



WATERFRONTToronto

Investment, Real Estate and Quayside Committee Meeting

Agenda and Meeting Book

WEDNESDAY, JUNE 10, 2020 FROM 9:00AM TO 11:00AM

MICROSOFT TEAMS MEETING



WATERFRONTToronto

Meeting Book - Investment, Real Estate and Quayside Committee Meeting

Agenda - June 10, 2020 IREQ Committee Meeting

| | | | |
|------------|---|-------------|----------|
| 9:00 a.m. | 1. Motion to Approve Meeting Agenda | Approval | All |
| 9:05 a.m. | 2. Declaration of Conflicts of Interest | Declaration | All |
| 9:10 a.m. | 3. Consent Agenda | | |
| | a) Draft - Minutes Open Session April 16, 2020 IREQ Committee meeting - Page 3 | Approval | All |
| | b) Development Projects Dashboard - Page 6 | Information | M. Davis |
| 9:15 a.m. | 4. Waterfront Innovation Centre (WIC) | Information | M. Davis |
| | Coversheet - Page 11 | | |
| | WIC Presentation - Page 12 | | |
| 9:30 a.m. | 5. Motion to go into Closed Session | Approval | All |
| | Closed Session Agenda | | |
| | The Committee will discuss the matters outlined in Items 6(a), 7, 8 and 9 being consideration of the draft minutes of the Closed Session of the April 16, 2020 IREQ Committee meeting, Update on Quayside Matters, Infrastructure Queens Quay East Revitalization and Committee Chair Discussion, respectively, in a Closed Session as permitted by By-Law No. 2 of the Corporation. The exception relied for the discussion for items 6(a) is provided in the minutes of the Open Session April 16, 2020 IREQ Committee meeting contained in item 3(a) of this agenda, for item 7 and 8 is Section 6.1.1(c), and for item 9 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 discuss and vote on any resolutions pertaining to the Closed Session. | | |
| 10:50 a.m. | 10. Motion to go into Open Session | Approval | All |
| | Public Session Agenda | | |
| 10:55 a.m. | 11. Resolution(s) Arising from the Closed Session (if any) | Approval | All |
| | Draft - Resolution Arising from the Closed Session - Page 32 | | |
| 11:00 a.m. | 12. Motion to Terminate the Meeting | Approval | All |

**MINUTES of the OPEN SESSION of the
Investment, Real Estate and Quayside Committee Meeting of the
Toronto Waterfront Revitalization Corporation
Via Microsoft Teams Teleconference
held on Thursday, April 16, 2020 at 1:30 p.m.**

PRESENT: Mazyar Mortazavi (Chair)
Steve Diamond
Christopher Voutsinas
Jack Winberg
Andrew MacLeod

ATTENDANCE WATERFRONT TORONTO
George Zegarac (CEO, Waterfront Toronto)
Meg Davis (Chief Development Officer)
David Kusturin (Chief Project Officer)
Lisa Taylor (Chief Financial Officer)
Julius Gombos (SVP, Project Delivery)
Leslie Gash (SVP, Development)
Kristina Verner (VP Innovation, Sustainability and Prosperity)
Cameron MacKay (VP, Strategic Communications and Engagement)
Erik Cunnington (Director, Development)
Kevin Greene (Project Management Director)
Catherine Murray (Senior Legal Counsel)
Ian Ness (Acting General Counsel)
Ed Chalupka (Director, Government Relations)
Ilidio Coito (Project Director, Infrastructure and Public Realm)
Aina Adeleye (Board Administrator and Legal Assistant)

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

- Councillor Joe Cressy, Jeanhy Shim, Wende Cartwright, Kevin Sullivan and Patrick Sheils, Directors, Waterfront Toronto
- Jayne Naiman, Project Manager, Waterfront Secretariat, City of Toronto.
- Nancy Faraday-Smith, Acting Director, Shawn Tippins, Senior Analyst, and Kira Heymans, Analyst, from Investment, Partnership and Innovation Branch of Infrastructure Canada.
- David Stonehouse, Director, Waterfront Secretariat, City of Toronto.
- Adam Reddish, Assistant Deputy Minister, Ministry of Infrastructure
- James Andre and William Sutter, Senior Policy Advisors, Agency Oversight Unit, Infrastructure Policy Division Ministry of Infrastructure at Ontario Ministry of Infrastructure.
- Abraham Costin and Jeff Knowles, Legal Counsel, McCarthy Tétrault.

Mazyar Mortazavi, the Chair, called the meeting to order at 1:33 p.m. and, with the consent of Investment, Real Estate and Quayside Committee (“**IREQ**” or the “**Committee**”) members, appointed Ian Ness to act as Secretary of the meeting.

Mazyar Mortazavi declared that a quorum of Committee Members was present and that with notice of the meeting having been duly sent to all Committee Members in accordance with the Corporation’s By-laws, the meeting was duly called and regularly constituted for the transaction of business.

1. Meeting Agenda

ON MOTION duly made by Stephen Diamond, seconded Jack Winberg by and carried, it was **RESOLVED** that the Meeting Agenda be approved as presented.

2. Declaration of Conflicts of Interest

There were no conflicts of interest declared.

3. 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.

4. Consent Agenda - Minutes of the Open Session of the Committee meetings held on March 4, 2020 and March 12, 2020.

ON MOTION duly made by Christopher Voutsinas and seconded by Jack Winberg and carried, it was **RESOLVED** that the Minutes of the Open Session of the IREQ Committee meetings held on March 4, 2020, and March 12, 2020 were approved as tabled.

The Committee noted the report on Quayside Project Round Two Public Consultation for information.

5. Closed Session

ON MOTION duly made by Jack Winberg, seconded by Christopher Voutsinas and carried, the Committee **RESOLVED** to go into a Closed Session to discuss agenda items 6(a) & (b), 7 & 8 in a Closed Session as permitted by By-Law No. 2 of the Corporation. The exceptions relied on for the discussion for item 6(a) &(b) in Closed Session are provided in the minutes of the Open Session of the March 4, 2020 and March 12, 2020 IREQ Committee Meetings presented under item 4 (a) & (b) of the agenda. The exception relied on for the discussion of item 7 in Closed Session is Section 6.1.1(l) of By-Law No. 2, and for item 8 is Section 6.1.1(b) of By-Law No. 2.

The meeting continued in Closed Session.

6. Consent Agenda

- a) **Minutes of the Closed Session of the Committee held March 4, 2020**
- b) **Minutes of the Closed Session of the Committee held March 12, 2020**

7. Update on Quayside Matters

8. Committee Chair Discussion

9. Motion to Resume Open Session

In accordance with By-Law No. 2 of the Corporation, and the Closed Session discussion having been completed, **ON MOTION** duly made by Jack Winberg, seconded by Christopher Voutsinas and carried, the Committee **RESOLVED** to go into Open Session.

10. Resolutions Arising from the Closed Session

ON MOTION duly made by Jack Winberg and seconded by Christopher Voutsinas and carried, it was **RESOLVED** that the Minutes of the Closed Session of the IREQ Committee meetings held on March 4, 2020 and March 12, 2020 be approved, as tabled.

11. Termination of the Meeting

There being no further business, **ON MOTION**, duly made by Christopher Voutsinas, seconded by Jack Winberg and carried, it was **RESOLVED** that the meeting be terminated at 3:09 p.m. local time.

Committee Chair

Secretary of the Meeting

Development Projects Dashboard IREQ Meeting – June 10, 2020



- Please refer to the plans below in connection with the following table



Development Projects Dashboard

IREQ Meeting – June 10, 2020



| Project | Description | Previous Period | Next Steps |
|---|--|--|---|
| East Bayfront | | | |
| A - Waterfront Innovation Centre (Menkes) | 484,000 sq ft commercial building (hub for technology and creative sectors) | Construction ongoing. Building completion by September 2021. | Building completion will be impacted by COVID-19. Expected completion end of 2021. |
| B - The Arbour (George Brown College) | 175,000 sq ft institutional building (expansion of existing waterfront campus) | 2nd Site Plan Application submitted February 2020. WT continues to work with the Ministry of Environment to finalize a Risk Assessment/Risk Management plan for the site. | Committee of Adjustment virtual hearing for Arbour minor variances end of June 2020. Continuing to work on Risk Assessment/Risk Management plan for the site with Ministry of Environment. |
| C - Monde (Great Gulf) | 470,000 sq ft condominium | Occupied and registered condominium. | |
| D - Aqualina (Hines/Tridel) | 380,000 sq ft condominium | Occupied and registered condominium. | |
| E - Aquavista (Hines/Tridel) | 368,000 sq ft condominium plus 80 Artscape affordable rental units | Condominium registration pushed to March 2020. Registration completion will trigger land payment to WT in April 2020. | Condo registration in April 2020. Land payment received by WT in May 2020. |
| F - Aquabella (Hines/Tridel) | 266,000 sq ft condominium with City-owned Bayside Child Care Centre (CCC) | Restated Agreement of Purchase & Sale for Child Care Space is finalized. WT/City (Children's Services) & fit-out architect addressing permit comments from Toronto Buildings. | DocuSign process for June 2020 for restated Agreement of Purchase and Sale, Delivery Agreement and Consent Agreement for Child Care Space. Building permit received for Child Care Space in May 2020. |
| G - Aqualuna (Hines/Tridel) | 430,000 sq ft condominium with City Community Recreation Centre | City must issue Notice to Proceed on Community Centre (core/shell) by March 2020. Finalize and execute Community Centre Development and Construction Management Agreements by March 2020. WT/City/Hines/Tridel to finalize Restated Development Agreement, APS and Sublicense for closing – pushed to April 2020 due to deferred Minor Variances at Committee of Adjustment. | Notice to Proceed and Community Centre Development and Construction Management agreements pushed to June 2020. Restated Development Agreement, APS and Sublicense are settled. Closing dependent on settling of variances at deferred Committee of Adjustment. New hearing date not scheduled yet. |

Development Projects Dashboard

IREQ Meeting – June 10, 2020



| Project | Description | Previous Period | Next Steps |
|-------------------------------------|---|---|--|
| East Bayfront | | | |
| H - C2 (Hines) | 250,000 sq ft office building –10 storey tall timber building | Closing and construction scheduled for Q2 2020. Site developer removed above grade parking and will construct one level of underground parking. Design modified to a squared off roof to re-coup underground parking costs. Minor variance and consent applications submitted to Com of Adj in Dec 2019. SPA resubmission Feb 2020. | <i>Closing scheduled for late summer, early fall. Minor variance and severance applications will be handled through separate means. Have received comments from second SPA submission.</i> |
| I - R6 | Affordable rental housing ~ 215 units | City has drafted affordable housing terms but not yet issued to Hines. WT to review. | <i>City affordable housing terms not yet issued to Hines. Meeting held with City with representatives from Housing Secretariat, Planning Department and Waterfront Secretariat. City team now established and regular project meetings to begin. Hines sent overview presentation and are seeking an architect.</i> |
| West Don Lands | | | |
| AA - Canary Block 16 (Dream Kilmer) | 150,000 sq ft condominium | WT reviewing condominium disclosure documentation to ensure appropriate Development Agreement obligations are passed to Condominium. Condominium registration slated for Spring 2020. | <i>Registration expected in June 2020. On target for first occupancy in January 2022.</i> |
| BB - Canary Block 12 (Dream Kilmer) | 350,000 sq ft condominium | Construction ongoing. | <i>Target occupancy Q4 2021.</i> |
| CC - Block 10 (AHT/Dream Kilmer) | 330,000 sq ft condominium/rental/indigenous health centre and indigenous training/employment/education centre | Development agreement finalized. WT to execute. Detailed Design presentation to Design Review Panel in February 2020. | <i>Development Agreement executed. Expect another presentation to Design Review Panel later in the year. Second SPA submitted in February.</i> |

Development Projects Dashboard

IREQ Meeting – June 10, 2020



| Project | Description | Previous Period | Next Steps |
|--|---|---|--|
| West Don Lands | | | |
| EE - River City Phase 3 (Urban Capital) | 340,000 sq ft condominium | Occupied and registered condominium. | |
| FF - River City Phase 4 (Urban Capital) | 130,000 sq ft condominium | Construction ongoing. | Occupancy targeted Q4 2020. |
| GG - Block 5W (Rekai) | Long-term care centre/residence | Rekai closed on land in January 2020. Working with architect on design and Ministry . | <i>Continuing to work with Ministry and with architect on design. Working on their SPA submission.</i> |
| HH – Blocks 3, 4 and 7 (90 Mill St.) Dream Kilmer Tricon | 825,00 sq ft condominium with retail | | <i>ZBA and SPA applications submitted Sept 2019. SPA resubmission April 2020. DRP review Sept 2019. Two working group sessions with residents in April 2020.</i> |
| Port Lands | | | |
| Port Lands Planning Next Steps | Urban design guidelines, transportation Environmental Assessments, development application reviews, zoning reviews etc. | PIC Core UDG presented to SAC and LUAC in February 2020. 1 st Presentation to DRP in March 2020. | <i>Updated Pinewood/Bell Media Masterplan to be presented to City and WT in June 2020. First DRP presentation scheduled for late June 2020.</i> <i>Ongoing – McCleary District Precinct Plan process to be initiated by City, in partnership with WT, in Q3 2020.</i> |
| Port Lands Planning - Local Planning Appeal Tribunal (LPAT) CWSP | LPAT negotiations and hearings dealing with the several outstanding appeals to the CWSP and OPM. | Four-week 1 st phase of hearing (land use and street network) in September 2020. Consolidated issues list circulated to parties for comment. Proposed policy modifications circulated by City in February 2020 to seek settlements. Witness list due April 1, 2020 and witness statements May 4, 2020. | <i>Document exchange delayed due to COVID. Witness list submitted in April 2020. Witness statements due July 8, 2020.</i> |
| Port Lands Planning - 309 Cherry | Two appeals to LPAT. | Settlement offer not accepted by City. Is party to the OPM LPAT Hearing scheduled to commence in September 2020 | <i>No update.</i> |

Development Projects Dashboard

IREQ Meeting – June 10, 2020



| Project | Description | Previous Period | Next Steps |
|---|--|---|--|
| Port Lands | | | |
| Villiers Island Development | Zoning bylaw amendment (ZBLA), Official Plan Amendment (OPA), POS, site plans, developer requests for proposals etc. | On hold | WT to coordinate with City obtaining updated surveys and draft R-Plans/ M-Plans laying out street and block structure. |
| Polson Quay and River South Precinct Plan | Precinct Plan | On hold | On hold while Productions, Interactive and Creative (PIC) Core Urban Design Guidelines and Zoning Bylaw Review processes are underway. |
| Other | | | |
| Lower Yonge | LPAT and private developer application review. | Final SPA comments for 55 LSBE submitted to City. | <i>Final comments for 55 LSBE still working their way through City. DRP review in May 2020 – conditional support.</i> |
| Private Development Application Review | 6-10 private development applications under review at any given time – ZBLA, OPA, SPA, POS, MV. | Ongoing | Ongoing |
| North Keating East Precinct Plan | Amendment to existing Keating Channel Precinct Plan or whole new plan. | On hold | On hold until further work has been done on related projects (i.e. the Gardiner realignment). |
| Gardiner Public Realm Study | Design study to improve lands under and adjacent to the Gardiner between Yonge and Leslie. | Discussions ongoing with Daniels and City re: implementation options for LSBE. Requires coordination with City re: access during Gardiner rehab and prioritizing streetscaping approvals. Discussions also ongoing with Greenland (215 LSBE) re: design and implementation options. | <i>Agreement reached with Daniels (143-177 LSBE) and City re: minimal interim work by Daniels team and public realm contribution to WT, supplemented by City funding, to deliver improved Lake Shore public realm between Jarvis and Richardson in 2021, post-Gardiner rehab works.</i> <i>Discussions also ongoing with Greenland (215 LSBE) re: design and delivery of Lake Shore public realm between Richardson and Sherbourne as part of development frontage.</i> |



| | |
|--------------------------------------|--|
| Purpose | For Information |
| Areas of note/ Key issues | <p>In response to a previous IREQ Committee request, the Development team is presenting other Waterfront Toronto development projects to the Committee at the regular IREQ quarterly meetings.</p> <p>The June 10, 2020 presentation is on the Waterfront Innovation Centre, a 484,000 square foot commercial building designed to be a hub for the technology and creative sectors and developed by Menkes Developments.</p> <p>The presentation will include:</p> <ul style="list-style-type: none"> • An overview of Waterfront Toronto’s involvement – Development, Innovation, Sustainability & Prosperity and Planning and Design Divisions • Creating the Innovation Corridor • An Overview of Waterfront Toronto’s projects in East Bayfront • Objectives for the Innovation Centre including the opportunity and the differentiated process • The selection of Menkes • Managing project risk • Current status |
| Next Steps | Staff continue to work with Menkes on the development of the Waterfront Innovation Centre. Occupancy is expected late 2021. |

June 10, 2020

Waterfront Innovation Centre Project Overview

Investment, Real Estate and Quayside Committee

Creating the Innovation Corridor

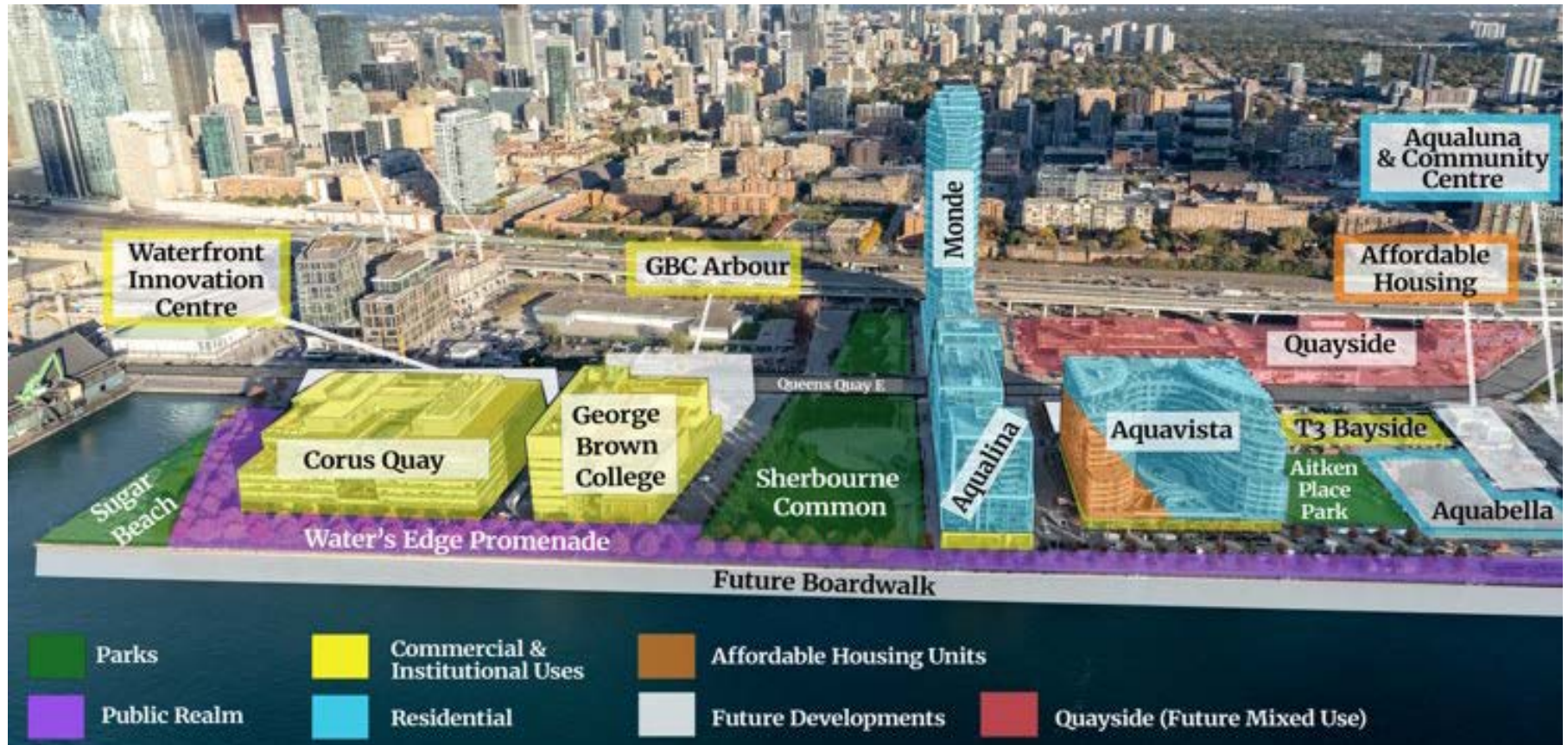
2006 East Bayfront Business and Implementation Plan - Employment Strategy:

- Driver for economic development in the waterfront
- Innovative employment and educational uses:
 - 8,000 employees
 - Target 75% in Information and Communications Technology (ICT) cluster

Waterfront Toronto's Intelligent Community Initiative

- Enabling digital infrastructure with Beanfield Metroconnect
- Commercial and residential focus to support content consumption and creation
- Engagement with innovative companies and institutions to curate interest in the precinct

Waterfront Toronto's Projects in East Bayfront



Objectives for the Innovation Centre



A privately funded, high-quality purpose-built facility dedicated to innovation and collaboration.



Complement, not compete with other innovation anchors



Attract innovative, knowledge-based tenants including digital media, R&D and educational institutions.



Accommodate tenants that may have outgrown their current locations and/or are facing space demands



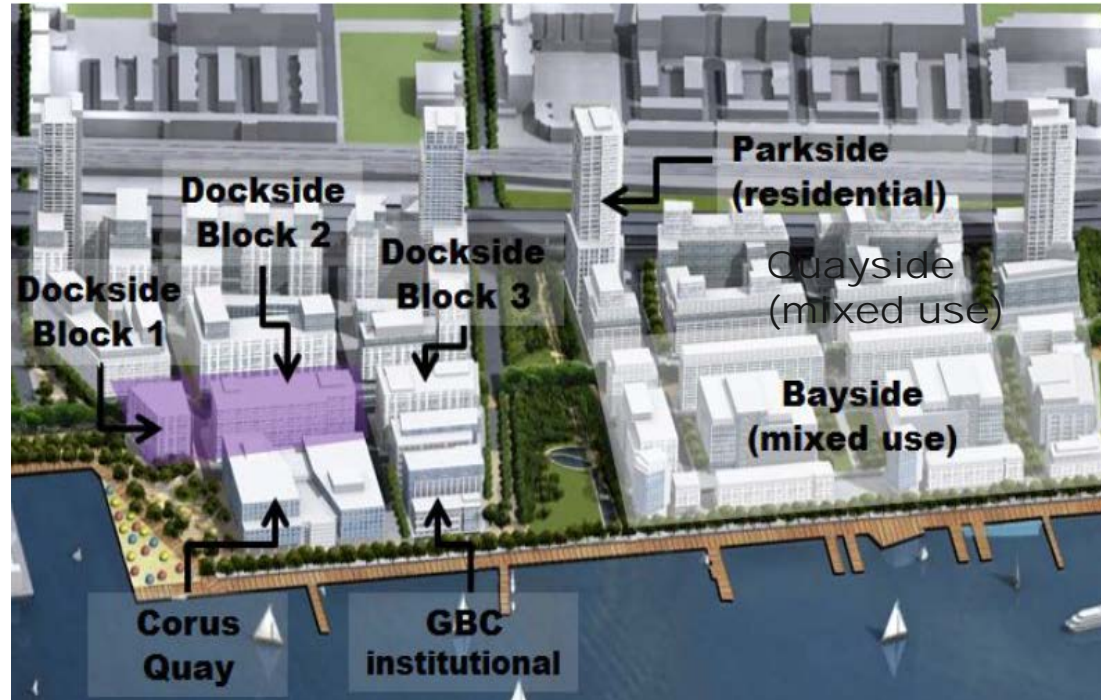
Achieve excellence in design and sustainability



Provide financial returns to the City and Waterfront Toronto

The Opportunity

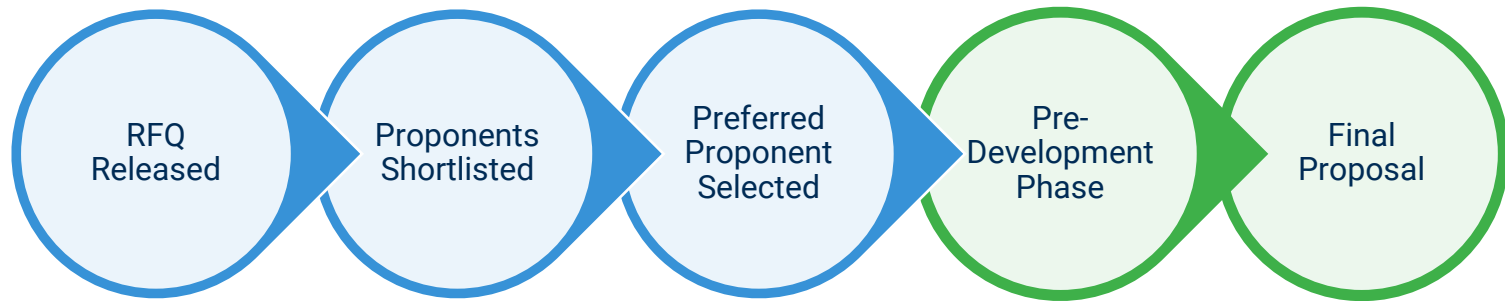
- Two fully-serviced, sites:
 - Re-zoning and subdivision approval
 - Parkland requirement
 - Environmental approvals
 - Development potential for approximately 350,000 sq.ft.
- Leasing Threshold:
 - Minimum of 60% of Innovation Centre should be for “Selected Innovation Uses”



Differentiated Process

Recognizing the unique targets that had been established for the Innovation Centre to achieve the employment targets, a Pre-Development Period was added to RFQ/RFP process.

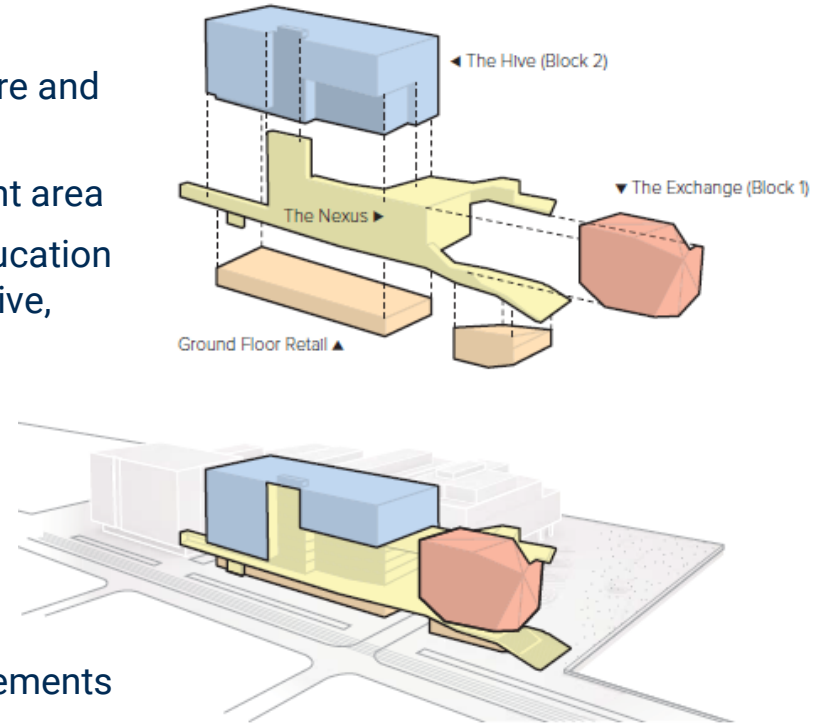
- Short listed proponents did not submit a financial offer at RFP stage
- Preferred proponent used the pre-development period to secure tenants, began design and develop pricing for the site
- The preferred proponent presented a firm financial offer and complete development proposal after pre-development period



Menkes Developments Selected as Preferred Proponent

Proposal features:

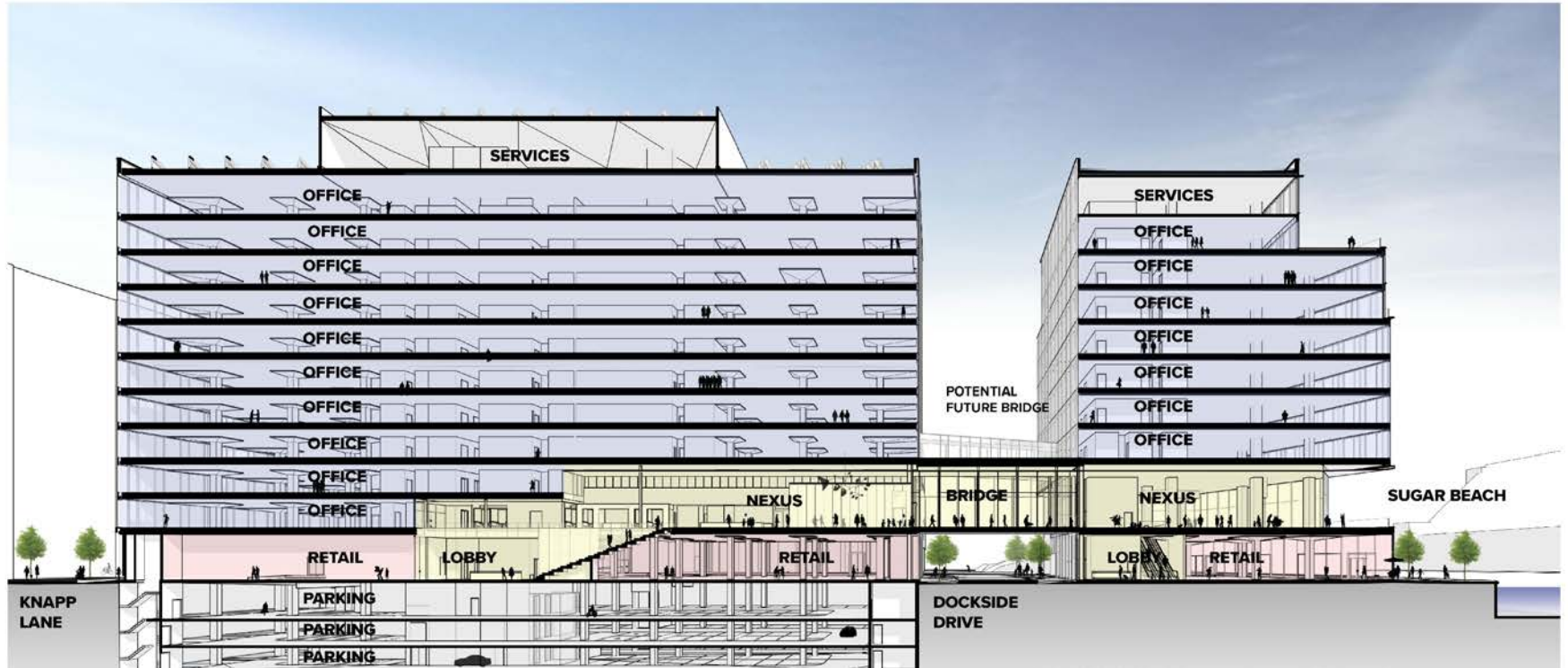
- Purpose built to foster innovation and collaboration
- Modular design accommodates shifts in workplace culture and tenant needs
- Experience with challenges of developing in the waterfront area
- Focused marketing plan led by CBRE including tenant education and outreach focused on Innovation Centre as collaborative, tenant focused environment
- Designed to be 3 functional components:
 - The Nexus
 - The Hive
 - The Exchange
- Sustainability commitments:
 - Waterfront Toronto's Minimum Green Building Requirements including LEED Gold certification



Waterfront Innovation Centre



Sectional Perspective



Managing Project Risk

| Risk | Mitigations |
|--|---|
| Level of innovation uses are not achieved or sustained | <ul style="list-style-type: none">• Leasing threshold: minimum 60% of building subleased of which 60% have been leased under innovation uses (required prior to construction start)• Waterfront Toronto reviews/approves all initial subleases until building is fully tenanted• 60% of building leased to tenants for innovation uses for 15 years |
| Project's design deviates from development proposal | <ul style="list-style-type: none">• An application for Site Plan Approval, acceptable to Waterfront Toronto, submitted to City - required prior to construction start• No material changes made to approved plans and building permits without prior written consent of Waterfront Toronto |
| Insufficient equity or financing supporting project | <ul style="list-style-type: none">• Evidence of construction financing is satisfactory to Waterfront Toronto (required prior to construction start) |
| Non-performance of Site Developer's obligations | <ul style="list-style-type: none">• Due diligence on development partner capacity to complete the project• Letter of Credit securing Menkes obligations under Development Agreement• Performance Guarantee provided by parent company Menkes Corporation during construction period |

Waterfront Innovation Centre – Updates

- Will host 2,000 employees in the East Bayfront
- Menkes met leasing threshold in September 2018
- Currently 65+% pre-leased
- Anchor tenant: WPP plc - 260,000 sf
- Additional confirmed tenants:
 - MaRS Discovery District and University of Toronto – 54,000 sf
 - Collaborative working space and programming for startups and established businesses
- April 2020: Bentall Green Oak, on behalf of Sun Life Assurance Company of Canada, acquired 50% interest in the WIC
- Connected to district energy
- Target for construction completion – Q4, 2021



Waterfront Innovation Centre View from Queens Quay



Waterfront Innovation Centre Block 2 Entrance, Queens Quay



Waterfront Innovation Centre Block 1 Retail on Sugar Beach



Waterfront Innovation Centre



Thank you.

info@waterfrontoronto.ca

Waterfront Toronto
20 Bay Street, Suite 1310
Toronto, ON M5J 2N8
www.waterfrontoronto.ca

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Additional Reference Material

Selected Innovation Uses

- advanced visualization across diverse fields including public safety and security, health care, smart cities, energy modeling and clean technology sectors;
- advanced analytics;
- animation (traditional, digital, or tradigital);
- application development and mobile interfaces;
- artificial intelligence;
- augmented reality;
- big data;
- broadcast media;
- digital analytics;
- digital gaming and digital gaming environments;
- digital video research and development including holography and 3D High Frame Rate production;
- e-learning platforms and content;
- experiential design;
- film/television pre-production;
- film/television production;
- film/television post-production;
- inclusive digital design;
- interactive digital media (platforms and content);
- internet publishing and broadcasting;
- mobile experience;
- music production;
- nanotechnology;
- robotics;
- social analytics;
- social media;
- user interface design;
- visual and special effects;
- virtual reality; and

such other Innovation Uses as are approved by Waterfront Toronto, from time to time during its corporate existence, and thereafter by the City, and education programs focused on such Selected Innovation Uses

Waterfront Toronto's Oversight

| Oversight Areas | Waterfront Toronto's Role |
|---|--|
| Municipal Approvals | Waterfront Toronto to execute Section 37 Agreement as required by City. Waterfront Toronto to review and approve all material submissions to the City or any other Authority (e.g. site plan approvals, minor variances) prior to Site Developer's submission to City or Authority. |
| Commencement of Construction | Waterfront Toronto to ensure Site Developer has met construction pre-conditions. Waterfront Toronto to present to pre-conditions to City to obtain approval to start construction (e.g. satisfactory evidence of construction financing, % GFA leased) |
| Environmental | Site Developer to provide evidence to Waterfront Toronto excavation activities, soil management and disposal are in accordance with CPUs, etc. Waterfront Toronto will continue to have oversight of environmental matters for Site until the completion of the Waterfront Innovation Centre |
| Preparation of Plans and Specifications | City requires Waterfront Toronto approve drawings, plans and specifications for construction of the buildings |
| Use of the Site | Waterfront Toronto to approve all initial subleases until building is fully tenanted. Waterfront Toronto to provide written confirmation to City that sublease or license has been approved |
| Dockside Subdivision Agreement | Waterfront Toronto as Dockside Subdivision Agreement owner is responsible for design and construction of the public realm. |



a waterfront for everyone





**Investment, Real Estate and Quayside Committee (IREQ) Meeting
June 10, 2020
Item 11 – Resolution(s) Arising from the Closed Session**

ON MOTION duly made by [●] and seconded by [●] and carried, it was **RESOLVED** that the Minutes of the Closed Session of the IREQ Committee meeting held on April 16, 2020 be approved, as tabled.