

Ministry of Infrastructure

Office of the Deputy Minister

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MEMORANDUM TO: Christopher Tyrell
Committee Clerk
Standing Committee on Public Accounts
99 Wellesley Street West
Room 1405, Whitney Block
Toronto, ON M7A 1A2

FROM: Chris Giannekos
Deputy Minister of Infrastructure

DATE: August 12, 2021

SUBJECT: The Standing Committee on Public Accounts Report on
Waterfront Toronto (Section 3.15, 2018 Annual Report of the
Office of the Auditor General of Ontario)

Dear Mr. Tyrell,

In response to the April 2021 Standing Committee on Public Accounts report on Waterfront Toronto (Section 3.15, 2018 Annual Report of the Office of the Auditor General of Ontario), please refer to the attached enclosures from the Ministry of Infrastructure and Waterfront Toronto.

In addition, the Ministry noted the language on page 11 of the report does not accurately reflect Section 13 of the *Toronto Waterfront Revitalization Corporation Act, 2002* in reference to Waterfront Toronto's sunset clause as per the following excerpt:

The Act has a sunset clause which provides for Waterfront Toronto to be wound up after the 20th anniversary of the date the Act came into force (2003). The corporation may be wound up before the anniversary if decided upon by the three levels of government (federal, provincial, municipal) which provide oversight and governance to Waterfront Toronto. As well, the corporation may operate up until 2028 if that is recommended by the results of a review to be conducted before the 20-year anniversary date.

The Ministry recommends that an addendum to the SCOPA report be added, including the following revised language:

The Act has a sunset clause which provides for Waterfront Toronto to be wound up by the province after the 20th anniversary of the date the Act came into force (May 2003). However, the clause does not allow early wind up if a review agreed to by all three governments is completed at least three months prior to the 20th anniversary and recommends that Waterfront Toronto not be wound up before the 25th anniversary in May 2028.

If you or your staff have any questions, please do not hesitate to contact myself or Grant Osborn, ADM/CAO, Policy, Research, Agency and Corporate Services Division, at Grant.Osborn@ontario.ca and 416-212-1473.

Thank you.



Chris Giannekos
Deputy Minister of Infrastructure

c.c. Aryn Azzopardi, Chief of Staff
Grant Osborn, ADM/CAO, Policy, Research, Agency and Corporate Services Division
Chris Monahan, Director, Agency Policy and Accountability Branch
James Northey, Director, Corporate Coordination Branch
George Zegarac, Chief Executive Office, Waterfront Toronto

Enclosed:

- Ministry of Infrastructure response to the Standing Committee on Public Accounts
- Waterfront Toronto response to the Standing Committee on Public Accounts

Ministry of Infrastructure
Waterfront Toronto: Standing Committee on Public Accounts

Topic	SCOPA Specific Recommendation Directed to WT	Response
Financial Sustainability of WT	<u>Waterfront Toronto</u> should: a) prioritize its efforts to become more financially sustainable by exploring fundraising, funding, and revenue-generating opportunities; b) ensure proper communication and accountability with prospective fundraising partners; and; c) only enter into fundraising agreements after sufficient review and approval by the Waterfront Toronto Board of Directors.	a) WT continues to prioritize its efforts to become more financially sustainable by implementing the Fundraising Action Plan approved by its Board in Dec 2019. To date WT has focused its efforts on building organizational capacity in fundraising (two staff hired to date), development of a donor pipeline (100+ prospects to date), as well as required government revenue consent and MOU with City of Toronto (in process). WT is completing a <i>Fundraising Planning Report</i> in 2021 to review and assess WT's likelihood of success, as well as to establish fundraising operational budget and targets going forward. b) WT has hired a seasoned Executive Director, Philanthropy who, together with other senior WT staff and some Board members, is responsible for establishing appropriate communication and accountability with prospective fundraising partners; c) WT's first fundraising agreement is anticipated on/before June 30, 2022. WT provides updates to its Finance, Audit & Risk Management Committee and Board on at least a quarterly basis. In addition, WT has been working with the City of Toronto to develop a <i>Fundraising MOU</i> which will establish new ways of working together effectively and efficiently.

Topic	SCOPA Specific Recommendation Directed to WT	Response
Intergovernmental Steering Committee Frameworks	<u>Waterfront Toronto</u> should consult with the Intergovernmental Steering Committee and the Board of Directors of Waterfront Toronto prior to signing official agreements or making public announcements.	WT has regular quarterly meetings (or as required) and communications with the IGSC and WT's Board of Directors regarding all material WT matters, including major agreements and announcements. The tri-government working group (TWG is the working group that supports the IGSC) also meets weekly to discuss matters related Waterfront Revitalization including fundraising and revenue opportunities.

Topic	SCOPA Specific Recommendation Directed to WT	Response
Planning and Development of the Port Lands	<u>Waterfront Toronto</u> should; a) improve communication between its senior management, its Finance, Audit and Risk Management Committee, and its Board of Directors regarding the cost and process of the Port Lands Flood Protection Project; and b) regularly update the Board of Directors on the work and findings of the third-party risk consultant, Capital Peer Review Panel, and Independent Capital Monitor firm regarding risk assessments for the Port Lands Flood Protection Project.	a) WT provides updates to its Finance, Audit & Risk Management Committee, and its Board of Directors regarding the cost and process of Port Lands Flood Protection project on a regular basis (quarterly, at a minimum). b) WT provides updates to its Board of Directors regarding the work and findings of the third-party risk consultant, Capital Peer Review Panel, and Independent Capital Monitor firm regarding risk assessments for the Port Lands Flood Protection Project on a regular basis (quarterly, at a minimum).

Ministry of Infrastructure: Standing Committee on Public Accounts

Topic	SCOPA Specific Recommendations	Response
Waterfront Toronto's Authority	<u>The Ministry of Infrastructure</u>, working with partner governments, should: a) clearly define the mandate of Waterfront Toronto and other waterfront-related agencies; b) strengthen Waterfront Toronto's ability to ensure its recommendations, previously approved by its government partners, are implemented; and c) facilitate cooperation between waterfront-related organizations with a mandate to improve economic development of the waterfront.	Ministry staff have worked with other government partners, Waterfront Toronto (WT) and a consultant (KPMG) to finalize a background study to inform WT's mandate, current and future initiatives, governance framework and financial outlook, as well as the potential overlap between waterfront-related organizations. The Ministry of Infrastructure is also working across ministries to assess provincial priorities/interests on the waterfront and implications for future Waterfront Toronto mandate, funding/financial framework, and the future of applicable waterfront revitalization initiatives. The City of Toronto is also moving forward with a process involving external stakeholders focused on economic development of the waterfront, the best path forward for its revitalization, and strengthening WT's ability to implement previously approved recommendations. The results of this process, including input from provincial and federal partners are expected to be made public through reports to Council, with the initial report expected in Fall 2021.

Topic	SCOPA Specific Recommendations	Response
Smart City Project with Sidewalk Labs -	<u>The Ministry of Infrastructure</u>, in conjunction with its government partners, should a) continue to study the issues surrounding the creation of a smart city in Toronto to determine what legal protections are necessary to protect the public interest; b) assess whether Waterfront Toronto needs additional direct oversight of its practices or if its governance structure can be streamlined; c) develop a policy framework, through legislation, to guide the development of a smart city, addressing issues of intellectual property, data collection, ownership, security and privacy, legal and consumer protection issues, infrastructure development, and economic development; and d) improve communication and consult with the public regarding the development and potential of a smart city project.	MOI provided the Auditor General's Office an update in March 2021 outlining that one of the outstanding recommendations have been completed, leaving only five remaining (and underway). This recommendation pertained to the provincial government, in consultation with partner governments conducting public consultations to consider in the development of a policy framework for a smart city in Ontario which had been completed by Ontario Digital Service and Ministry of Government and Consumer Services. The Ministry of Finance (Ontario Digital Service) is coordinating across government on initiatives to address digital and data issues that may have relevance to smart cities and released the Ontario Digital and Data Strategy in April 2021. Ontario Digital Service will begin targeted consultations on data governance and data sharing models in Summer 2021 to support a new Data Authority Initiative announced through the Digital and Data Strategy. Findings from these consultations are expected to inform a policy framework on Smart Cities work. The consultations are anticipated to conclude by October 2021