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February 26, 2020

Dr. Michael Geist
Chair, Digital Strategy Advisory Panel
20 Bay St, Suite 1310
Toronto, ON
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Dear Dr. Geist,

We wish to once again thank the members of the Digital Strategy Advisory Panel for their ongoing advice to Waterfront Toronto. The Panel's Supplementary Report builds on their earlier analysis of the Draft MIDP and considers the *Digital Innovation Appendix (DIA)* that was submitted by Sidewalk Labs in November 2019.

We are encouraged by the comments from the Panel that recognize Sidewalk Labs' responsiveness to the Panel's earlier report through the provision of additional details in the DIA, including the comprehensive list of proposed Digitally Enabled Services.

The Panel makes a number of key points in their report, many of which support areas which Waterfront Toronto was actively working to address even prior to the receipt of the report. In addition, there are several areas that the Panel commented on that we will be exploring in greater detail with them.

Subject Matter Expertise Evaluation

The Panel expressed some hesitation in commenting on specific digitally enabled solutions until such time as relevant subject matter experts have reviewed the solutions and identified potential benefits and risks.

Waterfront Toronto has shared the outcomes of its technical evaluation of the MIDP with the public. We will be presenting these formally to the Panel at the March meeting so that the panel can provide us with their advice. Should the proposed project be approved by Waterfront Toronto's Board and move to an implementation phase, additional assessments will be conducted on specific solutions that are proposed for use.

The technical evaluation yielded a recognition that approximately 90% of the proposed innovations are worth advancing and aligned with Waterfront Toronto's public policy objectives. It is worth noting that nearly 2/3 of those were classified as proposals for which Waterfront

Toronto supported inclusion, but only where responsibility for funding and delivery rests with the private sector. Of the 10% that we suggested for revised approaches, none of these were digital proposals.

Waterfront Toronto Capacity

In the course of the evaluation process, based on the work completed by Waterfront Toronto and its expert team, the Evaluation Committee has made clear that they feel Waterfront Toronto is properly equipped to evaluate and negotiate with a party like Sidewalk Labs. As Sheldon Levy said, “To the questions that were put to us – is Waterfront Toronto prepared for negotiations, does Waterfront Toronto fully understand the issues, and does Waterfront Toronto understand the relative importance of the issues – in my opinion, the answer to all three is yes.” This was support by all six Evaluation Committee members.

As we continue to explore the potential for a project on Quayside with Sidewalk Labs, we would welcome recommendations from the panel regarding specific additional expertise or resources that they feel would improve our ability to perform our work should we move into an implementation phase.

Digital Governance Framework

It is important to note that, while Waterfront Toronto has clarified its responsibility as the project lead for digital governance, we are committed to working closely with our government stakeholders. Waterfront Toronto has developed Draft Digital Principles and is creating Intelligent Community Guidelines to ensure ethical standards are upheld as the project progresses. These measures strive to raise the bar on the ethical integration of technology into city-building, in the same manner as Waterfront Toronto has done in the past with its Minimum Green Building Standards that raised the bar on sustainability.

It is important to recognize that the City of Toronto is actively working on its Digital Infrastructure Plan, the Province on its Data Strategy, and the Government of Canada on PIPEDA and a Digital Charter. All of these initiatives give us confidence that Toronto, Ontario and Canada are not only well-equipped for a project like this, but in fact can be a valuable global model for ensuring ethical use of technology in cities.

The panel suggests that a “fully realized digital governance framework” must be in place for Waterfront Toronto to appropriately evaluate the Quayside proposal. We accept the benefit of an enhanced governance framework, but we believe we currently do not have a policy void, but rather an evolving policy frontier.

Neither the Intelligent Community Guidelines nor any of the mentioned government processes will *lessen* privacy protections. As such, we suggest that the Panel consider reviewing digital solutions based on the existing governance framework, noting that such an effort can help to identify any areas that can be further enhanced.

Looking Forward

As a result of the October 31, 2019 resolution of threshold issues, in addition to Waterfront Toronto acting as project lead for privacy and digital governance aspects of the project, we are also responsible for the planning, design and delivery of municipal infrastructure. Therefore, as is the case other neighbourhoods in Toronto, all streets and parks would be publicly owned and

operated by the City with the municipality responsible for decisions regarding any potential data collection in this space. Moreover, it is important to understand the overall timeline for the Quayside project. Construction will likely not begin any earlier than 2023, with first occupancy on Quayside not likely to occur prior to July 2025. In the interim there will be extensive opportunities for ongoing government and public input on the project, including its digital components, should it proceed.

Accessibility

One of the issues the Panel draws attention to is accessibility. We at Waterfront Toronto agree that this is of the utmost importance, and it is something further considered in the Evaluation Committee Report. We are aware of the engagement Sidewalk Labs has done in this area, and their commitment to exceed AODA regulations and protect against algorithmic bias. However, we would be pleased to work with the Panel to identify appropriate mechanisms by which Waterfront Toronto and Sidewalk Labs' commitments to accessibility can be put into practice.

Partnership

We welcome robust debate and input from all perspectives and will share this information with our Board of Directors, who is responsible for considering the overall partnership. It is important however, to recognize that the perspective presented in Appendix D is an independent viewpoint and is not endorsed by Waterfront Toronto. From the beginning, we have been conducting a thorough assessment of Sidewalk Labs as a partner, including their connection to Alphabet and, while we recognize the concerns raised, we believe that, where necessary, appropriate mitigations can be put in place. As we have noted, this is an ongoing area of review and due diligence and includes undertaking a Preliminary Human Rights Impact Assessment.

Once again, we would like to thank the panel for their ongoing contributions and look forward to continuing to work with the panel on Quayside and other digital initiatives in the waterfront.

Sincerely,

A handwritten signature in blue ink that reads "Kristina Verner". The signature is written in a cursive, flowing style.

Kristina Verner
Vice President, Innovation, Sustainability, and Prosperity
Waterfront Toronto