

MEETING NOTICE

Regular Meeting

Tuesday November 20, 2018

**6:00 pm, Location: Aird & Berlis LLP, Brookfield Place, 181 Bay Street,
Suite 1800**

To: Members of the Toronto Lands Corporation

Board Members: David Crombie (Chair), Alexander Brown, Jerry Chadwick,
Michael Fenn, Gerri Gershon, Avtar Minhas, Brenda Patterson, Jennifer Quinn,
Sheerin Sheikh and Steven Zakem

AGENDA

1. Call to Order
2. Approval of Agenda
3. Declarations of Possible Conflict of Interest
4. Approval of Minutes
 - October 4, 2018 (Board) Page 1
 - November 20, 2018 (Audit Committee)
 - Approval of Draft TLC Financial Statements
for 2017-18 (*refer to Audit Committee
Report of November 20, 2018*)
5. Management Report to Board, November 2018
(Rpt # 2018-11-655) Page 3
6. Bloor- Dufferin: Short-Term Initiative
(Rpt # 2018-11-656) Page 15
7. TLC Transition Plan, Phase 2
(Rpt # 2018-11-657) Page 18
8. Resolution into Committee of the Whole, In-Camera
9. Committee of the Whole rises and reports and
reconvenes in Public

10. Upcoming Proposed Meeting Dates
 - December 17 – TLC Organizational Board
12-12:30 p.m. Teleconference
 - January 22 – Board Strategy Session 5-8 p.m.
11. New Business
12. Adjournment

Board Meeting
Rpt No. 54

October 4, 2018

A meeting was convened at 2:30 pm, Thursday October 4, 2018, at the offices of Aird and Berlis, 181 Bay St., Suite 1800, Toronto, Ontario, with David Crombie, Chair of the Board, presiding.

The following Directors were present: A. Brown, M. Fenn, J. Quinn, A. Minhas and S. Zakem

The following Directors were present via teleconference: B. Patterson and S. Sheikh

Regrets Expressed by: J. Chadwick and G. Gershon

In attendance from TDSB: Craig Snider, Steve Shaw, Carlene Jackson (call-in)

1. Call to Order

The meeting was called to order by the Chair David Crombie

2. Approval of the Agenda

B. Patterson seconded by M. Fenn moved that the agenda be moved as distributed.

The motion was carried.

3. Declarations of possible conflict of interest

None noted.

4. Approval of Minutes

- June 12, 2018 (Board)
- June 12, 2018 (Audit)

J. Quinn moved by A. Minhas moved that the Minutes be approved.

The motion was carried.

5. Resolution into Committee of the Whole, In-Camera

At 2:35 p.m. the meeting moved into the in-camera portion.

6. Committee of the Whole rises and reports and reconvenes in Public

At 4:24 p.m. the meeting reconvened into public

7. New Business

None noted.

8. Adjournment

At 4:26 p.m. M. Fenn seconded by S. Zakem, the meeting adjourned.

TORONTO LANDS CORPORATION
Management Report to the Board, November 2018

To: Chair and Members of the Toronto Lands Corporation

Date: 20 November 2018

Rationale

This report provides an overview and update with regard to work in progress on each of TLC's business areas and specific project files within the TLC portfolio as directed by TDSB.

Context

Real Estate Portfolio:

Land Donation – Agincourt PS, Portion of 25 Lockie Avenue

The property owner of 25 Lockie Avenue, Mr. Milton Lee, had approached TDSB and offered to donate the rear lands of his residential property (0.3 acres) which are adjacent to the Agincourt Public School. Mr. Lee requested the lands be used for playground area for the school. TLC was authorized to enter into an agreement to accept the donated property. A number of activities required action and resolution, including severance approvals, prior to the TDSB having the legal ability to receive the lands. On November 9, 2018, TDSB obtained title to the lands now legally described as Part 2, Plan 66R-29920, by Instrument # AT5003892 registered in the Toronto Registry Office. Mr. Lee will receive an official tax receipt for his donation and the Agincourt school can now enjoy a larger playground area for the junior students.

Nelson A. Boylen

While terms of an agreement of purchase and sale have been negotiated some time ago with the Toronto Catholic District School Board (TCDSB), there was no agreement on purchase price. The TCDSB, as a right under O. Reg 444/98, opted for the sale price to be subject to binding arbitration. Arbitration dates have been set for December. Subject to receipt, review and exchange of appraisal reports, there still remains an opportunity to settle without a hearing.

Greenwood Secondary School

The TDSB declared the school surplus for lease and the Conseil Scolaire Viamonde (CSV) entered into a lease that terminates on June 30, 2022. Subsequently, on October 24, 2018, TDSB declared the property surplus and referred to the TLC for disposition in accordance with O. Reg.444/98. Under the Regulation, CSV has the first right of acquisition and has since indicated its desire to acquire the site following circulation that will commence in January 2019.

New Davisville Public Elementary School

As directed by TDSB, TLC entered into negotiations with the City of Toronto in an effort to secure a long term ground lease agreement that included a shared-use component. TLC was seeking amicable terms and conditions that created an equitable exchange of value that also maximized student and community benefits. Although the TDSB deadline to achieve a successful outcome had past, TLC con-

tinued to make best efforts to resolve outstanding matters of importance. At this time, TLC has successfully negotiated key terms and conditions and has drafted a long term 49 year agreement that once endorsed, will maximize the use of the expanded 6,000 square foot gym, provide four (4) hours per school day of swim opportunity for the school students at no cost, permit City recreational programming and transfer lands into the ownership of TDSB. As part of the requirements to complete this transaction, TLC sought the Minister of Education's consent and by a letter dated December 18, 2017, consent was received (see *Appendix A – Ministry of Education Letter re. Davisville*), subject to ensuring that there would be no additional costs impacting the TDSB under any shared-use agreement. The draft agreement is now before City staff for review and consideration. TLC is partnering with TDSB staff in the presentation of the Davisville report (see *Appendix B – TDSB Davisville Update Report*) to be presented at the November 23rd Planning and Priorities Committee for approval.

Leasing and Partnerships:

On September 1, 2018 TLC assumed transaction and management responsibility for all existing and new third party leases in TDSB operating school portfolio. While TDSB and TLC continues to identify various types of active leases, the major categories of existing agreements identified to date include the following:

Category #	Type of Occupancy Agmt.	Quantity	Comments
I.	City Community Centre	34	<ul style="list-style-type: none"> Draft Agreement covers 34 schools at cost recovery as determined by Business Services.
II.	City Umbrella Agmt Leases	289	<ul style="list-style-type: none"> List is "frozen" unless changing room locations. City paid "Occupancy Cost" amount is less than cost recovery figure stipulated by Business Services for other types of agreement. TDSB termination notice before June 15 to be effective on following year's June 30th
III.	Before & Afterschool Caregivers School Use	259	<ul style="list-style-type: none"> Most operators are also included in Categories II & IV. Shared space provided rent free unless includes exclusive summer use, then at cost recovery as determined by Business Services. TLC will be working towards consolidating multiple category tenants into a single new lease agreement Requires updated service agreement with TDSB Purchasing to reflect expanded responsibility for both pre-school and school age supervision. TDSB can terminated on 90 days
IV	Other – aka Direct Day Care Leases	57	<ul style="list-style-type: none"> At cost recovery as determined by Business Services. Tenant may also have "rent free" space covered by a Category II lease agreement
V	New Community Partnership Leases	4	<ul style="list-style-type: none"> At Cost Recovery as determined by Business Services TDSB can terminate on 6 months' notice.
VI	Overhold - Community Organization Leases	11	<ul style="list-style-type: none"> TLC Legal is working on new standard form lease. Current rent charge being reviewed
VII.	Squatter Occupancies	12	<ul style="list-style-type: none"> Assumed to have full time use but may be on a TDSB or Principals' part time permit.
	Total Agreements	666	

The short term priorities arising from the transfer of this file include:

1. Confirmation of correct and standard form agreement (e.g. lease, permit, license);
2. Lease rationalization where tenants are covered by more than one agreement;
3. Establish consistent rental compensation policy/ practice;
4. Establish appropriate and "stream lined" designated authority / approval process for new agreements;
5. Update caregiver agreements to included school age children, where applicable;
6. Integrate TDSB speciality groups and City departments into new lease / operator approval process (e.g. day care and early years programs) where appropriate;
7. Establish accurate tenant data base and contact list; and
8. Ensure TDSB policy stipulating subsidy qualified day care operators.

Land Use Planning:

Choice Properties REIT: 2238 Dundas Street West and 1515 Bloor Street West (former West Park SS)

On April 26th, 2018 Choice Properties REIT submitted an application to amend the City of Toronto Official Plan to enable the development of a significant mixed-use development at the southeast corner of Dundas Street West and Bloor Street West and includes the former West Park SS which is under lease by the Toronto Catholic District School Board (TCDSB) (Bill 130). The proposed development incorporates residential, office, community and retail uses, intensifies the 2 major transit station areas, proposes a new connection between the existing transit stations, and includes a new large park and the relocation of the leased TCDSB high school. The total Gross Floor Area (GFA) is approximately 265,000m². The proposal is for Choice REIT to redevelop the TDSB owned school board property for residential purposes by relocating and constructing a new TCDSB high school as part of the redevelopment of the land. The future school site is not part of this application.

On April 27th, 2018 the proposed official plan amendment, on behalf of Choice REIT, was circulated to Toronto District School Board (TDSB) staff and on July 17th, 2018 TDSB Planning staff provided the following comments to City staff:

"At this time, based on available data, the Board has determined that there is insufficient space at local schools to accommodate the students anticipated from this and other proposed developments in the area. As such, the Board is of the opinion that the approval of this application is premature until or unless it can be demonstrated that the future students attributed to this development can be accommodated and the Board has satisfied its ownership interest in the site."

Choice REIT now wishes to proceed with a zoning by-law amendment application. A zoning by-law amendment is required to permit the mix of uses, heights, and densities for the proposed development as well as matters related to parking, tower floorplates, setbacks, separation distances, loading and bicycle parking. Staff met with Choice REIT on October 24, 2018 at which time they requested that TDSB, as the owner of lands, within the proposed development site become engaged in the application process.

On November 12, 2018 a meeting was convened between TLC staff, Choice REIT and TCDSB staff to discuss options of how to proceed with the redevelopment of the lands. These discussions are ongoing.

A progress report will be forthcoming to the Board in the New Year.

Appendices

- Appendix A – Ministry of Education Letter re. Davisville
- Appendix B - TDSB Davisville Report

Routing

TLC Board: November 20, 2018

From

Daryl Sage, Executive Officer, Toronto Lands Corporation, at dsage.tlc@tdsb.on.ca or at 416-393-0575.

GO5 (2018 Board Mtgs/20 November 2018/Mgmt Report to TLC Board, November 2018)lp.8000
Last update: November , 2018

Ministry of Education

Office of the ADM
Capital and Business Support Division
900 Bay Street
20th Floor, Mowat Block
Toronto ON M7A 1L2

Ministère de l'Éducation

Bureau du sous-ministre adjoint
Division du soutien aux immobilisations et
aux affaires
900, rue Bay
20^e étage, Édifice Mowat
Toronto ON M7A 1L2



December 18, 2017

Mr. Daryl Sage
Chief Executive Officer
Toronto Lands Corporation
60 St. Clair Avenue East, Suite 201
Toronto, ON M4T 1N5

Dear Mr. Sage,

I am writing in response to the request made by the Toronto Lands Corporation (TLC), on behalf of the Toronto District School Board (TDSB), to enter into a lease with the City of Toronto to enable the construction of an Aquatic Centre on 0.452 acres of the Davisville Jr. PS site and an expanded gymnasium as part of the replacement school planned for the site. It is the ministry's understanding that the capital cost of the construction of these facilities will be borne entirely by the City of Toronto and the term of the lease will be 49 years. It is also our understanding that TDSB students will have four hours of access to a City owned pool and exclusive use of the expanded gymnasium during the school day.

Under section 194(4) of the *Education Act*, the Minister's approval is required for school boards to lease non-surplus property. Under section 194(3)(b) of the *Education Act*, any such lease must be demonstrated to be a reasonable step in a plan to provide accommodations for pupils of the TDSB.

Based on the information provided, it appears that an agreement between the Toronto Lands Corporation (TLC) and the City of Toronto demonstrates a reasonable step in a plan to provide accommodations for pupils of the TDSB, pursuant to a long term shared use and maintenance agreement between the parties that is still to be finalized. The ministry understands that there will be no cost to the TDSB for the use of the Aquatic Centre and expanded gymnasium at designated times during the regular school day.

I am pleased to inform you that the Minister has granted approval for the TDSB to enter into a lease agreement as per her authority under the *Education Act* noted above.

However, should the TDSB and the City of Toronto fail to reach an agreement regarding the construction of the Aquatic Centre and expanded gymnasium this approval would become void.

Should you have any questions regarding this letter, please contact Lisa Bland, Senior Policy Analyst at (416) 326-9921, or via email at Lisa.Bland@ontario.ca.

Sincerely,

Original signed by

Joshua Paul
Assistant Deputy Minister
Capital and Business Support Division

cc: Paul Bloye, Director, Capital Program Branch
John Malloy, Director of Education, Toronto District School Board



Davisville JPS/Spectrum Alternative Senior School Update

To: Planning and Priorities Committee

Date: 21 November, 2018

Report No.: 11-18-3432

Strategic Directions

- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being
- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the Board approve the following recommendations related to the rebuild of Davisville JPS/Spectrum Alternative Sr. School and the proposed City of Toronto Aquatic/Community Centre:

1. That TLC finalize and execute all necessary agreements, in a form and content satisfactory to legal counsel, forming the foundation of a long term shared use relationship with the City of Toronto in conjunction with the redevelopment of the Davisville site.
2. That the associated ground lease be for a term of 49 years commencing on the first day of the new Davisville public school opening and must comply with Ontario Regulation 444/98 and satisfy Ministry of Education related approvals.

Context

The TDSB and the City have been working towards a vision of a community hub for the Davisville JPS/Spectrum Alternative School site. With a combined Provincial and City investment in the range of \$45M, supported by a long term TDSB/City agreement, this significant capital investment will enable the transformation of the Davisville JPS/Spectrum Alternative School site into a vibrant community destination. The site will feature a new three storey, 728 pupil capacity JK-8 dual track public school, with an expanded 6,000 ft² gym including an official size basketball court and provide for the accommodation of a Mid-Town Community hub that will contain an aquatic pool and 5,000 ft² of recreation space. The community will enjoy access to recreational programming at the gym, pool and recreation centre, which currently does not exist

within the ward, while students will benefit from the daily use of the expanded gym, access to the pool with the school community being accommodated through the scheduling of special school evening events.

Ground Lease/Community Use Agreement

In May 2017, the TDSB declared .452 acres of the Davisville JPS/Spectrum Alternative School site surplus for lease pursuant to Section 194(4) of the *Education Act*. The intent was to enter into a long term land lease with the City of Toronto to enable the construction of an Aquatic Centre and community space on the Davisville JPS/Spectrum Alternative School lands. The Ministry approved the request to enter into a 49 year land lease on December 18, 2017. TLC was further directed to negotiate the required key business terms that satisfied the long term interest of the Board and City with a deadline of 28 February 2018.

The parties were unable to come to an agreement on the terms of the ground lease and community use agreement by the 28 February 2018 deadline. Staff from TLC continued negotiations, in order to move forward with the construction of the new schools and provide the City with site access and to provide an arrangement to share onsite facilities. These negotiations have culminated in the acceptance of key business terms which remain consistent with both Council and TDSB Board direction.

Highlights of the agreement include:

- The integration of the ground lease and shared use agreement over a 49 year term.
- Use of the pool for 4 hours each school day for student swim programming at no cost to TDSB.
- After hours gym programming by the City to include Saturdays, March Breaks and during the summer.
- The ground lease requires the City Council approved \$6.8m grant be paid to TDSB within 30 days after execution.
- The City of Toronto's commitment to recommend that City Council pay TDSB the mutually agreed upon proportionate share of the actual construction costs above the original \$6.8M grant.
- The City will pay its proportionate share of the operating cost of the school building ensuring no additional financial burden on TDSB.
- The City will transfer to TDSB at nominal consideration the lands described in PIN 21124-0414(which is currently part of the Davisville JPS/Spectrum Alternative School site and is described as Part of Lot 23, Plan 284, Toronto, as in Instrument No. TN2765

Construction Update

Throughout negotiations with the City on the Ground Lease and Community Use Agreement, TDSB staff were proceeding with the revised design of the new school building, which required cost premiums in order to accommodate design changes

necessary to accommodate the Aquatic Centre/community space. These premiums included costs for a third story, an underground garage and an expanded gym. The construction tender results were shared with City staff in mid-October and TDSB staff have been working with the City to reconcile the premiums related to the Aquatic Centre. As of November 7th, City staff verbally indicated that there is an agreement in principle on the total cost premiums. Staff are waiting for a formal response in order to provide this information to the Ministry of Education (EDU).

In addition, TDSB staff were working through the City's municipal planning process to obtain Site Plan Approval (SPA) to construct the new Davisville JPS/Spectrum Alternative School. The initial application for SPA was filed in May 2017 and there have been 4 submissions to respond to initial City concerns and new requirements raised through the process. Although complexities around Site Plan approval have delayed the process, Facility Services has worked diligently to satisfy the outstanding matters. It is our understanding that the Notice of Approval Conditions (NOAC), the precursor of the City SPA, is imminent. The project team has already applied for Building Permits. Following issuance of NOAC, the City will release conditional Building Permits which would typically allow construction to start while the formal Site Plan Agreement is finalized and registered.

At the present time, the demolition process of the existing facility is now underway, with the focus on interior demolition, with exterior demolition expected to begin by mid to late November. The construction tender for the new build has received Board approval with Contractor pricing held until 23 January 2019. Should we be unable to enter into a contract by that date, we will have to negotiate an extension, work with the GC to address pricing, or retender the contract.

Ministry of Education Approval Update

Staff have been working with (EDU) throughout the design process. We have identified several challenges related to this project, including extraordinary costs related to the City Green Standards requirements, construction cost pressures and cost premiums related to the new building design. TDSB initially submitted this project to EDU for approval in April, 2018. EDU has indicated that Authority to Proceed (ATP) will be dependent on identified City funding being released to the TDSB and an agreement for construction cost reconciliation being in place. Once the City of Toronto confirmation of funding commitment is received, TDSB staff will approach the Ministry to obtain the ATP, as this is a requirement prior to entering into the contract with the General Contractor. Once ATP is granted, we will enter into the contract with the General Contractor and the contractor will mobilize sub-trades to begin construction.

Action Plan and Associated Timeline

City of Toronto Funding Confirmation letter
Request Authority to Proceed from the
Ministry
Obtain Notice of Approval Conditions
Finalize the Ground Lease and Community

Use Agreement
Site Plan Approval
Authority to Proceed granted
Obtain required Building Permits
Contractor Mobilization
Tentative Construction Start date

Resource Implications

Staff time to complete negotiations and finalize the agreements with the City and the ATP process with the Ministry of Education.

Communications Considerations

Not applicable.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

- Appendix A: Davisville JPS/Spectrum Alternative School Detailed Site Plan
- Appendix B: 3D View of Davisville JPS/Spectrum Alternative School Site

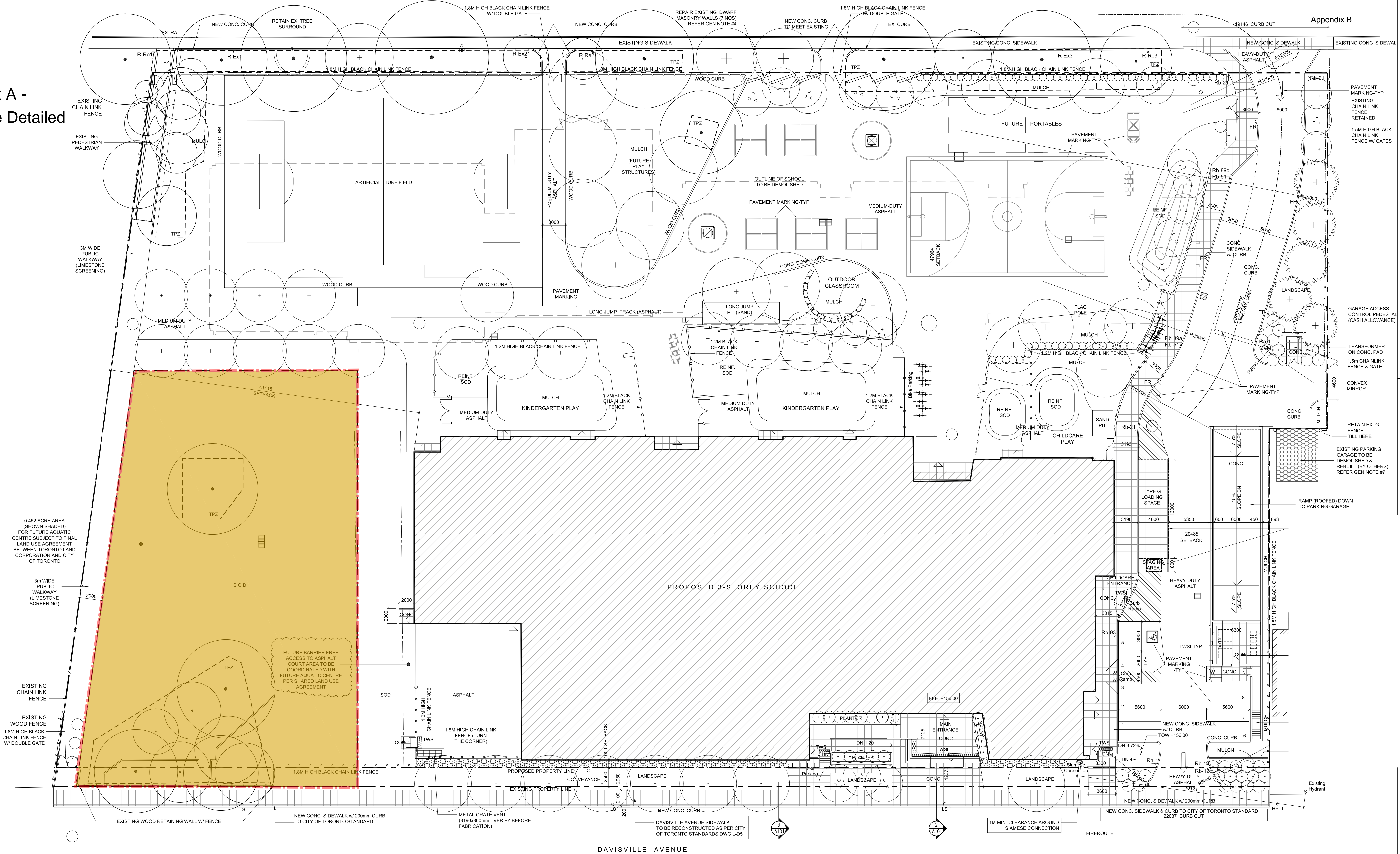
From

Steve Shaw, Executive Officer Facilities and Planning at steve.shaw@tdsb.on.ca or at 416-393-8780.

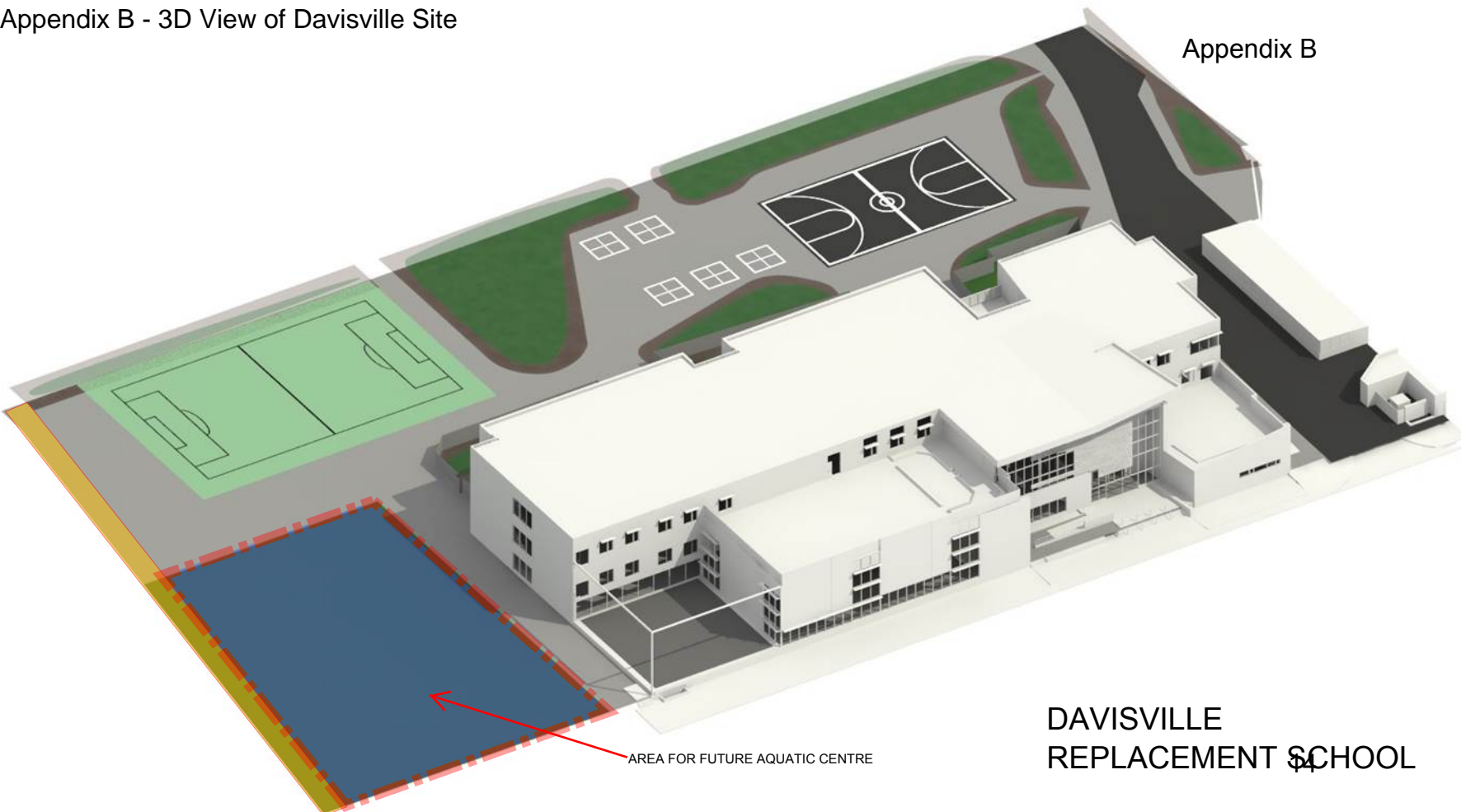
Daryl Sage, Executive Officer, Toronto Lands Corporation at DSage.TLC@tdsb.on.ca or 416-393-0575.

Faris Mansur, System Facility Officer at faris.mansur@tdsb.on.ca or at (416) 395 4509.

Appendix A -
Davisville Detailed
Site Plan



DAVISVILLE JPS - SITE PLAN - SHOWING PROPOSED REPLACEMENT SCHOOL & AREA FOR FUTURE AQUATIC CENTRE DEVELOPMENT



AREA FOR FUTURE AQUATIC CENTRE

DAVISVILLE
REPLACEMENT SCHOOL

TORONTO LANDS CORPORATION
Bloor Dufferin: Short-Term Initiative

To: Chair and Members of the Toronto Lands Corporation

Date: 20 November 2018

Recommendation

It is recommended that this report *Bloor Dufferin: Short-Term Initiative*, be received for information.

Rationale

In November 2016, the TLC entered into a conditional agreement of purchase and sale with CD, Metropia and Timbercreek Asset Management for the disposition of 7.26 acres of surplus land at the corner of Bloor and Dufferin. After months of working with City Officials, the development team had completed a master plan for the site and submitted a Site Plan Application which is currently under review. Discussions are ongoing with City staff and various community groups. To date, the developer has reached out to the school and provided an educational component on redevelopment to students and donated to a few of the school projects. The developer continues to work with all parties with the intended goal to reach an amicable settlement for the redevelopment project. It is at this interim stage, that the developer has approached TLC to consider a short-term initiative that will provide the community and school with a short term improvement on a small portion of the site that will enhance the corner of Bloor Dufferin while providing community and school benefits.

Context

The developer has proposed entering into a temporary access agreement for a portion of the southwest corner of Bloor Dufferin, (see *Appendix A- Bloor Dufferin Concept Design*) in order to improve the area with a community engagement centre/sales office, an artists alley and market square with container markets for retail and food vendors and school use. The proposed use would be in some aspect similar to the overall redevelopment scheme that would include a community hub in the former Kent building, a private road with an artist's alley and the opportunity on the overall site for a community market. The land area occupied would specifically be part of the existing tennis court area which would be transformed to one new basketball court. The Bloor Collegiate School would be allocated one container for its own use to provide educational or showcase opportunities at no cost to the school board. There may be other TDSB/School benefits that arise should the application be supported by City Planning. The engagement centre/sales office will also be available to the public and school for special events.

The entire corner area will be professionally programmed to ensure the space is continually activated and provides a safe and ultimately active new public space which will be indicative of the overall proposed project that will transform the entire site to a new residential, school and community hub space for this neighbourhood.

The developer was seeking permission to proceed with discussions and an application with the City of Toronto to allow this temporary site improvement and thereby commencing a detail design for the corner. The cost of this project for the developer is approximately \$2 Million. If this concept is approved by the City, TLC will prepare a temporary access agreement and terms of use, specifically school benefits, for the short-term initiative. The timing of the project is critical with the developer seeking

approvals from the City, that include detailed design, early in 2019, in order to commence construction and opening for the spring/summer of 2019.

TLC has engaged senior staff from TDSB, school officials and the interim Trustee who are in support of this program. Further discussions will be ongoing in terms of school opportunities and engagement and the terms and conditions of the temporary access agreement. In order to proceed to the next stage in the Planning approval process, TLC is in support of the developer proceeding with its application to the City of Toronto. Time is of the essence as once the sales agreement is finalized and the construction of the overall redevelopment project commences, the interim improvement will be dismantled at the developer's expense. It is anticipated that the short-term venture will provide the local students with a new educational component and excellent community benefits that can be considered for implementation in the revitalized Bloor Dufferin property.

Appendix

Appendix A – Bloor-Dufferin Concept Design

Routing

TLC Board: November 20, 2018

From

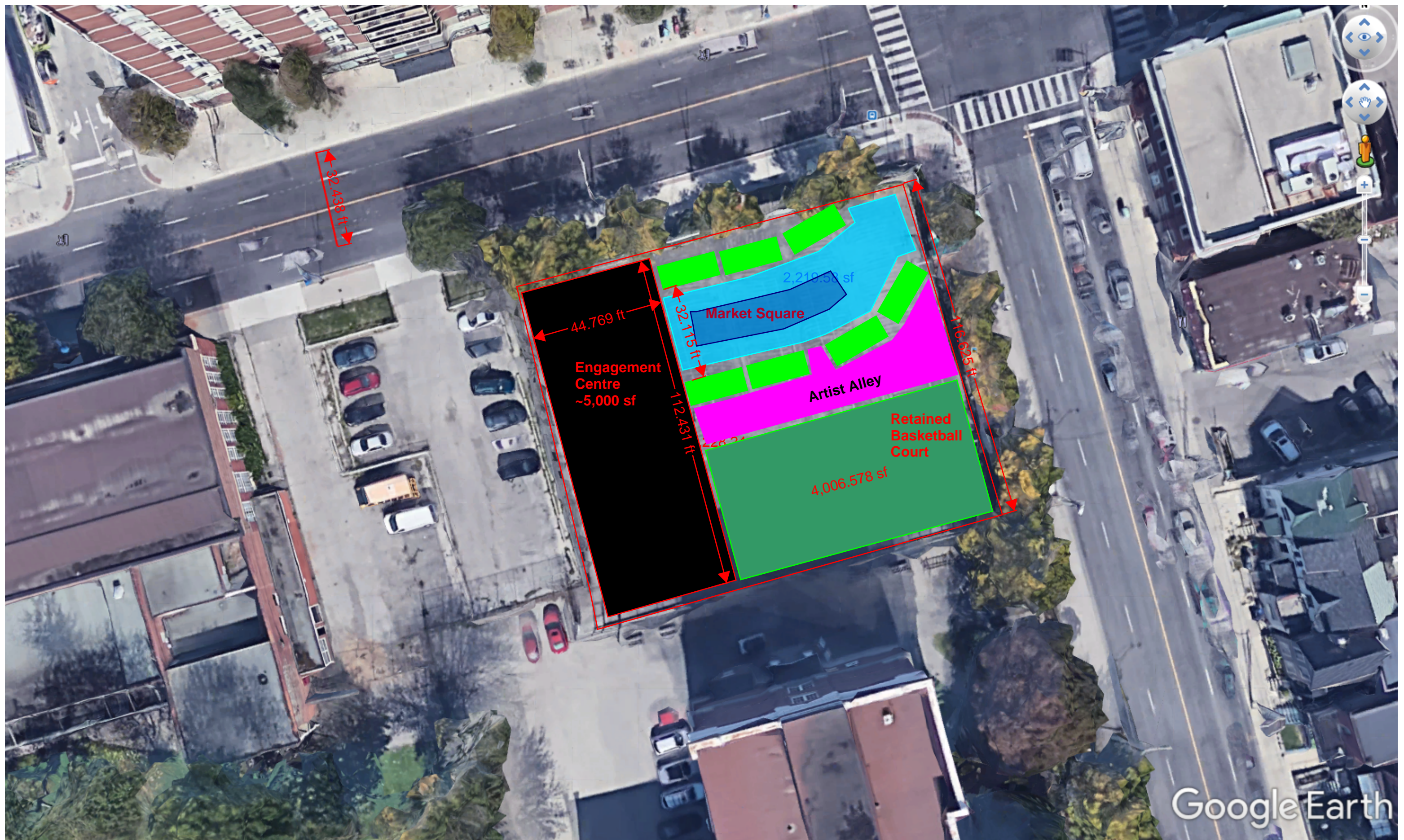
Daryl Sage, Executive Officer, Toronto Lands Corporation, at dsage.tlc@tdsb.on.ca or at 416-393-0575.

Anita Cook, Senior Manager, Real Estate, Toronto Lands Corporation at acook.tlc@tlctdsb.on.ca or at 416-393-0632.

GO5 (2018 Board Mtgs/ Bloor- Dufferin November 2018/ 2018-11-656)lp.8000
Last update: Nov. 15, 2018

Bloor & Dufferin Interim Market Square

→ 20.037 ft ← Container Appendix B
← 39.565 ft → Container



TORONTO LANDS CORPORATION
TLC Transition Plan, Phase 2

To: Chair and Members of the Toronto Lands Corporation

Date: 20 November 2018

Recommendation

It is recommended that the report *TLC Transition Plan, Phase 2*, be adopted.

Rationale

This report provides an update of the ongoing transition, since its last report to the Board in June 2018, towards full implementation of the TDSB approved TLC expanded mandate. As previously reported in April 2018, TLC and TDSB Executive staff formed a Transition Team to work through operational realignment issues and assess the required resources, supports and commitments necessary for TLC to be effective in fulfilling its mandate.

The Transition Team chose September 1, 2018, as an effective date to begin to operationalize the work flows between the two organizations. TLC began to assume direct responsibility and to be held accountable for system wide oversight and management of all of TDSB's Land Use Planning, Real Estate Interests, Leasing and Community Planning and Partnerships.

Context

The following are Phase 2, Transition Plan highlights:

Resources:

- Four TDSB positions were transferred to TLC along with 4 seconded staff members. In addition, the related budgets, representing 3 unfilled TDSB related positions, were made available to TLC;
- The Executive Officer has undertaken the necessary human resource procedures and proceeded with the appointment of a senior team. Subsequently the Sr. Team was guided by the TDSB job evaluation process and proceeded to post and hire other required resources to meet the demands of the portfolio. The Senior Team, comprising of the General Counsel, Senior Manager Real Estate, Senior Manager Leasing & Partnerships and Senior Manager, Land Use Planning have been responsible for building their staff teams within this phase of hiring which currently remains in progress. It is noted that TLC has been proceeding to assemble its resource team on a critical needs basis. An ongoing requirement is that all appropriate offsetting budgets within TDSB relating to cross over job functions, responsibilities and support budgets need to be identified and realigned with TLC's new mandate. A draft of TLC's restructuring plan is attached – see *Appendix A: TLC Restructuring Plan*.

TLC Office Space Requirement:

In June 2018, staff reported that the existing office space needed to be secured and then readied to accommodate added functions and related staff complements. Summary of actions taken:

- TLC assumed the subtenant office space of 900 sq/ft (subtenant vacated in August 2018), to add additional workstations;
- The current tenant lease was extended for an additional 5-year period;
- Furniture and equipment analysis completed;
- TDSB space planner was engaged to undertake an office space reconfiguration;
- TDSB space planner confirmed that available space was insufficient to accommodate staff along with hard file working storage;
- Building property manager identified 649 square feet of existing vacant office space to be available;
- Based on TDSB design consultant layout an approved Architect provided drawings;
- Architect seeking building permits from the City, with construction anticipated to begin in January with an anticipated construction timeline of 6 weeks.

Office Space Background information:

In re-assessing the space requirements relative to TLC's re-organization, while the existing premises offers an efficient layout compatible with TLC needs, space restrictions to accommodate staff and associated file storage have become increasingly apparent. Capitalizing on the availability of the seventh floor office space in the 60 St. Clair Ave. East building, TLC is currently looking to incorporate an expansion of the existing leased premises to include a vacant office space (694 sq/ft) in the building on the seventh floor. The terms and conditions of the existing lease will remain in effect for the expansion premises including the cost per square foot starting at approximately \$15 and rising to \$20 over the course of the lease. The expanded space would be a part of the overall renovations which will allow for the accommodation of three workstations and moreover, property file storage currently located at Oakburn Centre that could not be previously incorporated into the initial TLC design concept plan.

In late October 2018, TLC re-engaged the TDSB Architectural Design Services team and based on the design concept prepared, Design and Construction estimates renovations costs at approximately \$110/sq/ft. Amortized over the 8 year life of the lease, the \$400K capital cost would be expensed at approximately \$50,000/year. This should be compared to the cost associated to construct the TLC office space at Davisville Public School in 2008 along with associated costs for seven staff whereby four classrooms were converted into office space for approximately \$400,000 with the expectation that TLC would stay in the premises for at least 5 years; however accommodation pressures resulted in a shorter than expected term.

As previously stated, a detailed analysis was undertaken, including a review by TDSB Planning, to assess the conversion of existing school space vs leasing space. The outcome of the review identified limitations and incompatibility with student accommodation needs when conducting TLC commercial like business and operations thus, existing vacant school space was not identified to be cost effective or suitable. The current leased space at 60 St. Clair E, provides for greater compatibility with business functions, hours of operations, separation of space, visitor entry, and proximity to transit.

Governance Reform:

As part of TLC's transition and to address its expanded mandate from a governance perspective, the TLC Board and TDSB Executive staff participated in three governance workshops to review and make appropriate amendments to the Shareholder's Direction. In reflecting the decisions of the group, TLC

and TDSB Team has been developing amendments that articulate the new governance model, core principles, and culture that will guide and enhance the TDSB/TLC relationship. The combined work of staff reflected in a revised Shareholder's Direction was presented and approved as amended, to the TLC Board at its October meeting and was subsequently forwarded to the TDSB for review and consideration at their October meeting cycle. TDSB received and debated the amended Shareholder's Direction, provided input and requested that staff bring a final amended version of the Shareholder's Direction to their November Board for consideration and approval. At this time, TDSB Executive staff are leading the final revisions for their presentation at TDSB's upcoming Board meeting on November 28, 2018.

External Legal Counsel has reviewed TDSB's finalized draft amended version of the Shareholder's Direction and has verbally confirmed that they have no legal matters that need to be addressed. A written opinion is forthcoming and will be provided at the November 20th Board meeting.

TLC Financials

In the Phase 1 Transition Plan, TLC reported that a new financial reporting model along with a revenue and expense allocation methodology was being developed by TDSB Finance to more accurately capture and reflect TLC's expanded mandate and fiduciary responsibilities. This undertaking by TDSB continues to be a work in progress.

Given the start-up of the new mandate, 2018-19 will be an interim year of activity and reporting. The following are a few key milestone initiatives:

- Strategic planning session with TDSB Trustees and TLC in January 2019, to develop a long-term strategic direction;
- Develop an Annual Plan based on the strategic direction to be approved by TLC in May and TDSB in June 2019;
- Develop a 2019-2020 Budget to support the Annual Plan – February - March 2019; and,
- Develop 2019-2020 Key Performance indicators in April-May in support of the Annual Plan

TDSB/TLC staff will be presenting a refashioned financial framework to address the financial reporting requirements of the TLC Board that adequately addresses the expectations that will come from the 2019-20 Budget. As an interim step, TDSB finance staff are reviewing and adjusting where necessary a 2017-18 TLC budget to support TLC operations for 2018-19.

A timeline of TLC's Stage 2 Transition Plan is reflected in *Appendix B*.

Appendices:

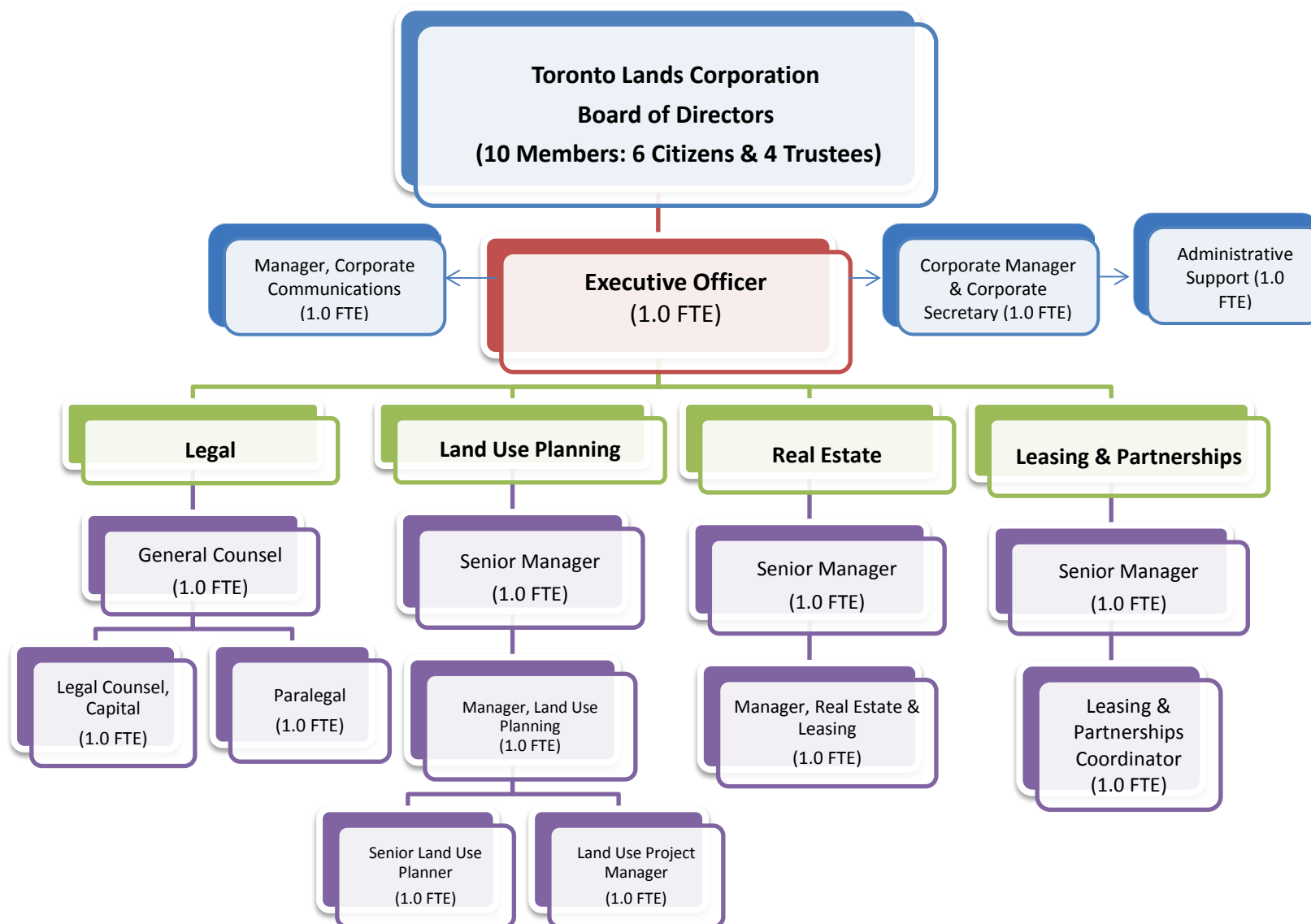
- Appendix A – TLC Reorganizational Plan
- Appendix B – Timeline of TLC's Stage 2 Transition Plan

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TLC Re-Organizational Plan



TLC Transition Plan – Timeline

