,
Housing Lab Toronto

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

Kevin Sullivan
President,
KMS Capital Ltd.

Michael Galego
CEO, Apolo Capital
Advisory Corp.

Christopher Voutsinas
President, Capital Value
& Income Corp.

Andrew MacLeod
President & CEO,
Postmedia Inc.

Jack Winberg
CEO,
The Rockport Group

Mazyar Mortazavi
President & CEO,
TAS

| | 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 | Investment and Real Estate Committee Development projects and real estate transactions |
| Chair | Kevin Sullivan | Wende Cartwright | Mazyar Mortazavi |
| Members | Michael Galego Patrick Sheils Jeanhy Shim | Joe Cressy Andrew MacLeod | Stephen Diamond Andrew MacLeod Christopher Voutsinas Jack Winberg |

Mission and mandate

Who we are

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

Mandate

Waterfront Toronto was created in 2001 to coordinate public and private investment on the waterfront and improve cooperation among the three levels of government. Then, as now, there was a need for a single organization to clear barriers to waterfront revitalization and drive progress on government city-building objectives. The governments of Canada, Ontario and Toronto made an initial joint investment of \$1.5B in Waterfront Toronto, tasking it with leveraging that seed capital to catalyze a dynamic and 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.

Sixteen years later, in 2017, the three levels of government made a further joint investment of \$1.25B in Waterfront Toronto, directing the organization to deliver the transformational Port Lands Flood Protection Project. This more recent investment attests to governments' confidence in Waterfront Toronto and their commitment to supporting its continued work throughout its mandate.



A House Jam & Battle in 2017 celebrating the 10th anniversary of Park N'Wreck, a convener of outdoor streetdance events.

Four strategic priorities

Two years ago, Waterfront Toronto launched the first in a series of rolling five-year strategic plans. In that plan, we recommitted ourselves to four key strategic priorities that go to the heart of our mandate:



01 City-building. Already a thriving global centre, Toronto still has vast potential. The waterfront in particular represents one of the most exciting city-building opportunities on earth. We're catalyzing the transformation of this irreplaceable landscape, leading one of the most ambitious infrastructure projects on earth and ensuring the area's fundamentals are strong — from high-quality infrastructure to a resilient built environment.



02 The public good. We work to ensure that the public good is at the heart of the waterfront revitalization process. We champion public priorities like sustainability, affordability and design excellence. We create award-winning public places and expand public access to the lake. And we use internationally recognized public consultation practices to ensure the revitalization process is informed by community insights.



03 Innovation and job creation. We participate in global networks of cities focused on innovation and resilience in city-building. Our work helps to lay strong foundations for prosperous sustainable communities. Through holistic planning and effective partnerships, we're creating more jobs and unlocking the enormous economic value of the waterfront.



04 Financial sustainability. Now in the middle of our initial five-year planning horizon (2021-2026), we've increased our capacity to pursue new partnerships and philanthropic support. We're working to diminish our reliance on government investments by fostering new collaborations and by seeking out new partners who share our vision of waterfront revitalization.

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.

Changes in our reporting approach

In our most recent annual reporting period (2019-2020) for the first time we issued a single Integrated Annual Report that captured our progress against all the dimensions of our work:

- How we use financial resources
- Project outcomes we achieve
- Our commitment to corporate social responsibility and sustainability
- Performance against a set of key performance indicators (KPIs)
- Our contributions to the United Nations Sustainable Development Goals

In the years ahead, we also expect to report more fully on our work to build a diverse team, and our progress in ensuring that every aspect of waterfront revitalization promotes access, equity and inclusion. This work is already underway (see note on page 8) but we are working to enhance our measurement and reporting practices in this area for greater transparency.

About this plan

In this rolling five-year strategic plan, we take up all of those topics, placing special emphasis on the coming fiscal year (2021/22) but also offering a five-year outlook on our overall project portfolio. Some additional notes on the pages that follow:

- The project and activity updates throughout the document describe both the outcomes we plan to achieve in the coming year, and the investments we expect to make to achieve them. A table in the appendix (see page 82) presents a complete overview of our planned milestones.
- The icon system on the facing page extends throughout this document, indicating how our project activities advance our strategic priorities.
- The KPI overview on pages 76-79 presents our performance targets for the year and recaps our record to date.

Section 02

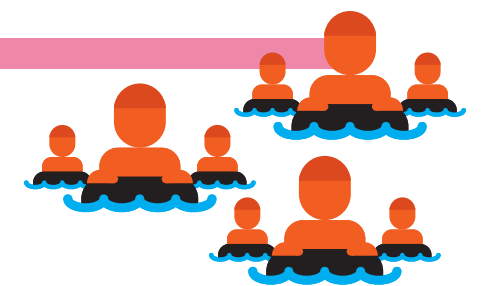
A special feature to celebrate
the City of Toronto's
Year of Public Art

2021

Now more than ever,
public art
brings us together and
expands our perspective

With many performance and exhibition venues closed to slow the spread of COVID-19, outdoor public art is playing a more important role than ever, inviting people to step out of day-to-day stresses and experience the transformative power of art – in real time and shared space.

The fact that 2021 is the City of Toronto's Year of Public Art is a stroke of luck at a challenging time. Waterfront Toronto is proud to contribute to the success of this initiative, presenting artwork that animates public space and enriches city life.



Public art: an exciting year ahead



2021

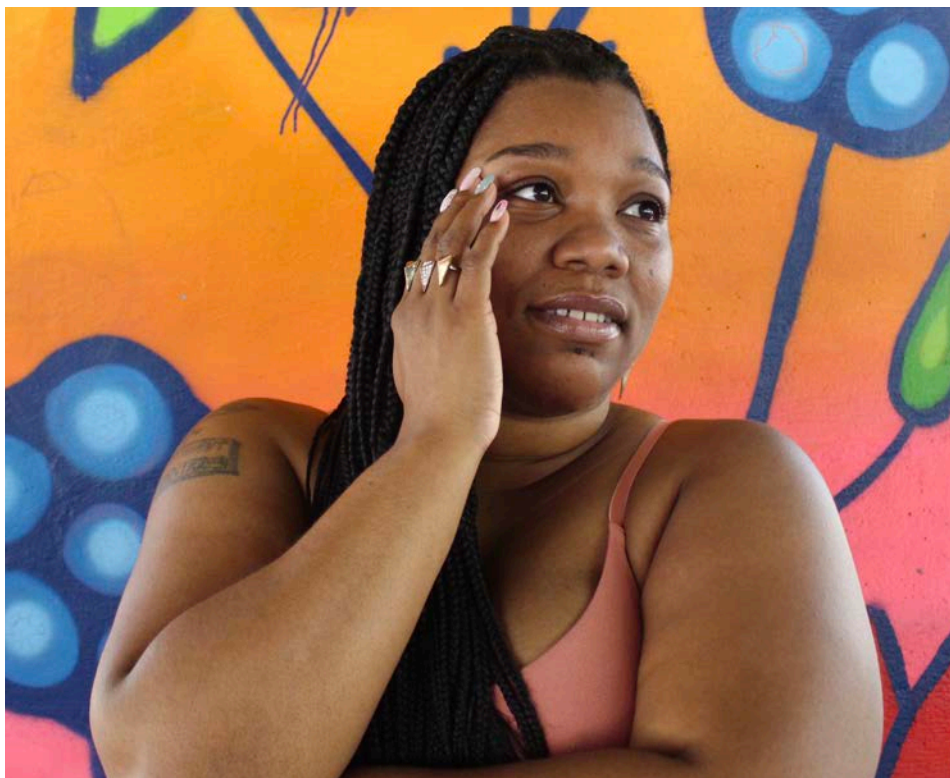
Enhancing the cultural vibrancy of the waterfront is at the heart of Waterfront Toronto’s mission. We have a record of commissioning permanent artworks that quickly become favourite local touchstones in waterfront neighbourhoods. Increasingly, we’re curating seasonal and temporary art programs, creating dynamic cultural experiences by the lake and animating public spaces in transition. This work is keeping the waterfront lively in all seasons, and drawing visitors from across the region.

In 2021/22, Waterfront Toronto will:

- Welcome the first ever waterfront artists in residence, in partnership with the Waterfront Business Improvement Association (BIA) (see page 19).
- Work with shortlisted artists to advance their proposals for our largest ever commission: a major permanent artwork at the foot of Sherbourne Street (see page 25).
- Initiate the process of commissioning two major, permanent Indigenous public art pieces (see page 22).
- Convene a project to explore artists’ potential as policy-shapers. In collaboration with Evergreen and the Center for the Humanities at the City University of New York, we’ve embarked on a new project with Mare Liberum, an interdisciplinary artists’ collective focused on waterways. In 2020 and 2021, Mare Liberum are undertaking a series of activities — writing, discussions and a set of boat-building workshops by the Lower Don River — all exploring how policy processes can benefit from the perspectives artists who pose unconventional questions and “bring visibility to unseen systems.”
- Invite the public to experience a temporary floating artwork beside Harbour Square Park in the summer of 2021. Responding to the extraordinary popularity of our first floating commission in 2019, we are seeking new opportunities to create art experiences right on the lake. This year’s installation, “The Peacemaker,” is a large-scale shining canoe created by Jay Havens, a multidisciplinary artist of Haudenosaunee, Mohawk and Scottish-Canadian ancestry. Originally planned for 2020, “The Peacemaker” was postponed due to installation challenges associated with COVID-19.
- Curate another photography exhibition with material from our Port Lands Flood Protection photographers (see page 20), using the billboard infrastructure we built on Villiers Street. This exhibition will be part of the CONTACT Photography Festival 2021.



“The Birth of Light” by Jacquie Comrie is painted on the wall of a Waterfront Toronto-owned building at 291 Lakeshore Boulevard East.



Leaders of Black Speculative Arts Movement Canada (BSAM Canada)

Clockwise from top left:
Nicole Taylor
Quentin VerCetty
Queen Kukoyi

Artists in residence



Public art in pandemic times

Waterfront Toronto is excited to welcome the first ever waterfront artists in residence this year, in partnership with the Waterfront Business Improvement Association. This initiative is part of our commitment to bringing interactive arts programming and activity to waterfront neighbourhoods throughout the year.

After a review of 32 applications, an external jury selected the **Black Speculative Arts Movement Canada (BSAM Canada)** to pursue the 16-month residency. Formed in 2016, the BSAM collective “uses the speculative arts to fuel our community advocacy and to re-imagine our relationships to the spaces we frequent, the stories we hear and the images that surround us.”

The group has already begun its residency with a process of research and community engagement. These foundational activities will help to inform the artwork the group ultimately develops, which it will share with the public in 2021.

“

Social distancing rules related to COVID-19 have made many people more aware of public space and how they navigate it. Our habits and defaults on streets and sidewalks, in parks and almost everywhere else have been disrupted.

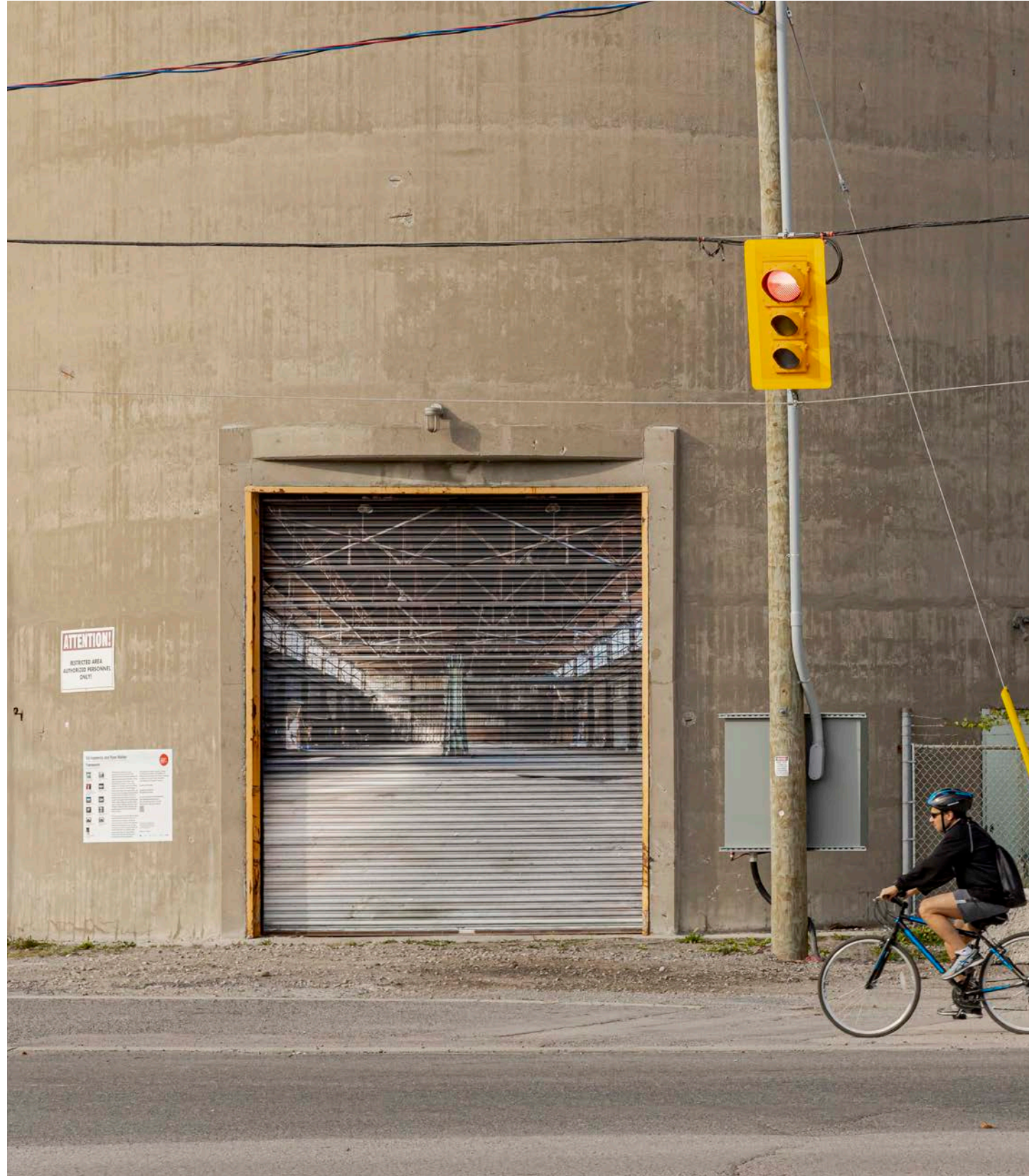
At a time of such upheaval and uncertainty, who better to help us rethink our relationship with public spaces – and the people we share them with – than artists?

As the implications of the pandemic came fully into view in spring, 2020, we rethought the RFP for our first ever waterfront artist-in-residence program. We challenged applicants to show us not only how they would safely present their work, but how their residency could embody ‘flexibility, a willingness to improvise, and an ability to think of new ways of engaging the public’ in the waterfront public realm.

Chloe Catan, Public Art Program Manager, Waterfront Toronto

Learn more about our public art program on our website at: waterfronttoronto.ca

Framework, by Vid Ingelevics and Ryan Walker, is a large-scale photo installation in the Port Lands commissioned by Waterfront Toronto, as part of CONTACT Photography Festival (disrupted in 2020 by the COVID-19 pandemic). These photographs are part of the artists' ongoing series documenting the five-year transformation of the area.



Indigenous art and cultural presence



We're preparing to commission two significant, site-specific, permanent pieces of public art by Indigenous artists in waterfront neighbourhoods. One will be located at the triangular parcel of land at the junction of King Street, Queen Street and River Street. The other will be sited at the Indigenous Hub, a proposed mixed-use area in the West Don Lands that will include residential buildings, an Indigenous Community Health Centre and a centre for Miziwe Biik, an Indigenous training and employment organization.

Waterfront Toronto is in the process of engaging an **Indigenous Public Art Curator** to lead this process and co-curate these works alongside our in-house public art program manager. We aim to release a call for proposals from artists in 2021.

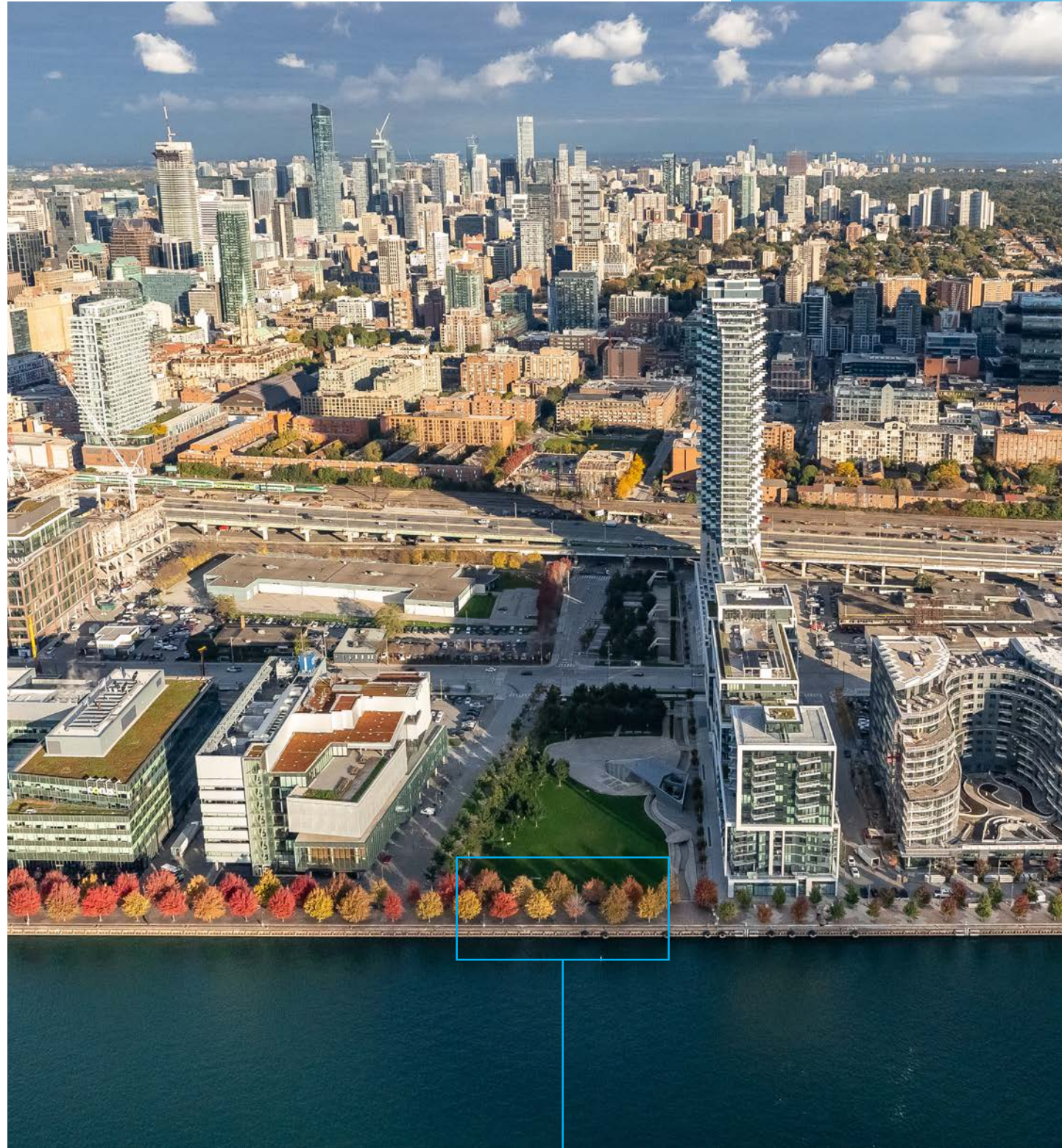
These commissions are one part of a larger process of working with Indigenous peoples — especially the **Treaty Holders, the Mississaugas of the Credit First Nation (MCFN)** — to increase Indigenous cultural presence on the waterfront.

We are also working with Indigenous partners to respect and to recognize **the historical presence of Indigenous peoples** on these lands. One aspect of our partnership with the MCFN has been to ensure that the excavation work being carried out as part of the Port Lands Flood Protection Project (see pages 30-39) is overseen by Indigenous crews empowered to ensure that any archaeological discoveries are respected and protected.

We are currently seeking an **Indigenous architecture specialist** to serve as a member of the Waterfront Toronto Design Review Panel. This move will add an Indigenous perspective to the expert body that delivers design guidance on landscape, design and development across the waterfront.

A rendering of the Indigenous Community Health Centre in the West Don Lands, designed for Anishnawbe Health Toronto by Stantec with the collaboration of Two Row, an Indigenous-owned architecture firm. This facility is part of a larger Indigenous Hub that will include residential and retail uses. Completion is slated for 2023.





The site of the new public artwork coming to East Bayfront creates the opportunity for artists to engage with both land and water.

A major new artwork coming to East Bayfront



In 2019-2020 we issued a call for proposals for the most ambitious work of public art ever created on the waterfront. Located near the foot of Sherbourne Street in East Bayfront, this site lets artists engage with both land and water.

In response to our call, we received more than 80 proposals from respected artists in Canada and around the world. From this group of submissions, an independent jury shortlisted the following artists:

Monica Bonvicini (Italian)

Olafur Eliasson (Danish-Icelandic)

Futurefarmers (American)

Rafael Lozano-Hemmer (Mexican-Canadian)

Adrian Villar Rojas (Argentinian)

Unfortunately, pandemic travel restrictions have prevented in-person site visits by the artists, an essential step in preparing a detailed, site-specific plan for a piece at this scale. We're eager to keep advancing this important project, and are hoping to facilitate visits in late spring or early summer of 2021 in order to gather submissions by the end of the calendar year.

Section 03

Now more than ever,
vibrant public places
are vital to the
public good.



Parks, walking trails, cycling paths and public waterfront access have always been important to life in the city. During the COVID-19 pandemic, many have felt their value even more keenly. Waterfront Toronto has been steadily enhancing these shared assets for years, along with important features that are less often noticed – like stormwater infrastructure that keeps the lake healthy and a tree canopy that shades sidewalks on hot summer days.

In 2021/22, Waterfront Toronto will continue to work on behalf of the public, adding to the more than 43 hectares of beautiful, accessible public spaces we've already created, and enhancing the many systems that sustain, protect and connect waterfront neighbourhoods.



Waterfront parks



Waterfront Toronto leads the way in creating great public places on the waterfront. We build new parks, with thoughtful designs informed by community consultation. We reimagine under-utilized spaces, transforming underpasses and other overlooked sites into active gathering places with public art and amenities like play structures and skatepark features. And we seek out every opportunity to make moving around – whether biking through waterfront neighbourhoods or strolling along the shore – more pleasant and inviting.

2021/2022 UPDATE:

- The bulk of the construction work for York Street Park (also known as Love Park) will take place in the coming fiscal year, and we aim for the new park to begin receiving visitors in the summer of 2022. Over the past year we completed the schematic design and detailed design for the park, including design adaptations – such as movable seating and changes to the dog off-leash area – made in response to community input.
- For nearby Rees Street Park, our goal is to make substantial progress on design and construction. Delivering this park is a challenge because of the City of Toronto’s construction of a new stormwater shaft near the site. Waiting for that project to be complete would mean letting a park site lie dormant for several years. Waterfront neighbourhoods need green space and outdoor gathering places more than ever, so we’re finding creative ways to plan and phase our work to deliver Rees Street Park as quickly as possible.
- This year we’ll put some finishing touches on The Bentway around Fort York. This work includes repairing some damage to a retaining wall, and cladding the ice hut that adjoins the Fort York visitors’ centre to give the facility greater visual coherence.



Designed by Claude Cormier + Associés, Landscape Architects, York Street Park (“Love Park”) will feature a heart-shaped pond, a curving path network and plenty of seating.

Public places in the Port Lands



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 vital new riverine and wetland habitats. This work will dramatically increase Toronto's resilience to extreme weather — and it will do much more. 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 25 hectares of new parks and public places where people can connect with nature and with each other.

This project is on budget and on schedule for completion in 2024. In 2021/22 we plan to:

- Complete modifications to the Keating Channel, the northern bound of the new Villiers Island.
- Continue our work to extend an environmental barrier system through the Don River valley, to prevent contaminants from entering the water. In the coming fiscal year, this work will be concentrated in the Central River Valley.
- Open the new Cherry Street. This new north-south route, which is nearing completion, includes sidewalks, a separated trail for bikes, and two lanes of vehicular traffic. It will also ultimately have a dedicated transit lane. It's been built approximately 50m west of the existing Cherry Street to preserve heritage structures.
- Complete detailed design and procure builders for three new city parks totalling 11 hectares.

New places to play

In addition to plenty of walking trails and places to access the river and the lake, the public realm taking shape in the Port Lands will offer kids and their families and friends two great new places to play. The Port Lands will include a planned Destination Play site (see page 39) as well as a new playground carved out of the upland forest along the northern edge of the river. This latter playground will include immersive play areas like "Green Giant Forest" and "The Toronto Badlands" designed to reflect the local ecosystems of the Don River and Southern Ontario.

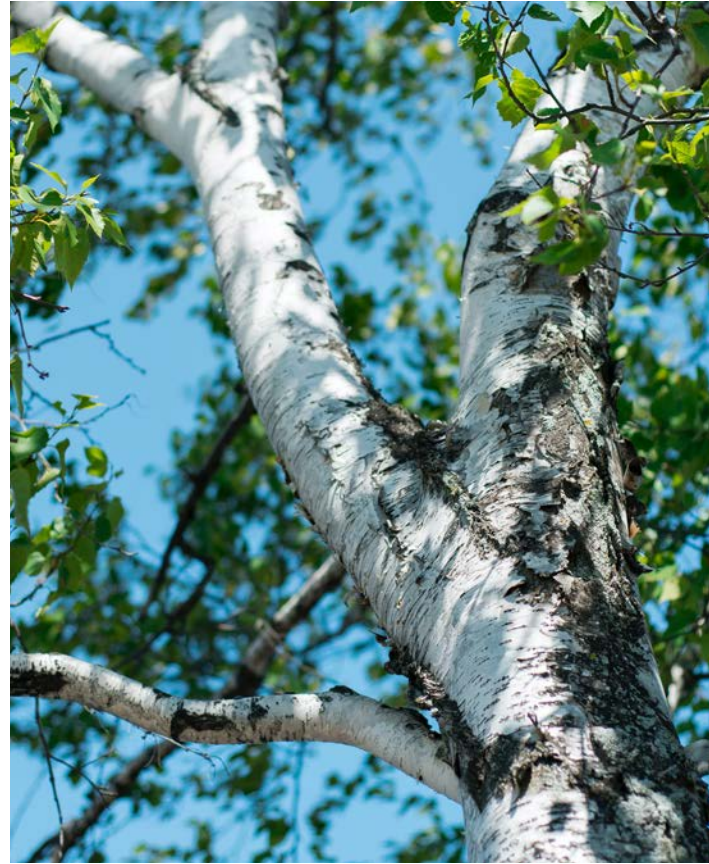


Visit [PortLandsT0.ca](https://portlandst0.ca) / This frequently updated project site includes information on everything from parks to habitat creation to quarterly construction targets.



A new pedestrian and cycling trail that will be realized as part of the public realm transformation associated with the Port Lands Flood Protection Project.

MinoKamik, a collective of Indigenous placemaking specialists, are offering guidance on plantings and ecosystems that hold cultural and medicinal significance for Indigenous communities.



Indigenous design opportunities

We're working with MinoKamik, a collective of Indigenous placemaking specialists who are helping to ensure that the long-standing Indigenous presence in this area is not only reflected and acknowledged, but sustained and expanded. Our design approach is based on four principles:

- *History* – adding art, signage, cultural markers and Indigenous wayfinding elements that reflect the long-standing presence of Indigenous peoples in this area, a gathering place for thousands of years.
- *Identity* – adding elements evoking diverse Indigenous identities to the parks. For example, in a play area featuring local animals, we are exploring a plan to adapt the selection of animals to align with the clan system.
- *Stewardship* – adding plantings and ecosystems with cultural and medicinal significance for Indigenous communities.
- *Inclusion* – ensuring that parks and public places in the Port Lands can accommodate Indigenous ceremonies and gatherings.

Investing for resilience

Waterfront Toronto aims for every investment we make in the public realm to deliver multiple benefits at the same time. In the Port Lands, this means using engineering and design approaches that simultaneously add flood protection and enhance the public realm.

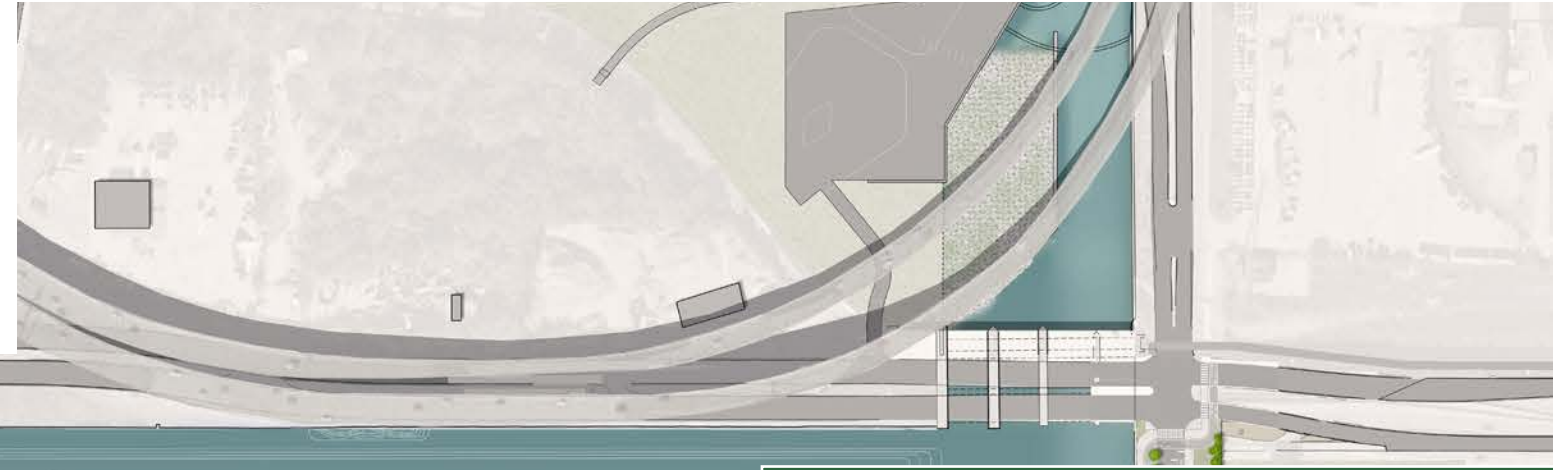

As we reshape the Don River valley, we're using tree roots, boulders and other natural material to stabilize the riverbanks and prevent erosion during extreme weather. This underground work means we can design the river's embankment to include wetlands and an extensive system of pedestrian paths. People walking along the levees will experience a park-like landscape, but these areas are designed to receive and withstand – flooding during heavy storms and even take on some water when lake levels are high.


In short, the landscape does double duty: acting as a flood-protection structure when necessary, and at other times serving as a public park – including unique playgrounds, dog off-leash areas, picnic terraces and other amenities.

New connections to the Port Lands



As we extend the Don River through the Port Lands, we're creating a new island. To connect Villiers Island (see pages 62-65) to downtown and to the new communities that will soon exist east of the Don Roadway, we're installing a family of four new bridges. In addition to accommodating transit, bikes, cars and pedestrians, the bridges will enhance the surrounding landscape both visually and ecologically.

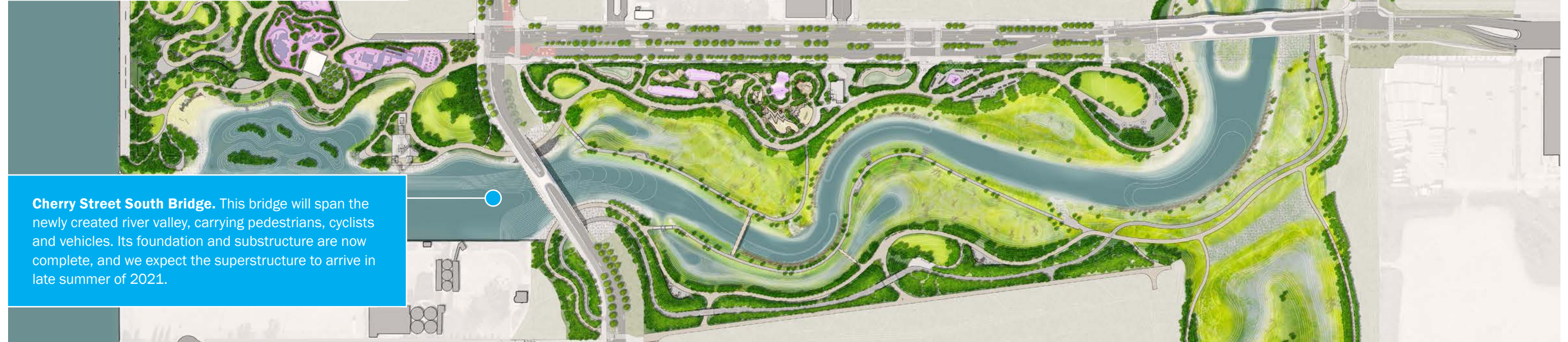
[#BridgeWatch.TO](#) 

Cherry Street North Bridges. Two bridges will span the Keating Channel on the north side of Villiers Island:

The Light Rail Transit bridge is already in place. In the fall of 2020, the bridge's superstructure travelled by barge along the St. Lawrence Seaway from its fabrication facility in Halifax to Toronto. Shipped in one piece, it was lowered onto the substructure in November 2020.

The vehicular bridge will accommodate pedestrians, bikes and cars. The superstructure for this bridge is expected to arrive in the fall of 2021.

Commissioners Street Bridge. An east-west link extending Commissioners Street across the new river valley at the foot of the Don Roadway. The foundation and substructure are now complete, and we expect the superstructures to arrive in two stages in the spring and summer of 2021.



Cherry Street South Bridge. This bridge will span the newly created river valley, carrying pedestrians, cyclists and vehicles. Its foundation and substructure are now complete, and we expect the superstructure to arrive in late summer of 2021.



Top: Commissioners Street Bridge
Bottom: Cherry Street South Bridge
Left: Cherry Street North Bridges

Partnerships and philanthropy



Two years ago, Waterfront Toronto identified four projects that are consistent with our mandate and capable of attracting new partnerships and private philanthropic support. These Signature Projects were conceived based on a study our team conducted of the key attributes that recur among the world's most successful waterfronts, such as excellent waterborne transportation and a continuous walk along the entire shoreline.

Today, we're working to establish new partnerships with city-builders, including individual donors and corporate partners, who share our vision of a waterfront that gathers neighbours, attracts visitors and investors, and anchors communities. We remain as committed as ever to stewarding public investments to deliver urban infrastructure and urgently needed flood protection. At the same time, we'll be creating compelling opportunities for private donors to realize special projects along the waterfront — places that will connect Torontonians in new ways and welcome visitors from across Canada and around the world.

In 2021/22 we plan to:

- Continue to collaborate closely with the City of Toronto, including through the development of a fundraising memorandum of understanding and the creation of a joint executive steering committee to oversee and align our fundraising efforts.
- Begin working with our Fundraising Director, to be recruited late in fiscal 2020/21.
- Advance the design of the four Signature Projects described on the next few pages, to help prospective partners and donors understand and envision the impact of their support.
- Begin to implement our campaign plan for the Destination Play project (see facing page), including by sharing a case for support with prospective partners and major donors. This work is subject to a feasibility assessment scheduled for 2021/22.



“A creative playground on Villiers Island will put well-being, inclusion and fun at the heart of the revitalized waterfront.”

**Chris Glaisek, Chief Planning and Design Officer,
Waterfront Toronto**

Signature projects

Destination Playground

A growing list of cities around the world have created immersive play environments for children, emphasizing movement, exploration and healthy risk-taking. Chicago's Maggie Daley Park rings out with the sounds of play on summer days, and draws an estimated 600,000 visitors annually. The Gathering Place in Tulsa, a riverside park, has won three national distinctions as one of America's best new attractions and is on track to draw a million visitors a year.

As part of the transformation associated with the Port Lands Flood Protection Project (see pages 30-37), we're working with the City of Toronto to plan and develop 25 hectares of public parks and trails in the Don River Valley, on Villiers Island and around the river's mouth. A Destination Playground would be an innovative addition to this network of public places — a first-in-Canada free attraction for residents and visitors, featuring leading-edge playground equipment design and nature play opportunities.

A promising site for a Destination Playground exists at Promontory Park at the western tip of the new Villiers Island. Here we envision a play area the size of two football fields with distinct zones tailored to children at different developmental stages: an invitation to active, social play throughout the year.



Top: Esplanade - Theatres on the Bay, Singapore / Middle: The Water's Edge Promenade in East Bayfront, one step on the journey toward a continuous waterfront walk in Toronto. / Bottom: A design concept for an expanded Jack Layton Ferry Terminal.

Signature projects (continued)

- 1 Landmark Institution**
 Exceptional waterfronts often feature cultural destinations that become icons of their cities. The Sydney Opera House may be the most famous of these, but Singapore, Hamburg, Amsterdam and Chicago all have architecturally significant cultural facilities that anchor waterside districts while communicating a unique urban and national identity to the world. Several sites on Toronto's waterfront have the scale and prominence to house a magnetic gathering place. Along with our partners, we're exploring uses that could activate the surrounding public realm, support year-round on-site cultural programming indoors and out, and catalyze new economic clusters.
- 2 Waterfront Walk**
 When we ask the public to identify priorities for waterfront revitalization, a continuous promenade is the top answer: more than 44% of respondents say an inviting waterfront walk is what they want most. We're working with designers to find creative ways to thread a beautiful, accessible path along the entire shoreline. This means using elements like boardwalks and bridges to close gaps and complete a continuous pedestrian route running from the Portland Slip in the west to the Parliament Slip in the east. This cohesive promenade along the water's edge would make the shore even more active, and would further establish the waterfront as a destination that's more than the sum of its parts.
- 3 Jack Layton Ferry Terminal**
 Ferry systems are integral to many of the world's most vibrant urban centres, including bustling waterfront cities like Stockholm, Sydney and San Francisco. The Jack Layton Ferry Terminal works hard to accommodate existing transportation needs, and is not currently well equipped to support growing demand. An enhanced Jack Layton Ferry Terminal could create more opportunities for marine transportation within and beyond Toronto Harbour, and also has the potential to add needed green space to an important stretch of the downtown waterfront. Building on some preliminary improvements we've made in collaboration with the City of Toronto to improve the arrival experience at the terminal, in 2021/22, we'll work with the City to advance our implementation strategy for a more comprehensive expansion and enhancement of this important facility.

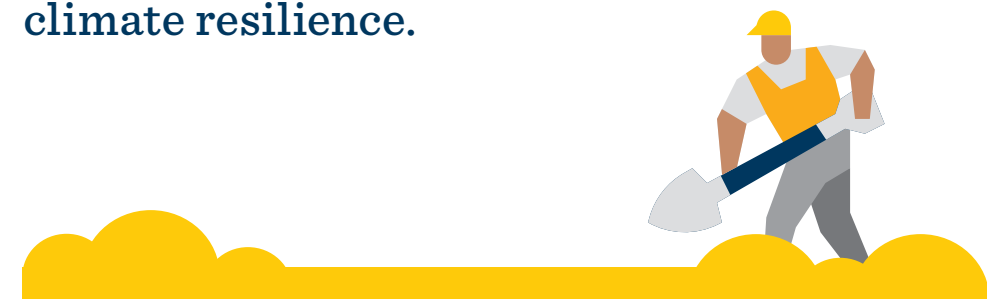


Section 04

Now more than ever,
the waterfront is
a magnet for
jobs and innovation.

The Port Lands Flood Protection Project, which will enable the development of 240 hectares of land, is half-way to completion. Major employers and institutions are building campuses by the lake. And neighbourhoods like the West Don Lands are thriving places with their own identities.

As we celebrate this growing momentum, we continue to lay the foundations for long-term prosperity on the waterfront. In 2021/22 we'll continue to explore innovations in areas like green building, housing affordability and climate resilience.



A new marine strategy



Successful waterfronts around the world share one important quality: they help people easily access an array of great places and activities, by water and by land. Currently, Toronto's waterfront facilitates commercial and recreational boating and offers a ferry service to the Toronto Islands. But there's plenty of unrealized potential for people to move around by water — both for fun, and to get from A to B. We're working with our partners and the public to lay the foundations for greater connectivity around and across the harbour.

Making the most of the harbour

As waterfront revitalization continues, there's growing demand for both recreation on the water and transportation around the harbour. To balance different users' needs while maintaining a healthy lake and shoreline, in late 2020 we released a new marine use strategy in partnership with the City of Toronto, Ports Toronto and Toronto Region Conservation.

Informed by users

To ensure this strategy would take into account the priorities of everyone who uses the water, we conducted interviews with marine stakeholder groups including more than 180 users — from kayakers and conservation groups to shipping firms and cruise operators.

Implementation

| PHASE 1 | PHASE 2 | PHASE 3 |
|--|--|--|
| Coordination, approvals, feasibility studies | High-priority capital projects, technical studies, pilot tests | Capital renewal and expansion: resource-intensive projects deemed feasible in Phase 2 (for example, potential replacement of dockwall) |
| TIMING | | |
| Early 2021 | Late 2021 and beyond | TBD based on Phase 2 |

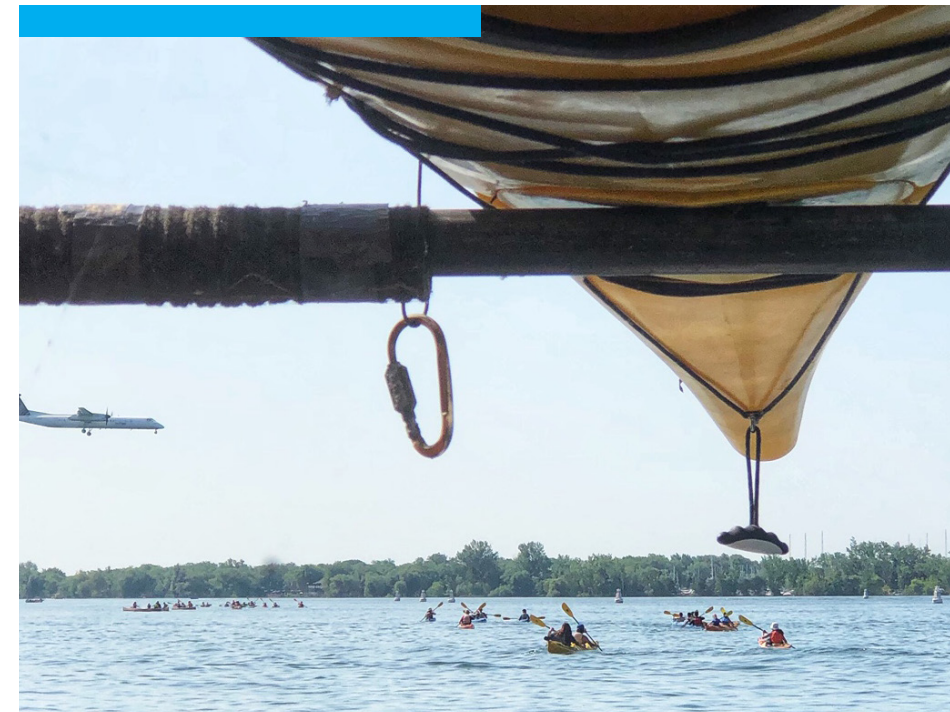
 Access the complete Marine Use Strategy at waterfrontoronto.ca



The Marine Use Strategy presents 16 recommendations organized around three key pillars:

Movement

We're working to create more connections to more destinations. This means making it easier to get to the water's edge, and creating more opportunities to move around by water.

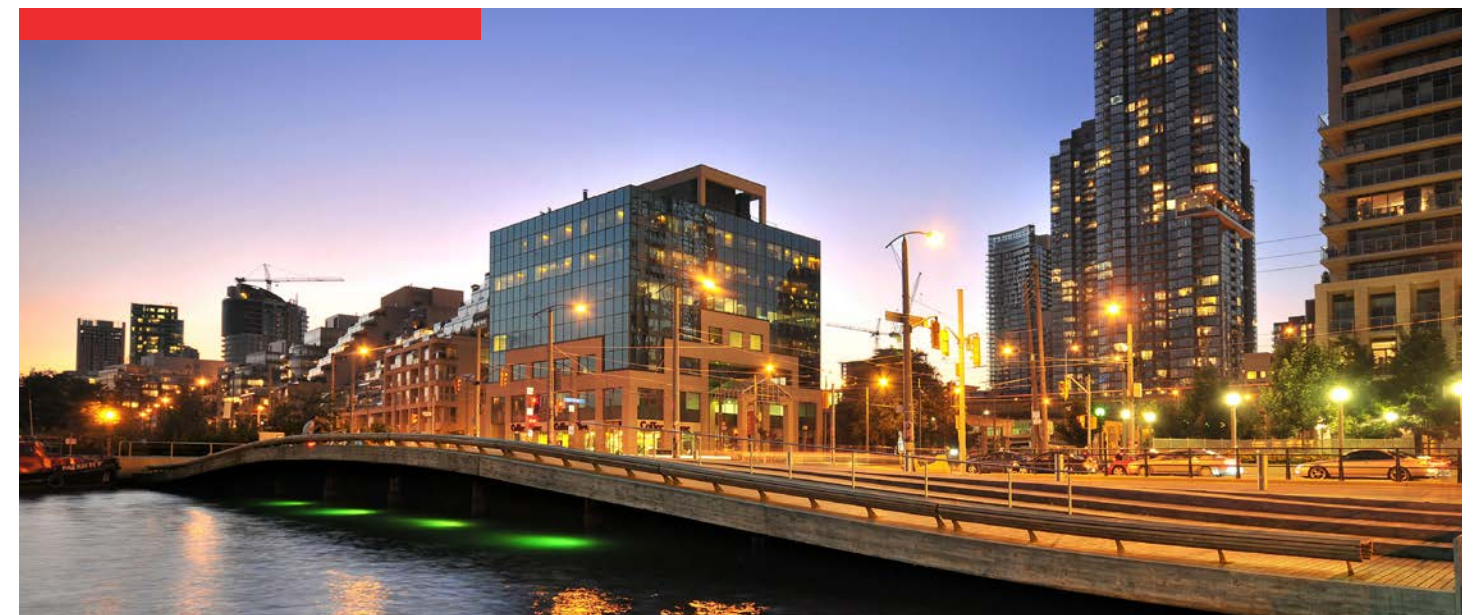


Mooring

There's growing public interest in all types of watercraft — from stand-up paddle boards to kayaks to cruise ships. Our marine use strategy includes recommendations related to docking facilities, storage facilities and the industrial port.

Management

The waterfront is a complicated landscape when it comes to ownership, jurisdiction and usage agreements. The new marine use strategy begins the process of better clarifying roles and responsibilities in order to support timely, coordinated investments that will keep waterfront assets safe and functioning well.



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.



Earthmoving and construction work in the Port Lands. Our performance measurement system (pages 76 to 79) tracks our record of creating jobs directly connected to the infrastructure project itself, as well as longer-term employment opportunities made possible by the transformation.

Port Lands economic impact



A transformative investment in Toronto's landscape and economy

The Port Lands Flood Protection Project will have many different economic impacts. Some are already being felt, others will occur in the next several years, and some will unfold over the long term as this work transforms a large portion of the city.



Now

Many near-term jobs associated with waterfront revitalization are in the **construction** industry: hundreds of people are at work on the complex earthmoving and engineering operations ongoing in the Port Lands today. 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. We're currently working with two innovative Ontario firms to carry out the soil remediation work in the Port Lands. Other job opportunities are extending as far as Dartmouth, Nova Scotia, where four new bridges are being fabricated (see pages 36-37). Last year, employment opportunities associated with revitalization were equivalent to 2,047 years of full-time employment, with most of these in the Port Lands. In 2021/22, our target is the equivalent of 2,394 years of full-time employment.



Soon

Once our flood protection work is complete, 290 hectares of prime land will be made available for **development**. This includes parts of the Port Lands, South Riverdale, Leslieville, south of Eastern Avenue and the East Harbour development site. This extraordinary transformation will make an area the size of downtown available for people to live, work and play – while maintaining some of the existing industrial uses. Realizing the transformation of these prime lands will involve extensive near-term work in fields like design, construction, landscape design, infrastructure and finance and so on. And our proven approach to planning complete communities means that new neighbourhoods will include a thoughtful mix of uses, laying the foundations for healthy local economies.



Long-term

It's no exaggeration to say this project will transform Toronto's landscape and have a **dramatic and sustained economic impact** on Canada's largest city. No other city in North America has an opportunity like this: to create new neighbourhoods, parks and waterfront access in an area the size of downtown, within walking distance of downtown. Not only is the project expected to add a total of \$5.1 billion to the Canadian economy (GDP) and \$1.9 billion in revenue to governments, it will change the face of the city for the better. This kind of transformation – which Toronto urbanists have been advocating since the 1980s – will, in the words of WT's mandate "foster economic growth and redefine how Toronto, Ontario and Canada are perceived by the world."

A worker cuts rebar for a pile that will form part of the foundation for the new Cherry Street North Bridge. Image by Vid Ingelevics and Ryan Walker.



Employment and innovation



Waterfront Toronto leverages public resources to attract private investment. Through collaboration across all three orders of government, we use public funds to initiate carefully chosen waterfront revitalization projects, and then convene a range of partners — regulators, private firms, technical experts, non-profit organizations and communities — to ensure those projects reach their full potential economically, socially and ecologically. This approach has made the waterfront a powerful magnet for investment, both from the private sector and from institutions such as George Brown College and OCAD University.

In 2021/22 we'll begin the construction work for a **childcare centre** in Aquabella, a new development in East Bayfront. Our agreement with Tridel, our development partner, provided for two childcare centres and one community centre in the area. When Aquabella reaches substantial completion, we'll fit out the childcare space before turning it over to the City of Toronto for operation — supporting a complete community and economic participation for parents and caregivers.

Also in the coming year, some of the developments we've helped to bring to the waterfront will reach important milestones:

- We expect that our East Bayfront development partner Menkes will achieve substantial completion of **The Waterfront Innovation Centre**, a 350,000-square-foot office and retail facility at 125 Queens Quay East. Occupancy is expected in late 2021.
- Hines, our development partner in Bayside, will advance its work on **T3 Bayside**, the tallest mass-timber office building in North America. Phase One of T3 (standing for Timber, Talent, Technology) will be completed in 2023, creating approximately 250,000 square feet of offices along with retail space and public plazas.
- Construction is set to begin on **The Arbour, the newest facility in George Brown College's Waterfront Campus**. Ontario's first low-carbon, mass-timber institutional building, The Arbour will house the College's School of Architectural Studies and School of Computer Technology.



T3 Bayside is a mass-timber office complex. When complete, the development could be home to as many as 3,000 jobs.



We continue to extend the revitalization of Queens Quay East toward Cherry Street, increasing mobility and enhancing the public realm.

Transit and mobility



To support an economically and socially vibrant waterfront, Waterfront Toronto is continuously working to enhance connections along the waterfront and between the waterfront and the rest of the city. This means extending transit service into new areas. And it means using thoughtful design to make it safe, convenient and sustainable to move around in waterfront communities by transit, on foot or on wheels.

Transit

When it comes to transit, our current focus is on designing the infrastructure needed to extend the streetcar service under Bay Street eastward. The first step is to extend along Queens Quay to Silo Street. Eventually, streetcars will travel along an extension of Queens Quay East to New Cherry Street. The ultimate goal we share with the City of Toronto and the TTC is to complete the entire Waterfront Transit network, linking the evolving precincts of the Central Waterfront, East Bayfront, West Don Lands, Lower Don Lands and the Port Lands.

Last year (fiscal 2020/2021) we reached the 30% design and engineering milestone for surface works on Queens Quay East between Bay and future Silo Street. By the end of our coming fiscal year (2021/22), we aim to reach the same level of design development for the Queens Quay East extension to the existing loop in the West Don Lands, via New Cherry Street. We're working closely with the City and the TTC to ensure that this work is well coordinated. Once this portion of the design and engineering work is complete, it will be packaged with an updated business case to seek funding for construction.

Not just a transportation network

When it's completed, Queens Quay East won't just be multi-modal transportation corridor focused on moving people, but a waterfront destination in itself. A significant part of the planning and design work for the Queens Quay transit extension is focused on improving the public realm along the corridor. We'll do that by applying green street design principles (see facing page), enhancing the arrival experience at major intersections and slips, and designing boulevards in a way that creates a sense of flow and continuity with the central waterfront.

Section 05

Now more than ever,
our **city-building** approach is
delivering neighbourhoods
that are healthy and resilient
by design.



Many experts anticipate that despite temporary disruptions associated with COVID-19, Toronto will continue to grow steadily in the years ahead. To make this growth successful, it's more important than ever that we make the most of our waterfront: one of the world's most promising city-building opportunities. That means fuelling economic growth and innovation while prioritizing inclusion, enhancing quality of life and setting new standards in sustainability – exactly the things Waterfront Toronto was built to do.



Complete communities for a thriving city



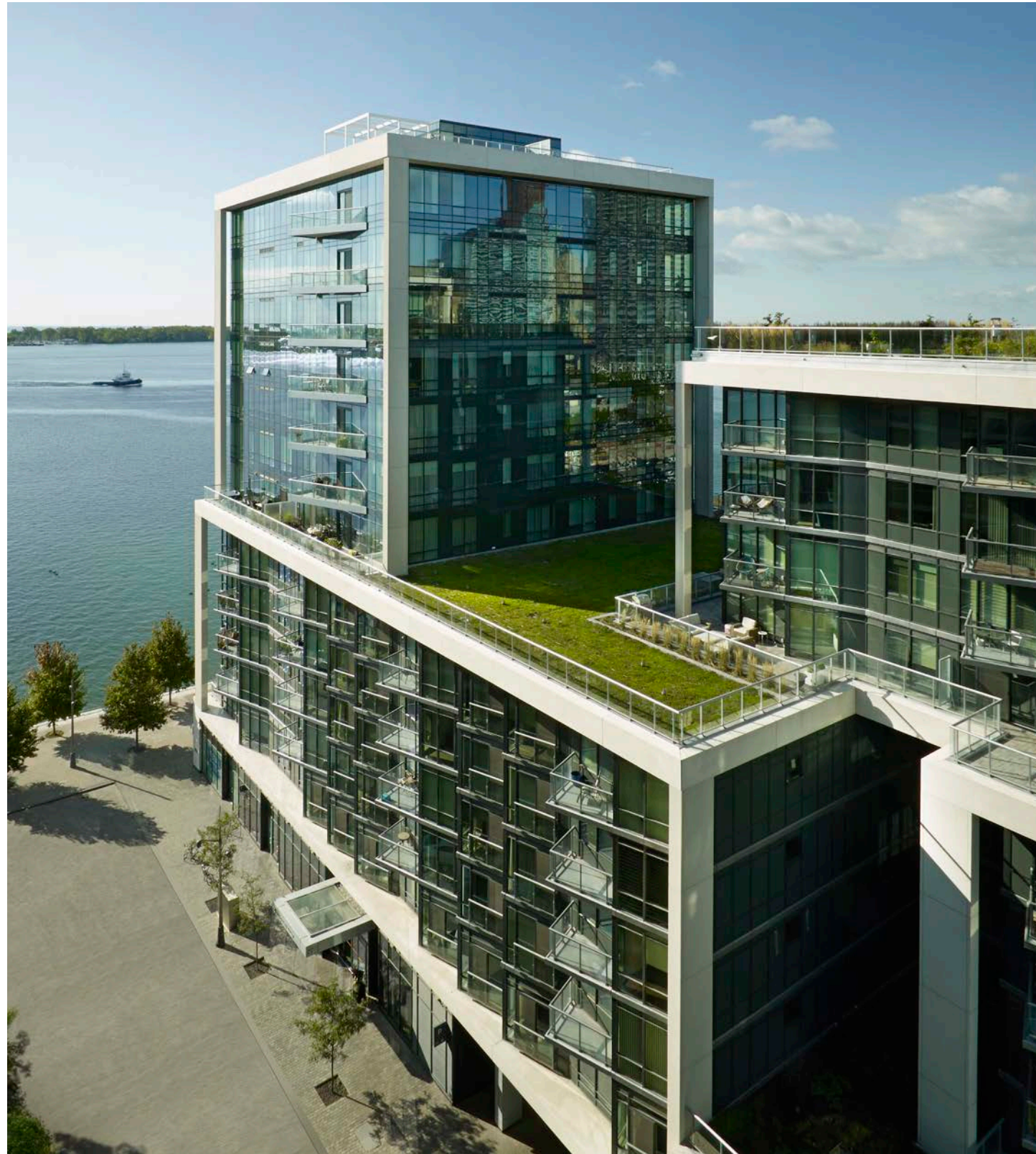
Waterfront Toronto has a track record of successful city-building. We've done this through careful planning and effective partnerships — and by ensuring that every new waterfront community reflects shared priorities that make neighbourhoods thrive, such as a mix of uses and a generous public realm.

In 2021/22 we will:

- Begin **precinct planning work for the Keating East Precinct**. Although a precinct plan for this area was developed and approved about a decade ago, it assumed the entire Gardiner Expressway would remain in place. Because a new plan for the Gardiner (sometimes called the “hybrid option”) is now being realized, Keating East needs to be rethought.
- Continue to work with the City to conclude agreements that will add **215 affordable housing units to a development parcel at Bayside (R6)**.
- Advance the **Affordable Housing Program at Quayside** as we pursue development agreements for this area (see page 60). Depending on how the plans for Quayside evolve — how dense the area is planned to be, and what share of the site is devoted to residential space — we expect to deliver between 550 and 880 units of affordable housing.
- Craft a **new Accessibility Strategy** with the intention of making Toronto's waterfront the most accessible in the world. Waterfront Toronto has always adhered to all regulations and guidelines related to accessibility, minimizing barriers to people using mobility devices or with visual impairments. But in other areas, such as sustainability and resilience, we go well beyond simply following the rules. In the years ahead, we want to enhance our capabilities in accessible design — to exceed expectations, show leadership and make accessibility another area of true design excellence on the waterfront.



Aquavista, a Hines/Tridel development, includes 227 condominium units as well as 80 affordable rental lofts.



Aqualina at Bayside, Toronto's first LEED Platinum residential building. Waterfront Toronto's long-standing commitment to sustainability has brought many green firsts to the waterfront — from Ontario's first mass-timber institutional building (see page 50) to the first organically managed park in Canada: Corktown Common. (Photo courtesy of Hines/Tridel)

Green city-building



Raising the bar on sustainable design and construction

Waterfront Toronto is an active contributor to the movement for green urbanism — locally, nationally and globally. In 2006, we released our first Minimum Green Building Requirements (MGBRs), which later became a model for Toronto and beyond. These requirements set high standards for development on the waterfront, and are updated periodically.

Our MGBRs set stringent energy efficiency requirements, promote climate change resilience, and contain rules on “embodied carbon” reporting, an approach that considers the carbon footprint of a building in light of the full life cycle of the materials involved in its construction.



In addition to concrete technical requirements, our standards also include six important guiding principles:

- **Leading Edge:** Meet or beat leading jurisdictions in standards for sustainability and low-carbon resilience
- **Inspirational:** Demonstrate what is possible in sustainable design, helping foster a broader market transformation
- **Comprehensive:** Address a wide range of performance areas, with a focus on the most relevant issues and building types for the waterfront
- **Integrated:** Streamline and remove conflicts and redundancies across standards and requirements
- **Feasible:** Allow flexibility in compliance to reduce unnecessary costs and burdens
- **Outcome-Oriented:** Allow innovation while ensuring the vision of a sustainable waterfront is achieved in practice

Quayside



Quayside, a 4.9-hectare parcel of land at the foot of Parliament Street, is well positioned to play a pivotal role in the larger story of the transformation of Toronto's waterfront. Located within walking distance of downtown, Quayside sits at a prime location in the waterfront revitalization area. It has the potential to be a vibrant hub, linking the city to the water's edge, and connecting new waterfront neighbourhoods like the West Don Lands to future development in the Port Lands. With community consultation, partnerships and a deep commitment to the public good, we're ready to help this area realize its potential as a next-generation sustainable community.

So far, we've developed precinct plans for the Quayside area (approved by the City of Toronto), and completed a number of important technical studies and consultations that have responded to the guidance laid out in the precinct plans.

In 2021/22, we plan to:

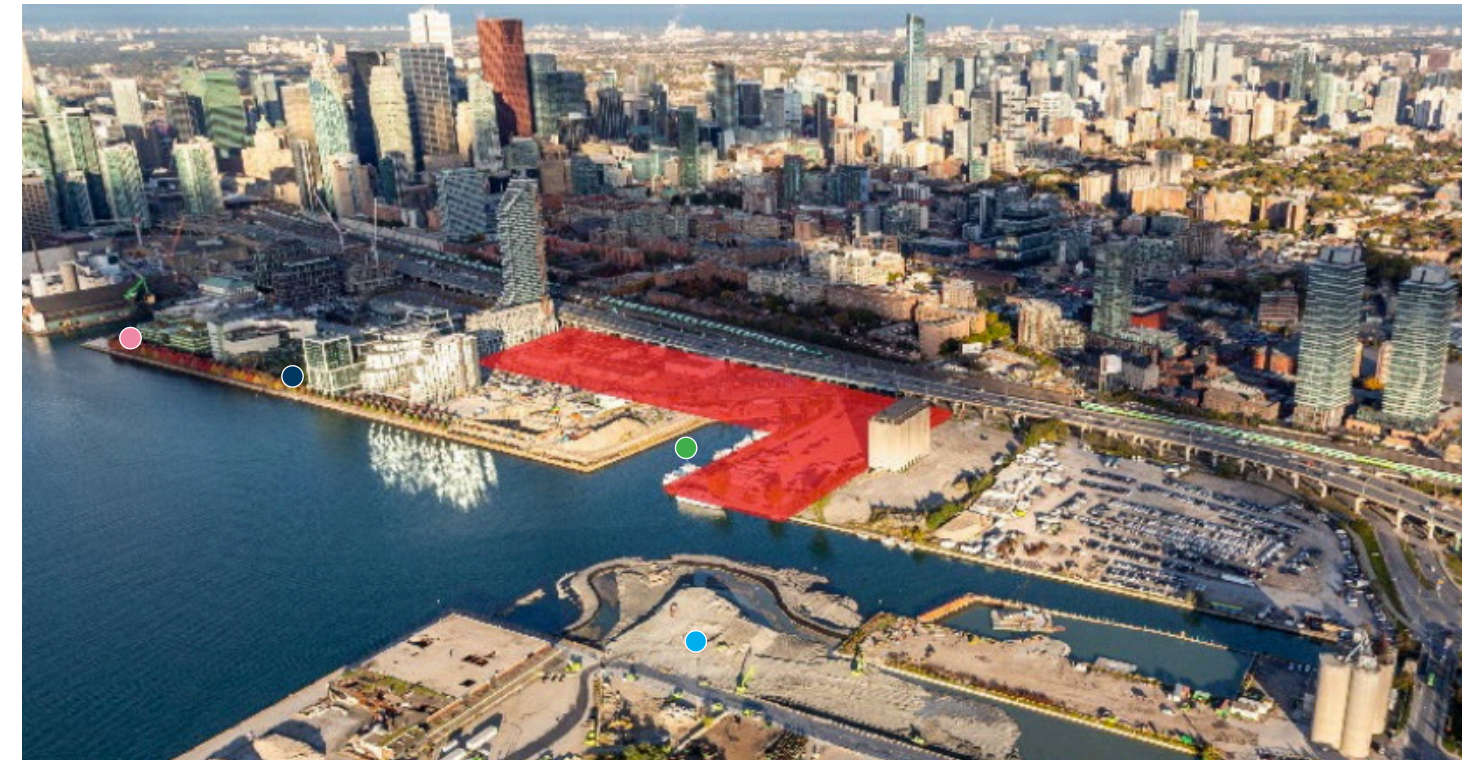
- Invite proposals from development partners* early in the new year and select a shortlist of promising candidates soon after. The next steps will be to invite more detailed proposals from shortlisted firms and select the proponent with the most compelling submission. We expect to have a development agreement in place by the end of the fiscal year.
- Complete additional environmental studies and assessing the risk of contaminated soil in various development parcels within Quayside.

In the years ahead, we'll work with our development partner to realize a new community here. Following a proven model we've used in other waterfront neighbourhoods, we'll help realize a thriving neighbourhood defined by outstanding sustainability performance and award-winning urban design.



* How our development partnerships work:

The process begins with Waterfront Toronto developing a precinct plan for the area and setting parameters for developers, including green building requirements and high standards for design excellence. While our development partners design and construct the community's buildings, we get to work designing and delivering a high-quality public realm, including parks, promenades, streets, furniture, lighting, cycling trails and public art. We also work with the City and utilities to ensure new neighbourhoods have the infrastructure needed to help people live, work and play — from ultra-fast internet service to electric vehicle charging stations. Our approach catalyzes private investment on the waterfront while advancing shared priorities like environmental protection and public access to the waterfront.



● Sugar Beach ● Waters Edge Walk ● Future Villiers Island ● Parliament Slip ■ Quayside (4.9 hectares)

A place that connects

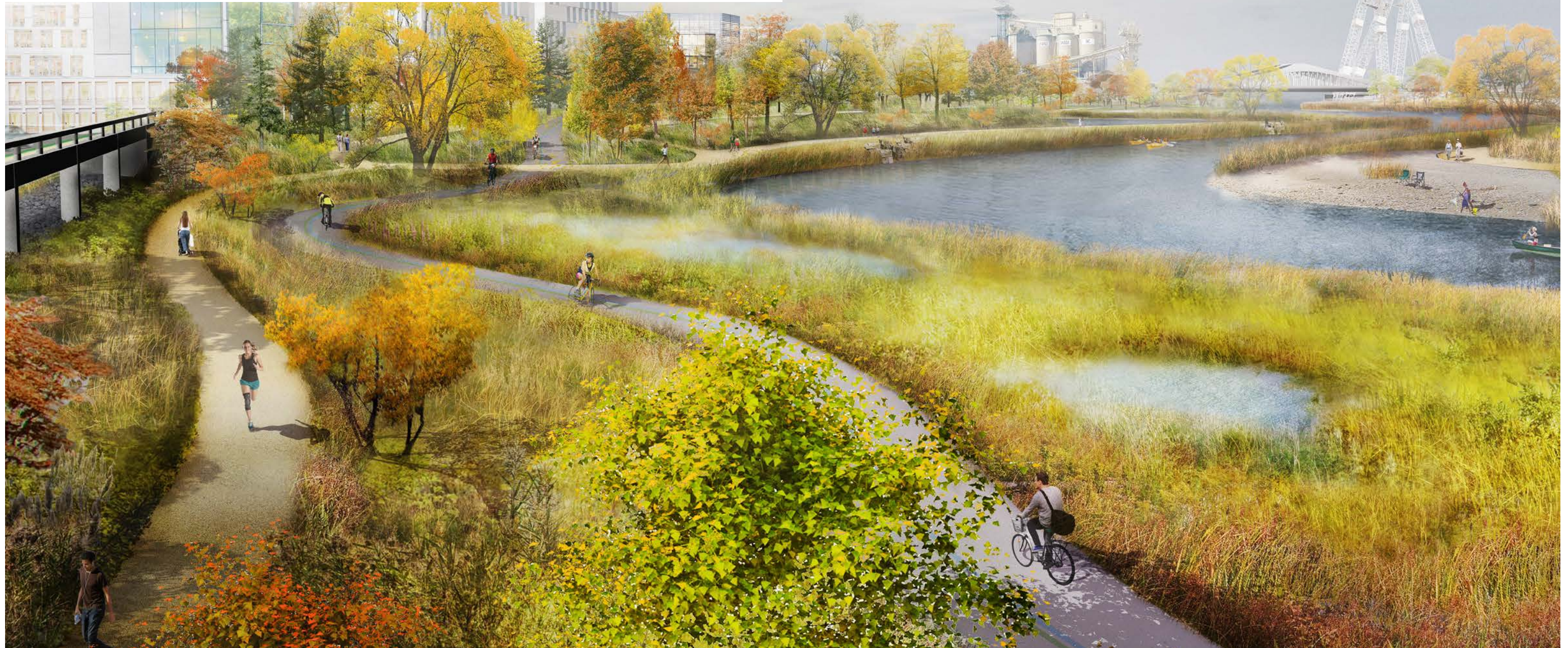
We are developing Quayside to be one of several “nodes” by the lake, each of which contributes to the overall attraction of Toronto's waterfront. Quayside will connect the developments around it: the West Don Lands to the east; the Distillery District to the north; and Villiers Island to the southeast. At the geographic heart of these nodes, Quayside will help the entire area become more than the sum of its parts.

In 2021/22 we will bring on board a development partner to help us seize the development momentum on the waterfront, and deliver a mixed-use neighbourhood at this important site. The new neighbourhood will accommodate a range of housing types and amenities, and provide a high quality of life for single people and families alike, at any stage of life. As part of a vibrant waterfront, Quayside also has potential to accommodate a diversity of retail and non-residential development, including community-based and cultural uses, all supported by state-of-the-art building and energy innovations.

Villiers Island



Villiers Island will be created as part of the Port Lands Flood Protection Project. Because this area is in a flood plain, it has not been the target of the investment and development that such a prime waterfront location would otherwise have attracted. Now for the first time, there is an opportunity to create an extraordinary community here. Waterfront Toronto, building on our track record of placemaking that integrates historical identity with contemporary uses, has prepared a precinct plan to ensure that Villiers Island realizes its full potential — economically, socially and ecologically.



What's a precinct plan?

It's a document that establishes the planning and design directions for an area. In part, that means establishing rules for the built environment, such as sustainability standards. It also means laying the groundwork to rezone land for new uses. The 33.5-hectare part of the Port Lands that will become Villiers Island is currently zoned only for industrial use – but our plan includes plenty of space for residential and commercial use, as well as parks and public waterfront access.

Who participated in the development of the Villiers Island precinct plan?

Waterfront Toronto and the City of Toronto developed the precinct plan for Villiers Island based on extensive consultation with the public, government agencies, Indigenous communities, stakeholders, landowners and developers. The plan is consistent with the Central Waterfront Secondary Plan and was approved by the City in 2017.

What does the precinct plan for Villiers Island aim to deliver?

Jobs and economic vitality. The precinct plan provides for retail, bars and restaurants, offices, and other commercial spaces. Some will operate on a main stretch of Villiers Street, a place where storefronts and restaurants on a people-friendly street become the hub of the community.

Social infrastructure close at hand. The plan also includes an elementary school, a sports field, a community centre with a pool, two licensed non-profit childcare facilities and emergency services. These will support neighbourhood life while adding jobs to the area.

Climate-positive performance. We aim to create climate positive community at Villiers Island, reducing greenhouse gas (GHG) emissions to near zero while also catalyzing GHG emission reductions in neighboring communities. Climate positive communities produce more clean energy than they use, meaning they can provide clean energy for neighbouring areas as well. Instead of simply avoiding harm to the environment, Villiers Island will make a positive contribution.

Extraordinary public places. In all our revitalization initiatives, Waterfront Toronto leads with landscape. At Villiers Island the parks and open spaces will be some of the most striking in the city, with the western edge of the island providing spectacular views of Toronto's skyline. Public access to the water is an overriding priority of the precinct plan, which provides for 25 hectares of greenspace, including 11 hectares of programmed park space, encircling the island on three sides.

More housing, a fifth of it affordable. Most of the interior space on Villiers Island will be zoned for residential use, adding needed housing stock to Toronto's downtown. As in all Waterfront Toronto developments, our development agreements will stipulate that 20% of new housing units must be affordable.

Villiers Island by the numbers:



These forecast figures are drawn from the Villiers Island Precinct Plan. Please see that document for more detail.



Section 06

**Now more than ever,
our commitment to continuous
improvement is delivering
public value and
financial sustainability.**

Waterfront Toronto fulfills its mandate by stewarding public investments, facilitating collaboration, harnessing technical knowledge and engaging the public.

Using this approach, we have delivered outstanding returns to Toronto, Ontario and Canada – and we strive to get better with every project. We have rigorous fiscal accountability mechanisms, a commitment to continuous improvement, and a performance measurement system that’s integrated into our culture, planning and operations.



Funding sources and investment plan

Discussion of our five-year outlook

This strategic plan covers the period April 1, 2021 to March 31, 2026 and updates, by one year, the Rolling Five-Year Strategic Plan (2020/21-2024/25) approved one year ago.

Waterfront Toronto anticipates total funding of approximately \$1.4 billion from fiscal 2021/22 through 2025/26. We expect at least half our funding over this period to come from non-government sources; some will come from leases and land sales (\$384 million), and we are working toward drawing a growing share from philanthropy and corporate sponsorship (\$318 million). From 2021/22 through 2025/26, we anticipate roughly \$676 million in contributions from governments, with their share of our funding declining relative to other sources over the five years. In 2021/22, 40% of our revenue will come from non-government sources.

The funding we realize over the next five years, together with revenues already received in previous years, will be invested in three key areas:

1. We expect to invest roughly \$814 million in our Priority Projects*, including the Port Lands Flood Protection Project (see pages 30-37).
2. We project that Next-Generation Sustainable Communities will receive an additional \$178 million in investment (see pages 60-61).
3. We intend to advance our Signature Projects through \$333 million in investment; these initiatives will require philanthropic support (see pages 39-41 and page 69).

These planned investments total approximately \$1.32 billion and include Waterfront Toronto's own corporate operating costs of approximately \$20.6 million per annum (see page 72). Our work across all these project areas supports Toronto City Council-approved precinct plans. Where appropriate, our projected activities have been articulated in our past Business and Implementation Plans.

We anticipate that these allocations of public and private funds will yield returns that considerably exceed the original outlay. As of last year, through the business model described on pages 32-33 of last year's Strategic Plan, the \$1.35 billion in public funds invested through Waterfront Toronto had stimulated over \$10 billion in new private sector investment.

The Performance Measurement section of this document (pages 76-79) includes more information on the economic benefits of our work. Key project milestones associated with our investments and funding sources over the coming year (2021/22) are outlined in Appendix 1. Appendix 2 focuses on our full five-year planning horizon (2021/22-2025/26).

***Note:** Priority Projects are the core, funded initiatives in our existing pipeline. Successful completion of these projects is the central focus of our work. They include the Port Lands Flood Protection Project; infrastructure and planning for Complete Communities; design and delivery of excellent Public Places in waterfront communities; and planning and design for Eastern Waterfront Transit and Queens Quay Revitalization. See page 82 for a list of 2021/22 deliverables.

Signature projects

Four new initiatives to advance waterfront revitalization

Waterfront Toronto has funding commitments from governments for our Priority Projects (see note at bottom of page 68). By the end of the current five-year planning period in 2025/2026, we expect these projects to be 99% complete.

In addition, two years ago we identified four Signature Projects that are consistent with our mandate and which we believe are capable of attracting new strategic partnerships and philanthropic support. The projects were conceived based on a study our team conducted of the key attributes that recur among of the world's most successful waterfronts (e.g., excellent waterborne transportation, a continuous walk along the entire shoreline). Three of these projects (Destination Playground, Waterfront Walk, and expansion of the Jack Layton Ferry Terminal) would fall under our Public Places project portfolio; the fourth (Landmark Institution) would be a possible anchor for a Complete Community and economic cluster. The realization of these projects would require almost \$400 million over ten years, 95% of which is currently unfunded.

Our plan allocates \$20 million (5%) in seed capital to develop visions for these projects and to build Waterfront Toronto's fundraising capabilities. Refinement of cost estimates are ongoing, with emphasis on the first project to be funded, the Destination Playground (see page 39).

Over the past two years, Waterfront Toronto has developed our fundraising capacity. We have:

- Created a Fundraising Action Plan and established an internal steering committee to lead its implementation.
- Clarified the projects we would propose as priorities for private sector and philanthropic support, and advanced their design for presentation to partners and donors.
- Engaged consultants to develop a Campaign Plan for the first project we're seeking to fund: the Destination Playground.
- Begun the recruitment of professional fundraising staff, starting with a Fundraising Director.

The public studies a model of the new Villiers Island. The potential site for the Destination Playground is in the foreground. (This event took place prior to the COVID-19 pandemic.)

(Signature Projects continued)

To ensure that our fundraising efforts are aligned with the City of Toronto's strategic objectives and priorities, we have developed a fundraising memorandum of understanding (MOU) term sheet with the City, soon to be finalized and expressed in an executed MOU, and continue to collaborate closely with our partners there.

The Signature Projects initiative advances our goal of diminishing our reliance on government funding. The relationships and agreements we pursue will be guided by shared values and principles, will serve the public interest, will be grounded in our record and mandate, and will help to advance our vision of one connected waterfront that belongs to everyone.



Five-year investment plan

| | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 |
|---|----------------|----------------|----------------|----------------|----------------|
| Complete figures underlying this visualization of our planned investments over the next five years are in Appendix 2 | \$5.1 | \$5.2 | \$4.6 | \$2.5 | |
| | \$12.3 | \$15.1 | \$9.7 | \$4.9 | |
| | \$37.4 | \$12.3 | \$12.8 | \$12.0 | \$3.0 |
| | | | | | \$3.1 |
| | | | | | \$5.5 |
| Other Initiatives | \$28.6 | \$45.8 | \$52.9 | \$40.7 | \$9.8 |
| Public Places: York & Rees Street parks, public art | | | | \$8.7 | \$4.3 |
| Complete Communities: master planning, civic infrastructure, and environmental work | \$282.6 | \$239.7 | \$132.8 | \$108.2 | \$111.5 |
| Next-Generation Sustainable Communities: Quayside planning and development of municipal infrastructure | | | | | |
| Port Lands: flood protection and related infrastructure | | | \$79.8 | | |
| Signature Projects | \$6.4 | \$27.0 | | | |
| Total Investment Plan | \$372.4 | \$345.1 | \$292.6 | \$177.0 | \$137.2 |

Figures are in millions

Corporate operating costs

Waterfront Toronto delivers projects in collaboration with the three levels of government, guided by contribution agreements or delivery agreements that cover specific projects and initiatives. These agreements typically task Waterfront Toronto with planning and building municipal assets; once complete, the assets are transferred to the City of Toronto.

In doing this work, Waterfront Toronto incurs corporate operating costs related to our staff team and contractors, office space, technology, communications (which includes public engagement activities such as town halls, as well as outputs like our website and annual reports), and transparency and accountability (for instance, internal and external audits).

These expenditures represent about six percent of the total direct capital expenditure under our management. In the past, costs associated with our project delivery work have not been fully covered through our funding agreements with governments and we have had to draw on other revenue streams (such as land sales and rental incomes) to fund the shortfalls.

Today, Waterfront Toronto is working to diminish our reliance on government funding, especially through the fundraising and partnership initiatives described in this report (see pages 39-41). Recovering the full project management costs associated with our work remains an important priority.

Note: Additional capital projects are anticipated to be added into future Rolling Five-Year Strategic Plans, resulting in a lower **OpEx** percentage of **CapEx** than shown **below**, for 2024/25 onwards.

| Corporate Operating Costs | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating Expenditure (OpEx) | \$ 20.6 | \$ 20.6 | \$ 20.4 | \$ 20.1 | \$ 19.9 |
| Capital Expenditure (CapEx) | \$ 351.8 | \$ 324.5 | \$ 272.2 | \$ 156.9 | \$ 117.3 |
| Total Expenditures | \$ 372.4 | \$ 345.1 | \$ 292.6 | \$ 177.0 | \$ 137.2 |
| % OpEx of CapEx | 6% | 6% | 7% | 13% | 17% |

Figures are in millions

Funding and spending mix 2021/22 -2025/26

The chart summarizes Waterfront Toronto’s funding and expenditure mix over the next five years. The visualization illustrates:

- that the majority of our planned expenditures are direct capital investments (92%)
- our strategic objective of diversifying our funding sources beyond governments
- the planned creation and maintenance of a contingency reserve of at least \$30 million. We intend to use funds mainly from the sale of Waterfront Toronto-owned land to create this fund, and hold the resources in reserve as a program-level contingency and to cover any costs that may arise in the eventual completion and/or cessation of our mandate (e.g. those associated with ending lease agreements and other contracts).



Fiscal responsibility and accountability

Waterfront Toronto is committed not only to the careful and transparent management of public funds, but to continually refining our processes and systems to ensure that we're able to generate the greatest possible public benefit with the resources entrusted to us. Over the next five years, Waterfront Toronto will continue to demonstrate the openness, accountability, fiscal prudence and pursuit of excellence that have defined our approach from the beginning.

Procurement approach and record

Our procurement policy is designed to be fair, open and transparent. We aim to achieve maximum value for our stakeholders by inviting competitive bids and proposals, and ensuring accountability for purchasing decisions through well-defined protocols. 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. Since beginning our work, we've entered into more than 2,500 contracts with close to 1,000 suppliers, most of which are in Canada. Our complete procurement policy and a list of all awarded contracts is available on our website at waterfrontoronto.ca.

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 any concerns in areas ranging from unethical business conduct to health and safety.
- An independent **Accountability Officer** receives and 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 **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).
- Our **Memorandum of Understanding** with the three governments outlines guiding principles for our work, including ethical behavior, value for money, fairness, openness and transparency.

Project planning and management

Over the last 18 years, Waterfront Toronto has executed over 50 major projects, managing a total investment of over \$1.7 billion. This entire project portfolio, with the exception of one project, has been delivered without material deviations in either schedule or cost. **Our Capital Program Management Office (CPMO)**, created in 2017, is an important mechanism for large-scale program management, oversight and control. Among other functions, the CPMO develops project-oversight dashboard reports that update senior management, board members and the three levels of government on project status and key risk areas, as well as any budget, cost, scope and schedule variations. In the event that a project in process begins to present an increased risk of cost overruns, Waterfront Toronto has clear and effective mechanisms for adjusting its approach to avoid going over budget.

Delegations of authority

Waterfront Toronto has carefully-designed processes to direct, control and monitor financial actions taken by our team members. The Board delegates and delimits varying degrees of financial authority to senior management, management and employees in a framework designed to minimize risks and maximize efficiencies in the conduct of our business.

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, focusing on areas of our operations ranging from project management to cybersecurity. Over the last 18 years, Waterfront Toronto has been the subject of over 60 audits, including a recent Office of the Auditor General of Ontario Value for Money follow-up audit in 2020. We've used the findings of these audits to steadily strengthen and enhance our fiscal responsibility and accountability practices – all part of our commitment to continuous improvement. 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. More information about our approach to risk is included on page 80 of this document.

Performance measures




- Public good
- Financial Sustainability
- City-building
- Innovation & job creation

These pages lay out Waterfront Toronto's formal performance measurement framework effective April 1, 2021. The framework is composed of concrete measures across a range of dimensions, each with specific targets. All measures roll up into eight key performance areas aligned with the policy

priorities set out in our mandate. 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 and Canada. In 2019/20, the most recent year for which complete data are available, we met or exceeded our targets on 89% (24/27) of our performance measures.

| Success for Waterfront Toronto is: | Performance indicator: | Cumulative 2001-2020 Actual | Annual Target 2021/22 | 5-Year Target 2021/22-2025/26 |
|---|--|---------------------------------------|---------------------------------------|-------------------------------|
| 1. Enhancing economic value <ul style="list-style-type: none"> Waterfront Toronto will create new employment opportunities during the development of waterfront lands Waterfront Toronto developments will lead to new business 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 created during the development of waterfront lands (construction) > | 18,115 | 2,394 full years full-time employment | 10,800 |
| | Jobs created during the development of waterfront lands (on-going) > | 5,000 | n/a | 5,000 |
| | 1.2 Increases in taxes to all three levels of government > | \$977.1M | \$83 M | \$373 M |
| | 1.3 Increase to Canada's GDP > | \$2,369M | \$244M | \$1,100 M |
| 2. Enhancing social and cultural value <ul style="list-style-type: none"> 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 New affordable housing created > | 576 units | 0 units | 215 units |
| | 2.2 New market housing created > | 2875 units | 729 units | 1,529 units |
| | 2.3 World class waterfront Canadians will be proud of > | 104 design awards | 5 | 20 |
| | 2.4 World class waterfront Canadians will be proud of > | 9 permanent public artworks installed | None | 5 |
| 3. Creating an accessible and active waterfront for living, working and recreation | 3.1 New parks and public realm accessible to all income levels > | 43.3 hectares | — | 27 ha |
| | 3.2 New trails and promenades accessible to all income levels > | 26.2 kms | — | 9 km |
| | 3.3 Activation of the waterfront | 80 events 2017 to 2020 | 5 events | 35 |
| 4. Implementing a plan in a fiscally responsible manner <ul style="list-style-type: none"> Waterfront Toronto will work within the funding provided and will continuously seek out new revenue sources to support the development of the waterfront Waterfront Toronto will use thorough processes to set and manage the projects | 4.1 Value for money > | 99.63% since 2019 | >95% competitive procurements | >95% |
| | 4.2 Projects completed on budget > | 95% | >=90% | >=90% |
| | 4.3 Projects completed on schedule > | 100% since 2019 | >=90% | >=90% |

Performance measures continued:

| Success for Waterfront Toronto is: | Performance indicator: | Cumulative 2001-2020 Actual | Annual Target 2021/22 | 5-Year Target 2021/22-2025/26 |
|--|---|---|---|---------------------------------------|
| 5. Implementing a plan in an environmentally responsible manner  | 5.1 Global leader in sustainable design > | 701,693 m² new measure | 290,986 m ² of new sustainable development | Target will be available next year |
| | 5.2 New aquatic habitat created > | 131,463 | — | 13,800 m ² aquatic habitat |
| | 5.3 Square meters of new permeable surfaces created, including bioswales and wetlands, for stormwater management and resilience > | New measure reporting will start from next fiscal year | NM | NM |
| 6 Financially self-sustaining designated waterfront area & promoting and encouraging involvement of the private sector <ul style="list-style-type: none"> Waterfront Toronto's enabling works will mean that the residential and commercial developments are financially feasible for private developers, without government support Waterfront Toronto will assist other Canadian businesses succeed through partnerships  | 6.1 No. of people living, working and studying on the waterfront > | 10,534 | 3,166 | 11,787 |
| | 6.2 Increase in taxes to government from private sector investments on waterfront > | \$3.3B+ | \$100M | \$600M |
| | 6.3 New private sector interest in development on the waterfront > | 39+ partnerships | 4 | 10 |
| | 6.4 New private sector development on the waterfront > | \$13.2B+ investment value | \$0.5B | \$3B |
| | 6.5 Value of Waterfront Toronto non-government sourced revenues > | \$156.5M | \$197.1M | \$398.7M |
| 7. Encouraging public input <ul style="list-style-type: none"> 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  | 7.1a Public awareness of/engagement in WT projects and activities > | 133,160 social/digital engagement since 2019 | 100,000 | 500,000 |
| | 7.1b Public awareness of/engagement in WT projects and activities > | 239,218 web site sessions since 2019 | 100,000 | 500,000 |
| | 7.2 Public awareness of/engagement in WT projects and activities > | 441 public meetings | 20 | 100 |
| | 7.3 Public awareness of/ engagement in WT projects and activities > | 19,496 media references since 2017 | 2,500 | >10,000 |
| | 7.4 Geographical diversity of public input > | 62% non-waterfront residents since 2019 | 25% | 25% |
| 8. Diversity, Equity and Inclusion | 8.1 Diverse, equitable and inclusive work environment > | New measure reporting will start from next fiscal year | NM | NM |

Resilience, risk management, and accountability

Waterfront Toronto navigates a complex business environment in order to implement its revitalization work, which involves a range of major infrastructure projects, as well as diverse partners and stakeholders. This business environment presents a number of significant risks associated with individual capital projects, as well as those that affect the entire enterprise.

We manage and mitigate these risks by applying an Enterprise Risk Management (ERM) framework developed by the senior management team and internal committees, overseen by our Finance, Audit & Risk Management Committee and Board. The overall objective of the ERM framework is to ensure that Waterfront Toronto can identify and mitigate key risks associated with the Corporation's ability to achieve its strategic objectives.

The ERM framework applies the widely used "three lines of defence" approach to risk management and control, assigning clear roles and responsibilities to:

- 1. risk owners** (in particular, the project and financial managers) who execute projects and operational functions on a day-to-day basis
- 2. entities** that manage our risk management program, including the Corporation's Enterprise and Cyber-Security Risk Taskforces, Program Management Office, and Technical Advisory and Peer Review Panels
- 3. assurance mechanisms**, such as Waterfront Toronto's internal audit function and independent capital monitor role, both designed to ensure that risk management systems and controls are working effectively.

The first two lines are directly accountable to Waterfront Toronto's senior management. The third line is accountable to the Board and the Finance, Audit and Risk Management Committee, as well as to senior management. This separation of roles not only enhances accountability by clarifying responsibilities, it helps to reveal and address blind spots to ensure that Waterfront Toronto is proactively identifying and managing risks.

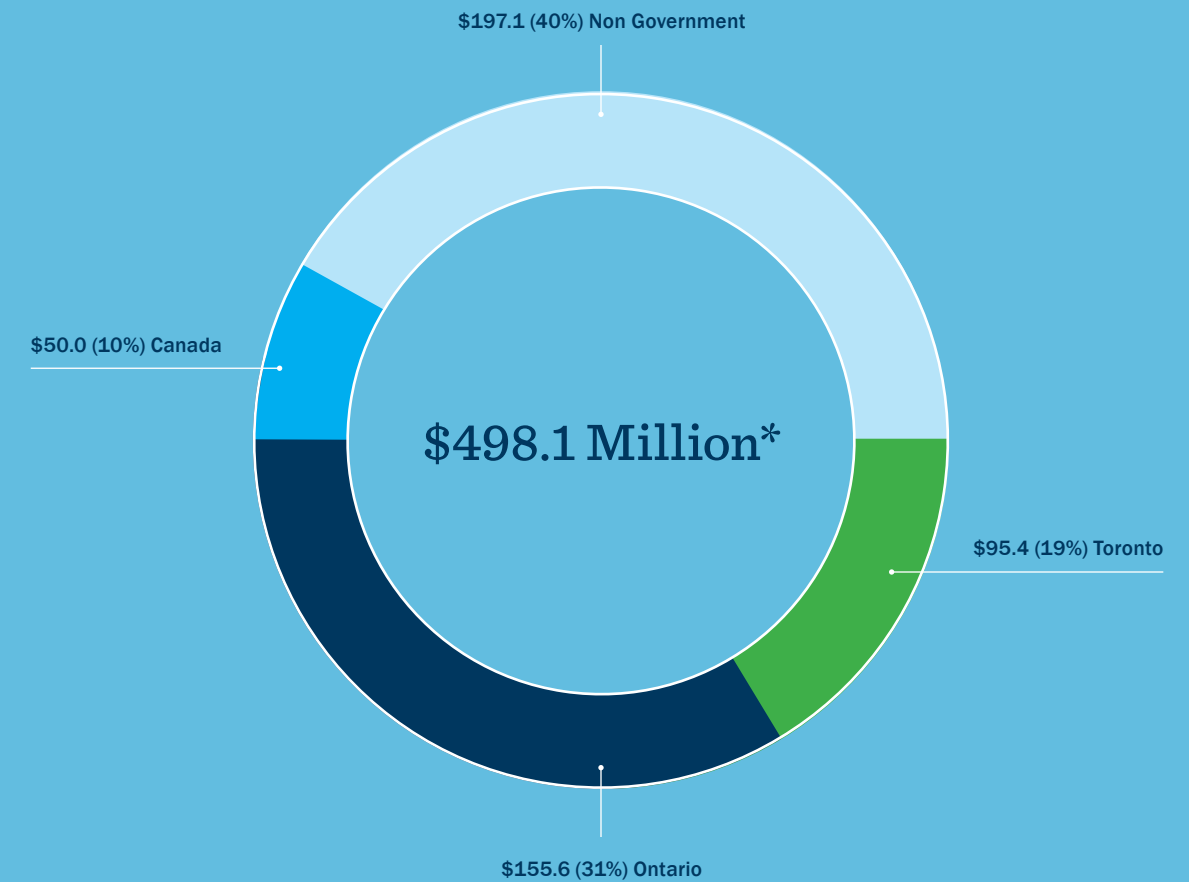
Appendices



Appendix 1: 2021/22 Key milestones and financials

| Major Milestones | 2021/22 Spending Amount |
|--|-------------------------|
| The Port Lands <ul style="list-style-type: none"> Complete construction of storm water treatment facility at the Keating Channel. Supply, fabrication and installation of structural steel for Cherry Street north vehicular bridge. Substantial construction completion of Cherry Street south bridge. Complete Risk Management Measure installation in Central River Valley. | \$282.6 |
| Complete Communities <ul style="list-style-type: none"> Complete financial closing for Aquabella site and receive land purchase payment. Prepare Construction Drawings for Dockside Local Streets. Procure and commence precinct planning work for Keating East Precinct. Provide support to the City of Toronto in commencing McCleary precinct plan. Commence Fit Out upon turnover of Bayside Child Care Space to City. Complete Business Implementation Plan on Villiers Island development. Complete shoring, excavation and associated contaminate soil and ground water obligations for Aqualuna Condominium and T3 Bayside commercial sites. Complete steel structure and adjustable weirs to support the in-water pipe. Complete enhancements at intersections to improve cyclist and pedestrian interactions; install railings around the streetcar portal and open planting beds on Queens Quay West. | \$37.4 |
| Public Places <ul style="list-style-type: none"> Complete construction for The Bentway Phase 1B. Commission one permanent public artwork as per the public art strategy, as well as 2-3 temporary public art activations. Continue construction works for Love Park in York Street. Complete Design and Construction Documents for Rees Street Park. | \$12.3 |
| Eastern Waterfront Transit and Queens Quay Revitalization <ul style="list-style-type: none"> 30% design and costing for Waterfront Transit coordinated with TTC scope. | \$3.7 |
| Other <ul style="list-style-type: none"> Continued work to support corporate strategic vision and priorities through Marine Strategy. Undertake waterfront accessibility framework. Complete animation & cultural strategy. Develop economic development strategy for future phases of revitalization. | \$1.4 |
| Subtotal – Priority Initiatives | \$337.4 |
| Next-Generation Sustainable Communities (Quayside) <ul style="list-style-type: none"> Finalize selection of Development Partner. Complete acquisition of strategic land. Complete planning, design, and approval from City for Phase I infrastructure projects. Draft Risk Assessment (RA) for each property on record. Finalize negotiation discussions with parties, representation at Local Planning Appeal Tribunal (PLAT) to formalize settlement, preparation of agreements. | \$28.6 |
| Signature Projects <ul style="list-style-type: none"> Identify and engage potential donors. Together with the City, implement City-Waterfront Toronto Fundraising MOU. Launch Destination Playground Fundraising Campaign (subject to City Council approval and feasibility study). Achieve 60% design of the Destination Playground and pavilion and finalize the Operations and Maintenance Strategy. Work with the City to advance Jack Layton Ferry Terminal implementation. | \$6.4 |
| Grand Total | \$372.4 |

Appendix 1: 2021/22 Funding plan



Figures are in \$ millions

Note:

Non-government funding sources in 2021/22 include land revenues, private capital & partnerships and other. Non-government funding sources are forecasts only subject to change based on market conditions.

*The difference of \$125.7 million between total funding of \$498.1 million and total investments of \$372.4 million relates to a timing difference between anticipated realized revenues and anticipated future investments.

Appendix 2: Five-year financials

| | Budget | | Forecast | | | Total Expenditures |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| | Fiscal Year 2021/22 | Fiscal Year 2022/23 | Fiscal Year 2023/24 | Fiscal Year 2024/25 | Fiscal Year 2025/26 | |
| Priority Projects | | | | | | |
| The Port Lands | \$ 282.6 | \$ 239.7 | \$ 132.8 | \$ 8.7 | \$ 4.3 | \$ 668.1 |
| Flood Protection Features | 141.9 | 153.2 | 63.8 | 5.8 | 2.9 | 367.6 |
| Roads and Services | 71.0 | 17.8 | 33.6 | 1.3 | 0.6 | 124.3 |
| Bridges | 45.4 | 26.6 | 25.9 | 1.2 | 0.6 | 99.7 |
| Parks and Public Realm | 24.3 | 42.1 | 9.5 | 0.4 | 0.2 | 76.5 |
| Complete Communities | \$ 37.4 | \$ 12.3 | \$ 12.8 | \$ 12.0 | \$ 5.5 | \$ 80.0 |
| Bayside Infrastructure | 5.8 | 5.5 | 7.7 | 5.6 | 0.6 | 25.2 |
| Storm Water and Sanitary Sewer Infrastructure | 18.2 | 2.2 | 0.9 | - | - | 21.3 |
| Other East Bayfront Public Realm | 5.9 | 1.5 | 1.1 | 5.1 | 4.7 | 18.3 |
| Other Complete Communities | 5.7 | 2.5 | 1.9 | 1.0 | 0.1 | 11.2 |
| Dockside Infrastructure | 1.8 | 0.6 | 1.2 | 0.3 | 0.1 | 4.0 |
| Public Places | \$ 12.3 | \$ 15.1 | \$ 9.7 | \$ 4.9 | \$ 3.1 | \$ 45.1 |
| Public Art | 3.5 | 6.5 | 5.5 | 4.1 | 2.7 | 22.3 |
| York and Rees Street Parks | 6.7 | 8.6 | 4.2 | 0.8 | 0.4 | 20.7 |
| The Bentway | 2.1 | - | - | - | - | 2.1 |
| Other Initiatives | \$ 5.1 | \$ 5.2 | \$ 4.6 | \$ 2.5 | \$ 3.0 | \$ 20.4 |
| Eastern Waterfront Transit and Queens Quay Revitalization | 3.7 | 1.6 | - | - | - | 5.3 |
| Marine Strategy | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 2.2 |
| Design Review Panel | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 2.0 |
| Other | 0.5 | 2.7 | 3.8 | 1.7 | 2.2 | 10.9 |
| Subtotal: | \$ 337.4 | \$ 272.3 | \$ 159.9 | \$ 28.1 | \$ 15.9 | \$ 813.6 |

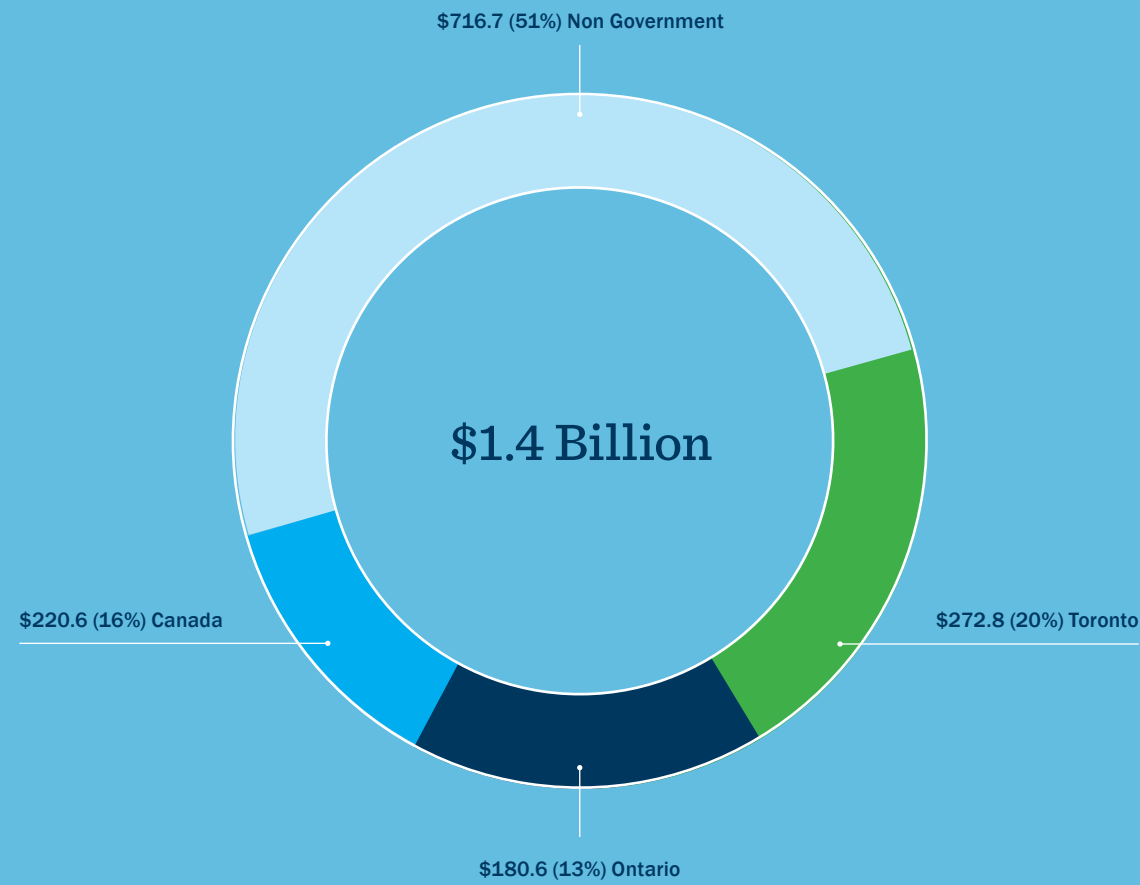
| | Budget | | Forecast | | | Total Expenditures |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| | Fiscal Year 2021/22 | Fiscal Year 2022/23 | Fiscal Year 2023/24 | Fiscal Year 2024/25 | Fiscal Year 2025/26 | |
| Next Generation Sustainable Communities | | | | | | |
| Infrastructure Implementation | 9.7 | 40.7 | 42.5 | 33.2 | 6.6 | 132.7 |
| Planning and Development | 17.7 | 4.2 | 3.8 | 3.2 | 3.1 | 32.0 |
| Soil and Environmental Management | 1.2 | 0.9 | 6.6 | 4.3 | 0.1 | 13.1 |
| Subtotal: | \$ 28.6 | \$ 45.8 | \$ 52.9 | \$ 40.7 | \$ 9.8 | \$ 177.8 |
| Signature Projects | | | | | | |
| Landmark Institution | 0.4 | 1.3 | 25.0 | 49.0 | 73.0 | 148.7 |
| Waterfront Walk | 1.0 | 10.1 | 27.0 | 32.6 | 25.9 | 96.6 |
| Jack Layton Ferry Terminal | 1.0 | 4.3 | 16.5 | 16.2 | 11.3 | 49.3 |
| Destination Playground | 2.7 | 10.0 | 10.0 | 9.1 | - | 31.8 |
| Fundraising Action Plan | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 6.5 |
| Subtotal: | \$ 6.4 | \$ 27.0 | \$ 79.8 | \$ 108.2 | \$ 111.5 | \$ 332.9 |
| Grand Total: | \$ 372.4 | \$ 345.1 | \$ 292.6 | \$ 177.0 | \$ 137.2 | \$ 1,324.3 |

Figures are in \$ millions

Note:

1. Certain key construction projects above, including Rees Street Park, Quayside Infrastructure Implementation, and Signature Projects, have not yet realized the 30% design stage gate. The 30% design stage gate is a key milestone to determining a project's baseline budget. As such, the investment forecasts above are subject to change and update as a result of third party engineering cost estimation processes.
2. The budget and forecast numbers above are inclusive of the annual corporate operating budget figures outlined in Appendix 3. Corporate operating costs are charged to projects based on direct staff hours required to deliver the project using a full cost recovery hourly rate. Full cost recovery hourly rates are determined based on actual direct costs of staff in the Development, Project Delivery and Planning & Design business units, together with a burden rate for indirect, core support costs such as occupancy costs, technology, audit fees, insurance, corporate communications and staff in core support roles such as accounting, finance, IT, legal and board governance, procurement and human resources.

Appendix 2: 2021/22–2025/26 Funding plan



Figures are in \$ millions

Note:

Non-government funding sources in 2021/22 to 2025/25 includes land revenues, fundraising, private capital & partnerships and other. Non-government funding sources are forecasts only subject to change based on market conditions.

Appendix 3: Corporate operating and capital budgets

| Corporate Operating Budget | Budget | | Forecast | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2020/21* | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| Human Resources | \$ 16.1 | \$ 16.1 | \$ 16.1 | \$ 16.1 | \$ 16.1 | \$ 16.1 |
| General and Office Administration | 1.7 | 1.7 | 1.8 | 1.8 | 1.8 | 1.8 |
| Information and Technology | 0.9 | 1.0 | 0.9 | 0.8 | 0.8 | 0.8 |
| Public Engagement and Communication | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Accountability and Governance | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Innovation and Sustainability | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Sub-total before Amortization | \$ 19.7 | \$ 19.7 | \$ 19.7 | \$ 19.6 | \$ 19.6 | \$ 19.6 |
| Amortization | \$ 0.9 | \$ 0.9 | \$ 0.9 | \$ 0.8 | \$ 0.5 | \$ 0.3 |
| Total Corporate Operating Budget | \$ 20.6 | \$ 20.6 | \$ 20.6 | \$ 20.4 | \$ 20.1 | \$ 19.9 |
| Corporate Operating Costs recovered from Projects | \$ 8.1 | \$ 7.9 | \$ 2.1 | \$ 1.3 | \$ 0.4 | \$ 0.1 |
| Corporate Operating Costs Funded by Other Sources | 12.5 | 12.7 | 18.5 | 19.1 | 19.7 | 19.8 |
| Total Corporate Operating Budget | \$ 20.6 | \$ 20.6 | \$ 20.6 | \$ 20.4 | \$ 20.1 | \$ 19.9 |

| Corporate Capital Budget | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| High Level Draft for Five-Year Plan | | | | | | |
| Technology Infrastructure | \$ 0.4 | \$ 0.6 | \$ 0.3 | \$ 0.3 | \$ 0.3 | \$ 0.2 |
| Facilities Improvement | — | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Corporate Capital Budget | \$ 0.4 | \$ 0.7 | \$ 0.4 | \$ 0.4 | \$ 0.4 | \$ 0.3 |

Figures are in \$ millions

***Approved December 5, 2019.**

Note: In 2021/22, Waterfront Toronto will continue to invest in technology and tools that enhance productivity and support strategic objectives. Key investments include upgrades to the Corporation’s website, human resource and enterprise content management systems, as well as implementation of a donor management system. From 2022/23 and onwards, the Plan is focused largely on maintaining a state of good repair. These costs are amortized over a three and five year period, respectively, and this cost is reflected above in the Amortization line within the Corporate Operating Budget.

Executive team

George Zegarac

President and Chief Executive Officer

Meg Davis

Chief Development Officer

Rose Desrochers

Vice President, Human Resources
and Administration

Leslie Gash

Senior Vice President, Development

Chris Glaisek

Chief Planning and Design Officer

Julius Gombos

Senior Vice President, Project Delivery

David Kusturin

Chief Project Officer

Cameron MacKay

Vice President, Strategic
Communications and Engagement

Pina Mallozzi

Vice President, Design

Ian Ness

General Counsel

Lisa Taylor

Chief Financial Officer

Kristina Verner

Vice President, Innovation,
Sustainability, and Prosperity

Join us online



Waterfront Toronto

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Finance, Audit & Risk Management Committee – November 26, 2020
Item 5 – Capital Approval
East Bayfront In-Water Pipes and infrastructure Phase 1
David Kusturin

| | |
|--------------------------------------|--|
| Purpose | For Approval |
| Areas of note/ Key issues | <p>Both Phase 1 (in-water pipes) and Phase 2 (boardwalk and dock wall reinforcing) of this project are included the Board approved 2020/2021 Rolling Five Year Strategic Plan under Complete Communities.</p> <p>Due to competitive market conditions, only Phase 1 of the project is funded and can be completed at this time.</p> <p>Phase 2 of the project will be undertaken in the future subject to obtaining additional Capital Approval from the Board of Directors and subject to identifying and allocating sufficient funding to complete the Phase 2 work.</p> <p>Phase 1 of the project completes the outstanding components of stormwater management infrastructure in East Bayfront with the installation of 2 stormwater conveyance pipes.</p> <p>Treated stormwater will be able to be supplied to the Sherbourne Common UV Treatment Facility once the Cherry Street Stormwater Management system is commissioned and the in-water pipes have been constructed.</p> <p>Handover of the operations and maintenance of completed elements of the storm water treatment and conveyance system to Toronto Water can be facilitated upon completion of these final components the stormwater management infrastructure.</p> <p>The work has been tendered as a Stipulated Sum General Construction Contract and the contract has not been awarded pending Board of Directors' approval.</p> <p>The total estimated cost of the East Bayfront In-Water Pipes Phase 1 is \$23.75 million and is planned to be funded from land sale revenues and section 37 infrastructure charges, the timing of which gives rise to a short term borrowing requirement of up to \$12 million for a period of up to three years (until 2022/23).</p> |
| Resolution | <p>ON MOTION duly made, seconded, and carried, be it RESOLVED that the Finance, Audit and Risk Management Committee recommends that the Board of Directors approve the capital investment expenditure of \$23.75M to complete the East Bayfront In-Water Pipes and authorizes Management to finalize and award the Stipulated Sum tender for the construction of the East Bayfront In-Water Pipes.</p> |

East Bayfront Precinct

In-water Pipe and Infrastructure Request for Capital Approval

Finance Audit and Risk Management Committee

November 26, 2020

1. To Provide an overview of the East Bayfront Stormwater Management System
2. To provide an update on the current status of the East Bayfront Stormwater Management System design and construction
3. To obtain FARM Committee approval to proceed with the construction of the East Bayfront In-Water Pipe and infrastructure works (the “Project”)
4. The Project will be presented at the December 10, 2020 Board of Directors Meeting for Capital Approval

1. Both Phase 1 (in-water pipes) and Phase 2 (boardwalk and dock wall reinforcing) of this project are included the Board approved 2020/2021 Rolling Five Year Strategic Plan under Complete Communities.
2. Due to competitive market conditions, only Phase 1 of the project is funded and can be completed at this time.
3. Phase 2 of the project will be undertaken in the future subject to obtaining additional Capital Approval from the Board of Directors and subject to identifying and allocating sufficient funding to complete the Phase 2 work.
4. Phase 1 of the project completes the outstanding components of stormwater management infrastructure in East Bayfront with the installation of 2 stormwater conveyance pipes.
5. Treated stormwater will be able to be supplied to the Sherbourne Common UV Treatment Facility once the Cherry Street Stormwater Management system is commissioned and the in-water pipes have been constructed.
6. Handover of the operations and maintenance of completed elements of the storm water treatment and conveyance system to Toronto Water can be facilitated upon completion of these final components the stormwater management infrastructure.

Background – Precinct Location



Background - East Bayfront (EBF) Precinct



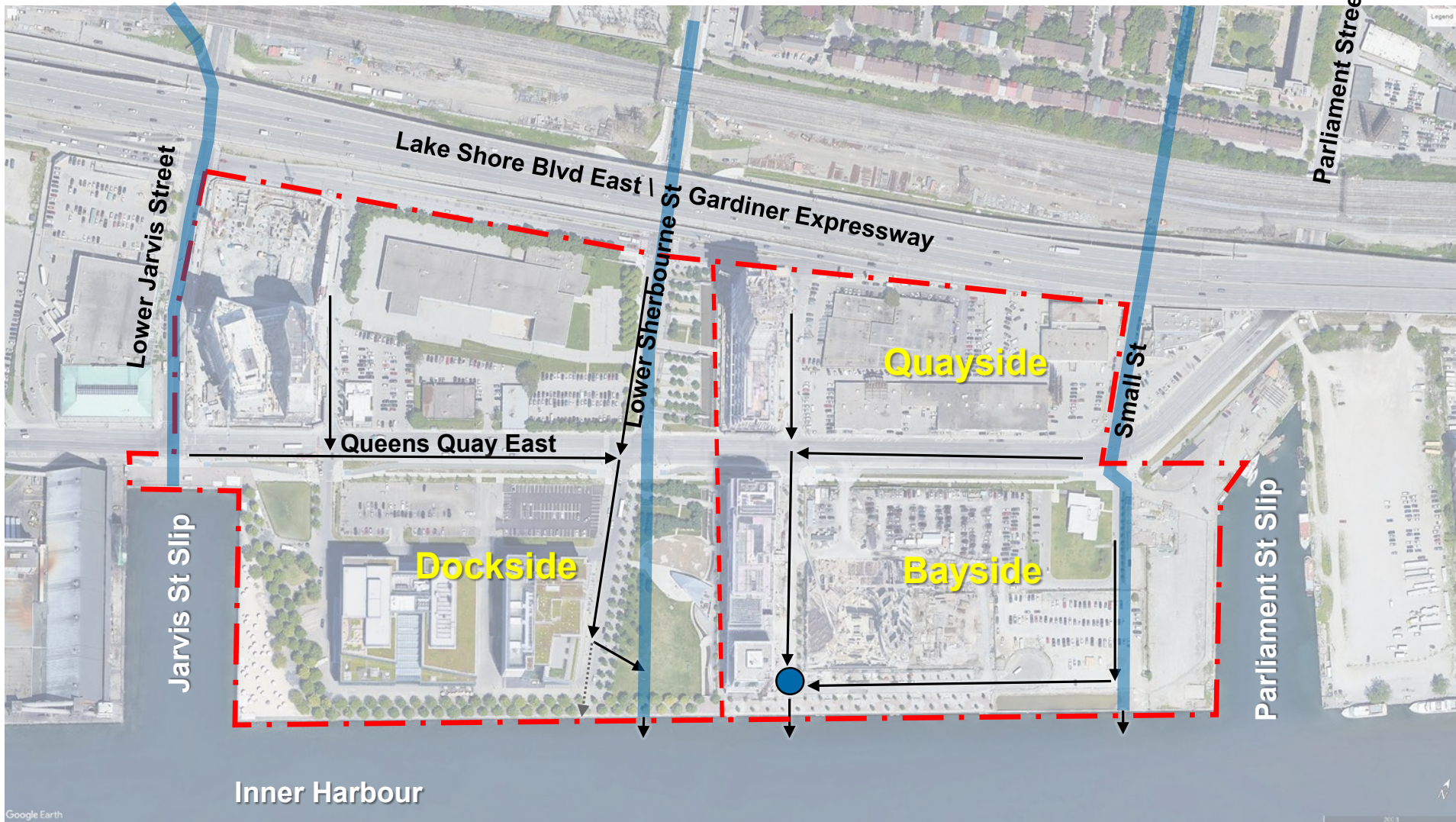
Background – EBF Stormwater Management (Planning & Construction)



| Year | Milestone |
|---------|--|
| 2006 | Master Class Environmental Assessment (EA) |
| 2009 | Precinct Stormwater Management Report <ul style="list-style-type: none">Stormwater collected in tanks along the dock wall to Parliament St wetland and returned to Sherbourne Park to be treated for use in water features |
| 2010/13 | Two Amendments to the EA <ul style="list-style-type: none">Removed tanks and wetland feature and replaced with a centralized treatment facility at 480 Lake Shore Blvd East |
| 2010 | Constructed Dockside storm sewers, UV treatment, water features and channel |
| 2014 | Constructed Cherry Street storm sewer tunnels and stormwater shaft |
| 2015 | Constructed Bayside (west half) storm sewers, force mains and attenuation tank |
| 2019 | Constructed Bayside (east half) storm sewers and balance of force mains |
| 2020 | Cherry Street Stormwater Management Facility under construction |

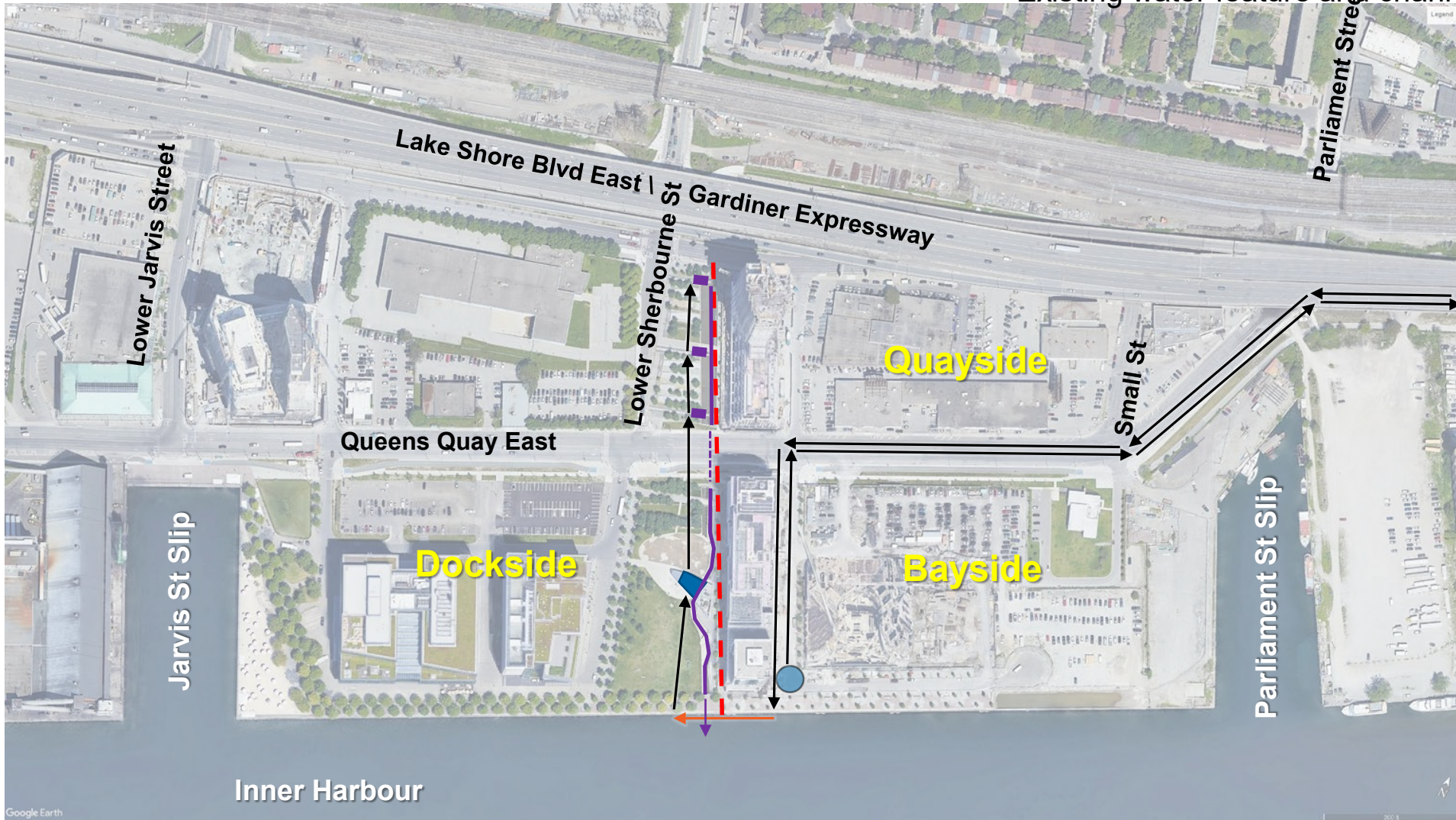
Background - Existing Storm Infrastructure

- ← Storm sewers
- Combined Sewer Outfall (CSO)
- Storm Attenuation Tank



Background - New Infrastructure Sherbourne Common

- ← New forcemain
- ← Existing forcemain
- ◆ Existing UV Treatment Facility
- Existing water feature and channel

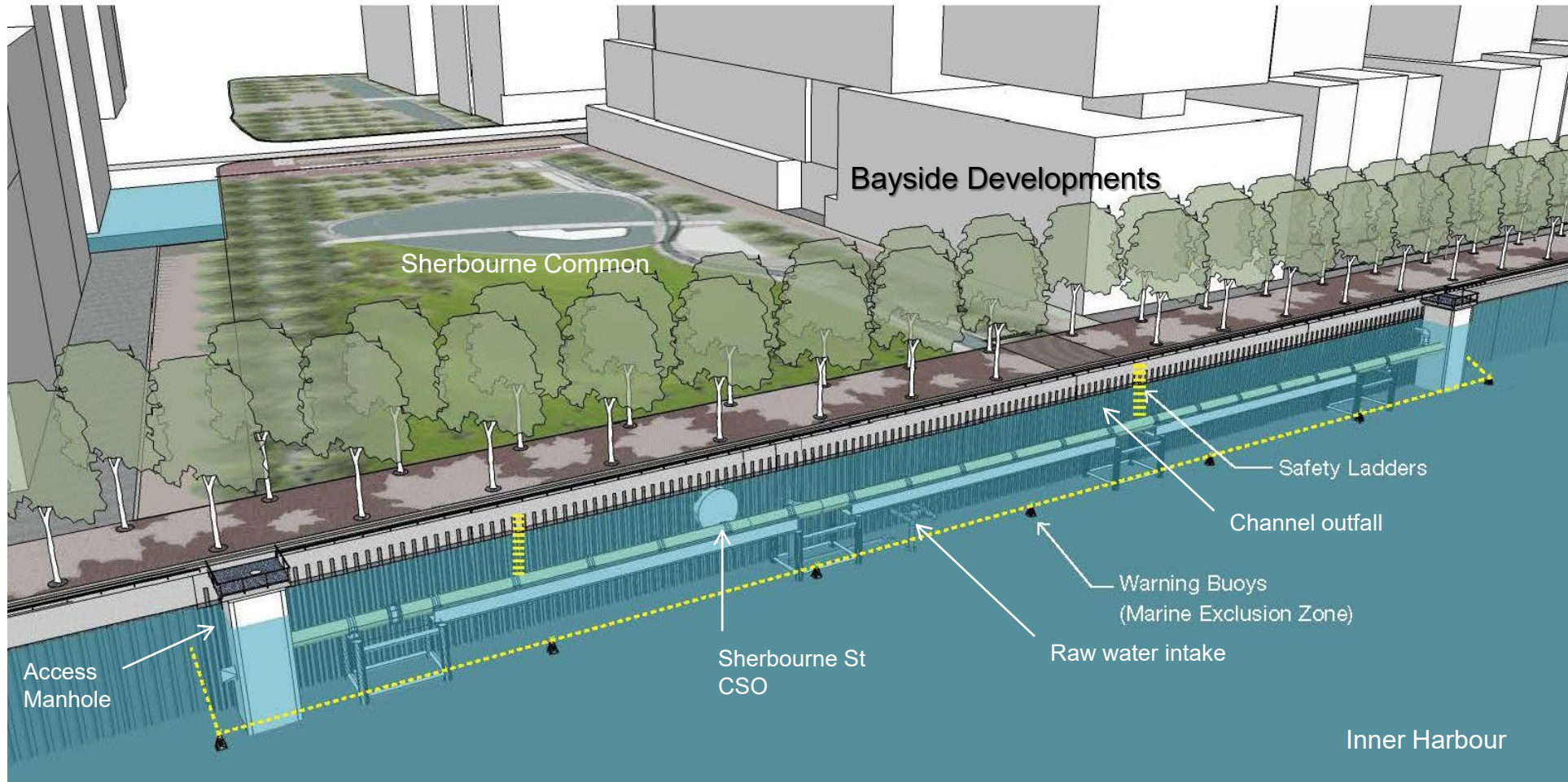


Cherry St
Stormwater
Management
Facility

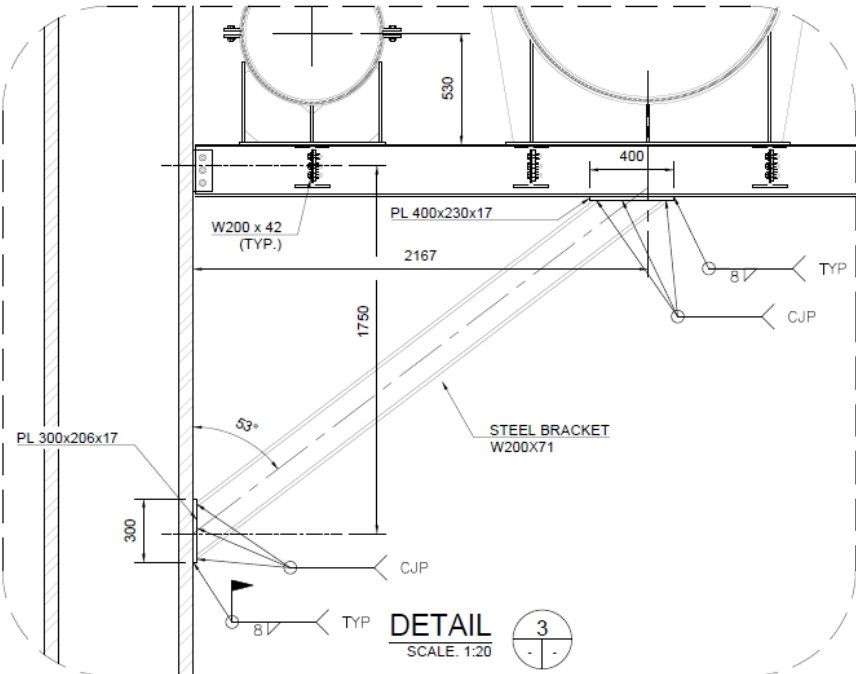
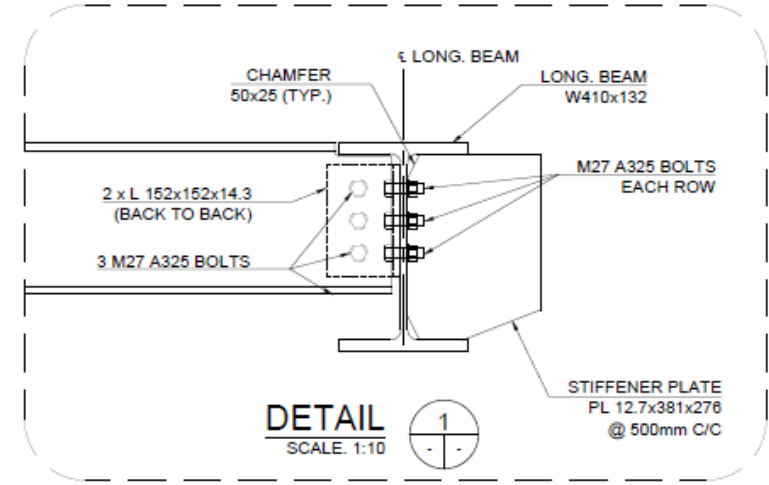
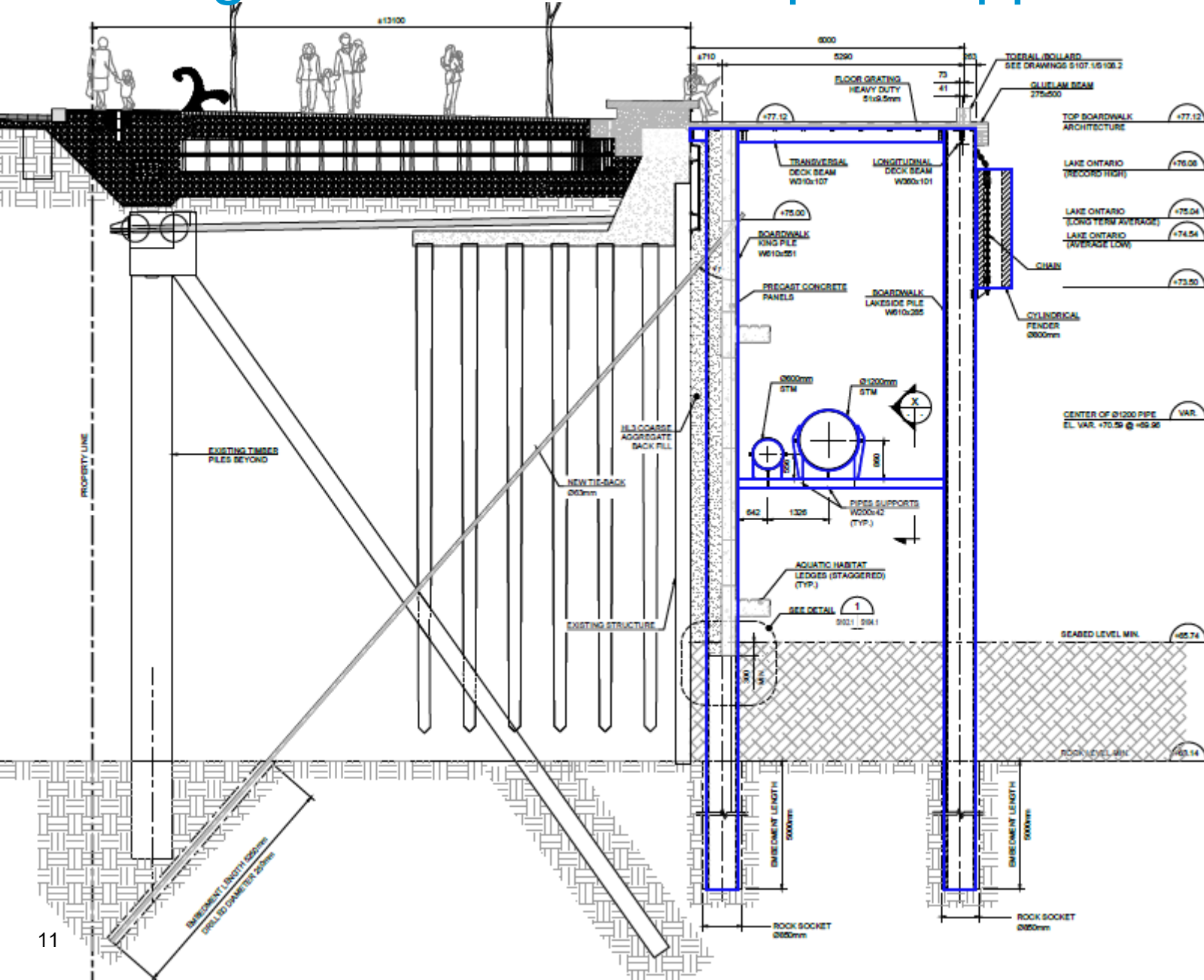
Background - In-Water Pipe Concept Support Structure



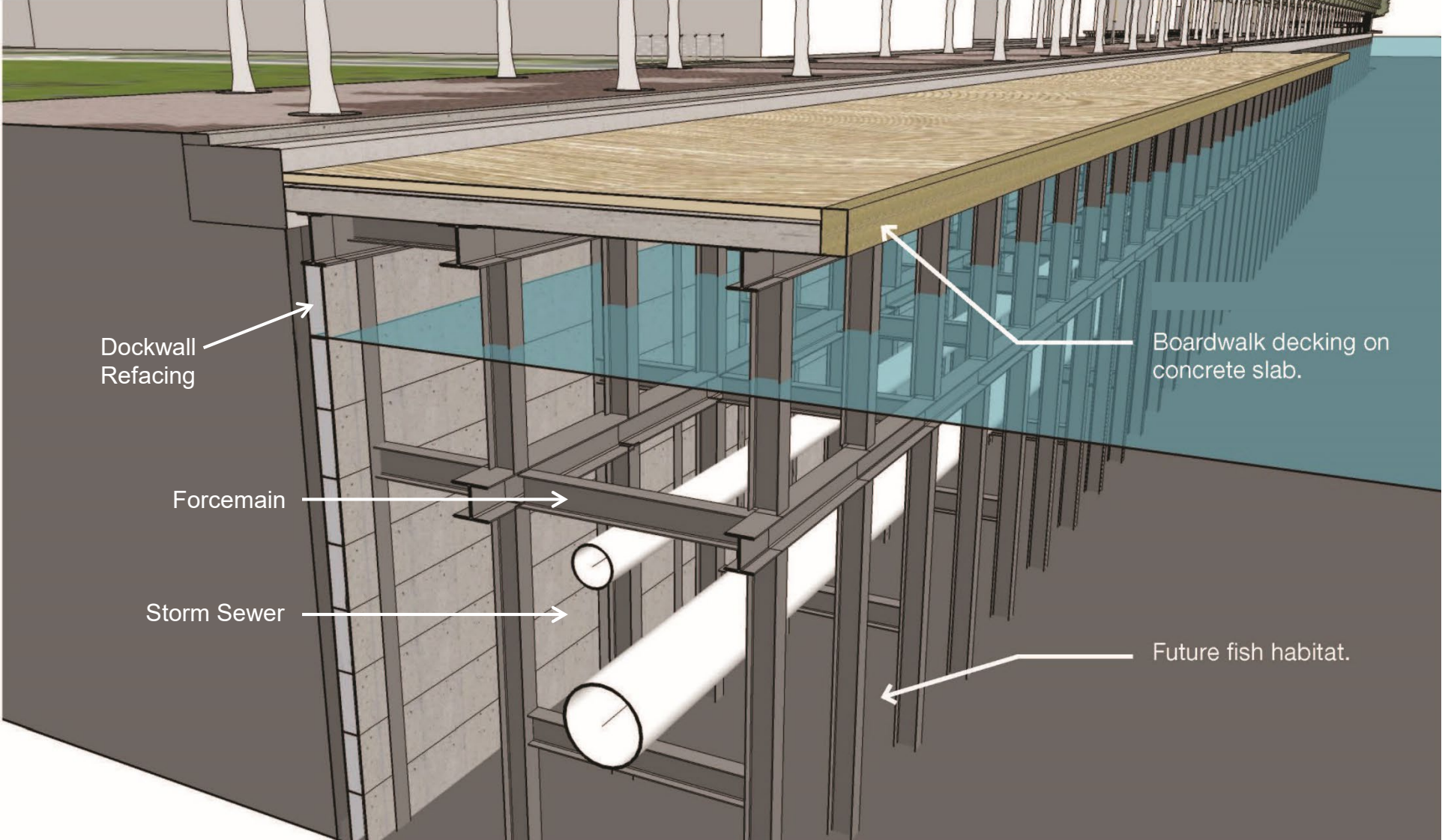
Background - In-Water Pipe Concept Support Structure



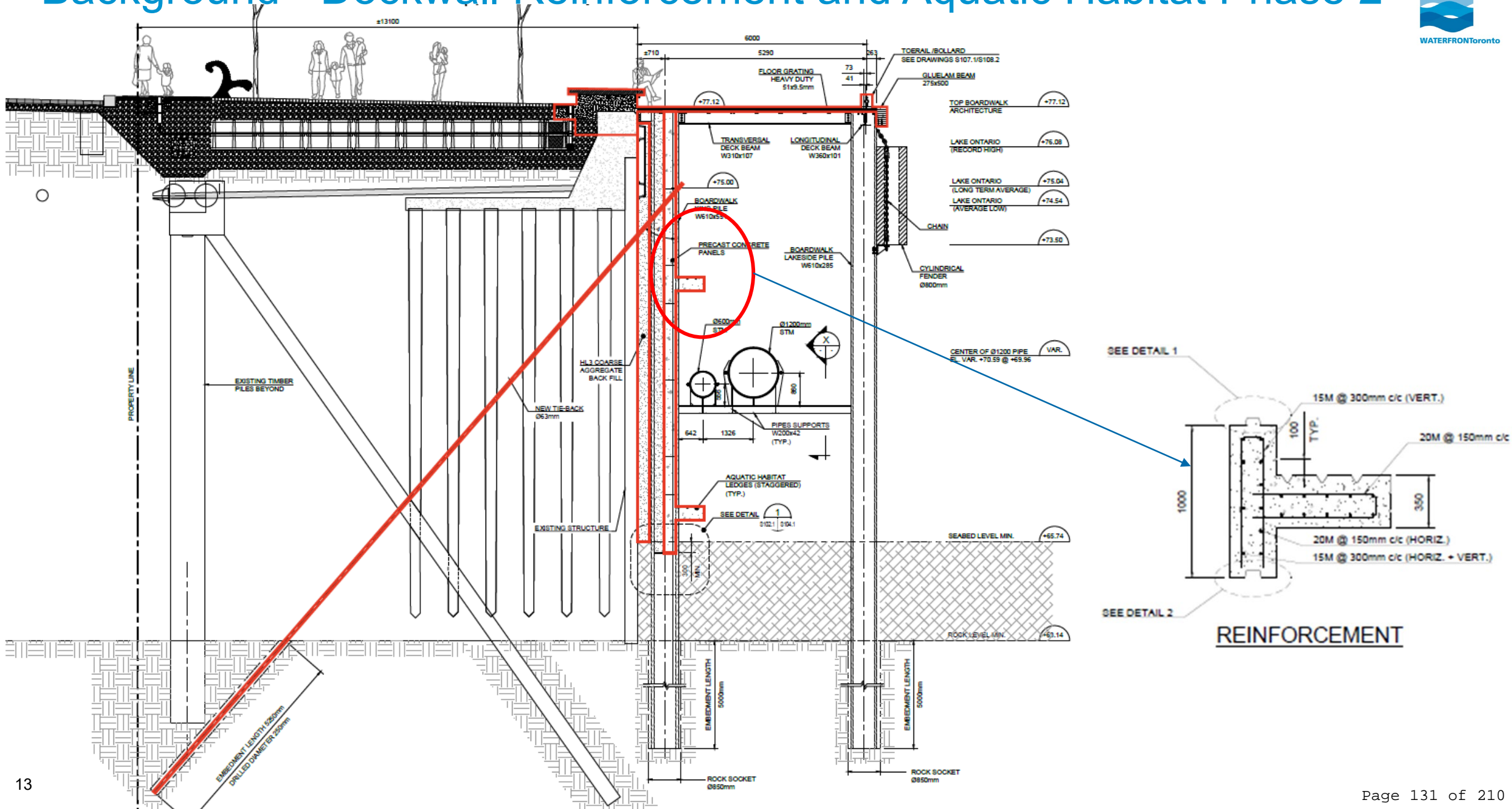
Background - In-Water Pipe -Support Structure Phase 1



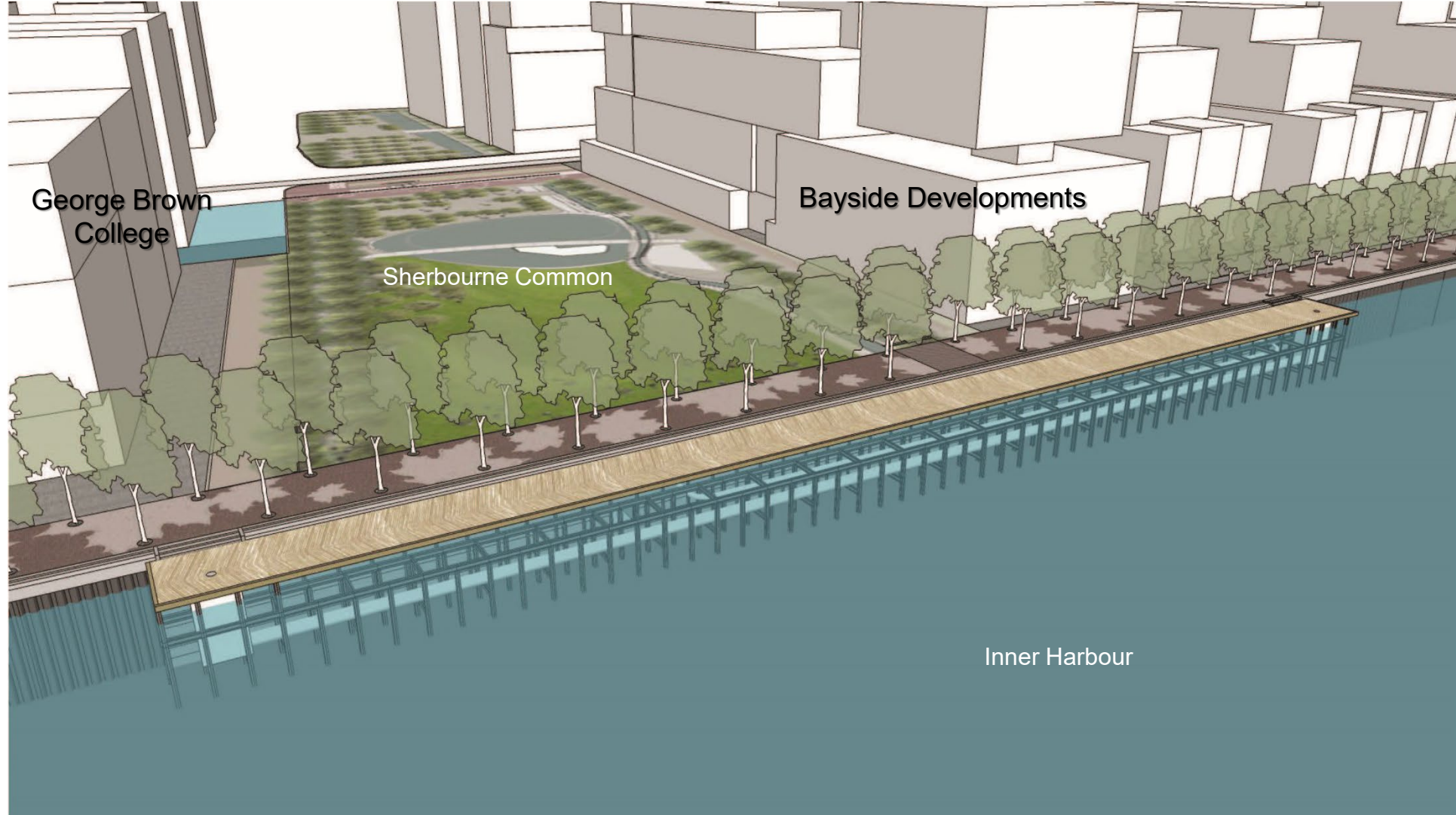
Background – Complete IWP and Boardwalk Conceptual Support Structure



Background - Dockwall Reinforcement and Aquatic Habitat Phase 2



Background - Boardwalk Phase 2



Background - Boardwalk Proposed Section – Phase 2

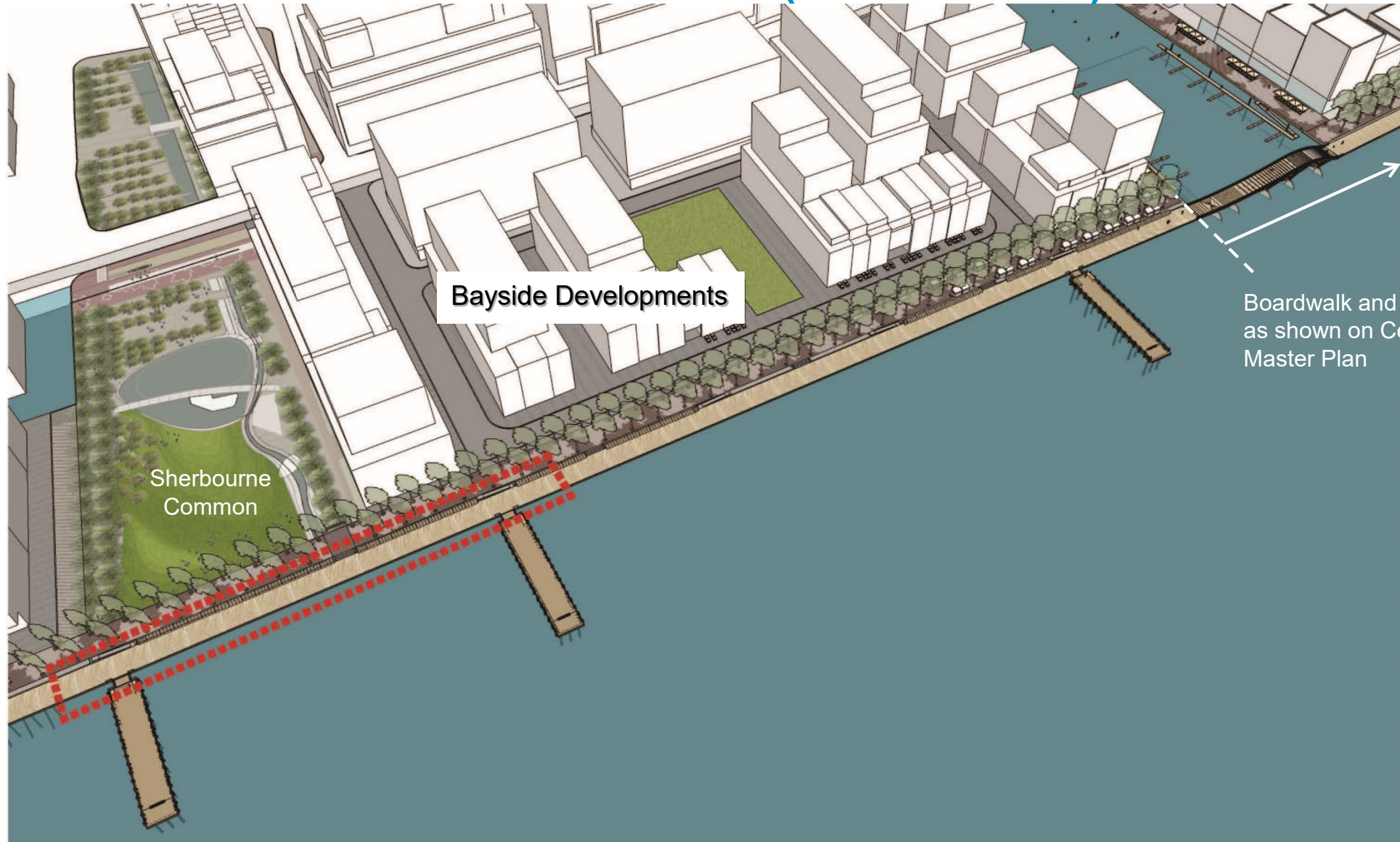
Promenade scope (existing)
9m wide granite mosaic
Double alley of trees
Wooden Benches
Light Poles

Boardwalk scope (proposed)
6m wide wood deck
Mooring bollards and toe rail
Granite bench
Dockwall refacing

Promenade

Boardwalk

Background - Boardwalk and Piers (Full Vision)



- Amendment to Delivery Agreement between Waterfront Toronto and the City of Toronto is being finalized
- Waterfront Toronto is securing key approvals that impact design and construction including;
 - City Peer Review
 - Ministry of the Environment, Conservation and Parks – Environment Compliance Approval
 - Department of Fisheries and Oceans - Aquatic Habitat Compensation
 - Transport Canada
 - Ports Toronto
 - City of Toronto; Parks Forestry and Recreation and Toronto Water
- Received support from the Design Review Panel
- License secured with Ports Toronto
- Construction Request for Proposal issued, currently in stage 3 of the BAFO process

Capital Budget – Phase 1

| Budget Allocation | Anticipated Project Cost (\$ Millions) |
|---|---|
| Hard Construction Costs | \$ 17.90 |
| Soft Costs (design, consulting, project management & approvals) | \$ 2.27 |
| Contingency (including risk and escalation) | \$ 3.26 |
| Non-recoverable Harmonized Sales Tax | \$ 0.32 |
| Total Estimated Capital Cost | \$ 23.75 |

Capital Approval is required prior to award of a construction contract for the Phase 1 of the In-Water Pipe and Infrastructure project

- 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 the In-Water Pipe and Infrastructure project is estimated to be \$23.75 Million
- Construction documentation has been completed and tendered market prices have been obtained to validate the Capital Approval amount

Planned Sources of Funding – Phase 1

| Funding Source | Amount (\$ Millions) |
|--|---------------------------------|
| Waterfront Toronto Land Revenues | \$ 15.35 |
| <ul style="list-style-type: none">• Realized to Sept/20 (\$5.23M)• Unrealized* (\$10.12M) | |
| Sec. 37 Infrastructure Revenues (unsecure)* | 8.40 |
| Total Sources of Funds | \$ 23.75 |

*Note: Timing of funding sources gives rise to a short-term borrowing requirement of up to \$12M for a period of up to three years (until 2022/23). Anticipated funding sources may change if other sources are deemed more feasible during project implementation.

Contracting Method

Waterfront Toronto has tendered the In-Water Pipe construction using the General Contractor – Lump Sum Tender method in order to realize cost certainty, overall cost and competition and schedule compliance. Refer to the table below for a summary of the ranking of the 4 contract types 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 | |
| Lump Sum Tender | 1 | 4 | 4 | 4 | 4 | 1 | 46 |
| CM (Sequential Trade Tenders) | 4 | 1 | 1 | 2 | 1 | 3 | 21 |
| CM (Lump Sum Trade Tenders) | 2 | 3 | 3 | 3 | 3 | 2 | 37 |
| CM (Negotiated GMP) | 3 | 2 | 2 | 1 | 2 | 4 | 26 |

Legend

1: Lowest Ranked
4: Highest Ranked

Weighting

1: Low
2: Medium
3: High

Project Risks

| Risk Description | Potential Impact | Mitigation Strategy |
|---|-------------------------------------|---|
| Securing timely regulatory Approvals | Project delays | Process to be formulated with City for the expedited approvals. |
| Extreme weather and lake level events causing construction delays and changes | Schedule and Cost | Construction activities to be monitored closely and Budget Contingency has been increased |
| Construction impacting Water's Edge Promenade (WEP) | Reduced public accessibility to WEP | Control construction activities to maximize WEP public access |
| Tall ships events | Schedule and Cost | Coordinate schedule to minimize stop work and delay impacts. |
| Funding realization and timing risk | Schedule | Borrowing and identification of alternate funding sources |

- The Corporation’s Risk Appetite Statement establishes a tolerance for risk of “moderate”, i.e. manages moderate scope changes and 6-12-month completion delay (if applicable).
- This project is consistent with the Corporation’s level of risk tolerance because it mitigates risk in the In-Water pipe installation in East Bayfront Precinct as follows:
 - Completing the storm water conveyance and treatment system for East Bayfront will allow Waterfront Toronto to finally transfer operations and maintenance responsibilities and costs to the City of Toronto.
 - Adding the supporting structures alleviates the vulnerability of the In-Water Pipes from impact by inner harbour-going ships.
 - Adding infrastructure to support the future Boardwalk and ancillary structures to extend the life of the dock wall fronting on Sherbourne Common to 75 years.

Recommendation

Management recommends that the Finance Audit and Risk Management Committee approve, for recommendation to the Board of Directors, a capital expenditure of \$23.75 Million to complete the In-Water Pipe and infrastructure Phase 1.

ON MOTION duly made, seconded, and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee recommends that the Board of Directors approves the capital investment expenditure of \$23.75M to complete the East Bayfront In-Water Pipes and Boardwalk and authorizes Management to finalize and award the Stipulated Sum tender for the construction of the East Bayfront In-Water Pipes.

Join Us

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| | |
|---|--|
| <p>Purpose</p> | <p>For Approval</p> |
| <p>Areas of note/ Key issues</p> | <p>Lake Shore Boulevard East – Bridge and Public Realm Project is one of the key components for Port Lands Flood Protection (PLFP). The presentation below describes the project and Management’s request for Capital Approval for an expenditure of up to \$147.24 Million to complete the Lake Shore Boulevard East – Bridge & Public Realm project Phase 2 (Construction).</p> <p>This project is not included in the Board approved Rolling Five Year Strategic Plan and will be added following approval by the City Council.</p> <p>Delivery Agreement for LSBE project Phase was executed between City of Toronto and Waterfront Toronto on September 15, 2020.</p> <p>The following are to be completed as part of Phase 2:</p> <ul style="list-style-type: none"> • Complete traffic mitigation field implementation • Complete lengthening and widening of Lake Shore Bridge • Complete lengthening of rail bridge including removal and reconstruction of one existing bay • Demolish Gardiner Ramps from Lake Shore Bridge to Logan Avenue • Shift rail track to center median from east of Don Roadway • Complete public realm work east of Lake Shore Bridge to Carlaw Avenue • Complete road work on Lake Shore Blvd from east of bridge to Carlaw Avenue <p>Management will negotiate and execute a bilateral Delivery Agreement between the City of Toronto and WT for the Lake Shore Boulevard East – Bridge and Public Realm Project, construction phase; the Port Lands Flood Protection program is still targeted to achieve the stated deliverables under the tri-government Contribution Agreement (e.g., Flood Protection) by March 2024.</p> |
| <p>Resolution</p> | <p>ON MOTION duly made, seconded, and carried, be it RESOLVED that the Finance, Audit and Risk Management Committee recommends to the Board of Directors for approval:</p> <ol style="list-style-type: none"> a) the incremental Capital expenditure of \$147.24M to complete the Lake Shore Boulevard East – Bridge and Public Realm project (Construction) (the “Project”), SUBJECT TO approval from City Council and execution of a funding agreement with the City of Toronto; b) the Project be constructed by Ellis Don Civil Construction (ED) under the existing PLFP Construction Management Agreement between ED and WT; and c) the Project being added to the Corporation’s Rolling Five-Year Strategic Plan (2021/22 – 2025/26). |

Port Lands Flood Protection and Enabling Infrastructure

Lake Shore Blvd East – Bridge and Public Realm Project (LSBE) Construction works Request for Capital Approval

Finance Audit and Risk Management Committee
November 26, 2020

Objectives

- Briefing on Lakeshore Bridge project
- To provide an update on the current status of the Lakeshore Bridge and Boulevard East Pre-Construction work
- To obtain FARM Committee's recommendation to the Board of Directors to approve proceeding with the Lakeshore Bridge and Boulevard East – Construction Works

Background



- The Board of Directors approved the investment of \$16 million to complete the Lakeshore Bridge and Boulevard East (LSBE) – pre-construction works on March 26, 2020
- Delivery Agreement for LSBE project pre-construction works was executed between City of Toronto and Waterfront Toronto on September 15, 2020
- Construction of the LSBE project is not included in the Board approved Rolling Five Year Strategic Plan

Note: The request is for the approval of the incremental scope/capital expenditure to the project excluding the scope of work under the PLFP program

Background – Existing Configuration



Port Lands Flood Protection

Goal:

- Provide flood protection

Requirements:

- Don River widening and deepening
- Sediment and debris removal
- Relocation of primary dredging operations (to north Lakeshore Bridge)
- Lengthening of Lakeshore Bridge over Don River
- Construction of flow control weirs/systems
- Complete by December 2023

Gardiner East EA

Goals:

- Improve connectivity to City's waterfront
- Support Don Mouth Naturalization and Port Lands Flood Protection Project
- Balance modes of transportation in the corridor

Requirements:

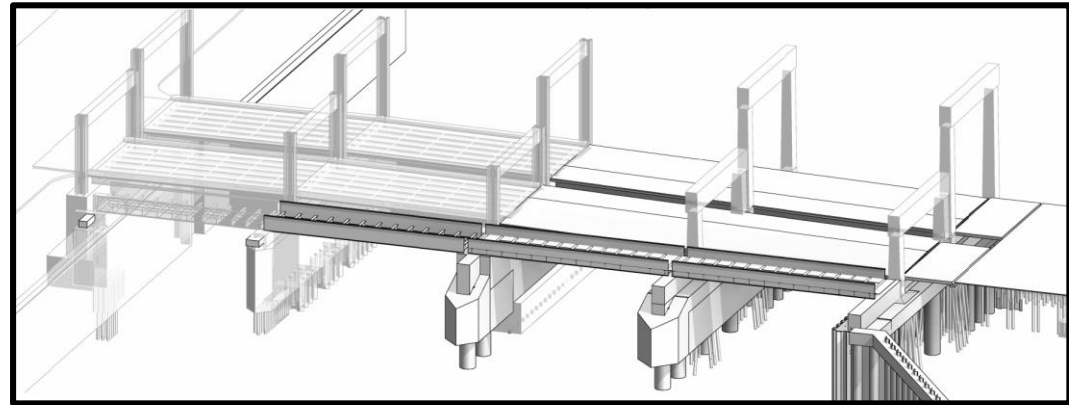
- Realignment and reconstruction of Gardiner Expressway east of Jarvis
- Removal of Gardiner ramps from Cherry Street to Logan
- Construction of a realigned Gardiner East and Lakeshore Blvd East from Cherry St. to Don Roadway
- Widening of Lakeshore Bridge over Don River allows for replacement of pedestrian bridge removed by Sediment and Debris Management Area
- Public Realm Improvements and storm water management plan along Lakeshore Blvd

Background

Lake Shore Bridge Project Scope

PLFP Project Scope

- Extension of the Lake Shore Bridge with Gardiner Ramps in-place
- Underpinning of the Gardiner Ramp piers
- Inability to complete the long-term EA plan due to Gardiner bents



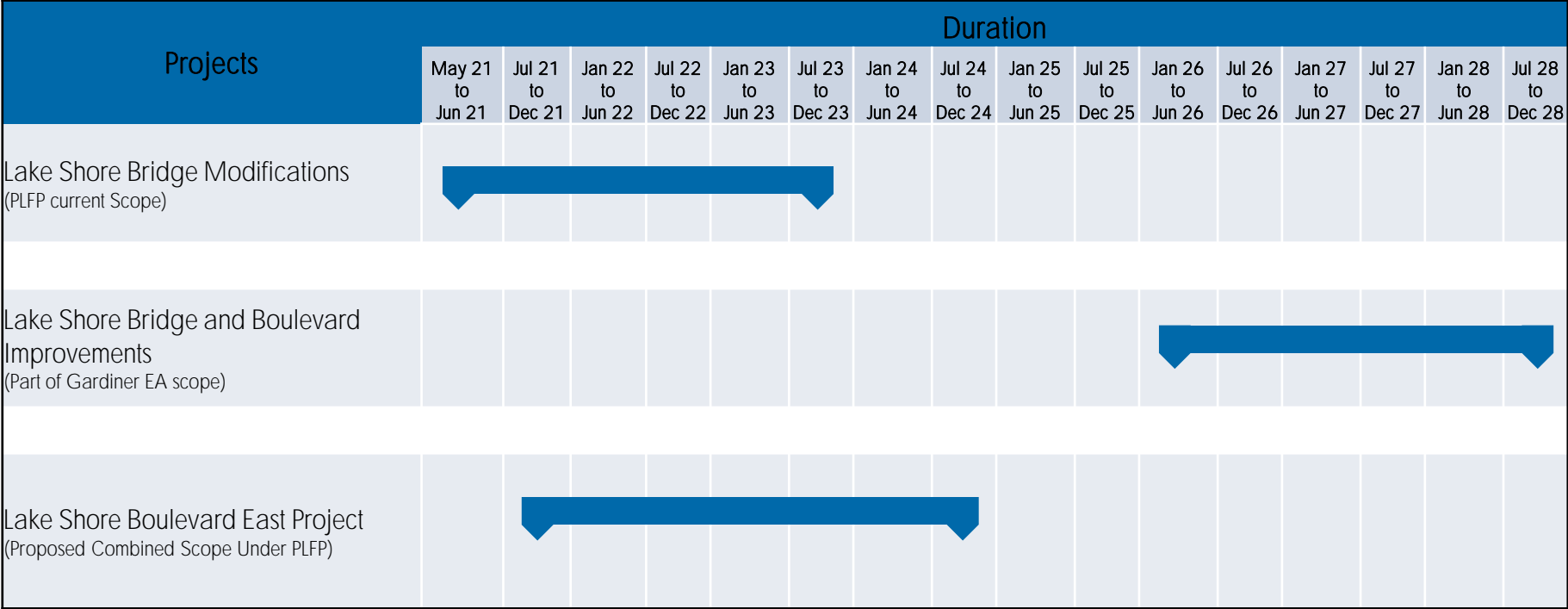
Gardiner East EA Project Scope

City of Toronto Scope

- Widening of the Lake Shore Bridge, including replacement of pedestrian / bike lanes, upon eventual removal of the Gardiner Piers
- Public Realm Improvement from East of the Lake Shore Bridge to Carlaw



Project Timelines – Schedule Compression



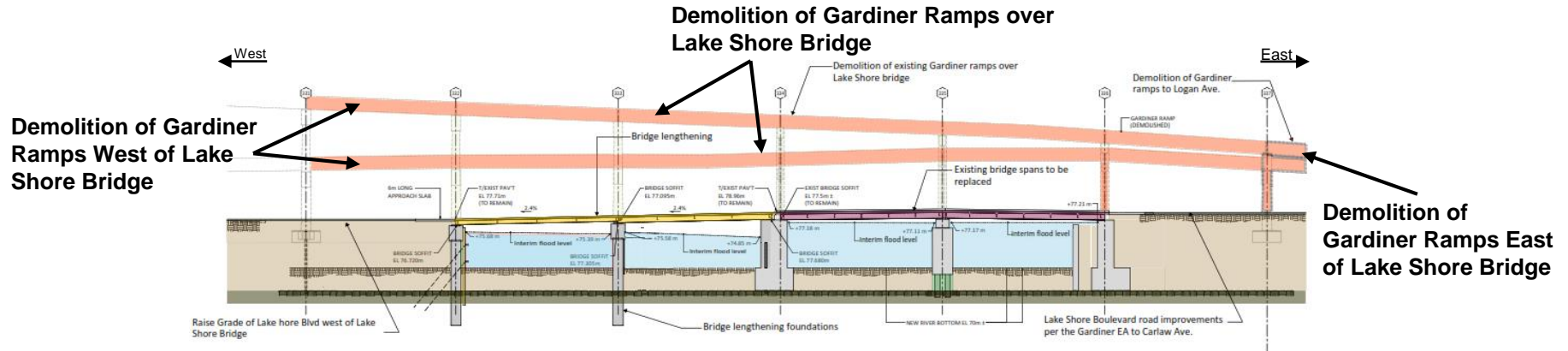
Lake Shore Blvd East – Bridge and Public Realm – Scope



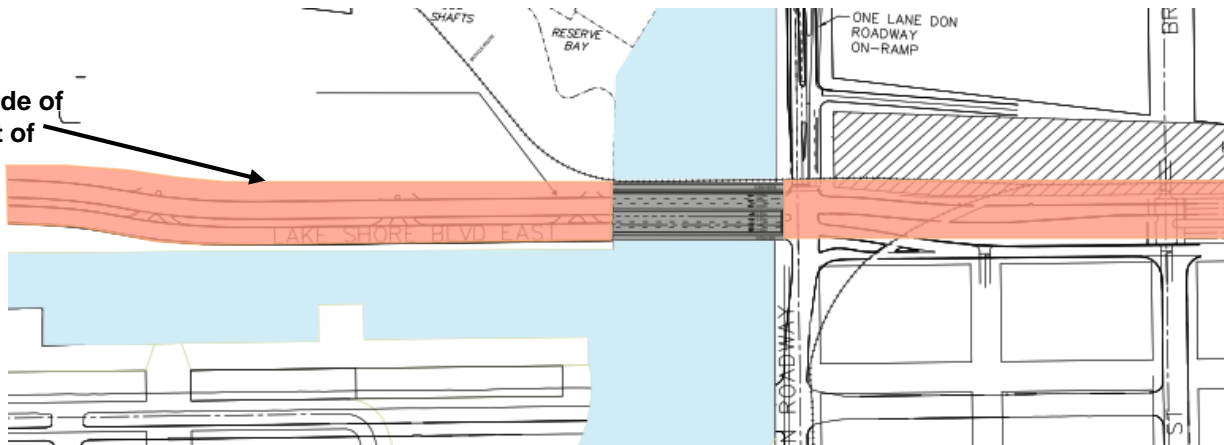
Lake Shore Boulevard East Bridge and Public Realm – Proposed Combined Scope under PLFP Project

- Extension of Lake Shore Bridge with Gardiner Ramps removed
- Widening of the Lake Shore Bridge, including replacement of pedestrian / bike lanes
- Demolition of Gardiner Ramps from West of the Bridge to Logan
- Reconstruction of the Existing two bays of Lake Shore Bridge
- Public Realm Improvement from East of Lake Shore Bridge to Carlaw

Lake Shore Blvd East – Bridge and Public Realm – Scope



Roadwork - Raise grade of Lake Shore Blvd west of Lake Shore Bridge



Roadwork - Reconstruct Lake Shore Blvd east of Lake Shore bridge to Carlaw

Lake Shore Blvd East – Bridge and Public Realm – Phase Split



The Project is split in two phases:

Phase 1 – Pre-Construction Works (August'19 to June'21)

Scope

- 100% Design
- 100% Traffic Modelling
- 100% Traffic Mitigation design
- Risk Identification and Quantification
- Subtrade Procurement (EllisDon remains Construction Manager)
- Secure approvals to commence construction (Phase 2)

Phase 2 – Construction Works (July 2021 – December 2024)

Scope

- Implement Traffic Mitigation measures
- Demo the Gardiner Ramps up to Logan Avenue
- Construct the Lake Shore Bridge with widened configuration
- Complete the Public Realm works on Lake Shore Boulevard from Don Roadway to Carlaw Avenue
- Relocate the Harbour Lead Rail in the center median

Lake Shore Blvd East – Bridge and Public Realm- Status

- 90% Design Package was issued on August 28, 2020 to stakeholders for review and comments
- Comments received from stakeholders on September 25, 2020
- Design team is currently preparing the responses to the 90% design comments and incorporating them in the IFT set
- IFT Drawing set is anticipated to be issued on November 20, 2020
- Procurement is anticipated to start in January 2021
- Construction mobilization is anticipated to start in July 2021
- Waterfront Toronto is securing key approvals that impact design and construction as illustrated on the following slide
- Phase 1 Delivery Agreement between Waterfront Toronto and the City of Toronto has been executed

Lake Shore Blvd East – Bridge and Public Realm- Permits

- **Transport Canada Permit**
 - This is Proponent led process. The notice will be posted online after the IFT Design package is issued and necessary approval will be secured from City Council to proceed with Phase 2
- **Aquatic Habitat Protection Permit from DFO**
 - Team was brought to speed on the design development
 - Permit will be applied after the IFT Design package is issued and necessary approval will be secured from City Council to proceed with Phase 2
- **TRCA Permit**
 - Team was brought to speed on the design development
 - Permit will be applied after the IFT Design package is issued and necessary approval will be secured from City Council to proceed with Phase 2
- **EA Submissions**
 - Team is coordinating with Gardiner EA team to determine Gardiner EA/DMNP EA/LDL EA MOECP submission requirements
- **Release of Construction**

Capital Approval is required in order to execute the construction work for the Lake Shore Boulevard East – Bridge and Public Realm project construction

- Waterfront Toronto’s policies and procedures provide for Capital Approvals to be obtained:
 1. After design has reached 30% completion in accordance with standard industry practice
 2. When planned investments exceed \$5 Million
- Capital Approval is required as construction of the project is estimated to be \$147.24 Million as illustrated on the following slide
- The Board of Directors approved the pre-construction work for the Project on March 26, 2020
- The Delivery Agreement for LSBE project pre-construction work was executed between City of Toronto and Waterfront Toronto on September 15, 2020

Capital Budget



| Budget Allocation | Anticipated Project Cost for Phase 2 (\$ Millions) |
|---|--|
| Hard Construction Costs | \$ 110.3 |
| Soft Costs (design, consulting, project management and approvals) | \$ 7.38 |
| Contingency (including risk and escalation) | \$ 27.01 |
| Non-recoverable Harmonized Sales Tax | \$ 2.55 |
| Total Estimated Capital Cost Recommended for Approval | \$ 147.24 |
| Phase 1 Pre-Construction Costs (Approved on March 26, 2020) | \$16.00 |
| Total Cost of Lake Shore Bridge Alternative Plan | \$163.24 |

Note: • This request is for the approval of the incremental scope/capital expenditure for the project excluding the scope of work already included as a part of the PLFP program

Sources of Funding

| Source | Funding (\$ Millions) |
|------------------------------------|--------------------------|
| City of Toronto Delivery Agreement | \$ 147.24 |
| Total Sources of Funds | \$ 147.24 |

Note: • The soft cost of \$16M for the Phase 1 executed Delivery Agreement is not included in the above estimates

- The above request is for the approval of the incremental scope/capital expenditure to the project excluding the scope of work under the PLFP program
- The incremental capital expenditure will be fully funded by the City of Toronto

Project Risks – Construction works



| Risk Description | Potential Impact | Mitigation Strategy |
|---|-------------------------------------|---|
| Enbridge 20" Relocation | Project delays and additional costs | City and WT are coordinating with Enbridge to relocate the 20 Inch gas main in time to meet the project timelines |
| EA amendment for Rail relocation to center median | Project Delays | Defer the rail work to future allowing project to proceed in time |
| Regulatory Approvals for Traffic Mitigation | Project delays | Process to be formulated with City for the expedited approvals |
| Gardiner EA Amendment | Project delays and additional costs | Team is coordinating with Gardiner EA team to determine the need of an amendment to Gardiner EA |
| Unknown Utilities - LSB East | Project delays | Team intends to mitigate through SUE investigations and TPUCC process |
| Cost Sharing with Utility providers | Project delays and additional costs | Team will coordinate with City and Utility providers to negotiate cost sharing agreements |
| Coordination of Contract Activities | Project delays | Activity sequences to be coordinated to achieve the PLFP objectives |
| Lake Shore Bridge Toronto Hydro Relocation | Project delays and additional costs | Team will proactively coordinate with THES |

Project Risk Tolerance



- This 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 because it alleviates risk in the PLFP project scope
- The PLFP Base Case includes extension of the Lake Shore Bridge with Gardiner Ramps in place. Significant technical and safety concerns arise when making changes to existing live expressway ramps
- The delivery of the Lake Shore Boulevard East will result in a significant improvement over the Base Case because extension of the Lake Shore Bridge is accomplished with Gardiner Ramps not in place
- Project costs have been separately estimated by the consultant team and Ellis Don and have been consolidated by the third party cost consultant Altus based on 90% design drawings. Contingency has been determined through application of a Monte Carlo simulation risk analysis undertaken by the PLFP Risk Management Consultant, HDR.

Recommendation

Management recommends that the Finance Audit and Risk Management Committee approve, for recommendation to the Board of Directors, an incremental capital expenditure of \$147.24 Million to complete the Lake Shore Boulevard East – Bridge and Public Realm project construction.

Management recommends that that the Committee approves, for recommendation to the Board of Directors, that the Project be constructed by Ellis Don Civil Construction (ED) under the existing PLFP Construction Management Agreement between ED and WT.

FARM Committee and Board of Directors, approvals are contingent on approval of the project and necessary funding by Toronto City Council and on the execution of a bilateral Delivery Agreement for project funding between the City of Toronto and Waterfront Toronto.

Note: The Port Lands Flood Protection program remains on schedule to achieve the stated deliverables under the Contribution Agreement (e.g., Flood Protection) by March 2024.

ON MOTION duly made, seconded, and carried, be it **RESOLVED** that the Finance, Audit and Risk Management Committee recommends to Board of Directors for approval:

- a) the incremental Capital expenditure of \$147.24M to complete the Lake Shore Boulevard East – Bridge and Public Realm project construction (the “Project”), **SUBJECT TO** approval from City Council and execution of a funding agreement with the City of Toronto;
- b) the Project be constructed by Ellis Don Civil Construction (ED) under the existing PLFP Construction Management Agreement between and WT; and
- c) the Project being added to the Corporation’s Rolling Five-Year Strategic Plan (2021/22 – 2025/26).

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Finance, Audit & Risk Management Committee – November 26, 2020
Item 7a – Port Lands Flood Protection (PLFP) Update
90% Design Stage Gate Status Update
David Kusturin

| | |
|--------------------------------------|--|
| Purpose | For Committee Information |
| Areas of note/ Key issues | <p>The PLFP 90% Design Stage Gate is a key component of the Corporation’s project risk management and governance framework. The purpose of this report is to provide a status update on the budget and schedule for the PLFP Project as at the 90% Design Stage Gate.</p> <p>The budget for the PLFP Project remains unchanged at \$1.185B.</p> <p>The project remains on schedule for substantial completion in March 2024.</p> <p>There have been no scope changes made to the project to date.</p> <p>As a result of the realization of the utilities cost sharing risk which has added \$22.7M to the Estimate at Completion. Waterfront Toronto is currently forecasting that the likelihood of delivering the Port Lands Flood Protection Program on budget is 70%.</p> <p>Contingency remaining to be allocated at the 90% Design Stage Gate equals \$51.5M.</p> <p>The PLFP Executive Steering Committee (ESC) has approved the 90% Stage Gate analysis.</p> <p>The Stage Gate process allows Waterfront Toronto to complete the design process, while ensuring that the likelihood of achieving the program budget remains high as projects continue into construction.</p> <p><u>Impact of PLFP 90% Design Stage Gate on WT Liquidity</u></p> <p>WT anticipates no impact to liquidity based on the 90% design stage gate results. The 90% stage gate results in a \$26.3M draw down from the contingency to fund the 90% Stage Gate estimate at completion, while maintaining the \$1.185B project budget. The \$26.3M contingency draw-down largely represents utility relocation costs (excluding the Enbridge 20” pipe relocation) which had already been reflected in the cash flow expenditure forecasts WT had been carrying within the contingency line. As such, this additional \$26.3M which is expected to be spent over the next 2 years, is/was fully accounted for in WT’s liquidity requirements. WT is also hopeful that it will be able to recover some of these costs from utilities in the future.</p> |

| | |
|-------------------|--|
| Next Steps | <p>The FARM Committee is requested to receive the 90% Design Stage Gate Report for information.</p> <p>The 90% Design Stage Gate Report will next be presented to the Board of Directors on December 10, 2020 for information.</p> <p>Management will continue to work with the City of Toronto and other orders of government to resolve outstanding utility cost sharing issues, with the intent to recover utility relocation costs that are currently being funded through the project budget.</p> |
|-------------------|--|

Port Lands Flood Protection and Enabling Infrastructure 90% Stage Gate Cost Estimate Reconciliation Status Report

For Information

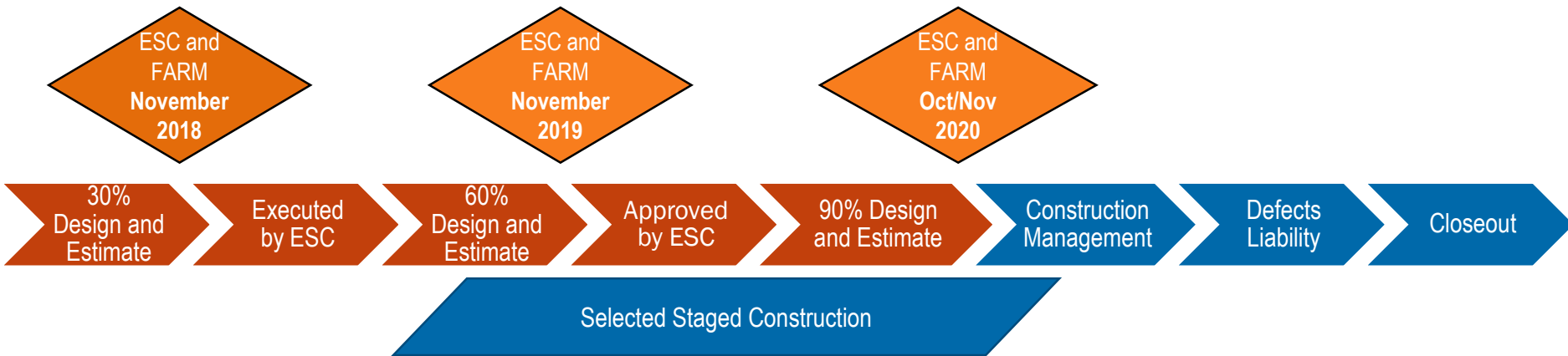
**Presentation to the Finance and Risk Management Committee
November 26, 2020**

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1. Project Status Update
2. Summary of Program Current Status
3. 90% Stage Gate Estimate
4. Program Contingency Analysis
5. Project Risk Update & Analysis
5. Secondary Contingency Items
6. Appendices

Project Status Update

- 30% Stage Gate design and cost estimates provided to Executive Steering Committee on November 21, 2018.
- Project Charters and budgets developed from 30% cost estimates; executed April 2019.
- 60% Stage Gate design and cost estimates provided to Executive Steering Committee on November 12, 2019. Executive Steering Committee approved of the 60% Stage Gate Estimate at Completion.
- Per the agreed Stage Gate Process (shown below), WT to report back to Executive Steering Committee upon completion of 90% design with updated forecasts of final program cost and expected program completion.
- Throughout the process WT will continue to report on budget impact and changes against the budget established at Due Diligence.



Overview of the Budget Development & Stage Gate Process

- Budget and Stage Gate development is an iterative process that follows the key milestones outlined below.

Cost Estimate Review
(for particular Design Stage)

- Designer's cost consultants provide their cost estimate based on the completed Design stage (30%, 60%, 90% etc.).
- Construction Manager provides current Estimate at Completion (EAC) which includes committed costs, estimates for uncommitted trade packages, extras and claims.
- WT Cost Consultant reconciles the estimates and provides a recommendation to WT.

Risk Analysis

- Construction Manager cost loads the agreed upon cost estimate in Primavera and sends it to the Risk Consultant.
- Project risks are reviewed at a Risk Workshop attended by the Project Team.
- Risk Consultant conducts a risk analysis and provides a risk profile to WT.

Budget Reconciliation

- WT reviews the risk analysis and determines the appropriate amount of contingency within the acceptable confidence interval.
- If the confidence interval is too low, WT initiates a further review of the cost estimate to identify cost optimization opportunities.
- **Design Optimizations (included to date and those under review) do not equate to changes in scope as defined in project charters or the Contribution Agreement.**
- Risk Analysis is conducted based on the revised cost estimate.

Budget Approval

- The project EAC's are updated and the contingency is adjusted to reflect project risks.
- Assumptions are documented and all the background material is saved for future reference.
- The proposed project/program budget is presented to CPRP/ESC/FARM/Board of Directors.

Current Status

90% Stage Gate Cost Estimate

- September 9th, 2020 – Draft presentation to PLFP Capital Peer Review Panel
- September 21st, 2020 – Draft presentation to PLFP Executive Steering Committee for comment
- September 22nd, 2020 – Draft presentation to INFC Oversight Committee for comment
- October 2nd, 2020 – Presentation to Inter-Governmental Steering Committee (IGSC)
- October 19th, 2020 ESC Meeting – Final presentation to PLFP Executive Steering Committee for approval
- **November 26th, 2020 – Presentation to WT Finance, Audit and Risk Management Committee (FARM)**
- December 10th, 2020 – Presentation to WT Board of Directors

Current Status

Earthworks, Marine and Parks

Design

- **River Valley**
 - Finalizing design for West Plug Wall.
- **Marine**
 - Canoe Cove, Flow Control Weirs and SDMA 60% design complete.
- **Parks & River Valley Finishes**
 - Landscaping and Finishes 60% design complete.

Construction

- Construction of cut-off walls Central River Valley completed August 2020.
- Construction of cut-off walls spillway and ice management area to be completed fall of 2020.
- Excavation of Central River Valley and construction of barrier layer approximately 70% complete.
- Polson Slip work nearing completion.

Procurement (September 30th, 2020)

- Awarded: 55.8% = \$273.1 M
- In progress: 11.4% = \$55.8 M
- Not started: 32.8% = \$160.4 M

Current Status

Bridges

Design

- Cherry North, Cherry South and Commissioners Street bridge designs at IFC.
- Lake Shore Bridge
 - Base Case: 90% design submitted July 10, 2020
 - Alternate Case: 90% design submitted August 28, 2020

Construction

- Cherry North foundations and abutments complete. Fabrication of steel superstructure underway, delivery and installation of LRT bridge Fall of 2020.
- Cherry South foundations under construction. Fabrication of steel superstructure underway, delivery and installation scheduled for 2021.
- Commissioners Street foundations scheduled to commence fall of 2020. Fabrication of steel superstructure underway with delivery and installation scheduled for 2021.

Procurement (September 30th, 2020)

- Awarded: 63.7% = \$74.9 M
- In progress: 33.4% = \$39.3 M
- Not started: 2.9% = \$3.4 M

Current Status

Roads and Services

Design

- IFT have been issued for most components.

Construction

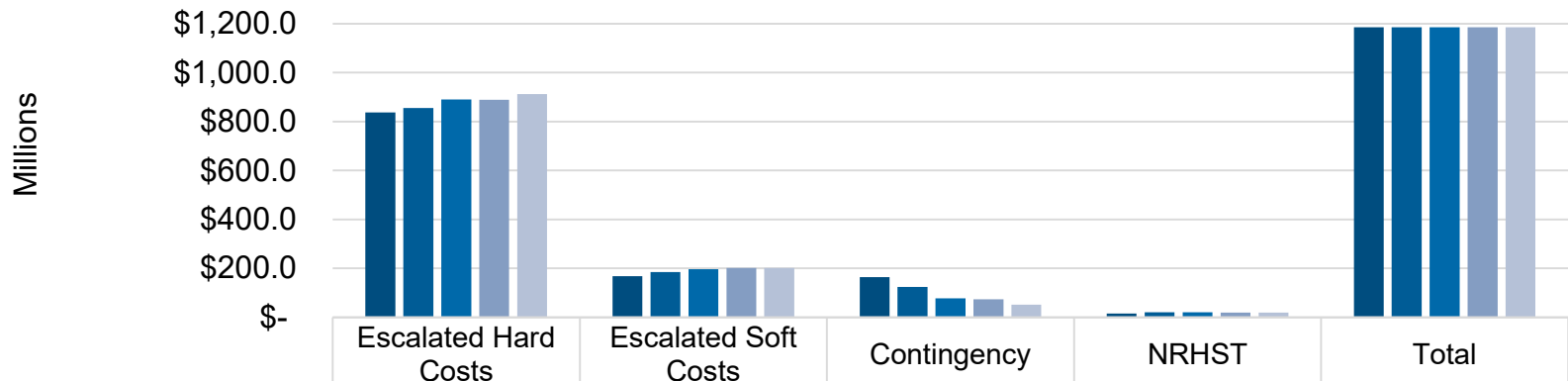
- Commissioners Street and Don Roadway south of Villiers Closed.
- Villiers detour open.
- New Cherry and Commissioners Street under construction.
- Hydro One relocation underway and to be completed December 2020.
- Cherry / Polson detour to be constructed October 2020.

Procurement (September 30th, 2020)

- | | | |
|----------------|-------|------------|
| • Awarded: | 43.4% | = \$48.9 M |
| • In progress: | 36.4% | = \$41.0 M |
| • Not started: | 20.2% | = \$22.7 M |

Program Estimate – 90% Stage Gate

Port Lands Flood Protection 90% Stage Gate Cost Estimate



| | Escalated Hard Costs | Escalated Soft Costs | Contingency | NRHST | Total |
|--|----------------------|----------------------|-------------|----------|-------------|
| ■ Due Diligence | \$837.2 M | \$167.8 M | \$164.0 M | \$16.0 M | \$1,185.0 M |
| ■ 30% Design / Approved Budget | \$855.4 M | \$184.6 M | \$124.5 M | \$20.5 M | \$1,185.0 M |
| ■ Approved 60% Stage Gate | \$889.7 M | \$197.0 M | \$77.8 M | \$20.5 M | \$1,185.0 M |
| ■ 90% Stage Gate (Prior to Utility Cost Sharing) | \$889.2 M | \$201.7 M | \$74.2 M | \$19.8 M | \$1,185.0 M |
| ■ Recommended 90% Stage Gate | \$911.9 M | \$201.7 M | \$51.5 M | \$19.8 M | \$1,185.0 M |

- The **final program cost**, established at Due Diligence and confirmed at 60% Stage Gate, **remains unchanged at \$1.185B**.
- Project Budgets confirmed at 30% Stage Gate remain unchanged.
- Optimized 90% Stage Gate **Hard Cost Estimate is \$889.2M (\$500K lower than 60% Stage Gate EAC)**.
- **Utility Cost Share risk has been realized. \$22.7M of contingency is required to be allocated to address this additional cost. Efforts continue with the City of Toronto to recover these costs from utilities.**
- Recommended 90% Stage Gate **Hard Cost Estimate is \$911.9M (\$22.2M higher than 60% Stage Gate EAC)**.
- Recommended 90% Stage Gate **Soft Cost estimate is \$201.7M (\$4.8M higher than 60% Stage Gate EAC)**.

Enbridge 20” Gas Main

- Enbridge has estimated the cost of relocating the NPS 20” to be \$69M.
- The EAC would be increased by \$67M (EAC currently carrying \$2M for protection of line in place and extension across Lake Shore Bridge).
- Balance of remaining unallocated contingency is \$51.5M after utility cost sharing.
- Remaining contingency is insufficient to fund gas main relocation and would result in project budget being exceeded.
- Funding this relocation will leave no contingency for any other risks. The variance to budget is therefore likely to be substantially higher than \$15.4M if any other identified risks are realized.

| | Escalated Hard Cost | Escalated Soft Cost | Contingency | NRHST | Total | Variance to Budget |
|--|---------------------|---------------------|-------------|-----------|--------------|--------------------|
| Recommended 90% Stage Gate | \$ 911.9 M | \$ 201.7 M | \$ 51.5 M | \$ 19.8 M | \$ 1,185.0 M | \$ 0 M |
| 90% Stage Gate Including Enbridge Relocation | \$ 978.9 M | \$ 201.7 M | \$ 0.0 M | \$ 19.8 M | \$ 1,200.4 M | \$ 15.4 M |

90% Construction Cost Estimate Variance

The overall increase in the Construction Cost Estimate (Hard Costs) is **\$22.2M (2.5%)** over the 60% Stage Gate Approved EAC. This increase is primarily driven by the following change in the program segments:

- \$22.7M: Utility Cost Sharing based on Public Service Works on Highway Act

| Program Segment | Due Diligence | Program Budget 30% Stage Gate | 60% Stage Gate | Recommended 90% Stage Gate Estimate | Variance: 90% to 60% | |
|---|-------------------|-------------------------------|-------------------|-------------------------------------|----------------------|-------------|
| | | | | | \$ | % |
| Roads and Services | \$ 188.0 M | \$ 136.0 M | \$ 149.8 M | \$ 172.7 M | \$ 22.9 M | 15.3% |
| Earthworks, Marine and Parks | \$ 604.3 M | \$ 577.3 M | \$ 596.8 M | \$ 597.7 M | \$ 0.9 M | 0.2% |
| Bridges | \$ 114.9 M | \$ 142.1 M | \$ 143.1 M | \$ 141.5 M | -\$ 1.6 M | -1.1% |
| Escalated Construction Cost Estimate | \$ 837.2 M | \$ 855.4 M | \$ 889.7 M | \$ 911.9 M* | \$ 22.2 M | 2.5% |

* - Includes all utility cost sharing and proposed deferred SDMA scope.

90% Soft Cost Estimate Variance

Soft cost estimate at completion is \$4.7M (2.4%) above the estimated cost established at the 60% stage gate excluding contingency.

Increase primarily related to increased Construction Administration/Resident Site Inspectors for the River Valley, redesign of the SDMA, and geotechnical challenges related to differential settlement.

| Program Segment | Due Diligence | Program Budget 30% Stage Gate | 60% Stage Gate | Recommended 90% Stage Gate Estimate | Variance 90% to 60% | |
|-------------------------------------|-------------------|-------------------------------|-------------------|-------------------------------------|---------------------|-------------|
| | | | | | \$ | % |
| Roads and Services | \$ 23.9 M | \$ 22.0 M | \$ 23.4 M | \$ 23.5 M | \$ 0.1 M | 0.4% |
| Earthworks, Marine and Parks | \$ 120.4 M | \$ 131.3 M | \$ 144.0 M | \$ 148.5 M | \$ 4.5 M | 3.1% |
| Bridges | \$ 23.5 M | \$ 31.0 M | \$ 29.6 M | \$ 29.7 M | \$ 0.1 M | 0.3% |
| Escalated Soft Cost Estimate | \$ 167.8 M | \$ 184.6 M | \$ 197.0 M | \$ 201.7 M | \$ 4.7 M | 2.4% |

Contingency Drawdown – Previously Approved



| | Hard Cost | Soft Cost | Contingency Balance |
|---|-----------------------|-----------------------|-----------------------|
| Approved 30% Budget (Mar 2019) | \$ 855,445,331 | \$ 184,565,460 | \$ 124,493,923 |
| 30% Budget to 60% Stage Gate - Cost Variance | \$ 18,744,724 | \$ 3,831,089 | \$101,918,110 |
| 60% Estimate (Pre-Approval) (Oct 2019) | \$ 874,190,055 | \$ 188,396,549 | \$ 101,918,110 |
| TPLC Studio Accommodation | \$ 5,000,000 | | \$ 96,918,110 |
| SDMA Interim Design | \$ 13,108,717 | | \$ 83,809,110 |
| Geotechnical / Environmental Investigations | \$ 6,000,000 | | \$ 77,809,110 |
| Environmental Pilot Projects | \$ 1,928,967 | | \$ 75,880,426 |
| Park Washrooms | \$ 300,000 | | \$ 75,580,426 |
| Third Party Pipeline Decommissioning | \$ 400,000 | | \$ 75,180,426 |
| Lafarge Polson Slip Requirements | \$ 380,000 | | \$ 74,800,426 |
| Utilities on Bridges | \$ 1,591,848 | | \$ 73,208,578 |
| Utility Disconnections | \$ 100,000 | | \$ 73,108,578 |
| CIMCO Servicing | \$ 440,000 | | \$ 72,668,578 |
| Ports Toronto PLFP Access Licenses | | \$ 1,000,000 | \$ 71,668,578 |
| TRCA Long-Term Monitoring | | \$ 1,000,000 | \$ 70,668,578 |
| Fire Hall 30 Acquisition | | \$ 3,400,000 | \$ 67,268,578 |
| ESC 60% Stage Gate Report (Nov 2019) | \$ 903,439,587 | \$ 193,796,549 | \$ 67,268,578 |

Contingency Drawdown – 60% to 90% Stage Gate

| | Hard Cost | Soft Cost | Contingency Balance |
|---|-----------------------|-----------------------|----------------------|
| ESC 60% Stage Gate Report (Nov 2019) | \$ 903,439,587 | \$ 193,796,549 | \$ 67,268,578 |
| Alternative Transit Right-of-Way Finishes | (\$ 3,000,000) | | \$ 70,268,578 |
| TP 33.2 Savings - Soil Mgmt | (\$ 11,346,427) | | \$ 81,615,005 |
| Keating Channel Dredging | \$ 250,000 | | \$ 81,365,005 |
| Eastern Avenue Flood Protection | \$ 396,514 | | \$ 80,968,491 |
| 60% Soft Cost Reconciliation | | \$3,158,215 | \$ 77,810,276 |
| 60% Stage Gate Reporting Total (Jan 2020) | \$ 889,739,674 | \$ 196,954,764 | \$ 77,810,276 |
| Disposal of York Environmental Contaminated Soil | \$ 1,209,476 | | \$ 76,600,800 |
| Reallocation of Cherry North Bridge Abutments | (\$ 4,240,000) | | \$ 80,840,800 |
| Pedestrian Lighting Rough-In | \$ 700,000 | | \$ 80,140,800 |
| (NRHST Correction) – Does Not Affect Hard/Soft Estimate | (\$ 674,077) | | \$ 80,814,877 |
| Pre-90% Stage Gate (Jun 2020) | \$ 887,409,150 | \$ 196,954,764 | \$ 80,814,877 |
| 90% Soft Cost Reconciliation (Aug 11, 2020) | | \$4,782,406 | \$ 76,032,471 |
| 90% Hard Cost Reconciliation (Aug 11, 2020) | \$ 1,816,290 | | \$ 74,216,181 |
| 90% Stage Gate (Prior to Utility Cost Sharing) | \$ 889,225,440 | \$ 201,737,170 | \$ 74,216,181 |
| Utility Cost Sharing – Roads | \$ 18,170,472 | | \$ 56,045,709 |
| Utility Cost Sharing – Bridges | \$ 4,521,777 | | \$ 51,523,932 |
| Recommended 90% Stage Gate EAC (Oct 6, 2020) | \$ 911,917,689 | \$ 201,737,170 | \$ 51,523,932 |

Risk Analysis Results

- Base costs increased by \$26.9M, but significantly less risk being carried in the risk register.
- Risk-adjusted cost estimate at the 90th percentile decreased by \$.6M.
- A contingency of \$72M needs to be carried to complete program at \$1,185M budget with 90% confidence.

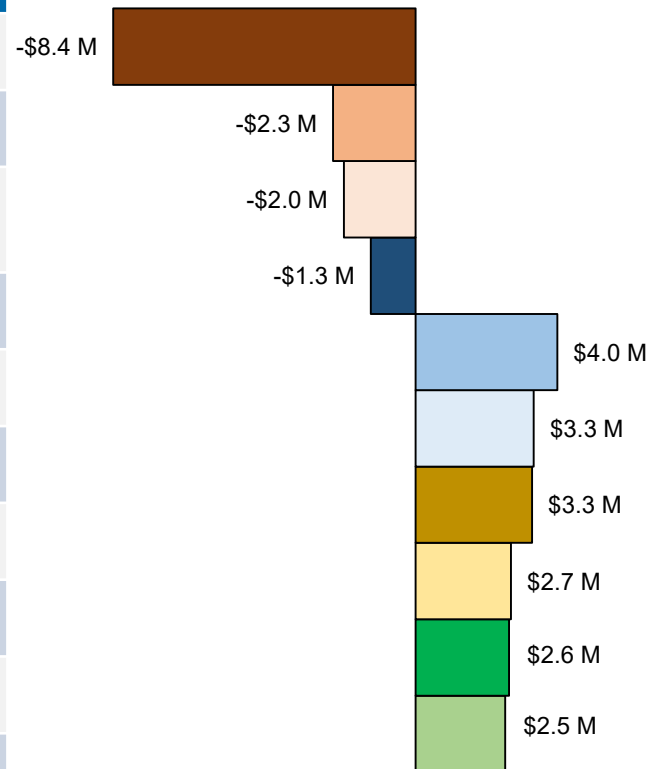
| | Due Diligence | Program Budget 30% Stage Gate | 60% Stage Gate | Recommended 90% Stage Gate Estimate | Variance 60% to 90% |
|---|-------------------|----------------------------------|---------------------|--|---------------------|
| Hard Costs | \$ 837.2 M | \$ 855.4 M | \$ 889.7 M | \$ 911.9 M | \$ 22.2 M |
| Soft Costs | \$ 167.8 M | \$ 184.6 M | \$ 197.0 M | \$ 201.7 M | \$ 4.7 M |
| NRHST | \$ 16.0 M | \$ 20.5 M | \$ 20.5 M | \$ 19.8 M | -\$ 0.7 M |
| Total Base Costs | \$ 1,021 M | \$ 1,060.5 M | \$ 1,107.2 M | \$ 1,133.4 M | \$ 26.2 M |
| Carried Contingency | \$ 164.0 M | \$ 124.5 M | \$ 77.8 M | \$ 51.5 M | -\$ 26.3 M |
| Total Budget | \$ 1,185 M | | | | |
| P90 Cost Risk Estimate | \$ 1,185 M | \$ 1,220 M | \$ 1,209 M | \$ 1,206 M | -\$ 3.6 M |
| Target Budget | \$ 1,185 M | | | | |
| Probability of Achieving Target with Current Contingency | 90% | 73% | 71% | 70% | 1% |
| Total Contingency Needed to Achieve Target with 90% Confidence | \$ 164.0 M | \$ 159.0 M | \$ 102.1 M | \$ 72.3 M | -\$ 29.9 M |

Top 10 Cost Risks and Opportunities

- The top project risks account for nearly \$4.4M in expected potential cost impacts after implementing mitigation strategies.
- These risks are accounted for in the Risk Contingency which includes known risks at this stage of the project.
- This does not include any provision for Enbridge NPS 20" Relocation.

| Risk | Probability | Low | High | Estimated High Impact* |
|--|-------------|------------|------------|------------------------|
| Opportunity: THESL Cost Sharing | 50% | -\$ 16.9 M | -\$ 16.9 M | -\$ 8.4 M |
| Opportunity: Enbridge Cost Sharing | 50% | -\$ 4.6 M | -\$ 4.6 M | -\$ 2.3 M |
| Opportunity: Reduce Dredge Costs & Quantity (Don River N of LSB) | 20% | -\$ 10.0 M | -\$ 10.0 M | -\$ 2.0 M |
| Opportunity: NRHST Rebate | 50% | -\$ 19.8 M | -\$ 2.5 M | -\$ 1.3 M |
| Cut-off Walls, Phase 1 | 25% | \$ 15.8 M | \$ 15.8 M | \$ 4.0 M |
| Water Treatment System Capacity | 50% | \$ 2.5 M | \$ 6.6 M | \$ 3.3 M |
| Off-site Disposal of Soils | 65% | \$ 3.0 M | \$ 5.0 M | \$ 3.3 M |
| Landfill Capacity | 30% | \$ 3.0 M | \$ 8.9 M | \$ 2.7 M |
| External Market Forces In Excess of Cost Escalation | 60% | \$ 1.4 M | \$ 4.3 M | \$ 2.6 M |
| Keating Channel Modifications for Sediment Management | 50% | \$ 3.0 M | \$ 5.0 M | \$ 2.5 M |

Top Risks Impacting Project Cost
Probability Adjusted High Impacts (\$M)

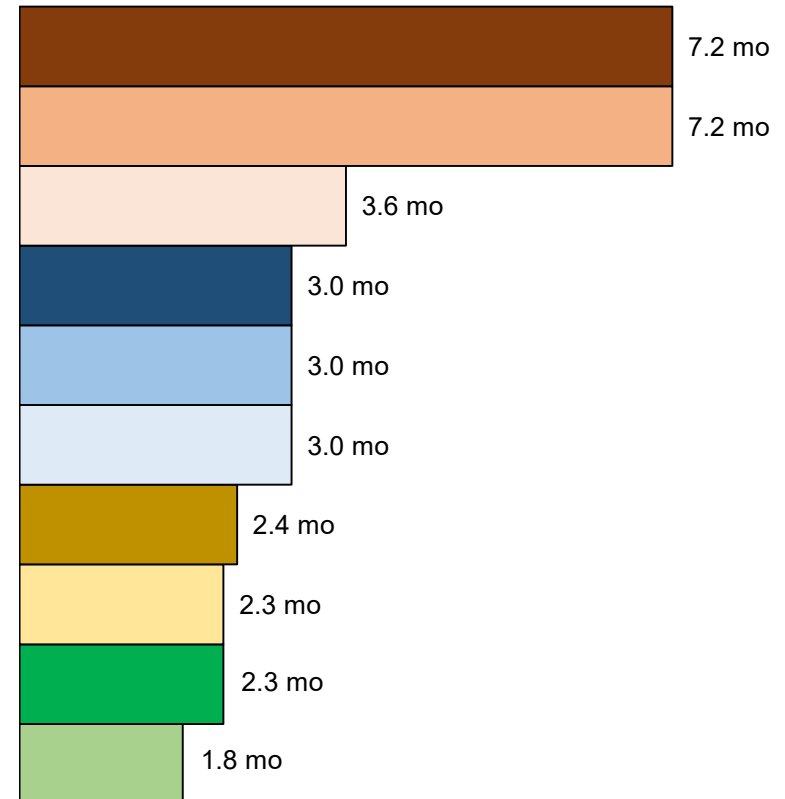


Top 10 Schedule Risks

- Program schedule substantial completion date of March 2024 has been maintained.
- Realized schedule risks have been successfully mitigated to date through resequencing of work packages and program critical path.

| Risk | Probability | Low | High | Estimated High Impact* |
|--|-------------|--------|------|------------------------|
| | | Months | | |
| Substantial Failure to Establish Plantings (Wetlands Section) | 60% | 4.0 | 12.0 | 7.2 |
| Enbridge 20" Relocation Schedule | 90% | 4.0 | 8.0 | 7.2 |
| Root Wad Procurement Issues | 60% | 1.0 | 6.0 | 3.6 |
| Bell Temporary Relocation (Commissioners St/Don Roadway) | 25% | 4.0 | 12.0 | 3.0 |
| Promontory Park South Constructability and Surcharge Issues | 50% | 1.0 | 6.0 | 3.0 |
| Dredging Coordination | 50% | 5.0 | 6.0 | 3.0 |
| Seaway Closure | 80% | 3.0 | 3.0 | 2.4 |
| Bell Temporary Relocation (Comm St /Don Roadway) – Earthworks Impact | 25% | 3.0 | 9.0 | 2.3 |
| Fire Hall 30 Vacancy | 75% | 1.0 | 3.0 | 2.3 |
| Air Quality Issues | 30% | 1.0 | 6.0 | 1.8 |

Top Risks Impacting Project Schedule
Probability Adjusted High Impacts (mo)

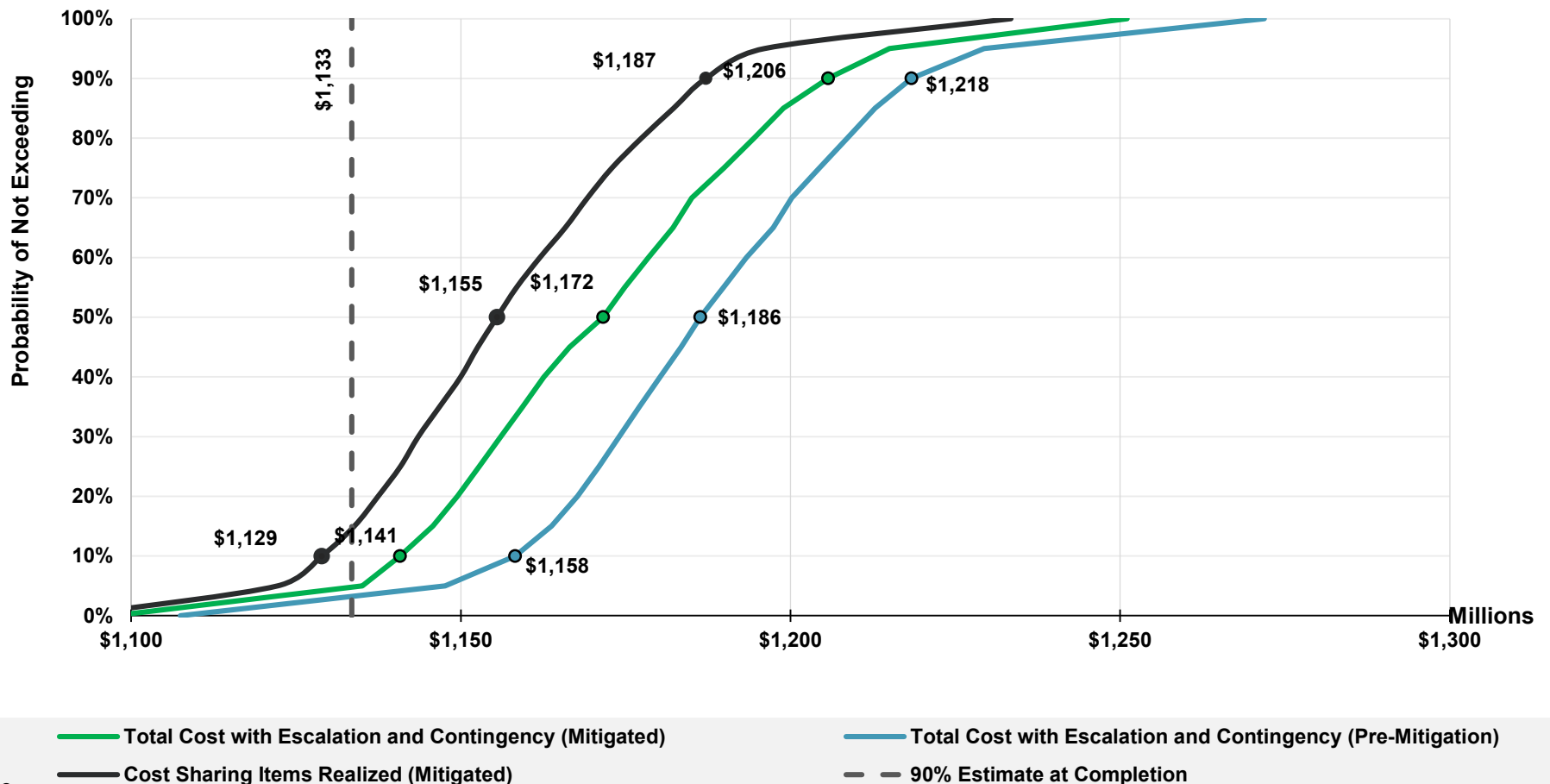


¹⁷ Values reflect probability-adjusted high estimates from the risk register

Cost Risk Analysis

- Mitigated results show a **70%** likelihood of achieving a total project cost of \$1,185 million.
- Fully realizing the utility cost sharing opportunities **increases the likelihood to 88%**.

Risk Analysis Results, Project Cost



Secondary Contingency Items / Post-90% Stage Gate Optimizations

| Description | Estimated Cost Savings | Notes |
|---|------------------------|---|
| Earthworks, Marine & Parks | | |
| Reduce RMM at Wetland | \$1.8 M | Data collection underway to determine feasibility, deemed low probability of achieving optimization |
| Clay Berm Optimization | TBD | Reduce overbuild based on further geotechnical evaluation |
| Water Treatment System cost savings, duration | TBD | |
| Delete remaining habitat shoals in Keating Channel | \$0.6 M | Deletion of shoals would mean no aquatic habitat improvements in Keating Channel and would require consultation with TRCA and an EA amendment |
| Change wet excavation assumption from 76.0 to 75.5 in Polson Slip | \$0.5 M | This work is scheduled to take place in June, which would likely mean it cannot be realized |
| Opportunity to reduce 1.5m Contact Barrier Layer RMM on Mainland Beaches in Polson Slip | \$0.1 - 0.3 M | This design requirement is being explored by Design Consultant |
| Place fill/subgrade material at Promontory Park North | TBD | More information needed; discussions with PT continue |
| River Park North Ground Improvement Reduction (Badlands Geofoam Removal) | TBD | Design Consultant has been told the pipe installation requires the use of geofoam |
| Reduced Settlement Criteria for Parks | TBD | Presents substantial risk for settlement issues across the parkland area in the future (and will require maintenance on a shorter timeline) |

Secondary Contingency Items / Post-90% Stage Gate Optimizations

| Description | Cost Estimate | Notes |
|--|---------------|--|
| Bridges | | |
| Removal of Rail Bridge at Lake Shore Bridge | \$4.5 M | Requires City approval |
| Foundations Site Conditions Resolution | \$0.1 M | Currently subcontractor is claiming \$475,000 against the standby cost and \$ 475,000 for working platform |
| Superstructure | \$0.3 M | Alternative fabrication approach for Hydro enclosures. – To be assessed by Design Consultant |
| Bridge Lighting | \$0.1 M | Explore option of running the conduits in the deck slab, this requires City's approval |
| Roads & Services | | |
| Substitute Don Roadway Rigid Inclusions with Surcharge | \$4.1 M | Further assessment is needed as it might not be possible to achieve ground improvement criteria with surcharge |
| Delete MH13A by installing longer microtunnel | \$0.5 M | Further assessment is needed as deletion of this manhole would require a much longer microtunnel |
| Optimization of Paving in Major Roads | \$0.5 M | Requires City approval |
| Spillway Crossing - Reduce the number of micropiles/H-piles for ductbank | \$0.3 M | The design is not yet complete; therefore, design efficiencies might be identified |
| Delete Horizontal Direction Drill (HDD) at Keating Channel by installing Watermain Pipe under the Cherry St Bridge | \$0.3 M | Implementation of this change will require approvals by the City, which might impact construction schedule |
| Savings from design efficiencies for Storm Water Treatment Facility (SWTF) | TBD | Design Consultant is currently preparing design drawings; CM to review and provide cost saving estimate |

Next Steps

1. Finalize report for presentation to Board of Directors.
2. Continue proactive management of risk issues – particularly utilities cost sharing resolution and Enbridge 20” NPS gas line relocation.
3. Continue to explore design optimizations to develop cost savings to ease pressure on remaining contingency.

Appendices

Appendix A: Utility Cost Sharing

| | Total Carried in EAC | Utility Costs – Utility Provider Share | Utility Costs – PLFP Share |
|--|----------------------|---|-------------------------------|
| Roads and Services | \$ 33,018,483 | \$ 18,170,472 | \$ 14,848,011 |
| Bridges | \$ 4,916,028 | \$ 4,521,777 | \$ 394,251 |
| TOTAL | \$ 37,934,511 | \$ 22,692,249 | \$ 15,242,262 |
| Current EAC Including Full Utility Costs | | | \$ 911,917,689 |
| Less Utility Provider Cost Share | | | (\$ 22,692,249) |
| Current Hard Cost EAC Net of Utility Provider Costs | | | \$ 889,225,440 |

| Opportunity | Probability | Low | Most Likely | High | Estimated High Impact* |
|--|-------------|------------|-------------|------------|------------------------|
| THESL Cost Sharing | 50% | -\$ 16.9 M | -\$ 16.9 M | -\$ 16.9 M | -\$ 8.4 M |
| Bell Cost Sharing | 50% | -\$ 1.1 M | -\$ 1.1 M | -\$ 1.1 M | -\$ 0.6 M |
| Enbridge Cost Sharing | 50% | -\$ 4.6 M | -\$ 4.6 M | -\$ 4.6 M | -\$ 2.3 M |
| Electrical Bridges Street Lighting (TBD) | 50% | -\$ 0.1 M | -\$ 0.1 M | -\$ 0.1 M | -\$ 0.1 M |
| Total | - | - | - | - | -\$ 11.3 M |

*Values reflect probability-adjusted high estimates from the risk register

1. Total utility cost of \$37.9 M is included in the EAC of \$911.9 M
2. Utility cost sharing governed by Public Service Works on Highways Act. Utilities share:
 - a) Relocations: 100% of materials, 50% of labour
 - b) Enhancements: 100%
3. Utilities include Enbridge, Toronto Hydro and Bell
4. Opportunity of Utility-Provider share of \$22.7 M is carried in the risk register; expected value \$11.3M

Appendix B: SDMA – Future Work

- Due Diligence assumed construction of SDMA would follow demolition of Gardiner/DVP ramps and related bents.
- Presence of Gardiner bents in SDMA significantly increases complexity of construction and impacts hydraulics of river and related flood capacity.
- The current design includes throwaway costs of \$10.6M to accommodate the Gardiner/DVP ramps.
- Current design includes work which can only be completed in conjunction with Gardiner bent removal at some time in the future.

| | |
|---|----------------|
| Current EAC Excluding Full Utility Costs | \$ 889,225,440 |
| Future work to be completed in conjunction with Gardiner Hybrid | \$ 12,928,204 |
| Current EAC Excluding Future Work | \$ 876,297,236 |

Appendix C: Cost Increases 60% to 90% Stage Gates

| Description | Cost Increase |
|--|---------------|
| Earthworks, Marine & Parks | |
| GFL Claims on Phase 1 Cut Off Wall | \$ 6.5 M |
| North Plug Soil Management Increases – Peat, Wet Excavation, Increased Contamination, etc. | \$ 4.0 M |
| West Plug Soil Management Increases – Peat, Wet Excavation, Increased Contamination, etc. | \$ 2.6 M |
| River Planting Soil Supply Cost Increase – Increased Volumes | \$ 2.6 M |
| Film Studio Accommodation Paid to CreateTO Allocated to River Valley System | \$ 2.9 M |
| Geotechnical and Environmental Investigations Costs Allocated to River Valley System | \$ 2.5 M |
| Remediation Pilot Studies Allocated to River Valley System | \$ 1.1 M |
| Phase 2 Cut Off Wall Re-Mobilization for Commissioners and Villiers | \$ 0.8 M |
| Market cost escalation for all dockwall and wet excavation / dredging works in SDMA | \$ 10.0 M |
| Constructability issue with dockwall beneath WB Gardiner Ramp identified | \$ 9.0 M |
| Landscaping and finishes in Canoe Cove in Polson Slip | \$ 4.5 M |
| Increase in revetment and RMM in Polson Slip | \$ 1.5 M |
| Soil management for bump-out and transition dockwall in Keating Channel | \$ 0.9 M |
| Increase in dockwall unit price in Keating Channel | \$ 0.5 M |

Appendix C: Cost Increases 60% to 90% Stage Gates

| Description | Cost Increase |
|--|---------------|
| Bridges | |
| Utility Cost Sharing – Increase from 60% Stage Gate | \$ 3.8 M |
| Change of Installation methodology at Cherry South bridge due to West plug | \$ 0.9 M |
| Pre-excavation, platforms and dockwall monitoring at Cherry St. South bridge | \$ 0.8 M |
| Claims (SBC and CMW) | \$ 0.8 M |
| Damper rough-ins | \$ 0.7 M |
| Standby and extra monitoring cost at CSS | \$ 0.5 M |
| Modifications due to Hydro Enclosures | \$ 0.4 M |
| Reduced caisson tolerances | \$ 0.4 M |
| Additional Pile load test | \$ 0.3 M |
| Abutment Modifications | \$ 0.3 M |
| Heating Tent at CMW facility | \$ 0.3 M |
| Additional Obstruction encountered during drilling | \$ 0.2 M |
| Escalation due to re-sequencing | \$ 0.1 M |
| Increase in contamination disposal | \$ 0.1 M |

Appendix C: Cost Increases

60% to 90% Stage Gates

| Description | Cost Increase |
|---|---------------|
| Roads & Services | |
| Utility Cost Sharing (THES, Enbridge, Bell, Telecom) | \$ 25.6 M |
| Rigid Inclusion Increase (Load transfer platform, additional stabilization at HONI Towers, bid overbudget, settlement test) | \$ 3.8 M |
| Future Polson structural supports – THES ductbank, SAN and STM pipes | \$ 3.0 M |
| Wet Utility Trenching (modifications) | \$ 3.0 M |
| Commissioners St Microtunnelling (modifications) | \$ 2.0 M |
| Future Polson Ground Improvements | \$ 1.0 M |
| Pipelines (decommissioning and abandonment) | \$ 0.7 M |
| Cherry St/Commissioners St – various change orders | \$ 0.6 M |

Appendix D: Cost Optimizations Included

| Description | Estimated Cost Savings |
|--|------------------------|
| Earthworks, Marine & Parks | |
| Elimination Of Dockwall On West Side Of Don Roadway | \$ 6.0 M |
| Flood Protection Landform (FPL) 60% Alt Design Excavation Optimization | \$ 4.0 M |
| Conversion Of Non-structural Secant Pile Wall To Slurry Wall Along Eastern Project Limit | \$ 2.6 M |
| Reduced Temporary Works And Construction Costs At North Plug | \$ 2.0 M |
| Reduced Temporary Works And Construction Costs At Don Roadway VWF/FPL | \$ 1.5 M |
| Expansion Of Interim Fill Areas By Increasing Soil Placement Volumes | \$ 1.4 M |
| Reuse Of Granular And Recycled Crushed Concrete | \$ 1.0 M |
| Property Amalgamation To Increase Direct Reuse Of Soil | \$ 0.9 M |
| Descope Demolition Of 65 Villiers Street (CIMCO) | \$ 0.9 M |
| Elimination Of Sheet Pile At Commissioners Street Bridge Abutments | \$ 0.8 M |
| Refine Ice Management Area And Greenway Excavation Surfaces | \$ 0.6 M |
| Reduced Excavation Complexity And Cost At South Plug | \$ 0.5 M |
| West Plug Wet Excavation Subcontract Below Cost Estimate | \$ 0.5 M |
| Reuse Of Granular Work Pad | \$ 0.5 M |
| Over-Excavation Of Peat And Replacement With Property Soil Under Barrier (Geotech And Soil Reuse Improvements) | \$ 0.5 M |
| Refine Excavation Surfaces At Commissioners St LRT Bridge | \$ 0.3 M |
| Maintain Ground Improvement Test Cell | \$ 0.2 M |
| Elimination Of Transition Dockwall And Bump-out Removal In Keating Channel | \$ 6.5 M |
| Removal Of Fixed Weir And Replace With Flow Curtain | \$ 3.9 M |
| Earthworks Volume Correction In Polson Slip | \$ 2.0 M |

Appendix D: Cost Optimizations Included



| Description | Estimated Cost Savings |
|--|------------------------|
| Earthworks, Marine & Parks | |
| Optimized Island Design In Canoe Cove | \$ 1.6 M |
| Aquablock RMM Deletion in Canoe Cove | \$ 1.2 M |
| Dimensional Stone Reduction in Polson Slip | \$ 0.9 M |
| Deletion of One Habitat Shoal in Keating Channel | \$ 0.3 M |
| Removal of Habitat Logs in Canoe Cove | \$ 0.2 M |
| Atlas Crane East Revetment Grading in Polson Slip | \$ 0.1 M |
| Removal of Destination Playground Finishes | \$ 1.7 M |
| Reduction of Gathering Space Logs | \$ 0.3 M |
| Removal of Light Poles and Electrical from Lower Don Trail | \$ 0.3 M |
| Fire Hall 30 Public Building / Conservation Plan Upgrades | \$ 0.3 M |
| Promontory Wall Design Optimization | \$ 0.2 M |
| Reduction in Fencing | \$ 0.2 M |
| Reduction in Planting (2.5%) | \$ 0.2 M |
| Reduction in Signage (25%) | \$ 0.2 M |
| Reduction in Benches (20%) | \$ 0.1 M |

Appendix D: Cost Optimizations Included



| Description | Estimated Cost Savings |
|---|------------------------|
| Bridges | |
| Optimize Jump Bridge, Ground Improvement and Installation Methodology of Superstructure; Negotiate Claims | \$ 1.1 M |
| Removal of redundant GCs | \$ 0.7 M |
| Removal of Landscaping allowance at Commissioner's St. Bridge | \$ 0.5 M |
| Partial demolition of existing Cherry St. Bridge | \$ 0.5 M |
| Negotiation of Sub-contractor claims and reduction in Settlement Monitoring at Cherry South Bridge | \$ 0.4 M |
| Change under-bridge lighting to a simpler fixture | \$ 0.3 M |
| Roads & Services | |
| BRT – Further Realized Savings (Electrical, Streetlighting, etc.) | \$ 3.9 M |
| Cherry St – Surcharge remains in place | \$ 2.0 M |
| Overland Flow Pipe Deletion | \$ 1.5 M |
| Cherry/Polson Intersection Lowering | \$ 1.4 M |
| Future Polson St Surcharge and Monitoring Deletion | \$ 1.1 M |
| Villiers East Deletion | \$ 1.0 M |
| Open Trench Installation Method – replace microtunnelling, delete MH112 | \$ 0.7 M |
| Detour Work Construction Optimization | \$ 0.7 M |
| Don Roadway Streetscape Optimization (due to dockwall deletion) | \$ 0.6 M |
| Commissioners St Streetscape Design Optimization | \$ 0.5 M |
| Villiers West (to new Cherry St) Deletion | \$ 0.5 M |
| Open Trench Excavation Method between MH112 to MH116 | \$ 0.5 M |
| Water Treatment Savings | \$ 0.3 M |
| Replace Network Vaults with Submersible Transformers | \$ 0.3 M |

Appendix E: Items to be Added Upon Availability of Funds



| Description | Estimated Cost Savings |
|--|------------------------|
| Roads & Services | |
| Add streetscaping features on Don Roadway and Commissioners Street | \$0.6 M |
| Earthworks, Marine & Parks | |
| Habitat Shoal (Keating Channel) | \$ 0.3 M |
| Habitat logs in Canoe Cove (Polson Slip) | \$ 0.2 M |
| Destination Playground Finishes (Promontory Park Slip) | \$ 1.7 M |
| Add Signage and Wayfinding Scope (Parks) | \$ 0.3 M |
| Add Fencing (Parks) | \$ 0.3 M |
| Increase Planting (Parks) | \$ 0.2 M |
| Add Bench Furnishings (Parks) | \$ 0.1 M |

Thank you / Questions

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Finance Audit and Risk Management Committee November 26, 2020
Item 7b – Report of the Independent Capital Project Monitoring
BTY Consulting Group Inc.

| | |
|---|---|
| <p>Purpose</p> | <p>For information: 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>Areas of note/ Key issues</p> | <p>The Independent Capital Project Monitoring & Assurance Services Consultants' Quarterly Report #9 (Q2 2020/21), key findings:</p> <ul style="list-style-type: none"> • Budget: <ul style="list-style-type: none"> ○ The 90% Stage Gate Budget is \$1,185,000,000. ○ The cost estimating process for hard costs (construction) is robust and consistent with industry best practices. ○ The design documentation developed for the 90% Stage Gate is generally consistent with expectations. ○ Enbridge 20" gas main utility relocations are anticipated and may impact the budget. • Schedule: <ul style="list-style-type: none"> ○ The PLFP Project works are forecast to be completed by the Substantial Completion Date. ○ The updated schedule compared to the baseline schedule indicates 16 of the 22 sub-projects are delayed. This assessment includes deferred works by WT CPMO. On-going monitoring recommended. ○ The PLFP Schedule Management process implemented by WT is in line with industry standards. • Scope: No Project Charters were executed. • Risk: <ul style="list-style-type: none"> ○ Risk rating increased to 'amber' based on Enbridge 20" gas main relocation works and potential impact to the PLFP Project budget. ○ COVID-19 impacts are being monitored by WT CPMO. ○ The PLFP Schedule Management process implemented by WT is in line with industry standards. • 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. |
| <p>Next Steps</p> | <p>BTY will provide our Independent Capital Project Monitor and Assurance Services Report #10 at the February 25, 2021 (TBD) FARM Committee meeting.</p> <p>Next report will be monitoring rather than governance.</p> |



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

WT Port Lands Flood Protection Project

REPORT 9.0 (FOR PERIOD ENDING SEPTEMBER 30, 2020)

NOVEMBER 24, 2020

PREPARED FOR:

Waterfront Toronto (FARM) Committee

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Knowledge to build with.*



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| | Photo Report | |

| Prepared By | Reviewed By | Date |
|---|---------------|-------------------|
| Tom Coyle Kieshea Hepburn Paul Margerrison Scott Wilkinson Simon Branch | Joanne Henson | November 23, 2020 |



1.0 Independent CPMAS Consultants' Project Dashboard

1.1 Dashboard

| Site Visit | Details | Comments |
|------------------------------|---|---|
| Date of Visit | October 16, 2020 | Refer to Section 4.0 of this report. |
| WT PLFP Project Fundamentals | Details | Independent CPMAS Consultant Comments & Risk |
| Objective: | | Our Quarterly Report No.9 provides an assurance review for Q2 2020/21 (period July 1, 2020 to September 30, 2020), and an assurance review of the 90% Stage Gate Budget based on our discussions with the FARM Committee, as follows: <ol style="list-style-type: none"> 1. Budget: 90% Stage Gate. 2. Schedule: COVID-19 impact, if any. 3. Risk Management: Update on the impact of COVID-19. 4. Scope: Track the Lake Ontario high water level recalibration matter. |
| Budget: | Approved Budget | <ol style="list-style-type: none"> i. Approved Budget: WT CPMO report the Approved Budget at \$1.185Bn per the 30% Stage Gate Estimate. Our expectation based on discussions with WT CPMO is that the Approved Budget will remain unchanged throughout the project. ii. The 60% Stage Gate estimate was approved by the Executive Steering Committee on November 12, 2019 in the amount of \$1.185bn. This is reflected in the Project Artefacts for the current period, in the Estimate-at-Completion ("EAC") reporting. The Estimate-at-Completion ("EAC") has not been reforecast during the period ending September 30, 2020; the next reforecast will be identified in the October 2020 for the 90% Stage Gate estimate. |
| | 90% Stage Gate - Estimate at Completion ("EAC") | <ol style="list-style-type: none"> i. Project Budget: The 90% Stage Gate Budget prepared by WT CPMO was reviewed this reporting period. The 90% SG confirms that the PLFP Project budget is forecast to be unchanged at \$1,185,000 based on the design, cost and risk data. The 90% Stage Gate was approved by the Executive Steering Committee on October 19, 2020. ii. Observations of the 90% Stage Gate Budget include: <ul style="list-style-type: none"> o The 'Executive Estimate Summary R.15' prepared by Altus and provided to BTY is in 'draft' only; however, we have confirmed that there are no fundamental changes between this document and the approved 90% Stage Gate estimate. o The cost management process, including the cost estimates prepared for the 90% Stage Gate are prepared in accordance with the stated process, which we consider to be in accordance with best practices. o Marine Works and Parks are not yet advanced to 90% complete for design and cost estimate at this time, the 90%SG reflects 60% progress for this scope. iii. Contingency: Planned utilisation of Contingency was verified based on draft reports. The balance is approx. 4.6% of the Hard and Soft Costs, which should be adequate in normal circumstances. <p>The reader should note that the 90% Stage Gate is not reflected in the Project Artefacts, such as the Monthly Dashboard or Project Status Reports, prepared during the period July 1 - September 30, 2020. This is because the 90% SG was approved after September 30, 2020.</p> |
| | Current Commitments | These are understood to be included in the 90% Stage Gate estimate. |
| | Pending Commitments | <ol style="list-style-type: none"> i. The 90% Stage Gate estimate includes the Toronto Hydro (THESL) utility relocation costs in their entirety. ii. Limited allowances are included for the Enbridge 20" gas main utility relocations within the 90% SG. Whilst this work is within the PLFP Project scope, the proposed magnitude of the work has the potential to cause a significant overage to the estimate and may require additional funding. This is under review by WT CPMO. |



Independent CPMAS Consultants' Project Dashboard (continued)

| WT PLFP Project Fundamentals | Details | Independent CPMAS Consultant Comments & Risk |
|------------------------------|---|---|
| Budget: | Procurement | Procurement & Award: Master Procurement List (September 2020) is generally consistent with WT CPMO reporting of 'Commitments'.. |
| | Cost Optimisation | Cost optimisation exercise was undertaken in conjunction with the 90%SG. These measures were approved on October 19, 2020 by the Executive Steering Committee. |
| | Monthly Reporting on EAC & Budget | The Project Artefacts report the AP (approved 30% SG), EAC (approved 60% SG) and current Commitments. WT CPMO confirm that the EAC will be provided each month in the Project Artefacts for October 2020 onwards. |
| Schedule: | March 31, 2024 (Substantial Completion) Actual Progress | <ul style="list-style-type: none"> 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. ii. 16 of 22 projects are reported delayed in the Monthly Reports and the September 2020 schedule update #35. This excludes PRJ #4, which is combined with #3. iii. Quarter-on-Quarter there has been further delay, which has been absorbed by float. However, the warning is clear that if the negative trend continues, the total float will be used up resulting in delays to the project. iv. BTY undertook a detailed review of the Construction Manager's updated Schedule #35 and found many individual projects are delayed, some by significant periods, which may impact the completion date. In our opinion, there are nine (9) individual projects on the critical path (including float), which are scheduled to be complete within 2 months of the 28th December 2023 target completion date. These are PRJ #3, #5, #7a, #13, #15c, #16, #19, #20 & #21. This is an increase of five (5) projects since the June 2020 update. These projects are currently delayed between 0 & 153 weeks. Of these projects, there are Seven (7) which finish within 2 weeks of the target completion date and have less than 2 weeks of total float. These are PRJ #3, #5, #7a, #13, #15c, #20 & #21. If the float is removed from the critical path activities, PRJ #21 is identified as the most critical project since it finishes on the target completion date with no total float. Despite the delays identified, these projects can still be completed prior to the Substantial Completion Date of March 2024. v. WT CPMO and the CM are of the opinion that whilst activities within the schedule are delayed against the baseline schedule; the current schedule includes approximately 3-months of float and opportunity for re-scheduling activities. vi. WT CPMO have clarified that many of the identified delays to the works are resultant of strategic deferral by the project team to reduce costs and/or improve efficiencies. vii. 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 re-sequenced as necessary to mitigate these delays to meet this completion date, noting the comment above. iii. Further, if there is a significant deviation from the planned baseline schedule, BTY recommend that the project team consider re-baselining the PLFP Project. |
| | Actual Progress | Based on the Project Artefacts, the works on-site are progressing generally in accordance with the progress identified on the updated Schedule #35. Refer to Appendix 3. |
| | Program (Scope): | Project Charters |
| | Lake Level | The TRCA has recommended that the 100-year lake levels be increased, and as previously reported, WT CPMO have confirmed that this matter has been reported at all levels of oversight. Further, during the current period, direction has been provided by the ESC that the PLFP should continue based on the original PLFP Project scope, and it has been confirmed that any design revisions required to address the TRCA lake level recommendation will be considered to be a scope change and require additional funding. |



Independent CPMAS Consultants' Project Dashboard (continued)

| WT PLFP Project Fundamentals | Details | Independent CPMAS Consultant Comments & Risk |
|------------------------------|---------------------|--|
| Risk management: | Overall Risk Status | <ul style="list-style-type: none"> i. The Project Dashboard indicates an 'amber' risk level, which means a medium likelihood of risks occurring and/or to impact the schedule/budget. The main reason for an overall amber risk rating is the utilities relocation issues concerning Enbridge. ii. Risk Impact: Of the 22 Work Packages (projects), 5 are identified by WT CPMO to have a medium impact to budget and 5 are identified to have a high impact. There is no change from the previous reporting period. iii. The Risk Register is actively managed, and ten risks are identified in the Project Artefacts. |
| | | <ul style="list-style-type: none"> iv. As reported by WT CPMO, the Enbridge 20" gas main utility relocation works has the potential to impact the project budget and/or schedule. This risk is being actively managed by WT CPMO. |
| | COVID-19 | <ul style="list-style-type: none"> i. In the previous quarter it was reported that WT CPMO initiated 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, which continued into the current quarter and an updated draft report was provided to BTY in September 2020. ii. We observed that the risk register for the period ending September 30, 2020 and other Project Artefacts includes limited references to the COVID-19 pandemic, though the impact of the pandemic is being monitored by WT CPMO. 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 | The risk management process is robust, and risks are identified, quantified and reported within the Project Artefacts. |

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 with the exception of real-time reporting of on-going budget movement related to executed contracts, tender results, change orders and risk realisation, which is discussed in the Executive Summary and Appendix 2 to this report.
- **90% Stage Gate Estimate:**
 - The processes are found to be generally robust and in accordance with best practices.
 - Our assurance review was undertaken on *draft* reporting; however, this was found to substantiate the 90% Stage Gate estimate that was approved by the Executive Steering Committee (ESC) on October 19, 2020.
- **Schedule:**
 - The current schedule completion date is unchanged and forecast to be March 2024.
 - BTY note that sixteen sub-projects of the PLFP Project are forecast to be delayed compared to the baseline schedule; and may be complete up to 14-weeks after the internal target completion date of December 28, 2023. This is within the overall PLFP Project substantial completion date of March 31, 2024.
 - WT CPMO advise that they have made decisions to defer works for cost saving / efficiency reasons. BTY recommend that if the construction sequencing has deviated significantly from the baseline schedule, the project team should consider re-baselining the project to reflect the current planned construction sequencing. This will avoid reporting delays, as we are monitoring updated construction schedule against the original (baseline) schedule.
- **Risk:**
 - Monitoring of the 20" gas main relocation will be included in our next report.
- **Scope:** No changes to the Project Charters.

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 Q3 2020/21, October 1, 2020 – December 31, 2020, and finalised 90% Stage Gate Budget documentation.

Independent CPMAS Consultants' Project Dashboard (continued)

1.2 PLFP Project Summary Status (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 - Jun 2020) | | | WT CPMO Status Summary (source: Monthly Status Reports - Sep 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 with no change in delay since June 2020. |
| PFP03-02 Commissioners Str E to Saulter St. | 15C | Green | Red | Yellow | Green | Red | Yellow | Same as previous status rating but includes a further 2-week delay since June 2020. |
| PFP03-03 Cherry Street Re-Alignment | 14A | Green | Red | Green | Green | Red | Green | Same as previous status rating but includes a further 14-week delay since June 2020. |
| PFP03-05 Don Roadway North | 7A | Green | Green | Green | Green | Green | Green | Same as previous status rating but includes a further 2-week delay since June 2020. |
| PFP03-06 Hydro One Integration | 18 | Green | Green | Green | Green | Green | Green | Same as previous status rating. |
| PFP03-07 Site Wide Municipal Infrastructure | 5 | Red | Green | Yellow | Red | Green | Yellow | Schedule risk status upgraded to amber reflecting a 1-week delay overall and a further 2-week delay since June 2020. |
| PFP04-01 Cherry Street North Bridge | 14B | Yellow | Red | Green | Yellow | Red | Green | Same as previous status rating but includes a further 9-week delay since June 2020. |
| PFP04-02 Cherry Street South Bridge | 14C | Yellow | Yellow | Green | Yellow | Red | Green | Schedule risk status upgraded to red reflecting a 37-week delay overall and a further 23-week delay since June 2020. |
| PFP04-03 Commissioner Street Bridge | 15B | Yellow | Yellow | Green | Yellow | Yellow | Green | Same as previous status rating but includes a further 4-week delay since June 2020. |
| PFP04-04 Lakeshore Road & Rail Bridge Mods. | 13 | Green | Red | Yellow | Green | Red | Yellow | Same as previous status rating but includes a further 11-week delay since June 2020. |
| PFP04-05 Old Cherry St Bridge Demo | 14D | Green | Red | Green | Green | Red | Green | Same as previous status rating but includes a further 9-week delay since June 2020. |
| PFP05-03 River Valley System PFP05-04 Don Greenway & Spillway | 3 4 | Yellow | Green | Green | Yellow | Green | Green | 3: Same as previous status rating but includes a further 2-week delay since June 2020. #4: Schedule risk status is indicated as green to reflect PRJ #3. However, PRJ #4 has a schedule risk status of red to reflect a 63-week overall delay and a further 26-week delay since June 2020. |
| PFP05-05 Keating Channel Modifications | 16 | Green | Green | Green | Green | Red | Green | Schedule risk status upgraded to red reflecting a 44-week delay overall and a further 114-week delay since June 2020. |
| PFP05-06 Polson Slip Naturalisation | 2 | Green | Green | Green | Green | Green | Green | Same as previous status rating but includes a further 21-week delay since June 2020. |

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Independent CPMAS Consultants' Project Dashboard (continued)

| Project | Project ID | WT CPMO Status Summary (source: Monthly Status Reports - Jun 2020) | | | WT CPMO Status Summary (source: Monthly Status Reports - Sep 2020) | | | BTY Comment |
|---|------------|--|----------|--------|--|----------|--------|--|
| | | Budget | Schedule | Risks | Budget | Schedule | Risks | |
| PFP05-07 Don Roadway Valley Wall Feature | 8 | Red | Red | Green | Red | Yellow | Green | Schedule risk status rating downgrades to amber reflecting a 6-week delay overall and a reduction in delay of 22 weeks since June 2020. |
| PFP05-08 Eastern Avenue Flood Protection | 12 | Green | Red | Green | Green | Red | Green | Same as previous status rating but includes a further 7-week delay since June 2020. |
| PFP05-10 Flow Control Weirs | 11 | Green | Red | Green | Green | Red | Green | Same as previous status rating but includes a further 17-week delay since June 2020. |
| PFP05-11 Sediment & Debris Management Area | 10 | Red | Red | Green | Red | Yellow | Green | Schedule risk status rating downgrades to amber reflecting a 20-week delay overall and a reduction in delay of 17 weeks since June 2020. |
| PFP05-12 Villiers Island Grading | 19 | Green | Yellow | Green | Green | Yellow | Green | Same as previous status rating but includes a further 7-week further delay since June 2020. |
| PFP06-01 River Valley Park North | 20 | Red | Yellow | Green | Red | Yellow | Green | Same as previous status rating but includes a further 20-week delay since June 2020. |
| PFP06-02 River Valley Park South | 21 | Red | Red | Green | Red | Red | Green | Same as previous status rating but includes a further 19-week delay since June 2020. This project finishes on the target completion date and has no total float. |
| PFP06-03 Promontory Park South | 17B | Green | Green | Green | Green | Green | Green | Same as previous status rating but includes a further 8-week delay since June 2020. |
| WT CPMO Overall Project | | Green | Green | Yellow | Green | Green | Yellow | Same as previous status rating |
| BTY Summary (based on WT CPMO 'Risk Criteria') | | Green | Green | Yellow | Green | Yellow | Yellow | Schedule risk status rating upgraded to amber due to the increased risk of several projects finishing beyond the internal target completion date of December 28, 2023. |

| 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)

1.2.1 INDEPENDENT CPMAS CONSULTANT OPINION ON THE SUMMARY STATUS

Based on the Project Artefacts received in Q2 2020, we concur with WT CPMO that:

1. Budget: A 'low risk' status for the Budget, likely to be within the Approved Budget based on the current project artefacts including the 90% Stage Gate. This assumes that all parties agree that the utility relocation scope, if realised, is outside of the PLFP Project baseline scope of work. WT have made this assumption in their reporting.
2. Schedule: A 'low risk' Schedule remains acceptable in the current period given the available float, monitoring of near critical path, and ability to mitigate delays by WT. However, we shall continue to monitor the trend of delays, and specifically the projects that may be delayed 5-14 weeks beyond the internal target of completion by December 2023, in terms of mitigation measures and float absorption.
3. Risk: WT has assigned a 'medium risk' because of elevated risk due to the Enbridge 20" gas main utility relocation issue concerning Enbridge. Further, if this risk is realised it may significantly impact both the PLFP Project schedule and budget, and any related risk is not currently recognised in the current project artefacts because WT is of the opinion that this is outside of the planned works. We also note that risks related to COVID-19 are identified to be minimal at this time. This is being actively monitored by WT CPMO.
4. Scope: A 'low risk' status. No update on scope changes is included in the project artefacts. An update regarding the lake level risk is sought.



Finance, Audit and Risk Committee (FARM) Committee
November 26, 2020
Item 14 – Draft Resolutions Arising from the Closed Session
FARM Committee Members

ON MOTION duly made by [●] and seconded by [●] and carried, it was **RESOLVED** that the Minutes of the Closed Session of the Finance, Audit and Risk Management Committee held on September 17, 2020 be approved as tabled.