



2020-21 TLC Annual Plan

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Who We Are and What We Do

The Toronto Lands Corporation was established in April 2008 on the basis of a Shareholder's Direction, a legal document under the Ontario Business Corporation Act which outlines the accountability relationship between the TDSB, as the sole Shareholder, and the TLC, as its subsidiary corporation. The Shareholder's Direction also established a framework that recognized both the independence of the TLC as governed by an independent board of directors comprised of 6 Citizens and 4 Trustees, and allowed the Corporation to act as Agent of the TDSB.

In its first five years of operation, TLC's mandate was to improve the quality of education for students in schools operated by TDSB by maximizing revenue and value to the TDSB through the management, and in some cases, redevelopment and/or sale of properties no longer required by the TDSB which resulted in TLC managing an initial real estate portfolio comprised of a group of 97 non-operational sites, transferred to the TLC for oversight and actioning in accordance with TDSB direction.

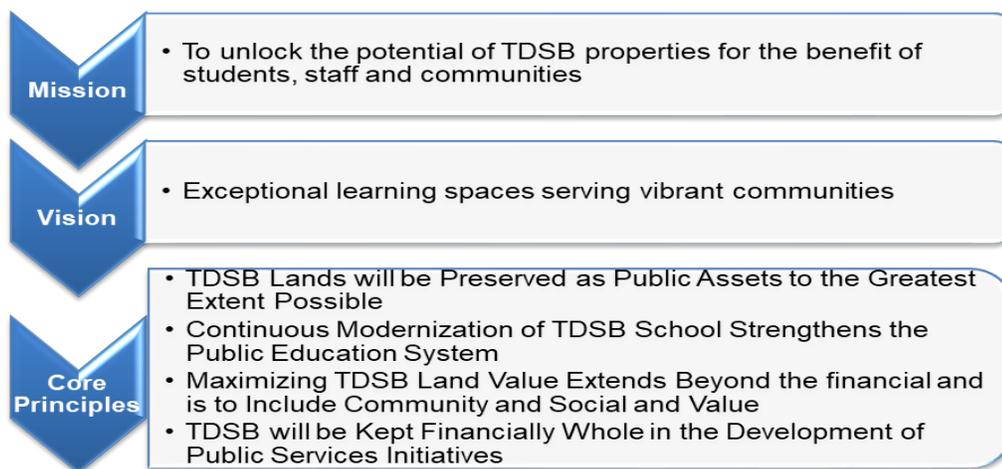
The initial portfolio included:

- closed schools leased to a third parties,
- closed schools that are vacant,
- Bill 30 schools under perpetual lease terms with the Toronto Catholic District School Board (TCDSB)
- vacant land sites, and
- TDSB administration or plant operations sites.

Upon the completion of a third party review of TLC in 2017, the following March, the TDSB approved an expanded mandate for TLC. Under the new mandate, TLC was given the authority to act as the exclusive real estate, leasing and land use planning agent for all 600 properties in the TDSB portfolio. This authority effectively broadened the scope of TLC's operations to manage all TDSB's real estate and property interests and undertake strategic opportunities for innovative redevelopment initiatives, community planning and partnerships, community hubs opportunities, schools in mixed-use developments, identifying site redevelopment projects and reviewing proposals, school modernization strategies and other responsibilities as directed by the TDSB.

With a newly approved mission to unlock the potential of TDSB properties for the benefit of students, staff and communities, TLC has gone on to foster key industry relationships, earn recognition and trust within the development and real-estate community, forge important contacts at City Hall and positioned the TLC as a key player and innovator seeking to maximize unique opportunities on publicly owned lands.

Guided by TDSB's Multi Year Strategic Plan, the TLC Board of Directors and the TDSB Board of Trustees approved a strategic framework and strategic direction that includes a new mission, vision, set of core principles and strategic goals and objectives to guide the work of the corporation.



Real Estate & Leasing

The expanded Real Estate function at TLC involves the professional management and stewardship of, and expert industry advice on, all matters pertaining to the TDSB's real estate holdings to protect TDSB's real estate assets. This work includes property acquisitions, dispositions, land exchanges, long term ground leases, joint ventures, expropriations, property redevelopment, shared use agreements and the temporary use of TDSB land agreements.

The value and purpose of this experienced and dedicated real estate function includes:

- Strategic management of the real estate portfolio
- Development of opportunities in support of student learning
- The creation of financial benefits that support the TDSB Capital Program
- Protecting the TDSB's legal interest in all transactions
- Mitigating liability
- Collaboration with private and other public agencies on potential development projects
- Expert advice on all portfolio property values

The expanded Leasing function at TLC is responsible for the management of terms and conditions of contractual agreements and the granting of rights to a group or business to access TDSB available space guided by provincial legislation and TDSB Policy. TLC also has responsibility for negotiating and securing agreements for TDSB programs in third party properties on behalf of the Office of Community, Business and Student Transportation Services. The TLC leasing portfolio consists of more than 600 leases providing access to approximately 3000 classroom spaces, 5M square feet of leased space generating more than \$24M in gross revenues represented by such agreements relating to:

- Full Day Child Care Programs
- Before and After School Programs
- Community Leasing and Partnership Agreements in Operating Schools
- Global City Use Agreements - Pools and Community Centres
- Core holding Properties
- Joint Occupancy and other Board Agreements

Land Use Planning

The new Land Use Planning team at TLC provides effective leadership and is responsible for all land use planning matters, including but not limited to development reviews, reviews of municipal and provincial planning initiatives, site plan approval process for new school renovations and additions, managing Local Planning Appeal Tribunal (LPAT) files and participating in community outreach and public consultations with the goal of securing the physical, economic and social health and well-being of TDSB properties.

The value and purpose of this land use planning expertise includes:

- The ability to produce development review guidelines that minimizes adverse impacts from development near school sites
- The proficiency to review nearly 300 annual development applications
- Securing party status and mediating on multiple Local Planning Authority Tribunal (LPAT) files

- Assisting TDSB in reducing site plan requirements on capital projects
- Active involvement in city and or provincial land use planning studies
- Developing detailed Q's and A's to address concerns for development intense areas such as Midtown and High Park;
- Develop land use planning strategies to address school accommodation pressures in key areas of Toronto
- Securing "hold" options for new school locations within developing City planning areas
- Responding to changes in provincial policy and legislation

Year 1 – Expanded Mandate: 2018-19

In September 2018 TDSB began the transfer of roles and responsibilities to TLC. During the early stage of this transition, TLC balanced existing operations along with building a knowledge base around all new TDSB files, data collection and retrieval systems, and policy and procedures, Re-organizing the structure and staff complement to lead our new business operations

Throughout 2018-19 a significant amount of time and effort was required to create a corporate culture and begin developing a new identity. Through this process, TLC continued to make advances on existing projects and take advantage of new opportunities. In particular, TLC remained steadfast on the multi-million dollar redevelopment projects at Bloor-Dufferin, Lawrence-Midland and the Davisville sites. Utilizing innovative approaches toward leveraging public assets, these redevelopment projects provided TLC with the experience and knowledge that has become foundational to TLC's school modernization strategy. These three initiatives alone provided the following benefits:

- Approximately \$200M in revenues to TDSB while retaining school board lands for the construction and operation of three new schools accommodating more than 3,000 Jk-12 students.
- Generated more than \$1B dollars in economic benefit to the City of Toronto and Province of Ontario.
- TDSB students will be provided free swimming pool access 4hrs/day for 49 years.
- Construction of two community hubs and day-care facilities for community access.

2018-19 Achievements include:

- Generated \$80.1M in total disposition revenues in support of TDSB's capital program
- Investing and managing \$1M of leasing revenue into maintaining TDSB core holding facilities
- Created a positive and professional corporate image that formed a part of retaining and building staff capacity
- Undertook data mining for the identification, assembly and consolidation of TDSB's dispersed leasing portfolio
- Began eliminating duplication of effort and streamlining operations
- Began to reposition the TLC brand by actively reaching out to introduce our new role and responsibilities and establish key and meaningful relationships with City of Toronto divisions responsible for child care, parks and recreation, housing and planning alongside city agencies including CreateTO
- Established a TLC presence and created dialog with the development community providing for a new level of education and understanding of TDSB as a new active partner in the planning and real-estate process

Year 2 – Expanded Mandate: 2019-20:

In TLC's second year of operations under its expanded mandate, the organization remained focussed on achievements that were in the best interest of the TDSB, its students, staff and communities. TLC became the first point of contact and manager for all enquiries and legal transactions regarding the availability of, or access to, any of the TDSB's inventory of properties for the purposes of disposition, leasing, land use planning, real estate partnerships or any public infrastructure or equity proposals. Within this new structure and a first full year of operational experience, TLC has the lead on site acquisitions, assisting with site plan approval processes through the city, agreements within redevelopment projects and land use expropriation proceedings.

2019-20 Achievements include:

- produced an additional \$45M in disposition revenues in support of TDSB's capital program
- Invested \$1M of leasing revenue into maintaining TDSB core holding facilities
- Provided expert Planning commentary on behalf of TDSB regarding new provincial legislation and development policies
- Provided written response to the City of Toronto's Planning division on more than 180 development applications having direct and indirect impact on TDSB sites
- Partnered with the City of Toronto on numerous public consultations in support of student accommodation, safety and community interest in school board lands
- The TLC Board, in support of TDSB's broadened planning and real-estate mandate added industry leading expertise through the appointment of two new citizen directors

Building for Tomorrow

Since the school construction boom of the 1950's and 60's, student demographics and provincial educational policy have dramatically changed. The introduction of open access funding in the 1980's, the elimination of OAC (Grade 13) in 2003 and the significant overall decline in the number of school age children, have combined to create the current and projected excess school capacity of approximately 50,000 pupil places. Today, the average age of TDSB school facilities is approximately 65 years. These facilities, with a history of exceptionally heavy use, require significant attention to address their repair and maintenance needs. Given competing demands within provincial and school board budgets this required capital investment has fallen behind. The estimated outstanding repair backlog within TDSB schools continues to escalate and will soon reach \$4B and is forecasted to exceed \$5B within the next 5 years.

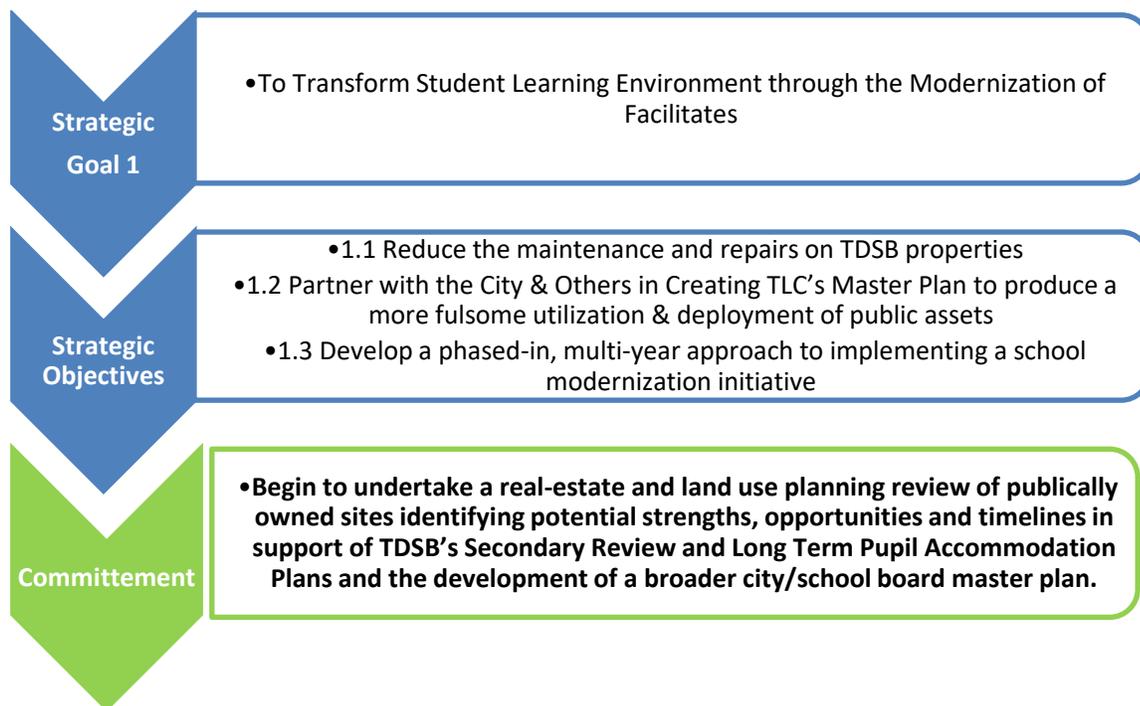
In 2014, TDSB developed and received approval for a *Long Term Program & Accommodation Strategy (LTPAS)* to address pupil accommodation changes, and a methodology to balance enrolment and program needs with capacity across the school system. Recently, TDSB additionally introduced a Secondary Program Review Plan which focuses on student program needs and the positioning of secondary school facilities. In accordance with TDSB's Multi Year Strategic Plan, TLC will continue to use the opportunity provided by its expanded mandate to align its modernization strategy with the LTPAP and the Secondary School Review Plan. Over its 8 to 10 year period, the Secondary Review Plan will provide for a comprehensive evaluation of student trends, program needs and a re-envisioning of the TDSB network of schools in order to inform and complement the LTPAP. In support of both plans, TLC will work to assess emerging real estate, land use planning and partnership trends and opportunities to assist with TDSB's right-sizing of future school sites and buildings.

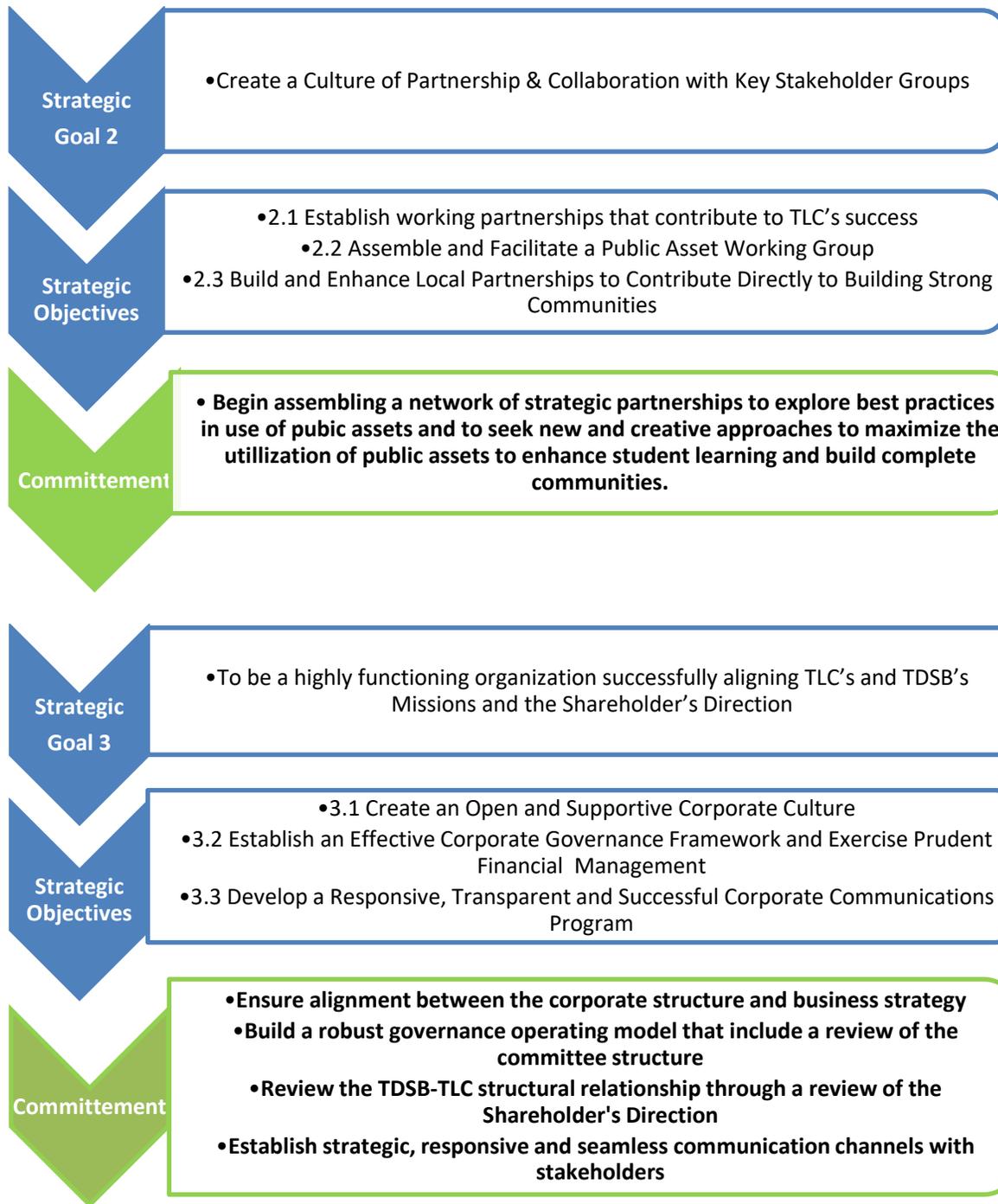
Last year, TLC introduced ***Building for Tomorrow***, a theme that outlined an innovative approach to making a difference for TDSB in public asset management. TDSB’s Multi Year Strategic Plan identifies how it will transform student learning, create a culture of well-being, provide access to learning opportunities, and how it will allocate human and financial resources strategically to support student needs and build strong partnerships within school communities to support student learning. In the broadest sense, the cornerstone of TLC’s strategic direction is a modernization of TDSB’s aging school buildings. This modernization strategy specifically supports, contributes to and addresses those identified TDSB students success priorities through a real estate and land use planning lens. In 2020-2021 TLC’s business plan includes exploring other opportunities that support TDSB in the renewal of its facilities by reviewing non-instructional (former schools and vacant land) and administrative sites to identify real estate and land use planning potential that create value added outcomes.

School buildings and properties are valuable community assets, which TLC is committed to managing and strengthening in a way that supports students, staff and their school communities. In 2020-21, TLC will begin to advance its modernization strategy and align its work with TDSB’s LTPAS and Secondary Program review priorities by amassing and filtering data with the aim of gathering insight and actionable real estate and land use planning opportunities for TDSB’s consideration. Looking ahead, the impact of Covid-19 on the Province, City and School Board may present some unique opportunities to bring our partners together to explore new directions to collectively address an emerging new order.

2020-21 Business Plan Commitments

The approved strategic goals and objectives are supported by annual business *commitments* for 2020-21. An internal work plan will advance the business plan commitments and will also include Key Performance Indicators (KPIs) that will be presented to the TLC Board in the fall of 2020 for approval. The approved performance indicators will serve to monitor TLC’s progress on its commitments and ensure alignment with the Shareholder’s Direction and TDSB’s strategic planning.





Financial Plan

During 12 years of operation, the TLC has consistently generated strong financial returns to TDSB for reinvestment into TDSB’s capital program.

TLC’s 2020-2021 budget is representative of TDSB’s broaden mandate and no longer reflective of TLC’s former operations or outcomes. TLC has moved from a model of revenue maximization applied to a limited portfolio of closed school facilities to now strategically managing all real estate and City land use planning matters from a value added perspective. This represents a significant change in philosophy with emphasis on providing opportunity and benefit by leveraging public

assets in support of student achievement and balanced community benefit. Accordingly, the TLC and TDSB Boards have approved a budget aligned to its expanded mandate.

On an operational level, TLC has been assessing resource requirements against its evolving roles, responsibilities and service level expectations. The 2020-21 TLC Budget enables staff to plan and deploy the resources necessary to successfully deliver on the anticipated outcomes of this Annual Plan; and moreover, evaluate the support provided by TDSB and external professionals. With a focus on further streamlining operations for independent corporate effectiveness, TLC will report quarterly to the Board on its progress and achievements seeking performance feedback. TLC also recognizes the current and potential future financial impact of COVID-19 and is working closely with its partners to determine how we emerge in a new order of operations.

2020-21 TLC Budget

Notes No.		2019-20 TDSB Approved Budget		2020-21 Budget	
		Revenue	Expenditure	Revenues	Expenditures
1	Lease Revenue and Recoveries	6,136,000	\$ 2,600,000	\$ 5,536,000	\$ 2,600,000
2	Other Revenue - Land Use Planning/705 Progress	3,175,000		\$ 150,000	
3	TDSB Program and Administration	53,000		\$ 53,000	
	Deferred Capital Improvement Revenue	-1,000,000		-\$ 1,000,000	
	Provision for Rental Arrears		\$ 5,000		\$ 5,000
	Total Net Real Estate Revenue/Expense - Non-Operating Sites	8,364,000	\$ 2,605,000	\$ 4,739,000	\$ 2,605,000
	Operating School Facilities				
4	City of Toronto Childcare Umbrella Lease Agreements	\$ 4,500,000	\$ 9,200,000	\$ 4,500,000	\$ 9,200,000
5	City of Toronto Pools Agreements	\$ 5,629,413	\$ 5,629,413	\$ 5,629,413	\$ 5,629,413
6	City of Toronto Stage 1 Revenues	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
7	City of Toronto Exclusive Use Agreements	\$ 970,632	\$ 970,632	\$ 970,632	\$ 970,632
8	Development (CSPD) and LINC Lease Administration	\$ 240,482	\$ 240,482	\$ 240,482	\$ 240,482
9	Air Conditioning Surcharge	\$ 28,100	\$ 28,100	\$ 28,100	\$ 28,100
10	Child Care and Other Agreements	\$ 3,105,592	\$ 3,105,592	\$ 3,105,592	\$ 3,105,592
11	Temporary Property Interests with Third Parties	\$ -	\$ -	\$ 250,000	\$ -
	Total Real Estate Revenue/Expense- Operating Sites	\$ 15,574,218	\$ 20,274,218	\$ 15,824,218	\$ 20,274,218
	Total Non-Operating and Operating	\$ 23,938,218	\$ 22,879,218	\$ 20,563,218	\$ 22,879,218
	TDSB Chargeback of Administrative Expenses				
	Facility Services		\$ 136,840		\$ 140,000
	Business Services		\$ 100,000		\$ 100,000
	Administrative Support Allocation		\$ 60,000		\$ 60,000
	Total TDSB Chargeback		\$ 296,840		\$ 300,000
	TLC Administrative Expenses				
	Board Remuneration		\$ 70,000		\$ 70,000
	Management Salaries		\$ 2,958,763		\$ 2,958,763
	Professional Development		\$ 3,500		\$ 3,500
	Supply and Services		\$ 51,000		\$ 51,000
	Rental expenses: TLC office		\$ 101,500		\$ 118,621
	Legal Fees		\$ 800,000		\$ 800,000
	Fees and Contractual Services		\$ 850,000		\$ 1,335,000
	Fees & Services on Redevelopment Projects (Combined with In 43)		\$ 270,000		
	Fees & Services on Land Use Planning (Combined with In 43)		\$ 215,000		
	Casual Help		\$ 7,000		\$ 10,000
	Furniture and Equipment		\$ 10,500		\$ 5,000
	Other expenditures		\$ 36,500		\$ 5,000
	Total TLC Administration Expenses		\$ 5,373,763		\$ 5,356,884
					8
	Total TLC 2020-2021 Operations	\$ 23,938,218	\$ 28,549,821	\$ 20,563,218	\$ 28,536,102
	Property Sales	\$ 80,190,500		\$ 27,000,000	

Risk Management

Commencing in 2020-21, the TLC will be undertaking the development of a comprehensive risk management framework that guides the organization in conducting organizational risk assessments. The framework would be used to assist those performing risk assessments in identifying and evaluating (scoring) risks, and in identifying and implementing controls to adequately manage those risks.

Having a risk management framework will contribute to improved decision-making, better allocation of resources, meeting compliance requirements, creating awareness about hazards and risk, understanding TLC's value for money contribution to TDSB, and overall, improved organizational results. This includes protecting the TDSB and the TLC from risk events that could potentially damage the reputation or financial well-being of either organization and undermine efforts to effectively carry out the Shareholder's Direction.

Risk management is a structured and iterative process. TLC will begin with developing a framework that includes designing an assessment approach along with reporting and timelines for TLC Board approval and ongoing review.

Steps of the process would include:

- Risk identification
- Risk analysis
- Risk prioritization
- Risk control/remedies and monitoring

Conclusion

The Shareholder's Direction under which TLC was founded in 2008 and the expanded mandate of 2018 both provide the opportunity and encourage TLC to explore and bring forward innovative real estate and land use planning opportunities to the TDSB for consideration given the extensive wealth of their public assets holdings.

Since assuming the expanded mandate, TLC has come to understand not only the breadth and complexity of the large number of files transferred from the TDSB, but has also realized the incredible potential to be realized from having expert and professional real estate and land use planning staff managing those files and working toward novel, collaborative and fiscally prudent solutions to unlock the potential of the TDSB property portfolio.

There is no question that TDSB's portfolio of aging and under enrolled school system is in need of renewal. The annual cost to maintain and repair the aging TDSB infrastructure has for many years been outpaced by the ability to address them. Presently, there are a number of TDSB schools deemed 'prohibitive to repair' as their total cost of renewal would exceed the cost of building a new replacement school.

Across the industry, TLC is emerging as a catalyst for discussion on the potential of what can be accomplished when need meets opportunity. TDSB facilities require renewal. The city needs new community housing developments, senior care facilities and recreation facilities but struggles to secure land because of prohibitively high costs. At the same time, the TDSB owns over 5000 acres of land, including many parcels containing non-operational or closed schools on large tracts of

land, and many underutilized schools in areas that may hold the potential for an innovative solution to school and community building. Our recent successes in midtown, downtown and Scarborough have proven that this approach works and could be rolled out on larger facility renewal projects helping TLC to realize its vision of 'exceptional learning spaces serving vibrant communities'. TLC's work represents a third strategic pillar in support of TDSB's long term pupil accommodation and secondary review plans and will be a valuable resource to inform and assist TDSB with its future pupil accommodation decision making.