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## **Official Report of Debates (Hansard)**

P-18

## **Journal des débats (Hansard)**

P-18

### **Standing Committee on Public Accounts**

2018 Annual Report,  
Auditor General:

Ministry of Infrastructure

Waterfront Toronto

1<sup>st</sup> Session  
42<sup>nd</sup> Parliament

Wednesday 11 December 2019

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Rapport annuel 2018,  
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Ministère de l'Infrastructure

Waterfront Toronto

1<sup>re</sup> session  
42<sup>e</sup> législature

Mercredi 11 décembre 2019

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Chair: Catherine Fife  
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# CONTENTS

Wednesday 11 December 2019

2018 Annual Report, Auditor General

Ministry of Infrastructure; Waterfront Toronto.....P-293

Mr. Stephen Diamond

Mr. George Zegarac

Mr. Chris Giannikos

Ms. Meg Davis

Mr. David Kusturin

Ms. Lisa Taylor

Ms. Kristina Verner



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
PUBLIC ACCOUNTS**

**COMITÉ PERMANENT DES  
COMPTES PUBLICS**

Wednesday 11 December 2019

Mercredi 11 décembre 2019

*The committee met at 1230 in room 151, following a closed session.*

2018 ANNUAL REPORT,  
AUDITOR GENERAL  
MINISTRY OF INFRASTRUCTURE  
WATERFRONT TORONTO

Consideration of section 3.15, Waterfront Toronto.

**The Chair (Ms. Catherine Fife):** Good afternoon, everyone. How are you doing? We're excited because it's the last week of the Legislature, so it's an interesting time for you to be here.

My name is Catherine Fife. I'm the Chair of the public accounts committee. We are here to begin consideration of Waterfront Toronto, section 3.15, 2018 annual report of the Auditor General.

Joining us this afternoon are representatives from Waterfront Toronto and the Ministry of Infrastructure. Thank you for being here today to answer the committee's questions. I would invite you to each introduce yourselves for Hansard before you begin speaking. You will have 20 minutes collectively for an opening presentation to the committee. We will then move into the question-and-answer portion of the meeting, where we will rotate back and forth between the government and the official opposition caucuses in 20-minute intervals.

Please begin, and please introduce yourself as well.

**Mr. Stephen Diamond:** Thank you very much, Madam Chair and members of the committee. Good afternoon. My name is Stephen Diamond. I am the chair of the Waterfront corporation.

With me on my left is Lisa Taylor, who is our CFO, and on my right is George Zegarac, our CEO. We also have with us today in the audience Meg Davis, who is a chief development officer, as well as Kristina Verner, who is the vice-president of innovation, sustainability and prosperity.

With those introductions, I would like to thank you for having us to participate today. I just want to make some preliminary comments. At the outset, I wanted to thank the Office of the Auditor General for its report, which we found quite helpful. As you may be aware, most recently, on October 31, Waterfront Toronto announced a realignment on several critical issues with Sidewalk Labs' Quayside proposal, many of which directly address the recommendation in the auditor's report. I plan to speak a little more about that project after you hear from our CEO.

Having said that, before I do, it's important for this committee to know that Waterfront Toronto is about much more than Quayside. It has been 30 years since David Crombie, Toronto's former mayor, delivered his royal commission report on the future of Toronto's waterfront. He wrote, "Toronto was born on the waterfront ... the people of Toronto ... understand the unique historic opportunity that the waterfront gives this metropolitan city."

The corporation was formed in about 2001. Over the past 18 years, Waterfront Toronto has tackled the challenges of environmental contamination, fragmented land ownership and competing political jurisdictions. Those are all issues that we faced when this corporation started its job. A lot of the waterfront, particularly to the west of Yonge Street, had already been developed.

Waterfront Toronto was then given a mandate to revitalize 800 hectares of former industrial lands on the shores of Lake Ontario into thriving neighbourhoods that grow our economy and improve our quality of life. It has been used as a catalyst to create prosperity, explore new ways of urban living and set best practices in the urban environment.

At the beginning, each order of government committed \$500 million for a total of \$1.5 billion in seed capital, plus government land sale revenues. Our business model is to take that seed capital and remediate and service lands to unlock them for development. Revenues from those land sales are then reinvested back into waterfront revitalization efforts.

I'm proud to say that the revitalization of Toronto's waterfront is one of the largest urban redevelopment projects in North America and one of the most significant waterfront revitalization efforts ever undertaken in the world. Since Waterfront Toronto's inception, we have helped generate over \$10 billion in new private sector investment, and we have created 26 hectares of new public spaces, including award-winning, iconic parks such as Canada's Sugar Beach and Corktown Common. We have also helped to create over 14,000 full-time years of employment, 5,200 new residential units, 600 affordable housing units—which are either constructed or have been planned for, with another 1,000 affordable housing units in design—and 1.5 million square feet of commercial office space.

These revitalization efforts, coupled with the private sector development occurring on the waterfront, have generated approximately \$1.6 billion in government revenues back to the three orders of government, that can be reinvested into other priorities. We're proud of this success,

and we're also proud of how we've achieved it, through innovative approaches and setting the bar higher for waterfront development. For over a decade, we've challenged our development partners to include more affordable housing and construct LEED-standard environmentally sustainable buildings. This has set a positive example for development throughout the rest of the city.

Today, Waterfront Toronto also has a further ambitious slate of projects that, once complete, will make Toronto's waterfront truly world-class. The most significant job we have that is currently under way is to provide flood protection for the downtown core. This is the first step needed before revitalization work can begin, and the enormity of the challenge cannot be overstated. Significant steps have already been made. When this is done and completed, it will unlock 240 hectares of land for new development. That's about the size of Toronto's downtown core.

As Waterfront Toronto has outlined in our five-year corporate plan, we are aiming to create a next-generation community at Quayside. We believe that this project in particular does have the potential to situate Toronto, Ontario and Canada as leaders in the innovation economy, as well as leaders in climate-positive development, and to be able to do so to encourage that all data governance will be handled in a democratically accountable manner. The discussion on Quayside has demonstrated that the people of Toronto are passionate, engaged and determined to see the waterfront remain a thriving place for everyone to enjoy.

While Quayside has recently been a focal point of public attention, we have many other exciting projects under way. We are working to expand and transform the Jack Layton Ferry Terminal. We're also working with the city to develop a destination playground to add to the vibrant parks along the waterfront. To achieve a more active and connected waterfront, we are working with designers to complete a three-kilometre continuous pedestrian route from the Portland Slip in the west to the Parliament Slip in the east. Waterfront Toronto is also exploring the opportunity for a landmark institution or cultural site on the waterfront, much like the Sydney Opera House in Australia.

As I said earlier, I'm proud of the work Waterfront Toronto is doing, and I can say that I have great confidence in its direction moving forward. I would now pass the floor over to George Zegarac, our CEO.

**Mr. George Zegarac:** Thank you very much, Steve. I'm George Zegarac, the president and CEO of Waterfront Toronto. I'd like to start by thanking you, Madam Chair, and members of the committee, for the opportunity to be here today.

As some of the members may be aware, I've spent my entire 35-year career in public service prior to taking the position of CEO at Waterfront Toronto. I actually started my career working for the Auditor General of Canada. I followed that with almost 33 years serving in the Ontario Public Service, of which I spent 11 years as deputy minister in five different portfolios. During this period, I spent 11 years on the deputy minister Corporate Audit Committee and was selected last year to be one of only two

deputies on the Ontario Internal Audit Committee. In addition, I served for a short period as the Ontario Fairness Commissioner.

As you can see, I have spent my career protecting the public interest and ensuring fairness and value for money in public expenditures. I carry this same responsibility in my role as the CEO for Waterfront Toronto, and I'm pleased to share the progress Waterfront Toronto has made in addressing the recommendations of the Auditor General's report.

I also know that my colleague, Deputy Minister Chris Giannekos from the Ontario Ministry of Infrastructure, is here as well to provide the ministry's perspective on its role in Waterfront Toronto. I want to thank Steve Diamond for his leadership since becoming tri-government Chair earlier this year. I also want to recognize and thank Will Fleissig, who is in the audience, who is here today for his past contributions to the corporation.

And thank you to the Office of the Auditor General for the considered recommendations in last year's report. The recommendations have guided operational improvements at the corporation so that we can provide value to our government partners and the people they represent. Since the Auditor General's report last year, Waterfront Toronto has implemented fully 71% of its recommendations. We expect to reach the 100% mark by the end of our fiscal year, March 2020.

I want to take this opportunity to discuss three specific matters raised in the value-for-money audit. Firstly, the Auditor General rightly identified some of the structural barriers Waterfront Toronto has faced in our mandate to revitalize the waterfront. These include land ownership, planning control and overlapping responsibilities with other organizations.

We've already made progress on these challenges. To reduce overlap and duplication, we've signed a memorandum of understanding with PortsToronto to ensure open lines of communication and that due consideration is given to each other's core service competencies when we procure services. We're also moving forward with an MOU with the three orders of government.

As committee members may know, a critical step to continuing to fulfill our mandate is the flood protection of the Port Lands area. We broke ground just over a year ago, and we're on track to complete the project on time and on budget in 2024. We're proud of how far we've come, and we're carefully managing this very important project.

In keeping with the Auditor General's recommendations, we have detailed construction cost estimates for every one of the 23 component projects of the Port Lands project. To ensure we are effectively managing our projects and tracking against budgets and timelines, we have implemented a new enterprise resource planning system. For the past year, the capital program management office has managed project costs, including change orders.

**1240**

We also brought in an independent capital project monitor to assist the finance audit committee in its oversight role.

The monitor provides independent, quarterly reports on project status, including budget, schedule, scope and risk.

We're providing regular project progress updates to government funders, including actual-expense-to-budget information and timelines and answering any questions that they may have. Progress against budgets is now reported on a monthly basis, and we are regularly visiting the project site to make sure construction invoices match the work that's being done.

The summary table we've provided to committee members will provide a more thorough understanding of the measures that we've put in place.

I also want to mention that, for this project, we have contracted the Mississaugas of the Credit to provide additional oversight on the archeological excavation.

The second matter I want to raise is Waterfront Toronto's ability to deliver projects on budget. As you'll see in our summary, we're also implementing systems to improve on that record. Our chief financial officer, Lisa Taylor, is here with us today and can answer questions that the committee might have regarding our budgets.

With respect to the Quayside project, the report considered several elements, including the procurement that led to the selection of Sidewalk Labs as the innovation and funding partner. We are confident that the process was fair, open and competitive. That was certainly the opinion of Waterfront Toronto's fairness advisor, Justice Coulter Osborne, who oversaw the procurement process and did a further review following the Auditor General's report and reaffirmed his opinion.

The scope of Quayside was raised as an issue by the AG's report. I'm happy to report that the geographic scope of the project is back to the 12 acres of Quayside alone.

The report further recommended that we work more closely with the federal and provincial governments on the ideas being considered by Sidewalk that may fall outside of the existing policy frameworks. We couldn't agree more. All orders of government have recognized the importance of modern privacy and data governance legislation, and we continue to share our insights with our government partners.

In closing, I want to say that, since I've joined Waterfront Toronto, I've been impressed by the dedication of the board and the staff. Both are committed to creating a waterfront for everyone to enjoy. This organization has incredible momentum, and I'm looking forward to the year ahead.

I'd like to turn this back over to Steve Diamond, our chair.

**Mr. Stephen Diamond:** Thank you, George, and thank you for your leadership. It has been great to have you on board.

Before we conclude, I did want to take this opportunity to walk you through Waterfront Toronto's journey since we did receive the Auditor General's report last December.

Waterfront Toronto has had a transformative year. When I was first asked to chair the board of Waterfront Toronto at the beginning of the year, I can honestly say that I wasn't sure that I wanted the job. But I did look at it

carefully, and I decided that if I was going to take this job on, I wanted to move forward knowing that I would have the support of all three levels of government that would allow me to take a strong position on behalf of Waterfront Toronto. That happened to occur, which made me take the position.

That also included the opportunity to speak with the Premier. I wanted to take a moment to acknowledge and thank the Premier for being personally available to me. His commitment to getting the waterfront revitalization right and the time he has taken, including discussions on the Quayside project, has been truly appreciated.

The support of government made me realize that if we had the opportunity to do something great, we should pursue it and be able to pursue something that would be great for the city, and also we would be able to stand up for the public interest.

Looking back, I'm satisfied as to where we are today, and I'm glad I was able to take on this role and give something back to our city.

From Quayside to the Port Lands revitalization, we've made significant progress on top of what's going on, but it wasn't easy to get here.

Sidewalk Labs won the RFP to be Waterfront Toronto's innovation and funding partner in 2017. They were chosen by an independent selection committee, which did not include any politicians. As a member of the board, I can say that I believe that the process was fair and transparent, and as George mentioned, the process was overseen by former Integrity Commissioner, Associate Chief Justice Coulter Osborne, and a separate law firm, Dentons LLP.

When Waterfront Toronto released the Sidewalk Labs master innovation and development plan proposal to the public this past June, as a result of everything that had been written, I wrote an open letter outlining the board's concerns with this initial version. The letter that I wrote acknowledged that there were some exciting ideas that respond to the challenges we face today, particularly related to environmental sustainability and economic development; but the letter also clearly outlined areas of misalignment between Waterfront Toronto and Sidewalk Labs that would need to be resolved before proceeding to an evaluation of the proposal.

We set a deadline of October 31 to see if we could come to ground on these key issues and land on a proposal that aligned with the public interest. Fortunately, there was significant movement from Sidewalk Labs and on October 31, the board unanimously decided to move forward with a formal evaluation of the MIDP, which is the plan they put forward, as amended by the resolution of the threshold issues.

Having said all that, I will reiterate now what I said on October 31: This is not a done deal. There is still a lot of work to be done before a final decision is made. The plan—known as the MIDP—as amended, is currently undergoing a formal evaluation by Waterfront Toronto staff, supported by external experts. We've continued to consult with the public. In the first quarter of 2020 there will also be another round of consultation to share and

seek feedback on the status of the evaluation. A decision about whether to move forward will be made by March 31 by Waterfront Toronto's board.

Quayside is a pivotal project for Toronto, Ontario and Canada, and I know that my fellow board members and the staff at Waterfront Toronto are working diligently to get it right if it is to go forward, and best serve the public interest.

I want to conclude by thanking the Office of the Auditor General once again. Its report has helped us to renew our commitment to operational excellence and leading in best practices.

Thank you to the committee for the opportunity to share our perspectives with you this afternoon. We're obviously here to answer any questions that you may have, so thank you. I should now turn the floor over, I think, to Chris Giannekos, the deputy minister of the Ontario Ministry of Infrastructure.

**Mr. Chris Giannekos:** Thank you very much. Good afternoon. My name is Chris Giannekos and I am the deputy minister of the Ministry of Infrastructure. I'd like to thank you for the opportunity to address the Standing Committee on Public Accounts and provide an update on the work the ministry has been doing to implement the recommendations from the 2018 Auditor General's report. Joining me today is Adam Redish, the assistant deputy minister for infrastructure policy; Fateh Salim, the ministry's legal director; and Wendy Ren, the director of infrastructure policy and planning.

Briefly, the ministry agrees with the Auditor General's recommendations and we are making progress in implementing those recommendations. I would like to highlight for you, briefly, some of the work that we have undertaken as a whole since the report came out.

As you know, Waterfront Toronto is provided joint oversight by all three levels of government: the city of Toronto, the province and the federal government. In response to concerns about overlapping mandates, the ministry is working with its federal and municipal government partners to clarify roles and responsibilities between relevant organizations involved in the revitalization of the Toronto waterfront. This will feed into the mandated review of Waterfront Toronto once the preliminary work is undertaken and there is agreement between all three levels of government.

Government accountability and oversight are being undertaken through a trilateral committee comprised of senior representatives from the three levels of government. The committee has been in inception since the beginning of setting up Waterfront Toronto. To strengthen and support this function, the three levels are developing a memorandum of understanding with Waterfront Toronto to establish principles to guide decision-making, set expectations for monitoring and reporting, and establish communications and issue management protocols as well as a dispute resolution process. The MOU will build on the work already done by the committee and will essentially clarify, codify and improve on existing practices.

On the question of performance measures, the ministry couldn't agree more on the essential nature of these to ensure that we can assess Waterfront Toronto's performance. Waterfront Toronto has developed a set of performance measures linked to its legislative mandate. All three levels of government have provided input and endorsed the measures that are now included in Waterfront Toronto's 2019—

**The Chair (Ms. Catherine Fife):** Mr. Giannekos, I'm sorry, that's the end of the 20-minute introduction. I'm sure the rest of your presentation will come out through the questions. This week, we will officially begin with the official opposition for 20-minute question rotation.

**1250**

I just want to let the audience know that we have an overflow room. Room number 2 is available, so if you have people coming, let them know that this committee's proceedings are on closed caption there.

Please go ahead, MPP Tabuns.

**Mr. Peter Tabuns:** Great. Thank you, Chair. I appreciate this. Good afternoon. It's good to see you all here. I wanted to say, Mr. Diamond, I'm very pleased to hear you confirming that we're talking about a 12-acre parcel. For a while, there was discussion of a number of other parcels with much larger numbers, but we're talking only about 12 acres.

As you're well aware, the report that was prepared by the Auditor General caused a lot of concern in a number of areas, but for us, in particular, with regard to Sidewalk Labs. I have some questions that flow from her comments on page 690 about the process with the investment and real estate committee.

I'll just read the question and you can respond. Please confirm that Julie Di Lorenzo, yourself—Mr. Diamond—and Susie Henderson were the board member experts in real estate development, financing and evaluating complex legal agreements that made up the investment and real estate committee, IREQ, in 2017, and that Julie Di Lorenzo was the chair of this committee. Can you confirm that statement?

**Mr. Stephen Diamond:** Yes.

**Mr. Peter Tabuns:** Okay. Can you confirm that the IREQ meeting on October 13, 2017, was held by phone?

**Mr. Stephen Diamond:** That is correct.

**Mr. Peter Tabuns:** Are there minutes of this meeting that can be made available to this committee?

**Mr. Stephen Diamond:** That, I'm not aware of. You'd have to ask staff. I don't know that.

**Mr. Peter Tabuns:** Is there a staff person here who can answer that question?

**The Chair (Ms. Catherine Fife):** Could you please identify yourself for the committee? Thank you.

**Ms. Meg Davis:** Hi. Meg Davis, Waterfront Toronto, chief development officer. Yes, in fact, that meeting was held by phone. There may be notes kept by our legal counsel. We didn't prepare formal minutes at that meeting.

**Mr. Peter Tabuns:** Can you make a commitment on the part of Waterfront Toronto to provide this committee with copies of those notes?

**Ms. Meg Davis:** Yes, if we have them, I will absolutely provide those as soon as possible.

**Mr. Peter Tabuns:** Okay.

**The Chair (Ms. Catherine Fife):** Is that the end of that?

**Mr. Peter Tabuns:** Thank you very much.

**The Chair (Ms. Catherine Fife):** Thank you very much. Mr. Zegarac, if you could come back. Thank you.

**Mr. Peter Tabuns:** Mr. Diamond, can you confirm that the IREQ could not come to a consensus on recommending the framework agreement?

**Mr. Stephen Diamond:** No, I disagree with that. I think, except for Ms. Di Lorenzo's concern, the rest of the IREQ committee was more than satisfied moving forward with the framework agreement. I, personally, was satisfied with the framework agreement.

There was a meeting in my office on September 19, 2017, where a summary was presented, with staff and other members of the IREQ committee. At that meeting, there were actually three separate issues that I raised, that I wanted to be a part of this, which were then subsequently moved at a meeting where people were present, on October 12.

Those three issues, actually, that I was personally concerned about were that any agreement that we entered into, Waterfront Toronto would have the right at any time to unilaterally terminate that agreement, and that there was a proposal from Sidewalk Labs to fund approximately \$50 million in terms of innovation and other matters. I also moved a motion that in any agreement we would sign, the corporation would not accept any funds from Sidewalk Labs until, actually, we had the second-stage agreement signed, which was known as the plan development agreement. Finally, I asked for language to ensure, with respect to any language going out to the 12 acres, that we were not bound to do anything but the 12 acres. I was personally satisfied at that time that the framework agreement was perfectly appropriate.

**Mr. Peter Tabuns:** You may have been.

**Mr. Stephen Diamond:** Yes.

**Mr. Peter Tabuns:** But what the auditor reports is that there was not a consensus on the part of the committee, and there was not a recommendation to the board. Was there a consensus?

**Mr. Stephen Diamond:** In my view—well, it depends. There were three members of the committee. I believe that two of the three members were satisfied, and one member was not satisfied. So with the one member not being satisfied, we thought it was best to approach the board with an indication that two of the members were satisfied but one wasn't, and to bring the matter to the attention of the board.

**Mr. Peter Tabuns:** And did you make that recommendation to the board in writing?

**Mr. Stephen Diamond:** Which recommendation?

**Mr. Peter Tabuns:** Sorry. Did you report to the board that two of the three supported it?

**Mr. Stephen Diamond:** Yes.

**Mr. Peter Tabuns:** And did you do that in writing?

**Mr. Stephen Diamond:** I believe that was done in writing.

**Mr. Peter Tabuns:** Could we have a copy of that?

**Mr. Stephen Diamond:** I'm sure you can. Sure.

**Mr. Peter Tabuns:** Was the board surprised that there was a lack of unanimity on this?

**Mr. Stephen Diamond:** I'm trying to go back. I don't know whether they were surprised or not surprised. I think it had been subject to some ongoing discussion. It was a very interesting and novel project that we were considering. So I'm not sure that that's the case. I think, as I recall, at the end of the day, the board ended up voting to move forward, so I don't think it was that big a surprise.

**Mr. Peter Tabuns:** Okay. Going to the next section, about the presentation of the framework agreement to the board, the board received the framework agreement on October 13, and the agreement was approved by the board on October 16. So I think—the 13th was a Friday and the 16th was a Monday. He had effectively one working day. At what time on Friday, October 13, 2017, was the Waterfront Toronto board provided with a copy of the actual framework agreement?

**Mr. Stephen Diamond:** That information, I wouldn't have. You would have to get that from staff.

**Mr. Peter Tabuns:** Is there a staff person who can speak to that?

**Mr. George Zegarac:** I'm going to call Meg Davis to come to answer that question, if she can.

**Mr. Peter Tabuns:** Thank you.

**The Chair (Ms. Catherine Fife):** Welcome back.

**Ms. Meg Davis:** Thank you. So your question was, at what time on the 16th was the board provided—

**Mr. Peter Tabuns:** Sorry. What time on Friday, October 13, 2017, was the board given the copy of the actual framework agreement to review in advance of the decision-making meeting to come?

**Ms. Meg Davis:** I don't know the time, but we'll look at it. We can find the email where we transmitted that or it was put up on our BoardEffect, so we'll get that time for you.

The one thing I would say is that, like I think most of you work, IREQ was delegated the authority to look after the framework agreement. While the board had a shorter period of time to review, it's sort of like saying a third reading was new to the board, when committee had been working on it for a number of months. I think the committee, as Steve mentioned, was quite comfortable, with the exception of one member, and did take that to the board with support.

**Mr. Peter Tabuns:** Fair enough.

I don't know if this question goes to you, so perhaps I'll go to Mr. Diamond, and he may want to refer it again. Do you believe that providing the board with one business day's notice of a decision on a very complex framework agreement, including questions of data governance—something that I don't think Waterfront Toronto has a long history with—is adequate before asking the board to approve the agreement?

**Mr. Stephen Diamond:** Well, I can't speak for the other board members; I can only speak for myself in terms of my experience and my knowledge of the agreement at the time. Because I had been extensively involved with the

matter up to that point in time, I certainly was more than satisfied with the agreement and the proposal.

I think the other thing to keep mind here with respect to that framework agreement is that subsequently, whatever happened at the time, it became irrelevant because it was totally replaced with a second agreement called the plan development agreement. That is the agreement that subsequently governed our total relationship between us and Sidewalk Labs. So whatever happened there subsequently really became totally irrelevant from one way or the other.

What I do think was unfortunate at the time was—in fairness, I think the board was asked three or four days earlier than a scheduled board meeting to accommodate an announcement that was to be made because the Prime Minister was coming into town. Looking back, that probably wasn't the wisest move to have made at the time.

**Ms. Meg Davis:** If I can just add, too, a piece of information—

**Mr. Peter Tabuns:** If you wouldn't mind, yes, go ahead.

**Ms. Meg Davis:** On October 11 and 12, we also held two briefings with the board on the framework agreement. So while the final copy had been given to them on the Friday before, they actually had been briefed fully on the agreement, which, as Mr. Diamond has said, had a unilateral right for Waterfront Toronto to terminate at any time prior to signing the plan development agreement.

1300

**Mr. Peter Tabuns:** Before you leave, my understanding from reviewing the report by the Auditor General was that those briefings were very high-level; that, in fact, this is a very substantial agreement that was brought before the board, and the board's ability to reach out, talk to legal experts or other experts, would have been extraordinarily limited between the time they got the final package and the time they had to make a decision. So they may have had a briefing, but I've had a variety of briefings in my time as a politician, some being more thorough than others. The sense we have from the briefing that was given was that it was very high-level, not in-depth.

**Ms. Meg Davis:** The briefing that we gave focused on all of the risks and the mitigations that we identified with the IREQ committee that were raised since probably late August or early September, and the number of things that Mr. Diamond has raised to have us change in the agreement. So all of those things, those risks and mitigation measures, were raised with the board at that briefing.

**Mr. Peter Tabuns:** I would like to go back to Mr. Diamond, because you said that you were satisfied but you also said that the amount of time that was provided, in retrospect, was not necessarily the optimum or the best amount of time.

**Mr. Stephen Diamond:** I think the problem with the situation was the optics of the situation, not necessarily the meetings and the time taken, as there were the briefing meetings. I think the optics of the potential perception that approval to a framework agreement was made to accommodate the Prime Minister's schedule coming into town at the time was unfortunate and, looking back, was likely not

the smartest or the wisest move to be made. I think that we've learned from those things.

Moving forward, I candidly have to say it: If I could go back in time—I wasn't chair of the board at the time; I was a member of the IREQ committee. But looking back, I would not have scheduled the meeting—I think it was scheduled for three or four days later. That should have been the course. It should have been followed at that point in time, rather than trying to move the meeting up to accommodate that. I have to be candid. That's my view. I think that would have been a healthier optical process, and if there were any concerns, they could have been addressed. That's my perspective on that.

**Ms. Meg Davis:** If I can just add: Since that time and since the Auditor General's report, we have put into place a number of processes and protocols, not only with our board to make sure that they are completely up to speed on all of the activities on Quayside, but also our government partners. We have a protocol in place now where we get comment from government before we go to the board with any requests for approvals, and we've been working very, very closely with our government partners, having regular meetings all the way through since that time, so that they are also up to speed.

**Mr. Peter Tabuns:** Just to summarize again, I think it's recognized that one working day's time for the board to review this was not good practice. You don't see it as good practice?

**Ms. Meg Davis:** I think we've said that if we had it to do over again, as I said at the committee in Ottawa, the second agreement, the PDA, should have been the first agreement. We should have taken the time to negotiate that proper agreement. The framework agreement was more like a letter of intent so that we could make an announcement. I think what we should have done was just negotiate the plan development agreement, which was approved later, unanimously, by the board.

**Mr. Peter Tabuns:** Going back, then, to Mr. Diamond: Other than the fact that there was an announcement scheduled for the 17th, the day after the board made its decision, was there any other reason to require board approval of that framework agreement on only one business day's notice? Was this entirely dictated by the desire to have an announcement on the 17th?

**Mr. Stephen Diamond:** That was my understanding at the time, yes.

**Mr. Peter Tabuns:** Sorry, that was your understanding at the time? Who made the decision? Were you informed that there was just going to be one business day's notice and then the announcement? Who made the decision, then, that it would only be one day?

**Mr. Stephen Diamond:** I don't have detailed notes, but I just remember receiving a call from, I believe, the then-current chair, suggesting that there was a visit coming from the Prime Minister, to be quite candid; that all matters were in order; and "Could we move up the board meeting by five fewer days to consider the approval of the framework agreement?"

**Mr. Peter Tabuns:** And who was the chair at the time?

**Mr. Stephen Diamond:** I think it was Helen Burstyn who was chair at the time.

**Mr. Peter Tabuns:** All right. Going on to my next question: “According to the plan development agreement, Sidewalk Labs will cover costs of developing the MIDP up to \$50 million USD, including costs incurred by Waterfront Toronto up to \$4.47 million USD.” This is from the Auditor General’s report.

Do you consider it good governance for Waterfront Toronto to accept funds from a vendor—in this case, almost \$5 million—to assist in development of a plan which, in turn, Waterfront Toronto will have to evaluate? Effectively, you’re writing a plan and you have the responsibility for evaluation. It strikes me that it can be difficult to reconcile those two roles, one being a provider of a plan and one being a critic and an assessor of a plan. Mr. Diamond, how do you feel about that?

**Mr. Stephen Diamond:** First of all, just to explain a little further, I’d like to allow Ms. Davis to discuss that, and then I’ll give my comment.

**Mr. Peter Tabuns:** Fine. Ms. Davis?

**Ms. Meg Davis:** I think there’s a two-part question there. So let me start with the—I think it was—C\$5.8 million, if you do the conversion, that Sidewalk pledged to pay to Waterfront Toronto, mostly for our staff time and some of our consulting time over the very early stages of the project.

At the time and through our mandate, governments have urged Waterfront Toronto to bring in private sector investment and not rely always on government funds. We owned Quayside and felt there was an opportunity to do something different here and try to sort of take the next revolutionary step in sustainability and some of those urban challenges like mobility and affordability. So we looked at Quayside a little bit differently, and we wanted to bring on a thought leader, somebody who could help us with those urban challenges. But we didn’t want to take that test and that risk on the taxpayer’s tab. So we said to all the bidders that there would be a requirement to pay for our staff. It didn’t really matter if it was Sidewalk or anyone else; whatever bidder was selected, they would have had to help pay for our staff time.

The other thing that Steve made clear was that we didn’t take any money from Sidewalk Labs until after we had the plan development agreement. In the plan development agreement, things shift a little bit. We got a lot of feedback, like the comment that you just made about creating and then evaluating. We really took that opportunity to—we had finished the ideation stage of the project, and we moved on to Sidewalk creating the MIDP and Waterfront Toronto creating the evaluation framework that we’re using now to do those evaluations. It’s not that we went our separate ways, but we divided the work that was being done. We were not creating the MIDP. In fact, as you saw on June 24, the MIDP is a Sidewalk document—it’s their plan; it’s their proposal—and Waterfront Toronto developed a very robust evaluation framework, with KPMG as our subject matter expert, to evaluate that MIDP, which we’re doing right now.

**Mr. Peter Tabuns:** So in fact, all the money that was provided was for evaluation and not development of the plan. Is that correct?

**Ms. Meg Davis:** No. The money that was provided to Waterfront Toronto was—we had to hire some staff. It was to establish our own internal team. It was to hire some subject matter experts to help us come up with some of the early ideas and get through the plan development agreement.

Once we were through that, we were separated. The money had been spent, and that money was used during a period of time where we had a unilateral right, through the framework agreement, to walk away at any time up until we signed the plan development agreement. Then Sidewalk paid us for the time up until that time. We didn’t receive any money until after the PDA was signed, but they paid retrospectively. From there, going forward, we were on our own dime.

This isn’t actually uncommon. Municipalities—

**The Chair (Ms. Catherine Fife):** I just want to let people know that there are two minutes left in this question set.

**Ms. Meg Davis:** Municipalities will often ask their development partner—particularly smaller municipalities, but I know the city of Toronto does it as well—where developers will pay for extra resources to help review plans, big projects, that sort of thing. It’s not really uncommon for an approver, so to speak, to receive funding for extra staff and that sort of thing to review projects like this.

**Mr. Peter Tabuns:** Mr. Diamond?

**Mr. Stephen Diamond:** Well, to use the same example, there are many times in the development industry when a municipality will come and say, “Would you pay for certain issues or staff time?” to get the process going. We’ve done that. I don’t think it has ever created a situation of conflict. In fact, when I look at the whole development process and the use of the section 37 agreements that we use—at the end of the day, they’re negotiating a huge amount of public benefits and money coming to the city in exchange for certain things coming forward—you could argue the whole situation is full of conflict. That part of it, I really think is not significant.

I think it’s very important, in pursuing something of this nature and in any creative entity—the use of public funds is very important. If \$4.5 million or \$5.5 million of public money is something that we can save, I think it’s incumbent on us to do that, as long as it doesn’t hurt the process. I don’t think that, in any way, it hurt the process. I’ve been involved in the last year. As you said at the beginning, we’re back to the 12-acre site. I can tell you that there were pretty rough meetings between us and Sidewalk Labs over the last year, and I think this part of the process was totally insignificant. If we saved some public money, I think that’s very, very important.

1310

**The Chair (Ms. Catherine Fife):** There are five seconds left, so we’re going to move to the government side. MPP Ghamari.

**Ms. Goldie Ghamari:** First of all, thank you for your presentation. It was very informative and helpful.

I just have a couple of general questions. This is directed more towards the Ministry of Infrastructure. We have a number of recommendations provided by the Auditor General, and there is an update on the undertakings—what has or hasn't been progressed. I just wanted to get a little bit of clarification with respect to the Auditor General's recommendation number 1, in terms of reviewing the mandate for Waterfront Toronto. I wanted to get an update on what Ontario has done to address the Auditor General's concerns.

**Mr. Chris Giannekos:** Thank you for your question.

Let me start off by saying that the governance of Waterfront Toronto is tripartite: It's between the province, the federal government, as well as the city. We work in unison, and it works by unanimity.

With respect with what we've done to address the mandate issue: First of all, it's in progress, so the work continues to happen. The three parties—us, the feds and the city—the first thing that we're doing is looking at other waterfront-related agencies, looking at their mandates, clarifying what their purpose and role is, and that will feed into an overall update of a potential vision for Waterfront Toronto. So for the government, it's looking at its own agencies that have a role in the revitalization of the Waterfront Toronto. The city itself is undertaking a similar exercise. At the end of the day, the three parties will come together to ensure that there is a clarification of roles and responsibilities to provide focus, to enable Waterfront Toronto to move forward.

**Ms. Goldie Ghamari:** How does that tie in with the mandate for Ontario Place?

**Mr. Chris Giannekos:** Ontario Place is one of the agencies that is currently undertaking a mandate review. That will be one of the agencies that will inform how we move forward with Waterfront Toronto—clarify the roles and responsibilities for that particular agency and feed into ensuring that there isn't any overlap or potential confusion with the mandate of Waterfront Toronto.

It's about ensuring that we're synchronizing efforts and focusing them so everybody is rowing in the same direction. But we need to do some substantial work to begin with to clarify these roles and responsibilities, given that these organizations, over time, have taken on different tasks etc.

We totally agree with the Auditor General that it is time for us to do this work and refocus our efforts.

**Ms. Goldie Ghamari:** My next question is of personal interest to me, as well. I'm almost 35, a millennial. I love technology. The idea of smart cities is something that's intriguing to many people in my generation, and younger and older as well. My question is, what progress has been made to develop a policy framework that addresses issues concerning these smart cities? This is exciting stuff, but I think also it's something that needs to be done right, with a forward-thinking approach to accommodate possible new technologies as well—and not create something that we'll spend a lot of taxpayer money on and will potentially be obsolete in five years.

**Mr. Chris Giannekos:** Let me start off by saying that the ministry is responsible for coordinating the overall response amongst 11 different ministries whose space we encroach upon in terms of this topic.

The most important thing that's going on to this end is the development of Ontario's data strategy, which will be the key with respect to promoting and informing the protection of people's privacy.

Last May, the provincial government announced the results of its public consultation on data strategy, and the strategy will prioritize three key areas, the first one being promoting public trust and confidence, creating economic benefits, and enabling smarter and efficient government.

As part of that, the government released the province's five principles that will require smart cities to do the following—and this is how we propose to ensure that we guide and inform some of the activities undertaken by Waterfront Toronto.

The first principle is to guarantee that Ontario's privacy and personal data are protected, put people first by ensuring that Ontarians are the primary beneficiaries of the opportunities created by the project, create responsible and good governance systems, enact leading best technical practices that ensure that chosen technologies use open software and open standards and educate the public on risks associated with the project and provide meaningful opportunities for local residents to engage in the creation of a smart city. The release of these principles was the first step in creating a policy framework to guide the development of smart cities in Ontario.

Further to this, the government has established advisory panels on data issues, including the digital and data task force and the intellectual property panel, to provide expert advice to government on topics that are relevant to the issue related to the development of smart issues. The panellists on these are experts in their field, and it's part of the coordination activity to ensure that we bring evidence—expert evidence—to bear on creating this overall provincial policy.

**Ms. Goldie Ghamari:** Thank you. Those are my questions.

**The Chair (Ms. Catherine Fife):** Thank you. I have MPP Miller, followed by MPP Parsa and then MPP Hogarth. There are still 13 minutes left in the session.

**Mr. Norman Miller:** Thank you for your presentation. I guess I'll begin by following up on recommendation 1, about the complicated structure and the overlapping responsibility as well.

Mr. Diamond, you seemed pretty optimistic and positive in your opening statement, and that's encouraging. As I read the auditor's report, I must admit that I looked at it and thought, how do you make anything work when you have three levels of government and all of these various organizations that all have a finger in the pie?

I think in her report she also gave the example of Winnipeg, where it seemed to be a simpler structure. They just formed a corporation and the corporation owned all the lands, and they had great success.

My question is, with the reality of what we do have, Mr. Diamond, do you believe that you can achieve your

objectives and see the development of the waterfront, or does the whole thing need to be blown up and changed?

**Mr. Stephen Diamond:** Well, let me just say that, first of all, I think the Auditor General raised a very important point as one of her first and key recommendations. It's one that, having been in the role, I'm very sympathetic to, because I do believe that overall the corporation would likely be even more effective if it had more control and could ensure that its recommendations were implemented. That would be an ideal situation.

Having said that, I think we've demonstrated through the last year and throughout its history that it has been able to achieve a lot of positive direction. So I don't think it's something that, in the last words, needs to be blown up. If it was the will of the government to make some adjustments to allow the corporation to have more control, as chair of the board and for future chairs of the board and the administration, I think it would definitely facilitate it and make for somewhat better outcomes. Having said that, I am optimistic that within the operation we can achieve the success that has been demonstrated in the past.

**Mr. Norman Miller:** And the auditor has made all kinds of recommendations with regard to keeping records better, and projects. I see her recommendation 2: "To deliver future projects, such as the flood protection of the Port Lands, on time, on budget and in accordance with the planned scope, we recommend that Waterfront Toronto:

"—consistently develop detailed project plans and cost estimates based on engineering and technical studies."

1320

So I'm going to ask about what the status of that is, particularly the flood work that is in progress right now. I'm going to ask a couple of questions on that. First of all, are you confident, based on—the riding I represent, Parry Sound–Muskoka, had significant flooding. We're seeing the Great Lakes at record levels, including Georgian Bay, where I live—

**Mr. Stephen Diamond:** I have a cottage there and I can tell you the water levels are killing my property.

**Mr. Norman Miller:** Yes, I'll talk to you about that after.

I notice that with the plan, there seems to be—well, first of all, I read the flood adviser's report last week that was provided to the government. This is in a flood plain, or it's pretty close to the water level. Are you confident and have you done studies that the work you're doing will protect the area from future higher water levels?

**Mr. Stephen Diamond:** I'll hand a little more of that technical question over to George, but I've had a couple of briefings. It's been something that is very important. I think it's actually one of the most significant projects, more significant in many ways than Quayside, because it's not only flood-proofing that area and allowing additional lands for development, but it's flood-proofing for the whole downtown. I've been satisfied that what we're doing is going to ensure that that will be the case, with respect to the expenditures, and it is basically proceeding, for the most part, on time and on budget.

The other point I would just make about budgeting generally is I am in the development business and I can tell you that in the last five years, just in the private sector, there have probably been more projects that have come in over budget than on budget. There have been a lot of unexpected increases in costs that have taken everybody by surprise, so when I see the work and the steps that have been taken since the Auditor General's report has come out on what Waterfront Toronto is doing, personally I'm very satisfied with the approaches they're taking towards those very significant issues.

**Mr. Norman Miller:** So on the recommendation with regard to "develop detailed project plans and cost estimates" for the engineering, that is—

**Mr. Stephen Diamond:** That's under way, and I'll just let George handle that.

**Mr. Norman Miller:** Okay. I'll pass it onto my colleagues—

**Mr. George Zegarac:** If I can answer that in a little more detail: We have project plans for each component and we have risk assessments done. We went through a whole environmental assessment process to get approval of the levels of government who had responsibility to ensure for a major flood situation, that we have covered that off. So that part is covered.

Just in terms of progress—

**Mr. Norman Miller:** Sorry to interrupt, but how long did that process take? Because I was wondering about it when reading the details of changing where the river goes and things like that.

**Mr. George Zegarac:** Right. So on that one maybe I'll just ask my project manager, the head of this project, David Kusturin, to come up in a moment. But I'll just give you the quick status of where we're at on it, and then I'll get him to answer those questions.

Great progress to date: We have the lake-filling to create a new habitat, and the parkland is actually completed already. We've excavated the new river valley system and it's well under way with regard to diversion of the water for the future, and the realignment and construction on the Cherry Street bridge to connect to the new Villiers Island is well under way as well.

I'll get David to talk about the process. As I said before, we also have a third party who reviews all of our work, to challenge and to report to our FARM committee, which is our finance, audit and risk committee. They did 6,000 simulations to look at the probability of us finishing on time and on budget and addressing the issue that you've raised. If I could just ask David Kusturin to answer the question on the environmental assessment process.

**Mr. Norman Miller:** Sure, thanks.

**Mr. David Kusturin:** My name is David Kusturin. I'm the chief project officer for Waterfront Toronto. The environmental assessment that was undertaken for the Don mouth flood protection project was undertaken in partnership with TRCA—the Toronto and Region Conservation Authority—the city of Toronto, and Waterfront Toronto. It took two years. It started in 2005 and was completed in 2015. The environmental assessment was

approved by the Ministry of the Environment and all stakeholders, and that is the work that we are now implementing.

There was a subsequent due diligence study undertaken in 2015 and 2016 to better define the scope, cost and schedule for the project. Based on that due diligence, all three governments approved the funding for the project.

**Mr. Norman Miller:** Thank you. I'll pass it over to my colleague.

**The Chair (Ms. Catherine Fife):** MPP Parsa.

**Mr. Michael Parsa:** How much time do we have, Chair?

**The Chair (Ms. Catherine Fife):** There is just over five minutes.

**Mr. Michael Parsa:** Thanks very much, Madam Chair.

I want to thank you all once again for being here. I really appreciate it. One of my colleagues, last week, pointed out the fact that you're in the hot seat when you come here, so we really appreciate you being candid and open. Thank you for that.

I just wanted to read a line from the Auditor General. It talks about the mandate of Waterfront Toronto. It says, "Its mandate is to enhance the economic, social and cultural value of the waterfront area" and to create "an accessible and active waterfront for living, working and recreation." My question would be around the economic development and social benefits of Quayside, in particular. I just want to know about the provincial initiatives around tourism strategy, forestry strategy and provincial policy. Perhaps even the deputy can chime in as well.

**Mr. George Zegarac:** We've been working very closely with the provincial and federal governments and the city around the economic development. As we saw when we did the design work for Corktown Common, which was a similar project to the Port Lands that reduced the flood risk at that part of the river, is it opened up huge opportunities for economic development, both on the West Don Lands and east Bayside. So we've lived through the opportunity to generate great economic opportunity, not only in terms of development, but we had a lot of affordable housing and public realm that was built on that property.

We're trying to do exactly the same thing as we develop further down towards the lake and we create the opportunities for the economic development, participation in activation tourism. That's all part of the objectives we put forward in the RFP: to activate that community, to look at opportunities for further economic development.

Maybe I'll let Chris talk about the tall timber strategy, which would help our timber industry, and in particular the north and our Indigenous communities, as well, who could participate in that economic activity. So I think there has been a lot of work that has been done, and that's what we're evaluating right now with regards to the 12 acres: What can we do to maximize that opportunity?

But I'll turn it over to my colleague the deputy minister.

**Mr. Chris Giannekos:** Thank you, George. I think it's important to note that just the Port Lands Flood Protection Project alone will protect 290 hectares—that's 715 acres—against flooding, and this will effectively unlock the area's

potential for future residential and commercial development. That is a substantial amount of development potential that will be unlocked by an ambitious flood protection program that's complicated in both its engineering and its implementation.

I think it's important to note the economic development potential that this does unlock. It's a significant amount of money in terms of the three levels of government: \$1.25 billion. The return on investment as a result of the economic development and social development will be substantial in that respect.

In addition to that, for example, the province's forestry strategy that enhances economic development opportunities—

**The Chair (Ms. Catherine Fife):** There's two minutes left in this question set.

**Mr. Chris Giannekos:**—by being able to promote things like the use of tall timber in construction and innovative technology will, in and of itself, create not only economic development potential within the waterfront development, but also for the forestry sector as a whole. It will benefit communities and industries in the north as a result of this. That's just one area.

The potential for technological advances—the use of, for example, autonomous vehicles in the area—allows for futureproofing to a certain extent: the use of these types of technologies to create a 22nd century community, with all that entails with respect to improving the quality of life of not just the people living within Waterfront Toronto, but within the province as a whole, because there will be lessons learned there that could potentially be applied to other cities within the province.

**Mr. Michael Parsa:** Thank you, Deputy. If you don't mind, when I come back I want to go back and ask you a couple of specific questions. But in case I don't get my chance, I have to ask you this. Value for money is very important to our government. We want to make sure that taxpayers' hard-earned dollars are spent wisely. This project itself: Is it good value for taxpayers?

1330

**Mr. Chris Giannekos:** I think at the end of the day time will tell, but obviously we believe it's good value for money and we believe that we have in place the appropriate oversight to ensure that we get value for money between ourselves—ourselves being the three levels of government—and Waterfront Toronto. I'd like to stress—

**The Chair (Ms. Catherine Fife):** Thank you very much. I can come back to you, and then it would be MPP Hogarth. MPP Burch?

**Mr. Jeff Burch:** Good afternoon. Thank you for being here. I have a few questions around scope and public consultation.

I'd just like to start with—the Auditor General points to a second agreement with Sidewalk Labs: the plan development agreement that was signed in July 2018, which replaces the initial framework agreement and potentially opens the door to expand the Sidewalk Labs project to approximately 600 acres of land in the Port Lands, lands Waterfront Toronto does not have the authority to grant land rights to.

Am I correct in assuming that the request for proposal for Quayside did not contain any mention of developing the 20-acre site on Villiers Island?

**Mr. Stephen Diamond:** Are you asking in the RFP? Is that your question?

**Mr. Jeff Burch:** Yes.

**Mr. Stephen Diamond:** Okay, well that I—

**Mr. George Zegarac:** I'm going to ask Meg Davis to come up, who was involved at the time, to answer that question.

**Ms. Meg Davis:** Thank you. The RFP spoke specifically about the 12 acres of Quayside as a test-bed opportunity, but offered an opportunity for proponents to think at scale and what things might be tested or created on Quayside that could then be expanded beyond Quayside, whether it would be in a broader waterfront project or maybe somewhere else in the world. So they were allowed to think at scale, but the only commitment from Waterfront Toronto was to work with someone to potentially implement—not guaranteed to implement, but potentially implement—a test-bed project on the 12 acres of Quayside.

But as you can see, we've made it clear in the realignment that we have, through the October 31 threshold, issues that were approved by the board were focusing only on the 12 acres. So while the RFP did talk about the designated waterfront area, because that's sort of the planning context and you need to know where transit is coming from, where sewers are coming from, that sort of thing, it did not say anything about specifically 20 acres on Villiers Island. It was really just to be thinking at scale.

**Mr. Jeff Burch:** Okay. So what I'm wondering is—Sidewalk Labs included an extra 20-acre site in its proposed mass renovation and development plan. Is it a good or fair procurement practice for a corporation like Waterfront Toronto to conduct a public consultation on lands that were not covered in the RFP?

**Ms. Meg Davis:** So the public consultation that happened prior to October 31—sorry, prior to the release of the MIDP, I should say—those were related to ideas. I don't think there was something specific to the 20 acres. I know that in their MIDP, they talk about putting the Google headquarters on the Villiers Island area, along with the Urban Innovation Institute that they were proposing, and that through the negotiation of the threshold issues, we said you need to come back to the 12 acres and focus on those first.

And the city provided a letter shortly before that. I think on October 21, the city provided a letter making it very clear that for any lands beyond Quayside—which Waterfront Toronto has no right to transact on, because they are owned by the city, mostly; we think PortsToronto owns some of those lands—that those would have to go through a proper procurement process in order for anyone to have use of those lands that wasn't the city.

**Mr. Jeff Burch:** But I do understand that Sidewalk Labs did include an extra 20-acre site in the proposed master renovation and development plan.

**Mr. Stephen Diamond:** Actually they included—I think it was—a total of an additional 190 acres in their MIDP, not just 20 acres. So what happened was—going back to what I was trying to address in my preliminary comments, I had just become chair in—I think it was March. The MIDP came in without the approval of the Waterfront corporation, and they did include that 190 acres. That's when I wrote my open letter to the public, indicating serious concerns over their interpretation of what they should be entitled to and what they thought was in the public interest, setting the stage for further public consultation and discussion, which then ended up with, after hearing from the public, the corporation setting the October 31 deadline to come back to what we felt was appropriate, dealing with the 12 acres—period, end of story. So that was what happened.

**Mr. Jeff Burch:** So has the plan development agreement been amended to contractually limit Sidewalk to the 12-acre site?

**Mr. Stephen Diamond:** Yes, that's what—

**Ms. Meg Davis:** It is in the process of being—

**Mr. Jeff Burch:** It is in the process, but it's not—

**Ms. Meg Davis:** It was agreed to in the threshold issues, and we're in the process of doing it right now.

**Mr. Stephen Diamond:** There is legal documentation between us and Sidewalk Labs acknowledging these threshold issues that has been to the satisfaction of our legal counsel to set the stage for further agreements. But again, those further agreements won't occur if the project doesn't go forward because, as I said earlier, we still haven't been satisfied, on the 12 acres, that we've seen enough yet, in terms of the additional review, to go forward.

**Mr. Jeff Burch:** I understand the value of the Quayside lands to be approximately \$59 million per acre. Has Waterfront Toronto made this figure public?

**Ms. Meg Davis:** Yes, the threshold issues letter that we published does make \$590 million for the Quayside property public.

**Mr. Jeff Burch:** Just a question on public access: There's a lot of public money here, and the Auditor General points out that much, if not all, of the consultation—correct me if I'm wrong—has occurred at the waterfront and not outside of the waterfront. Am I correct in saying that?

**Ms. Meg Davis:** The auditor raised a very good point to remind us that the waterfront belongs to everybody, not just to the waterfront. With Quayside, in our most recent round of consultations, we made extra efforts to make sure that we consulted outside of the waterfront. We held seven pop-up consultations at libraries across the city, only one of which was in the waterfront. We held four lengthy sessions, two of which were outside the waterfront. Roughly two thirds of the consultation that we did in our most recent round have been outside the waterfront. We do take that very seriously. It is important that other people in the city and in the province feel that the waterfront belongs to them as well.

**Mr. Jeff Burch:** The concern with that would be that not enough concern would be shown for public access to

the waterfront. I think that's something that obviously concerns the public. Can you speak to what steps you've taken in the consultation process to make sure that your plans take public access into account?

**Ms. Meg Davis:** Just to clarify, are you talking about physical access or access to information? You mean actually getting to the waterfront?

**Mr. Jeff Burch:** Physical access.

**Ms. Meg Davis:** So Waterfront Toronto worked with the city on the central waterfront secondary plan, and one of the four key objectives of the secondary plan is improving north-south connections and being able to bring people back down to the waterfront. So we're working on that. We're improving underpasses. We're working with Metrolinx, the city and others to try and improve those connections.

As George will tell you, we are working very hard with the city, the province, Metrolinx and IO on expanded transit to the waterfront. We're creating parks and public spaces that we hope will attract people down to the waterfront. Sugar Beach is a perfect example: If you Google "Toronto" these days, one of the first images that comes up is of Sugar Beach and the pink umbrellas—and that, hopefully, people take pride in and say, "That's my city. That's my province. I want to go down there and participate."

We also have a number of functions that we participate in. We created an annual event during March break called Sugar Shack, where we make maple syrup treats. I think we've had 50,000 people attending that over the course of a long weekend—

**Mr. Jeff Burch:** So it will be part of the considerations going forward.

**Ms. Meg Davis:** Absolutely.

**Mr. Jeff Burch:** Just switching gears for a moment: Something that raised alarm bells for me in the report was that there was sale of lands to supplement the operating budget. Whenever I see assets being sold to supplement an operating budget—can you talk a little bit about the lands that were sold, whether there was fair market value got for those lands and who they were sold to?

1340

**Ms. Meg Davis:** I'm going to ask Lisa to come back up.

**Mr. George Zegarac:** Yes, I'll get Lisa to come back up, but I'll just provide some general context. When we were established, we had the original \$1.5 billion of seed money, but it was also part of the original design that we would generate additional revenue through the sales of those properties that were designated to us to help continue to develop the properties. It was embedded in the direction of government right from the beginning.

I'll let Lisa speak to the specifics of the properties and the fair market value issue.

**The Chair (Ms. Catherine Fife):** Ms. Taylor.

**Ms. Lisa Taylor:** Thank you for the question. Yes, all sales of land that Waterfront Toronto has brought to market have been at fair market value. We typically would do that through a request-for-proposal process with developers, where we go out to market with our specific

requirements and objectives with respect to sustainability, affordable housing and design excellence, and we evaluate those proposals and then award on a basis of financial criteria as well as those other elements related to sustainability, design excellence and affordable housing.

In terms of the lands that are being sold so far, they are all publicly owned lands, primarily owned by the city.

Quayside is owned by Waterfront Toronto itself. That will be, as you know, brought to market as well, and that will be through a competitive procurement and at fair market value.

**Mr. Jeff Burch:** With respect to the RFP for the proponent procurement process, you stated in your opening, Mr. Diamond, that it was—I think you said, "fair, open and competitive." But there seems, in the Auditor General's report, an indication that Sidewalk had more information than other proponents. Would you say that that's accurate?

**Mr. Stephen Diamond:** First of all, the RFP was run by a separate steering committee, so I won't be able to comment on that directly. I'll have the staff again deal with that.

But I do want to point out, and I think it's important, that the process was thoroughly reviewed by Mr. Justice Osborne, who was a former Supreme Court Justice and the Integrity Commissioner for the province of Ontario, in terms of the fairness. He did comment that he felt that the process that was followed was perfectly acceptable and appropriate. Also, I understand, he did have the opportunity to review the Auditor General's report and confirm his opinion back to us.

But in terms of the way it was handled, I'll turn it back over to our CEO.

**Mr. George Zegarac:** My understanding is that all of the information that was shared with all of the proponents was basically publicly available, so there was nothing shared with Sidewalk that wasn't shared with others. They may have asked questions for documents that were already publicly available, and we provided that, but there was no additional information provided to Sidewalk that wasn't either available to or given to others.

**The Chair (Ms. Catherine Fife):** The auditor would like to comment on this.

**Ms. Bonnie Lysyk:** Yes, I would like to comment on this. I think, during our process—I'm not aware of what the Justice looked at, but in terms of our own process, we did do quite in-depth work at looking at what documents each party received. I would stand behind the fact that Sidewalk did receive many more documents. The others that were part of the process—you're right: Some of them were public. Some of them were open data. Some of them were asked for and received on request.

I think the key point in our report is that, typically, what we see in an RFP process, or even when it's narrowed down to a lesser number of people getting substantial information—we like to look for consistency, so that if somebody is getting information, that same piece of information, then, is offered up and provided to everybody that's part of a bid process. That way, you know for sure that everybody is working from the same information.

What we saw is different parties receiving different pieces of information. Sidewalk definitely received more, and we would probably like to see that everybody who was part of this process at the beginning, when they narrowed it down to the five, and then at the end, when they narrowed it down to the three, would have received the same information to make sure that nobody was operating under different assumptions.

So I would say that we reflected it in the report quite accurately, and I have no knowledge of what the Justice did or did not look at.

**The Chair (Ms. Catherine Fife):** Does that satisfy that question, MPP Burch? Are you going to continue on?

**Mr. Jeff Burch:** Yes, it does.

**The Chair (Ms. Catherine Fife):** Do you have a clarification, Ms. Davis? Or did you want to address—

**Ms. Meg Davis:** Just a minor clarification: I agree wholeheartedly with the auditor's assessment that materials, once we started the RFP process, needed to be equal to all parties. They absolutely were during the process.

The period of time in which documents were shared differently with different people was during the market-sounding process. That was before the RFP was issued. Sidewalk got some information; other bidders got different information. There were some people who got information who did not decide to bid. That was all happening during the market-sounding period. Once we were into the RFP period, we had a data room that was carefully monitored. Everyone had access to that. Any questions that were asked were answered to all bidders at the same time, and we followed that process very, very rigorously.

But during the market-sounding period, we did provide a variety of information. We have a new protocol in place to track all materials that are given to any bidders in market soundings to ensure that everyone gets the same thing and the same amount and is treated exactly the same way during the market-sounding periods, including the amount of time that we spend with—I think we were with 52 different companies and organizations. We will be monitoring, going forward, that if so-and-so gets an hour, everybody gets an hour, and making sure it's fair that way.

**Mr. Jeff Burch:** Just to clarify, I think what the Auditor General is saying—I have some experience with procurement—is that if a proponent asks for some information and you provide that to them, then you have to provide it to everyone. My understanding is that that did not actually happen here, and that's what the Auditor General found.

**Ms. Meg Davis:** Yes, and I agree that in the market-sounding period, nobody was a proponent yet, technically, so we hadn't issued the RFP yet. We have protocols now in place to make sure that during the market-sounding period of time, which is before an RFP is issued, that we follow those guidelines and we apply the same thing that we would during the RFP. But during the RFP, we absolutely follow the letter of the law.

**Mr. Jeff Burch:** Does the Auditor General care to comment on that?

**Ms. Bonnie Lysyk:** I would say that a lot of the information that was provided during the sounding period did

provide an advantage to the recipients because they had more information before the RFP was put out. Having said that, I do appreciate that during the RFP process the information was more managed. But leading up to that, there were different pieces of information provided to different parties, so their starting point was different.

**Mr. Jeff Burch:** Okay. Do I have any time left?

**The Chair (Ms. Catherine Fife):** You still have almost three minutes left.

**Mr. Jeff Burch:** I'd just like to ask one more question, which is—there's a lot of money changing hands. We've seen that the staff complement of Waterfront Toronto has increased with the money coming from Sidewalk. I'm wondering what kind of hiring practices, policies and procedures you have for hiring new staff, seeing that you're getting money from this through the RFP process. For new staff—I believe there's 70 staff now. Am I correct? A number of them would be dedicated to issues with Sidewalk.

**Mr. George Zegarac:** I think we're probably around 80 now. I know we go through competitions. Some of these are consultants; some of them are temporary. But I don't know, Meg, if you can speak to the ones you hire.

**Mr. Jeff Burch:** Is it mostly competitions, or do you headhunt as well?

**Ms. Meg Davis:** For very senior positions, we will headhunt. For Quayside, we hired a number of contract positions, most of them more junior. We have one that's sort of senior, but most of them are more junior staff to help out on the project. They're contract positions because if the project doesn't go forward, then their contracts will have to be reassessed. So we were very temporal in our hiring. And just to be clear, a large measure of those new hirings had to do with the Port Lands as opposed to Quayside. Our staff complement is not just Quayside. We have lots of people working on our—

**Mr. Jeff Burch:** Would you call it open and transparent? If someone asks you how you came to hire a particular person, since it's public money being used, that you—

**Ms. Meg Davis:** I would say so, yes.

**Mr. Jeff Burch:** Thank you.

**Mr. George Zegarac:** I was just going to comment. Since I've been there four months, I know the hirings that occurred during that period were through open competitions.

**Mr. Jeff Burch:** Thank you.

**The Chair (Ms. Catherine Fife):** Okay. You still have a minute. Are you good? MPP Tabuns.

**Mr. Peter Tabuns:** Just in earlier comments, you confirmed again that the only acreage in play is 12 acres and that if anyone wanted to go beyond that 12 acres, there would be a new procurement process; that the one that has taken place will not allow any proponent to go past the 12 acres. Is that correct?

1350

**Mr. George Zegarac:** Yes, I'm going to answer that one. During that process when we were doing the threshold issues, I asked the city to be very clear on their expectations on any properties beyond the 12 acres. They were very clear that that would go through a separate

procurement process, so there is no overlap. Now, Sidewalk or others could apply to that, but they'll have to go through a different procurement process.

**Mr. Peter Tabuns:** But they can't use the one that's already taken place to go beyond the 12. That's capped.

**Mr. George Zegarac:** That's correct. Yes.

**The Chair (Ms. Catherine Fife):** Okay, thank you very much. That concludes that 20-minute question set for the official opposition.

Now I'll go to the government. MPP Parsa, are you going to complete your question set?

**Mr. Michael Parsa:** Thanks very much, Madam Chair. I appreciate that.

If you don't mind, I want to go back to the value-for-money question that I asked, but you didn't get a chance to finish. I want to hear, is it good for the taxpayer?

**Mr. Stephen Diamond:** I do believe that it is very good for the taxpayer, because when you look at the history to date, not only have we returned every single dollar that has been given to us—in fact, a little bit more—but as a result of that, you now have the waterfront being developed, which is creating additional economic opportunities for the taxpayer. I believe what's occurring to date is definitely in the taxpayer's and in the province's interest, in terms of the work that's being done.

**Mr. Michael Parsa:** Given that this revitalization initiative is one of the largest in the world—perhaps even the deputy, if you don't mind, can chime in—I want to know how we're supporting this initiative for Toronto—Ontario's support of this project, the province in particular.

**Mr. Chris Giannekos:** I'm just trying to get—

**Mr. Michael Parsa:** It's a three-level government—it's an initiative in Toronto. It's a huge initiative, one of the largest in the world. In particular, what's the provincial—how are we supporting this?

**Mr. Chris Giannekos:** First of all, relating it back to your value for money, and building on what Waterfront has already talked about in terms of the collaboration between the three levels of government and Waterfront, which is key, and the application of expertise in terms of assessing and evaluating the various proposals that Waterfront is doing—we're in close contact. There are timely briefings in terms of what Waterfront is bringing to the table and our own evaluation of it, bringing to bear expertise that is outside of Waterfront Toronto.

Think of it as a third-party triangulation, where we're getting information on all the aspects of what Waterfront Toronto is putting forward, whether it's Quayside or any other proposals, for that matter. In addition to that, the three levels of government are looking at their own sources of expertise and bringing that to bear to inform Waterfront Toronto in terms of its activities.

In that sense, I think we're embellishing and enhancing the support that we provide, to ensure that the organization is meeting its objectives. It's strength in oversight; it's bringing the appropriate expertise to bear when it's needed to bear and making sure that we're providing that in a timely manner to Waterfront Toronto. So it isn't that we're absent for long periods of time and then we connect. The

ongoing relationship that we have is something that we would like to stress and that we're proud of, in terms of being able to work with the organization and the other three levels of government.

**Mr. George Zegarac:** If I can just add—and the chair raised this in his opening remarks—when you look at our history in terms of these types of investments, we generated \$10 billion of private investment over that period of time. We created huge, beautiful new parks and public spaces, like Sugar Beach and Corktown Common. We created residential and commercial spaces, including affordable housing. These are great economic benefits, huge employment opportunities in terms of jobs, and as we pointed out, depending on the nature of the innovations, not just jobs in Toronto but jobs up north and throughout Canada.

Much of the investment that we've made today, when we talked about some of the investment Sidewalk has made—actually, a lot of that investment has gone to Ontario companies that were doing consulting work. Even for our consultations, we hired a facilitator from here. So it lands here in the economy, and our past has actually demonstrated great value for money from the investments of government.

**Mr. Michael Parsa:** Since the inception, out of the \$2.75 billion, how much of that has been the province's contribution?

**Mr. Chris Giannekos:** Given that it's a trilateral agreement, the funding is a third, a third, a third, between us, the city and the federal government.

**Mr. Michael Parsa:** So the initial investment was \$500 million—

**Mr. Chris Giannekos:** Perhaps let me just elaborate a little bit more.

**Mr. Michael Parsa:** Sorry, yes.

**Mr. Chris Giannekos:** There are two major phases on the revitalization.

Phase 1: Each government committed \$500 million, for a total of \$1.5 billion, towards the first wave of Toronto waterfront revitalization, which resulted in the completion of the Pan Am and Parapan athletes' village, in addition to several parks and other public spaces.

Phase 2: The three levels of government committed \$1.185 billion, of which the province is providing \$400 million, to re-engineer the mouth of the Don River in the Port Lands to protect the 290 hectares I was talking about, or 715 acres, of land in the southeast portions of downtown from flood risks, which will enhance and open up the potential for residential and commercial development.

So you've got two numbers there: \$1.5 billion and \$1.185 billion, of which the province provided \$500 million for the first phase and \$400 million for the second phase. You're looking at—

**Mr. Michael Parsa:** So \$900 million.

**Mr. Chris Giannekos:** —close to \$1 billion.

**Mr. Michael Parsa:** That's the province's portion.

**Mr. Chris Giannekos:** Yes.

**Mr. Michael Parsa:** Madam Chair, how much time has passed?

**The Chair (Ms. Catherine Fife):** There's still 13 minutes.

**Mr. Michael Parsa:** I'll come back.

**The Chair (Ms. Catherine Fife):** Let's go to MPP Hogarth.

**Ms. Christine Hogarth:** Thank you for being here today. Just following up on my colleague's question: So it's about \$1 billion that the Ontario government gives.

Checks and balances, transparency and accountability are so important to our government and pretty much anyone who runs for elected office. Every dollar spent is a taxpayer's dollar. What are the checks and balances you have in place so we know where this money is spent and we know that there is value for that money?

**Mr. Chris Giannikos:** Let me start off with that. As I've mentioned before, it's a trilateral oversight committee. I think you'd be interested to note that since the creation of Waterfront Toronto, there have been 48 audits to ensure that it achieves its legislative objectives and delivers value for money. In addition to the Ontario Auditor General report in 2018, there were 16 audits conducted by the three levels of government. In addition to that, Waterfront Toronto has conducted 32 third-party audits. With respect to ensuring that there is an appropriate level of oversight, I think those stats speak for themselves.

In addition to that, the monthly meetings that the oversight committee has with Waterfront Toronto provides the three levels of government with the opportunity to dig deeper into particular issues. The one that I think we're all very much interested in is the ongoing progress around the Port Lands project. As we explained earlier on, it is a key strategic foundational piece that everything else rests on, because it will open up the development to the eastern part of the city in a substantial way.

This is an ongoing process, in terms of the oversight. What you have now is a snapshot in time, and the philosophy of the province is very much ongoing improvement, so we're constantly looking at ways to improve the way that we do oversight. Reports like the Auditor General's 2018 report provide us with additional direction for us to improve what we're doing. So it's always ongoing—

**The Chair (Ms. Catherine Fife):** Thank you. Just a clarification, MPP Hogarth, from the auditor: Bonnie?

**Ms. Bonnie Lysyk:** I just wanted to comment on the monies going through from the province, the feds and the city. We have a figure 5 in our report, and it talks about what the intended contributions to Waterfront Toronto were. The total committed was \$1.5 billion by the governments. The actual amount that went directly for Waterfront use was \$822 million; the province, \$177 million directly. There were two tranches of money that were provided to other agencies for other projects, so the actual direct use by Waterfront was for \$177 million. Figure 5 just demonstrates the amount of money that was actually available to Waterfront for use.

1400

I just wanted to comment with respect to the \$10-billion figure. We have that quoted in our report, and in our report we talk about it. A consultant was hired in 2013 to look at the \$10 billion and to see how much of it was attributed to

Waterfront, and found that they couldn't—part of it might have been attributed to Waterfront, part of it likely was, but a lot of it was the development that was happening, residential and commercial, in Toronto, so he couldn't tie exactly the impact of Waterfront into the economic quote of \$10 billion.

With respect to the audits, we've reviewed all the audit reports that were done. A lot of those audit reports were the financial statement audits, but there was the odd one that looked at the operations, so when we did our work, our work reflects—there's nothing different that we found in any of those reports that wouldn't be reflected in ours, and we had taken them into consideration during our audit.

**The Chair (Ms. Catherine Fife):** Thank you. Do you want to continue, MPP Hogarth?

**Ms. Christine Hogarth:** Sir, did you want to finish?

**Mr. George Zegarac:** Yes, just on the issue of the value. I'm not going to challenge the Auditor General in terms of some of the other assertions, but Corktown Common that I talked about was a project that we helped support, in the design, and that actually released some of the value for the West Don Lands and for the East Bayfront that is in that \$10-billion figure. The point is, there was major economic activity that occurred as a result of an investment that the three governments made in the Corktown Common project, among others.

**Ms. Christine Hogarth:** Thank you. One other question: Do you set goals and benchmarks to determine for the public, for the public money, if a project was valuable at the end of the day? How do you set those goals? Is it part of your mandate letter? Is it something that is public, that we can see that in so many months it should generate X economic activity? How do we, as the public, know that this money is being spent? What are your metrics around that?

**Mr. George Zegarac:** I'm going to let Lisa Taylor speak to this, but as was identified earlier, we have 30 metrics that we've agreed on with governments in terms of what we were going to be reporting on. Those were recently reported both in our annual plan—so we will continue to report on the progress in the annual plan—and it was also in our five-year strategic plan that was released publicly. The intent is to report on that publicly. But I'll let Lisa speak to these.

**Ms. Lisa Taylor:** Thanks, George. George mentioned that in our plan we have 30 metrics. In terms of those 30 metrics, these relate to performance measures that—as per the Auditor General's report, she recommended that we have a performance measurement framework that's linked right back to our legislative objectives that are in the Toronto Waterfront Revitalization Corporation Act, so we've done exactly that.

One of the areas of the 30 performance measures is on fiscal responsibility. We have three key metrics under that. One of those relates to competitive procurements, so we have a performance measure around the percentage of contracts that we award that are competitively procured. That, for us, is a key value-for-money metric and I'm happy to report in terms of our results for last year, we

were at 99.6% competitive, in terms of the contracts that we awarded, and they were in the hundreds of millions.

The other two metrics on fiscal responsibility relate to on-budget performance for our projects. As you know, we're an organization that delivers projects and so we have a metric around our performance on delivering projects on budget or within 5% of budget. In the last five years, our results have been 95%.

Our final metric is related to our ability to deliver projects on schedule, because if projects are not delivered on schedule that also costs more money. As you continue drawing out the length of time of a project, you have to carry the overhead to manage that project, so we have a metric related to that, and we will be reporting on that in our next annual report next year.

**Ms. Christine Hogarth:** One further question before I pass it off: Again, accountability and transparency—how does Waterfront Toronto consult? I know that MPP Burch talked a little bit about consulting with the public. How do you consult with the public and how do you get feedback from them on some of the projects that have taken place so far? Is that documented? Is it public?

**Ms. Lisa Taylor:** In terms of performance measures, we have about five or six related to public consultation. I cannot recall them all off the top of my head, but I know that one of the new ones we've put in was related to the percentage of individuals that we engage and consult with that are outside of the waterfront geography, which was in direct response to the Auditor General's recommendations. But we are planning and have the objective to be much more transparent in terms of our public engagement. As I mentioned, there are a number of performance measures about that now in our strategic plan and in our annual report.

**Ms. Christine Hogarth:** So is there an—

**Mr. George Zegarac:** If I can just comment—

**Ms. Christine Hogarth:** Go ahead.

**Mr. George Zegarac:** From the beginning of the establishment of the waterfront, I would say that Waterfront Toronto has had a stellar reputation of actually consulting with the public. It has been one of the strengths—how we can always look to improve. If you look at even the consultation, the amount of consultation, both online and in person, that we've done on these projects, I would challenge other agencies to show that they've done more than what Waterfront Toronto has done.

**Ms. Christine Hogarth:** Do you follow up with the public after these projects are implemented? Is there a follow-up with the public on asking and engaging them on what their thoughts are, and good value for money?

**Mr. George Zegarac:** I should get somebody who has been here longer on the issue of the follow-up, but I can tell you that, even on follow-ups from the initial consultations that we actually had on the threshold issues, some of the initiatives that we put into our alignment discussions with Sidewalk were actually from the consultation. It did not come from Steve's letter back on the threshold issues; it came out of the consultation.

We've incorporated that both on the land value issues, but also, as Kristina Verner would point out, on the

privacy discussions. A number of the issues that were raised in public consultations were the issues that we incorporated into our discussions and will go forward if this project goes forward.

**Ms. Christine Hogarth:** Thank you.

**The Chair (Ms. Catherine Fife):** Now MPP Crawford.

**Mr. Stephen Crawford:** Thank you, everyone, for being here today. Just following up with what MPP Hogarth was talking about: I was particularly interested in the performance measures and pleased to see that there are some improvements in that respect. Is there anything with respect to timelines? I know that we talk about on-budget and getting things done, but what's the timeline for all of this project?

**Mr. Stephen Diamond:** There are definitely timelines. I can ask our managers to come up and talk about it.

**Mr. George Zegarac:** Yes, I'll get David to come and speak to the timelines on the big project that we're doing. We do assess timelines and some of the reported stats that we've identified.

The external risk management company that we've hired to actually report directly to the board on some of these issues—timelines is one of the issues. Budget, timelines, scope of the project: That gets reported directly to the board. It's not just our staff's opinion as to whether we're on time or whether we're projected to be on time. Those simulations that I talked about earlier—it was their projections as to whether they think we'll be on time.

But I'll let David Kusturin speak to some of the discussions and how we're monitoring the performance and timing.

**The Chair (Ms. Catherine Fife):** You have just under two minutes under this question set.

**Mr. David Kusturin:** Very quickly, then. Port Lands flood protection: The timeline for that project is to substantially complete construction in 2024, although the project will continue through 2028 as we have obligations to governments to monitor the work that we do environmentally.

We do quite a number of projects on an annual basis, and they're in various states of delivery—everywhere from early design to design development to construction documents through to construction and to projects that are in close-out. Often the timelines are actually dictated by our development partners, who would like us to do work that's in concert with the work that they're doing, or the timeline is dictated by the city of Toronto based on their needs. So we generally have to work on an annual basis with our private-sector partners and governments to re-establish and reconfirm timelines, and then we will set our schedules to match those timelines.

**Mr. Stephen Crawford:** And where are you at right now relative to when your organization was created, in terms of the initial thoughts of where you'd be, to where you are today?

1410

**Mr. David Kusturin:** We've invested more than the \$1.5 billion in government money. There is a little bit of city funding from the initial tranche to be reinvested. Our

organization is identified to continue through 2023 and then to 2028 under our legislation. I would say that we are just about right where we should be in terms of what we've delivered to date.

**Mr. Stephen Crawford:** Okay. How much time left?

**The Chair (Ms. Catherine Fife):** Just 10 seconds.

**Mr. Stephen Crawford:** Ten seconds—well, okay.

**The Chair (Ms. Catherine Fife):** But I'll come back to you in the last set, so now the official opposition has 17 minutes, and then the government will complete their 17 minutes, okay?

Moving over now to MPP Tabuns.

**Mr. Peter Tabuns:** Great. Thank you very much, Chair. Just following on from earlier questions. We talked about the 12-acre cap on land accessible through this round of procurement, this RFP. I think it was you, Mr. Diamond, who earlier said that legal documents have been exchanged between Sidewalk and Waterfront Toronto recognizing that 12-acre cap. Could we have a copy of those documents?

**Mr. Stephen Diamond:** Yes. They are publicly available, and I'm sure we can have a copy sent directly to you.

**Mr. Peter Tabuns:** Okay. That would be very useful.

Next question: The city of Toronto owns 1.5 acres of land on Quayside—

*Interjections.*

**The Chair (Ms. Catherine Fife):** I'm sorry. Excuse me. Thank you.

**Mr. Peter Tabuns:** Prior to allowing the sale, lease or use of this land, council must approve the business and implementation plan. Will Waterfront Toronto wait until council has approved a BIP prior to moving forward with a board vote on the MIDP?

**Ms. Meg Davis:** You are correct, absolutely. We have to prepare a business and implementation plan. The city is expecting that from us. We've been discussing it for quite some time.

The city did allow us to include the 1.5 acres—I'm not even sure it's that much yet—of their site in the RFP, and so I think it's fine for the board to go ahead and vote, although it is a caveat to Sidewalk Labs that it's up to the city to approve that business implementation plan before anything can be transacted. But I think it's fine for the board to go ahead and have their vote.

The city has also indicated that they will not do any work on their consultation or take anything to council until Waterfront Toronto's board has voted.

**Mr. Peter Tabuns:** So if I understand you, your board, Waterfront Toronto, may well hold a vote saying, "Yes, we would approve this agreement," but it would not come into effect until after the city had held its vote and approved the use of the land, approved the business implementation plan, that had been put before it.

**Ms. Meg Davis:** On the city's parcel—that's correct.

**Mr. Peter Tabuns:** And I assume the city's parcel is going to be necessary for anything to really go forward, is that correct?

**Ms. Meg Davis:** In my opinion, it's not a huge piece of the property. It's actually fairly small. I think that you

could do a successful project without it; that would be up to Sidewalk Labs to determine if they want to continue on, if they don't have that piece. Certainly, Waterfront Toronto has the other two larger parcels, and we feel we can do independent developments on those, so that would be up to Sidewalk Labs, if the city decided not to include those lands.

**Mr. Peter Tabuns:** In any event, Sidewalk will not be able to use the city land until it has voted to accept that BIP.

**Ms. Meg Davis:** That's correct.

**Mr. Peter Tabuns:** Okay. Thank you.

In the Auditor General's report, page 691, she wrote, "We found internal Waterfront Toronto emails indicating that the board felt it was being 'urged—strongly' by the federal and provincial governments to approve and authorize the framework agreement with Sidewalk Labs as soon as possible."

Can you tell us which representatives of the federal government were sending emails or other communications to the Waterfront Toronto board saying, "Get moving on this"?

**Ms. Meg Davis:** My understanding is that the email that's being referred to is an internal email at Waterfront Toronto, so I have no knowledge of any communication coming from the federal government.

What I do know is that email indicated that the federal government was looking to schedule—the Prime Minister was coming into town for the 17th of October and then not again until November, and if it was at all possible to do the 17th, that would be great. But it wasn't to hasten signing of the framework agreement; it was to schedule a date for an announcement. It was really about coordinating schedules for the Prime Minister, the Premier and the mayor, as well as the head of one of the largest companies in the world. That was sort of a difficult task to get schedules to combine, and it seemed to combine on the 17th of October. So that's what that email was about. I don't know anything about an external email coming to us from the federal government.

**Mr. Peter Tabuns:** Auditor General, can you speak to that?

**Ms. Bonnie Lysyk:** Yes, we do say "internal." Internal emails talk about it, that they were—is it not? External emails talk about it being urgent for them to approve it.

**Mr. Peter Tabuns:** Can you tell us who, at the federal government level, was applying this request?

**Ms. Meg Davis:** I don't know, and I don't know if that was coming from phone calls. It was, obviously, not from an email. It wasn't to me, so I don't know anything about that in particular.

**Mr. Peter Tabuns:** Is there someone—

**Ms. Meg Davis:** I saw the same internal email as the auditor saw as well.

**Mr. Peter Tabuns:** Can this committee have a copy of that email, so we can understand the context?

**Ms. Meg Davis:** Absolutely. We can provide those.

**Mr. Peter Tabuns:** Okay. Internal email—I'm sure that legislative research is getting all this down.

**The Chair (Ms. Catherine Fife):** We're keeping track of all the requests from committee members, and it will be discussed after this public session.

**Mr. Peter Tabuns:** Fine. Good. Were there communications from the provincial government as well?

**Ms. Meg Davis:** Not to my knowledge, no.

**Mr. Peter Tabuns:** Okay. Thank you.

In her report, the Auditor General talks about concerns on the part of the intergovernmental steering committee. They expressed concern about "how Waterfront Toronto shared Quayside information with its board and government partners prior to the official announcement. The meeting minutes stated that 'Waterfront Toronto needs to give its board and government partners information in advance, with adequate time to review materials.'"

Now, we're in a situation where three levels of government provide oversight and governance of Waterfront Toronto through this intergovernmental committee. Given its scope, the Quayside project clearly falls within the intergovernmental committee's mandate to exercise oversight and governance of Waterfront Toronto. But apparently, Waterfront Toronto didn't consult with the intergovernmental committee before it issued the RFP or selected Sidewalk Labs as the successful proponent, signed the framework agreement or signed the PDA in July 2018.

Why is it that Waterfront Toronto did not, in fact, satisfy those needs expressed by the intergovernmental committee?

**Ms. Meg Davis:** So I'll start with the RFP: I don't know. I assume that's correct, that we did not talk to the IGSC about the RFP. I wasn't party to any of that. So I don't know for sure, but I was not at an IGSC meeting about that.

We did talk to the IGSC. We briefed them prior to the framework agreement and the decision by the board. We did so on a no-names basis because we were in a blackout period, so we were able to say that we had selected a partner, but we weren't able to tell them who that partner was. They felt that they needed to have more information upfront.

On the PDA, I think we had lots of discussions with governments on the PDA, because we set in place that protocol that the board requested of us to go to the governments to get all their comments on any approval that we asked of the board on Quayside. In fact, we did receive comments in writing from all three levels of government on the PDA prior to signing it.

**Mr. Peter Tabuns:** Is there a problem here, at this point, in the interrelationship between the intergovernmental committee and Waterfront Toronto?

**Ms. Meg Davis:** I think we're working very, very well with our government partners. We have regular meetings with our assistant deputy ministers and the deputy city manager, as well as regular meetings with IGSC. I think, George, you can probably speak to that.

**Mr. George Zegarac:** In the recent four months since I took over this role, I have attended the intergovernmental steering committee. No issues have been raised. We've actually shared all the status of where we're at with

regards to this project and the Port Lands project. I think—and you can ask Deputy Minister Giannikos, as well, and his staff—we've been very open with the discussions. We've answered all of their questions. I can't speak for the past, but for the current positioning, I think we're in a very good position.

**Mr. Peter Tabuns:** Okay. Thank you. The Auditor General stated on page 689 of her report that Quayside represents a marked departure from the traditional mixed-use real estate projects pursued by Waterfront Toronto. It raised complex issues involving data capture governance and digital infrastructure, all outside the scope of Waterfront Toronto's experience.

**1420**

The Auditor General concluded that Waterfront Toronto entered into agreements with Sidewalk Labs "without sufficient due diligence." As we discussed earlier, the full board was given only one full business day to review the framework agreement.

Before October 16, 2017, did the board consider whether Waterfront Toronto's mandate included developing a data-driven smart city at Quayside and the designated waterfront?

**Mr. Stephen Diamond:** I don't know that I'd put it in those terms, but I think it was expressed to the board at the time that there was an opportunity to move forward and that one of the objectives of Waterfront Toronto was to be innovative in its approach. That's one of the reasons the government agency was moving forward with it, and so we actually felt that this was appropriate and was something that would be a very exciting opportunity for the city.

As I said in my introduction on where we are today, I'm very pleased with where we are today, because I do think this can act as a catalyst to lead us to be leaders not only in the innovation economy but in other areas. We've already proven to be leaders with respect to data governance, in which there has been a gap. Once again, I think Waterfront Toronto has shown tremendous leadership in helping all governments with these difficult issues.

**The Chair (Ms. Catherine Fife):** Could I please ask you to identify yourself since you're now sitting here? I assume you've been called in to address MPP Tabuns's question.

**Ms. Kristina Verner:** That's correct. I'm Kristina Verner. I'm the vice-president of innovation, sustainability and prosperity with Waterfront Toronto.

I wanted to speak directly around the mandate of Waterfront Toronto and our previous experience with regard to digital projects. Waterfront Toronto—albeit that we've never really focused on a smart city per se, because smart cities are generally driven around the efficiency of municipal service delivery—has had at our core the notion of an intelligent community development program, which is focused on the Intelligent Community Forum's model of how you build complete communities that involve enabling infrastructure or the broadband infrastructure; digital inclusion and digital equity; sustainability from a triple bottom line perspective, so environmental and economic as well as social; the creation of a next-generation

knowledge workforce; innovation across solutions, policy development and business models; as well as advocacy of how we share best practices and lessons learned with the broader community.

This has been a long-standing practice of Waterfront Toronto. We actually have groundbreaking work that we've been doing with Beanfield Metroconnect—approximately 2008 was the RFP for that—around a fibre optic network that was not publicly subsidized that connects every residential unit within the waterfront, including our affordable housing units, at rates which all people will have access to. In some cases, actually, in our affordable housing units, they have the connectivity at absolutely no cost.

To an earlier question around the notion of obsolescence with technology, we've even featured in that agreement a component whereby Beanfield will take and reinvest in the network. The network has to stay in the top seven in terms of price and performance globally, so they're not just simply mining the profits, and there's actually a return back to Waterfront Toronto on some of the proceeds to help with offsetting the land costs that we would have actually lost in the initial sale of land by requiring that to be included in our development work.

We've really focused in the past on enabling infrastructure and creating an environment that's conducive to this type of development work. You've seen the success of us attracting OCAD, George Brown College, the University of Toronto and MaRS down to the waterfront. Quayside was the next stage in this development. Certainly, as time progressed, solutions became more complex. Clearly, with the partner that we selected through the Quayside RFP process, there's a different scale of complexity that gets introduced through this project.

**Mr. Peter Tabuns:** Yes, I would say that there is a different level of complexity.

**Ms. Kristina Verner:** And that's why we certainly added a lot more expertise, through our Digital Strategy Advisory Panel and our external advisers, to add to the skill set that we had internal to Waterfront Toronto on these issues.

**Mr. Peter Tabuns:** Can you tell us who were these people you added—legal advice, intellectual property advice, IT advice? Who were these people and what numbers are we talking about?

**Ms. Kristina Verner:** Absolutely. Our Digital Strategy Advisory Panel I consists of 15 experts from across Canada, and actually internationally, who look at issues regarding privacy, digital governance, the notion of data ownership, the privatization of services and how that actually gets impacted, and looking at social equity and digital equity.

We've added, in terms of legal counsel, McCarthy; from an IP as well as a digital governance perspective, there's George Takach and Barry Sookman; we have Tim Banks from nNovation, who is also advising on intellectual property; Chantal Bernier, who is the former interim federal Privacy Commissioner from Dentons, who is their global lead on digital governance; as well as Ann

Cavoukian, the former three-time privacy commissioner for the province of Ontario. They're all advisers to Waterfront Toronto.

The Digital Strategy Advisory Panel is chaired by Michael Geist, who is the Canada Research Chair in e-commerce law at the University of Ottawa, as well.

**Mr. Peter Tabuns:** There was a letter on October 31 addressing these matters. How long do you think it will take to design the detailed framework to evaluate any proposal and subsequently govern it?

**Ms. Kristina Verner:** The evaluation of the proposal that was received through the Digital Innovation Appendix is part of the evaluation framework that we have established with KPMG. That being said, the Digital Strategy Advisory Panel is an ongoing panel that will be overseeing the implementation, should it move forward to that stage, of any proposed solution that would happen in the designated waterfront area, not just for the Quayside project. That framework of evaluation would guide that process.

I think it's important for this group to know that we also are undertaking a human rights impact assessment, to assess some of the concerns that have been raised through the public consultation process, things like freedom of association, freedom of expression, access to public lands, restrictions in terms of affordability. If there are any concerns like that that have been raised, those will also be part of our final evaluation that we will be bringing forward.

**The Chair (Ms. Catherine Fife):** Two minutes.

**Mr. Peter Tabuns:** Given that our time is short—how do you plan to protect the rights of minors, moving forward?

**Ms. Kristina Verner:** We have expressly come up with some clauses with regard to how we would manage protection of minors, parental consent, making sure that their data is respected and segregated. Those are things that would be in the next phase of negotiation. Chantal Bernier has been instrumental in helping to define some of those criteria on the basis of her experience as the federal Privacy Commissioner.

**Mr. Peter Tabuns:** Are those criteria publicly available?

**Ms. Kristina Verner:** They will be, through our next phase of consultation. They're going to be part of what we're establishing as our intelligent community guidelines, which are additive to our existing environment that we have. One of the concerns that has been raised is that there isn't necessarily a policy void in these areas, but a bit of a policy frontier. The public have raised concerns that we feel we can address—similar to how we did in our minimum green building requirements around sustainability—by having a contractual level of obligation, as well, for any vendor to provide a greater degree of privacy protection here on the waterfront than you would have in any other smart city deployment throughout the world.

**Mr. Peter Tabuns:** My time is short.

In hindsight, do you think it was appropriate to give the vendor the responsibility to design data governance such as was outlined in the original RFP?

**Ms. Kristina Verner:** It's interesting that the RFP was interpreted in that way. The notion was that the vendor would help to identify data constructs or data ideas of

where things would have become roadblocks. I've been working in this space where technology and society intersect for approximately 20 years, going back to the first Connecting Canadians programs back in 1999. Oftentimes, these projects would progress to a certain point and then they would stall. The issue would be some misalignment with regard to governance or decision-making—not necessarily even a policy piece, but just governance within the project. The idea was that we would have the public sector and private sector actually at the table to be able to—

**The Chair (Ms. Catherine Fife):** I'm sorry; I have to stop you there. But you may want to stick around. There may be some questions coming your way.

MPP Crawford, you've completed your questions?

**Mr. Norman Miller:** I'm going to start.

**The Chair (Ms. Catherine Fife):** MPP Miller.

**Mr. Norman Miller:** I just wanted to follow up on MPP Crawford's question from the last round, when he was talking about timelines. I think one person came up and talked about the Port Lands project, and 2028 was the date that I heard. It just sparked the question: What happens to Waterfront Toronto—there's a sunset built in, and I think it was 2023; now it's 2028. I assume there are going to be ongoing projects in 2028. So what happens at that point in time?

**Ms. Lisa Taylor:** Thank you for the question.

In terms of Waterfront Toronto's mandate: Under the Toronto Waterfront Revitalization Corporation Act, we have a sunset of 2023. That is the government's decision. In terms of an early windup, they have that opportunity. However, in May 2018, when the tri-government contribution agreement for the Port Lands Flood Protection Project was executed by the three orders of government and Waterfront Toronto, that provided for that project to continue to 2028—which means that the organization, Waterfront Toronto, does have its mandate extended until 2028, assuming governments don't opt for an early windup in 2023.

**Mr. Norman Miller:** I'm aware of that. If there are projects ongoing at that point, is it likely that there would be a future extension? Or if you do wind up, what happens to the projects that are in play?

1430

**Ms. Lisa Taylor:** There would be a plan, in terms of a business plan, of assets and liabilities that we would prepare, basically a windup plan of the corporation. We would work with governments to determine for all those projects that are under way how they would be completed in terms of—

**Mr. Norman Miller:** Or I assume an option for governments could be that they're seeing great success so they extend it for another 10 or 20 or 50 years or whatever?

**Ms. Lisa Taylor:** Absolutely.

**Mr. Norman Miller:** Okay, thank you.

**Mr. Michael Parsa:** May I, Madam Chair?

**The Chair (Ms. Catherine Fife):** MPP Parsa?

**Mr. Michael Parsa:** Thank you very much, Madam Chair. I think that perhaps, Deputy, again, you might be

the best person to answer this. My question is in addition to what MPP Tabuns has already brought forward. With respect to the relationship between Waterfront Toronto and Sidewalk Labs, I want to know what steps the ministry has taken to conduct further study on the issues around digital governance and data privacy.

**Mr. Chris Giannikos:** Certainly. I can speak to that a little bit. As you probably know, the Ontario digital and data action plan, which is going to be released in 2020, speaks to proposed actions focusing on themes related to digital and data issues. The task force that's responsible for this is one of the task forces that we're looking at for expert opinion. What you see is an ongoing engagement on the part of government in terms of looking at it, and a constant discussion with Waterfront Toronto, as they progress through their own assessment of the MIDP.

We provide input based on, basically, two major task forces. The first one has to do with the digital and data task force, and the second one has to do with the Ministry of Colleges and Universities' expert panel on intellectual property. These two have been set up to work on these issues as a whole, and we're taking advantage of that and ensuring that we'll be getting input from those two task forces, as an example, to be able to feed into and provide input into Waterfront Toronto.

As the government moves forward on its own policy thinking around these issues, we're taking advantage—we being MOI—of the work that's already being done, and tying into it to ensure that we're informing the discussions that we're having with Waterfront Toronto at the same time.

**Mr. Michael Parsa:** Okay, thank you very much.

**The Chair (Ms. Catherine Fife):** MPP Crawford, please go ahead.

**Mr. Stephen Crawford:** I know that you touched on the consultations and you've been encouraging public input, but I think there's been a concern that a lot of it has been around local residents. What have you done to encourage input from the broader public? I know it's in downtown Toronto, on the waterfront, but it's a world-class revitalization that really should benefit all Ontarians. What are you doing to reach out to people beyond those living in that area?

**Ms. Meg Davis:** Hi. Thanks. As I think I mentioned before, the auditor did raise a good reminder that the waterfront does belong to everybody, not just the city of Toronto. I can only speak to Quayside. I know with the Port Lands, we've done a lot of extensive consultation on that project, as well. I don't have that information, but we could certainly get it for you. But in the Quayside consultations, we had seven pop-ups at various libraries throughout the city, from Etobicoke to Scarborough to North York and beyond. We also held four sessions, two of which were outside the waterfront, two of them were within the waterfront area. So about two thirds of those have been outside the waterfront and we've taken to heart what the auditor said to make sure we go beyond.

**Mr. Stephen Crawford:** Are they outside of Toronto boundaries? There are other communities that are part of the GTHA that feel a connection to the city.

**Ms. Meg Davis:** No, we have not. To my knowledge, we have gone as far as—actually, Mississauga; we’ve done a consultation there. Practicality, cost etc. probably keeps us a little bit more geographically focused. However, all of our consultations are streamed live online. We also do surveys online. We put a lot of information online. We send out a newsletter to, I think, 6,000 individuals across the province. So we do try and reach out as far as we can, but recognizing that we’re using public dollars, we’re not travelling to the further reaches of the province or the country.

However, we do have people from all over the province. We have municipalities coming to see us. At least once a week, we’re running a tour for the city of Mississauga or the city of Ottawa. Officials will come and meet with us and then we’ll tour them and tell them what we’re working on. And we tour people from all around the world, as well. We get organizations from Germany, Europe, Asia etc. to come and look at what we’re doing as an example of great revitalization on the waterfront. We really are trying to be as broad as we can, but being respectful of how we spend our money.

**Mr. Stephen Crawford:** Okay. In terms of the Port Lands, I’d just like to ask about the preliminary estimate on the cost of flood protection. In May 2018, the government had signed with the joint governments to fund a total of \$1.25 billion towards flood protection. The provision for upfront consulting, operating and other costs is around \$453 million, which is about 37% of the projected cost.

**Mr. David Kusturin:** That’s correct.

**Mr. Stephen Crawford:** So my question to you is—that number seems high. Maybe you could just explain that a little.

**Mr. David Kusturin:** The soft cost isn’t just consulting. Consulting is slightly less than \$200 million, including all of our consultants, doing design, contract administration, our own project management costs and other agency costs—TRCA, for example; we pay their costs. The larger number also includes costs for contingencies, risks and escalations. While the hard cost itself is in the order of about \$850 million to \$900 million, the balance is not just soft costs; it’s actually factors that are applied to the hard costs to develop the total budget.

**Mr. Stephen Crawford:** Would that be a typical sort of number that you would expect in the budget?

**Mr. David Kusturin:** Yes, it was fairly typical, although we didn’t just rely on standard benchmarks. We undertook a specific risk assessment and risk quantification on the project to ensure that we had done an appropriate level of due diligence on the overall number. Then, actually through our board, we assessed the risk tolerance from the board as well as governments to establish what the likelihood of completing on-budget should be. Our board asked us to set that at 90%, and our contingency was based on that level of due diligence.

**Mr. Stephen Crawford:** Okay. And a more general question, more to the deputy minister, in terms of the province’s vision for the Port Lands: Where do you see the vision for the province?

**Mr. George Zegarac:** As I mentioned earlier, the board had released last year a five-year plan that looked at opportunities to do additional fundraising as well and to work on four signature areas: the ferry terminal upgrades, the destination playground, which is in Chicago—it’s a brilliant project that brings all the community in. We’re looking at a signature project, as I mentioned, something similar to the Opera House that is a signature building in Sydney. These are things that we’re looking at.

As we mentioned earlier, we’re actually combining our visions together with the CEOs of all the related parties, so the city of Toronto, the city manager, myself, PortsToronto. We are meeting with all of the relevant parties to say, “How do our plans actually fit together so that we get better synergies?”

I’m very proud of the organization and their reputation for the last 18 years. They have demonstrated great innovation. They were leaders in environmental sustainability by putting LEED requirements on buildings back in 2009 before anybody else had made that a requirement for a building. I think we’re going to continue to work on sustainability and environmental issues, put more public-realm parks that are already in our plans and expand that opportunity.

I think the key too is to try to activate it during the winter months. How do we get better use out of the facilities, collectively, during those months so that people can enjoy it year-round? That’s part of what we actually ask for. What are some of the plans to activate the waterfront for the entire year?

I think there’s great opportunity. I think there’s a proven track record for the organizations. I think the positioning, as we mentioned earlier, with the inter-governmental committee is very strong. I think the reputation of our chair, who has been recently appointed and has helped bring forward some alignment on the threshold issues—I think we’re in a great position. I’m quite excited, quite frankly, about moving forward on these issues.

**Mr. Stephen Crawford:** Just following up on that, in terms of winter, what are you seeing right now that could drive people there in the winter? We obviously have six or seven months of very cold weather in this city, and we need to make sure that we utilize this for 12 months. What are some of the things that you envision for that?

1440

**Mr. George Zegarac:** Sidewalk has brought forward some areas like these umbrellas that would help protect—we’re not sure how that will work, so we’re looking at other things that other jurisdictions have brought forward. But again, even with those signature projects, if we can get more activation in terms of buildings down there that

would bring families to look at them, whether it's museums or activity centres—we need to find more facilities that would attract people for the entire year.

I think one of the big issues is that when you look around the world, usually a very successful waterfront has a number of activities along that waterfront. I think there is an opportunity for us to improve on that. That's why we continue to work with the province in looking at what they have in mind for Ontario Place. We're not leading that, but we continue to look at how this all fits together, because the key is going to be getting the right activities to attract people down there.

The other part: When we talked about equity in terms of access, transit is a big part of our discussion with the city, Metrolinx and others, because we want to make sure everybody can participate in the activities that we do bring forward to the waterfront.

**Mr. Stephen Crawford:** To the deputy minister: I'm just wondering, from your point of view, are you in alignment with these thoughts in terms of how you envision this?

**Mr. Chris Giannikos:** Absolutely. I think I would definitely echo everything that the CEO has said with respect to the vision, and add to that that the three levels of government are actually working together to ensure that we can make that vision a reality. There is a lot of co-operation, and I echo those remarks.

**Mr. Stephen Crawford:** Okay. Thank you.

**The Chair (Ms. Catherine Fife):** Any further questions from the government side? Seeing none, I want to thank the delegations for coming forward today. That concludes our time for questions this afternoon, and thank you very much for coming here to committee. You are excused. Feel free to leave.

Committee members will know that you—

*Interjections.*

**The Chair (Ms. Catherine Fife):** Excuse me. You have a motion before you that has been served by MPP Tabuns. He's going to read that motion into the record.

**Mr. Peter Tabuns:** Thank you, Chair. I move that the committee reconvene in February of 2020 to explore some of the unanswered questions—

*Interjections.*

**The Chair (Ms. Catherine Fife):** Excuse me. If people could please leave quietly and take your conversations outside, that would be very appreciated.

You're going to start again, and can you please raise your mike up? Thank you very much.

**Mr. Peter Tabuns:** Even more? Okay.

**The Chair (Ms. Catherine Fife):** Thank you very much.

**Mr. Peter Tabuns:** I move that the committee reconvene in February of 2020 to explore some of the unanswered questions about Waterfront Toronto, and in particular, questions around the matter of Sidewalk Toronto.

Further, that the committee invite Julie Di Lorenzo, Michael Nobrega, Helen Burstyn and such others at the

recommendation of the Auditor General and the Chair, who can provide the necessary information.

**The Chair (Ms. Catherine Fife):** Thank you very much. There is no seconder required. Would you like to speak to the motion, MPP Tabuns?

**Mr. Peter Tabuns:** Yes, thank you very much, Chair. I appreciated the information that was provided to us today, but clearly there were a number of central players who were not available to answer our questions today.

We are talking about a deal that is quite consequential for this province and for this city. We're talking hundreds of millions of dollars in precedents that will shape cities for generations to come. I think there are questions about political pressure, questions about the IT standards, questions about which land is available and which isn't and how, in fact, public interest will be protected that need to be answered. Today was a good start, but I think we need at least one other session.

**The Chair (Ms. Catherine Fife):** Thank you. Any other further comments. MPP Miller?

**Mr. Norman Miller:** Thank you, Mr. Tabuns, for this motion. Obviously, it was just dropped on us without any notice etc. I have to say, I'm of mixed feelings about it because we have 19 volumes that we're in the process of trying to select for next year. I think we were hoping to get those choices done today, and we never have enough time to look at the various programs that are out there.

Frankly, I am just not sure how much value there is in going back to the past Liberal government's process. I'm just not sure what the value is in us digging deeper on the Sidewalk issue. I think I've mentioned in this committee before that I was Chair when we spent a year and a half looking at Ornge.

So yes, there probably are some questions, and the people you've noted probably are the key people who are not here today. I'm just not sure whether our time would be better spent trying to look at some of the aspects of the current report. Frankly, we don't have to have it in a motion. It's common practice of this committee in closed session just to have a discussion about it and decide whether we have enough answers and whether we want to go forward. It doesn't necessarily have to be a motion.

**The Chair (Ms. Catherine Fife):** Okay, thank you. MPP Parsa?

**Mr. Michael Parsa:** Madam Chair, to add to that, we also have another avenue, subsequently, where we can submit questions as per the procedure that we were explained earlier. If we're still not satisfied as a committee, then perhaps we can look at that option subsequent to that.

**Mr. Norman Miller:** I think at this point—obviously, Mr. Tabuns has moved the motion. I'd prefer not voting it down. We obviously have the members to do so. I'd rather we just have a discussion about it rather than right now just having an immediate vote on the motion. I'm not

ruling out that we'll do what you intend, what you want to do with this motion. I'm not saying that.

**The Chair (Ms. Catherine Fife):** So it's my understanding that there are a number of issues that are before the committee, and so you want to try to find balance with the workload. MPP Tabuns, are you agreeable to deferring the motion to another conversation, or withdrawing it and moving it into a conversation?

**Mr. Peter Tabuns:** Well, if we move it into a conversation, if we go into closed session, you may or may not be agreeable to it, is what you're saying to me.

**Mr. Norman Miller:** What I'm saying—I'm not really prepared to support it. You just kind of dropped it on us right now. I don't want to defeat it if I don't have to.

The other question I raised as well is that we're looking at a whole new report. We're trying to decide on sessions—I see the other subcommittee members here—to look at the various other—

**Mr. Peter Tabuns:** Well, I'm willing to pull back and have a discussion.

**The Chair (Ms. Catherine Fife):** Thank you very much. That will conclude the public session, then, of the committee. The committee will now meet in camera and discuss with the auditor follow-up questions for the committee.

Thank you very much.

*The committee continued in closed session at 1447.*

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