

TLC ANNUAL PLAN 2022-23



Exceptional Schools Serving Vibrant Communities



Mission

To unlock the potential of TDSB properties for the benefit of students, staff and communities



Vision

Exceptional learning spaces serving vibrant communities



Core Principles

1. TDSB lands will be preserved as public assets to the greatest extent possible	2. Maximizing TDSB land value extends beyond the financial and is to include community and social value
3. Continuous modernization of TDSB schools strengthens the public education system	4. TDSB will be kept financially whole in the development of public service initiatives



Table of Contents

04

Introduction

- Message from the CEO
- Business Overview
- Authority & Relationship to TDSB

06

TLC Strategic Direction

- Our Approach
- Our Progress
- Trends in the Industry

10

2022 -23 Annual Plan Priorities

- Modernizing Facilities
- Partnership & Collaboration
- Organizational Excellence

14

2022-23 Financial Plan

- Our Financial Approach
- Operations Budget
- Capital Budget

Introduction

Message from the CEO

As we embark on year three of our modernization strategy, TLC is pleased to introduce its 2022-23 Annual Business Plan. We have an exciting year ahead and are anxious to support the re-emergence of our schools and communities after over two years of pandemic uncertainty.

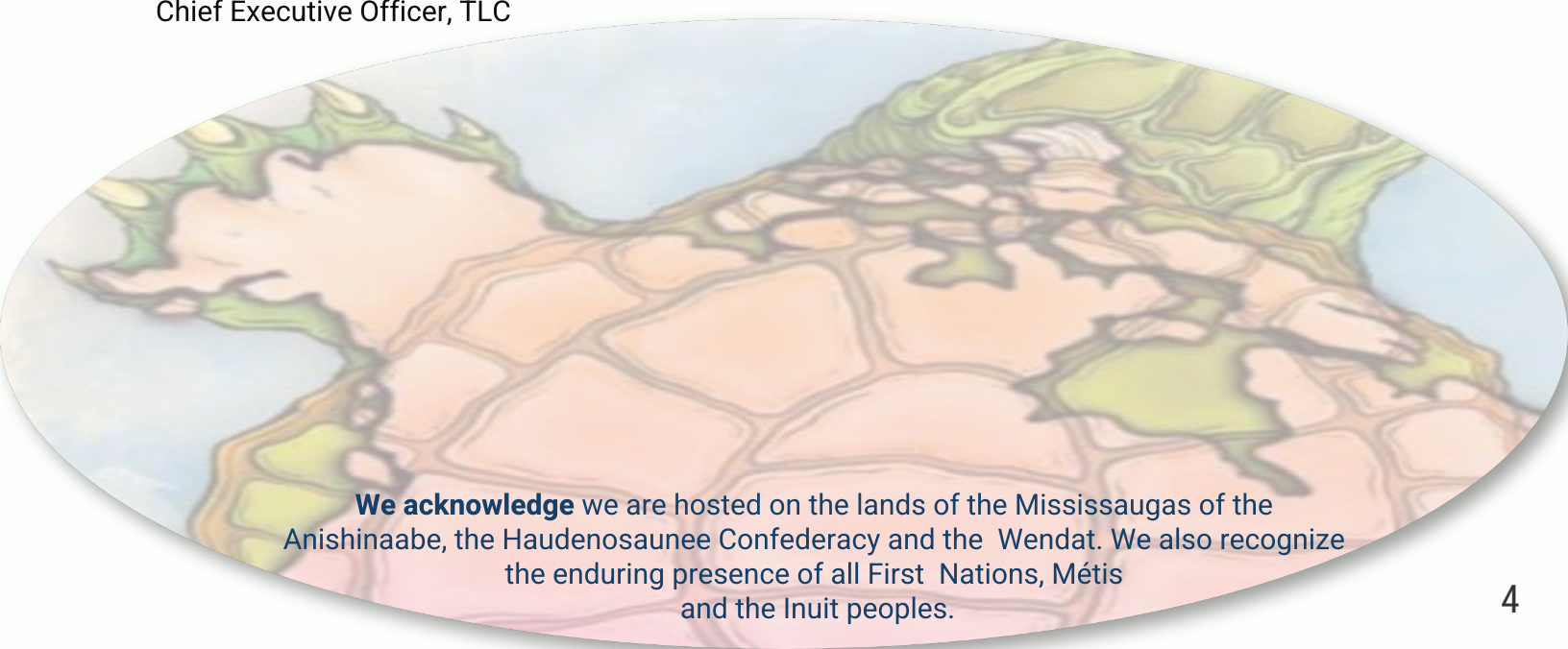
The work we have completed as committed to in last year's Annual Plan, including: the priority ranking of non-instructional sites, the successful disposition of a severed portion of the Bloor/Dufferin property for \$151.5M, securing 10 future school spaces in redevelopment projects, and engaging in numerous strategy sessions and workshops with industry and government experts on policy matters, is paving the way to providing TDSB with progressive, long-term, sustainable solutions to support their student accommodation and deferred maintenance challenges.

From an operational perspective, the TLC team continues to maximize staff expertise. The volume of work and engagement that is successfully completed remains a testament to our vision of exceptional schools serving vibrant communities. Across the organization, the team continues to greatly contribute to the fabric and strength of our strategy and operations, as demonstrated by the new school projects at Davisville and Lawrence/Midland. The contributions of these diverse, uniquely skilled and professional staff often go unrecognized, but together, Real Estate & Leasing, Land Use Planning and Corporates Services are imperative to the continued success of TLC and are the backbone of our business strategy, organizational culture and engagement programs both internally and externally.

Ultimately it is the confidence placed in our strategic direction by the TLC Board of Directors and our Shareholder, the TDSB, along with their school and community insight, that is most valued. Understanding the gravity of what TDSB faces as the largest school board in the country, TLC is grounded in ensuring the best interest of students and their families as we envision what modern, fully accessible and integrated schools will do for all TDSB communities.

TLC looks forward to working closely with our colleagues at TDSB in the coming year to support their Long-Term Pupil Accommodation Strategy, Capital Plan and the creation of exceptional learning spaces across the City.

Daryl Sage
Chief Executive Officer, TLC



We acknowledge we are hosted on the lands of the Mississaugas of the Anishinaabe, the Haudenosaunee Confederacy and the Wendat. We also recognize the enduring presence of all First Nations, Métis and the Inuit peoples.



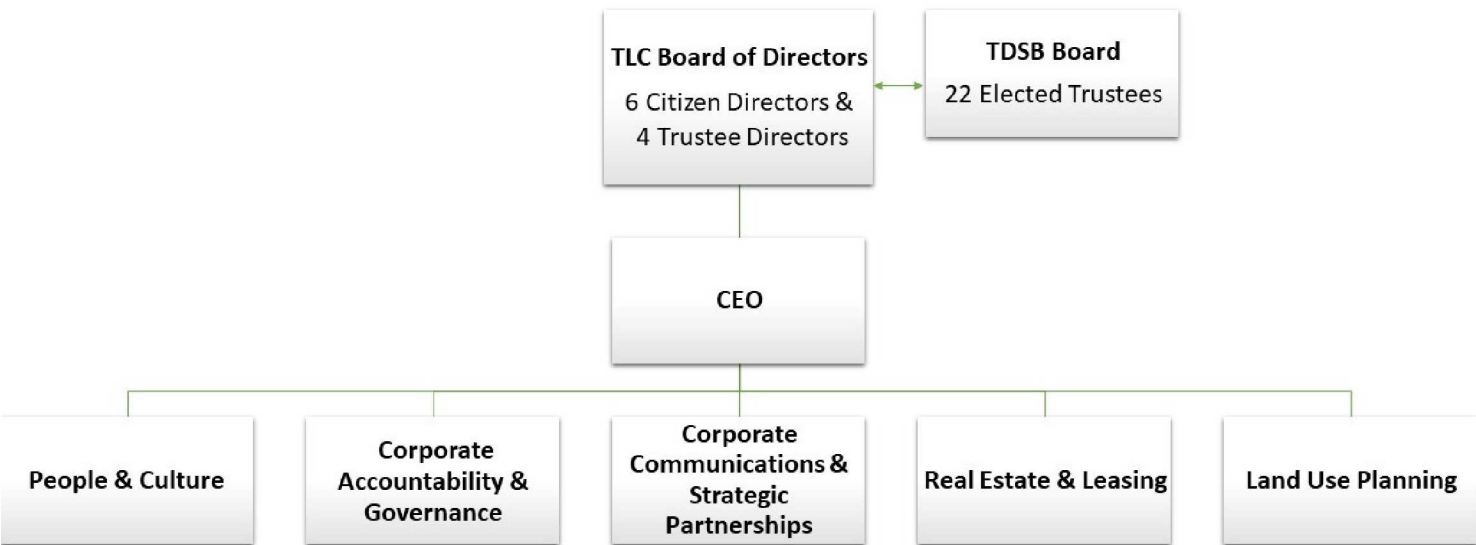
Business Overview

The Toronto Lands Corporation is the wholly owned subsidiary corporation of the Toronto District School Board (TDSB), incorporated under the Business Corporations Act (Ontario) in 2008. TLC is mandated by the TDSB to be the exclusive real estate, leasing and land use planning agent and advisor for all properties in the TDSB portfolio. Leasing to third parties in non-instructional sites and leases in operating schools along with others agreements accounts for \$21M of operating revenues, while TLC Proceeds of Disposition (POD's) are set annually. After expenses, TLC returns 96.5% of revenue generated to TDSB for reinvestment back into its facilities.

Authority & Relationship to TDSB

The duties and responsibilities of TLC are derived from a Shareholder's Direction, which sets out TLC's authority to act as agent and advisor to TDSB in respect of TDSB's real estate, property and land use planning interests. As a wholly owned subsidiary, TLC is governed by an independent 10 - member Board of Directors, consisting of 6 Citizens and 4 appointed Trustees. While TDSB retains ownerships of its real estate assets, TLC as agent and advisor has a Board-to-Board relationship with TDSB to guide decision making.

At a management level, the CEO is accountable to the TLC Board with operational units in the areas of Real Estate & Leasing, Land Use Planning, People and Culture, Corporate and Communications.



TLC's Strategic Direction

Our Approach

In 2019, the TLC board approved a set of **strategic goals** for the organization and introduced a strategy for modernizing TDSB facilities, which includes a self-financing, data informed plan to extract the considerable economic and social value inherent in TDSB's dynamic portfolio, while retaining public ownership of the land to the greatest extent possible. The strategic goals and direction was intended to span 3-5 years and align with (1) TLC's expanded mandate as approved by the TDSB Board in March 2018 and (2) with the updated Shareholder's Direction as approved by the TDSB Board in November 2018.

After three years of operating under the current strategic direction and consistent with good governance practices, TLC in 2022-23 will begin planning for the renewal of its strategic plan and align it with: (1) TDSB's review of their Multi Year Strategic Plan and (2) the new realities of the real estate landscape within the public education system in Ontario.

This timing would also involve a newly elected TDSB Board of Trustees as they begin their term in November 2022.

Our Progress

As agent and advisor in the stewardship of TDSB's property assets, real estate and land use planning interests, a summary of some of the progress made is noteworthy as TLC nears the end of its third year operating under the current strategic direction.

The **Real Estate & Leasing Team** are relied upon to: (1) maximize monetary and social value to TDSB through strategic management and facilitating optimal use of TDSB's real estate portfolio (2) provide opportunities and solutions and (3) manage TDSB non-operating school sites and all operating school leases. Highlights include:

- Finalize agreement for the disposition of West Park Secondary School, (1515 Bloor St.)
- Partnering and negotiating on a mid town infrastructure project and a Scarborough land exchange initiative with the City of Toronto.
- Managing approximately 700 leases for tenants in operating and non-operating schools, including child care that provide service to over 23,000 children
- Continued exploration of site redevelopment at Eglinton Jr. PS (223 Eglinton Ave E) to include a new 120,000 square ft school.
- Partnership with the Toronto Catholic DSB for the expansion and redevelopment of lands at 255 Royal York Road (Mimico Adult Learning Centre) and 271 Royal York Road (St. Leo Catholic School).
- Secured \$100,000 contribution to TDSB for the potential future use of surface and subsurface rights below Ryerson Community School for servicing a wastewater energy transfer system at Toronto Western Hospital.

TLC's Strategic Direction

Our Progress Continued

The **Land Use Planning Team** is relied upon to represent TDSB's interest in a proactive, strategic manner, responding to development applications, municipal and provincial initiatives, land use policies and legislation, market trends and other matters that impacts TDSB's real estate portfolio.

The team's experience and knowledge assists TLC in its commitment to ensuring schools are a component of complete communities in the City of Toronto, and protects TDSB's assets through the planning process. Highlights include:

- Review and provide comments on approximately 400 City of Toronto development applications impacting TDSB sites to protect the interests of TDSB schools (health and safety, and accommodation) and communities.
- Ongoing participation in the City's development of municipal policy documents.
- Identified and/or secured opportunities in City planning policies/by-laws for potential new schools throughout the city (Midtown, Golden Mile, Central Waterfront, Downsview, Scarborough Centre, and Etobicoke Centre).
- Participate in Ontario Land Tribunal (OLT) and Planning hearings.
- Support and assist TDSB on development approval process for all new schools, major/minor additions and renovations.
- Continue to achieve significant increase in TDSB land value as a result of TLC appeals made on the Harmonized Zoning By-law.

The **Corporate & Business Services Team** manages TLC's corporate and financial planning and tracking. It is also responsible for leading the Board governance process to ensure corporate and organizational accountability to the TLC and TDSB Board in the delivery of TLC's mandate. Highlights include:

- The development and implementation of a number of board level policies and organizational procedures to enhance and optimize organizational efficiency.
- Developing Key Performance Indicators (KPIs) to measure TLC's performance and mitigate risks to TDSB in connection with the delivery of its services.
- Develop an approach to reviewing TLC-TDSB governance relationship in conjunction with requirements under the TLC's Shareholder's Direction.

TLC's Strategic Direction



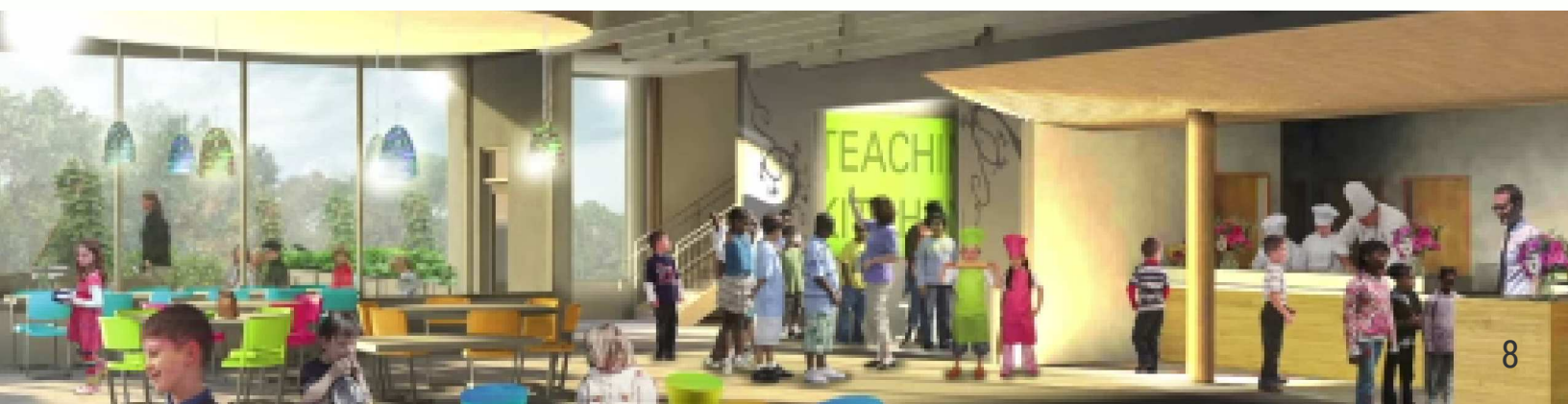
Our Progress Continued

The **People & Culture Team** is responsible for attracting, retaining, developing, and supporting the growth of TLC employees. Highlights include:

- Implemented systems to automate hiring and onboarding, enable feedback and effectiveness and created a new employee intranet site providing a centralized place for employee information.
- Developed a performance evaluation system that aligns organizational strategic goals with team and individual goals, drives performance, behaviours, results and employee growth.
- Selected as a **Best Place to Work** by Canadian Reporter for 2021-22.
- Provided leadership team with multiple learning opportunities to grow their knowledge and skills.
- Developed the framework for TLC's approach to a flexible work and return to the office.

The **Communications & Partnership Team** is responsible for developing and executing communications strategies and tactics that support and promote the business priorities of TLC. Highlights include:

- Produced a series of information videos explaining TLC's Real Estate, Leasing, Land Use Planning and modernization priorities.
- Hosted with the City of Toronto a public information session on major infrastructure project at Memorial Park.
- TLC's modernization strategy for TDSB schools has been featured in six local media stories
- Launched a new TLC website and stakeholder newsletter to better facilitate the delivery of, and access to TLC information and achievements.
- Collectively TLC staff participated in, attended, presented at or responded to, over 400 community, municipal or industry meetings and media/public inquiries.
- Enhanced the TLC brand with new visuals, graphics and messaging to assist in the consistent delivery of the TLC's mission and vision.



TLC's Strategic Direction



Trends In The Industry

There is growing international recognition of Education for Sustainable Development (ESD) and "making cities and human settlements inclusive, safe, resilient and sustainable" as an integral element of quality education and a key enabler for sustainable development. The United Nations Department of Economic Development and Social Affairs defines education for sustainable development as "meeting the needs of the present generation without compromising the ability of future generations to meet their own needs."

What does this mean for TLC as the steward of TDSB's lands?

TDSB is the largest school board in Canada and one of the largest in North America, yet compared to schools outside the City of Toronto, in other densely populated urban centres, TDSB schools are significantly older and in need of repair, with a substantial capital repair backlog approaching \$4B. As TDSB's real estate and land use planning agent and advisor, TLC over the last four years has been bringing a variety of opportunities and strategies to TDSB to modernize its network of schools in a progressive and sustainable manner. The appetite for these strategies is becoming more prevalent across all levels of government. Globally, the world's population continues to migrate to cities that offer mass transit, culture, health care, good jobs and good public education. Nationally, rising interest rates, inflation, fuel prices, coupled with overall risk and hurdles instilled by lenders has demanded a greater need for affordable housing - municipally there is a huge need and opportunity to develop complete communities.

TLC continues to research and study industry trends from across all jurisdictions incorporating these trends and research into its planning and strategies including:

- Collaboration with municipalities.
- Bringing sustainable solutions to improving, redeveloping or replacing educational facilities to create a community destination within walking distance.
- Partnering with different sectors to add social value as well as to add an inclusive and equitable lens to redeveloped school properties.
- Promoting sustainable land-use planning and management.
- Advancing the integrated provision of green initiatives and community benefits in schools.
- Creating industry standards that include an educational presence in developments across the City of Toronto.
- Securing school space in the podiums of new condominium developments in areas of high urban intensification.

2022-23 Annual Plan Priorities

Strategic Goal 1:	Transform Student Learning Environment through the Modernization of Facilities
Non-Instructional Sites	Strategy: <ul style="list-style-type: none"> • Dispose of sites declared surplus for by TDSB in accordance with ON. Reg. 444/98 • Determine capital investment requirements by facility to achieve the Facility Condition Index (FCI) rating of 51% • Re-prioritize portfolio ranking by low, medium and long term risk.
TDSB's Capital Plan	Strategy: <ul style="list-style-type: none"> • Create a system wide real-estate portfolio of sites for rubric assessment • Develop real estate options to generate additional capital and operational revenue • Provide and demonstrate value added advice and options
Strategic Partnerships	Strategy: <ul style="list-style-type: none"> • Develop an MOU with CreateTO to establish a joint public asset disposition framework • Pursue a provincial partnership to advance the concept of education-oriented community development • Work with the Province and TDSB to develop new capital funding policies • Establish with City of Toronto Planning a joint approach to public land redevelopment and community benefit • Create a TDSB facility design and student accommodation profile as a standard application of space requirements for schools within a tower

Commitments

Non-Instructional Sites

1. Generate \$100M from TDSB's surplus declarations of surplus sites identified within TDSB's LTPAS.
2. Complete external consultant's review using Facility Condition (FCI) approach on leased non-instructional sites
3. Develop strategies and recommendations to address deteriorating non-instructional leased sites
4. Re-evaluate non-Instructional sites based on rubric application

TDSB's Capital Plan

1. Provide a real-estate rubric evaluation of selected for the generation of \$150M in POD's per year with identified sites placed in the Long Term Pupil Accommodation Strategy (LTPAS)
2. Research other public entities for sources of added revenue
3. Identify sites that provided opportunity for value uplift
4. Assess operating school sites for added revenue generation
5. Present a business case on asset bundling using TDSB sites identified as capital priorities.
6. Carry forward \$400M in real estate transactions from current year on the following projects:
 - Bloor Dundas
 - New Eglinton Jr. Public School
 - Memorial Park
 - New School in Development at Lower Yonge
 - RH Borden/770 Don Mills Land Exchange



Strategic Partnerships

- 11

2022-23 Priorities

Strategic Goal 2:	Create a Culture of Partnership & Collaboration with Key Stakeholder Groups
TDSB	Strategy: <ul style="list-style-type: none"> • Orient new TDSB Board and executive staff around TLC's strategy and direction
External Stakeholders	Strategy: <ul style="list-style-type: none"> • Continue to engage in outreach opportunities with educational institutions, local and industry media and professional organizations • Continue to partner with University of Toronto for the development of TLC's financial modelling

Commitments

TDSB

1. Ongoing Education and information sharing with Trustees and TDSB Executive Staff related to:
 - Planning Process
 - Leveraging TDSB assets
 - How TLC provides benefits to students and community
2. Participate and lead community meetings with local Trustees.
3. Regular Strategic planning sessions with TDSB to ensure alignment of TLC 's modernization strategy with the following TDSB Plans:
 - Long-Term Public Accommodation Strategy (LTPAS) and,
 - Multi-Year Strategic Plan.
4. Continue to provide TLC news content for the TDSB's Trustee Weekly.

External Stakeholders

1. Ongoing education and information sharing with community partners, professional organization, through workshops, round table discussion and working groups
2. Develop content for quarterly TLC newsletter
3. Ongoing content for social media platforms

2022-23 Priorities

Strategic Goal 3:	To be a highly functioning organization successfully aligning TLC's & TDSB Missions and the Shareholder's Direction
Governance	Strategy: <ul style="list-style-type: none"> Continue to work with the TLC Board and senior leadership to improve systems, processes and capabilities to enhance TLC's corporate governance structure, and organizational and operational efficiency in the delivery of services.
People & Culture	Strategy: <ul style="list-style-type: none"> Create the conditions for high-performing team and individuals to thrive, in support of our mission, employees, students and communities.

Commitments

Governance

1. Ongoing governance and structural reform to align with business priorities, implementing Board level policies and organizational procedures/protocol to enhance and optimize organizational excellence and service excellence to TDSB
2. Update and refresh TLC's strategic goals for the next 3-5 years
3. Recalibrate the organization's strategy for the next 3-5 years
4. Approval of key performance indicators (KPI), implementation and monitor through the balanced scorecard
5. Scope the needs for a records management system including cost timelines and resources required
6. Continue to leverage technology to reduce carbon footprint, including continuing to implement a paperless office

People & Culture

1. Attract Talent
 - Become certified through "Great Places to Work"
 - Develop and implement an employee referral program
2. Develop Talent
 - Continue to provide leadership & employee development to close any skills gaps to help employees reach their full potential and thrive in a post pandemic environment
3. Retain Talent
 - Conduct annual employee engagement survey to identify strengths, opportunities and action plans
 - Design and implement an employee reward and recognition program
 - Review Performance Evaluation Tool following its first year of use and make adjustments based on feedback
 - Update TLC "Employee Hub" platform to increase functionality and provide a better user experience
 - Create an Employee Handbook

2022-23 Operations Budget

	Revenues	Expenditures
Non-Operating School Facilities_		
Lease Revenue and Recoveries	\$ 5, 828, 721	\$ 2, 009, 692
TDSB Program and Administration	\$ 53, 000	
Deferred Capital Improvement Revenue	-\$ 1, 000, 000	
Provision for Rental Arrears		\$ 5, 000
Total Net Real Estate Revenue/Expense - Non-Operating Sites	\$ 4, 881, 721	\$ 2,014, 692
Operating School Facilities		
City of Toronto Childcare Umbrella Lease Agreements	\$ 4, 536, 466	\$ 10, 336, 442
City of Toronto Pools Agreements	\$ 5, 972, 244	\$ 5, 972, 244
City of Toronto Stage 1 Revenues	\$ 1, 100, 000	\$ 1, 100, 000
City of Toronto Exclusive Use Agreements	\$ 1, 000, 000	\$ 1, 000, 000
Contract Services and Partnership Development (CSPD) and LINC Lease Administration	\$ 240, 482	\$ 240, 482
Air Conditioning Surcharge	\$ 72, 600	\$ 72, 600
Child Care and Other Agreements	\$ 3, 343, 045	\$ 3, 343, 045
Temporary Property Interests with Third Parties	\$ 300, 000	
Total Real Estate Revenue/Expense-Operating Sites	\$ 16, 564, 836	\$ 22, 064, 812
Total Non-Operating and Operating	\$ 21, 446, 557	\$ 24, 079, 504
TDSB Chargeback of Administrative Expenses		
Facility Services		\$ 147, 142
Business Services		\$ 109, 322
Administrative Support Allocation		\$ 60, 000
Total TDSB Chargeback		\$ 316, 464
TLC Administrative Expenses		
Board Remuneration		\$ 60, 000
Management Salaries		\$ 1, 167, 518
Professional Development		\$ 18, 300
Supply and Services		\$ 96, 305
Rental expenses: TLC office		\$ 133, 000
Legal Fees		\$ 65, 000
Fees and Contractual Services		\$ 508, 100
Casual Help		\$ 24, 000
Furniture and Equipment		\$ 7, 000
Other expenditures		\$ 5,000
Administration Expenses		\$ 2, 084, 223
Total TLC Operations Rev/Expense	\$ 21, 446, 557	\$ 26, 480, 191

2022-23 Capital Budget

For 2022-23 and subsequent years, TLC's capital budget will be centered around our 10-year Proforma Statement, TDSB's Long Term Pupil Accommodation Strategy, generating revenues for TDSB capital needs and the modernization of TDSB schools in the creation of integrated and exceptional school communities.

	Revenues	Expenditures
Proceeds of Disposition (POD)		
5 - TDSB Sites	\$ 98, 500, 000	
Total Proceeds of Disposition	<u>\$ 98, 500, 000</u>	
TLC Expenses Related to Proceeds of Disposition		
Management Salaries		\$ 1, 875,1 83
Legal Fees		\$ 460, 000
Fees and Contractual Services		\$ 1, 078, 000
Total Expenses		\$ 3, 413, 183
Total Expenses Charged to POD		<u>\$ 3, 413, 183</u>
Net Contribution to TDSB		<u>\$ 95, 086, 817</u>