



WATERFRONToronto

2016/17 Annual Report



June 13, 2017

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A Message from the CEO

William Fleissig



For Waterfront Toronto, the fiscal year that ended on March 31, 2017 marked a turning point for the organization. After more than a decade of hard and unceasing work on waterfront revitalization – starting from empty post-industrial brownfields to building critical infrastructure and new neighbourhoods – we are now embarking on the next phase of the waterfront’s revitalization. This new phase represents taking our original mandate from 2001 and incorporating the updated context of present-day Toronto: its current conditions, the real estate market, what has been produced to date and emerging challenges. This was undertaken through a year-long strategic visioning process that involved the entire Waterfront Toronto staff and key Board members exploring how our mandate applies to a fast-growing city that faces an affordable housing shortage, a need for critical transit infrastructure, additional open space, a changing employment market, constrained government funding and a world increasingly impacted by climate change.

We explored how to prioritize the projects and initiatives (page 6) that directly address these challenges and ensure that Waterfront Toronto is positioned to execute on these critical initiatives. As a part of this process, we created a clear purpose and set of values that can help guide our decision-making as we start this next stage of waterfront revitalization. We call our strategy **Waterfront Toronto +**, and you can learn more on page 11.

The projects that we have prioritized are both transformative and precedent-setting. One of them, Quayside, combines an ambitious model using a collaborative partnership model to explore new ways to make the waterfront a test bed for sustainable and inclusive city-building for the 21st Century.

As we look ahead, we also welcome 10 new members to our Board of Directors and recognize those who have served this organization with distinction over the past years. Our new Directors have been selected by our government partners for their experience and knowledge of the key topics and issues that will be the focus of our efforts going forward.

Like the 2017/18 Corporate Plan, this report is a new approach to better communicate what Waterfront Toronto has accomplished in the last year and how we performed against approved budgets and targets – both for projects and corporate deliverables. We believe it is easier to digest and better communicates how we have performed in a transparent and accountable way.

A handwritten signature in black ink, appearing to read "W.K. Fleissig". The signature is written in a cursive, flowing style.

Will Fleissig
President and CEO

Chair's Message

Helen Burstyn



As Waterfront Toronto looks forward to delivering on new goals and a new strategy, we also look back on the last year and reflect on the organization's broader role in developing new partnerships, as well as strengthening existing ones, to deliver on our mandate.

Our mandate comes from the federal, provincial and municipal governments, and our strong relationship with all three orders of government has been central to our success. It is governments that founded us, that funded us and that have provided us with clear public policy goals that guide our efforts to revitalize Toronto's waterfront. Over the years, Waterfront Toronto has respected and revisited these public policy goals to achieve alignment with government direction. And in 2016/17, with a new CEO at the helm of the organization, Waterfront Toronto developed a new strategic vision and stepped up its efforts to explore new opportunities for public and community engagement.

As we embark on our second phase of waterfront revitalization, our focus is on expanding relationships and partnerships – with communities, the private sector, academic institutions, not-for-profit organizations and others who share our goals. Our strategic visioning process is guiding Waterfront Toronto's efforts to grow our partnerships, accelerate our revitalization efforts and innovate in designing solutions to our urban challenges.

Supporting this effort are many new Board members with substantial backgrounds in finance, development, technology, sustainability and civic engagement. I would like to take this opportunity to welcome our new Directors and to thank our outgoing Directors for their many years of dedicated service and their considerable contribution to improving Toronto's dynamic waterfront. Special thanks to Mark Wilson, who served as Waterfront Toronto's Board Chair for 10 years and helped steer this organization through its formative years so capably.

As the new Chair of the Board, I am excited by the energy and expertise that Waterfront Toronto's staff and its new Directors bring to this important and ongoing revitalization effort. We are leveraging our collective knowledge, experience and commitment to achieve our foundation goals and to break new ground in building a great waterfront – and a great city – for the 21st Century.

Helen Burstyn
Chair

Management Team

Executive Team

William Fleissig
President and CEO

Meg Davis
Chief Development Officer

David Kusturin
Chief Project Officer

Marisa Piattelli
Chief Strategy Officer

Lisa Taylor
Chief Financial Officer

Chris Glaisek
Senior Vice President, Planning and Design

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

Ian Beverley
General Counsel

Senior Staff

Edward Chalupka
Director, Government Relations

Sampada Chandane
Director, Financial Management

Rose Desrochers
*Director, Human Resources and
Administration*

Julius Gombos
Senior Project Director

Andrew Hilton
*Director, Communications and Public
Engagement*

Pina Mallozzi
Director, Design

Kevin Newson
Director, Procurement

Amanda Santo
Director, Development

Transformational Projects: Milestones

The following projects are key priorities for Waterfront Toronto. Each project meets our new strategic objectives as outlined in the [2017/18 Corporate Plan](#). Below we have provided a project description and outlined the major achievements for each project during the 2016/17 fiscal year from April 1, 2016 to March 31, 2017.

Jack Layton Ferry Terminal



Located at the foot of Bay Street and Queens Quay, the Jack Layton Ferry Terminal is the gateway to one of Toronto's most beloved and important parks – the Toronto Islands. More than 1.4 million residents and tourists pass through the terminal annually. Due to its prime waterfront location and important function as a transportation hub, the Ferry Terminal has the potential to become a recreational, cultural and civic space unlike any other.

In 2014, Waterfront Toronto held an Innovative Design Competition for the Jack Layton Ferry Terminal and adjacent Harbour Square Park to develop a bold new design that would transform this cherished space. The winning design, called Harbour Landing and proposed by West 8, KPMB, and Greenberg Consultants, features a redesigned waterfront park and an expanded terminal building. The new terminal building – planned to be double the size of the existing building – will enhance accessibility, open up unobstructed waterfront views to the public and create operational efficiencies. It will also offer space for new public amenities. The winning design, which was updated in the past year, shapes the Jack Layton Ferry Terminal and Harbour Square Park Master Plan. The Master Plan will be used to guide additional budget requests and to ensure that revitalization efforts move forward in a coordinated manner. The updated Master Plan proposes solutions to better connect the terminal site to nearby parks and public spaces and to Toronto's nearby downtown.

Waterfront Toronto staff worked with Councillor Pam McConnell and the City's Parks, Forestry & Recreation Department to find funding for an initial piece of work, Phase 1. Phase 1 includes extending the new pedestrian promenade on Queens Quay 106 linear metres south from Bay Street towards the entrance of the Ferry Terminal and replacing aging lighting in locations throughout the terminal site and park. We consulted with our Stakeholder Advisory Committee to gather feedback on the scope for Phase 1, as well as the updated Master Plan. In response to stakeholder feedback, we have added wayfinding signage to the scope of Phase 1 to give the Ferry Terminal a presence at Bay Street. Detailed plans and drawings for Phase 1 will be presented to Waterfront Toronto's Design Review Panel in spring 2017.

Quayside



The Quayside Development is an approximate 4.9 hectare (12 acre) development site situated along Toronto's eastern waterfront, within walking distance of Toronto's central business district. Located on Queens Quay East, to the west and east of Parliament Street, Quayside comprises sites primarily owned by Waterfront Toronto and the City of Toronto. Rather than oversee a traditional development, Waterfront Toronto's goal is to establish Quayside as a globally significant mixed-use community – one that will showcase

advanced technologies, building materials and innovative funding strategies – encouraging market transformation towards climate-positive urban development.

Quayside represents the first stage of our multi-phase initiative to support Canadian solution providers in sectors such as clean technology, sustainable construction and energy systems by providing opportunities to showcase innovations at a significant scale; assisting companies to grow and position their solutions globally. Quayside will also enable early opportunities to prototype products and solutions to address pressing urban challenges, such as the increasing disparity in housing affordability and climate change.

When complete, Quayside is envisioned as a highly sustainable complete community providing a range of housing types and amenities as well as addressing the need for mobility and accessibility. Quayside will also benefit from Canada's first open-access, ultra-high-speed broadband community network, which will give residential and business users access to advanced fibre-optic technology that delivers internet connection speeds that are exponentially faster than standard networks.

In March 2017, Waterfront Toronto launched a Request for Proposals (RFP) to select an Innovation and Funding Partner (the Partner) to help us create and realize an unparalleled vision for Quayside and to materially contribute to project funding. Waterfront Toronto is working to identify a preferred Partner, which will be followed by contract negotiations. Upon the completion of contract negotiations, which is anticipated in the fall of 2017, Waterfront Toronto and the Partner will create a strong and compelling vision for Quayside, including identifying and defining the necessary partnership model, strategies, technologies, infrastructure, measurable outcomes and downstream partners that will ensure its success.

Port Lands Flood Protection and Enabling Infrastructure



The Port Lands is a 356 hectare (880 acre) parcel of land on Toronto's eastern waterfront. Created by decades of infilling what was once one of the largest natural wetlands on Lake Ontario, the Port Lands is now a massive brownfield site that is economically underutilized.

As Toronto's downtown experiences continued population and job growth, the Port Lands remains the last significant undeveloped space in the heart of Canada's largest city.

Currently, about 290 hectares (715 acres) of the area – including parts of South Riverdale, Leslieville, south of Eastern Avenue and the East Harbour (Unilever) development site at the eastern base of the Don River – are at risk of flooding from the Don River watershed and cannot be revitalized until they are flood protected.

A proposal to flood protect, plan and develop the Port Lands and surrounding area has been a major focus for Waterfront Toronto since it was created. In addition to flood protecting the Port Lands, planning for the area needed to address a number of requirements and significant technical challenges such as municipal servicing infrastructure, urban design and a lack of suitable and modern transportation infrastructure. The Port Lands Flood Protection and Enabling Infrastructure Project is the culmination of years of planning and offers a comprehensive solution to these challenges.

When complete, the project will create two new outlets for the Don River – a 1,000-metre river valley and a greenway – that will safely convey flood waters into Lake Ontario and create a brand new island community called Villiers Island. It will also create infrastructure such as roads, bridges and services to support development on Villiers Island, as well as create 29 hectares of naturalized area in the river valley, new parks and 14 hectares (34 acres) of aquatic habitat.

In September 2016, Waterfront Toronto received a tri-government funding commitment of \$65 million to undertake the Cherry Street Stormwater and Lakefilling Project (formerly called the Essroc Quay Lakefilling Project). While part of the proposed scope of work for the larger Port Lands Flood Protection and Enabling Infrastructure project, this is a self-contained and stand-alone project that is being advanced independently of the larger scope of work. It will create a new landmass around the current Essroc Quay located on the south side of Keating Channel, where it meets Toronto's Inner Harbour. This will stabilize the area's shoreline, as the current dockwall on Essroc Quay is old and at risk of collapsing under flooding conditions. An additional part of the project is to divert an existing storm sewer that currently discharges stormwater into the Essroc Quay.

In October 2016, we completed and delivered to the three orders of government an extensive Due Diligence Report that provides greater certainty on the site conditions, cost estimate, schedule and risks associated with the proposal to flood protect the Port Lands. The Report was developed in cooperation with the City of Toronto, the Toronto and Region Conservation Authority and the Toronto Port Lands Company, and was peer-reviewed by two qualified organizations to ensure its adequacy and accuracy. Key findings include a cost estimate of \$1.25 billion and a seven-year construction timeline to complete the project.

In March 2017, meetings were held with the Port Lands Stakeholder Advisory Committee and Landowner and User Advisory Committee to provide updates on the Cherry Street Stormwater and Lakefilling Project, the Community-Based Risk Assessment that will serve as an environmental management framework for the project, and on the Port Lands Planning Framework and Villiers Island Precinct Plan.

We continue to discuss funding for the Port Lands Flood Protection and Enabling Infrastructure project with our government partners.



An aerial view of the existing Port Lands conditions and an artist's rendering of the flood protected Port Lands.

2016/17 Key Projects Map



This map represents the revitalized Toronto waterfront in its full vision. This includes parks, public spaces and amenities, and residential and commercial developments that are completed, under construction, or planned. In addition to Waterfront Toronto projects, this map represents City of Toronto and other government agency projects to be completed.

- | | | | |
|-------------------------------------|---------------------------------------|---|---|
| 1 The Bentway | 4 Waterfront Innovation Centre | 7 Bayside Phase II | 10 River City 4 |
| 2 Jack Layton Ferry Terminal | 5 George Brown College | 8 Stormwater Management Facility | 11 Port Lands Flood Protection and Enabling Infrastructure |
| 3 Queens Quay East | 6 Quayside | 9 Gardiner Expressway | 12 Lake Ontario Park |

2016/17 Key Projects: Results

The following deliverables for the 2016/17 fiscal year were established in alignment with the [2016/17 Corporate Plan](#) and Waterfront Toronto's strategic objectives. In 2017, the public policy objectives defined by our mandate were refined and have become our overarching strategic objectives, also known as **Waterfront Toronto +**. These five strategic objectives guide Waterfront Toronto's priorities, project and corporate initiatives:



Prosperity⁺ – *Leveraging innovation and partnerships to deliver economic growth and new jobs.*



Sustainability⁺ – *Promoting cutting-edge solutions to reduce carbon emissions, while promoting a high quality of life and improving public health.*



Neighbourhood⁺ – *Advancing complete communities that address the need for housing, mobility and access, connectivity and inclusivity.*



Destinations⁺ – *Creating enduring value through well-designed and vibrant cultural, recreational, civic and public spaces for residents and visitors.*



Engagement⁺ – *Cultivate a high-performance and listening organization, promoting deep stakeholder trust, broad community outreach and consequential citizen feedback using robust data analysis and superior interactive web tools.*

The key project deliverables for 2016/17 as outlined in the Corporate Plan and the results are listed below, presented geographically from west to east, and correspond to the map on page 10. Strategic objectives that each project achieves are also indicated.

1 The Bentway



2016/17 Deliverable: Complete construction documents and award contract for public spaces and multi-use trail beneath the elevated expressway.

2016/17 Results: *Achieved* ✓

In October 2016, Waterfront Toronto completed the procurement process for retaining a Construction Manager for The Bentway project, with Peter Kiewit Infrastructure Co. being selected. The Construction Manager worked with the team to develop a detailed project budget and schedule, establish tendering packages and procurement documents

for the sub-trades who will be engaged to undertake the construction. Construction on Phase 1 of The Bentway, from Strachan Avenue to Fort York Boulevard, began the week of March 6, 2017.

We anticipate that the bulk of Phase 1 work will be complete by the end of 2017, with soft landscaping work to be completed in 2018 as weather permits.

This project achieves the following deliverables:



2 Jack Layton Ferry Terminal



2016/17 Deliverable: Complete detailed plans and drawings for the first phase of improvements to the Jack Layton Ferry Terminal and Harbour Square Park.

2016/17 Results: *Deferred to 2017/18* →

Detailed design for Phase 1 experienced a slight delay and was completed in May 2017. This delay has not impacted the overall project timeline and we will meet our original construction schedule. The delay was due to a scope expansion that resulted from additional funding that became available through the City of

Toronto. The initial scope included a new pedestrian promenade south from Queens Quay and Bay Street. Additional funding will allow us to extend this promenade all the way to the terminal gates (106 linear metres). As before, the scope for Phase 1 includes new lighting at locations throughout the Ferry Terminal and adjacent Harbour Square Park. It will also include wayfinding signage to help people find the Ferry Terminal.

This project achieves the following deliverables:



3 Queens Quay East



2016/17 Deliverable: Commence the planning and design for revitalizing Queens Quay East between Yonge and Small Streets.

2016/17 Results: *Deferred* →

On November 3, 2015, Toronto City Council directed City staff to undertake a multi-phase Waterfront Transit Reset Study, which is a comprehensive assessment of needs and options for transit improvements along the entire waterfront area (Long Branch GO Station to Woodbine Avenue). Funds for the East Bayfront Transit initiative (part of the Queens Quay East revitalization) were

reallocated to fund the Waterfront Transit Reset Study. As the revitalization of Queens Quay includes higher-order transportation infrastructure, the outcome of the Waterfront Transit Reset Study will shape the design of any changes to Queens Quay East.

After completing the strategic visioning process in 2016, Waterfront Toronto also made a concurrent change in direction to accelerate work on the Queens Quay East and Parliament Street intersection realignment in lieu of the Queens Quay East revitalization. This work will allow for the foundational public infrastructure required for the continued development of the eastern waterfront, including Quayside and North Keating.

This project achieves the following deliverables:



4 Waterfront Innovation Centre



2016/17 Deliverable: Complete the pre-development agreement for the Waterfront Innovation Centre and present recommendations to Toronto City Council.

2016/17 Results: *Achieved* ✓

Waterfront Toronto completed the Waterfront Innovation Centre pre-development agreement with Menkes Developments, which will be investing approximately \$200 million in the Waterfront Innovation Centre. The Waterfront Innovation Centre will be a commercial workspace dedicated to fostering innovation and collaboration amongst tenants, and with the broader technology community. The terms of the development deal (including price, ground lease and development agreement) went to City Council for approval in February 2017. Menkes is in final negotiations with potential lead tenants and is working with Waterfront Toronto and the City towards securing their development approvals in order to target a construction start date of December 31, 2018.

This project achieves the following deliverables:



5 George Brown College



2016/17 Deliverable: The sale of Block 3 in East Bayfront was not identified as a priority deliverable in the 2016/17 Corporate Plan. The opportunity to sell the land to George Brown College presented itself in 2016 and Waterfront Toronto moved forward with the transaction. All proceeds will be put towards future waterfront revitalization.

2016/17 Results: *Achieved* ✓

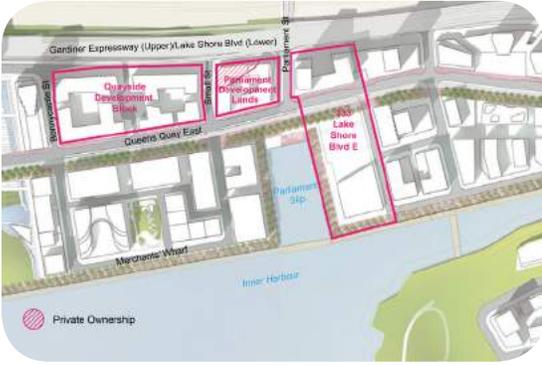
In December 2016, Toronto City Council supported Waterfront Toronto's recommendation to sell Block 3 in East Bayfront to George Brown College. Located immediately north of the existing Health Sciences Building on Queens Quay East between Lower Jarvis and Lower Sherbourne Street, the new building will house future innovation and technology programming for the college. Plans for the space also include a non-profit child care centre.

The City of Toronto, George Brown College and Waterfront Toronto completed the land sale on March 31, 2017. George Brown College will now begin extensive design and municipal planning approvals of the planned campus expansion, which will include enhanced sustainability beyond the required LEED Gold.

This project achieves the following deliverables:



6 Quayside Development



2016/17 Deliverable: Select Preferred Proponent for Quayside development in East Bayfront.

2016/17 Results: *Deferred to 2017/18* →

The original plan for Quayside encompassed a single 1.8 hectare (4.5 acre) development block. This plan was placed on hold in 2016/17 while we reexamined our strategy and priorities to ensure this next phase of revitalization will effectively address current and evolving challenges; through this we identified new opportunities that align with our evolving mandate. As a result,

the scope for Quayside was broadened to include adjacent development blocks and more ambitious goals were established.

In March 2017, Waterfront Toronto issued a Request for Proposal (RFP) seeking an Innovation and Funding Partner (Partner) to help us create and realize an unparalleled vision for Quayside, and to materially contribute to project funding. Our goal is to establish Quayside as a globally significant mixed-use community – one that will showcase advanced technologies, building materials and innovative funding strategies – encouraging market transformation towards climate-positive urban development.

Waterfront Toronto is working to identify a preferred Partner, which will be followed by contract negotiations. Upon the completion of contract negotiations, Waterfront Toronto and the selected Partner will create a strong and compelling vision for Quayside, including identifying and defining the necessary technologies, infrastructure and downstream partners to ensure its success.

This project achieves the following deliverables:



7 Bayside Phase II



2016/17 Deliverable: Complete construction of the dockwall reinforcement between Aitken Place Park and Parliament Slip in East Bayfront's Bayside neighbourhood.

2016/17 Results: *Achieved* ✓

Construction of 90 metres of dockwall reinforcement from Aitken Place Park to the Parliament Street Slip was substantially completed in January 2017. The reinforcement increases the dockwall infrastructure life expectancy, allowing for new roads and buildings to be built closer to the water as part of Bayside Phase

II. It will also allow for the extension of the Water's Edge Promenade to Parliament Slip, which includes a 10 metre-wide granite maple leaf mosaic, signature benches and light poles, and a double row of maple trees.

This project achieves the following deliverables:



8 Stormwater Management Facility



2016/17 Deliverable: Complete construction of the Stormwater Management Facility core and shell, located at the intersection of Cherry Street and Lake Shore Boulevard East.

2016/17 Results: *Deferred* →

Completing the construction of the Stormwater Management Facility core and shell was originally deferred to 2016/17 in order for Waterfront Toronto reassess its design and construction methodology to address the submission of tender bids that were non-compliant and therefore could not be accepted. Construction

has been further deferred in order for Waterfront Toronto to redesign the facility to accommodate changes caused by the pending realignment of the Gardiner Expressway east of Cherry Street (through the Gardiner East Environmental Assessment). The deferral has also allowed for additional funding to be allocated to the installation of the stormwater treatment systems, which includes water clarifiers and ultraviolet treatment equipment. When complete in 2019, the Stormwater Management Facility will serve East Bayfront, West Don Lands and the future Keating Channel neighbourhoods by receiving and treating stormwater run-off created by rain and melting snow.

This project achieves the following deliverables:



9 River City



2016/17 Deliverable: Close on the sale of lands for River City Phase 4 with Urban Capital.

2016/17 Results: *Achieved* ✓

Waterfront Toronto closed on the sale of lands for the future River City Phase 4, also known as Harris Square. To be developed by Urban Capital, Harris Square is the fourth and final stage of the River City Development located in the West Don Lands neighbourhood. When complete, River City will feature 1,100 residential units along with stores and restaurants that will contribute to a vibrant

street life. River City is one of Toronto's most exciting residential developments in recent years thanks to its award-winning architecture.

This project achieves the following deliverables:



10 Port Lands Flood Protection and Enabling Infrastructure



2016/17 Deliverable: Complete the Port Lands Flood Protection and Enabling Infrastructure Due Diligence Report.

2016/17 Results: *Achieved* ✓

In October 2016, Waterfront Toronto completed and delivered to the three orders of government an extensive Due Diligence Report that provides greater certainty on the site conditions, cost estimate, schedule and risks associated with the proposal to naturalize the mouth of the Don River, provide flood protection and unlock significant development

potential in the Port Lands and surrounding areas. The Report was developed in cooperation with the City of Toronto, the Toronto and Region Conservation Authority and the Toronto Port Lands Company, and was peer-reviewed by two qualified organizations to ensure its adequacy and accuracy. Key findings include a cost estimate of \$1.25 billion and a seven-year construction timeline to complete the project.



2016/17 Deliverable: Secure tri-government funding commitment for Port Lands Flood Protection and Enabling Infrastructure.

2016/17 Results: *Deferred to 2017/18* →

In September 2016, Waterfront Toronto received \$65 million in tri-government funding to undertake the Cherry Street Stormwater and Lakefilling Project. This project, while part of the proposed scope of work for the larger Port Lands Flood Protection and Enabling Infrastructure project, is a self-contained and stand-alone project that is advancing independently of the larger scope of work. Tri-government discussions continue with respect to

securing the \$1.25 billion in funding required to implement the Port Lands Flood Protection and Enabling Infrastructure project. The City of Toronto of Toronto has committed its one-third share, contingent on Federal and Provincial funding, with City Council approving funding in November 2016. Waterfront Toronto staff continue to work with federal, provincial and city officials in securing project funding.

This project achieves the following deliverables:



11 Gardiner Expressway East



2016/17 Deliverable: Complete the Gardiner Expressway East Environmental Assessment.

2016/17 Results: *Achieved* ✓

Waterfront Toronto and the City of Toronto completed and filed the Gardiner Expressway East Environmental Assessment (EA) with the Ministry of the Environment and Climate Change (MOE) in January 2017. The public comment period for the Gardiner East EA closed on March 17, 2017. The MOE will issue its staff review for public input in spring 2017.

Waterfront Toronto worked with City staff to develop an implementation strategy for the Gardiner East Environmental Assessment public realm improvements and we have commenced the public realm design. This includes developing a delivery strategy and establishing timing and phasing for the improvements.

This project achieves the following deliverables:



12 Lake Ontario Park



2016/17 Deliverable: Complete the update of the Lake Ontario Park Master Plan.

2016/17 Results: *Deferred to 2017/18* →

This year, Waterfront Toronto worked with the Toronto Region Conservation Authority and the City of Toronto to evaluate the status of the Lake Ontario Park “Quick Starts”, to plan, monitor and coordinate projects within Lake Ontario Park, and to establish a framework for an update to the Lake Ontario Park Master Plan.

Completion of the Lake Ontario Park Master Plan update is tied to the completion and adoption by Toronto City Council of the Port Lands Planning Framework and the Transportation and Servicing Master Plan for the area. Once these two foundational plans for the Port Lands are approved, it will inform and initiate the Lake Ontario Park Master Plan.

This project achieves the following deliverables:



2016/17 Corporate Results

1 Social Media

2016/17 Deliverable: Continue to development Waterfront Toronto's social media platforms and capacity to allow the public to engage more directly with revitalization initiatives; increase engagement on Facebook and Twitter.

2016/17 Results: *Achieved* ✓

Waterfront Toronto was successful in further developing its social media platform and increasing public engagement with waterfront revitalization initiatives in 2016/17. Our online presence continues to grow steadily across all platforms with a 25 per cent increase on Facebook (1900 fans) and a 10 per cent increase in Twitter followers (1570 followers) in 2016/17. Waterfront Toronto also launched an official Instagram account in summer 2016, generating 470 followers and more than 2,220 post engagements. Through various efforts and campaigns, we have generated more than 2.3 million impressions across Facebook and Twitter and engaged 44 thousand unique users.

2 Thought Leadership

2016/17 Deliverable: Thought leadership deliverables were not identified in the 2016/17 Corporate Plan. However, thought leadership was identified during our strategic visioning exercise as a future Engagement+ opportunity to engage more directly with the public on waterfront revitalization. Waterfront Toronto had the opportunity to begin this work in the 2016/17 fiscal year.

2016/17 Results: *Achieved* ✓

Future Cities Talks

In September 2016, as part of Art Spin's *In/Future* festival held at Ontario Place, Waterfront Toronto launched a new talk series, FUTURE CITIES TALKS. The event was aimed at challenging urbanists, culture-makers, advocates and citizens to reimagine what it means to be a city builder. We invited experts and innovators to present their Big Idea for the future of community building.

The program's objective is to advance Waterfront Toronto's leadership in creating innovative new models for building the communities of the future. Approximately 500 members of the public attended this event. Speakers included: Eb Zeidler (Zeidler Partnership Architects) and Margie Zeidler (Urbanspace Property Group), Vass Bednar (Martin Prosperity Institute), Karen Carter (Myseum of Toronto), Susan Blight (Ogimaa Mikana) and Katerina Cizek (MIT Open Documentary Lab). The discussion was moderated by William Fleissig.

On March 26, 2017 Waterfront Toronto hosted the second edition of FUTURE CITIES at Daniels Spectrum in Regent Park. This time around, speakers were asked to tackle a broad range of topics that touch on themes loosely related to the theme of "Making Social Impact". The program featured talks from Sharmini Fernando (Pathways to Education), Mark-Ché Devonish (The RUDE Collective), Lisa Switkin (James Corner Field Operations) and Rebecca Carbin (I Heart Your Work).

3 Programming

2016/17 Deliverable: Develop a programming strategy to animate the waterfront public realm.

2016/17 Results: *Achieved* ✓

Animating Our Waterfront Program

During the summer of 2016, Waterfront Toronto produced a program of free arts and cultural events in the West Don Lands and East Bayfront neighbourhoods, and provided crucial funding to a pair of mural projects that helped to beautify waterfront parks and trails. These free events invited Torontonians of all ages to see first-hand the dramatic changes on our revitalized waterfront.

In this first season of arts and cultural programming, events were carefully selected to present a range of activities that would appeal to a diverse audience. Several smaller events that focused on cultural activity and workshops that fostered community development took place in the West Don Lands neighbourhood. *West African Dance with Miss Coco* and *Uke Can Sing with K Funk and Lady Ree* offered community workshops in dance and music. On a slightly larger scale, *Shadowland Theatre's Community Parade* presented a day-long series of arts, crafts and choreography workshops that culminated in a community parade through Corktown Common. Other events were designed to draw larger audiences from across the City of Toronto, encouraging more Torontonians to explore and enjoy their revitalized waterfront. *The Gata: Water Ceremony* was a Buddhist opera presented under the stars and full moon. It brought more than 400 visitors to Sherbourne Common in the emerging, yet still unpopulated, East Bayfront neighbourhood. Similarly, *Movies on the Common: Apollo 13* attracted more than 300 visitors to Corktown Common. *Singing River* presented an afternoon of storytelling, song and dance at Corktown Common, making full use of the park's pavilion facilities, including the outdoor kitchen and fireplace, making it the first community use of the entire park facility.

Street Projects installed five special "art gallery boxes" along the paths of Corktown Common, offering park-goers a fun and surprising new reason to explore the park's trails. Two mural projects initiated by the *Friends of the Pan Am Path's Arts Relay* were funded as well. The Love Letter to the Great Lakes mural project has beautified several underpasses along the Lower Don Trail with new art work that celebrates the resiliency of the Don River and the Great Lakes ecosystem. The Legacy Pillars mural project completed the series of murals by Lovegates + Labrona in Underpass Park.



Ecstatic dance by Irene Cortes, Mary-Dora Bloch Hansen and Zach Olesinski, as part of The Gata: Water Ceremony at Sherbourne Common. Photo by Connie Tsang



K Funk and Lady Ree lead a beginner's ukulele workshop in Corktown Common. Photo: Facebook.

Sugar ShackTO

The second annual Sugar Shack TO event took place at Sugar Beach on March 11 and 12, 2017. The event featured two wooden stalls serving fresh maple taffy, live entertainment, a winter market and a popular maple sugaring demonstration over an open fire. Waterfront Toronto created Sugar Shack TO in 2016 to help animate the eastern waterfront in the winter. This year, Sugar Shack TO was transferred to and produced by the non-profit organization Water's Edge Festivals & Events, with Waterfront Toronto as presenting sponsor. Despite the cold temperatures, more than 10,000 people came down to Sugar Beach for Sugar Shack TO. Sugar Shack TO has become an annual winter festival, helping create a vibrant community in the eastern waterfront, and helping to attract visitors to the waterfront.



Two Sugar Shacks served up real Ontario maple taffy all weekend long at the second annual Sugar Shack TO.



Visitors enjoyed a number of interactive ice activities, like ice carving demonstrations, at the second annual Sugar Shack TO.

4 Innovation Brand Strategy

2016/17 Deliverable: Develop a brand strategy to support the economic development objectives for the innovation corridor in East Bayfront.

2016/17 Results: *Deferred to 2017/18* →

A brand strategy for the innovation corridor in East Bayfront has been delayed pending the selection of, and agreement with, the successful Innovation and Funding Partner for Quayside. During the Quayside market sounding and procurement call, it became clear that the process toward developing the branding and recognition of the East Bayfront as an innovation corridor could only be substantially advanced through collaboration between the Partner and Waterfront Toronto.

Additional work on this initiative will be done with the identified Quayside Innovation and Funding Partner, as well as key stakeholders within East Bayfront in 2017/18 to ensure alignment with the strategic priorities for Waterfront Toronto.

5 Tri-Government Funding

2016/17 Deliverable: Secure tri-government commitment to Waterfront Toronto 2.0 program.

2016/17 Results: *Deferred to 2017/18* →

The Waterfront Toronto 2.0 program refers to four broad categories of remaining projects on the waterfront: Port Lands Flood Protection and Enabling Infrastructure, Waterfront Transit (including links to the broader transit network), Parks and Public Spaces, and Municipal Infrastructure. With funding discussions progressing on Port Lands Flood Protection and Enabling Infrastructure, opportunities to advance the remaining three categories will become the focus later in 2017/18.

6 Transition Plan

2016/17 Deliverable: Develop a transition plan to manage the organization from Waterfront Toronto 1.0 to 2.0.

2016/17 Results: *Achieved* ✓

Following the strategic visioning exercise that took place in summer 2016, Senior Management presented the transition plan as part of the 2017/18 Corporate Plan, which was approved by the Waterfront Toronto Board of Directors in December 2016. The transition plan included a number of streamlining initiatives that resulted in an overall decrease in the Corporation's corporate operating budget by 2.6% for 2017/18, including a reduction in the overall staff from 67 positions to 63.5. Our staff complement was appropriately reduced to reflect the current nature of the organization (less project construction); however, we intend to scale up should major projects become funded or are ready to proceed with Partners.

2016/17 Financial Results

The following financial results should be read in conjunction with the Corporation's March 31, 2017 year end audited financial statements.

The 2016/17 Corporate Plan (Plan), approved by the Board of Directors and adopted in December 2015, established a planned investment of \$67 million, focused on the key deliverables outlined in Section 3. The Corporation achieved 49 per cent of this investment target, approximately \$33 million. The variance was due to a change in the construction schedule for both the Stormwater Management Facility and The Bentway, as well as a land acquisition that did not take place as planned.

Waterfront Toronto realized 121 per cent of its planned revenue as outlined in the 2016/17 Plan, earning \$56 million compared to the planned \$47 million. Of the \$56 million in revenues, only four per cent was contributed by governments. The remainder was collected through land or transaction sale revenues from primarily City-owned lands located in East Bayfront (48 per cent), philanthropic revenues for The Bentway (31 per cent) and other revenue streams, which includes developer contributions, interest and parking (17 per cent). The favourable variance is the result of higher land or transaction sale values than planned.

Waterfront Toronto will retain revenues in excess of investments for the year and apply it towards key projects outlined in the 2017/18 Corporate Plan that are not funded with government revenues, namely Queens Quay East and Parliament Street Intersection, and Quayside. This is consistent with the Corporation's business model to reinvest land sale revenues back into strategic infrastructure on the waterfront. Similarly, philanthropic contributions for The Bentway are held in trust by Waterfront Toronto until they are ultimately applied towards the project.

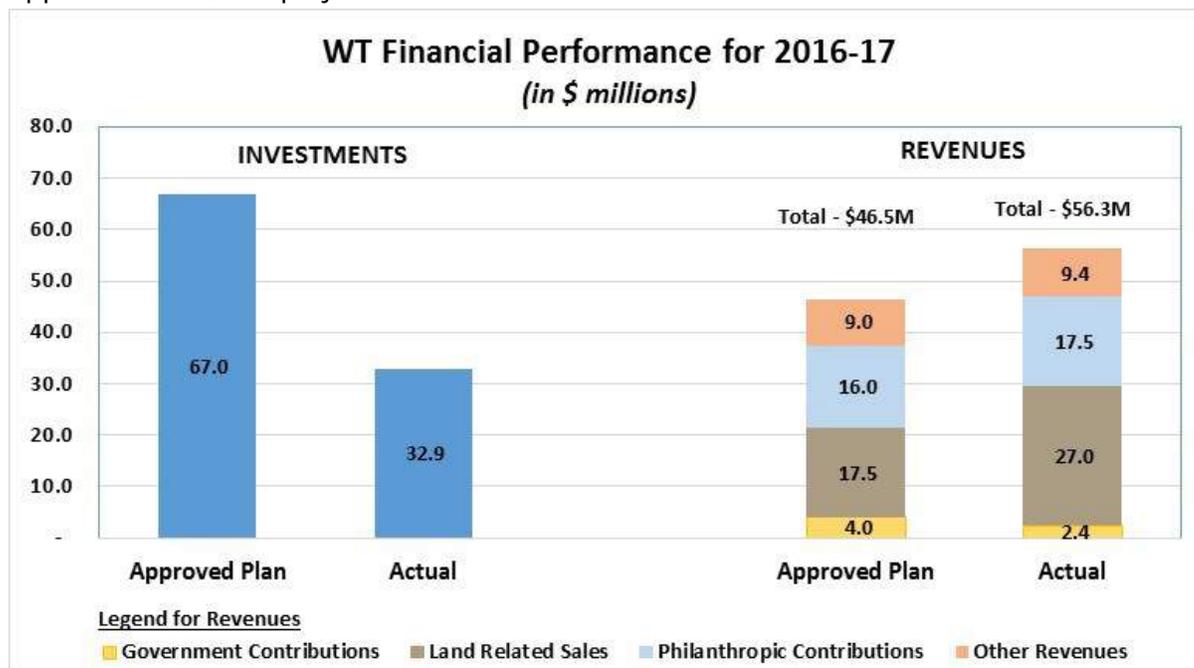


Figure 1 - Waterfront Toronto Financial Performance 2016/17 (in \$ millions)

In 2016/17, Waterfront Toronto underwent a transition to ensure that the organization could succeed in delivering the new Waterfront Toronto + strategy articulated in the 2017/18 Corporate Plan. Equally as important, Waterfront Toronto also underwent a transition in terms of its funding and risk profile.

Corporate Operating Budget

Throughout 2016/17, we streamlined our staff functions and operations by using a project delivery model predicated on cross-functional integrated project teams that maximize existing skill sets. While we originally planned for a corporate operating budget of \$12.4 million for staff, occupancy, insurance, audit, public engagement and technology for 2016/17, the actual cost for the year was \$12.6 million. Consistent with the update in the 2017/18 Corporate Plan, the unfavourable variance was as a result of one-time restructuring costs associated with streamlining the Corporation's operations to support the Waterfront Toronto + strategy.

Changing Funding Risk Profile

Historically, Waterfront Toronto has been funded primarily (over 75 per cent) by governments. The nature of this type of funding is that it is secured through funding agreements and the flow of funding is governed by an established process that results in lower risks with respect to the timing and amounts of cash flow.

Moving forward, Waterfront Toronto will be more reliant on non-government revenues such as land sale revenues, philanthropic contributions, corporate sponsorships and other revenues. These revenues, by their nature, are less certain with respect to timing and amounts of cash flow. As a result, our planned non-government revenues are estimated using conservative assumptions that are developed by undertaking sensitivity analyses on a number of scenarios. We then segregate revenues into two categories – secure and unsecure – based on their risk profile.

Secure revenues are defined as those that Waterfront Toronto has some control over either through ownership or formal agreements. Unsecure revenues are defined as those which have been earmarked for Waterfront Toronto and for which no formal agreement yet exists. Projects that we are obligated contractually to deliver, such as roads and public realm and/or those of strategic importance like Quayside, will be delivered through secure revenues. Projects that we are not obligated contractually to deliver but would like to deliver should funding become available, such as the Queens Quay East Revitalization, will be linked to unsecure revenues. The latter tends to be future priorities in the Corporation's mandate.

Risk Management

Waterfront Toronto has developed an enterprise risk management program to manage and mitigate the risks associated with waterfront revitalization projects. Below we have listed the risk management initiatives implemented in 2016/17 in two key risk categories:

Project Risks - Unforeseen project issues and associated cost escalation

Key project risks addressed include: project cost overruns (cost risk), late project delivery resulting from delays in regulatory approvals or unforeseen project issues (schedule risk), and adequacy of information to support project decision making and oversight. Waterfront Toronto has instituted the following key measures to mitigate and/or respond to these project risks:

- Securing suitable insurance strategy;
- Incorporating contingencies appropriate to the nature and risk profile of the project (i.e. contingency provision ranging from approximately 20 to 30 per cent of total project cost);
- Applying for necessary regulatory approvals required to implement projects well in advance of construction to allow reasonable time for issue resolution;
- Performing detailed soil investigations to reduce exposure to geo-environmental risks;

- Incorporating detailed scheduling provisions into the construction contracts;
- Scheduling regular project team meetings to monitor project progress and milestones, and track identified risks to enable for timely deployment of contingency plans and risk mitigating strategies; and,
- Establishing a Capital/Revenue Reserve amounting to \$25 million as provision for any unforeseen increases in project cost (reserve has not been utilized to date). This is over and above the project contingency amounts.

Financial Sustainability Risks – Uncertainty in relation to future revenues

As a result of the changing funding risk profile, which places greater reliance on its own revenues, Waterfront Toronto has established the following measures to manage the uncertainty associated with future revenues:

- Ensuring internal controls are in place in the financial systems such that the Corporation does not commit beyond available project funding;
- Using market-based inputs and conservative estimates in developing revenue assumptions to help decrease the likelihood of overly aggressive targets and exposure to market risks;
- Assigning unsecure revenue funding to projects that the Corporation is not currently contractually obligated to deliver;
- Leveraging borrowing ability as bridge financing to address timing risks associated with the realization of future secure revenues; and,
- Utilizing Capital/Revenue Reserve, if deemed necessary, for any unforeseen circumstances

Integrated Reporting Framework

Waterfront Toronto is committed to transparency and accountability. The Corporation operates within a robust integrated reporting framework as illustrated below. This framework comprises our processes for budgeting and strategic planning, as well as monitoring and reporting.

The budgeting and strategic planning documents are the roadmaps we use to identify how we can achieve our strategic objectives. Both the Strategic Business Plan (adopted every five years) and Corporate Plan (adopted annually) can be found on our website.

We monitor whether we are achieving the strategic objectives set out in our planning documents and assess the overall health of our projects with respect to budget, scope, schedule and funding through our monitoring and reporting processes. This includes the Management Team meeting weekly and publishing a formal quarterly reporting to the Finance, Audit, and Risk Management (FARM) Committee on the Corporation’s website. At the end of the fiscal year, we provide a formal report back on whether we achieved the objectives and financial plan set out in our Corporate Plan through our audited financial statements and Annual Report.

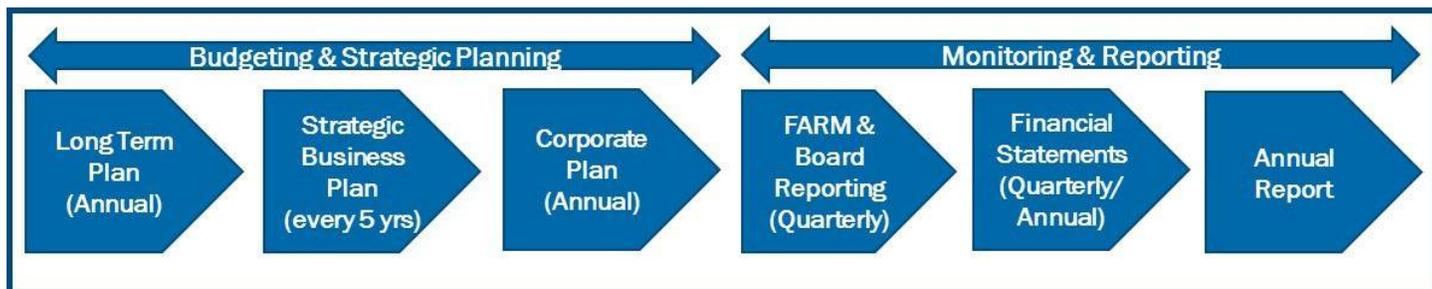


Figure 2 - Waterfront Toronto Integrated Reporting Framework



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