



WATERFRONTToronto

BOARD OF DIRECTORS MEETING

20 Bay Street, Suite 1310, Toronto

8:30 a.m. to 12:30 p.m., Thursday May 10, 2018



WATERFRONTToronto

Board Meeting- May 10, 2018

Waterfront Toronto Board Meeting Thursday May 10, 2018 at 8:30 a.m.

8:30 a.m.	1. Motion to Approve Meeting Agenda	Approval	Board
8:35 a.m.	2. Declaration of Conflicts of Interest	Declaration	Board
8:35 a.m.	3. Consent Agenda	Approval	H. Burstyn
	MInutes of March 29, 2018 meeting of the Board of Directors - Page 4		
8:40 a.m.	4. Chairs Remarks	Information	H. Burstyn
8:55 a.m.	5. CEO Report	Information	W. Fleissig
	CEO Report - Page 13		
9:10 a.m.	6. Making Toronto a Top Ten Global Waterfront Presentation	Information	C. Glaisek
	A full copy of the presentation for this item will be posted in the Appendix to the Board Book for this meeting in the Board of Directors Workroom.		
	Making Toronto a Top Ten Global Waterfront- Cover Sheet - Page 25		
	Summary Slides- Making Toronto a Top Ten Global Waterfront - Page 26		
9:40 a.m.	7. Communications Update	Information	M. Piattelli
	The materials for this item will be posted in the Appendix to the Board Book for this meeting in the Board of Directors Workroom.		
10:00 a.m.	8. Chairs Committee Report	Approval and Information (as indicated)	H. Burstyn
10:00 a.m.	Quayside and iREC Committee Restructuring - Page 40	Approval	H. Burstyn
	Human Resources Matters - Page 46		
	Indemnification and Insurance for Directors, Officers & Others - Page 47		
10:20 a.m.	9. Finance, Audit & Risk Management Committee Report	Information	J. Rieksts-Alderman
	Overview- Waterfront Toronto Risk Governance & Internal Controls - Page 60		
	Presentation on Waterfront Toronto Risk Governance Controls & Procurement - Page 61		
	Procurement Policy and Practices - Page 98		
10:50 a.m.	10. Quayside Committee Report	Information	M. Mortazavi & S. Henderson
	Update from Quayside Committee - Page 100		
11:05 a.m.	11. Motion to go into Closed Session	Approval	Board

The Board will move into Closed Session as permitted by Sections 6.1(1)(l) and 6.1(1)(b) of By-Law No. 2 of the Corporation to discuss a position, plan, procedure, criteria or instruction to be applied to negotiations and to discuss personal matters about an identifiable individual. The Board will reconvene in Open Session following the Closed Session to vote on any resolutions arising from the Closed Session discussions.

11:05 a.m.	12. Quayside Committee (continued)- Update on Plan Development Agreement Negotiations Update on Plan Development Agreement Negotiations - Page 102	Information	M. Mortazavi & S. Henderson
11:30 a.m.	13. Update on Personnel Matters	Information	H. Burstyn
12:00 noon	14. Motion to go into Open Session	Approval	Board
12:00 noon	15. Resolutions Arising from the Closed Session (if any)	Approval	H. Burstyn
12:00 p.m.	16. Motion to Adjourn the Meeting	Approval	Board

MINUTES of the Meeting of the Board of Directors of the
Toronto Waterfront Revitalization Corporation held at 20 Bay Street,
Suite 1310, Toronto, Ontario on Thursday, March 29, 2018 at 8:30 a.m. local time.

PRESENT: Helen Burstyn, Chair
Julie Di Lorenzo
Susan Henderson
Sevaun Palvetzian
Jeanhy Shim
Janet Rieksts-Alderman
Meric Gertler
Mazyar Mortazavi
Steve Diamond
Denzil Minnan-Wong
Mohamed Dhanani

The following additional persons were in attendance throughout the meeting, unless otherwise indicated: Will Fleissig, President and Chief Executive Officer; Marisa Piattelli, Chief Strategy Officer; David Kusturin, Chief Project Officer; Lisa Taylor, Chief Financial Officer; Meg Davis, Chief Development Officer; Chris Glaisek, Senior Vice President, Planning & Design; Leslie Gash, Vice President Development; Ian Beverley, General Counsel; Kristina Verner, Vice President Innovation, Sustainability and Prosperity; Ed Chalupka, Director, Government Relations; Michael Bernstein, Special Investment Advisor and; Kathleen Niccols, Governance Consultant.

Also in attendance were George Zagarac, Deputy Minister Ontario Ministry of Infrastructure and Jayne Naiman, City of Toronto Waterfront Project Manager and Siri Agrell, Director of Strategic Initiatives for the Mayor's Office of the City of Toronto and Ron Aluwahlia, Senior Advisor Ontario Ministry of Infrastructure. Guests in attendance included Godyne Sibay, George Takach and Bram Costin of McCarthy Tetrault LLP.

The Chair, Helen Burstyn, took the chair and appointed Ian Beverley to act as secretary of the meeting.

With notice of the meeting having been sent to all Directors in accordance with the Corporation's By-laws and a quorum of Directors being present, the Chair declared the meeting duly constituted for the transaction of business.

1. Motion to Approve Agenda

ON MOTION duly made by Meric Gertler, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the Agenda for the December 7, 2017 Board meeting, was approved as tabled.

2. Declaration of Conflicts of Interest

Jeanhy Shim disclosed that she is President and sole director of Children's Discovery Centre, a company that may participate in a bid in response for the request for qualifications issued by Waterfront Toronto for the design of York Ramp Park and Rees Street Park. This disclosure did not present a conflict for the business of the meeting.

3. Consent Agenda

ON MOTION duly made by Jeanhy Shim, seconded by Janet Rieksts-Alderman and carried, it was **RESOLVED** that the minutes of the December 7, 2017 meeting were approved as presented.

4. Chairs Remarks

Helen Burstyn noted that Ross McGregor, a long-serving member of the Board had left the Board on February 28, 2018 and that another strong candidate, who is presently undergoing through the usual appointment process, had been identified by the province to take the place of Mr. McGregor on the Board. She thanked Mr. McGregor for his many years of invaluable service to the Board.

Ms. Burstyn also noted that the Corporation is actively working to enhance its capabilities with the coming establishment of two new Panels to support the work of the Corporation. These are a Digital Strategy Advisory Committee to advise on key areas of digital governance such as privacy, cybersecurity, data ownership and protection and intellectual property and the Capital Peer Review Panel to provide support for risk management processes on major capital projects.

She also referred to the significant project to restructure and streamline the committees of the Board, which is one of the items on the agenda for this meeting.

5. CEO Report

Will Fleissig referred to his report contained in the Board Book and highlighted two items:

- He noted that the Corporation has entered in to a short-term lease for a term ending March 31, 2019 for the balance of the space on the 13th floor at 20 Bay Street. This space will be used on an interim basis for overflow meeting and consultant work and for working with Sidewalk Labs on the Quayside project.
- He noted that representatives from Waterfront Toronto and Sidewalk Labs have been engaged in extensive discussions to advance the development of the Plan Development Agreement and that Waterfront Toronto had retained McCarthy Tetrault to assist with the legal aspects of those discussions, supported by Chantal Bernier of Dentons (for privacy related issues) and Paul Lalonde (for procurement issues).

10. Overview of Waterfront Toronto Public Art Program

As the meeting was proceeding ahead of schedule, the Board invited Rebecca Carbin to present this item which is listed as item 10 on the meeting Agenda.

Ms. Carbin began by explaining the difference between the City Public Art Program and the Waterfront Toronto Public Art Program. Under the City program, public art is developed by property owners on a site by site basis. Under Waterfront Toronto's public art program, Waterfront Toronto seeks to develop a curated collection of art for the community that reflects the heritage of the community. For example, she referred to the public art collection for the West Don Lands which reflects the industrial heritage of the history of the area.

Under Waterfront Toronto's public art program, the plan for public art is developed at the planning stage of a district and not at the end of the development process. She referred to the public art agreements that Waterfront Toronto has developed with the City for the West Don Lands, Lower Yonge and East Bayfront precincts.

Upcoming work of her department will focus on indigenous art representation at the King/Queen triangle on the north edge of the West Don Lands, destination pieces in the East Bayfront and the commissioning of major works of art for select locations. For the upcoming design of York Ramp and Rees Street parks, the City will be directing Section 37 contributions to Waterfront Toronto for art at these locations and it may be that the art in these locations is a rotating program of public art that changes periodically.

6. Motion to go into Closed Session

In accordance with Section 6.1(1)(i) of By-Law No.2 of the Corporation and **ON MOTION** made, seconded and carried, the Board **RESOLVED** to go into Closed Session to discuss information explicitly supplied in confidence to the Corporation by the province. The Chair requested members of the public to leave the meeting.

7. Provincial Closed Session Presentation

A presentation from the province was provided in the closed session.

The meeting adjourned at 10:00 a.m. for a 10 minute break and resumed again at 10:10 a.m.

8. Motion to go into Open Session

ON MOTION made by Susie Henderson, seconded by Jeanhy Shim and carried, the Board **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.

9. Resolutions Arising from the Closed Session

There were no resolutions arising from the Closed Session discussion.

11. Committee Chair Reports

a) Chairs Committee Report

Helen Burstyn, Chair of the Chairs Committee, provided a report on the following matters that had come before the Committee:

i. Governance Restructuring

Ms. Burstyn referred to the materials on Governance Restructuring that are contained in the Board Book for the meeting. These materials were presented to the Chairs Committee for approval at its March 12, 2018 meeting and were recommended by the Committee for approval by the Board of Directors at this meeting of the Board of Directors.

Referring to the materials in the Board Book, she began with an explanation of the rationale for the creation of the proposed two new advisory Panels: the Digital Strategy Advisory Panel and the Capital Peer Review Panel. These new panels follow the basic model of Waterfront Toronto's successful Design Review Panel- that is they would be panels of experts to support the work of the Corporation in the key areas of digital and data governance and oversight of major capital projects. In the case of the Design Review Panel, Mr. Mortazavi acts as a liaison between the Board and the Panel and there will be similar liaison roles identified for the two new panels. Chris Glaisek will continue to provide staff support to the Design Review Panel and David Kusturin and Kristina Verner will provide similar support for the Capital Peer Review Panel and for the Digital Strategy Advisory Panel, respectively.

Ms. Burstyn referred next to the proposed restructuring of Board Committees that is set out in the Board Book materials. She noted that the existing structure of 7 committees was inefficient and created onerous meeting and logistics issues for both Board members and staff. For that reason, it is proposed in the materials that the number of Board committees be reduced to 4 Committees as follows:

- Chairs Committee- which in addition to its existing role of oversight of human resources issues and organization of Board meetings, would, under the restructured proposal, also assume the functions of the Governance Committee and the government engagement function of the Public and Government Engagement Committee;
- Quayside/IREC Committee- this would be an amalgamation of the roles of the two existing committees into one committee with a mandate to perform all of the functions of the two existing Committees;
- FARM Committee- the FARM committee would remain as is; and
- Stakeholder Engagement Committee- this committee would assume the responsibilities of the existing Partnership Committee and the public engagement functions of the Public and Government Engagement Committee.

There was discussion concerning the restructuring proposal:

- The importance of the functions of the Governance Committee were noted and the need to ensure that those functions are able to be performed by the Chairs Committee with its expanded mandate
- There was a question whether the combined mandate for the proposed Quayside/IREC Committee incorporated all the functions of the existing two committees and

Management provided confirmation that it does do so. A question was also raised as to whether it was appropriate for the Quayside mandate be merged into one committee that also provides oversight for real estate transactions. As a result, it was suggested that the combined mandate for the Quayside/IREC Committee be reconsidered by the Chairs Committee and then be brought back to the Board for approval.

• Following the conclusion of the discussion, **ON MOTION** duly made by Mazyar Mortazavi, seconded by Susie Henderson and carried, it was **RESOLVED** that the Board of Directors of the Toronto Waterfront Revitalization Corporation (“**Board**”) hereby establishes the following Committees of the Board:

- a. Chairs Committee, consisting of five (5) directors;
- b. Finance, Audit and Risk Management (“**FARM**”) Committee, consisting of five (5) directors;
- c. Stakeholder Relations Committee, consisting of four (4) directors.

RESOLVED FURTHER, that the foregoing Committees shall have the powers and duties set forth in the Mandates of the Committees presented to the meeting and in the Board Committee Directive presented to the meeting, which forms part of the Mandate of each Committee.

RESOLVED FURTHER, that such Committees shall consist of the following persons:

- | | |
|-------------------------------------|--|
| a. Chairs Committee: | Janet Rieksts-Alderman, Sevaun Palvetzian, Mazyar Mortazavi, Helen Burstyn and Susie Henderson |
| b. FARM Committee: | Janet Rieksts-Alderman, Jeanhy Shim, Julie Di Lorenzo, Denzil Minnan-Wong and Susie Henderson |
| c. Stakeholder Relations Committee: | Sevaun Palvetzian, Jeanhy Shim, Meric Gertler and Mohamed Dhanani |

RESOLVED FURTHER, that the following persons are hereby appointed Chair, or Co-Chairs, of such Committees:

- a. Chairs Committee: Helen Burstyn
- b. FARM Committee: Janet Rieksts-Alderman
- c. Stakeholder Relations Committee: Sevaun Palvetzian

ii. Board Calendar

The Board was provided with a current version of the Board Calendar of Board and Committee meetings for the year. It was noted that, with the restructuring of the Board Committees, there will be further changes to the calendar and the Board asked that the calendar remain fixed as much as possible to enable directors to allow space in their calendars for attendance.

iii. Human Resources Review Process

Helen Burstyn noted that the Chairs Committee is in the process of undertaking two human resource related matters. The first is the performance evaluation of the Chief Executive

Officer which is always a function of the Board of Directors. This year the Board will undertake both a 360 degree performance review and a third party compensation benchmarking review for the CEO. The Board will be kept advised as this process progresses. The second aspect is the benchmarking of the Corporation's salary grade levels which Janet Rieksts-Alderman is overseeing. The salary grades for the Corporation have been frozen since 2010 under provincial legislation. The current benchmarking exercise will compare the existing salary grade levels with the current market levels. The results of the benchmarking and any recommendations will be reported to the Chairs Committee and then to the Board at its June 28 meeting.

iv. Conflict of Interest Policy & Procedures

Helen Burstyn noted that the review of the Corporation's Conflict of Interest Procedures remains ongoing as set out in the materials in the Board Book.

v. Director and Officer Indemnification and Insurance

Janet Rieksts-Alderman noted that the review of the Corporation's indemnification contracts for officers is being revised and that, in light of the major projects the Corporation is embarking on, the directors and officers insurance program is also being reviewed as discussed in the materials in the Board Book.

v. Board Communications with Government Stakeholders

Helen Burstyn noted the memorandum in the meeting materials concerning communications with governments and suggested that it is a good practice for the Board to obtain briefing with up to date information from management in advance of discussions with governments on specific issues.

b) Finance, Audit and Risk Management Committee

Susie Henderson, Chair of the Finance, Audit and Risk Management Committee, advised that the Committee had met on January 25 and on March 8, 2018 and that the Committee was recommending two items for approval by the Board at this meeting: Capital Approval for Port Lands Flood Protection & Enabling Infrastructure Soft Costs and the Interim Financial Statements for the Corporation for the period ended December 31, 2017.

i. Capital Approval for Port Lands Flood Protection & Enabling Infrastructure Soft Costs

David Kusturin provided a presentation which is included in the materials in the Board Book which provides the details of this request for capital approval. The request is for approval of \$198.5 million for soft costs for the project as detailed in the presentation. Mr. Kusturin noted that the request is consistent with the soft costs that were included in the due diligence report for the project. It was noted that the quantum and the approach for estimating the soft costs for the project had recently been reviewed by the project risk management consultant, HDR, and the Portlands Flood Protection Executive Steering Committee and found to be satisfactory.

There was discussion and questions posed by the Board to Mr. Kusturin and Management regarding the capital approval request. Management advised that the process to monitor the progress going forward is as follows: (i) after capital approval is granted, the Corporation will be able to enter into contracts for the soft cost work. Those contracts will include standard termination for convenience provisions in favor of Waterfront Toronto and will be conditional on

funding from governments in the tripartite contribution agreement that is being negotiated; (ii) on a quarterly basis, Management will report to the Committee on the status of contractual commitments, costs, risks and revised forecasts; (iii) when the project has reached 30% design completion, Management will report on the updated budget risks, schedule and contingency and begin to submit for capital approval to the Board for construction costs for the project. This is a standard industry best practice approach for budget approval for civil works projects; (iv) construction costs will be re-estimated at 60% and then 90% design completion and confirmed through competitive tender; (v) if it ever becomes the case that the forecast project costs will exceed the committed funding, the project team will work with consultants to bring the project back into line with funding. Members of the Board expressed the importance to our government stakeholders that the project be delivered within the funding that has committed.

Mr. Kusturin was asked what proportion of the overall project was represented by the soft costs and how that compared to industry benchmarks. He advised that the \$198.5 million requested for soft costs for this project represented approximately 17% of the project budget overall which compares with an overall benchmark of between 15-20%. In addition, Mr. Kusturin noted that the soft costs are calculated at the individual contract level.

At the end of the discussion, **ON MOTION** duly made by Susie Henderson, seconded by Janet Rieksts-Alderman and carried, it was **RESOLVED** that the Board of Directors approves the Capital Investment of \$198.5 million to allow for the commitment of project management, design and engineering, cost consulting, risk management, permits and approvals and ancillary soft costs related to the Port Lands Flood Protection & Enabling Infrastructure Project. This approval is granted subject to the execution of a master contribution agreement in the amount of \$1.185 billion between the Government of Canada, the Province of Ontario, the City of Toronto and Waterfront Toronto. Julie Di Lorenzo voted in opposition to the motion and Denzil Minnan-Wong abstained from voting on the motion. Ms. Di Lorenzo also requested that Management provide the Board of Directors with a copy of the cash flows for the soft costs and Management agreed to provide this information to the Board of Directors.

ii. Interim Financial Statements for the period ended December 31, 2017

Susie Henderson next presented the interim financial statements for the period ended December 31, 2017 to the meeting and asked if there were any questions on the statements. These statements are included in the materials in the Board Book for the meeting. There being no questions, **ON MOTION** duly made by Steve Diamond, seconded by Jeanhy Shim and carried, it was **RESOLVED** that the interim financial statements for the period ended December 31, 2017 were unanimously approved.

iii. Enterprise Risk Management Audit

Ms. Henderson then presented the topic of the Enterprise Risk Management Audit that is being undertaken by MNP for information purposes. The Board posed and Management responded to questions concerning the areas that the audit will focus on in the upcoming fiscal year and in particular whether procurement should be a focus of the audit in the coming year. The Board was advised that procurement will be reviewed in the audit for the next fiscal year (2019-2020).

iv. 5 Year Strategic Plan

Ms. Henderson referred to the planning work that has begun to develop the next 5 year plan for the corporation that is referred to in the materials in the Board Book.

v. Update on Enterprise Resource Planning

Ms. Henderson referred to the report on this matter that is included in the materials in the Board Book and noted the adjustment of several project milestones.

c) **Quayside Committee**

Mazyar Mortazavi, one of the Committee Co-Chairs, invited Meg Davis to introduce Michael Bernstein and the representatives of McCarthy Tetrault to the Board. Mr. Bernstein is a former investment banker and CEO of Capstone Infrastructure Corporation and is working with the Corporation as part of the Quayside transaction team. Ms. Davis advised the meeting that McCarthy Tetrault had been retained to provide legal services to the Corporation for the next phase of discussions on the Quayside project with Sidewalk Labs LLC. She introduced Godyne Sibay, George Takach and Bram Costin who will be part of the McCarthy Tetrault service delivery team.

Mr. Mortazavi noted that the Quayside Committee had been working closely with Management over the last several months in productive conversations.

i. Protocol for Briefing Governments

The proposed Protocol for Briefing Governments, which was approved with a recommendation for approval by the Board by the Quayside Committee at its January 17, 2018 Committee meeting, was discussed. The Protocol requires that, once key agreements are in a form that is satisfactory to the Quayside Committee that they then be provided to governments for comment before being presented to the Board.

In response to questions from the Board, it was noted that there is a definition of key agreements in the Protocol and that the definition allows for inclusion of other material agreements as key agreements as determined by the Quayside Committee.

Following the discussion and questions, **ON MOTION** duly made by Meric Gertler, seconded by Mazyar Mortazavi and carried, it was **RESOLVED** that the Protocol for Briefing Governments was approved as presented to the Board.

Items ii. Project Governance, iii. Digital Strategy Advisory Panel and iv. Public Engagement Plan, being items for information for the Board, were not discussed in the meeting.

12. Motion to go into Closed Session

In accordance with Sections 6.1(1)(l)1 and 6.1(1)(b) of By-Law No.2 of the Corporation and **ON MOTION** made Mazyar Mortazavi, seconded by Susie Henderson and carried, the Board **RESOLVED** to go into Closed Session. The closed session discussions were to involve both a position, plan, procedure, criteria or instruction to be applied to negotiations carried on or to be carried on by or on behalf of the Corporation and to discuss personal matters

about an identifiable individual, including employees of the Corporation. The Chair requested members of the public to leave the meeting.

13. Committee Chair Reports (continued)

- a) Quayside Committee (continued)
 - i. Update on Plan Development Agreement and Master Innovation and Development Plan

14. Closed Session Discussion

- Human Resources Update

15. Motion to go into Open Session

The Closed Session discussion having concluded, **ON MOTION** made, seconded and carried, the Board **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.

16. Resolutions Arising from the Closed Session

There were no resolutions arising from the Closed Session.

17. Adjournment of the Meeting

There being no further business, **ON MOTION** made, seconded and carried, it was **RESOLVED** that the meeting be adjourned at 12:40 p.m. local time.

Chairman

Secretary of the Meeting

The CEO Report is organized under the following headings to help ensure maximum relevance for the Board:

- What the Board should accomplish at the May 10th board meeting
- What has been accomplished at Waterfront Toronto (WT) since the last board meeting
- A scan of key work underway

What the Board should accomplish at the May 10th meeting:

- Approval the consolidation of the Quayside and IREC Committees into the Investment, Real Estate and Quayside Committee (IREQ); and the form of agreement to indemnify directors, certain officers, and panel members.
- Approval of the Port Lands Flood Protection Project Soft Cost Capital Request that will allow management to enter commitments of up to \$198.5 million for soft costs such as project management, design and engineering, cost consulting, risk management, permits and approvals and ancillary soft costs related to the Project. Reviewed and approved by FARM with conditions on March 8th. See Appendix 1 for details.
- Approval of the restructuring of board committees which is intended to position WT to fulfill its 2018/2019 corporate plan and 5-year strategic plan. Reviewed by Chairs Committee on February 20th and March 12th.

What has been accomplished at WT since the last board meeting:

Port Lands Flood Protection

Funding: Management has successfully negotiated the \$1.185 billion funding agreement with the three levels of government for the Port Lands Flood Protection and Enabling Infrastructure project. This agreement has now been executed by all governments.

Infrastructure: Management has completed the negotiation, procurement and award of contracts for design, engineering, construction management, cost consulting, third-party program management and miscellaneous consulting services to advance schematic design work for all project components. Following execution of the Contribution Agreement, all contracts will be fully enabled to allow the team to proceed with the balance of design work in accordance with the Soft Cost Capital Approval granted by the Board on March 29, 2018.

The Baseline Master Project Schedule has been finalized by Ellis Don and circulated to the project team. Progress against the Baseline Master Project Schedule will be updated on a monthly basis.

The Project Risk register has been updated following a two-day workshop involving the project team and key stakeholders. An updated risk report will be presented to FARM Committee following the delivery of the consultant's 30% design package in May, with updated cost estimates following the 30% design submission.

Design is approaching 25% completion at this time and each major consulting team has commenced the cost estimation process for their respective components. Waterfront Toronto, with the support of Altus and EllisDon are reviewing initial design work and budgets for compliance with funding allocations and will adjust design if required to maintain the budget.

The preliminary earthworks (shallow excavation), site clearing, and demolition are scheduled to start in early July subject to obtaining Board of Directors Capital Approval for that work.

The Cherry Street Lake filling project is approximately 30% complete. The core stone perimeter berm is 70% complete, the internal confinement berm is 100% complete and lake-filling and dock wall work at North of Essroc Quay will commence in May 2018.

As we have done for previous major projects, we are developing a dedicated project website for Port Lands Flood Protection. The website will be a resource for members of the public and project stakeholders. It will include up-to-date information on design and construction and provide intuitive ways to get involved in the project or provide us with feedback.

We will also be creating the Construction Liaison Committee, a forum for residents, businesses, land owners and other special sector groups in the vicinity of the project area to discuss issues related to the construction of the flood protection infrastructure. Membership has been identified in consultation with CreateTO, City staff and the local Councillor.

In terms of further communications on the Port Lands flood protection project, attached is a link which describes the construction at Essroc Quay (https://www.youtube.com/watch?v=C0q_Wvn91zE). It explains how lakefilling will create new land around Essroc Quay to make room to realign Cherry Street and build a new Cherry Street Bridge over the Keating Channel and better manage stormwater and avoid flooding during major storms. It discusses the creation of new fish habitats in two coves along the new shoreline and how the work is part of Port Lands Flood Protection, a seven-year project that will protect 240 hectares of land on the eastern waterfront from flooding. More project information is offered at <https://bit.ly/2KjREzv>.

Human Resources

Staff Recruitment: Waterfront Toronto's current staff complement is 81 full time and contract employees, reflecting the recruitment and on-boarding of 19.5 new budgeted positions within in the last seven months.

The recruitment process is underway for an additional 14 new budgeted positions. Recruitment is actively underway for the COO position – the executive search firm is on board.

The VP of Strategic Communications position has been filled – Cameron Mackay joined the team in mid-April.

The Quayside team is completing its evaluation for what additional resources will be necessary in order to undertake the MIDP work -- following adoption of the PDA.

Organizational Change Management Support

Until a Chief Operating Officer is hired, management has engaged the services of MNP LLP to provide change management support to the Corporation. This support is focused on ensuring that Waterfront Toronto can successfully implement on the high priority internal projects over the coming six to nine months-- such as ERP implementation, , HR onboarding and integration, Program Management Office, supporting Peer Review and Digital Policy Panels, Enterprise Content Management-- while at the same time successfully delivering on its two large and complex projects Port Lands Flood Protection and Quayside.

MNP LLP are also the Corporation's internal auditors. As reviewed with the FARM Chair, both Waterfront Toronto and MNP LLP believe that MNP's role in assisting our change management initiatives impacts MNP's independence vis a vis their two-year internal audit plan which begins this year. To be clear, MNP will not audit their own work efforts. To the extent that their independence may be perceived to be compromised for any future audits, the Corporation – through the FARM Committee - has the option to select another qualified internal audit firm from its vendor of record.

5 Year Strategic Business Plan

The Request for Proposal for third party professionals to support and facilitate management and the Board in the development of our 5 Year Strategic Business Plan has closed and is currently being evaluated. Management expects to have a qualified firm on board within the next two weeks.

Enterprise Risk Management Process and Risk Register

We have completed an independent peer review of the Corporation's enterprise risk management process. Subsequently, the FARM Committee approved a two-year internal audit plan based on the corporate risk register.

Organizational Enhancements

Corporate Program Management Office (CPMO) – Organizational structuring, staffing recruitment and governance processes are in the final stages of completion. Remaining work is in progress including the establishment of Capital Peer Review Panel, on target to be completed in Q2 2018 and in line with reviews required for flood protection stage gate approvals.

Quayside Update – see separate Board item

First Nations Engagement

On April 16th, WT along with all orders of government met with Chief Laforme and many councilors of the Mississaugas of the New Credit First Nation (MNFCN). At that meeting the

Province of Ontario officially delegated the procedural aspects of their duty to consult to WT for the Port Lands Flood Protection Project (PLFP).

In addition, there was discussion about how to more deeply engage MNFCN in several aspects of PLFP. It was agreed that WT and MNFCN would enter into an MOU to formalize the relationship and outline more clearly the opportunities for additional engagement on the flood protection project including the potential to incorporate cultural components into the parks and public realm design aspects of the project. WT is already moving forward to enter into a contract with MNCFN to engage their own environmental and archaeological monitors for the project.

Communications & Engagement

Refreshed Narrative

The development of the refreshed corporate narrative and associated communications materials have been prepared in draft. While final deliverables will be reviewed by the Board Stakeholder Committee and then formally brought to the Board, below is a summary of the refreshed narrative. The Board has recently received the “60 second elevator” pitch that has come out of the refreshed narrative work for its use.

It is important to note that the work to refresh the narrative began before the onboarding of Sidewalk Labs and was a response to the corporation’s shift to Waterfront Toronto 2.0 - - that is, moving away from project based communications that largely characterized our communications approach previously (“relentless implementation”) towards a focus on Waterfront Toronto as an agency working as public stewards of waterfront lands and tackling urban issues via smart city building on the waterfront for the larger benefit of the city/province and country.

Our narrative goals were to:

- Clarify who we are (internally and externally)
- Signal a shift in our scale of ambition
- Deepen support amongst core audiences
- Build up broader awareness and enjoyment of the waterfront
- Communicate a shared vision with consistency
- Get more focused about who are audiences are

The draft narrative that focusses on Waterfront Toronto as an agency that:

- Is building a waterfront that belongs to everyone
- Is doing so with expanded ambition and precedent-setting innovation
- Is tackling important city building issues
- Is unwavering in its commitment to public good and is a Problem solver with a proven track record.

As we bring on our external Pr/Gr and communications resources, the above may be further refined and customized to address audience-specific communications.

Bentway

On April 3rd, Waterfront Toronto together with the Bentway Conservancy hosted a Stakeholder Advisory Committee meeting which was required as a condition of the Environmental Assessment approval for the project. Pursuant to the Ministry of Environment and Climate Change's acceptance of the Environmental Assessment, the Bentway Conservancy Board has determined to proceed with the pedestrian bridge over Fort York Blvd. This will link the east and west ends of the Bentway project. We are working with the Bentway to determine the requirements for implementation.

Gardiner Public Realm Project

As part of the design process we meet regularly with a small focused community group that includes local residents and broader city interest groups as well as local community groups to ensure all are up to date on the work of the project.

Metrolinx Union Station Rail Corridor East Expansion

Waterfront Toronto continues to coordinate with Metrolinx about their work to implement the Regional Express Rail including the construction of new rail tracks to the east of Union Station which requires the extension of the underpasses at Jarvis, Sherbourne, Parliament and Cherry Streets – and the larger issue of the impact on the north south connections between the City and the waterfront. Metrolinx is undertaking a TPAP (EA process for Transit) which they officially commenced on April 19, 2018 and is scheduled to be filed for public review on August 17, 2018.

West Don Lands Development (WDL)

- Our development partner, Urban Capital, has started construction on their fourth and final phase of the River City project, Harris Square.
- Dundee Kilmer has commenced construction on Block 16, located on the north side of Front St. between Tannery Rd. and Rolling Mills Rd.
- Dundee Kilmer will be returning to DRP for their final presentation for Block 12 in June 2018. The project launched in October and has experienced very strong sales activity.
- Waterfront Toronto executed a Development Agreement with Rekai (in partnership with Options for Homes) for Block 5w, located on the north-west corner of Front and Cherry Streets.
- Waterfront Toronto is also negotiating a Development Agreement with Anishnawbe Health Toronto and Dream Kilmer for Block 10, located on the south-east corner of Front and Cherry Streets. We are projecting to have executed once AHT and their development partner finalize their partnership agreement. Workshop meetings with City Planning have commenced and will be ongoing.
- For Block 9, Waterfront Toronto negotiated with IO and TDSB the requirement for a WT Development Agreement be included in the APS between the two parties.

East Bayfront Development (EBF)

- The Aquabella transaction closed on December 12, 2017. Waterfront Toronto received a \$1.5Mil closing payment. Shoring and excavation on the site began in February 2018.
- Waterfront Toronto procured a Fit-Out Architect for the future City-owned and operated child care centre located within the Aquabella building. The Fit Out Architect is expected to start in May 2018.
- Hines / Tridel presented Aquabella (construction documents) to DRP in March 2018
- Aqualina, Bayside's first mixed-use development was registered as a condominium corporation in February. This is the first registered condominium in East Bayfront. Waterfront Toronto received the land purchase payment for Aqualina in April.
- Waterfront Toronto and our development partner, Hines / Tridel, are finalizing the transaction agreements for the A1 and A2 sites. The intent is to include a City-owned and operated Community Recreation Centre within the proposed mixed-use development. Waterfront Toronto, City Staff and our development partner are in discussions to formalize the Community Centre transaction and delivery approach.

York and Rees Park Design

- We hosted a successful public meeting with approximately 200 people in attendance on January 22, 2018. A focused roundtable was held on March 26, 2018 to discuss innovative park programming. Two pop-up events were held in the lobbies of adjacent office buildings and one at the local community centre focused on engaging office workers and youth and an inaugural Stakeholder Meeting was held on May 1, 2018 to review the content of the Competition Brief before its release to the short-listed teams.

Jack Layton Ferry Terminal

- Waterfront Toronto has maintained consistent communication with local residents through ongoing monthly construction updates. A special update to both the local community and the Stakeholder Advisory Committee is being planned to advise of changes to the construction schedule.

Waterfront Innovation Centre (WIC)

- Menkes is finalizing lease negotiations with a potential anchor tenant. Menkes, Waterfront Toronto and City staff continue to work through remaining items associated with executing final transaction agreements.
- Menkes will be presenting to the DRP next in May and has submitted a site plan application to the City.
- We are in discussions with Menkes to plan a Menkes, WT, tenant announcement in June (tbc) reinforcing the development as an important addition to the expanding waterfront innovation corridor and profiling the potential of the development as an economic development catalyst.

Port Lands Planning Framework/Villiers Island Precinct Plan/Transportation and Servicing Master Plan Environmental Assessment

- Waterfront Toronto and the City of Toronto have completed the Port Lands Planning Framework and the Villiers Island Precinct Plan including corresponding Official Plan Modification policy to amend the Central Waterfront Secondary Plan. An overview of the process and summaries of the Framework Plan have been prepared and previously identified to the Board. They are located in the Board Portal.
- The reports went before City Council on December 7, 2017 and obtained Council endorsement. Along with these documents, Council endorsed a number of next steps which are starting to commence. These include the following:
 - A zoning review for the Port and Industrial Districts;
 - A Precinct Plan for the McCleary District including urban design guidelines;
 - A Business and Implementation Plan for the Port Lands which includes a robust strategy for implementing development; and
 - Reports and studies required to support development approval applications including re-zonings and plans of subdivision for Villiers Island.

York St. and Rees St. Parks Design Competition

The RFQ for the design of York St. and Rees St. Parks closed on April 10th with a tremendous response from local and international firms. Short-listed firms will be announced on May 10th and design proposals will be exhibited online and at City Hall in early July, when feedback will be welcome. The successful proposals will be announced in early August.

Jack Layton Ferry Terminal Phase 1A

Construction of the Jack Layton Ferry Terminal Phase 1A has been delayed due to weather conditions and onsite unknowns. Following last year's flooding and closure of the Toronto Islands, the priority for 2018 is to ensure the ferry terminal has uninterrupted access to the Toronto Island Park for large crowds starting May 11, 2018. To accommodate this, the construction crew will demobilize in early May after completing the southern portion of the promenade only. Contractors will re-mobilize on site in October 2018 to complete the remaining Phase 1A work once the high-traffic season is over.

Waterfront Toronto and the City of Toronto Parks, Forestry and Recreation are working collaboratively to ensure that the schedule around the promenade work is clearly communicated to the community.

The Bentway

The Bentway construction project continues to progress toward a summer completion of Phase 1 works. Work continues at Strachan Gate, with the tie in to the City sidewalk complete and wood deck installation nearing completion. Exterior cladding is being installed on the skating building, and interior work is complete. The contractor continues to coordinate with the Conservancy as their summer programming begins with the Contact Photography festival.

The Conservancy, along with City staff and the local Councilors, continue to work towards securing funding for Phase II of the project, including the pedestrian bridge crossing Fort York Boulevard, as well as the extension of the skating trail to Bathurst Street.

Waterfront Transit Reset

WT continues to work collaboratively with the City and TTC to scope and retain a consultant for a focused feasibility study of both an LRT and an automated funicular option for connection below grade between Union Station and Queens Quay. The plan remains to report back to Council in second quarter of 2019 or sooner.

Gardiner Public Realm & Lake Shore Boulevard

The design team of Dillon / West 8 has further advanced the design of the south side of Lake Shore Boulevard and submitted 60% Design Development drawings to the City for review and held a Technical Advisory Committee meeting. They are in the process of further developing the design of the intersections and refinement of the Corridor Vision design elements, in consultation with the appropriate City Staff. The team has also submitted a draft Implementation Plan to Waterfront Secretariat, which will be included into a City Council Report in May.

Waterfront Toronto Design Review Panel Update

Since the last Board meeting, WT Design Review Panel reviewed the following projects:

- York Street Park and Rees Street Park – Issues Identification
- West Don Lands Block 12 – Detailed Design
- The Waterfront Innovation Centre – Detailed Design
- West Don Lands Block 10: Anishnawbe Health Toronto and Dream Kilmer – Issues Identification
- Port Lands Flood Protection: River Valley and Parks Design – Schematic Design
- Bayside: C1 – Issues Identification
- Gardiner Public Realm – Schematic Design
- Port Lands Flood Protection: Roads and Municipal Infrastructure – Issues Identification
- Port Lands Flood Protection: Bridges – Issues Identification

A more detailed report of the Panel's work in the appendix to the CEO report below.

Health and Safety

A non-injury incident was reported on Mon April 30 involving a WT consultant staff member on the Port Lands site.

APPENDIX

Waterfront Toronto Design Review Panel Update

PROJECT: **Bayside – Aquabella**
DATE REVIEWED: March 21, 2018
DESIGN TEAM: 3XN Architects
REVIEW STAGE: Construction Documents
VOTE: Full Support



PROJECT DESCRIPTION:

Aquabella is the third mixed-use residential building to be developed in Bayside. The building program is primarily residential with retail at-grade and a child daycare at-grade and on the mezzanine level. This was the project's fourth time presenting to the Panel.

PANEL CONSENSUS COMMENTS:

- Ensure that the winter plantings on the terrace have a maintenance regime that is well executed. Consider adding more plant species that have winter qualities.
- Successful execution of the balcony details is critical to the success of the building
- Getting 50% thermal breaks is an excellent advance. More work needs to be done on the Waterfront Toronto side with setting aggressive sustainability standards

PROJECT: **545 Lake Shore Boulevard West**
DATE REVIEWED: March 21, 2018
DESIGN TEAM: Sweeny&Co, Graziani+Corozza Architects
York Street Park and Rees Street Park – Issues Identification
VOTE: Conditional Support



PROJECT DESCRIPTION:

545 Lake Shore Boulevard is a proposed mixed-use residential development located on a 1.8-acre site, occupying the south-east corner of Bathurst and Lake Shore Boulevard West. The existing building on site is a listed heritage property by the City's Heritage Preservation Services (Crosse and Blackwell 1927). This was the project's first time presenting to the Panel for Issues Identification.

PANEL CONSENSUS COMMENTS:

- Consider how this project fits into the Bathurst Quay Neighbourhood Plan
- Get this building "right" as it is the last empty site on Queens Quay West
- The heritage hexagon piece of the building at the north-east corner of the site should be the main entrance to the complex
- Respect the 25-meter tower separation and the building datum along Queens Quay
- The façade along Queens Quay should be powerful and animated. This is an opportunity to bring life to the Queens Quay frontage.
- It is important to design good street edges. Consider reprioritising all the entrances

- Investigate the public market proposal further to determine the viability of the proposed size, and how many people will cross Lake Shore to get there. Bring the results of the activation analysis to the next review

PROJECT: 30 Bay Street

DATE REVIEWED: April 18, 2018

DESIGN TEAM: Rogers Stirk Harbour and Partners

Port Lands Flood Protection: River Valley and Parks

Design – Schematic Design

VOTE: Conditional Support



PROJECT DESCRIPTION:

30 Bay Street is a proposed commercial building that will add over 134,000 square meters (1.4 million square feet) of Class A office space to the South Core neighbourhood. The proposed redevelopment of the Site will conserve and integrate the Harbour Commission Building in situ as part of the development program. A direct connection to the City's PATH network is included on the building's west side to facilitate pedestrian linkages to nearby public transit. This is the project's first time presenting to the Panel for Issues Identification.

PANEL CONSENSUS COMMENTS:

- The Panel appreciated the level of sophistication and thought that went into the development of the design
- Supportive of the heritage approach. The relationship and integration of the heritage building is handled very well.
- Push the elegant simplicity of the proposal by making the fundamental pieces clear, legible, and strong.
- The public realm needs to acknowledge the importance of Bay Street as a major pedestrian gateway to the waterfront.
- The water feature on Harbour Street is not convincing as a public engagement component in its current condition. Consider Harbour Street as an active frontage to the lobby.
- The podium generated different responses in terms of its relationship to the heritage building. Consider a singular expression of the podium instead of the stacked volumes approach.
- Ensure the sustainability strategy is robust and will carry through the value engineering, particularly the triple-glazed curtain wall and automated blinds.
- The ground floor space should participate more in the activation of Bay Street, through things such as a more porous façade and more interior programming.
- Supportive of the simple and straightforward termination of the PATH at the heritage building.
- Context plan - extend the site context analysis to include a wider radius.

PROJECT: Port Lands Flood Protection – River and Parks

DATE REVIEWED: April 18, 2018

DESIGN TEAM: MVVA

Gardiner Public Realm – Schematic Design

VOTE: 6 Full Support 4 Conditional Support



PROJECT DESCRIPTION:

As part of providing flood protection, the creation of the river mouth will result in an ecologically sustainable valley system lined by a series of public spaces. The team is undertaking the design of the river valley and associated flood protection elements, as well as the adjacent river parks; this will include site-wide grading, armouring and hydraulic validation.

CONSENSUS COMMENTS:

- The multi-use recreation trail's location in the park space will likely create conflict between users. Further consideration is needed on whether the trail should be shared multi-modal or not.
- There needs to be a good balance between the constructed nature of the park and the landscape. Reconsider the number of paths proposed near the greatest habitat areas.
- Integrating the industrial heritage and city into the park is important and this piece has been lost too much. Work with Waterfront Toronto to reconsider how much of MT35 should remain or be commemorated.

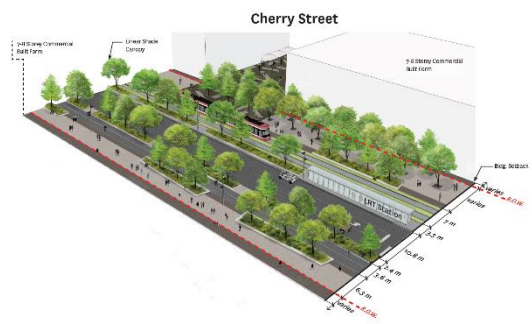
PROJECT: Port Lands Flood Protection – Roads and Municipal Infrastructure

DATE REVIEWED: April 18, 2018

DESIGN TEAM: WSP + DTAH

REVIEW STAGE: Schematic Design

VOTE: Conditional Support



PROJECT DESCRIPTION:

Constructing new streets along with associated municipal infrastructure is required as part of the flood protection project to maintain connectivity. While fulfilling important functional requirements, the new streets, Cherry Street, Commissioners Street and the Don Roadway should complement and contribute to the unique identity of the Port Lands and the planned aspirations of the future Villiers Island Precinct. These new streets are designed as a family – relating to each other in terms of their design features – while each will also respond to its unique functional requirements and location within the precinct.

CONSENSUS COMMENTS:

- Think about the opportunity to economize with the streets by minimizing some of the plantings to integrate larger development parcels, give more space to the park or just make the street easier to cross.
- Ensure that the plan is forward thinking in terms of where the traffic will naturally go and where car parking will be accommodated during the transition pieces.
- Ensure pedestrians are brought forward with as much thought as vehicles and cyclists.

PROJECT: Port Lands Flood Protection – Bridges

DATE REVIEWED: April 18, 2018

DESIGN TEAM: Entuitive with Grimshaw + SBP

REVIEW STAGE: Schematic Design

VOTE: Conditional Support



PROJECT DESCRIPTION:

Constructing three new bridges, at Cherry Street

North, Cherry Street South and Commissioners Street will be required to maintain connectivity as part of the flood protection project. The three bridges should simultaneously complement the unique aesthetic and topographic characters of the public spaces along the river valley and frame the stunning, iconic view of the city looking towards the Port Lands and mouth of the Don River. The three bridges should be designed as a family, relating to each other in terms of their design features and language.

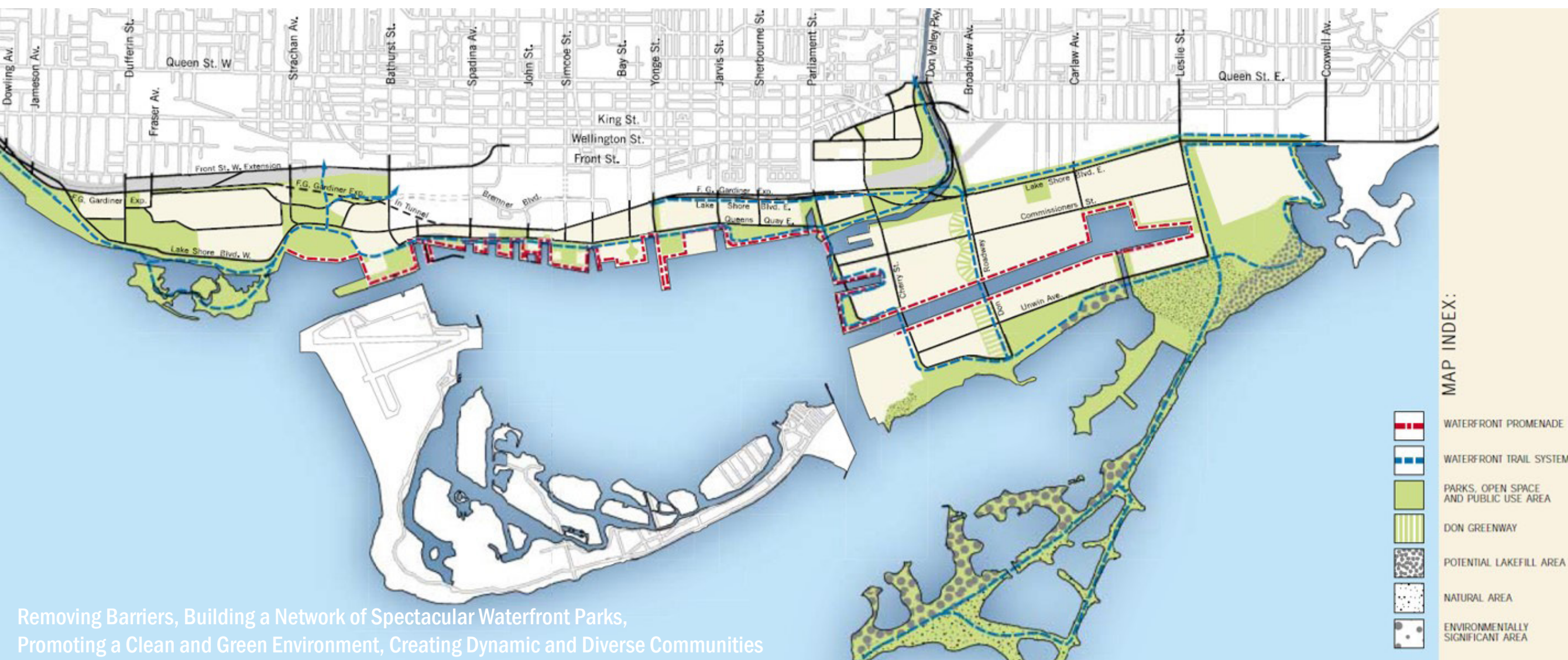
CONSENSUS COMMENTS:

- Appreciate the form, thinness and advancement of the design since the last review.
- Focus on bringing rigour to the patterning, views, and experience of the landscape and river.
- There was concern over the bridges feeling more closed than open.
- The colour is an important element. Bring colour options to the next review.
- Consider how light poles and overhead streetcar wires will affect the appearance of the bridges.
- Think about incorporating asymmetry into the design.

Description/Agenda Item	Making Toronto a Top Ten Global Waterfront
Purpose	For Information Purposes
Key Message	This presentation provides a review of the attributes of great waterfronts from cities around the globe and how they may inform the revitalization of Toronto's waterfront.
Areas of note/ Key issues	The materials that follow are summary slides of a presentation that will be presented to the meeting by Chris Glaisek. The full slide deck of Mr. Glaisek's entire presentation can be found in the Appendix to the Board Book for this meeting.
Expected Outcome	Not applicable.
Key Takeaways/ Next Steps	Not Applicable

Making Toronto a Top Ten Global Waterfront

The Early Vision



Removing Barriers, Building a Network of Spectacular Waterfront Parks,
Promoting a Clean and Green Environment, Creating Dynamic and Diverse Communities

Central Waterfront Secondary Plan (2003)

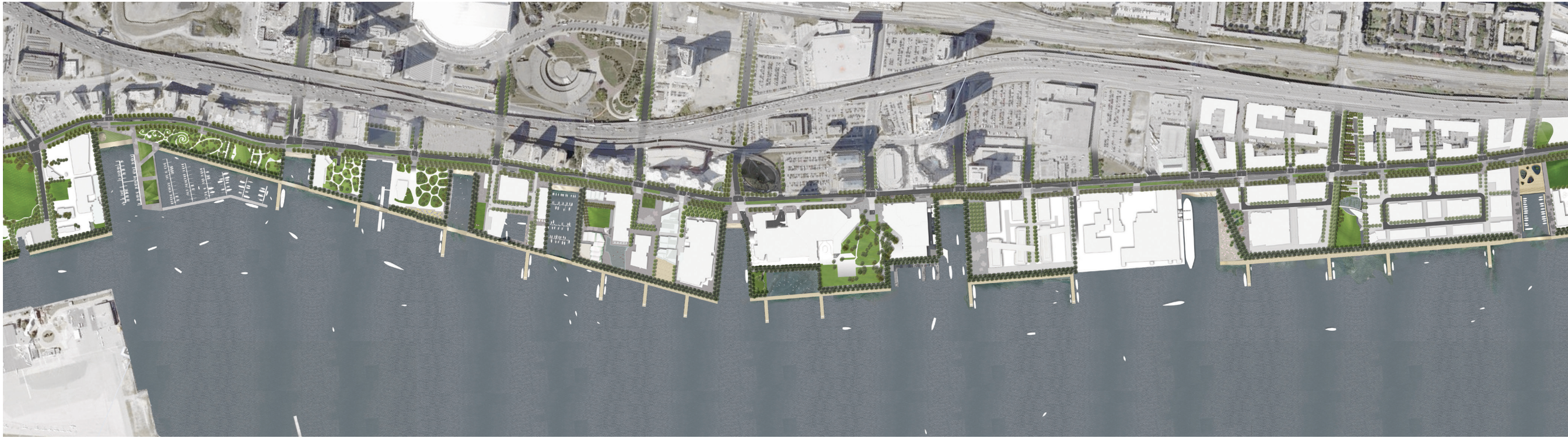
2003 Cities Tour

1. The cities visited and assessed:

New York	London	Paris
Sydney	Berlin	Barcelona
Boston	San Francisco	Melbourne
Montreal	Hamburg	Vancouver

2. Five Best Practice Categories

- Precinct Planning / the Development Framework
- Public Realm Design
- Building Form / Prescriptivity
- The Public Wateredge
- Water Utilization



Central Waterfront Implementation Master Plan (West8)



- LEGEND**
- WOODED PROSPECT
 - PASSIVE USE LAWN
 - MULTI-USE RECREATION
 - ESPLANADE
 - PLAYGROUND
 - PUBLIC GARDEN
 - EVENT SPACE
 - WATER ACCESS
 - HERITAGE STRUCTURE
-
- LRT LRT STOP
 - B BICYCLE TRAIL
 - S SCHOOL
 - D DAYCARE
 - C CULTURAL USES
 - L LIBRARY
 - SC SPECIAL COMMERCIAL
 - CC COMMUNITY CENTRE
 - SC SPORTS CENTRE
 - NMBL NON-MOTORIZED PUBLIC BOAT LAUNCH
 - SB SMALL BOATING
 - PB PARTY BOATS
 - CS COURT SPORTS

SPADINA WADECK



HTO PARK



IRELAND PARK



SUGAR BEACH



QUEENS QUAY



JUNE CALLWOOD PARK



SHERBOURNE COMMON



CORKTOWN COMMON



CANOE LANDING



Top Ten Waterfronts Review

Top Ten Global Urban Waterfronts

TOP TEN GLOBAL URBAN WATERFRONTS



Best Coastal Cities in the World
Based on quality of life

- 1. Auckland, NZ
- 2. Barcelona, ES
- 3. Vancouver, CA
- 4. Copenhagen, DK
- 5. Singapore
- 6. Chicago, US
- 7. Sydney, AU
- 8. San Francisco, US
- 9. Tokyo, JP
- 10. New York City, US
- 11. Dublin, IE
- 12. Hong Kong, CN
- 13. Helsinki, FI
- 14. Los Angeles, US
- 15. Lisbon, PT



World's Best Waterfront Cities
Based on popularity

- 1. Venice, IT
- 2. Bergen, NO
- 3. Amsterdam, NL
- 4. Sydney, AU
- 5. San Francisco, US
- 6. Brighton, UK
- 7. Stockholm, SE
- 8. Hong Kong, CN
- 9. Baltimore, US
- 10. Vancouver, CA
- 11. San Sebastian, ES
- 12. Lisbon, PT
- 13. Rio de Janeiro, BR
- 14. New Orleans, US
- 15. Cape Town, ZA



Great Waterfronts of the World
Based on urban design

- 1. Stockholm, SE
- 2. Venice, IT
- 3. Helsinki, FI
- 4. San Sebastian, ES
- 5. Sydney, AU
- 6. Hamburg, DE
- 7*. Baltimore, US
- 7*. Chicago, US
- 7*. Montreal, CA
- 7*. Nice, FR
- 7*. Porto, PT
- 7*. Rio de Janeiro, BR
- 7*. San Francisco, US

Top Ten Global Urban Waterfronts

TOP TEN GLOBAL URBAN WATERFRONTS



Best Coastal Cities in the World
Based on quality of life

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Lower-ranked duplicates greyed out



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* Cities weighted equally

Top Ten Global Urban Waterfronts

TOP TEN GLOBAL URBAN WATERFRONTS



Best Coastal Cities in the World
Based on quality of life

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- 15. Cape Town, ZA

Yokohama, JP



Great Waterfronts of the World
Based on urban design

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- 7*. San Francisco, US

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Cities seleted by DRP

* Cities weighted equally


Top Ten Global Urban Waterfronts



Attributes

Physical Form	 Scenic Recognizability	 Historic Fabric	 Inland Waterways	 Bridge Network	 Streetscape Character	 Architectural Icon	 Design Excellence	 Iconic Boulevard
Water Activities	 Cruise Ships	 Recreational Boating	 Harbour Tours	 Historic Ships	 Bathing / Swimming	 Large Marina	 Ferry System	
Land Activities	 Continuous Promenade	 Destination Park	 Cultural Anchor	 Shopping Destination	 Waterfront Dining	 Cultural Programming	 Urban Beach	 Public Art
Community	 Distinctive Neighborhoods	 Innovation District	 Demographic Diversity					
Environment	 Immersive Nature	 Resilience by Design						

Attributes Matrix

		Defining Attribute	Stocklm	Amstrdm	Copen	Sydney	Singapore	San Fran	Chicago	Hamburg	Rlo	Yokohm	Toronto
Physical Form		Scenic Recognizability		•		•	•	•	•		•	•	•
		Historic Fabric	•	•	•		•		•	•		•	?
		Inland Waterways	•	•	•		•		•	•			?
		Bridge Network	•	•	•				•	•			?
		Streetscape Character	•	•	•					•	•		?
		Architectural Icon				•	•	•				•	?
		Design Excellence		•	•		•		•	•			•
		Iconic Boulevard	•					•	•		•		?
Water Activities		Cruise Ships	•	•	•	•	•	•		•	•	•	?
		Recreational Boating	•	•	•	•		•	•	•	•	•	•
		Harbour Tours	•			•	•	•	•	•		•	•
		Historic Ships	•	•	•	•		•		•		•	?
		Bathing/Swimming	•		•	•			•	•	•		•
		Ferry System	•	•		•	•	•				•	?
		Large Marina				•		•	•				?
Land Activities		Continuous Promenade	•	•	•	•	•	•	•	•	•	•	?
		Destination Park	•	•		•	•	•	•	•		•	•
		Cultural Anchor	•	•	•	•	•		•	•		•	•
		Shopping Destination	•				•		•	•	•	•	?
		Waterfront Dining	•	•	•	•	•		•	•	•		?
		Cultural Programming	•	•		•			•		•	•	•
		Urban Beach				•		•	•		•		?
		Public Art			•				•		•		?
Community		Vibrant Neighborhoods	•	•	•	•	•		•		•		?
		Innovation District	•	•	•	•	•			•			?
		Demographic Diversity		•		•	•	•	•		•		•
Environment		Immersive Nature	•	•	•			•			•		?
		Resilience by Design	•	•	•		•	•		•			?
TOTAL			21	20	17	18	17	15	20	17	15	13	9

Board Meeting – May 10, 2018
Quayside Committee and IREC Restructuring
Helen Burstyn

Agenda Item	Quayside Committee and IREC Restructuring
Purpose	<ul style="list-style-type: none"> • For Approval - resolutions to establish and staff the Investment, Real Estate and Quayside Committee, which combines the Investment and Real Estate Committee (“IREC”) and the Quayside Committee • Approval will complete the restructuring of Board Committees that was partially accomplished at the Board meeting on March 29, 2018
Key Message	<ul style="list-style-type: none"> • The Chairs Committee considered the views expressed at the March 29 Board meeting as well as legal advice. • The Chairs Committee maintained its view that the responsibilities of the IREC and Quayside Committee should be combined into one Committee. • The Chairs Committee is proposing a new name for the combined Committee and the proposed mandate of this Committee preserves in exact form the obligations and responsibilities of IREC, and has reduced emphasis on oversight of the Quayside project. • The new Committee is part of a committee structure that supports fulfillment of the Corporate Plan and that is streamlined, balances the workloads of directors, and addresses quorum issues.
Areas of note/ Key issues	<ul style="list-style-type: none"> • The proposed changes preserve all committee obligations and responsibilities. • The IREC and Quayside Committee are combined and renamed the Investment, Real Estate and Quayside Committee.
Expected Outcome	Approval of the resolutions to establish and staff the new Committee and completion of the restructuring of Board Committees.
Key Takeaways/ Next Steps	Following from the mandates, the Committees will develop work plans, except for the FARM Committee for which a work plan is complete.



WATERFRONTToronto

MEMORANDUM

To: Board of Directors

From: Helen Burstyn

Date: April 27, 2018

Re: Governance Restructuring – Investment, Real Estate and Quayside Committee

This memo supports the request by the Chairs Committee for approval by the Board of the attached resolutions, which establish and staff a Committee of the Board to be called the Investment, Real Estate and Quayside Committee. This Committee combines two existing Committees: the Investment and Real Estate Committee (“IREC”) and the Quayside Committee. Approval of these resolutions will complete the project to restructure the Committees of the Board.

Background - Reasons to Restructure

The overall goal of the governance restructuring project was to structure and staff the Committees of the Board to best support fulfillment of the Waterfront Toronto 2018/2019 Corporate Plan as well as the Five-Year Strategic Plan.

In addition, there was a need to redistribute committee responsibilities following the resignation of Ross McGregor, which was effective on February 28, 2018.

Operational goals of the restructuring were to streamline the committee structure by reducing the total number of committees, address quorum issues, and balance the workloads of directors by having all directors on at least one committee (but not more than two), and by redistributing committee chair responsibilities.

Investment, Real Estate and Quayside Committee

At the meeting on March 29, 2018, the Board approved recommendations resulting from the governance restructuring project, except for the proposals to restructure the Quayside Committee and IREC that, if approved, would have resulted in the establishment of a Committee to be called the Quayside and Real Estate Committee. Further review and discussion by the Chairs Committee of these proposals was requested.

The Chairs Committee met on April 18, 2018 to fulfill this request of the Board. The Committee discussed the current mandates of IREC and the Quayside Committee, as well as the mandate

of the proposed Quayside and Real Estate Committee. Copies of the foregoing mandates are attached.

The Chairs Committee considered the views expressed at the March 29 meeting that had prompted the Board's request for further review, namely that the corporation's investments and real estate transactions should have oversight that is independent of oversight of the Quayside project, and that the responsibilities as set out in mandate of the proposed Quayside and Real Estate Committee were imbalanced and over-weighted on the Quayside project. As well, confirmation had been requested that all obligations and responsibilities of IREC would continue, notwithstanding any restructuring involving that Committee. The Committee was advised of legal advice that had been obtained confirming that proposed combined oversight responsibilities would not detract from Committee members' ability to review investments and real estate transactions independently and without regard to their oversight responsibilities for the Quayside project.

Relying on this legal advice, and to fulfill the goal of streamlining the Committee structure, the Chairs Committee decided to proceed with its original recommendation that the responsibilities of the IREC and Quayside Committee be combined into one Committee. However, the Chairs Committee requested that a revised mandate be prepared that preserves in exact form the obligations and responsibilities of IREC and that moderates the previous emphasis on oversight of the Quayside project in the mandate of the proposed Quayside and Real Estate Committee.

Mandate of the Investment, Real Estate and Quayside Committee

The attached mandate of the Investment, Real Estate and Quayside Committee fulfills the above request of the Chairs Committee and it, together with the attached Board Committee Directive, would form the mandate of the new Committee. The Chairs Committee is recommending that the Board approve the resolutions to establish and staff this Investment, Real Estate and Quayside Committee as proposed. To assist the Board, attached is a blackline version comparing this proposed mandate to the mandate of the Quayside and Real Estate Committee originally proposed on March 29, 2018.

For clarity, the Board Committee Directive establishes a committee's authority, composition and procedures and is common to all Board Committees. It was approved by the Board on March 29, 2018, in connection with the establishment and staffing of the Chairs Committee, the Finance, Audit and Risk Management Committee and the Stakeholder Relations Committee.

Committee Structure

For your information, the table below summarizes the outcome of the governance restructuring.

COMMITTEE	BOARD	FARM	STAKEHOLDER RELATIONS	CHAIRS	Investment, Real Estate and Quayside PROPOSED
Mandate	Oversight of the Corporation in accordance with the TWRC Act.	Financial reporting, audit, ERM and project risk management	Public engagement, communications, partnerships	Human resources, government relations, governance	Development projects and real estate transactions, and Quayside
Chair	Helen Burstyn	Janet Rieksts-Alderman	Sevaun Palvetzian	Helen Burstyn	Mazyar Mortazavi Susie Henderson
Members Federal Provincial City	Janet Rieksts-Alderman Sevaun Palvetzian Mazyar Mortazavi Jeanhy Shim	Janet Rieksts-Alderman Jeanhy Shim	Sevaun Palvetzian Jeanhy Shim	Janet Rieksts-Alderman Sevaun Palvetzian Mazyar Mortazavi	Mazyar Mortazavi
	Helen Burstyn Julie Di Lorenzo Meric Gertler Michael Nobrega	Julie Di Lorenzo	Meric Gertler	Helen Burstyn	Meric Gertler Michael Nobrega
	Denzil Minnan-Wong Steve Diamond Susie Henderson Mohamed Dhanani	Denzil Minnan-Wong Susie Henderson	Mohamed Dhanani	Susie Henderson	Steve Diamond Susie Henderson
#/quorum	12/7	5/3	4/3	5/3	5/3
Staff Support	Will Fleissig Marisa Piattelli Ian Beverley	Lisa Taylor David Kusturin	Marisa Piattelli Cameron MacKay	Will Fleissig Marisa Piattelli Rose Desrochers Ian Beverley	Meg Davis Michael Bernstein

TORONTO WATERFRONT REVITALIZATION CORPORATION

Investment, Real Estate and Quayside Committee Mandate

The role of the Investment, Real Estate and Quayside Committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) of the Toronto Waterfront Revitalization Corporation (the “**Corporation**”) in fulfilling its oversight responsibilities with respect to development projects, real estate acquisitions and divestitures, major projects, and Quayside Matters (as defined below), all as set out below.

This Mandate of the Investment, Real Estate and Quayside Committee includes the Board Committee Directive, which establishes its authority, composition and procedures.

Development Projects

The Committee will:

- (i) Review and evaluate for recommendation to the Board on major development projects undertaken by the Corporation;
- (ii) Recommend to the Board the third parties to be engaged and significant terms and agreements in connection with particular land development projects designated by the Board; and
- (iii) Oversee the implementation and execution of third party development projects approved by the Board.

Real Estate Acquisitions and Divestitures

The Committee will:

- (i) Review and evaluate for recommendation to the Board real estate purchases and divestitures proposed by the Corporation’s management relevant to the objectives of the Corporation; and
- (ii) Oversee the implementation and execution of real estate transactions approved by the Board.

Major Projects

The Committee will oversee the evaluation and implementation of other significant projects and opportunities as the Board may direct from time to time.

(d) Quayside Matters

The Committee will provide strategic review and advice for recommendation to the Board on:

- (i) the arrangement(s) with or relating to the Innovation and Funding Partner (“IFP”) selected by the Corporation under Request for Proposals 2017-13 (“RFP”) as is appropriate and necessary to develop a successful relationship,

including government and public relations strategies and any other strategies, contractual agreements (and the Framework Agreement and the role of the IFP thereunder), procurement strategies, privacy protocols, land valuation methodology, data management strategies, joint staffing and funding of work by the Corporation related to the Master Innovation and Development Plan;

- (ii) any transactions or potential transactions or business arrangements directly or indirectly involving or relating to the IFP concerning the Quayside Property (as referred to in the RFP); and
- (iii) any other transactions or potential transactions directly or indirectly involving or relating to the IFP concerning any other lands or any other matter;

which are referred to collectively hereinafter as “Quayside Matters”.

(e) Governance Framework and Protocols for Quayside Matters

The Committee will provide strategic review and advice for recommendation to the Board on appropriate governance framework(s) and protocols for oversight of Quayside Matters (the “Governance Framework and Protocols”). Without limitation, the Governance and Framework Protocols will address:

- (i) communication with government and other stakeholders and reporting to and seeking Board approval; and
- (ii) the process to select third parties to be engaged in connection with Quayside Matters.

(f) Acquisitions and Divestitures: Quayside Property or Quayside Matters

For greater certainty, the Committee will review and evaluate for recommendation to the Board acquisitions and divestitures relating to the Quayside Property or to Quayside Matters or to any business arrangements proposed by the Corporation’s management as required by the Governance Framework and Protocols.

Agenda Item	Human Resources Matters
Purpose	For Information purposes
Key Message	Helen Burstyn will provide a verbal update on the annual staff evaluation process.
Areas of note/ Key issues	Not applicable.
Expected Outcome	Not applicable.
Key Takeaways/ Next Steps	Not Applicable.

Chairs Committee Report – May 10, 2018
Indemnification and Insurance for Directors, Officers & Others
Janet Rieksts-Alderman/Ian Beverley

Agenda Item	Indemnification and Insurance of Directors, Officers & Others
Purpose	<ul style="list-style-type: none"> • Approval of updated form of Indemnity Agreement • Authorization of the grant of Indemnity Agreements to certain members of Management and Panel Members • Information concerning amendments to Directors and Officers Insurance Program
Key Message	<ul style="list-style-type: none"> • The Corporation's protection program for Directors & Officers, consisting of the form of indemnity contract given to Directors and the insurance program that supports the indemnity contracts have been reviewed with advice from legal counsel (Barry Reiter of Bennett Jones LLP) and the Corporation's insurance broker, HUB.
Areas of note/ Key issues	<ul style="list-style-type: none"> • The key changes in the updated form of Indemnity Agreement are that (i) the revised agreement provides greater clarity and certainty to indemnified parties concerning entitlement to indemnity and (ii) the revised form of agreement contemplates indemnity to officers and panel members. • The Corporation's Directors and Officers Insurance Program, with the changes that are referred to in these materials, provides market-standard coverage when benchmarked against a comparator group that is best representative of Waterfront Toronto's business environment.
Expected Outcome	<ul style="list-style-type: none"> • Approval of the updated form of indemnity agreement and entry into new indemnity agreements with directors. • Authorization of the execution of an indemnity agreement by the Board Chair, on behalf of the Corporation; • Authorization of the execution of indemnity agreements by the CEO, on behalf of the Corporation, with directors, certain members of management (including the Chief Financial Officer, Chief Project Officer, Chief Development Officer and Chief Strategy Officer and the Senior Vice President of Planning and Design) and with members of the Design Review Panel, the Digital Strategy Advisory Panel and the Capital Peer Review Panel;
Key Takeaways/ Next Steps	<ul style="list-style-type: none"> • Not applicable

Recommendation:

1. That the Board of Directors approve the revised form of Indemnity Agreement attached as Schedule “I” for use by directors, officers and members of the Design Review Panel, Digital Strategy Advisory Panel and the Capital Peer Review Panel. The form of Indemnity Agreement was reviewed and approved by the Chairs Committee at its April 18, 2018 meeting;
2. That the Board of Directors authorize the Corporation to enter into new indemnity agreements with directors, certain members of management including the Chief Executive Officer, Chief Financial Officer, Chief Project Officer, Chief Strategy Officer, Chief Development Officer and the Senior Vice President of Planning and Design and with members of the Design Review Panel, Digital Strategy Advisory Panel and Capital Peer Review Panel. The Chair would be authorized to execute the indemnity agreement with the CEO. The CEO would be authorized to execute indemnity agreements with directors, members of management and panel members;
3. The Board of Directors receive and review the information contained in this memorandum concerning the Corporation’s directors and officers insurance program.

Background:

I. Indemnity of Directors, Officers and Panel Members

The Corporation is entitled to provide indemnity to its directors and officers as set out in the Toronto Waterfront Revitalization Corporation Act and in the Business Corporations Act. By-law No. 1 of the Corporation contains an indemnity in favor of directors and officers.

In addition, and to provide additional certainty and protection as is common with many corporations, the Corporation has for many years granted contractual indemnity to directors. The form of indemnity agreement has been reviewed with management, external legal counsel (Barry Reiter of Bennett Jones LLP) and Janet Rieksts-Alderman, on behalf of the Board of Directors. As a result of this review, a revised form of indemnity agreement (see schedule “I” attached) was presented to the Chairs Committee at its April 10, 2018 meeting and the Chairs Committee has recommended the revised form of indemnity agreement to the Board of Directors for approval.

The key changes to the form of indemnity agreement are (i) the revised agreement provides greater clarity and certainty to indemnified parties concerning entitlement to indemnity and (ii) the revised form of agreement contemplates indemnity to officers and panel members.

It is recommended that indemnity agreements be provided to the members of management noted as well as panel members. The provision of indemnity agreements to members of management who have a visible external presence and exposure is common as they may be subject to claims made against the Corporation and this will provide them with the same certainty of protection as is provided to directors. It is recommended that indemnity contracts also be extended to panel members to ensure that they are protected from and against claims that are made against them while acting in good faith in their capacity as members of Waterfront Toronto's panels.

II. Directors & Officers Insurance

The protection to directors, officers and panel members that is provided in indemnity agreements is supported by the Corporation's directors and officers insurance program. In anticipation of the substantial new projects that the Corporation is undertaking (ie. Port Lands Flood Protection and Quayside), the existing directors and officers insurance program has been reviewed by management with external legal counsel (Barry Reiter), the Corporation's insurance broker (HUB) and Janet Rieksts-Alderman, on behalf of the Board of Directors. As a result of this review, the Corporation is supplementing the existing \$15 million directors and officers insurance policy issued by AIG with a further \$5 million policy by Chubb.

The additional Chubb policy is being purchased for two purposes: (i) it will address a possible coverage limitation in the AIG policy to the benefit of directors, officers and panel members and (ii) it will provide additional coverage in the event the coverage limit in the AIG policy is exhausted. The Chubb policy also has a reinstatement clause that provides a further \$5 million in coverage if the coverage limit in that policy is exhausted and a separate claim arises.

In order to issue the Chubb policy, Chubb requires a warranty from directors and management that they are not currently aware of any matters that may give rise to a claim under the directors and officers policy. Management confirms that it is able to provide this statement. In order to complete the application process, directors similarly have been requested to provide this confirmation.

The combined coverage limits of the AIG and Chubb policies have been discussed and reviewed with HUB and Mr. Reiter. A benchmarking report prepared by HUB indicates that, as compared to a comparator group best representative of the Waterfront Toronto business environment, the combined coverage limits of the AIG and Chubb policies provide a director protection program that is attractive and appropriate for the Corporation's directors, officers and panel members. The Corporation's primary policy,

with AIG, is particularly attractive in that it provides coverage with no capped limit for the legal costs incurred in defending claims against directors, officers and panel members.

The protection of these individuals begins with their own attention to their responsibilities. This exercise is assisted by the Corporation's active and extensive governance programs, including directors, management, advisory panels, governments and an attentive in-house legal group, together with outside counsel as required. The individuals are then indemnified by contracts with the Corporation, and the indemnities are backed by the insurance programs noted. Overall, directors, officers and panel members have attractive and appropriate protection.

Schedule "I"

Indemnification Agreement

THIS INDEMNIFICATION AGREEMENT (the "**Agreement**") is made as of this ____ day of _____, 2018 between the Toronto Waterfront Revitalization Corporation (the "**Corporation**"), a corporation continued under the *Toronto Waterfront Revitalization Corporation Act, 2002* and _____ (the "**Indemnified Party**").

RECITALS:

A. The Board of Directors of the Corporation (the "**Board**") has determined that the Corporation should act to assure the Indemnified Party of reasonable protection through indemnification against certain risks arising out of service to, and activities on behalf of, the Corporation to the extent permitted by law.

B. The Corporation is permitted to indemnify its directors, officers, advisors and panel members to the extent permitted herein. The Corporation considers it desirable and in the best interests of the Corporation to attract and retain the services of highly qualified individuals such as the Indemnified Party to serve as a director, officer, advisor or panel member of the Corporation and to therefore enter into this Agreement to set out the circumstances and manner in which the Indemnified Party may be indemnified in respect of certain liabilities or expenses which the Indemnified Party may incur as a result of acting as a director, officer, advisor or panel member of the Corporation.

C. The Indemnified Party has agreed to serve or to continue to serve as a director, officer, advisor or panel member of the Corporation subject to the Corporation providing the Indemnified Party with directors' and officers' liability insurance and an indemnity against certain liabilities and, in order to induce the Indemnified Party to serve and to continue to so serve as a director, officer, advisor or panel member of the Corporation, the Corporation has agreed to provide the indemnity in this Agreement.

NOW THEREFORE the parties agree as follows:

Indemnification. The Corporation will, subject to Section 0, indemnify and save harmless the Indemnified Party and the heirs, executors, administrators, successors and assigns, estate and effects of the Indemnified Party to the fullest extent permitted by applicable law:

from and against all Expenses (as defined below) sustained or incurred by the Indemnified Party in respect of any civil, criminal, administrative, investigative or other Proceeding (as defined below) to which the Indemnified Party is involved in by reason of being or having been a director, officer, advisor or panel member of the Corporation; and

from and against all Expenses sustained or incurred by the Indemnified Party as a result of serving as a director, officer, advisor or panel member of the Corporation in respect of any act, matter, deed or thing whatsoever made, done, committed, permitted, omitted or acquiesced in by the Indemnified Party as a director, officer, advisor or panel member of the Corporation, whether before or after the effective date of this Agreement and whether or not related to a Proceeding.

"Expenses" means all losses, costs, charges, damages, awards, settlements, liabilities, interest, judgments, fines, penalties, statutory obligations, professional fees, and other expenses of whatever nature or kind, provided that any such costs, charges, professional fees, and other expenses are reasonable.

"Final Judgment or Award" means a final judgment of an applicable court or final arbitration award of an applicable arbitration proceeding that has become non-appealable. For certainty, a final judgment of an applicable court or final arbitration award of an applicable arbitration proceeding becomes non-appealable for the purposes of this Agreement if it is not appealed by the parties to this Agreement within the prescribed time period for appeal.

"Proceeding" means a claim, demand, suit, proceeding, inquiry, hearing, discovery or investigation, of whatever nature or kind, whether threatened, reasonably anticipated, pending, commenced, continuing or completed, and any appeal; whether or not brought by the Corporation.

Entitlement to Indemnification

The rights provided to an Indemnified Party hereunder will, subject to applicable law, apply without reduction to an Indemnified Party provided that: (a) the Indemnified Party acted honestly and in good faith with a view to the best interests of the Corporation or other entity described in Section 0; (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Party had reasonable grounds for believing that his or her conduct was lawful; and (c) in the case of claims by the Corporation for the forfeiture or recovery by the Corporation of bonuses or other compensation received by the Indemnified Party from the Corporation, (i) the Indemnified Party did not violate applicable law related to the forfeiture and recovery by the Corporation of bonuses or other compensation ("**Compensation Laws**") and (ii) there are no grounds upon which the Corporation is entitled, in accordance with any applicable employment and compensation policies, agreements and arrangements ("**Compensation Arrangements**"), to effect forfeiture or recovery of bonuses or other compensation received by the Indemnified Party from the Corporation.

Subject to Section 0, the indemnities in this Agreement will not apply to (a) claims initiated by the Indemnified Party against the Corporation or any subsidiary except for claims relating to the enforcement of this Agreement; and (b) claims initiated by the Indemnified Party against any other person or entity unless the Corporation or other entity described in Section 0 has joined with the Indemnified Party in or consented to the initiation of that Proceeding.

The indemnities in this Agreement also apply to the Indemnified Party in respect of his or her service at the Corporation's request as (a) a director, officer, advisor or panel member of another corporation or (b) a similar role with another entity, including a partnership, trust, joint venture or other unincorporated entity. For the avoidance of doubt, the indemnities in this Agreement also apply to an Indemnified Party in respect of his or her service at the Corporation's request as an director, officer, advisor or panel member of, or a similar role with, any subsidiary of the Corporation.

If prior court approval is required under applicable law in connection with any indemnification obligations of the Corporation under this Agreement, including but not limited to any claim for

Expense Advances (as defined below), the Corporation will promptly seek at its sole expense and use all reasonable efforts to obtain that approval as soon as reasonably possible in the circumstances. The Corporation will also pay the expenses of the Indemnified Party, to the extent permitted by applicable law, in connection with any such approval process. The obligations of the Corporation under this Section 0 will apply, subject to applicable law, even if the position of the Corporation on the substantive right to indemnification is or may be that the Indemnified Party is not entitled to same.

If the Corporation proposes to deny all or part of any claim for indemnification hereunder, including but not limited to any claim for Expenses or Expense Advances, by the Indemnified Party on the basis that (a) the conditions of Section 0 (other than Section 0) are not met, or (b) the amount for which indemnification is being sought is not reasonable, and payment of such claim does not require prior court approval under applicable law, the Corporation will:

promptly pay the indemnified amount claimed or, if the dispute concerns the reasonableness of the claim, pay the amount the Corporation, acting reasonably, believes to be reasonable in the circumstances, as if the Indemnified Party is entitled to indemnification hereunder, and

bring the matter before an arbitrator in accordance with Section 0 or, if required, a court of competent jurisdiction, at its own expense and use all reasonable efforts to obtain a Final Judgment or Award determining the question of entitlement to indemnification or the reasonableness of the claim, as the case may be, as soon as reasonably possible in the circumstances.

For certainty, the Corporation will continue to indemnify the Indemnified Party until a Final Judgment or Award on the Indemnified Party's entitlement to be indemnified or the reasonableness of the claim has been obtained.

The Indemnified Party will repay any amount paid hereunder if it is determined in a Final Judgment or Award that the conditions of Section 0 are not met, the amount for which indemnification is being sought is not reasonable, and/or the amount must be repaid. Any amount to be repaid in accordance with the foregoing will bear interest from the date of advancement by the Corporation at the prime rate prescribed from time to time by the Canadian Imperial Bank of Commerce (CIBC).

Presumptions/Knowledge

For purposes of any determination hereunder, the Indemnified Party will be deemed to have acted honestly, in good faith, in the best interests of the Corporation, with reasonable grounds for believing his or her conduct was lawful and in accordance with Compensation Laws and Compensation Arrangements unless and until a Final Judgment or Award has been rendered to the contrary. The Corporation will have the burden of establishing the absence of honesty, good faith, failure to act in its best interests, lack of reasonable grounds for lawful conduct belief, or violation of Compensation Laws or Compensation Arrangements.

The knowledge and/or actions, or failure to act, of any other director, officer, agent, advisor, panel member or employee of the Corporation or any other entity will not be imputed to the Indemnified Party for the purposes of determining the right to indemnification under this Agreement.

The Corporation will have the burden of establishing that any Expense it wishes to challenge is not reasonable.

Notice by Indemnified Party. As soon as is practicable, upon the Indemnified Party becoming aware of any Proceeding which may give rise to indemnification under this Agreement other than a Proceeding commenced by the Corporation, the Indemnified Party will give written notice to the Corporation. Failure to give notice in a timely fashion will not disentitle the Indemnified Party to indemnification, except and only to the extent that the Corporation demonstrates that the failure results in the forfeiture by the Corporation of substantive rights or defences. Upon receipt of such notice, the Corporation will give prompt notice of the Proceeding to any applicable insurer from whom the Corporation has purchased insurance that may provide coverage to the Corporation or Indemnified Party in respect of the Proceeding.

Investigation by Corporation. The Corporation may conduct any investigation it considers appropriate of any Proceeding of which it receives notice under Section 0, and will pay all costs of that investigation. Upon receipt of reasonable notice from the Corporation, the Indemnified Party will, acting reasonably, cooperate fully with the investigation provided that the Indemnified Party will not be required to provide assistance that would prejudice: (a) his or her defence; (b) his or her ability to fulfill his or her business obligations; (c) his or her business and/or personal affairs; or (d) the preservation of attorney-client privilege. The Indemnified Party will, for the period of time that he or she cooperates with the Corporation with respect to an investigation, be compensated by the Corporation at the rate of \$1000 per day (or partial day), plus out-of-pocket Expenses actually incurred by or on behalf of the Indemnified Party in connection therewith, provided that the Indemnified Party will not be entitled to the per diem if he or she is a full time employee of the Corporation on such day.

Payment for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that the Indemnified Party is, by reason of the fact that the Indemnified Party is or was a director, officer, advisor or panel member of the Corporation or another entity, or acting in a capacity similar to a director, officer, advisor or panel member of another entity, at the Corporation's request, a witness or participant other than as a named party in a Proceeding, the Corporation will pay to the Indemnified Party all out-of-pocket Expenses actually and reasonably incurred by or on behalf of the Indemnified Party in connection therewith. The Indemnified Party will also be compensated by the Corporation at the rate of \$1000 per day (or partial day), provided that the Indemnified Party will not be entitled to the per diem if he or she is a full-time employee of the Corporation on such day.

Expense Advances. Subject to Section 0, the Corporation will, upon request by the Indemnified Party, make advances ("**Expense Advances**") to the Indemnified Party of all Expenses for which the Indemnified Party seeks indemnification under this Agreement before the final disposition of the relevant Proceeding. Expense Advances may include anticipated Expenses. In connection with such requests, the Indemnified Party will provide the Corporation with a written affirmation of the Indemnified Party's good faith belief that the Indemnified Party is legally entitled to

indemnification in accordance with this Agreement, along with sufficient particulars of the Expenses to be covered by the proposed Expense Advance to enable the Corporation to make an assessment of its reasonableness. The Indemnified Party's entitlement to such Expense Advance will include those Expenses incurred in connection with any Proceeding by the Indemnified Party against the Corporation seeking an adjudication or award pursuant to this Agreement. The Corporation will make payment to the Indemnified Party within 10 days after the Corporation has received the foregoing information from the Indemnified Party. All Expense Advances for which indemnification is sought must relate to Expenses anticipated within a reasonable time of the request.

The Indemnified Party will repay to the Corporation all Expense Advances not actually required and will repay all Expense Advances if it is determined in a Final Judgment or Award that the conditions of Section 0 are not met. If requested by the Corporation, the Indemnified Party will provide a written undertaking to the Corporation confirming the Indemnified Party's obligations under the preceding sentence as a condition to receiving an Expense Advance.

Indemnification Payments. Subject to Section 0 and with the exception of Expense Advances which are governed by Section 0, the Corporation will pay to the Indemnified Party any amounts to which the Indemnified Party is entitled hereunder promptly upon the Indemnified Party providing the Corporation with reasonable details of the claim. If the Indemnified Party is determined to be entitled under any provisions of this Agreement to indemnification by the Corporation for some or a portion of the Expenses incurred in respect of any Proceeding but not for the total amount thereof, the Corporation will nevertheless indemnify the Indemnified Party for the portion thereof to which the Indemnified Party is determined by Final Judgment or Award to be so entitled.

Right to Independent Legal Counsel. If the Indemnified Party is named as a party or a witness to any Proceeding, or the Indemnified Party is questioned or any of his or her actions, omissions or activities are in any way investigated, reviewed or examined in connection with or in anticipation of any actual or potential Proceeding, the Indemnified Party will be entitled to retain independent legal counsel of the Indemnified Party's choosing at the Corporation's expense to act on the Indemnified Party's behalf to provide an initial assessment to the Indemnified Party of the appropriate course of action for the Indemnified Party. The Indemnified Party will be entitled to continued representation by independent counsel at the Corporation's expense beyond the initial assessment unless the parties agree that there is no conflict of interest between the Corporation and the Indemnified Party that necessitates independent representation.

Settlement. The parties will act reasonably in pursuing the settlement of any Proceeding. The Corporation may not negotiate or effect a settlement of claims against the Indemnified Party without the consent of the Indemnified Party, acting reasonably; provided that if the Indemnified Party does not consent to a settlement of claims against the Indemnified Party, the Corporation may nonetheless effect the settlement without the consent of the Indemnified Party, and on behalf of the Indemnified Party, if the settlement is expressly stated to impose no liability on the Indemnified Party and to be without any admission of liability or wrongdoing by the Indemnified Party.

Directors' & Officers' Insurance. The Corporation will ensure that its liabilities under this Agreement, and the potential liabilities of the Indemnified Party that are subject to indemnification by the Corporation pursuant to this Agreement, are at all times supported by a directors' and officers' liability insurance policy (the "**Policy**") that (a) has been approved by the Board, and (b) treats current and former directors equally, current and former officers equally, current and former panel members equally, and current and former advisors equally. Without limiting the Corporation's obligations to indemnify the Indemnified Party under this Agreement, the Indemnified Party acknowledges that the Policy may contain certain limits and exclusions that could result in the persons covered by the Policy not having sufficient coverage. As may be required by the Policy, the Corporation will immediately notify the Policy's insurers of any occurrences or situations that could potentially trigger a claim under the Policy and will promptly advise the Indemnified Party that the insurers have been notified of the potential claim. If the Corporation is sold, dissolved, wound-up or enters into any business combination or other transaction as a result of which the Policy is terminated and the Indemnified Party resigns or ceases to continue as a director, officer, advisor or panel member of the continuing entity, the Corporation will cause run off "tail" insurance to be purchased for the benefit of the Indemnified Party with substantially the same coverage for the balance of the 6-year term set out in Section 0 without any gap in coverage. The Corporation will provide to the Indemnified Party a copy of each policy of insurance providing the coverages contemplated by this Section promptly after coverage is obtained, and evidence of each annual renewal thereof, and will promptly notify the Indemnified Party if the insurer cancels, makes material changes to coverage or refuses to renew coverage (or any part of the coverage).

Arbitration. Except as otherwise required by applicable law, all disputes, disagreements, controversies or claims arising out of or relating to this Agreement, including, without limitation, with respect to its formation, execution, validity, application, interpretation, performance, breach, termination or enforcement will be determined by arbitration before a single arbitrator under the *Arbitration Act, 1991* (Ontario), and any successor or replacement legislation. The arbitrator will be selected by the Corporation's accounting firm having regard to the nature of the dispute (legal, financial or other). If the Corporation's accounting firm is unable or unwilling to determine the arbitrator, each of the Corporation and the Indemnified Party will propose one arbitrator, the two arbitrators will propose a third, and the arbitration will be conducted by the three arbitrators so chosen. If the two arbitrators are unable to determine a third arbitrator, either party may apply to a court of competent jurisdiction for an order appointing a third arbitrator. The arbitrator will determine the rules for the arbitration, including, based on the outcome of the arbitration, the breakdown between the Corporation and the Indemnified Party of the costs for conducting the arbitration.

Tax Adjustment. Should any payment made pursuant to this Agreement, including the payment of insurance premiums or any payment made by an insurer under an insurance policy, be deemed to constitute a taxable benefit or otherwise be or become subject to any tax or levy, then the Corporation will pay any amount necessary to ensure that the amount received by or on behalf of the Indemnified Party, after the payment of or withholding for tax, fully reimburses the Indemnified Party for the actual Expenses incurred by or on behalf of the Indemnified Party. However, the adjustment will not be made with respect to any compensation paid as a per diem to the Indemnified Party pursuant to Sections 0 or 0.

Cost of Living Adjustment. The per diem payable pursuant to Sections 0 and 0 will be adjusted to reflect changes from the date of this Agreement in the All-items Cost of Living Index for the City of Toronto prepared by Statistics Canada or any successor index or government agency.

Multiple Proceedings. No action or proceeding brought or instituted under this Agreement and no recovery pursuant thereto shall be a bar or defence to any further action or proceeding which may be brought under this Agreement.

Governing Law. This Agreement will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Priority and Term. This Agreement will supersede any previous agreement between the Corporation and the Indemnified Party dealing with this subject matter, and will be deemed to be effective as of the date that is the earlier of (a) the date on which the Indemnified Party first became a director, officer, advisor or panel member of the Corporation; or (b) the date on which the Indemnified Party first served, at the Corporation's request, as a director, officer, advisor or panel member, or an individual acting in a capacity similar to a director, officer, advisor or panel member, of another entity.

Severability. If any term or condition of this Agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other terms and conditions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of this Agreement is not affected in any manner materially adverse to the Indemnified Party. Upon such determination that any term or condition is invalid, illegal or incapable of being enforced, the parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the terms and conditions of this Agreement are fulfilled to the fullest extent possible.

Amendments. No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, is binding unless executed in writing by the party to be so bound. For certainty, the rights of the Indemnified Party under this Agreement will not be prejudiced or impaired by permitting or consenting to any assignment in bankruptcy, receivership, insolvency or any other creditor's proceedings of or against the Corporation or by the winding-up or dissolution of the Corporation, and the liability of the Corporation under this Agreement shall not be affected, discharged, impaired, mitigated or released by reason of the discharge or release of the Indemnified Party in any receivership, insolvency or any other creditor's proceedings of or against the Corporation.

Binding Effect; Successors and Assigns. This Agreement will bind and enure to the benefit of the successors, heirs, executors, personal and legal representatives and permitted assigns of the parties hereto, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Corporation. The Corporation will require and cause any successor (whether direct or indirect, and whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, by written agreement in form and substance reasonably satisfactory to the Indemnified Party, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

Subject to the requirements of this Section 0, this Agreement may be assigned by the Corporation to any successor (whether direct or indirect, and whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation provided that no assignment will relieve the assignor of its obligations hereunder. The Indemnified Party may not assign this Agreement.

Covenant. The Corporation hereby covenants and agrees that it will not take any action, including, without limitation, the enacting, amending or repealing of any by-law, which would in any manner adversely affect or prevent the Corporation's ability to perform its obligations under this Agreement.

Parties to Provide Information and Cooperate. The Corporation and the Indemnified Party will from time to time provide such information and cooperate with the other as the other may reasonably request in respect of all matters under the Agreement.

Survival. The obligations of the Corporation under this Agreement, other than Section 0, will continue until the later of (a) the longest period contemplated by any applicable statute of limitations after the Indemnified Party ceases to be a director, officer, advisor or panel member of the Corporation or any other entity in which he or she serves in a similar capacity at the request of the Corporation and (b) with respect to any Proceeding commenced prior to the expiration of the period referred to in subsection (a) with respect to which the Indemnified Party is entitled to claim indemnification hereunder, one year after the final termination of that Proceeding. The obligations of the Corporation under Section 0 of this Agreement will continue for 6 years after the Indemnified Party ceases to be a director, officer, advisor or panel member of the Corporation or any other entity in which he or she serves in a similar capacity at the request of the Corporation.

Independent Legal Advice. The Indemnified Party acknowledges that the Indemnified Party has been advised to obtain independent legal advice with respect to entering into this Agreement; that the Indemnified Party has had sufficient opportunity to obtain such independent legal advice; and that the Indemnified Party is entering into this Agreement with full knowledge of the contents hereof, of the Indemnified Party's own free will and with full capacity and authority to do so.

Execution and Delivery. This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic communication and all such counterparts and facsimiles or other electronic documents together will constitute one and the same agreement.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

.

**TORONTO WATERFRONT REVITALIZATION
CORPORATION**

by:

Name:

Title:

Authorized Signing Officer

[Indemnified Party]

Agenda Item	Waterfront Toronto Risk Governance & Internal Controls
Purpose	To provide continued education to the Board on key areas of corporate governance namely: 1. Board and Committee approval authorities; and 2. Waterfront Toronto's overall Risk Governance and Internal Controls Framework as the foundational support of all Board approvals.
Key Message	There are clear, defined approval authorities at both the Board and management levels which have been established based on best practice internal control and risk frameworks.
Areas of note/ Key issues	Management would like to highlight the following from a Board of Directors perspective with respect to Risk Governance, Internal Controls and Procurement: <ul style="list-style-type: none"> • The Context – Our Authority & Mandate (slide 3); • Board Level Approval Authorities and where they come from (slide 4); • Board Approvals in Committee Mandates (slide 5); • Three Lines of Defense Approach to Risk Management and Control (slides 6-7); • Appendices 1-3 support Waterfront Toronto's overall Risk Governance and Internal Controls Framework – the foundational support to all Board approvals. Note: These are designed more for Finance, Audit and Risk Management Committee level of detail, however are included here for reference and completeness. (slides 9- 38).
Expected Outcome	No Board action is required.
Key Takeaways/ Next Steps	The Board will have greater clarity with respect to Board approval authorities in the context of the Corporation's overall Risk Governance and Internal Controls Framework.

Risk Governance, Internal Controls and Procurement

Board of Directors Perspective

Waterfront Toronto Board of Directors Meeting
May 10, 2017

To outline key areas of Waterfront Toronto's Corporate Governance Framework with respect to:

1. Board and Committee approval authorities; and
2. Waterfront Toronto's overall Risk Governance and Internal Controls Framework which is the foundational support of all Board approvals.

The Context - Our Authority and Mandate

The following are the objects of the Corporation pursuant to the Toronto Waterfront Revitalization Corporation (TWRC) Act:

1. Implement a plan that **enhances the economic, social and cultural value of the land** in the designated waterfront area and **creates an accessible and active waterfront** for living, working and recreation, and to do so in a **fiscally and environmentally responsible manner**.
2. Ensure that ongoing development in the designated waterfront area can continue in a **financially self-sustaining manner**.
3. Promote and encourage the **involvement of the private sector** in the development of the designated waterfront area.
4. Encourage **public input** into the development of the designated waterfront area.
5. Engage in such **other activities as may be prescribed by regulation**.

Board Level Approval Authorities

- Board authorities specified in Governance instruments:

TWRC Act

- Management and supervision of the affairs of the Corporation
- Enactment of by-laws and resolutions for the conduct and management of the affairs of the Corporation
- Approval of annual and five-year business plans and budgets
- Approval of annual report (financial statements)
- Appointment of external auditors

By-Law No. 1

- Appointment of officers, including duties and remuneration
- Appointment of Committees of the Board
- Provides that unless otherwise provided for by resolution or Board-approved policy, contracts, documents and instruments will be signed on behalf of the Corporation by any two of the Chair, the Chief Executive Officer, the Chief Project Officer, the Chief Strategy Officer, the Chief Financial Officer and/or the Chief Development Officer.

Delegations of Authority (DOA)

In accordance with Bylaw No. 1, the Board has further delegated authorities to management to minimize risks and maximize efficiencies in the conduct of the Corporation's business. Board approval authorities in DOA (in addition to above) include:

- Capital project approvals over \$2M
- Foreign travel costs (FARM Chair)
- Board & CEO compensation
- Acquisition or disposal of land and capital assets exceeding \$1M
- Sole source consulting contracts over \$1M
- Procurement contracts over 5 years (with the exception of certain longer term contracts such as major design and construction initiatives where the period is known to exceed five years).

Board Approvals in Committee Mandates

Finance, Audit & Risk Management (FARM) Committee

- Approval of financial statements
- Approval of external auditor appointment, compensation & audit scope
- Approval of internal auditor appointment, compensation & audit scope (FARM only)
- Approval of business plans
- Capital project approvals

Chairs Committee

- Committees - structure, mandate and membership
- Directors & Officers liability insurance
- Public meeting policies and by-law
- Code of Conduct and Conflicts of Interest
- Board / Committee remuneration
- CEO expenses and performance evaluation
- Discretionary bonuses and salary increases
- Board annual calendar and work plan

Investment/Real Estate and Quayside Committee*

*mandate to be approved

- Development projects and real estate transactions
- Quayside transactions or potential transactions
- Quayside governance framework and protocols
- Quayside acquisitions or divestitures

Stakeholder Relations Committee

- Integrated strategic communications plan

Risk Management and Control – Three Lines of Defense Model (Best Practice)

- Why is it Important?
 - Enhances communication on risk management and control by clarifying essential roles and responsibilities¹ (e.g., project management, control functions, audit).
 - Ensures a holistic and consistent approach to risk management across the organization, including identification of any “blind spots”.
- Three Lines of Defense Scope

Line of Defense	Definition
First Line ²	<ul style="list-style-type: none">• Operational management responsible for assessing, controlling, and and mitigating risks and for maintaining effective internal controls.
Second Line ²	<ul style="list-style-type: none">• Supports and monitors operational management’s implementation of of risk management practices.• Monitors compliance risk such as nonconformity with laws and regulations.
Third Line ³	<ul style="list-style-type: none">• Groups responsible for independent assurance over managing of risks.

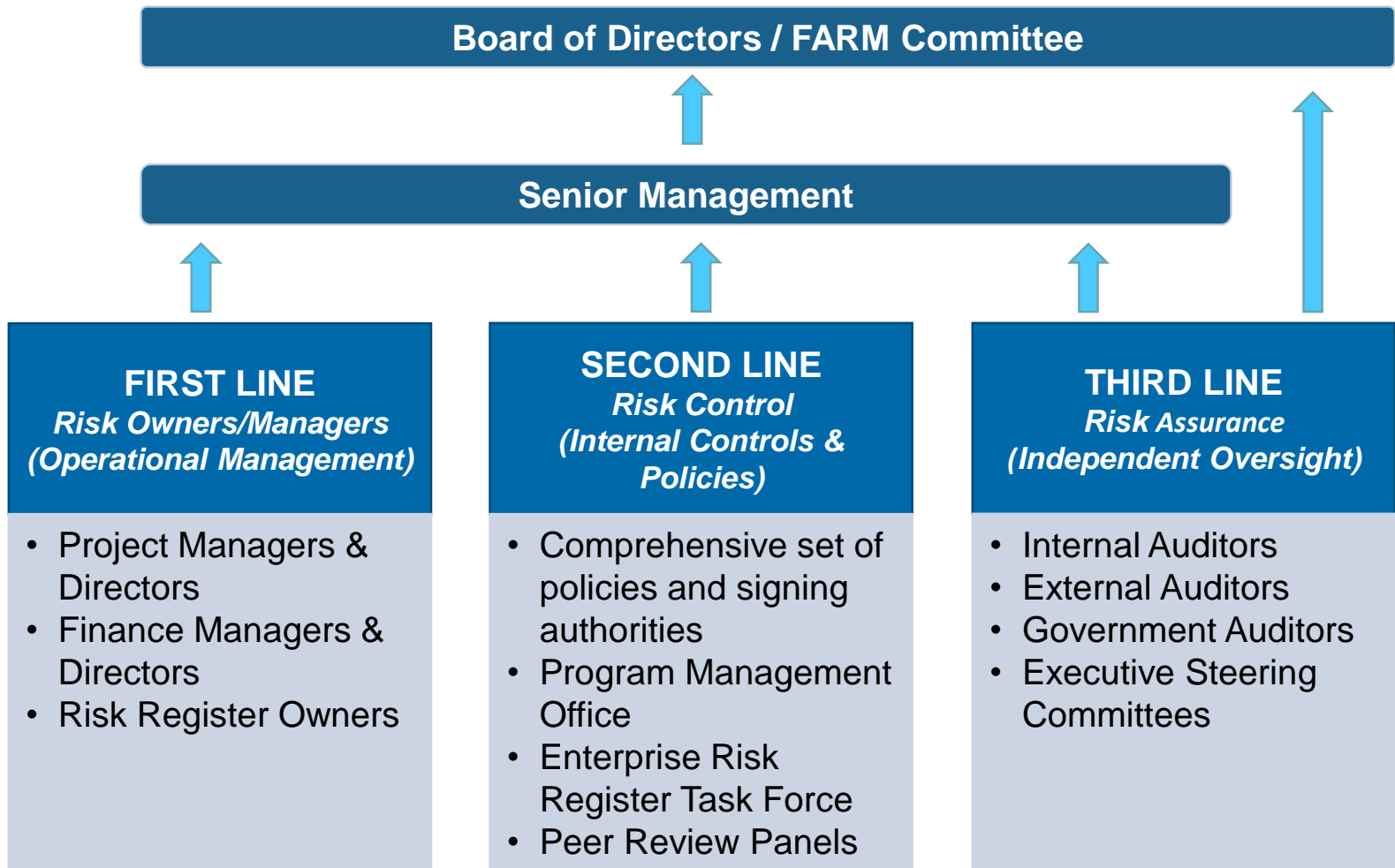
¹ The Institute of Internal Auditors Position Paper on The Three Lines of Defense in Effective Risk Management and Control, January 2013

² The Institutes Book on Enterprise Risk Management, April 2015

³ Ernst & Young Paper on Maximizing Value from your Lines of Defense, December 2013

Waterfront Toronto's Three Lines of Defense Model (Enterprise Level)

Enterprise Risk Management Framework



Organizational Culture

APPENDIX

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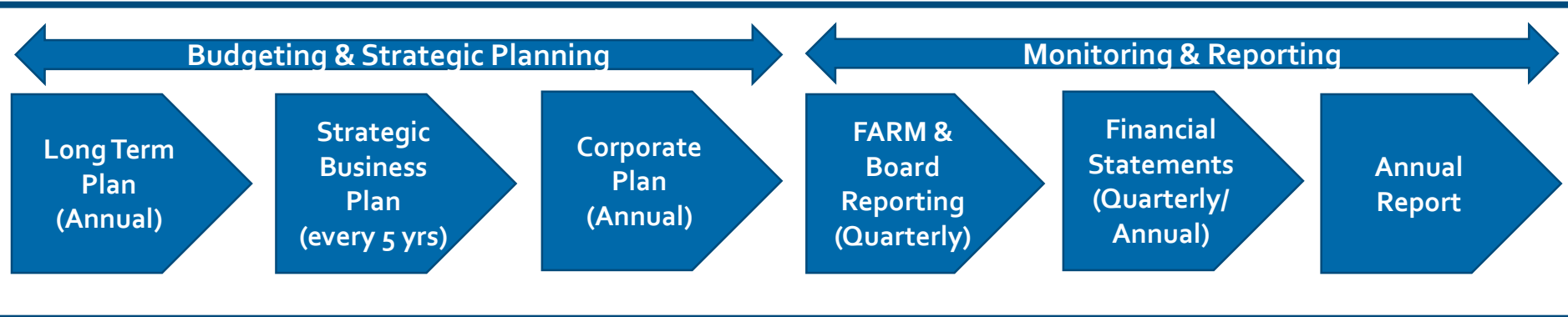
No.	Scope	Slide Nos.
1	Financial Planning and Reporting Framework	9 – 16
2	Enterprise and Project Risk Frameworks	17 - 22
3A	Internal Control Framework	23 – 32
3B	Highlights of Key Internal Controls and Policies including Procurement	33 – 39

Appendix 1

Financial Planning and Reporting Framework

Financial Planning & Reporting Framework

- Process flow on WT's financial planning and reporting framework as follows:



Long Term Plan

WATERFRONT TORONTO LONG TERM PLAN FOR 2018/19 ANNUAL CORPORATE PLAN (ACP) (FINAL)

DECEMBER 7, 2017 - CONFIDENTIAL



Work Package	2018/19 ACP PLANNED INVESTMENT	GOV'T FUNDING	Secure Revenue Funding	Unsecure Revenue Funding	TOTAL REVENUE FUNDING	TOTAL FUNDING
EBF05-10 Hydro Connections	19,200,000	15,000,858	4,199,142	-	4,199,142	19,200,000
EBF05-11 Queens Quay East Revitalization	-	-	-	-	-	-
EBF05-12 Bayside Damage Restoration	89,844	-	89,844	-	89,844	89,844
EBF05-13 Queens Quay Parliament Intersection	51,500,000	8,256,509	43,243,491	-	43,243,491	51,500,000

- Why is it important?
 - Key budgeting piece of the framework
 - Sets the foundation for the development of the Strategic Business Plan and Corporate Plan
 - Key internal control aspects – commitment limit and capital reserve
- Background on the Long Term Plan
 - Rolling long term cash flow updated annually
 - Include projects that the Corporation is contractually obligated to undertake and projects of strategic importance
 - Net sum zero plan – planned investments equal funding/revenues

Strategic Business Plan



- Why is it important?
 - Corporation's longer term public strategic document
- Background on the Strategic Plan
 - Required every five years.
 - Requires a more detailed financial plan with a time horizon of at least 5 years.
 - Current Strategic Business Plan was approved in 2013, and covered the 10-year initiatives (2014 to 2023) on the following;
 - WT 1.0 total planned investments of \$1.9B.
 - WT 2.0 planned additional investments of \$1.65B.
 - Next Five Year Strategic Business Plan is being developed this year for Board approval in December 2018.
- Linkage to other planning and reporting tools of WT
 - Developed based on inputs from the Long Term Plan.
 - Implementation strategy for the revitalization initiatives are formally documented annually in the Corporate Plan.

Corporate Plan

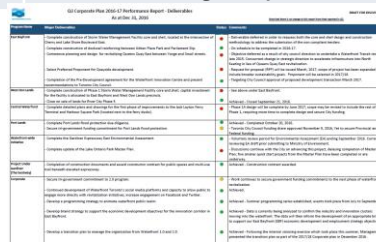
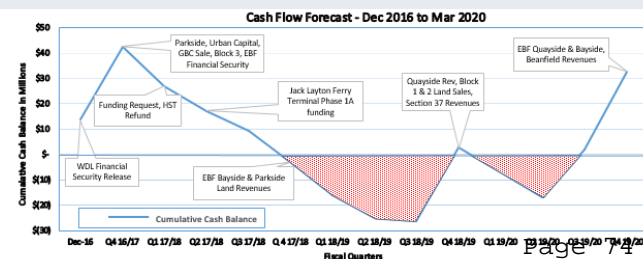


- Why is it important?
 - Provides the implementation strategy (aka roadmap) for the achievement toward key deliverables and strategic objectives
 - Public document providing transparency on the Corporation's strategic objectives and financial plan for the upcoming year
- Background on the Corporate Plan
 - Required at least 90 days before the beginning of the next fiscal year.
 - Consists of major deliverables, financial plan (including operating budget and resources), risk mitigation strategies and tools to allow the Corporation to successfully deliver its annual objectives.
- Linkage to other planning and reporting tools of WT
 - Developed through an integrated process taking into account inputs from the Long Term Plan.
 - Identifies projects which will require capital approvals from the Board.
 - Supports the overall vision, mandate and priorities set out in the Strategic Business Plan.

FARM & Board Reporting / Monitoring

- Why is it important?
 - Forward looking reports that monitor the progress and achievement of the Corporation's strategic objectives.
- Background and Linkage to WT Reporting Tools:

Report	Description / Rationale
1. Corporate Plan Performance Reports	<ul style="list-style-type: none"> • Forecasts investments, revenues, and key deliverables against the Corporate Plan and reports variances and impacts.
2. Cash Flow Forecast	<ul style="list-style-type: none"> • 36-month forecast on WT's cash flow situation including anticipated borrowing requirements.
3. Quarterly Project Reporting <ul style="list-style-type: none"> • Financial Variance Report • Work Package Risk/Status Report • Higher Risk Profile Project Updates 	<ul style="list-style-type: none"> • Provides a snapshot of where WT's portfolio of active projects is at with respect to budget and anticipated final cost. • Gives an illustrative snapshot of where each active project stands with respect to schedule, budget, funding and issues. • Projects identified as having a higher risk profile will have an additional quarterly report that covers more detail on project budget, scope, schedule and risk.
4. Enterprise Risk / Audit Update	<ul style="list-style-type: none"> • Provides update on the Corporation's risk management activities including any audits undertaken.

Financial Statements

Financial statements of

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



March 31, 2017

- Why is it important?
 - Provides a snapshot of the financial health and achievements of the organization.

- Background on Financial Statements
 - Audited financial statements are required within 90 days after end of fiscal year, i.e. June 30.
 - Waterfront Toronto also produces quarterly interim financial statements which are unaudited.
 - Key accounting policies covered are: assets under development, deferred contributions, restricted cash, and The Bentway.

- Linkage to other planning and reporting tools of WT
 - Actual results are compared versus target expenditures in the Corporate Plan.

Annual Report



- Why is it important?
 - Formal reporting and transparency on the achievement of the strategic objectives set out in the Corporate Plan.
- Background on Annual Report
 - Addresses the following:
 - Transformational projects milestones,
 - Key objectives and deliverables, and
 - Financial results.
- Linkage to other planning and reporting tools of WT
 - Interprets key areas of the financial statements.
 - Reports on the achievement of strategic objectives based on the Corporate Plan.

Appendix 2

Enterprise and Project Risk Management Frameworks

- Operating in a more complex business environment driven by our two recent transformational projects – Port Lands and Quayside;
- Need to ensure that we have the appropriate governance and risk management framework in place to adequately manage risk.

Enterprise risk management is a process, effected by the entity's board of directors, management, and other personnel, applied in a strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within the risk appetite, to provide reasonable assurance regarding the achievement of objectives.

COSO's Enterprise Risk Management – Integrated Framework

Enterprise Risk Management Framework

- Waterfront Toronto has maintained an **Enterprise Risk Register** for over 10 years;
- The Risk Register is maintained by a cross-functional Enterprise Risk Management Taskforce, led by our Director, Financial Planning (CFO is accountable executive);
- Enterprise Risk Register includes risks with an organization-wide impact, including any major, material project risks.
- All identified risks are:
 - Identified and grouped into key categories such as Financial, Operational, Reputational;
 - Assigned risk owners and project managers to establish accountabilities for the ongoing management of risks;
 - Assessed and quantified in terms of impact, likelihood, and mitigation controls;
 - Ranked based on resulting inherent risk and residual risk levels, i.e. in terms of high, medium, and low risks.
- The Enterprise Risk Register:
 - Is reviewed by the senior management team;
 - Is presented and discussed with the FARM Committee and Board at least annually;
 - Forms the basis for the development of a risk-based internal audit plan.
- MNP were engaged to conduct an independent peer review of our risk register and risk assessment process, and to develop a two year risk-based internal audit plan. Both were presented to FARM Committee on March 8, 2018 and to the Board on March 29, 2018.
- Waterfront Toronto is committed to continuous improvement in its enterprise risk management framework.

Enterprise Risk Dashboard - April 30, 2018

Top 10 Enterprise Risks

Risk Area	Inherent Risk Score	Residual Risk Score	Risk Score: Low (1 - 6) Medium (>6 - 14.9) High (15 - 25)
1. Management of Systems, Processes & Information	20	10	
2. Corporate Governance	16	16	
3. Recruitment & Retention of Employees	16	12	
4. Organisational Resilience	15	10	
5. Strategic Plan	12	12	
6. Government Approvals	12	12	
7. Tri-Government Goal Alignment	12	12	
8. Mandate Extension	12	12	
9. Realisation of Revenues - Development	12	12	
10. Public and Stakeholder Engagement	12	12	

Enterprise Risk Framework Enhancements

Area	Opportunities for Improvement	Target Completion
People	Formal risk training for Risk Taskforce and Executive Team.	Sep. 2018
Process	Review assessment criteria to ensure relevance.	Dec. 2018
	Increase efficacy of assessment of data (specifically accuracy and precision).	Dec. 2018
	Align corporate risk and project risk processes.	Dec. 2018
	Establish tools for assessing risk interactions.	Dec. 2018
	Document risk appetite, risk tolerance and escalation criteria.	Mar. 2019
System	Review report format as ERM enhancements are made.	Ongoing
	Utilize information from PMO and Expert Panel to incorporate relevant risk items.	Dec. 2018

Audit Register

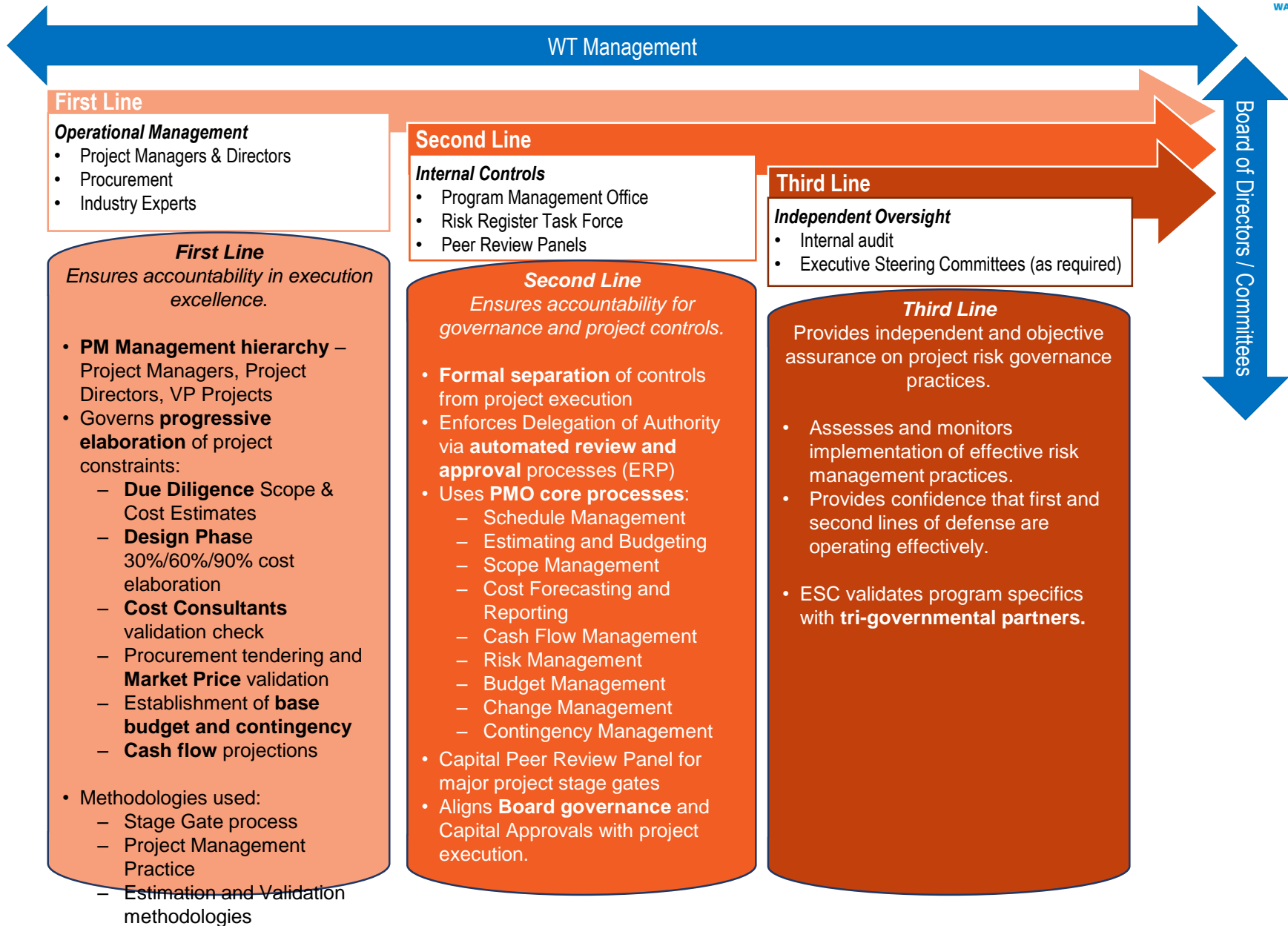
Fiscal Year	Audit	Audit Type	Status
2019/2020	• Project Management Process Controls	• Internal	N/S
	• Procurement	• Internal	N/S
	• March 31, 2020 Financial Statements	• External	N/S
2018/2019	• Cybersecurity	• Internal	⌚
	• Enterprise Resource Planning System Implementation/Internal Controls	• Government	⌚
	• Corporate Governance	• Internal	N/S
	• March 31, 2019 Financial Statements	• External	N/S
2017/2018	• Peer Review of Enterprise Risk Register	• Internal	✓
	• IT Audit	• Internal	✓
	• Value-for-Money Audit	• Government	⌚
	• March 31, 2018 Financial Statements	• External	⌚
2016/2017	• Contribution Agreements: WDL Precinct (CA-72) & EBF Continued Implementation (CA-85)	• Government	✓
	• March 31, 2017 Financial Statements	• External	✓
2015/2016	• Cash Forecasting Process Review	• Internal	✓
	• Billing and Collections Management	• Internal	✓
	• March 31, 2016 Financial Statements	• Government	✓

Legend: ✓ Completed

⌚ Ongoing

N/S Not Started

Project Risk Management Framework



Appendix 3A

Internal Control Framework



WATERFRONToronto

- To assist the Finance, Audit and Risk Management (FARM) Committee fulfil its oversight role with respect to Section 1(b) of FARM Mandate:

“periodically review the adequacy of financial internal controls and provide reports or recommendations to the Board on such adequacy”.






- Waterfront Toronto has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to assess the Corporation's internal control framework.

COSO Enterprise Risk Management Framework

The Framework...



Interrelated components of the Framework...

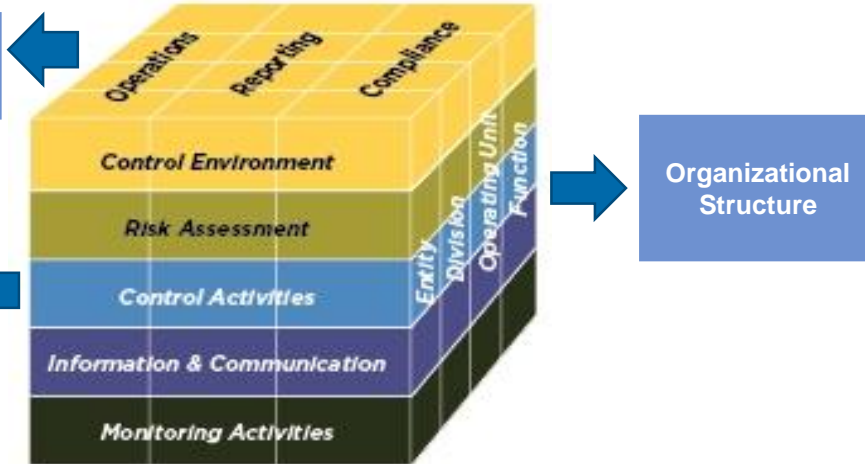
 Governance & Culture	<ul style="list-style-type: none"> Governance sets organization's tone and oversight responsibilities for Enterprise Risk Management (ERM). Culture pertains to ethical values, desired behaviors, and understanding of risk in the entity.
 Strategy & Objective-Setting	<ul style="list-style-type: none"> Risk appetite is established and aligned with strategy. Business objectives put strategy into practice, and serve as basis for identifying, assessing, and responding to risk.
 Performance	<ul style="list-style-type: none"> Involves identification, assessment, and prioritization of risks in context of risk appetite. Reporting on process results is made to key risk stakeholders.
 Review & Revision	<ul style="list-style-type: none"> Ensures effectiveness of ERM components, including determination of required changes.
 Information, Communication, & Reporting	<ul style="list-style-type: none"> Requires a continual process of obtaining and sharing necessary information, from both internal and external sources, across the organization.

COSO Internal Control Framework (2013)

About COSO Internal Control Framework

Three key internal control objectives

Five Components of Internal Control



- Most **broadly accepted** internal control framework in North America.
- Defines **internal controls as a process** effected by the entity's Board of Directors, Management and other personnel.
- **Provides reasonable assurance regarding the achievement of objectives** relating to operations, reporting, and compliance.
- Provides basis for application across the organizational structure.
- Updated framework formalizes the principles associated with the five components introduced in 1992 (original framework).

COSO's 17 Principles of Internal Control

Control Environment

1. Demonstrates commitment to integrity & ethical values
2. Exercises oversight responsibilities
3. Establishes structure, authority and responsibility
4. Demonstrates commitment to competence
5. Enforces accountability

Risk Assessment

6. Specifies suitable objectives
7. Identifies and analyzes risk
8. Assesses fraud risk
9. Identifies and analyzes significant change

Control Activities

10. Selects and develops control activities
11. Selects and develops general controls over technology
12. Deploys thorough policies and procedures

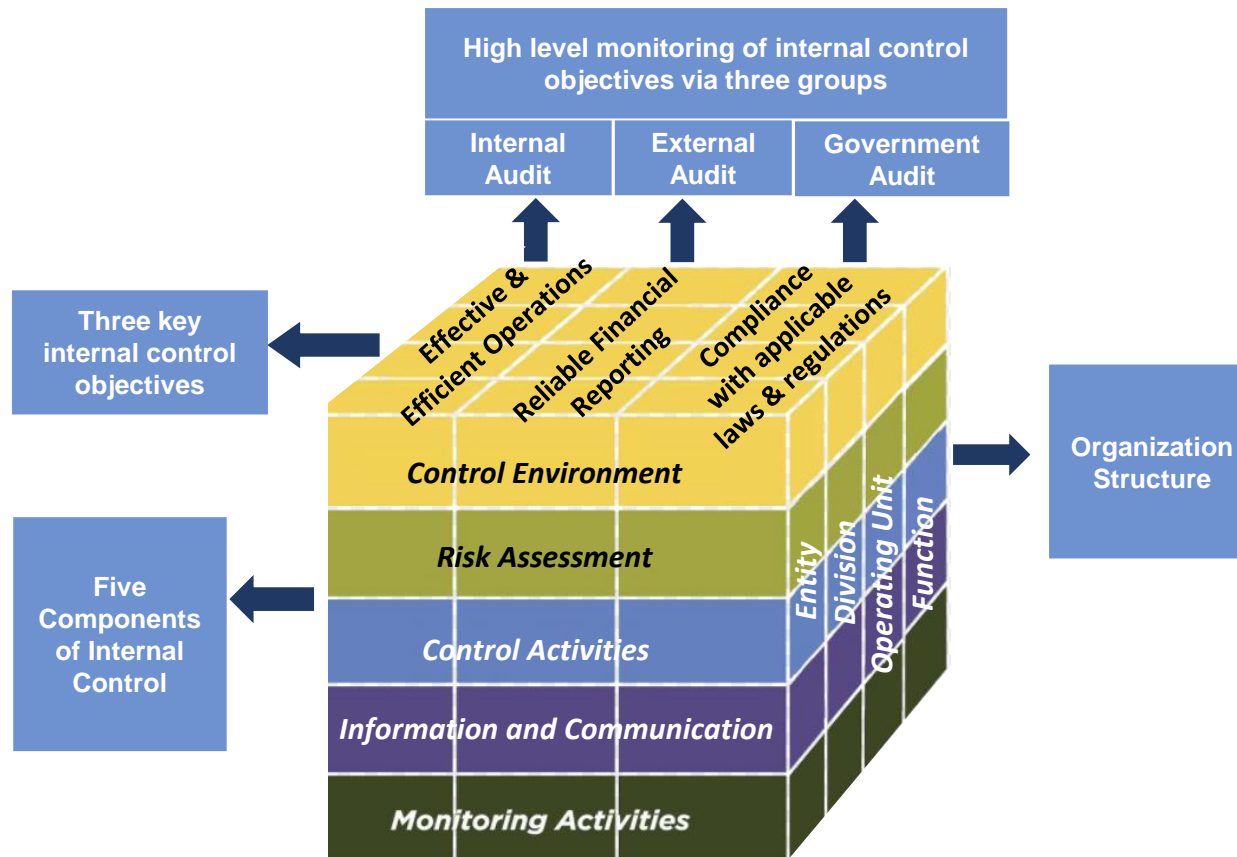
Information and Communication

13. Uses relevant information
14. Communicates internally
15. Communicates externally

Monitoring Activities

16. Conducts ongoing and/or separate evaluations
17. Evaluates and communicates deficiencies

Waterfront Toronto's Internal Control Monitoring Framework



Note: Refer to subsequent slides for details on the five components of internal control.

Internal Control Monitoring Framework

1. Control Environment

- Board and Senior Management establish overall tone on importance of internal control, including expected standards of conduct.
- Covers set of standards, processes, and structures, which provide foundation for internal control.



Sub-Components

- Integrity and ethical values
- Commitment to competence and development of people
- Management philosophy and operating style
- Organizational structure
- Establishment of structure, authority and responsibility
- Establishes oversight responsibility
- Human resources policies and procedures
- Accountability of those charged with governance

WT Control Environment

- Code of conduct/conflict of interest policy
- Disclosure of Wrong Doing Policy
- Clearly defined delegations of approval
- Organization structure neither too simple nor complex
- HR strategy central to recruiting, developing and retaining competent people
- Clearly defined, detailed job descriptions for all employees
- Strong employee performance system
- Program Management Office (PMO) stage gate controls via progressive elaboration of project constraints (e.g., costs and schedule)
- Regular Intergovernmental Steering Committee (IGSC) meetings to facilitate government approvals and discussion of key WT issues
- Oversight by FARM and Board

Internal Control Monitoring Framework

2. Risk Assessment

- Management should determine and consider the implications of relevant risks that could hinder achievement of its objectives.
- Involves a dynamic and iterative process for identifying and assessing risks.



Sub-Components

- Business risk assessment:
 - Entity-wide objectives
 - Activity-level objectives
 - Risk analysis
- Inherent risks and fraud risks
- Identification and analysis of significant change

WT Risk Assessment Framework

- Enterprise Risk Management Framework
- Risk Management Task Force monitors and updates the enterprise risk register with inputs from project managers and oversight by WT senior management
- Quarterly risk reporting via a Enterprise Risk Dashboard
- Internal audit function to facilitate annual corporate risk assessment process
- PMO stage gate controls via progressive elaboration of project constraints (e.g., costs and schedule)
- Through the cost consultant, project teams perform risk assessments as part of Cost Estimate Validation Process (CEVP)
- Involvement of Risk Consultant for every major project
- FARM and other Board Committees responsible for overseeing certain specific risks

Internal Control Monitoring Framework

3. Control Activities

- Control activities are the policies and procedures that help to ensure that management's directives are implemented, including prevention and detection of controls.



Control Activities

- Top level reviews
- Direct functional or activity management
- Information processing
- Safeguarding of assets/ physical controls
- Creation and maintenance of policies and procedures
- General control over technology
- Performance indicators
- Segregation of duties

WT Sample Control Activities

- Business Continuity Plan and Disaster Recovery Plan
- Regular progress review meetings with project team (including external consultants and government partners/agencies)
- Procurement Signing Threshold Policy
- Banking resolution
- Monthly bank reconciliations approved by Controller
- Capital Reserve Policy
- Financial Instruments Policy
- Capital Project Approval Policy
- Quarterly corporate plan performance reporting to FARM and Board
- Quarterly project reporting to FARM and Board
- Quarterly cash flow reporting to FARM and Board
- PMO stage gate controls via progressive elaboration of project constraints (e.g., costs and schedule)
- Built-in controls within WT's financial system (e.g., validation against funding limits)
- Approval of all invoices by project managers and VPs prior to payment
- Electronic Funds Payment (EFT)/cheque printing, vendor masterfile maintenance segregated from invoice processing
- Comprehensive performance indicators developed by management (Corporate Social Responsibility & Sustainability Report)

Internal Control Monitoring Framework

4. Information and Communication

- Management obtains/generates/uses relevant information from internal/external sources to support functioning of internal controls.
- Includes the systems that support the identification, capture and exchange of information in a form and time that enable personnel to carry out their responsibilities and financial reports to be generated accurately.



Key Methods

- Accounting systems
- Policy manuals
- Management's reports
- Newsletters
- Accounting policy updates
- Technical updates
- Staff meetings
- Training
- External communications

The needed information should be timely, current, accurate and accessible.

WT Information and Communication

- New ERP System – Dynamics 365 – being implemented for better internal and external reporting tools and better internal controls (target go-live date in July 2018)
- PMO progress reporting processes
- Policy manuals exist for procurement, HR, IT, accounting, risk and finance
- Quarterly enterprise risk dashboard reports for management/Board
- Core processes documents being updated in line with the ERP process transformation plan
- Quarterly GAAP financial statements
- Quarterly cash flows reporting to the IGSC, Board of Directors, and the FARM Committee
- Real time actual project costs and control information available to all staff
- Monthly newsletters to staff and stakeholders
- Townhall meetings with all staff to communicate strategy and updates from Board of Directors' meetings
- Regular lunch and learns

Internal Control Monitoring Framework

5. Monitoring

- Monitoring is the continuous process that management uses to assess the quality of internal control performance over time
- Communication of findings to Board and Management as appropriate.



Sub-Components

- Ongoing monitoring.
- Separate evaluations / periodic monitoring.
- Process for Reporting deficiencies.

WT Monitoring

- Occurs in ordinary course of operations, guided by policies and procedures
- Regular monitoring of the risk areas and efficiency of the risk mitigation measures by the Risk Task Force
- Establishment of PMO to identify and monitor project specific risks and to streamline lifecycle work flows of all projects
- Establishment of Peer Review Advisory Panel to monitor high risk projects
- Ongoing activities by senior management
- Audit reports and recommendations to FARM Committee

Appendix 3B

Highlights of Key Internal Controls and Policies, including Procurement

Key Internal Controls and Policies

Delegations of Authority

- Ensures accountability and operational efficiencies in decision-making processes.
- Outlines the authorizations required for:
 - Execution of contracts, documents, and instruments (per By-Law No. 1)
 - Other operational transactions
- Covers the following key areas:
 - Procurement commitments
 - Execution of contracts
 - Budgets
 - Banking & cash management
 - Human resources
 - Acquisition/disposal of assets

Capital Approval Policy

- Directors exercise internal control and provide direct approval towards proceeding on a specific capital project
- Reinforces Board oversight on large-scale and high risk projects prior to project implementation.
- Define key requirements for initiation, scoping and approval of the Corporation's projects by the Board of Directors.
- Goals of the policy:
 - Project alignment with corporate goals objectives
 - Delivery of projects on time and on budget
 - Adequate funding for projects

Procurement Policy

- Provides Board governance on material material procurement transactions.
- Key policy objectives are to ensure:
 - Compliance to procurement processes & applicable agreements
 - Value for money to the Corporation
 - Fair evaluation of competitive bids and submission
 - Fairness, openness & transparency in procurement process
 - Proper authorizations and accountabilities through signing thresholds
- Covers key guidelines on:
 - Procurement procedures and methodologies
 - Standard documentation
 - Non-competitive procurement
 - Length of contracts and extensions

Board Approval Authorities

- Corporate/strategic plans & budgets
- Capital approvals
- Foreign travel costs (FARM Chair)
- Board & CEO compensation
- Acquisition or disposal of land and capital assets exceeding \$1M

Board Approval Authorities

- Capital approval for projects with at least \$2M gross budget:
- During design stage (20% to 30%)
 - Prior to construction tender
 - Project cost increases beyond threshold amounts.

Board Approval Authorities

- Board approval for:
 - Non-competitive procurement of at least \$1M
 - Length of contract exceeds 5 years (except certain exemptions)
- FARM approval for exceptions to the Procurement Policy (Section 11)

Key Internal Controls and Policies

*Capital Reserve Policy**

- Provides guidance on reserve utilization, required authorizations and reporting requirements.
- Ensures program-wide contingency for unanticipated capital project requirements, subject to:
 - Reassessment of project scope for cost reduction opportunities
 - Utilisation of project contingency
 - Utilisation of other funding sources

*Note: Policy under development.

Financial Instruments Policy

- Provides guidance on foreign exchange risk management, allowed instruments, authorization levels, & risk reporting.
- Addresses increasing exposure to foreign-denominated contracts, leverages benefits associated with managing risk directly.

Human Resources (HR) Policies

- Gives Board assurance that comprehensive guidelines exist for HR-related matters including compliance to government legislations.
- Examples of HR policies cover:
 - AODA Accessible Customer Service
 - Human Rights Discrimination
 - Health and Safety
 - Code of Conduct
 - Disclosure of Wrong Doing
 - Recruitment of Senior Staff

Proposed Board Governance

- As deemed necessary, updates to FARM on:
 - Current reserve status, funding application, and rationale for utilization.

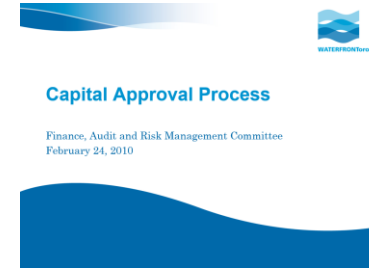
Board Governance

- Status updates to FARM on:
 - Material foreign currency risk exposures (through Risk Register).
 - Currency exposure and mitigation measures (through financial statements).

Board Governance

- HR policy updates provided to Chairs Committee twice per year (for information).

Capital Approval for Projects



- Why is it important?
 - Reinforces Board oversight on large-scale and high risk projects prior to project implementation.
 - Directors exercise internal control and provide direct approval towards proceeding on a specific capital project.
- Background on Capital Approvals
 - Typically capital approvals are presented to the Board for review and approval on a project by project basis **during the design stage** (20% to 30%) of the project and **prior to construction tender**.

Total Planned Investment Amount	Project Capital Approval
Less than \$2M	<ul style="list-style-type: none">• Individual projects with less than \$2M planned investment amounts are approved as part of WT's annual Corporate Plan, which includes the planned investment details in Corporation's Long Term Plan.
At least \$2M	<ul style="list-style-type: none">• Relevant projects must be separately presented to the Board for approval.• Board approval is also required if estimated costs have increased by more than 10% above the Board-approved investment amount (with \$5M cap), prior to proceeding work at the revised project cost.

Waterfront Toronto's Procurement Policy

- Complies with **Ontario Broader Public Sector Procurement Directive (BPSPD)**, and aligns with **best procurement practices**.

Different Competition Methods for Procurement

- Request for Proposal (RFP)** -
 - Used when the Corporation wishes to carry out a **quality assessment of a service provider**.
 - Price** is a weighted factor but **not the determining factor**.
 - Predetermined evaluation criteria**, constant to all potential proponents.
- Tender**
 - Used when the **scope is clearly defined**.
 - Determining factor is a **competitive price**.
- A Prequalification request**
 - A formal RFP that **does not request a price** and is used to **narrow the number of proponents**.
 - A Prequalification is **followed by a Tender/RFP**.

Procurement Sole Sourcing

- Requires the **CEO's authorization** to sole source consulting services
- C-level authorization** for all other goods and professional services **over \$10K**.
- This activity is **discouraged**.

Construction Change Orders (CO's)

- Requires authorization of the **Chief Project Officer**.
- CO's are **tracked and cannot exceed the project contingency**.
- Work cannot be authorized to the vendor until it is **authorized through the Corporation's financial systems in accordance with signing thresholds**.

Authorizations / Governance

- Purpose:**
To provide Board governance on procurement exceptions.

Board Approval Authorities/Governance:

- Board approval for:
 - Non competitive consulting services over \$1M; and
 - Contract length over 5 years.
- Notification to FARM for:
 - Any exceptions to the Procurement Policy (e.g., sole source contracts); and
 - All contracts awarded in excess of \$5M.

CEO's Approval Authorities/Governance:

- CEO's approval required for:
- Procurements for all unfunded projects;
 - Competitive consulting services, goods and services (incl. professional services) over \$1M, and any accumulated change orders over \$250K;
 - All sole source consulting contracts (incl. change orders);
 - Sole source contracts for goods and services (including professional services).

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Procurement Policy and Practices Summary

Given the importance of Waterfront Toronto's mandate, the conduct of the Corporation's procurement activities must meet the highest standards of ethics and be economically achievable while supporting the Corporation's overall objectives of fairness, openness and transparency. The goal of the Corporation's procurement activities is to achieve maximum value for the Corporation and its stakeholders while achieving its strategic objectives.

Waterfront Toronto comes under the Ontario Broader Public Sector Procurement Directive (BPSPD) which demands certain mandatory conditions. Our policies and procedures not only comply with the BPSPD but are aligned to best procurement practices. The following highlights some of our policies:

- Waterfront Toronto uses a number of different competition methods to procure consulting services, professional services and goods:
 - A Request for Proposal (RFP) is used when the Corporation wishes to carry out a quality assessment of a service provider. Price is a weighted factor but not the determining factor. All criteria used to evaluate each proposal is predetermined and constant to all potential proponents.
 - A Tender is used when the scope is clearly defined so that the only determining factor is a competitive price.
 - A Prequalification request is a formal RFP that does not request a price and is used to narrow the number of proponents to those that are truly qualified. A Prequalification is then followed by a Tender or a RFP.
- *Sole Source*: This activity is discouraged and requires the CEO's authorization to sole source consulting services and a C-level authorization for all other goods and professional services over \$10,000.
- *Blackout Period*: A period of time where there is to be no communication between the Corporation and potential proponents except through the official representative referred to in the competition document. This period of time starts when the competition is released to the market and ends with the final award.
- *Evaluation process*: All evaluators are given an evaluation binder with scoring sheets that are reflective of evaluation criteria requested for in the RFP. The evaluators must independently review and score each proposal submission before collectively meeting to establish a consensus score and ultimately determining the winner of the competition.
- *Standardized documentation*: All competition documents (RFP, RFQ and tender) as well as all forms of contracts (Purchase Order, AIA – architects agreement, CM – construction manager agreement, CCDC2 - lump sum construction agreement) are in template form to mitigate the risk associated with dropped clauses, and to ensure that they stay current with case law.

- *Change Orders (CO's)*: CO's to construction contracts are authorized after receiving written approval from the Chief Project Officer. This written approval permits the Project Manager to authorize the work to the constructor. All construction CO's are tracked and cannot exceed the contingency established for the project without being further authorized in the financial system. Service CO's used to increase the scope of a Professional Service or Consultants contract do not have an established contingency amount. They follow the same process as the construction CO with the exception that work cannot be authorized to the consultant until it is authorized through the financial system.
- *Funding*: Procurement does not issue competitions for unfunded projects unless authorized by the CEO due to the urgent nature of the project. That said, the ensuing contract cannot be issued nor work authorized until the proper funding is in place.
- *Vendors of Records (VOR's)*: Procurement has established a roster (VOR's) of commonly used Consultants, Professional Services, IT and corporate services. Where possible we also utilize the VOR's already established by the Province in order to gain their economies of scale. Long term contracts like these cannot exceed five years in length without Board approval.
- *Award Posting*: Procurement publishes the names and values of the winning bids of all awarded contracts with a value over \$50,000 on Waterfront Toronto's website.
- *Procurement Training*: To improve the efficiency of the process and to mitigate risk, Procurement conducts training sessions for all staff at least once per year. Some of the past subjects included contract law, and the evaluation process.
- CEO's signing is required for:
 - All unfunded projects;
 - Competitive Consulting Services, Goods and Services (including Professional Services) \$1M or more;
 - Accumulated Change Orders \$250,000 or greater for Competitive Goods and Services (including Professional Services);
 - All Non-Competitive Consultants (including Change Orders) for services permitted by the BPSPD; and
 - Non-Competitive Goods and Services (including Professional Services) \$25,000 or more.

Greater detail of Waterfront Toronto's procurement process can be found in our Procurement Policies and Signing Threshold Policy; which are continually updated on an as-required basis.

Agenda Item	Quayside Update
Purpose	To provide the board with ongoing updates on the progress of the Quayside project.
Key Message	Key elements of the project are progressing as we develop our thinking about what Quayside will deliver against our objectives as set out in the Request for Proposals (RFP).
Areas of note/ Key issues	<p><i>Plan Development Agreement (PDA) Negotiations:</i></p> <p>Waterfront Toronto has added a real estate expert from the KPMG UK team who is familiar with complex multi-party transactions, to assist with the discussions with Sidewalk Labs. Negotiations over the last several weeks have progressed as the collective teams have been focused on incorporating the feedback provided by their respective boards and committees on key issues which will be incorporated into the agreement. A series of meetings are scheduled over the next several weeks to advance discussions.</p> <p><i>Master Innovation and Development Plan (MIDP)</i></p> <p>Waterfront Toronto and Sidewalk Labs staff continue to explore the key focus areas that were identified in the RFP and subsequent response that will make up the MIDP. These include: sustainability, public realm, building technologies, mobility, digital platform, affordable housing and community services. On April 24th all of the working teams provided an update on their efforts at a joint working Summit. The teams are focused on identifying opportunities to deliver on our transformative city building and innovation objectives as set out in the RFP.</p> <p><i>Project Governance:</i></p> <p>The Board has approved the protocol for briefing governments which requires all significant documents and milestones to be shared with governments for comment and input prior to seeking Board approval. This will be conducted through several oversight bodies including the</p>

	<p>Intergovernmental Steering Committee (IGSC) as well as the newly established Quayside Executive Steering Committee (QESC) which each have tri-government representation. The first meeting of the QESC took place on April 20th with additional monthly meetings scheduled for May 17th and June 14th. The next IGSC meeting is scheduled for May 10th.</p> <p><i>Waterfront Toronto Digital Strategy Advisory Panel</i></p> <p>The Waterfront Toronto Digital Strategy Advisory Panel was formally announced on April 27, 2018. The fourteen-member panel has a balance of public and private sector subject matter experts who will provide the Corporation with advice on key areas related to our intelligent community initiatives. As observed on social media, the composition of the panel and approach has received a favourable response from the broader community. The initial meeting of the panel is being finalized in consultation with the panel members and interim Chair, Michael Geist. Mark Wilson will serve as the Panel's liaison to the Waterfront Toronto Board of Directors.</p>
Expected Outcome	For information
Key Takeaways/ Next Steps	For information

Board Meeting – May 10, 2018
Quayside Committee Closed Session Report
Mazyar Mortazavi & Susie Henderson

Agenda Item	Plan Development Agreement Negotiation Update
Purpose	To provide the Board of Directors with an update regarding the negotiation of the Plan Development Agreement (PDA) with Sidewalk Labs.
Key Message	Negotiations with Sidewalk Labs on the PDA are proceeding as expected with increasing clarity on all elements. Waterfront Toronto has augmented its legal and advisory teams to enhance its negotiating strength.
Areas of note/ Key issues	<p>The negotiation strategy for the Quayside project highlighting Waterfront Toronto's priority targets and objectives has continued to evolve. The critical items remain as follows:</p> <ol style="list-style-type: none"> 1) Primary Role & Controls for Waterfront Toronto 2) Public Policy & Stewardship 3) Commercial Terms & Financial Returns <p>The timeline to bring the PDA to the Board for approval is provided in the following report.</p>
Expected Outcome	For information.
Key Takeaways/ Next Steps	The negotiation of the PDA will proceed with regular reporting to the Investment, Real Estate & Quayside Committee.

The negotiation strategy for the Quayside project highlighting Waterfront Toronto's priority targets and objectives has continued to evolve. The critical items remain as follows:

- 4) Primary Role & Controls for Waterfront Toronto**
- 5) Public Policy & Stewardship**
- 6) Commercial Terms & Financial Returns**

1) Primary Role and Controls for Waterfront Toronto

- a) Ensuring that Waterfront Toronto's role as the revitalization lead is reaffirmed and strengthened through the Plan Development Agreement.
- b) Waterfront Toronto will be the lead on government relations and public engagement throughout the development of the Master Innovation Development Plan.
- c) Stage gate structures that provides for appropriate controls and incremental commitments on scope.

2) Public Policy & Stewardship

Achieving the public policy objectives included in the original Request for Proposals (RFP) and subsequent response:

- a) Sustainability standards far beyond current market standards, including Passive House and Climate Positive targets to address the climate change imperative, urban innovation, and building technology advancement.
- b) Economic Development – The creation of a globally significant urban innovation cluster, including, but not limited to:
 - i) The relocation of the Google Canada Headquarters to the waterfront
 - ii) The establishment of an Urban Innovation Institute on the waterfront
- c) Complete Communities – A waterfront for everyone (including affordable housing, mobility affordable, accessible)
- d) Data Governance & Privacy Standards which are based on best practices and set a new Canadian standard for digital stewardship.

3) Commercial Terms & Financial Returns

While the precise business models and corporate structures for the implementation of the Sidewalk Toronto project will be determined through the preparation of the MIDP, the following sources of revenue are being explored to ensure Waterfront Toronto benefits from each of the streams:

- a) *Real Estate* – Consistent with Waterfront Toronto’s revitalization approach, land valuation will be based on risk and policy-adjusted financial returns on land interests. This will be based on a fair market appraisal for the subject lands, based on the development program.
- b) *Infrastructure and systems* – As identified by the pillar teams, various new approaches to infrastructure are being explored (e.g. alternative approaches to district energy, utility channels, road infrastructure). While it is premature to provide specific details regarding the potential financial benefits and role for Waterfront Toronto, we have identified the right to participate in these aspects of the project.
- c) *Technology/Intellectual Property* – As identified by the pillar teams, various new technologies are being explored (e.g. building systems, networking technologies, sensors, digital platform). While it is premature to provide specific details regarding the potential financial benefits and role for Waterfront Toronto, we have identified the right to participate in these aspects of the project. Benefits will be explored from both a co-creation/intellectual property sharing perspective, as well as from the opportunity to have a large-scale platform to demonstrate newly commercialized solutions to other markets.

The negotiation strategy is continually being refined based on feedback from the Quayside Committee and independent external advisors with a view to executing the PDA after government review and Board Approval.

The Plan Development Agreement will supersede the Framework Agreement and will be focused on guiding the relationship through the development of the Master Innovation and Development Plan. The document will include the following key elements:

- The scope of the Master Innovation and Development Plan
- Budget and financial protocols and treatment of the \$50 million of plan development funding
- Options for partnering that will be further analyzed in the context of the MIDP with the Quayside Committee and the Board
- Principles for the valuation and benefit sharing across the three primary areas of benefit: infrastructure, land and technology
- Principles for Fair Procurement
- Government and Public Relations Protocol

It is important to keep in context that the longer-term structure and commercial terms will be determined in parallel with the finalization of the Master Innovation and Development Plan, once the full range of opportunities are more fully understood.

Updated timeline:

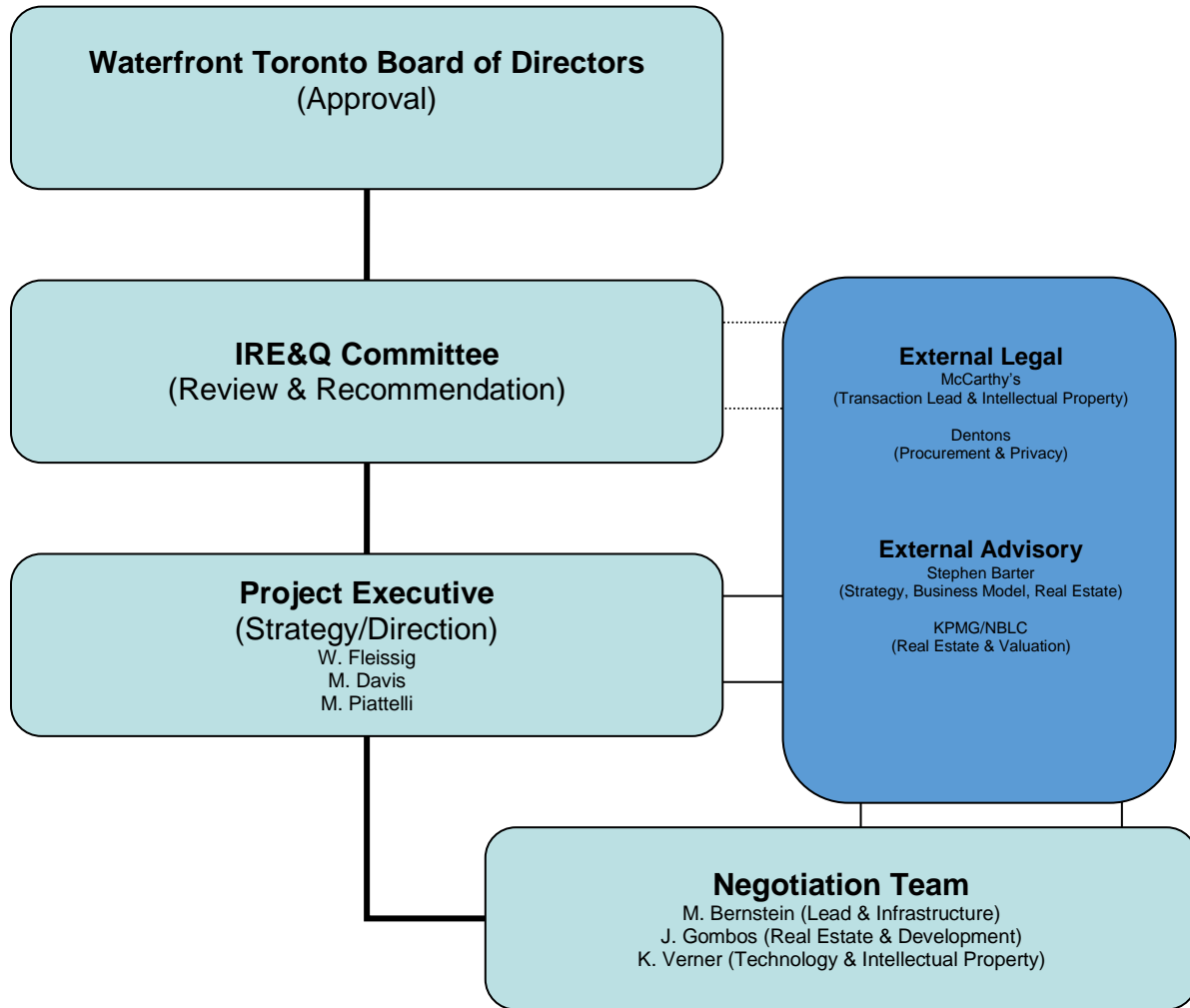
Overall, there is good progress being made on a number of the key issues, but there remains both drafting as well as conceptual issues to advance. As a result of the need to extend the negotiations, the following updated timeline reflects anticipated Committee and Board engagement in the process.

1. **May 10th**, Board Meeting: in camera update on PDA.
2. **May 18th**, Investment in Real Estate & Quayside Meeting: Brief on progress of working groups and commercial considerations.
3. **May 30th**, Quayside Specific Board Meeting: Brief on progress of working groups and commercial considerations.
4. **June 7th**, Investment, Real Estate & Quayside Committee Meeting: Review PDA draft.
5. **June 28th**, Board Meeting: Board update on Quayside project.
6. **July**, Investment, Real Estate & Quayside Committee Meetings as required: review and finalize PDA.
7. **Early July**, Circulate PDA to Board & Governments
8. **Mid-Late July**, Quayside Specific Board meeting review (and potential approval) of PDA

Negotiation Team & Additional Support

Waterfront Toronto has retained Stephen Barter, former Chairman of KPMG's global Real Estate Advisory practice to advance the negotiations ongoing with Sidewalk Labs. He has over 30 years of experience in real estate and has held a number of senior leadership roles. His experience extends to property investment and financing, large-scale placemaking regeneration developments, privatizations, public private partnerships, and the creation and management of property funds.

PDA Negotiation Structure



Areas of Concern:

The following areas of concern are being tracked as part of the ongoing process. These topics were initially identified to the Board in closed session on March 29, 2018.

	Previous level identified	Current level
Mandate in the Eastern Waterfront		
Flood Protection Funding		
Scope of the MIDP and BIP		
Valuation and participation methodology		
Elections		