

## Next Phase of Waterfront Revitalization

**Date:** October 13, 2021

**To:** Executive Committee

**From:** Deputy City Manager, Infrastructure and Development Services

**Wards:** All

### SUMMARY

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This report provides a general update on Waterfront Revitalization, an outlook on the next phase and requests Council direction on certain transactional matters related to ongoing revitalization including:

- A public consultation and stakeholder engagement process that will result in a renewed vision for Toronto's waterfront, setting the stage for a further phase that will build on 20+ years of tri-government-led waterfront revitalization success;
- A summary of the findings of the 2020 Waterfront Strategic Review Update, a follow-up to a review undertaken in 2015;
- Two Consent requests that have been made by Waterfront Toronto;
- An update with next steps with respect to implementation and planning work that is in progress for the Villiers Island Precinct and the Port Lands; and
- City Council direction for staff to review the real estate development responsibilities of Waterfront Toronto and CreateTO to ensure that there is alignment, including the ability to leverage the skills of both organizations to enable effective and efficient project delivery in the Port Lands.

This report recommends that staff report back to the Executive Committee twice in 2022:

- Once in Q1 2022, with the results of public consultation and stakeholder engagement on a next phase of waterfront revitalization, including a renewed waterfront vision; and
- Once in Q2 2022, with an update on business and implementation planning work for the Villiers Island Precinct and the Port Lands.

Waterfront revitalization, launched in October 2000, has been an overwhelming success. Working together, the three orders of government, through Waterfront Toronto, have delivered solid social, economic, public realm and environmental benefits. To-date, \$2.75 billion in tri-government investments in the waterfront are estimated to have created 20,785 years of construction employment, 5,000 permanent jobs, added \$2.7 billion of economic activity into the Canadian economy, and generated almost \$1.1 billion in tax revenues (largely Provincial and Federal income taxes). This has also

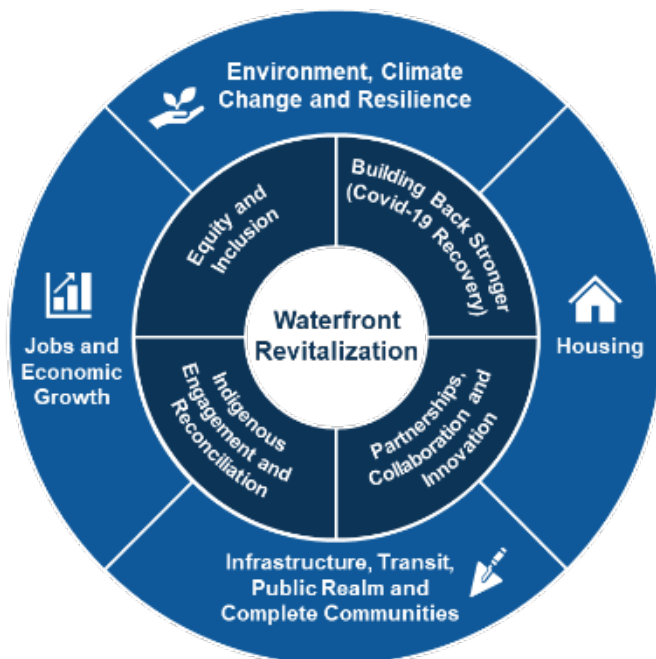
triggered over \$13.2 billion of private sector investment in the waterfront. These benefits have resulted primarily through the transformation of the West Don Lands and East Bayfront precincts through flood protection, remediation, land servicing, public realm investments, and private sector development investments. The current focus of revitalization is the ongoing Port Lands transformation, beginning with Port Lands Flood Protection.

Waterfront revitalization outcomes are local, provincial and national in significance, and have been driven by a unique tri-government partnership and governance structure focussed on outcomes. Through upfront investment, government partners are reconnecting the city with its waterfront, building complete communities and streets, raising design standards through an environmental lens, providing new homes and affordable housing, jobs, and open spaces adjacent to downtown Toronto. Toronto's waterfront is an important asset in attracting and retaining talented workers in critical "innovation" industries.

### A Further Phase of Waterfront Revitalization

The task of revitalizing the city's waterfront is far from complete. City staff have started preliminary discussions with their counterparts at the Provincial and Federal governments, Waterfront Toronto and other organizations that touch the waterfront about a further phase of waterfront revitalization and the required investments to support this work. Discussions have just commenced and will continue into 2022. Working with waterfront stakeholders, staff have developed a list of shared waterfront outcomes and priorities, as depicted in Figure 1. The inner circle identifies potential waterfront outcomes while the outer circle identifies categories of potential waterfront priorities/projects.

**Figure 1: Shared Waterfront Outcomes and Priorities**



*Our Toronto Waterfront: Gateway to the New Canada*, the original overarching vision for Toronto's waterfront, was published by the Toronto Waterfront Revitalization Task Force, led by Robert Fung, in 2000. This vision set in motion major planning approvals, including the Central Waterfront Secondary Plan and numerous precinct plans, as well as an extensive pipeline of development and infrastructure projects. Although, the Task Force vision is still relevant two decades later, the opportunity has emerged to renew it to reflect current priorities, including pressing factors such as the need to advance Reconciliation, recover from the COVID-19 pandemic, address the climate crisis, provide affordable housing and make progress on social equity issues.

Led by the City Manager and the City's Senior Leadership Team, City staff will be working with the City's waterfront partners, including Waterfront Toronto, CreateTO and the Provincial and Federal governments, to undertake a public consultation and stakeholder engagement process from November 2021 to January 2022 that will articulate a renewed unifying and multi-generational vision for the waterfront. The creation of the vision, which staff have called "Audacity," will be informed by a panel of expert volunteers, described below. This panel will meet three to four times in the coming months and will assist staff with framing the questions to be considered by members of the public and stakeholders through the consultation and engagement process. It is anticipated that the resulting renewed vision will be future-focused and will highlight the importance of the waterfront in driving the local, regional and national economy – in attracting talent and driving inclusion – and will be a key input for City, Provincial and Federal decision-makers in addressing shared public policy outcomes. As described above, staff will report to the Executive Committee in Q1 2022 with the results of the engagement process which will inform a renewed vision for the waterfront.

The public consultation and stakeholder engagement process described above will consider the full 43 km of Toronto's wider waterfront, from Etobicoke in the west to Scarborough in the east. This would be a change from the first phase of waterfront revitalization which has been focused in the 10 km central waterfront -- defined as the Designated Waterfront Area by the three governments; two parkland development projects were undertaken in Port Union and Mimico in the early years of the waterfront revitalization initiative, however, these were an exception. City staff are keen to engage the public and stakeholders to develop an expanded vision for waterfront revitalization in the western and eastern waterfronts, with a focus on opportunities to advance parks, natural heritage, shoreline resilience and active transportation projects. Staff will report further on this in Q1 2022; including the potential for tri-government participation and on roles and responsibilities in implementation.

## 2020 Waterfront Strategic Review Update

As part of the 2020 Waterfront Strategic Review Update, the City, with the assistance of its Provincial and Federal partners, engaged KPMG LLP to undertake a Background Study on the Waterfront Revitalization Initiative. This background study is appended to this report as Attachment 8. Among other conclusions, KPMG found that Toronto's waterfront revitalization effort continues to be a nationally significant initiative that requires a tri-government approach and governance. In addition, KPMG found that Waterfront Toronto is achieving the three governments' priorities, with significant progress made over the 2015 to 2020 scope of this review.

KPMG identified two important issues related to Waterfront Toronto's future. First, Waterfront Toronto is approaching fiscal uncertainty; the corporation currently receives funding from the three orders of government under the Port Lands Flood Protection Project contribution agreement which is expected to be fully drawn by the end of 2024. While Waterfront Toronto has land sale revenues to pursue the Quayside Project, additional tri-government investments will be required to advance other revitalization work. Second, the Toronto Waterfront Revitalization Corporation Act, 2002 includes provisions for the wind up of the corporation in 2028. If Waterfront Toronto is to continue beyond 2028, the government partners will need to work together to establish a plan to address Waterfront Toronto's future funding situation and legislative horizon.

These are important issues that the government partners are discussing; the issues will have to be addressed in the near term as the governments consider a further tri-government phase of waterfront revitalization; staff will report further on these issues as part of the report expected in Q1 2022.

### Waterfront Toronto Consent Requests

Waterfront Toronto, through its Board of Directors, has requested that the government partners update its Revenue Consent so that it is consistent with the Qualified Donee status granted to the Corporation by Canada Revenue Agency under section 149(1) of the Income Tax Act. Qualified Donee status allows Waterfront Toronto to accept and issue tax receipts for charitable donations. Draft revised Revenue Consent language is appended to this report as Attachment 1. Both the Province of Ontario and Government of Canada have secured Treasury Board approvals for this Revenue Consent amendment and language.

Consistent with Waterfront Toronto's Fundraising Action Plan, as outlined in its Board-approved Rolling Five Year Strategic Plan (2020/21 – 2024/25), major terms for a Memorandum of Understanding that will govern City involvement and decision-making in relation to Waterfront Toronto's fundraising efforts have been drafted; these major terms are appended as Attachment 2. City staff will be involved in the process from project inception to implementation, with representation in the initiative through a City/Waterfront Toronto Fundraising Liaison Committee.

In addition, Waterfront Toronto has also requested that the City, Provincial and Federal governments approve an increase to the organization's borrowing limit and an extension to the term of the Authority to Borrow Money and Encumber Assets for Projects in the Designated Waterfront Area and for Bridge Financing ("Borrowing Consent"), originally approved by the three government partners in 2015. Waterfront Toronto has requested a revised limit of \$90 million, extended to May 2028, as long as the organization continues to have sufficient collateral to support its required borrowing. Draft revised Consent language is appended to this report as Attachment 3. A higher credit facility would help bridge the gap between the time that expenditures are required to prepare lands for development and the time when revenues are realised through land sales and related sources. This issue is most relevant with respect to the five properties that are owned by Waterfront Toronto in Quayside. A term extension to the term of the Borrowing Consent would create alignment with the Toronto Waterfront Revitalization

Corporation Act (which includes a provision for Waterfront Toronto to operate until May 15, 2028) and with Waterfront Toronto's post-construction obligations (e.g. monitoring and warranties) for the Port Lands Flood Protection project and Quayside. Waterfront Toronto's borrowing is, and will continue to be, closely monitored through regular reporting to the three orders of government.

## Port Lands and Villiers Island Precinct Revitalization

This is the first report seeking Council direction on the development of the Port Lands since adoption of the Port Lands Planning Framework, Port Lands Official Plan Modification and Villiers Island Precinct Plan in December 2017.

The Port Lands, located to the southeast of Downtown Toronto, is the largest undeveloped area remaining in Toronto. It represents an area of roughly 325 hectares (800 acres), with approximately 200 hectares (500 acres) in CreateTO ownership. The Port Lands are currently being transformed by the massive Port Lands Flood Protection project. The centrepiece of this project is the rerouting of the mouth of the Don River to a newly formed and naturalized waterway, located to the south of the Keating Channel. The \$1.25 billion project, being implemented by Waterfront Toronto and supported equally by the three orders of government, has been underway since 2017 and is currently on budget and on time for completion in 2024. Once completed, the flood protected areas in the Port Lands will be converted to naturalized lands, park and recreation areas, intensified employment and port districts, and mixed use development, allowing for new neighbourhoods to grow in parts of this area for the first time.

This report describes the areas of focus and the approvals process for the next stage of work in the Port Lands. As we look forward to the anticipated completion of the flood protection project in 2024 and with the Council adoption of the Port Lands Planning Framework in 2017, the table is now set for the next stage of revitalization. The work plan starts this year and will carry through completion of Flood Protection. It focuses on advancing necessary planning studies and approvals, resolving all remaining Ontario Land Tribunal appeals, advancing parks and infrastructure plans and creating development plans for publicly-owned lands.

The first precinct-level opportunity for mixed used development in the Port Lands is Villiers Island, a roughly 20 hectare (50 acre) area that will be become available for planned development following completion of the flood protection project. Development will be guided by the Council-adopted Villiers Island Precinct Plan, which identifies a range of permissible residential, commercial, catalytic and community uses. Given the precinct's unique profile, strong market attributes and high proportion of public ownership, the development program for Villiers Island will set an ambitious standard for complete community building through significant affordable housing, new transit, climate positive design and high-quality public realm. CreateTO is the majority landowner in Villiers Island, with additional properties owned by PortsToronto, Waterfront Toronto and private owners. It is anticipated that mixed use construction could begin in Villiers Island as early as 2025/26, with first residential occupancy targeted for 2027/28.

Beyond Villiers Island, other projects are planned or currently underway throughout the Port Lands. These include the continued build-out of Media City as one of Canada's

largest film production hubs, a new film studio in Turning Basin District, new employment uses in the South Port district, and various park and public realm projects. Over the long-term, additional mixed use development will extend into precincts adjacent to Villiers Island, including Keating Channel to the north, Polson Quay and South River to the south and McCleary District to the east. Early stage planning is currently underway for future growth in these areas. These initiatives are described in further detail in the report.

This report describes an approvals process for City Council to guide implementation of the work plan for Villiers Island and the Port Lands. For Villiers Island, a comprehensive Business and Implementation Plan will be prepared that describes the overall development concept and phasing plan, program requirements such as affordable housing and climate positive design, funding and financing, infrastructure costs and various asset management considerations (e.g., future ownership of public lands). In addition, the zoning by-law will be updated to align with the Villiers Island Precinct Plan in order to facilitate the accelerated development of the precinct. Pending Council adoption of the recommendations in this report, staff anticipate reporting further on this by mid-2022.

Finally, this report describes the roles and responsibilities of Waterfront Toronto, CreateTO and the City for the immediate next steps on Villiers Island. The need for greater clarity on roles and responsibilities was flagged in the 2015 Waterfront Strategic Review, the Provincial Auditor General 2018 value-for-money audit of Waterfront Toronto and again in the 2020 Waterfront Strategic Review Update. City staff are of the view that the best approach for the Port Lands, starting with Villiers Island, will be a partnership approach that involves both Waterfront Toronto and CreateTO, working in close collaboration with City Divisions. A staff governance structure has been established that will leverage the strengths of each partner, prevent duplication of effort and expedite the delivery of work plans. Staff will comment in further detail on this in the report that is anticipated for Q2 2022.

## **RECOMMENDATIONS**

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The Deputy City Manager, Infrastructure and Development Services recommends that:

1. City Council request that the City Manager report to the Executive Committee in Q1 2022 with the results of the public consultation and stakeholder engagement process on a next phase of waterfront revitalization and a renewed waterfront vision that sets a path forward for what Toronto will achieve along its 43 km waterfront, from Etobicoke to Scarborough, including anticipated economic development, Reconciliation, social, equity and environmental outcomes.
2. City Council request that the Deputy City Manager, Infrastructure and Development to report to the Executive Committee in Q2 2022 with an update and recommendations related to business and implementation planning for the Villiers Island Precinct and the Port Lands.
3. City Council approve the amendment of the Consent to raise revenue pursuant to subsection 4(7) of the Toronto Waterfront Revitalization Corporation Act, substantially

on the terms and conditions contained in the draft Amendment to Consent (Attachment 1) to this report and, provided that the Provincial government and Federal government also agree to such amendment, authorize the Deputy City Manager, Infrastructure and Development Services to execute such Consent with such modifications as she shall deem necessary or desirable or shall agree to and in a form approved by the City Solicitor, and to deliver such Consent to Waterfront Toronto.

4. City Council authorize the Deputy City Manager, Infrastructure and Development Services and the Deputy City Manager, Community and Social Services to enter into a Memorandum of Understanding with Waterfront Toronto on terms and conditions satisfactory to the Director, Strategic Partnerships, City Manager's Office, that address the City's involvement in Waterfront Toronto's donations and sponsorships program, based on the major terms outlined in Attachment 2 of this report, and in a form satisfactory to the City Solicitor.

5. City Council direct that the Memorandum of Understanding include terms and conditions to ensure that Waterfront Toronto's donations and sponsorships program aligns with the City's Donations to the City of Toronto for Community Benefits Policy, Sponsorship Policy, and Individual and Corporate Naming Rights Policy, with respect to donations and sponsorships Waterfront Toronto solicits, receives and spends that are to be incorporated into City infrastructure or assets including:

(a) conferring on Waterfront Toronto the authority and responsibilities given to the Division Heads under all three policies; and

(b) adding to the Donations to the City of Toronto Community Benefits Policy that Waterfront Toronto, instead of Council, has authority to accept and spend donations equalling or exceeding \$50,000.

6. City Council authorize the Deputy City Manager, Infrastructure and Development Services, to execute on behalf of the City, agreements between the City and Waterfront Toronto for the implementation and delivery of projects to be funded and delivered pursuant to Waterfront Toronto's donations and sponsorships program, on terms and conditions satisfactory to the Deputy City Manager, Infrastructure and Development Services, in consultation with relevant City divisions and the Director, Strategic Partnerships, City Manager's Office, and in a form satisfactory to the City Solicitor.

7. City Council approve the amendment of the Authority to Borrow Money and Encumber Assets for Projects in the Designated Waterfront Area and for Bridge Financing pursuant to Subsections 4(5) and 4(6) of the Toronto Waterfront Revitalization Act, substantially on the terms and conditions contained in the draft Amendment to Consent (Attachment 3) to this report and, provided that the Provincial government and Federal government also agree to such amendment, authorize the Deputy City Manager, Infrastructure and Development to execute such Consent with such modifications as she shall deem necessary or desirable or shall agree to and in a form approved by the City Solicitor, and to deliver such Consent to Waterfront Toronto.

## **RECONCILIATION AND EQUITY IMPACT**

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This report describes the opportunity to renew the vision for the waterfront that was published by the Toronto Waterfront Revitalization Task Force, led by Robert Fung, in 2000. The waterfront has been, and will continue to be, positioned as a shared space that supports the integration of climate resilient design, access to secure employment and affordable housing and inclusive public amenities for everyone's enjoyment. The process outlined in this report will allow for the renewed vision to reflect current priorities, including those related to Reconciliation and social equity. City staff will undertake a public consultation and stakeholder engagement process from November 2021 to January 2022. The process will include engagement with Indigenous rights holders -- with people and organizations that represent First Nations, Inuit and Métis peoples and all urban Indigenous communities, including Treaty and Territorial partners such as the Mississaugas of the Credit. In addition, the process will include outreach to people and organizations that are involved with social equity issues

## **FINANCIAL IMPACT**

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Funds will be required for public consultation and stakeholder engagement, management consulting and project management costs. Funding has been requested through the 2022 Capital Budget and Plan process. Any 2021 costs will be absorbed through existing project budgets.

There are no further financial implications resulting from the adoption of this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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### **Our Toronto Waterfront (2000)**

The original overarching vision for Toronto's waterfront, entitled "Our Toronto Waterfront: Gateway to the New Canada" was published by the Toronto Waterfront Revitalization Task Force in 2000. The report is available here:  
<https://www.toronto.ca/wp-content/uploads/2017/11/91f5-torontow.pdf>

### **Central Waterfront Secondary Plan (2003)**

At its meeting on April 16, 2003, City Council adopted the Central Waterfront Secondary Plan as an amendment to the former City of Toronto Official Plan. The Plan includes the Port Lands and sets out visions for naturalizing the mouth of the Don River, new parkland, road networks, and transit-oriented mixed-use communities therein.

The City Council decision and staff report are available here:



## **Waterfront Strategic Review (2015)**

At its meeting on July 7, 2015 City Council adopted the report of June 22, 2015 from the Deputy City Manager Cluster B, "Waterfront Strategic Review" with recommendations to support, in principle, undertaking a second phase of waterfront revitalization supported by tri-government funding and governance. Four priority projects for the next phase were approved and the Mayor was asked to lead discussions with his Provincial and Federal counterparts to advance Port Lands Flood Protection, Waterfront Transit, municipal services and public realm projects.

The City Council decision and staff report are available here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX7.6>

## **City-Wide Real Estate Transformation (CreateTO)**

In May 2017, City Council approved a new City-wide real estate service delivery model that centralized real estate and facilities management activities across the City, including all real estate strategy and portfolio planning, major build projects, developments, real estate transactions and facilities management. Formerly operating under the interim name of Toronto Realty Agency, CreateTO was established in January 2018 to manage the City's real estate portfolio, develop City buildings and lands for municipal purposes and deliver client-focused real estate solutions to City divisions, agencies and corporations.

The City Council decision and staff report are available here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.9>

## **Borrowing Consent (2020)**

At its meeting on January 29, 2020, City Council adopted without amendments the Waterfront Toronto Consent to Borrow and Encumber Assets Extension Request. The report recommended Waterfront Toronto's existing Consent be extended to May 15, 2023 and the Deputy City Manager, Infrastructure and Development Services be given delegated authority, in a form approved by the City Solicitor, to further extend from time to time, the term length contained in the Consent, up to May 15, 2028.

The City Council decision and staff report are available here:

<https://www.toronto.ca/legdocs/mmis/2020/ex/bgrd/backgroundfile-141656.pdf>

## **Port Lands**

At its meeting on January 31 to February 2, 2006, City Council approved a Memorandum of Understanding (MOU) between the City of Toronto, the City of Toronto Economic Development Corporation (TEDCO, now under CreateTO) and the Toronto Waterfront Revitalization Corporation (TWRC, now Waterfront Toronto) that set out phasing and respective roles and responsibilities of the partners in revitalizing East Bayfront and the Port Lands. The MOU appointed TWRC as the revitalization lead.

The City Council decision and Memorandum of Understanding are available here:  
<https://www.toronto.ca/legdocs/2006/agendas/council/cc060131/pof1rpt/cl027.pdf>

At its meeting on December 8, 2017, City Council adopted the staff report from the Deputy City Manager, Cluster B, entitled "Port Lands Planning Initiatives – Final Report". Council adopted the Port Lands Planning Framework, endorsed the Villiers Island Precinct Plan, and included directions on changes to the Official Plan and further planning studies to be undertaken.

The City Council decision and staff report are available here:  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG24.6>

As part of the 2018 Budget process, City Council adopted the report of December 5, 2017 from the Deputy City Manager, Cluster B and the Acting Chief Financial Officer, titled "Port Lands Flood Protection". The report authorized the Deputy City Manager Cluster B, or his delegate, in consultation with the Acting Chief Financial Officer, to execute a Contribution Agreement with the Provincial and Federal governments and Waterfront Toronto for the \$1.25 billion Port Lands Flood Protection and Enabling Infrastructure project, based substantially on terms attached to the report.

The City Council decision and staff report are available here:  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BU41.1>

At its meeting on October 2, 2019, City Council adopted the report from the Director, Community Planning, Toronto and East York District, entitled "Port Lands Zoning Review Study – Final Report". Council adopted zoning by-law amendments to align Zoning By-law 569-13 with the Port Lands Planning Framework and implementing Official Plan Modification.

The City Council decision and staff report are available here:  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.TE8.13>

## **COMMENTS**

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### **A Further Phase of Waterfront Revitalization**

There have been many successes over the first twenty years of waterfront revitalization with the reconstruction of Queens Quay West, public and water's edge promenade improvements, as well as new destinations that have reconnected residents, employees and visitors with the water. New complete communities are rapidly developing in the East Bayfront, West Don Lands and Lower Yonge, with a focus on affordable housing, a strong public realm and innovative sustainability solutions woven into each precinct.

Even with past successes, the task of revitalizing the city's waterfront is far from complete.

City staff have started discussions on a further phase of waterfront revitalization with the Provincial and Federal governments, Waterfront Toronto, CreateTO and other waterfront stakeholders. Other stakeholders have included the Toronto Region Conservation Authority, Ports Toronto, Exhibition Place, Harbourfront Centre, the Toronto Transit Commission, Metrolinx, Infrastructure Ontario and others.

A workshop of the City's waterfront stakeholders, held in November 2020, led to the identification of outcomes and priorities that could guide the next phase of waterfront revitalization. Four outcomes were identified:

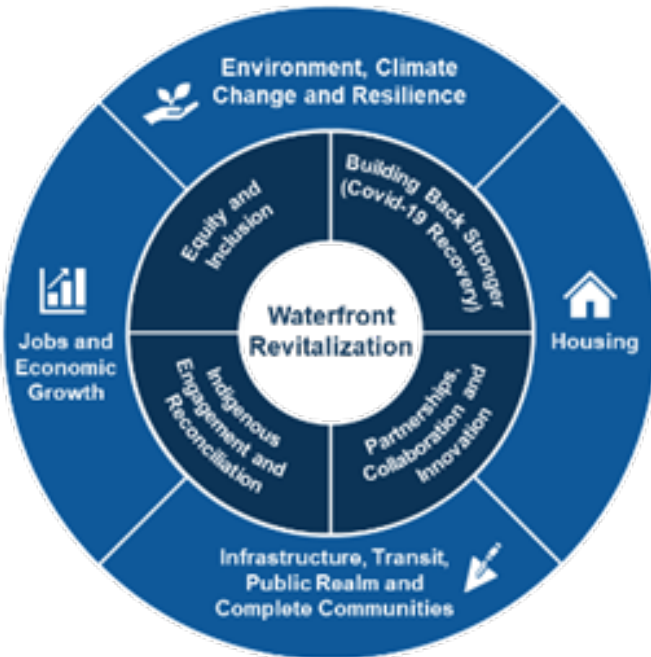
- **Building Back Stronger**, addressing the mounting economic and social challenges associated with COVID recovery;
- **Equity and Inclusion**, reflecting need to address systemic inequities through inclusive city building;
- **Partnerships, Collaboration and Innovation**, working together across governments, businesses, with the public and Indigenous communities, to support waterfront revitalization through collaboration and innovation; and
- **Indigenous Engagement and Reconciliation**, prioritizing need to address Reconciliation on a comprehensive and urgent basis.

Workshop participants identified four priority project types:

- Jobs and Economic Growth;
- Environment, Climate Change and Resilience;
- Infrastructure, Transit, Public Realm and Complete Communities; and
- Housing.

Figure 2 provides an illustration of the outcomes and priorities, as well as the relationships between them.

**Figure 2: Shared Waterfront Outcomes and Priorities**



## **Public Consultation and Stakeholder Engagement Process to Renew Toronto's Waterfront Vision**

*Our Toronto Waterfront: Gateway to the New Canada*, the original overarching vision for Toronto's waterfront, was published by the Toronto Waterfront Revitalization Task Force, led by Robert Fung, in 2000. Nearly two decades have passed and the multitude of public investments in and development along the waterfront have signified the importance of the waterfront to the local, regional and national economy and the unique role it can play to support the City's recovery from the COVID-19 pandemic. In addition, these examples demonstrate the importance of a vision for Toronto's waterfront that incorporates pressing factors such as advancing Reconciliation, addressing the climate crisis, providing affordable housing and making progress on social equity issues. Ultimately, this new approach would enable the development of a renewed vision for Toronto waterfront that is unifying and multi-generational in nature...

City staff have identified the need to engage partners, stakeholders and the broader public on a renewed vision for a further phase of waterfront revitalization. City staff will undertake a public consultation and stakeholder engagement process from November 2021 to January 2022. The process will include engagement with Indigenous rights holders -- with people and organizations that represent First Nations, Inuit and Métis peoples and all urban Indigenous communities, including Treaty and Territorial partners such as the Mississaugas of the Credit. Staff will work with the Provincial and Federal governments throughout the process; staff will work closely with Waterfront Toronto and CreateTO and the City's other waterfront partners to conduct the consultation and engagement.

Public consultation and stakeholder engagement will include input from expert panel made of volunteers identified by the City Manager. The panel will include representation

from Toronto's innovation economy as well as Indigenous communities and youth. The panel will meet on three to four occasions and will challenge the City, its waterfront partners and the public to think boldly about the future of the waterfront. Consultation with the public will take the form of online community meetings and workshops, with focused outreach to Indigenous organizations and individuals, equity-deserving communities, youth, etc. City staff will seek public and stakeholder advice on:

- New and innovative approaches to city-building and development;
- How to position Toronto in the post-pandemic economy, including the global race to attract talent and investment;
- How to use waterfront revitalization to accelerate the growth of the innovation economy and build back better by addressing Reconciliation, climate, equity, and health.

The renewed vision, currently called "Audacity," represents a vision that must be bold, daring, and marked by originality. It is an opportunity to position Toronto for success in the post-pandemic innovation-focused economy while addressing the socio-economic and environmental issues of our time. Toronto's waterfront revitalization program presents a generational opportunity to address these challenges. A renewed vision for Toronto's waterfront revitalization will:

- Guide the evolution of Toronto's waterfront;
- Inform future tri-government partnerships, the prioritization of waterfront projects, and the roles and responsibilities of waterfront organizations;
- Demonstrate how waterfront revitalization will accelerate the growth of the innovation economy and help build back better;
- Unite waterfront partners across Toronto's 43 km shoreline through a shared purpose; and,
- Set clear and compelling socio-economic outcomes for the next phase of waterfront revitalization.

The public consultation and stakeholder engagement process described above will consider the full 43 km of Toronto's wider waterfront, from Etobicoke in the west to Scarborough in the east. This would be a change from the first phase of waterfront revitalization which has been focused in the 10 km central waterfront -- defined as the Designated Waterfront Area by the three governments; two parkland development projects were undertaken in Port Union and Mimico in the early years of the waterfront revitalization initiative, however, these were an exception. City staff are aware of public and stakeholder interest in advancing waterfront revitalization work in the western and eastern waterfronts, where park, natural heritage, shoreline resilience and active transportation projects could be coordinated and prioritized for future funding opportunities. Staff will make this topic a key part of the public and stakeholder engagement described above. Through the proposed Q1 2022 report, staff will comment on the potential for tri-government participation and on options for roles and responsibilities in implementation.

## **Waterfront Strategic Review Update**

The 2020 Waterfront Strategic Review Update was led by the City's Waterfront Secretariat, Infrastructure Canada and the Ontario Ministry of Infrastructure. The

Strategic Update involved extensive review and analysis by the three government partners and engagement with Waterfront Toronto. The purpose of the work was to:

- Update the findings of the Waterfront Strategic Review for the period 2015-2020;
- Identify the strengths and weakness of waterfront revitalization delivery, including a performance assessment of Waterfront Toronto and recommended next steps;
- Review Waterfront Toronto's financial outlook and sustainability;
- Address the recommendations contained in the Waterfront Toronto Value for Money Audit performed by the Auditor General of Ontario in 2018; and
- Determine how Waterfront Toronto's current mandate (to 2028), and beyond if applicable, aligns with Waterfront Toronto's existing and proposed scope of work.

A third party consultant, KPMG, was retained by the City in fall 2020 to prepare a Background Study to support the Waterfront Strategic Review Update (Attachment 8). The objective of the Background Study was to update a previous study undertaken by Ernst & Young LLP, from the years 2015 to 2020. Ernst & Young's study was undertaken in 2015 in anticipation of a second phase of waterfront revitalization. The review was initiated in consultation with the Provincial and Federal governments and other waterfront stakeholders in order to:

- Assess the strengths and weakness of waterfront revitalization delivery;
- Address Waterfront Toronto's need for short-term borrowing; and
- Gauge interest in a second phase of waterfront revitalization.

At its meeting on July 7, 2015 City Council adopted the report of June 22, 2015 from the Deputy City Manager Cluster B, "Waterfront Strategic Review" with recommendations to support, in principle, undertaking a second phase of waterfront revitalization, supported by tri-government funding and governance. Ultimately, this work led to the funding and implementation of the Port Lands Flood Protection project.

The KPMG Background Study was co-managed by the three government partners. KPMG's work plan included an analysis of current and forecast Waterfront Toronto financials, a review of corporate governance and stakeholder interviews. The Background Study also drew upon the findings of the Waterfront Toronto audit program and the Value for Money Audit conducted by the Office of the Auditor General of Ontario in 2018.

### Strategic Review Update Questions

The senior staff level Intergovernmental Steering Committee approved a comprehensive list of questions to be discussed as part of the Strategic Review Update. A total of 29 questions were identified and sorted into five themes:

1. Vision, goals and priorities: are Waterfront Toronto projects aligned with the Toronto Waterfront Revitalization Corporation Act, the Central Waterfront Secondary (as amended) and government priorities?
2. Roles and responsibilities: what can be done to minimize the potential for duplication and overlap of effort on the waterfront?

3. Financial sustainability: does Waterfront Toronto have the financial tools to implement its mandate and do those financial tools provide a source of sustainable funding; also has Waterfront Toronto managed its resources with due regard for economy and efficiency?

4. Governance and risk management: are the existing governance and risk management structures adequate given Waterfront Toronto's scope of work?

5. Government coordination: how can the government partners strengthen their coordination to assist Waterfront Toronto?

For a number of the questions, the government partners relied upon the findings from the KPMG Background Study. The detailed breakdown of the questions by theme and who addressed them is provided in Attachment 8.

### **Strategic Review Update Key Findings**

The key findings from the Waterfront Strategic Review Update are presented below and organized into the five themes above.

#### *1. Vision, Goals & Priorities*

Building upon the Performance Assessment conducted in 2015, the KPMG Background Study concluded that Toronto's waterfront revitalization is a nationally significant initiative that requires a tri-government approach. The tri-government model - and Waterfront Toronto specifically - was identified as an effective vehicle to facilitate negotiations and reduce the transaction costs associated with government coordination. The interviewees also reiterated the importance of the City's leadership in guiding revitalization activities

In their assessment, KPMG concluded that Waterfront Toronto's mandate and objectives were aligned with the three government's revitalization priorities over the 2015 to 2020 study period. The Port Lands Flood Protection project was frequently identified by stakeholders as a strong example of a project that demonstrated alignment on shared priorities. In addition, interviewees from all three orders of government expressed a strong interest in their continued participation in the waterfront revitalization initiative beyond 2028 (Waterfront Toronto's statutory wind-up date).

Looking forward, the government partners identified a need for public consultation on the vision, goals and priorities for the next phase of waterfront revitalization. Significant time has elapsed since the future of the City's waterfront was brought to the public for consideration. As recent social movements and the COVID-19 pandemic highlight, much has changed since that time. The next phase of waterfront revitalization must help address the pressing interconnected social, economic and environmental issues of our time, including inequality, sustainability and Reconciliation.

## *2. Roles and Responsibilities*

The KPMG Background Study identified a need to clarify the roles and responsibilities of the City, CreateTO and Waterfront Toronto for the leadership and delivery of waterfront revitalization activities.

The City and its partners have undertaken additional work to address these issues and ensure continued alignment and coordination. This work is described in the final section of this report.

## *3. Financial Sustainability*

KPMG's Background Study concluded that, over the 2015 to 2020 study period, Waterfront Toronto managed its resources with due regard for economy and efficiency. Several measures were implemented to improve resource management and to address requests from governments, including two HR cost reviews, a streamlined contribution agreement process and the development of a fundraising strategy to identify non-government revenue opportunities.

Similar to the situation in 2014-2015, Waterfront Toronto is approaching fiscal uncertainty with government funding sources expected to be fully drawn by 2024. Without predictable funding following the Port Lands Flood Protection project, the government partners' current vision for Toronto's waterfront will fall short given what Waterfront Toronto is capable of delivering prior to its 2028 statutory wind-up date.

If Waterfront Toronto is to continue beyond 2028, the government partners will need to work together to establish a plan to address Waterfront Toronto's future funding situation and legislative horizon within the next two years. Discussions have started but they are at a very early stage.

For context, a corporate objective in the Toronto Waterfront Revitalization Corporation Act is to "ensure that ongoing development in the Designated Waterfront Area can continue in a financially self-sustaining manner". As affirmed in the 2015 Ernst and Young Performance Assessment and Office of the Auditor General of Ontario 2018 value-for-money audit, Waterfront Toronto does not have the tools to be entirely financially self-sustaining given existing assets and legislative restrictions on revenue raising capabilities.

Without financial stability and a funding commitment from government partners, employee and development partner confidence will be compromised. Furthermore, the absence of appropriate funding tools and associated financial constraints have the potential to impact Waterfront Toronto's ability to undertake the planning and preparatory work associated with several other projects.

## *4. Governance and Risk Management*

Existing governance, controls and risk management structures are adequate given Waterfront Toronto's scope of work.



In response to recommendations proposed during the 2015 Strategic Review, Waterfront Toronto's internal controls and approach to performance management matured significantly between 2015 and 2020. Examples of improvements include the creation of a Capital Program Management Office (2017), the implementation of a formal stage-gate process prior to project construction (2018) and the creation of a corporate risk appetite statement including risk tolerances for innovation projects (2019).

As of December 2020, 20 of the 22 actions identified for Waterfront Toronto in the Ontario Auditor General's 2018 value-for-money audit had been fully implemented, with the remaining two in the process of being implemented.

### *5. Government Coordination*

The three government partners provide direction to Waterfront Toronto through appointments to Waterfront Toronto's Board of Directors, the tri-government secretariats (i.e., the Intergovernmental Steering Committee and the staff-level Tri-government Working Group) and project specific governance structures.

KPMG's Background Study concluded that there are opportunities to streamline existing governance structures while still providing appropriate oversight and accountability. Opportunities include consolidating reporting requirements across the three orders of government and reducing delays associated with City approval and permitting processes. City staff are working closely with its tri-government partners and Waterfront Toronto to address these issues.

## **Waterfront Revitalization Progress Since 2015**

Since the completion of the Waterfront Strategic Review in 2015, significant progress has continued on Toronto's waterfront in terms of infrastructure investment and redevelopment, driven by an outcomes focussed approach led, by governments and Waterfront Toronto.

### **Infrastructure Investments and Economic Benefits**

Waterfront revitalization continues to drive significant economic benefits and positively impact the priorities of all three orders of government. Waterfront Toronto's 2020/21 Integrated Annual Report states that since inception, investments are estimated to have created 20,785 years of construction employment, 5,000 permanent jobs, added \$2.7 billion of economic activity into the Canadian economy, and generated almost \$1.1 billion in tax revenues (largely Provincial and Federal income taxes). This has also triggered over \$13.2 billion of private sector investment in the waterfront.

**Figure 3: Waterfront Toronto Integrated Annual Report 2020-2021 and Rolling Five Year Strategic Plan (2021/22 to 2025-2026)**

Metric	2001-2021	2022-2026
Construction jobs	20,785 years of employment	10,800 years of employment
Permanent jobs	5,000 jobs	5,000 jobs
Tax Revenue Increase	\$1.1 billion	\$373.0 million
Canada GDP Increase (value added)	\$2.7 billion	\$1.1 billion
Private sector development	\$13.2 billion + investment value	\$3.0 billion

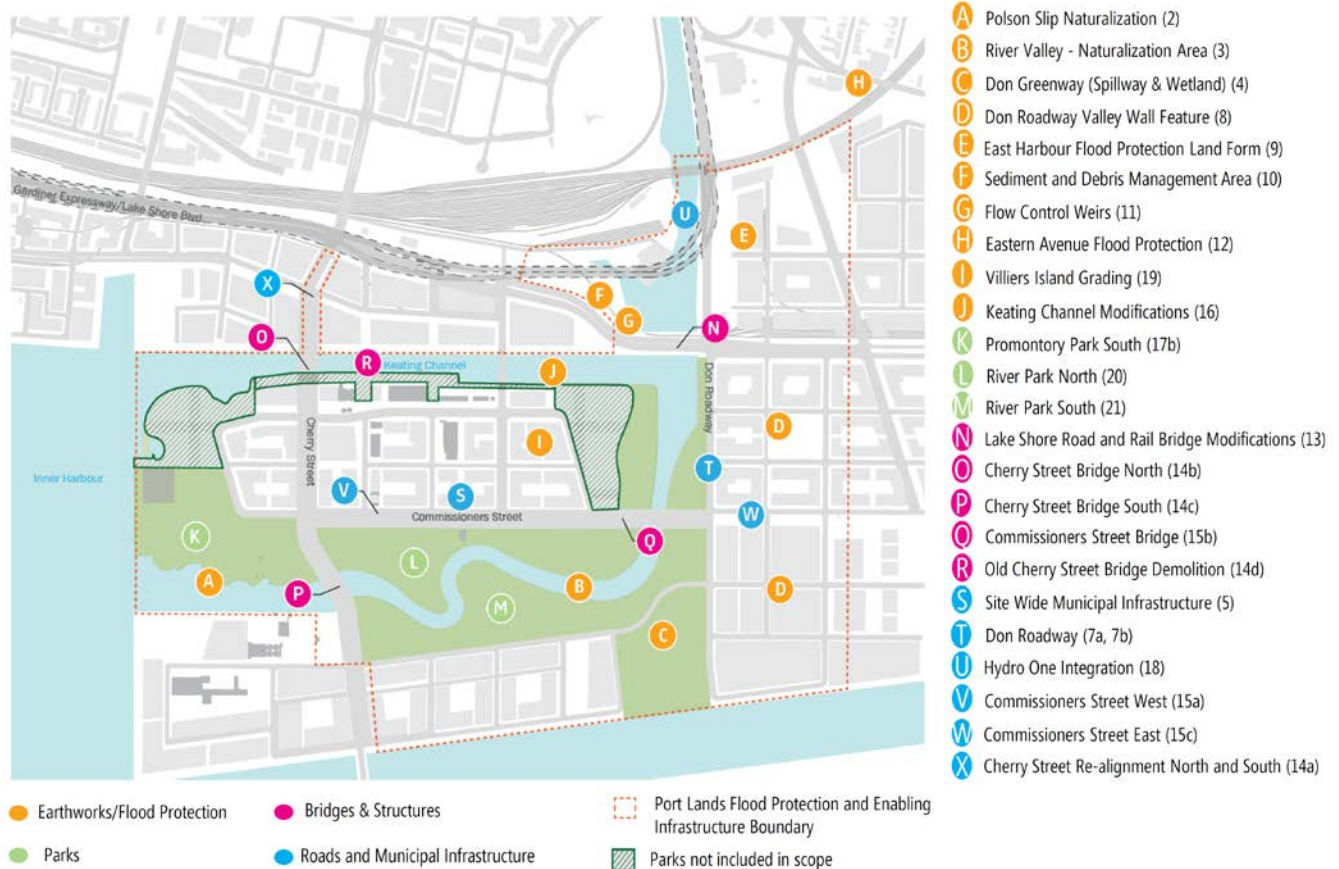
Moreover, the amount of economic activity and investment activity in and around the waterfront area appears to be gaining momentum. In a recently commissioned Economic Impact Assessment prepared by Price Waterhouse Coopers LLP, it was noted that within the last four years alone (2017 - 2021), waterfront revitalization activity has generated \$10.5 billion to \$16.7 billion of construction value from private sector developments that are proposed, under review, approved or under construction in the waterfront. This does not include the East Harbour in the Unilever Precinct which alone has an estimated construction value range of \$4.1 billion to \$6.2 billion.

Similarly, governments have committed additional significant infrastructure improvements within the waterfront area. For example, public sector investments in or adjacent to the Port Lands consist of the Ontario Line and associated transit stations, SmartTrack and transit stations, investments in the Lakeshore GO Corridor (including a new bridge over the Don River), as well as City-led Gardiner Expressway rehabilitation work and the Coxwell Bypass and Inner Harbour West Tunnel projects. All told, these projects alone represent a capital investment in excess of \$5.0 billion. These investments will lay the foundation for further growth in the waterfront, provide space for high-quality jobs and a range of housing opportunities for the rapidly growing Greater Toronto and Hamilton region.

### **Infrastructure and Development**

On May 1, 2018, the government partners executed a \$1.25 billion Contribution Agreement for the Port Lands Flood Protection and Enabling Infrastructure project and construction is now well underway. Led by Waterfront Toronto, this transformational project will provide flood protection to the level of a regulatory storm event (the equivalent of Hurricane Hazel), unlocking the Port Lands and South of Eastern Avenue areas for revitalization. Once realised, flood protection will enable new mixed-use communities, featuring significant new public space components, dense urban employment districts and significant new parks and open spaces in this underutilized area that is strategically located and positioned to drive economic growth.

## Port Lands Flood Protection and Enabling Infrastructure Project



During the last six years, waterfront revitalization has also continued to advance through upfront investments in soil remediation, infrastructure and public realm construction, along with attracting private sector investment in development projects. As noted in the 2015 Waterfront Strategic Review, the revitalization model used by the three governments through Waterfront Toronto has built confidence in the revitalization initiative, set a high design standard for the waterfront, and raised the property values of adjacent publicly and privately owned properties. The continued build-out of the West Don Lands and East Bayfront demonstrates the success of this approach.

During the last twenty years, there has been substantial central waterfront development, with the emergence of four new neighbourhoods (Fort York, Lower Yonge, East Bayfront and West Don Lands). The pace of development has continued to increase, welcoming an estimated 13,100 residents to the waterfront between 2016 and 2021. The majority of this growth over the last 5 years is focused in East Bayfront and West Don Lands, with approximately 3,300 jobs over the two neighbourhoods, over 5,000 units constructed and approximately 600 units of affordable rental housing constructed. This development activity represented approximately \$13.2 billion of private sector development on City-owned land.

Currently, there are an estimated 54,100 residents and 34,000 employees in the Central Waterfront. Over the next 5 years (2022 – 2026), it is expected that Lower Yonge will

welcome approximately 14,000 residents, while West Don Lands and East Bayfront will fully build out.

To support the rapid development of the waterfront, ensure the creation of complete communities, and create a major destination for residents and visitors, numerous public realm and infrastructure initiatives have been completed over the last 20 years, resulting in:

- 43 hectares (106 acres) of new park lands;
- 26 km of new waterfront trails and promenades;
- 38,433 square metres of aquatic habitat;
- 5 km of new cycling connections;
- Additional streetcar infrastructure; and,
- New community centres, libraries and childcare facilities;
- Permanent art pieces.

The vision for waterfront revitalization, and its development over time, has been supported by the creation of precinct plans through comprehensive planning, informed by a robust public consultation process and input from many stakeholders. Precinct planning addresses a multitude of issues, including land use, built form, public realm, affordable housing, sustainability, transportation, services, community infrastructure, environmental remediation, economic development and social equity with the objective of creating interconnected, complete communities along the waterfront.

The transformation of these underused and contaminated industrial areas into emerging complete communities has involved numerous partnerships with non-profits and institutions, and collaboration between the City, Waterfront Toronto and the development community to realize the waterfront vision on both public, as well as private, sites.

These new communities are woven into the mosaic of Toronto through new public realm initiatives as well as pedestrian, cycling and transit connections which break down the barriers that have historically separated the waterfront from the rest of the city.

## **Corporate Performance and Governance**

### *Waterfront Toronto Corporate Policies and Processes*

In response to the recommendations outlined in the Waterfront Strategic Review in 2015, Waterfront Toronto has implemented a corporate-wide performance measurement system that is SMART (specific, measurable, attainable, relevant and time-bound) as well as an enterprise resources planning (ERP) system. These systems complement the improvements made to their Freedom of Information (FOI) policies to reflect the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and adoption of wrongdoing policies that align with the Toronto Public Service by-law. Lastly, Waterfront Toronto undertook two corporate HR cost reviews to improve resource management that resulted in a 5% reduction in HR costs and overall headcount.

## *Audit Program*

Waterfront Toronto has been the subject of an extensive internal and external auditing program since the corporation was established. Over the last 5 years, Waterfront Toronto has been the focus of 12 internal and 15 external audits (a comprehensive audit list is provided in Attachment 6). Included within the external audits are government-led audits, which are coordinated to avoid duplication and minimize the operational burden on the corporation.

On behalf of the government partners, the City was the government audit lead from 2015 to 2020. During this time, the City led a 2017 EY Compliance Audit of Two Waterfront Toronto Contribution Agreements and a 2020 EY Enterprise Resource Planning Audit that focused on the development and implementation of Waterfront Toronto's new accounting platform.

In addition to this audit program, in December 2018 the Office of the Auditor General of Ontario released a Value for Money Audit of Waterfront Toronto as part of its annual audit cycle. Value for Money audits are conducted by the Office of the Auditor General of Ontario to "examine how well government ministries, organizations in the broader public sector, agencies of the Crown and Crown-controlled corporations manage their programs and activities" (page 66). Specifically, these audits consider whether the entity spent money with due regard for economy and efficiency, and whether appropriate procedures were in place to measure and report and the effectiveness of service delivery.

The Office of the Auditor General of Ontario found that there is potential for Waterfront Toronto's mandate to overlap with the mandate of other entities, including CreateTO. To avoid development delays and duplication of effort, the Auditor General's report identified the need to clarify the roles and responsibilities of existing organizations (discussed below) and the role and authority necessary for Waterfront Toronto to revitalize the waterfront. In total, the Waterfront Toronto Value for Money contained ten recommendations, four of which were directed to the Ontario Ministry of Infrastructure and six to Waterfront Toronto. A series of 36 action items were also identified within the recommendations (22 for Waterfront Toronto and 14 for Ontario Ministry of Infrastructure). Following standard practise, the Auditor General prepared a Follow-Up Report in 2020 and noted that of the 22 actions items directed towards Waterfront Toronto, 20 were fully implemented and two were in the process of being implemented. Of the 14 recommendations directed towards the Ontario Ministry of Infrastructure, six were fully implemented, six were in the process of being implemented and two were no longer relevant.

## **Revenue Consent**

Consistent with Waterfront Toronto's Board-approved Rolling Five Year Strategic Plan, Waterfront Toronto has, over the last 12 months, been building its capacity to pursue philanthropic fundraising opportunities for shared public places on the waterfront.

Waterfront Toronto's Strategic Plan identifies several unfunded projects (referred to as the Signature Projects) that are consistent with its mandate, which it believes to be

capable of attracting private philanthropic support. Becoming more financially self-sustaining, with less reliance on government funding is an original mandate outlined in the Toronto Waterfront Revitalization Corporation (TWRC) Act and is a key strategic objective of the Corporation. This is supported by the Auditor General recommendation from December 2018 which requested that the Corporation create and implement a plan for making revitalization self-sufficient, which could include leveraging private-sector funding and revenue-generating sources such as philanthropy and corporate partnerships.

This direction is also consistent with one of Waterfront Toronto's corporate objectives under the Toronto Waterfront Revitalization Corporation Act which is to ensure that ongoing revitalization in the Designated Waterfront Area can continue in a financially self-sustaining manner. The Act, while outlining the need for self-sustainability, also specifies that tri-government consent is required to raise revenues. In 2007, Waterfront Toronto received tri-government consent to raise revenues from grants, non-charitable donations, and sponsorship activities. Subsequent to this, in 2017, Waterfront Toronto received "Qualified Donee" status under the Federal Income Tax Act, to receive charitable donations and issue tax receipts. Waterfront Toronto is requesting a minor technical amendment to the 2007 Revenue Consent to recognise its Qualified Donee status. The Provincial and Federal governments have already provided approval for this change. A draft revised Revenue Consent is attached as Attachment 1.

The bulk of projects that will be part of Waterfront Toronto's donations and sponsorships program will involve City assets that are, or will be, operated and maintained by City divisions. Therefore, there is a need for City staff involvement and oversight from project inception to implementation. Staff are proposing that a City/Waterfront Toronto Fundraising Liaison Committee ("Liaison Committee") be established to facilitate City involvement and decision-making. The Liaison Committee would be co-chaired by City and Waterfront Toronto staff, and would be made up of an equal number of representatives from the City and Waterfront Toronto. Committee membership is proposed to include the following officials or their designates:

- Director, Strategic Partnerships, City Manager's Office;
- General Manager, Parks, Forestry and Recreation;
- General Manager, Economic Development and Culture;
- Executive Director, Philanthropy, Waterfront Toronto;
- Chief Planning & Design Officer, Waterfront Toronto;
- Chief Financial Officer, Waterfront Toronto.

Executive leadership will participate in the Liaison Committee for decision-making purposes on an as-needed basis:

- Deputy City Manager, Community and Social Services; and
- CEO, Waterfront Toronto.

The Liaison Committee would be responsible for oversight, coordination and direction related to fundraising project scoping: reviewing draft project charters, reviewing fundraising campaigns, and reviewing proposed donor and sponsor recognition to ensure alignment with City Policies. Potential operating, maintenance and programming costs would be identified and addressed in the project charters submitted to the Liaison Committee. Lastly, the Liaison Committee, through the Deputy City Manager,

Community and Social Services, would be delegated the authority to approve projects for fundraising and to consider any and/or all fundraising agreements or related templates (as applicable). Projects would be consistent with the City of Toronto's Central Waterfront Secondary Plan and related precinct plans, located within the Designated Waterfront Area, and approved as part of Waterfront Toronto's Rolling Five Year Strategic Plan. Project delivery for approved projects would be implemented by Waterfront Toronto as outlined in Project Delivery Agreements between Waterfront Toronto and the City. Project implementation would be led through Project Implementation Steering Committees, supported by the lead City division. The Signature Projects outlined in Waterfront Toronto's Rolling Five Year Strategic Plan are dependent upon the success of Waterfront Toronto's donations and sponsorships program. Preliminary discussions between the City and Waterfront Toronto regarding these unfunded projects have been underway for the past year.

Waterfront Toronto and key City divisions (Strategic Partnerships, Parks, Forestry and Recreation, Economic Development and Culture, City Planning and Legal Services) have drafted a Memorandum of Understanding term sheet to support implementation of Waterfront Toronto's donations and sponsorships program and to facilitate alignment and coordination with City priorities, policies and processes. Major terms for this Memorandum of Understanding are attached to this report as Attachment 2, including:

- Roles and responsibilities between Waterfront Toronto and the City;
- City approval requirements, including alignment with relevant City priorities, policies and guidelines (including the City's Donations, Sponsorship and Naming Rights policies), and processes;
- Processes for proposed fundraising projects to be identified, documented and approved by all parties; and
- Requirements for subsequent agreements, to be used in addressing the details of individual projects, including scope, budgets, operating and maintenance requirements, philanthropic fundraising and sponsorship strategies, and schedules.

Key steps in the fundraising projects approvals process are as follows:

- Projects would be reviewed and approved by the Fundraising Liaison Committee;
- Council direction for net new projects would be sought (i.e. those projects that do not already meet the criteria outlined above, namely projects consistent with the City of Toronto's Central Waterfront Secondary Plan and related precinct plans, and approved as part of Waterfront Toronto's Rolling Five Year Strategic Plan), as required;
- Terms of fundraising agreements, including recognition, benefits and maintenance, would be reviewed by the Liaison Committee, and by City Council as applicable;
- All aspects of project planning, design and implementation, as well as life cycle operating and maintenance requirements, would be reviewed and approved by project implementation steering committees; and
- Any City investments, and any other required City approvals, including any naming rights, would be subject to City Council reporting, including the Capital Budget process.

Philanthropic donations provide an opportunity for individuals and groups to support City building by providing a financial or in-kind gift without any expectation of benefits. Donations can range from a few thousand dollars to multi-million dollar gifts; with such gifts, the City conducts an analysis to ensure alignment with City values and identifies any risks including any financial and reputational risks. With the current recognition review, this practice has become more important as the City looks to ensure the public realm reflects City values related to Reconciliation, equity and inclusion.

Sponsorships are a form of marketing and through sponsorship agreements, sponsors provide funds for specific programs in exchange for promotional benefits. While sponsorships are associated with programs, events and physical assets, the sponsor seeks to align with the asset to gain from the association. As such, a careful and considered approach is applied to sponsorship offers and arrangements to ensure that the City's reputation is protected and that City assets do not become overly commercialized through this process. Waterfront Toronto would follow City policies with respect to sponsorships; sponsorships above \$500,000 per year and all sponsorship with naming rights would require Council approval before being accepted, as per current City Sponsorship Policy.

Waterfront Toronto has indicated that it will be seeking to raise funds for capital projects primarily through philanthropic donations revenue with less emphasis on sponsorships.

Donations that are to be invested by Waterfront Toronto in a future City-owned asset must be aligned with the City's objectives and policies, as set out in the City's Donations to the City of Toronto for Community Benefits Policy, Sponsorship Policy and Individual and Corporate Naming Rights Policy. This report recommends that the Memorandum of Understanding between Waterfront Toronto and the City ensure Waterfront Toronto's donations and sponsorships program aligns with these policies. To facilitate alignment with Donations to the City of Toronto for Community Benefits Policy, the City would make best efforts to advise Waterfront Toronto of issues that could create potential conflicts such as existing City contractual obligations and conflicts with City policies. One addition would be made to this Policy, that Waterfront Toronto, instead of Council, has authority to accept and spend donations that equal or exceed \$50,000. No changes would be made to the two sponsorship policies, but Sponsorship agreements if any, would be subject to review by the Liaison Committee; no City sponsorship exemptions are being sought.

## **Borrowing Consent**

The three government partners approved the original Waterfront Toronto "Consent to Borrow Money and Encumber Assets for Projects in the Designated Waterfront Area and for Bridge Financing" in 2015. The original Consent was executed on August 12, 2015 for an initial five year term (to March 31, 2023) and was subsequently extended in 2020 to March 31, 2023. In extending the Consent, City Council also delegated authority to make further extensions to the term (up to May 15, 2028) of the Consent to the Deputy City Manager, Infrastructure and Development Services.

Waterfront Toronto currently has a line of credit with Canadian Imperial Bank of Commerce (CIBC) for \$40 million. Waterfront Toronto has drawn on the existing credit



facility twice in the last six years, once in Q3 2015/16 totalling \$5 million (fully repaid in December 2015) and again in June 2017 in the form of a \$3 million letter of credit to the federal Department of Fisheries and Oceans for the ongoing Port Lands Flood Protection (PLFP) project. Except for the current letter of credit which remains in place, all drawdowns have been repaid.

## 2021 Request

On April 15, 2021 Waterfront Toronto submitted a request to government staff to increase the organization's borrowing limit to \$90 million and extend the term of Consent to 2028. A proposed amendment to the Consent is attached as Attachment 3; the proposed amendment is currently under review by the Provincial and Federal governments.

The main rationale for the proposed amendments to Waterfront Toronto's borrowing Consent are in relation to timing differences between the period that project expenditures incurred to prepare the lands and the period when revenues are realised through land sales and related sources. This issue is most notable with the five properties that are owned by Waterfront Toronto in Quayside. In this case, Waterfront Toronto will be making investments in planning, design, testing/investigations and land acquisition in advance of being able to realize revenues from the properties. The proposed Consent amendment also aligns timing of the Consent with planned post-project monitoring and warranties work for the Port Lands Flood Protection project. The higher borrowing limit and extension will enable Waterfront Toronto to have sufficient funds on hand to manage 90 to 180 days of forecast project expenditures. This will ensure Waterfront Toronto has sufficient capital on hand to meet prompt payment changes that came into effect on October 1, 2019 as part of the new Construction Act. Waterfront Toronto's annual expenditures have increased significantly since the 2015 Consent was executed, largely as a result of the Port Lands Flood Protection and Quayside projects. The increased borrowing limit is needed because Waterfront Toronto is now more reliant on non-government revenues which are typically realized in dispersed payments with respect to timing and amount of receipt.

The remaining terms and conditions of the Consent, approved in 2015, remain the same.

The proposed borrowing can be adequately secured to Waterfront Toronto's land assets which have a collective value that is well in excess of 150% of \$90 million (required debt covenant by lender). Associated properties include located at 200 Queens Quay East, 259 Lake Shore Boulevard East, 291 Lake Shore Boulevard East, 2 Small Street, 333 Lakeshore Boulevard East, 54 Commissioners Street, and 130 Commissioners Street. As properties are sold, Waterfront Toronto's lender will ensure that the organization continues to have sufficient collateral to support its required borrowing. This will be monitored closely by the three government partners; Waterfront Toronto is obligated to generate regular reports on its projected and actual borrowing activity, and to notify the governments when capital assets such as real property of a value of greater than \$2 million are disposed of.

The borrowing Consent has been designed to mitigate risks to the orders of government by including the following provisions, as were contained in the original Consent:

- Explicit non-recourse to the governments;
- Encumbrance of Waterfront Toronto-owned land assets and sales agreements and revenues generated from those assets; and
- Explicit exclusion of Contribution Agreements' funding or related rights to be used as security.

The proposed Consent is revocable by the governments at any time, provided that the revocation does not cause Waterfront Toronto to breach any written agreement or obligation.

Waterfront Toronto has implemented measures to manage potential risk associated with its borrowing, including:

- Interest rate risk: the quality of Waterfront Toronto's collateral has resulted in competitive line of credit interest rates; Waterfront Toronto revisits its Credit Agreement with its lender regularly to ensure rates remain competitive and will reach out to competitors as required; Waterfront Toronto's Board of Directors approves Waterfront Toronto's Credit Facility terms;
- Default risk: this risk is considered low based on Waterfront Toronto's collateral as well as the current maximum loan to collateral value coverage; and
- Credit risk: Waterfront Toronto monitors forecast cash flows on at least a monthly basis and assess changes in its cash needs.

In addition, Waterfront Toronto also reports on its cash flow position, potential risk issues and repayment strategies to its Board of Directors and Finance, Audit, and Risk Management Board sub-committee at least quarterly. The governments, through their respective IGSC representatives, have implemented a quarterly reporting and monitoring framework to ensure enhanced oversight.

The KPMG Waterfront Strategic Review Update Background Study notes that Waterfront Toronto's funding model, where expenses are typically reimbursed after the expense has been incurred and paid, creates a need for bridge financing. Furthermore, "the current model does not typically include the costs associated with planning and scoping projects prior to securing funding, placing additional pressures on Waterfront Toronto's borrowing capacity". For these reasons, KPMG suggests that "a higher short-term borrowing limit and extended term would provide Waterfront Toronto with additional financial and operational flexibility" and that "given Waterfront Toronto's assets (e.g., Quayside), a higher short-term borrowing limit in the range of \$70-90 million appears reasonable". Governments have also conducted further due diligence with Waterfront Toronto, including questions regarding issues such as planned expenditures and the modelling of cash flow scenarios. Based on the due diligence conducted, including the KPMG study, and protections including against recourse, staff are recommending City Council approval of the request. A similar request is being considered by the Provincial and Federal governments.

Staff of the Office of the Controller and Internal Audit have reviewed the reasonableness of the assumptions used by Waterfront Toronto in the development of their cash flow forecasts.

## Work Plan for Villiers Island and the rest of the Port Lands

This is the first report seeking Council direction on the development of the Port Lands since adoption of the Port Lands Planning Framework, Port Lands Official Plan Modification and Villiers Island Precinct Plan in December 2017. City Council approved a number of Port Lands implementation projects in 2017, including modernized zoning for the employment districts, urban design guidelines for Media City and Turning Basin Districts, and precinct planning for McCleary District, in addition to a number of infrastructure projects. These projects are at various stages, with some well advanced, other that have been recently initiated, and several scheduled to commence by 2022.

### Port Lands Property Ownership Map (2021)



The Port Lands is the largest undeveloped area remaining in Toronto. The 325 hectare (800 acre) underutilized industrial port is located just to the southeast of Downtown Toronto. This area has historically supported commercial, port, industrial and film/creative industries with numerous heritage and natural heritage resources, as well as recreational areas and naturalized landscapes. It is Toronto's only working port and supports critical electricity transmission infrastructure. The City and CreateTO (through a subsidiary corporation known as Toronto Port Lands Company) own the largest share of land in the Port Lands of approximately 200 hectares (500 acres).

In addition to the Port Lands initiatives discussed above, the City, Waterfront Toronto and CreateTO have advanced the next stage of work for Villiers Island. Through a

comprehensive collaborative approach, the partners are working to bring forward a Business and Implementation Plan and updated zoning to facilitate development.

This report recommends that staff report back in 2022 with a progress report on planning and implementation, including any necessary approvals to undertake the next stage of work for the Villiers Island Precinct.

## Port Lands Precincts and Districts



## Progress To-Date

Significant progress has been made to enable a new vision for the Port Lands over the past decade, including:

- **Port Lands Flood Protection & Enabling Infrastructure Project**, funded by the three orders of government (\$1.25 billion). Led by Waterfront Toronto, in partnership with the City of Toronto and CreateTO, work on the project is underway and is scheduled to be completed in Q1/Q2 of 2024. It will provide permanent flood protection to approximately 290 hectares (715 acres) of land through the development of a new, naturalized mouth of the Don River and other flood protection measures; in addition, the project includes infrastructure that had to be implemented at the same time as flood protection, including linear infrastructure along Cherry Street, Commissioners Avenue and the Don Roadway.

- **Port Lands Planning Framework**, adopted by City Council in December 2017 as the planning vision and roadmap for the build-out of the Port Lands over the next 25 years and beyond. This included implementing the Port Lands Official Plan Modification (OPM) to the Central Waterfront Secondary Plan (CWSP). The Port Lands OPM was appealed to the Ontario Land Tribunal (OLT) in its entirety. The City has worked with the appellants to resolve outstanding land use, land use compatibility and transportation issues during Phase 1 of the settlement process, resulting in an Ontario Land Tribunal Decision, issued on May 18, 2021, which brought the Central Waterfront Secondary Plan and Port Lands Official Plan Modification partially into force on May 18, 2021. A framework has been established for the resolution of the remaining issues.
- **Villiers Island Precinct Plan**, adopted concurrently with the Planning Framework in 2017, is the guiding framework to support the introduction of new residential, commercial and community uses in this area of the Port Lands. The Precinct Plan establishes design and development objectives, local street patterns, block structure, linkages between local parks and open spaces, guidelines for a climate positive outcome, and more detailed built form controls.
- **Infrastructure Studies**, including the Port Lands and South of Eastern Transportation and Servicing Master Plan, considered by Council in 2017.
- Additional planning studies, public realm initiatives that are included in Attachments 4 and 5.

### **Focus Areas for the Next Stage of Work**

The following section provides an overview of the next stage of work to be undertaken in the Port Lands, starting this year and carrying through completion of flood protection in 2024. The priorities and approach to this work plan are consistent with the implementation vision set forth in the Port Lands Planning Framework.

The primary focus will be the planning and implementation of the development vision for Villiers Island, starting with a comprehensive Business and Implementation Plan to be developed by City staff, Waterfront Toronto and CreateTO. Additional priority projects will continue be pursued elsewhere in the Port Lands. Details on the work plan, including funding and financing, consultation and engagement, governance and roles and responsibilities is described in further detail below and in Attachment 5.

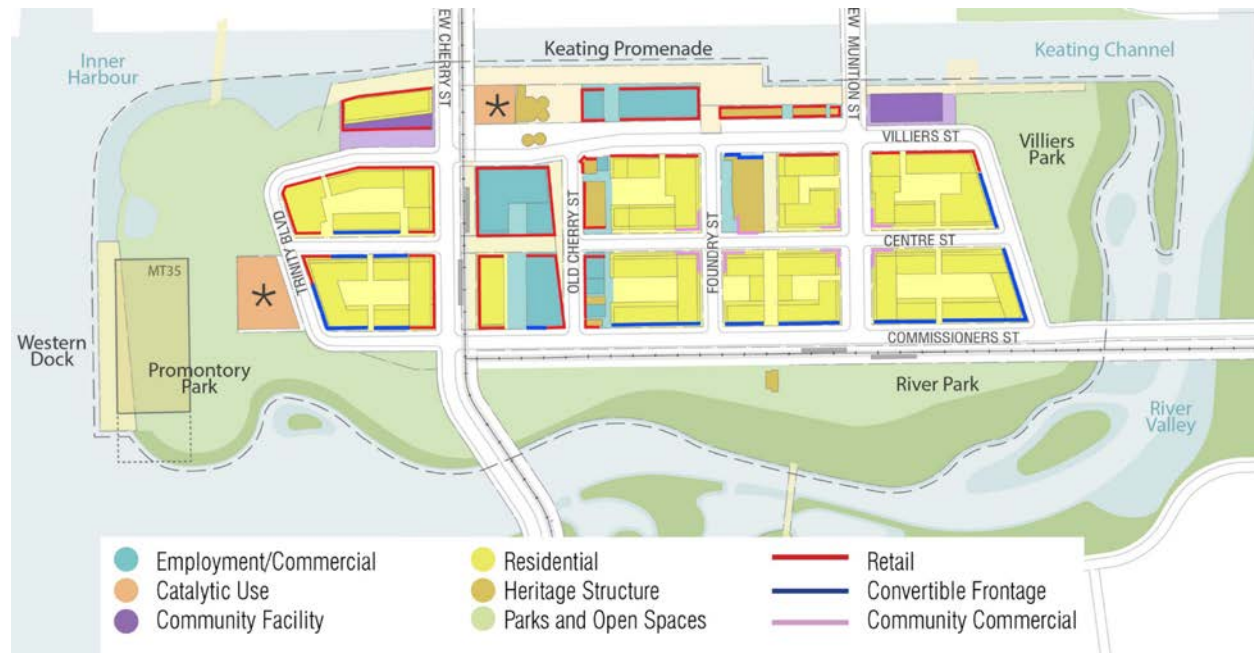
### ***Villiers Island Business & Implementation Plan***

Villiers Island, located in the northwest area of the Port Lands, represents the first mixed use development opportunity in the Port Lands following the completion of flood protection work in 2024. Guided by the Port Lands Planning Framework and Villiers Island Precinct Plan, the planning vision for the precinct is for a new, sustainable mixed-use community surrounded by four unique waterside edges. Villiers Island is planned to accommodate up to 10,700 residents and 2,900 jobs. It will be a complete community, including office, retail and residential uses, with community infrastructure (such as a school and community centre) and catalytic uses that will create a complete community.



A range of residential tenure types and unit sizes will support a mix of incomes and people. The majority of the development parcels in Villiers Island are in public ownership.

### Villiers Island Precinct Land Use Plan



Given its unique profile, strong market attributes and mostly public ownership structure, the development program for Villiers Island will set an ambitious standard for community building through affordable housing, climate positive design and high quality public realm. It is anticipated that construction of the first phase of development projects could begin in Villiers Island as early as 2025/26, with first residential occupancy targeted for 2027/28. The majority of Villiers Island development parcels are in public ownership, with approximately 10% of the developable land being privately owned.

Starting next year, City staff, Waterfront Toronto and CreateTO, will advance a comprehensive Business and Implementation Plan that establishes the framework for the development of public lands in Villiers Island. This plan will be brought forward for Council approval similar to other large-scale development projects on the waterfront including East Bayfront and West Don Lands. In addition to the Business and Implementation Plan, Council will review and approve the terms for any proposed transaction involving City-owned lands. For CreateTO-owned lands, CreateTO Board approval will also be required. Additional government approval will be required if the plan involves funding or land contributions from other orders of government.

The Villiers Island Business and Implementation Plan will include details and proposed direction on the following:

- Development concept and phasing plan, including timing, scope and infrastructure costs for each project phase;
- Proposed approach to marketing and disposition of public lands (i.e., sale and/or lease);

- Funding and financing strategy, including timing of expenditures, requested or anticipated governmental contributions, use of proceeds from land disposition and other revenue sources;
- An affordable housing strategy to exceed the minimum requirements in the Planning Framework as per Council direction, including consideration of cooperative housing, rent-geared-to-income housing and mid-range rental housing, addressing the financial resources required and potential sources of financial support;
- A sustainability strategy to support the direction in the Villiers Island Precinct Plan and the City's TransformTO climate action strategy;
- A phasing strategy which will inform the sequence of development and the timing of the necessary supporting infrastructure;
- A strategy for attracting employment uses and achieving targets for employment generation;
- An outline of the consents, contributions, and/or amendments or regulations that will be required of the three orders of government.

The Business and Implementation Plan will be supported by a range of technical studies including specific work on infrastructure planning, noise and air quality mitigation environmental and geotechnical, climate strategy, affordable housing strategies, parks and public realm and economic impact. Building from the foundation of the Villiers Island Precinct Plan, further planning approvals will also be required including modernized zoning by-law and plan of subdivision.

### ***Other Priority Initiatives in the Port Lands***

In addition to advancing plans for Villiers Island, there are various ongoing or planned initiatives underway in elsewhere in the Port Lands. These initiatives are guided by the vision set forth in the Port Lands Planning Framework. They include the following:

- Complete the Production, Interactive and Creative (PIC Core) Urban Design Guidelines, as well as modernized zoning, which will inform and support film, media and creative industry development and expansion in Media City and Turning Basin Districts;
- Strengthen Toronto's film and media production sector through the continued expansion of film and media industries, including the ongoing expansion of Pinewood Studios campus, the new Basin Street Media Hub, and other privately-initiated studio projects;
- Initiate the McCleary District Precinct Plan in 2022 to facilitate mixed-use development adjacent to two emerging employment hubs (Media City/Turning Basin and East Harbour) once flood protection has been realized;
- Expand the opportunity for new, higher density employment uses in the South Port precinct while preserving critical port functions, consistent with changes to the zoning by-law adopted by Council in 2019;
- Initiate pre-planning and/or interim use strategies for precincts with long-term mixed use development potential, including Polson Quay, South River and McCleary District;
- Undertake planning and, as funding is identified, execute delivery of the priority parks and public realm projects identified in the Planning Framework, including

Leslie Slip Lookout Park, the Water's Edge Promenade, Turning Basin Park, Don Greenway, and others as identified.

- Advance critical infrastructure plans and investments, including the next stage of environmental assessments for Unwin Avenue, Commissioners Street and the Broadview Extension, in addition to other transportation, water, wastewater, stormwater and energy-related service planning (including costs for relocating and/or undergrounding hydro infrastructure). Ensure a climate resilience and sustainability lens is applied to all service planning in the Port Lands.
- Waterfront Transit expansion into the Port Lands via Queens Quay East.

A more detailed summary of these initiatives is provided in Attachment 5 to this report.

### **Future Funding Considerations**

As work in the Port Lands continues to advance, including through the Villiers Island Business and Implementation Plan, anticipated costs and proposed approaches to funding and financing will be brought forward through the budget process and update reports to Council. On the expenditure side, this will include detailed scope, cash flow requirements and updated cost estimates to assumptions last updated in 2016/17. On the revenue side, this will include growth-related funding sources for critical infrastructure, proposed use of land disposition proceeds, project-specific financing and, where possible, third party fundraising opportunities. Moreover, given the ongoing importance of Toronto's waterfront as an area of provincial and national significance, specific consideration will be given to opportunities for future tri-government investments that builds on the positive legacy of the past two decades.

### **Public Consultation and Stakeholder Engagement**

The City, Waterfront Toronto and CreateTO have a well-established model for consultation and engagement with the public, landowners and industrial users and other community stakeholders impacted by waterfront revitalization projects in the Port Lands and the broader waterfront. During the next stage of work, the project teams will continue to proactively engage with the public through information meetings, social media and other channels and provide varied and accessible opportunities for ongoing input and feedback. As an immediate next step in the context of the Port Lands work plan, the project team will re-engage with the Stakeholder Advisory Committee and the Landowner and User Advisory Committee to provide feedback, guidance and input on the consultation process.

### **Governance and Roles and Responsibilities**

Through the 2015 Waterfront Strategic Review, Council directed City staff to review the real estate development responsibilities of Waterfront Toronto to ensure alignment with City agencies, corporations and divisions, including the Toronto Economic Development Corporation (TEDCO, now under CreateTO). The need to ensure role clarity for revitalization work in Villiers Island and the Port Lands was also identified through the 2015 Waterfront Strategic Review, the Provincial Auditor General 2019 value-for-money audit of Waterfront Toronto and the 2020 Waterfront Strategic Review Update.



Currently, Waterfront Toronto, CreateTO and the City are working collaboratively to support the next stage of waterfront revitalization in the Port Lands, with an initial focus on Villiers Island. To support coordination and alignment, the three partners recently established a project implementation governance structure to guide the work, as described in more detail in the preceding section of this report. City staff believe that the new governance structure is able to serve as a model that the three partners can learn from and build on for future revitalization activities.

### *Third-party Process*

The City retained KPMG in 2021 to help document the current roles and responsibilities of Waterfront Toronto, CreateTO and the City for the revitalization of Villiers Island and the Port Lands. Working with all parties, KPMG facilitated a discussion to help ensure continued alignment and reduce the risk of duplication of effort.

KPMG's process included:

- A review of relevant documents provided by Waterfront Toronto, CreateTO and the City;
- Working sessions with senior staff from Waterfront Toronto, CreateTO and the City to validate existing roles and responsibilities and identify areas requiring further clarification;
- Individual engagement with the CEOs of Waterfront Toronto and CreateTO; and,
- A facilitated workshop with senior staff from each organization, including the CEOs of Waterfront Toronto and CreateTO, as well as the City Manager.

### *A Partnership-based Approach*

City staff believe that a collaborative, partnership-based approach is required to realize the potential of Villiers Island and the Port Lands. Waterfront Toronto and CreateTO each have distinct organizational strengths and both have an important role to play in revitalization activities.

Waterfront Toronto has a track record of delivering major waterfront revitalization projects, including award-winning public realm projects. As the delivery agent for Port Lands Flood Protection, and through its involvement in the Port Lands Planning Framework and Villiers Island Precinct Plan, Waterfront Toronto has detailed knowledge of the Port Lands, its precincts and the broader stakeholder community. It also has significant experience in delivering complete communities through partnerships with the private and public sectors, as well as a proven track record of best practice public engagement and consultation. A trusted vehicle for the tri-government partnership, Waterfront Toronto will lead the planning and delivery of projects supported by tri-government investment.

CreateTO owns and manages approximately 200 hectares (500 acres) of land in the Port Lands and is the largest landowner in Villiers Islands. CreateTO was established in 2018 with a mandate to provide strategic portfolio management services and develop City real estate assets for purposes directed by Council. This is in addition to its legacy responsibility for managing lands owned by its subsidiary corporation, TPLC, and the City in the Port Lands. It has a strategic view of the City's real estate portfolio and is

uniquely positioned to help identify the most effective use of the City's real estate assets in Villiers Island and the Port Lands.

As has been the case for waterfront revitalization to-date, the long-term use, development or disposition of City assets and public infrastructure will be subject to Council direction. In addition, any proposed developments will be subject to the requirements of the Planning Act, RSO 1990, related legislation and City policy, as administered by the City. Working collaboratively across divisions, City staff will support Council oversight through regular report (as currently contemplated for Villiers Island). This work will be managed by the Waterfront Secretariat in the City Planning Division and other Divisions, as appropriate.

### *Guiding Principles for a Partnership-based Approach*

A key finding from the 2020 Waterfront Strategic Review Update, described in more detail earlier in this report, is that the government partners will need to work together to establish a plan to address Waterfront Toronto's future funding situation and legislative horizon. How these matters are addressed will materially impact the delivery of waterfront revitalization activities in the Port Lands. Certain roles and responsibilities cannot be addressed definitively prior to the resolution of these matters; Waterfront Toronto's role will be further defined as government partners continue their conversations.

Waterfront Toronto, CreateTO and the City will continue working together closely to ensure that each organization's roles and responsibilities remain clear and to minimize the risk of overlap and duplication of effort. In response to Council direction, City staff have identified the following guiding principles to ensure continued alignment across the three organizations:

- **Collaboration:** realizing the potential of Villiers Island and the Port Lands requires a partnership-based approach that leverages the strengths of Waterfront Toronto, CreateTO and the City, acknowledges tri-government investments to-date, and the interests of the tri-government partners and other important waterfront stakeholders.
- **Communication:** clear and consistent communication will reduce the risk of duplication and result in more efficient and effective delivery of waterfront, revitalization activities.
- **Flexibility:** further tri-government investments (if confirmed) could materially impact roles and responsibilities, and flexibility will be required to quickly and efficiently make use of additional commitments for further phases of waterfront revitalization.
- **Transparency:** governance structures and reporting responsibilities will be clearly defined and communicated to reduce the risk of delay and duplication. The Villiers Island governance structure is a strong starting point.

### *Next Steps*

Waterfront Toronto, CreateTO and the City will continue working collaboratively through the governance structure developed for Villiers Island and related issues in the Port

Lands. Waterfront Toronto and CreateTO will also work closely with the City to identify specific projects for the next phase of waterfront revitalization and to facilitate discussions with the three government partners.

A detailed summary of roles and responsibilities for Villiers Island and the Port Lands will be provided in the staff report anticipated for Q2 2022. The report will include specific recommendations to ensure ongoing organizational alignment based on additional analysis and further discussions with the tri-government partners.

## **Conclusion**

Staff will report back to the Executive Committee twice in 2022:

- Once in Q1 2022, with the results of public consultation and stakeholder engagement on a next phase of waterfront revitalization, including a renewed waterfront vision; and
- Once in Q2 2022, with an update on business and implementation planning work for the Villiers Island Precinct and the Port Lands.

Working with the City's waterfront partners, including Waterfront Toronto, CreateTO and the Provincial and Federal governments, staff will undertake a public consultation and stakeholder engagement process from November 2021 to January 2022 that will result in a renewed unifying and multi-generational vision for the waterfront.

## **CONTACT**

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## **SIGNATURE**

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## **ATTACHMENTS**

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Attachment 1: Draft Revenue Consent, Amendment to Consent

Attachment 2: Major Terms, Donations and Sponsorships MOU

Attachment 3: Authority to Borrow Money and Encumber Assets for Projects in the Designated Waterfront Area and for Bridge Financing (Borrowing Consent)

Attachment 4: Overview of Waterfront Revitalization Initiative

Attachment 5: Summary of Priority Initiatives in the Port Lands beyond Villiers Island

Attachment 6: Five Year Summary of Waterfront Toronto Audits

Attachment 7: Map of the Designated Waterfront Area

Attachment 8: Waterfront Strategic Review Update, Background Study (KPMG LLP)

## Attachment 1: Draft Revenue Consent

**AMENDMENT TO CONSENT**  
**ISSUED PURSUANT TO SUBSECTION 4(7)**  
**OF THE *TORONTO WATERFRONT REVITALIZATION CORPORATION ACT***

**TO: TORONTO WATERFRONT REVITALIZATION CORPORATION (“TWRC”)**

**RE: AUTHORITY TO RAISE REVENUE**

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### RECITALS:

- A. TWRC is a corporation continued under the *Toronto Waterfront Revitalization Corporation Act, 2002* (Ontario), as amended (the "Act") with objects set out in the Act.
- B. Subsection 4(7) of the Act provides, among other things, that TWRC shall not raise revenue unless it has the consent of the federal government, the provincial government and city council (all as defined in the Act).
- C. By a consent dated June 4, 2007 (the "Consent"), the federal government, the provincial government and city council, granted TWRC a Consent to raise revenue, a copy of which is attached hereto as the Appendix.
- D. TWRC has requested amendments to Sections 1(c) and 1(f) of the Consent in the form set out herein.

### NOW THEREFORE:

1. The Consent is hereby amended by deleting Section 1(c) and inserting the following in place thereof:

“(c) grants or donations of money or property, provided that fulfillment or observance of any conditions or restrictions on such donations or grants by TWRC would be consistent with TWRC’s objects under the Act and would not contravene any obligations or restrictions to which TWRC is subject pursuant to any law, statute, regulation or agreement;”
2. The Consent is hereby amended by deleting Section 1(f) and inserting the following in place thereof:

“(f) monies received by TWRC from sponsorship provided that fulfillment or observance of any conditions or restrictions on such sponsorship by TWRC would be consistent with TWRC’s objects under the Act and would not contravene any obligations or restrictions to which TWRC is subject pursuant to any law, statute, regulation or agreement;”
3. The provisions of this Amendment to Consent shall be read together with the Consent as one document.
4. All other terms and provisions of the Consent remain in full force and effect, unamended.

5. This Amendment to Consent may be executed in one or more counterparts, each of which when executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart by facsimile or other electronic means (such as "pdf") shall be as effective as delivery of a manually executed counterpart.
6. This Amendment to Consent is made and is effective as of the date of the last signature.

**IN WITNESS WHEREOF** the undersigned have executed this Amendment to Consent.

[Signature pages and Appendix follow.]

## Attachment 2: Major Terms: Donations and Sponsorships MOU

### MAJOR TERMS: DONATIONS AND SPONSORSHIPS MOU CITY OF TORONTO AND WATERFRONT TORONTO

Parties	Toronto Waterfront Revitalization Corporation ("Waterfront Toronto") and the City of Toronto ("City")
Background	Waterfront Toronto's Board-approved Rolling Five Year Strategic Plan identifies several unfunded projects (referred to as the Signature Projects) that are consistent with its mandate, which it believes to be capable of attracting private philanthropic support.
Goal	To establish a process for Waterfront Toronto and the City to coordinate the donations and sponsorships program for projects that are to be City-owned assets.
Scope of MOU	Proposed projects within the scope of the MOU are (i) intended to vest with the City, and must be (ii) approved by the Waterfront Toronto Board of Directors as part of Waterfront Toronto's Rolling Five Year Strategic Plan, (iii) be consistent with the Central Waterfront Secondary Plan and relevant precinct plans, (iv) be located within the waterfront, and (v) subject to approval by the City/Waterfront Toronto Fundraising Liaison Committee ("the Liaison Committee").
Net New Projects	Net new fundraising projects are those that are intended to vest with the City but: (i) Have not yet been approved by the Waterfront Toronto Board of Directors, (ii) Are not consistent with the Central Waterfront Secondary Plan and relevant precinct plans. Net new fundraising projects would be subject to approval by the Liaison Committee and City Council, as required.
Project Charter	Waterfront Toronto will form working groups specific to relevant workstreams (such as design, governance etc.) and conduct meetings with City staff to discuss proposed projects and to obtain support, in principle.  Waterfront Toronto will prepare a project charter for each proposed project that will set out information such as the scope, schedule, budget, operations and maintenance responsibilities and costs.  The Project Charter would include a "risk registry" where information about potential items of conflict are identified, along with risks and mitigation measures. The Project Charter would also identify programming that projects would require as well as benefits and recognition to be offered.

Fundraising Campaign	Waterfront Toronto will also prepare a fundraising campaign that will include a fundraising strategy for capital works and will include options for funding operations and maintenance. Sponsorships are not expected to be an emphasis of Waterfront Toronto's fundraising efforts.
Fundraising Approval	Once the Liaison Committee approves the project charter and fundraising campaign, and City Council has approved any net new projects, as appropriate, the project will continue to the next steps of design and development, and active fundraising can begin.
Sponsorship and Donation Agreements	Waterfront Toronto will review donation agreement templates and/or any exceptions to these, and proposed donor and/or sponsor recognition or benefits with the Liaison Committee before they are secured with donors. The City will be party to agreements where applicable.
City/Waterfront Toronto Fundraising Liaison Committee	<p>A City/Waterfront Toronto Fundraising Liaison Committee will be established and co-chaired by City and Waterfront Toronto staff and would be made up with an equal number of representatives from the City and Waterfront Toronto. Committee membership is proposed to include the following officials or their designates:</p> <ul style="list-style-type: none"> <li>• Director, Strategic Partnerships, City Manager's Office;</li> <li>• General Manager, Parks, Forestry and Recreation;</li> <li>• General Manager, Economic Development and Culture;</li> <li>• Executive Director, Philanthropy, Waterfront Toronto;</li> <li>• Chief Planning &amp; Design Officer, Waterfront Toronto;</li> <li>• Chief Financial Officer, Waterfront Toronto.</li> </ul> <p>Executive leadership will participate in the Liaison Committee for decision-making purposes on an as-needed basis:</p> <ul style="list-style-type: none"> <li>• Deputy City Manager, Community and Social Services; and</li> <li>• CEO, Waterfront Toronto.</li> </ul> <p>They will serve as decision-makers who will liaise with other relevant City of Toronto divisions, agencies, boards and commissions. The Liaison Committee will:</p> <p>(i) meet on a regular basis at a working group level and at an executive leadership level when approvals are required,</p> <p>(ii) ensure fundraising campaigns and key terms of fundraising agreements align with the City's goals and priorities, and the City's fundraising policies,</p>



	<ul style="list-style-type: none"> <li>(iii) ensure that the City and Waterfront Toronto work together efficiently and effectively,</li> <li>(iv) approve projects for fundraising through review of project charters and fundraising campaigns,</li> <li>(v) review of prospects on a confidential basis by a restricted group</li> <li>(vi) review design updates,</li> <li>(vii) review risk registries,</li> <li>(viii) support implementation, and monitor progress.</li> </ul>
Land Parcels	Will be at no cost to use the lands or rights for the construction of the approved project where the City owns the lands within the boundaries of the approved project.
Planning and Development Approvals	Waterfront Toronto can proceed to seek any necessary planning and development approval for approved projects. The City may assist in facilitating approval applications to ensure delivery of an approved project in a timely manner. The City shall charge and Waterfront Toronto will pay all permit fees.
Coordination of Fundraising	The City and Waterfront Toronto will work together efficiently and effectively, and avoid potential conflicts.
City's Fundraising and Sponsorship Policies	<p>Fundraising by Waterfront Toronto will align with the City's Sponsorship Policy, Donations to the City of Toronto for Community Benefits Policy, and City of Toronto Individual and Corporate Naming Rights Policy, and any other applicable City policy.</p> <p>The City will make best efforts to advise Waterfront Toronto of issues that could create potential conflict such as existing City contractual obligations and conflicts with City policies.</p>
Project Delivery	Projects will be delivered by Waterfront Toronto through Delivery Agreements with the City. Delivery Agreements will include budget, schedule, roles/responsibilities and other implementation matters. Project implementation will be led through a project implementation steering committee, co-chaired by the lead City Division and relevant Waterfront Toronto project delivery lead.
Reporting	The Liaison Committee shall provide an annual report regarding approved projects, approved fundraising campaigns and progress, and unresolved issues. Reports will also be provided to the Intergovernmental Steering Committee.

**Attachment 3: Authority to Borrow Money and Encumber Assets for Projects in the Designated Waterfront Area and for Bridge Financing (Borrowing Consent)**

**AMENDMENT TO CONSENT**  
ISSUED PURSUANT TO SUBSECTIONS 4(5) AND 4(6)  
OF THE *TORONTO WATERFRONT REVITALIZATION CORPORATION ACT*

**TO: TORONTO WATERFRONT REVITALIZATION CORPORATION  
("TWRC")**

**RE: AUTHORITY TO BORROW MONEY AND ENCUMBER ASSETS FOR  
PROJECTS IN THE DESIGNATED WATERFRONT AREA AND FOR  
BRIDGE FINANCING**

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**RECITALS:**

- A. TWRC is a corporation continued under the *Toronto Waterfront Revitalization Corporation Act, 2002* (Ontario), as amended (the "Act") with objects set out in the Act.
- B. Subsection 4(5) of the Act provides, among other things, that TWRC shall not borrow money unless it has the consent of the federal government, the provincial government and city council (all as defined in the Act).
- C. Subsection 4(6) of the Act provides, among other things, that TWRC shall not mortgage or otherwise encumber any of its assets unless it has the consent of the federal government, the provincial government and city council (all as defined in the Act).
- D. By a consent dated August 12, 2015, as amended on July 29, 2020, the federal government, the provincial government and the city council, granted TWRC a consent to borrow and encumber certain assets, a copy of each of which is attached hereto as the Appendix. The consent of August 12, 2015, and the amendment of July 29, 2020 are herein collectively referred to as the "Consent".
- E. Paragraph 1 of the Consent provides for a borrowing up to an aggregate principal amount of \$40 million, the permitted use of the net proceeds of borrowing and that the term of the borrowing permitted by the Consent shall not extend beyond March 31, 2023.
- F. TWRC has requested that the maximum permitted borrowing be increased to \$ 90 million, that certain amendments be made to paragraph 1 (a) to reflect the current procedures of TWRC and that the term of the borrowing permitted under the Consent be extended from March 31, 2023 to May 15, 2028.
- G. The undersigned wish to consent to (i) extending the term of the borrowing permitted under the Consent to May 15, 2028, and (ii) increasing the borrowing limit, and (iii) revising the language of paragraph 1 (a), all as herein provided.

**NOW THEREFORE:**

1. Paragraph 1 of the Consent is hereby amended by deleting the reference to \$ 40 million and replacing it with \$ 90 million.
2. Paragraph 1 (a) of the Consent is hereby amended by deleting such paragraph in its entirety and replacing it with the following:

(a) The net proceeds of all borrowing (after payment of commercially reasonable lender fees and expense, commercially reasonable legal and advisory fees and expense and other commercially reasonable costs and expenses of the borrowing) shall be used for the purposes of funding work undertaken or expenditures incurred related to projects or expenditures approved by the Board of Directors of TWRC in the TWRC's Rolling Five Year Strategic Plan which is distributed to the undersigned, and as may be amended or supplemented from time to time.
3. The Consent is hereby amended by deleting the words "March 31, 2023" in paragraph 1(b) and inserting the words "May 15, 2028" in the place thereof.
4. The provisions of this Amendment to Consent shall be read together with the Consent as one document.
5. All other terms and provisions of the Consent remain in full force and effect, unamended.
6. This Amendment to Consent may be executed in one or more counterparts, either in original or electronic form, each of which when executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed counterpart by facsimile or other electronic means (such as "pdf") shall be effective as delivery of a manually executed counterpart.

**IN WITNESS WHEREOF** the undersigned have executed this Amendment to  
Consent.

[Signature pages to follow.]

## Attachment 4: Overview of Waterfront Revitalization Initiative

In 2000, the Government of Canada, the Province of Ontario and the City of Toronto (“the government partners”) launched the Toronto Waterfront Revitalization Initiative (TWRI) to revitalize Toronto's waterfront. The initiative emerged as a result of Toronto's bid to host the 2008 Summer Olympic Games.

Through tri-government coordination and \$1.5 billion of "tranche" funding (seed capital), the government partners established the Toronto Waterfront Revitalization Corporation (carrying on business as Waterfront Toronto) as a non-share capital corporation, established through the provincial Toronto Waterfront Revitalization Corporation Act, 2002 (TWRCA), to be the primary delivery agent for waterfront revitalization.

The vision, goals and priorities of Waterfront Toronto are codified in Section 3 of the TWRCA, as follows:

- To 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;
- To ensure that ongoing development in the Designated Waterfront Area can continue in a financially self-sustaining manner;
- To promote and encourage the involvement of the private sector in the development of the Designated Waterfront Area; and
- To encourage public input into the development of the Designated Waterfront Area;
- To engage in such other activities as may be prescribed by regulation. (2002, c. 28, s. 3 (1)).

A Board of Directors provides oversight for the affairs of the corporation and ensures that Waterfront Toronto's mandate is implemented in an accountable and transparent manner. The Board is composed of 12 Board members (four each appointed by the Government of Canada, the Province of Ontario and the City of Toronto) and a Chair, jointly appointed by the three orders of government. Toronto's members include three public members and the Mayor or designate.

Waterfront Toronto advances waterfront revitalization by championing projects that are aligned with its mandate and the goals and objectives established by the government partners. The City's goals for the waterfront revitalization are set out in the City of Toronto's Official Plan and the Central Waterfront Secondary Plan (2003). The Official Plan is intended to ensure that the City of Toronto evolves, improves and realises its full potential in areas such as transit, land use development, and the environment, while the Central Waterfront Secondary Plan provides the planning framework for revitalization, including the development of area-specific policies centred on four core principles:

1: Removing barriers / making connections to allow the waterfront to feel like and function as part of the City's fabric;

2: Building a network of spectacular waterfront parks and public spaces to turn the Central Waterfront into a destination for international tourism, national celebration and local enjoyment;

3: Promoting a clean and green environment through employing a variety of environmental strategies to create sustainable waterfront communities; and

4: Creating dynamic and diverse new communities to accommodate a range of development forms and waterfront neighbourhoods.

There have been several successes over the first 20 years of waterfront revitalization, with the reconstruction of Queens Quay East, public realm and water's edge promenade improvements that have reconnected residents, employees and visitors with the water. New complete communities are rapidly developing in East Bayfront, West Don Lands and Lower Yonge; continued waterfront revitalization efforts will build upon the successes of Waterfront Toronto, the City and its partners, whilst addressing emerging strategic priorities.

## **Government Oversight**

In addition to Board oversight, governments have established the Intergovernmental Steering Committee (IGSC) for the Toronto Waterfront Revitalization Initiative which provides an executive-level focal point for intergovernmental management and coordination. The City is represented by the City Manager and Deputy City Manager, Infrastructure and Development Services. Similar representation is provided by the other orders of government and Waterfront Toronto.

The Intergovernmental Steering Committee is supported by a Tri-Government Working Group (TWG), which is comprised of staff from the City's Waterfront Secretariat, the Ontario Ministry of Infrastructure, and Infrastructure Canada. Tri-Government Working Group members are responsible for drafting records of discussions, following up on decisions and actions, disseminating information, distributing meeting documentation, scheduling meetings, logistical arrangements, and ensuring proper communication channels are in place to coordinate with Waterfront Toronto and project-based executive steering committees. The Tri-Government Working Group is also responsible for implementing Intergovernmental Steering Committee decisions when delegated.

## **Waterfront Strategic Review**

The first Waterfront Strategic Review was initiated in 2014 to inform the next phase of revitalization, and specifically to respond to the almost full completion of \$1.5 billion in initial government investments and the need to address Waterfront Toronto's 2014-2023 Strategic Business Plan, which was largely unfunded. The City initiated the Waterfront Strategic Review in consultation with government partners and stakeholders in order to:

- Assess the strengths and weakness of waterfront delivery to date;
- Address Waterfront Toronto's needs for a transition plan and short-term borrowing;
- and

- Seek a timely decision on government support for the delivery of a second phase of waterfront revitalization.

Led by the Deputy City Manager, Infrastructure and Development Services, the work program for the Waterfront Strategic Review included: reviewing background data and past studies; audits and evaluations; examining transparency and accountability processes; a robust stakeholder consultation effort; and a comprehensive performance assessment of Waterfront Toronto. Discussions regarding the funding of future waterfront projects were conducted through the Intergovernmental Steering Committee, while transparency and accountability policies for Waterfront Toronto were reviewed by City staff from the Waterfront Secretariat, City Manager's Office and Legal Services. Consultation involved extensive input with individuals from City divisions, waterfront related agencies, government secretariats, members of Council, the Mayor's Office, landowners, community groups, and other relevant parties.

A third party consultant, Ernst & Young LLP, was retained by the City to assess the performance of Waterfront Toronto as the primary delivery entity of waterfront revitalization.

The key findings from the Waterfront Strategic Review (2015) were:

- The Tri-Government Waterfront Initiative has accomplished more than any government could have realized on its own;
- The City supports, in principle, undertaking a second phase of waterfront revitalization, supported by tri-government funding and governance;
- Waterfront Toronto has generally provided value in delivering revitalization projects:
  - With due regard for economy and efficiency;
  - Consistent with international best practice; and
  - Recognized for public outreach, design excellence, development partnerships, etc.;
- Assuming the continuation of the tri-government partnership, Waterfront Toronto is the recommended delivery entity;
- Mayor to lead a "Call to Action" to advance 4 priority projects for Waterfront 2.0:
  - Port Lands Flood Protection;
  - Waterfront Transit;
  - Municipal Servicing; and
  - Public Realm Improvements; and
- Continuous improvements for corporate management should be implemented for whistleblowing and freedom of information

## **Attachment 5: Summary of Priority Initiatives in the Port Lands beyond Villiers Island**

### **Context: Port Lands Planning Framework**

The planning vision for the Port Lands has been gradually developed over the past two decades, culminating with the completion and Council approval of the Port Lands Planning Framework and implementing Port Lands Official Plan Modification to the Central Waterfront Secondary Plan. The Port Lands Planning Framework and Official Plan Modification were adopted by City Council on December 8, 2017 and provides detailed land use directions for the Port Lands regeneration areas in the Central Waterfront Secondary Plan.

### **Port Lands Planning**

The Planning Framework is the planning study and rationale for the policies included in the Official Plan Modification, which amended the Central Waterfront Secondary Plan with the objective of resolving outstanding appeals. The Planning Framework is the 50-year vision of the revitalization of the Port Lands, with a number of districts and land use typologies that create unique mix of employment-focused districts and mixed-use precincts. The Framework addresses land use, transportation, infrastructure, community facilities, parks, biodiversity, built form and sustainability.

The Port Lands will be home to new complete mixed-use communities, districts that support the growth of the City's production, interactive and creative sectors, and areas for continued port and industrial uses. The Port Lands' districts are planned to evolve over time, with residents and employees able to enjoy nature and recreation, the vibrancy of the public realm, diverse employment and housing opportunities, and the industrial activity of the Port, all within a 5 to 10 minute walk.

To guide revitalization of the Port Lands in the near, medium, and long-term, the Planning Framework is implemented by a number of plans, strategies, initiatives, and Planning Act tools. The diagram below provides a road map to the many ways the Council-adopted vision is being enacted. The Zoning Review and Production, Creative and Interactive (PIC) Urban Design Guidelines are two early implementation projects.

## Port Lands Planning Framework Implementation



The Zoning Review and Production, Creative and Interactive (PIC) Urban Design Guidelines are two early implementation projects. The Framework identifies further planning studies and other work required as revitalization proceeds, including precinct plans, context area plans, zoning by-law amendments, Environmental Assessment Phase 3 and 4 studies, and urban design guidelines.

The Port Lands Official Plan Modification was appealed to the Ontario Land Tribunal (OLT) in its entirety and the City worked with the appellants to resolve outstanding land use and transportation issues during Phase 1 of the settlement process, resulting in an OLT Decision, issued on May 18, 2021, which brought the Central Waterfront Secondary Plan and Port Lands Official Plan Modification partially into force on May 18, 2021.



## **Film Studio District**

The Film Studio District is a 57 hectare (140 acre) area bounded by the Don Roadway to the west, Carlaw Avenue to the east, Lake Shore Boulevard to the north and the Ship Channel to the south. In the Planning Framework, the Film Studio District is divided into three land use areas: McCleary District, Media City/Pinewood Studios and the Basin District.

The area has a mix of private and public ownership, with long-term leases and options to lease. Home to Pinewood Toronto Studios, the district has a number of vacant parcels waiting to undergo redevelopment. The Commissioners Transfer Station is centrally located within the district to the south of McCleary Park. Council has previously requested that staff explore options to relocate the Transfer Station.

The Planning Framework recognizes the importance of this area in supporting the continued growth and maturity of Toronto's film and media sector – which is supported by the “Production, Interactive and Creative (PIC) Core” land use designation adopted through the associated Official Plan Modification for Media City and the Turning Basin District.

The Plan accommodates mixed-use development in McCleary District in a manner that complements the PIC Core uses that the City is encouraging and supporting in this area, including new and expanding film studios. Over the next five years, the Film Studio District will continue to be incrementally built up through individual film studio expansion projects, including Pinewood Studios and Studio City. Planning approvals and subsequent construction of the Basin Media Hub, a proposal for a 500,000 square foot new media and film production centre located just north of the Ship Channel, will commence following selection of a development partner in 2021.

In addition, over the next five years City staff will continue to advance planning studies for the long-term build out of these districts, including the completion of the PIC Core Urban Design Guidelines, a precinct plan for the mixed-use development of the McCleary District, an area-wide servicing strategy, and updated zoning by-laws.

## **South Port Employment Lands**

In the Port Lands Planning Framework, South Port is planned to be a vibrant, active working waterfront with compatible industrial uses for the foreseeable future. The planning framework anticipates that ports-related operations will continue to be updated and modernized, including eventual replacement of outdoor bulk storage where possible. Other employment uses will be permitted adjacent to Unwin Avenue. The City and CreateTO are the largest landowners in the South Port area, with approximately 22 hectares (55 acres) of land north of Unwin Avenue. The majority of these lands are currently under short-term lease. CreateTO has undertaken a market and leasing analysis to evaluate the long-term opportunity associated with the South Port lands. The analysis indicates that with proper servicing and introduction of new tenants (alongside ongoing ports-oriented uses), South Port could support an increase in employment to over 2,000 jobs from the roughly 100 that exist today and provide a four-fold increase in property value, yielding approximately \$26 million in additional property tax revenue over the next 20 years. Gradual introduction of new uses could also significantly

increase lease revenue to CreateTO/City as landowners. It is expected that long-term revenue from redevelopment could be reinvested back into infrastructure and public realm in South Port and the rest of the Port Lands.

In 2019, Council endorsed a new zoning by-law for South Port which protects for ports uses, but also encourages new employment uses to the area, including light manufacturing, distribution, warehousing and other employment uses. The zoning framework also permits a range of municipal servicing uses. New and upgraded municipal servicing is essential to enabling new uses in the South Port area. There is currently no sanitary sewer service west of the Hearn and upgrades are required to roadways, water and stormwater systems. A preferred servicing solution, including partial realignment of Unwin Avenue to the east of the Hearn, was identified as a part of the 2017 Transportation and Servicing Master Plan EA. As per recent settlements at the Ontario Land Tribunal, the preferred alignment will undergo further consideration as a part of the Phase 3 and 4 of the MCEA process.

## **Additional Planning Studies**

### ***Port Lands Zoning Review***

The Port Lands Planning Framework and Official Plan Modification anticipate that East Port, South Port and Warehouse District will continue to serve Toronto's port and industrial needs. The Port Lands Zoning Review Study commenced in 2018 with the objective of modernizing zoning in the Port Lands. The former City of Toronto Zoning By-law does not permit many of the land uses that the Port Lands Planning Framework and Official Plan Modification are encouraging and many undesirable land uses are permitted. These outdated regulations have resulted in existing non-conforming uses south of the Ship Channel and the need for rezoning or minor variance applications for land uses that the City is encouraging in the employment-focused districts. The Zoning Review Study was undertaken with extensive consultation with stakeholders, landowners and users and the community, and a thorough analysis of existing conditions and future development potential.

The Zoning Review Study resulted in four updated and modernized zoning by-law amendments:

- Warehouse District Zoning Bylaw Amendment
- East Port and South Port Zoning By-law Amendment
- Maritime Hub Zoning By-law Amendment
- Open Space Zoning By-law Amendment

The recommended zoning by-law amendments will set the stage for continued investment, intensification, employment growth and the evolution of the area into a modern, urban, animated and attractive series of employment-focused districts that will accommodate existing industries and new businesses, as well as amenities and services for employees and visitors. City Council adopted these zoning by-law amendments on October 2, 2019 and were appealed to the Ontario Land Tribunal by several landowners and tenants of CreateTO lands.

## ***Ontario Land Tribunal (OLT) Settlements***

The Port Lands Official Plan Modification was endorsed by City Council in December of 2017. Several appellants of the Central Waterfront Secondary Plan, including public agencies, existing industries, and private owners with development aspirations, had raised issues with the Port Lands Official Plan Modification. Tribunal-assisted mediation, that took place over October and November 2020, resulted in a number of settlements with various parties and modifications to the Official Plan Modification. City Council endorsed the settlements and modifications at its December 2020 meeting. A settlement hearing took place over four days in January 2021, at which the Land Tribunal approved the various settlements in principle.

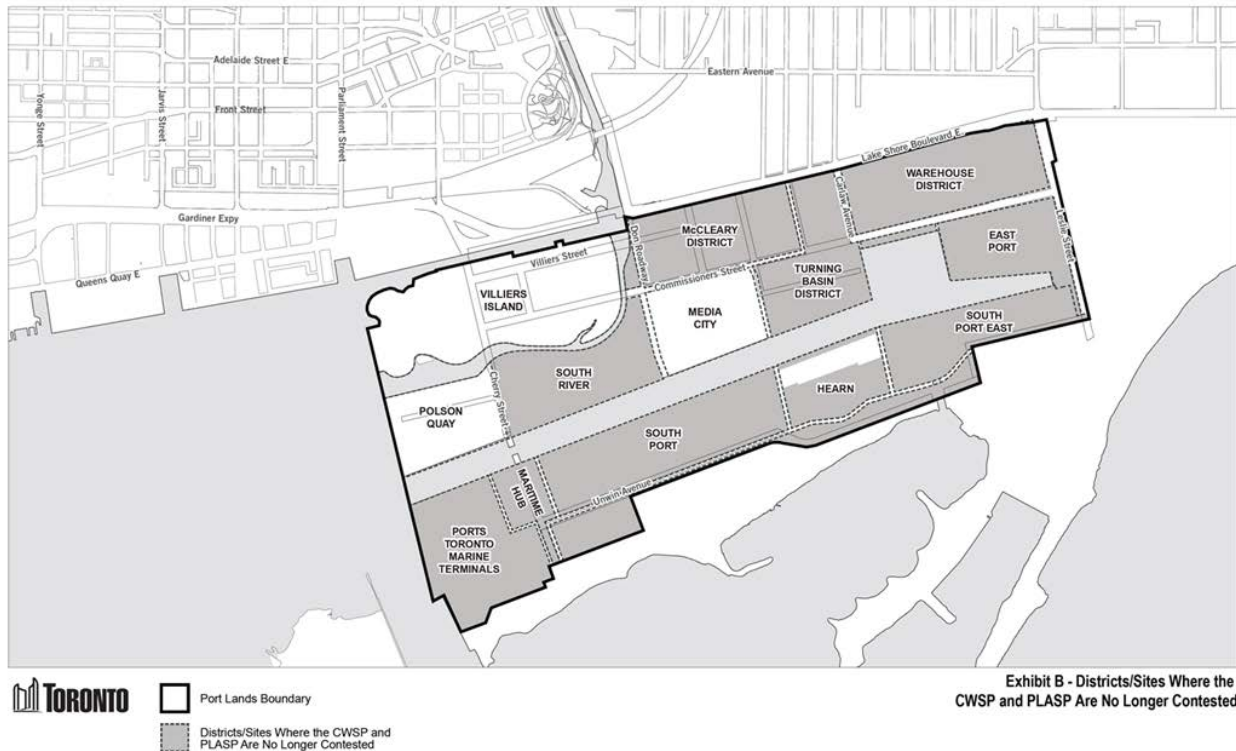
The remaining land use and transportation issues were resolved through settlement and were the subject of a Land Tribunal Settlement Hearing in April 2021. This Hearing resulted in a Land Tribunal Decision, issued on May 18, 2021, that brought the Central Waterfront Secondary Plan and Port Lands Official Plan Modification partially into force on May 18, 2021. All Port Lands precincts and districts have been brought into the Central Waterfront Secondary Plan with regard to land use, compatibility and transportation.

The Phase 1 Land Tribunal Decision had the effect of significantly narrowing the scope of the remaining issues. The Central Waterfront Secondary Plan, including the Official Plan Modification, is in full force and effect for South River, McCleary District, Turning Basin District, East Port, South Port and Maritime Hub.

Three districts, Media City, Polson Quay and Villiers Island, are subject to a number of outstanding issues, so certain policies are “greyed out” in the Official Plan Modification for those areas. The next phases of Ontario Land Tribunal appeals are addressing the remaining urban design, community facilities, parks, affordable housing, heritage and sustainability issues.

Below is a map that shows the Official Plan Modification status for the various precincts and districts as the City begins to address the remaining outstanding Official Plan Modification appeals. The Central Waterfront Secondary Plan, as amended by the Official Plan Modification, is in full force and effect for the Grey Districts. The Central Waterfront Secondary Plan, as amended by the Official Plan Modification, are partially in force and effect for the White Districts, with outstanding appeals to be resulted in further phases of the Ontario Land Tribunal resolution process, which are ongoing.

Port Lands Official Plan Modification Status - Ontario Land Tribunal Decision on May 18, 2021



The City has been working with the remaining appellants on a procedural order, with an Ontario Land Tribunal Case Management Conference scheduled for October 13, 2021. The City, Waterfront Toronto and CreateTO are continuing to work with the remaining appellants on resolving all outstanding issues.

**Other Port Lands Infrastructure and Planning Studies**

The Port Lands Planning Framework identifies the need for considerable investment in new and reconfigured municipal servicing and utility infrastructure to both serve future Port Lands residents and employees and maintain infrastructure that serves the city and advance Toronto’s ambitions for a low-carbon future. New and enhanced roadways, water, wastewater, and stormwater infrastructure solutions have been identified through various Environmental Assessment processes and are embedded within the long-term planning vision.

A series of more detailed planning studies were identified in the Planning Framework and through previous Council direction, that will be need to be completed prior to major new development occurring in these districts and precincts. These include, but are not limited to:

- **Phase 3/4 of the Municipal Class Environmental Assessment for Broadview Extension and Commissioners Street** – To support the planning and development of East Harbour, McCleary District, PIC Core districts, South Port,

and Villiers Island, a multi-phase Municipal Class Environmental Assessment has been initiated, with the first phase well advanced for the segment between Eastern Avenue and Lake Shore Boulevard East. Future phases will be undertaken south of Lake Shore Boulevard East, to Unwin Avenue. This Municipal Class Environmental Assessment will explore alternative designs and alignments of major street infrastructure, with a focus on a public realm that prioritizes Light Rail Transit, pedestrian and cyclists.

- **Phases 3/4 of the Municipal Class Environmental Assessment for Unwin Avenue** – To support planning and development in the south of Ship Channel area, including South Port Employment lands, the Hearn site, the PortsToronto Marine Terminal and the Maritime Hub, an updated preferred alignment will be identified and area-wide servicing for the Unwin corridor.
- **Phases 3/4 of the Municipal Class Environmental Assessment for Caroline Avenue Extension** - To support the planning and development of the Warehouse District, Phases 3/4 of the Municipal Class Environmental Assessment must be completed for a Caroline extension from Lake Shore Boulevard East to Commissioners Street prior to the redevelopment of the CanRoof site at 560 Commissioners Street.
- **Phases 3/4 of the Municipal Class Environmental Assessment for the Carlaw Extension** - To support the planning and development of the Turning Basin District and Media City, staff will need to complete a Municipal Class Environmental Assessment to explore alternative designs for the Carlaw Extension from Commissioners Street to New Basin Street, to provide additional network capacity and connectivity to the Production, Interactive and Creative Core districts to the south of Commissioners Street.
- **Design Guidelines for Production, Interactive and Creative Core districts** – The design guidelines will inform studio projects and related projects in the Port Lands Production, Interactive and Creative Core districts, with a focus on built form, public realm, streets and blocks, and sustainability and stormwater. The design guidelines are well advanced and expected for completion in mid-2022.
- **Production, Interactive and Creative Core Zoning By-laws** – new City-initiated modernized zoning for the Production, Interactive and Creative Core urban design guidelines will be developed to implement the Port Lands Planning Framework, Official Plan Modification and Production, Interactive and Creative Core Urban Design Guidelines.
- **McCleary District Precinct Plan** – The next major precinct plan for mixed use development in the Port Lands. To be aligned with the emerging planning vision for the remainder of the Film Studio District and the adjacent East Harbour development.
- **Port Lands Truck Management Strategy** – A Port Lands-wide truck traffic management study that will analyze the impact of and make recommendations for transportation network changes resulting from the flood protection project and

anticipated future development on existing heavy industrial traffic to/from Polson Quay, South Port and the Concrete Campus.

- Feasibility study to determine the optimal approach for low-carbon energy solutions in the Port Lands.
- Class B cost estimate (plus or minus 20 percent) for relocating and undergrounding hydro infrastructure in the Port Lands.

## **Hydro Infrastructure Planning**

In January of 2021, Hydro One, Toronto Hydro, City of Toronto and Waterfront Toronto entered into Minutes of Settlement relating to appeals of the Port Lands Official Plan Modification. The Minutes of Settlement identified that the organizations would negotiate a further Memorandum of Understanding that would more specifically address issues related to the development of the Port Lands and the energy and hydro infrastructure needs of the Port Lands and the surrounding area. The Memorandum of Understanding, currently in development, will address, among other things:

- A protocol to address communication, information sharing and coordination;
- Considerations to be taken into account, in Phases 3 and 4 of the Municipal Class Environmental Assessment for the Broadview Extension;
- Criteria to be considered in determining the size and location of a new site(s) for the Basin TS, if relocation of the Basin TS is to occur;
- The promotion of an elevated level of urban design in the Port Lands for construction of new and improvements to existing hydro infrastructure;
- Any appropriate technical feasibility studies required to address issues pertaining to hydro infrastructure and service in the Port Lands and Area to the North; and
- The roles and responsibilities of the Parties in any studies, planning or implementation activities, including approvals processes and cost allocation.

## **Coordination with Other Developments**

The dramatic changes underway in the Port Lands are part of an even larger transformation in Toronto's Lower Don area that also includes billions of dollars in public and private investment in transportation, flood protection and servicing infrastructure supporting existing neighbourhoods, new commercial and residential developments.

Key projects include:

- East Harbour Transit Hub (Ontario Line and GO/SmartTrack)
- Broadview Avenue Extension with LRT
- Gardiner Expressway Strategic Rehabilitation and Reconfiguration
- Lake Shore Boulevard East Realignment and Public Realm improvement
- Flood Protection, Servicing and Utility Infrastructure
- Broadview and Eastern Flood Protection
- Waterfront Sanitary and Servicing Master Plan
- Don and Central Waterfront Stormwater Management Projects
- Natural Gas and Hydro Upgrades

- New Developments
- East Harbour Transit Oriented Communities Proposal
- 3C Development
- South of Eastern Employment District
- Keating Channel Precinct (East and West)

The planning, design and implementation of these projects is coordinated with the Port Lands initiatives through a variety of processes, including the City-hosted Lower Don Coordination Working Group which includes representatives from various City divisions, Metrolinx, Waterfront Toronto, Toronto and Region Conservation Authority and TTC. Further cross-organizational and cross-project coordination occurs through project and issue-specific tables.

## Attachment 6: Five Year Summary of Waterfront Toronto Audits

Source: Waterfront Toronto (as of October 4th, 2021)

Year	Internal Audits	External Audit Financial Statement	External Audits Government	Total No.
2021/22 (to date)	Resource and Succession Planning (MNP LLP)  Independent Capital Project Monitoring (Port Lands)* (BTY Consultancy Group Inc.)		Toronto Waterfront Revitalization (TWRI) Program Evaluation (Federal)	3
2020/21	Performance Measurement Framework (MNP LLP)  Independent Capital Project Monitoring (Port Lands)* (BTY Consultancy Group Inc.)  Cybersecurity Follow-Up Audit (MNP LLP)	March 31, 2021 Financial Statement Audit (BDO Canada LLP)	ERP System Implementation (City – EY)  Value for Money Follow-Up Audit (Office of the Auditor General of Ontario)  Tri- Government Strategic Review (Part A Background Study) (City – KPMG)  City Auditor General Risks and Opportunities Assessment (City of Toronto Auditor General)	8
2019/20	Employee Wellness Program Review (MNP LLP)  Procurement (Port Lands) (MNP LLP)  Independent Capital Project Monitoring (Port Lands) (BTY Consultancy Group Inc.)	March 31, 2020 Financial Statement Audit (BDO Canada LLP)	Financial Planning and Reporting Process Audit (Ontario Treasury Board Secretariat, Internal Audit Division)  Value-for-Money Follow-Up Audit (Office of the Auditor General of Ontario)	6
2018/19	Cyber Security Audit (MNP LLP)	March 31, 2019 Financial Statement	Enterprise Resource Planning System	5



	Corporate Governance Review (MNP LLP)	Audit (BDO Canada LLP)	Implementation/Internal Controls (City – EY)  Value-for Money Audit (Office of the Auditor General of Ontario)	
2017/18	Peer Review of Enterprise Risk Register (MNP LLP) IT Audit (Quartet Service Inc.)	March 31, 2018 Financial Statement Audit (BDO Canada LLP)		3
2016/17		March 31, 2017 Financial Statement Audit (BDO Canada LLP)	Contribution Agreements Compliance: West Don Lands Precinct (CA-72) & East Bayfront Continued Implementation (CA – 85) (City – EY)	2
Totals	12	5	10	27

**\*Note:** Independent Capital Monitoring undertaken as part of FARM Committee reporting.

# Attachment 7: Maps and Diagrams Related to the Designated Waterfront Area, Villiers Island and the Port Lands

Designated Waterfront Area Map

