



October 31, 2019

## **OPEN LETTER FROM WATERFRONT TORONTO BOARD CHAIR**

When Waterfront Toronto released the Master Innovation and Development Plan (MIDP) to the public this past June, I wrote an [open letter](#) outlining the Board's early impressions of Sidewalk Labs' proposal. The letter acknowledged that there were some exciting ideas that respond to challenges we face, particularly related to environmental sustainability and economic development. The letter also clearly outlined several areas of concern Waterfront Toronto would need to see resolved before proceeding to an evaluation of the proposal.

We are pleased to report that we have reached alignment on the critical issues raised in my letter, as well as other issues and concerns raised by the public during consultations this summer.

Based on the progress made to date, the Board of Waterfront Toronto has decided unanimously to direct management to proceed with the formal evaluation of the MIDP and further public consultation.

Let me be clear: this is not a done deal. There is still much work to do before a final decision. While a final Board decision whether or not to proceed has yet to be made, we are pleased that we are now able to move to the evaluation stage on a project that has the potential to create new jobs and economic development opportunities, a create carbon-neutral neighbourhood, and more affordable housing units.

Waterfront Toronto's initial concerns were rooted in our public interest mandate, including our responsibility to protect, innovate, and revitalize Toronto's waterfront. Sidewalk Labs listened to our concerns, and those of the public, and has confirmed that it will make significant changes to its proposal, including:

- The amount of land in the proposal has been reduced, from 190 acres (IDEA district) to the 12 acres of Quayside as an initial stage of the project. If Quayside proves successful, the approval of any additional public lands outside of Quayside in will be subject to competitive procurement processes.
- Sidewalk Labs agreed that all personal information will be stored in Canada, and it has eliminated the Urban Data Trust proposal, as well as the term "urban data." It will comply with all existing and future legislative and regulatory frameworks.
- Proposals for new public administrators. Any future innovations in Quayside will remain subject to the regulation, evaluation, and approval of existing governing bodies.
- For vertical development, Sidewalk Labs has confirmed that it will partner with one or more real estate developers, rather than act as "lead developer" as originally proposed. As is customary, Waterfront Toronto would lead a competitive public procurement process.

In addition, Waterfront Toronto and Sidewalk Labs have had productive discussions on other aspects of the MIDP:

- Waterfront Toronto will receive fair market value for the Quayside lands at the time of sale. The current appraisal is approximately \$590 million. Waterfront Toronto will make investments to support project priorities such as affordable housing and climate change.
- Sidewalk Labs has acknowledged that Waterfront Toronto does not have jurisdiction over the approval of capital funding for public transit. That said, Waterfront Toronto has always supported and advocated for waterfront transit and will continue to do so. Sidewalk Labs will review the status of public transit commitments and will make its decision to proceed prior to the completion of implementation agreements.
- Sidewalk Labs will expand its patent pledge from Canadian-only to global, allowing Canadian innovators to have the right to use Sidewalk Labs' Canadian and foreign patents covering hardware and software digital innovations.
- Waterfront Toronto will be entitled to a revenue share on intellectual property based on percentage of revenues, rather than profits.

The details of the realignment agreed to are [here](#) and a summary of the threshold issues is [here](#).

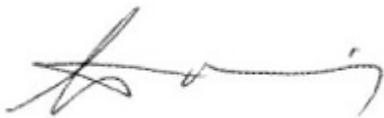
Later this fall, Waterfront Toronto will meet with the public on the resolution of these key issues, provide clarity on what is being evaluated, and discuss the decision-making process going forward.

The public have my assurance that there will be more opportunities to have its say and inform the evaluation and any subsequent decisions by Waterfront Toronto and its Board. Early in 2020 there will be another round of public consultation to share and seek feedback on the status of the evaluation.

A decision about whether to move forward with the MIDP will be made by March 31, 2020 by Waterfront Toronto's Board.

On behalf of the Board and staff of Waterfront Toronto, I thank the public for showing up, for participating in consultations and for sharing important feedback. I want you to know that you have made a real difference. The discussion on Quayside has demonstrated that the people of Toronto are passionate, engaged, and determined to see the waterfront remains a thriving place for everyone to enjoy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Diamond', written in a cursive style.

Stephen Diamond  
Chair, Waterfront Toronto Board of Directors