



FUNDRAISING ACTION PLAN

The strategic objective to try to raise \$400 million over ten years to build the Signature Projects is part of last year's Board-approved 2019/20-2023/24 Five Year Strategic Plan. In March 2019, management committed to providing a fundraising action plan to the Board by December 5, 2019.

This fundraising action plan, reflecting work undertaken by management and professional fundraising advisors, Ketchum Canada (2002) Inc. ("KCI"), between March and November, is for information. It describes management's proposed strategy and plan for fundraising and for working towards the strategic objective. Board Approval of this proposed approach will be accomplished through approval of the updated 2020/21-2024/25 Five Year Strategic Plan, which includes the costs and 2020/21 milestones of the proposed fundraising strategy.

The fundraising action plan is divided into eight sections:

1. Strategic Objective
2. The Signature Projects
3. Proposed Fundraising Strategy and Total FY 2020/21 Cost
4. Why this Fundraising Strategy?
5. Funding and Costs of the Proposed Fundraising Strategy
6. Key Risks and Mitigation
7. Waterfront Toronto Fundraising Strengths and Opportunities
8. Jan 1, 2020 – March 31, 2021 Deliverables and Schedule

1. Strategic Objective

The strategic objective is to raise \$400 million over ten years to build the Signature Projects. This \$400 million target does not include the cost of fundraising. The names of the four Signature Projects are: the Destination Playground, the Waterfront Walk, the Jack Layton Ferry Terminal and the Landmark Institution. The projects are described in more detail in Appendix 1 attached to this action plan.

Individually and together, the Signature Projects will elevate the quality of experience on Toronto's waterfront to rival great waterfront cities around the world. Fundraising to build the Signature Projects will help to make waterfront revitalization financially self-sustaining. The development of this action plan for fundraising is reinforced by a recommendation made the Ontario Auditor General in December 2018 that Waterfront Toronto create and implement a plan for making revitalization self-sufficient, which could include leveraging private-sector funding and revenue-generating sources such as corporate partnerships and philanthropy.

2. The Signature Projects



Destination Playground

The Destination Playground will be a unique addition to the network of public places in the Port Lands – a first-in-Canada free and inclusive play space for residents and visitors, featuring leading-edge playground equipment design and nature play opportunities. Located at the western tip of the new Villiers Island, the playground will be nearly two acres (the size of two football fields) making it the largest playground in Toronto and

a significant regional attraction.

Progress to advance the design and planning of this project to date includes:

- An RFQ and RFP for the design and supply of play equipment was released.
- The first round of evaluations for the RFP was held on October 21, 2019.
- The procurement process is scheduled for completion in January 2020.

The estimated cost to build the Destination Playground is \$30m, excluding the cost of fundraising. This estimate was developed by looking at comparable projects and scaling the cost of them to the size and ambition of this initiative. The estimate includes: a series of play zones, all play equipment, all landscaping and a pavilion (inclusive of an education centre and comfort station), and all soft costs, plus contingencies.



Waterfront Walk

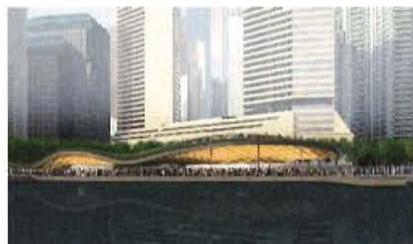
Waterfront Toronto has already dramatically expanded the number of places where people can move along the water's edge, on playful structures like the WaveDecks at Queens Quay, on the 500 metres of new waterfront promenade we've built east of the Redpath factory, and on the nearly six kilometres we've added to the Martin Goodman Trail. The Waterfront Walk will be a 4-km

water's edge walk from Portland Slip to Parliament Slip complete with seven iconic timber pedestrian bridges.

Progress on this project to date includes:

- West 8 has been retained to advance the design of the Waterfront Walk.
- Concept design and costing are underway, to be completed by the end of November.

The Waterfront Walk is expected to cost approximately \$90m to build, excluding the cost of fundraising. This estimate is based on preliminary design work undertaken in 2008 and escalated to 2019\$. As part of the advancement of the concept design, a gap analysis and an updated cost estimate is being undertaken.



Jack Layton Ferry Terminal

The Jack Layton Ferry Terminal moves over 1.5 million people per year between the city and the Toronto Islands; it is the gateway to an amazing city-wide asset. The current facility is increasingly stressed by the growing demand for trips to the Islands.

In 2014, Waterfront Toronto, in collaboration with the City of Toronto (the City), undertook a design competition to create an inspiring vision for the long-term

transformation of the terminal facility that would resolve operational and user experience challenges.

The new Jack Layton Ferry Terminal facility and reconstruction of the docks/slips are estimated to cost \$80m, excluding the cost of fundraising. This estimate is based on cost estimates done following the 2014 design competition, escalated to 2019\$. The optimization of the Competition Master Plan to be completed in Q3 2020/21 will include updating the cost estimate.

Landmark Institution



Exceptional waterfronts often feature cultural destinations that become icons of their cities. Several sites on Toronto's waterfront have the scale and prominence to house a magnetic gathering place, activate the surrounding public realm and catalyze new economic clusters. For example, two catalytic use sites located on Villier's Island are included in the Villiers Island Precinct Plan. A Landmark Institution building could be linked to the surrounding waterfront by other iconic structures - such as bridges or other connective elements making important contributions to the dynamism and connectedness of the lands along the lake.

Given the early phase of development of the Landmark Institution, the estimated \$200m cost, excluding the cost of fundraising, is based on comparable projects of the scale and level of ambition of the project. The market sounding and planning work being undertaken in 2020/21 will include further refinement of the cost estimate for this initiative.

The table below is a summary of the Signature Projects, their fundraising readiness and appeal. For each project, Waterfront Toronto must create the value proposition, allow for proper cost estimating and then prepare an appropriate "ask" for donors.

SIGNATURE PROJECTS SUMMARY

Project (cost to build)	Readiness for Fundraising	Appeal
Destination Playground (\$30m) 2-acre one-of-a-kind destination playground located in the Port Lands.	High: Vision Plan will be completed by March 31, 2020. To be delivered in coordination with PFLP, construction should begin in 2022/23 (if funding can be secured).	Regional draw, free and inclusive, beneficial to children's health and well-being.
Waterfront Walk (\$90m) 4-km complete water's edge walk from Portland Slip to Parliament Slip including timber pedestrian bridges	Medium: Concept design, gap analysis and updated cost estimate to be completed Q3 2019/20.	Connects people and places. Continuous promenade is a top priority of the public and is a feature common to the world's best waterfronts.
Jack Layton Ferry Terminal (\$80m) Expansion of existing terminal to accommodate growing operational demand and an improved user experience	Medium: Competition complete in 2014. Optimization and Funding and Implementation Strategy to be completed in Q3 2020/21 includes updated cost estimate.	Improve experience for visitors to the Toronto Islands and create more opportunities for marine transportation within and beyond Toronto Harbour.

Project (cost to build)	Readiness for Fundraising	Appeal
<p>Landmark Institution (\$200m) An architecturally significant landmark institution anchoring local and economic cultural activities while communicating a unique urban and national identity to the world</p>	<p>Low: Early phases of conceptual thinking.</p>	<p>Widely recognized addition to waterfront skyline. Provides a gathering place, activates the surrounding public realm and catalyzes new economic clusters. Objective is to attract up to 1 million visitors/year.</p>

3. Proposed Fundraising Strategy and Total FY 2020/21 Cost

The proposed fundraising strategy is that in FY 2020/21 Waterfront Toronto will:

- 1) **Develop fundraising capabilities and a campaign plan to pursue major gifts (\$500,000+) for the Destination Playground and**
- 2) **Advance design and planning for the Signature Projects.**

A “major gift strategy” is focused on identifying and approaching individual philanthropists or foundations to request large donations (\$500,000+). This is in contrast to a “public appeal strategy,” which is a broad-based fundraising effort directed at a large number of prospective donors, and sponsorship, which is a beneficial business arrangement where one party provides cash or in-kind services to another in exchange for commercial advantage.

The total FY 2020/21 incremental cost of the proposed strategy is \$2.5m¹. “Incremental cost” means cost in addition to existing staff costs of \$0.9m that are included for FY 2020/21 in the updated 2020/21-2024/25 Five-Year Strategic Plan.

This \$2.5m includes \$1.0m to build fundraising capabilities and a campaign plan for the Destination Playground, \$1.0m to advance design and planning of the Destination Playground and \$0.5m to advance design and planning for the Waterfront Walk and the Jack Layton Ferry Terminal. (The cost to commence market sounding and planning for the Landmark Institution will be from existing staff time.)

As discussed in more detail in **Key Risks and Mitigation** below, Waterfront Toronto will not launch a fundraising campaign without first obtaining the approval of the City. And, as described under **Financial Risk** below, KCI will perform a feasibility analysis at the end of FY 2020/21 to confirm the level and likelihood of donor interest in the Destination Playground to support a Board decision to continue investing in fundraising beyond the initial \$3.0m invested to March 31, 2021.

4. Why this Fundraising Strategy?

The following explains why the two-part fundraising strategy is being proposed and summarizes why other potential strategies are not recommended.

¹ For FY 2020/21, the updated 2020/21-2024/25 Five Year Strategic Plan shows \$3.4m total cost for fundraising for the Signature Projects because it includes existing and funded pro-rated staff costs and contingency of 10-15% (\$0.9m).

Major Gift Strategy for the Destination Playground

The need for funding for the Destination Playground is the most urgent of the four Signature Projects because the cost of the Playground will be higher if we are not able to deliver it in coordination with PFLP construction, due to efficiencies from delivering the projects together. The Destination Playground is the least expensive of the Signature Projects and its uniqueness and appeal will contribute to a compelling Case for Support. (A Case for Support is a philanthropic investment prospectus.)

A major gift strategy is faster and cheaper to build than a public appeal strategy and will result in higher revenues than both a public appeal strategy or sponsorship.

KCI performed a gap assessment to determine Waterfront Toronto's readiness to engage in fundraising. The number of readiness gaps identified (see **Cost to Build Fundraising Capabilities** below) mean that it is not realistic for Waterfront Toronto to pursue the entire \$400 million strategic objective all at once. It is more realistic and achievable to start with a smaller campaign focused on the Destination Playground. Additional information can be found in Appendix 2 of this fundraising action plan, which provides a draft Campaign Strategy prepared by KCI (but not yet refined by discussion with Waterfront Toronto).

Advance Design and Planning for the Signature Projects

Advancing design and planning for the Destination Playground is necessary to refine cost estimates, to support describing the project to prospective donors and City staff, and to be able to deliver the project in coordination with PLFP construction.

Momentum is key to ongoing and increasing fundraising success. Preparing for future fundraising by advancing design and planning for the remaining Signature Projects will enable Waterfront Toronto to maintain the momentum expected to be achieved by the Destination Playground campaign. Doing so also will maximize the return on the \$1.0m investment by Waterfront Toronto in building new fundraising capabilities.

Other Strategic Options Considered

Three strategic options were considered and ultimately rejected in favour of a major gifts strategy: sponsorship, public appeal and \$400m campaign.

Sponsorship on its own will not yield sufficient funds for the Destination Playground and commercialization of public spaces, particularly a children's park, is viewed negatively. (Done appropriately, sponsorship could supplement the major gift strategy for the Destination Playground and could play a role in fundraising strategies we develop in the future for the other projects.)

A public appeal is very expensive and time-consuming to develop. A public appeal contributes to momentum in a large campaign but does not yield significant funds on its own.

A \$400m campaign would require a very large up-front investment and would be very high risk since Waterfront Toronto's fundraising capabilities and investment profile are undeveloped and untested. Also, the Signature Projects are at different stages of readiness for fundraising and if we take the time to achieve full readiness, will not be able to align Destination Playground with PLFP construction.

5. Funding and Costs of the Proposed Fundraising Strategy

The first \$5.0m in costs for the fundraising strategy are fully funded from realised land sale revenues. (A further \$15.0m from unrealised land sale revenues has been allocated as seed capital for the fundraising initiative.) Waterfront Toronto has engaged FundingPortal to assist us in exploring the availability of government grants and funding that, if attained, would offset fundraising or project costs. (FundingPortal is a company that provides access to its grants and funding database and grant-writing services.) Fundraising revenues, if achieved, also could offset fundraising expenses but, as explained in **Fundraising Ratio** below, for public realm projects this is unlikely.

The table below summarizes the proposed investment by Waterfront Toronto in the fundraising strategy. Note that we do not expect to obtain revenue from fundraising until 2021/22. The costs shown are incremental costs. An explanation of what is included in each Category is provided in **Cost to Build Fundraising Capabilities** below.

INCREMENTAL COSTS OF THE FUNDRAISING STRATEGY

Major Gift Strategy for Destination Playground			
CATEGORY	2019/20	2020-21	2021-22
Build Fundraising Capabilities	\$356,160	\$944,416	\$990,208
Advance Design of Destination Playground	\$152,640	\$1,017,600	\$4,740,854
Sub-total	\$508,800	\$1,962,016	\$5,731,062
Advance Design and Planning for the Other Signature Projects			
CATEGORY	2019/20	2020-21	2021-22
Jack Layton Ferry Terminal	\$50,880	\$301,760	\$698,536
Waterfront Walk	\$101,760	\$152,640	\$926,448
Landmark Institution	\$0	\$0	\$236,191
Sub-total	\$152,640	\$454,400	\$1,861,175
TOTAL	\$661,440	\$2,416,416	\$7,592,237

Financial Risk

At the end of FY 2020/21, KCI will perform a feasibility analysis to confirm the level and likelihood of donor investment in the Destination Playground. The feasibility analysis will be based on the detailed design of the Destination Playground and KCI's work with Waterfront Toronto to identify

potential donors and understand the appeal of the Destination Playground to them (through development of the Case for Support, volunteer leadership and donor pipeline). The results of the feasibility analysis will be used to support a Board decision to continue investing in fundraising,

At the end of FY 2020/21, Waterfront Toronto will have invested an incremental amount of \$3.0m in the fundraising strategy (\$661,440 in 2019/20 + \$2,416,416 in 2020/21). This investment of \$3.0m includes \$1.8m of project costs. If, based on the feasibility analysis at the end of FY 2020/21, the Board's decision is that Waterfront Toronto should not proceed further with the fundraising strategy, the design and planning work made possible by the \$1.8m investment in project costs could be used by Waterfront Toronto if government or other funding became available in the future.

Fundraising Ratio

The fundraising expense ratio (cost to fundraise/funds raised) is a measure used to evaluate and compare fundraising costs. On average, ratios range between 15% and 30%, depending on the campaign phase. Campaigns typically take 12-24 months to be developed and the duration varies depending on the amount to be raised. Early in a campaign, expenses are higher and then as the campaign winds down, expenses and the ratio decline.

Waterfront Toronto is not just developing a campaign; it is building fundraising capabilities from scratch. Today, our fundraising ratio is 100% because we have not yet raised any funds. Assuming that after 24 months of building its fundraising capabilities and developing its first campaign, Waterfront Toronto is successful in raising one-third of the \$30m cost of the Destination Playground by December 31, 2021, our fundraising ratio will be 20%.

The objective of the major gifts strategy for the Destination Playground is to raise the full \$30 million cost to build the playground and, if possible, to recoup the cost of fundraising; however, we have learned that donors are reluctant to fund 100% of the capital costs for a project and that this is particularly so for public realm projects. Cost-sharing with governments and/or the fundraising entity, known as "leverage," typically is required. For this reason, the above fundraising ratio was calculated using a conservative \$10.0m estimate of fundraising revenues and the \$30m cost to build the Destination Playground, excluding fundraising costs. In 2020/21 Waterfront Toronto will quantify the prior investment by governments in the Destination Playground (through the Port Lands Flood Protection project) and explore whether this amount can be considered leverage to assist us in seeking donations for the full \$30 million plus fundraising costs.

Cost to Build Fundraising Capabilities

To build fundraising capabilities, Waterfront Toronto must address the readiness gaps identified by KCI when it assessed Waterfront Toronto's readiness to engage in fundraising. The assessment resulted in the following list of readiness gaps.

Waterfront Toronto has:

- No **history of major gifts** or fundraising
- No **donor pipeline** (listing of prospective donors)
- No **experienced fundraising team** to quickly operationalize ambitious campaign
- No **volunteer leadership** (individuals of profile, influence and ability to contribute) to open doors and build Waterfront Toronto's credibility among donors

- No **processes, policies and procedures** to support fundraising and stewardship
- No **IT system** for donor or prospect planning, cultivation and stewardship
- No **investment profile** among donors and sponsors (and must overcome its identity as a fully publicly funded **government agency**)

In addition, to move forward with fundraising for the Destination Playground, Waterfront Toronto also will need to:

- Advance the design of the Destination Playground and determine its operational requirements (see **Project Delivery Costs** below);
- Build internal fundraising project management and reporting to the Board and governments
- Collaborate to establish new ways of working with relevant departments of the City such as Parks, Forestry & Recreation and Partnerships to support Waterfront Toronto as fundraiser and the City as the landowner of the Playground (this is the MOU with the City referred to in the **Summary of Key Risks and Mitigation** below); and
- Design and develop a public engagement strategy for fundraising

The table below expands the cost Category "**Build Fundraising Capabilities**" to show the specific costs budgeted for FY 2020/21 and their application to the readiness gaps and, more generally, to fundraising.

COST TO BUILD FUNDRAISING CAPABILITIES

Description	2020/21 Budget	Application to Readiness Gaps and Fundraising
Fundraising Advisory Services	\$150,000	Advice re how to address readiness gaps, including donor pipeline, fundraising team, volunteer leadership, policies, campaign design, Case for Support.
Grants and Funding Research	\$70,000	Research and grant-writing to seek grants/other funding to offset fundraising and project costs. Additional sources of funding, known as "leverage," are a necessity for donors, especially for public realm projects.
External Legal Services	\$50,000	Advice re processes, policies and procedures, legal risk, forms of agreements.
Communications	\$100,000	Advice and services to build Waterfront Toronto investment profile, cost to engage in public consultation (via Fundraising Stakeholder Advisory Committee).
Campaign	\$165,000	Design and development of Destination Playground campaign and Case for Support.
FT Fundraising Staff (3-4 positions)	\$400,000	Experienced fundraising staff to provide campaign direction, major gift expertise and development of donor pipeline.
Tax	\$11,414	
Total	\$944,416	

Note that in addition to the above, Waterfront Toronto has budgeted for a Donor Management IT Platform within its Corporate Capital Budget in 2020/21 (\$250,000) which will provide a database for donor or prospect planning, cultivation and stewardship, as well as for tracking stakeholder relationships and communications.

Project Delivery Costs – Signature Projects

To advance the design of the Destination Playground, in 2020/21 Waterfront Toronto proposes to spend \$1,017,600 to complete detailed design (60% design).

To advance Design and Planning for Jack Layton Ferry Terminal and Waterfront Walk, in 2020/21 Waterfront Toronto proposes to spend \$454,400 to complete a funding and implementation strategy for the Jack Layton Ferry Terminal and complete concept design for the gaps identified in the gap analysis of the current situation (performed in 2019/20).

As stated, the cost to commence market sounding and planning for the Landmark Institution will be from existing staff time.

6. Key Risks and Mitigation

The table below summarizes the key risks of this fundraising strategy and actions to be taken to mitigate the risks (or mitigating factors). As we progress, fundraising will present additional new risks for Waterfront Toronto. The **Jan 1, 2020 – March 31, 2021 Deliverables and Schedule** includes developing a fundraising risk register, mitigation strategies and reporting.

SUMMARY OF KEY RISKS AND MITIGATION

Strategic Risks	Risk Level*	Mitigation
1. Waterfront Toronto is unable to proceed with fundraising for the Destination Playground because it does not have the support of the City for the project or for its fundraising	High/Med	<ul style="list-style-type: none"> ➤ Waterfront Toronto is working to determine the operational requirements of the Playground (i.e., cost to maintain) and provide this information to the Parks Department and to the Councilor for Ward 14 Toronto-Danforth ➤ Waterfront Toronto will work with the City to develop an MOU to co-ordinate its fundraising efforts and obtain the necessary City input and approvals ➤ Waterfront Toronto will take steps to have Destination Playground added to the Council-approved list of City priorities ➤ Waterfront Toronto will not launch a fundraising campaign for Destination Playground without first obtaining approval of the City
2. Investment in fundraising does not result in any/sufficient donations	High/Med	<ul style="list-style-type: none"> ➤ A major gift strategy is the least expensive strategy to build

Strategic Risks	Risk Level*	Mitigation
		<ul style="list-style-type: none"> ➤ Waterfront Toronto will start with fundraising for \$30m for Destination Playground only and invest gradually to advance the other Signature Projects ➤ All Waterfront Toronto's actions are being guided by KCI, professional fundraising advisors ➤ Waterfront Toronto will perform feasibility analysis for March 2021 Board decision ➤ KCI provided preliminary valuation² for Destination Playground of \$18m ➤ Destination Playground offers donors a unique opportunity
3. Fundraising initiative attracts negative public attention	Med/Low	<ul style="list-style-type: none"> ➤ Budget includes \$100,000 investment in Communications to build Waterfront Toronto profile and for public engagement
4. Funding for Destination Playground not achieved in time for Playground to be delivered in coordination with PFLP construction	Med/Low	<ul style="list-style-type: none"> ➤ PLFP funding covers "base park" ➤ Playground design is scalable ➤ Playground can be built after 2024, but will cost more ➤ Waterfront Toronto has engaged FundingPortal to assist in exploring the availability of government grants and funding ➤ Waterfront Toronto will explore the availability of funding from the City of Toronto ➤ It may be appropriate to use Waterfront Toronto's credit facility and/or reserves as a back-stop to fund on time development of Destination Playground
5. Fundraising initiative proceeds too slowly to impact Waterfront Toronto funding gap	High/Med	<ul style="list-style-type: none"> ➤ Quayside project also has the potential to offset funding gap

*Unmitigated risk level/risk level after mitigation

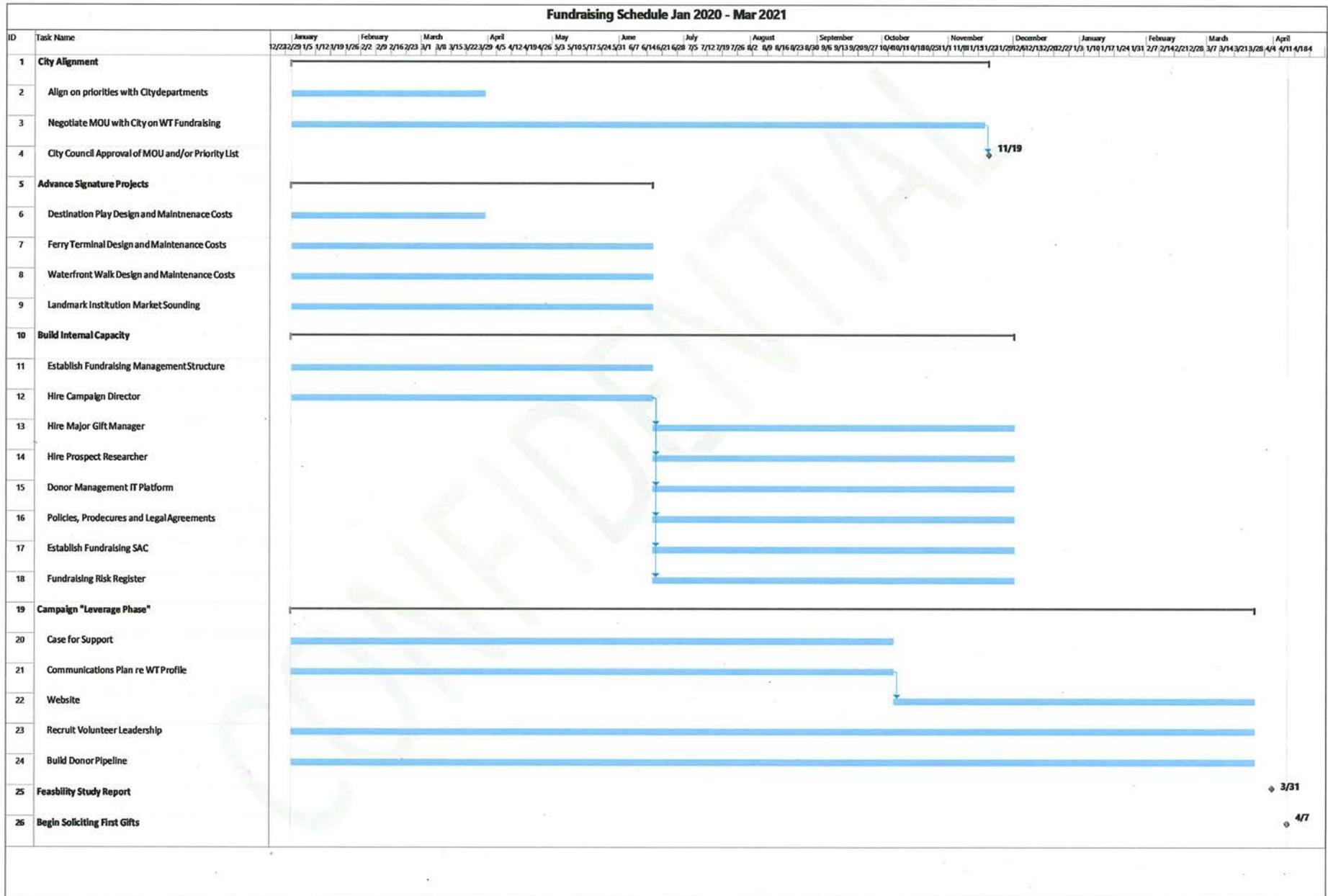
² Valuation, in the context of fundraising, is an estimate of a project's potential for donations/sponsorship. The preliminary valuation of Destination Playground will be updated as we advance its design.

7. Waterfront Toronto Fundraising Strengths and Opportunities

<p>Strengths</p> <ul style="list-style-type: none"> ➤ The Signature Projects will be Canadian expressions of world-class waterfront structures and public realm ➤ City-building offers a unique and compelling opportunity for donors ➤ Waterfront Toronto has a 20-year history of on-time, on-budget revitalization projects ➤ Waterfront revitalization makes our city, province and country better for everyone 	<p>Weaknesses</p> <ul style="list-style-type: none"> ➤ Readiness gaps ➤ Fundraising for Destination Playground will require a high degree of integration with the City, adding complexity and time ➤ Waterfront Toronto faces existing high demands of the PLFP and Quayside projects ➤ Some concerns expressed re Waterfront Toronto impermanent leadership due to tri-government Board appointments ➤ Statutory dissolution may be a concern for donors
<p>Opportunities</p> <ul style="list-style-type: none"> ➤ External validation of Waterfront Toronto's existence and work ➤ Signature Projects augment our existing impact on the waterfront, elevating the overall quality of the waterfront experience ➤ Can help to make waterfront revitalization financially self-sustaining 	<p>Threats</p> <ul style="list-style-type: none"> ➤ The City may not support Destination Playground or the other Signature Projects ➤ The City may not support Waterfront Toronto as a fundraiser in public realm ➤ Intense competition for major gift donors from sophisticated and robust fundraising organizations ➤ High expectations of donors ➤ Financial and reputational risks

8. Jan 1, 2020 – March 31, 2021 Deliverables and Schedule**JAN 1, 2020 – MARCH 31, 2021 DELIVERABLES**

City Alignment	<ul style="list-style-type: none"> ▪ Fundraising MOU ▪ Council Approval of the MOU and/or the Signature Projects
Fundraising Capabilities	<ul style="list-style-type: none"> ▪ Hire fundraising staff to provide campaign direction, major gift expertise and development of donor pipeline ▪ Establish internal fundraising project management (roles, reporting, oversight) ▪ Obtain and install IT system for donor or prospect planning, cultivation, and stewardship ▪ Build donor pipeline (500 prospects) ▪ Recruit volunteer leadership ▪ Prepare Communications plan to raise Waterfront Toronto investment profile ▪ Establish Fundraising Stakeholder Advisory Committee ▪ Identify and develop key policies, procedures and precedent legal agreements ▪ Create fundraising risk register; mitigate and report on risks
Advance Destination Playground	<ul style="list-style-type: none"> ▪ Complete the procurement of the Play Equipment Supply ▪ Complete the conceptual design vision (10% design) ▪ Undertake an Operations and Maintenance Impacts Assessment (OIC) ▪ Complete detailed design (60% design) ▪ Undertake a detailed cost estimate ▪ Quantify governments' prior investment in the Destination Playground
Case for Support	Draft Case for Support
Feasibility Study for Destination Playground	Feasibility study performed and results reported by March 31, 2021
Fundraising Campaign Design	Campaign Design approved
Advance Jack Layton Ferry Terminal	<ul style="list-style-type: none"> ▪ Complete an optimization of the Competition Master Plan ▪ Update cost estimate ▪ Complete a Funding and Implementation Strategy ▪ Undertake an Operations and Maintenance Impacts Assessment (OIC)
Advance Waterfront Walk	<ul style="list-style-type: none"> ▪ Complete a comprehensive gap analysis of the current situation ▪ Undertake a comprehensive vision plan for the walk from Port Land Slip to Parliament Slip ▪ Update cost estimate ▪ Complete concept design for the gaps identified in the gap analysis ▪ Undertake an Operations and Maintenance Impacts Assessment (OIC)
Landmark Institution	Commence market sounding and planning, including further refinement of the cost estimate



Appendix 1 – The Signature Projects

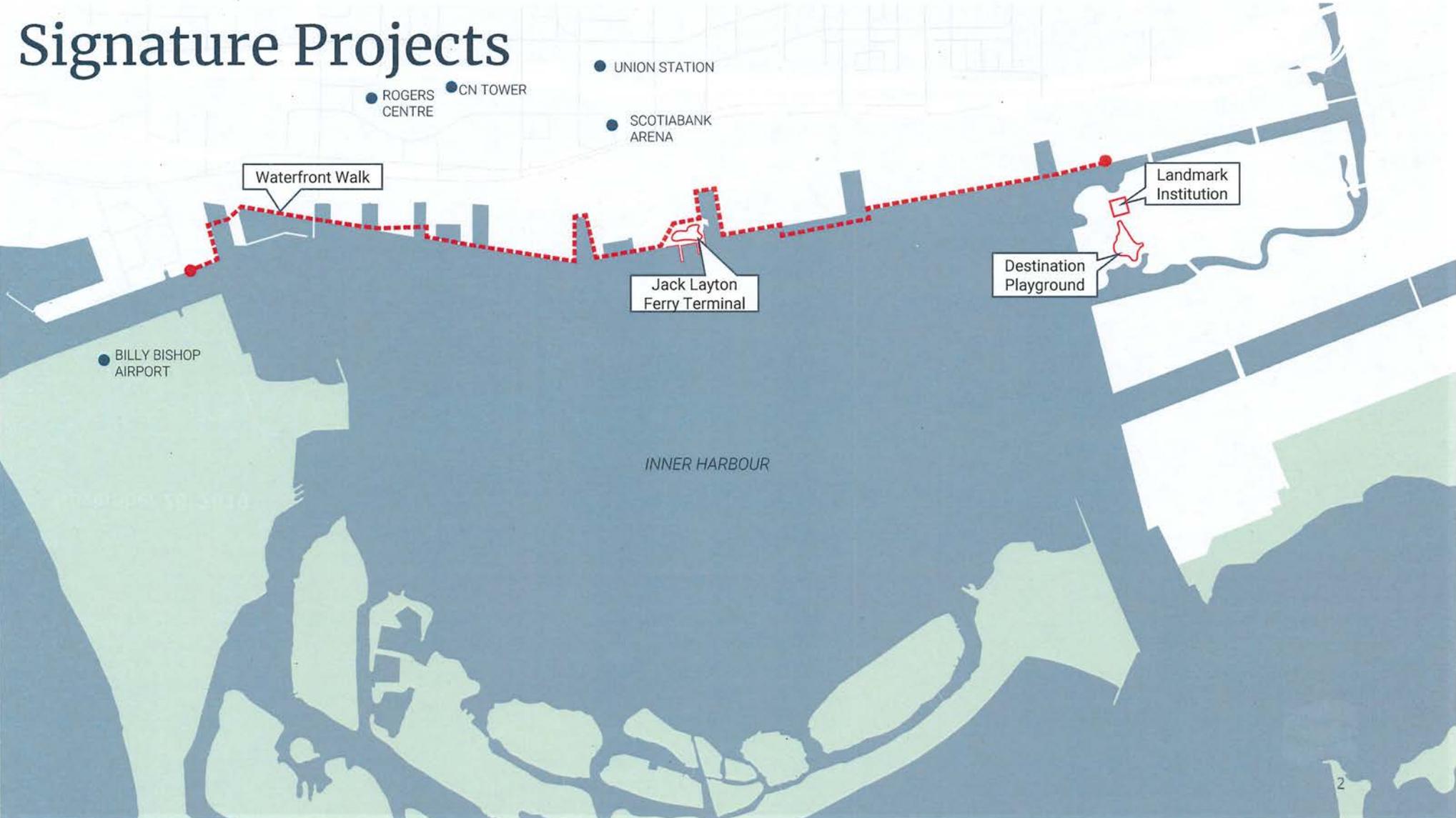
CONFIDENTIAL



November 28, 2019

Signature Projects

Signature Projects



● UNION STATION

● ROGERS CENTRE ● CN TOWER

● SCOTIABANK ARENA

Waterfront Walk

Landmark Institution

Destination Playground

Jack Layton Ferry Terminal

● BILLY BISHOP AIRPORT

INNER HARBOUR

Destination Playground

- A growing list of cities around the world have created immersive play environments for children, emphasizing movement, exploration and healthy risk-taking.
- A Destination Playground will be a unique addition to the network of public places in the Port Lands – a first-in-Canada free play space for residents and visitors, featuring leading-edge playground equipment design and nature play opportunities.
- The Destination Playground, proposed to be located at the western tip of the new Villiers Island, will be nearly two acres in size (the size of two football fields) making it the largest playground in Toronto.
- It will include distinct rooms tailored to children at different developmental stages, each with themes that represent the ecological and cultural heritage of the Don Valley and Southern Ontario region.



Gathering Place, Tulsa



Maggie Daley Park, Chicago

Status of the Destination Playground

- The RFQ was released in August and 5 proponents were shortlisted followed by the release of the RFP on September 12
- The first round of evaluations on the play equipment was held on October 21
- The procurement process is scheduled for completion by January 2020



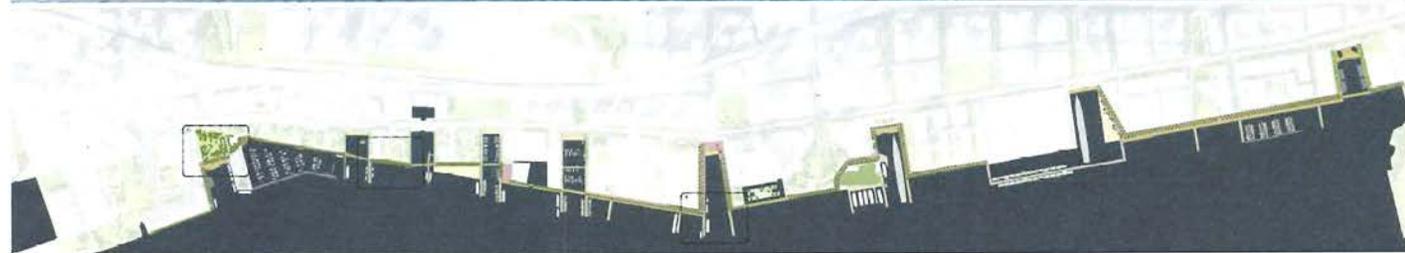
Waterfront Walk

- Waterfront Toronto has already dramatically expanded the number of places where people can move along the water's edge:
 - On playful structures like the WaveDecks at Queens Quay
 - On the 500 metres of new waterfront promenade we've built east of the Redpath factory
 - On the nearly six kilometres we've added to the Martin Goodman Trail
- The Waterfront Walk will be a 4-km water's edge walk from Portland Slip to Parliament Slip complete with 7 iconic timber pedestrian bridges

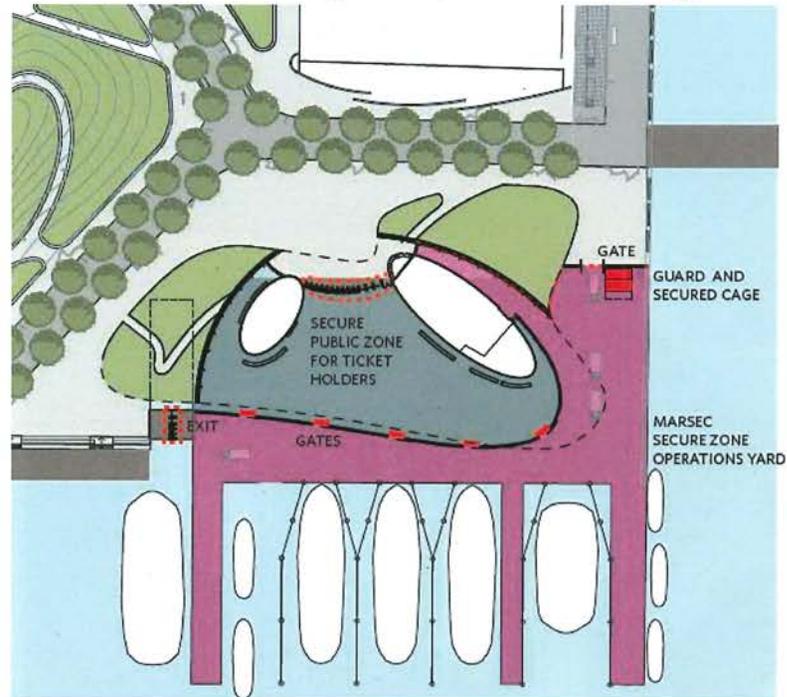


Status of the Waterfront Walk

- West 8 has been retained to advance the design of the Waterfront Walk
- Kick-off meeting with the design team was held on August 26
- Concept Design and costing are underway and will be complete by end of December 2019



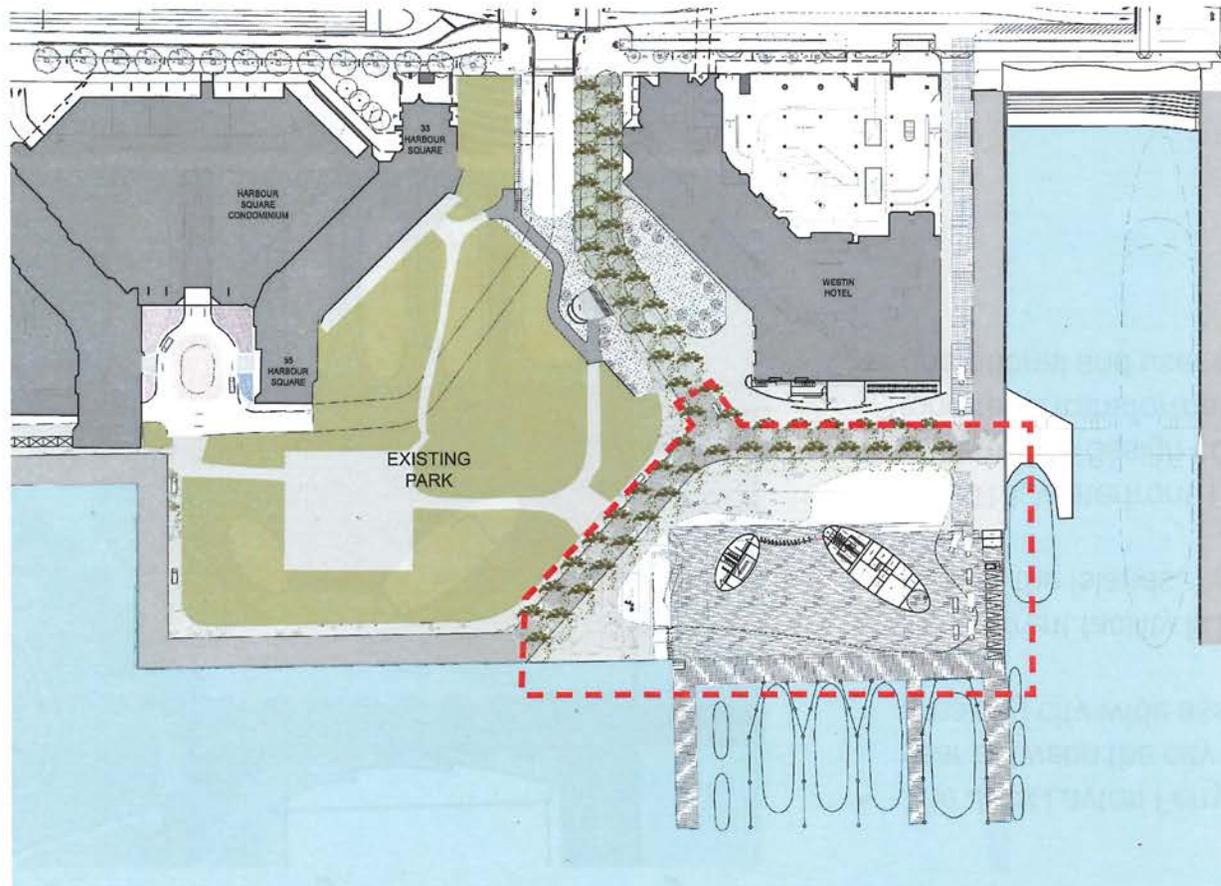
Jack Layton Ferry Terminal



- The Jack Layton Ferry Terminal moves over 1.5 million people per year between the city and the Toronto Islands; it is the gateway to an amazing city-wide asset.
- The current facility is increasingly stressed by the growing demand of trips to the Islands.
- In 2014, Waterfront Toronto, in collaboration with the City of Toronto, undertook a design competition to create an inspiring vision for the long-term transformation of the terminal facility that would resolve operational and user experience challenges.



Status of the Jack Layton Ferry Terminal



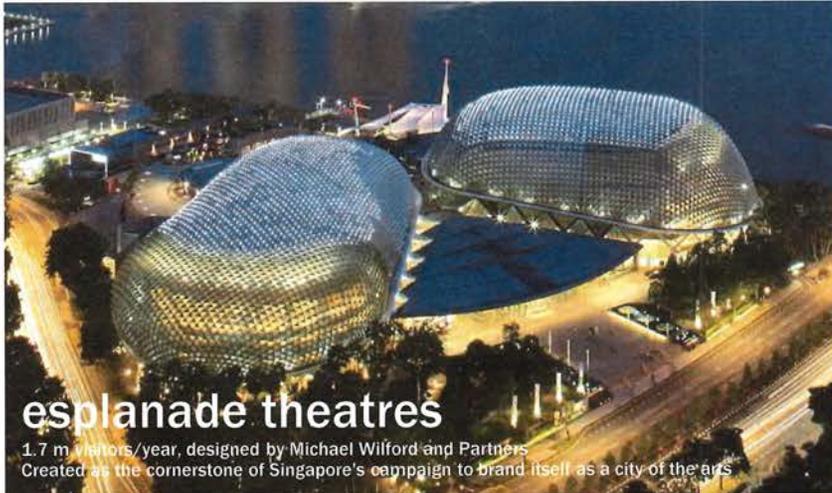
- KPMB will be retained to optimize the design of the Jack Layton Ferry Terminal pavilion and docks and plaza

Landmark Institution

- Exceptional waterfronts often feature cultural destinations that become icons of their cities.
- The best of these —the Sydney Opera House is a prime example—come to define their waterfronts, anchoring local economic and cultural activities while communicating a unique urban and national identity to the world.
- Several sites on Toronto's waterfront have the scale and prominence to house a magnetic gathering place, activate the surrounding public realm and catalyze new economic clusters.
- A Landmark Institution building could be linked to the surrounding waterfront by other iconic structures—such as bridges or other connective elements making important contributions to the dynamism and connectedness of the lands along the lake.



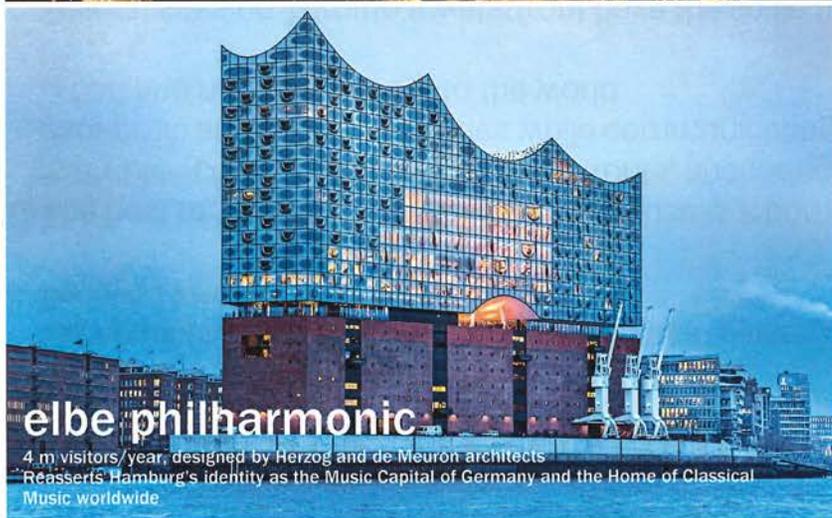
Precedents for a Landmark Institution



singapore

esplanade theatres

1.7 m visitors/year, designed by Michael Wilford and Partners
Created as the cornerstone of Singapore's campaign to brand itself as a city of the arts



hamburg

elbe philharmonic

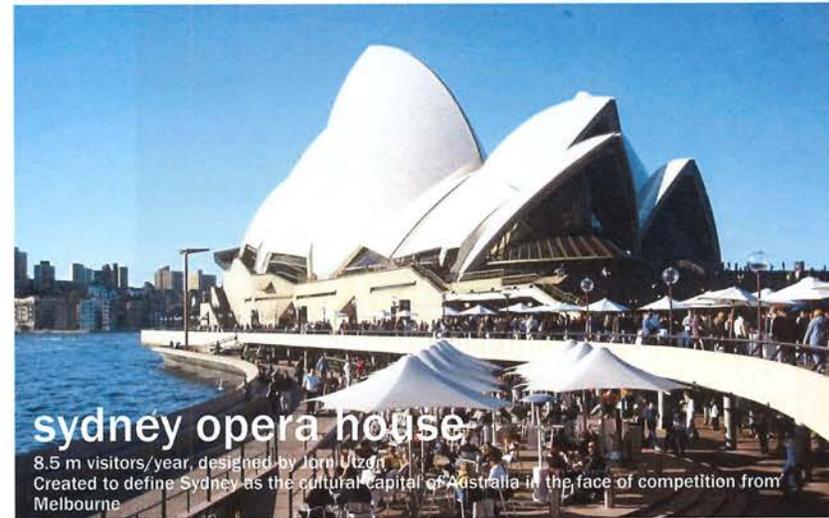
4 m visitors/year, designed by Herzog and de Meuron architects
Reasserts Hamburg's identity as the Music Capital of Germany and the Home of Classical Music worldwide



amsterdam

nemo science centre

650,000 visitors/year, designed by Renzo Piano
The NEMO science centre reflects Amsterdam's historic role as a centre of innovation in Europe



sydney

sydney opera house

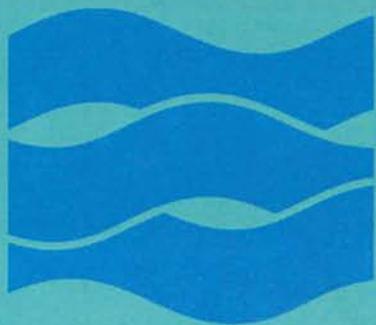
8.5 m visitors/year, designed by Jørn Utzon
Created to define Sydney as the cultural capital of Australia in the face of competition from Melbourne

Appendix 2 – Draft Campaign Strategy

CONFIDENTIAL

November 2019 / **Confidential**

Campaign Plan Inputs



WATERFRONTToronto

KCI
What's Next.

1 / Campaign Strategy.

2 / Appendices (under separate cover)



Readiness gaps.

The following are gaps in terms of Waterfront Toronto's readiness to launch a major campaign:

- The overall **campaign goal is very ambitious**, in line with large teaching hospitals and universities with a track record of securing major gifts and maintaining a sustainable fundraising program.
- The **prospect base of prospective donors is at a nascent stage**. It will take significant time to build the pipeline, as well as move prospects from interest to engagement to support.
- There is a **lack of a major gift history** or a fundraising history in any capacity. Waterfront Toronto will be operating in a highly crowded and competitive philanthropic sector, coupled with the increasingly high expectations of sophisticated and highly discerning donors and corporate partners.
- Waterfront Toronto does not have an **experienced fundraising team** that can quickly operationalize a plan for such an ambitious campaign.
- The campaign will require **senior volunteers of profile, influence and affluence** to open doors to major investments and build Waterfront Toronto's credibility in the philanthropic sector.
- Waterfront Toronto will need the **requisite processes, policies and procedures** to support active fundraising and stewardship.
- There is no **IT system** in place for donor or prospect management. This is an essential tool for planning, cultivation, and stewardship.
- Waterfront Toronto must **build its profile and brand** from a philanthropic and corporate sponsorship perspective. The organization may not be viewed as a charity in which one can invest. This situation is exacerbated by Waterfront Toronto's connection to the three levels of government and a perception that the organization is fully funded by public dollars.
- It will be critical to determine how Waterfront Toronto can **accept/manage philanthropic gifts**. Many interviewees were concerned about the long-term sustainability of the organization as well as any potential changes due to government.

Campaign Strategy: Layered Approach.

Objective: To utilize a sequenced, layered strategy that will enable Waterfront Toronto to build capacity with a more focused project and financial goal. This type of strategy:

- Gives Waterfront Toronto the requisite time to prepare and to build internal capacity for a major initiative
- Gives the fundraising team a more modest goal to focus on initially (Destination Playground), allowing time to expand and nourish the pipeline to the financial investment levels required for a \$400M campaign and simultaneously build its fundraising acumen and expertise
- Builds in more of a sense of urgency than focusing on a 10 year timeframe and goal at the outset
- Can assist with the successful enlistment of senior volunteer leadership if the campaign is presented in this phased manner (i.e. volunteers can see how they can make an impact in a particular area)

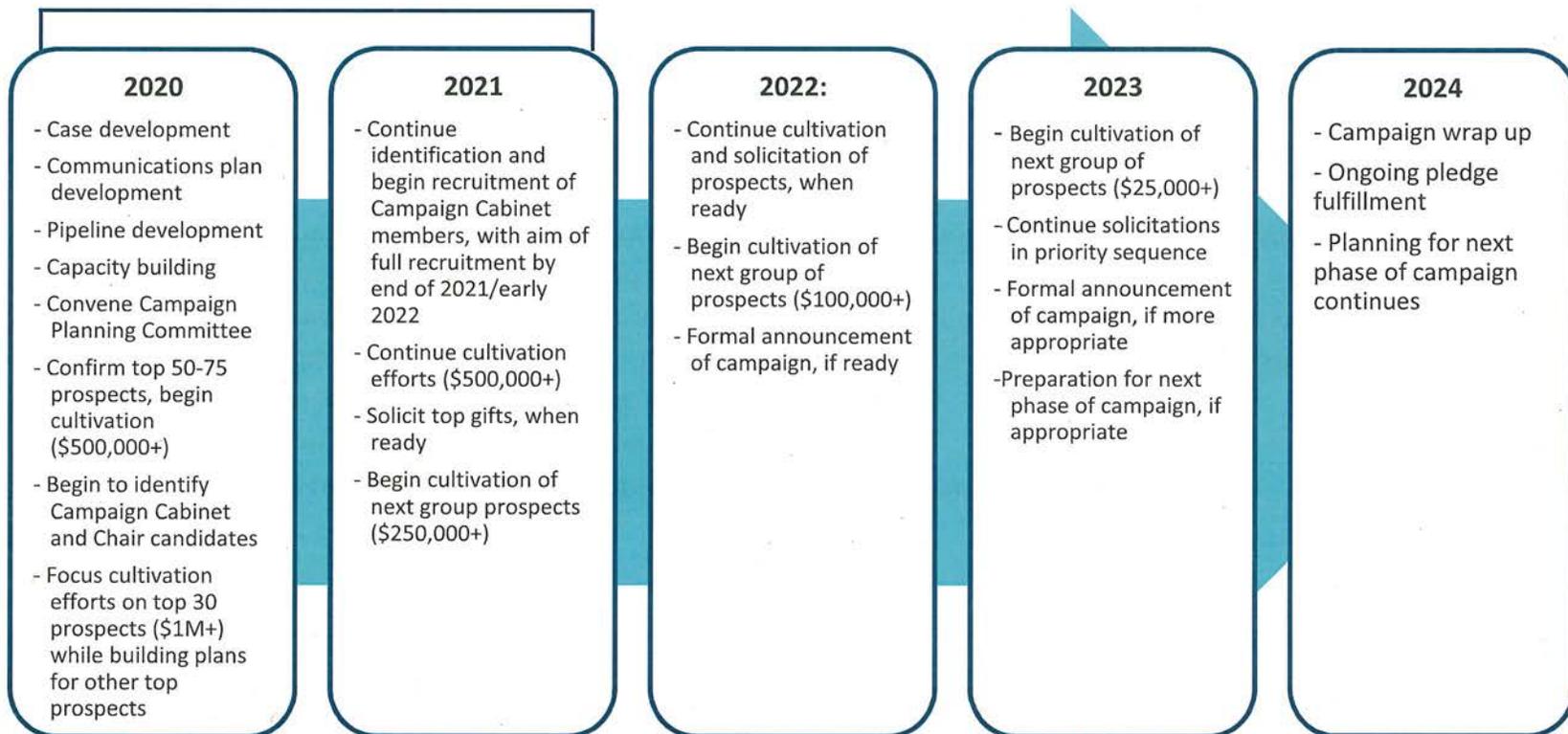
Action Steps:

- Establish Destination Playground as the first layer in the overall strategy and build a campaign plan around this initiative.
- Confirm the full cost of the project including the cost to raise funds. For the purposes of this report, KCI is using \$30M as a planning goal to be verified.

Campaign Strategy: Timeline.

Objective: To develop a campaign timeline that has the requisite focus on thorough planning. The timeline includes an initial “leverage phase”. The focus on this phase is on top prospects and seeking to secure the largest gifts to the campaign. However, it differs from the traditional “quiet phase” in that there is a public-facing component. Waterfront Toronto will “seed” stories about the plans through traditional and social media and can make strategic gift and volunteer leadership announcements, if appropriate.

Leverage Phase



Campaign Strategy: Pipeline Development.

Objective: To build a qualified pipeline of donors and corporate partners with the affinity to make a transformational investment in Waterfront Toronto.

Action Steps:

- Develop a research plan to guide pipeline building efforts. This would include:
 - Developing monthly targets for prospect identification
 - Researching and mapping relationships of key volunteers as recruited
 - Identifying charities with donor bases of potentially aligned supporters and reviewing top supporters
 - Researching corporate social responsibility policies and giving histories for potentially aligned businesses and partners
 - Ongoing news monitoring for donations and business updates
 - Strategic use of external resources and/or consultants at regular intervals to provide additional prospects and advice on approaches
- Build a full pipeline of approximately 500 prospects (TBD), with an initial, laser like focus on the top 50-75 prospects with the capacity to give a major gift and an affinity to the Destination Playground plans:
 - Determine if there are connections within the Waterfront Toronto community (e.g. current and former Board members, current/recent corporate partners)
 - Conduct proactive research to identify if there are prominent philanthropists, families, charitable foundations, organizations, and corporations with an affinity to the plans – it is important to note that in this type of project, corporations tend to make up a higher proportion of the funder base.
 - Conduct thorough qualification on potential prospects using a linkage, ability, interest exercise.
 - Develop a “culture of prospecting” to continually fortify the pipeline

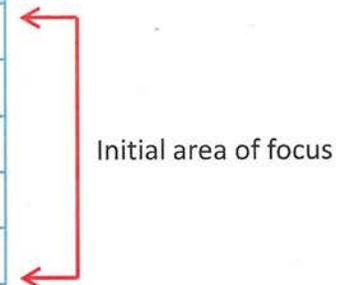
Campaign Strategy: Pipeline Development.

- Determine an appropriate ask amount for each prospect, initially based on research and giving history to other charitable organizations; the ask amount can then be honed based on conversations with the prospect.
- Determine a relationship manager (i.e. fundraising staff member) who will be responsible for managing the prospect.
- Develop a customized engagement plan for each prospect that is strategically tailored to their interests and needs. The importance of developing individual plans cannot be overstated. Plans must respond to particular prospects. They must also align with each prospect's impetus for giving, whether that is a sense of civic pride/city building, corporate citizenship, interest in child development, community engagement, etc.
- As part of the engagement plans, determine if there are opportunities for corporate partnership, e.g. a technology partner that provides all technology needs related to the project.

Campaign Strategy: Pipeline Development.

The chart of giving standards for the first layer of the campaign will be highly iterative, particularly in the planning stages. To begin planning efforts, outlined below is a chart for a \$30M campaign comprised of major gifts. This chart outlines the number and magnitude of gifts required to achieve this objective if Waterfront Toronto can secure a lead gift of \$10M. It also extrapolates the number of qualified prospects required, using the industry standard 1:5 ratio (for organizations that are new to fundraising and are creating a prospect base).

Gift Amount	# of Gifts	# of Prospects Required (5:1 ratio)
10,000,000	1	5
5,000,000	1	5
2,500,000	1	5
1,000,000	3	15
500,000	5	25
250,000	10	50
100,000	20	100
50,000	30	150
25,000	35	175
<i>Totals:</i>	<i>106</i>	<i>530</i>



Initial area of focus

Campaign Strategy: Iterations of the Chart.

This chart outlines the number and magnitude of gifts required to achieve a \$30M campaign goal if Waterfront Toronto secures a lower lead gift of \$5M. In this scenario, the balance of the chart is much heavier, resulting in a total of 885 prospects in the pipeline. Throughout the campaign planning phase, as the pipeline expands and cultivation efforts begin, Waterfront Toronto will develop various versions of the chart of giving standards.

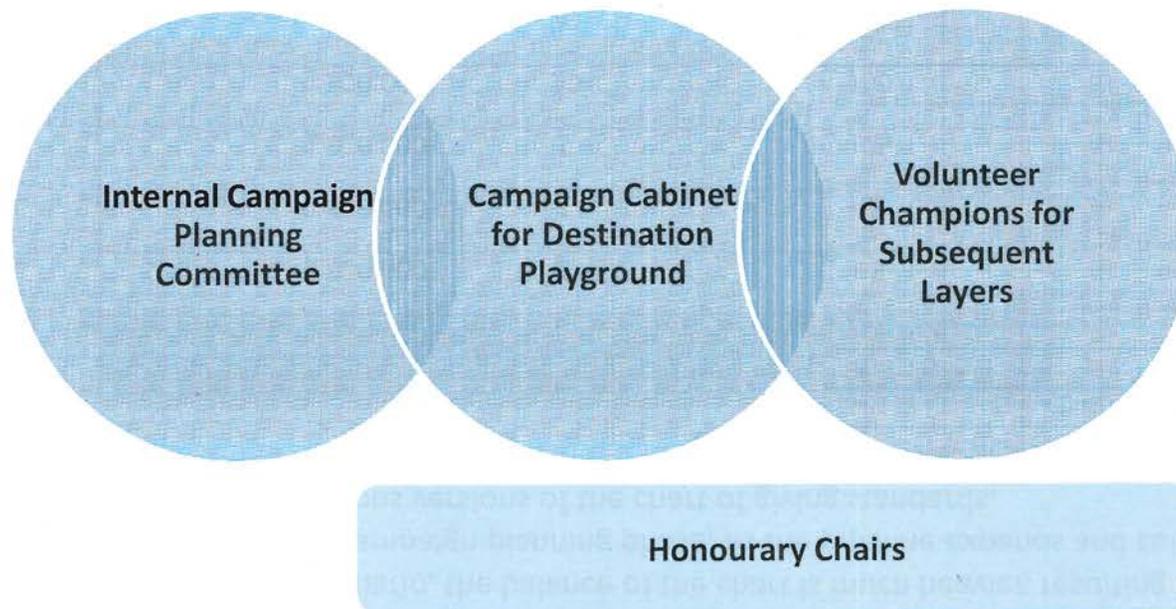
Gift Amount	# of Gifts	# of Prospects (5:1 ratio)
5,000,000	1	5
2,500,000	1	5
1,000,000	5	25
500,000	10	50
250,000	20	100
100,000	30	150
50,000	50	250
25,000	60	300
<i>Totals:</i>	<i>177</i>	<i>885</i>

Campaign Strategy: Volunteer Leaders.

Objective: To recruit prominent, influential volunteer leaders who will champion the plans and actively secure major gifts and corporate partnerships.

Action Steps:

- Implement a phased approach to volunteer leadership as outlined below. This type of structure enables Waterfront Toronto to focus first on securing a core of champions for Destination Playground while at the same time building connections with volunteers who can take on a role in latter phases of the campaign.



Campaign Strategy: Volunteer Leaders.

- Convene an internal Campaign Planning Committee that will be responsible for moving preparations forward. This will include key members of the Waterfront Toronto senior leadership team as well as select Board members with the knowledge and skill to support planning efforts (i.e. case development, prospect identification, resourcing).
- Identify and eventually enlist a prominent Campaign Chair or Co- Chair who will bring significant profile and influence to the campaign. The Chair(s) must be able to speak knowledgeably about the plans for Destination Playground, bring added credibility to the plans, encourage other prominent leaders to play a role in the campaign, and give a significant gift.
- Recruit a focused Campaign Cabinet that will be responsible for securing major gifts for the first layer of the campaign. The group could include 8-10 members who have the following profile:
 - Passion for the vision of Destination Playground and Waterfront Toronto
 - Influence and connections among high net worth individuals, corporations and other potential major funders
 - Recognizable community leaders who bring added credibility to Waterfront Toronto
 - Drive to play an active fundraising role
 - Willingness to lend their name to campaign/Waterfront Toronto communications
 - Willingness to financially support the campaign to the best of their ability

Campaign Strategy: Volunteer Leaders.

- Identify and recruit individuals who can act in an honorary capacity. Honorary Chairs can be recruited to play a focused role and to add credibility to the campaign. One potential consideration is to have the Mayor participate in this capacity. Honorary Chairs can be an effective recruitment tool for senior volunteers who do not seek a formal and time intensive role. Involvement can include one or more of the following activities:
 - Lending their name to campaign communications
 - Participation at campaign events
 - Hosting an event
 - Introducing Waterfront Toronto to a set number of prospects (e.g. 2-3)
- Develop individual engagement plans for each member in partnership with senior fundraising staff. This will include their specific role as well as support from a dedicated staff member, including any necessary coaching and training. Responsibilities should include:
 - Acting as ambassadors and advocates for Waterfront Toronto
 - Identifying and participating in cultivation calls with a specific number of prospects
- Identify aspirational candidates who can play a role in subsequent phases of the campaign. Eventually build engagement plans for each.
- Identify champions who can play an ongoing volunteer role with Waterfront Toronto after the close of the first layer of the campaign (e.g. they could help transition into the second phase or they could act in an honorary capacity for latter phases).

Campaign Strategy: Communications.

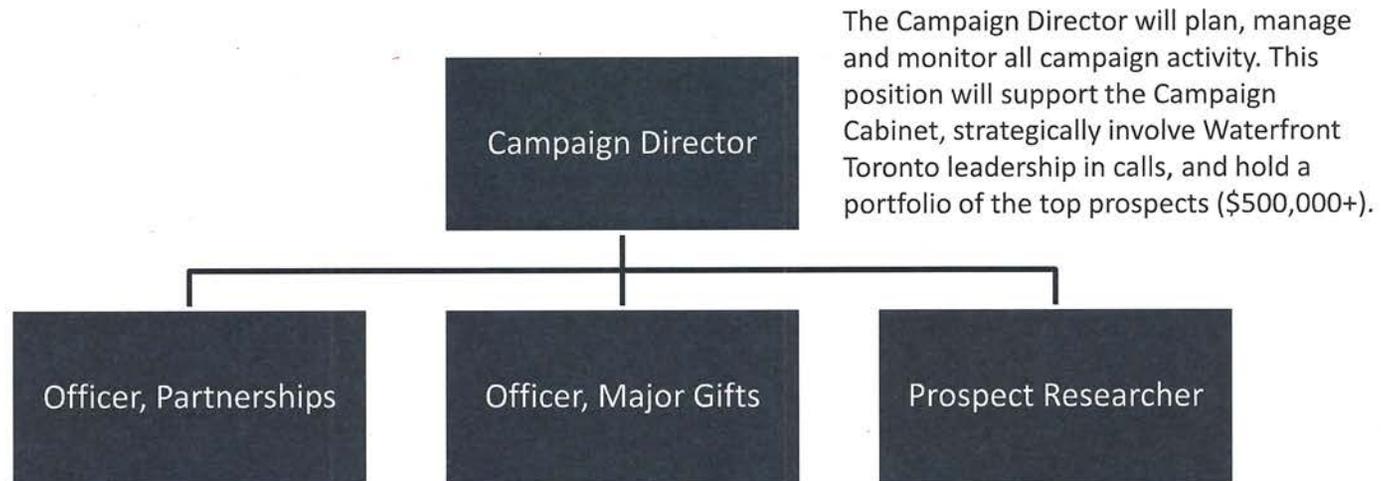
Objective: To create a visionary case and supporting communications that attract major investments and positions Waterfront Toronto as an unparalleled civic asset worthy of charitable funds/corporate partnerships. This should be a strategic extension of the current Waterfront Toronto brand.

Action Steps:

- Create a case for support that relays:
 - How Destination Playground will become a vital community asset and the largest playground in the city for kids of all ages and abilities
 - How the playground will contribute to healthier, active lives by promoting interaction with the natural surroundings
 - The impact of the playground in terms of civic engagement, community building, healthy children and families, etc.
 - Why this is the first major focus for Waterfront Toronto in terms of its philanthropic activity
 - Competitive positioning for Waterfront Toronto as an asset worthy of charitable investment and corporate partnership
 - How this project is part of an overall vision that will transform Toronto and make it an even more vibrant, connected, and liveable city
 - Clarity on how Waterfront Toronto is funded and why philanthropic/partnership investment is required
 - How ongoing maintenance will be handled; this was a particularly important point for interviewees
- Develop a campaign communications plan with a two-pronged strategy: 1. Communications that focus on engaging major donors and corporate partners, including proposals and a corporate benefits package; 2. At the same time, strategic communications can build public profile for Waterfront Toronto's vision and plans.

Campaign Strategy: Resources.

Objective: To recruit a fundraising team to ensure campaign activities are well coordinated, executed and monitored. Outlined below are the key resources to consider along with an outline of their responsibilities. It will also be critical for Waterfront Toronto to have resources dedicated to communications and administrative support t for campaign activity.



The Officer, Partnerships will be responsible for identifying, qualifying, cultivation and soliciting corporate partnerships/sponsorships. This will include developing corporate benefits and recognition opportunities.

The Officer, Major Gifts will have a full portfolio of prospects (i.e. 100) where they will be responsible for qualification, cultivation, and solicitation with the support of Waterfront Toronto leadership and/or Campaign Cabinet members. This position will also support the Campaign Director's efforts.

The Prospect Researcher will be responsible for building and qualifying the pipeline with the support of the full fundraising team. This position will also support cultivation efforts by providing briefing notes and other relevant information.

Campaign Strategy: Policies, Procedures.

Objective: To establish the appropriate policies and procedures to support campaign activity.

Action Steps:

- Establish the following policies and procedures:
 - Gift acceptance policy
 - Gift agreement template
 - Naming and recognition policy, with the agreement of the City of Toronto
 - Corporate benefits package, with the agreement of the City of Toronto where necessary
 - Campaign Cabinet terms of reference
 - Campaign Chairs terms of reference
 - Conflict of interest policy
- Determine an appropriate database to capture donor and partner data
- One of the most important considerations is how Waterfront Toronto will accept/process donations. With Waterfront Toronto's overall mandate coming to an end in five years (with the option of renewal, of course), as well as potential changes in political leadership, it will be critical for donors to know that their contributions will not be allocated to another project or priority. Donors will seek assurances that their contribution will be utilized as intended. There are a number of options to consider, including establishing a trust account. Regardless, clarity around this issue must be determined in the campaign's first year.

Campaign Strategy: Campaign Launch.

A key consideration for campaign timing is when to launch the campaign. For preliminary planning purposes, Waterfront Toronto can use late 2022 as a placeholder for the formal campaign launch. Outlined below are considerations:

- Taking a phased or graduated approach to the launch is becoming increasingly commonplace among campaigns in all sectors. A phased approach sees a number of announcements that lead up to the official launch, almost like “teasers” that serve to stimulate interest, create buzz and build momentum that culminates in the actual launch event itself. Announcements can include major, transformational investments as well as volunteer leadership. The launch event is then the opportunity to celebrate/recognize all early gifts, as well as introduce the campaign’s identity (brand, theme) to the wider public.
- Best practice is to think of the launch as a separate campaign “project”, with its own project manager and project team.
- Campaigns tend to launch when between 60-80% of the campaign goal has been realized via donations and pledges. As the pipeline gains clarity, Waterfront Toronto can determine the right time to launch.

Campaign Strategy: Campaign Launch.

Rather than an event, the public launch should be thought of as a strategic lever to be used to its full advantage in advancing the campaign. Beyond “taking the campaign public”, the launch also has multiple strategic objectives:

- Providing fuel to the internal energy and momentum that has been created around the campaign in the planning phase – creating excitement that will help to sustain the campaign over the next few years.
- Mobilizing volunteers to get assigned calls completed before a launch; this way volunteers truly feel ownership. Even if only opening doors, they can take some credit thus far.
- Celebrating financial achievements and successes to date and stewarding/recognizing those who have been early donors.
- Fostering pride in Waterfront Toronto among donors, internal stakeholders, and campaign volunteers and reinforcing its position as a community asset worthy of investment.
- Acting as a catalyst to foster giving at lower levels.
- Recognizing donors and volunteers to inspire others to become involved with the campaign.

Campaign Strategy: Launch Readiness Checklist.

The following elements should ideally be in place/completed prior to launch in order to maximize the launch as a strategic lever:

- The vision and priorities have had external validation and select external socialization (i.e. via transformational donors).
- Those closest to Waterfront Toronto (institutional leadership, volunteer leadership, key donors) are willing/able to stand behind the campaign and share key messages.
- Prominent, influential Campaign Chairs have been recruited as well as most of the Cabinet.
- All key donors, friends and stakeholders have been consulted and discussions regarding their involvement are well advanced. There is significantly more “cachet” and weight to conversations that occur in the leverage phase. There is a significant risk of offense if key friends are only spoken to after the launch.
- Significant gifts have been previously announced demonstrating that Waterfront Toronto is worthy of significant investment.
- The prospect pipeline is in a position to be able to capitalize on the momentum generated by the launch. It is critical to have in queue other significant gifts that can be announced as well as prospects that are ready to be asked for their gifts in the six months that follow the launch.
- The campaign identity, brand and key messages have been determined and socialized internally and all major collateral and communications tools have been produced and are ready to “go live”.
- 60% - 80% of the campaign’s financial goal has been secured. This level can be less if circumstances are warranted (i.e. need to create awareness). Waterfront Toronto institutional leadership and fundraising staff will determine the right percentage at which to launch, after work has been undertaken to build the pipeline and full cultivation efforts are underway.