

Toronto Lands Corporation Annual Plan 2021-22



Message from the Chair and CEO

'Unlocking the potential of TDSB properties for the benefit of students, staff and communities' is not only Toronto Lands Corporation's mission statement, it could also be part of the blueprint thinking that contributes to Toronto's recovery post pandemic. TLC supports the Toronto District school board as they move forward and welcome families back to public education through efforts that transform neighbourhoods through redevelopment and integration of school board properties into community destinations.

As part of TLC's year 2 modernization strategy, we will further examine the rich supply of local school board property data and measure it against the opportunity to advance the rebuild of public schools. Through data analysis and site modeling we will demonstrate the significant potential of leveraging land value as the economic catalyst that advances TDSB's capital priorities. Toronto public schools are facing a generational test of what the system requires for its continued success. Repair and maintenance costs in the billions of dollars are competing for increasing limited financial resources. TLC will continue to work advancing our vision of 'exceptional learning spaces serving vibrant communities, along side the TDSB's long term pupil accommodation plan, secondary school review and in support of an assessment of the board's administrative sites.

The success of this approach depends on the strength of collaboration and partnerships. The City of Toronto has expressed interest in several joint projects with us and community groups and service providers have invited us into conversations regarding collaborative locations for their services. New tools and approaches are necessary to achieve our vision to build and renew schools in a city with the unique characteristics and complexities of Toronto. Discussions with these potential partners regarding collaborative interests have highlighted barriers in provincial legislation, regulation and policy that need to be addressed to open the door for this wave of modernization progress.

As always, we wish to express our sincere gratitude to our shareholder the TDSB, for the confidence shown in our Board of Directors, TLC staff and ultimately in our shared journey toward excellence in Toronto public schools.

Brenda Patterson

Daryl Sage



"Now is the time for bold thinking and creative solutions. Toronto's public school buildings present many opportunities for a collaborative and integrated future that builds on their great past and creates learning spaces where students thrive, and communities are at the center of their success. This work is underway."

Alexander Brown, TDSB Chair



What We Do and Why

We are the stewards of an impressively important and valuable public asset – over 5,000 acres of school board land.

TLC's mandate to act as the exclusive real estate, leasing and land use planning agent for all properties in the TDSB portfolio, allows us to explore and devise innovative school redevelopment proposals, community partnerships opportunities and modernization strategies in support of the delivery of a world class public education system.

We are committed to providing solutions to improving the physical learning environment of students attending Toronto public schools.



Key Organizational Priorities

While the modernization strategy will be a key focus of our work in the coming year, other equally important organizational priorities will continue with our partners to strengthen relationships and maximize the benefit to the community, including:

- ❖ The implementation of a new lease administration database, Lease Harbor, to manage and administer 700 leases along with real estate agreements increasing efficiency in document management and in analytical reporting.
- ❖ TLC continues discussions with the City of Toronto over the application of a Harmonized Zoning Bylaw which proposes to establish one set of planning rules to be applied to school board properties across the city. Unresolved for over a decade, this Bylaw could have significant impact on property values. TLC remains diligent in its negotiations and will continue this year to advance our position for the protection of TDSB property values and interests.
- ❖ An extensive review of all exclusive and shared use agreements for City use of TDSB facilities, including pools and equally, TDSB use of City Parks in the development of a new master agreement with the City of Toronto.



Our Modernization Strategy

Complex issues often have remarkably straightforward solutions. With over 600 sites and 5,000 acres of property valued between 15-20 billion dollars located in the heart of every neighbourhood across the city, TLC will demonstrate the power of leveraging a fraction of those holdings into a billion dollars worth of potential for reinvestment back into the TDSB capital planning budget over the next several years.

Our modernization strategy is a self-financing, data informed plan to extract the considerable economic and social value inherent in this dynamic portfolio, while retaining public ownership of the land to the greatest extent possible.

In 2021-22, TLC's primary focus will be on non-instructional sites, TDSB's capital priority replacement school sites and projects that involve collaborative partnerships. Overall, our work in these areas combined with future business planning, will position the TDSB as a progressive leader in the strategic use of its public property portfolio, producing opportunities to address student success and accommodation priorities, while reinvesting in new schools that deliver a strong, fiscally sustainable, world class education.



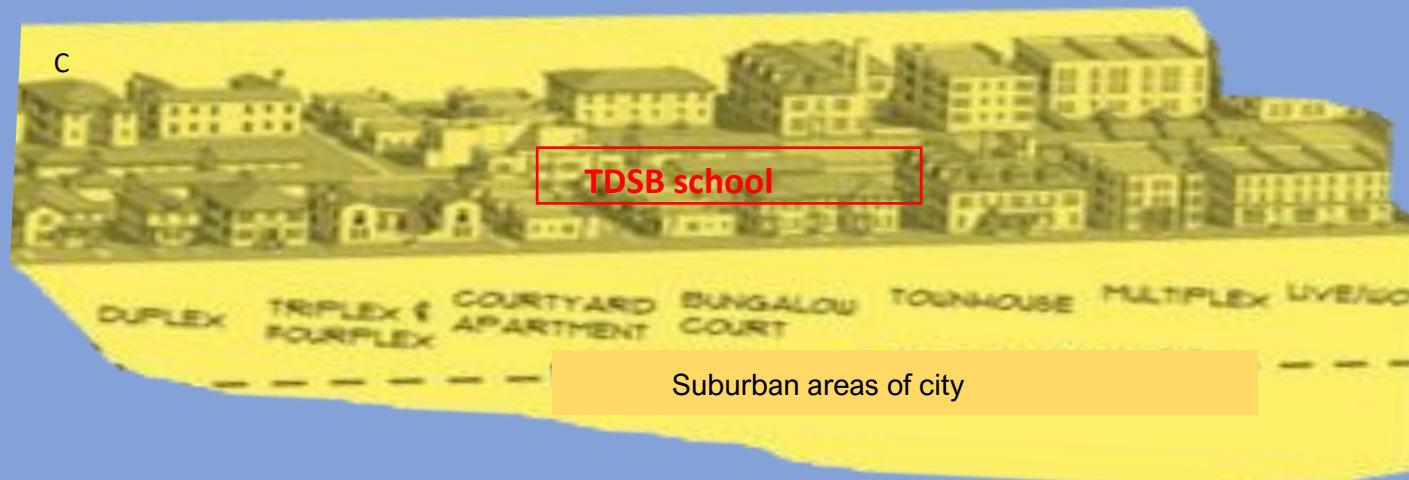
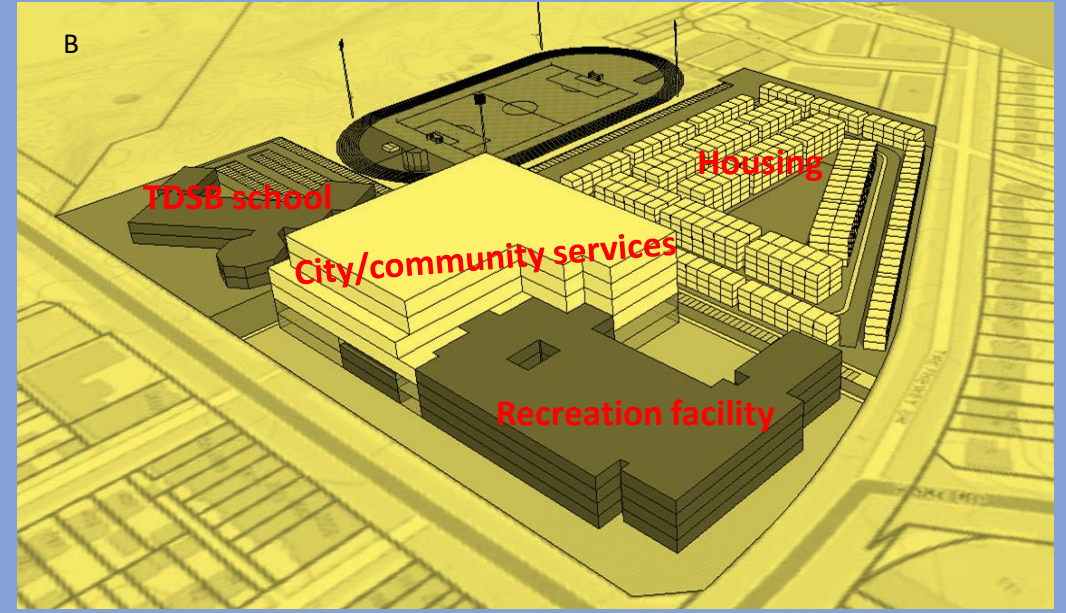
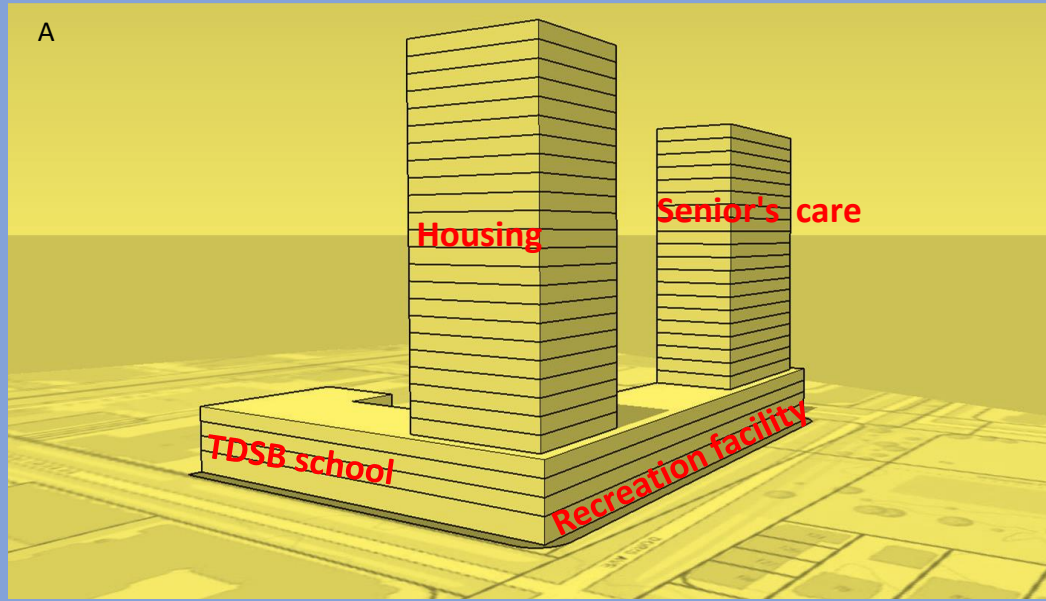
As an example, an aging and under-utilized non-instructional site could be reimagined and redeveloped with municipal and/or provincial partners to contain community services, affordable housing, senior's care, a public library and still include a modern and exceptional learning space.

A redeveloped school site doesn't just have to be a school, it can be an integrated space, or a complete community. By collaborating with public and community partners, we maximize public assets and destinations that serve students as well as the broader public. This is the value of modern thinking.



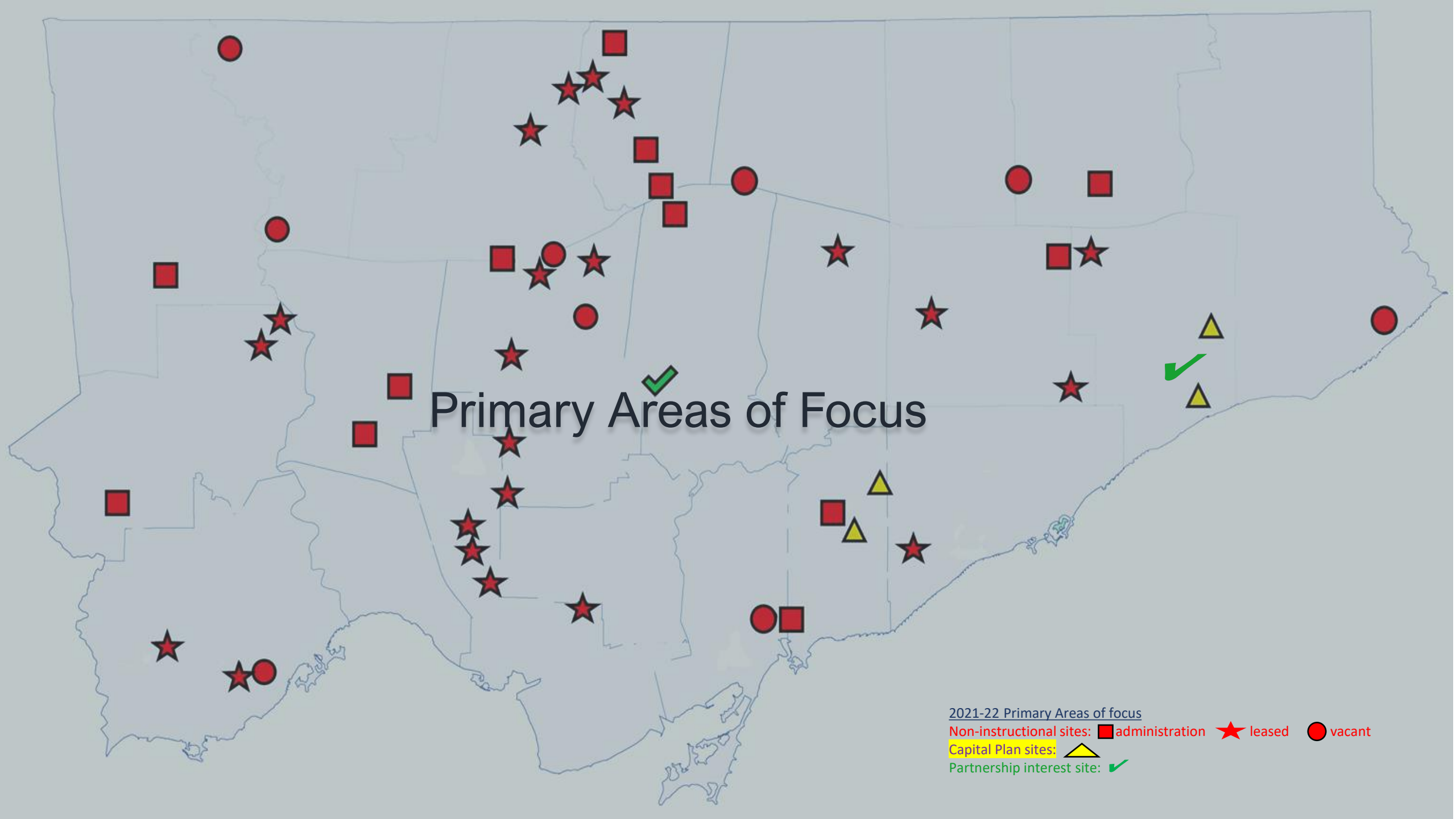
Site Modelling Concepts Examples:

- A) Schools in the podium of high-density mixed-use developments on a 2- 4 acre site.
- B) Schools anchoring a planned partnership redevelopment as part of 6-12 acre site.
- C) School sites in suburban neighborhoods surrounded by increased density developments such as low-rise buildings, multiplexes, townhouses and duplexes.



Primary Areas of Focus

2021-22 Primary Areas of focus
Non-instructional sites: ■ administration ★ leased ● vacant
Capital Plan sites: ▲
Partnership interest site: ✓



Strategic Goal 1

Transform Student Learning Environments through the Modernization of Facilities

Primary Areas of focus

Non-Instructional Sites

- Leased Sites
- Administration
- Vacant Land Holdings
- Bill 30 site (former West Park HS site)

TDSB – Capital Priorities Replacement Schools

- Poplar Road
- Regent Heights
- St Margaret's
- Secord PS

Partnership Planning Projects

- R H Borden exchange for new school in Don Mills
- North Prep/Memorial Park
- CreateTO-TLC Partnerships

STRATEGY:



Evaluate leased and vacant sites through the application of a land use planning and real estate rubric



Bring closure to a tri-party agreement on the disposition of West Park H/S Bill 30 transfer site



Undertake land use planning and real estate reviews coordinated with professional services to determine estimated land values for all 13 TDSB Administrative sites.



Evaluate redevelopment potential on replacement schools identified within TDSB's 2021-2022 Capital priorities



Actively pursue and secure City partnership opportunities and agreements

COMMITMENTS



- Priority rank leased sites based on rubric outcomes
- Select sites and evaluate against Long Term Pupil Accommodation Strategy



- Seek to secure agreements between TCDSB, TDSB and Choice REIT for the sale and redevelopment of TDSB's lands at Bloor Dundas



- Alignment with TDSB's direction to review all Administrative sites
- Undertake highest and best use analysis and identify administrative sites constraints



- Undertake Planning studies and evaluate redevelopment opportunities to build priority replacement schools



- Negotiate terms and conditions to advance North Prep and RH Borden projects
- Pursue other City and TLC's interests to coordinate use of public lands

OUTCOME MEASURES



- Target \$150 M in real estate opportunity for TDSB consideration



- Sale of site based on unencumbered application of highest and best use or no deal thus continue with status quo under existing Bill 30 agreement



- Provide TDSB's administrative working group with professional estimate of value on each admin site



- Position TDSB to seek Ministry approval to replace capital priority schools without additional Ministry funding



- Agreements to secure \$20M for City project at North Prep and a new \$20M School to proceed in Don Mills
- Reports for Board consideration

Strategic Goal 2:
Create a Culture of
Partnership &
Collaboration with Key
Stakeholder Groups

Primary Areas of Focus

Internal Stakeholders

- TLC
- TDSB

External Stakeholders

- Network of cross-disciplinary real estate and land use experts
- Provincial & municipal government
- Public and private industry organizations
- Local Communities and groups

STRATEGY

- ▶ **Promote awareness & broaden the reach and understanding of TLC**

COMMITMENTS

1. Open and transparent collaboration between TLC and TDSB
2. Participate in Long-term Pupil Accommodation Strategy and Secondary Review Trustee Meetings
3. Lead community meetings on TLC's modernization strategy
4. Develop web and social media content.
5. Conduct educational sessions, produce educational videos on TLC subjects and topics for TDSB Trustees and staff and contribute content to the Trustees' Weekly
6. Regular contact with industry media
7. Proactively seek engagement opportunities with industry and municipal think-tanks, working groups and panel discussions
8. Maintain relationships with post-secondary institutions to attract talent

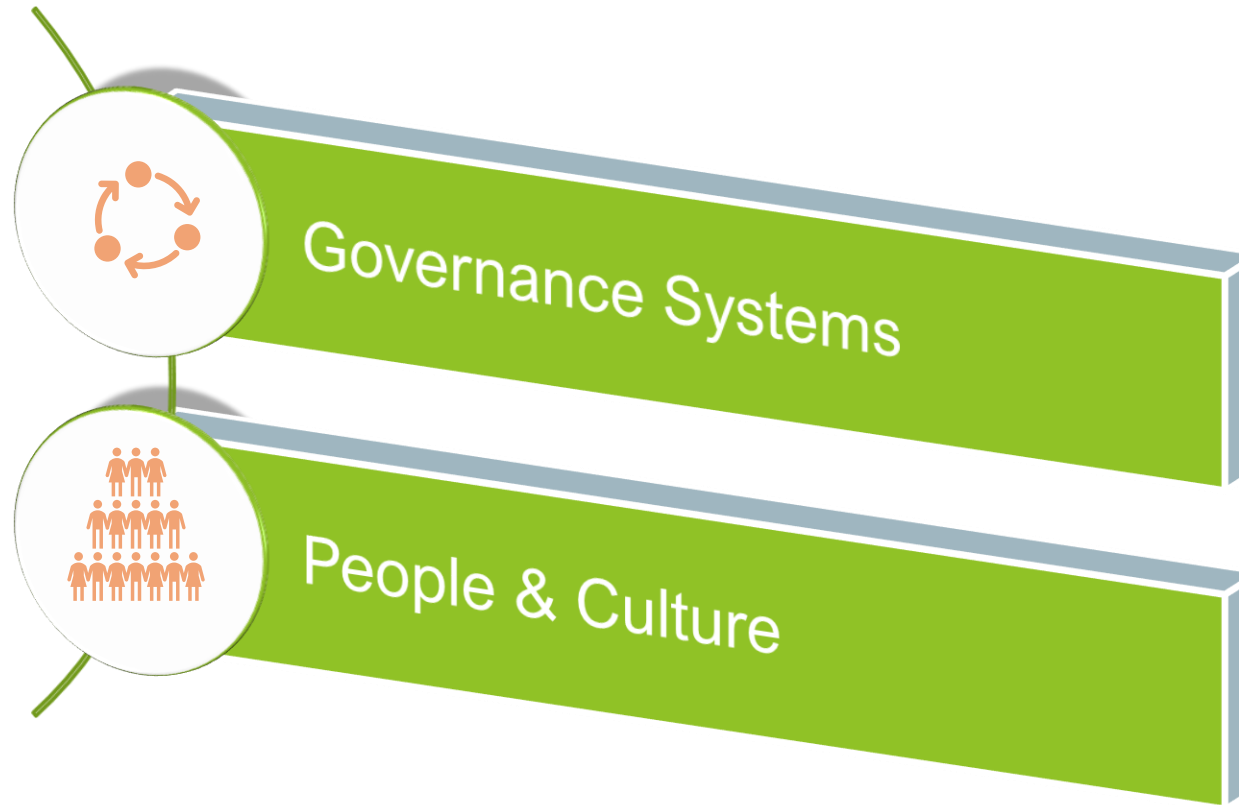
OUTCOME MEASURES

1. Quarterly meeting with TLC and TDSB Board Chairs, CEO monthly meetings with Director of Education and CEO bi-weekly sessions with TDSB Associate Director.
2. Increased Trustee understanding of real estate & land use planning issues & opportunities.
3. 4 public awareness consultation meetings.
4. Increase views on the TLC website, followings on across social media platforms and newsletter.
5. Quarterly information session with TDSB staff and Trustee & increased video content.
6. 6 articles published in industry publications
7. 10 public engagement opportunities
8. Employ 4 co-op students or new grads related to TLC industry.

Strategic Goal 3

To be a highly functioning organization successfully aligning TLC's & TDSB's Missions and the Shareholder's Direction

Areas of Focus



STRATEGY

► Strengthen the people, processes and systems of the TLC, guided by good governance practices and an understanding of priorities and cross-functional collaboration.

COMMITMENTS



Undertake 6 enterprise initiatives to allow for flexibility in TLC's systems and structures to improve alignment with portfolio expectations.



Recruit, Develop and Retain Talent through:

- i. The enhancement of TLC's social media presence highlighting Employee Value Proposition (EVP).
- ii. Conduct a Leadership Effectiveness Survey.
- iii. Develop a Leadership Development Program, offering employees continual learning.
- iv. Develop a performance management system.
- v. Conduct an employee engagement survey.
- vi. Develop succession plans for key roles.
- vii. Apply to become an Employer of Choice.

OUTCOME MEASURES



- 1. Board approved revised Shareholder's Direction;
- 2. Finalized and implemented Service Level Agreement.
- 3. New financial reporting statements, analysis and controls reflective of broadened mandate.
- 4. Implemented Enterprise Risk Management Framework.
- 5. Board approved transparent, evidence based policies and processes.
- 6. Acquisition of technological/software platforms to support business requirements.



- i. Website views along with more candidate applying to talent community.
- ii. % Overall leadership effectiveness engagement.
- iii. Identify opportunities and implement development plan to close any gaps to have people managers lead effectively.
- iv. Achievement of individual staff goals and in alignment with corporate goals and objectives.
- v. % overall employee engagement
- vi. Strengthened business continuity, mitigating corporate performance risk.

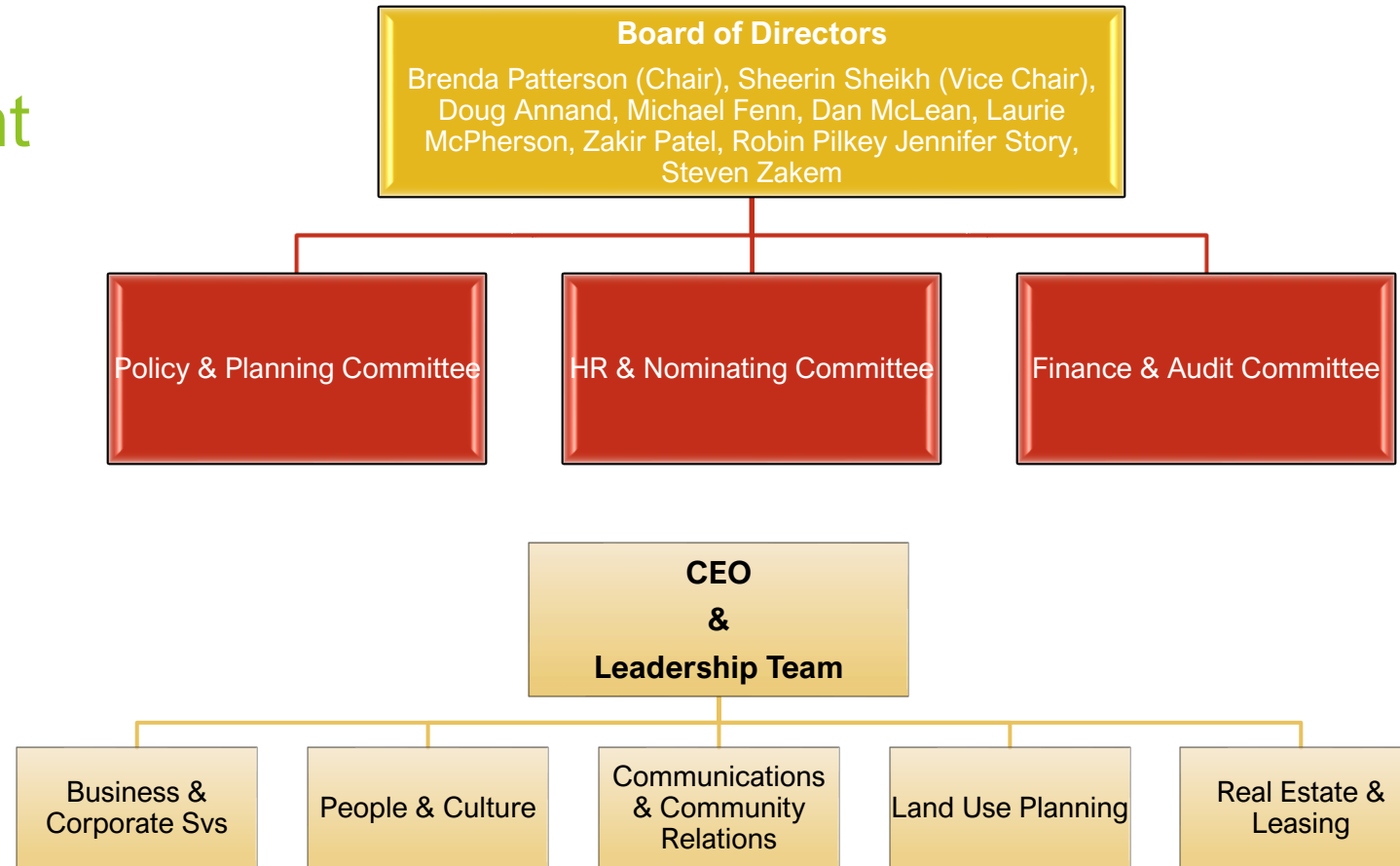
Corporate Governance

TLC was registered as a subsidiary corporation of TDSB in 2008 and today is governed by an independent 10 - member Board of Directors, consisting of 6 Citizens and 4 appointed Trustees. The Board applies a high standard of corporate governance to ensure accountability and operational efficiency. TLC is accountable to the TDSB through a Shareholder's Direction and is guided by the Education Act and other provincial legislation and regulations.

Organizationally, the CEO is accountable to the TLC Board which in turns has a Board-to-Board relationship with TDSB, as the sole shareholder. Functional roles and responsibilities are further clarified and delineated between the Shareholder and its subsidiary through an in-progress Service Level Agreement.

The TLC has been streamlining how it works to align with the strategic goals it is aiming to achieve. This has resulted in many changes to the organization and will continue throughout 2021-22. At the board level, this has included a hyper-focus on the governance model to ensure the appropriate oversight structures are in place. At an operational level, TLC has realigned its business functions, elevated the role of corporate strategy, and continues to focus on supporting organizational flexibility and agility to achieve our goals.

Board & Management Structure



As of June 30, 2021, after seven years of dedicated service to the TLC Board, Citizen Directors Steven Zakem, Managing Partner with Aird & Berlis LLP and Michael Fenn, Senior Advisor at Strategy Corp and a devoted long standing public servant will be concluding their terms with TLC.

Steven and Michael have provided inspired and exceptional direction in their governance roles and have proven to be champions of innovative public education at TDSB. It is expected upcoming vacancies will be filled in September 2021.

Budget

As all levels of government struggle from the pandemic's mounting financial burden, TLC's modernization strategy will deliver new approaches that provide TDSB with opportunity to fund its capital program without additional financial demands on the Province.

This year's Annual Plan will also advance partnerships that enable building community destinations, support TDSB's Administrative working group and foster staff growth within an exceptional working environment. As a result, the 2021-2022 budget has been developed to support:



Land use planning and real-estate analysis that will result in opportunities to modernize schools, improve classroom environments and reduce deferred maintenance



Providing an assessment of value of TDSB's Administrative sites



Seeking Provincial, City and other public and private partners to integrate services on school board lands that maximizes the value of public assets



Connecting and building community and partner relationships



Strengthening TLC systems, structures and people & culture

	Revenues	Expenditures	
TLC 2021-22 Budget			
Non-Operating School Facilities:			
Lease Revenue and Recoveries	\$6,308,154	\$1,913,678	
Deferred Capital Improvement Revenue	(\$1,000,000)		
Provision for Rental Arrears		\$5,000	
Net Non-Operating Sites Revenue/Expense	\$5,361,154	\$1,918,678	
Add Operating School's - Revenue/Expense	\$15,906,082	\$21,196,965	
Total Non-Operating and Operating Schools	\$21,267,237	\$23,115,643	
TDSB Chargeback of Administrative Expenses		\$305,000	
TLC Administrative Expenses		\$5,250,023	
Total TLC 2020-2021 Operations		\$28,670,666	

Revenues	Approved 2020-21 Budget		2021-22 Budget	
	Revenues	Expenditures	Revenues	Expenditures
Non-Operating School Facilities				
Lease Revenue and Recoveries	\$ 5,536,000	\$ 2,600,000	\$ 6,308,154	\$ 1,913,678
Other Revenue - Land Use Planning/705 Progress (Consolidated into Ln1 2021-22)	\$ 150,000		\$ -	\$ -
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	\$ 4,739,000	\$ 2,605,000	\$ 5,361,154	\$ 1,918,678
Operating School Facilities				
City of Toronto Childcare Umbrella Lease Agreements	\$ 4,500,000	\$ 9,200,000	\$ 4,476,674	\$ 10,017,556
City of Toronto Pools Agreements	\$ 5,629,413	\$ 5,629,413	\$ 5,798,295	\$ 5,798,295
City of Toronto Stage 1 Revenues	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000
City of Toronto Exclusive Use Agreements	\$ 970,632	\$ 970,632	\$ 970,632	\$ 970,632
Contract Services and Partnership Development (CSPD) and LINC Lease Administration	\$ 240,482	\$ 240,482	\$ 240,482	\$ 240,482
Air Conditioning Surcharge	\$ 28,100	\$ 28,100	\$ 20,000	\$ 20,000
Child Care and Other Agreements	\$ 3,105,592	\$ 3,105,592	\$ 3,050,000	\$ 3,050,000
Temporary Property Interests with Third Parties	\$ 250,000	\$ -	\$ 250,000	\$ -
Total Real Estate Revenue/Expense- Operating Sites	\$ 15,824,218	\$ 20,274,218	\$ 15,906,082	\$ 21,196,965
Total Non-Operating and Operating	\$ 20,563,218	\$ 22,879,218	\$ 21,267,237	\$ 23,115,643
TDSB Chargeback of Administrative Expenses				
Facility Services		\$ 140,000		\$ 145,000
Business Services		\$ 100,000		\$ 100,000
Administrative Support Allocation		\$ 60,000		\$ 60,000
Total TDSB Chargeback		\$ 300,000		\$ 305,000
TLC Administrative Expenses				
Board Remuneration		\$ 70,000		\$ 60,000
Management Salaries		\$ 2,958,763		\$ 3,056,736
Professional Development		\$ 3,500		\$ 16,733
Supply and Services		\$ 51,000		\$ 85,604
Rental expenses: TLC office		\$ 118,621		\$ 130,000
Legal Fees		\$ 800,000		\$ 625,000
Fees and Contractual Services		\$ 1,335,000		\$ 1,215,950
Casual Help		\$ 10,000		\$ 48,000
Furniture and Equipment		\$ 5,000		\$ 7,000
Other expenditures		\$ 5,000		\$ 5,000
Total TLC Administration Expenses		\$ 5,356,884		\$ 5,250,023
Total TLC 2020-2021 Operations	\$ 20,563,218	\$ 28,536,102		\$ 28,670,666
Property Sales	\$ 27,000,000		\$ -	